



MBIT
Y

The Platform for Tokenizing Revenue Streams

Version 1.0

July 2017

Table of Contents

<u>ABSTRACT</u>	5
<u>1. THE OPPORTUNITY</u>	6
<u>2. MYBIT SOLUTION</u>	6
<u>3. MARKET SIZE</u>	7
<u>4. PROFITABILITY</u>	11
<u>5. FUTURE USE CASES</u>	13
<u>6. TECHNOLOGY</u>	14
6.1. INTRODUCTION TO DECENTRALIZED TECHNOLOGY	ERROR! BOOKMARK NOT DEFINED.
6.2. BITCOIN	ERROR! BOOKMARK NOT DEFINED.
6.3. BITCOIN 2.0: BLOCKCHAIN APPLICATION LAYER	ERROR! BOOKMARK NOT DEFINED.
6.4. DECENTRALIZED APPLICATIONS (WEB3)	ERROR! BOOKMARK NOT DEFINED.
6.5. DECENTRALIZED CONSENSUS	ERROR! BOOKMARK NOT DEFINED.
6.6. WHY ETHEREUM?	ERROR! BOOKMARK NOT DEFINED.
6.7. MYBIT DESIGN	14
6.7.1. TECHNICAL FLOW OF ASSET LIFE CYCLE	18
6.7.2. ARCHITECTURE	19
6.7.3. TECHNOLOGY COMPONENTS	20
6.7.4. TECHNOLOGIES & APPLICATION DEVELOPMENT TOOLS	21
6.7.5. IP PROTECTION	22
6.7.6. PROTOCOLS	22
6.7.7. IDENTITY MANAGEMENT	23
6.7.8. PAYMENT	23
6.8. SMART CONTRACTS	23
6.8.1. ORACLES	25
6.9. USABILITY	25
6.10. USE CASES	26
6.10.1. P2P ENERGY TRADING	26
6.10.2. INFRASTRUCTURE INVESTMENT SWAPS	27
6.10.3. MACHINE TO MACHINE PAYMENTS	27
<u>7. BUSINESS MODEL</u>	28
<u>7.1. LEGAL STRUCTURE</u>	28
<u>7.2. GO TO MARKET</u>	29
<u>7.3. MONETIZATION</u>	30
<u>8. TOKEN STRUCTURE</u>	30

8.1. WHY ARE WE USING BLOCKCHAIN?	30
8.2. WHY ARE WE RAISING CAPITAL?	31
8.3. BLOCKCHAIN CROWDFUNDING VS. TRADITIONAL FUNDING	31
8.4. TOKEN FLOW	32
8.5. USE OF THE TOKEN	33
<u>9. CROWDSALE STRUCTURE</u>	<u>34</u>
9.1. THE TOKENSALE	34
9.2. MILESTONES	34
9.3. ESCROW & USE OF FUNDS	35
9.4. POST-CROWDFUND TRADING	36
9.5. LIQUIDITY	36
9.6. REGULATION	37
9.7. ROADMAP	37
<u>10. TEAM</u>	<u>37</u>
<u>10.1. ADVISORS</u>	<u>42</u>
<u>11. REFERENCES</u>	<u>44</u>

[Page Left Blank Intentionally]

Abstract

MyBit makes financing and maintaining revenue streams efficient and automatic. By commoditizing solar panel systems and other forms of renewable energy, investors and landowners can crowdfund the coming decentralized energy grid. With MyBit, investors get security on their investment, while landowners get access to investors willing to help in exchange for profit. By standardizing and automating setup, sales, and dividends, MyBit takes you one step closer to an equitable economy.

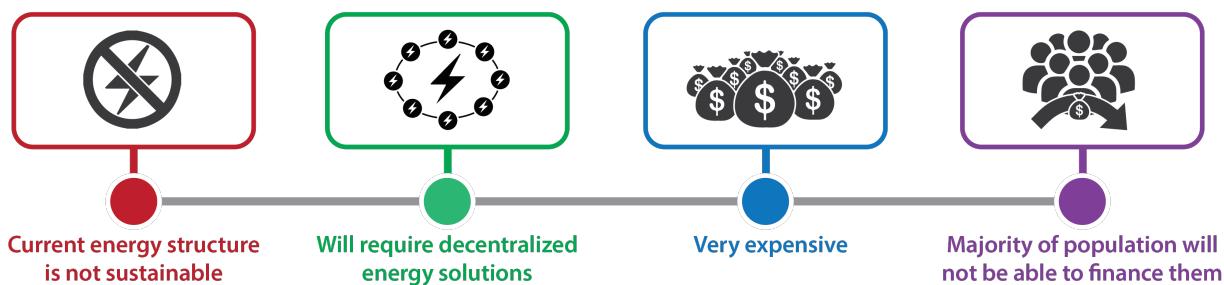
The Future

Our five year goal is to be at the forefront of commoditizing the coming AI economy. MyBit will be Europe's platform tokenizing any automatable or machine infrastructure. And it will be owned by the crowd.

1. The Opportunity

The amount of energy needed to power AI machinery will exceed what traditional power grids can produce.

Since the current energy structure is not sustainable (scalable at speed), it will require decentralized energy solutions. Traditional financing models would only enable a small fraction of the population to own / participate in the decentralized solutions.



With the rise in global demand for energy, traditional grids will soon be unable to produce enough energy to meet those demands. This exponential growth in energy usage can be contributed to the AI & IoT revolution as well as the maturation of emerging markets.

2. MyBit Solution

MyBit uses Blockchain tokenization to create a new asset class for investing in Decentralized Energy infrastructure. This is made possible through Ethereum and governed by smart contract logic.

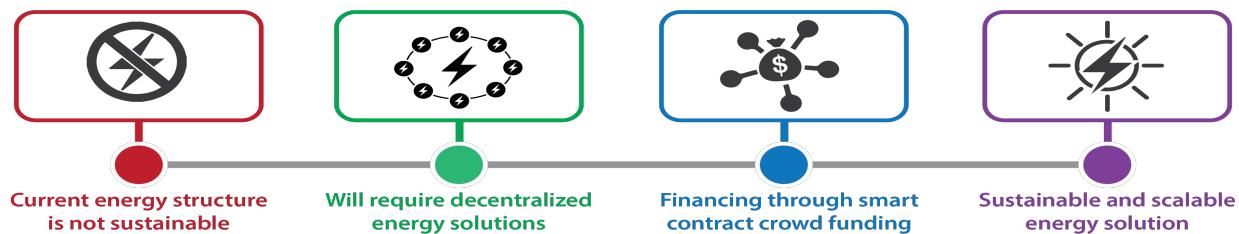
Our Core Values include:

- Sustainability (Clean energy)
- Accessibility (vastly reducing financial barriers to entry)
- Scalability (to meet rising power demands globally)

Commoditize Decentralize Energy Infrastructure

Centralized financing systems have worked well for most of history, but we are reaching a tipping point where they will no longer be able to scale with demand. Our proposed solution is to utilize Ethereum's Blockchain and smart contract functionality to enable decentralized crowdfunding and revenue sharing for infrastructure that is already generating revenue. This enables energy infrastructure to scale as needed to keep up

with growing demand. It is not restrictive to location (from a financial infrastructure perspective), incentivizes investors with real-time revenue distributions, and enables decentralized energy solution providers to sell more units.



- Removes financial barrier to entry by crowdsourcing the purchase of decentralized grids in exchange for per-usage revenue sharing
- Enables faster access to capital (than traditional financing mechanisms such as bank loans and other debt instruments)
- This creates a highly scalable (at speed) & sustainable energy model

3. Market Size

Renewables (solar, wind, wave, hydro, geothermal, biomass and waste) are the fastest growing component of worldwide energy generation.

In 2008, the world relied on renewable sources for around 16% of its total primary energy supply. In 2013, renewables accounted for almost 22% of global electricity generation, and the IEA Medium-Term Renewable Energy Report of 2015 foresees that share reaching a minimum 26% increase in 2020.

Source of Electricity (World total year 2008)

-	Coal	Oil	Natural Gas	Nuclear	Renewables	other	Total
Average electric power (TWh/year)	8,263	1,111	4,301	2,731	3,288	568	20,261
Average electric power (GW)	942.6	126.7	490.7	311.6	375.1	64.8	2311.4
Proportion	41%	5%	21%	13%	16%	3%	100%

Solar energy is the fastest growing component within renewables. Today, most solar power is produced by large scale solar farms consisting of thousands of PV solar

panels. These farms are primarily owned and operated by municipalities and or large utility companies.

Soon (3-5 years), the clear majority of new solar power will come from ***micro or nanogrids***, small solar power systems sitting atop residential and commercial rooftops, owned by active “prosumers” (producers and consumers) who monetize their space to gain progressive independence from the grid and create revenue streams.

In addition to the economic benefits, we contend that emissions reductions, the employment generated, the local control and autonomy allowed, and the overall public good created from microgrids will disproportionately add to their explosive market growth.

So how big is the market? We believe by:

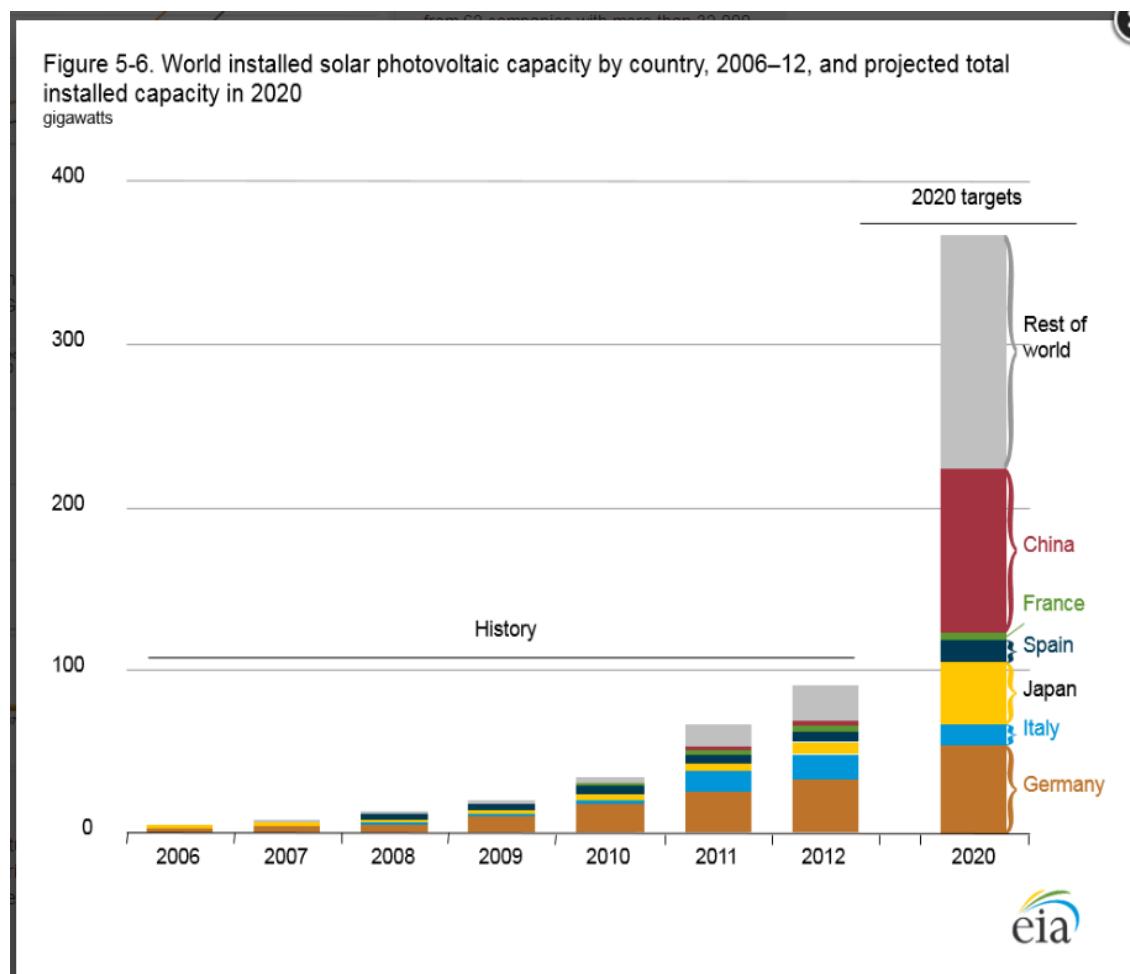
- eliminating the key barrier to entry (which is capital) with access to peer to peer funding from anywhere in the world and,
- enabling trust via smart contracts that guarantee delivery of funds to suppliers / installers of microgrid components as well as guarantee distribution of revenues generated by the sales of energy back to the utility companies,

the total addressable market for the MyBit platform is equal the total number of new consumer and business rooftops installed annually. According to Tesla founder, Elon Musk, this equates to 20-30 million rooftops per year, worldwide.

Where To Begin

Germany's renewable energy sector is among the most innovative and successful worldwide. Net-generation from renewable energy sources in the German electricity sector has increased from 6.3% in 2000 to about 34% in 2016 and is targeting 80% by 2050.

Key to Germany's energy policies and politics is the "[Energiewende](#)", meaning "energy turnaround" or "energy transformation". Germany's political will to succeed in renewable energy is driving an environment of amicable private / public partnerships and economic incentives that make Germany the right place to launch the MyBit platform.



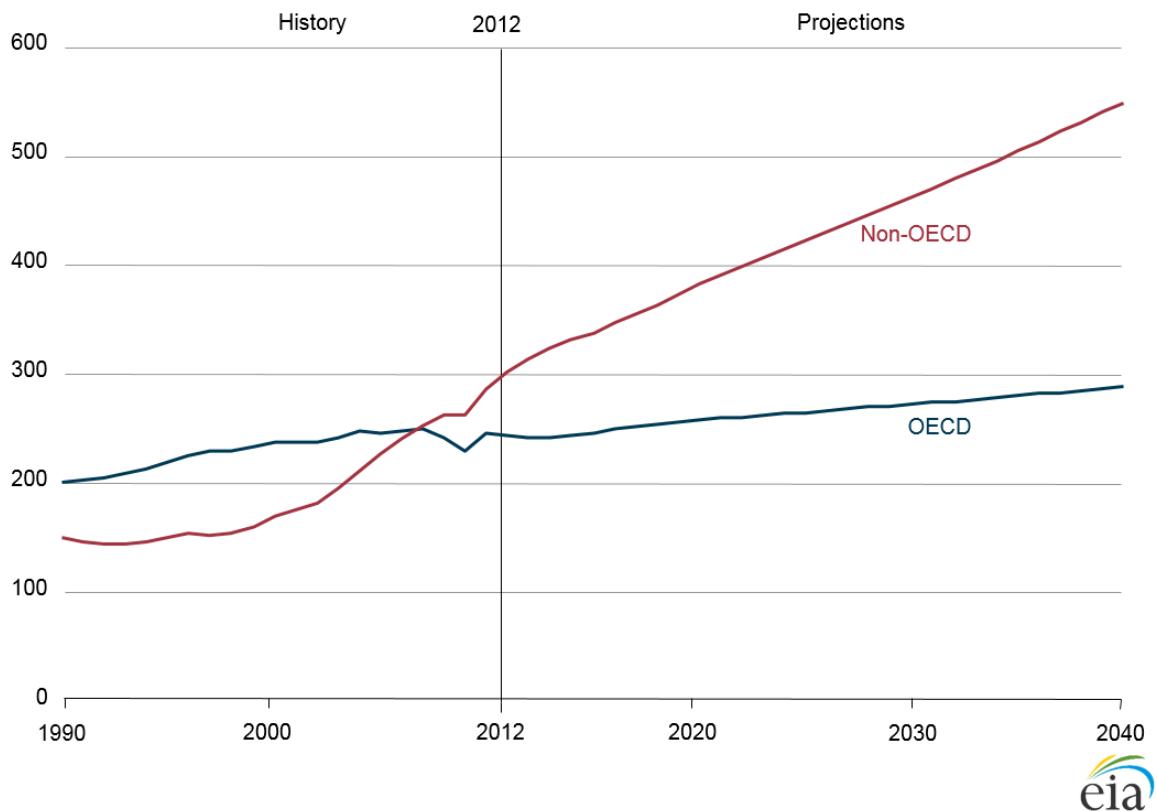
Emerging Markets

Integration into world markets by six of the largest non-OECD economies (Brazil, Russia, India, Indonesia, China, and South Africa) has driven estimated non-OECD energy consumption increases of 71% between 2012 and 2040 compared with an increase of 18% in OECD nations.

By 2040, almost two-thirds of the world's primary energy will be consumed in the non-OECD economies. We want to be there.

Figure 1-2. World energy consumption by region, 1990-2040

quadrillion Btu



4. Profitability

Disclaimer: These models have been produced solely to demonstrate a clear, profitable opportunity for our business model. These numbers should not be viewed as final and individual research is strongly encouraged prior to making any investments. These models should not influence your decision to participate in the MyBit tokensale to aid in the development and growth of the ecosystem. For full details please review tokensale terms and conditions via the crowdfunding dashboard.

1) Investing in Solar Panels

For ease of review, the chart below represents averages across many major markets throughout the world; consequently, individual markets will vary from these numbers. Further, we have used conservative figures such as the rate paid for energy produced and selling back to “the grid” to compensate for unexpected fees or future decreases in

sell-back rates. In markets such as Germany where we will initially go to market, feed-in tariffs are paid to encourage the production of energy consumed.

Monthly generation: 5 kW system, 4-6 hours daily direct sunlight (4.8 hours average)

System Cost	KwH	Rate	KwH Consumed	Excess	Excess Rate	Profit	Excess Profit	Total Profit
\$10,000	720	\$ 0.1288	667	53	\$ 0.07	\$ 85.91	\$ 3.71	\$ 89.62

Annualized Cashflow	\$ 1,075.44
Rate of Return on Inv.	10.75%
Repayment (years)	9.299
US 10yr T-note rate	2.385%

(Within 3 years) 10 kW system, 4-6 hours daily direct sunlight (4.8 hours average)

Due to constant innovation in the renewable energy sector, it is projected that within three years the cost of solar PV will be approximately 50% of what it is today. This equates to a 7.5% increase in annual rate of return on investment and an approx. 3.4 year decrease in payback period. This model demonstrates that the MyBit model will become increasingly profitable over time.

System Cost	KwH	Rate	KwH Consumed	Excess	Excess Rate	Profit	Excess Profit	Total Profit
\$10,000	1,440	\$ 0.1288	667	773	\$ 0.07	\$ 85.91	\$ 54.11	\$ 140.02

Annualized Cashflow	\$ 1,680.24
Rate of Return on Inv.	16.802%
Payback Period (years)	5.952
US 10yr T-note rate	2.385%

2) Network Distributions (token holders)

All transactions on the MyBit platform are assessed a 1% network fee which is distributed to token holders based on their percent stake. In the below model we have provided a basic visual of what this could look like based on monthly revenue distributions from total installed Solar PV systems. Please note that these figures do

not include fees assessed to the registration of assets, inflowing investments, and other industry verticals that may be integrated in future phases.

# Systems	Monthly TSF	Total Flow	Network Fee	Network Profits	MyB Stake	Monthly Profit
10,000	\$115	\$1,150,000	1%	\$11,500	0.10%	\$12
100,000	\$115	\$11,500,000	1%	\$115,000	0.10%	\$115
1,000,000	\$115	\$115,000,000	1%	\$1,150,000	0.10%	\$1,150
5,000,000	\$115	\$575,000,000	1%	\$5,750,000	0.10%	\$5,750
10,000,000	\$115	\$1,150,000,000	1%	\$11,500,000	0.10%	\$11,500
25,000,000	\$115	\$2,875,000,000	1%	\$28,750,000	0.10%	\$28,750

The cost for a 0.1% stake in the MyBit network assumes a maximum raise equivalent to 4,000,000 USD. Please note that this amount may vary.

Cost for 0.1%		
Tokensale Max	Percent Stake	Cost
\$4,000,000	0.10%	\$4,000.00

5. Future Use Cases

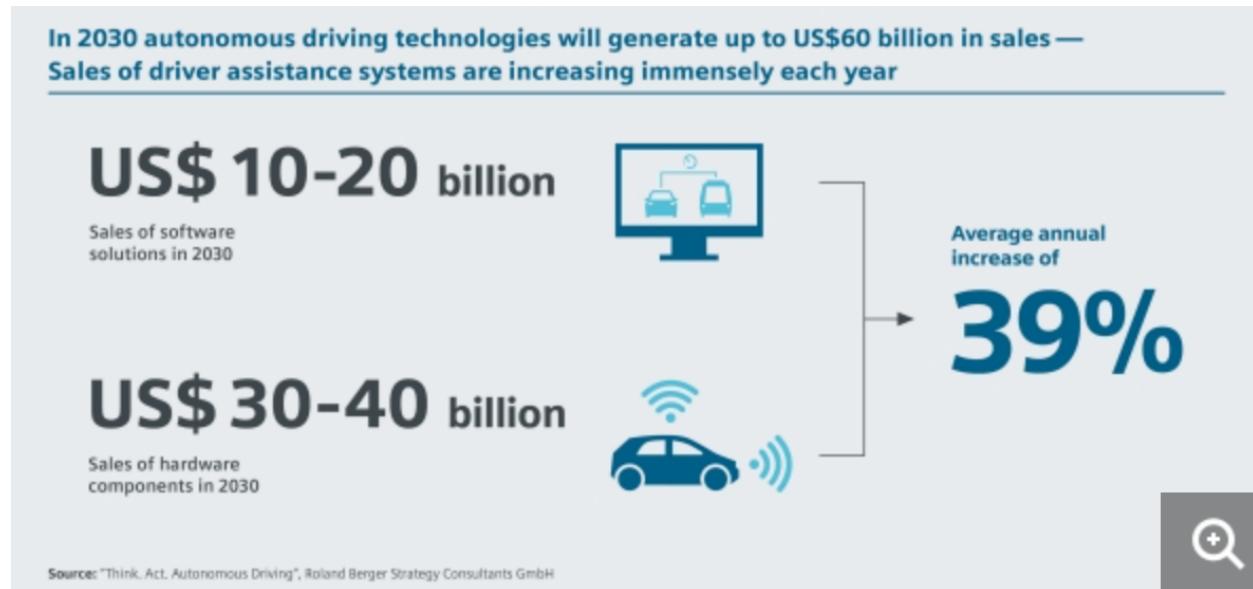
While we are building the MyBit platform agnostically from revenue generating assets and industry-specific use cases perspectives, our passion is to be at the forefront of the upcoming AI revolution. Decentralizing the ownership (and therefore flow of profit distributions) of AI machinery, specifically autonomous mobiles, provides immense societal benefits.

For example, with the rise of AI, traditional workers will be displaced exacerbating unemployment and income disparity. Many workers will be unable to be retrained for an AI-oriented workforce and this will produce societal backlash which will slow the uptake of AI. By commoditizing autonomous machinery, you can help supplement wages from jobs lost to AI, and optimize infrastructure to adequately scale with rising energy demands.

Similar to the process outlined above for commoditizing decentralized energy, we plan to use our model to foundationally drive the evolution of AI infrastructure implementation.

This market is projected to provide equally massive potential.

In the autonomous driving market alone, sales for hardware and software are expected to grow at an annual rate of 39% and reach US \$40-60 billion in sales per year in 2030.



By 2025, sales of machine robotics it is expected to reach US \$67 billion. Beyond this amazing growth story is the game-changing trend that instead of merely performing repetitive tasks, robots are heading for incremental autonomy – a trend that is set to transform not only production and logistics, but business models and user behavior.

6. TECHNOLOGY

Overview

Our goal is to remove the financial barriers to entry and the friction currently present in the alternative asset investment space, thereby enabling anyone to benefit from sustainable infrastructure regardless of their socioeconomic status or location. We achieve this through the creation of a platform (MyBit) which decentralizes investment through Ethereum smart contracts and secures ownership with IPDB (inter-planetary database), and IPFS (inter-planetary file system). The MyBit platform is fueled by application-specific tokens, MyBit Tokens (\$MyB).

6.1. MyBit Design

This application is designed to demonstrate how assets can be modeled on the Blockchain using the scenario of asset management and decentralized revenue streams.

Let's assume in our scenario assets are modeled using Blockchain technology with the following attributes:

Type	Attribute
Alphanumeric	AID (Asset ID)
Unsigned int	AIN(Asset Identification Number)
Name of the asset	Asset
String	Description
String	Date of Registration
Identity of genesis owner (issuer)	Registered by
Identity of current owner(s)	Current Owner(s)
Identity of beneficiary(s)	Beneficiary (if any)
Cryptographic hash of the supporting document	Identification Document (optional*)

The application is designed to allow participants to interact with the income-generating assets by creating, updating, storing, querying, participating in revenue sharing, and transferring them as their permissions allow.

Contracts needed	Permissions	Participants
AssetManager	Read, trigger events	Owner(s), Beneficiary(s)
OwnershipManager	Trigger events	Validating Authority
AssetManager, FinanceManager	Create	Issuer
AssetManager, FinanceManager	Read(Verify ownership), Update, Transfer	nth Purchaser, nth Investor
FinanceMgmt	Input: Inv. Output: Ownership stakes	Buyer
AssetManager OwnershipManager	Transfer, Decommission	Current Owner(s)
FinanceManager, RevenueManager	Input: Read(revenue data) Output: Distribute profits	nth owner
AssetManager, OwnershipManager	Read, Update, Transfer	Beneficiary(s)

MyBit utilizes various smart contracts (some independent and some that rely on other contracts to execute) to govern network actions and overall platform operations.

Action	Description	Contracts Required	Authority (Signer)
Asset Creation	Linking of asset approved by issuer to consumer via Identity mgmt. protocol	AssetManager	Issuer , Consumer
Financing Start	Fundraising for asset commences	FinanceManager	Issuer , Consumer , Investor
Financing Fail	Time limit reached prior to raising req.	FinanceManager	Smart Contract
Financing Success	Capital reaches req. SC governs payment - manufacturer/installer	AssetManager, FinanceManager	Smart Contract , Manufacturer/Issuer
Share Issuance	Shares transferred to individual inv. Accts.	AssetManager, FinanceManager	Smart Contract , Investor
Distributions	Revenue distributions to investors	RevenueManager. Finance Manager	Smart Contract , Investor
Trust Creation	Asset Owner creates terms of divestment or distribution	AssetManager, OwnershipManager	Asset Owner , Third – Party (Escrow) , Beneficiary
Trust Execution	Terms of Trust contract met (triggered by oracle) & signed by 2 of 3 keys	AssetManager, OwnershipManager, [RevenueManager]	Smart Contract , Oracle , Escrow , Beneficiary
Share Ownership TSF	Purchase or Sale of asset resulting in tsf of ownership	AssetManager, [RevenueManager]	Buyer , Seller

The concept taken here (as an example of decentralized asset management) defines how smart contracts can be utilized to manage current assets, implement event-driven ownership distribution, participate in revenue sharing of income-generating assets, and buy/sell decentralized revenue streams.

6.1.1. Technical flow of Asset life cycle

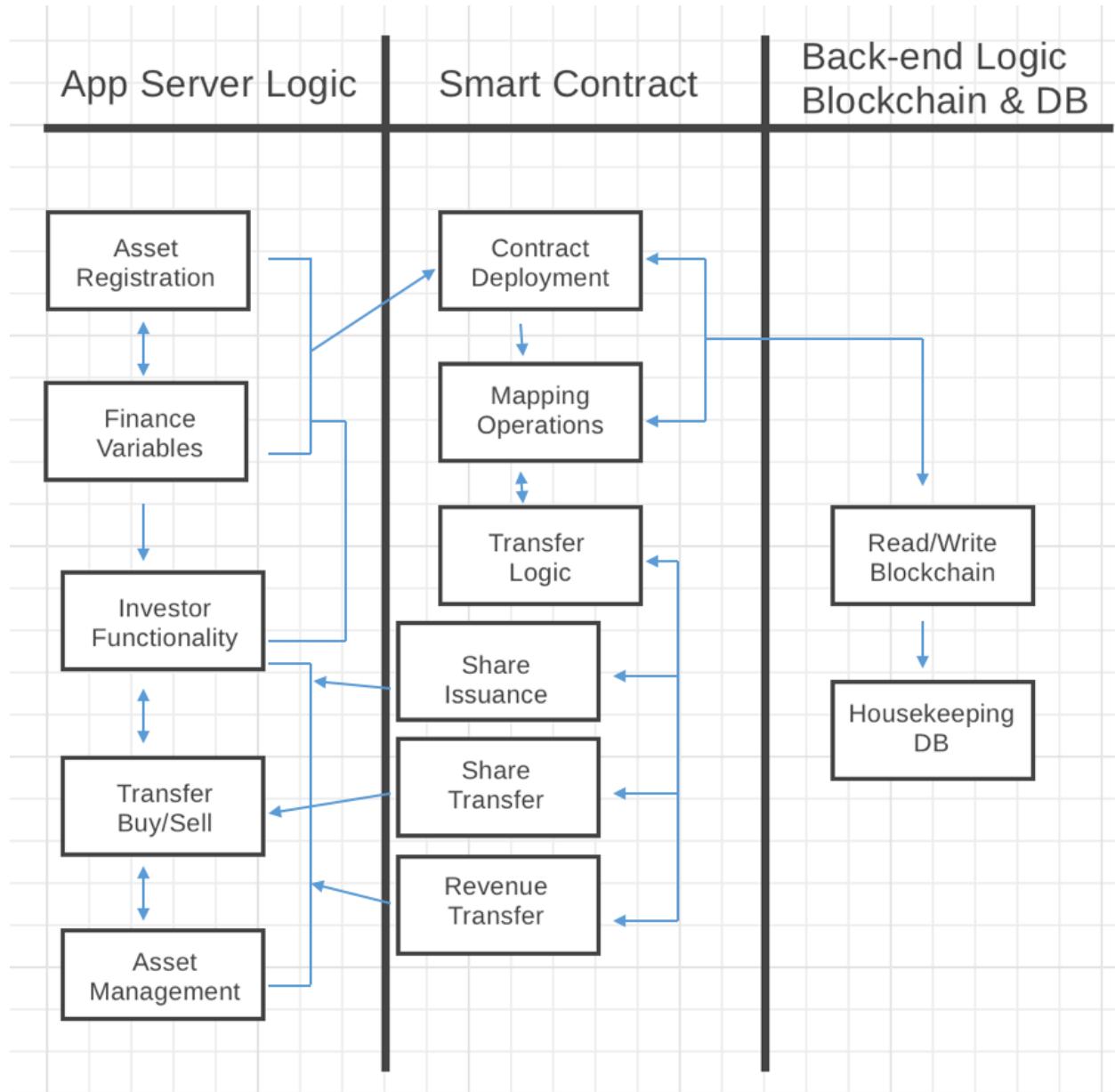
1. Asset is created by the Initiator using the AssetManager contract. Details of the Initiator are recorded on the Blockchain. These contracts develop two sandboxed containers (like a table) on the Blockchain which are linked by public address (hash) of Initiator account.
2. In case of an error in asset creation, the Initiator will be able to update the asset, but a trail of updates will still be recorded on the ledger.
3. Details of the Asset should contain a unique identifier that can distinguish the asset. Supporting documents can also be uploaded.
4. Initiator can decide to enable asset financing in the form of crowdfunding. Upon completion profit distributions will begin once asset begins generating revenue.
5. Each investor will instantly become a partial-owner (assuming the fundraising goal was achieved, otherwise any sent value would be returned). Following this step the owners can also elect to register his/her beneficiary with the Trust Manager contract.
6. Buyer has the capability to verify the ownership of the asset and identity of the issuer from the Blockchain using our contract logic.
7. Assuming each buyer will check with the system to verify asset ownership, fraud will be easily detected.
8. Trail of ownership will be updated on the Blockchain with each transfer transaction. Current owner and beneficiary information will also be updated.
9. Validated Authority may or may not be implemented for each transaction as it depends on the level of control required for Business logic.
10. With each completed transaction a Bill of Sale (for Assets exchanging ownership) will be generated by Backend Server. Required data will be pulled directly from the ledger.
11. In case of event driven Trust contract (death, pre-defined time interval, graduation, marriage, or other), on reception of data submission from oracle (or required documents with regulatory “entity” of contract), it

can trigger an event on the ledger which would execute the Trust smart contract and transfer ownership seamlessly to the beneficiary(s).

12. If an asset's life is expended, the current owner(s) can also decommission the asset on the ledger.

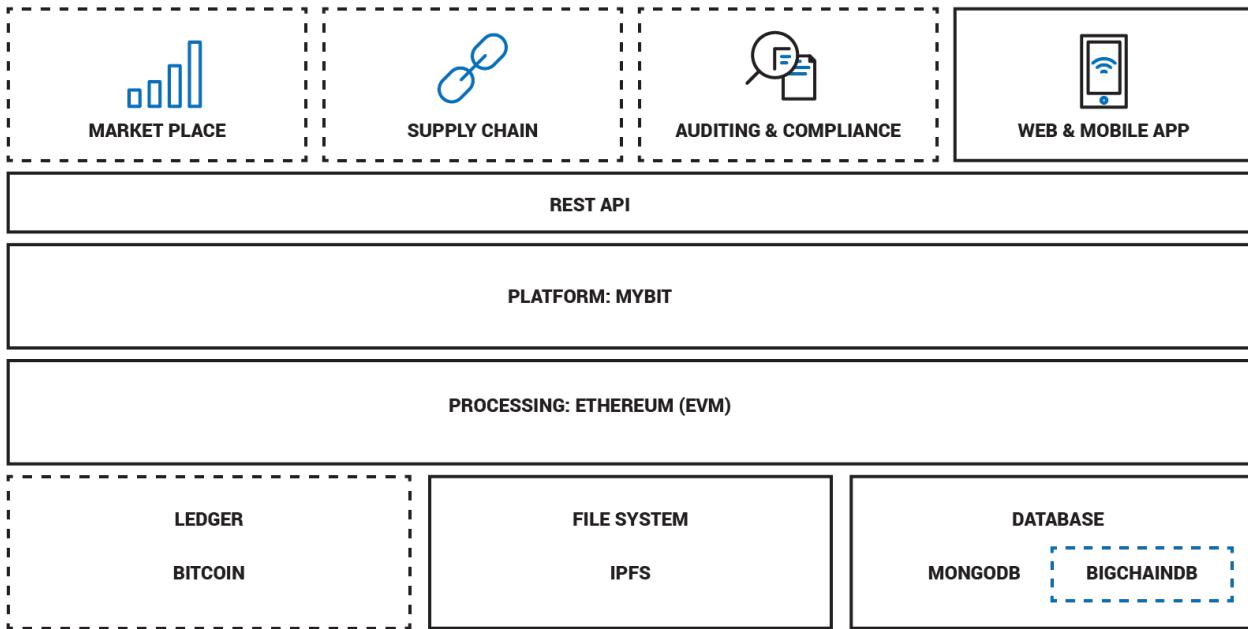
6.1.2. Architecture

All Application interactions occur over REST protocol. The application interacts with smart contracts over RPC using an HTTP endpoint.



6.1.3. Technology Components

TECH STACK



At the **Database** level of our technology stack our end goal is to integrate BigchainDB, an enterprise grade decentralized Blockchain Database. However, we must wait for a stable release so we are planning to use MongoDB as a housekeeping database until Bigchain is production ready. We chose MongoDB since they are a top-tier and highly reliant distributed database (the next best thing to decentralized) and Bigchain is developing their solution in cooperation with MongoDB so the transition from MongoDB into BigchainDB will be much easier than if we chose another database solution from the start. For BigchainDB to be decentralized, nodes must be maintained by various sources so we will be highly selective in reviewing the nodes for Bigchain's inter-planetary database module.

For our **file system** we have chosen the inter-planetary file system (IPFS) as it is the most notable decentralized file storage initiative with founders visions' that align much with those of our team.

We may elect to use the Bitcoin Blockchain as a **ledger** where transactional data is hashed and stored since it is the oldest, most secure, and trusted Blockchain to date. Limitations may arise due to Bitcoin's throughput capacity, high latency, and fees, which is the reason we are not planning to include in our MVP release, but may choose to incorporate as its technology advances to manage scale and fee reductions.

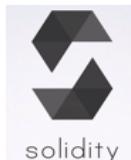
For **processing** we are using Ethereum as our platform's engine to enable rich and highly functional smart contract logic which is a backbone of our platform. We are

keeping in mind that Ethereum has plans in the near future to migrate to proof of stake (from proof of work) with their Casper release.

The MyBit **platform** will expose a rich **Rest API** to enable the development of **services** utilizing MyBit's functionality. The Web and Mobile interfaces we are developing will rely on this API as well as provide the community options to develop solutions such as advanced analytics, market places, supply chain applications, and much more. We will utilize the Mist Browser and MetaMask (google chrome plugin) for the MyBit web application and plan to utilize status.im OS for mobile to enhance user experience and accessibility.

6.1.4. Technologies & Application Development Tools

Language



IDE



Client: Geth



Frameworks & API



Version Control



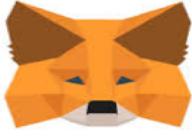
Storage



Database



Browser



METAMASK

Testing: TestRPC

6.1.5. IP Protection

True Blockchain Technology is open sourced (publicly available for people to review). Decentralized Applications MUST be open sourced to function appropriately and provide the necessary levels of transparency; therefore, the structure of this DApp will be open source. What enables us to protect our platform from replication will be the proprietary integrations that facilitate (and largely automate) the registration process of assets and facilitate the implementation into existing company infrastructure in the Energy and AI sectors.

6.1.6. Protocols

We utilize the nodejs implementation of DEVp2p to enable Ethereum nodes to communicate with one another. Messages are sent via RLPx which is an encrypted and authenticated transfer protocol. TCP could have been the transport protocol utilized, except Ethereum nodes send and receive information in packets which RLPx facilitates. The Devp2p nodes (identity is a secp256k1 public key) find other network nodes through DHT, the discovery protocol of RLPx. This process can also be manually executed via supplying a client-specific RPC API with a peer endpoint.

Basic example of peer to peer commands for DEVp2p

Hello 0x00 [p2pVersion: P, clientId: B, [[cap1: B_3, capVersion1: P], [cap2: B_3, capVersion2: P], ...], listenPort: P, nodeId: B_64] First packet sent over the connection, and sent once by both sides. No other messages may be sent until a Hello is received.

- p2pVersion Specifies the implemented version of the P2P protocol. Now must be 1.
- clientId Specifies the client software identity, as a human-readable string (e.g. "Ethereum(++)/1.0.0").
- cap Specifies a peer capability name as a length-3 ASCII string. Current supported capabilities are eth, shh.
- capVersion Specifies a peer capability version as a positive integer. Current supported versions are 34 for eth, and 1 for shh.
- listenPort specifies the port that the client is listening on (on the interface that the present connection traverses). If 0 it indicates the client is not listening.
- nodeId is the Unique Identity of the node and specifies a 512-bit hash that identifies this node.

6.1.7. Identity Management

To reduce time and cost to market, MyBit will be integrating a Blockchain-based identity management tool instead of developing internally. More information regarding the solution we choose will be made publicly available for feedback and review prior to implementation.

6.1.8. Payment

MyBit is payment agnostic. Meaning that major Fiat and Cryptocurrencies can be used as a form of payment on the back-end. While MyBit runs on Ethereum and MyBit Tokens, we do not want to create unnecessary barriers to entry (need of obtaining those specific currencies). Conversion to Ethereum and MyBit tokens will be completed as a back-end running process. This results in removing friction to access the MyBit platform while still creating market support for the MyBit Token via back-end exchange scripts.

6.2. Smart Contracts

1) FinanceManager

Registration of an asset, amount that needs to be raised, time limits, manufacturer, terms etc. (highly similar to a crowdfunding smart contract). This contract then creates revenue distribution contract and mints tokens (trading asset ownership).

2) RevenueManager (Formula not yet finalized for optimization)

Consumer pays smart contract, smart contract distributes to owners based on stake percentage.

To reduce network fees MyBit uses a queued nonce structure to group distributions. There are 3 approaches to this.

- 1) A static formula that groups into a future transaction pool to be mined such as

$BnD = B(0) + x$ where BnD is the block where grouped transactions will be sent, B(0) is the first block where transactions will be added to the group and x is the number of blocks from the first when transaction will send.

This method guarantees speed of delivery but does not have a cap on fees.

- 2) A dynamic formula that incorporates gas costs into the calculation to place a ceiling on fees assessed.

The downfall of this formula is time and missing a Block variable which could create an infinite grouping with no execution.

- 3) So we decided to make a hybrid with variables where the first variable takes fee into account until a pre-defined future block (say 50 from initial tx) at that point transactions will be sent regardless of fee.

3) AssetManager

Identifying an asset will follow this key: Each asset has unique tokens governed by a smart contract. While this may be cumbersome it eliminates any issues with similar assets (same model, quantity, location) generating different revenues. This could become an issue if we grouped similar products together.

ID String: Machine-Category|ProductIdentifier|Quantity|Location

ID String is used to manage and filter investments, then each can be reviewed for specific revenue streams, transactional history, etc.

We will utilize the Swap Protocol (<https://swap.tech/whitepaper>) to facilitate the implementation of a decentralized exchange for MyBit Crypto-Assets.

4) OwnershipManager

Identifying ownership to transfer if event happens, pre-defined time, or configuring to multi-signature transfers. Event driven scenario will involve the integration of oracles. As well as fractionalize asset distributions.

Scenario 1: Standard Time Divestment w/ Fractionalization Option

CurrentOwner has 100 xyz shares. At FutureTime [n]xyz transfer to NewOwner(s) . Note that [n]xyz transfer and NewOwner does not have to be a singular command as multiple owners can receive a partial stake and CurrentOwner has ability to retain a proportion of holdings.

Scenario 2a: Event-Driven Distribution using Oracles

CurrentOwner has 100 xyz shares. At EventDeath of CurrentOwner [n]xyz transfer to NewOwner(s). Or at EventGraduation of NewOwner [n]xyz transfer to NewOwner. Pre-defined oracle feed triggers these events. A benefit of this scenario is automation. A disadvantage is lack of oversight & certainty in oracle feed data. A possible way to mitigate risk is to compile several data feeds (sub-oracles) into one main feed (Master-oracle).

Scenario 2b: Event-Driven Distribution using Oracles and Multi-Signature Escrow

CurrentOwner has 100xyz shares. At EventDeath of CurrentOwner [n]xyz transfer to AccountEscrow - a three-key multi-signature escrow account. Keys held by CurrentOwner, NewOwner, Escrow (up to user discretion however it is suggested an unbiased third-party such as a licensed attorney hold the third key). Advantages of this is if an oracle makes a mistake, CurrentOwner can receive xyz simply by signing and having Escrow sign. By integrating the oracle feed instead of just multi-signature escrow, it prevents NewOwner and Escrow from conducting unauthorized transfers prior to EventDeath. A disadvantage is manual intervention and necessity to create separate escrow accounts for each recipient (unless a master recipient is elected – which is ill-advised). Our future plans are to integrate a decentralized oracle solution if and when that comes to market and is fully tested in similar situations.

6.2.1. Oracles

While our future goals involve the implementation of fully decentralized oracles, there are current technology limitations which require the use of traditional oracles to give our smart contracts real-world (external) awareness.

The two key components of oracle integration consist of 1) Hardware data including usage, payment flow, and similar information to enable the smart contracts to accurately calculate revenue distributions based on stake percentage and 2) data from relevant sources to power event driven distribution of assets as described in the Smart Contract section under (4) OwnershipManager.

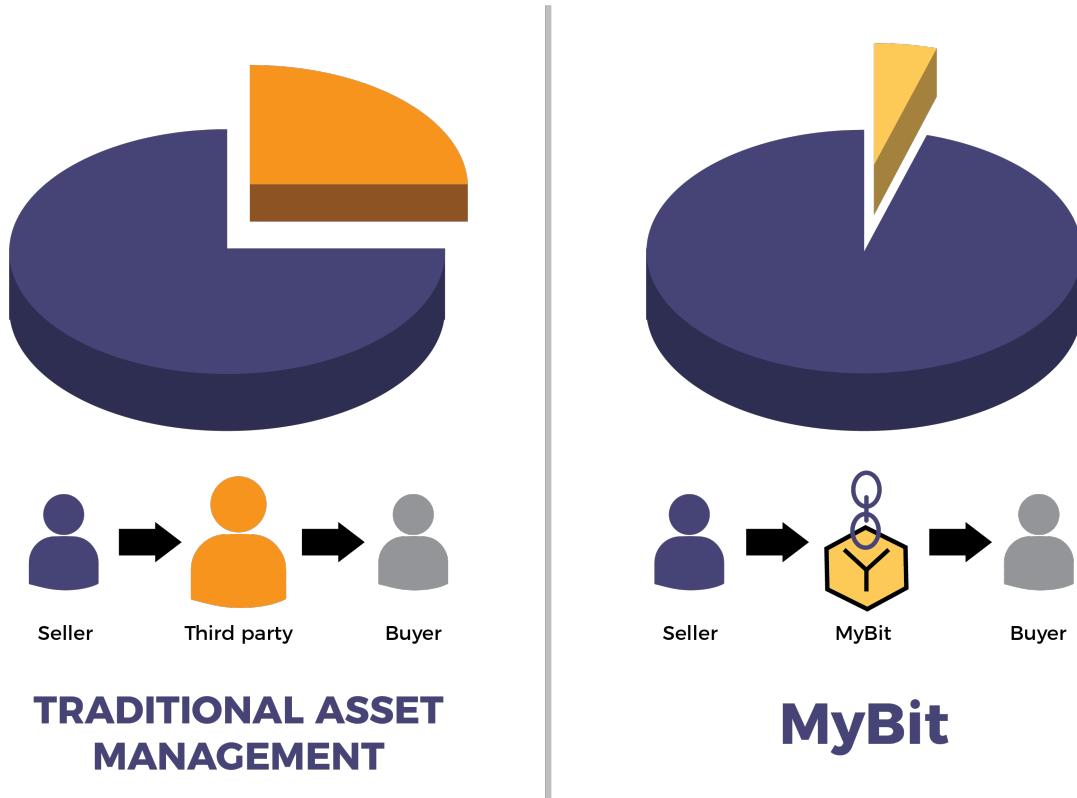
6.3. Usability

The MyBit application will be accessible through a web application (GUI) that will be optimized for MetaMask but will run on any decentralized browser such as Mist. Our goal is to implement a mobile application utilizing the status.im mobile browser for decentralized applications.

A vast majority of the MyBit platform will be open-source and distributed under the MIT (or GPL) open-source license. Certain modules will remain open-source and available to the public for review and development, while some modules such as any custom integrations will be private and owned by the MyBit Foundation or the entity they have been licensed to. A standard REST API will be made available to developers free of charge, while a built-out API will be available to enterprise for a licensing fee.

6.4. Use cases

Overhead maintenance expenses of traditional Trusts can be extensive to have trustees (administrator of the Trust) manage and govern them based on provided terms. Smart Trusts are governed by irrefutable computer code to make the process much cleaner, affordable, and manageable.



The trustee's role can be replaced by smart computer code (Trust contract) that is guaranteed to execute as instructed by the trustor (creator of the trust) without the exorbitant fees and reliance on a third-party. Since this scenario does not involve the delivery of a physical asset, but rather the delivery of a revenue stream based on event-driven execution, Blockchain-governed smart contracts are a viable solution.

6.4.1. P2P Energy Trading

While excess production can typically be sold back to traditional power companies, we are firm believers that peer to peer commerce is much more beneficial for buyers/sellers and the ecosystem as a whole.

We are intending to partner with exchanges and p2p platforms to commoditize the decentralized production of clean energy. This will enable a pricing system based on true supply vs demand without a third-party (traditional energy provider) fixing the price to their benefit. A dedicated whitepaper will be prepared for this section as we approach this phase of development and/or integration with existing providers.

6.4.2. Infrastructure Investment Swaps

Preliminary market research shows huge interest in the addition of an energy infrastructure swap to traditional trading platforms and exchanges both in the Blockchain industry and mainstream. We find immense value in the ability to “liquidate” a cash-flow driving asset.

In traditional investment models, profits are not truly realized until an asset is paid off, sold, etc. and the initial principal is not available to the investor until after this period. This decentralized model utilizing Blockchain tokenization creates liquidity from the beginning, which is an immensely valuable and powerful function.

6.4.3. Machine to Machine Payments

Addressing storage issues present in decentralized energy production can be resolved through an intelligent-AI layer between grids, autonomous mobiles, and other “smart” protocols. We believe that in a future phase of technology innovation, machine to machine (AI) optimization will be able to near-almost completely replace traditional (centralized) energy infrastructure. We only say “near-almost” because it is wasteful to not utilize existing infrastructure – even if it involves an alteration to their current model.

This process of machine to machine payments assumes an AI layer is enabling machines to act in a highly efficient and optimized mannerism. An autonomous mobile (self-driving car for example) would know (automatically) the closest source of renewable energy with an excess production to go there and “refuel.” This would create efficiency and security on many levels. First, if the network was 100% optimized there would be no excess storage. Of course, realistically a near-perfect (>90%) optimization would be the end goal. It also takes the risk of human to human or human to machine transfer of monies out of the equation, thus creating a highly streamlined model. Lastly, this creates constant buy and sell-side liquidity for the MyBit Token.

7. Business Model

Overview

The MyBit platform is designed to facilitate and secure the process of investing in decentralized infrastructure, beginning with decentralized power grids. By enabling investors to easily tap into revenue generating assets that have previously proven burdensome or unavailable, MyBit has the potential to disrupt current models that have limited reach, scalability, and a majority of the money flows to the top. Leveling the “playing field” for everyone is predicted to have extraordinarily advantageous economic and social benefits.

After a successful deployment of the initial MyBit core application in the decentralized power grid sector, entities from other verticals may elect to contract the MyBit Foundation or MyBit.io to design, build, and deploy additional industry-specific implementations. If the MyBit Foundation is contracted, bids will be accepted by any company that meets the requirements. The Directors of the Foundation will make the final decision of what company or group of companies will be hired to complete the work. If MyBit.io is approached directly, they will assess the project scope and enter into a contract if they can fulfill all requirements. If MyBit.io requires assistance, does not have the manpower (at time of contract), necessary operating cash, or believes they cannot fulfill the entire project scope, they will forward the request to the MyBit Foundation.

Revenue from additional implementations or custom projects after the milestones outlined in the crowdfunding terms are completed will be the property of the entity which completed said work. However, this does not mean network participants will not benefit from future functionality updates or industry integrations. Adoption by other industry- verticals resulting from custom integrations, increased ease of use, or functionality components will result in an increase of network users, transactions, and overall usage which in turn results in revenue growth to be distributed among token holders and an appreciation in token value due to the principals of supply and demand.

7.1 Legal Structure

Parent Organization: MyBit Foundation (Swiss Non-profit)

Operating Entity: MyBit.io Limited (Swiss Entity, may elect transition to German in future)

Network Participants: Token Holders (Global, no borders, open to everyone)

MyBit Foundation is in charge of the overall management and oversight to keep the MyBit network in good health. It will be in charge of managing all tokens, contributions, and other revenue flows. Currently it's board members include the directors of the MyBit operating company. Over time outside parties consisting of highly reputable and knowledgeable figures in the Blockchain space will be invited to join. Any major changes to the network will first be placed to a vote by the directors of the foundation before being placed into effect; however, it is ultimately up to the network participants.

MyBit.io Limited is the operating entity that will be contracted by the foundation to build and deploy the core decentralized application as well as be a candidate for future implementations. Please note that the foundation ultimately has the final decision as to where funds will be allocated and what companies will be contracted. Some functionality, security audits, etc. may require third-party vendors and service providers to work independently or jointly with MyBit.io Limited.

Network participants consist of token holders who ultimately control the direction and ongoing success of the MyBit network. Participants will receive revenue distributions proportionate to their percent stake from all transaction fees associated with using the MyBit platform. Anyone can become a network participant via the purchase of MyBit tokens during the crowdfunding period, on an exchange, or via a private party.

7.2. Go to Market

Our strategy to bring the MyBit platform to mainstream market begins with pilots in the German market due to their presence as leader in the renewable energy sector. The MyBit platform involves basic partnership agreements with renewable energy hardware providers and utility companies.

The partnership requirements are very minimal to facilitate going to market. To accurately determine usage, MyBit will need access to certain data to create oracles to interact with the DApp. To comply with data privacy laws in the European Union (and elsewhere), consumers will need to agree with disclosing data to utilize the MyBit platform as a financing tool. Utility company partnerships require access to their infrastructure to sell electricity back to grids (and in the future for peer to peer transactions). These partnerships are typically already in place between the renewable energy hardware providers and utility companies so we predict minimal circumstances where we will have to enter into partnerships directly with the utility companies.

Our current expansion plans are to focus on one national market (or large regional market with major economic-hub) for our first large production deployment. At this time, we can confidently predict it will be in the German market. After the successful roll-out in a large market, we will begin aggressive expansion plans with the help of our

advisors, partners, and employees. Markets where we have conducted preliminary research that appear lucrative consist of: Western to Central Europe (France, Spain, Germany, Austria, Italy), Scandinavian region, Western North America (Canada, California, Mexico), Australia, and Northern Africa. We are still conducting research on the Asian-Pacific and Middle-Eastern regions.

7.3. Monetization

Revenue Streams:

Please review “Profitability” section (section number).

Other Forms of Profit:

- 1) Price appreciation of token. Based on theory of supply and demand (due to fixed supply) as demand increases, price should follow.

How Asset Generates Revenue:

- 1) Excess production sold back to grid
- 2) Excess production sold peer to peer (or machine to machine)
- 3) Usage from consumer of Asset (where feed-in tariff is not applicable)

Flow Models:

- 1) Investing in Hardware – MyBit Token used to purchase ownership stake in specific hardware
- 2) Payments and Dividends

8. Token Structure

8.1. Why are we using Blockchain?

Only blockchain-based smart contracts let us create a seamless system where every part is efficient, auditable, and scalable. If we were to build this with traditional technologies, it would create unnecessary friction (expenses) and involve piecing together many applications which creates attack vectors resulting in immense security vulnerabilities. Ethereum enables a solution that has payments, auditing, ownership, and business logic engrained in its core functionality. This makes rolling out the product with Blockchain the most economical solution.

8.2. Why are we raising Capital?

For this application to be truly decentralized it involves raising funds through a Blockchain-driven crowdsale. If we were to raise money from traditional mechanisms, then a centralized party (or small group) would ultimately have control of the network and (based on psychology and history) they would act in their best interest, even if it was not in the best interest of the users and the community. Received funds will aid in the final development of the platform, conducting pilot studies, and expenses related to bringing to market and maintaining.

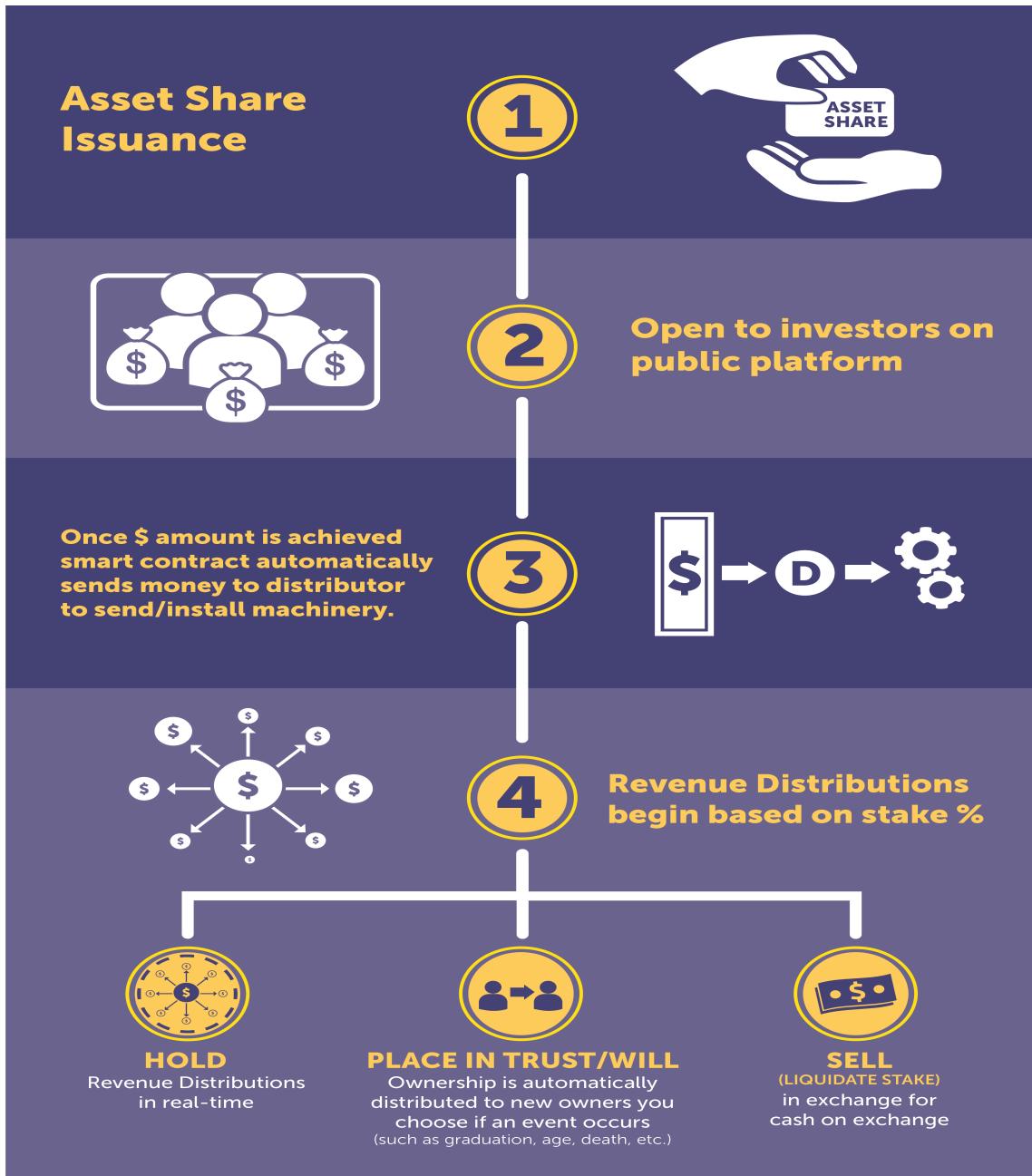
8.3. Blockchain Crowdfunding vs. Traditional Funding

We evaluated raising capital between a Blockchain crowdfunding campaign and traditional venture capital and came to the conclusion that utilizing an Ethereum ERC20 token would be the optimal fundraising method to achieve our vision with this platform.

- Traditional Funding Formula: 18 month funding window, offer product free with great community support, once a large market share is obtained raise prices and cut support. [Single point of failure risk the entire time, no liquidity, barrier to entry]
- Decentralized Funding Formula: 3-6 month funding window, product remains same price unless majority of community agrees to change it, community is an intricate component so support is always there. [once built, runs on its own, liquidity from beginning, no barrier to entry]

Blockchain crowdfunding (in this situation) is better for purchasers, end users, and the overall community. Liquidity is a critical component missing in traditional financing methods, that we wanted to enable for purchasers. We also wanted the overall structure of our organization to be democratic and immune to centralized party manipulation and control.

8.4. Token Flow



Graphic Explained

Step 1: Someone who desires sustainable infrastructure to be installed on their premise will select the asset they desire, choose the length of time funding should be active for before automatically terminating if the goal is not reached, and the value that needs to

be raised will be automatically populated based on cost of hardware, installation, and the recipients location.

Step 2: Via the investment portal, purchasers will be able to review investment opportunities and filter based on location, cost, forecasted future cash flows, depreciation values, total raised, etc. As much information as possible will be provided to aid the investor. By integrating a machine learning algorithm to record and analyze historic data, we believe that over time data insights will become much more intuitive.

Purchasers will send funds to the smart contract governing the share issuance for the asset and will automatically receive ownership units (in the form of a tradable Blockchain token, governed by Ethereum smart contracts). If the amount needed to fund the asset is not achieved prior to the deadline then all funds will be returned to purchasers and the contract will be terminated. If the amount is reached prior to the deadline, the contract will not accept additional funds and ownership units will be minted and accessible to the purchasers to hold or trade as they desire.

Step 3: All of the funds sent to invest in an asset are held by a smart contract. This completely eliminates counterparty risk. The MyBit platform has no access to these funds, and neither does the person receiving the asset. Upon total value raised, the smart contract will automatically send the funds to the (highly reputable and vetted) hardware manufacturer/installing party responsible for delivery the final product.

Step 4: Once the asset is installed or otherwise up and running, purchasers will begin to profit from revenue distributions. The purchasers can choose to hold the tokens and continue receiving shares of the profits, or they can liquidate them at any time on the open market. This creates an immensely powerful tool for investing that provides liquidity from day 1.

8.5. Use of the Token

MyB can be used actively for:

- Investing in Energy, AI infrastructure, and other revenue generating assets : Funding & Revenue Sharing
- Peer to Peer trading (buying and selling) of decentralized energy
- Machine to machine payments
- Trading on Open Exchanges

9. Crowdsale Structure

Overview

Participants send funds to an Ethereum Smart Contract from an easy to use Dashboard on the MyBit website. The Smart Contract mints tokens instantly and sends to user's online account. These are available for withdrawal upon the close of the crowdsale. Once completed (total duration or maximum tokens issued) the Ethereum funds are then transferred to a multi-sig escrow wallet with signing keys (Ian Worrall (MyBit), Thomas Pollan (MyBit), Fran Strajnar (BNC), and Pantellis Rousak (BNC)).

9.1. The TokenSale

Please review our Document, MyBit TokenSale All the details for up to date information:
https://medium.com/@MyBit_Blog/mybit-tokensale-all-the-details-here-4b43e4fcae3c

9.2. Milestones (Values in USD)

(50.000+) Creation of Registry

A secure registry of ownership utilizing Ethereum Smart Contracts (as the core) will be created with the ability to register, transfer, and query assets + ownership information.

(250.000+) Management Tools

Smart contract templates will be designed and implemented into the registry technology to enable the management of owned assets (including secure storage in a Blockchain-ifyed Trust, distribution to new owners triggered by an event, and multi-signature ownership).

(500.000+) Tokenization Functionality

The ability to issues tokenized shares for any asset will be added to the platform. It will also include real-time revenue distribution functionality based on percentage of Asset owned. These shares will be tradable with other network participants.

(1.000.000+) Decentralized Energy Sector Roll-out

Platform will be optimized to easily integrate with Decentralized Energy solutions providers in the European market to facilitate gaining market share rapidly. While we cannot guarantee any future partnerships this will be our top priority.

(2.000.000+) Expansion into Emerging Markets

Resources will be allocated to entering emerging markets beginning with Northern Africa. Penetrating these markets often result in extensive expenditures in legal/compliance, cultural marketing strategy, infrastructure, and other operational expenses; therefore, we cannot provide a fixed number of markets that will be targeted.

9.3. Escrow & Use of Funds

Our goal is to limit purchaser risk to the extent reasonably possible. Brave New Coin is managing the escrow release schedule and if at any time the MyBit team does not meet development expectations, then the remaining funds still held in escrow will be returned to contributors.

****All Amounts are in USD****

Phase 1: Asset Registration Functionality & Identity Mgmt. Integration

Use of Funds: Development of Registry, legal, incurred promotional debt (from crowdfund), basic PR

Monetization*: Registering new assets & transferring ownership will require a fee paid in MyB. Due to being a decentralized registry it offers immense value to existing registry service providers by eliminating the risk associated with data manipulation attacks as well as efficiency in transferring ownership in terms of reconciling.

Phase 2: Asset Management Tools

Use of Funds: Development of asset management tools, basic PR

Monetization*: Creating a blockchain-ifyed Trust or Will requires a fee paid in MyB, as well as a fee if an ownership transfer is executed. This provides value by removing the friction of asset management (event-driven ownership distribution) and vastly reducing cost-barriers to entry enabling access to a large, untapped market.

Phase 3: Asset Tokenization

Use of Funds: Development of asset tokenization functionality, moderate PR

Monetization*: Issuing shares of an asset (registered or unregistered) requires a fee paid in MyB. Additionally, a very small (fractional) percent of all monies flowing through the platform will be taken as a fee.

Phase 4: Decentralized Energy System Integrations

Use of Funds: Optimizing platform for integration with existing decentralized energy providers, obtaining partnerships, intense marketing.

Monetization*: By facilitating the integration of our platform into existing energy providers it greatly increases our credibility and potential to gain market share rapidly. This will lead to increased revenue from monetization methods in phases 1,2,3.

Release 5: Emerging Market Expansion

Use of Funds: Ongoing operational expenses. If final milestone is reached, then funds will also be used for targeting emerging markets.

Monetization*: Gaining market share in new markets to grow the number of active users thus increasing monetization models from the previous development stages.

*Monetization will occur in the form of revenue distributions based on network stake (percent of tokens held compared to total token supply). Please note that the value will be calculated *after* any related network processing fees are subtracted. Our goal is to design revenue sharing to be as near-real-time as possible (in the subsequent Block); however, at this time we can place no guarantees on the speed of distributions.

9.4. Post-Crowdfund Trading

We will ensure that MyBit is tradable on a minimum of 1 major exchange (although our goal is 3-5 leading cryptocurrency exchanges). While we cannot guarantee substantial liquidity levels of the MyBit Token until the platform is fully deployed, we will make every effort to enable the growth of the liquidity market from the start.

9.5. Liquidity

Our goal is high levels of liquidity on the MyBit Token (MyB) market. This is achieved through the laws of supply & demand, P2P energy trading, and machine to machine payments.

Through the laws of supply and demand, as we gain more market share, the demand for MyB increases thus creating buy-side liquidity. P2P energy trading creates steady liquidity on both sides of the market. Machine to Machine payments create constant buy and sell-side liquidity.

9.6. Regulation

We are unaware of any more heavily regulated industries than Energy and Financial Services and there are few areas as visible on the regulators' radar than Bitcoin and Initial Coin Offerings. We believe to have addressed all known regulatory issues but undoubtedly new regulations will arise. We will continue to proactively work with regulators to help drive regulations that facilitate our vision of low cost, efficient financial transactions as well as those regulations that support and address the creation of local area decentralized energy grids.

9.7. Roadmap



10. Team

Our team brings a fantastic mix of Software Engineers, Blockchain Technocrats, Design Experts, Consumer Product Marketing & Branding Specialists, and Enterprise Application Sales Strategists.

Alex Dulub – Solidity Developer



Alex brings 10+ years experience in designing high-performance and functional enterprise applications. Several years ago he began to focus on Blockchain and Decentralized technologies of which he has created various, custom cryptocurrency and smart contract solutions for a wide range of business applications.

Pedro Barros – Full Stack Developer

Pedro has 6+ years experience as an engineer and has built applications ranging from simple mobile apps to robust enterprise software. His specialties include Angular2, Ionic, Ruby on Rails, Nodejs, and cloud application deployment, to name a few.

Ian Worrall – Decentralized Solutions Architect / Entrepreneurial Background in Finance and SaaS

Ian has been involved full-time in the Blockchain industry since early 2013 when he began a small mining operation that grew rapidly. Since then he has managed a company that builds custom software for small businesses up to large corporations. His true passion is decentralized applications and the potential they have to disrupt traditional business models.

Jacob DeBenedetto – UI/UX Designer

Jacob brings 5+ years of software development and graphic design to the team. He has experience designing and implementing incredible user interfaces across a variety of application verticals.

Thomas Pollan – Enterprise Business Applications / Sales & Strategy Background

Mr. Pollan has over 30 years of business consulting and business start-up experience. Mr. Pollan's roles have included Senior Director, Client Principal with Hewlett Packard Enterprise, Senior Partner with Accenture, and founder and President of Pollan Enterprises, a multi-million dollar holding company for new start-up businesses.

Garrett MacDonald – Blockchain Design / Entrepreneurial Background in Bitcoin and Blockchain

Garrett is a passionate innovator who has been involved in the Bitcoin/Blockchain industry since 2011. He crowdfunded what became a million-dollar bitcoin mining company when he was in high school, and has advised for various startups and corporations. Now he is focused on making the world's energy situation sustainable using Blockchain.

Maclin Macalindong – Graphic Design

Maclin has great experience as a graphic design artist for logos, branding, marketing visuals, social media optimized images, and mocking up UI iterations rapidly.

Ching Pong Siu (Kenji) – Chief Technology Officer

Kenji has an immense background in web development and bringing products to market. He is highly efficient in back-end programming languages, Solidity, Web3, various cloud & database technologies, and has prior experience as CTO of a rapidly growing tech company out of Hong Kong/China.

Hua Li – Chinese Community Manager

Hua is in charge of managing our Chinese community including translation work, engagement, and managing social media channels in his region.

Jake Vartainian – Community Manager

Jake is the founder of cryptdex.io and has unbelievable experience in the Blockchain space. His past work speaks for itself, just google him.

Pedro Augusto – Bounty Campaign Manager

Fran Strajnar – Escrow Manager

Fran is Founder and CEO of Brave New Coin, a highly reputable and trusted digital content provider catering to the Blockchain space. Fran both advises MyBit on marketing strategy as well as managing escrow to protect investor funds. He has played this role in many of the most notable Blockchain tokensales to-date.

Bogdan Fiedur – Solidity Dev

Bogdan has been involved in the software industry for decades and is a top solidity developer globally. He has successfully ran a company for over 20 years and is now highly engaged in the Blockchain industry with a focus on decentralized applications.

10.1. Advisors

Peter Kleissner



Peter is a top-security researcher and hacker. He developed AV Tracker and Stoned Bootkit. AV Tracker was the largest monitor of Botnets in the world and was built out in a software as a service model which was acquired by renowned Looking Glass Cyber Solutions.

Dr. Mihaela Ulieru



Dr. Ulieru sits on many notable boards and holds many advisory positions to elite companies and high-ranking government entities. She is a policy expert for the world economic forum. Her true passion is facilitating the creation of the “equitable economy” for socioeconomic benefit.

Nick Ayton



Nick is a public relations and media guru that has been a part of top token sale campaigns, Blockchain companies, and is a contributor to many media outlets. He formally held a high-ranking position at Siemens.

Mitchell Loureiro



Mitchell is a marketing genius and currently the interim – chief marketing officer for Steemit. He advises MyBit on efficient and effective marketing strategy as well as content oversight, messaging, and branding.

Alvaro Portellano



Alvaro has a deep background in renewable energy, innovation, and emerging markets. He is currently Manager of Policy and Regulatory Affairs overseeing the Mexican market for Iberdrola. He was also partner in a venture capital firm.

11. References

"Centralized Vs. Decentralized Organizational Structure." *Centralized Vs. Decentralized Organizational Structure* / Chron.com. N.p., n.d. Web. 12 Jan. 2017.

<http://keydifferences.com/wp-content/uploads/2015/05/Centralization-Vs-Decentralization3.jpg>

Norton, Steven. "CIO Explainer: What Is Blockchain?" *The Wall Street Journal*. Dow Jones & Company, 02 Feb. 2016. Web. 12 Jan. 2017.

DavidJohnstonCEO. "DavidJohnstonCEO/DecentralizedApplications." *GitHub*. N.p., 02 Feb. 2015. Web. 12 Jan. 2017.

"Decentralized Application Layer." *Decentralized Applications - Codius Docs*. N.p., n.d. Web. 12 Jan. 2017.

<http://image.slidesharecdn.com/blockchainfromabankingperspective-160419115524/95/blockchain-from-a-banking-perspective-18-638.jpg?cb=1461068068>

Mougaray, William. "Understanding the Blockchain." *O'Reilly Media*. N.p., 15 Jan. 2015. Web. 12 Jan. 2017.

Chan, Ronald. "Consensus Mechanisms Used in Blockchain." *Linkedin*. N.p., 2 May 2016. Web.

"Ethereum Project." *Ethereum Project*. N.p., n.d. Web. 12 Jan. 2017.

"Proof of Knowledge vs. Proof of Membership." *SpringerReference* (n.d.): n. pag. Web.

"Blockchain Technology." (2016): n. pag. Web.

Pabari, Mayur. *Decentralized Specs*. N.p.: Mayur Pabari, 9 Jan. 2016. PDF.

Matt Lindner Associate Editor. "Global E-commerce Sales Set to Grow 25% in 2015." *Global E-marketer Set to Grow 25% in 2015*. N.p., n.d. Web. 12 Jan. 2017.

Quiggle, Dennis Jay Jim. "By the Numbers." *Fraud Statistics*. N.p., n.d. Web. 12 Jan. 2017.