Whitepaper v. 2.0

Community-owned Fundraising Platform

NEUFUND
Open innovation for good

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1 What is Neufund?

Neufund is a community-owned fundraising platform. It acts as a bridge between the investment world and the blockchain space. Using our legal and technical infrastructure, startups and established companies alike can legally issue a new type of asset we call tokenized equity. We achieve this by formally linking traditional contracts with Ethereum smart contracts through mutual reference and code correspondence.

Once these shares are created, anyone can invest into the company issuing them and verify the company's claims by checking smart contracts and transaction data on the public ledger. The result is a primary market for real world, technologically enhanced equivalents to shares – "equity tokens" – that aim to be as liquid as cryptocurrency. By joining the platform and bringing their fiat currency on-chain, users gain access to this market. In this way, Neufund also functions as a powerful mechanism for onboarding off-chain investors and companies to the crypto economy.

Companies can thus raise funds from investors in their existing network, as well as any cryptocurrency holder, or via the capital pool on the Neufund platform dedicated for funding. Once a company has successfully completed a campaign and issued their equity tokens, Neufund provides an easy-to-use user interface for interacting with shareholders. It is possible to hold votes for legally binding resolutions, issue updates and reports, open further fundraising rounds, enable secondary trading of equity tokens, and perform other functions necessary for responsible corporate governance.

In order for the described components to work and the system to sustain itself, Neufund is designed to be a true token economy. Its value is reflected by a protocol token called Neumark, which participants earn by committing capital to the platform. This essentially allows people to economically own the ecosystem, a powerful incentive for investors to bootstrap the platform and grow it with further investment. Neumarks are an attractive asset: they entitle their holders to revenues from platform fees for ETOs (Equity Token Offerings) taking place on Neufund, as well as economic benefit from a platform portfolio pool holding a small amount of every ETO ever conducted (more in chapter 4).

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2 Vision

Our vision for Neufund is to *open innovation for good*. Our goal is to provide creators with the tools to fund their ventures by going directly to those who believe in their success. That is why we have chosen the name of *Neufund*: it is *the new way to fund ventures*. In building it, we seek to remove unnecessary barriers, including geographical and jurisdictional constraints, that prevent the alliance of inventors and investors from forming. While our networks have grown global and turned digital, our assets remain highly immobile. Investing capital through traditional channels still is unnecessarily difficult and expensive, requiring voluminous paperwork, long waits, high broker fees, and a dependence on a variety of counterparties or intermediaries.

As a result of these limitations, the investment ecosystem and financial industry at large rely on governmental intervention to curb the worst excesses of the system. Regulations are designed to protect investors; however, with the vast scope and subtleties of these financial regulations, novice investors find themselves entirely excluded from the most attractive opportunities, thus depriving all of us of the impact that the entrepreneurs supported by their capital might create.

Therefore, our mission is the following:

- reduce transaction costs between the two sides of the investment process
- open the investment space for private equity to everyone
- eliminate geographical constraints from venture creation
- make real world private equity fully liquid by tokenizing it
- onboard off-chain companies to the crypto economy
- provide legally secure management functions for equity management

We are tremendously excited by the potential for net positive disruption and innovation that distributed ledger technology offers. But we are neither utopians, nor do we have illusions as to the hard and unexciting work it takes to achieve it. This is why our strategy is designed to start off legally and technically secure, and then proceed to gradually decentralize all functions of the platform. We aim to “tokenize the enterprise”[1], and melt

[1] "Tokenize the Enterprise – The BigchainDB Blog." 6 Jun. 2017, https://blog.bigchaindb.com/tokenize-the-enterprise-23d51bafb536. Accessed 4 Aug. 2017.

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all parts of the company into the community by distributing its ownership widely. To that end, we have decided to pursue a plan with two parallel paths::

1. Build a primary market for equity tokens with four key components: sufficient liquidity, a functioning investment platform, the Neumark token economy, and an attractive portfolio of deals.
2. Make Neufund redundant by transforming all legal entities into fully token-holder owned “public” companies.

As *software eats the world*[2], and as blockchain eats commerce[3], the era of monolithic companies controlling value flows is giving way to the era of fat protocols[4]. Neufund fuels the transition from a traditional static, manual funding environment to a dynamic, more fluid and open ecosystem for all participants.

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[2] "How software is eating the world - Breaking Smart." https://breakingsmart.com/en/season-1/. Accessed 4 Aug. 2017.
[3] "Blockchain: Powering the Internet of Value - EVRY." https://www.evry.com/globalassets/insight/bank2020/bank-2020---blockchain-powering-the-internet-of-value---whitepaper.pdf. Accessed 4 Aug. 2017.
[4] "Fat Protocols | Union Square Ventures." 8 Aug. 2016, http://www.usv.com/blog/fat-protocols. Accessed 4 Aug. 2017.

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3 Ecosystem Impact

A platform like Neufund does not simply exist in isolation. It exists as part of a live ecosystem, and itself impacts the broader investment space and crypto-community in a number of ways. Yet, unlike other projects that use the technology for simple fundraising, Neufund aims to *strengthen and expand the blockchain ecosystem itself in a number of ways*.

Neufund acts as a mechanism for onboarding off-chain organizations and businesses to blockchain, and specifically Ethereum. There is a clear incentive for existing ventures to "blockchainize" part of their operations, especially investor relations. We provide a tool for existing businesses to dip their toe in the waters of blockchain by making the tokenization of equity easy, legal, and secure. In that way, we are facilitating the creation of many new and valuable token systems that do not need their own blockchain platform. This makes the whole Ethereum ecosystem stronger by tieing more of its pieces to value created in the off-chain world.

Neufund also incentivizes investors from both crypto and non-crypto spaces to provide capital for innovation. Investors already active in the crypto space gain access to attractive investment opportunities from outside the space. Investors that have yet to join the crypto economy find in Neufund an easy way to get started. With our stable coin "EURT" (Euro Token, pegged 1:1 to Euro) we bring off-chain capital on chain. This provides a stable reference for value of investments and may stabilize the price of Ether by preventing sell-offs (learn more about the Euro Token in chapter 7.1).

Neufund makes it easy for regular people to participate in the crypto space. It features a full UX easily approachable by the average internet user as well as tutorials to slowly build up basic knowledge of crypto technology and economics. In this way we provide a full suite of tools for individuals to fuel a process of gradual learning and commitment, and demystify blockchain.

In addition, Neufund's call for committing funds – or ICBM, for Initial Capital Building Mechanism – to the platform differs substantially from regular ICOs both in mechanism and impact. As is explained in detail in chapter 5, contrary to widespread practice we do not simply collect funds to sell off over time. Instead we ask investors to commit their funds to use on the platform; but funds remain fully under the control of users. The

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Neumark token we generate and distribute to investors is merely a reward for doing so. In that way we are *bootstrapping a two-sided marketplace and investment ecosystem*. We hope that, if successful, this model becomes an attractive option for other projects (especially marketplaces) to consider.

Lastly, we work towards greater transparency and accountability for fundraising via ICOs. Currently, investors in the crypto space face a problem: how can they make sure that project owners issuing tokens actually follow through on the promises they make? As it stands today, the transactions between investors and project owners in far too many cases take place without any legally binding contracts. As such, they have no means of protecting themselves against fraud, misuse of funds, and other questionable conduct. The only thing holding project owners accountable is the potential for loss of reputation and goodwill. This goes against the founding ethos of trustless systems entirely.

From the very beginning, the emphasis has been on building systems of cooperation that use economic incentives to align the interests of disparate groups of people, and rely on sophisticated technical infrastructure to secure their interactions. What has been missing, however, is a common sense integration with existing legal systems to provide the enforcement mechanisms necessary for keeping parties accountable. This finally enables long term planning. By making ICOs a simple repeatable process with legal security built-in, investors across the crypto space gain leverage to demand better contractual agreements from founders by pointing to the low cost and great ease of conducting an ICO on the Neufund platform.

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4 Definitions

Actors

Investors

Investors are both individuals and organisations that want to invest on the **Platform** by acquiring **Equity Tokens**. They are rewarded with **Neumarks**.

For more go to Investor perspective.

Companies

Companies are off-chain entities that raise capital on the **Platform** by issuing **Equity Tokens** to **Investors**.

For more go to Company Perspective.

Platform

Platform is the main tool in the Neufund ecosystem. It connects **Investors** with **Companies**, allowing the former to invest in **Equity Tokens** issued by the latter. Revenue from this activity is distributed to **Neumark** holders (through the **Neumark Reward** mechanism). Platform is operated by Fifth Force GmbH with the help of supporting entities. Platform will become community owned upon the **Equity Token Offering** of Fifth Force GmbH.

For more go to Investment Platform and Organisational Structure.

Tokens

Neumarks (NEU)

Investors get Neumarks as a reward for investing on the **Platform**. Neumark represents a share of the ecosystem. More specifically, it gives its holder a right to Platform fees and

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participation in the Platform portfolio. Neumarks can be transferred among users, but can circulate outside the user base of people registered on the **Platform**.

For more go to Neufund Token Economy.

Equity Tokens

Equity Tokens represent, and have legal ties to, equity (shares) in **Companies**. Each Company issues its own Equity Tokens during its own **Equity Token Offering**. Equity Tokens are acquired by **Investors**.

For more go to Equity Tokens.

Ether (ETH)

Native token of the Ethereum blockchain. It can be used for the purpose of conducting **Commitment Transactions** or **Investment Transactions**.

Euro Token (EURT)

Euro Token is an on-chain representation of Euro within the **Platform**. EURT cannot live or be used outside the Platform.
For more go to EURT Lifecycle and Neumint.

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Market Mechanisms

Initial Capital Building Mechanism (ICBM) - Neufund Platform “ICO”

ICBM is a capital building event, consisting of **Commitment Transactions**. It is not a token pre-sale. All funds gathered during the ICBM still belong to **Investors** who make individual decisions which **Equity Token Offering** to fund at a later date.

For more go to ICBM.

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Investment Transaction

Investment of **Ether** or **Euro Token** into a **Company** in its **Equity Token Offering**, rewarded by **Equity Tokens**.

For more go to Investment Terms.

Commitment Transaction

Commitment of funds (**Ether** or **Euro Token**) by **Investors** during the **ICBM** to the **Platform** for later investment, rewarded by the **Neumark Reward**.

For more go to ICBM.

Equity Token Offering (ETO)

During a **Company's** ETO, **Investors** may acquire **Equity Tokens**. ETOs will be organized on the **Platform**.

For more go to Equity Tokens.

Neumark Reward

Investors get **Neumarks** as a reward for committing their funds to use on the platform during the **ICBM,** and by investing into **Companies** on the **Platform** once launched. The sooner the Investor commits funds, the higher the Neumark Reward received. The same applies to funds invested on the Platform, after the initial commitment phase is over.

For more go to Neufund Token Economy.

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5 Neufund Token Economy

Neufund is a community owned fundraising platform. To make it a functioning blockchain economy we introduce a platform token called Neumark, along with several mechanisms that determine the nature of transactions between platform participants and thus Neumark value. The two main types of actors on the platforms are **investors** and **companies**. Investors bring capital to the platform and look for interesting investment opportunities in companies. Companies are businesses of various kinds that look for funding by offering part of their shares to investors. The fundamental transaction of our platform is **investment**, where investors become shareholders in companies via Equity Token Offerings (ETO[5]). The Neufund platform's value grows when number and volume of investments grows, so its economy must be designed to stimulate investment and reward transacting participants.

Since we are creating a blockchain economy, it is useful to note that blockchain is not only a technology but also a new way for people to interact, including economic relations. The principles governing a proper blockchain (or protocol) economy have unique properties[6], and so does ours. Our first core principle is: **whoever works for the network owns the network**. It is very similar to how the Bitcoin network incentivizes miners; the Bitcoin network is generated by a set of nodes (called miners) that provide the computing power necessary for a PoW[7] type of consensus to occur. For providing this useful work, miners are rewarded by a specific amount of the network token that represents the value of the network. In fact, all the Bitcoins that exist today were created and, at some point, owned by miners. The Neufund platform employs the same model. In our case, **the useful work that creates our network is investment itself**. As a consequence, and because we want our users to benefit from participation, **transacting participants become economic owners of the ecosystem they create by investing**.

Another important principle of a protocol economy, and our second core principle, is that **the network produces and controls access to a scarce resource**. For example, Ethereum is a network of miners providing computing power and consensus necessary

[5] We support secondary offerings and equity tokens, not coins, so adopting the currently popular "ICO" name would be misleading.

[6] "Economics of Entangled Tokens – Neufund." 19 Jun. 2017, https://blog.neufund.org/economics-of-entangled-tokens-9fc5b084e2d2. Accessed 22 Aug. 2017.

[7] Proof of Work

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for transactions and smart contract execution. Something similar takes place with the Storj network for storage, Mysterium for VPN bandwidth, and so on. In the case of Neufund there are two types of resources that must be produced and controlled. The first one is capital, provided by investors, and the second one is equity of quality companies. Both of those are scarce resources: you typically do not get money for free and quality deals are hard to find as well. **The mechanism that controls access to both capital and company equity is the ETO, where investors acquire (and companies sell) equity at a price negotiated on the market**. The role of the Neumark token in this process is not to control access, but to incentivise participants to provide more capital and quality deals to the platform, and thus the entire ecosystem.

The last principle of blockchain economies we discuss, and Neufund's third core principle, is: **tokens represent network value**. Generally speaking, this representation works differently depending on the type of tokens deployed. In the case of utility tokens (or "app tokens"), they set the baseline price of the fundamental resource. Consequently, their total value *should*, but often does not, correspond to the total value of this resource. In the case of Neumark the token represents economic rights, which will be explained in detail later. In the case of some other token types the idea is that **you own the network by owning tokens**.

To wrap up, here are guidelines for Neufund Token Economy.

1. Participants of the economy should become owners of ecosystem they create by investing.
2. Resources that run Neufund platform are both capital and quality deals. Access to resources is controlled via Equity Token Offering (ETO).
3. Value of Neufund platform is represented by Neumark. It enables platform participants to hold share of its value and stimulates Platform growth via more investments.

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5.1 Investment Transaction

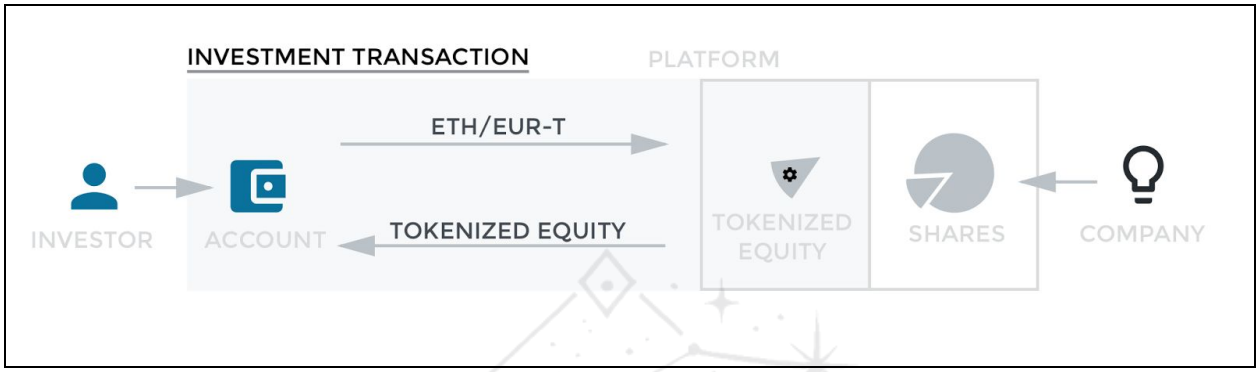


Figure 1, *Investment Transaction*

There are two sides to an investment transaction. On one side there is the **investor** that brings capital. In the case of investors on the Neufund platform, capital may be in the form of any cryptocurrency, with only Ether supported initially, or stable coins, which we will initially support natively through our EURT stable coin exchangeable for Euro. On the other side we have the **company** that is, or plans to be, a limited company (or any legal form that has shares) registered in any jurisdiction. The company offers its shares for sale by converting them to equity tokens (see 7.2). We call the mechanism that regulates equity token price, and thus access to capital and equity, an Equity Token Offering (see 7.4). During the ETO, potential investors decide to acquire equity tokens for a price that was either negotiated by the market earlier or is subject to some market mechanism within the ETO itself (e.g. a reverse dutch auction[8]). Once an investment decision is made, the investor acquires equity tokens for ETH or EURT, which is transferred to the company's account. Having become a legal shareholder of that company, the investor now is granted rights to profit sharing, exit proceedings, and other things contributing to an investor's ROI. At the same moment as the transaction is confirmed, and in keeping with the principles of the Neufund protocol economy, **the investor claims newly created Neumarks as a reward for providing capital**.

[8] "Introducing the Gnosis Token Launch – Gnosis." 12 Dec. 2016, https://blog.gnosis.pm/introducing-the-gnosis-token-launch-3cc4cffb5098. Accessed 22 Aug. 2017.

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An important take away here is the role of Neumark. As you can see, **it is not a typical protocol token**: it neither sets the price of a resource, nor does it control access to it. In other words: Neumark also does not act as a gatekeeper to investment transactions. **You still invest freely with Ether and Euro-Tokens** that you personally hold in your wallet. Instead, **Neumark is a reward for being a good ecosystem participant** and helping it grow by being active.

5.2 Neumark Token Value

In the previous chapters we explained that investors become economic **owners** of the Neufund ecosystem when they receive rewards in the form of Neumark for each completed investment transaction. The value of Neumarks results from fees and participation in a platform pool of equity tokens, and thus gives economic ownership of the network to said holders.

1. With each successful ETO, a small fee is deducted from the invested amount. This **platform fee** is then distributed to Neumark holders in proportion to amount of Neumarks they own ("pro rata"[9]).
2. Within the same ETO, a small fee in form of company equity tokens is deducted from the total number of tokens that were acquired. This **token participation fee** is added to a **platform portfolio** of all companies ever to conduct a token sale on the platform.

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[9] http://www.investopedia.com/terms/p/pro-rata.asp

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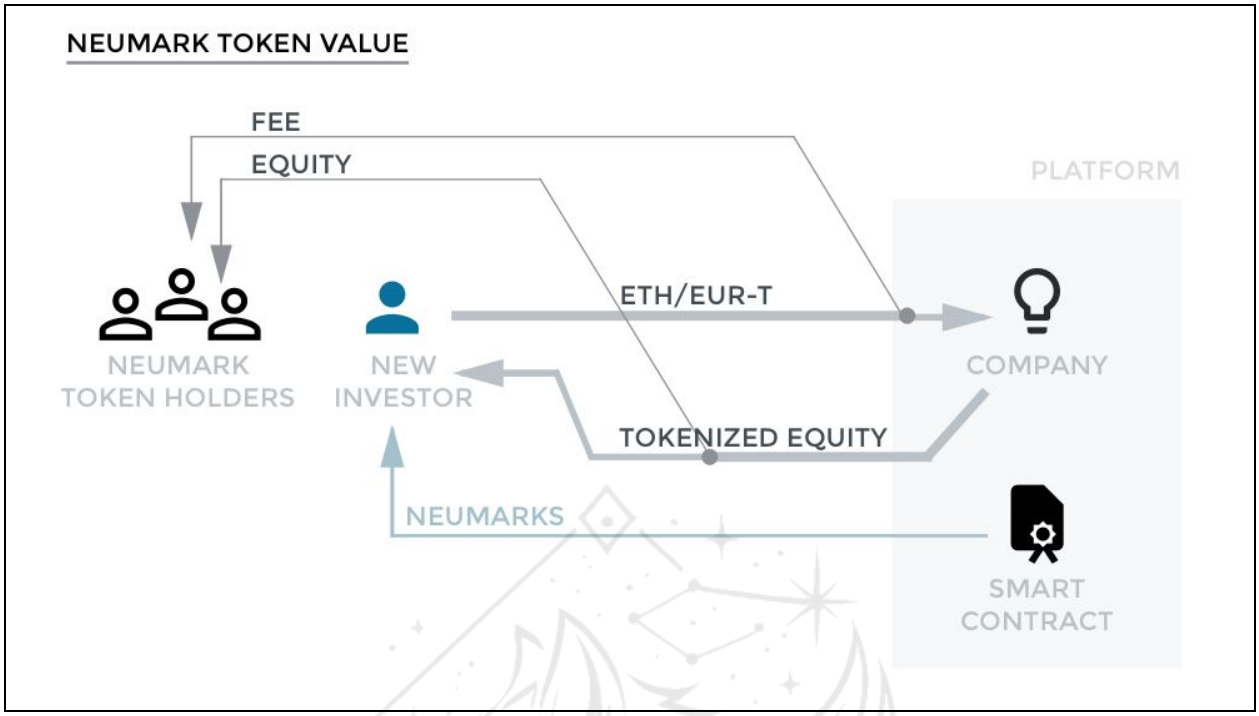


Figure 2, *Neumark Token Value*

The platform fee mechanism is a simple one. It is taken from the investment upon each successful ETO on the platform and immediately distributed.

The token participation fee is somewhat different, and more interesting. Company equity tokens obtained this way are stored, jointly forming a platform portfolio of all companies that perform an ETO on Neufund. Initially, during the *portfolio building phase*, equity tokens can only be added by collecting token fees. They can not and are not managed afterwards. Neither the Platform Operator nor Neumark holders can liquidate their stake or expand it by buying further assets from other holders. However, all economic rights of Neumark holders are upheld: all proceeds from portfolio tokens will be distributed to holders with the same mechanism as the platform fee. At some point in time, this platform portfolio will store a substantial number of tokens, at which point it might be transformed (subject to a joint decision by Neumark holders) into a different, perhaps more liquid form. For example, it could become an automatically balanced index of the equity token market, or perhaps assume a form where token holders can easily liquidate their positions.

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In any case, thanks to the token participation fee, Neumark holders have a stake in every ETO that happens on the platform, even without investing in those tokens directly. This way, the Neumark creates strong alignment between investors, companies, and the totality of investment. The value of Neumark grows as all are succeeding.

Platform governance is carried out by the Platform Operator, which currently assumes the form of a Germany based limited liability company (see 8.2.1). Neufund's intention is to gradually decentralize the operational governance of the platform, and distribute both its ownership as well as its management to the community (more on this in DAOfication of the Operator).

As indicated, fees are set by the Platform Operator but the exact percentage has yet to be determined. However, Neufund aims at a total fee smaller than regular off-chain crowdfunding platforms take.

But there are other components contributing to overall Neumark value: future revenues from fees in addition to the value of existing and future platform portfolio value. But it does not **directly** represent total value of companies that issued equity tokens on it. A comparable relationship here is that of Ether to Ethereum tokens: Ether represents the value of the entire smart contract executing network and its enabling potential, but not the value of various token systems created on top of it.

We intend to have Neumarks traded on major exchanges. Standard ERC20[10] transfer interface will be available immediately upon termination of the Initial Capital Building phase.

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5.3 Neumark Issuance Model

From the platform's point of view, the primary role of the Neumark is to incentivise investment. It should also reward risk taking by early adopters committing their money to the platform. This has led us to make the following assumptions for our token issuance model.

1. We want to specifically incentivise the commitment of the first 1,5 billion Euro.

[10] https://github.com/ethereum/EIPs/pull/610

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2. We want Neumarks to be issued alongside investment transactions on the platform so the total supply of Neumarks will increase over time.
3. We want higher reward for early adopters - they will receive more Neumarks for the same committed amount than latecomers.
4. We want the number of tokens to be deterministically capped so any token holder can compute his holdings (as a share of all Neumarks) in the future (no endless dilution).

Readers familiar with the design of the Bitcoin network understand that these requirements lead to a solution similar to the familiar diminishing block reward scheme, where mining increases in difficulty and the whole scheme stops at a certain maximum number of tokens. In fact, we are using the following curve to model token issuance (*please note that we may use approximates in the actual smart contract implementation*).

$$supply = (1 - e^{steepness * \frac{invested_{EURT}}{cap}}) * cap$$

Here *supply* is the amount of tokens created until $invested_{EURT}$ amount of Euro is invested, with *cap* and *steepness* as two curve parameters. *Cap* is the maximum amount of Neumark that will ever be created. *Steepness* determines the speed with which the difficulty of obtaining Neumarks grows with $invested_{EURT}$. In other words, it shows how much early adopters are incentivised in relation to latecomers.

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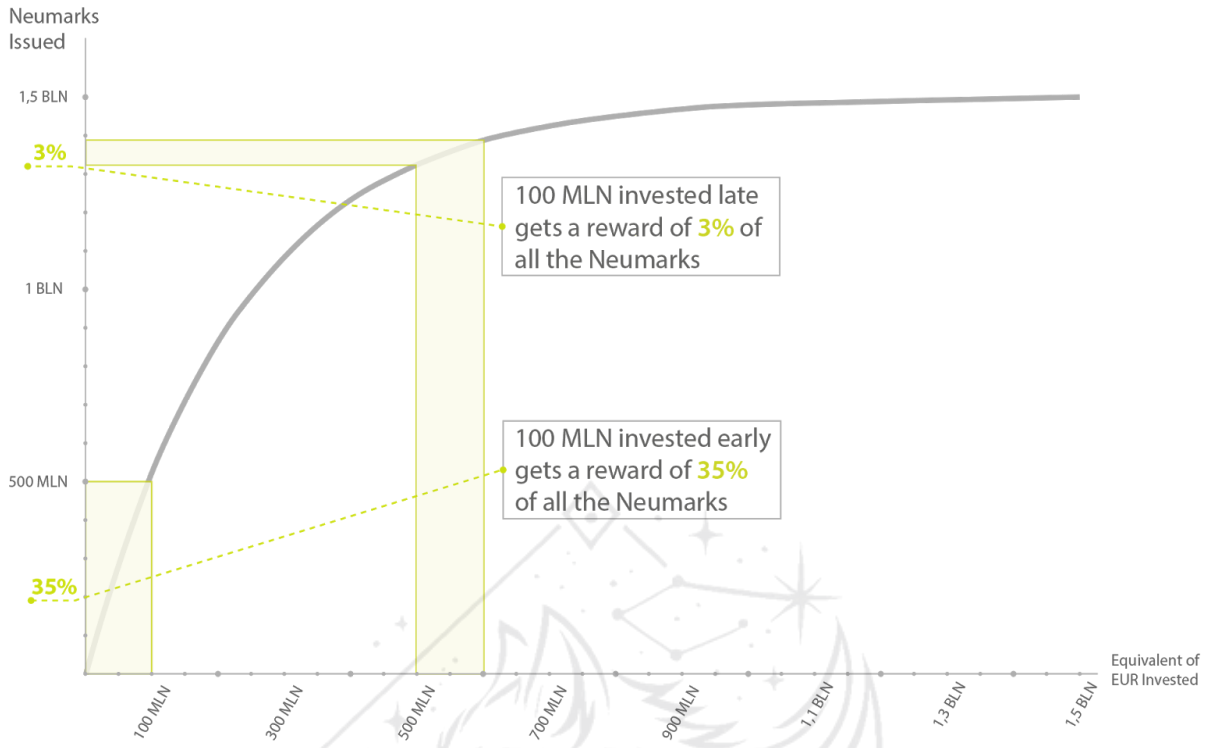


Figure 3, *Neumark Issuance Curve*

The actual *steepness* of -6.5 used by the platform (corresponding to *initial reward* of 6.5 Neumark/1 EURT), highly incentivises early adopters, which is made visible in the diagram above. The first 100 mln EURT invested yields ~35% of the Neumark cap. The same amount (100 mln) invested after 500 mln EURT have already been committed would yield just ~3% of the cap. So Neumark "cost" in this example increases more than 10 times.

The Platform will issue 1,5 bln Neumarks and that cap, combined with the actual steepness, will effectively incentivise the first 1,5 bln EURT invested on the platform. Any next EURT invested after that, gets less than 0.01 Neumark, at which point we consider the reward incentive expired. Please note that the curve itself is asymptotic and thus the cap will never be reached. This is obviously not the case with the actual, discrete implementation available at the Neufund Github[11].

Now we can formally introduce the concept of **Neumark marginal reward** which is a derivative of $invested_{EURT}$

[11] https://github.com/Neufund/ico-contracts

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$Nreward = -e^{steepness * \frac{invested_{EURT}}{cap}} * steepness$ and we can observe that $N_{reward}(0_{EUR}) = -steepness$. So the **steepness of the curve is in fact equal to the initial reward of a Neumark**.

As we can obtain $invested_{EURT}$ value via inverted curve $invested_{EURT} = \frac{ln(\frac{cap-supply}{cap})}{steepness} * cap$, we are able to compute **Neumark marginal cost** and reward amount just by knowing current Neumark *supply*.

For completeness, the following equation is used to compute the exact number of Neumarks issued for a given investment size $amount_{EURT}$ at $supply$ of Neumarks already issued:

$$Nissued = (1 - e^{steepness * \frac{invested_{EURT} + amount_{EURT}}{cap}}) * cap - supply$$

Please note that both the curve equation and all the parameters may be changed slightly or approximated due to EVM[12] limitations. The details as determined by implementation constraints will be announced before the start of the Neufund ICBM.

5.4 Neumark Distribution

As Neumarks are issued for successful investment transactions, the following distribution scheme is applied: ½ of issued Neumarks is assigned to the investor and ½ to the Platform Operator.

In general, the Platform Operator bears all costs of running the platform (including such things as writing code and legal services). It must cover those costs from fees coming from Neumarks received via distribution above. **Operator does not get any "free" or "pre-allocated" Neumarks nor does it receive any Ether or Euro during Initial Capital Building. This approach makes Operator interests and incentives perfectly aligned with interests of the platform, as is the intention behind Neufund's model** (more on Platform Operator here).

Platform Operator may adjust the above distribution to optimize incentives in the future. It may, for example, **include companies as one of Neumark beneficiaries, should deal**

[12] Ethereum Virtual Machine

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flow need further incentivisation. However, the Operator will never take a higher percentage of Neumarks than the investor side.

5.5 Example Fee & Token Distribution

As an example of how this works in practice, we will calculate the distribution of fees and tokens in an ETO that takes place when no Neumarks have been issued yet. Remember here that the Neumark cap is 1.5 bln tokens, and initial difficulty (corresponding to *steepness*) is 6.5.

In this example, the ETO size is 10 mln with an equity price of 1 EURT / Equity Token, so 10 mln tokens are sold to investors. For the sake of the example we split investors into **fund_investor** that acquires 2 mln tokens and **community_investors** that acquire 8 mln. tokens. According to the issuance curve equation, this ETO generates N_{issued}(10mln EURT) = 63 611 791 Neumarks, which are distributed to investors and the Platform Operator in equal measure of 31 805 895.5 Neumark each. Within the investor group, fund_investor (which invested first) receives 6 471 914.5 and community_investors receive 25 333 981 Neumarks.

It is at this point that fees are deducted. First, the platform fee of 3% is taken from the investment amount, which equals to 300 000 EURT. That fee is distributed to Neumark holders as follows: fund_investor (holds ~10.17% of Neumarks) gets 30 522 EURT, community_investors (hold ~ 39.83%) get 119 478 EURT. Platform Operator has ½ of Neumarks and gets 150 000 EURT. The token participation fee of 2% is taken as well, = equaling 200 000 equity tokens.

Then, funds and equity tokens are released to the issuing company and investors respectively. The Company receives 9 700 000 EURT and investors 9 800 000 equity tokens (where fund_investor gets 1 960 000 and community investors get 7 840 000 tokens).

Please note that fees are distributed pro rata in relationship to Neumark holdings and equity tokens are distributed pro rata in relationship to the investment amount.

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6 Neufund Initial Capital Building Mechanism

The Initial Capital Building Mechanism (ICBM) is a process corresponding somewhat to ICOs of other blockchain projects. It kickstarts our investment ecosystem. However, it works differently from the average initial token offering on Ethereum. The purpose of our ICBM is to gather capital that is committed to be invested in future Token Offerings of companies' equity tokens (ETO).

According to the principles of our protocol economy, **the only way you can get Neumark is to perform work for the ecosystem**, which for the investor is to provide capital in the investment process. During the ICBM investors do exactly that: they commit an amount of money to an investor's individual account that will later fund company ETOs. Such a commitment, from the perspective of the Platform, is no different than the capital investment in the investment transaction itself, so a Neumark reward is granted.

On the surface this ICBM looks like any other ICO. Investors send Ether to a smart contract address that governs the whole process and tokens are issued in return. But underneath things are different. **An ICBM is not a token pre-sale**. The Platform Operator is not selling Neumarks and then taking the money. **All funds gathered during the ICBM still belong to the investors which later make individual decisions which companies' ETOs to fund**. The Platform Operator is also not getting any pre-allocated Neumarks, since it receives its share only when Neumarks are "mined" by investors.

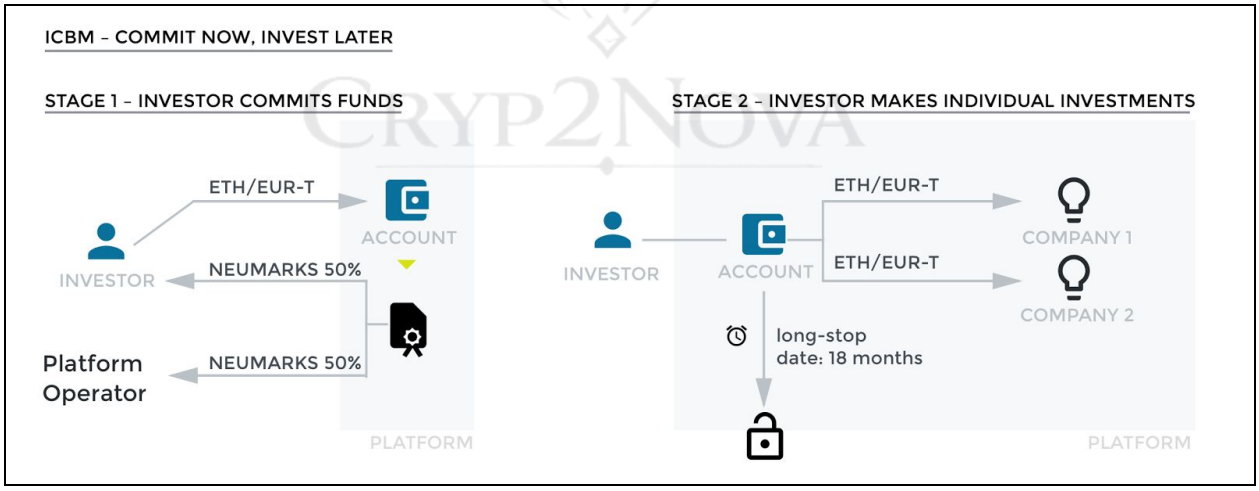


Figure 4, *Commitment Process*

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With that explanation fresh in mind we can examine the ICBM terms in detail. All parameters are also summarized in this handy table.

1. During the ICBM investors get a Neumark reward by committing (putting aside) funds to the Platform, before actually spending them on any specific investment. An investor that commits funds after the ICBM has already concluded and then invests in one or more ETOs, gets his Neumark reward only when he/she actually invests.
2. During the ICBM, Investors get their Neumark reward at the highest possible rate (lowest possible cost). The Neumark issuance mechanism offers higher rewards for early adopters and decreasing rewards as committed (during ICBM) and invested capital (after ICBM) on the Platform increases. The same logic applies to the order of investors during the ICBM. It is the earliest opportunity to commit capital to the Platform, thus the reward is highest for the first ICBM investor and then slowly decreases with each further one.
3. During the ICBM, issued Neumarks are distributed as described in the Neumark Distribution chapter. The split is ½ investor and ½ Platform Operator.
4. The ICBM starts with a closed early phase for Neufund supporters and friends whom we would like to have as our investors and as members of our ecosystem. Those investors gain access to the ICBM before the general public.
5. Investors lock funds on their individual accounts which are Ethereum smart contracts. From that account funds can still be accessed by the investor but used only on companies ETOs (which is basically a list of Ethereum smart contracts published by the Platform).
6. Neufund provides user interfaces which will make investment easy. Calling smart contracts directly from other wallets will also be possible.
7. Investors are protected in case they cannot find interesting deals. After a certain period of time (**longstop date**) all unspent locked funds can be released, subject to the investor's decision. Such released funds may be withdrawn from the Platform. Every investor is required to return an amount of Neumarks that equals the amount of Neumarks issued to him/her as a reward for commitment. This amount is further reduced in proportion to funds actually invested. Example: during an ICBM, our investor puts aside 1 000 000 EURT and receives 6 485 937 NEU. She later decides to invest in various ETOs, spending 600 000 EURT, leaving 400 000 EURT still locked. After the longstop date passes she decides to

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withdraw all remaining funds. She is required to return $\frac{400\,000}{1\,000\,000} * 6\,485\,937\ NEU = 2\,594\,375\ NEU$ before finally being able to withdraw the remaining 400 000 EURT. Please also note that while one may simply hold all tokens, investors that wish to withdraw their funds do not need to return the originally acquired Neumarks to fulfil this requirement; Neumarks can also be acquired on the secondary market (of course at market price) and are accepted just the same. Neumarks are fully fungible.

8. Investors may use an **escape hatch** to release funds before the longstop date. In that case they will pay a certain penalty which will be distributed to other Neumark holders as compensation for decreasing the overall ecosystem value. As in the case of a longstop date activation, an amount of Neumarks corresponding to the amount of locked funds before the penalty is applied, must be returned. Please see the example above.
9. Funds locked during the ICBM gain priority access to company ETOs, so investment tickets acquired for those funds will be executed before tickets coming from the general public (**first look right**).
10. All investors participating in the ICBM are subject to the Neumark Token Holder Agreement the terms of which correspond to ICBM smart contracts terms, a construct identical to that launched with Neufund's ESOP[13]. A generic version of agreement will be available for download on the ICBM commitment website and distributed in personalized form after the ICBM ends.
11. **There is no vesting scheme applied to trading or rights to fees.** An ERC20 Transfer interface will be enabled when the Ether phase ends, and fee distribution will start with the first successful Equity Token Offering of a company. On that event we also distribute fees coming from the use of escape hatches, if any.
12. To participate in a company Equity Token Offering, investors need to provide identification documents (**investor KYC**). The platform user interface will provide easy and secure ways to perform KYC well before the first ETO starts. Escape hatch and longstop date mechanisms are available for investors that are not willing or not able to perform KYC. There is no other unlock mechanism available for such investors.

[13] "Tokenizing startup equity, Part 1 — Employee Stock Options Plan ...." 17 May. 2017, https://blog.neufund.org/tokenizing-startup-equity-part-1-employee-incentive-options-plan-esop-on-ethereum-blockchain-dce2416f4505. Accessed 31 Aug. 2017.

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13. The platform KYC process supports both individuals and organizations of virtually any type (natural and legal persons).
14. Right now, and until it changes, US citizens are not allowed to participate in the ICBM. US investors will also not be able to complete KYC with all the consequences stated above.

6.1 Ether & EURO Token ICBM Phases



Figure 5, *Initial Capital Building Mechanism Phases*

We plan Initial Capital Building in two phases. **The first phase is addressed to individuals and organizations that hold Ether** or other cryptocurrencies and are able to manage their wallets properly. This means that they control their private keys and are able to execute smart contract methods by sending transaction data, the same as with any other modern ICO. **The second phase is addressed to individuals and organizations that are willing to invest in the form of EUR or other fiat currencies.** Thus it is catered to blockchain newcomers or organisations (like most classical VC funds) that have legal restrictions placed upon them regarding the currencies they may invest with. Below we summarize both ICBM phases and how they relate.

1. All terms enumerated in the previous chapter are identical for Ether and EURT phases.
2. **Both phases are separately capped** but the EURT phase comes after the Ether phase. This means that Ether investors are rewarded with a better Neumark ratio

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per amount of committed funds than EURT investors. This functions as a reward for taking greater risk by committing their funds earlier.

3. **EURT phase investors may identify themselves (KYC) before they commit funds** (KYC is required before the funds are actually invested). This removes the risk of not being able to do KYC and being forced to use the escape hatch on locked funds.
4. As mentioned, the Ether phase of the ICBM works like a typical Ethereum ICO: you participate by executing a transaction to the ICBM smart contract. If your wallet is able to inject the web3.js library into the ICBM commitment page, you may even participate directly from the browser.
5. The EURT phase is designed for individuals not familiar with blockchain and Ethereum (like off-chain business angels) or organizations (like classical VCs). Read more on the EURT investment process in the EURT Lifecycle chapter.

For more information on Euro Token and how it circulates on Neufund platform, please read here.

6.2 Neumark Trading on Secondary Market

Here we provide a short recap on the terms of secondary trading of Neumark.

1. There is an ERC20[14] transfer interface and hence trading is enabled when Ether phase of ICBM ends, specifically when the cap or end date are reached.
2. There is no vesting or other limitations on Neumark trading. All Neumarks issued during the ICBM process are transferable.
3. It is the Platform Operator's intention to facilitate trade by listing Neumark at major exchanges, both centralized and decentralized ones.

For further details on legal and regulatory aspects of Neumarks, we ask the reader to consult Chapter 8.3.2.

6.3 Important ICBM Terms

Neumark issuance parameters

[14] https://github.com/ethereum/eips/issues/20

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Maximum Neumark Supply	1 500 000 000 Neumarks
Initial reward (steepness)	6.5 Neumark / EURT
Initial cost (reward inverse)	~0.15385 EURT / Neumark
Initial distribution	½ Investor, ½ Platform Operator
Neumark Symbol	NEU
Neumark Precision	18 decimals

ICBM Ether Phase

Start date	Autumn 2017. Exact date to be announced on https://commit.neufund.org
Length in Days	30
Maximum ticket size	No maximum ticket size
Minimum ticket size	1 ETH
Neumark cap	869 474 423 (see equation)
Safety (max) cap	200 mln EURT(*)
Neumark reward	Along the curve, first come better deal
KYC required to participate in the ICBM?	No

(*) Constant Ether to EUR rate will be applied during ICBM phase. Rate will be announced together with ICBM smart contracts deployment and cannot be changed later.

Commitment Account Parameters

Longstop (unlock) date	18 months (of 30 days length)
Escape Hatch available from	End of ICBM
Escape Hatch Penalty	10% of not invested funds
Unlock requirements	Must burn Neumarks corresponding to not invested funds

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KYC required to invest in equity tokens?	Yes, read more
Are organization KYC supported?	Yes, read more

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7 Investment Platform Description

7.1 Fundraising with Stable Coin (EURT) & Ether

The Price volatility of “cryptocurrencies” with regard to well established fiat currencies and the off-chain costs of running a business are a problem for long term investment in equity tokens on which Neufund is initially focused. It may be acceptable for pure blockchain businesses to risk such volatility but for off-chain companies to keep funds in Ether may be shortsighted, since it is subject to substantial drops or surges in value over the course of a few days. Investors, in particular professional ones, face similar problems. Calculating a ROI is virtually impossible when changes in value depend much more on the performance of the base “currency” instead of investment performance. Neufund’s solution to this problem is to **denominate all investments in Euro, which serves as the base currency of the platform**. In particular, it means that:

- investment amounts on the Investment Agreement are stated in Euro,
- the price of an equity token during its Token Offering is calculated in Euro,
- the Neumark reward is calculated based on the investment amount in Euro,

no matter in which currency investment actually happens.

As has been stated before, the investment transaction itself may happen both in Euro-Tokens and Ether, and at the end of its ETO the company will receive funds in both tokens (unless the terms of the ETO specified otherwise):

- **Investment transactions may happen in Euro-Token (EURT), a stable internal token pegged 1:1 to Euro** (as explained here). The price of a given equity token is denominated in Euro so that the number of equity tokens acquired by an investor can be directly calculated.
- Investment transactions with Ether are slightly more complex. The investment amount is recalculated in Euro (via a rate from an Oracle) at the moment the transaction is mined. That amount is then used to calculate the amount of equity tokens acquired in that transactions. Ether is kept by the ETO smart contract until the offering concludes and then released to the company. **In the case of Ether investments, the company bears volatility risk during the ETO period**.

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As stated above, Ether investments bring a short term volatility risk to a company. When the funds are released, they may be immediately converted via Neufund's internal token converter. **However, to eliminate volatility risk completely, a company can decide which currencies its ETO supports**.

- In **EURT only ETO** volatility risk is eliminated, but also investors that invest exclusively with cryptocurrencies are discouraged.
- In **EURT and ETH ETO**, a company addresses the largest possible capital pool but with a short term Ether volatility risk.

7.1.1 EURT Lifecycle

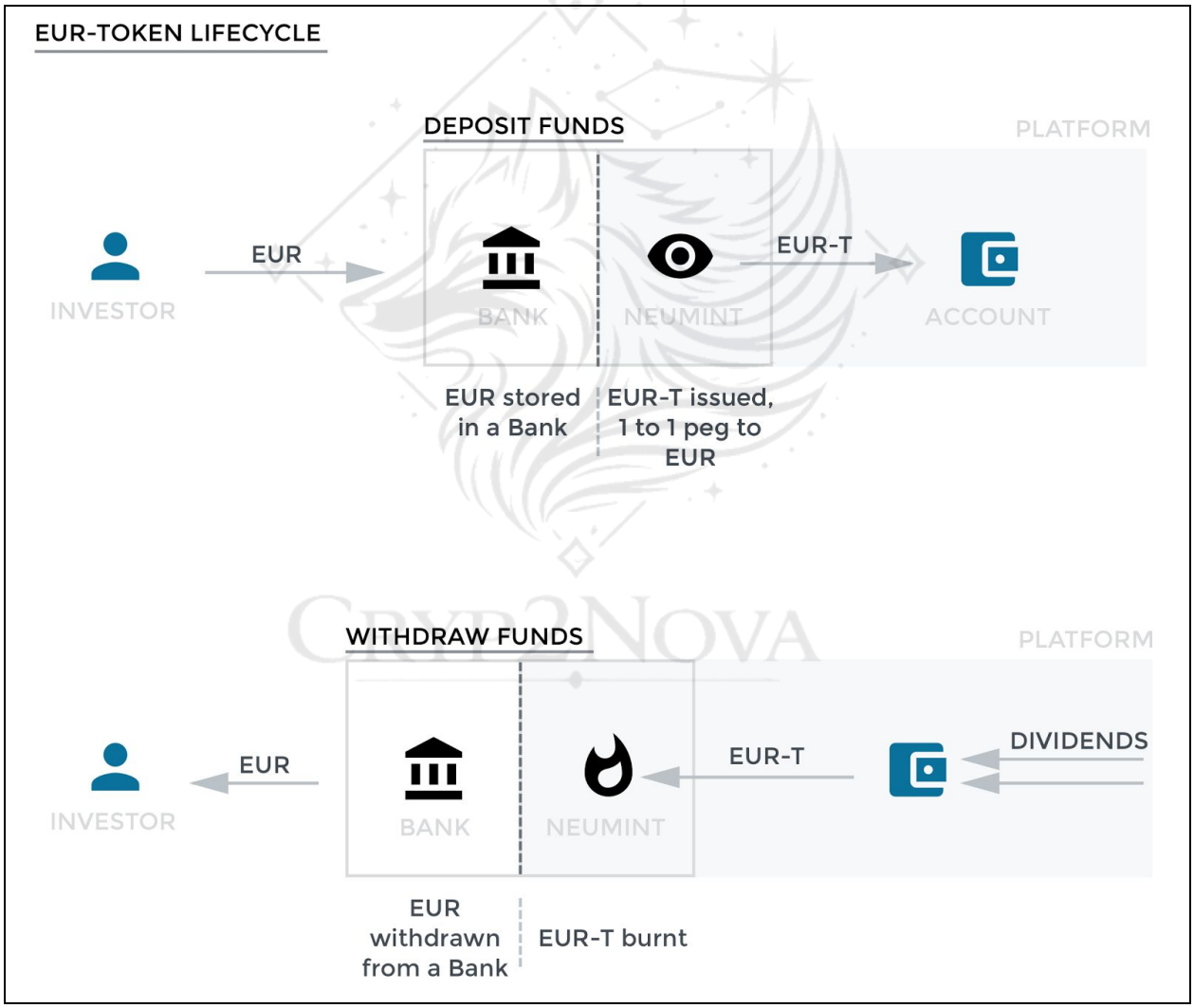


Figure 6, *EUR-Token Lifecycle*

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Please note that due to legal reasons:

- EURT does not support peer transfers between platform participants.
- EURT may be used only for commitment and investment transactions and to collect fees.
- EURT may only be held by individuals and organizations with completed KYC. As a consequence, any fee or revenue disbursed is hold by the platform until such process is completed.

7.2 Equity Tokens

Neufund allows both well established and new companies to get funding by issuing blockchain-based equity tokens. These tokens are issued as a result of an investment process that, in many ways, is similar to the process that a startup goes through when funded classically. In particular, a company must prove to investors that its shares/tokens have value.

The main difference is that during this process a part or the entirety of the company's shares will be presented as equity tokens. This provides significant benefits to both the investors and company founders like liquidity and reduced legal costs.

Neufund will release guides that help companies apply for funding in this way. In the following paragraphs we discuss equity tokens as they live on the Ethereum blockchain. For a legal construct, in particular how the link between tokens and equity is established, and how token holders are represented off-chain, please refer to Chapter 8.3.

Neufund feels strongly about supporting equity tokens as opposed to entangled tokens, for reasons explained elsewhere[15].

7.2.1 Equity Token Value

Equity tokens may be acquired by an investor during an Equity Token Offering. It's worth stressing that anyone can become an investor, be it a professional VC, a regular person with Euros, individuals owning some Bitcoins, etc.

For all investors, such tokens have the following value:

[15] "Economics of Entangled Tokens – Neufund." 19 Jun. 2017, https://blog.neufund.org/economics-of-entangled-tokens-9fc5b084e2d2. Accessed 31 Aug. 2017.

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- They represent equity in an off-chain company with terms specified in the Investment Agreement and its corresponding smart contract. At that point, the value of the equity itself has already been assessed by the investors after the presentation of a proposal by the founders and subsequent discussion.
- They entitle their holder to a stake in the company's governance. The Neufund platform provides the tools and legal framework for on-chain shareholder resolutions, reporting, and other functions and decisions (see Company On-chain Governance).

Equity tokens are in principle transferable, hence may be traded. The Neufund platform will enable such trading capability.

A company may apply for more funding and dilute existing token- and shareholders. This requires a passed shareholder resolution and must comply with the terms set out in the Investment Agreement.

Investors profit from proceeds paid by the companies which are automatically distributed by smart contracts (more on distribution in Chapter 7.6).

By acquiring equity tokens, the company's investors become an indirect party to the Investment Agreement and enter indirectly a legally binding agreement with the company. This agreement secures his/her rights as an indirect shareholder.

7.2.2 On-chain Governance

The Investment Agreement requires the company to carry out shareholder resolutions on Platform for on-chain investors. Off-chain investors still vote on paper and results are merged to get the final answer. There is no overlapping and no one votes twice. In the case of fully on-chain companies, where all shares are represented as equity tokens, paper voting is not necessary. The voting procedure complies with those usually found in typical shareholder agreement.

There are a few interesting decisions with on-chain consequences that can be made this way:

- Applying for more funding via Neufund platform
- Enabling trading of an equity token
- Converting more equity to tokens

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- Performing end of life events like exit or company's closing

The Investment Agreement requires companies to report to token holders on a regular basis; reporting obligations will not exceed standards in early venture capital financing rounds and will take into account that such reporting is public. Companies should be aware that due to having many investors, whose identity might change when secondary trading is permitted, such reports should be treated as visible by anyone.

7.3 Protocol Tokens

While Neufund's clear priority is to make ETO of Equity Tokens possible, Neufund platform may in the future support any protocol token. These are tokens that have a strong representation within the current and/or future state of the Ethereum ecosystem and that represent a voucher or right to use a specific service or network. From the platform perspective, the most important distinction between these and the equity tokens are token holder rights and how they are secured both on-chain and off-chain. Current token offerings typically lack any form of off-chain rights. Some of that may change fast with the establishment and growing acceptance of the SAFT[16] agreement, a first version of which has already been trialed during the Filecoin ICO[17]. Neufund may adopt similar agreements, aligned specifically with European regulations, and open its decentralized capital pool to any type of token. We describe the technical side of such token offerings in Chapter 7.11.5.

7.4 Investment Terms & Investment Agreement

The Neufund platform uses **investment terms** with just a few simple parameters to set. Investors will acquire equity tokens on such terms during any ETO. **As token offerings are addressed to any and all potential investors, the terms of a particular investment will be stored on the ledger.** Such transparency should, in our opinion, **make terms fair by creating a market for equity tokens with competitive prices for companies at different lifecycle stages**. Both investors and companies overall are likely to benefit from

16 https://coinlist.co/static/media/Protocol%20Labs%20-%20SAFT%20for%20Filecoin%20Token%20Presale.7d759ef3.pdf

17 https://coinlist.co/currencies/filecoin/overview

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this additional information available on-chain compared to the currently closed investment ecosystem.

Simple investment terms mean that a company can simply say how many shares it wants to sell (in the form of equity tokens) and for what price. This specification may happen in a variety of ways, depending on the particular ETO price setting mechanism employed. Following the classical approach, just two parameters are necessary: **company valuation** and **percentage of shares that company wants to sell** in form of equity tokens, the combination of which results in a single value called **price of token** (in EURT). There are various **secondary parameters** that every ETO has, like minimum and maximum cap, deadlines, minimum and maximum ticket sizes, etc. Please note that this public sale makes other previously unavailable token price mechanisms available, such as the **reverse Dutch auction** where price is set by investor demand. Neufund will provide such mechanisms next to the classical approach. It will also allow developers to implement custom pricing schemes.

The Investment Agreement is signed by company founders and a Trustee when ETO succeeds. Please refer to legal section for jurisdiction and formal requirements. From the point of view of the platform participants, this agreement sets the following:

- How many tokens were actually sold (amount between minimum and maximum caps) and for what (EURT) price, **specifying in effect the percentage of equity that investors acquired and determining the company's post-investment valuation**.
- Will establish investor rights as shareholders of the company.
- When signed, funds are released to the company and equity tokens to investors.

7.5 Equity Token Offerings

During a company's ETO, investors acquire equity tokens according to investment terms that are part of the ETO smart contract. These terms' parameters are simple but leave room for configuration like caps, timing etc. The platform will also allow setting up different pricing mechanisms for equity, ranging from classical valuation methods (price in EURT per share) to market-driven schemes like the reverse Dutch auction (for information on implementing your own pricing mechanisms read Chapter 7.11).

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All funds that are gathered during an ETO are kept in smart contract escrow until the final results are known, specifically until it is known whether the minimum cap or price per token was reached. Once that happens, the Investment Agreement is signed by startup founders and a Trustee on paper or electronically, depending on the jurisdiction. At that moment the following happens:

1. The Neumark reward is “mined” and issued to investors and the Platform Operator
2. All fees are collected and distributed to Neumark holders
3. Funds are released to the company
4. Equity tokens are released to investors

Please note that all fees and tokens must be actively claimed by investors. This is due to the gas limit of the Ethereum network. The Platform user interface will provide the necessary notifications for such events.

In the case of an unsuccessful ETO where the minimum cap or price of equity token are not reached, all funds are returned to investors.

7.6 Fees & Proceeds Distribution

The Platform provides a mechanism for the distribution of fees and proceeds to token holders. Since the primary value of equity tokens is economic, the distribution of proceeds is the investors’ fundamental right. These proceeds are deposited into an equity token distribution pool where they may be claimed by token holders. Proceeds may be deposited in Ether or EURT (the internal token converter is available for conversion). The same applies to withdrawal. **Investors that sell their tokens on a secondary market will still be able to claim proceeds deposited into the equity token distribution pool before the sell transaction concludes**.

The same rules apply to fees distributed to Neumark holders. In that case the platform may apply an additional distribution mechanism that prevents large amounts of funds to be handed over in short time. Instead it would hand them out according to some diminishing scheme.

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7.7 Internal Token Converter

Neufund, via cooperation with one of the leading exchanges, will provide a service to convert between EURT and ETH **within the single user account**. The conversion rate will be close to actual market price of the exchange pair at this partner exchange. The converter service will try to optimize volume over time. It exists solely to let users withdraw and deposit funds in their prefered token and is not suitable for professional trade.

7.8 Investor Perspective

7.8.1 Investor Qualification & KYC Requirements

ETO investors can be individuals or organizations. We have standard KYC/AML procedures like you would see on a typical cryptocurrency exchange. Specifically we require individuals to provide

- a scan of their passport,
- the country of issuance,
- their full name,
- their date of birth,
- their residency address, and
- a confirmation that they represent themselves.

Passports from the U.S. or other unsupported countries will be rejected. If a user wants to commit and withdraw Euros, we also require a bank account that is in the name of the user and in the country of passport issuance.

For institutional investors we require representatives to provide

- complete individual KYC,
- a scan of the trade register excerpt or secretary's certificate of incorporation or another document that confirms existence of the company. Such a document should contain the following information (if not, those should be provided separately):
    - the name of the company,

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    - the country of incorporation and company address,
    - the legal form of the company,
    - the company's registration number,
    - authorization that the representative is acting on behalf of the company (being a CEO, fund manager etc.),
- the company's VAT number (EU only).

7.8.2 Professional Investor Features

Platform will provide increasing number of investors' features, below are those that are currently both well defined and interesting.

- Follow other investor ("**side car deal"**). This shows investments of a certain investment and gives follower the opportunity to co-invest (always subject to his full discretion) if he believes in investment decisions of leading investor. Side car deals also increases impact of leading investor.
- Bring your own deals ("**green shoe**"). Both investors and companies may bring pre-arranged deals to the platform where their pre-arranged transaction happens before ETO opens to others. This is beneficial both to pre-arranged participants (they may leverage platform capital pool to complete the deal) and the rest of ecosystem (quality deals are coming to the platform, which otherwise happen in private syndicates).
- Priority access to ETO ("**first look right**") - as described in Chapter 6 - exclusively for investment from funds locked during the ICBM.

7.9 Company Perspective

7.9.1 Company Registration & Legal Due Diligence

In order to be able to raise capital through the Neufund Platform, the company will have to fulfill some basic requirements, including the following:

- It has to be an incorporated limited liability company,
- It has to provide basic data required from institutional investors (see KYC requirements above).

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These data are collected and verified by Neufund Platform.

7.9.2 Company Cap Table

The Transparent Trustee (see 8.2.6 below) is a technical entity that acts in accordance with instructions given by equity token holders. It becomes a shareholder, hence is listed in the shareholder list or registered with the designated registry (depending on the company's jurisdiction).

7.9.3 The Fundraising Process described

In its basic design, the fundraising process on the Neufund Platform is similar to regular ICO processes already familiar to the crypto community and Blockchain ecosystem. The Platform, however, provides a range of tools and services to make the process smoother, transparent, legally sound, and following the "trustless trust" principle.

It starts off-chain when a company presents itself to the community of investors. This is an important part of the process, and the time where a new project can be discussed by the community. The community's interest, hesitations, and insights are taken into account so that a decision can be made on whether the offer is formally considered on-chain.

- The Founder must present and defend his/her idea on a public forum (e.g. Reddit)
- The Community verifies various claims made by the project (we assume here that companies worth investing in will be able to generate enough attention), as do community experts that are compensated for their due diligence through Platform mechanisms

Any company can get funding, except those whose business activity consists of illegal economic activity, i.e. any production, trade, or other activity, which is illegal under the laws or regulations applicable to the Platform or the relevant company or entity, including without limitation, human cloning for reproduction purposes; or which substantially focuses on: (i) the production of and trade in tobacco and distilled alcoholic beverages and related products; (ii) the financing of the production of and trade in weapons and ammunition of any kind; (iii) casinos and equivalent enterprises; (iii) the research, development or technical applications relating to electronic data programs or solutions, which aim specifically at supporting any activity referred above; internet gambling and

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online casinos; or pornography, or are intended to enable to illegally enter into electronic data networks; or downloading electronic data.

Next, legal due diligence takes place (startup KYC) (as described in Chapter 7.9.1).

The Neufund platform uses a simple, fair, and public term sheet template. By default company will only specify basic parameters (see Chapter 7.4) like number of shares sold, price of equity token (valuation), investment caps, etc.

The Company may secure an initial ticket from a particular investor on the platform, but this is not required.

The Equity Token Offering phase comes with first look rights. This is a fundamental part of the investment process during which investors acquire equity tokens thus obtaining shareholder rights in companies (see Chapter 7.5).

When the token offering is completed, an **Investment Agreement is automatically generated** from the terms and results of the token offering are stored on the ledger then **signed by the founders and the Trustee**. The document is scanned and preserved by both parties. The actual form requirement depends on the jurisdiction applicable to the company.

A hash of the scan will act as a digital proof of the signature made on paper and will be stored in the smart contract corresponding to the Investment Agreement. When this happens, the investment process is **successfully completed and the company gains access to the gathered funds.**

7.10 Platform Security

Neufund's user base is expected to include both experts and novices to blockchain applications, and both high and low value accounts. To provide a smooth experience while guaranteeing security for all these users, we plan to support three different authentication mechanisms. In addition, all our users benefit from a protective wallet contract.

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7.10.1 Two Factor Authentication

For users that are new to the Ethereum blockchain, we provide a simple two factor signup using an email address, a passphrase, and a time-based one-time password compatible with Google Authenticator. On account creation, a recovery code will be sent to the user's email address. To login, the user provides the email address, the passphrase, and the six digit one-time code. To sign a transaction, a fresh one-time code needs to be provided. In the event that either the passphrase or the one-time code is lost, the recovery code can be used.

The private keys are generated on Neufund servers and stored there in encrypted form using the user's authentication factors in the encryption process. They will only be decrypted temporarily during signing operations and never leave the server's volatile memory. The servers will run on dedicated hardware to avoid cross-VM attacks. The servers will run in their own security domains, separate from other services.

This is the simplest option that is familiar to all users, and a good way for them to experiment. While we strive for maximum security, *we do not recommend this method for assets you are not willing to lose*. Loss of multiple authentication factors results in permanent loss of the key and all attached funds. A breach of our signing server means potential theft of all the keys that are used during the breach period.

7.10.2 Authentication using web3

For users that are familiar with the Ethereum blockchain and want to control their own security, we provide a web3 standard authentication mechanism. The user can connect using any web3 enabled browser, such as Parity, Metamask, and Mist. All transactions are signed by the user's wallet.

This is the most advanced option as the user is fully responsible for keeping their signing keys confidential and maintaining proper backups. Neufund has no ability to recover accounts. We urge high value users to use the Neukey method, or at least set up their own hardware wallet.

7.10.3 Authentication using Neukey

For high value accounts we recommend using the Neukey, a hardware wallet based on the Ledger Nano, provided directly by Neufund. The Nano provides great security by

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design. To further add to the security, the devices are notarized by Taylor Wessing, a Berlin based notarial office. The notary configures the devices and stores the backup codes. This frees the user from doing this laborious and error-prone step. The devices are uniquely numbered and tracked through the notary smart contract. Only the owner can ask the notary to block the Neukey or retrieve the backup code.

7.10.4 Account Protection using Watched Wallet

As a second layer of defence after the authentication mechanism, all our users will have a wallet contract that holds their assets on their behalf. For transactions that exceed certain criteria, there will be a 24 hour delay. During this time the user can still cancel the transaction. During this time Neufund can also decide to delay the transaction by a further 7 days. This allows Neufund to protect the user against malicious and accidental transactions, but prevents Neufund from controlling or permanently blocking an account.

In the worst case scenario of an account being compromised and transactions issued to steal funds, the 24 hour delay starts. During this delay, Neufund or the user spot the transaction (assisted by monitoring tools and confirmation emails) and Neufund blocks the transaction. The user now has 7 days to recover the account and cancel the transactions. After that, they can be moved to a new safe account (exact delay periods still subject to change).

7.11 Developer's Perspective - Neufund Investment Protocol

The Neufund platform comes packaged in a UI that is friendly towards people new to blockchain. Below the hood, however, it will be an extensible investment protocol that allows developers to build funds, companies, and custom token offering processes; developers may also make use of other solutions that target those problems such as Melonport, Augur, Aragon, and others. Neufund provides several core services like the revenue sharing equity token, KYC, stable coin, token offering with legal backing, and others on top of which several interesting features may be built.

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7.11.1 Extensible Fund Governance

Neufund will provide a basic contract for fund management, that allows users to invest funds and collect fees or other proceeds. But both decision making process and proceeds distribution mechanism are abstracted and can be extended as needed.

- Initially, Neufund provides a rudimentary decision making implementation, where single or several partners can make independent decisions to invest funds and proceeds are manually disbursed by any of the partners.
- The Melonport protocol can be used to establish a fund where Neufund's ETOs function as an asset universe. It may also involve building an exchange module[18] to let Melonport funds participate in Neufund's primary market.
- It is also possible to implement decentralized investment decision making using for example the Gnosis futarchy protocol.

7.11.2 Tokenized Fund

The ultimate goal in extending fund governance is the implementation of a tokenized fund. The structure of such a fund has been researched by us and was presented in version 1 of this whitepaper. In essence, such a fund works as follows:

- The Fund issues its own tokens that are acquired by the Limited Partners. The collected funds form an investment pool from which investments in ETOs are performed.
- The Fund is managed by Fund Managers that are making actual investment decisions. Managers may be elected by Limited Partners using predetermined and customizable mechanisms like liquid democracy.
- Proceeds are distributed to the Limited Partners proportional to the amount of fund tokens they hold. Fund Managers may take management fees or carried interest.

[18] "GitHub - melonproject/greenpaper/greenpaper/blob/master: Melon Protocol Greenpaper." https://github.com/melonproject/greenpaper/blob/master/melonprotocol.pdf. Accessed 1 Sep. 2017.

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Currently, Neufund is not actively developing the above Fund structure, yet is able and willing to cooperate on this as well as open its investment ecosystem to tokens representing participation in funds.

7.11.3 Custom Company Governance

Neufund's core contracts for equity tokens establish the fundamental shareholder rights like ownership of off-chain shares, right to proceeds, and shareholder voting rights. Company governance is a complicated thing however, and the Neufund investment protocol will be open to other projects that deal specifically with this matter. Currently Aragon network is already providing support for custom tokens[19], so company governance may use their solution. With a bit of integration any Aragon organization may use the Neufund platform to do an ETO, or to create a link from on-chain tokens to off-chain shares of the real company.

7.11.4 Alternative ETO Pricing Mechanisms

As described in 5.1 and 7.5, there are many ways in which the price of an equity token may be determined during an ETO. The classical approach is to negotiate and set the price of the equity before the token offering starts. Due to the open nature of the ETO, the classical way may not be sufficient and, for example, some type of auction where the price is set by investor demand may be a better option. The Neufund protocol is open to implementation of custom price discovery mechanisms within token offerings and Neufund is planning to implement several of them (see Chapter 9.1).

7.11.5 Custom Tokens & Token Offerings

The most advanced kind of customization is to add new token types and token offering processes, as it involves a lot of conceptual and legal work. What are the token holder rights? What is the token's regulatory status? What is stated in the Investment Agreement? The Investment Protocol itself can be easily extended, but answering these questions is the hard part. The following are two ideas that Neufund has researched:

1. **A token representing Limited Partners rights in a tokenized investment fund**. As mentioned above this fund structure can be implemented on the Neufund

[19] "The Governance Release, Alpha 0.3 – Aragon." 30 Mar. 2017, https://blog.aragon.one/the-governance-release-aragon-alpha-0-3-%EF%B8%8F-bdea6def1ab. Accessed 1 Sep. 2017.

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platform, but it requires a custom token and a custom investment agreement in the Fund.

2. **Any protocol token backed by a SAFT agreement**. If the SAFT agreement survives real world trials and legal & regulatory scrutiny, Neufund may decide to implement an option to invest in any protocol token, thereby enabling investment in tokens that represents rights other than equity.

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8 Neufund Organisational Structure & Legal Considerations

Neufund is not only a technological platform, but also a legal one. The legal dimension means that Neufund:

- allows equity of real-world companies to be represented as tokens living on the blockchain,
- allows anyone to invest in such tokens,
- comprises a framework of legal and smart contracts that makes token issuance and investment in such tokens binding both on-chain and off-chain,
- delivers tools for investors and companies to undertake legally recognizable actions on-chain, and
- gives Neumark holders legal rights, as expressed in smart contracts and off-chain legal documentation.

Further details on legal aspects and organisational structure of Neufund follow below.

8.1 Neufund's Approach to Legal Issues

In the idea behind Neufund, legal matters have played a great role from the very beginning. That is why we build Neufund by using not only **blockchain** and other cutting-edge technologies, but also utilizing **legal innovation**.

Neufund is about treating regulations seriously and at the same time moving forward with our innovative agenda. We are looking far into the future of investing. At the same time, we are aware of potential limitations of legal frameworks developed in the past. In practice this means that each of our steps is carefully analysed from the legal perspective. We also engage in dialogue with lawmakers and regulators, in Europe and beyond.

Some jurisdictions have already recognised the potential of blockchain technology for financing innovation and are planning to adjust regulations accordingly. Others lag behind and apply restrictive approach. We are sure that sooner or later the former approach will prevail.

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We are monitoring legislative and regulatory developments in many countries and actively take part in the ongoing discussion regarding regulatory treatment of tokens, ICOs, etc[20]. However, we have consciously chosen not to engage in regulatory arbitrage, that is looking for the most favourable country in terms of regulations. Neufund will initially operate from Germany, which offers a sound legal ground for ambitious projects. We remain open for developments in other jurisdictions that may prove advantageous for Neufund in the future. **However, we are already able to do our business globally thanks to our innovative legal structure**. See details below.

8.2 Platform Governance & Organisational Structure

Neufund functions as an ecosystem of off-chain and on-chain organizations with legal and smart contracts that back them. The following are the entities involved in operating it.

8.2.1 Fifth Force

Fifth Force is the Platform operator. Its main task is to govern the Platform.

Fifth Force GmbH is a German company that creates and continuously develops the Platform that hosts the Neufund ecosystem. Fifth Force bears the cost of developing and running the Platform, which includes employee salaries and the cost of legal representation. It is owned by its founders and equity investors that have provided initial funding in a classical way. Fifth Force generates revenue from Neumarks (see Neumark Distribution). Therefore the success of Fifth Force is fully aligned with the success of the Platform and the interests of all Neumark holders.

Fifth Force is currently an off-chain company, managed by Neufund founders (see Team). Management means among others: development of and updates to the code, setting fees, creating legal structure, setting the token model (see Neufund Token Economy), performing basic legal due diligence of companies, etc.

The off-chain status of Fifth Force will change. One of the first Equity Token Offering events will be the one of Fifth Force. Our final goal is to have equity in Fifth Force fully tokenized and thus owned by the community. We plan for Fifth Force to be the first

[20] "Neufund Announces EUREG Report As First Step In Regulatory Initiative." 3 Jul. 2017, https://blog.neufund.org/neufund-announces-eureg-report-as-first-step-in-regulatory-initiative-74ccf4115ee. Accessed 21 Aug. 2017.

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real-life example of the concept of a tokenized public company (see Platform Operator Redundancy). One might also call it a DAO-ification of Fifth Force. Once completed, Fifth Force token holders will be able to govern the company and decide on its future. An even further step forward could be presenting Neufund fully on-chain as a nexus of smart contracts.

8.2.2 Neumark Holders

Neumark holders are a community gathered around the Platform with common economic interests. They will include Fifth Force, Investors, and any other entities that decide to acquire Neumarks on a secondary market.

Neumark holders are entitled to certain proceeds of the Platform (see Neumark Token Value), which are automatically distributed pro rata. They have no governance powers, at least until the DAO-ification of Fifth Force takes place.

8.2.3 Company Investors

Anyone that has acquired Equity Tokens becomes a Company Investor. They have shareholder rights, to be exercised with the use of tools delivered by Neufund. They can have shorter (to sell tokens to other investors) or longer (exit etc.) stakes in the company's success. They are compensated by valuation increase (secondary sale), or proceeds from an exit, or proceeds pay-outs.

All Company Investors together form the **Investment Community**. We aim not to exclude anyone from the Investment Community. Both cryptocurrency (ETH) and traditional currency (EURT) investors are welcome (see Fundraising).

8.2.4 Companies

A Company that seeks investment through the Neufund ecosystem may in principle be established in any jurisdiction. To get such an investment, the Company converts part or all of its equity into Equity Tokens and offers these to investors.

A Company DO (Distributed Organization) is an on-chain representation of a Company and its community of Company Investors. It provides on-chain functions to raise money, establish shareholder governance, as well as other post-investment operations. The Company DO may also distribute periodical proceeds payouts and proceeds to Company Investors upon a Company's exit (acquisition or IPO).

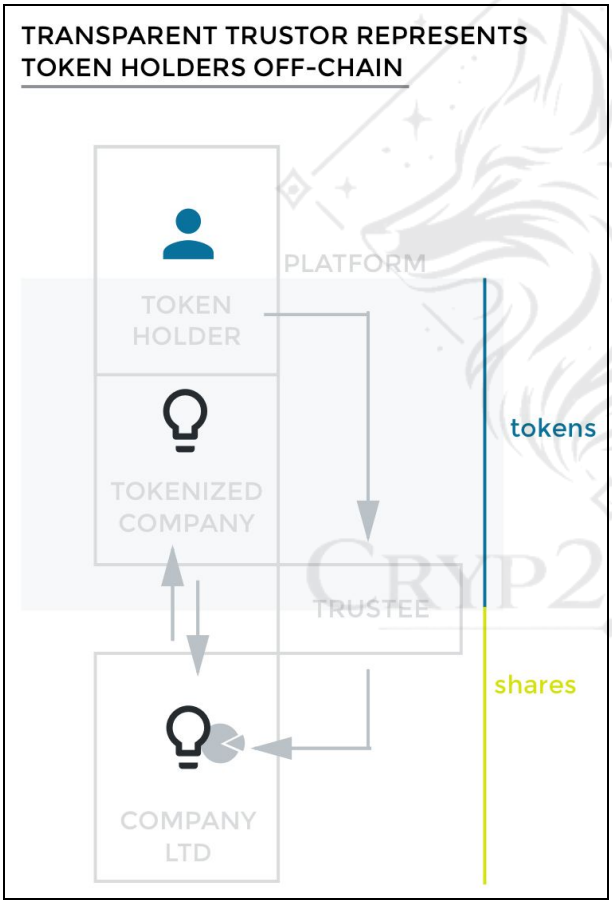
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8.2.5 Neumint

Neumint is an SPV (special purpose vehicle) fully controlled by Fifth Force. Its main task is to allow the performance of investments in fiat currency on the Platform by managing and issuing Euro Tokens (EURT).

We have decided to establish Neumint due to a lack of market players that offer a reliable stable coin solution. However, Neumint will only operate within the Neufund ecosystem, and using EURT outside the Platform will not be possible. In the future Neumint may be replaced by an external entity that offers a reliable stable token solution.

8.2.6 Transparent Trustee



We assume that legal systems will eventually recognize equity that "lives" directly on the blockchain. This development is already happening in a few progressive jurisdictions in the world, with Delaware as the most prominent example[21]. Until a sufficiently solid legal framework is developed, we use a legal structure in Germany, designed by us specifically for that purpose. It involves using a separate entity under the full control of the Platform operator. This entity, called the Transparent Trustee, serves as a legal holder of the tokenized equity of companies (and is thus included in the Company's cap table). The Transparent Trustee lives on a legal layer of the Neufund structure, invisible from the point of view of Equity Token holders. Off-chain and on-chain solutions are used

[21] "Delaware Blockchain Initiative: Transforming the Foundational ...." 16 Mar. 2017, https://corpgov.law.harvard.edu/2017/03/16/delaware-blockchain-initiative-transforming-the-foundational-infrastructure-of-corporate-finance/. Accessed 21 Aug. 2017.

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to eliminate theoretical risks from trusted third parties. Transparent Trustee allows the whole Neufund model to be fully effective without awaiting future legislative changes.

8.3 Regulatory Considerations

The Neufund ecosystem is established and operated in the jurisdiction of Germany. It fully complies with German and EU regulatory requirements. Below we highlight key regulatory issues and our approach towards them.

8.3.1 No “Neufund ICO”

Neufund is not performing a “Neufund ICO”. It is also not performing a “sale” or “crowdfunding”. The aim of the Initial Capital Building Mechanism (ICBM) is to deliver liquidity to the Neufund platform in the form of commitments for future investments.

None of the entities within the Neufund ecosystem will be able to use funds committed by the Investment Community except the contributors themselves. Neufund is not going to use any of these funds, and indeed cannot do so (from a technical perspective).

ICBM events are governed by a separate document setting forth legal terms and conditions for participation and commitment of funds. It functions as a legally binding document, published by us prior to commencement of the ICBM.

8.3.2 Neumarks

Neumarks are fuel for the Neufund Platform and a key element of the Neufund token economy.

On the basis of extensive legal analysis of the German law conducted by professional attorneys we conclude that Neumarks are not securities. We are aware that questions regarding the regulatory status of Neumarks in other jurisdictions will emerge. Since we cannot exclude different regulatory treatment of Neumarks in all jurisdictions, participants from unsupported countries are not able to take part in the ICBM event, neither through commitment of cryptocurrency (ETH) nor stable coin (EURT).

Neumark holders are bound by the Neumark Holder Agreement, which defines basic rights and obligations for them, in line with the contents of this whitepaper.

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8.3.3 Equity Token Offerings of Companies

On a technological layer, a Company ETO involves Company Investors acquiring Equity Tokens in exchange for funds (ETH or EURT) in a fully digital process. On a legal layer, the Transparent Trustee acquires shares in the Company and is able to perform all actions of a shareholder, as instructed by Company Token Holders. Company ETOs are governed by German law.

From the perspective of Company Investors, the investment process is fully digital (with entering into a smart contract as a main step). On a legal layer, the Transparent Trustee enters into a legal agreement with the Company.

8.3.4 Equity Tokens

Equity Tokens are distributed to Company Investors upon their investment in a Company. Our aim is to make Equity Token holders able to exercise all crucial shareholder rights. Neufund also provides infrastructure and tools to make that possible in practice. The interests of Equity Token holders are ensured and protected with use of traditional off-chain (e.g. legal agreements) and innovative on-chain (smart contracts) solutions.

Equity Tokens are deemed securities under German law and numerous other jurisdictions. Securities law, KYC, and anti-money-laundering regulation is fully observed. For example, we require KYC before any investments in a Company or acquisitions of Equity Tokens take place.

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9 Roadmap

There are two parallel paths to the Neufund story. The first one is about the product: building the product with all necessary features, bringing capital to the platform, procuring relevant deals, producing a sound token economy, and so on. The second one is about governance: performing a gradual legal and organizational transformation to make the Platform Operator redundant in the sense of transforming all legal entities into decentralized organizations ("tokenized public companies", as we call them). We are working towards a future where Neufund is fully owned and managed by community members.

9.1 Build Primary Market for Equity Token

Neumark Ether ICBM starts: Autumn 2017

Building the capital pool of the Neufund platform starts with the Ether phase of the Initial Capital Building Mechanism (ICBM). For 30 days, or until the cap is reached, investors will be able to commit their money and receive their Neumark reward (see Chapter 6).

Ether ICBM ends and Neumark trading is enabled: Autumn 2017

The Neumark is an ERC20 token. The transfer function is enabled right after the Ether phase of the ICBM ends, with the intention to enable trade on major exchanges.

Launch of platform fundamentals, (Neumark) EURT ICBM starts: Winter 2017

Fundamental features of the Neufund Platform (e.g. registration and login flows with hardware Neukey support, KYC processes for individuals and organizations) launch. The stable EURT token and associated Neumint entity are launched and provide a way to commit funds in the ICBM and/or ETOs via fiat currency.

Existing Neumark token holders may proceed with migration to the platform and perform KYC for their accounts.

At the same time the capital buildup of the platform continues. All investors may participate in the EURT phase of ICBM, where they may commit Euro in form of EURT and be rewarded with Neumark that is immediately tradable.

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Launch of primary market platform, first Offerings of Equity Tokens: Winter 2017/2018

Companies start listing their offers, talk and negotiate terms with investors, proceed with ETOs and get funded.

Neufund also reveals a first batch of pre-selected high quality deals prepared in advance.

First Equity Token Offerings completed: Winter 2017/Spring 2018

First token offerings are completed: fees are distributed for the first time, Neumarks are "mined" for the first time outside of ICBM, and ETO investors become shareholders of the companies they invested in, which gives them access to on-chain company governance.

Support for Protocol Tokens: Early 2018

Conditional on market demand, Neufund will launch support for any protocol token, allowing for token offerings like that of Filecoin[22] with the backing of SAFT[23] agreements. Such support becomes possible thanks to the extensible Investment Protocol.

Product Milestones: Years 2018 and 2019

Following the launch of an initial version, the Neufund Platform expands with additional features serving both the investors and companies, e.g.

- **Follow the Investor**. Allows investors to co-invest with other investors automatically.
- **Investment Protocol: Alternative pricing mechanisms**. ICOs employ various mechanisms to set the price of a token being sold. Neufund's goal is to open the investment protocol and let developers add custom pricing mechanisms on their own.
- **Investment protocol: Bring your own fund**. Allows for any kind of fund governance on top of the Platform's investment protocol, including various forms of tokenized funds. Protocols for fund building, such as Melonport funds or Augur's prediction markets, may be used to make investment decisions.
- **Investment protocol: Bring your own company governance**. The Platform opens its investment protocol to let users build any company governance and add-ons,

[22] https://coinlist.co/currencies/filecoin/overview

[23] https://coinlist.co/static/media/Protocol%20Labs%20-%20SAFT%20for%20Filecoin%20Token%20Presale.7d759ef3.pdf

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so long as they conform to basic requirements for equity tokens. For example, Aragon organizations might be able to perform token offerings on the Neufund platform.

- **Tokenized Funds**. Support for tokenized funds, where token holders are Limited Partners. Neufund does not plan to be directly involved in implementing governance or the legal side of tokenized funds, but plans to expand its investment protocol to enable token offerings of such funds.

9.2 Fifth Force (Platform Operator) Redundancy

Fifth Force is the Platform Operator. Its operations are financed via Neumark reward and collecting of platform fees, which aligns Fifth Force interests with other Neumark holders' interests. Fifth Force is an off-chain limited liability company – a German GmbH incorporated in Berlin – currently controlled by its shareholders. It was founded as a mechanism to build the Neufund fundraising ecosystem, however with the goal to ultimately "tokenize the enterprise". The plan is to melt all parts of the company into the community by distributing its ownership, and eventually becoming a DAO.

It is a widespread belief that some form of **tokenized public company** will soon become legal reality. Initiatives like the Delaware Blockchain Initiative[24] seem to be the first step in the development of legal systems in this direction.

A tokenized Fifth Force would still remain the Platform's operators, yet with a different governance model. The current default company governance (straightforward **direct democracy**) would be replaced with structures more typical for tokenized companies, like **liquid democracy** and elected delegates.

In the first step, Fifth Force would tokenize partially. Members of the community would be invited to govern the company together with its existing shareholders and investors.

Neufund's ultimate goal is for Fifth Force to be managed and controlled by the community with the majority of votes. At this point the Neufund Platform may elect its operational management, which would be responsible for the company's executive trajectory.

[24] "Delaware Blockchain Initiative: Transforming the Foundational ...." 16 Mar. 2017, https://corpgov.law.harvard.edu/2017/03/16/delaware-blockchain-initiative-transforming-the-foundational-infrastructure-of-corporate-finance/. Accessed 1 Sep. 2017.

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10 Reporting & Communication

Investors will commit funds on the commitment page: **https://commit.neufund.org**.

We welcome your questions, concerns, and comments to this whitepaper specifically, and regarding Neufund in general. Please track our progress or get in touch using the following channels:

- Neufund Slack channel: https://neufund/slack
- Neufund Subreddit: https://www.reddit.com/r/neufund/
- Neufund Blog: https://blog.neufund.org
- Neufund Facebook page: https://www.facebook.com/neufundorg
- Neufund Twitter account: https://twitter.com/neufundorg



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11 Team & Advisors

Meet our founders Zoe Adamovicz, CEO, Marcin Rudolf, CTO and André Eggert, Legal Architect of Neufund, as well as Remco Bloemen, Blockchain Architect.

11.1 Team

	**Zoe Adamovicz** **CEO & Co-Founder at Neufund** Zoe Adamovicz is an entrepreneur and occasional angel investor. Zoe is passionate about building technology businesses that are impactful, positive and at the same time profitable and powerful. Prior to Neufund, she founded Xyo, a company that re-imagines how people discover apps, Priori Data (app store intelligence), and Concise Software which provides software development and engineering services. She is also a mentor to the Gaza Sky Geeks, where she supports technology entrepreneurship in the challenging area of the Gaza Strip and helps introduce Blockchain. Zoe is an expert in technology entrepreneurship and venture capital.
	**Marcin Rudolf** **CTO & Co-Founder at Neufund** Marcin currently leads the technology development at Neufund. He has been tracking the development of blockchain technology for the past 6 years. Before joining Neufund, he led the technology development at the app search engine Xyo. He has been a developer and team leader in projects involving messaging and telecommunication (Orange), cryptography and mobile devices (Jamba Music), as well as insurance and government (Fiat, Hewlett-Packard).

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	**André Eggert** **Legal Architect & Shareholder at Neufund** André Eggert is a partner at LACORE. He advises companies and entrepreneurs as well as investors. One of his core activities is the support of M&A and financing transactions. André has special knowledge in the areas of private equity financing and quasi-equity instruments. His focus is, moreover, on negotiating and drafting joint venture and cooperation agreements. He possesses relevant experience resulting from his involvement in a wide range of international transactions with parties from the Anglo-American legal system. Additionally, he possesses specific expertise in the technology and entertainment industries.

You can see the rest of our team here.

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11.2 Advisors

	**Fabian Vogelsteller** **Ethereum and Mist Developer** Fabian Vogelsteller became interested in web technologies at the age of 14. He developed a skill set from graphic design to coding PHP to Python, ActionScript, Objective C, HTML, CSS and fell in love with JavaScript. He worked as a freelance web developer for over 12 years and is the creator of the open source feindura – Flat File CMS. Fabian is a strong advocate of open-source software and has built and contributed to a lot of open-source libraries and projects and wrote a book on Meteor.js a open source JavaScript Framework. His interest in cryptocurrencies like Bitcoin led him to be part of one of the most ambitious blockchain projects to date, the Ethereum project. For almost two years he has worked as the lead Dapp developer for the Ethereum project, building the low-level JavaScript API, DApps and Ethereum's Wallet and the Mist browser.
	**Michael Jackson** **Partner at Mangrove Capital & Board Director at Blockchain.com** Michael Jackson is a Board Director at Blockchain.com and Partner at Mangrove Capital Partners. He started his career at Monsanto and went on to manage the Supply Chain and Logistics business consulting practice at Arthur Andersen and then at Ernst & Young. In 2006, he pioneered early-stage investment from Western VCs in Russia. His sectors of interests revolve around consumer Internet and e-commerce across Europe, scouting for startups that involve essential shift or disruption in technology, business model or consumer behavior. Open-minded and curious by nature, he enjoys travelling and discovering different cultures, which makes him keen on developing business connections in new and sometimes untapped geographies. He currently serves on the boards of Lesara, KupiVIP, RedPoints, Synerscope, Enigma, and the Mangrove Foundation. Michael holds a Bachelor's Degree in Nautical Sciences from the Antwerp Maritime Academy and a Master in International Business and Management with high honors from the Brussels Management School. A Belgian national, he speaks French, English, Dutch and German.

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Julian Zawistowski

CEO and Founder at Golem

Julian is an economist by trade, fascinated with blockchain technology, as well as sociology and the economics of decentralised systems. In the past, Julian served as a consultant and researcher of public policies with a background in public economics, the framing of which he finds very useful for understanding decentralised systems.



Adam Stradling

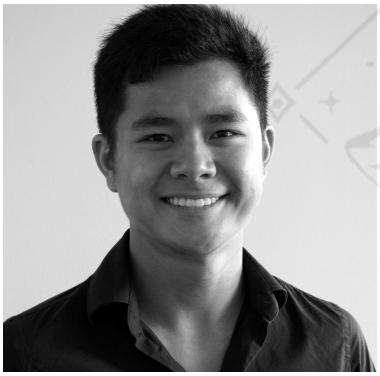
Crypto Investor and Entrepreneur & Former Co-founder of Bitcoin.com in 2011/12

Adam is a financial technology entrepreneur who pioneered the development of Bitcoin and related blockchain technologies.
During 2011 and 2012, he cofounded and operated Bitcoin.com/Tradehill wherein they sold/traded 1 million plus bitcoins (now worth billions of USD). Since then he has been an advisor, investor, and consultant for many Bitcoin and blockchain companies and systems like Ethereum, Factom, Siacoin, Bitnexo, and others. Over the years his works have been chronicled in CNN, Fox News, and hundreds of other media outlets.
Before Adam became an entrepreneur he worked in the banking and financial services industry as a consultant/researcher covering financial technology and risk management. Notably, he worked with the financial risk consulting group at Ernst and Young (EY) and also sold the investment research and technology services of Evalueserve (quant focus). He was the Co-founder and Steering Committee member of Chile's national PRMIA chapter and has been a content contributor to GARP (Global Association of Risk Professionals).
Adam received his Bachelor of Science in Materials Engineering from Rensselaer Polytechnic Institute in Troy, NY.

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	**Max Kordek** **President of Lisk Foundation** Max Kordek is a co-founder of Lisk and the President of the Lisk Foundation. As a futurist and thoroughbred entrepreneur interested in disruptive technologies, he co-founded the platform after seeing the potential of blockchain-based applications. It caused a stir in early 2016 when it collected 14000 BTC in its crowd fund. Max is also the Director of the Lightcurve GmbH, a rapidly expanding blockchain consultancy. Max immersed himself in the global startup community from a young age, beginning at just 14. Over the past several years, Max has become an active participant and industry leader in the blockchain and cryptocurrency industry, gaining invaluable knowledge of Bitcoin and Altcoins.
	**Christophe Maire** **CEO and Founder at Atlantic Labs** Christophe has more than 18 years of experience as a founder and CEO of technology ventures. He founded gate5 which he sold to Nokia in 2006. Christophe since co-founded a number of companies with global reach, such as Plazes.com (Nokia), txtr.com or recently Medigo.com, Mimi.io, and Blloon.com. As an angel investor, Christophe was involved in Brands4Friends (eBay), StudiVZ (HB), Plista (groupM), Readmill (Dropbox), amongst others. (Christophe was named best “European Seed investor” in both 2011 and 2012 by Techcrunch. He serves on the board of EyeEm, Klara and Soundcloud.
	**Paweł Bylica** **Ethereum Core Developer** Experienced C++ and Python software engineer. Ethereum core developer. Also involved in Golem Network Project as Ethereum specialist.

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	**Alexander Lange** **VC at Earlybird & Board Member at Shapeshift** Alex is a passionate Venture Investor and crypto enthusiast since early 2016. 2012 he graduated in German Law (with honors) and economics. After a very short career in law at Latham & Watkins and Schindhelm he joined Google/DailyDeal and fintech software company pepperbill in Business Development roles for 3 years. As a side role he advised young startups as a data protection commissioner what led to his initial interest in Bitcoin and the crypto economy. In 2015 he became an early stage VC at Heilemann Ventures which merged with Earlybird in January 2016. Ever since he backed 7 companies in multiple rounds and serves on the boards of Crossengage and Shapeshift. He contributes to the ecosystem by hosting blockchain related events, public speaking and regular publications.
	**Minh Ha Duong** **Investment Manager at Project A Ventures** Ha is a technology enthusiast and an Investment Manager at Project A Ventures. Having studied Industrial Engineering and Management, he has been exploring the intersection of technological innovations and business implications for the last years. Through roles in marketing, business development, and strategy in companies like Google, Techstars, and several startups, he learned what makes digital business models successful and is now applying this knowledge in the venture capital industry. At Project A, Ha covers startups in many technical areas including machine learning, blockchain, and developer tools. He is known for open-sourcing his research and data on >600 European AI Startups and for being more and more fascinated by the crypto economy and its societal implications. As a believer in communities, he acts as a mentor at Techstars, and occasionally supports startups in an advisory capacity.

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