TRKX – Trakx Token White Paper

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Evolution not revolution

When I started my career back in 2004, it was clear to me that finance was moving towards a world without borders, with the internet breaking down geographic, cultural, and economic barriers.
Despite these advancements, it struck me as incongruous that money, the base layer of traditional finance, had not witnessed a similar innovation.

Perhaps that is why, when I first started hearing about something called Bitcoin, I intuitively grasped its potential. I founded Trakx in 2019, with a small group of fellow finance and technology experts who shared my vision of freedom offered by Bitcoin and cryptocurrencies.

Our mission is to truly democratise access to crypto by providing everyone with seamless, safe and strictly compliant access to advanced investment and trading strategies through our proprietary crypto indices' in-house technology.

Evolution not revolution

With a fantastic team of financial, tech, and marketing experts, as well as advisors from all over the globe, we develop a platform that puts our clients first. Crypto is not a revolution; it is just the next stage in the evolution of money, and we are at the forefront of this innovation.

I am excited about what comes next and hope that you will share the same bold vision for the future of digital markets as our team does!

If you believe in the potential of Bitcoin and cryptocurrencies, Trakx is the perfect partner for your Web3 journey. We are paving the way for more advanced solutions and invite all institutional and retail investors to join our mission.

Welcome to the Trakx ecosystem. Now, it's time to unlock the full potential of Trakx with our TRKX Token.

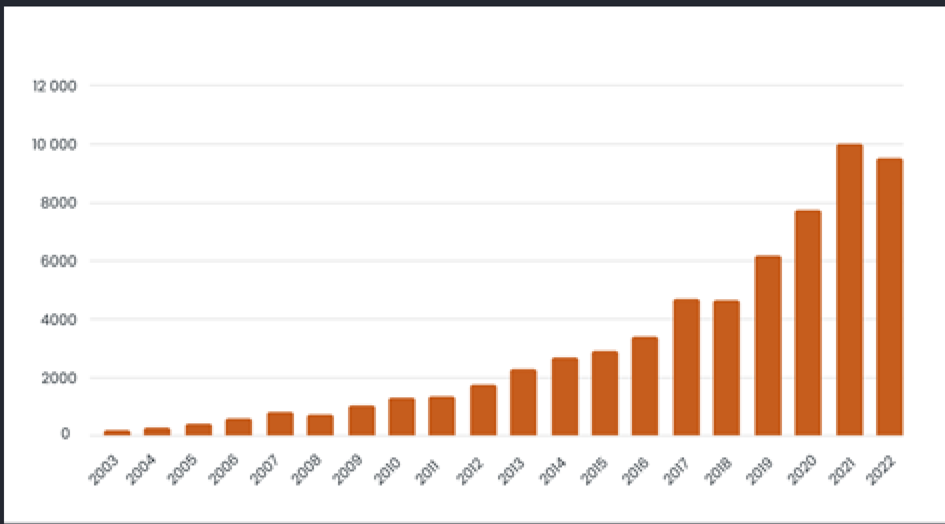
Lionel

Market

Market observation

The ETF market has shown strong momentum with AUM reaching $10 trillion from virtually zero 20 years ago

Development of assets of global exchange traded funds (ETFs) from 2003 to 2022 (in billion U.S. dollars)



Source: Statista

Historically, passive products have outperformed active products

Active vs Passive: Relative Performance Index

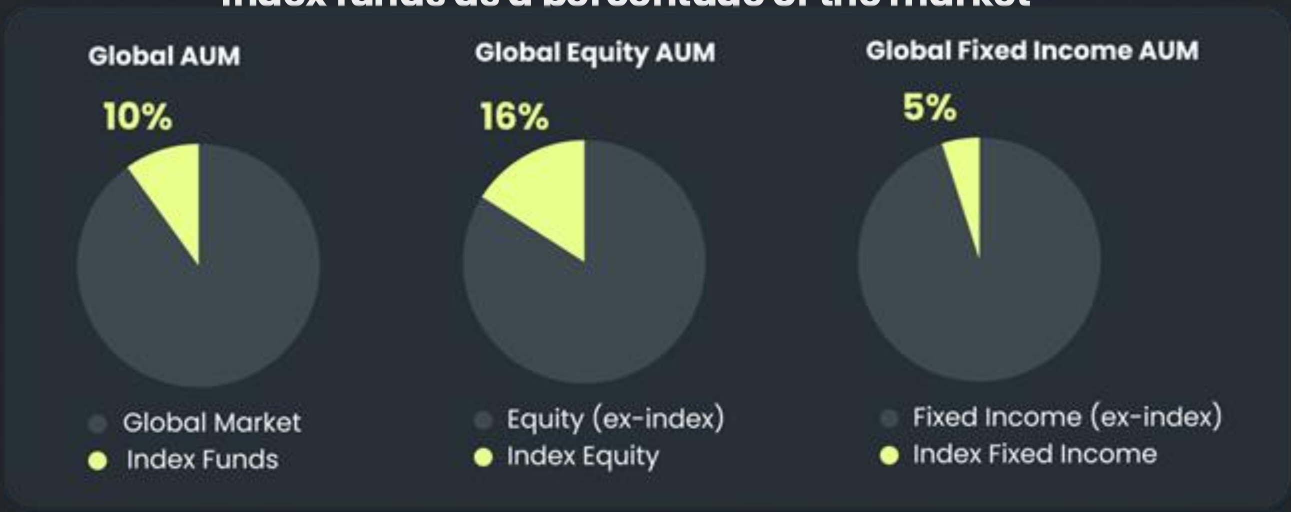
Source: Bloomberg, Morningstar

Passive products are becoming the instruments of choice for market exposure because of their outperformance versus active products, along with lower costs and higher liquidity

Sizeable market in crypto

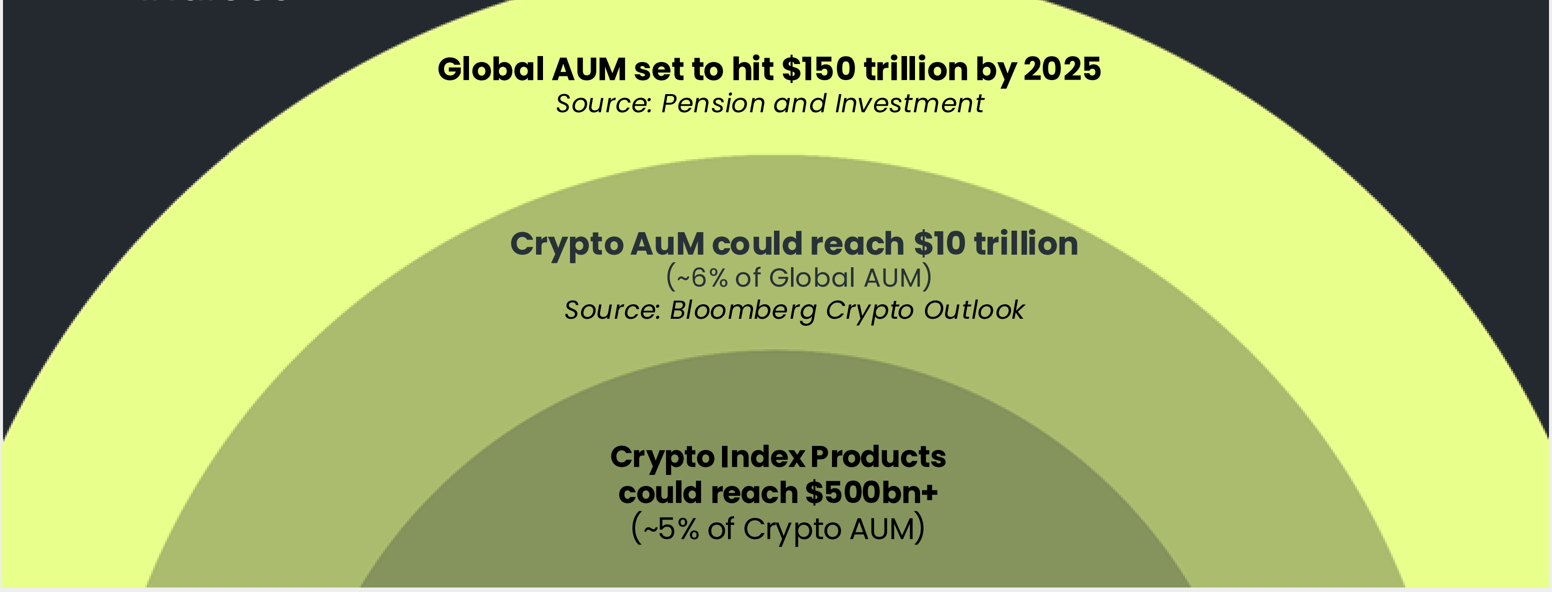
- To put things in context, the Global equities ETFs now represent over 15% of total Global equity assets, from almost zero 20 years ago

Index funds as a percentage of the market



Source: https://www.ishares.com/us/insights/all-about-etfs

- Transposing this approach to crypto-assets implies **an addressable market for crypto indices of ~$500bn,** assuming that only 5% of the crypto AUMs are allocated to indices

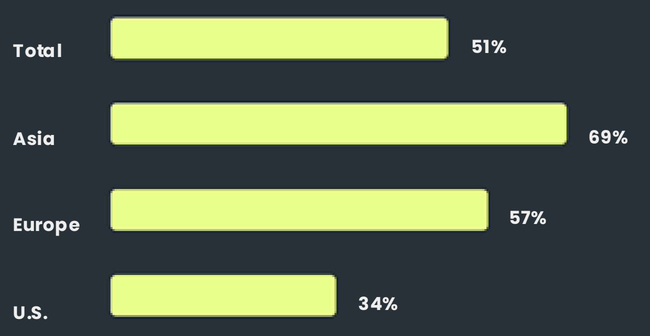


Digital assets perception

- The digital asset industry has proved remarkably resilient after facing significant headwinds in 2023 that rippled through the entire financial system.

- The **strong potential** for growth, access to new technology, and diversification remain important decision factors.

Investment in digital assets



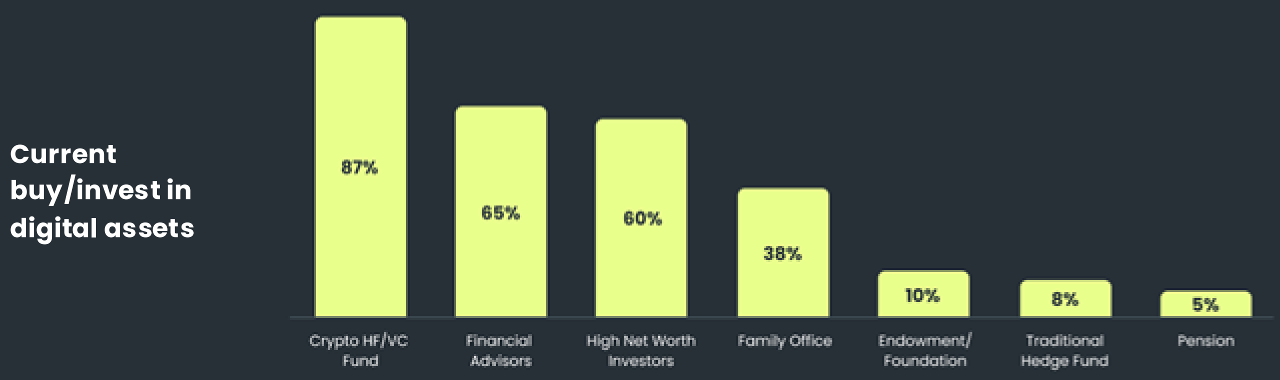
Source: Fidelity Assets℠ 2023 Institutional Investor Digital Assets Study

- The SEC's approval of 11 spot BTC ETFs marked a significant milestone for the cryptocurrency market.

- The approval is expected to attract more institutional and retail investors to the crypto market.

- The market is still waiting for similar advancements concerning spot Ethereum ETFs.

Adoption and consideration remains highest among HNWI, crypto hedge funds and financial advisors investors



Source: Fidelity Assets℠ 2023 Institutional Investor Digital Assets Study

Trakx platform

Our solution: CTIs

Crypto Tradable Indices

- **Trakx mission is to offer a seamless, safe and compliant access to crypto assets to both professional and retail investors**
- Trakx designs, manages and distributes an array of proprietary tradable instruments called Crypto Tradable Indices (CTIs)
- Those CTIs range from broad exposure/thematic products to more sophisticated "alpha" and "smart beta" strategies
- They take various technological and legal forms: positions on the exchange, tokens, managed accounts and ISIN-wrappers (certificates)
- They are accessible through different channels: via our dedicated AMF-registered platform, broker dealers, wealth management platforms…
- We offer both "off-the-shelf" products and white label/infrastructure as-a-service solutions

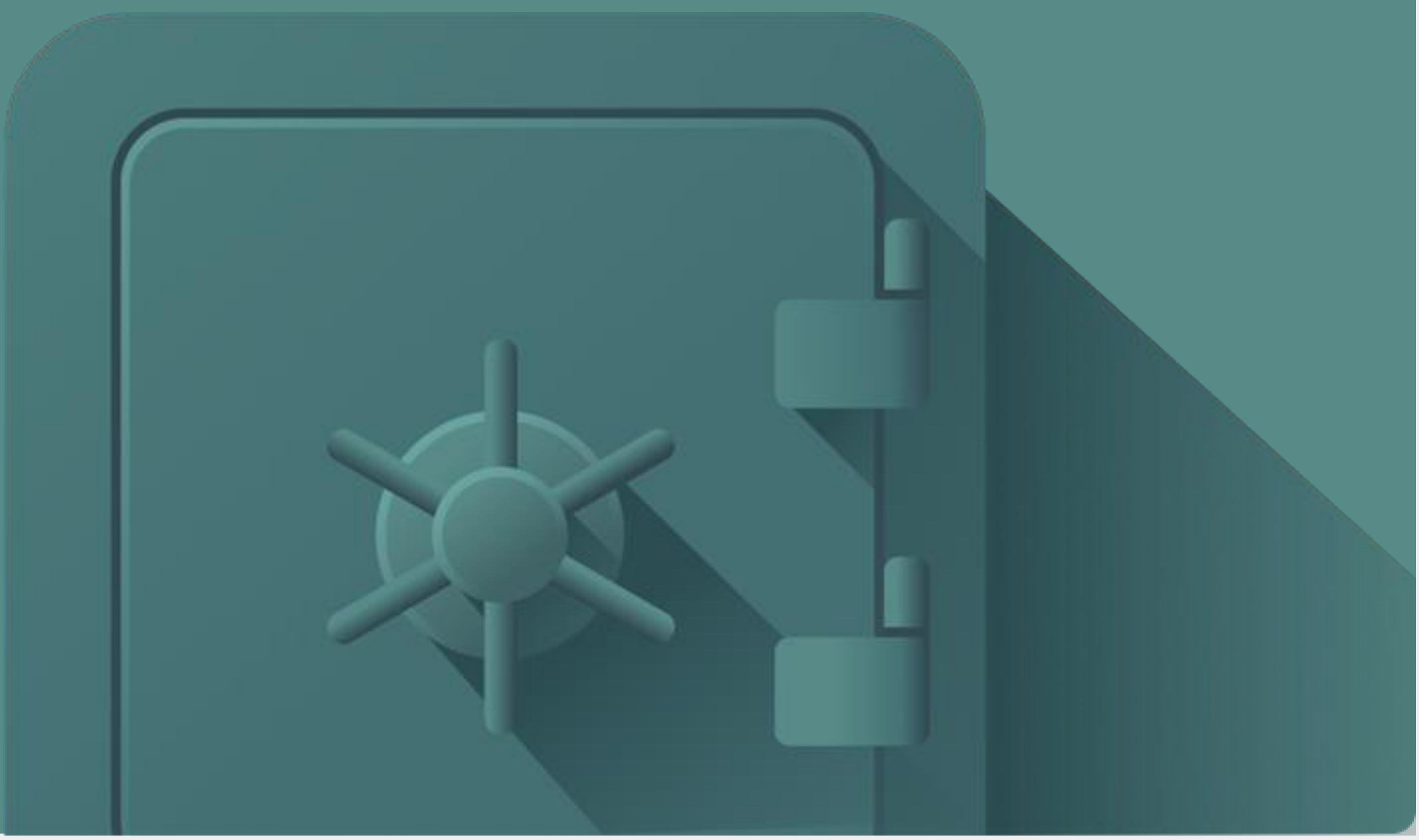
Trakx key advantages

- Seasoned multidisciplinary team with background in institutional finance, fintech and crypto markets
- Registered as a VASP with the French Regulator AMF & ACPR
- Proprietary technology / Tech first approach
- Control of the whole value chain for crypto Indices -from design to execution
- Top-notch security
- Careful and controlled risk management: minimal counterparty risk/exposure to exchanges, no lending, no derivatives, no leverage
- Safe custody: assets are segregated and kept safely with leading custodians

Various instrument formats

We facilitate digital asset access through diverse formats:

- Direct purchase and trading on the **Trakx.io** platform
- CTI tokens
- Separately Managed Accounts (SMA)
- Certificates



Multi distribution channel

Trakx CTIs are accessible through different channels:

- Via our dedicated registered platform, **trakx.io**
- Via traditional players: broker dealers, neobanks, wealth management platforms
- Via connection to digital intermediaries: crypto custodians, traditional exchanges

Trakx covers the whole value chain

- Design and structuring of thematic, smart beta and alpha digital asset indices
- The **trakx.io platform:** onboarding/KYC, CTIs listing, exchange of CTIs
- The proprietary **Index Manager tool:** full product cycle management - index creation, rebalancing, reconciliation...
- **The trading bots:** trade execution on constituents on various trading venues, movement of assets (to mitigate counterparty risks), market making on CTIs to provide deep liquidity 24/7/365
- **Custody:** top-tiers custodians, segregated accounts to mitigate Trakx counterparty risks

Unique platform for crypto-index trading

Proprietary index manager

- Proprietary index manager: unbeatable time-to-market (a few hours to launch a product) => we can position ourselves rapidly on any new trendy theme or strategy
- Our products are tradable 24/7/365
- Full control over the downstream: we can proactively test, launch, or retire CTIs to consistently stay current with market trends, ensuring that we always offer our clients the best product market fit
- Less needs to do hedges on the underlying assets as most CTI trades cancel out against each other => can launch indices with less liquid underlying assets

Trakx highest institutional standards

Seamless, safe and compliant access to digital assets

Regulation

Registered with the French AMF & ACPR with the following licences:

- Exchange
- Custody
- Fiat ↔ Crypto
- Crypto ↔ Crypto

AMF AUTORITÉ DES MARCHÉS FINANCIERS

Custody

Cold and / or hot storage of private keys

coinbase | Custody

Fireblocks

Liquidity

Adequate Liquidity of Trakx' Crypto Tradable Indices makes trading efficient 24/7/365

trakx

Security: Trakx top priority

Asset Security

- Most assets are secured by MPC[1] with a custodian
- Hot wallet is encrypted and secured at a leading cloud provider (AWS)

Account Security

- **2FA**[4] authentication for all accounts (Authy, Google), strong password requirements
- Address whitelisting and email verifications

Account Security

- Web traffic fully secured via SSL2, firewall strategy to mitigate DDoS3 attacks
- Encrypted user data
- Standard: ISO 27001

Account Security

- Geographically distributed **multi-signatures** HSMs[5] to avoid any single points of failure
- Our offices do not store or contain anything of value, incl. private keys

Notes: (1) MPC: multi-party computation is an encryption mechanism based on splitted private keys which are divided amongst multiple parties to remove single points of vulnerability; (2) SSL: Secure Sockets Layer, protocol for establishing authenticated and encrypted links between networked computers; (3) DDoS: Distributed denial-of-service, malicious attempt to disrupt a targeted server with a flood of internet traffic; (4) 2FA: Two-factor authentication with security keys; (5) HSMs: Hardware Security Modules, physical computing device that safeguards and manages digital keys for strong authentication (e.g. Ledger, Yubico)

What makes us unique?

Our key competitive advantages

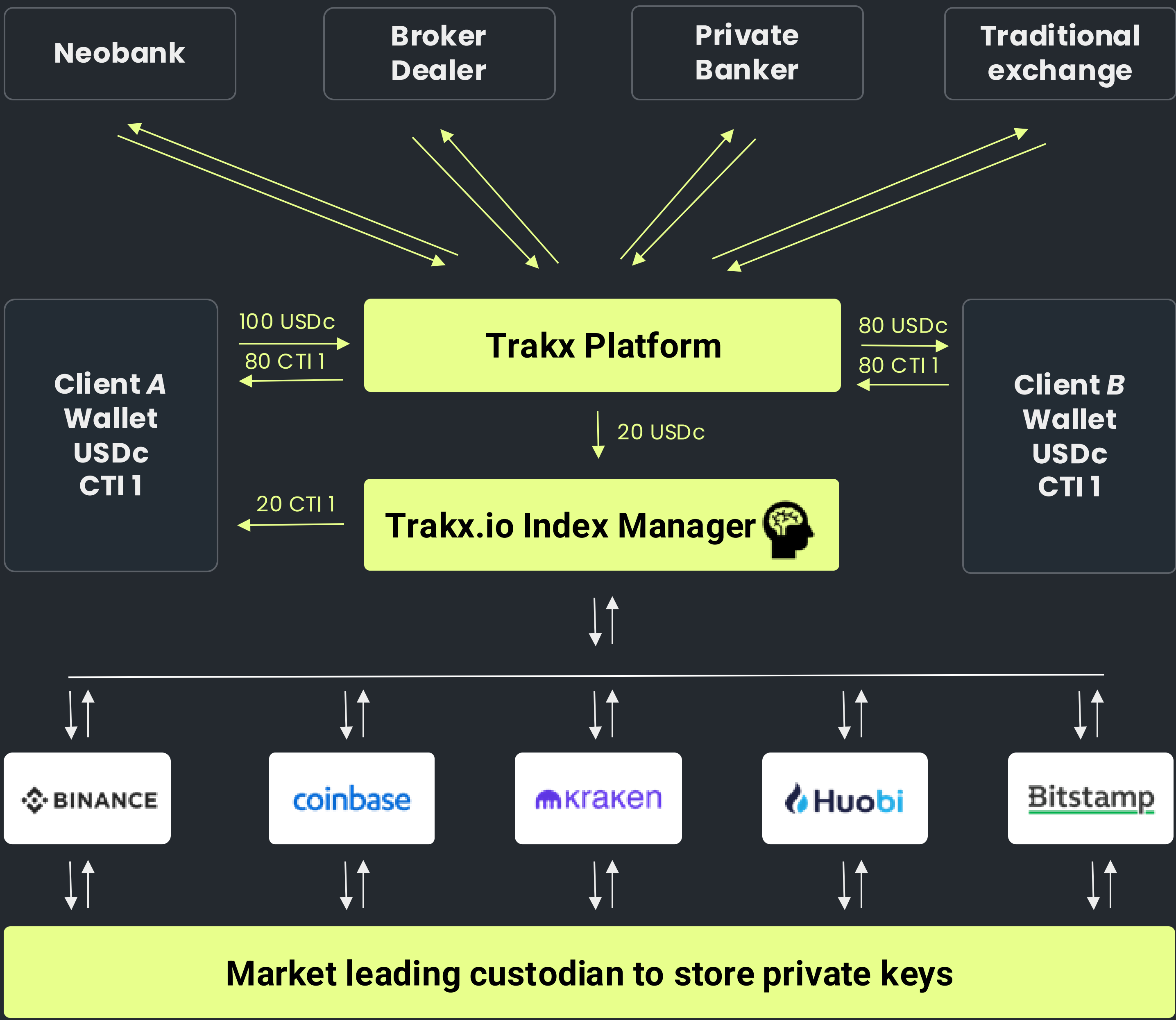
Control of the whole value chain end-to-end

- Different ways to monetize the business
- Proprietary Index manager: unbeatable time-to-market (a few hours to launch an index) => we can position ourselves rapidly on any new trendy theme or strategy
- We control the downstream => can iterate on the product launches until we find the best market fit
- Less needs to do hedges on the underlying assets as most CTI trades cancel out against each other => can launch indices with less liquid underlying assets

"Tech first" approach

- Automation and disintermediation => low fixed cost base => we can offer aggressively low fees on our products
- Our products are tradable 24/7/365 -even potentially with the ISIN-wrapped instruments
- Trakx' products are highly liquid by design: we don't rely on a few liquidity providers. Instead, our trading bots directly source liquidity across most liquidity pools
- We ship our products across various distribution channels: from the traditional ones (broker dealers, private wealth intermediaries...) to digital channels (neo-banks, crypto custodians, crypto exchanges...)
- We can offer our infrastructure-as-a-service to competitors to indirectly capture their market shares

Simplified flows



Trakx product range

Trakx offers CTIs for various investor profiles

Simple Access

- Bitcoin
- Bitcoin Ether 50/50
- Top 10 Crypto

Thematic

- ESG
- Decentralised Exchanges
- Top 10 DeFi
- Proof of Stake
- NFT Metaverse
- Top Blockchains
- Centralised Exchanges
- Interoperability
- Lending
- Artificial Intelligence
- Memes
- Real World Assets
- DePIN
- Gaming

Trakx product range

Trakx offers CTIs for various investor profiles

Smart Investing

Bitcoin Control 15

Digital Inflation Hedge

Recovery

BTC Momentum

Risk Profiled

Conservative

Balanced

Growth

Staked & Yield

Staked Matic

USDc Earn

External CTIs

External indices and strategies are developed by third-parties and distributed on the Trakx platform

Trakx Token (TRKX)

Trakx token utility (1)

The Trakx token, TRKX, is a key tool to grow the Trakx ecosystem.

It will aim to provide its users with access to a wide range of advantages and benefits, including:

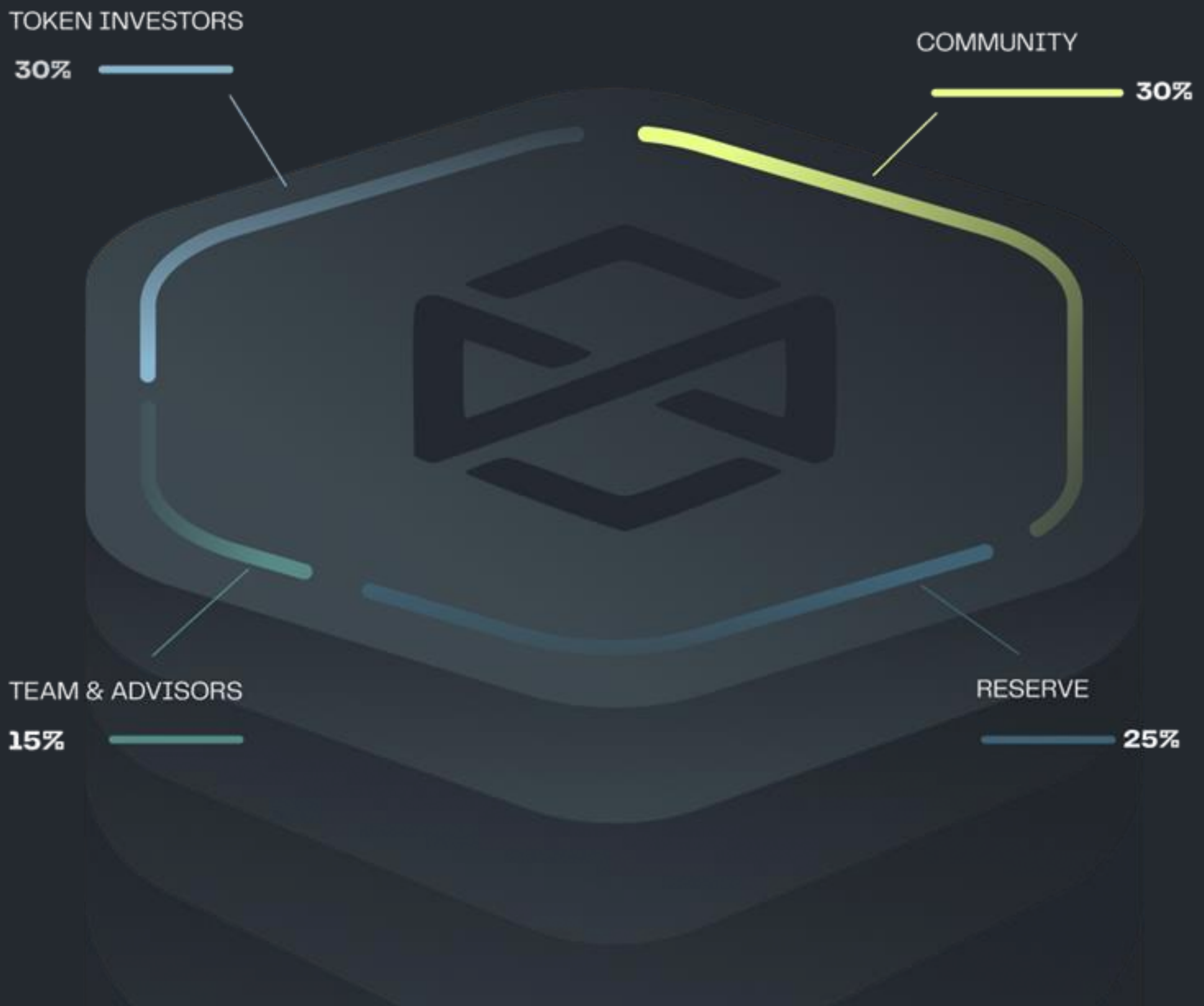
- **Governance**: our community will get the opportunity to play an important role in certain decisions, such as grant programs, CTI selection, rebalancing...
- **Staking: Earn TRKX on your TRKX**
- **Buyback and burn programs:** part of the revenues derived from the retail trading business will be used to discretionarily buyback the TRKX tokens
- **Discount programs**: on trading fees (on the platform) and management fees (on the products)
- **Referral programs booster**: extra rewards on referred users
- **Yield booster**: on certain Yield/Staked products
- **Grant programs**: active community members will receive grants in TRKX tokens in exchange for specific actions & services (e.g. liquidity provision)

Trakx token utility (2)

- **Customized APIs** (e.g. increased API rate limits, bulk orders, trading signals)
- **Access to specific value-added products**
- **Priority access to new products** (ie. alpha and bespoke products)
- **Access to dedicated services** (white glove, managed accounts…)

TRKX distribution

- The TRKX token distribution follows industry best practices.
- Our community will receive the largest share and will be incentivized and rewarded with targeted airdrops, discount & referral programs.



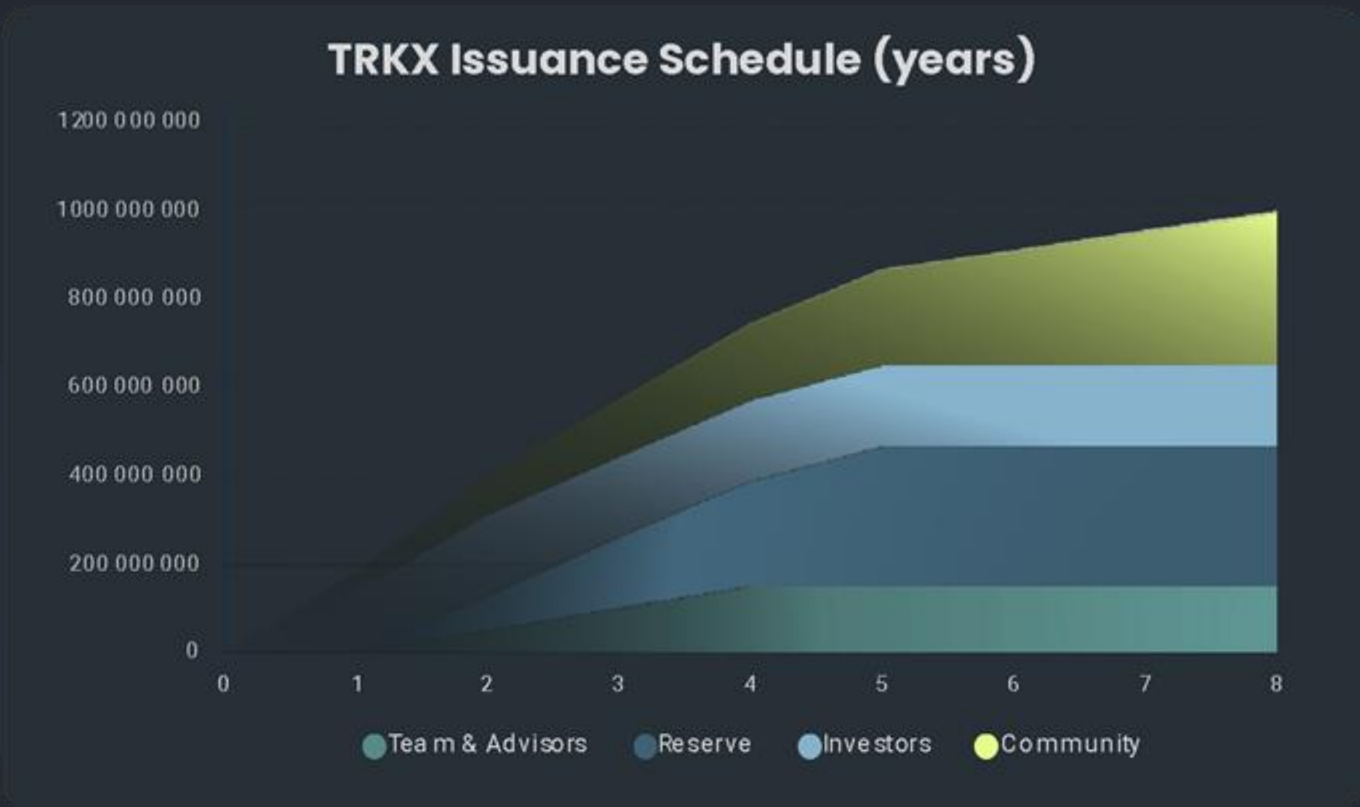
Tokenomics

Token Distribution

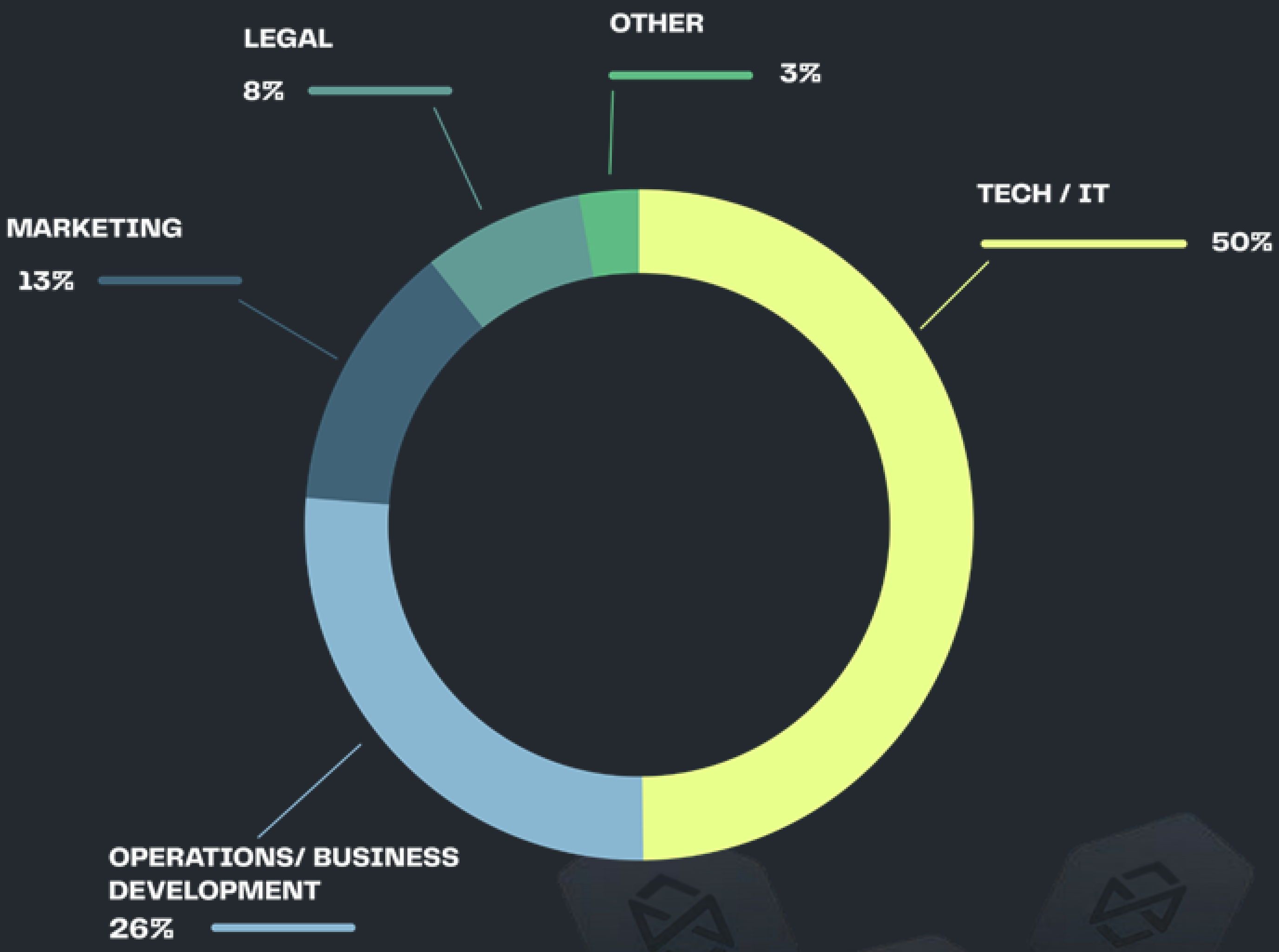
Holders	Supply %	Unlock at TGE	Token Supply	Lock-up (m)	Linear vesting (m)	Token Price ($)	Valuation ($)	Amount ($)
Team & Advisors	15.0%		150,000,000	12	36			
Reserve	27.3%		273,224,625					
Investors private 1	17.6%		176,336,000	1	18	0.013	12,500,000	2,204,200
Investors private 2	5.5%		55,439,375	3	12	0.016	16,000,000	887,030
KOL/Other investors	1.5%	20%	15,000,000	1	6	0.020	20,000,000	300,000
Investors private 3	1.0%		10,000,000	1	6	0.020	20,000,000	200,000
Public sale	2.0%	20%	20,000,000	1	6	0.025	25,000,000	500,000
Community	30.0%		300,000,000					
Total	**100.0%**		**1,000,000,000**					

TRKX issuance schedule

- To align individual interests with the long term success of Trakx, our team members will undergo the longest vesting period of 36 months
- Vesting from investors in the private sale will range from 6 to 18 months
- Tokens will be gradually distributed to the community over 8 years, ensuring a smooth project decentralization



TRKX use of proceeds



Meet Trakx

Meet Trakx business experts

Lionel Rebibo
CEO - CO Founder

Laurent Barocas
Co-founder and Chief Client Officer

Alexander Jansen
Global Head of Sales

Mohamed Yangui
Head of Product Structuring

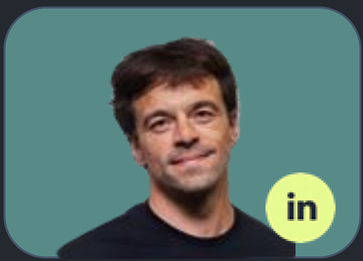
Caroline Jacquard
Marketing and Communication

Gary Rebibo
Co-founder and Chief Marketing Officer

Ryan Shea
Crypto economist

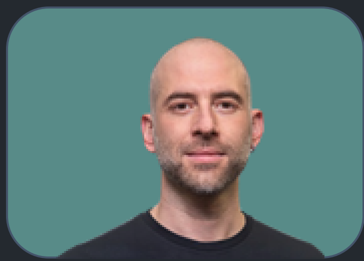
Peter Stamas
Head of US Operations and Business Development

Meet the senior tech team



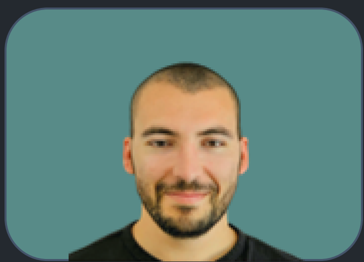
Matthieu Le Berre
Co-founder, CTO

João Pedro Vieira
Senior Developer



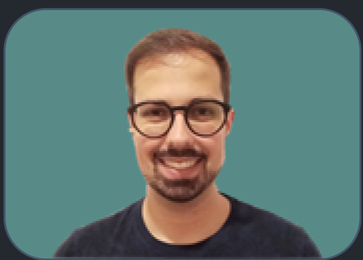
Gonen Eren
Senior Developer

Pavel Khalimov
Senior Developer

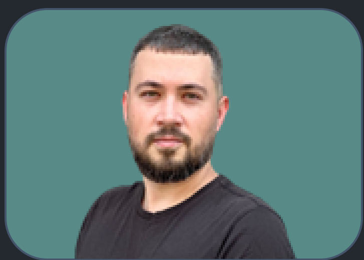


Pedro Silva
Senior Engineer in Test

Emanuel Gaspar
Senior Developer



Tiago Pereira
Senior Developer



Viktor Klymenko
Senior Developer

Meet Trakx advisors

Token Sale

Christophe Coutteau
Private Wealth manager

Christophe Barraud
Chief economist
@MarketSecurities

Gabriel Rebibo
Co-founder @Atka

Daniel Arroche
Lawyer @ d&a Partners

Trakx Strategic Committee

Jean-Marc Bonnefous
Partner CEO @ Tellurian
Ex BNP Trading

Laurent Seyer
Ex-COO MSCI
ex-CEO Lyxor

Didier Varlet
CEO Cartesia
founder Carr Futures

Didier Seillier
Dir. of Dauphine Incubator

Mathieu Amzallag
M&A @ FinancièreCambon

Stephane Daniel
Lawyer @ d&a Partners

Our ecosystem of partners

Accelerator and investors

ConsenSys

bpifrance

Dauphine | PSL

Secured Custody

coinbase | Custody

Fireblocks

KYC / AML

Shufti Pro

Index Franchises

Trakx acts in an advisory capacity as an expert on the ongoing evolution of certain themes underlying certain of MSCI's indexes

MSCI

LUMRISK

vinter

Crypto Market Data

KAIKO

CoinGecko

Green Crypto Research

Fiat On-Ramp

CIRCLE

Ramp

trakx

Trakx timeline

2019

- Creation of Trakx SAS, incorporated in France
- Incubated at **Dauphine** University
- Seeded and accelerated by **ConsenSys**

2020

- Funding from BPI France and reputable Business Angels
- Constitution of the strategic committee
- Launch the first beta products on trakx.io, then a trading platform dedicated to professional traders

2021

- Granted VASP registration with the French Regulator (AMF)
- Launch the official web version of the platform
- Daily publication of Trakx CTI prices on **Lumrisk**
- Equity fund raising round
- Strengthened the core team

2022

- Daily publication of Trakx CTI prices on **Bloomberg**
- Partnership with **MSCI**
- Partnership with **Green Crypto Research**
- Partnership with **Vinter**, independent index calculator
- Multichannel approach, partnership with top broker dealers
- Launch our bespoke solution offering
- Two rounds of private token sale
- Team grew to 20+ total, including 5 new Senior Developers
- First certificate issued with Gentwo on Top Blockchains Index

2023

- Launch our new branding
- Implementation of the retail marketing plan
- Enabling retail investors to access Trakx CTIs
- Dedicated risk profile strategies
- Launched staked products
- New digital distribution channels

Trakx timeline

2024

- Launch more sophisticated products (Trakx BTC Momentum, Trakx USDc Earn, Yield & Staking CTIs)
- Push on bespoke solutions (dedicated CTI, certificate...)
- Develop tech-as-a service / white-labelling offering
- Allow listing some products only to selected user groups
- Further improvement of the UI/UX
- Build a responsive mobile app
- Add some gamification principles in the Exchange to enhance user engagement and retention through interactive features
- Fine tuning of the data mining and trading bots
- Offer DCA strategy (small regular investments) functionality
- Add new chains for deposits/withdrawals
- Prepare the transition to MiCA

2025+

- Dashboard for IFAs and Influencers
- Preparation of the transition to MiCA
- Introduce the capability for customers to stake Proof-of-Stake (POS) assets
- Create a notification center on the WebApp to keep users informed about relevant updates and events
- Add translations to the website and app
- Obtain SOC2 Type 2 Certification, industry-standard certifications to ensure compliance with security and data protection protocols
- Expand geographic footprint outside Europe
- Allow redemption in kind
- Use ZK Proofs for Proof of Fundings to enhance privacy and security
- Develop a conversational user interface (UI) to streamline user interactions and enhance user experience
- On Ramp solution - Implement an on-ramp solution to simplify the process of converting fiat currency to cryptocurrency, facilitating user onboarding and adoption
- Develop a non-custodial wallet solution to provide users with enhanced control over their digital assets

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