



CRYPTICS

whitepaper

version 6.0

Contents

1 Motivation	3
2 Concept.....	6
3 Financial structure.....	9
4 Platform model.....	14
5 Analysis of competitors.....	26
6 Roadmap.....	29
7 Team.....	30
8 Legal Disclaimer.....	36
References.....	39

1 Motivation

The rapid development in the crypto-asset sector of economy within the last two years has opened a large number of opportunities. It did not only lead to a new, reliable and independent ecosystem of money transfers, but also provided efficient and creative alternatives to classical economics. For example, initial coin offerings (ITOs) that appeared just several months ago are now a brand-new and successful way of funding, which makes starting a real-world business from a breakthrough idea easier than it ever was before. Comparing 2016 with the first three quarters of 2017, the number of ITOs went up more than 3 times to 154 and the volume invested soared more than 20 times to more than \$2 billion [1].

The crypto-market volume (in terms of capitalization and transaction volume) continues to grow, without showing almost any signs of slowdown, and when the market faces obstacles, it immediately finds new ways of overcoming them. The reasons for that come from popularity of the new market, and the fact that the community it represents is highly diversified in terms of skills and ideas. These trends are indicated by:

- Rapid development rates of the crypto-market. In just a few years the development rate of the crypto-market has increased significantly and its capitalization today is more than 300 billion dollars [2]. One can see from historical data how the capitalization of the Bitcoin market has grown and how the price of one Bitcoin has increased (see Fig. 1) [3].

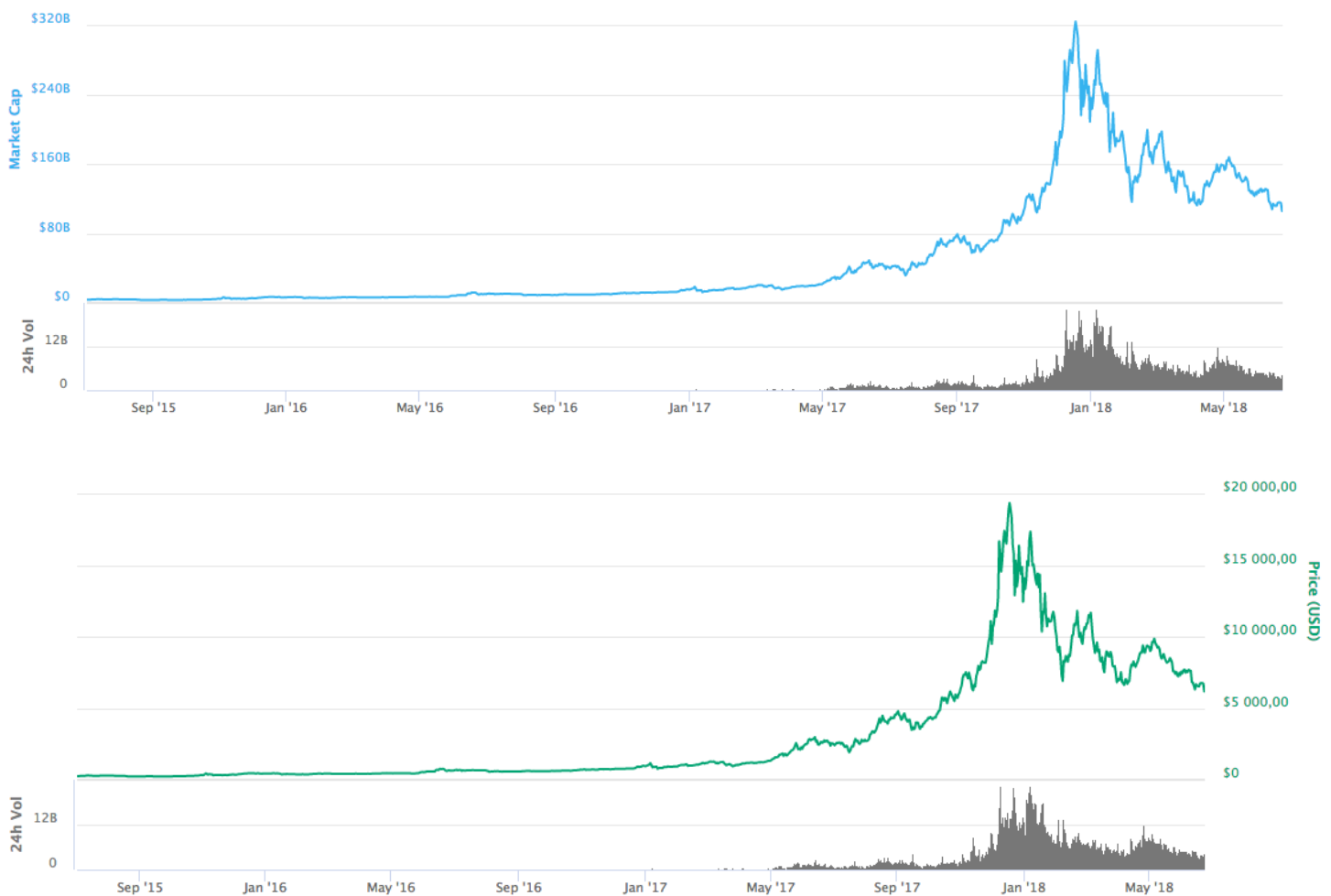


Figure 1: Bitcoin market capitalization trend (upper); Bitcoin market price trend (lower).

- Increase in the number of crypto-assets for value storage. Today there are more than 1,500 crypto-assets in the world, and the number of new crypto-assets is growing by more than 3 times a year [7].
- Availability of a large number of data sources for the extensive market analysis: the same currency pair can be traded at the same time on a multitude of exchanges. The number and the volume of transactions is growing fast. For example, in 2016, the number of transactions with Ethereum was estimated to be about 50 thousand per day, whereas today it is about 750-1mln. (see Fig. 2) [4].

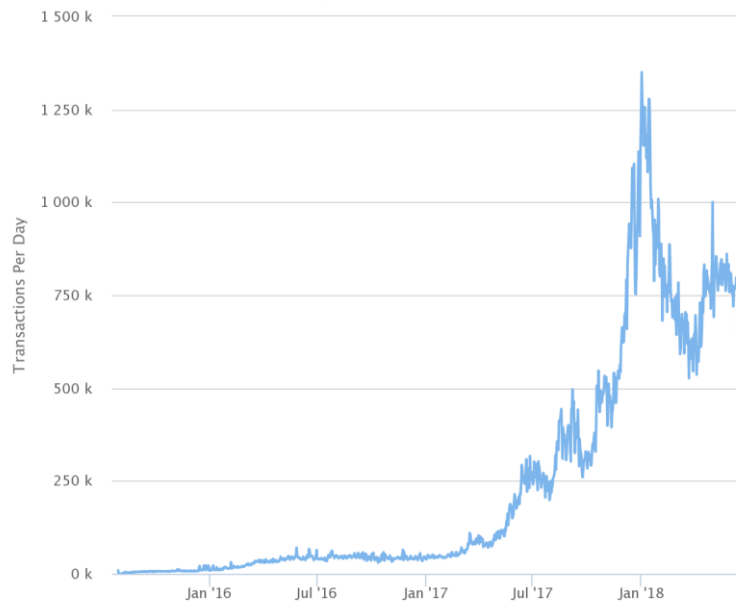


Figure 2: Ethereum transactions trend.

- The volume of transactions with Bitcoin a year ago amounted to about \$ 160 million a day, and today about \$ 1 billion per day (see Fig. 3) [5].

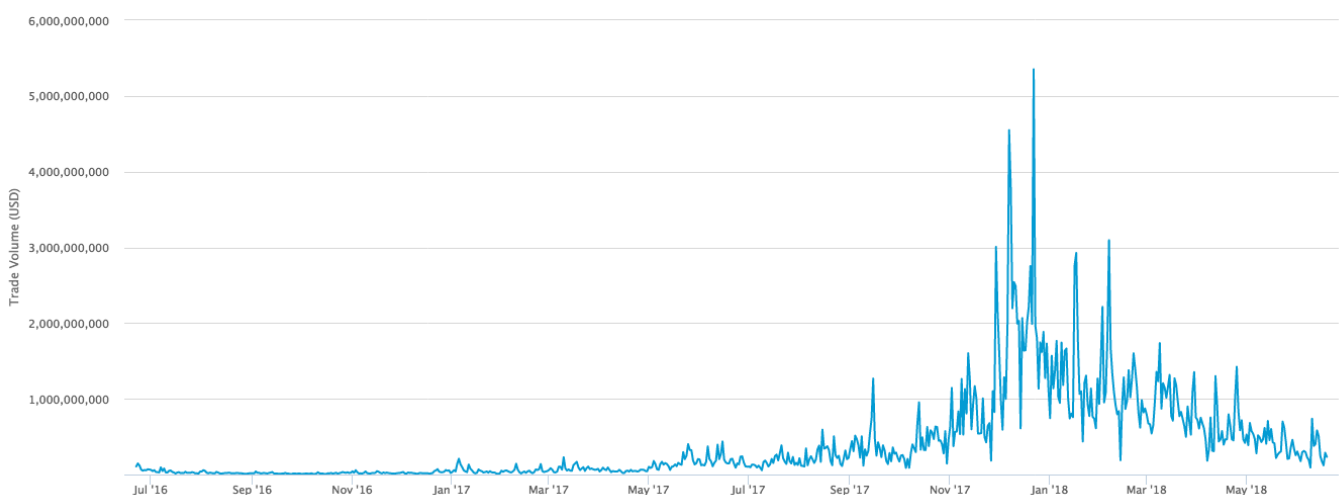


Figure 3: Transaction volume of Bitcoin in USD per day.

- Strong interest from banks and other major financial institutions such as MasterCard. Bank of Tokyo-Mitsubishi UFJ (the largest bank in Japan), the Central Bank of Canada, the People's Bank of China and some other central banks have reported an intention to issue their own crypto-assets in the near future. Even Goldman Sachs received a patent for the SETLcoin settlement and clearing system based on their own crypto-asset.

However even with such impressive terms of growth, the crypto-market is still inefficient. The evaluation of the market shows significant volatility (big jumps in value can occur in short periods of time), which can be attributed to a lack of knowledge and methods for the correct estimation of its value. Due to the abovementioned factors on the market, where moves of more than 20% or more per day are not uncommon (such behavior has been clearly observed during December 2017). Therefore, there exists the urgent need for the transparency to insure more accurate forecasting algorithms (e.g. gold volatility is about 1.2%, whereas for major currencies it is from 0.5% to 1%), which can also take into account non-quantitative factors affecting the market's movement (such as news, social media and etc.).

At the same time, high volatility also means high potential profits and, hence, the strong interest from retail investors, who are willing to take on the accompanied risks. For example, just in the first two quarters of 2017 prices of Ethereum and Bitcoin in dollars have increased by 3500% and 165% respectively (see Fig. 4) [6].

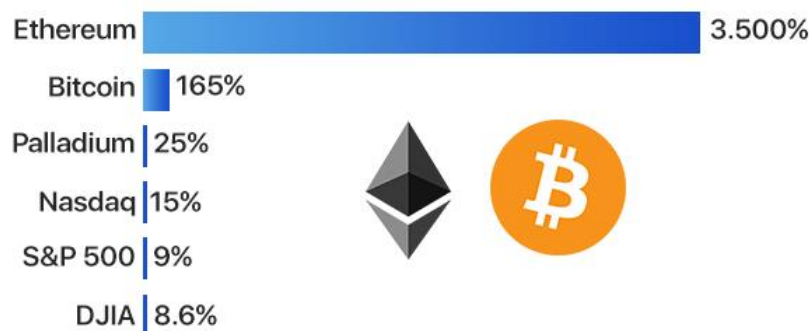


Figure 4: Performance in 2017 for the top 2 digital currencies versus traditional assets.

Due to this instability, newcomers may be hesitant to join the market as they prefer to avoid such risks. However, the inflow of new participants is vital to the growth and stabilization of this sector. This is especially important nowadays when old methods, such as quantitative easing and tightening and fiat monetary policies, are not efficient in helping the growth of the global economy. In the other hands the new ways of crowd-funding has opened the new world of opportunities for growth. For example, the more stable the market is, the more people are attracted to join it as means of investing their money into projects that seeking crowd-funding via ITOs. The world has seen some successful companies initiated through crowd-funding and now their services are appreciated all over the globe. On the other hand, if the market is more efficient, it means that ITOs can be priced more fairly, which further helps analyzing their success and will later lead to easier assessment of which projects to support. For this reason, at CRYPTICS we believe that stabilizing the crypto-markets and making them more efficient will attract more people for mutual benefit.

One way to tackle the problem of the market efficiency is to provide support for those market participants, who take the risk of drastic changes on the market and provide liquidity on exchanges and a safety cushion for retail investors. We believe in the power of diversification and healthy competition, so we envision a platform where such traders can provide their services and evolve in order to solve the market stability problem together. However, it takes a specific in-depth knowledge and years of experience in order to get full understanding of the technology and trends in any new markets. Qualified specialists in the crypto-asset trading field are only starting to appear and their approach is often somewhat scattered and can be more systematic, which makes it challenging for them to form reliable predictions. We at CRYPTICS plan to help with this by advancing forecast algorithms which can be further used for trading crypto-assets.

2 Concept

By summarizing the previous section, we can formulate the problem which has to be tackled and the solution which CRYPTICS provides:

Problem: Efficient and stable markets are profitable for everyone, it is proven in conventional markets. Crypto-assets have made an important step towards becoming a new economy, in particular by providing better means of financing entrepreneurial projects. The markets in crypto-assets are of great interest to all market participants, however the lack of stability prevents these markets from reaching their full potential and threatens to impose regulations onto them. Stability can be provided by traders and investors who post liquidity, but in these new markets, traders are more cautious of taking liquidity risks, due to a lack of reliable forecast models and understanding of market dynamics.

Solution: We believe in diversification and healthy competition, so our global goal is to increase the safety and reliability of crypto-markets through the implementation of these principles. CRYPTICS is going to achieve this goal, providing transparency and understanding of inner mechanics to traders, investors and traders, and a platform, which connects all of them to each other and to the science community. As a result, miners will be able to decide on which crypto-assets they need to focus their resources, traders will be able to get more leverage by providing their services to the CRYPTICS community and investors will get effective tools for short-term and mid-term investment options.

The concept is depicted on Fig. 5 and outlined below.

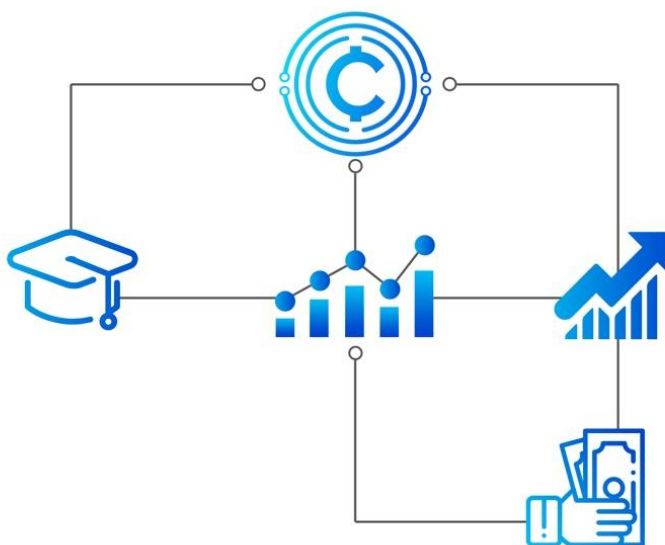


Figure 5: CRYPTICS concept visualization.

The CRYPTICS platform combines 4 modules in such a way that all facets of the issues described above are tackled in an integrated manner. It includes: forecasting engine, auto-trading engine, fund infrastructure, integration with research and academic community.

Forecast

As a first step, we shall finalize the CRYPTICS algorithm that is focused on predicting changes in the valuation of crypto-assets (including the ITO tokens) both with respect to the fiat currencies and to each other. Due to the fact that crypto-markets are very new, the factors that drive prices are coming from very different sources, so the algorithm uses the method of Artificial Intelligence (AI) such as Machine Learning (ML), and specifically Deep Learning (DL), in order to combine quantitative (e.g. prices) and non-quantitative (e.g. news) data to come with a stable and reliable prediction. The collection of data and its processing is done real-time, and leads to predictions time horizons ranging from minutes to days. These predictions can be used by any customer of the CRYPTICS platform either for private purposes (personal investments), or for building a trading strategy and create a fund on the CRYPTICS platform.

Auto-trading module

CRYPTICS auto-trading module offers immediate execution of the forecasts on the crypto-asset exchanges of customers' choice. It also includes a constructor of trading strategies where CRYPTICS newcomers can quickly get acquainted with CRYPTICS services and combine them in a profitable trading strategy. Auto-trading engine has an integrated stop-loss option that gives customers another layer of security and allows to CRYPTICS users to adjust key trading settings such as crypto-asset that is up for trade, trade-pair, value of each trade, frequency of execution and a risk profile.

To avoid any doubts, the auto-trading module does not constitute any organized trading facility. It is meant to be offered to the customers as software-as-a-service (SAAS) where the clients are in position to use the trading module in whatever way they like. The auto-trading module is not intended to operate as an exchange, but rather be "prolonged arm" of the customers. At no time, the settings can be overruled by the CRYPTICS.

Funds

At CRYPTICS we plan to bridge the gap between the knowledge and capital by providing traders with an opportunity to run their strategies on the CRYPTICS platform. CRYPTICS platform will be connected via API to diverse crypto-exchanges. CRYPTICS will invest in robust and stable infrastructure to ensure fast and stable connectivity to the market. Namely, as a customer, you can both buy a forecast to make your personal acquisition of a particular crypto-asset, and follow a diversified strategy developed by one of the traders. This trader will hence build his own private fund, and act as a fund and portfolio manager for those who supported him with their capital. At CRYPTICS we welcome any kinds of trading strategies: their profitability and risk profiles (Sharpe ratio, draw-down, tail risk etc.) will be outlined for the customers to choose from. Yet, since we particularly value stability of markets and believe that liquidity provision is vital for that, the strategies that have this focus will get benefits from our side. The customers of the CRYPTICS platform will be able to let the auto-trading bot execute the forecasts. However, the execution will be based on individual risk profile of every single customer. CRYPTICS will be providing recommendations and all necessary tools to support decision making.

Research

The CRYPTICS team is committed to mutually beneficial cooperation with the scientific community. This will help us quickly implement breakthrough developments in order to improve our service, and representatives from academia will be able to receive our support in various forms. We assume that it could be training programs for students, joint activities for experience exchange, partnership programs of a non-commercial nature and competitions. In particular, we plan to organize contests dedicated to tackle practical AI and Data challenges. We will reward best solutions, both closed and open-source. Apart from that, CRYPTICS is considering the creation of a non-profit platform for academic community to share knowledge and experience through free webinars, courses, etc.

Conclusion: Analysis of the market which we provide in the corresponding section shows the absence of a similar analytical platform in the market of crypto-assets. Along with the usual services of providing historical data and short-term forecasts based exclusively on such data, CRYPTICS offers a number of qualitative differences and advantages:

- The forecasts of other platforms are often short-term, and hence are used to manage private funds, rather than to provide information to a wider range of users.
- Other platforms mostly take into account only quantitative market data, while the CRYPTICS platform takes into account data from several important sources including social networks, macroeconomic indicators, opinions of leading analysts, etc.
- CRYPTICS will not only have a leading team of data scientists with strong AI skills, but will also provide a platform for contests, where academics can try tackling practical problems in ML and DL within the fast developing and challenging area of crypto-assets.
- CRYPTICS will provide its trader customers with an infrastructure for the decentralized creation of private funds.

3 Financial structure

The CRYPTICS utility token will be released on the basis of ERC20, Ethereum token standard. It can be purchased for ETH or BTC during the Token Sale. It is possible that we will consider accepting other crypto-currencies. CRYPTICS utility token will be used for internal transactions between all parties inside the CRYPTICS platform. For example, CRYPTICS token owner can exchange it for a forecast subscription. Since CRYPTICS profit will depend on the profit of our customers, we are interested in providing our clients with the most reliable predictions. In addition, the CRYPTICS token will be used by traders to operate their private funds on our platform. It is important to mention that CRYPTICS will not have its own fund in order to avoid conflict of interest with clients. Instead CRYPTICS offers free usage of analytical data (quantitative and non-quantitative) and paid forecast services to create the best possible environment for CRYPTICS customers.

CRYPTICS monetization concept

CRYPTICS revenue is going to be based on two main sources of income as shown in Fig. 6:

- In the beginning the revenue is going to be mostly coming from the CRYPTICS forecast engine. The forecasts will be provided as a subscription service, priced on their accuracy, time horizon, number of currencies.
- At a later stage, with attraction of fund managers and traders to the CRYPTICS platform, a new revenue stream will come from fund managers, as a small percentage over their profits and/or turnover.



Figure 6: Monetization structure.

CRYPTICS is expecting to reach the amount of 88,000 users by the year 2021 with an average revenue per user (ARPU) of \$1,084. The CRYPTICS revenue forecast is represented on Fig. 7 There are three areas of monetization forecasted for the year 2021:

- Platform revenues (basic and premium) 94% ↑ \$90,000,000
- Advertising revenues 5% ↑ \$5,000,000
- Closed funds infrastructure revenues 1% ↑ \$1,000,000

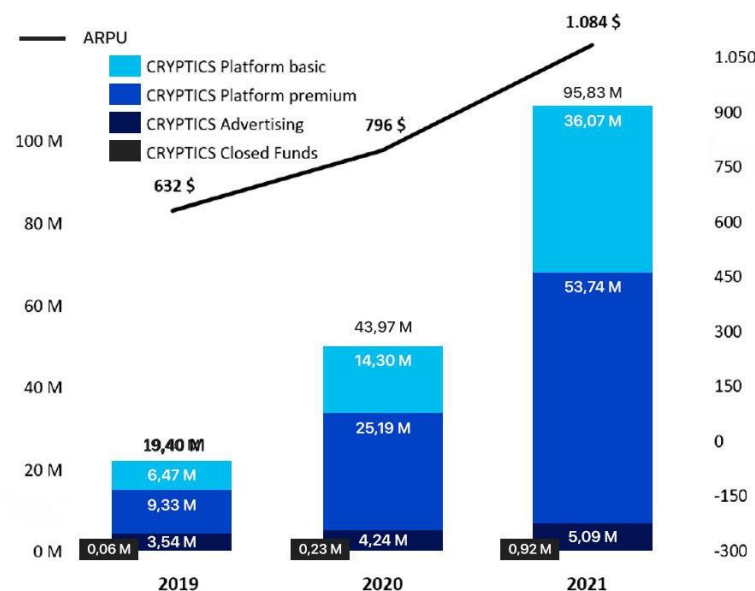


Figure 7: Revenue forecast.

Token Production

The fund-raising and release of CRYPTICS utility tokens is intended to finance the development of the platform and to attract the best talent to make the product as reliable as possible. A part of funds will be used for marketing efforts and advertising the project. CRYPTICS token will be used to pay for any services that the platform has. Since those services are provided in layers (forecasting system, AI community collaboration, private funds platform etc.), raising close to hard cap only means that CRYPTICS will be able to launch faster all of them. Raising a smaller amount will still enable CRYPTICS to launch the services one by one, only the development time is going to take longer. For this reason, we do not introduce a soft cap. Any amount raised will directed at product development. The ITO will start during second quarter of 2018. A total of 66,000,000 CRYPTICS tokens will be provided. The cost of 1 CRYPTICS token is estimated to be 0.001 ETH. The token distribution and the planned budget allocation are presented in Fig. 8.

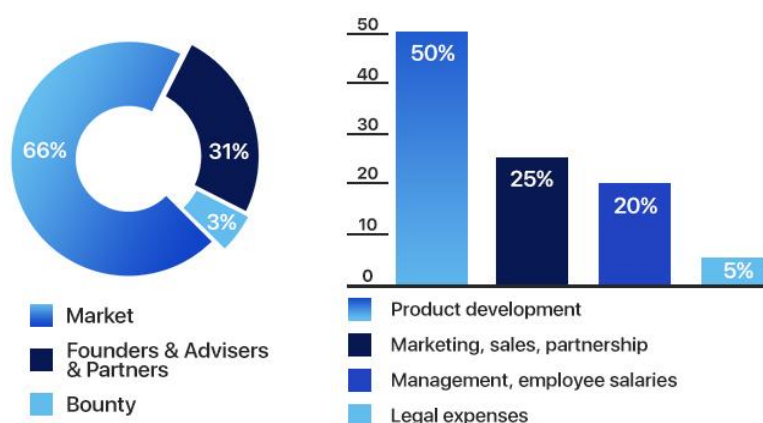


Figure 8: Token distribution (left); Budget allocation (right)

Tokenomics

Here we describe the usability of CRYPTICS tokens and the platform economy. CRYPTICS tokens will be used as a reward for various acts of development, research and distribution of information. For example, we will reward opening successful trading strategies, sharing useful information with the community, improvement of forecasting algorithms and so on. QRP infographic is displayed below.

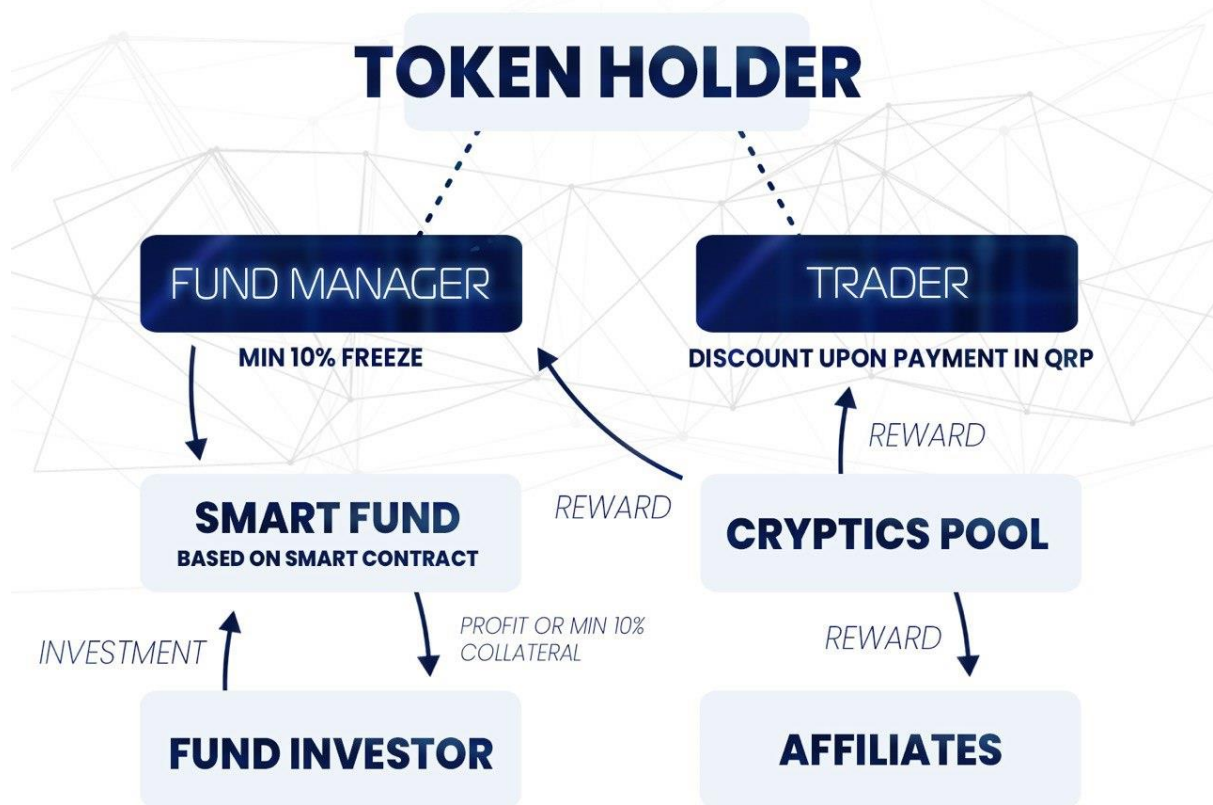


Figure 9. Tokenomics infographic

Token model

The QRP Cryptics internal token is an infrastructural utility token based on the ERC 20 Ethereum standard. It is going to be used as a primary tool to power the Cryptics trading ecosystem and establish a trading community. There are several different functions that will require the use of the QRP token.

Tokenized proof of experience

To become part of the Cryptics trading ecosystem, users will have to prove their honest intentions and take responsibility for their actions. There will be several options for starting fund managers to prove their skills and gain a reputation. First of all, they will have to show some efficiency in trading without investors. Only after will they be able to accept investors' funds for such purposes. Secondly, all independent fund-managers in our smart fund system will have to freeze some of their QRP tokens on our Escrow-like smart contract and guarantee investors' funds safety through such measures. The minimum amount of such a refund pool will be 10% of projected **Assets Under Management (AUM)**.

For example, a fund-manager would like to trade 10 ETH of investors' money. He will have to deposit 1 Ether in QRP tokens. 1 ETH is than vested and would be released upon fund closure. If **AUM** increase a smart contract will send notification that more collateral is needed and will kindly ask to deposit more QRPs in the nearest 24 hours. If a manager fails to deliver extra collateral his reputations is slightly decreased and the trading may be restricted until the collateral is deposited. If a manager violates other rules he may be fined from this collateral.

Moreover, we will give an opportunity to create a compensation fund for the most experienced and confident traders. It means they will be able to freeze more QRP tokens for a refund pool on our Escrow-like smart contract and guarantee a part of refunds for investors. Such fund-managers would boost their scoring and listing on our platform and gain a competitive advantage against other fund-manager. The more tokens they freeze, the more trust they will gain from possible investors, and the more money they will have available for trading.

Cryptics services payment

There are several options of using our trading AI system. Some will free for use (like daily forecasts), but users will have to pay a subscription for more complicated functions (like minute forecasts). This approach will guarantee natural token circulation, and the more popular the service would become, the more users would buy tokens to pay for the subscription.

But it does not mean that new users will have to buy tokens on exchanges, as there will be an API for autoswaps of any major tokens or cryptocurrencies into QRP tokens. It will simplify QRP buying procedures for newcomers.

Performance reward system

Each month, we will track the successes of the most effective fund-managers and reward them with tokens. We will set a reward fund for such a purpose and will fill it with some percentage of the tokens that users will spent to buy Cryptics platform services.

Referral reward system

Our smart-funding system is going to attract many independent traders who want to earn money with their trading skills. And this also means that it is going to be a competition among fund-managers. Any fund manager will have an opportunity to create a Reward pool for referrals who will attract new investors to that fund manager. The reward pool will be an additional smart contract that will be connected with the general smart contract sharing income between investor and fund manager.

The reward pool will send some of the frozen tokens to the referrer depending on how much money the fund-manager raised during the trading session. The more the manager raised, the more the referrer will earn as a trading profit share.

Another referral program is going to be our own development. The Cryptics platform will give the referrers a percentage in QRP tokens for the users they attract to the platform. For example, if a referer attracts a user who buys a subscription for one minute forecasts, the referrer will receive 10% of the tokens that user spent on the forecasts.

Transaction fee discount

Most blockchain community members are familiar with Ethereum network transaction fees. Any transactions that are sent by users have fees, and the more the network is overloaded, the higher the fee. And since we are going to use the Ethereum blockchain for our system, our users will have to pay fees, and that includes both fund managers and investors.

But both manager and investors can hold some QRP tokens in their private accounts and set an option to pay the fees in QRP tokens with a discount. It means the participants will have an additional discount for all transactions and save some money. For example, if an investor sends 10 ETH to a smart contract and has to pay 2% as a fee, they can set an option of using QRP tokens for paying such fees in their Personal Account. By doing so, they will have to pay only 1%. And vice versa.

In long term trading, it is a very effective way of saving funds.

Transaction mining mechanism

As a scaling tool Cryptics will allocate part of QRP emission in a special smart contract that enables discounts for services thus being the only way to access them is to use Cryptics services. After the vested amount is extracted the QRP tokens will be granted from Cryptics token fund that comes from fees and commissions for services paid by ecosystem participants.

4 Platform model

CRYPTICS customers will be able to develop, implement and back-test their trading strategies. Additionally, The CRYPTICS platform will offer four major features:

- 1) Analytics
- 2) Forecasting
- 3) Fund infrastructure
- 4) Ecosystem for institutional investors

The holders of CRYPTICS tokens will have possibility of using all available features presented in the platform, depending of their needs. We describe the main characteristics of CRYPTICS trading platform below.

Analysis

The analytical component of the CRYPTICS platform has the following characteristics:

- Key factors will be collected from multiple data sources, and provide an optimal number of quantitative indicators to evaluate the crypto-assets chosen by a customer.
- The provided data shown by indices with the probability of influence on the market and on separately selected crypto-assets. In other words, the user gets aggregated data with maximum insights.
- Global indicators, such as total market capitalization, number of current coins available for bidding, number of active markets, total sales volume and the percentage of market capitalization for selected crypto-assets, are meaningfully tied to the events and moods of market players: users, traders, crypto-asset holders, miners and developers of crypto- assets. Thus, the system provides the user with not just raw numbers, but the history and meaning of events associated with them
- In the user's account, the user will see the results of trading and the efficiency of forecasts, as well as what data was used to compile manual, semi-automatic and automatic portfolio transactions for the selected period.

Forecasting

The unique feature CRYPTICS will provide is a set of reliable forecasts developed by CRYPTICS team of data scientists. The system could be used by our client in their strategies. Besides relying on quantitative market data for forecasts, CRYPTICS also uses non-quantitative data from selected lists of news sources and social networks accounts to estimate the market sentiment, which is of extreme importance not only for the most of altcoins, but also for some main currencies. CRYPTICS forecast engine outline is depicted in Fig. 9 and it has the following characteristics:

- Sales forecasting charts for the selected crypto-asset in a convenient time frame, taking into account the user's settings for the trading strategy (budget, risks, correlation, trading frequency, etc.).
- The forecast of changes of the main market indicators for the selected crypto-asset is built on

a stream of data from the entire market and represents a powerful and reliable tool for constructing an individual portfolio of crypto-asset for trading or crypto-asset acquisition purposes. To distinguish media noise from key events and interpret them in the context of changing courses, building reliable forecasts for the interest of each CRYPTICS user is one of the main tasks of the project.

- The quality of forecasting grows with every forecast, transaction, any signal on the market and in the community due to the built-in machine learning algorithm that collects information and compares it with previous forecasts.

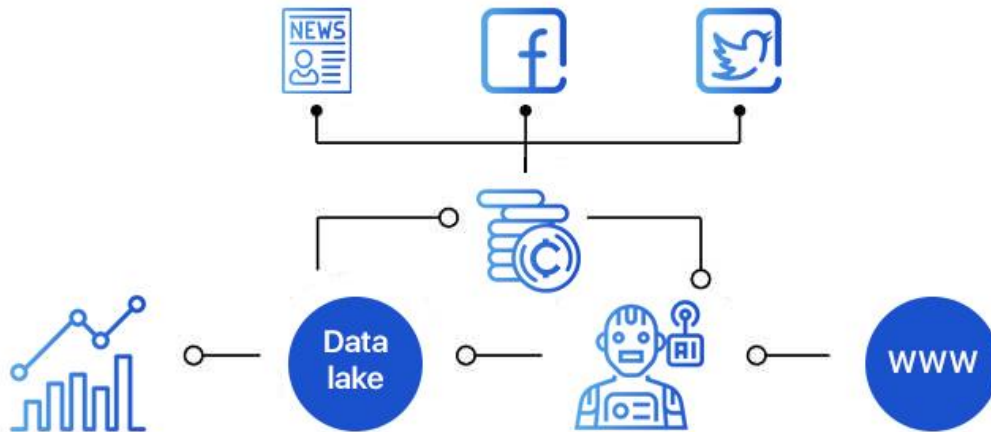


Figure 10: CRYPTICS forecast engine outline.

CRYPTICS develops algorithms to predict changes in the value of crypto-assets:

- Current state: for 24h horizon the average accuracy 62% over major crypto-assets including BTC, ETH, LTC and etc. (higher for some crypto-assets, e.g. 82% for ETH)
- In the pipeline: predictions for shorter time horizons to provide the aid for high-frequency traders.
- Methods used: machine learning and deep learning to combine quantitative (e.g. prices) and non-quantitative (e.g. news) data

Since the beginning of October 2017, CRYPTICS has been posting daily forecasts on our corporate web-page <https://cryptics.tech/> in order to demonstrate reliability and transparency of CRYPTICS unique feature to our potential customers and token holders. An example of a daily forecast is presented in Fig. 11.



Figure 11: CRYPTICS daily forecast.

Funds

CRYPTICS is not going to create its own fund, due to the potential conflict of interests with our clients. Instead we will offer professional managers and novice traders the opportunity to create their own crypto-investment funds. Qualification confirmation is achieved via the 'Know your customer' (**KYC**) procedure through the provision of broker licenses or other documents certifying investment experience. The process is shown in Fig. 12.

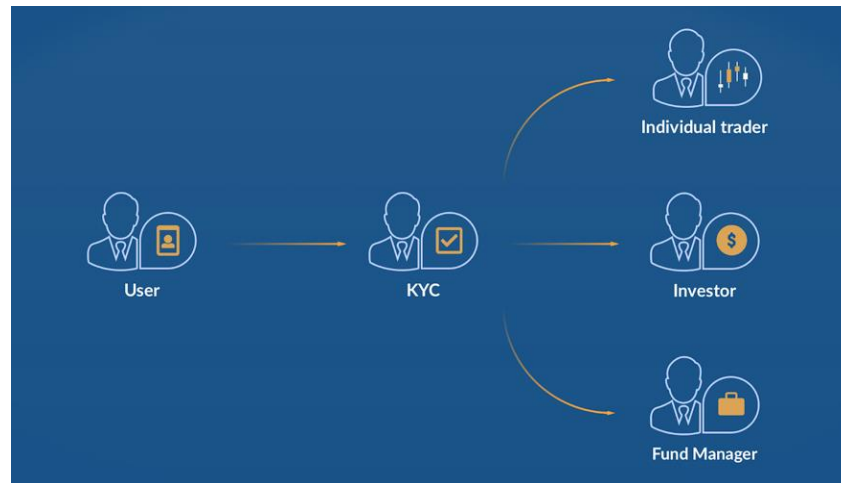


Figure 12: User verification and role choice process.

A legal entity or individual without investment experience will need to have a period of profitable trading on the Cryptics platform for at least 180 days to qualify.

Successfully accredited managers on the Cryptics platform will gain access to a manager's personal account that will allow them to:

1. Find clients for funds among existing Cryptics' customers;
2. Attract new clients by delegating the role of a sales representative of the fund through a referral program to other platform participants and provide them with a unique referral link from the fund that can be used it to attract clients;
3. Regulate the relationship between the investor and the manager by concluding an agreement on the basis of a smart contract, view payment schedules and profit distribution based on the results of calculations;
4. Send reports to customers within the platform via user-friendly reporting module;
5. Receive marketing support within the framework of the platform and beyond it;
6. Receive legal advice on the organization of the fund's structure and choice of jurisdiction;
7. Gain access to tools for making trading decisions based on the Cryptics AI;
8. Gain the possibility of creating algorithmic trading strategies;
9. Receive data on historical rates for analytics;
10. Receive assistance with risk management services;

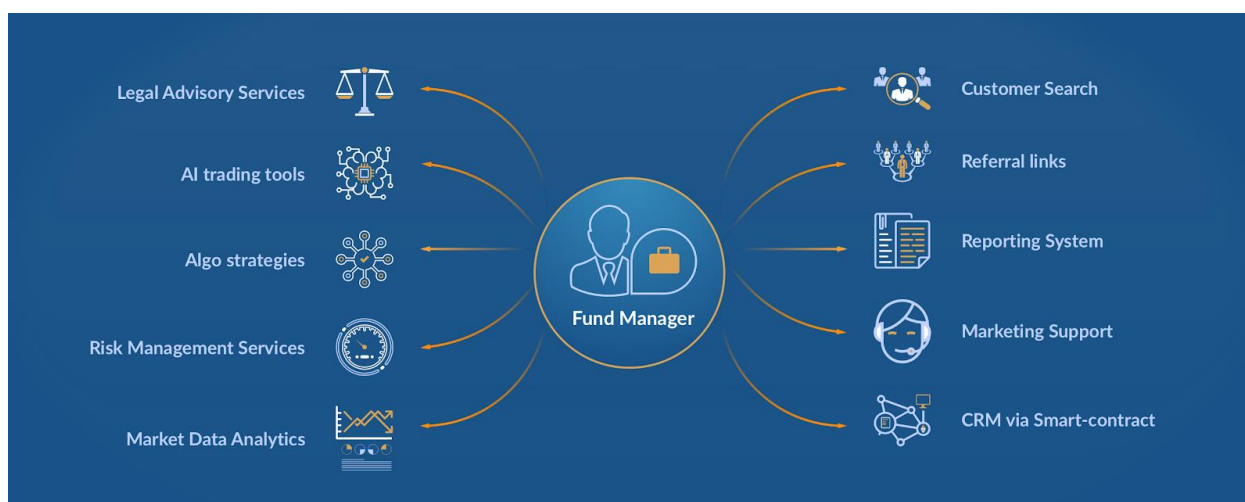


Figure 13: Services provided to Fund managers on Cryptics platform.

All agreements pertaining to the management of capital are recorded in a smart contract and the information, excluding personal data, will be visible to all participants of the blockchain. This is illustrated in Fig. 14.

The contract participants, as well as the system user (platform administrator), can see all of the information relevant to the concluded contract.



Figure 14: Agreement conclusion.

When creating an offer of a trust management contract, it will be possible to specify the parameters of the investment strategy that will be tracked by the smart contract for implementation compliance, such as:

1. Asset classes
 - a. tokens
 - b. coins
2. Asset Class Types
 - a. utility tokens
 - b. security tokens/coins
 - c. asset backed tokens/coins
3. Industry sector (medicine, finance, IT, manufacturing, services, etc.)
4. Liquidity of an asset

- a. highly liquid
 - b. Liquid
 - c. Low liquidity
 - d. Illiquid
5. Asset capitalization
- a. More than 1 bln. USD
 - b. From 500 mln USD but less than 1 bln. USD
 - c. From 100 but less than 500 mln. USD
 - d. From 5 but less than 100 mln. USD
 - e. Up to 5 mln. USD
6. Non-tradable assets are assets that one does not want to have included in their portfolio for various reasons
7. The percentage of asset concentration in a portfolio implies that if the proportion is violated due to revaluation of existing assets, the user will be asked to close part of the position or it can be entrusted to the automatic Cryptics portfolio balancing module.

Profit distribution is also regulated by the smart contract, and the manager does not have the ability to withdraw assets from the platform (only when the fund is liquidated), which ensures confidence in the safety of the investors' funds.

Infrastructure for institutional customers

Currently, crypto currency industry companies, exchanges, brokers and investment funds are facing situations involving far too many unrelated counterparties, and this dilutes liquidity. The resulting inconvenience is having multiple accounts on different trading facilities, lowered cash management efficiency and increased execution costs.

There is also a demand for classic instruments and practices from the fiat world on the crypto market but have not yet been implemented properly, such as OTC REPO/SWAP operations, risk management for central counterparties (*CCPs*) and self-regulated organizations. The implementation of such options will bring transparency and trust from fiat regulators, thus enabling business operation at higher levels.

Cryptics, as a technological financial firm, may suggest the following value propositions for institutional customers and counterparties such as exchanges, brokers, investment firms and banks to solve these issues and bring best practices from the fiat world to improve the businesses of all parties involved and their customers' trading results.

1) Increased liquidity from Cryptics customers

By 2021, Cryptics estimates to reach **90k** customers with an ARPU of 1084 USD. Each user is a trader and a trader needs an incentive to trade on a particular exchange/broker.

Mutual partnership in this area includes a product, where a Cryptics customer is offered to trade on a particular exchange with a discount and an exchange earns fees, extra liquidity and trading volume from Cryptics.

2) Market making services

Our main product is AI and we can deliver a B2B product of a market maker (not just a usual bot), which will utilize experience and predictive models for maintaining, increasing or managing trading books for an exchange or a ICO project

3) Dark pool/liquidity pool

As a part of its institutional business, **Cryptics** is going to develop a dark pool trading service that enables brokers and exchanges to earn profit from matching orders from different venues and having **zero impact** on market prices, which enables large order execution without slippage and price affection.

4) Introducing new types of deals such as SWAPs/REPOs and OTC options.

Every institutional once felt like this:

"We need cash, but I do not want to sell my BTCs" – no problem.

Cryptics will provide you with a SWAP/REPO service via a smart-contract and enable you to receive cash for crypto as collateral at a certain funding rate.

5) Risk management system for Central counterparties (CCPs)/ collateral management for margin trading

An exchange acting as a CCP may take significant risks while providing trading services, including margin trading. To improve risk management and to prevent unsustainable losses, exchanges may organize a pool, where every participant will allocate funds to cover risks from market losses. There will be 2 types of reserve funds: **obligatory** and **voluntary** with different coverage schemes for participants.

When a loss is sustained as a result of a failed deal or due to market fluctuations, all reserve fund participants will be granted a refund as per the rules of these reserve funds

The Cryptics Ecosystem

Trading is not just men sitting in front of screens with graphs on Wall Street as is usually shown on news channels. Trading is a variety of roles and services that are involved in transactions. Each role has a functional component vital to the functioning of the entire system that ensures the adequate movement of assets, conduct of transactions and proper connection to servers. Given the variety and vital nature of each component in the system, Cryptics will be introducing dedicated positions for performers of such roles within its ecosystem. The roles will be delegated to members of the community as their involvement in the overall functioning of the system will increase their stake in its operations and will ensure growth of product value proportional to exerted efforts.

The main roles that Cryptics aims to introduce will be the following:

- 1) **Users** - who will enjoy the benefits of the ecosystem and pay commissions for services. This is the most basic role that any new account would have after its creation. Such users' profiles will not be made public by default, or can be made public at users' request. The user can sign up for forecasts, use platform services and features, invest into funds and etc.

- 2) **Traders** - who will conduct trade and receive commissions for auto-follow operations. Traders will have the opportunity of making their profiles public, and will have the opportunity of generating tokens through transaction mining.
- 3) **Fund Managers** - will have roles related to the management of funds opened on Cryptics platform. This role is performance based so the more profit is earned by the managed assets the more he earns. The manager may be a natural person or a legal entity. A fund manager may retire from his activities and transfer management permissions to another User which must be also eligible to perform such duty. Becoming a Fund of funds is also possible inside of Cryptics platform.
- 4) **Data Analysts / Data Scientist** - will have the opportunity of analyzing the market data in the blockchain including forecasts generated by Cryptics AI. Contribution to overall network performance in form of new trading patterns or algorithms is rewarded in QRP tokens.
- 5) **Market Data Providers** - will act as aggregators of market information from various sources and will be able to input it into the blockchain for certain fees.
- 6) **Risk Analysts** - will analyze data and help expand the knowledge base by scoring quality of issuers / assets / counterparties, thus acting as a rating agency on the blockchain. The decision to assign a rating will be averaged based on the weight of the analyst's reputation and the estimates made by other analysts. The Risks Analysts will receive remuneration in QRP tokens for their contributions.
- 7) **Liquidity Providers / Trading Venues** - are those who will help generate liquidity for darkpools and create a liquidity layer from other exchanges or being a trading venue themselves.
- 8) **Depositories** - will be storing collateral in the authorized capital of funds or for marginal lending of usual trades. These participants of the ecosystem will receive a commission for the storage of assets and transfer of assets. This role is to be undertaken by fiat depository systems such as Clearstream, CREST, DTC and other eligible depositories from fiat industry.

The need for depositories instead of a smart contract is a necessity as the non-tokenized shares of companies, bonds and other fiat instruments will have to be physically accepted and translated into a balance within the platform in QRP equivalent.

- 9) **Derivatives Contract issuers/Market makers** – current situation of cryptomarket is that it lacks derivatives contracts that is so popular in the fiat world: swaps/futures/options/forwards and etc. As the part of ecosystem Cryptics tends to build a healthy community of professionals that will issue interesting and demanded derivatives. market makers that will take up a job of issuing and market making contracts to fulfill the demand. This role is ought to have a collateral in a form of fiat assets stored in a depository or crypto assets stored in a smart contract and a proof of skills.
- 10) **Central counterparty (CCP)** - this role is the most important as it undertakes a part of trading activities inside ecosystem to monitor, clear and settle trades, monitor risks and limits of counterparties inside the trading venue and provide leverage or uncovered positions opening where it is demanded and possible. The clearing and trading fees inside the ecosystem are also paid in QRP.

In the beginning Cryptics will undertake all the above-mentioned roles where this is legally possible on its own and attracting partners where this is needed. Extra roles may emerge during the project development and expansion.

Blockchain utilization

The blockchain is used within the Cryptics project to store the forecast archive and all relevant market data pertaining to the aggregation of forecasts. It also acts as an immutable register and storage of trades of all platform participants so the information can be shared with other platforms and displayed for full transparency of all operations. Credit histories and ratings of traded assets are also stored within the blockchain for accountability and availability to all those willing to gain access to the information.

Another important element of blockchain application is the smart contract, which will act as a vehicle for derivatives and other platform operations. The smart contracts will also store all the constituent terms of transactions and will be available to all participants in an immutable manner. Assets will also be stored on smart contracts as well as in escrow. The smart contract will act as a guarantee for the depositories and ensure their availability to any competent authorities as part of the blockchain. The value of traded assets will be recorded in the blockchain and the smart contract will act as the enforcer of changing values and the blockchain will be the base for their register. The smart contracts will also ensure as the guarantee of minimum deposit values and their locking.

MVP

CRYPTICS has already released its minimum viable product (MVP), which offers necessary instruments for alleviating the situation with uncertainty and becoming a functional product on the crypto-market. CRYPTICS maintains the concept of supporting market participants by providing liquidity on exchanges and a safety cushion for retail investors by creating a platform that connects market players and develops algorithms to predict changes in the value of crypto- assets. The CRYPTICS MVP demonstrates a fully functional dashboard for users and already highlights the main advantages of the system and its main competitive factors:

- High frequency trading forecast, intra-day and day-to-day forecasts with high accuracy and a profit & loss calculator. The example of the hourly forecast is presented in Fig. 15



Figure 15: CRYPTICS hourly forecast.

- Social media analysis for the forecast engine, allowing the program to analyze data flows from the internet, pinpointing key terms and evaluating them on a complex scoring model using machine learning and AI.
- The analytical part is a key element of the CRYPTICS system as experience indicates that

crypto-asset value are largely formed by hype, social behavior and speculative factors that propagate in a viral manner throughout the internet.

- Technical analysis is also integrated into CRYPTICS algorithms as AI forecasts indicators such as RSI, MACD, Bollinger bands, Ichimoku, SMA, EMA and etc.

The CRYPTICS MVP dashboard allows for intuitive and user-friendly selection of primary and secondary assets, exchange facilities and allocation of overall trading budgets. After the initial setup, the system allows receiving forecasts graphically and the inbuilt bot conducts trades according to the selected strategy. The statistics calculator allows depicting the number of accurate and inaccurate forecasts in conjunction with the *social* module, which shows influence of social signals on a particular currency and the chosen strategy (see Fig.16). Video presentation is available on our YouTube channel: <https://youtu.be/INMF-WXg9E4>.

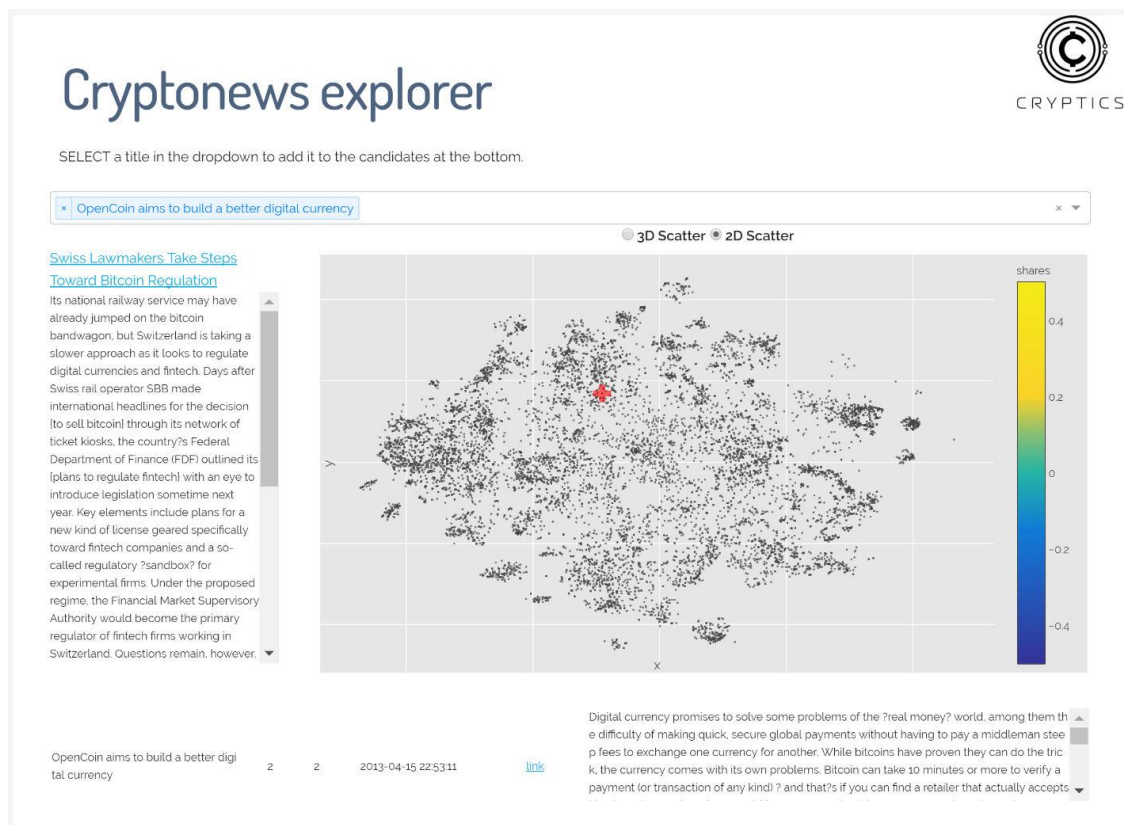


Figure 16: CRYPTICS crypto news explorer.

The release of the CRYPTICS MVP is a milestone for the project and allows all potential trades and investors the opportunity to evaluate the efficiency and functionality of the fully operational product that does not have any real competitors or analogues of complexity and efficiency on the market.

Platform architecture

The CRYPTICS platform consists of different modules, responsible for prescribed tasks (described below), which combined represent the unique product. The CRYPTICS model platform is schematically presented in Fig. 17.

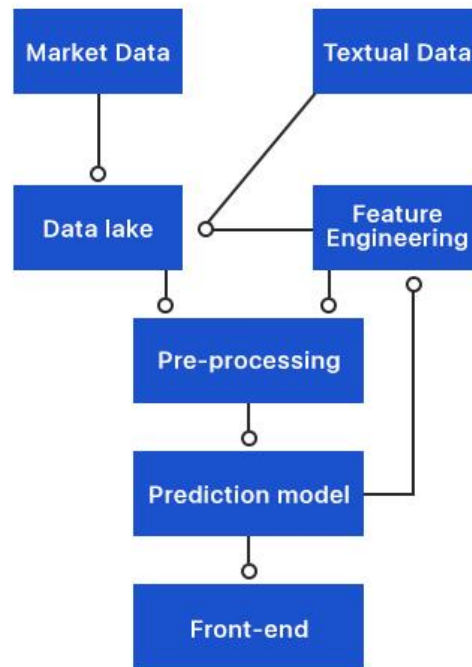


Figure 17: The CRYPTICS platform model.

Data collection

The first task of CRYPTICS is to collect real-time data that affect the crypto-market or contain information about its current and forthcoming changes. The main sources of data collection are as follows:

- Crypto-asset exchanges
- Official crypto-asset websites
- News portals, forums, related social network accounts and messenger groups
- Actions of the best traders and fund managers

Data Storage

The collected and marked data will be stored in the data lake. The task here is to organize the repository in such a way as to make it possible to repeatedly update information in real time, append features, train and tune the model. We are going to use here some of best databases available to achieve this goal.

Feature Engineering and Data preprocessing

The most complicated, and at the same time, the most important part of our model. Therefore, CRYPTICS will use a variety of input sources and financial and quantitative models to calculate features and extract features from news. This is our know how where we select, extract, clean, transform data into features that summarize the information content necessary for pricing, and finally create tensor for our model.

Prediction model

The CRYPTICS model will generate forecasts for different time periods based on aforementioned sources. The outcome will be a predicted probability of the move direction and the expected value of its size, together with the accuracy estimates. The comprehensiveness of the input data and the predictions is one of the main advantages of using CRYPTICS, in contrast to a simple analysis of one or more data sources, or existing information panels. On a cold start, we can already guarantee a prediction accuracy of 64% one day ahead, which we are aiming to improve up until 75% for the hot start.

Platform visualization

Here we present the CRYPTICS landing dashboard prototype Fig. 18, the first that CRYPTICS customers will see after login in the account. The most important values are visible right here – trading bot results, development of clients' portfolios, and the watch-list with favorite coins, which can be selected in the client's profile.

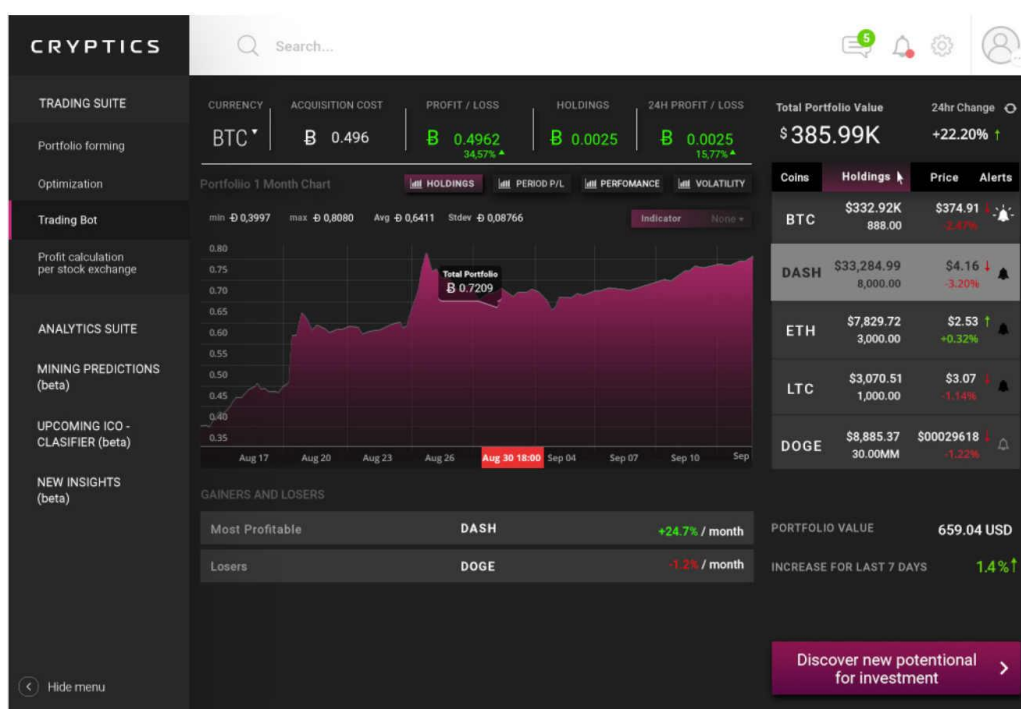


Figure 18: CRYPTICS landing page

The next ones are trading dashboard Fig. 19 and the optimization dashboard Fig. 20 that feature the key principles of a client's project – the ability to trade and optimize your portfolio directly within CRYPTICS user interface and with the help of our AI.

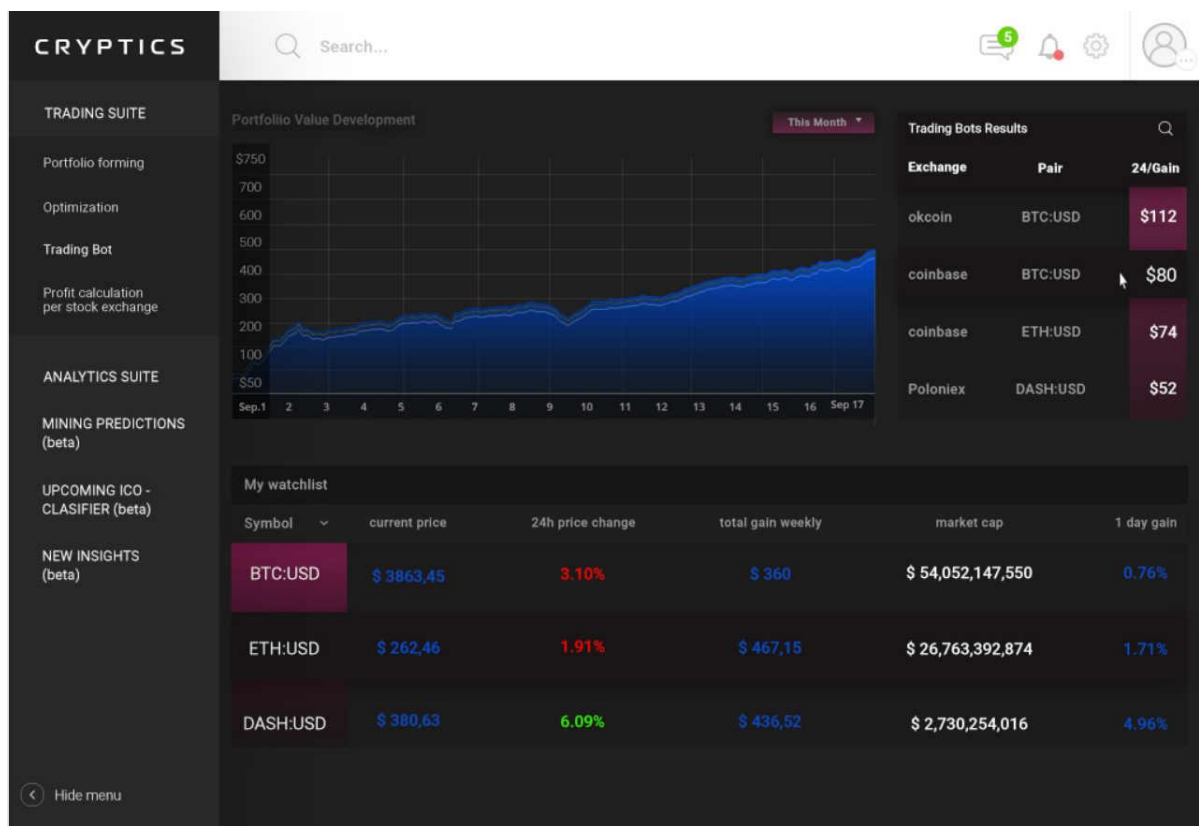


Figure 19: CRYPTICS trading dashboard

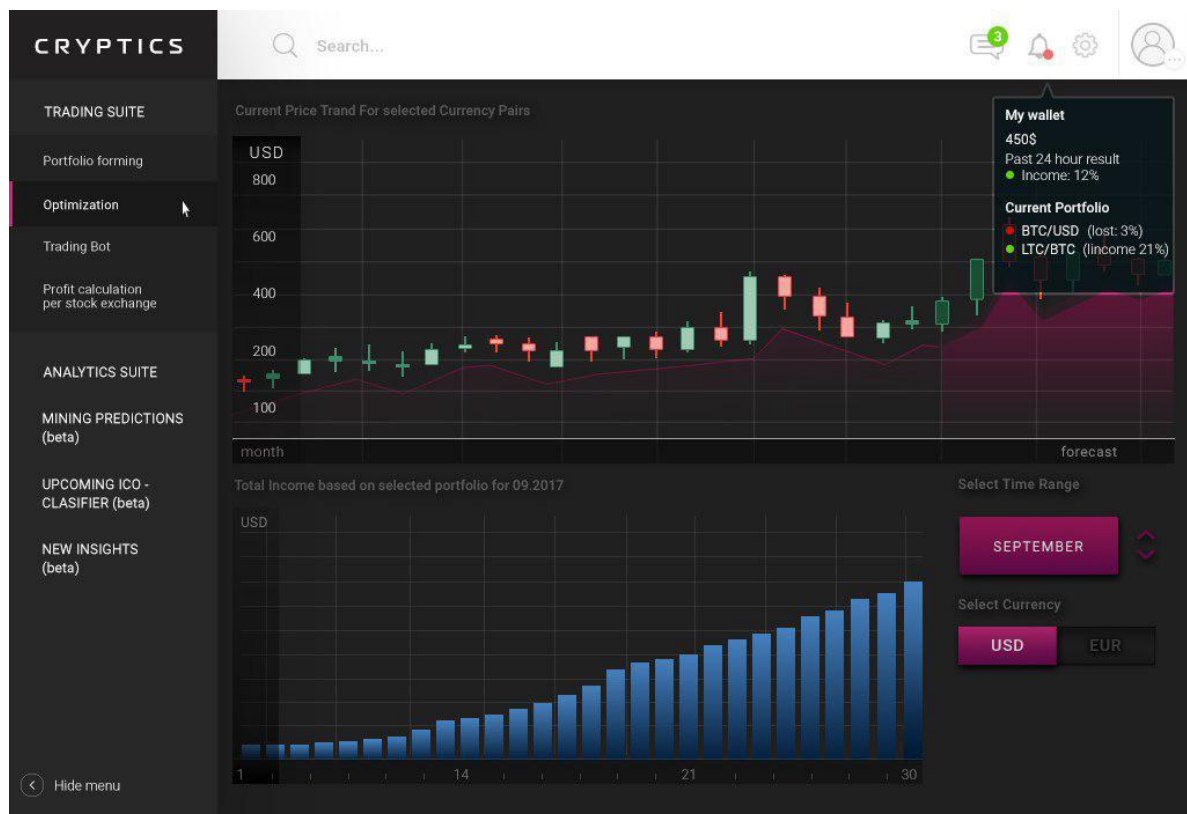


Figure 20: CRYPTICS optimization dashboard

5 Analysis of competitors

Here we present the CRYPTICS comparison to other trading platforms and fund infrastructure. First we compare main goals and basic concepts in the table below.

Company	Main goal	Basic concept
CRYPTICS	Increase safety and reliability of crypto markets by providing a support for market participants, who take the risk of drastic changes on the market and provide liquidity on exchanges and a safety cushion for the retail investors by increasing transparency and understanding of crypto markets.	Investment platform which provides traders with an opportunity to run their strategies using provided forecasts based on both quantitative and non-quantitative data and for non-developers to follow into the most successful strategies.
Genesis	Unite exchanges brokers trades and investors into a decentralized open and fair network in the private trust management market built on blockchain.	Trust management platform, where the actions of managers brokers and investors are transparent and open. Each manager has his own crypto-asset.
Tokenbox	Bring together crypto-asset funds under the management of professional portfolio managers and traders on the one hand and investors on the other	Umbrella platform hosting funds and traders in a market place format and providing legal incorporation functionality for the creation of funds to issue of their own tokens and trading activities
Coindash	Lower the bridge of entry to crypto-investment markets by providing tools and services that make interacting handling and trading crypto-assets accessible to everyone	Market network, employing the best of marketplaces, social network and SaaS to address the needs of tomorrow's crypto-investors, which result a social network of investors and traders.
AICOIN	Bridge the divide between a conventional trading/investment company and a DAO without formal structure.	Passive investment platform that uses a strategy combining AI trading models with Wisdom of the Crowd to generate profit for coin holders. The part of profit generated from AI models will be invested in early stage seed companies.
Cindicator	Create the social and technological infrastructure needed to make effective decisions under the volatile conditions.	Portfolio based on the hybrid intelligence: collective intelligence of a large group of dissimilar decentralized analysts combined with AI prediction based on analytical data.
NumerAI	Improve networking on financial market by solving over-fitting problem in machine learning algorithm applied to financial problem.	Data scientists compete in the tournament by staking a new crypto-token on their prediction. Best predictions are rewarded based on auction mechanism.

ICONOMI	Cater to investors looking for a high profit not possible in the old economy.	Open fund management platform where traders with experience create their own investment funds and investors can invest in those funds. Also offers two new financial instruments ICONOMI trade fund and coin manager fund.
Enigma: Catalyst	Create a decentralized open and secure protocol for the web that is set to change how data is aggregated shared and monetized. As an application is to increase the adoption of crypto-assets by building a tool that makes easier to make educated investment decisions.	Investment platform that allows anyone to build their own crypto-hedge fund using Enigma data marketplace protocol. Non-developers can invest in successful strategies.

Next we compare the main features of the competitive products.

Company	Fund infrastructure	Trade algorithm	Data usage	AI-forecast
CRYPTICS	yes	yes	quantitative (e.g. prices) non-quantitative (e.g. news)	HFT, intraday, daily
Genesis	yes	no	–	no
Tokenbox	yes	no	–	no
Coindash	yes	yes	quantitative data social network data	no
AICOIN	yes	no	token holders' data	no
Cindicator	no	no	token holders' data	no
NumerAI	no	no	token holders' data	no
ICONOMI	yes	no	–	no
Enigma: Catalyst	yes	yes	quantitative data based on Enigma protocol	no

Here we can split our competitors into two different types:

- The first group (NumerAI, Cindicator, ICONOMI and AICOIN) uses the idea of collective thinking and apply it to create their own investment funds. They collect the forecasting data produced by their clients using tournament or/and auction systems of rewards and then use these data in their AI modelling for investments.
- The second group is more diverse. It consists of companies, which make it possible for clients to create their own products and crypto assets (Genesis, Tokenbox), combine idea of marketplace and social network (Coindash) and use trading platform as an application for innovative data protocol (Enigma: Catalyst).

By summarizing the above, we can highlight major aspects of CRYPTICS in comparison to other platforms on the market, which make CRYPTICS to stand out:

- First of all, this is the core of the CRYPTICS: AI oracle with publicly available forecast accuracy. Our neural network is constantly improving, so the accuracy of forecasts is constantly growing.
- CRYPTICS profits when its clients profit. That is why CRYPTICS offers analytical data for reliable forecasts, based not only on quantitative data but also on non-quantitative one.
- CRYPTICS does not plan to create its own investment fund to prevent the conflict of interests with our customers, hence making the market more transparent and fair.
- Last but not least, the CRYPTICS platform will be suitable for both experienced traders and newcomers. This means useful tools for the experienced and easy to learn UI for beginners.

Together with the opportunity to create custom trading strategies and private funds the above features show that CRYPTICS does not just claim to provide liquidity and transparency to the crypto-market but actually develops the platform which can help to achieve these goals.

6 Roadmap

Step 1: Concept and Research

2016

- Development of CRYPTICS concept
- Market research
- Feasibility analysis

Step 2: MVP

2017

- Core team hiring
- Development and testing of the mathematical models
- Quantitative and non-quantitative data collection
- First forecasts based on ML&DL
- Introduction of MVP

Step 3: Crowd-sourcing and Production

2018

- Crowd-sourcing campaign
- Further expansion of the team
- AI development for forecast improvements
- Marketing activities all over the world

Step 4: Automatization and Decentralization

2019 – 2020

- Trade bot integration
- Development of the decentralized funds infrastructure
- Automatic portfolio management based on KPI forecasts
- Introducing real-time signals from the media
- Launch of the decentralized funds managed by CRYPTICS users

7 Team

The CRYPTICS team has more than 15 years of experience in the field of analytics and IT technologies, experience in working with Big Data and fintech technologies, as well as 4 years of machine learning experience. General team of the project - 10 people. Key team members:



Stanislav Maer, COO, Project management, IT & Marketing.

Stanislav has created and launched a number of online projects, including a contextual advertising system, an international marketplace, and an analytical tool for web-masters with built-in machine learning. He has experience in building IT projects and their introduction to the market in more than 45 countries around the world. He has more than 5 years of experience in online marketing and data analytics in retail. After that, several online stores were launched. Interest in blockchain and crypto-asset technologies arose in 2013. In 2016, sold the portfolio of online stores, and focused on the CRYPTICS project



Oleg Tereshchenko, CEO, Strategic & Process Management.

Since 2011, he has created and launched a number of online projects, among them a task manager, an analytical tool for web-masters with built-in machine learning, and a telemedicine project. Management, optimization and construction of business processes using IT technology and data analysis led to the field of machine learning and smart contracts. Interest and study with practical experience of crypto-assets arose in 2012. In 2016 he focused on the CRYPTICS project.



Maxim Maslennikov, CTO, AI Software Architect.

Programming and managing commercial projects based on C/C++ and Python. Machine learning & deep learning specialist. For more than 15 years he has been engaged in the architecture of system centers, for 20 years he advised corporations in the field of machine learning and IT systems. He participated in numerous projects in the field of artificial intelligence.



Ilya Tkachev, Head of R&D, Quant Trader.

Since 2008 has been trading personally on conventional exchanges, from 2014 professionally, as a member of the top market maker company. Believes that open and efficient markets with a multitude of players provide benefits for the overall economy and help avoiding too rigid regulation, which is now vital especially for the crypto economy. Holds a M.Sc. in Financial Mathematics and finishes a PhD in Probability and Statistics. During the course of his PhD, he successfully participated and led numerous research projects with applications in Economics, Systems Biology and Robotics.



Yaroslav Khomenko, Data scientist, Algorithm Development.

Since 2015 acts as a data analyst in several large online projects in the field of retail and analytics. Worked with Adobe Analytics, Google Data Studio, Watson Analytics, Microsoft Power BI, Tableau. Data collection via web scraping, used numerous APIs. Experience in programming and managing automated betting systems in contextual advertising. Analysis and management of price strategies, development of automatic strategies for managing the price portfolio. Programming on R and Machine Learning in Python. Since early 2017 - data scientist in the project CRYPTICS.



Alexey Voronetsky, Financial Analyst, Product Development.

Alexey has experience in setting up advertising campaigns and end-to-end online analytics. Since 2011 he works at the International Integrator Company NetCracker Technology Corp. He participated as a business analyst, a migration analyst in implementation projects for telecommunications companies such as NTT DoCoMo, Deutsche Telekom, Macedonian Telecom, Claro, Maxis, Andorra Telecom, Telefonica Ecuador. Interest in blockchain and cryptocurrency technologies appeared in 2015. Since 2016, he has been starting his hand at trading and is developing in this direction. Has funds in the Trust Management from several investors. Middle 2017 he has joined the CRYPTICS team.



Dmitry Shcherbakov, Data Scientist. Scientific Research.

Doctor of natural sciences, recently received the doctoral degree in Mathematics (with focus in Numerical Analysis), holds M. Sc. degree in Financial Mathematics. Dmitry has participated in numerous international research projects with applications in Applied Mathematics and Physics. Strong experience in scientific research, tackling complicated analytical and computational problems. Dmitry supports CRYPTICS as a consultant and advisor.



Andrew Gurar, Fund Infrastructure Manager, Product development.

Andrew possess a strong risk-management understanding and trading experience as well as experience in project management with brokerage and investment funds. He represents CRYPTICS on media channels as a foreign speaker (YouTube channel reporter) and delivers best practices from fiat world trading business and legislation



Andrew Konstantin, UX Expert, Product Front-end.

Andrew has extensive experience in UX design and product front-end development. He has participated in a number of online projects.



Valeri Hirda, Marketing, PPC expert.

Advertising professional specialist. Broad experience of working in different position gives him an opportunity to be successful in relations within the team and clients.

Key advisers:



Sergei Holmeckis, Advisory, Business Development & Finance.

Supports CRYPTICS as a consultant and advisor in the area of business development and finance. Sergei has a track record of delivering international projects in the telecom industry and brings over 8 years of experience in versatile analytical roles, management consulting, transformation projects and profound experience in the realm of outsourcing and shared services.



Stas Oskin, Advisory, Project improvement and Technical stability.

Stas Oskin leads the technology strategy and partnerships effort for the WINGS Foundation, a Swiss non-profit focused on decentralized finance and governance systems. Stas has over 15 years of extensive experience in engineering, development and management of software, cloud services, healthcare, video streaming, blockchain, and social products and services. Stas describes himself as an entrepreneur, Crypto enthusiast and a Life hacker.



Ofer Rotem, Advisory, Platform development, User interaction, Investor relations.

Ofer first invested in Bitcoin & startups in early 2013 and is very active in this field, with more than 13 startup investments. Ofer's startup investments are in fields that empower individuals and decentralize power. His work includes due diligence, negotiations, interviews, tax optimization, partnership agreements, research and constant learning and teaching. Ofer is an analytical person, with past experience in physics, web development and managerial and entrepreneurial positions from an early age.



Jan Robert Schutte, Advisory. Crypto Trading.

Jan Robert Schutte (CEO and Co-founder of CryptoAcademy) has more than 25 years of trading experience in the derivatives and commodities markets. He was involved in creating the largest Dutch Brokerage, Binck Bank. In 2011, he co-founded OptieAcademy that aims to increase the level of knowledge of investors. Jan Robert is a technical trader/coach who has already coached thousands of investors and especially in Options and crypto-currency Trading. In 2015 Jan Robert won an investment competition among 1500 participants. In September 2016 Jan Robert was co-founder of an online community which has now over 6,000 members.



Sebastian Stupurac, Advisory.

Co-founder of Wings, a social promotion and smart facilitation platform and one of the only working DAPPS on the Ethereum blockchain. Previously at Cryptics. Vast experience in decentralized solutions.



Guy Corem, Advisory.

Guy Corem is a Software developer who served as an engineer at Voltaire, Broadcom and Intel. A hacker and entrepreneur with a passion for cryptos, Guy has been an active contributor to the global Bitcoin community, and was CEO of Spondoolies-Tech, a developer, manufacturer and vendor of state of the art Bitcoin mining rigs. Currently he is the president of DAGlabs, a company dedicated to the research and development of DAG protocols for blockchain based projects and platforms.



John Westover Advisory.

Angel Investor and Trusted Advisor, Yehoshua is the COO of the China-Israel Science Technology Innovation Center (CISTIC), attending to project selection, overall investor relations, corporate funding, Blockchain innovation, corporate branding campaign and China Israel Chamber activities. He is Co-Founder of the publicly listed company 1st Prestige Wealth Management, Inc. Additionally he is the Chairman of October Investment Management, which owns Wizards Capital (Funds: Fintech, Blockchain, Education, Travel, Agriculture), VIP Study Abroad, October Media, Super-Chain Software Solutions. John has over 20 years experience in the Greater China region as an investment consultant and financial advisor in the asset management and investment industry. John is a popular expert guest speaker in Mandarin Chinese at investment forums and conventions in the region as a professor of Wall Street University, with over 500,000 accumulated students in the past decade.



Ismail Malik, Advisory.

Ismail is the founder of Blockchain Lab and the publisher of ICO Crowd magazine. He is one of the first enthusiasts of Blockchain in London and has been working in the industry since early 2013. Ismail is among the best-connected persons in the industry, helping projects develop with his teams based in London and Seoul. Ismail is able to provide leadership and strategic direction to support service-focused and cost-effective activities related to sourcing, contracting, and acquisition of eMoney, Mobile services, and Alternative Finance. He specializes on building connections with local players enabling stronger and deeper distribution networks and fast tracking of onboarding/activation, designing a disruptive decentralized approach to innovation for rapid growth, and building geo-targeted ethnic distribution networks.

David Kuhl, Advisory.



David believes that he was born to create and solve challenges. During his career, David learned the ability and skills to open new international markets from scratch in Banking to recover lost markets from the competition. He is well-versed in lobbying with high level GVT influencers to recover lost customers, performing in controlled markets (PKI), developing new needs in unexplored market segments (Gaming, E-commerce), signing distributions, bringing onboard reseller active partners, closing strategic OEM deals with competitors in hostile markets, obtaining social public certifications for solutions in closed markets, setting up worldwide framework agreements with some of the largest Financial institutions, and much more. David is a top-notch financial professional and is an invaluable member of the Cryptics team.

Giovanni Lesna-Maranetto, Advisory.



Giovanni is adamant in his belief that his key competence is solving problems and seeking out the truth in matters. Most importantly, he sees success as how much growth one can achieve in others. His aim is to always exceed in his abilities and never benchmark against the crowd. Giovanni is passionate about financial markets, international business and disruptive technologies (Blockchain, Crypto, Fintech), turning any problem into the most optimal solution.



Hyeonjin Kim, Advisory.

Hyeonjin is a PR specialist, interaction designer and Developer with a passionate interest in interdisciplinary approach and work among art, design and technology. He has an MA degree in Interface Culture at the Art and Industrial Design University Linz. His background goes from industrial design to interaction design, passing through from brand promotion in diverse areas to researching user centered design. He was also a member of Korea Design membership that particularly focuses on leading Korea's economic development and enhancing the quality of life by promoting cutting-edge design industry. His work has been showed at international venues such as Ars Electronica festival and presented at international and domestic conferences such as TEI. His practice has been combining the fields of interactive media with theoretical approach. His research is based on reinterpretation and contextual representation of data such as human being's physiological and biometric data so as to look for inherent and natural value in its interaction, questioning the relation between their function and purpose.



Bruce Jeong, Legal Advisor

Bruce is a Chartered Accountant and an established lawyer who has also worked as senior project manager for private equity and as the COO of New York Consulting Group over the last 17 years. He is currently a global partner at BDLAW law firm and is an advisor to various blockchain and ICO project and he is guiding the SMART CITY globally.



Zahid Ali, Growth Advisor.

Strategic Thinker, Problem Solver. Blockchain Advisor and Experienced Entrepreneur. Law and European Business Graduate BA (with honors), holding a Masters in Law. Seasoned entrepreneur with over 15 years of experience under his belt, primary focus on Strategy and Development in the latter years. More specifically in areas covering Insurance, Commodity, Retails and F&B. With blockchain solutions and development more recently, advising a number of Blockchain projects in a constantly changing and complex environment.

8 Legal Disclaimer

The given White Paper document has been formulated to present the CRYPTICS project to potential participants of the platform and those interested in contributions to its development. The information set out herein may not be exhaustive and does not imply any contractual relationship. Its sole purpose is to provide information to potential Token holders so they may determine whether they are willing to analyze the company with the intent of acquiring CRYPTICS Tokens. No part of the given White Paper shall be deemed to constitute a prospectus or a solicitation for investment, nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction. The given document is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction aimed at protecting investors. Certain statements, estimates, and financial information contained in the given White Paper constitute forward-looking statements. Such forward-looking statements or information deem risks and uncertainties which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

The given English language White Paper is the primary and sole official source of information about the CRYPTICS project and its Token launch. The information contained herein may be translated into other languages or used for establishing written or verbal communication channels with potential partners or future Token holders. As a result of translation, some information contained herein may be omitted, corrupted, or misrepresented. In the event of inconsistencies between any translations or communications and the given official English language White Paper, the provisions of the given English language original document shall hold primary status and prevail. The CRYPTICS platform shall not be used to avoid capital controls of any kind. The purchase of CRYPTICS Tokens may involve high risks. Please refer to the warning section Token Sale Terms and Conditions (hereinafter known as the Terms) for more information. Before purchasing any CRYPTICS Tokens, please ensure you comply with the Terms.

Any distribution, public or otherwise of the given document and the offer and sale of CRYPTICS Tokens may be restricted by law in some jurisdictions. Failure to comply with any restrictions could result in a violation of the law. At the moment, CRYPTICS Tokens have not been registered under the U.S. Securities Act of 1933 (hereinafter the Securities Act), or with any regulatory authority on securities of any state or other jurisdiction on the territory of the United States. CRYPTICS Tokens shall not and cannot be offered to, purchased by or sold to, on the account or the benefit of, any green card holder of the United States or any US citizen or permanent resident of the United States (tax or otherwise), or to an individual having a primary residence or domicile in the United States (tax or otherwise), including Puerto Rico, the U.S. Virgin Islands or any other territory or possession of the United States. CRYPTICS Tokens shall not and cannot be offered to, purchased by or sold to, on the account or the benefit of, a citizen or permanent resident of the People's Republic of China (tax or otherwise), or to an individual having a primary residence or domicile in the People's Republic of China (tax or otherwise). CRYPTICS Tokens can be sold only to pre-purchase services on the CRYPTICS platform to citizens or permanent residents of Canada (tax or otherwise), or to anyone having a primary residence or domicile in Canada.

It is the sole responsibility of the reader and potential participant or contributor to ensure that participation in the Token Sale is not prohibited under the applicable laws of said participant's or contributor's country of residence or domicile.

IMPORTANT NOTE: THE TOKEN SALE COMPANIES DISCUSSED IN THIS WHITE PAPER ARE NOT RESPONSIBLE FOR ANY DIRECT OR CONSEQUENTIAL LOSSES OR

DAMAGES THAT MAY ARISE DIRECTLY OR INDIRECTLY FROM: (I) RELIANCE ON ANY INFORMATION CONTAINED IN THE WHITEPAPER AND ALL ASSOCIATED MATERIALS, INCLUDING

THIS DOCUMENT, (II) ANY OMISSION OR INACCURACY ERRORS THAT MAY BE PRESENT IN THE INFORMATION RELAYED OR (III) ANY ACTION RESULTING FROM SUCH INFORMATION.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this White Paper, statements made in press releases or in any place accessible by the public and oral statements that may be made by CRYPTICS or their respective directors, executive officers or employees acting on behalf of CRYPTICS or the Distributor (as the case may be), that are not statements of historical fact, constitute “forward- looking statements”. Some of these statements can be identified by forward-looking terms such as “aim”, “target”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “would”, “will” or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding CRYPTICS’s and/or the Distributor’s financial position, business strategies, plans and prospects and the future prospects of the industry which CRYPTICS is in are forward-looking statements. These forward-looking statements, including but not limited to statements as to CRYPTICS’s and/or the Distributor’s revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this White Paper regarding CRYPTICS are matters that are not historic facts, but only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results, performance or achievements of CRYPTICS to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, amongst others:

- (a) changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which CRYPTICS conducts its respective businesses and operations;
- (b) the risk that CRYPTICS may be unable or execute or implement their respective business strategies and future plans;
- (c) changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
- (d) changes in the anticipated growth strategies and expected internal growth of CRYPTICS;
- (e) changes in the availability and fees payable to CRYPTICS in connection with their respective businesses and operations;
- (f) changes in the availability and salaries of employees who are required by CRYPTICS to operate their respective businesses and operations;
- (g) changes in preferences of customers of CRYPTICS;
- (h) changes in competitive conditions under which CRYPTICS operate, and the ability of CRYPTICS to compete under such conditions;
- (i) changes in the future capital needs of CRYPTICS and the availability of financing and capital to fund such needs;
- (j) war or acts of international or domestic terrorism;

- (k) occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of CRYPTICS;
- (l) other factors beyond the control of CRYPTICS; and
- (m) any risk and uncertainties associated with CRYPTICS and their businesses and operations, the CRYPTICS tokens, the CRYPTICS Initial Token Sale and the CRYPTICS Wallet (each as referred to in the White Paper).

All forward-looking statements made by or attributable to CRYPTICS or persons acting on behalf of CRYPTICS are expressly qualified in their entirety by such factors. Given that risks and uncertainties that may cause the actual future results, performance or achievements of CRYPTICS to be materially different from that expected, expressed or implied by the forward-looking statements in this White Paper, undue reliance must not be placed on these statements. These forward-looking statements are applicable only as of the date of this White Paper.

Neither CRYPTICS nor any other person represents, warrants and/or undertakes that the actual future results, performance or achievements of CRYPTICS will be as discussed in those forward-looking statements. The actual results, performance or achievements of CRYPTICS may differ materially from those anticipated in these forward- looking statements.

References

- [1] <https://www.forbes.com/sites/chancebarnett/2017/09/23/inside-the-meteoric-rise-of-icos/#1447062a5670>
- [2] <https://coinmarketcap.com/10.01.2018>
- [3] <https://coinmarketcap.com/currencies/bitcoin/#charts>
- [4] <https://etherscan.io/chart/tx>
- [5] <https://blockchain.info/charts/estimated-transaction-volume-usd?timespan=60days>
- [6] <http://www.marketwatch.com/story/what-delivered-the-best-return-of-2017s-first-half-bitcoinand-ethereum-2017-06-28%20>
- [7] <http://www.marketwatch.com/story/all-of-the-digital-money-in-the-world-in-one-chart-2017-06-07>

Copyright © 2018 CRYPTICS
<https://cryptics.tech/>
01 July 2018