



# BondAppetit Concept

[bondappetit.io](https://bondappetit.io)

March, 2021

BondAppétit is the first and the only DeFi protocol (as of April 2021) with a stablecoin fully backed by real-world assets with fixed periodic income. Businesses can borrow money (in fiat as well as in crypto) from the protocol, providing bonds as collateral. BondAppétit is a part of the Ethereum DeFi ecosystem.

The price of the BondAppétit native stablecoin (USDap) equals \$1 at all times. The token is issued only if the protocol has sufficient collateral.

# Overview

BondAppétit is a borrowing platform that connects issuers of fixed-income debt instruments with the crypto market



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## Unique features:

- Real-world assets with fixed periodic income as collateral
- Real fiat cash flows inside the protocol
- An infrastructure that connects decentralized finance and traditional debt instruments with the participation of regulated securities and cryptocurrency brokers/dealers

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## Best DeFi features:

- Ethereum-based smart contracts
- Transparent community-centric governance
- Incentivization mechanisms for the community, including the distribution of protocol's profits and support of liquidity providers

# Infrastructure

The secret of our cuisine is simple – bring together the best ingredients of the on-chain and off-chain infrastructure and mix them into one perfect dish.

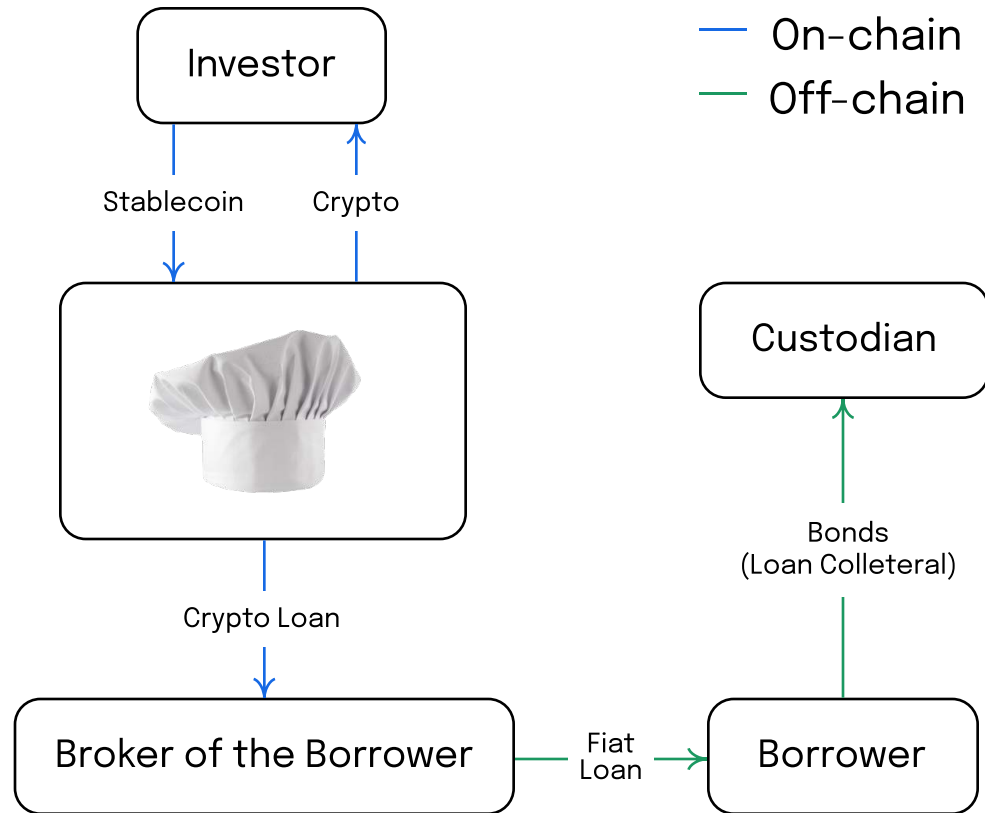
## On-chain

- Use of open-source components from Compound Governance Protocol, Compound Open Price Feed, Synthetix, and MakerDAO
- Price, security, and asset oracles
- Listing on DeFi exchanges and use of liquidity pools, such as Uniswap, 1inch, Curve, SushiSwap, Balancer

## Off-chain

- Use of traditional securities accounting systems collateral locking
- Use of bank and brokerage accounts for fiat and securities settlements
- Connection to Bloomberg terminal and other securities pricing source

# Flows and Participants



## Investor

Purchases USDap from the protocol; receives income in the form of distributed governance tokens; buys and sells tokens on the market.

## Borrower

Borrows cryptocurrency from the protocol. Pays interest to the protocol under the established rate.

## Broker of the Borrower (licensed entity)

Acts as an intermediary between the protocol and the borrower. Borrows cryptocurrency from the protocol and then transfers it under a separate loan agreement to the borrower. Has the right to collect collateral (bonds) under the loan agreement in case of default of the borrower, and to sell the collateral in order to repay its loan to the protocol.

## Custodian (securities markets licensed entity)

Acts as a custodian of collateral under the loan agreement between the borrower and the broker. Guarantees that the collateral will be locked during the loan term and provides information to the protocol about the amount of collateral held.

# Stablecoin

## Stability

The main asset inside the protocol's ecosystem is the native stablecoin BondAppétit USD (USDap).

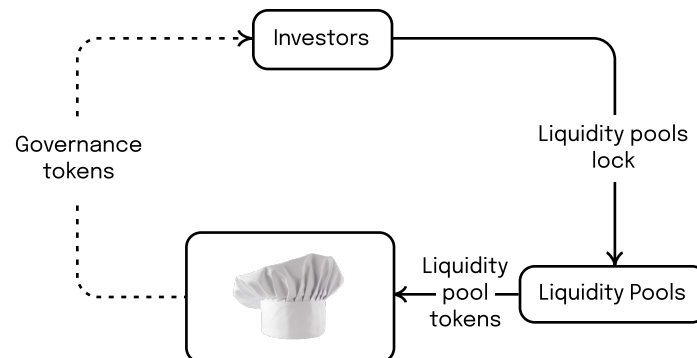
The price of the stablecoin equals \$1 at all times. The price is balanced automatically based on a basket of real-world debt obligations, which form part of protocol's assets.

Information about the protocol's assets is provided by oracles connected to custody accounts where the collateral is held.

## Interest Income

Stablecoin holders earn BondAppétit governance tokens as a reward. BAG tokens are the main incentive for the investors.

Bonds, which are used as collateral, generate real cash flow inside the protocol – a unique feature not provided by any other DeFi protocol.



## Diversification

To ensure stability, the stablecoin price is based on a basket of several top-rated debt obligations with different terms, interest rates, and redemption dates.

# Governance Token

The Governance Token (BAG) is the main tool for decision-making in the protocol, as well as the main incentive for participants of the protocol and the community.

## Initial issue and CAP

The initial emission of BAGs is 100,000,000 tokens:

- 65% (65,000,000) reserved for protocol usage and future governance participation incentives
- 20% (20,000,000) to BondAppétit team members, subject to 4-year vesting
- 14% (14,000,000) to BondAppétit founders, subject to 18 months moratorium on sale;
- 1% (1,000,000) to the pre-launch investor;

## Use of Governance Token

1. Decision-making related to key elements of protocol's functioning, such as interest rates, adding new collateral, additional capitalization
2. Incentivisation mechanism for the participants who locked their stablecoins in the protocol or provided funds to the liquidity pools (and, potentially in the future, to the borrowers who provide their bonds as collateral)
3. Voting on protocol's proposal and emergency changes

## Acquisition of Governance Token

1. They can be acquired on the market (Uniswap or other exchanges) at market price;
2. Distributed to those users who decided to lock their USDap/BAG into liquidity pools and provide the protocol with liquidity pool tokens;
3. Purchased at a special price during an investment round of the protocol for current BAG token holders;
4. Earned additional BAG during the special sale of USDap.

# Investment Round

## Initial Offering of Governance Tokens:

We offer 480,000 governance tokens to early investors during the first investment round, subject to a 6-months moratorium on sales:

- Investment currency: ETH / DAI / USDC / USDT / WBTC
- Price of BAG for the investment round: \$2.5

The main reason behind the initial sale is to build a strong community and make use of the expertise of early investors to ensure the growth of the protocol and proper governance.

The funds will be used to add the first collateral basis to BondAppetit, kickstarting the protocol's economics.

[bondappetit.io/governance](https://bondappetit.io/governance)

## Remaining Distribution:

20% (20,000,000 Governance Tokens) to BondAppetit team members, subject to 4-year vesting;

14% (14,000,000 Governance Tokens) to the BondAppetit founders, subject to an 18-month moratorium on sales;

1% (1,000,000 Governance Tokens) to the pre-launch investor;

65% (65,000,000 Governance tokens) reserved for protocol usage and future governance participation incentives.

## Mechanics and Internal forecasts:

After issuance, the tokens will be distributed to the investors' wallets. To ensure the moratorium on sales, the following restrictions will be set to investors' wallets strictly during the moratorium period:

- 1) The minimum balance of governance tokens on the wallet (is equal to the initial investment amount);
- 2) No possibility of transfers of governance tokens from investors' wallets.

The protocol's capitalization is expected to reach \$10,000,000 in Q2 2021 and \$150,000,000 in Q1 2022.



# Roadmap

|                                   | Phase 1:<br>Investment State | Phase 2:<br>RWA Collateralization |             | Phase 3:<br>Direct Investment |               |
|-----------------------------------|------------------------------|-----------------------------------|-------------|-------------------------------|---------------|
| Period                            | Launch                       | Year 1                            | Year 2      | Year 3                        | Year 4        |
| Value of issued stablecoins (USD) | 1 000 000                    | 25 000 000                        | 100 000 000 | 450 000 000                   | 1 300 000 000 |
| Coupon profits (USD)              | 0                            | 186 421,88                        | 891 764,60  | 3 842 389,89                  | 12 809 096,47 |
| Governance Token Price (USD)      | 5                            | 8.32                              | 12.59       | 15.01                         | 20.86         |

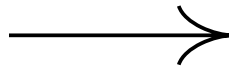
The expected price of Governance Tokens is an estimate based on the following assumptions. If any of these assumptions are not met, the price may differ drastically:

- 1. Amount of issued stablecoins is increasing each quarter
- 2. The share of Governance Tokens held in protocol's reserve is decreasing until the end of distribution (staking) in Q1 of year 3
- 3. Community interest is increasing due to the expectation of growth of accumulated profits from coupon payments, the share in which is procured by holding Governance Tokens, and periodic reduction of the amount of governance tokens in protocol's reserve

# Milestones

## Milestones to enter Phase 3:

1. The total value of issued stablecoins is more than \$100,000,000
2. Daily exchange volume for stablecoin is not less than \$100,000,000
3. Two or more custodians
4. Stablecoin to fiat conversion is under low fees and spread
5. At least 51% of Governance Tokens held by the community



## Phase 3 features:

1. Direct borrowing from the protocol without intermediaries
2. High liquidity in stablecoin markets without need of any additional incentivization from the protocol
3. New type of income earned by the protocol: fees charged to the borrower to access protocol's funds
4. Higher level of decentralization

# Team



**Artem Tolkachev**  
Founder, CEO

Former head of the Blockchain Lab at Deloitte. For over seven years, Artem has been one of the key opinion leaders in the CIS region in blockchain and tokenization. Since 2011, he has been a lawyer by trade and an entrepreneur.



**Sergey Stopnevich**  
Co-Founder

In 2016, Sergey founded Wise Wolves Group Ltd, a group of companies providing financial, brokerage, corporate, and fiduciary services to banks, mid-sized, and large businesses with the use of the latest IT technologies and an individual approach to each client.



**Vlad Komissarov**  
CTO

Vlad has over 17 years of experience in web development. He launched and managed a number of major ICT products and services on the CIS market.

# Advisors



**Mr Amedeo Cristofaro**  
ex BNY Mellon  
Head of EMEA Payment



**Mr Roger Ohan**  
Ariadne Capital  
Board Director Designate



**Alexander Ivanov**  
Waves  
CEO