

**synapse
network**

SYNAPSE NETWORK LITEPAPER

**The future is decentralised. The future is here.
Democratise the availability of alternative investment to retail
investors**

01. July 2021 | Version 1.0 | synapse.network



Synapse Network, the fairest launchpad in history...

Abstract: synapse.network is developing a cross-chain Launchpad, an investment and start-up acceleration ecosystem based on blockchain technology, to give everybody an equal chance to contribute to great upcoming projects, and to do so early-on. We are creating a bridge to a new world of fundraising across all smart-contract-based blockchains. Accessible for everybody, with a democratised tier system redesigned from scratch and allowing for investment at any stage of project development.

This document is not a Prospectus: This document does not constitute nor imply a prospectus of any sort. No wording contained herein should be construed as a solicitation for investment. Accordingly, this litepaper does not pertain in any way to an offering of securities in any jurisdiction worldwide whatsoever. Rather, this litepaper constitutes a technical description of the functionality of the solutions conceived by and their development by Synapse Network...

This document is not a final technical specification: This document does not constitute nor imply a final technical specification of Synapse Network. Information presented on this litepaper, technical or otherwise, is meant to outline the general idea of Synapse Network, its design, and its use-cases and is subject to change with or without notice. For the latest up-to-date technical specification, check out the updates and documentation on the official website <https://synapse.network>

THE PROBLEM IN THE MARKET

Synapse Network has identified a number of problems in the DeFi and blockchain community, which affects early adopters of the technology:

1. Start-ups lack the expertise and ability to navigate the complexity of launching their projects
2. Early adopters and potential users do not have the opportunity to connect directly with the project for private and public rounds
3. Potential investors receive asymmetric information and cannot conduct due diligence on the project/start-up

Fundraising, a complex structure to navigate

The barrier to access capital is one of the key reasons early projects fail to move from the “idea” phase to the “launch” phase.

Fundraising is a complex, time-consuming and challenging hurdle in any project, and can be the ‘make-it or break-it’ point for entrepreneurial teams determining if they can afford to progress their project. For most projects, there are considerable costs in:

- the development and testing of the platform
- obtaining external legal advice and corporate structuring services
- creating marketing material and maintaining a community
- engaging third-party service providers for key elements of the project, hosting, KYC, etc

It is often the case that the founding team of a project cannot afford to take all the risk of launching themselves. This is the exact kind of risk private investors and venture capitalists are in the business of taking.

Without deep community contacts, founding teams struggle to get in front of the right investors and raise the required capital to launch.

Investing today, a David vs. Goliath situation

The fundraising space today is comparable to a David vs. Goliath situation – venture capital, with its vast resources, network, experience and capabilities, naturally excludes the average small ticket investor from the early-stage investment phase. Most private investors do not have the resources, experience or even access or the possibility to invest early in projects, with that space remaining the bastion of specific types of investors or incubators.

Furthermore, potential investors often lack the ability to perform due diligence on a company or its founders, and thus they find themselves uncertain whether a company is worth the investment and whether the team can deliver on their promises.

Fundraising, bear market

In bull runs, with vast amounts of capital, there is an illusion of perpetual growth – in bull periods, access to capital becomes easier, fuelled by growing profits and investor confidence.

During a bear market, as confidence dwindles, “the average Joe’s” savings have been wiped out, only smart money remains. In these periods, greater amounts of diligence are performed, which in turn leads to better projects getting funded.

Whether in a bull run or a bear market, Synapse Network aims to level the playing field and turn the average Joe into a smart money investor.

"Synapse Network, turning low-cap investor into a smart money investor."

SUMMARY of the PROBLEMS:

- Start-ups and small entrepreneurs lack funds, access to funding and contacts
- Potential "entrepreneurs" stay at the "idea" phase of their project due to a lack of funds.
- Private investors do not have the possibility to invest in early rounds.
- Investors face insufficient information and are unable to perform due diligence on start-ups and founders.

Civilising the fundraising process

...but it does not have to be this way. It's time to disrupt traditional investing and use the potential offered to us by technology to open access to this previously closely guarded, closed space and to create opportunities for everyday people. Both on the start upside, and the investor side.

This is where Synapse Network comes in - in short, we are **civilising the fundraising space** and creating the **fairest launchpad in the world** and providing an entire **investment technology ecosystem**.

Synapse Network, business in the service of society

At its core, a company that succeeds needs to provide a product, and satisfy consumer needs whilst generating a profit.

At Synapse Network we want to go beyond being a mere business - we are not only building a sound company, which solves obvious market inefficiencies, but we are also harnessing the power of the internet and technology to continue the online **decentralisation** and **democratisation** process, and providing the infrastructure to transform society for the better by providing everyone with opportunity previously reserved to the elite.

THE SYNAPSE NETWORK SOLUTION – Building on existing tech, and pioneering to solve a market inefficiency

Setting the scene...

The Internet – A Gateway to Freedom

Since its inception, the internet has been a gate to freedom. The internet has undoubtedly increased freedom of information, enhanced freedom of expression and provided billions of people the means to communicate, exchange, learn, and trade.

Civilising the Fundraising Process

Just as the internet provided the architecture to democratize numerous spheres of life, it is now time to use the internet to **democratize investing** and **civilise the fundraising process**.

Social media networks and the internet provided everyone a virtual “pnyx”, virtually embodying the ancient Greek value of isēgoría or equal speech.

The internet has been an important catalyst for freedom, but true freedom is often **restricted by lack of money**. True freedom requires the ability to accrue and increase capital.

Disrupting legacy finance

The capital space has traditionally been dominated by banks and financial institutions with absolute power in their hands – this hegemony is being challenged by the nascent yet rapidly growing decentralised finance (DeFi) space, which has grown from around \$600 million at the start of January 2020 to over \$45 billion in March 2021.

The decentralised cryptocurrency space and blockchain space are reverting the internet back to what it initially was before global corporations centralised it.

This return to a decentralised architecture is opening up a world of new opportunities.

Disrupting legacy finance - pioneering

As the digital and internet space was being created, “pioneers” colonised it and built it up. As the space grew increasingly prosperous and populous, many of the “early settlers” have grown comfortable with the status quo.

This is especially true of many investors – those that braved the digital space were once adventurous, but now they are tamed. Those that initially colonised the digital space do not feel the need to push further into that metaphorical “West”.

However, beyond the current landscape and architecture, there are still new frontiers left. This is the “Wild West” of investing today – the space inhabited by blockchain, crypto, VR and yet unknown technology developments.

DeFi – frontier tech

Decentralised finance (DeFi), has grown from around 600M USD in total value locked (TVL) at the start of 2020 to over circa 90 bn USD a year and a half later, which shows the gigantic potential of these “frontier” technologies.

What is DeFi? In its perfect form, DeFi presents four characteristics:

- Non-custodial financial services allow participants full control over their funds at any time
- Permissionless nature of DeFi allows interaction with financial services without a third party being able to block or deny access
- Openly auditable
- Financial services can be arbitrarily compos

Crypto and Freedom

Cryptocurrencies, especially the established ones such as Bitcoin, are a neutral, open and borderless technology. The only thing they require is internet access – and their rules are the same, no matter your nationality, status, wealth, gender, beliefs or race.

They are powerful human rights tools that defend users against authoritarianism but also other abuses from traditional power structures such as kleptocracy.

Unlike with fiat money, no matter how much you own, you cannot debase them, confiscate, tweak the issuance, track transactions or generally rewrite the rules of the system.

As the internet and the digital space grew, civil liberty advocates concerned with freedoms after the great electronic transformation, yearned for a decentralised digital cash, an entity separate from governments or corporations, which could shield human rights in the digital age. Satoshi Nakamoto's Bitcoin, and later numerous other cryptocurrencies and tokens, provided the answer to those fears.

The ultimate risk is risk aversion

Crypto's appeal is undeniable – Bitcoin is the best-performing financial asset in the world over the past 12 years.

We are still in the very early days of this technology and the eventual impact of this industry on the gold market, art and collectable market, the stock market, the real estate market or the bond market is hard to imagine.

Now that we have set the scene let's get back to Synapse Network...

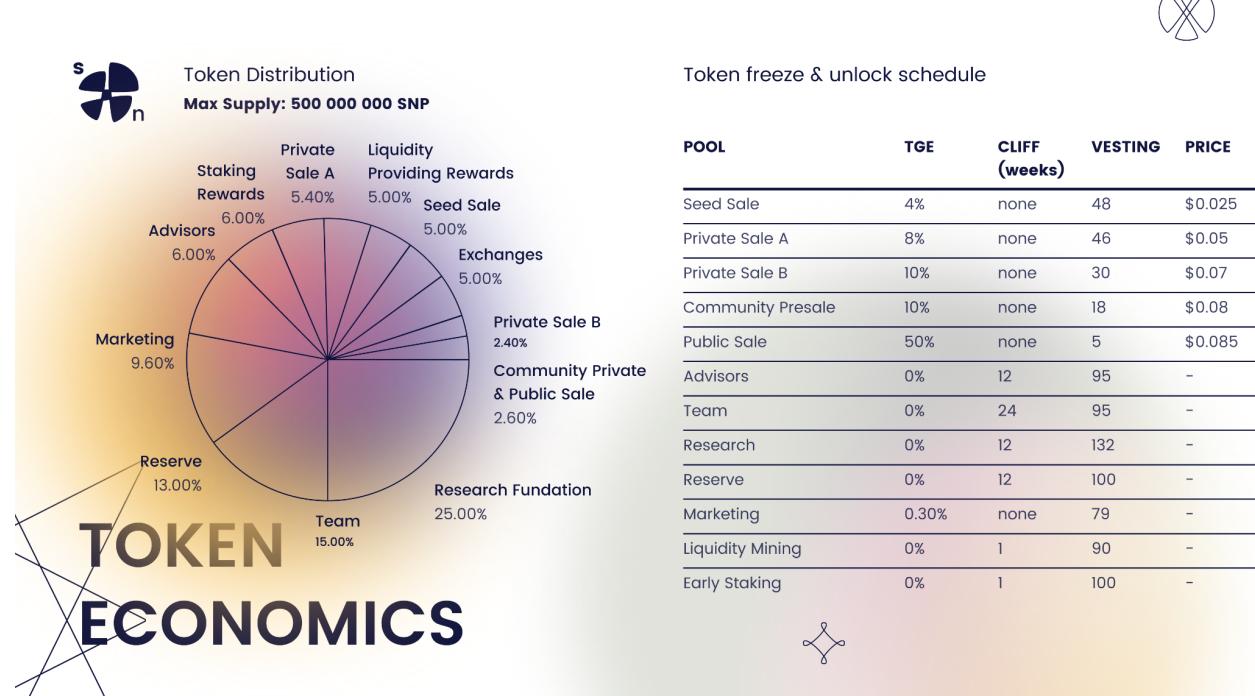
We don't live in a society. Let's build one.

Synapse Network is building on these existing technological foundations and stepping stones – in short, we are creating a unique space that will allow users to have exclusive pre-access to products offered by projects incubated under Synapse Network.

At Synapse Network, we want to provide people with the ability to invest at any stage, any amount they are comfortable with, whilst allowing investors to monitor the development of the project.

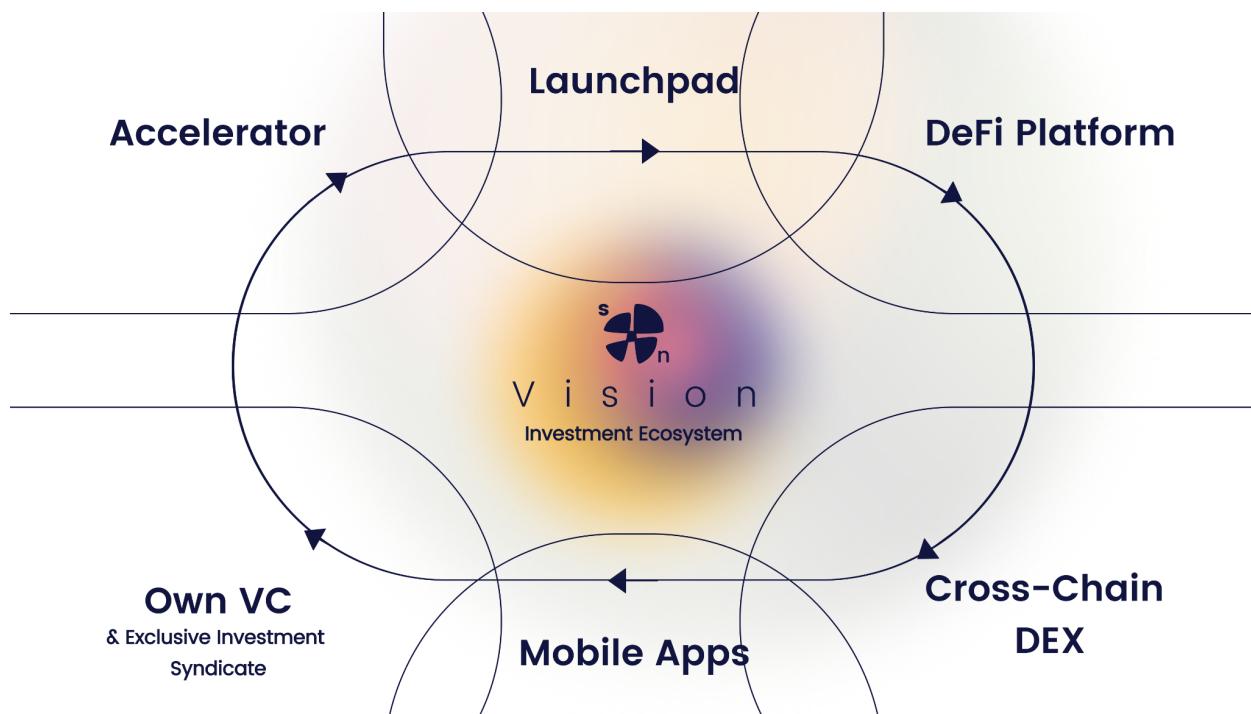
We want everybody to have an equal chance to contribute to upcoming projects. Essentially, we are building the fairest launchpad in history.

TOKENOMIC



SYNAPSE NETWORK – A 360-DEGREE SOLUTION

Synapse Network, a DeFi ecosystem which has everything you need in the crypto world in one secure, simple and convenient place.



The Synapse Network Ecosystem visualised: The Major Elements of the Ecosystem

- Synapse Network— A chain-agnostic crowdfunding platform
- DeFi Marketplace — DeFi platform with multiple earning options
- Cross-Chain DEX
- Investment Syndicate – A network of trusted partners
- Incubator and Accelerator

Synapse Network overview

Synapse Network is a 360-degree solution - in its final form, it is a complex and robust product, providing a decentralized world and investment technology ecosystem.

Synapse Network will provide a fully rounded and exhaustive solution which will give everyone an equal chance to invest (provided you have some capital) and build a company (provided you have a vision).

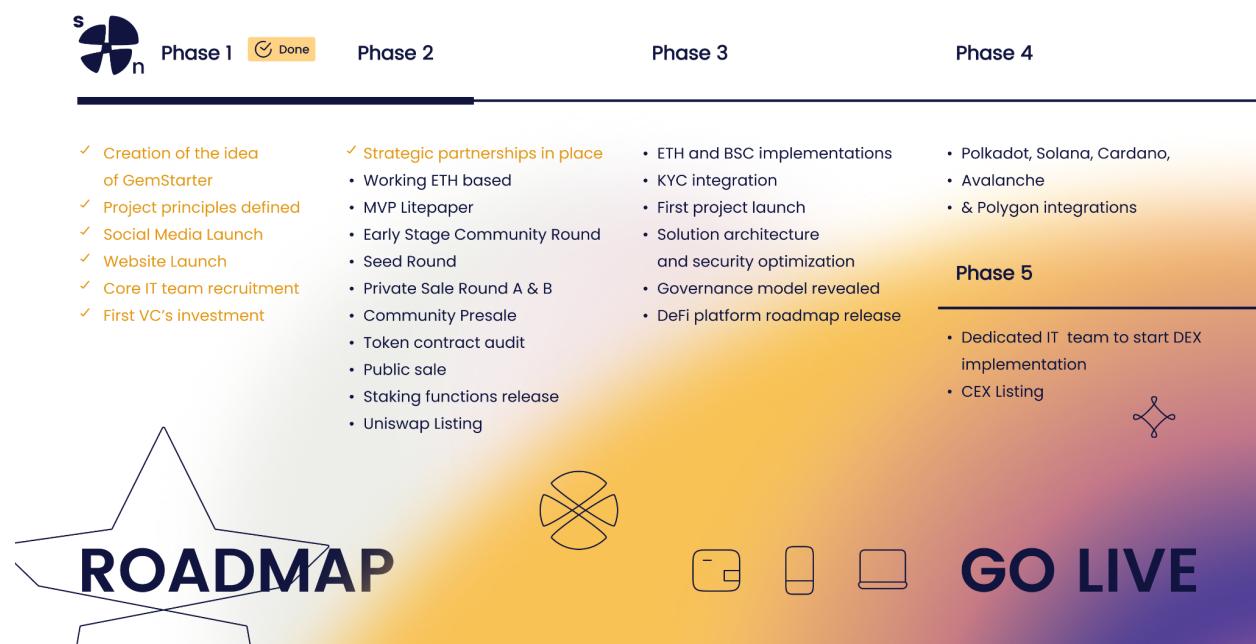
Our journey is taking us from launching a cross-chain Launchpad to providing an ecosystem containing a DeFi platform and a multichain DEX, which will all be accessible from one mobile app. As part of this ecosystem, start-ups and entrepreneurs will have access to the Synapse Network incubator / accelerator as well as a network of trusted tech partners, business angels, venture capital and Synapse Network funds.

SYNAPSE NETWORK'S ROADMAP

The roadmap for Synapse Network is far more inclusive than just the Synapse Network incubator and Launchpad. Following our token generation event, the Synapse Network team will be working on developing an entire DeFi ecosystem, with all the tools needed for our network and token holders to engage with the cryptoworld in one secure, simple and convenient place.

This ecosystem may be subject to additional financial services licenses, regulations and have risks. Please see our disclosure section at the end of this Litepaper for additional information.

Synapse Network's roadmap can be broken down into five (5) phases. The Synapse Network team has concluded phase 1, and is progressing through phase 2.



The Core – a crowdfunding platform

We have a long term vision, but reduced to its simplest core, Synapse Network is a Launchpad, which will **provide investment opportunities in early-stage start-ups to everyone.**

Synapse Network will provide a cross-chain launchpad, a virtual trading floor accessible to everyone, regardless of how little or how much they own. This enables everyone to become an investor, and the possibility to accrue and increase their existing capital, on an equal footing.

To make investment fair and equal to everyone, regardless of the size of their investment, we have redesigned a **tier system completely from scratch**, to bring to low-cap investors the possibility to invest itself.

The Synapse Network tier system

The **tier system** we have developed is **simple, transparent and fair**. At its core, our system aims to provide

- a) guaranteed allocation calculated on the basis of tickets.,
- b) bonus allocation calculated on the basis of tickets.
- c) dividing the rest of the guaranteed allocation based on the deposited USD.

Bonus allocation will come into effect for every part of the pool that has not been filled up. It can happen if not every investor eligible for investment participated in the process. If, for example, 20% of investors skipped the project, then more or less 20% of the pool will not be filled. This part will be available for the investors who participated, but only for those who decided to over allocate (invested more than the tier allows). The platform will allow to over allocate and the funds not used for investment will be claimable on the platform. The bonus allocation will be calculated based on the number of tickets assigned.

After the bonus allocation phase, the platform will check if there is any part of the investment pool not filled. In such a rare case, the rest of it will be divided linearly to people who over allocated and still have funds after the bonus allocation phase. Every part of the investment will be fully automated, the investor only needs to invest

and decide whether he would like to over allocate. In such cases, bonus allocation will be calculated and subtracted from his overallocation. The only manual process for the investor will be claiming the remaining funds and claiming the bought tokens.

The tier system works as follows:

1. Taking part in events will require staking a minimum of \$500 in GMS tokens using DeFi services within the Synapse Network platform

Tier	Minimum Value of Synapse Network Tokens (\$SNP)	No. of Tickets
1	\$SNP 500	1
2	\$SNP 1,000	2
3	\$SNP 2,000	3
4	\$SNP 3,500	4
5	\$SNP 5,000	5
6	\$SNP 7,000	6
7	\$SNP 10,000	8
8	\$SNP 15,000	10
9	\$SNP 20,000	12
10	\$SNP 35,000	17
11	\$SNP 50,000	20
12	\$SNP 75,000	25
13	\$SNP 100,000	30
14	\$SNP 175,000	40
15	\$SNP 250,000	50

The tier system was designed in such a way that we promote small investors and allow them to easily upgrade to another tier. We performed hundreds of simulations and based on this we found out the following mathematical formula:

$$\text{Tickets} = \text{power}(\log(\text{allocationSize}, 1 + \text{whaleHandicap} * (\text{tierLevel} + 1)))$$

$$\begin{aligned} \text{NumberOfTicketsAssignedToInvestor}(\text{tier}) \\ = \log_2 \left(\frac{\min_{\text{Tier}} \text{TokenValue}_{\text{tier}}}{\text{baseMinTokenValue}} + 1 \right)^{(1 + \text{whaleHandicap} * (1 + \sum_{i=1}^{\text{tier}} i))} \quad [\text{allocation tickets}] \end{aligned}$$

$$\text{whaleHandicap} = 0,044$$

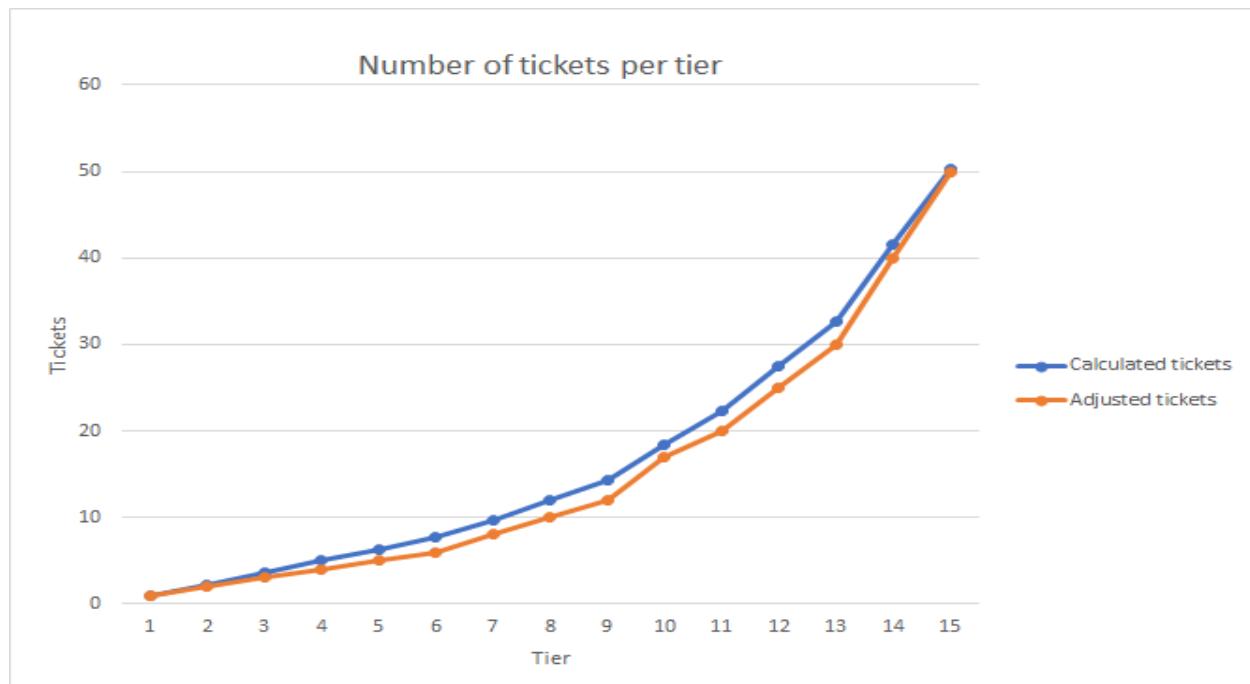
$$\text{baseMinTicketValue} = \min_{\text{Tier}} \text{TicketValue}_{\text{tier1}} = 500\$$$

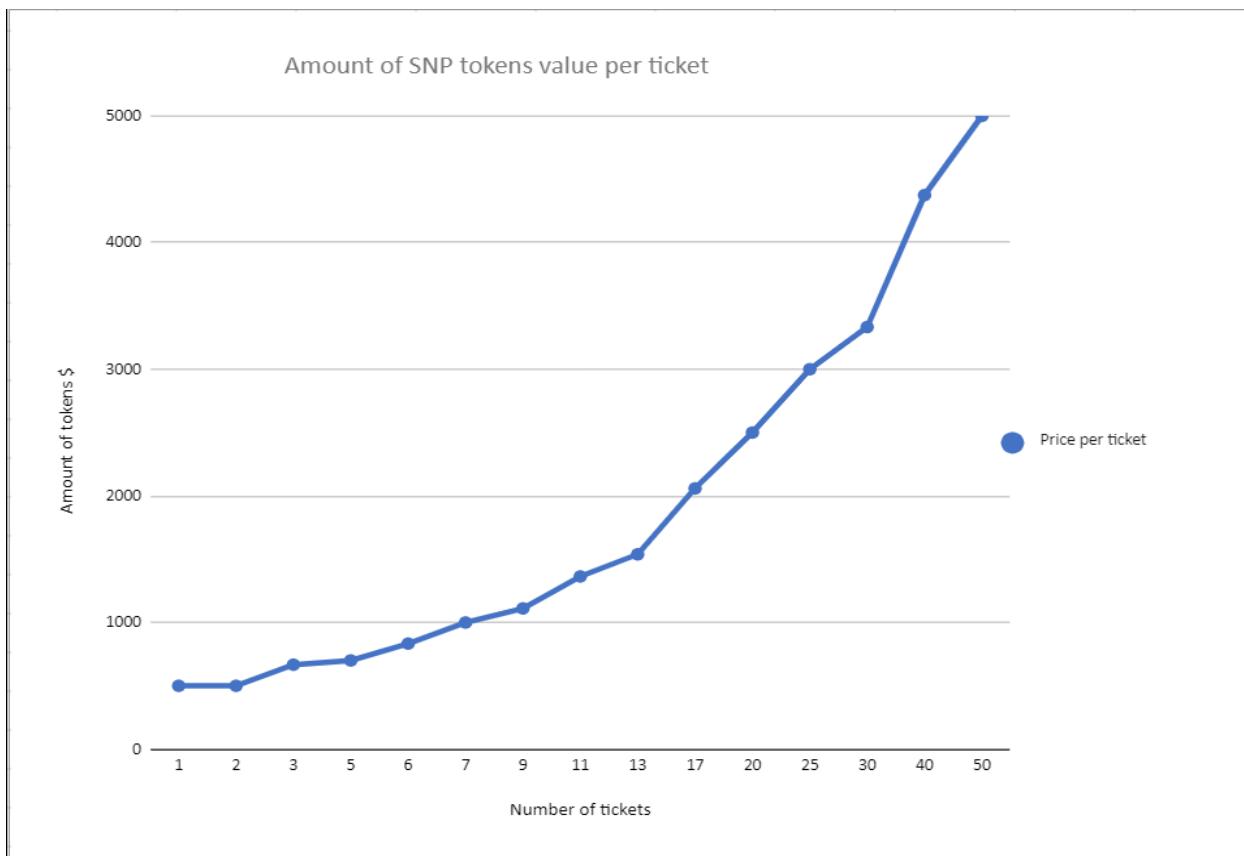
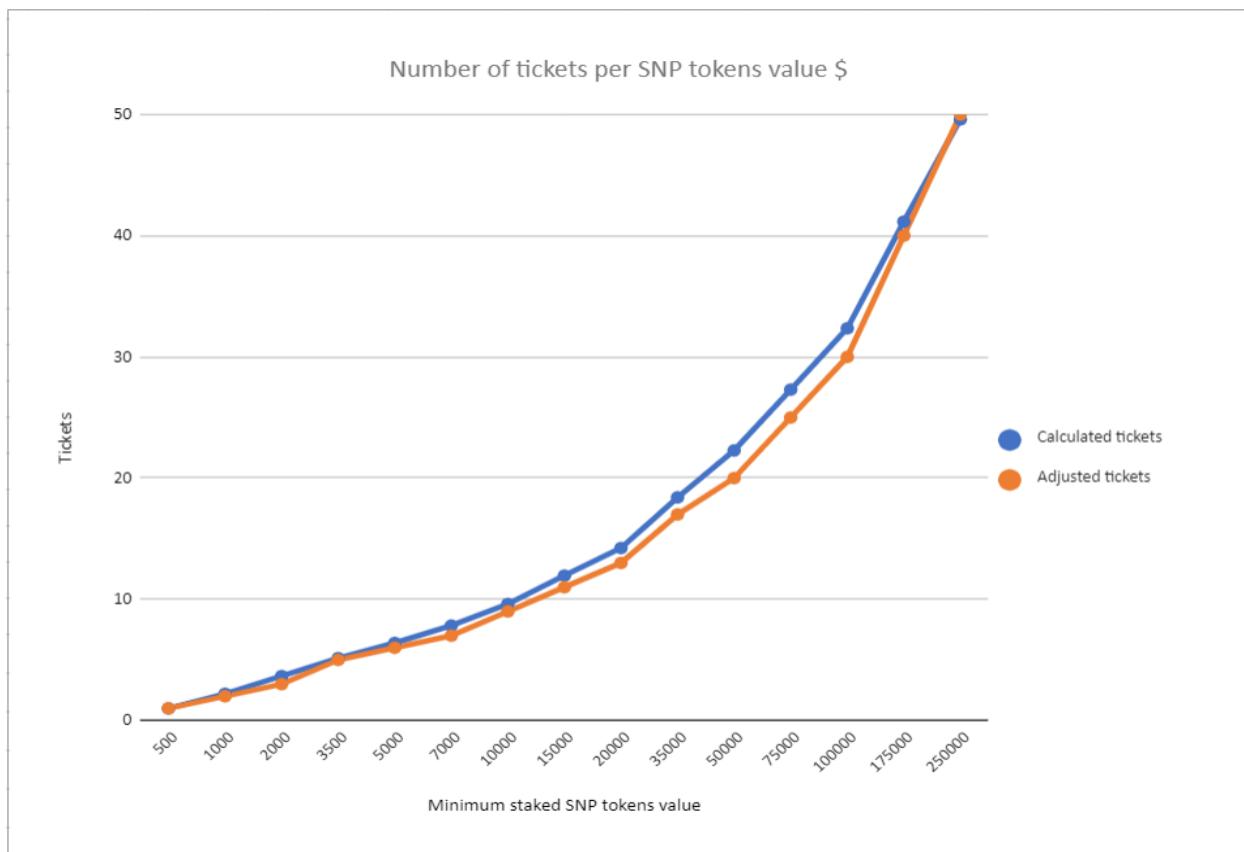
$$\min_{\text{Tier}} \text{TicketValue}_{\text{tier}} = \text{minimum value of SNP tokens in \$ for specific tier}$$

$$\text{allocationTicketValue} = \text{equal part of investment pool for an investor assigned per ticket}$$

$$\text{investorAllocationSize} = \text{allocationTicketValue} * \text{NumberOfTicketsAssignedToInvestor}$$

After that we slightly adjusted the tickets number to round numbers (calculated tickets vs adjusted tickets number). As you can see on the chart the ticket cost increases on every tier. The largest whales need to pay over 10 times as much for the same allocation as a small investor.



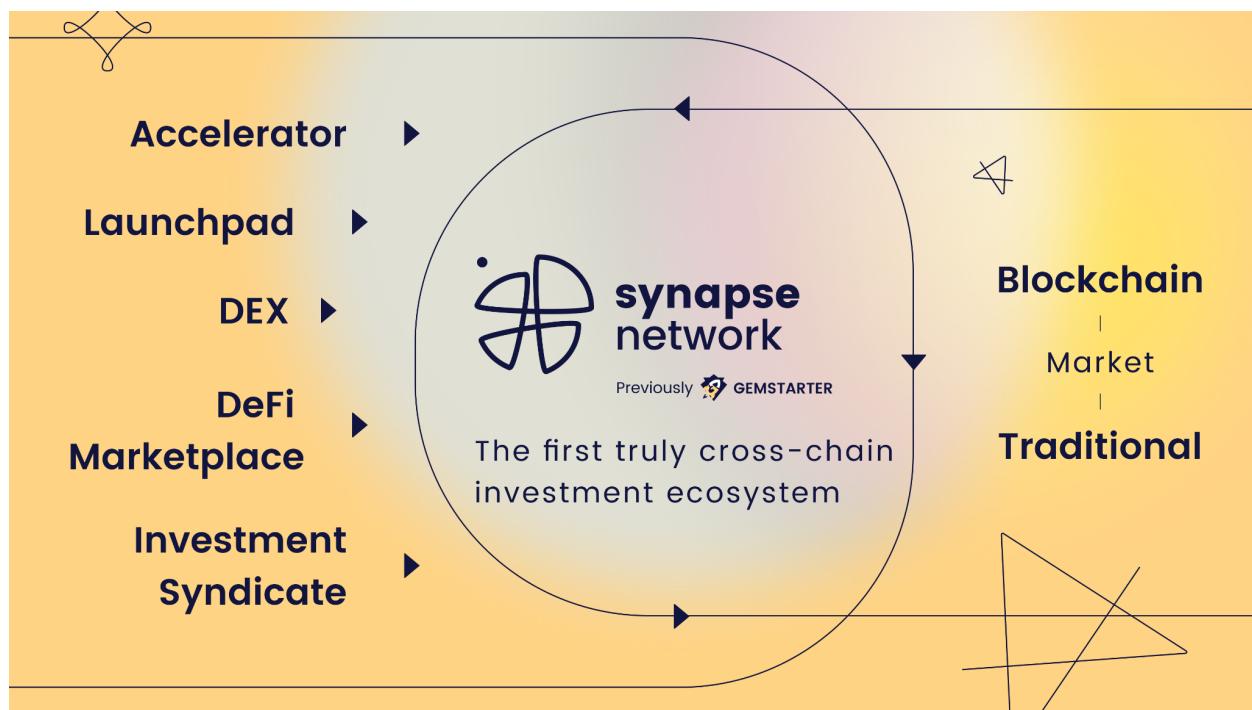


2. Maximum allocation, depending on the value of the SNP you stake, will increase following a simple tier system.
3. Getting a ticket requires passing KYC and connecting an account to the Synapse Network platform
4. Investors will be able to stake SNP tokens and achieve desired tiers, even 5 min before any sale starts. But to prevent a buy and dump strategy, we will enforce a small commitment from the users. After staking there will be a 7-day time frame where to unstake SNP tokens, users will pay a penalty fee.
5. To give everybody even chances to participate in our events:
 - One account per person, verified by the following methods: onchain, via KYC, by user behaviour, by device fingerprint, via IP. We will be very strict to these rules, and failing to comply may result in a permanent ban.
 - Tiers, once achieved - will last forever, regardless of the value of the SNP tokens – unless the SNP tokens are unstaked from our platform. It means that you are safe from the price drop.
 - You will be able to achieve a higher tier without extra tokens if the price of SNP token increases. To achieve it, you will need to process restake on our platform.
 - Adding tokens to the Stake will not reset the stake itself (this ensures you will not lose the tier even if the value of your tokens is lower than the tier level you have). This mechanism prevents the investor from losing in case of decreasing the value of SNP tokens. In such a case, adding more tokens to the stake will bring benefits to the investor in terms of more income (with the same APY more tokens give the more income).
6. A robust and comprehensive anti-cheating prevention system that will disqualify bots and fraudsters attempting multi-account manipulation.
7. After 30 days of uninterrupted staking, you will become a Premium Staker and earn extra SNP Tokens
 - A 0.5% transaction fee will be distributed to all who gain Premium Staker

8. Protocols to avoid Gas War and FCFS problems, with convenient time limits set on deposits. The crypto world is stressful enough, so we would like to give you a flexible time window - you will have at least 24 hours to deposit. We will also notify you on platform and via email about every investing opportunity - it would be a shame to miss an interesting project.

Ultimately, Synapse Network will be a DeFi ecosystem which has everything you need in the crypto world in one secure, simple and convenient place.

This ecosystem will consist of the following building blocks:



Defi Marketplace – DeFi platform with multiple earning options

The DeFi Synapse Platform will be a simple and secure platform which will allow users to stake SNP tokens to participate in Synapse Network events as well as earn decent rewards with equitable APR.

Taking this further, this will also be the space where users have exclusive **pre-access to products** offered by projects incubated under Synapse Network. This platform will be the space where start-ups will gain their **first market exposure** and will help them **build a dedicated community**.

Synapse Network – Multichain DEX

Our solution will continue the work started by the decentralisation revolution, in order to provide value on both sides of the investment – to the entrepreneurs and the investors.

Our DEX will be simple, user-friendly and safe, allowing users to exchange most of the top-rated cryptocurrencies, and finally bypass the borders caused by single blockchains.

Additionally, this will be where projects **incubated** on Synapse Network will be listed.

Synapse Pad and Synapse Wallet- mobile applications

At Synapse Network we want to keep things as convenient and simple as possible – providing easy access to the crypto world is at the core of our model. Cross-chain solutions are frustrating, especially when using multiple wallets to operate across cryptocurrencies. That is why we will develop an **all-in-one non-custodial multi-wallet** which will allow users to connect to existing platforms, whilst the Synapse Pad will keep everything organised.

The Synapse Network backbone – the “Investment Syndicate”

One of the most important components of the Synapse Network ecosystem is what we refer to as the “Investment Syndicate” – a network of trusted and reliable VC funds, business angels, tech partners, private investors and other blockchain projects.

This syndicate is an essential part of the Synapse Network ecosystem, providing a backbone to many of the projects in the Synapse Network ecosystem.

Based on this “Investment Syndicate”, we will also be able to provide our Incubator and Accelerator, with this network providing aside from capital, their human resources, ranging from business consulting, product development, technological know-how, due diligence services,

This precious know how, technical skill and experience will be a crucial, in not indispensable “service” offered to both the investors using our platform and the start-ups we help finance. This Investment Syndicate will grow these early stage start-ups, helping turn them into global businesses, those providing value to our investors who will reap the benefits of that growth.

DISCLOSURES

Legal Disclaimers

This Litepaper describes Synapse Network's business objectives and the generation by the Synapse Network token, and may not be complete or final.

The Synapse Network team shall take precaution to secure its token and protect investors, and shall apply the same standards to vetting other projects that utilize the Synapse Network Launchpad application. Synapse Network does not endorse or recommend that any cryptocurrency or token be bought, sold, or held by you or any persons. Always do your own research and conduct your own due diligence to determine a project's success prospects.

The information provided in this Litepaper does not constitute financial advice, trading advice, investment advice, legal advice, or any sort of advice whatsoever, and you should not treat the Litepaper as such.

It is the responsibility of any person in possession of this Litepaper and any persons wishing to make an application for MoonEdge tokens (or any other tokens offered on the Synapse Network Launchpad) to inform themselves of, and to observe, any and all laws and regulations that may be applicable to them. Always make sure that you comply with your local laws and regulations before you make any purchase.

By purchasing Synapse Network tokens, or any token offered on the Synapse Network Launchpad, you agree that you are not purchasing a security or investment. You also agree to hold the team harmless and not liable for any losses or taxes you may incur. You also agree that the team is presenting the token "as is" and is not legally required to provide any support or services. You should have no expectation in any form, including guarantees of safety, price, functionality, or future feasibility of the Synapse Network token or any tokens launched on the Synapse Network Launchpad from Synapse Network and/or its team.

The information contained in this Litepaper may be subject to modification and supplementation from time to time. Synapse Network does not make any representation or warranty as to the accuracy or completeness of the information

contained in this Litepaper, and has no obligation to update or keep current any information or projections contained in this Litepaper.

Risk Factors

Any projections, forecasts, plans or other forward-looking statements about Synapse Network are subject to numerous risks, uncertainties, changing circumstances and other factors that could cause actual results, operations and opportunities to differ materially from any projections, forecasts, plans or forward-looking statements.

Such risks and uncertainties can include competition, existing and future law and regulations, liabilities under the securities laws, inability to hire sufficient management and staff, general economic conditions, rapid technological change, cost overruns, delays in bringing products or services to market, marketing failures, difficulty in penetrating markets, failures in developing products or services, failure to obtain necessary regulatory approvals, insufficient funding, lack of availability of capital, issues with strategic partners and business relationships, unproven business models, adverse developments affecting customers and end-users, fluctuations in securities markets and valuations, costs, delays and liabilities arising from legal proceedings, failure to obtain and maintain intellectual property or proprietary rights, and management failures.

More to be introduced in official WP