



**Crowdholding**

WHITEPAPER

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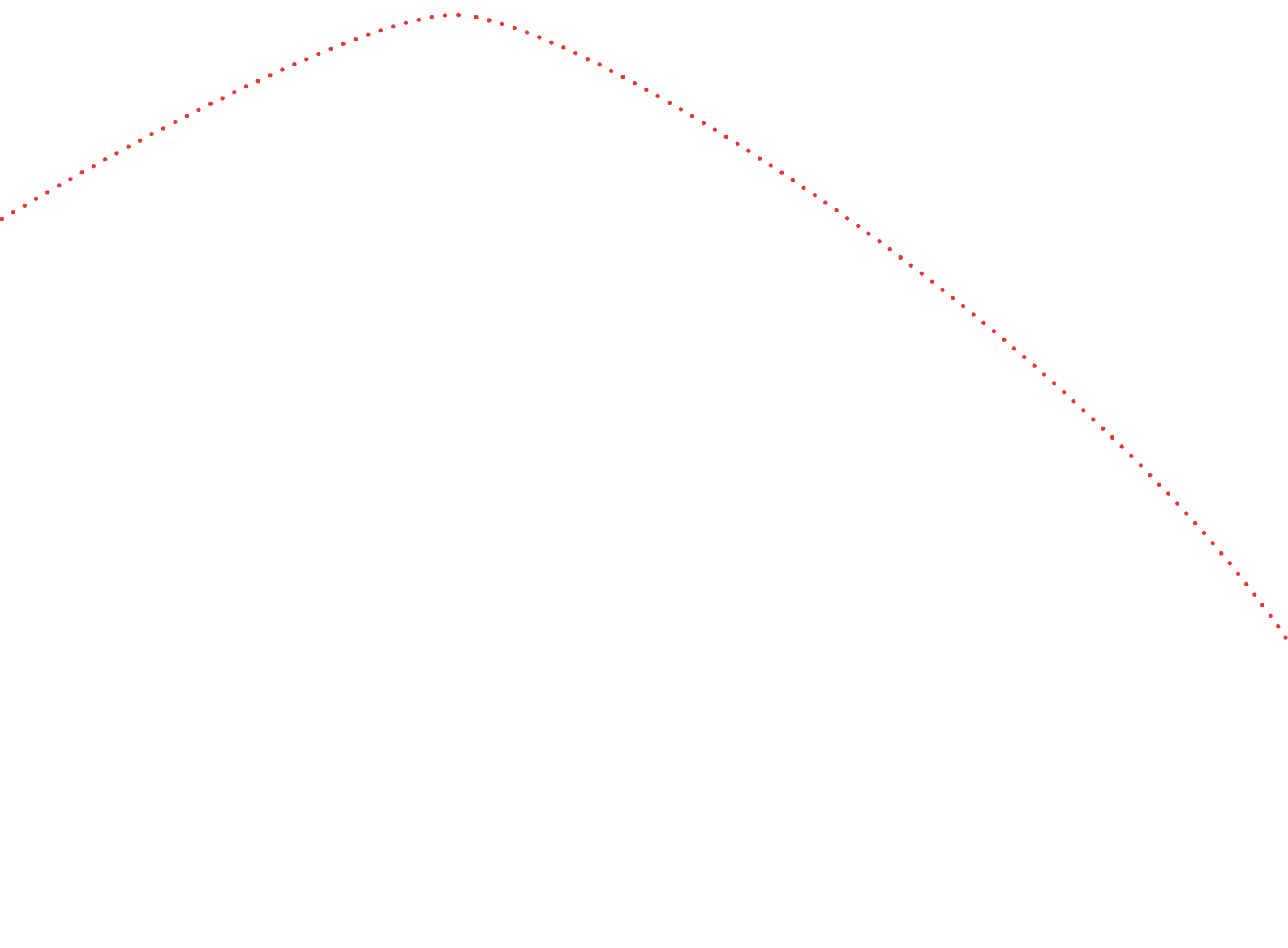
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## Vision

Unite global businesses and the public on a co-creation platform, ensuring prosperity for both.



## The problem

In 2017 more than 90% of startups will fail due to entirely solvable issues (Forbes). Of founders who faced failure, a massive 42% attributed it to a lack of market need for the product, while a staggering 29% of startups fail due to a lack of capital (Fortune). C-level execs agreed that their companies were bad at identifying problems, most notably in their products, often due to a lack of outside perspective (HBR).

There is a severe disconnection between companies - small or large - and the public. Whether it's to validate a new product, or iterate on an existing one. There is enormous untapped potential, which with the right tools, can be leveraged to benefit everyone.

## The solution

Supporters from around the world are willing to validate products, unleash criticism, and voice opinions. This great potential simply needs facilitating. Crowdholding is designed to do exactly that - to facilitate the world's potential through co-creation.

Since July 2016 the Crowdholding team has worked hard to build the perfect co-creation platform, attract hundreds of co-creators with diverse background and dozens of interesting startups who needed a bit of help to become leaders in their fields.

Crowdholding enables the crowd to validate the product, become customers and share awareness about the product or service. The public, or the 'crowd' is not only able to contribute to businesses in a cognitive or financial sense, but there's an opportunity for a mutually beneficial scenario, where both the public and the business can work together. Businesses will be able to give back to the crowd via our YUPIE token. There's a new dawn in co-creation. As Eric Schmidt says, the next \$100 billion companies will be those who can learn from the crowd.

## Market Assessment

### Open Innovation

*Innovation isn't just about the end result. It's also about the experience.*

We are seeing the emergence of “an economy of the people, by the people, for the people” (HBR, 2017). The most basic change has been a shift in the role of the consumer - from isolated to connected, from unaware to informed, from passive to active. In the traditional value creation process, companies and consumers had discrete roles of production and consumption, but this distinction disappears in cocreation and turns into C2B. Co-creation forms a new dynamic to the producer/customer relationship by engaging customers directly in the production or distribution of value (Academy of Marketing Science).

The market is expected to grow to \$15 billion in 2020 (IbisWorld). In 2016, the fintech sector represented 15% of the co-creation market or approximately 1.2B\$. Investments of fintech companies into this market are growing by 20% Year over Year.

To increase market adoption, it is essential to target unique user segments. Crowdholding will first focus on payment, analytics, e-money, p2p and trading fintech companies, aiming to take a 20% share of the fintech co-creation market by 2020. Our next step is to open the platform to ecommerce startups that are related to blockchain already. In our last step we will target all global companies who require capital and support.

With so many companies being launched every year it is harder for the community to engage in the right projects and invest their time efficiently. Current solutions lack transparency, process integrity and fair appreciation of the community's contributions.

A decentralized open innovation (DOI) platform fueled by YUPIES allows co-creation and exchange ideas crossing the boundaries of the close teams and close-minded decision makers. As Crowdholding, businesses and supporters are paid in YUPIES, the interests of everyone are aligned.

After the businesses build a community and verify the concept, they can raise capital via a token crowdsale on the Distributed Online Funding platform (DOF). The DOF is tackling the Alternative Finance market described in the next section.

## Alternative Finance

The exceptional growth of crowdsales makes it harder for the community to support the right projects. Crowdholding wants the businesses to increase transparency, validate products and build a community on the DOI platform before launching an ICO on the DOF platform. According to the “Wisdom of Crowds” phenomenon (JBE), a large crowd can provide a better assessment of the company’s potential than groups of experts. This means, that on average, investors are better off by trusting the crowd rather than analysts.

HBR expects blockchain startups to raise more capital through ICOs than any other form of financing in 2017. ICO crowdsale investments are estimated to reach \$2.3 Billion by 2020. Raising funds with the ICO token crowdsale model is notably superior to the traditional funding methods, especially for the Pre-Seed and Seed stages.

	VC	ICO	Crowdfunding	Angel Investor
Time	Months	Weeks	Weeks	Weeks/Months
Stage	Product - market fit	Pre-product	Pre-product	Pre-product
Value Added	Smart Money	Feedback & Smart Money	Feedback	Smart Money
Control	Board seat	None	None	Large Equity stake
Liquidity	Low	High	Low	Low

Companies require a shift in perspective. Ironically, the key to successful online fundraising isn’t asking for money. It’s not aiming for the wealthy 1%. But instead, it’s about building and engaging a community of followers in advance. Crowdholding helps companies to prepare, promote and engage with potential community members before launching ICO.

The Crowdholding Marketplace System (DOI & DOF platforms) mitigates the risks and deals with the volatility of the digital asset industry. With the introduction of all new technology, the future of money and asset management morphes into the new era of finance where there is much to gain from being aware of what is coming - what is here.

## Product Description and Development

The goal of Crowdholding is to create independent ecosystem where businesses and supporters create products and share the revenue.

Different blockchain solutions (Dapps) offered by businesses on Crowdholding will be integrated. In the future, businesses joining the Crowdholding platform will be able to use a network of Dapps to integrate cryptocurrency payments, decentralized virtual identities, traceable supply chain management, decentralized blockchain based market and much more.

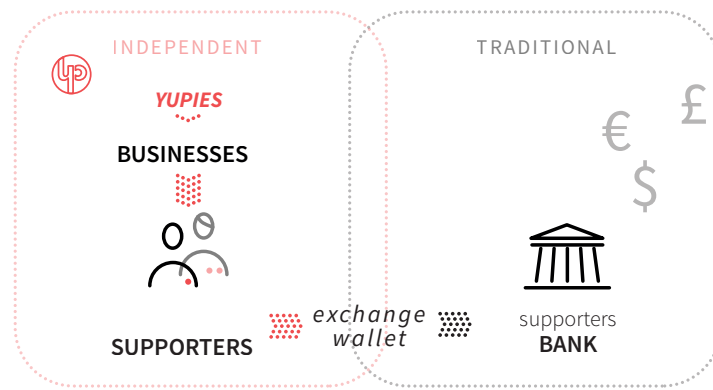
Virtual identities will be anonymous, stored in blockchain encrypted ledgers. The market will no longer require any middle-men since blockchain offers a reliable solution how to connect buyer and seller without the need of the distributor. In other words, the Crowdholding ecosystem is the foundation of the independent economy which ensures mutual prosperity for businesses and people.

The Crowdholding Ecosystem will be developed in 3 steps with the first stage already launching in February 2018. The following paragraphs present the steps in more detail.

### Step 1: Bounty System

To stimulate transactions of the YUPIE tokens immediately after ICO, 5% of total YUPIE tokens issued will be awarded to pre-selected startups to use on the Crowdholding platform for accelerating their development together with the crowd.

Step 1: Bounty System will launch in February 2018 and we predict that the 5% dedicated to startups will be utilized over 6 months. Starting from February 2018 more businesses will join the Bounty System and they will be able to acquire YUPIES directly from the market. Businesses then reward supporters with YUPIES for completing tasks. Afterwards, YUPIES can be exchanged to the preferred currency. Below is a chart showing how the bounty model works.



## Step 2: DOI & DOF

*Step 2: Decentralized Open Innovation (DOI) and the Distributed Online Funding (DOF) platforms will be completed by July 2018. The following paragraphs present DOI & DOF in more detail.*

### **Decentralized Open Innovation (DOI) platform**

The Decentralized Open Innovation (DOI) platform acts as an intermediary between businesses and the public:

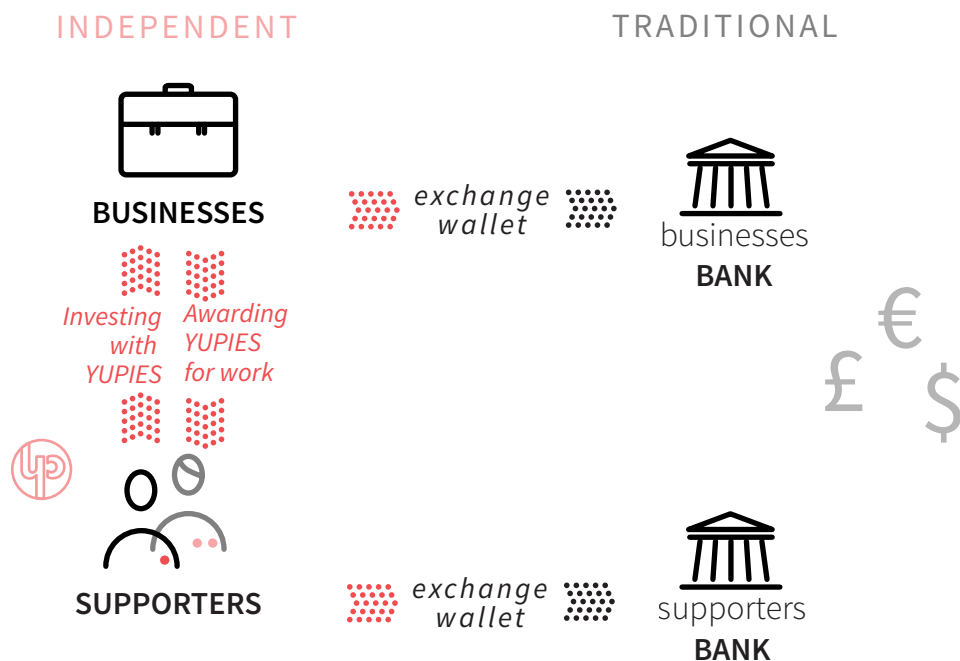
- 1.** Companies regularly launch 'tasks' which have a YUPIEE bounty attached to them. Tasks can be anything from pitching an idea to a crowd for feedback, to requesting help with a particularly challenging bit of code, to asking people to submit great 3d models.
- 2.** The crowd is free to contribute to the community however they see fit, and it's the community which judges the value of the activity via a voting system. This not only provides the public more agency in giving concepts they like more exposure, but helps sort out interesting content, saving the company from needing to sift through thousands of ideas. Ultimately it's up to the company to decide whether they want to use the results of the community discussion, but the value lies in a vibrant and passionate crowd, being able to communicate directly with the company in a constructive manner.
- 3.** When the task reaches a pre-defined expiry date, people who have been active in the community receive a share of the bounty as YUPIES, proportional to the votes they have received. These YUPIES function as a currency in the Crowdholding ecosystem, or if people wish to exit the ecosystem, they can be traded on an exchange for other cryptocurrencies.



### **Distributed Online Funding (DOF) platform**

Businesses will be able to raise capital via token crowdsale with the Distributed Online Funding platform.

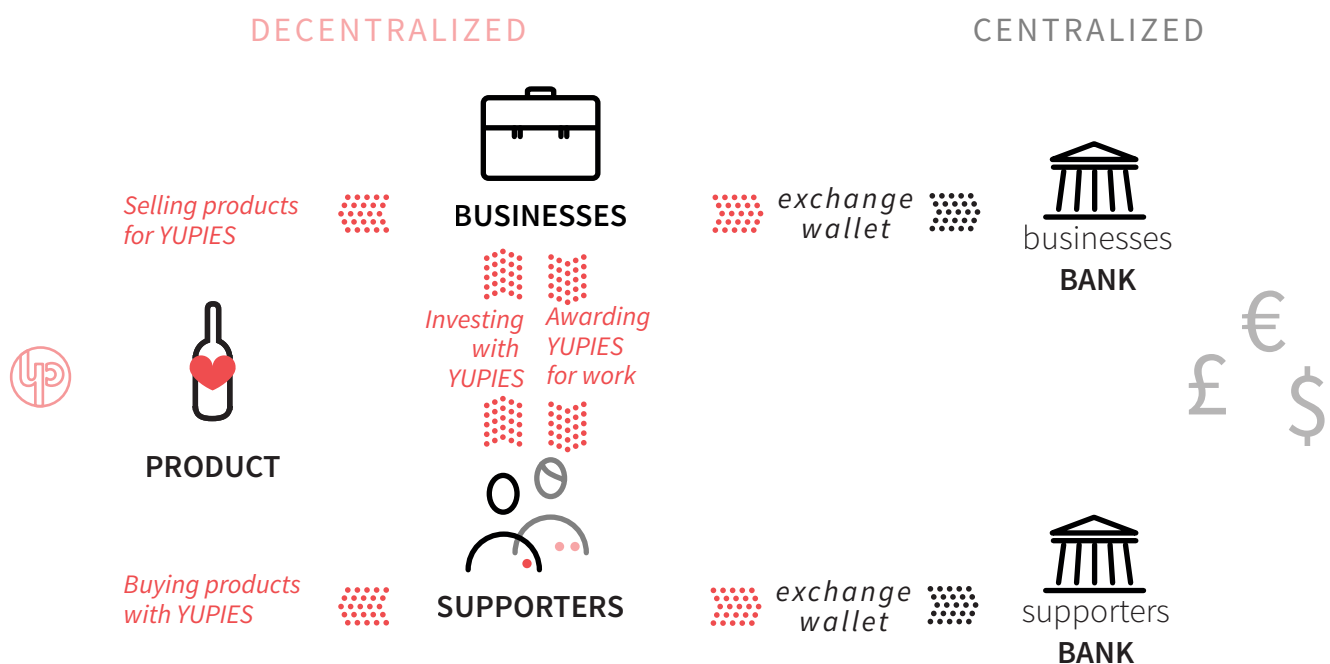
- 1.** First a company creates a community around the brand and verifies whether there is actually demand for its product.
- 2.** Next the firm publishes its business concept and the crowd evaluates it.
- 3.** When a business goes through coaching and gets final feedback from the community, businesses will be allowed to launch their ICO.
- 4.** The company initiates marketing campaign relying on its own already established community and our full endorsement. Supporters can re-invest the awarded YUPIE tokens into businesses that launch an ICO on Crowdholding or exchange the YUPIE token to another currency. Potential investors can acquire YUPIES either from Crowdholding or directly from the market.
- 5.** The business then launches their ICO and continues to receive active management support from us. We take a 5% fee for ICO campaigns.



### Step 3: Marketplace

Completion of step 3 and thus the Crowdholding Ecosystem is scheduled for the end of 2018. Businesses on Crowdholding will start selling products/services and receive YUPIES as a method of payment. Businesses offer solutions to people, other businesses and to Crowdholding. All the payments are done in YUPIES.

In the Crowdholding Ecosystem, a user can buy products or services, invest, or earn YUPIES, that do not depend on any traditional institution and are as strong as the community.



## Business Model

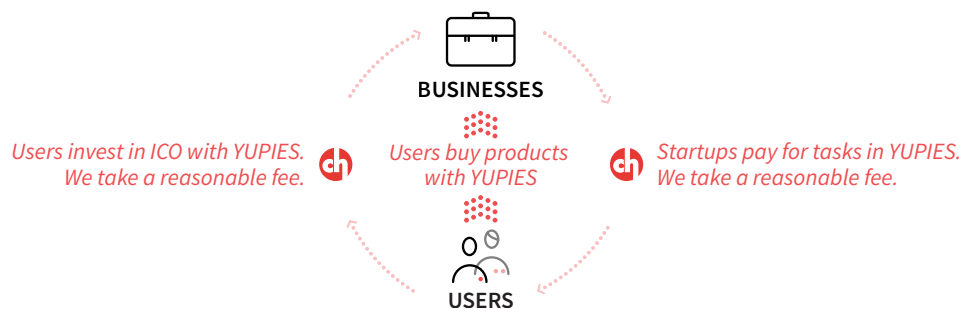
### Profit Generation

Crowdholding model is based on a simple principle. Everyone is paid in YUPIE tokens and thus the interests of businesses, supporters and Crowdholding are aligned.

After completion of the Crowdholding July 2018, businesses on the DOI platform promise to share with supporters between 1-10% of the company's profits paid in YUPIE tokens for a set period of time. Crowdholding will take 10% commission from all YUPIES awarded for work.

The Distributed Online Funding (DOF) platform will allow startups to raise capital through ICO by selling YUPIES. Essentially, businesses are sharing revenue with their supporters. We take as a fee 5% of ICO campaigns.

The following graph shows estimations of our revenue for the period 2017 - 2019 for both the Decentralized Open Innovation (DOI) or Distributed Online Funding (DOF) platforms.



## ICO details

### Role of the YUPIE Token

Important part of Crowdholding ecosystem is how YUPIE tokens are used to build the circulation of the currency and create supply and demand mechanisms. YUPIE tokens will be used within the Crowdholding platform, but they won't be limited by the platform in the future. YUPIE tokens are useful in multiple use cases in the ecosystem and can be used in the following ways on the platform:

#### For Crowdholding

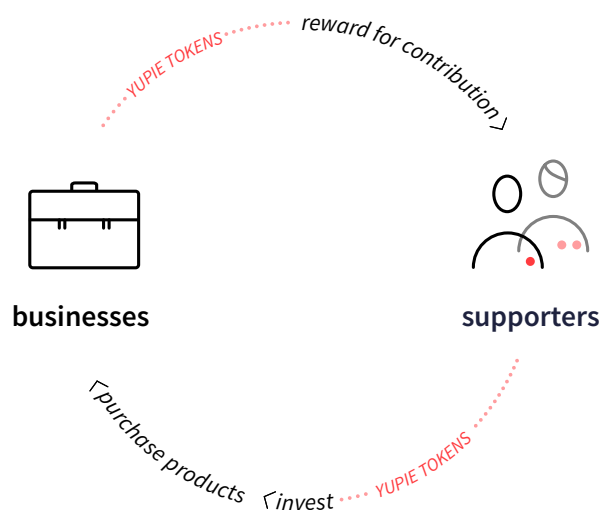
- Fuel for the crowdsourcing and crowdfunding processes on the platform.

#### For Businesses

- Payment for qualified business evaluation and validation, translation and proofreading services, creative content development and web design, advertising and promotion, bounties and etc.
- Crowdholding bonuses paid in YUPIE tokens paid proportionally to all holders. If backers decide not to sell the tokens immediately after the ICO, but keep them will be rewarded with bonus YUPIE tokens.

#### For Supporters

- Investing tokens into companies on the platform.
- Purchasing products/services on the Crowdholding marketplace with tokens.  
Crowdholding bonuses paid in YUPIE tokens paid proportionally to all holders.

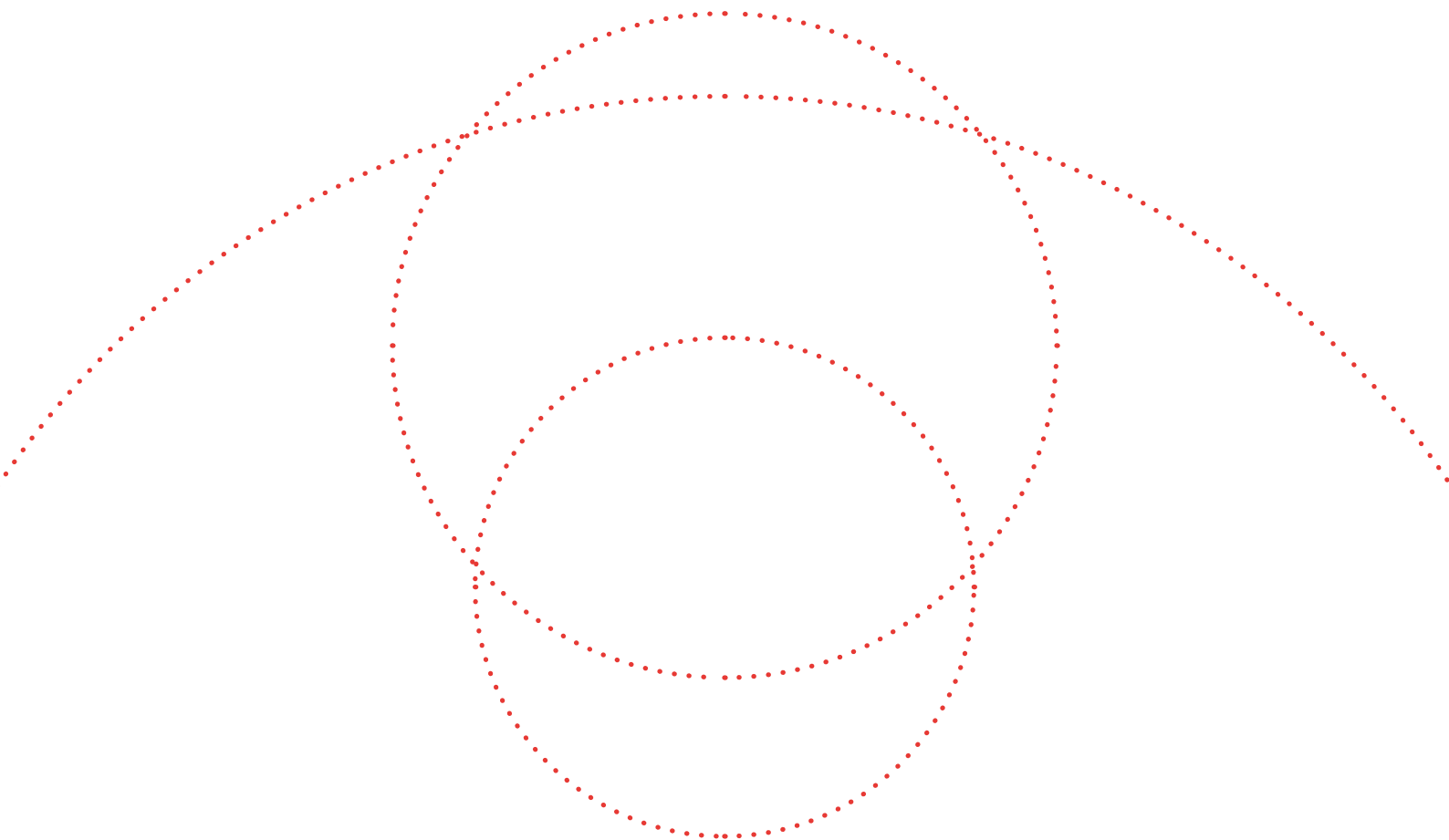


## Token supply

YUPIES will be created prior to the ICO, and they will be capped, meaning we are not able to create any more in the future. No inflation is intended.

631 million tokens created. 284 million directly sold to public.

Token supply is fixed, we create immediate deflationary currency that will be as valuable as our growing community (startups and crowd) in our ecosystem. Any unsold YUPIE token created for sale during pre-ICO and ICO will be burned.



## Token Distribution

The initial issue of YUPIE tokens is programmed by a smart contract and will be carried out in the following order:



- Pre-ICO (0.8%)
- Bounties (1%)
- Seeding businesses (5%)
- YUPIE reserve (10%)
- Locked for future use (19%)
- Team & experts (20%)
- ICO (45%)



- Pre-ICO (0.8%)



- Bounty campaign promotion (1%)



- Award for first 10 businesses on our platform (5%) which will pay for tasks with YUPIES.



- Allocation for unforeseeable expenses (10%). We want to have the deposit of YUPIES that would be only used to solve the token-threatening situations. All our wallets will be auditable via a publicly shared address.



- Kept as a reserve for future growth (19%). To be utilized for future partnerships or acquisitions. This block of tokens will be set aside for a minimum of 24 months, never be sold directly on the market and be constantly auditable on a publicly shared address.



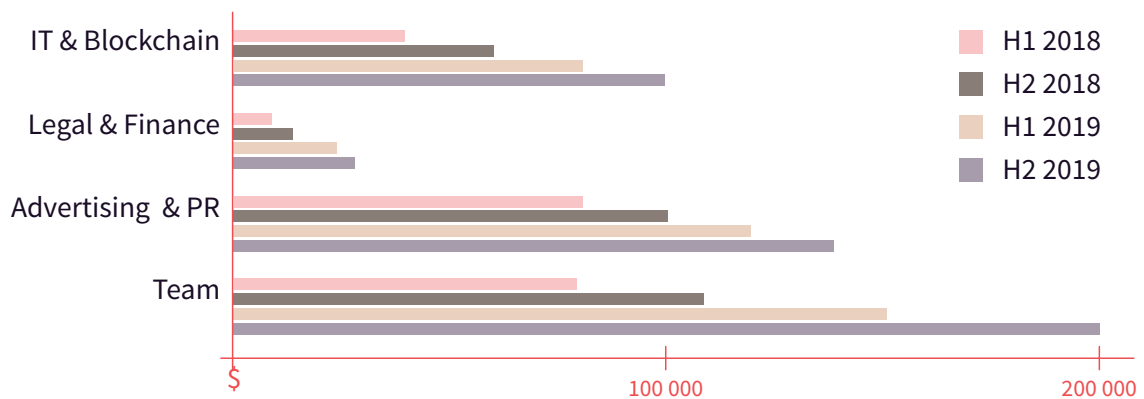
- Allocated to the current and future team members, advisers and experts (20%). The team tokens will be reverse vested with a 6- month cliff and then linearly vested over 18 months, with the team wallet publicly auditable.



- ICO (45%) The success threshold will be set at \$1M and \$50M (hard cap). All amounts will be in ETH and calculated a day before the crowdsale starts. If the minimum of \$1M is not reached, the funds will be returned to investors.

## Spending Allocation

The capital raised from ICO will be utilized for Crowdholding operations, marketing and PR, legal and IT development costs. The main focus of our expenses will be on the technical development of the platform. However, marketing & sales will be allocated a growing importance, as the success of the platform depends on attracting the right supporters and businesses through diverse paid advertising tactics. Other expenses include paying for IT infrastructure, rent, patents & trademarks. Crowdholding will be cashflow positive soon after the launch and will utilize additional capital to support international expansion and opening of new locations.



ESTIMATED EXPENSES 2018-2019

## ICO Details

Start date: **1st November 2017**, 10:00:00 (UTC)

End date: **1st December 2017**, 22:00:00 (UTC)

YUPIE tokens distribution cap: **631,000,000 YUPIE tokens**

Minimal goal to start: **\$1,000,000**

Currency accepted: **ETH**

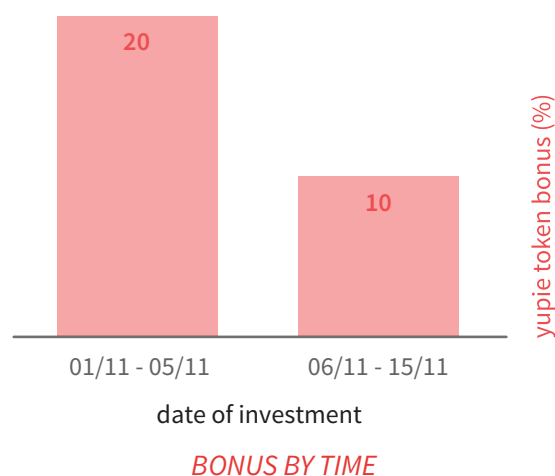
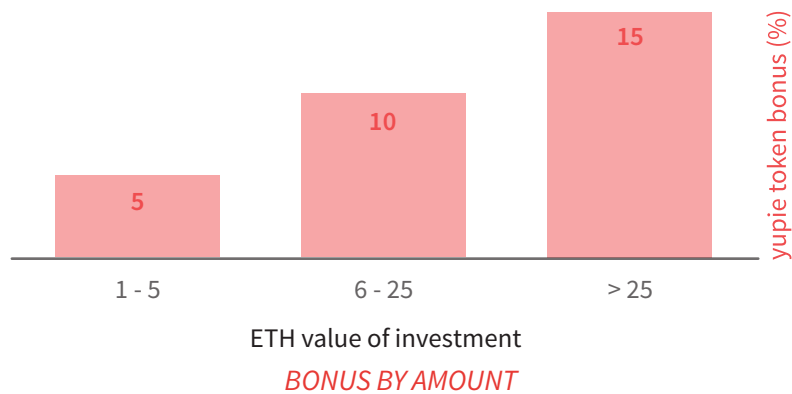
Token exchange rate: **1 ETH = 1,000 YUPIE tokens**

Amount of tokens per one person: **unlimited**

Minimum transaction amount in Ethereum: **0.1 ETH**

Maximum transaction amount: **unlimited**

### Bonuses:





## **Token Demand & Liquidity**

Since startups are sharing revenue in YUPIES, they have to purchase YUPIE tokens either from Crowdholding or from the market, which increase the price of YUPIE.

To facilitate the needed liquidity, Crowdholding will initially use an ERC-20 token for easy acceptance on major marketplaces.

YUPIE token is still in its infancy. As more startups join our platform, the more YUPIES are used to pay for services and promotion. As businesses collaborate with the crowd and share their revenue, the crowd receives more and more valuable YUPIES. The bigger the crowd, the stronger the YUP.

## **Business Development**

Our diverse team of open-minded millennials is fertile ground for the realisation of our business. Working together for over a year consolidated us in the common sense to revolutionise the world's economy through crowdsourcing and return wealth to the public by providing an unprecedented token.

Achieving several milestones within our past journey made us more and more confident about the Crowdholding concept and gave us some indication of our future development.

## WHERE'S CROWD HOLDING GOING >>

**JANUARY 2016**

Crowdholding  
idea envisioned



**OCTOBER 2016**

Alpha launch  
with 100 users

**MARCH 2017**

Beta launch, investment from  
Richfox and Vakoc brothers



**SEPTEMBER 2017**

514 ETH (257%)  
raised from pre-ICO

**FEBRUARY 2018**

Bounty system  
launch



**JULY 2018**

Crowdsourcing and crowdfunding  
platforms launch

**DECEMBER 2018**

Marketplace launch



**2019**

API integration, mobile Apps  
& Community development

The first milestone was launching a prototype in autumn 2016, after two of our co-founders put in USD 24,000 to start the operations, on which we could build the basic framework up. A hundred alpha users were leaving feedback and ideas while we collected data on how our system worked. This data was used in parallel to work on a development domain we could later launch as our beta version with initial 15 startups onboard.

It was in early spring, after we got our second investment from Richfox Capital and the Vakoč brothers, when the beta was successfully released to the public and we started to run marketing and PR, which helped us being interviewed and published in several online magazines and blogs. Beyond that we attended sundry startup events in whole Europe, just as Pioneers, White Bull and Startup Vienna to connect with the community, meet investors and get the word out about us. The traffic and awareness created, supported our growth so that we onboarded (actual number) startups onto the application from the beginning to the present date.

During beta, we learned a lot about our users and how to communicate our philosophy to both, Supporters as well as businesses, especially startups. From the technical side we ran through several changes and improvements so that we now use a Python/Django framework on the backend and a Bootstrap/LeSS framework on the frontend, which enables separation from code and visuals besides the fact that the Python community is big, young and innovative. Continuously improving the application we are adding/customising features like notifications, the news feed, user profiles and “create your own project“. The average daily user growth rate is around 10%.

Future milestones will be our ICO in autumn 2017, then reaching 1,000 startups and 3,000,000 users on the application by the end of 2018. Sharing of revenue by other startups is a major milestone, since that will ensure Crowdholding to be established as the Nr.1 Crowdsourcing platform, offering ICO preparation, realised by a trusted community. Sharing revenue by other startups means distributing our token to more users, increasing the token flow, i.e. boosting our market capitalisation.

Preparing the ICO, we are focusing on bringing Fintech startups to the application, because they are the pioneers implementing the token for their own use. Having a number of Fintech startups on the application will attract investors, insiders and entrepreneurs to put money in the ICO, while we finish working on the blockchain development of our platform. The token will initially be backed by 10 Fintech startups that will be receiving 5% of our ICO or up to USD 500,000 in return

for sharing 5% of their future revenue. This will ignite the co-creation, because the startups will be under contract to share revenue. This approach showcases our system to be valid and eventually startups join the application themselves to share revenue with the crowd and utilise our system. The steady evolving crypto community will accelerate our growth until we reach the maturity stage, scheduled for the second half of 2018.

Our moonshot is scheduled for 2019 when we want to create a secondary marketplace for revenue futures (ie Digital Asset Management - DAM platform is described in more detail in the Appendix), thus allowing all people to trade their unique cryptocurrency with other people who support businesses on Crowdholding.

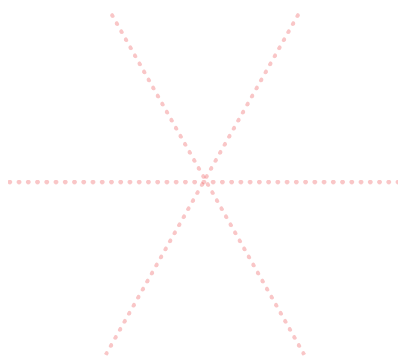
## What makes Crowdholding Special?

Crowdholding aims to connect the crowd (anyone from around the world) with entrepreneurs allowing anyone to co-create with startups, therefore creating worldwide think tanks to accelerate startups like never before. Imagine an entrepreneur comes up with a new app concept and launches it on Crowdholding. Within a matter of 24 hours they can have feedback, connections, possible investors or future staff members from all over the globe.

What makes Crowdholding groundbreaking is that it benefits both the entrepreneur and the crowd due to our innovative business model. Entrepreneurs don't just receive the benefit of co-creation, but also because the startup is not sacrificing any of their equity (instead their awards are worth a small percentage of future revenue) meaning the entrepreneur remains in complete control of their project.

Another factor that is different in the marketing strategy, projects on the platform can create lasting relationships with potential customers. We focus on pushing the projects through social media marketing and through the crowd due to the fact that the standard paid ad is becoming less and less valuable. According to WOMMA "word-of-mouth impressions drive sales 5x greater than the equivalent number of paid impressions."

For the Supporters, our system allows anyone to develop their skill set, whether you are a 20 year old college student with innovative, new ideas or a middle aged professional with 10 years worth of experience, Crowdholding can offer the chance to co-create, showcase your skills and build new connections. On top of that because of the cryptocurrency we are implementing, Supporters will be able to work and receive a digital currency for their contributions.



## The Team

Here at Crowdholding, we don't just value forward thinking, bold, educated individuals, but also those who really believe in our vision and what we are trying to achieve.

Our executive team has the perfect mixture of experience, coming from some of the biggest tech companies on the planet (Google, Skype, HP and Oracle) and innovation allowing them to think outside the box.

Supporting staff joined Crowdholding not for a pretty wage, but to change the world for the better. Our team is sourced from 11 countries and 3 continents giving us a global perspective while striving to evolve Crowdholding into the ideal co-creation platform.

## Executives



**Ethan Clime**  
CEO

An expert in alternative crowd financing, having organized and led 2 successful (Angee & Aquajar) crowdfunding campaigns. He has spent a significant amount of time engaging with people interested in the Crowd Economy.



**Aleks Bozhinov**  
CMO

Aleks has Spiderman's 6th sense when it comes to online marketing. He already has 2 startups (For Sale!; Aquajar) behind his back and having worked at Google has helped him form a good understanding of both the startup and corporate spheres.



**Chris Fronda**  
Blockchain Architect

Absolute genius when it comes to coding. Has developed innovative software which was sold to a large corporation. Extremely passionate about Blockchain and with experience in deploying Smart Contracts.



**Henry Ashley-Cooper**

CPO

Henry is a veteran product designer, having worked with a number of startups including Angee and SQLdep. Responsible for integrating the latest technologies and methodologies in the company workflow.



**Rosario Colletti**

CTO

Rosario is former Principal Engineer at Netsuite/Oracle. He is an Application developer, solution architect and has strong experience in reports and statistics systems: log analysis, database modeling, web user interface.



**Paolo Lacche**

COO

A former Product Manager at Skype & HP, Paolo has experience with both a business and engineering background, ranging from start-up to research, from enterprise to consumer. He's a veteran of mobile, social, and web applications.

## Legal Compliance

### Company Registration

Crowdholding.com's parent company is located and registered in the UK at:  
Office 7 35-37 Ludgate Hill London. Registration: 10301063

### Token Compliance

Crowdholding is working with outside legal counsel to ensure full compliance. However, the emerging cryptographic token space is sparsely regulated right now. Our goal is to be as compliant as possible within such a regulatory environment, and some have raised the possibility that US securities regulations could apply. For the question of whether they apply, the appropriate framework is the Howey Test established in SEC v. Howey [14]. Our understanding and interpretation of this test is that YUPIES are not classified as securities because 1) ownership of YUPIES does not provide any ownership or related rights in a company, 2) YUPIES are deployed in production and have real utility via the crowdholding service, and 3) YUPIES serve a distinct function more akin to application credits than a financial instrument. That said, the contents of this document do not constitute legal advice and we encourage prospective purchasers with concerns to consult with an attorney. We expect the regulatory environment to evolve as the cryptocurrency space matures and we will do everything we can to maintain compliance.

The tokens have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to or for the benefit of US persons (as defined in Regulations under the Securities Act) unless they are so registered, or an exemption from the registration requirements of the Securities Act is available. One such exemption allows the resale of tokens purchased for their own account and for investment purposes only by investors who (i) are not otherwise affiliated with the Polybius Foundation, (ii) have been exposed for some time to the economic risks that ownership of tokens entails, and (iii) are not part of the distribution of the tokens.



## Appendix

### Digital Asset Management (DAM) platform

Crowdholding.com's parent company is located and registered in the UK at:  
Office 7 35-37 Ludgate Hill London. Registration: 10301063

#### The DAM is:

- Open-source and transparent. Set management track-records are transparent and auditable by everyone everywhere at any time.  
Modular and inclusive. DAM platform is built from the start to be ever-expandable and flexible.
- Lowers costs and time. By using blockchain technology, fixed and variable asset management costs as well as time requirements drastically reduce.
- Decentralised and reliable. By having decentralised storage and execution one can mitigate of today's world inefficiencies such as custody, counter-party and settlement.

Crowdholding realizes the potential of the digital asset management industry which is growing at astounding rate, up from a market cap of 7.93 Billion \$ in 2016 to 24.15 Billion \$ in 2017 and is continues to grow. Crowdholding's DAM offers a more decentralized option to manage digital assets. Crowdholding wants to capture 20% of this market by 2022.

The Crowdholding ecosystem (DOI, DOF, DAM) mitigates the risks and deals with the volatility of the digital asset industry. With the introduction of all new technology, the future of money and asset management morphes into the new era of finance where there is much to gain from being aware of what is coming - what is here.

