# Ethereum Funding Informative Prospect

v0.2 – Draft – 2017.09.29

eidoo

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# The Vision

The Eidoo Project is the first open, inclusive, global effort dedicated to the creation of an effective "blockchain-to-human interface", simplifying the interaction between users and blockchain-based assets, without sacrificing the main advantages that these technologies can bring. Its output will be a set of products and services providing a new, intuitive, easy, consistent and safe user experience, focused around a simple and secure way to store, buy, sell, transfer, and exchange blockchain-based digital assets, including all the major "cryptocurrencies" and "tokens", as well as buy or sell any goods paying in cryptocurrencies but without relying on any central authority.

The Eidoo Wallet will be the heart of the entire project. It will be natively multi-asset and designed for the mobile world: a single integrated environment that will be used to manage all tokens intuitively, without the need for complex configurations, but still leveraging the best security standards and best practices. Innovative services to exchange cryptocurrencies and tokens will be directly embedded in the platform. This integrated exchange systems will never require the transfer of the assets to any centralized custodian third party that could cause financial losses due to bugs, hacks or exit scams: the user will always be in full control of his funds. In the long run, the Eidoo roadmap also includes a fully decentralized blockchain-based marketplace. Around these decentralized tools, additional services will be created in order to facilitate the use of cryptocurrencies, such as the ability to recharge a debit card directly from the Eidoo app without leaving the application. For those who need it, Eidoo will also offer Digital Identity solutions,

using designs such as the Web of Trust for pseudonymous sovereign identities as well as integrating digital identity cards.

Eidoo will be a value-added integrator that brings together proven technologies and established services that already exist, along with others that at this moment can only be imagined. The purpose of Eidoo is not just to do things that others do not, but to rethink things already accomplished through safer and simpler methods, maintaining focus on the user's experience and offering him the freedom to choose, while rendering the complexity of the "crypto world" easier to manage. We want to build a bridge towards worlds that at today are still far apart.

# Technology Overview

When we started imagining Eidoo it was clear to us from the beginning what it could offer to the market, that is, the same security, privacy, functionalities and simplicity of use that us blockchain users would always want to have but were unable to find.

We have succeeded and it is now available. Eidoo will represent the state of the art for the integrated utilization of the technologies that already today make the blockchain necessary if not indispensable for the exchange of value and the execution of censorship less contracts between parties, with a high level of privacy and without access barriers.

Here and today it is not possible to say how many services will be integrated inside Eidoo, nevertheless we know what the future holds, from the next few months to next year.

Eidoo in its initial state is a light Ethereum wallet conceived for the mobile world, already managing ERC20 tokens. Within the next 12 months it will become a Multi cryptocurrency wallet able to manage Bitcoin. It will also provide the opportunity to be used as a White Labeling Wallet, which means that Eidoo will furnish the API and a dedicated service to allow the utilization of its own ecosystem on behalf of companies and services that harness the potentialities of the blockchain.

The following added value services will also be provided:

- Hybrid Decentralized Exchange:  Eidoo's killer application, for at least 12 to 24 months, is an integrated Exchange that gives the guarantee of the complete possession of one's own cryptocurrencies and tokens, even at the time during which the users send the buy and sell orders to the Exchange. The exchange between the parties takes place in an atomic way (atomic swap), in other words if an exchange takes place it is because two parties (users) have found an agreement on the reciprocal price between two assets, a series of smart contract on chain allowing the exchange to take place instantly, from wallet to wallet. The enormous advantage of this set up is that the Exchange never holds the cryptocurrencies of those who participate in the market but only handles the order management. Eidoo believes that an Exchanger shall not only offer utility tokens to its users, but also securities tokens. Therefore, Eidoo will request from the Swiss financial supervision the authority the authorization to act as a Stock Exchange on the blockchain. By doing so, the number of blockchain based securities will also increase, giving the user of Eidoo's Exchange a broad service.  Eidoo's Exchange in the initial phase is to be decentralized on the Ethereum network but accessible from mobile devices; Subsequently, in its final version, it will be taken on centralized systems that are nevertheless certified and verifiable by the users, in other words systems that run an open source code and upon which it is possible to have the certainty that that code runs without manipulation, exactly in the way it is written.

- Centralized exchanges: Centralized exchanges will be added via their API to provide fiat to crypto exchange services.
- Token sale as a service: A service to execute the allotment of new tokens (initially on the ethereum blockchain but very soon also on Bitcoin through an innovative technology). Through the token sale as a service, users have the certainty of participating to a token sale, without suspecting of being tricked into a phishing maneuver while the companies/foundations that emit the token have the certainty that each signee has declared to have read, understood, and accepted the terms and conditions of the operations. For this purpose, Eidoo will save on the blockchain the hash signed digitally by the buyers of the timestamp and the terms and conditions of the token sale.
- Eidoo Debit Card: Within itself, Eidoo will shortly integrate a system for the conversion of the tokens and cryptocurrencies in fiat money to spend through the integration with the Eidoo Debit Card (EDC). EDC rests on an ecosystem of exchange of value with fiat currency completely integrated with the Eidoo wallet.
- A decentralized market: where third parties can engage in e-commerce activities avoiding infrastructure cost. Within this market, Eidoo will open an app store for digital service and content.

To use the added value services a service fee will be collected directly in EDO tokens (that should be available on the wallet). These service fees will be separated from the network transaction fees required by the underlying network and will be sent to a publicly auditable smart contract address to enforce the Eidoo business model.

## What it is, up to now

Eidoo has implemented a fast, easy to use, disruptive, flexible, feature-rich, turn-key Ethereum wallet, based on the ERC20 standard and EVM contracts, with an embedded token system to fund the development.

- It is in beta version on the Google Play Store, publicly accessible, with 664 registered beta users (as of 22/09/2017); a stable version will be released within the token sale date.
- It includes a complete Ethereum wallet, which allows to receive and send Ethereum
- It allows to manage the ERC20 token, in other words the tokens used to execute token sale
- It is the only existing wallet that automatically identifies issued ERC20 tokens without executing any complex configuration
- It is a Hierarchy Deterministic (BIP32) wallet, the keys are kept within the device and generated by 12 words that do the seeding for the key generation.
- In absence of an SPV technology at the Ethereum protocol level, the list of the transactions is fetched by the server side systems.

## What it will be in the future

The reason why we want to finance the project, is to:

A. implement the SPV technology in the Ethereum wallet as soon as a protocol shared by the community will be available, guaranteeing its functioning on a completely decentralized level.

B.  implement (Q1 2018) a secure, scalable, long-term oriented, privacy-compliant Bitcoin wallet, that will support a new asset on bitcoin blockchain protocol, developed by experienced Bitcoin developers.

C.  will add decentralized exchange functionalities in two phases:

    a.  in the first (end of October 2017), a hybrid exchange will be created through a smart contract on Ethereum, allowing trading from within the wallet between Ethereum and any ERC20 token, permitting the user to remain fully in control of his tokens while the traditional sluggishness and costliness of a decentralized exchange will be counteracted via an off-chain order book and server.

    b.  In the second (Q3 2018), through the use of Lighting Networks we will create a completely decentralized exchange with a unique and innovative concept that will extend to the possibility of exchanging other cryptocurrencies which will be added gradually.

D.  It will integrate the possibility of funding debit cards rechargeable with the Eidoo brand (Q2 2018) by integrating with the API of banks affiliated by geographical area.

E.  It will add functionalities of decentralized market based on blockchain technology as well as distributed storage technology like IPFS.

F.  It will integrate personal identity smart cards with a chip issued by governments, to permit the users who so desire to have special addresses from which carry out certified sender/receiver transactions (we will exploit pre-existing experimentation on Estonian e-residency cards already carried out by our partner Oraclize)

## The Roadmap

| | |
|---|---|
| Ethereum Wallet | August 2017 |
| Technology White Paper | 16th September 2017 |
| Ethereum Funding Informative Prospect | September 2017 |
| The Token Sale | 4th October 2017 |
| Hybrid Exchange | Q4 2017 |
| Bitcoin Wallet | Q1 2018 |
| DAPP Module | Q1 2018 |
| Eidoo Debit Card | Q2 2018 |
| Distributed Exchange | Q3 2018 |
| National Identity Integration | Q3 2018 |
| External services | 2018 |
| Other Blockchains wallets | 2019 |

# The Business Model

The Eidoo App is designed to offer both security and ease of use, as well as high-value-added services to users. In this document, five value-generating services are identified, that include cost or commission usage:

1. Hybrid exchange (between cryptocurrencies)
2. Centralized exchange (fiat to cryptocurrencies)
3. Token sale as a service
4. Eidoo branded debit card
5. Decentralized market

The net revenue from all the value added services linked to the Eidoo app will be collected in EDO tokens by a public auditable smart contract which will divide it as follows:

- 50% will represent the revenue flow for the companies involved in the Eidoo project providing the added value services
- 50% will be a voucher for the service. The voucher will be erased from the blockchain after its use, effectively forwarding these tokens in a burn address that doesn't have a private key to move funds from.

Once the EDO tokens will be completely used, the services for the Eidoo App will be paid in other cryptocurrencies (BTC, ETH).

Eidoo tokens can be traded, exchanged, bought and sold between users but <u>Eidoo Sagl has no obligation to redeem them</u>.

## Forecasted Exchange Revenues

Current cryptocurrency daily trading volume: 6 billion USD (2017 august average)

Daily Trading volume growth 2016: 1000%

Daily Average transaction fee: 0.2% (12.000.000 USD)

Assumptions:

1. Market will grow 500% in 2 years (30 billion USD)
2. Daily average transaction fee: 0.1% (30 million USD)
3. Eidoo will have 0.5% of the daily exchange market (150.000 USD)

55 million USD gross revenues yearly

22.5 million USD equivalent in EDO token used (at the market price of that moment)

## Eidoo Branded Debit Card

Eidoo will facilitate spending and using the value represented by cryptocurrencies and tokens, linking one or more debit cards to the Wallet through a simple and straightforward interface. The amount of the expenditure made in fiat will be charged on your wallet at the time of the spending.

From the technological point of view, this objective is not particularly difficult, the main issue being the legal one, especially with regard to anti-money laundering practices. The Eidoo team is already using the best professionals in Switzerland to solve every single legal obstacle in order to get a product of excellence geared to ease of use.

# The Token Sale

To fund the development of the Ethereum part of the Eidoo ecosystem, an ERC20
token (called Eidoo Token or EDO) will be created on the Ethereum blockchain.
These tokens will be sold to the public; unsold tokens will be burned.

- Ticker symbol: EDO
- Total number of token: 100 million
- Investment purchase method: through Ethereum
- Price per token in fiat money: 2.30 USD
- Value of each token in ethereum: due to current high levels of
  cryptocurrency market volatility, the Ethereum value of the Eidoo token
  will be divulged shortly before the token sale
- Start date of token sale: October 4th, 2017
- Token Sale in ICO: 20 milion
- End date off token sale: October 16th, 2017
- Unsold tokens during the ICO will be burned

| Eidoo Tokens | Total (millions of tokens) | Unlocked (millions of tokens) | Locked (millions of tokens) | Lock time |
|---|---|---|---|---|
| Eidoo | 47 | 0 | 47 | 20M EDO 2 years    15M EDO for 1 year    6M EDO 6 month*    6M EDO 3 month* |
| Founders | 13 | 3 | 10 | 10M EDO for 2 years** |
| Advisors | 3 | 3 | 0 | |
| Early Investors | 12 | 3,6 | 8,4 | 8.4M EDO unlocked progressively in 9 months |
| Pre-sale | 5 | 1 | 4 | 4M EDO for 2 years** |
| Token Sale | 20 | 20 | 0 | |
| Total | 100 | 30,6 | 69,4 | |

*These tokens will be subjected to AirDrop.

** These tokens will be locked after the token sale

## THE CHOICE OF THE TECHNOLOGY FOR THE TOKEN SALE

The Eidoo token will be based on the ERC20 protocol based on Ethereum, which defines a standard interface for smart contracts that need to execute token emission, a technical standard and now also a market one.

We have not produced a new blockchain (in other words we have not created a new cryptocurrency) to emit the token because we are not in need to obtain what we aim to accomplish through extravagant features that are not already existing on Ethereum. We are therefore leveraging on the security (hashing power) of the Ethereum blockchain since the Bitcoin blockchain, while more secure, does not offer a complete scripting Turing language necessary to create an effective token sale.

## HOW TO PARTICIPATE IN THE TOKEN SALE

The Eidoo token sale will be enabled to be accomplished only through the wallet itself, through a dedicated keystroke and a guided procedure which encompasses the reading and the certified acceptance of the terms and conditions of the token sale.

## EIDOO VALUE PROPOSITION

The EDO token has a proposition of value that is centered on two key concepts:

- The staking of the Eidoo token on the Eidoo wallet in certain minimum quantities allows the unblocking of premium functions of the Eidoo interface, giving the right to obtain special bonuses on the blockchain through the mechanism of "air-drop".

- The Network effect; Eidoo is the central motor for the utilization and exchange of the Eidoo token which, by network effect and diffusion, will have growth of value as the installations and the utilization of the software on behalf of the users increase.

## WHY THIS IS A SOUND AND SUBSTANTIAL TOKEN SALE

- Unlike 99% of previous others token sale, Eidoo is not just a PDF containing a technical whitepaper, we are proud to meet investors with a working prototype
- Because it proposes a technology destined for the final user, built with the concept to place the user in the center, and not the underlying complex technology. The feedback that we are receiving from early users on the investor chats, and from the beta testers, is enthusiastic.
- The technology white paper contains a detailed technical description of what is being built. The technical content proposed by Eidoo is higher both on a quantitative and qualitative level than other wallet token sale.
- This prospect contains a detailed description about how the business model works, what the token does, why it should exist, and how they are issued. Basically, it describes how the token underlines the decentralized market mechanism, which is where the functional utility of the token arises.
- The fact that tokens in the availability of the founder will remain locked for 2 years after the token sale guarantees a strong commitment for the conclusion of the project.

# Legal & Regularity

## GENERAL INFORMATIONS

In order to fund the development of the Eidoo ecosystem, 100,000,000 ERC20 tokens (onwards called Eidoo tokens, or EDO) will be created on the Ethereum blockchain, and will be sold to the public, in exchange of cryptocurrencies. The Eidoo token is a coin, which will allow the User to access the service provided by the Eidoo platform.

The Eidoo token does not have the legal qualification of a security, since it does not give any rights to dividends or interests. The sale of Eidoo tokens is final and non-refundable. Eidoo tokens are not shares and do not give any right to participate to general meetings of Eidoo Sagl. Eidoo tokens cannot have a performance or a particular value outside the Eidoo Platform. Eidoo tokens shall therefore not be used or purchased for speculative or investment purposes. EDO are functional tokens for the Eidoo technology ecosystem. Therefore, a user is simply contributing to the Eidoo project and the token received in return will serve to use the app, as several app features will not work without the use of the token. EDO tokens are therefore indispensable for using the app.

The purchaser of Eidoo tokens is aware that national securities laws, which ensure that investors are sold investments that include all the proper disclosures and are subject to regulatory scrutiny for the investors' protection, are not applicable.

Anyone purchasing Eidoo tokens expressly acknowledges and represents that she/he has carefully reviewed this white paper and fully understands the risks, costs and benefits associated with the purchase of Eidoo.

## KNOWLEDGE REQUIRED

The purchaser of Eidoo tokens undertakes that she/he understands and has significant experience of cryptocurrencies, blockchain systems and services, and that she/he fully understands the risks associated with the crowdsale as well as the mechanism related to the use of cryptocurrencies (incl. storage).

Eidoo shall not be responsible for any loss of Eidoo tokens or situations making it impossible to access Eidoo tokens, which may result from any actions or omissions of the user or any person undertaking to acquire Eidoo tokens, as well as in case of hacker attacks.

## RISKS

Acquiring Eidoo tokens and storing them involves various risks, in particular the risk that Eidoo Sagl may not be able to launch its operations and develop its blockchain and provide the services promised. Therefore, and prior to acquiring Eidoo tokens, any user should carefully consider the risks, costs and benefits of acquiring Eidoo tokens in the context of the crowdsale and, if necessary, obtain any independent advice in this regard. Any interested person who is not in the position to accept or to understand the risks associated with the activity (incl. the risks related to the non-development of the Eidoo platform) or any other risks as indicated in the Terms & Conditions of the crowdsale should not acquire Eidoo tokens.

### Important Disclaimer

This white paper shall not and cannot be considered as an invitation to enter into an investment. It does not constitute or relate in any way nor should be considered as an offering of securities in any jurisdiction. The white paper do not include nor contain any information or indication that might be considered

as a recommendation or that might be use to base any investment decision. The Eidoo tokens are just a utility token which can be used only on the Eidoo platform and is not intended to be used as an investment.

The offering of Eidoo token on a trading platform is done in order to allow the use of the Eidoo platform and not for speculative purposes. The offering of Eidoo tokens on a trading platform is not changing the legal qualification of the token, which remains a simple means for the use of the Eidoo platform and is not a security.

Eidoo Sagl is not to be considered as advisor in any legal, tax or financial matters. Any information in the white paper is given for general information purpose only and Eidoo does not provide any warranty as to the accuracy and completeness of this information.

Eidoo Sagl today is not a financial intermediary according to Swiss Law and is not required to obtain any authorization for Anti Money Laundering purpose. This qualification may change in case Eidoo will offer services which are to be considered as financial intermediation activity. In this case, the use of Eidoo services may require the positive conclusion of a AML/KYC identification process.

Acquiring Eidoo token shall not grant any right or influence over Eidoo's organization and governance to the Purchasers.

Regulatory authorities are carefully scrutinizing businesses and operations associated to cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may impact Eidoo Sagl's business and even limit or prevent it from developing its operations in the future. Any person undertaking to acquire Eidoo tokens must be aware of the Eidoo Sagl business model, the white paper or terms and conditions may change or need to be modified because of new regulatory and compliance requirements from any applicable laws in any jurisdictions. In such a case, purchasers and anyone undertaking to acquire Eidoo tokens acknowledge and understand that neither

Eidoo Sagl nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes.

Eidoo Sagl will do its utmost to launch its operations and develop the Eidoo platform. Anyone undertaking to acquire Eidoo tokens acknowledges and understands that Eidoo Sagl does not provide any guarantee that it will manage to achieve it. They acknowledge and understand therefore that Eidoo Sagl (incl. its bodies, employees and external advisors) assumes no liability or responsibility for any loss or damage that would result from or relate to the incapacity to use Eidoo tokens, except in case of intentional misconduct or gross negligence.

## Representation and Warranties

By participating in the crowdsale, the purchaser agrees to the above and in particular, they represent and warrant that they:

- have read carefully the terms and conditions attached to the white paper; agree to their full contents and accept to be legally bound by them;
- are authorized and have full power to purchase Eidoo tokens according to the laws that apply in their jurisdiction of domicile;
- are not a U.S. citizen, resident or entity (a "U.S. Person") nor are they purchasing EDO or signing on behalf of a U.S. Person;
- are not a Chinese resident nor are they purchasing EDO or signing on behalf of a Chinese resident;
- live in a jurisdiction which allows Eidoo Sagl to sell Eidoo tokens through a crowdsale without requiring any local authorization and are in compliance with the local, state, and national laws and regulations when purchasing, selling and/or using Eidoo tokens;
- are familiar with all related regulations in the specific jurisdiction in which they are based and that purchasing cryptographic tokens in that

jurisdiction is not prohibited, restricted or subject to additional conditions of any kind;

- will not use the crowdsale for any illegal activity, including but not limited to money laundering and the financing of terrorism;
- have sufficient knowledge about the nature of the cryptographic tokens and have significant experience with, and functional understanding of, the usage and intricacies of dealing with cryptographic tokens and currencies and blockchain-based systems and services;
- purchase Eidoo tokens because they wish to have access to the Eidoo platform;
- are not purchasing Eidoo tokens for the purpose of speculative investment or usage.

## GOVERNING LAW - ARBITRATION

All disputes arising with the white papers provided, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers of Commerce in force on the date when the Notice of Arbitration is submitted in accordance with these Rules. The arbitration panel shall consist of one arbitrator only. The seat of the arbitration shall be Lugano, Switzerland. The arbitral proceedings shall be conducted in English.

# Advisors

## TAX, REGULATORY, LEGAL ADVISOR

KPMG has been one of our earliest advisors who helped Eidoo to navigate Switzerland's legal framework. They helped Eidoo draft the legal structure for the launch of the Eidoo token, coordinated contacts with the regulatory, obtained the tax ruling before the launch of the token sale and supported Eidoo in drafting the legal opinion (both legal and regulatory) and in finalizing the legal aspects related to the whitepaper.

## BUSINESS ADVISOR

Assistance in tax agreement implementation, company set up and coordination with notary services and accounting is provided to Eidoo through:

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