

PSY

by PsyDAO

Foreword

This whitepaper is to be used exclusively to inform users about participation in the economy governed by a fungible cryptographic token, as described in the subsequent sections, named PSY.

While at the current time PSY tokens are, based on the latest legal advice, considered to be utility tokens for governing PsyDAO, participation in PsyDAO and the PSY economy should be contemplated only in conjunction with independent legal advice provided to a participant by someone with full knowledge of their business or personal situation. This whitepaper does not purport to offer financial, business, taxation or legal advice. As each participant's circumstances are unique, there should be no reliance on this whitepaper as providing advice for a participant's particular circumstances.

This whitepaper presenting information about participation in the governance and funding of the PsyDAO project through the PSY token described herein does not constitute an offer or solicitation to purchase securities, asset tokens, or their ilk in any jurisdiction.

Table of Contents

[Notices and Disclosures](#)

[1. Executive Summary](#)

[2. Introduction to Blockchain, Psychedelics, and Molecule](#)

[3. Project Overview](#)

[4. Tokenomics of PSY](#)

[5. Key features of PSY](#)

[6. Risk Factors](#)

[7. Participant's representations](#)

Notices and Disclosures

- A. **Primacy of Document.** This whitepaper supersedes all previous communications regarding the project and the associated PSY tokens (“PSY”).
- B. **Primacy of Issuer.** No parties are authorized to make representations or warranties in addition to, or contrary to, those made by the Issuer in this whitepaper with respect to the PSY described herein.
- C. **Primacy of Source Material.** All descriptions and summaries of documents in this whitepaper are for convenience, and are qualified by the actual documents cited. The reader should ensure they review the original documents prior to making any decisions regarding participation in the governance and funding of the project through holding of PSY utility tokens.
- D. **Not Construed as Advice.** This whitepaper does not purport to offer financial, business, taxation or legal advice. As each participant's circumstances are unique, there should be no reliance on the Issuer's legal counsel as providing advice for a participant's particular circumstances. Participation should be contemplated in conjunction with independent legal advice provided to a participant with full knowledge of their business or personal situation.
- E. **Right to Change or Withdraw.** The Issuer reserves the right to modify or withdraw this offer to participate subject to the right of a potential participant to ask questions and receive information as to the nature of any changes.
- F. **Business of the Issuer.** PsyDAO Association (the “Association”), with address Weinberghöhe 21 CH-6340 Baar, Switzerland, as the Issuer, is provider of services to the early stage decentralized autonomous organization (“DAO”) focused on scientific research projects and legal steward of the PsyDAO network (“PsyDAO”). The Association welcomes the participation of the community and other interested stakeholders through the sharing of governance rights, represented by PSY and other cryptographic tokens the Association may issue. More information on PsyDAO can be found online at psydao.com
- G. **Further Information.** Questions or further information in connection with this offer to participate can be obtained by contacting PsyDAO at the following address: Weinberghöhe 21 CH-6340 Baar, Switzerland, info@psydao.com
- H. **Forward-looking Statements.** This whitepaper contains forward-looking statements based on estimates and assumptions. Forward-looking statements include, among other things, statements concerning the project, future financial needs, results of operations and prospects of the Issuer. These statements usually contain the words “believes”, “plans”, “expects”, “anticipates”, “intends”, “estimates” or other similar expressions. For

each of these statements, you should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although it is believed that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that the actual results or developments anticipated will be realized or, even if realized, that they will have the expected effects on the project or associated financial conditions, results of operations or prospects of the project team or Issuer. These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this whitepaper or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations. Participants are cautioned not to place undue reliance on these forward-looking statements, which are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Before making any decisions, prospective participants should carefully consider the risks and uncertainties described in this whitepaper and consult with their own legal, financial, and tax advisors.

- I. **Restrictions on Participation.** The following restrictions apply to participation in the governance and funding of this project by holding PSY Tokens:
- a. The PSY tokens described herein may not be held by, offered or sold to “U.S. persons” (within the meaning of Rule 902 of Regulation S promulgated under the Securities Act of 1933, as amended) or within the United States of America and may not be offered or sold, directly or indirectly, to U.S. persons or within the United States of America, unless, among other things, they are subsequently registered under applicable securities laws or an exemption from such registration is available.
 - b. Further, no entity, person or body corporate, nor any affiliates or beneficial owners of the same, who is deemed a Prohibited Person may own, buy, or sell the PSY tokens described herein. For the purposes hereof, “Prohibited Person” means any individual, or legal entity or person, including a government or political subdivision or an agency or instrumentality thereof (each a “Person”) that is: (i) a national or resident of, or legal entity formed or incorporated within or subject to the Laws of any United States embargoed or restricted country, (ii) a national or resident of, or legal entity formed or incorporated within or subject to the Laws of the Republic of Cuba, Democratic People’s Republic of North Korea, Islamic Republic of Iran, Libya, People’s Republic of China, Republic of South Sudan, Republic of Sudan, SyrianArab, Republic or the Crimea; (iii) included on, or affiliated with any Person on the United States Commerce Department’s Denied Persons List, Entities List, or Unverified List; the U.S. Department of the Treasury’s Specially Designated Nationals and Blocked Persons List, Specially Designated Narcotics Traffickers or Specially Designated Terrorists, or the Annex to Executive Order No. 13224; the Department of State’s Debarred List; or UN Sanctions; (iv) a Person with whom business transactions, including exports and

re-exports, are restricted by a United States Governmental Authority, including, each item listed in the foregoing clauses (i), (ii), (iii) and (iv) and any updates or revisions thereto and any newly published rules therefore; or (v) a subject or target of any other economic sanctions administered or enforced by the United Nations, the European Union or the United Kingdom.

1. Executive Summary

This whitepaper presents the PSY token issued by PsyDAO Association.

PSY tokens confer governance rights over PsyDAO, including delegated authority over the PsyDAO treasury, offering a novel mechanism for public involvement in the PsyDAO project. The creation and distribution of PSY tokens furthers the democratization and decentralization of PsyDAO.

Participation in PsyDAO demands thorough understanding and careful consideration of potential risks from prospective PSY token holders. Acquiring and holding PSY tokens inherently carry risks including the unpredictable nature of technology, regulatory changes and uncertainties, challenges related to onchain intellectual property (“IP”) rights, as described below, and challenges related to onchain organizations such as DAOs.

The subsequent sections of this whitepaper will delve deeper into the various aspects of PSY to offer a comprehensive review of the PSY token, intended to be a utility token under Swiss and EU law.

2. Introduction to Blockchain, Psychedelics, and the PsyDAO Tech Stack

Cypherpunk culture emerged from the psychedelic culture of the 1960s, when Timothy Leary said [computers are the new LSD](#). Since the birth of the internet, people have found that the digital world enables the kinds of mind manifestations previously precipitated only by magical plants, potions, meditations, and dreams.

Since the publication of the [Bitcoin whitepaper](#) in 2008 by the pseudonymous person known as Satoshi Nakamoto, blockchain technology has led to innovations and use cases beyond peer-to-peer electronic cash.

Another evolution in the use of blockchain technology is decentralized science (“DeSci”). DeSci aims to fundamentally transform the scientific research ecosystem using blockchain's inherent capabilities like transparency, traceability, and decentralized governance, leveraging blockchain technology to address many traditional scientific challenges such as funding, data accessibility, publication costs, and intellectual property management. Blockchain facilitates new funding models through tokenization and biotech-focused decentralized autonomous organizations (“[BioDAOs](#)”), which allow a broader base of funders, including the general public and small-scale contributors, to fund and govern research directly. This can potentially shorten the gap between discovery and application, also known as the “[valley of death](#),” by providing immediate liquidity and democratizing the funding process. The open and decentralized nature of DeSci promotes broader and more equitable access to scientific information, thereby facilitating more inclusive participation in scientific research.

Blockchain also enables better management of intellectual property through the use of non-fungible tokens (“NFTs”). Used to represent various forms of digital content, including art, virtual real property, scientific research and development (R&D) data, and IP, NFTs provide a new way to manage and protect intellectual property, allowing creators and owners to easily transfer ownership, establish authenticity, and control usage rights.

PsyDAO utilizes [IP-NFTs](#) (Intellectual Property Non-Fungible Tokens), a specific type of NFT developed by decentralized science infrastructure provider [Molecule](#) to represent intellectual property and data rights to scientific research. IP-NFTs attach legal contracts, such as sponsored research agreements, to smart contracts (NFTs) to bring legal contracts for scientific research onchain. As smart contracts on Ethereum, IP-NFTs can be permissionlessly transferred peer-to-peer, made composable with DeFi, used to distribute governance to groups of stakeholders, built upon to unlock new ways to interact with and develop IP and R&D data used to empower crowd control of ethics in commercialization, and create liquidity in IP markets. The first IP-NFTs were minted by Molecule for the VitaDAO community to register longevity therapeutics IP and R&D data rights on Ethereum.

PsyDAO also utilizes [IP-Ts](#), fungible tokens mintable by holders of IP-NFTs in order to distribute rights and responsibilities to the IP and R&D data of IP-NFTs to groups of token holders, incentivizing a community to co-develop and co-govern the attached research. The first IPTs, called VITA-FAST, were minted by VitaDAO using the Korolchuk IP-NFT in order to accelerate the development of the Korolchuk project investigating [autophagy activators](#).

PsyDAO harkens back to the origins of Molecule—as the first project ever tokenized on Molecule was research at the University of Toronto by [Rotem Petranker](#) looking at the effects of microdosing psychedelic mushrooms—and brings it to the next level by furthering new psychedelic science and exploring the frontiers of human consciousness.

3. Project Overview

PsyDAO is a collection of agents and assets gathering around the common purpose of advancing psychedelic science and culture. PsyDAO was initiated in 2022 by a group including members of the initiating team of VitaDAO, Molecule, Gitcoin, and Pretopia. PsyDAO Association is a Swiss Verein organized in 2024 to function as a legal steward and developer of the PsyDAO network and tokens including PSY and PSYC as described herein.

Governance authority over PsyDAO Association is vested initially and primarily in PSYC token holders. PSYC tokens are NFTs that connote membership in PsyDAO Commons, a cooperative-like community that pools labor and intellectual property to build and develop PsyDAO.

PSYC is non-transferable except with authorization from the PSYC smart contract owner. PSYC has an EgoDeath function (based on the RageQuit function in MolochDAO-style DAOs) which may be activated by PSYC holders in order for such holders to burn their PSYC in exchange for

a pro rata portion of a PSYC-specific treasury separate from the PSY-governed treasury and accumulated through PSYC sales. PSYC have attached art licensed from Indigenous Peoples, beginning with the Shipibo-Conibo from the Peruvian Amazon. PSYC holders can mint and sell tokenized sublicenses of that art using an ERC1155 extension. Royalties from sales of the art are paid to their respective tribes. PSYC can claim PSY from a pool of PSY tokens reserved for PSYC holders, but must participate in governance in order to make claims. PSYC supply is infinite but grows along the Fibonacci scale enabling sustainable biomimetic decentralized growth.

PSY is a fungible utility token that provides delegated governance rights over the PsyDAO treasury. Those rights are delegated to PSY by PSYC. Therefore, the governance authority vested in PSY is nested inside the governance authority of PSYC and decisions made by PSY holders over the PsyDAO treasury are subject to veto by PSYC holders.

4. Tokenomics of PSY

PSY tokens represent delegated governance rights over the PsyDAO treasury.

A total of 102,334,155 PSY tokens, reflecting the 40th number in the [Fibonacci sequence](#), have been minted at the following smart contract address:
0x2196b84eace74867b73fb003aff93c11fce1d47a

No additional PSY can be minted.

The 102,334,155 PSY will be distributed as follows:

- 20% sold in the genesis token sale
- 6.9% distributed to bio.xyz pursuant to the terms of the incubator/accelerator program
- 3% distributed to Molecule in exchange for capital and labor
- 2% distributed to Pretopia in exchange for capital and labor
- 29% reserved for PSYC token holders
- 39.1% reserved for the PsyDAO treasury

All PSY tokens distributed to PSYC token holders will be subject to vesting as determined by the PsyDAO community. Vesting terms may apply to any tokens distributed from the treasury to contractors and funders at PSYC token holders' discretion. All other tokens will be fully vested.

PSYC token holders control the terms upon which PSY exercises its delegated governance authority over the PsyDAO treasury, and have set the terms as 1 PSY = 1 vote. Such terms are subject to changes, such as quadratic voting, at PSYC's sole discretion.

5. Key features of PSY

PSY is a utility token for exercising delegated and limited governance over the PsyDAO treasury. PSY holders will vote on the use of funds from the PsyDAO treasury, including which new scientific research projects to support, what products to develop, and how to use PsyDAO's IP. PSY's only function is in exercising the governance authority delegated to PSY token holders, within the scope of that delegated authority. PSY cannot be redeemed for goods, services, or treasury assets from PsyDAO.

As a nested and delegated governance token, PSY votes may be vetoed by PSYC token holders. PSYC holders own the PsyDAO Association treasury and have absolute authority over all matters regarding PsyDAO Association (e.g., corporate structuring, development of IP, etc.). PSYC holders delegate limited authority over the PsyDAO treasury to PSY holders to democratize and better decentralize PsyDAO. PSYC can claim PSY from a pool of PSY tokens reserved for PSYC holders, but must participate in governance in order to make claims.

PSYC tokens have an uncapped supply but are issued in fixed amounts along the Fibonacci scale, with each new batch of PSYC requiring consent of existing PSYC holders before minting, and a vote to issue a new batch of PSYC must be made after make 3 PSYC governance decisions. At the time of launching PSY, there are 3 PSYC holders, who constitute the founding Fibonacci cohort. Individuals may hold only 1 PSYC token at a time, such that 1 individual = 1 PSYC = 1 vote.

PSYC is non-transferable except with authorization from the PSYC smart contract owner. PSYC has an EgoDeath function (based on the RageQuit function in MolochDAO-style DAOs) which may be activated by PSYC holders in order for such holders to burn their PSYC in exchange for a pro rata portion of a PSYC-specific treasury separate from the PSY-governed treasury and accumulated through PSYC sales. PSYC have attached art licensed from Indigenous Peoples, beginning with the Shipibo-Conibo from the Peruvian Amazon. PSYC holders can mint and sell tokenized sublicenses of that art using an ERC1155 extension. Royalties from sales of the art are paid to their respective tribes.

6. Risk Factors

When acquiring, holding or using PSY, several potential risks may apply. It's important to note that this list is not exhaustive and that the specific risks can vary depending on the nature of the project, the research being funded, the structure of the investment, the jurisdiction, and other factors.

- Liquidity Risk: The market for trading PSY might be limited. This could mean you may not be able to resell your PSY easily or at a price that you find satisfactory.
- Regulatory Risk: The regulatory landscape for PSY and blockchain technology is still evolving. Changes in laws or regulations could have a material impact on the value or legality of your purchase.

- Project Risk: The success of the scientific research and projects being funded is not guaranteed. There might be delays, cost overruns, or the research or projects might not yield the expected results.
- Technological Risk: As a digital asset, there is the risk of loss due to hacking, technical glitches, or issues with the underlying blockchain.
- Smart Contract Risk: The PSY tokens and DAO utilize smart contracts and there is a risk that the contracts could have bugs or security vulnerabilities that could be exploited, resulting in loss of funds.
- Market Risk: The value of PSY could fluctuate due to changes in the broader market for NFTs, intellectual property, or cryptocurrencies.
- Intellectual Property Risk: There may be disputes or uncertainties regarding the ownership or enforcement of intellectual property controlled by PsyDAO.
- Legal and Compliance Risk: Depending on your jurisdiction, owning and trading PSY or other digital assets might have legal implications, including potential tax liabilities.
- Network Risk: The value and function of the PSY could be impacted by changes or issues with the underlying blockchain network, Ethereum, such as changes in the consensus mechanism, forks, or network congestion.
- Operational Risk: The platforms or exchanges used to buy, sell, or store the PSY could have operational issues, such as downtime, that could impact your ability to manage your purchase.
- Governance Risk: PSY confers governance rights and there may be disagreements or disputes among the token holders.

7. Participant's representations

- The Participant has been advised that the PSY offering has not been registered under any country's securities laws and, therefore, cannot be resold except in compliance with the applicable country's laws.
- The Participant is participating for its own account not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and has no present intention of selling, granting any tokens, or otherwise distributing the same.
- The Participant has such knowledge and experience in financial and business matters that the Participant is capable of evaluating the merits and risks of such participation, is able to incur a complete loss of such investment without impairing the Participant's

financial condition and is able to bear the economic risk of such, for an indefinite period of time.

- The Participant represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection to the participation in the token offering, including (i) the legal requirements within its jurisdiction (ii) any foreign exchange restrictions applicable to such participation (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the participation.
- The participation and holding of any tokens will not violate any applicable laws of the Participant's jurisdiction.
- All information or other documentation provided by the Participant to the association is true, correct, and complete in all respects.
- The Participant consents and agrees to the release or disclosure of any and all of the Participant's information to third party entities, and applicable Governmental Authorities and to the association's affiliates and/or agents for the compliance of any applicable laws or regulations.
- The Participant acknowledges that the association and others will rely upon the truth and accuracy of the acknowledgments, representations and covenants contained herein, and agrees that if any of the acknowledgments, representations or agreements deemed to have been made are no longer accurate, it shall promptly notify the association.
- The Participant understands that the participation in the token offering involves significant risks, all of which the Participant fully and completely assumes, including, but not limited to, the risk that (i) the technology associated with the network or the tokens, will not function as intended; (ii) the network and the tokens will fail to attract sufficient interest from users; and (iii) the association, the association's affiliates, the network or the tokens, may be subject to investigation and punitive actions from any governmental authorities.
- The Participant is financially sophisticated and has such knowledge and experience in financial and business matters, such that the Participant is capable of fully evaluating the merits and risks of participating in the token offering. The Participant can fully bear such risks and agrees to bear such risks.
- The Participant has sufficient technical understanding of cryptographic tokens, network protocols, smart contracts, token storage mechanisms, and distributed networks or distributed ledger technology in general to understand and to appreciate the risks and implications of participating in the token launch and token auction.

- THE PARTICIPANT UNDERSTANDS AND EXPRESSLY ACCEPTS THAT THE TOKENS WILL BE CREATED AND DELIVERED AT THE SOLE RISK OF THE PARTICIPANT ON AN “AS IS,” “UNDER DEVELOPMENT” AND “AS AVAILABLE” BASIS, WITHOUT WARRANTIES OF ANY KIND. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE PARTICIPANT ASSUMES ALL RISK AND LIABILITY FOR THE RESULTS OBTAINED BY THE USE OF ANY TOKENS AND REGARDLESS OF ANY ORAL OR WRITTEN STATEMENTS MADE BY THE ASSOCIATION, BY WAY OF TECHNICAL ADVICE OR OTHERWISE, RELATED TO THE USE OF THE TOKENS. THE PARTICIPANT ACKNOWLEDGES THAT THE INFORMATION INCLUDED IN THIS WHITE PAPER CONSTITUTE SUFFICIENT INFORMATION FOR THE PARTICIPANT TO MAKE AN INFORMED DECISION. THE PARTICIPANT ACKNOWLEDGES THAT IT HAS BEEN ADVISED TO CONSULT WITH, AND HAS CONSULTED WITH, THE PARTICIPANT’S OWN ATTORNEY, ACCOUNTANT, TAX ADVISOR, AND INVESTMENT ADVISOR WITH RESPECT TO THE PARTICIPATION.
- The Participant understands that the Participant bears sole responsibility for any taxes as a result of the matters and transactions contemplated by the Participation, and any future acquisition, ownership, use, sale or other disposition of Tokens. This includes the tax implications associated with any determination (including those by the association or any tax authority) that the tokens do represent a security, a right to a security, an asset or commodity, a right to an asset or commodity, a utility or use right.
- The Participant agrees to indemnify, defend and hold the association, or any of its affiliates, directors, officers, employees, contributors, advisors or agents (including developers, auditors, contractors or founders) harmless for any claim, liability, assessment or penalty, including with respect to any taxes associated with or arising from the Participant’s participation in the token launch or auction, or the use or ownership of tokens.
- No part of this White Paper is to be reproduced, distributed or disseminated without including this section.