

## REDUCTION PLAN EXPLANATION

### **MOST IMPORTANT:**

EFFECTIVE 15 October 2020, all KBC will be converted to a new MainNet coin only if the KBC has been deposited to KaratBit.

After 15 October 2020 any and all KBC not previously deposited to KaratBit will be burned as the KBC will be delisted from 15<sup>th</sup> October 2020.

Meanwhile you can trade your KBC coins on all the listed exchanges. If you have coins in your “dashboard” at Karatbars, if you have coins in a MEW wallet, if you have coins at another exchange—all these coins will cease trading unless they are deposited at KaratBit prior to 15 October 2020.

In order to increase the value of KBC coin, we will run a massive and complex circulation supply reduction plan. Below we provide a short overview of the reduction program as follows:

### **BONUS REDUCTION PLAN**

#### STAKED COINS & FRESH MARKET COINS

The bonus reduction plan is running from 01 JULY 2020 to 15 OCT 2020. In the reduction plan anyone can join who has staked or purchased KBC coins in the open market.

The program runs in 4 different stages:

from 01.07.2020 to 31.07.2020 with a bonus of 25%

from 01.08.2020 to 31.08.2020 with a reduced bonus of 15%

from 01.09.2020 to 30.09.2020 with a reduced bonus of 10%

from 01.10.2020 to 15.10.2020 with a reduced and final bonus of 7.5%

These bonuses are not cumulative but represent the additional incentive available during each time period wherein someone joins the reduction plan by committing their coins on the KaratBit website.

This commitment to the reduction plan is irreversible, it is the duty of the KBC coin holder to understand and make an independent decision about joining the reduction plan early or waiting for the 14 OCT 20 lock date.

In the reduction plan, the deposited value of your KBC is calculated as a “base value” in USDT, meaning the KBC value at the moment you make the commitment to the reduction

plan.

On top of the base value you will receive your bonus according to the number of coins you deposited in the reduction plan (stages 1-4) multiplied by the average value of KBC from 01.07.2020 to 15.10.2020 from which we extract 25%.

---

*Example:*

---

*John applies for reduction plan with 400,000 KBC coins in value 1000 USDT. John makes the deposit in the first stage, so he is expecting now 25% bonus on 15<sup>th</sup> October.*

---

*John assumes that the average of KBC price will be 0.01 USDT, so on 15<sup>th</sup> October John is receiving another 1000 USDT (400,000 KBC \* 0.01 USDT) \* 25%.*

---

*In total value John has now 2000 USDT, for which he will receive new implemented blockchain coins on a ratio of 4 KBC to 1 implemented MainNet coin, in this case 100,000 new MainNet coins.*

---

### 20 % Spot Value Bonus

For those early adopters, during the period of 01.07-01.22.2020 (12:00 CET) we are announcing an additional 20% Spot Value Bonus (no coins) for those coins remaining in the reduction plan. This is in addition to the 25% stage 1 bonus.

---

*Example:*

---

*John applies for reduction plan with 400,000 KBC coins in value 1000 USDT before 22.07.2020 - 12:00 CET time. John makes the deposit in the first stage so he is expecting now 20% bonus on spot value (200 USDT) and 25% bonus on 15<sup>th</sup> October.*

---

*John assumes that the average of KBC price will be 0.01 USDT, so on 15<sup>th</sup> October John is receiving another 1000 USDT (400,000 KBC \* 0,01 USDT) \* 25%.*

---

*In total John has now 2200 USDT, for which he will receive new implemented blockchain coins on a ratio of 4 KBC to 1 implemented MainNet coin.*

---

## Cancellation option

For those early adopters, during the period of 01.07.2020-22.07.2020 (12:00 CET) we are announcing the option to cancel their deposit.

In order to cancel your deposit, all you have to do is to send an e-mail to:

[cancel.reduction@karatbit.com](mailto:cancel.reduction@karatbit.com)

with the message "Cancel my bonus reduction plan". In the e-mail you must specify: Full name, KaratBit ID, KaratBit E-mail and a copy of your ID/Passport used in the KaratBit KYC.

We are mentioning that the additional 20% spot value bonus (no coins) in addition to the 25% stage 1 bonus, in case of cancellation will NOT be credited anymore to you.

Your coins will be locked until 15.10.2020, on the same quantity you made the deposit. You will not be able to join to any other reduction program until 15.10.2020.

Cancellation option is available until 31.07.2020 12:00 CET Time.

## IPO VOUCHERS

In order to have a fair option for the entire community you have the chance to take out your KCB coins from the IPO Vouchers and deposit them directly in the reduction plan with a stage bonus based on the date of conversion and commitment to the reduction plan. Each KCB coin will be exchanged to KBC at the same ratio conversion as everybody previously received:

**1KCB = 2.54 KBC.**

If you proceed with the IPO Voucher deposit, your KCB coins will be automatically converted into KBC at the mentioned ratio and deposited into the bonus reduction plan. This is not reversible.

## MAINNET COIN IMPLEMENTATION

**WARNING:** it is absolutely mandatory to deposit your KBC coins in karatbit.com before 15<sup>th</sup> October 2020.

If your KBC coins are not deposited in karatbit.com before 15<sup>th</sup> October 2020, they will not be included in the MainNet blockchain and they will be delisted from all the exchanges.

When the KBC is deposited in karatbit.com we run a complex algorithm from which we can verify the source of funds and coins. If their source is from any suspected criminal activity, we lock them immediately and run a second KYC and AML check.

Locked coins MAY NOT be included in the new MainNet blockchain.

The implemented MainNet coin will be calculated on a ratio of 4 KBC by the average value of KBC from 01.07.2020 to 15.10.2020 to 1 MainNet coin and it will be tradable on

at least one public exchange after 16<sup>th</sup> October 2020.

---

*Example:*

---

*John has 4 KBC coins on 15<sup>th</sup> October 2020, the average price from 01.17.2020 to 15.10.2020 is 0.01 USDT, assuming on 15.10.2020 the price of KBC is 0.007 USDT, John will get  $0.01 / 0.007 = 1.42$  KBC for each KBC coin \* 4 KBC coins. The total he has now is  $5,71 / 4 = 1,42$  implemented MainNet coin. The value of the coin is not lost, the same value will be found in a ratio of 4/1 in the implemented coin.*

---

Average: 0.01  
Current Price: 0.007  
Number of coins: 100.000

Formula:  $(\text{Average Price} / \text{Current Price} * \text{Number of coins}) / 4 = \text{MainNet coin}$   
 $(0.01 / 0.007 * 100000) / 4 = 35714 \text{ MainNet coins}$

### **KARATBIT REDUCTION PROGRAM CONTEST**

The Reduction Program Contest is solely available to open market purchases of KBC during specific time periods. Please see the rules at KaratBit's website.

In order to join the contest, all you have to do is to go on your KaratBit dashboard, and make a direct purchase with BTC or ETH. If you decide to join the contest, deposit BTC or ETH in your account and use the reduction contest button from your dashboard.

Once you click on the "reduction contest" button, you will make a KBC market order and directly deposit the KBC in the contest.

From the very first moment you will get the base bonus of the reduction plan from the stage moment you make the deposit.

*Example:*

*You purchase and deposit KBC in value of 1000 USDT in July, you have 25% on 15<sup>th</sup> October.*

*The contest is running from 01.07.2020 to 15.10.2020. In the reduction program contest, anyone can join if they have freshly purchased KBC coins from the open market. You can join the contest directly from your KaratBit dashboard.*

The reduction program contest is running from 01.07.2020 to 15.10.2020. In the reduction plan can join anyone who has market purchased KBC coins through the reduction contest button found in KaratBit dashboard. The program runs in different stages and we promise is going to be full of nice surprises:

from 01.17.2020 to 31.07.2020 with a bonus of 2KG of gold and bonus up to 5%.

from 01.08.2020 to 15.08.2020 with a bonus of 2.5KG of gold and bonus up to

7.5%.