Kingsley

MiCA-ready Utility token paper

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The crypto-asset white paper complies with the Title II of MiCA and to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its implementation.

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c) The crypto asset may not be liquid;

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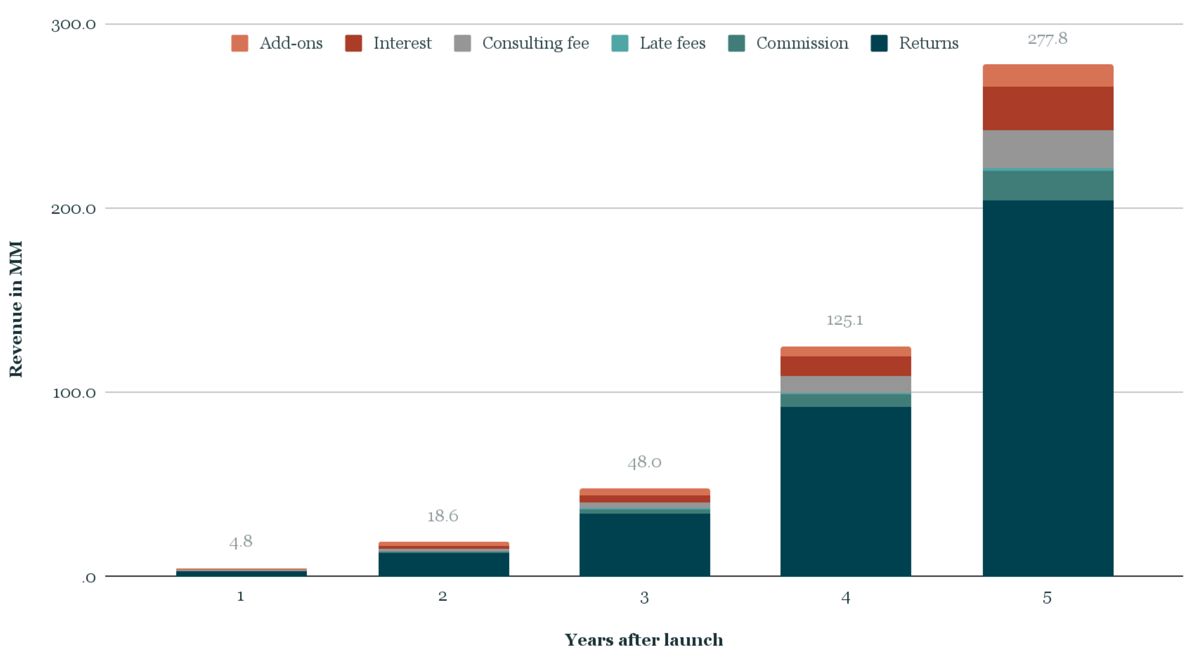
Executive summary

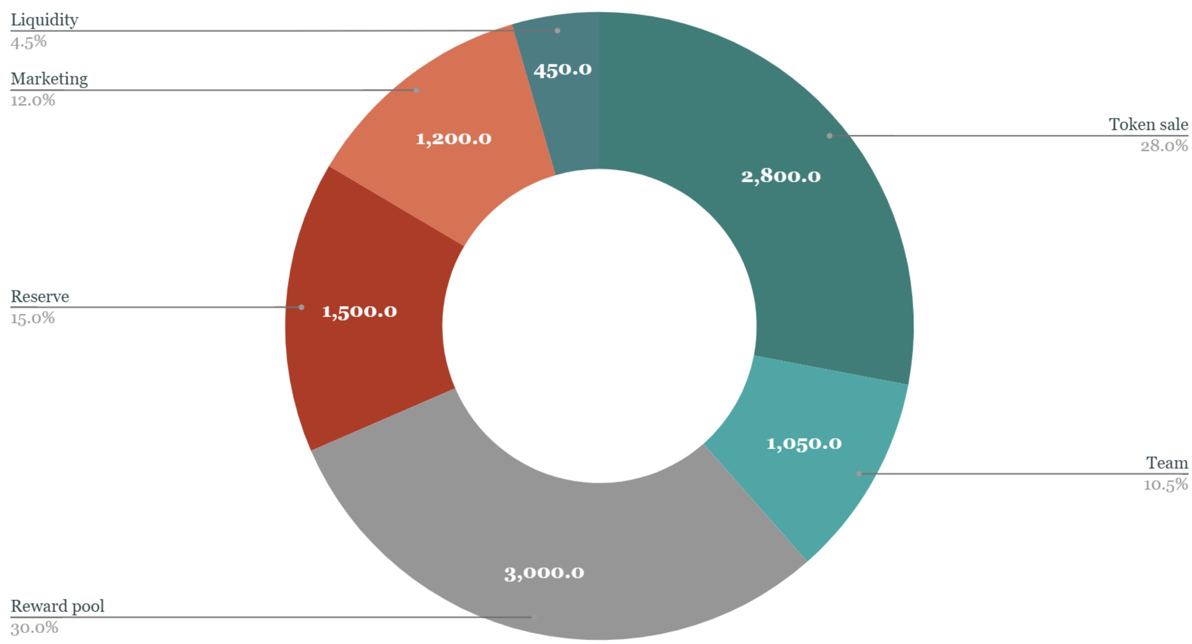
This Summary should be read as an introduction to the crypto-asset white paper.
The prospective holder should base any decision to purchase the crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone.
The offer to the public of the crypto-asset does not constitute an offer or solicitation to purchase financial instruments and that any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.
The crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council or any other offer document pursuant to Union or national law.

Market & company. Kingsley AG unites conventional investing, lending and business development with the blockchain technology to enhance transparency and remove wait times for approval and fund transfer. The private market, although hit by current conditions, boasts a size of 12.89 trillion globally, commercial lending totals 11.29 trillion and business development service have steadily grown to 12.36 BN USD. Kingsley expects to reach revenues of over 277 MM USD from all its products and services by the end of year 5 of its operations.

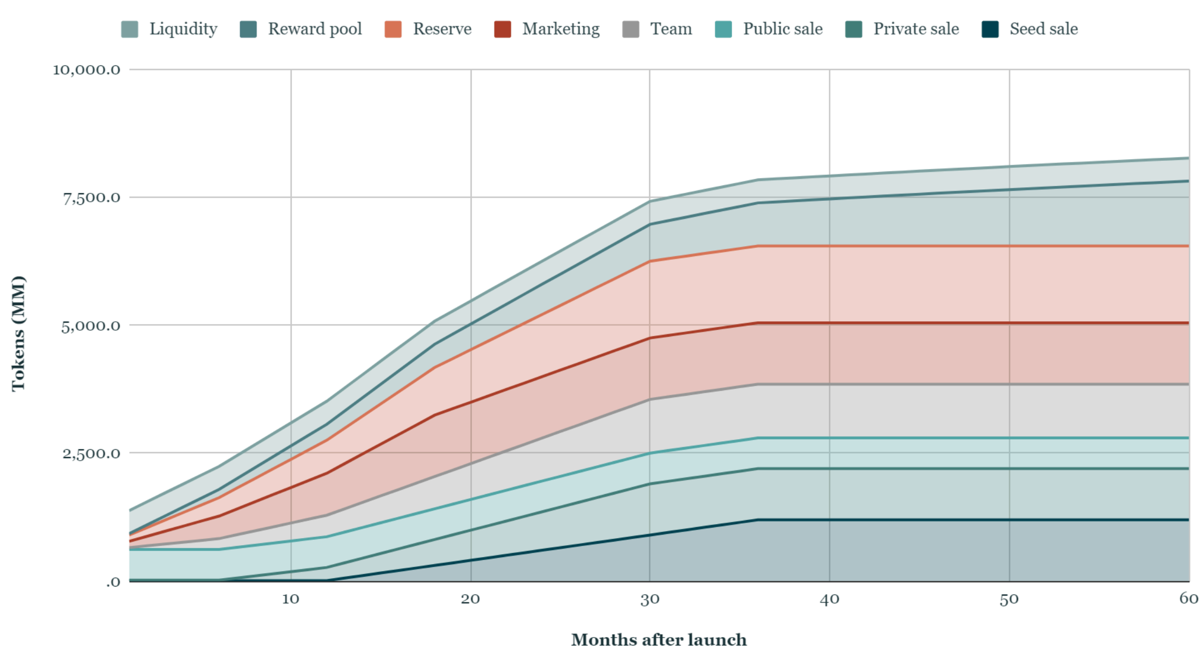


Projected structure of the company revenue

The KING token. The KING token offers many benefits to its customers, as it is tailored specifically to synergize with the company products. Using KING for fee settlement offers discounts on lending and commissions. Additionally, staking allows further discounts, special offers and gated access to users. The token is a fixed supply and a total of 10 BN will be minted at the token generation event.



Total tokens allocation.



Monthly token vesting schedule (detailed, non-aggregated)

Token sale. The KING token sale will be conducted in three stages primarily focusing on private investors. A total of 28% of all tokens or 2.8 BN KING will be sold as part of the fundraising efforts. Both the seed and private round will be completed via SAFT agreements, while the public offer will sell minted tokens directly to the public. Kinglsey is seeking a minimum of 5 MM USD in funding and will achieve a maximum of 10 MM USD if all rounds are fully subscribed.

Token sale setup					
Stage	Price (USD)	Tokens (MM)	Bonus	Raise (MM USD)	FDV (USD)
∟Seed sale	0.002	1200 MM	0.0%	2.4 MM	20 MM
∟Private sale	0.004	1000 MM	0.0%	4 MM	40 MM
∟Public sale	0.006	600 MM	0.0%	3.6 MM	60 MM
Totals		**2800 MM**		**10 MM**	

Core token value drivers. Apart from being used as a fee settlement token, KING is also in high demand by users who want to stake to unlock gated features and offers on the platform. Additionally, the dual buyback policy creates scarcity on the market and increases demand for KING. The first policy - buyback and replenishing the reward pool aims to increase the loyalty rewards given to active Kingsley subscribers. If the reward pool is sufficiently large, the funds will be used to buyback KING and a pair token and provide more liquidity to its main pools, thus facilitating stable trading of larger amounts.

Token incentives. We've already mentioned the platform offers discounts for both fee settlement with KING and staking. Additionally, Kingsley has a loyalty program benefiting its active investors, business development users, dashboard subscribers, stakers and liquidity providers. The loyalty points accrued via the program are converted to KING tokens distributed from a perpetual reward pool. The pool is virtually perpetual because it only distributes a fixed percentage of its remaining token quantity. Additionally, stakers and liquidity providers can elect to lock their tokens for a predetermined duration - similar to a term deposit, they cannot withdraw them before the end of the agreed period. In exchange, they receive significantly higher benefits.

Token Offeror Information

All information regarding the issuing entity, its legal form, management, corporate governance and all other required disclosures under Annex I of MiCA "DISCLOSURE ITEMS FOR THE CRYPTO-ASSET WHITE PAPER FOR A UTILITY TOKEN" Part A, are contained within the following sections.

Name	OKX Platform
Legal form	Stock Corporation (AG)
Registered address	79 Binder Platz, Oberösterreich, Mureck Austria 6800
Date of registration	06/06/2021
Identifier	27-2831616
Identifier of parent	15-2846516
Telephone	+359/88888888
Email:	contact@okx.io
Issuer business	Exchange, Token Launches, Retail Investment, Brokerage

Financial Condition

OKX Platform was established in mid-2021, which allows for representation of its financial condition over the span of two full years, instead of the required three years as per Annex I, Article 10.

Financial Condition 2022

OKX Platform's financial condition for the period of 06.2021-06.2022 is surmised to have been satisfactory with the company starting operations, establishing its headquarters, management board, and governance. The starting capital was from private investment from the founding members, who also form the management board. Additional funds were raised via an equity sale to private investors.

The company reached its product development goals and began its marketing campaign to introduce the product to its target audience and grow its partnership network. The strong prudential policies and internal risk management allowed OKX to weather the crypto winter and continue its growth without additional funding rounds. The detailed report on the financial condition of OKX Platform in 2022 can be found here:

Year	2022
Revenue	1,500,029,000
COGS	11,429,047
Gross margin	1,488,599,953
R&D	169,689
SG&A	10,901,264
Contingency	2,500,000
Depreciation	166,666,667
Operating income / EBIT	1,308,362,333
EBITDA	1,475,029,000
EBIT	1,308,362,333
Interest payments	0
Profit before tax	1,308,362,333
Taxes	327,090,583
Net income	981,271,750
Free Cashflow to Equity	**1,147,938,417**

Financial Condition 2023

The financial condition of the company for the period of 06.2022-06.2023 is summarized as strong, due to its positive financial statement, technical team expansion and progress on product development. The key partnerships with a blockchain and centralized exchange were completed, marketing targets were accomplished and financial reserves exceeded what was projected as necessary by the business plan currently. The detailed report on the financial condition of Kingsley in 2023 can be found here:

Year	2022	2023
Revenue	1,500,029,000	1,283,794,267
COGS	11,429,047	9,781,507
Gross margin	1,488,599,953	1,274,012,759
R&D	169,689	145,228
SG&A	10,901,264	9,329,807
Contingency	2,500,000	2,139,616
Depreciation	166,666,667	133,333,333
Operating income / EBIT	1,308,362,333	1,129,064,776

EBITDA	1,475,029,000	1,262,398,109
EBIT	1,308,362,333	1,129,064,776
Interest payments	0	0
Profit before tax	1,308,362,333	1,129,064,776
Taxes	327,090,583	282,266,194
Net income	981,271,750	846,798,582
Free Cashflow to Equity	**1,147,938,417**	**980,131,915**

Token Issuer Information

All information regarding the issuing entity, its legal form, management, corporate governance and all other required disclosures under Anex I of MiCA “DISCLOSURE ITEMS FOR THE CRYPTO-ASSET WHITE PAPER FOR A UTILITY TOKEN” Part A, are contained within the following sections.

Name	Kingsley
Legal form	Stock Corporation (AG)
Registered address	59 Binderplatz, Oberösterreich, Mureck Austria 6800
Date of registration	06/06/2021
Identifier	27-2831616
Identifier of parent	15-2846516
Issuer business	Investing, Business Development, Lending

Kingsley Core business

The Kingsley platform is a financial and business services company, offering private investment, commercial lending and business development services and tools. Its private equity business consists of VC and private investment in starting companies, commodities and real estate. Outside accredited investors can participate in Kingsley’s investment activities after proper disclosure, vetting for conflicts of interest and other procedures. The company gains returns and only accounts a profit from this activity, if a sale of assets is realized. Outside participants will be charged a fee for management of their assets.

The commercial lending business is conducted on crypto markets and via traditional submission and approval. Any size business can apply, get approval and receive a loan and repayment schedule and conditions in both cases. Kingsley generates revenue from the loan interest, charges on late repayment, and liquidation fees on collateral.

Finally, the business development and add-ons segment of the company is primarily focused on off-chain consultant services, but also offers a subscription based AI consultant and analytics dashboard. The analytics dashboard can work with a diverse dataset and is applicable both for business revenue and expense control and portfolio management.

Management Body

John Doe - CEO - 59 Binderplatz, Oberösterreich, Mureck Austria 6800

John Smith III - President, Senior Partner - 59 Binderplatz, Oberösterreich, Mureck Austria 6800

Jane Doe - Vice President, Senior Par - 59 Binderplatz, Oberösterreich, Mureck Austria 6800

Elvis Presley - COO - 59 Binderplatz, Oberösterreich, Mureck Austria 6800

Jimmi Hendrix - CFO - 59 Binderplatz, Oberösterreich, Mureck Austria 6800

Jackson Pollock - CTO - 59 Binderplatz, Oberösterreich, Mureck Austria 6800

Jim Morrison - General Manager - 59 Binderplatz, Oberösterreich, Mureck Austria 6800

Team

In addition to the management team already disclosed in KING Issuer Information, a number of advisors and partners have been employed to realize the asset-referencing token.

Consensys - technical development and technology advisory role - New York City, USA
Hristo Piyankov - tokenomics advisor - Sofia, Bulgaria
Ethereum Foundation - blockchain partner, blockchain advisor
Ninjapromo.io - marketing - London, UK
London Good Delivery - commodity distribution and certification - London, UK, for its Gold ART subsidiary

Other Crypto Activities & Affiliations

The Kingsley AG entity, as it stands at time of writing, is affiliated with the Gold ART AG crypto assets, recognized as an asset-referenced token under the current MiCA framework. Any future issuance of crypto assets different from KING will be done under proper disclosures.

Other activities related to crypto assets involve a reserve of dollar-pegged or widely-established assets, such as BTC and ETH, stored for the purpose of funding operations, stabilizing KING or reacting to force majeure market events.

There is, at time of writing, no association between either Kingsley or Gold ART, its partner company and its managing body and the Ethereum Foundation, its members or any large group of network operators, formerly known as "miners". Kingsley is not a subsidiary of any other legal entity and as such has no parent company.

The Kingsley Project

Project: Kingsley AG
Token: KING

Brief Project Overview

Kinglsey is an investment and consulting business with a rich portfolio of services on offer to its clients - private investment, commercial lending, business development services and tools, Web3 on and off ramp. Certain aspects of the business' services such as private investment can only be accessed after clients complete KYC, AML and other required checks to ensure compliance with regulatory requirements. Kingsley offers a variety of digital services, but also off-chain non-digital consulting. It's important to note free access and discounts gained by the KING token apply only to the digital services, including those that are subscription based, even if they do have a consulting role (e.g. AI consultant chatbot). The company generates its revenues through the following streams:

- Sale of private equity or other portfolio assets
- Interest and fees on issued loans
- Subscriptions (AI consultant, Analytics Dashboard)
- Custom consultancy on management and business development

KING Token Function

The KING token is a fee settlement token for the Kingsley platform, offering discounts to its users when selected as a payment method. The token facilitates additional functions such as rewards for loyal users and access to premium offers. List of token functions:

- Pay fees on the platform via the token and enjoy discounts on those fees
- Staking for:
    - Discounts on lending fees and subscriptions
    - Access to premium offers, promotions and other
- Loyalty rewards

The KING token is a fixed supply token.

Payment

Multiple accepted FIAT and cryptocurrencies may be used to make transactions on the Kingsley platform. While the token cannot be used as a payment token on the platform for anything but subscription add-ons, it carries multiple other utility functions as detailed throughout this document.

Token Staking

The Staking advantages are determined by the average token amount over the last 10 days. This implies that a user cannot deposit the tokens necessary for the final level (for example) on day one and immediately get all the advantages.

Level	Staking power	Benefits	% of total	FIAT cost*	Difficulty inc.
1	351,563+	5% discount on fees	0.001406%	844	
2	1,406,250+	15% discount on fees, special financing offers	0.005625%	3,375	400%
3	5,625,000+	25% discount on fees, special financing offers, free AI consultant	0.022500%	13,500	400%
4	22,500,000+	40% discount on fees, special financing offers, free AI consultant and dashboard	0.090000%	54,000	400%

In the table above:

- **Staking power** is the minimum staking power (as described in the Rewards section) required to achieve the level.
- **% of total** represents the tokens needed as % of the total token supply. This is adjusted for staking power as it takes into account an average staking multiplier.
- **FIAT cost** is the FIAT equivalent of those tokens based on the highest token sale price. This is adjusted for staking power as it takes into account an average staking multiplier.
- **Difficulty inc.** is the increase in Staking power required between different levels.

Once the project is up and running and data is available on how real users act and what the token price is, it may be necessary to change the estimates above. The platform also reserves the right to cap the net value of the maximum benefits at each level.

Loyalty System

The Kingsley platform will employ a continuous Loyalty system in order to rewards its users. The approach for doing this is inspired by successful Airdrops such as Blur and HOP protocol, where complex distribution criteria were used, in order to ensure that only loyal platform users get rewarder rather than "Airdrop tourists" who only chance the current airdrops without any actual contribution to the platform.

The way the system works is as follows:

- People get assigned points based on their platform participation
- The sum of the points from the different categories from the users participation weight (C_x)
- Every day, users get a small reward allocation from the reward pools (as described in the Rewards section) based on their participation weight (C_x).

To define this more formally:

$$C_{x,p} = \sum_{i=1}^{n} L_n + \frac{C_{x,p-1}}{2}$$

Where:

- $C_{x,p}$ is the participation weight for person X for epoch p
- $C_{x,p-1}$ is the participation weight for person X from the previous epoch (p-1)*
- The sum of L_n represents the sum of points in each of the individual categories (as further explained below)

**An epoch is a reward distribution period, with a duration of 14 days, further explained in the reward section.*

NB!: In order for a user to be eligible for rewards dismpbutions, they should have earned at least 1 point over the last two epochs. If not, their contribution weight is reset to 0.

Points in turn are based on categories of user contribution broadly defined as:

- Referrals
- Subscription to AI consultant or Dashboard
- Liquidity provision
- Staking

For each of the categories there can be both positive and negative points awarded. If a user ends up with a negative contribution weight, it is instead counted as 0. The points for each category are as follows*:

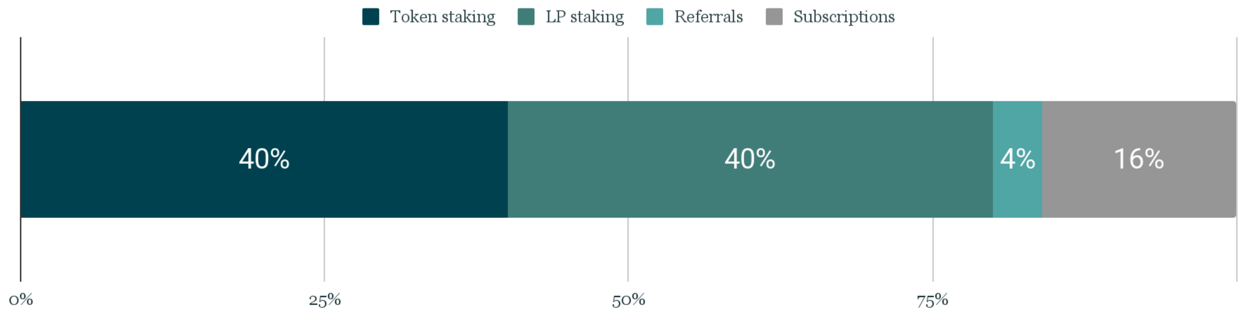
- **Referrals (capped at 500 points per epoch):**
  - Each referred and newly registered user: 100 points
  - The points are only incurred if the user completes KYC & AML.
- **Subscriptions (capped at 2,000 points per epoch):**
  - AI consultant: 500 points/epoch
  - Dashboard: 400 points/epoch
- **Staking (capped at 5,000 points per epoch):** Stakers of 1,000,000 staking power of KING receive 200 points and an additional 200 for each 1,000,000 on top. Furthermore, if the tokens are staked for duration, they earn bonus points as explained in Rewards.
- **Liquidity provision (capped at 5,000 points per epoch)**: Stakers of 1,000,000 liquidity staking power receive 200 points and an additional 200 for each 1,000,000 on top. Furthermore, if the tokens are staked for duration, they earn bonus points as explained in Rewards. .

**Once the platform is live those points might need to be adjusted based on the platform activity and the token price.*

Rewards

Kingsley will motivate platform users via its reward pool. The reward pool is fully dedicated to the loyalty program, which currently includes the following activities:

- Provide KING/USDC liquidity on SushiSwap and stake the generated LP
- Stake the KING token
- Refer users to Kingsley
- Subscribe to the AI consultant, analytics dashboard, or both

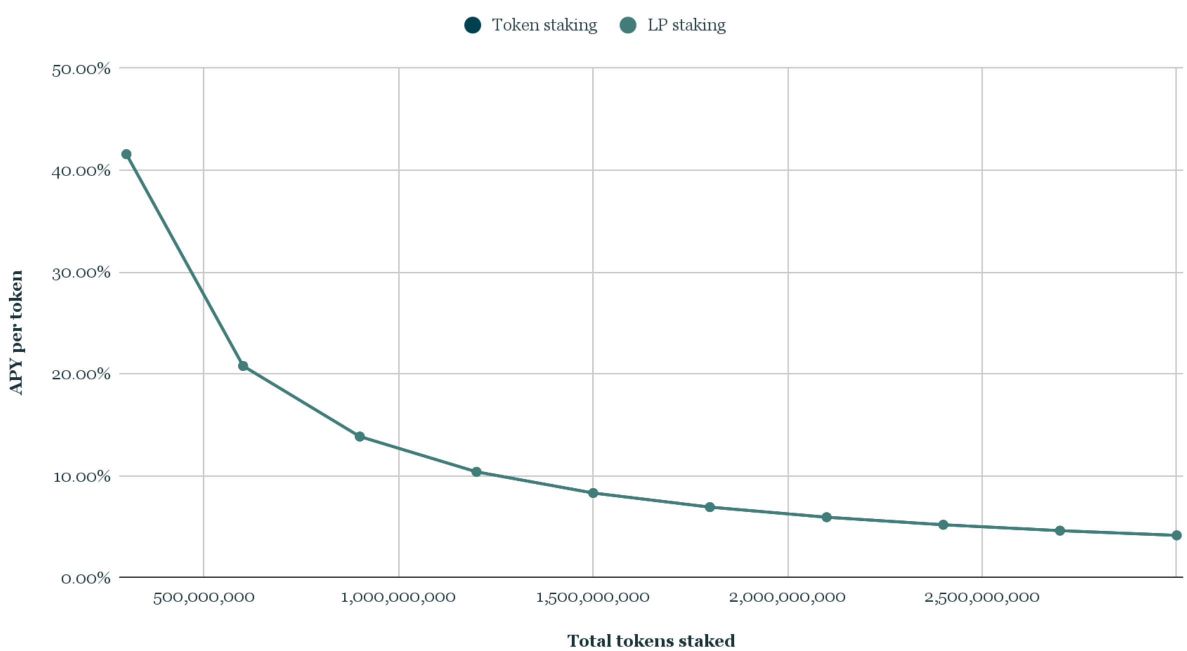


Reward pool allocations per category.

The rewards will be distributed from a fixed supply reward pool and will be based on epochs. Each epoch will last 14 days. The daily payouts throughout the epoch remain constant (0.030% of the outstanding tokens in the reward pool at the beginning of the current epoch) and are adjusted at the conclusion of the epoch. Rewards are accumulated on a per-block basis and are distributed among all groups eligible for rewards based on the allocations specified in the paragraph above.

The 0.030% number is picked as targeting an annual inflation rate (based on the total token supply) of around 3.5% in the first year and gradually reducing it from there on. This gives the pool a half-life (the time it takes for 50% of the remaining tokens in the pool to be depleted) of 2,310 days or 165 epochs.

Using the above, we can also show the expected APY per staked token, in year 1 (based on the total staking activity):



APY per token (year 1), based on the total amount of tokens staked. The two values overlap due to the equal reward allocation.

APY cap: since the APY on the platform is variable, the APY could vary greatly, especially if a very low number of tokens is staked. For this reason, and to avoid exploits, the APY for each individual position is capped:

APY cap per category.

Replenishing the reward pool

While, as described earlier, the reward pool of the project is designed to be non-depletable, the rewards that are provided are significantly reduced over time.

In order to counteract this, a percentage of all proceeds on the platform will be used to replenish the reward pool*. Those include: 10.0% of Total Revenue

Furthermore, since some of those fees are collected in currencies different from the core protocol token, a buyback will first be executed, thus further increasing the demand for the token.

This makes the project's yields an intriguing combination of conventional yield farming and the current move toward "real yields." We think that by combining both techniques, we have the best of both worlds - rewards that are first funded by bootstrapping, but ultimately depend on genuine protocol income.

The replenishment of the pool will only be performed if the pool's current token availability is below 65.0% the original token allocation. If the tokens in the pool are more than this threshold, the remaining tokens (overflow) will be used for liquidity provision, as described in the respective section. This means that in the early stages of the project, there will be deflationary pressure on the token.

The above setup creates an interesting self-balancing mechanism where eventually the project will reach an equilibrium point at which the daily deposits to the reward pool will roughly be equal to the daily rewards distributed (since the former is a flat value while the latter is a percentage value of the pool). This equilibrium point is self-adjusting since an increase in the deposits would lead to increased rewards and vice versa.

Buyback & LP

Buyback and burn has been a very successful and popular mechanic in the crypto space, which has historically helped token price appreciation and kept the tokens scarce.

However, with the emergence of Decentralised Finance (DeFi) and Automated Market Makers (AMM) such as UniSwap, a new approach has emerged which has the core benefits of the buyback and burn approach, together with the added value of deeper liquidity - **Buyback & liquidity provision**. In this scenario, instead of burning tokens, they are first provided as liquidity for the token on its main AMM market, and then the resulting LP tokens are stored in the project's treasury for the long term. Thus, combining the benefits of the reduced token supply together with deeper liquidity for the token.

Here is how this works in practice:

1. A user comes to the platform and spends 300 USD.The platform collects a 25000.00% fee or 75000 USD.
2. If the reward pool is above the threshold, 10.0% (7,500 USD) are used for Buyback & LP . The remaining 67,500 USD are used to fund the platform's operations
3. From the 7500 USD, half (3750 USD) are used to buy the KING token at the current market price (let's assume 0.030 USDC) and thus 125,000 KING are obtained.
4. The resulting 3750 USDC and 125,000 KING are posted back as liquidity on SushiSwap, thus providing more KING tokens for people who want to buy them, and more USDC for people who want to sell KING.
5. As liquidity is added, the resulting KING-USDC LP tokens are stored in the project treasury.

Since the above operations can be costly, the platform will batch the buyback and LP operations (rather than execute them with each transaction) in order to keep them economically feasible.

In the case of KING, the following fees are subject to Buyback & LP*: 10.0% of Total Revenue.

**NB! The Buyback & LP will be carried out only as long as the token price is below a certain success threshold number. This number will be determined by the project on an ad-hoc basis and will be based on current market conditions. For example: if the threshold is set to 3x token price increase,Buyback & LP will happen only while the* *token is below 3x, otherwise the funds would be stored in treasury until the token price is below the set target or until they are needed by the project. The threshold amount will vary from year to year.*

Development Plan

The development of KING has outpaced the foreseen schedule laid out in the business plan, so below we present the original timeline, where applicable, and the actual timeline of completion, where greater progress was made. The milestones, new releases and features listed are subject to change or removal from Kingsley's development plan at the discretion of its Board.

- Initial product feature development - 09.2021
- Technical conceptualization - 09.2021-03.2022
- Standard ERC20 implementation - 05.2022
- Protocol Website development - 09.2021-09.2022
- Staking smart contract - 09.2022-12.2022
- Reward pool contract - 09.2022-12.2022
- Dashboard MVP - 12.2022-03.2023
- Scoping AI bot product release - 03.2023-07.2023
- Fractional product scoping - 04.2023-07.2023
- Development of fractional product - 07.2023-12.2023
- Fractional lending pool contract - 09.2023-12.2023

Expense Planning

The total scope of expenses and their amounts may change over time with shift in business strategy, economic conditions or unforeseen events requiring change in expenses, e.g. destruction of property, loss of IP, unaccounted licenses and legal expenses.

Expense type	Total amount ($)
Office lease	2,000,000
Equipment	250,000
Patent	50,000
Administrative	120,000
Salaries (excl. IT)	2,500,000

Licenses (Financial operations)	75,000
Licenses (IT operations)	12,500
R&D (incl. IT salaries)	3,000,000
Marketing & PR	1,000,000
Total:	9,007,500

If the hardcap is reached, this leaves a cushion for unforeseen expenses of almost 1 MM USD.

Fee summary

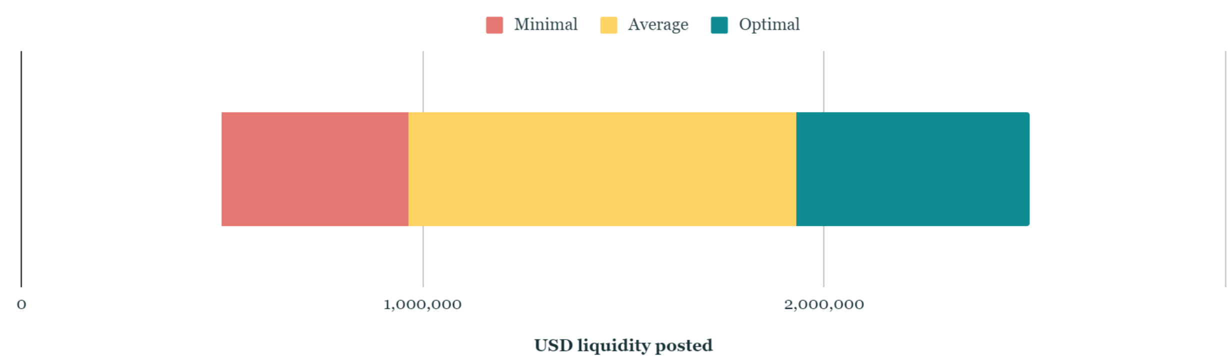
In summary, the fees collected by platform Kingsley and their re-distribution are as follows:

Fees		Fee alloc.		
	Fees	Gross Income	Discounts	Reward pool
Protocol revenue				
--- Returns	**25.00%**	75.0%	15.0%	10.0%
--- Commission	**2.00%**	75.0%	15.0%	10.0%
--- Late fees	**5.00%**	75.0%	15.0%	10.0%
--- Consulting fee	**50.00%**	75.0%	15.0%	10.0%
--- Interest	**3.00%**	75.0%	15.0%	10.0%
--- Add-ons	**$250.00**	75.0%	15.0%	10.0%

Liquidity pool setup

Please note that this section is mainly for the project's internal use and should not be released to the public.

Our recommended levels of liquidity (by the end of year 1), on decentralised exchanges, for a project of this scale are as follows:



Recommended liquidity levels for the project.

Based on the project financials, the realistic **initial*** liquidity for the project pool (self-funded liquidity) on SushiSwap would have the following parameters:

Pool liquidity	
USD equivalence	1,931,752
Tokens	306,627,347
Starting price	0.006

Pool sensitivity	
Action	**New price**
75% Bought	0.101
75% Sold	0.000

**The gap between initial and recommended liquidity (by end of year 1) can be bridged via liquidity incentive programs or additional liquidity posted by the project post-launch.*

The following is a breakdown of the figures:

- The pool will be made available for the pair KING/USDC. **USD equivalence** represents the liquidity posted in USD value equivalence for USDC. This sum will come out of the Liquidity allocation for funds raised.
- Tokens are the initial number of tokens posted to the pool coming from the Liquidity token allocation.

- Starting price is the price at which the pool is first created and is intended to be 5.0% higher than the highest token sale price.
- The variables that make up the pool sensitivity section stand for:
    - How much would a token cost if 75.00% of the tokens in the pool were purchased? (assuming no additional liquidity was posted to the pool in the meantime).
    - What would the token price be if 75.00% of the original circulating tokens at TGE were deposited into the pool? (assuming no additional liquidity was posted to the pool in the meantime).

Sale Financials & token generation event

The whitepaper of Kingsley AG - issuer of the KING token, covers all currently planned sale stages of the KING token, both to private and public investors. The offer to the private investors intends to bootstrap the project development, initial partnerships and part of the promotional efforts towards launching the token and business platform. The offer to public investors is necessary to continue development beyond an MVP and broaden the service offering and marketing efforts. The text, tables and graphs below outline the intended offer size, price and conditions of each sale round. Oversubscription is not considered a possibility.

Basics	
ㄴTicker:	KING
ㄴSale Denomination currency:	USD
ㄴEligibility:	Subject to KYC and AML
ㄴSale stages:	3

Token Generation Event Summary	
ㄴSoft Cap:	5.0 MM USD
ㄴHard Cap:	10.0 MM USD
ㄴInitial Total Tokens:	10,000.0 MM KING
ㄴSale Tokens:	2,800.0 MM KING*
ㄴSale allocation:	28.00%
ㄴRemaining tokens post-sale:	Deposited to reserves

Token sale setup

Stage	Price (USD)	Tokens (MM)	Bonus	Raise (MM USD)	FDV (USD)
ㄴSeed sale	0.002	1200 MM	0.0%	2.4 MM	20 MM
ㄴPrivate sale	0.004	1000 MM	0.0%	4 MM	40 MM
ㄴPublic sale	0.006	600 MM	0.0%	3.6 MM	60 MM
Totals		**2800 MM**		**10 MM**	

Vesting schedule, per token allocation						
Stage	Allocation	Tokens (MM)	Listing release	Cliff	Vestin g	Monthly release
∟Seed sale	12.0%	1,200	1.0%	12	24	4.13%
∟Private sale	10.0%	1,000	1.0%	6	24	4.13%
∟Public sale	6.0%	600	100.0%			
∟Team	10.5%	1,050	0.0%		30	3.33%
∟Marketing	12.0%	1,200	5.0%		18	5.28%
∟Reserve	15.0%	1,500	5.0%		30	3.17%
∟Reward pool	30.0%	3,000	0.0%		12	Non-linear release
∟Liquidity	4.5%	450	100.0%			
Totals	**100.0%**	**10,000**	**12.1%**			

The following groups are not admitted to the public offering and will be screened out to the extent possible in secondary trading:

- Politically exposed persons
- Individuals on a criminal watchlist, be it for violent or financial crimes.
- Citizens of the following countries: USA, Iran, Belarus, Russia.
- Individuals temporarily barred from trading as part of an ongoing sentence.
- Any person on AML lists.

The KING token is a utility token intended to be held primarily by true users of the platform, who benefit from investing, crediting or business development services offered by Kingsley AG. Speculators betting on the short or long-term value of the venture should not expect the utility token to represent the underlying value of the company's fundamentals or that it will at any time accurately represent that value.

The results of the ICO will be displayed timely on the Kingsley website, with each individual transaction visible on the blockchain. Kingsley is not responsible for data presented by 3rd party websites on the total circulation of KING, amount raised and remaining tokens. All collected funds via the sale are stored securely on the blockchain and split between cold and hot storage to facilitate any necessary reimbursement.

Purchase options:

- credit/debit card in USD, EUR, GBP
- Crypto currencies - ETH, BTC
- Stablecoins - DAI, USDC

No other legal tenders will be accepted for any sale stage. It is the buyer's responsibility to provide the accepted currency in the required amount, Kingsley AG does not provide any FOREX or similar services for purchasers holding other tenders. Kingsley is not responsible for any pools and sales through those pools outside of the official ICO. All subsequent liquidity pools opened by Kingsley will be announced on the proprietary website and social media. Upon purchase, assets are transferred within the next block of the underlying blockchain.

Notice: Users participating in the public sale will be reimbursed in full in case the minimum target raise ("Softcap") is not reached by the end of the public offer. Users also have a right to withdrawal which can be evoked up to 8 hrs before the end of the fundraising period. The detailed right of withdrawal as per MiCA regulation is as follows:

Article 13 of MiCA: Right of withdrawal:
1. Retail holders who purchase crypto-assets other than asset-referenced tokens and e-money tokens either directly from an offeror or from a crypto-asset service provider placing crypto-assets on behalf of that offeror shall have a right of withdrawal.
4. The right of withdrawal referred to in paragraph 1 shall not apply where the crypto-assets have been admitted to trading prior to their purchase by the retail holder.
5. Where offerors have set a time limit on their offer to the public of such crypto-assets in accordance with Article 10, the right of withdrawal shall not be exercised after the end of the subscription period.

As per the above, withdrawal for purchases of fundraising KING tokens is possible only within the time limits of the ICO itself. Once the withdrawal is triggered, the funds will be returned in full to the purchasing user's wallet in the same currency used in the original purchase. A change of currency is permissible with some limitations after user request.

Refund: The full amount sans the current gas fee will be transferred to the wallet which purchased the KING token via the ICO. The refunds will be tranched to avoid stress to the market and blockchain and will be completed within 5 days of the public offer's conclusion.

Technical requirements for buyer:
The buyer of KING tokens must have a crypto asset wallet compatible with the ERC20 standard and the Ethereum blockchain. No other technical requirements are mandatory for the casual storage by buyers of KING. However, additional security such as a cold wallet storage is recommended.

OKX access:
The ICO will be initiated via the OKX centralized exchange, available at https://www.okx.com/buy-crypto . An account with completed KYC and AML verification is necessary to access OKX trading features. Users will need to fulfill the technical requirements to access the application and potentially configure the Ethereum network and add the KING token so it appears correctly in their wallet after purchase.

Expenses:
Marketing: $100,000
Pool setup expenses, including CEX listing fee: $250,000
Working hours: $10,000

Competent Court:
Similar to acting law in traditional financial instruments, trading on proprietary (a.k.a. "insider") information is not permitted and falls within the purview of the European Securities and Markets Authority (ESMA) to prosecute any persons in breach with laws and regulations governing securities trades and markets within their jurisdiction. Any other unlawful speculative and fraudulent actions pertaining to the sale of KING units falls within the competency of ESMA and relevant European Union courts.

Further information about the crypto-asset:

KING is a utility token, officially classified as such and not representing now or in any time in the future e-money or an asset-referenced token. All versions of the whitepaper pertaining to KING, its sale, functionality, development plan, etc. will be provided to ESMA for archiving purposes as designated under Article 109.

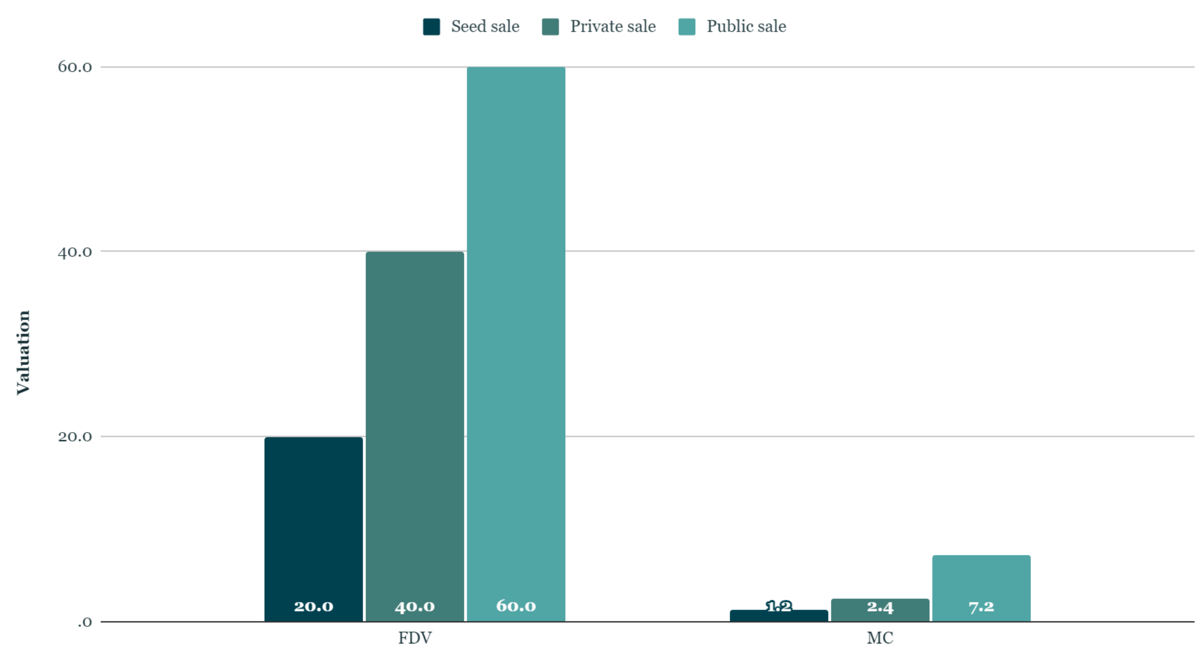
Technical Details

KING, as a technical product, has the following characteristics:

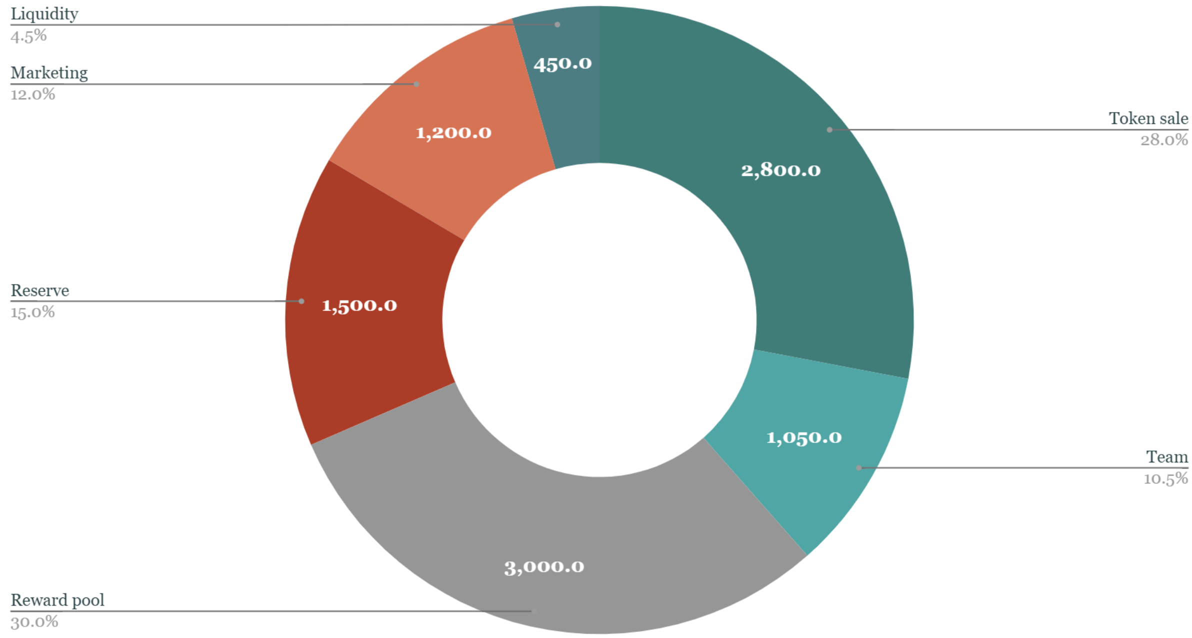
- Follows the ERC20 standard
- Can be traded on Ethereum or any other EVM-compatible network
- Is programmed in Solidity
- All its current contracts produced by Kinglsey and its subcontractors are in Solidity
- The token has an upper limit, set as 10,000,000.
- The token can be "burned", but not truly destroyed as it cannot be deleted from the distributed ledger. However, there is no official Kingsley policy to burn the token and any such event can only happen through the free will of market participants.
- The KING token contract is upgradeable, meaning new features can be added or existing features removed from the contract.

- The staking contract is upgradeable, meaning modifications can be implemented at later development stages.
- KING is compatible with any DEX on Ethereum, as well as any DEX on an EVM-compatible blockchain.
- KING is compatible with all Ethereum wallets, including cold wallets such as Trezor.
- As an Ethereum token, KING operations are validated by a Proof-of-Stake consensus mechanism. Transactions of KING on the parent network are paid for by "gas fees" payable in ETH and serve as incentives for transaction processors.
- Detailed description of the EVM.
- Description of gas charges on Ethereum.
- Detailed description of the consensus mechanism.

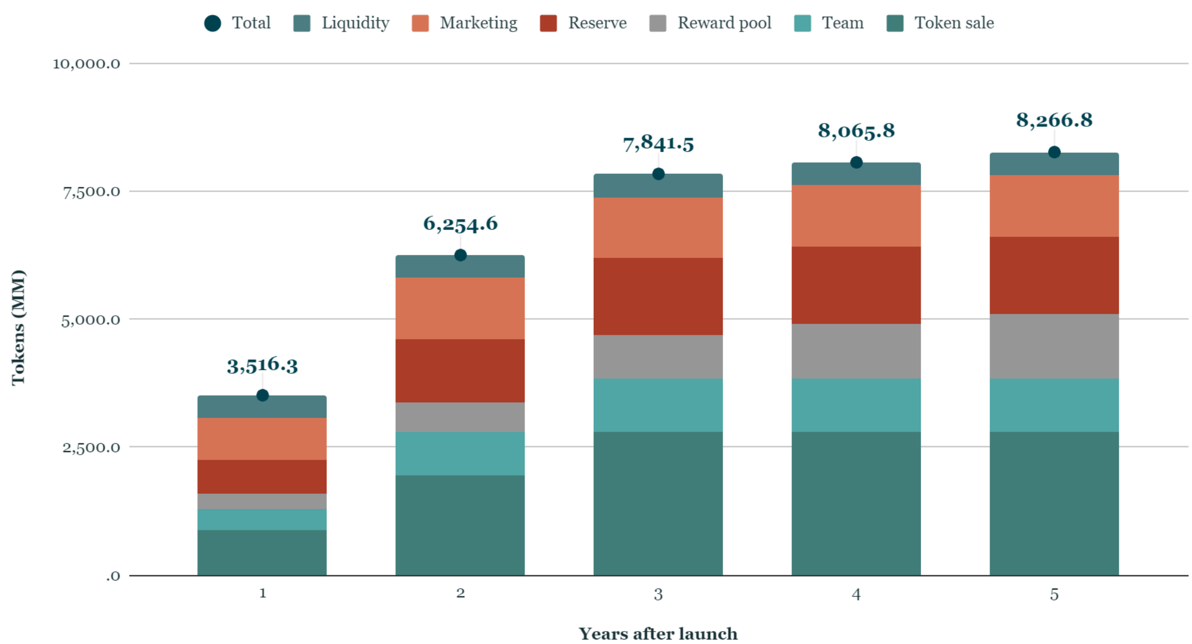
All details on the tokens features and when they are expected to apply are already disclosed in the Development Plan which contains all major and minor milestones.



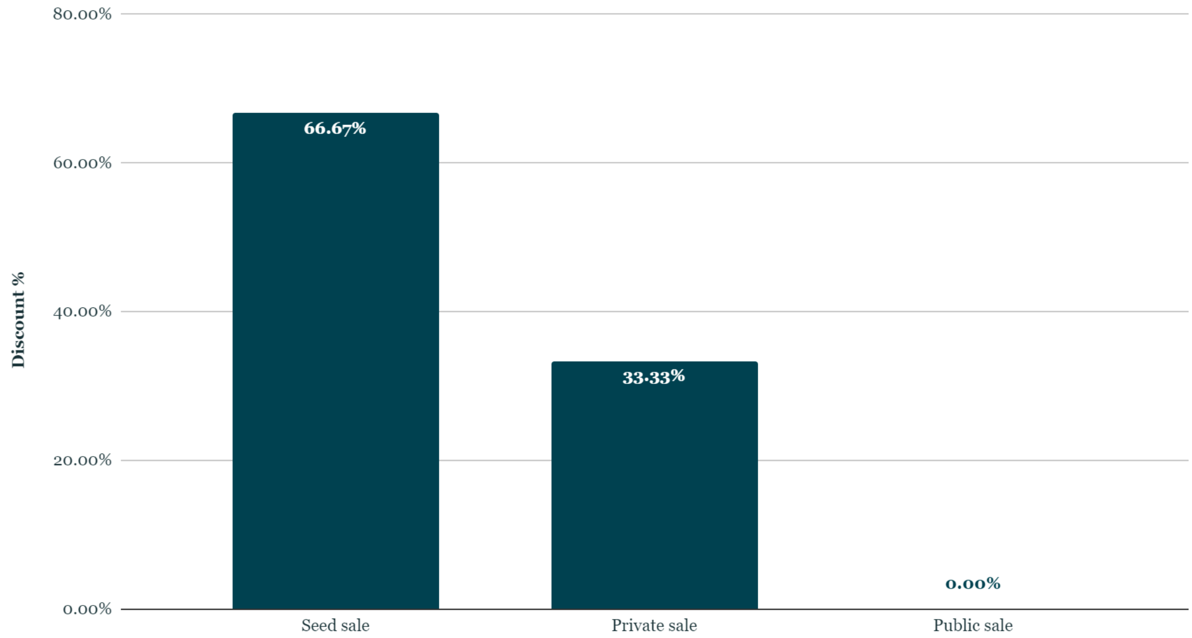
Project's fully diluted valuation and circulating market cap, based on the token sale stages.



Total token allocation.

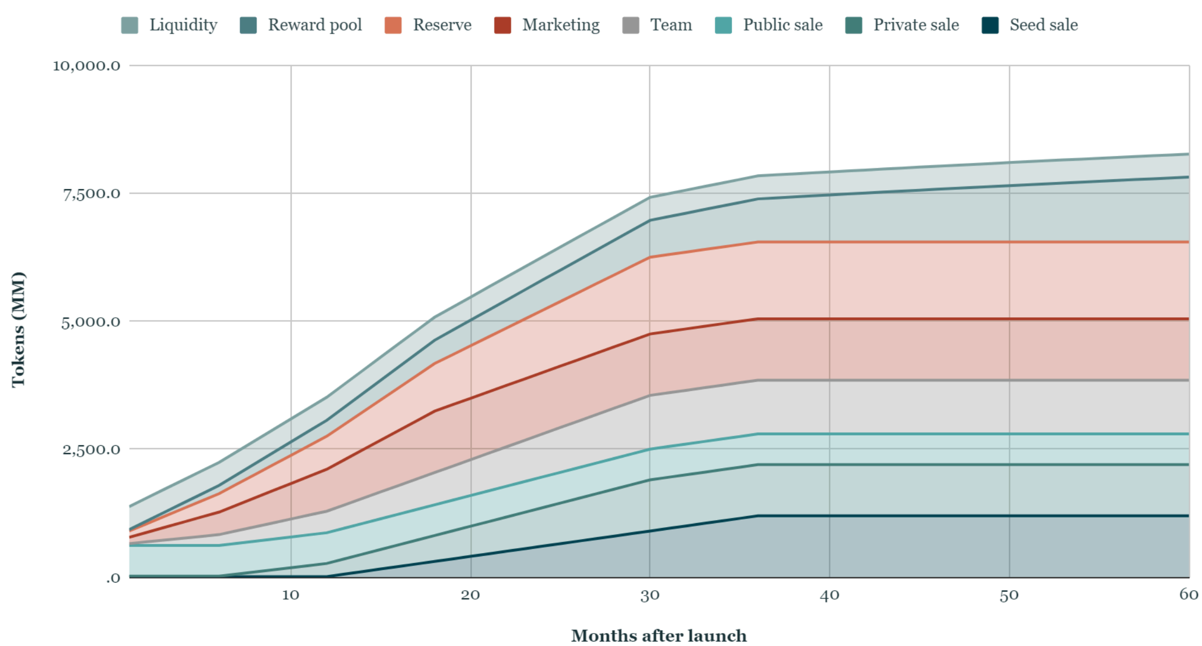


A breakdown of the token release schedule, by year and by allocation.The numbers on top are the total tokens released.

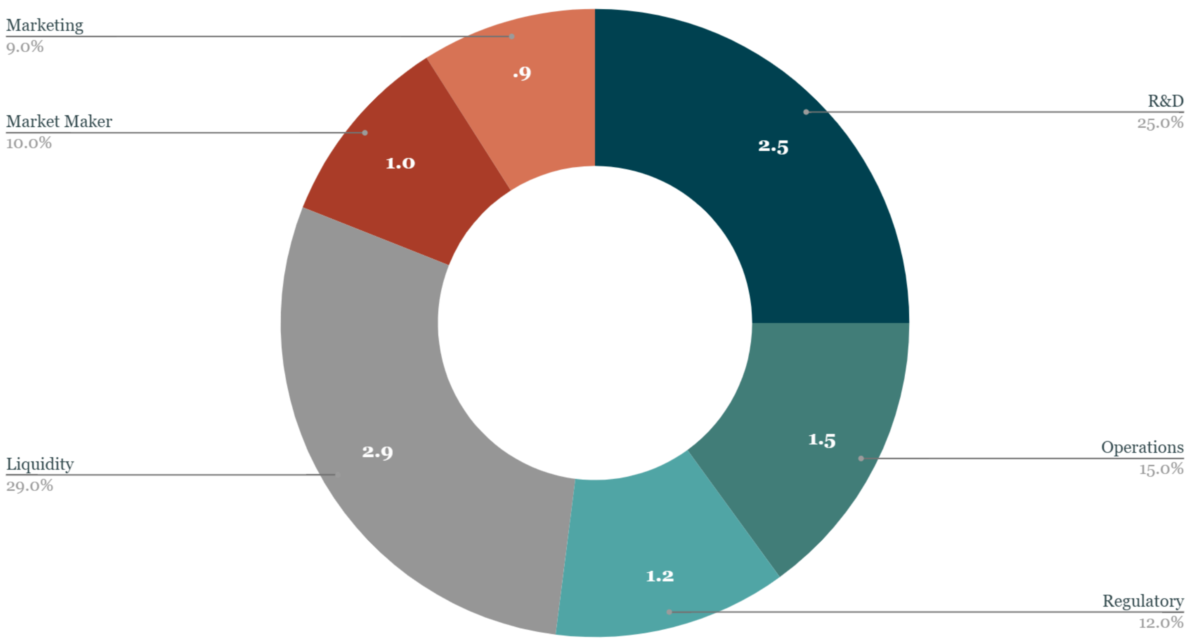


Discount on token price, based on entry stage. Figures represent discount versus the maximum token sale price, accounting for all possible bonuses.

Early investors in a project customarily receive a discount with regards to the public offer price to reflect the higher risk they accept by backing an unreleased project. The discount acts as an extra reward/incentive for the longer wait times and uncertainty faced by early investors. To mitigate any excessive price pressure, a lock is imposed on the tokens sold before the public round and only a small fraction of them are available for sale at TGE.



Monthly token vesting schedule (detailed, non-aggregated)



Allocation of funds raised during the token sale (in MM USD). Assumes reached Hardcap.

Information on the rights and obligations attached to the utility token

In addition to the right of reimbursement and withdrawal, purchases of the KING utility crypto token have further rights of withdrawal outside the ICO period, a complaints and customer support route and various other rights and obligations.

Buyer's rights and obligations

The buyer is solely responsible for storing the KING token correctly, ensuring the correctness and safe-keeping of their wallet's passphrase, transferring and locking their KING tokens only in trusted smart contracts and protocols. No reimbursements are available for buyers who fail to fulfill the above requirements of safe storage and transfer. The buyer of KING token has the right to:

- Submit complaints pertaining to the services of Kingsley, such as website functionality, accessibility, customer service, correctness of issue, redemptions. All complaints need to be submitted to the relevant department, detailed in Complaint Policy.
- Redemption against company-approved FIAT or the actual backing asset. Details are available in Redemption Policy.
- Privacy of information, where data used by Kingsley is subject to data protection policies active in the user's jurisdiction (e.g. GDPR) and cannot unlawfully disclose a user's private information to third parties outside any explicit agreement made with the user. More details are available at Information Privacy Policy.

The buyer is obliged to provide Kingsley with truthful information to the best of their ability to facilitate the KYC, AML and other services of Kingsley. Inaccurate or fraudulent data provided by the user may be subject to prosecution by law enforcement.

The rights and obligations of the user may be changed under the following conditions:

1) To comply with the current laws and regulations in the territory of operation of Kingsley. These changes are not subject to company vote or deliberation. Users must consent to changes, but denial of consent will be equivalent to rejecting the right to use some or all Kingsley services and potentially force redemption of tokens.
2) To improve Kingsley services. Kingsley may decide to update its Company Policies to which again the users must consent to retain access to the services.

3) To accommodate for legal precedent, customer complaints and other filings.

Future Sales of KING

No public offers "at the market" of KING are expected in the traditional finance sense of operation. As previously stated, KING can only be purchased via decentralized liquidity pools and OKX where it was initially launched. Any subsequent releases on other centralized exchanges do not constitute a market offer or "sale", but merely an extension of the vendor network where the token is listed as available for trading. We can consider the Reserve allocation to be "retained by the issuer", but in accounting terms they are "held for sale" and will be accounted for at market prices. The initial number of tokens in the liquidity pool is 4.5 MM KING tokens, also equal to 4.5% of the total mint quantity and value at time of writing of $0.006 per coin. The KING amount may increase through natural buy/sell market activity. Kingsley remains committed to performing market-making actions to the extent possible and feasible to maintain the stability of the token price.

The KING utility token allows for discounts or preferential access to all features of the Kingsley platform, including off-chain services, such as:

- Business Development app and AI bot
- Analytics Dashboard
- In-house or remote business development consultants
- Investment in the form of crypto assets or FIAT
- Strategic Partnership services
- Business crediting

The KING token can be used as a stake or payment to unlock limited-time offers such as:

- Support with creation and review of pitch and presentation materials
- 3D models
- Fee settlement for crediting services
- Discounts on fees for all services within the stated limits
- As a payment on any 3rd party platform/vendor which accepts KING as legal tender
- In exchange for any other token it is paired with in a liquidity pool

Transferability

KING token from the public offer is immediately liquid upon minting and is not subject to any restrictions like cliffs or vesting. Purchases via subsequently created liquidity pools bear no restrictions on transferability. Other allocations such as

Marketing, Team, Reserve, etc. have technologically imposed cliff and vesting, disclosed in the Vesting table of Sale Financials.

Supply Management

KING is a fixed supply token and no new quantity of it can be minted under any condition. KING will always be distinct from fraudulent imitations via its unique Ethereum contract address. No token burning is foreseen by the company itself, however, any tokens lost by users can be considered “burned” as they are irretrievable. The Kingsley AG company commits to performing supply management only in terms of “market-making” for its own liquidity pools to reduce price volatility. These include:

1) Adding KING token to a liquidity pool when the price moves upwards of +15% within a single day.
2) Purchasing KING tokens out of a pool when the price moves downwards of -15% within a single day.
3) Freeze the pool in case an attack is initiated aiming to drain the pool.

Risks

Although KING is modeled as a stable hedging tool for investors, who seek diversity and security, both the token, its issuer and third party network are subject to various risks, including, but not limited to the following:

1) Issuer Risks
    a) Misappropriation
    b) Mishandling, loss, damage from natural factors
    c) Insolvency
2) Utility token
    a) Loss of access to storage wallet
    b) Draining of liquidity pool
    c) Technical malfunction leading to inability to transfer a token
    d) Inability to redeem due to pool, website or other breakdown
3) Third party risks
    a) Technical failure of wallet or blockchain, such as extreme congestion, inaccessibility of wallet, hack and drainage of funds
    b) Delays and thus market price change due to operational issues with distribution network

Risks associated with third party technology, operations and financing cannot be mitigated by Kingsley. Kingsley will attempt, on a good faith basis, to assist its customers in any and all matters stemming from third party risks, to the extent possible with no promise or obligation to success, partial or full recovery of funds and/or damages.

Risk Management

To mitigate the various risks, both technical and financial, faced by Kingsley AG, the company has developed and will continually amend and improve multiple comprehensive internal controls and procedures, as well as procure third party services to assess, amend and extend its security.

Financial Risk Management

Financial risks to the platform stem from market risks related to increase of spreads on gold and gold derivatives, increased premiums on hedging instruments and volatility of the underlying asset. To prepare for and combat, Kingsley has the following procedures in place:

1) Liquidity Buffer - Kingsley maintains a liquidity buffer to absorb price shocks and excess expenses incurred from volatility or hedging. The buffer will be adjusted based on the actual price fluctuations measured for the past two quarters and potential losses informed by sensitivity analysis and VaR.
2) Value-at-Risk (VaR) - a regular test performed on the underlying asset and any significant hedge holdings to ascertain the potential loss, which can be incurred based on single-day volatility.
3) Sensitivity analysis - a +/-10% value change analysis to be done on both underlying asset and premium charges on hedging instruments.
4) Impairment testing - annual tests for impairment on any financial instruments will be performed internally.

The performance of tests pertaining to financial risk management will be conducted by the Risk Management department, subdivision of Financial Assets. All results will be reported to the Head of Risk Management and C-level executives.

Technical Risk Management

Technical risk exists for modern financial solutions, including those on the blockchain, which require specialized services and measures. Apart from strong internal standards for coding best practices, Kingsley also employs Third Party service providers to ensure the security of its platform. The full set of processes includes:

1) Integrated test automation as part of the deployment pipeline - a comprehensive stack of automated tests with extensive coverage is executed on all releases before they are deployed to production.
2) Penetration testing - semiannual penetration testing is conducted with additional tests done at Kingsley's discretion when substantial changes to the codebase occur.
3) Smart contract audits - all smart contracts are audited by independent companies and made publicly available. Audits are done at least annually on all new and upgraded contracts.

Company Policies

KYC and AML

Kingsley, as an issuer of a digital utility token, and thus a financial institution, is obliged to perform KYC (know your customer) and AML (anti-money laundering) procedures on all customers in order to admit them to using their services. No purchase of the KING token is possible without verification of identity through official and valid government issued identification documents. KYC and AML policies are in the purview of the Risk Management department and the supervision of the compliance officers. Third party service providers may be used to fulfill the legal requirements of KYC, AML and other security obligations pertaining to the KYC & AML regulation.

KYC procedure and policies:

- A user manually fills in their identification data consisting of:
  - Full name
  - Birth date
  - Current or permanent address
  - Telephone number
  - E-mail address
- A user manually submits a valid identification document issued by the government, e.g. passport, ID card, driver's license.
- Risk management verifies the truthfulness of information to the extent possible, the validity of the identification document and that the document is an original issue.
- Third party services may be employed to successfully complete the KYC process. Government officials and departments may be contacted for assistance and confirmation on a person's identity and document validity.
- Politically exposed persons, persons on special lists and those prohibited from interacting with the financial markets for any reason will be denied access to

Kingsley without possibility for appeal. Appeal is only possible in cases of mis-identification.

AML procedure and policies:

- Kingsley applies AML policy in compliance with EU regulation.
- AML is dependent on accurate KYC process completion, no users failed KYC will be considered passed the AML check.
- All users of Kingsley consent when accepting its policy agreements to be subject to regular automated and manual AML screening, which includes:
  - The assets they are transacting in.
  - Any transfers to natural or legal third parties. Transactions to flagged third parties will be flagged and further investigated.
  - Any withdrawals over the stipulated policy limit for suspicious transactions. Policy limits are determined and updated by Risk Management in conjunction with the Compliance Officer office and, if necessary, any government council or regulator.
  - Any transactions of unusual intensity or amounts exceeding the purchase and transfer limits. Policy limits are determined and updated by Risk Management in conjunction with the Compliance Officer office and, if necessary, any government council or regulator. Different limits may apply for withdrawal, purchase and transfer.
- Third party services may be employed to successfully maintain the AML process. Government officials and departments may be contacted for assistance and confirmation on a person's identity and document validity. Any private data necessary for the successful completion of AML checks will be disclosed to the third parties within legal limits and where necessary with user consent obtained via policy agreement updates.

Redemption Policy

A holder of KING has the right to redeem their tokens within certain set limitations at any point in time from Kingsley's liquidity pools or any other available third party pool or exchange. The value of every KING token is dynamically determined by the free market and Kingsley cannot guarantee a redemption price equal to the purchase price. This includes price changes during the trade itself, especially if large amounts of KING are redeemed.

Redemption against currency:

- A user requests a redemption on Kingsley website via a linked pool.
- The user selects a pool with a pair currency they'd like to obtain, e.g. USDC or ETH.

- They submit the tokens they want to redeem and receive back a varying amount of the second token depending on current exchange rates between the two. A gas fee and swap fee is charged to the user for the operation.
- For further withdrawal to a FIAT currency in a bank account, the back office of OKX handles the bank transfer of an equivalent of the selected currency at the market price present. Note, the Kingsley platform does not engage in bank transfers for redemptions past its ICO, only centralized exchanges require this process and handle it internally.

Other redemption conditions:

- Redemptions of KING via the Kingsley pools may be limited or declined by Kingsley in cases of extreme market shocks, attack on the pool or data loss leading to misappropriation.
- In some cases of extreme market conditions, such as a free fall in the price of gold, or in cases of loss of reserves, hacks or misappropriation, resulting in massive redemptions, Kingsley will form a "redemption queue", where claims are processed on a FIFO basis. Each claim will be processed to the fullest current market price at time of reimbursement. Those at the tailend of the queue may receive no redemption, if cash and asset reserves are depleted by the time of processing. In this case, their claims will be handled by bankruptcy court as claims by uninsured creditors, following insured Kingsley creditors and preceding shareholders.
- Redemption handling depends only on the position in queue a claim has and no consideration is taken of the holder's person, religion, sexual orientation, race, ethnicity or other attributes.

Conflict of Interest and Disclosures Policy

At time of writing, there are no known conflicts of interest between any board member, investor, affiliate or partner of Kingsley that would disrupt or subvert company operations and be detrimental to customers best interest. Should such conflicts of interest arise, Kingsley remains committed to providing a prompt resolution via its comprehensive conflict resolution policy detailed here.

Information Privacy Policy

As Kingsley operates on the territory of the European Union and potentially handles personal data of EU citizens, it aims to be fully compliant with GDPR regulations and ensure equal or similar protection to its customers around the world. All information pertaining to legal and physical persons retained by Kingsley is stored securely with cryptographic protection, with the exception of any e-mails volunteered for marketing purposes. Any persons registered with the platform may request access to their own information, its removal from the platform databases insofar as it does not infringe on other legal requirements for transaction transparency and retention.

Information stored on the blockchain is not owned or controlled by Kingsley, as it is an autonomous decentralized entity operated by multiple individual nodes. As such, all privacy policy matters do not extend to information stored on the blockchain. Kingsley pledges no unnecessary personal information will be part of transaction records stored on the blockchain.

The full data protection and privacy policy can be found here. Any queries regarding personal data, its handling and removal can be handled via the service desks specified in Complaint Policy.

Complaint Policy

1. PURPOSE
We always aim to provide a high standard of care in our services. We undertake to look into any complaint carefully and promptly.
GoldenArt commits to provide clear and fair procedure, respond and manage the services for which complaint has been received.

2. HOW TO MAKE A COMPLAINT
All complaints should be made by filling in the complaint form .
Upon submitting a claim you will be required to provide the information, including but not limited to your name and email address.

We are committed to dealing with complaints fairly, promptly and objectively. Please see the details of how to make a complaint below and contact the appropriate service. Complaints can be filed with Kingsley's support services and redemption back office on the following addressed:
support@gart.com - in cases of technical malfunction, inability to use the vault, tracking of processing times
bo@gart.com - in cases of redemption cancellation, redemption complaints for miscalculation, lost receipt of receivables, partner redemption office complaint

Any legal complaints can be addressed to Kingsley's legal office at legal@gart.com and local judiciary. GART as a token falls under the competency of ESMA for the territory of the European Union and is governed under the MiCA regulation and any applicable law for commodities trade, financial institutions and custodial guardians. Any local member state court interpreting trade law can be a valid jurisdiction for GART depending on the plaintiff's domicile.

3. HANDLING YOUR COMPLAINTS
We will fully investigate your complaint and send you a response which clearly details our findings and the outcome of your complaint as well as our proposals to resolve your complaint.
We will also detail any proposed actions to put things right, if appropriate.

4. TERM
You should make a complaint as soon as you can after the date on which the event occurred or came to your notice.
We undertake to look into any complaint carefully and promptly. If we are unable to resolve your complaint immediately, we will aim to resolve your concerns as soon as possible.
Upon completion of our investigations we will issue you with a Final Response Letter.
If we are unable to complete our investigation after four weeks, we will write to you explaining any delays and outline the options available to you.

5. CONFIDENTIALITY
All complaints and information relating thereto are treated with the utmost confidence. Such information will only be shared with those employees or persons who need to know in order to handle your complaint.
All personal information that we may collect will be processed in accordance with the provisions of the EU General Data Protection Regulation 2016/679 (GDPR).

6. FURTHER QUESTIONS
If you have any questions or require further information about our Complaint Policy or about our Complaint Procedure, please contact us here.

Business Continuity

Kingsley AG strives to achieve the best possible outcomes for its customers even in times of crises, catastrophes and significant operational breakdown. The detailed plans, procedures, backups and failsafes put in place to mitigate damage and loss, and recover operations and assets are available here.

Holder's rights in case of insolvency:

Holders of KING are most likely not considered claimants in bankruptcy proceedings in the case of insolvency of Kingsley. Their treatment is subject to interpretation, however, a likely outcome is they will be treated as equity stakeholders where they have no claim on remaining gold or other assets after senior debt claims are resolved.

Environmental Impact

Kingsley will deploy more environmentally-friendly solutions and ensure that any principal adverse impact that they might have on the climate and on the environment are adequately identified and disclosed by the issuer.

Kingsley shall apply the regulatory technical standards that ensure coherence of disclosures by issuers of crypto-assets and by crypto-asset service providers.

* The regulatory technical standards will be created by the European Securities and Markets Authority (ESMA) in cooperation with the European Banking Authority (EBA) which are mandated to develop draft regulatory technical standards to further specify the content, methodologies and presentation of information in relation to sustainability indicators with regard to adverse impacts on climate and other environment-related adverse impacts, and to outline key energy indicators.

Legal Jurisdiction

In addition to the regulators and legal jurisdictions detailed in Complaint Policy, further jurisdiction claims or disputes may arise in cases of bankruptcy where US investors are involved, as claims can be handled by US Federal or State Bankruptcy courts. Furthermore, international trade law may apply, where transfer of commodities, redemptions and withdrawals are commenced at jurisdictions restricting the transfer and withdrawal of either the specific underlying asset or its representation as a digital token. For the territory of the EU, the general regulator is ESMA and above-national appeals and disputes are filed with the ECJ, where local law is exhausted or incapable of handling legal proceedings.

Analytical Token valuation

The sections that follow should be presented to ACCREDITED INVESTORS ONLY.

This section will describe the valuation approach used to evaluate the present and future values of the token and apply it to a series of assumptions in order to estimate the fair token price (should those assumptions hold). Here we use an analytical approach to determine the token value, which means that this valuation does not include any speculative action within the crypto market.

It is important to note that there is no valuation methodology that can predict the price of a token with any degree of certainty. Instead the purpose of this valuation is to provide a useful heuristic measure for the overall health and robustness of the tokenomics setup outlined above.

The quantity theory of money

The most prevalent technique for valuing utility tokens is the quantity theory of money, and more specifically, the equation of exchange. The cryptocurrency community has broadly embraced a number of models based on these concepts. In brief, the exchange equation is as follows:

$$M \times V = P \times T$$

Where:

- M is the amount of money in circulation within a specific system
- V is the velocity of money, or in other words: how often does money change hands within a predefined period (most commonly - annually)
- P is the price at which transactions are happening within the system
- T is the number of transactions for a predefined period (same period, as the velocity)
- P x T in this regard is essentially the total economic output of the system for the selected period, sometimes referred to as the GDP of the system.

The formula cannot be used directly on cryptocurrencies (and is a commonly encountered error). In a token/cryptocurrency economy, the two sides of the above equation are denominated in different units. When talking about the system's GDP, the expected revenue is generally used; on the other hand, the equation's left-hand side is still denominated in the native token. This issue may be resolved by providing an extra parameter expressing the exchange rate between the token and USD (or any other FIAT currency - F - depending on the system's GDP). The resulting equation is:

$$M_T \times E_{T/F} \times V = P_F \times T$$

This allows us to solve for $E_{T/F}$ and get the anticipated token exchange rate (or token value), assuming we can make reasonable estimates for the other variables. We can now determine the token's value as follows:

$$E_{T/F} = \frac{P_F \times T}{M_T \times V}$$

Our system also includes FIAT-based token staked/locked for rewards/locked for liquidity. Since this is connected with the token price, as previously mentioned, we can estimate the USD worth of staked tokens. Nonetheless, this raises the issue of estimating the staked/locked for rewards/locked for liquidity token **equivalent**.

Velocity

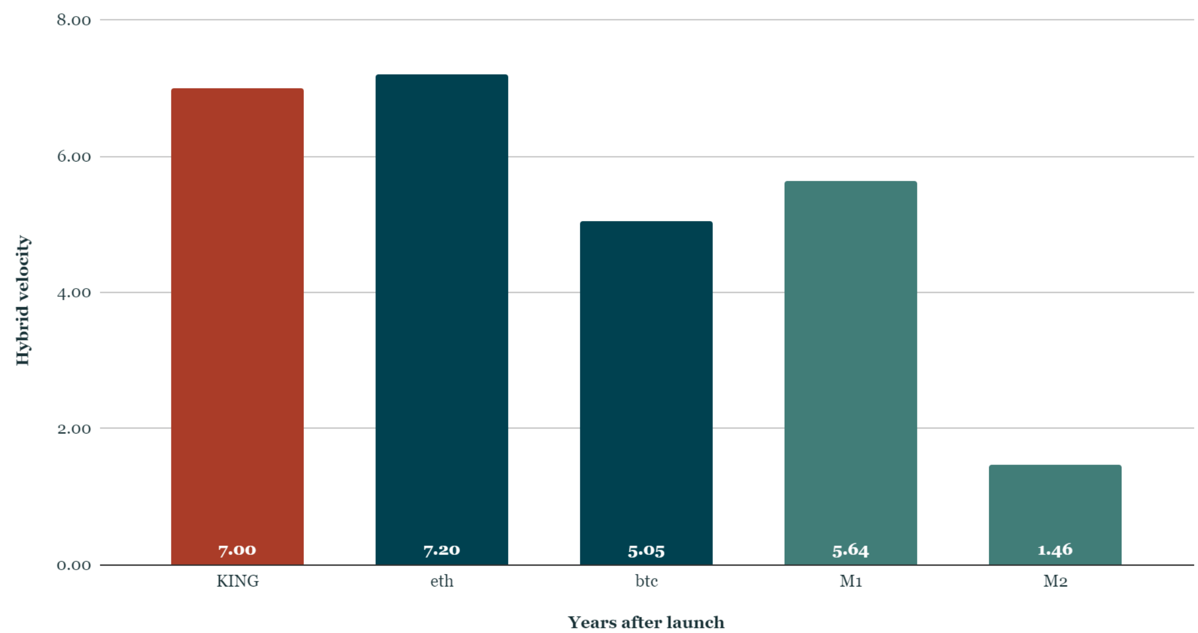
The token velocity is maybe the most complex and delicate assumption to make. To get an accurate estimate of the predicted velocity, we utilised the on-chain velocity of ETH and BTC, as well as the velocity of USD M1 and M2 money supply, as benchmarks. In order to prevent outliers and velocity changes, we have used the long-term median value for these values (relative to the existence of those assets).

We only use the on-chain velocity since all real value transfers inside the blockchain are ultimately recorded on the chain. In contrast, exchange transaction volumes are highly speculative and susceptible to manipulation. It is intriguing to note that, according to a more comprehensive study the true velocity may be considerably lower than reported.

M1 is the money supply of currency in circulation (notes and coins, traveler's checks (non-bank issuers]), demand deposits, and checkable deposits).

M2 component includes M1 in addition to saving deposits, certificates of deposit (less than $100,000), and money market deposits for individuals.

Based on the above assumptions, we have established a very conservative approximation for the velocity of KING, which would be further reduced by tokens staked/locked for rewards/locked for liquidity. The predicted hybrid velocity is shown below:



Token (hybrid) velocity (median) compared to benchmarks

Circulation

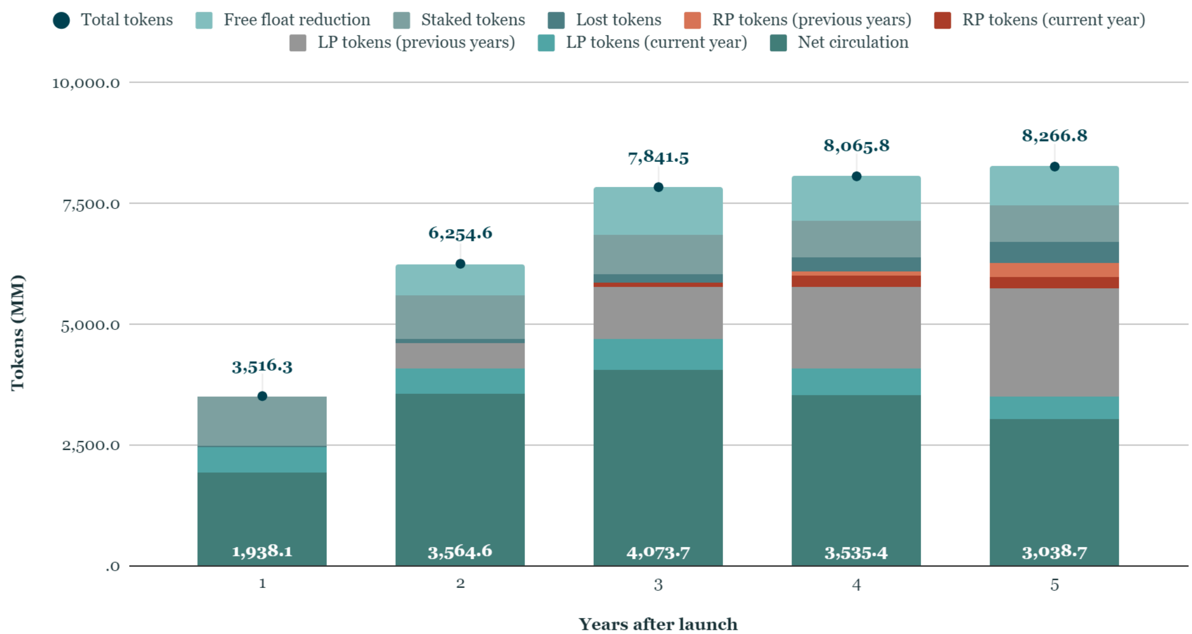
We estimate that a variety of variables will influence the overall quantity of tokens in circulation.

Tokens staked/locked for rewards/locked for liquidity. As described previously in this document.

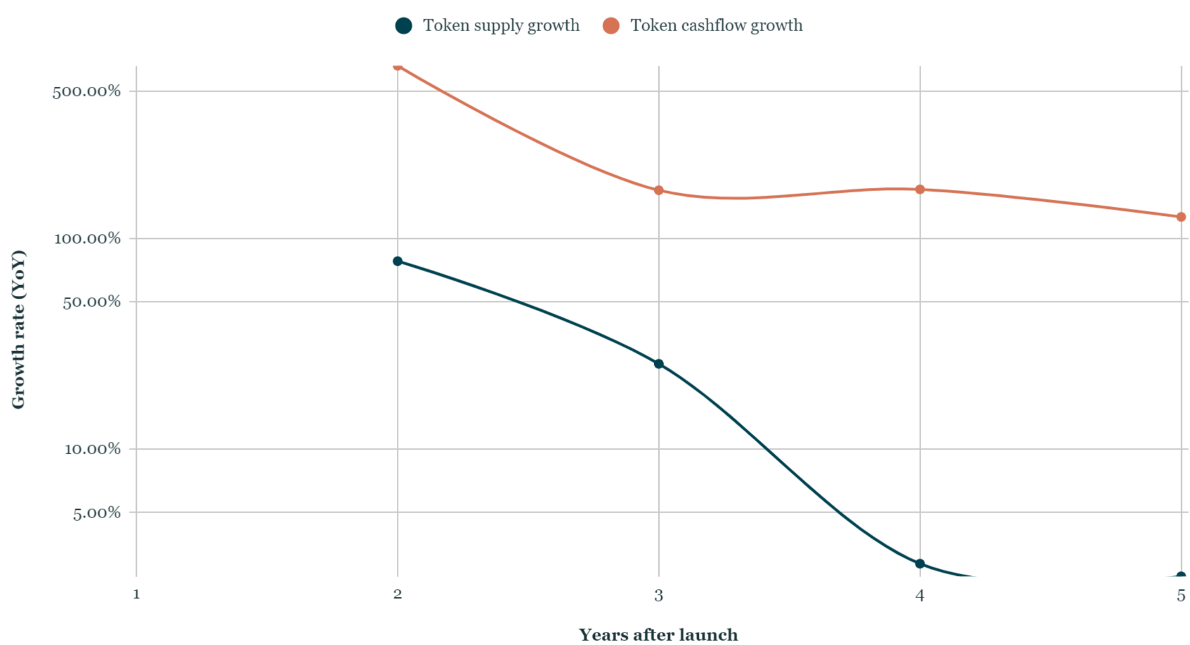
Token vesting. As described previously in this document.

Lost tokens. Each year, a small number of tokens will inevitably be lost (lost private keys). We have conservatively estimated that 0.5% of circulating tokens (vested tokens that are not permanently removed from circulation) are lost each year. This is a modest estimate, since studies indicate that over 4 MM bitcoins (almost 25% of the available bitcoin supply as of 2017) have been lost during the last decade. According to some estimates, this figure is closer to 11 percent for coins proven to be lost.

Free float supply. A portion of the supply of any cryptocurrency is retained by long-term holders and is thus not put into circulation. According to CoinMetrics, this ratio ranges between 20 percent and 40 percent for the majority of currencies. In our calculations, we've assigned this amount a median of 30 percent. In our computation, the free float decrease will only appear on the graph below for years in which the predicted staked amount is less than the intended free float reduction.



Expected actual token circulation (numbers at the bottom) compared to the total released tokens to date (numbers at the top)



Token supply growth vs. growth of the cashflow facilitated through the token (YoY). If at any point the supply growth outpaces the cashflow growth, this might lead to price decrease and volatility.

Cashflow facilitated through the token

The company's long-term objective is to reach 1941.0 MM USD in turnover and 277.8 MM USD in revenue by year 5*. This will be achieved under the following assumptions:

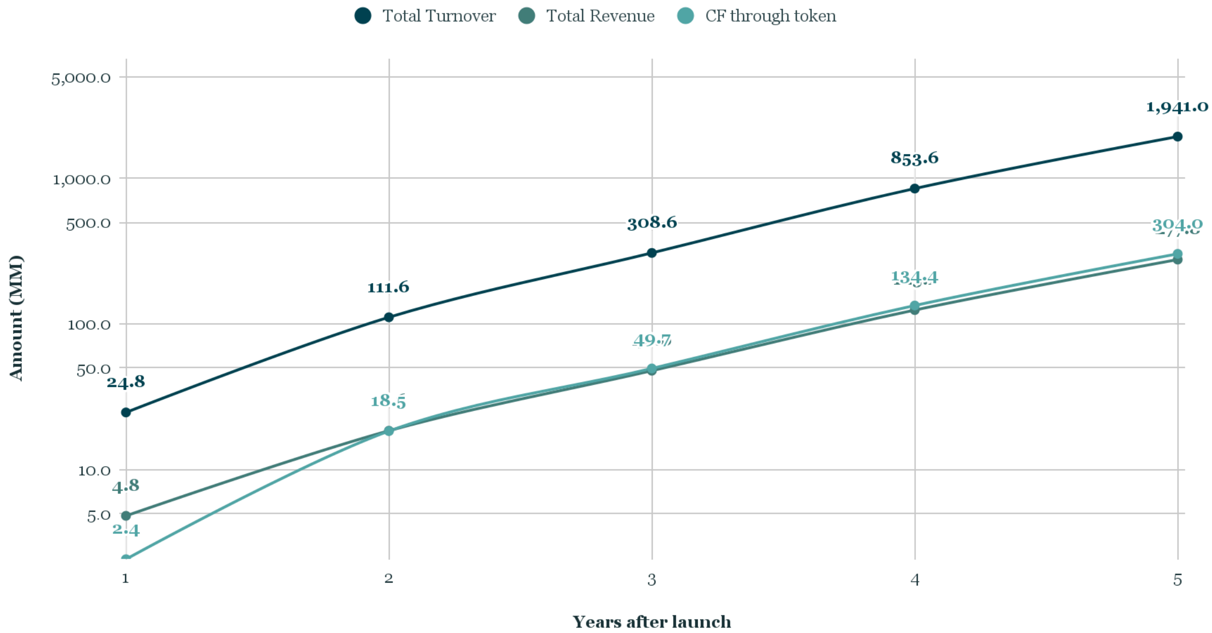
- 960 MM USD invested in private equity markets and almost 204 MM USD of returns and 15 MM USD in commission (within 5 years) via capture of 0.01% of the private equity market (which is projected to grow with a CAGR of 10.2% over the next 7 years).
- 932 MM in turnover and 23.8 MM in interest payments (within 5 years) from capturing 0.01% of the 11 trillion global commercial lending market (which is projected to grow at a CAGR of 13.1% between 2021 and 2028). Additional revenue is generated by late fees (2 MM in year 5).
- Kingsley aims to capture 0.5% of the business development market valued at a size of 12.36 BN USD and growing at a CAGR of 11.4%. It expects to generate over 20 MM USD in consulting fees and 11.7 MM USD in add-on subscriptions by year 5.
- Fees collected as described in the fees section of this document.

**NB!: The revenue numbers presented here are prepared by FinDaS and aim to represent target revenue under which the project should become sustainable, rather than actual expectations for revenue achieved.*

In turn, the cashflow facilitated through the token, based on the above assumptions, will be comprised of:

- Assumption of 50.0% of the sales facilitated through the token.
- Tokens locked for rewards/locked for liquidity as described in the respective sections of this document.

Combining the aforementioned assumptions with the growth curves yields the following projections for the company's performance.



Projected company performance and growth are based on financial assumptions provided as-is by the company. The chart shows the company turnover/revenue and their part, facilitated through the token (cash flow through the token).

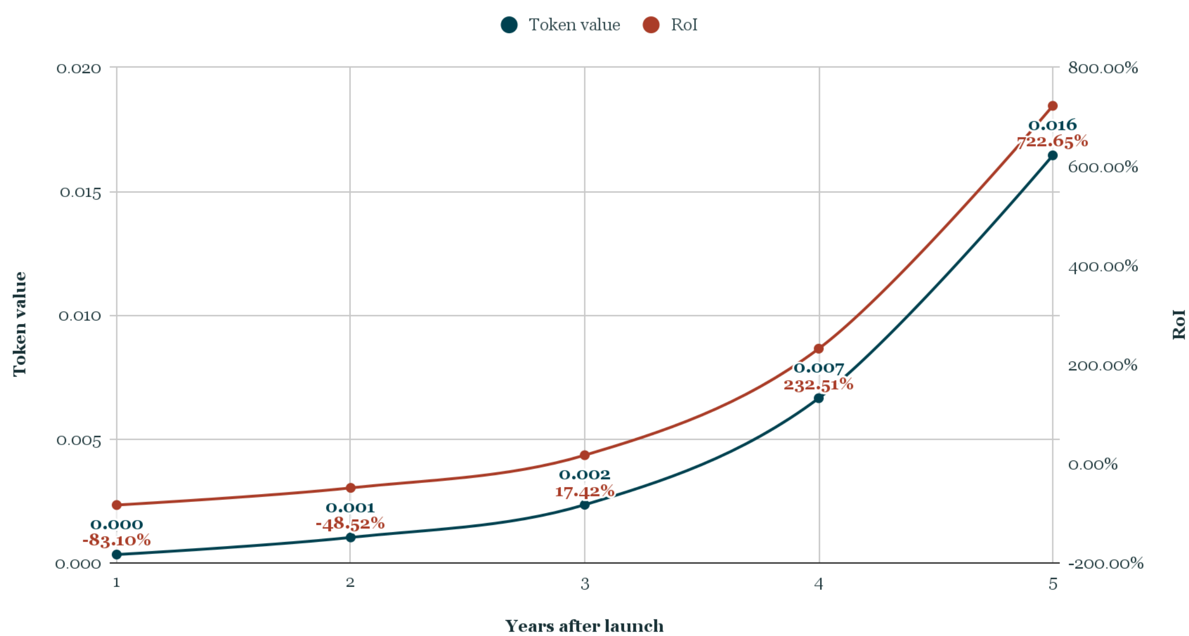
The assumptions above include potential Revenue reductions driven discounts for paying in the token. The assumptions are that 50.0% of all transactions will be paid in the token and will carry the aforementioned 5.0% discount for paying in the token.

The Revenue assumptions also include potential Revenue reductions driven by token Staking discounts. The assumptions are that 30.0%of all users will be Staking during year 1 and this number will gradually grow to 50.0% in year 5. The used discount amount is an average number of 25.0%.

Analytical Token value

This section should be presented only on demand and only to accredited investors.

Using the exchange equation, we can now determine the fair token value based on the aforementioned components. Using the lowest token sale price, we can also calculate the anticipated return on investment (RoI) (taking into account all offered bonuses).



Projected fair token price and estimated return on investment (vs. the lowest token sale price), based on company performance assumptions.

Benchmark token valuation

In the previous section, we performed an analytical valuation of the price of the KING token. While this approach provides us with a fair estimate of the token value, it does not take into account things like market sentiment and the overall expectations of the market for the future value of the blockchain industry as a whole.

In this section, we will attempt to provide alternative valuation models, which take into account those factors using multiples.

A multiple measures some aspect of a company's financial well-being, determined by dividing one metric by another metric. Metrics are quantitative tools that measure a company's performance. For example, a multiple can be used to show how much investors are willing to pay per dollar of earnings, as computed by the price-to-earnings (P/E) ratio.

Multiples from the standard financial world aren't generally applicable to cryptocurrencies, since the latter tend to be more complex in their financial structure than coins. Thus, we will examine several multiples for the token:

- Price-to-fees
- Price-to-net revenue
- Network value to transactions

Price to fees and price to net revenue

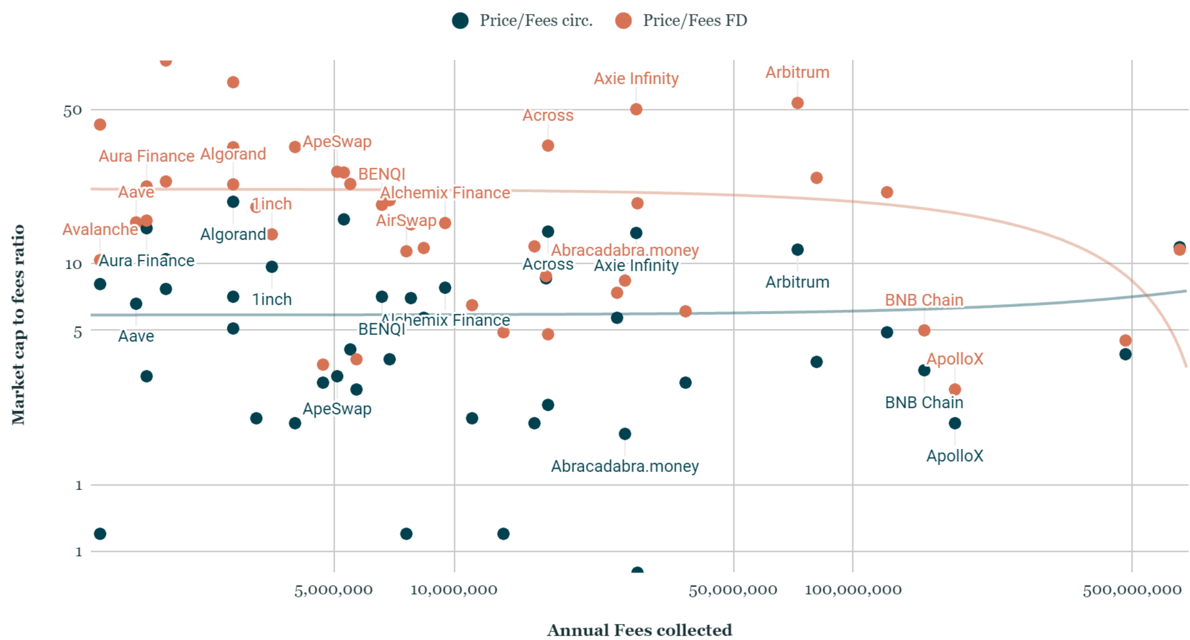
We define those ratios as follows:

- Price-to-fees is the token market capitalization (fully diluted or circulating) divided by the gross fees which the protocol collects from the end users.
- Price-to-net revenue is the token market capitalization (fully diluted or circulating) divided by the portion of the fees which goes directly to the protocol. Another way to say this is that the Price-to-net revenue is equal to the Price-to-fees excluding any allocations for things like:
    - Burning
    - Buybacks
    - Replenishing of reward pools
    - Incentives for users

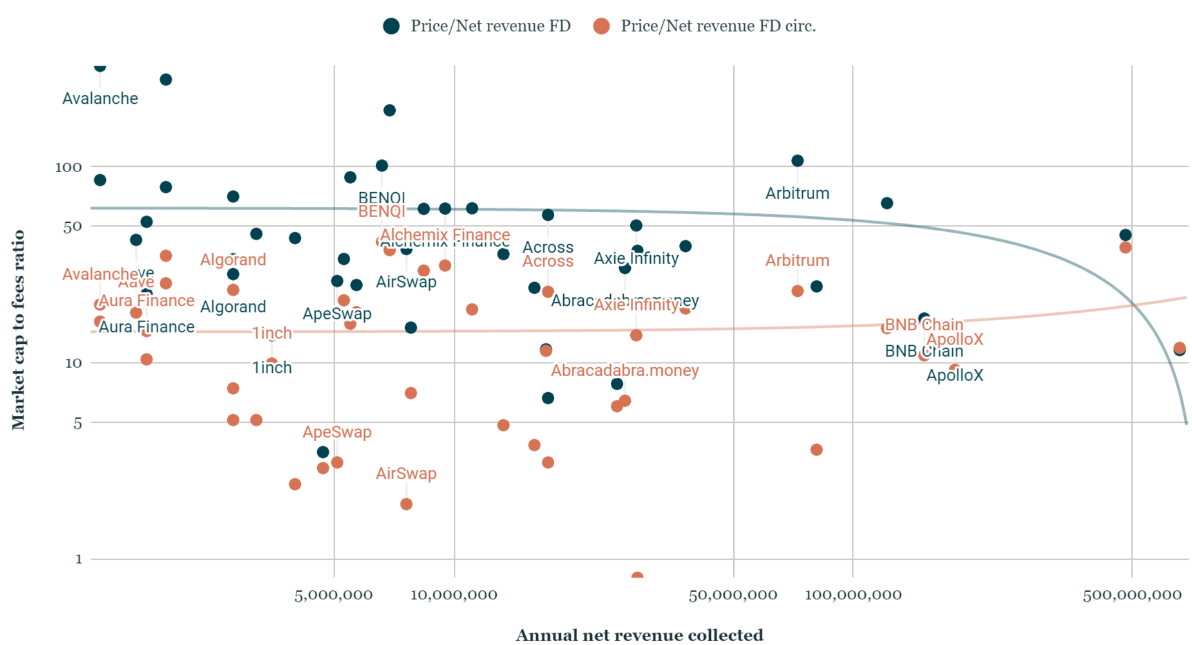
A good example of the difference between the Price-to-fees and Price-to-net revenue are projects like UniSwap , where the protocol collects a 0.3% fee on each transaction, however none of this goes to the protocol directly - all of it is distributed back to liquidity providers. Thus we can say that UniSwap has a Price-to-fees ratio, but does not have a Price-to-net revenue ratio.

Below we show 2 charts which show:

- Price-to-fees and Price-to-net revenue for our benchmark projects respectively
- The charts show those ratios based on the Fully Diluted (FD) and the Circulating (circ.) supplies respectively



Price to fees ratios



Price to net revenue ratios

As can be seen on those charts, the ratios can vary quite a lot between different projects, however, they tend to converge for the more established projects which collect a larger amount of fees. Some projects have extreme multiples of 10s of thousands and even millions. This however is not due to the fact that they are performing great, but rather that their token maintains its price (justifiable or not) even if the project generates no fees/sales. In order to avoid outliers skewing our valuation, we only include projects that have:

- Over 1 MM in Fees
- Over 0.5 MM in Revenue
- Bottom 50th percentile on both multiples

For those projects we then calculate:

- Average of the top 15 ratios by fees collected
- Average of comparable projects (projects which have between 50% and 200% of the Kingsley year 5 revenue)

Using the above numbers we can apply the same ratios to the KING token and we end up with the following prices:

Benchmark ratios			
Benchmark	**Metric**	**Diluted**	**Circulating**
Top 15	Price to fees	20.5	6.0
Top 15	Price to sales	57	15
Comparable	Price to fees	3.9	3.0
Comparable	Price to sales	32	12

Extrapolated token price based on benchmarks			
Benchmark	**Metric**	**Diluted**	**Circulating**
Top 15	Price to fees	0.5	0.5
Top 15	Price to sales	1.3	1.1
Comparable	**Price to fees**	**0.1**	**0.3**
Comparable	Price to sales	0.7	0.9

As you can see the ratios and this the prices vary a lot. This is due to the fact that tokens have very different monetary and fiscal policies. Furthermore some tokens have identical Price-to-fees and Price-to-net revenue ratios, while others have a totally different (or non-computable Price-to-net revenue ratio).

As such our recommendation is to **focus mainly on the Price-to-fees ratio** for comparable projects, as the most reliable proxy out of the four listed above. This puts the token in a **price range between 0.1 and 0.3 USD per token by year 5**.

Network value to transactions

The Network Value to Transactions Ratio (NVT Ratio) is defined as the ratio of market capitalization divided by transacted volume in the specified window. This can sometimes be thought of as a Price-to-Turnover ratio.

$$NVT = \frac{MarketCap}{DailyTransactionVolume}$$

If the value is too high, it means the **project is overvalued** compared to the low ability to transact coins in terms of volume, implying a possible price bubble. On the other hand, if the value is too low, this represents a possibly undervalued project with respect to its turnover.

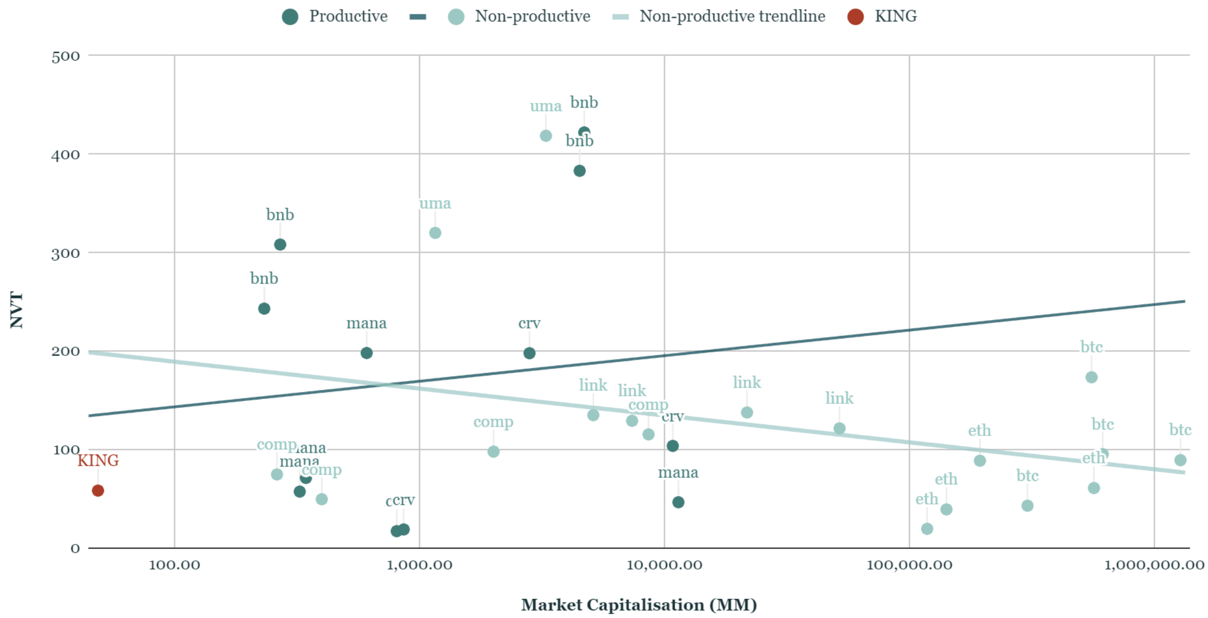
This interpretation is based on the effect of mean reversion.

For the purposes of this analysis, we have taken several of the most popular cryptocurrencies and split them into two categories:

- **Productive assets** - cashflow generating tokens or ones with strong deflationary mechanics.
- **Non-productive assets** - utility/governance/payment tokens without the features listed above.

Then for each of them, we have extracted four data points over the last two and a half years as follows:

- **Low** - NVT at their lowest market cap during the observed period.
- **High** - NVT at their highest market cap during the observed period.
- **Start** - NVT at the start of the period.
- **End** - NVT at the end of the period.

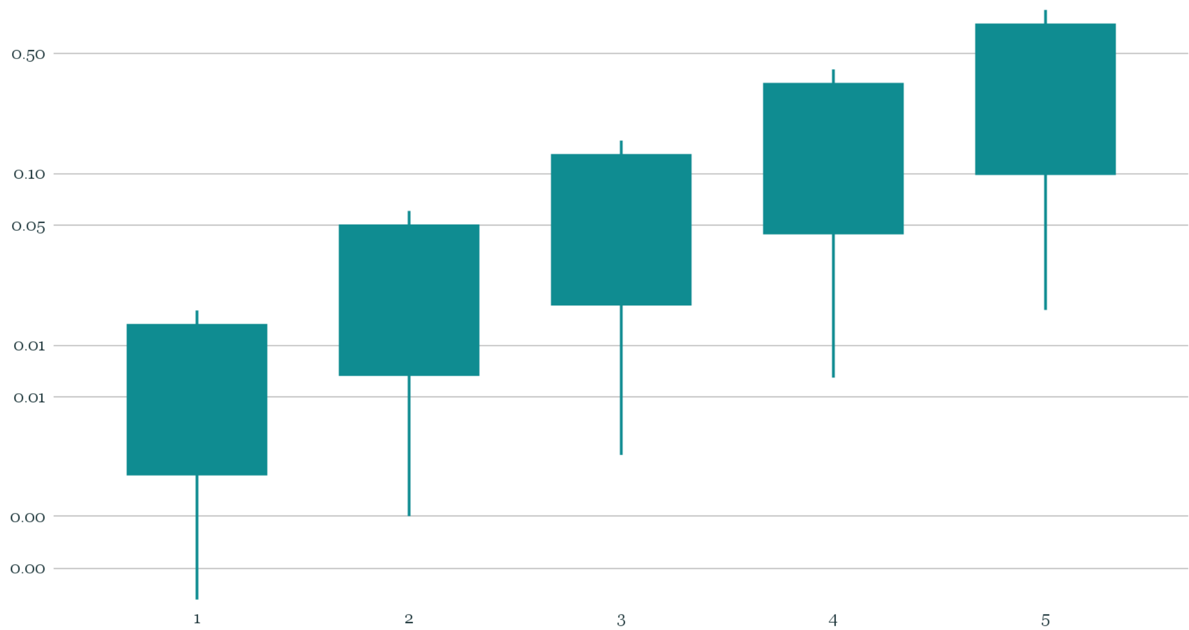


NVT Benchmarks

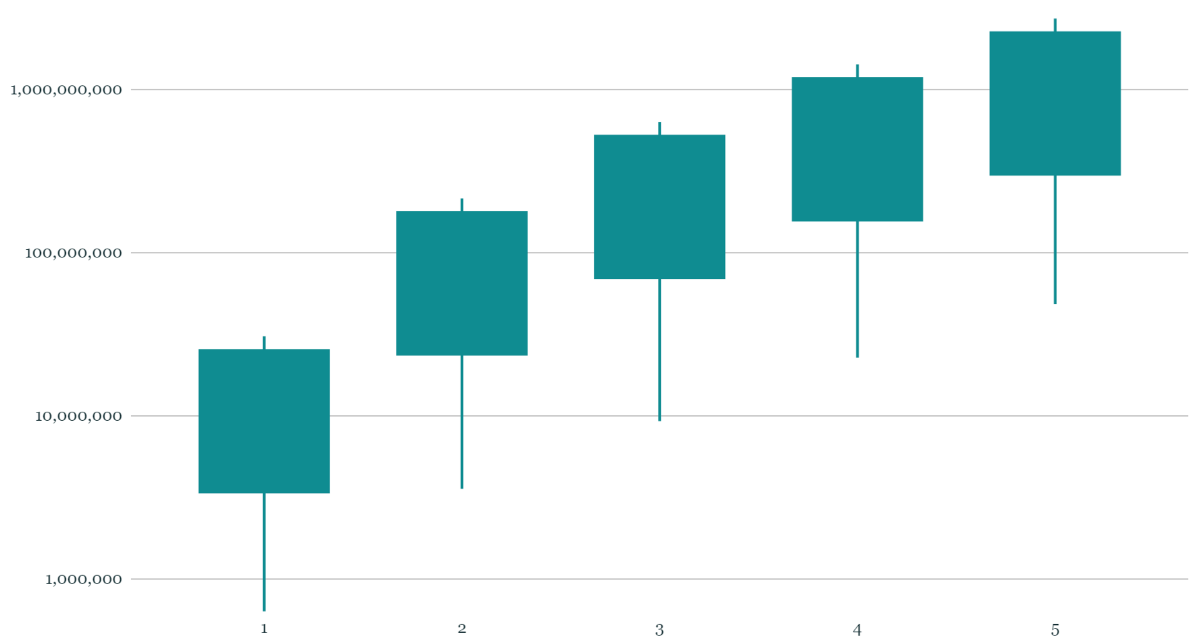
As it is evident, the NVT of the token falls below the expected mean trendline of all examined comparable projects. This signals that the project might be undervalued.

Token value & Market Cap ranges

Throughout this document, we have outlined all the setup, assumptions, and calculations behind the Kingsley token setup. Based on all the numbers outlined in in this document, this allows us to construct token & market capitalisation expected ranges for the KING.



Estimated token price range by year



Estimated token market capitalisation by year

The reason why the values vary greatly between different estimations is that, we have performed estimations:

- Analytically based on the fair value of the project
- Comparatively based on benchmarks (and those often include fair amount of speculation)

In the token economy outlined in this document we have used the lowest price point to ensure that the economy is sustainable. Any upside beyond this price point will only further enhance the token economy.

Can the lowest price point be considered as a price floor? Unfortunately not. There are many things which determine the price of a token, which might affect the token price to drop below our lowest estimates such as:

- Market sentiment
- Negative speculation
- Hacks/bugs in the code
- Issues with the project
- Etc.

Limitations

"The only function of economic forecasting is to make astrology look respectable."

John Kenneth Galbraith (economist, bestselling author)

It is important to note that the blockchain and cryptocurrency areas are still very new. There is little to no historical data, past performance results, and academic research on the topic of cryptocurrencies, let alone on the tokenization, economics, and long-term valuation of those asset classes. Stocks(equity) have been around since the early 1600s, but it is only in the past 100 years that we have begun to have more comprehensive and widely accepted valuation models. However, they are still subject to bias and interpretation and suffer from the quality of their inputs. On the other hand, cryptocurrencies have been around since 2008, with a broader recognition around 2016 and an explosion in the number of tokens in 2017. As such, it is way too early to evaluate or comment on the performance, monetary policy, or models behind any of them. As a result, we prefer to rely on sound economic principles backed by data and reasonable assumptions.

Furthermore, any financial projection should generally be treated as a target rather than a prediction. Their purpose is to ensure that the project has sensible and achievable goals, and upon reaching those goals, the rest of the numbers will add up and make sense. On the other hand, they cannot predict the future, nor account for all possible variables and scenarios with any reasonable degree of certainty.

About the authors

The FinDaS tokenomics team We are a team of crypto professionals with over 150+ crypto projects behind our backs and overwhelmingly positive feedback from our clients. Our team has a wide array of token economy specialists in various aspects - DeFi, CeFi, NFTs, and DAOs. We help design projects in a financially feasible and fiscally responsible way.

Hristo Piyankov - Lead Economist Hristo has over ten years of experience in analytics, data science, machine learning, big data, and AI with a financial background. He was an Analytics Director for one of the largest consumer finance companies in the world's largest consumer market (China). During this time, he led several complex international projects to fruition. He is an expert in data modeling of all kinds (financial, forecasts, estimations, budgeting, machine learning, statistical).

Now he is working with various blockchain startups, helping them figure out their token economies and data problems. He is passionate about making sure that data works for the business and not the other way around. Hristo is an expert in Blockchain, Solidity, Python, and algorithmic trading, not to mention Excel/Google Sheets.