CRYPTOPAY

Central Entry Point to a Decentralised World

Whitepaper

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The Whitepaper does not constitute any relations between you (hereinafter – "you" or "Holder") and the Distributor. Acquiring of the CPAY tokens is available only after accepting the Terms of tokensale (hereinafter – "T&C").

Acquisition of CPAY cryptographic tokens does not present an exchange of cryptocurrencies for any form of ordinary shares of the Distributor and a Holder of CPAY cryptographic tokens is not entitled to any guaranteed form of dividend, Holders of CPAY tokens are only entitled to certain rights within the T&C.

CPAY tokens are not intended to constitute securities in any jurisdiction. This Whitepaper does not constitute a prospectus or offer document of any sort, and is not intended to constitute an offer of securities or a solicitation for investments in securities in any jurisdiction.

This Whitepaper is for information purposes only. The contents of this Whitepaper are not a financial promotion. Therefore, none of the contents of this Whitepaper serves as an invitation or inducement to engage in any sort of investment activity.

Prospective acquirers of CPAY tokens should carefully consider and evaluate all risks and uncertainties associated with the cryptocurrencies, Cryptopay Ltd and their respective businesses and operations, the CPAY tokens and the CPAY Initial Coin Offering. Familiarize yourself with all the information set out in this Whitepaper, Risk Notice and the T&C prior to any purchase of CPAY tokens.

Ensure that you are aware of all of the would be risks prior to obtaining CPAY. The Risk Statement details all potential risks that you should consider. We recommend that you seek out independent financial advice before engaging in any sort of business endeavor.

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Risk Statement

No regulatory authority has examined or approved any of the information set out in this Whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this Whitepaper does not imply that the applicable laws, regulatory requirements, or rules have been complied.

To the maximum extent permitted by the applicable laws, regulations and rules, CPAY Foundation limited and its affiliates and their respective officers, employees or agents will, in relation to the website and CPAY tokens, not be liable for any damages of any kind, including, but not limited to, direct, consequential, incidental, special or indirect damages (including but not limited to lost profits, loss of revenue or third party loss whether foreseeable or otherwise, trading losses or damages that result from use or loss of use of the website and CPAY Tokens).

For the avoidance of doubt, The Distributor expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this document, (ii) any error, omission or inaccuracy in any such information, (iii) any action resulting therefrom, or (iv) usage or acquisition of products, available through the website.

You acknowledge and agree that you are not purchasing CPAY tokens for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes.

Some of the statements in the Whitepaper include forward-looking statements which reflect the Distributor's current views with respect to execution roadmap, financial performance, business strategy and future plans, both with respect to the Distributor and the sectors and industries in which the Distributor operates. Statements which include the words "expects", "plans", "believes", "projects", "anticipates", "will", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Distributor’s actual

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Risk Statement (continued)

results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of the T&C entitled "Risks", which should be read in conjunction with the other cautionary statements that are included in the T&C. Any forward-looking statements in the Whitepaper reflect the Distributor's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Distributor's operations, results of operations and growth strategy. These forward-looking statements speak only as of the date of the Whitepaper. Prospective buyers of the CPAY tokens should specifically consider the factors identified in the Whitepaper and T&C which could cause actual results to differ before making a purchase decision. No statement in the Whitepaper is intended as a profit forecast and no statement in the Whitepaper should be interpreted to mean that the earnings of the Distributor for the current or future years would be as may be implied in this Whitepaper.

Restricted Areas

Citizens, residents (tax or otherwise), or green card holders, of the United States of America are ineligible to purchase any CPAY tokens in the CPAY Initial Coin Offering (as referred in this Whitepaper). The same pertains for residents of the Republic of Singapore and Canada.
Participation in the CPAY Initial Coin Offering for:

- UK citizens or residents will be restricted to self-certified sophisticated investors only.
- Hong Kong citizens or residents will be restricted to professional investors only.

This Whitepaper, or any part thereof, as well as any copies, must not be taken or transmitted to any country where distribution or dissemination of this Whitepaper is prohibited or restricted.

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Introduction

As the popularity and mainstream acceptance of blockchain and digital assets increase, traditional investors have been looking for more exposure to these digital assets and blockchain based technologies. However, many things can be “lost in translation” when it comes to integrating the digital currency world and the world of traditional finances. Providing a seamless exchange between crypto and conventional assets is the underlying philosophy behind Cryptopay expansion and Initial Coin Offering (ICO).

Investors, who use digital currencies, currently have to interact with several counterparties to successfully manage their risks and portfolio. These counterparties being traditional banks, payment networks and financial services companies. The majority of them don’t understand the nature of digital currencies, which can cause frustration, account freezes, losses and not to mention the various inefficiencies that come with moving between the different asset classes.

With the emergence of blockchain, a growing number of users and businesses are beginning to struggle leveraging the existing infrastructure in order to manage the transfer of funds between physical and virtual platforms.

As of now, Cryptopay provides the ability to spend, save, and transact digital currencies. The Cryptopay wallet allows users to effortless trade between bitcoin and fiat currencies, specifically the GBP, USD, and the EUR. This wallet service is complemented by a prepaid card that lets users quickly access funds stored in cryptocurrencies. Soon hereafter, we are launching the a service that will allow users access to equities and the ability to own current accounts.

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About the company

Short Summary

Cryptopay has been in operation since 2013 and is one of the longest running digital currency service providers in Europe. It has a broad range of services for the digital currency world - starting with merchant services for bitcoin transactions and building on that to a full digital assets wallet with prepaid card and payment services.

Here are some facts about Cryptopay's current business:

- Established in 2013;
- Headquarter is based in London;
- Three offices worldwide;
- 56 full-time employees;
- More than 450,000 users registered;
- More than 91,000 cards issued.
- Monthly volume of transactions is over 22 mln EUR with a sustainable growing trend;
- Profitable and cash flow positive since 2016;
- Fully compliant with EU Data protection legislation;
- FCA registered small payment institution;
- PCI-DSS Level 1 certified.

We are now raising funds to finance the development of new products, acquire appropriate licenses in Europe and Asia and provide necessary working capital all on the basis of the existing Cryptopay products and infrastructure.

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Cryptopay Management



George Basiladze

Founder

MsC in finance, George has had various research analytical experience at different Russian investment firms and also holds an in-depth knowledge of financial systems. Experienced professional with PE/VC and corporate finance background, passionate on starting new products or act as an adviser for other founders regarding strategy, business modeling, valuation and fundraising.



Dmitry Gunyashov

Founder

Dmitry is a long-term bitcoin supporter and has been involved with the bitcoin community for more than 5 years. Dmitry has a 7+ years history in building e-commerce businesses and successfully managed the development work of multiple payment systems in the past.



Eric Benz

Managing Director

With over ten years of experience in fintech, Eric has delivered innovative SaaS systems for the biggest institutions around payments, identity, and banking infrastructure. Ever since hopping on the blockchain wave in 2012, Eric has been involved in a number of blockchain fintech businesses both as an investor and as a board director.

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Advisers



Marc Kenigsberg

Founder of BitcoinChaser

A firm believer in Bitcoin since 2013, Marc operates various Bitcoin websites and projects. He is a veteran of the gambling industry with 15 years experience in various marketing roles and also an affiliate in the financial space and operates industry leading financial portals.



Artem Tolkachev

Director in Deloitte

Artem has a broad legal expertise in the area of fintech and internet content projects. He has supported the activities of the largest mPOS solutions in CIS and Russia. Artem has developed the legal infrastructure for a range of payment systems, some of which include crypto.



Christian Papathanasiou

CEO at GCX LTD

Christian has managed some of the largest application security programmes in the world for financial services institutions. He has sat on various board risk committees, set enterprise wide IT security standards and worked with regulators in the UK, US and Singapore.



Jon Matonis

Founder of Bitcoin Foundation

A blockchain evangelist, a fintech professional, founding director of Bitcoin Foundation, Jon has spent years working, writing and creating global networks.

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Advisers (continued)



George Piskov

Director at Unistream Bank

Dr. George Piskov serves as a Managing Director of Uniastrum Capital Limited (UCL). Under his supervision, the system has made outstanding progress internationally, becoming an efficient and well developed money transfers network.



Adriaan Brink

Founder of Earthport

A Seasoned company director and entrepreneur with 25 years of experience in online gaming and payments software development. Adriaan is seen as a pioneer in both online gaming and payment processing.

Cryptopay Products

Existing products

Bitcoin Wallet

The Cryptopay wallet is the core product that lays as the foundation to all existing fee-generating services. We offer a hosted bitcoin wallet (Ethereum, LiteCoin and Ripple coming soon) and integrated simple exchange services.
For even further convenience, Cryptopay introduced Flex accounts - instant exchange options. Whenever a user sends bitcoins to one of these fiat denominated accounts, bitcoins are instantly converted and do not require any additional manual conversions.

CPAY Prepaid Card

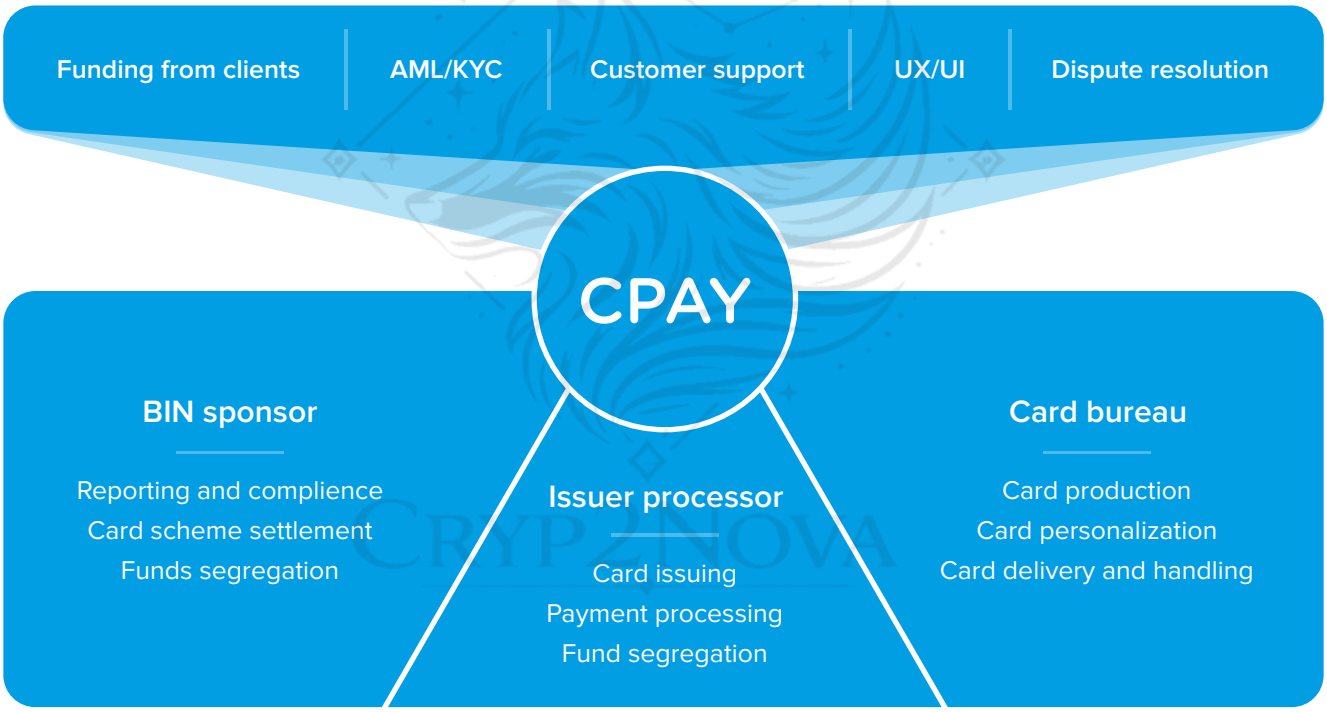
The Cryptopay prepaid card was launched in early 2015, and was one of the first digital currency cards on the market. At that time, the card was the first real tool

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that brought bitcoin to the mainstream. It allows any bitcoin holder to spend their coins, online or otherwise, anywhere that accepts traditional payment cards. This, paired with the digital wallet, allowed users to utilize their bitcoins in day-to-day life.

Cryptopay acts as an intermediary that links the card issuer, the bitcoin wallet, compliance services and the bitcoin exchange. Cryptopay allows users to have a single point of access to the complex financial and technical infrastructure in a user friendly way.

In 2017, we started doing business with a new card issuer, and have developed the second generation of the Cryptopay prepaid card. Acting as a program manager, we are registered with the card scheme and certified under PCI-DSS.



The second generation of our card has been completely redesigned. Not only has the physical design of the card been updated, but we've improved how it works, and it's backed by a different technology stack:

- NFC enabled - the world's first contactless bitcoin prepaid card;
- Cards have higher ATM withdrawal limit;

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CPAY Prepaid Card (continued)

- Cryptopay verification now takes less than one business day and doesn't require any review by the issuing bank.

As of now, we have issued more than 91,000 cards, both plastic and virtual.

Merchant Processing

The bitcoin payment gateway was the first product released by Cryptopay in 2013. We began providing high risk merchants (gaming, gambling, etc.) with the ability to accept/send bitcoin as a payment channel without the risk of holding bitcoins. Most merchants use our API with SLA guarantee and we have developed features to meet their specific needs.
Featured clients:









Payment processing is a product with a long-term development strategy that heavily relies on sales and business development. From a commercial standpoint, the revenue from this business stream is driven by the adoption of bitcoin and in the long run this will affect other revenue streams through various cross-sell business opportunities.

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Products Under Development

Brokerage Services

The recent dramatic valuation of different popular digital currencies have generated a lot of wealth for early adopters. From the long term perspective, many digital currencies holders will eventually have to reduce their exposure to digital currencies due to many reasons - starting from liquidity preferences to changing attitudes of perceived risk. We soon expect to see many investors shift the holdings of their portfolio from digital currencies to traditional financial assets - stocks, bonds, derivatives and even term deposits.

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Brokerage Services (continued)

We believe that we will benefit traditional asset managers/brokers as they will get interest from relatively young, but wealthy individuals. However, due to compliance reasons, much of the shift of wealth will be followed by multiple issues - asset freezes, compliance checks, bank account shutdowns, etc. Traditional financial institutions neither understand this new generation of clients nor can they serve them in the right manner.

Our focus is to provide traditional financial services to the digital currencies community in a secure and compliant way. Users of Cryptopay brokerage services will be able to move holdings from bitcoin, to say, Apple stocks within a single account and without any additional effort.

As a regulated entity with payments and prepaid cards we are in the best position to combine a high level of service that our users love with regulatory requirements.

Current Accounts and Banking Services

At the moment, making and receiving payment from a bitcoin related source (bitcoin exchange, broker or platform) is liable to end up in a compliance nightmare. Yet again, traditional financial services companies do not understand digital currencies and whenever there is an inflow of funds from that space issues arise. Many cryptocurrency traders and miners dream of a bank account that understands the nature of their business, and is able to provide at the very least, basic payment services. However, even in Europe, it is difficult to obtain and maintain a bank account that is associated with digital currencies.

Cryptopay plans to provide its clients' payment accounts with an IBAN attached to it and the account will be in the name of the customer, rather than Cryptopay. Bridging these two distant worlds together will create a place where the digital currencies community will be able to hold, save, and transact with its fiat holdings without fear of getting their current accounts shut down. Thus, we believe that providing complementary services like brokerage and a contactless prepaid card we will be able to retain customers and new customers will switch their current banking provider in favor of Cryptopay.

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P2P Marketplace

Without a doubt, the market of ICOs and fundraising through such ICOs is here to stay. Now the market is in its early days. Lack of investor protection and presence of fraudulent market players discourages many investors to participate while putting the larger market at risk.

We believe that regulations do not necessarily mean that ICOs would not be allowed or banned. For more conscientious projects, commencing an ICO on a regulated marketplace provides the opportunity to reach more investors, due to transparency of the marketplace and clear investor protection mechanisms.

Once our previous fundraising goals are met and the projects connected with those goals are implemented, Cryptopay will have enough resources and underlying infrastructure to establish a regulated marketplace for ICOs without sacrificing the spirit of decentralisation promoted by blockchain. Getting a brokerage and a payment license means establishing sound dialogue with the regulator. Having raised enough funds would prove in eyes of the regulator, that our project has enough resources and investor demand to continue moving it further.

Cryptopay will liaise with a reputable regulator in continental Europe to find the best regulatory and legal framework that is most conducive with success. Critical functions like trading, price discovery and settlement / clearing will be taken care of by subsidiaries that were established by funds, raised on the previous milestones. Other critical functions, like authorisation, audit and legal services would be provided through partners from well established and reputable professional firms. On top of that, we will run and underwrite ICOs and perform legal due diligence, mandatory escrow and provide IR / communication platform for projects. Some existing, well known tokens will be added to the platform to drive the adoption and attract new investors. At the same time, many roles, like register and listing authorisation / depositary would be performed by the ethereum blockchain itself.

Retail investors will be able to invest in a broad range of tokenized securities, create custom investment portfolios and get insights and reports though Cryptopay investment research department.

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Accompanied with a prepaid card this is the perfect solution not just to invest, but also to keep investments liquid.

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CPAY Initial Token Sale

General Overview

An Initial Token Sale or Initial Coin Offering (hereinafter - "ICO") is the event at which a cryptocurrency project sells part of its cryptocurrency tokens to early adopters and enthusiasts in exchange for funding. For the party offering the tokens for sale, this provides a proven methodology for raising funds and ensuring adoption of the tokens once they are in circulation and is a popular way to upscale an existing product or service. On the other hand, for the purchasers of tokens, ICO is an opportunity to participate in the early development of cryptocurrency business.

Initial Coin Offerings ("ICOs") have quickly grown to account for more startup funding in blockchain-based companies than all of Venture Capital. Nearly $2.3 billion has been raised to date in ICOs, with the large majority of that taking place in the first half of 2017.

The massive increase in the value of cryptocurrencies significantly contributed to the growth of ICO market during the last year. The market capitalization of all Cryptocurrency has risen from $7 billion in January of 2016 to over $130 billion as of now in September 2017.

Bitcoin has appreciated nearly 30X since September of 2013 ($135 USD per Bitcoin), reaching over $4,000 per Bitcoin in September of 2017. In part, this is due to Bitcoin's role as the most widely known, used, and accepted cryptocurrency for payments.

Ether has appreciated more than 100X since August of 2015 ($2.83 USD), reaching over $300 in September of 2017. In part, this has been due to Ether's role as the core utility token of Ethereum - the most widely used blockchain-based computing platform for ICO's / token sales.

ICOs are a way for early cryptocurrency holders to diversify their holdings using the cryptocurrency itself.

In the last year we've seen an incredible move by startups and founders towards use of blockchain technology and tokenized models. Rather than building new products on centralized architectures and database structures, an incredible

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General Overview (continued)

wave of new development and innovation is happening on blockchain technology to kick off new decentralized services and models.
There's a deep technical community running full speed towards a blockchain-based future, with experienced technology company founders jumping in to the fray with blockchain. A majority of the ICOs you're seeing today are for new companies, who are yet to launch their products to the market.
We're also starting to see the ICO and tokenization model start to catch up with more mature and established companies like Cryptopay.

Purpose of CPAY ICO

Even though Cryptopay already has a number of working products, a FCA Small Payment Institution licence, and thousands of customers, taking the business to the next level requires more capital to scale our impact. There are many variables to be considered, such as, to continue developing products, entering new markets, and hiring experts to help build the business. The funds raised during the ICO will allow us accelerate the building of our platform which needs a higher volume of loans than we are able to support at the moment.
Offering a token instead of a traditional venture capital round enables the community to participate in the Cryptopay success story, rather than limiting it to a small, selected number of traditional venture capital funds. By acquiring CPAY tokens, token holders will benefit from our future success. A token sale is fast, transparent, and efficient for exactly this purpose.
The main advantages of the ICO model of business expansion:

- Token sales are a cost effective mechanism for raising funds;
- The ICO will be not only a fundraising event, but also a great marketing opportunity;
- Token sales provide an opportunity to engage with the community and build products in consultation with token holders and experts - delivering products that are best-of-breed to customers.

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Milestones

- **Up to EUR 15,000,000** equivalent: a financial services platform that will allow digital currency community to invest in traditional financial instruments like stocks, indices and futures to hedge their exposure to digital currency assets.
    - Structuring a separate legal entity that acts as a broker through a partnership with an existing broker. We already have an affiliated company that will provide agency licensing;
    - Integration of market data and execution/trading white label platform to the existing Cryptopay UI. We've already selected a well established partner for this stage.
    - Establishing an internal risk engine and controls to provide clients leverage in trading as well as escrow accounts.
    - Expansion of compliance back office team to meet regulatory requirements.
    - An investment management/stockbroker license in an EEA country.
- **Up to EUR 35,000,000** mln equivalent: a banking institution in the EEA that will provide full suite of banking/investment services for the community.
    - Changing our authorisation status from a small payment institution to full EMI.
    - Establishment of SWIFT and SEPA memberships.
    - Getting card scheme memberships and necessary certifications.
    - Business development to get corresponding bank accounts.
    - Integration of payment infrastructure to the Cryptopay backend.
- **Up to EUR 50,000,000** mln equivalent: a p2p platform:
    - Liaison with one of the reputable regulators in Europe to establish a special / sandbox regulatory regime to establish a platform that will allow companies to legally and operationally structure their ICOs.

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Milestones (continued)

- **Up to EUR 50,000,000** mln equivalent: a p2p platform (continued):
    - Launch of an ICO bookrunner / underwriter and own trading platform for fundraising investing in ICOs and blockchain based financial instruments.
    - Based on created regulatory framework development of a P2P platform / financial services marketplace with clear rules and for companies to fundraise (not only ICOs) and individuals to invest and save.

CPAY Pre-sale

Token price: 1 CPAY = 0.001 ETH;
Amount on offer: 75,000,000 CPAY (including 25% bonus);
Start: 25 September 2017, 10:00 BST (UTC+1), 18:00 JST (UTC+9), 18:00 KST (UTC+9);
Percentage of CPAY on offer: Approximately 23%;
End: 2 October 2017, 10:00 BST (UTC+1), 18:00 JST (UTC+9), 18:00 KST (UTC+9);
Minimum purchase amount: 50,000 CPAY (worth of 50 ETH);
Maximum purchase amount: 5,000,000 CPAY (worth of 5,000 ETH) – subject to vesting.

On September 25th, 2017 at 10:00 BST (UTC+1) the Distributor will offer a maximum (hard capped) of 60,000 ETH worth of CPAY tokens (approximately 23% of all CPAY tokens if the maximum limit during pre-sale and ICO to general public is reached) in a pre-sale event before commencing with the ICO to general public. This is to let strategic investors participate and it takes place 7 days before the sale to the general public.
Each CPAY token will be sold for 0.001 ETH, meaning 0.001 ETH will enable the purchase of 1 CPAY token. The Pre-sale will be open to any party wishing to subscribe to a minimum of 50,000 CPAY (50 ETH minimum pledge) and 25% bonus tokens will be allocated on top of the amount that you are purchasing.

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CPAY Pre-sale (continued)

The maximum amount of tokens per participant is limited to 5,000,000 CPAY (5,000 ETH). Funds for strategic investors will be able to purchase more than 5,000,000 CPAY, subject to a 6 months lock-in period.

ICO

Token price: 1 CPAY = 0.001 ETH;
Amount on offer: 165,000,000 CPAY (including 10% bonus);
Start: 2 October 2017, 11:00 BST (UTC+1), 19:00 JST (UTC+9), 19:00 KST (UTC+9);
Percentage of CPAY on offer: Approximately 52%;
End: 30 October 2017, 10:00 BST (UTC+1), 18:00 JST (UTC+9), 18:00 KST (UTC+9);
Minimum purchase amount: 40 CPAY (0.04ETH);
Maximum purchase amount: 5,000,000 CPAY (worth of 5,000 ETH) – subject to vesting.

On October 2nd, 2017 at 10:00 BST (UTC+1) the Distributor will offer a maximum (fixed limit) of 150,000 ETH worth of CPAY tokens (approximately 52% of all CPAY tokens if the maximum limit during pre-sale and ICO to general public is reached) for sale to the general public.
Each CPAY token will be sold for 0.001 ETH, meaning that 0.001 ETH will enable the purchase of 1 CPAY token. There will be a minimum pledge amount of 40 CPAY tokens per purchase (0.04 ETH minimum pledge) and various bonuses will be in place during the first two weeks of the sale to general public (for more details refer to the CPAY ICO Bonus Schedule below).
There will be a cumulative maximum (hard capped limit) of 210,000 ETH worth of CPAY tokens in the CPAY pre-sale and ICO to general public combined. The total amount of CPAY tokens distributed during the pre-sale and during the ICO to the general public together will constitute of 75% of all CPAY tokens. The remaining 25% of CPAY tokens will be distributed among the foundation, advisors, team and partners.
The cumulative hard cap is the approximate ETH equivalent of the EUR 50 mln funding which is needed for the realization of all three milestones specified. We

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ICO (continued)

will recalculate the hard cap in ETH according to the latest EUR/ETH exchange rate as at the date of Pre-sale event.
Should the amount raised fall below EUR 1 million equivalent, all funds will be returned to the ICO participants.
There will be no further CPAY tokens created after the ICO - the amount will be capped as per this document.

Distribution Structure

75% of all CPAY tokens will be for sale to the public between the phases of the ICO pre-sale and the ICO sale to the general public.
A further 10% of CPAY tokens will be retained by the Distributor, and will be used for various purposes. Purposes such as, community initiatives, business development, academic research, education and market expansion or future token sales. The Distributor considers this as a testament to the fact that Cryptopay wants to be transparent and inclusive for the community at large, which Cryptopay perceives as its most valuable asset.
At the same time, Cryptopay feels that it is essential that the interests of Cryptopay are aligned with those of the ecosystem in the long-term. In order to support long term growth in a sustainable way, founders and the development team of Cryptopay will be rewarded with 5% of tokens in exchange for their efforts and resources contributed to the development of the CPAY products.
Details of the distribution of tokens:

ICO pre-sale (*)	23%
ICO to the general public (*)	52%
Advisors and Partners	5%
Bounty program	5%
Foundation retention	10%
CPAY team	5%

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Distribution Structure (continued)

(*) - tokens issued during the ICO pre-sale and ICO sale to the general public together will constitute 75% of all CPAY tokens. The upper-mentioned percentage will be reached in the event that maximums (fixed limits) are reached on both stages.
No further CPAY will be issued after the ICO period is over.

CPAY ICO Bonus Schedule

When you make a purchase, bonus tokens will be allocated on top of the CPAY tokens that you have just acquired. For example, if you have committed to buy 100 CPAY tokens within the first 24 hours of ICO, you will receive 10 CPAY tokens plus as a bonus, so 110 CPAY tokens as a total.

CPAY presale - 25th September 2017, 10:00 (UTC+1) to the 2nd October 2017, 10:00 (UTC+1)	25% bonus
ICO - 2nd October 2017, 11:00 (UTC+1) to the 3rd of October 2017,10:00 (UTC+1)	10% bonus
ICO - 3rd October 2017, 11:00 BST (UTC+1) to the 10th October 2017, 10:00 BST (UTC+1)	5% bonus
ICO - 10th October 2017, 11:00 BST (UTC+1) to the 17th October 2017, 10:00 BST (UTC+1)	2.5% bonus

Additional 5% bonus will be provided for current Cryptopay verified users during the Pre-sale and all ICO to general public stages.

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Token Holders Rewards

Holders of CPAY tokens will receive monthly referral commissions. Starting from January 2018, 10% of the aggregate revenue from existing and newly developed products will be distributed every month to holders of CPAY tokens pro rata. According to the current performance of the business and latest medium-term projections, the suggested referral commission is equal to a competitive passive income on publicly available investment schemes.

In order to distribute monthly referral commissions to CPAY token holders, the distributor will deposit the required amount of ETH along with each participant share on the smart contract. ICO participants will be able to get funds out of the contract up to the monthly allowance.

After the token has been listed on major exchanges, the CPAY tokens market price will be highly dependent on the underlying business performance, as well as the company's future growth perspectives on the medium to long term horizon. The Cryptopay team has already established a solid basis for sustainable medium term growth, grounding on the existing products and infrastructure. There is also a long term business plan for further product development.

Foundation and CPAY Team Vesting

In order to ensure the longevity of the project and protect the integrity of the Cryptopay team, their tokens will be vested. Vesting ensures the founders' commitment to building the system in the long-term. Founders and the Cryptopay team will have 2 years vesting with a 6 months cliff. Meaning that Foundation retention and CPAY team tokens will be locked in a smart contract, which would release them every 6 months proportionally during a period of two years, starting on the 7th month after the ICO.

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CPAY Initial Token Sale Procedure

Registration

You don't need to have a verified account to participate in the ICO, but you must be verified to receive CPAY tokens.
Users without a Cryptopay account should sign up on ico.cryptopay.me or cryptopay.me before they can proceed to the Cryptopay account, where the ICO participation link will be distributed. Upon following the participation link, the ICO Terms & Conditions should be accepted - after that user is redirected to the ICO participant personal account.
Users who already have their Cryptopay account may enter their login & password on ico.cryptopay.me and accept the ICO Terms & Conditions before proceeding to the ICO participant personal account. Users who are already logged in to Cryptopay should follow the link to ico.cryptopay.me in their Cryptopay account and accept the ICO Terms & Conditions - Then after, they will be redirected to the ICO participant personal account.

Purchasing CPAY Tokens

Each CPAY token will be sold for 0.001 ETH. Bitcoin (BTC), Litecoin (LTC) and Ripple (XRP) will also be accepted. The amount of CPAY tokens granted for them will be calculated using a daily exchange rate of these currencies to ETH.
CPAY tokens will be available for purchase in the ICO participant personal account. The user will be able to see the addresses and QR codes of various cryptocurrency wallets to which he can send funds to purchase tokens. Information on the total amount of tokens purchased, the ICO schedule, token cap, and the percentage of the total amount of tokens sold will also be available in the ICO participant personal account. Calculate the number of tokens for purchase, including bonuses, and the applicable exchange rate depending on the chosen cryptocurrency on this page as well.
The details of the transfer will become available in the user's transaction list in the ICO participant personal account, after the transaction confirmation is received. Transaction details contain the confirmation time, transaction amount,

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CPAY Initial Token Sale Procedure (continued)

Purchasing CPAY Tokens (continued)

the number of tokens received, and the number of bonus tokens depending on the ICO phase.

Tokens will be delivered to the user's specified ETH wallet shortly after the the ICO concludes. The Cryptopay team will make their best effort to promptly summarise and reconcile all the necessary statistics that will be needed for the correct token delivery to all ICO participants.

CPAY Token Listing

CPAY tokens will trade under the ticker symbol CPAY and will be listed on major exchanges shortly after the ICO. Transferability will start from the first day of trading, which is planned to commence anytime from November 2017.

Management will use its best endeavours to list CPAY token on reputable digital currency exchanges prior to the token sale event in order to increase liquidity. There is, however, no guarantee that this will occur as it is out the management's control.

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Financial Highlights

Cryptopay Current Financials

Cryptopay has nearly 4 years of active trading history with a relatively high profit margin and positive operational cash flow.

Principally, there are two methods by which Cryptopay generates revenue. Flat fees are charged to individual clients for different operations, including card issuing, card loading and exchanging cryptocurrency. Corporate clients are charged fees for the cryptocurrency processing and white label card issuing. Another revenue stream is a margin on FX rates for exchange transactions during loading, internal transfers, and processing.

The current monthly level of activities that are subject to Cryptopay fees amount to approximately 22,230,000 EUR. During the last year there has been an average of 10% monthly growth, and we expect this trend to continue for 2018. We believe this because of the overall blockchain fintech industry growth rate and the latest market and competition research. It is also in line with the fact that soon most of our competitors will have to limit their services to EEA countries residents, while the Cryptopay bitcoin prepaid cards do not bear this restriction as we have a direct BIN sponsorship.

The most significant business costs are connected with ongoing research and development processes, infrastructure, and existing product maintenance in addition to the interactions with various financial services providers and intermediaries.

The business is fully equity financed and does not bear any significant external borrowings.

Financial Projections

Starting from the last months of 2018 FY business plans to begin launching new products in accordance with the established roadmap. After a certain initial period the following new revenue streams will respectively follow:

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Financial Projections (continued)

- Trading fees;
- Interest on leverage provided;
- Monthly management fees;
- International payment transactions fees;
- Platform fees for listing, running and escrow of ICOs;
- Value added services for companies listing their ICOs.

According to the established financial forecast, this intensive development is expected to contribute into almost doubling revenue during 2019 and 2020. Upon successful implementation, of all three milestones, the business aims to support and permanently improve all existing products, expand customer base, and benefit from extensive growth - the effect on revenue is anticipated to be 70% and 40% annual increase in 2021 and 2022 respectively following underlying market saturation. After having raised funds to cover the development of the third milestone we aim to achieve a unique position on the market. The Cryptopay ICO platform may be put into a unique regulatory regime that will make it the first and only fully compliant and legal platform for ICO fundraising.

The cost structure is going to alter in accordance with new lines of business, but is still budgeted at a reasonable level. There will be a number of significant one-off capital expenditures for licenses acquisitions and necessary business combinations that will affect profitability on the long-term horizon. The forecasted profit margin during 2018-2022 is concurrent with the industry competitive level.

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Conclusion

We believe that blockchain and cryptocurrencies are the payment method of the future. In order to make such payments possible for all consumers with maximum convenience, we aim to connect the blockchains in the background and offer an easy-to-use interface to any of the blockchain and traditional assets.
With the ICO to be conducted by the Distributor, a wide range of individuals will have the opportunity to participate in our long-term growth and success story to fundamentally change the world of payments, brokerage and banking.

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