

# CONDA

## WHITE PAPER

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THE  
**CR****WD**  
NETWORK



TOKENIZED  
EQUITY OFFERINGS

A decentralized network protocol for issuing and managing tokenized equity offerings of SMEs, Startups and Real Estate Projects.

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## Disclaimer

This white paper is provided by CONDA for information only.

Only the distribution agreement concluded between CONDA and any interested party will be legally relevant for the distribution of the CRWDToken.

The CRWDToken will further be subject to specific terms and conditions, which are also laid out in the distribution agreement.

As of 16.12.2019.



**CONDA: Empowering Entrepreneurs**

In the digital era, in which new ideas and creative minds can create significant change and impact on the world, startups and entrepreneurs are still facing the challenge of finding sufficient funds for their businesses. In recent years, it has become increasingly difficult to find the right financial resources, even for previously established companies. New resources are needed to create innovative products and to establish an entrepreneurial society.

While established institutions like banks or financial markets for stocks and securities are serving the needs of large corporations, there is a steadily-growing demand for alternative financing possibilities for startups, SMEs, and projects such as real estate developments. CONDA supports small businesses by connecting them with investors to create and grow prospective businesses and discover the hidden champions of the future. With our crowdfunding platform and future vision, we are poised to change the game of how companies get financed in the future.

“ *That’s why CONDA is creating a decentralized network protocol for issuing and managing tokenized equity offerings of SMEs, startups and real estate projects. This technology allows anyone to securely and transparently invest in companies around the world, in accordance with regulatory requirements.*

*CONDA enables a secure infrastructure for company investments on the blockchain.* ”

With more than 5 years of experience in providing alternative financial instruments to companies and attracting over 30,000 users, CONDA has the expertise to develop a game-changing infrastructure for future financial markets.

Having our crowdfunding platform built on blockchain technology will provide our network of users and projects with a fast and secure platform for investing and creating campaigns as well as setting up a third party's own crowdfunding campaign.

“ CONDA’s goal for the blockchain-based platform is to create a decentralized network to fill the gap between funds needed by companies and a growing number of individuals who wish to invest directly in startups, SMEs and real estate projects.

”



## Introducing CONDA

CONDA is the Central-European provider of crowdfinance technology.

Started as an innovative crowdinvesting platform in Austria in 2013, CONDA connects small businesses with investors who can help their ideas evolve.

Over time CONDA has developed itself into the leading provider of technical, process, and legal infrastructure for various types of alternative finance solutions, such as crowdinvesting, crowdfunding and crowdlending.

## **Experience**

CONDA launched its crowdfunding platform in 2013. The blockchain infrastructure presented in this paper is the next logical step in bringing crowdfunding to the next level by utilizing the most efficient technology, developed by our experienced team and partners.

## **Success**

CONDA has successfully financed more than 100 projects with total invested capital of over €24 million. We have the experience and knowledge to handle projects from €100,000 - €3+ million.

## **Approved**

CONDA presented its investment model to regulators in 7 countries and has received positive confirmations from Germany, Austria, Switzerland, Liechtenstein, Poland, Slovakia and Slovenia. The regulations in the UK and in the Czech Republic have been checked by lawyers for possible future expansion.

## **Blockchain Technology**

We are building a community-based network for fast and secure crowdfunding based on blockchain technology, not “just another crowdfunding platform”.

## **Without Boundaries**

CONDA is working on erasing geographic and other existing boundaries by establishing the lowest and fairest rates for investing across countries and currencies. Transactions are quick and easy, and the investment process is the same, regardless of a user’s currency or country.

## Our Platform's KPIs

### Leading cross boarder crowdinvesting platform

- Active operation in **seven European countries**
- **€20 million** total transaction volume
- **15,600** transactions
- **3,000** company applications
- More than **90** projects successfully funded
- Largest campaign: **€3 million**
- Fastest campaign: **€1.5 million** in 36 hours
- Business model legally approved in **nine countries**

### International investor community

- **25,000** registered users
- More than **9,800** investors
- **26** different countries of origin
- **> €1,200** average investment (*constantly growing*)
- **> 25%** of the investors invested more then one time

## CONDA Crowdfinancing Platform 1.0 - 2013



By creating this platform in 2013, CONDA made it possible for both individuals to invest in companies with investments starting as low as €100 and for companies to start raising money with as little as €100,000 in transaction volume. The equity market is no longer out of reach for small investors willing to help in shaping a better future. Rather, it is now a simple and intuitive process that benefits both sides.

CONDA offers its own services and third-party services from partners to companies with the potential for a successful crowdfunding campaign. As the process has already been used with more than 100 campaigns in 7 countries, CONDA has the experience and knowledge to understand the requirements for setting up a successful campaign and allowing investors from several countries to invest in one company.

CONDA has checked the legal and regulatory requirements in 7 countries and is currently investigating the requirements in two additional countries. We pride ourselves on always staying in close communication with regulatory agencies. This provides users a secure environment in which to use CONDA's infrastructure to invest in companies.

## CONDA Crowdfinancing as a Service 1.5 - 2014



The CONDA crowdfunding platform provides the background structure for any type of crowdfunding platform and allows everyone to set up their own legally-compliant crowdfunding platform in multiple currencies. It will be offered to other platforms, franchisees, third parties and white-label partners.

The full platform is offered to third parties in two different partnership models:

- White-label platform
- CONDA franchise, which includes brand and joint marketing

The basic idea behind CONDA's white-label solution is that the platform can support all fundraising processes in cases where a large crowd of people is involved. Therefore, it has the potential to provide services for a broad range of solutions in the field of alternative financing.

This platform-as-a-service model not only benefits platform users, but also CONDA, as it's an ideal option to enter the market efficiently, earn revenue and create network effects.

## CONDA Crowdfunding Infrastructure 2.0 - 2017



In 2017 the need for the professionalization of alternative financing models became apparent, motivating CONDA to create a decentralized network protocol for issuing and managing tokenized equity offerings of SMEs, startups and real estate projects. This network protocol will continue to address the needs previously solved in CONDA's crowdfunding platform 1.0.

This infrastructure will be made available to third parties as a franchise or white-label platform. These groups will then be able to set up their own crowdfunding platforms, thereby addressing the issue of diversification, which was previously solved in CONDA's platform-as-a-service 1.5.

This latest development, the CRWDNetwork, is a decentralized peer-to-peer system, allowing platform operators to create their own tokenized equity offerings on several different platforms.

A clearing system will be established based on the Ethereum network, which will allow secure and fast processing of alternative financing investments in a legally-compliant manner.

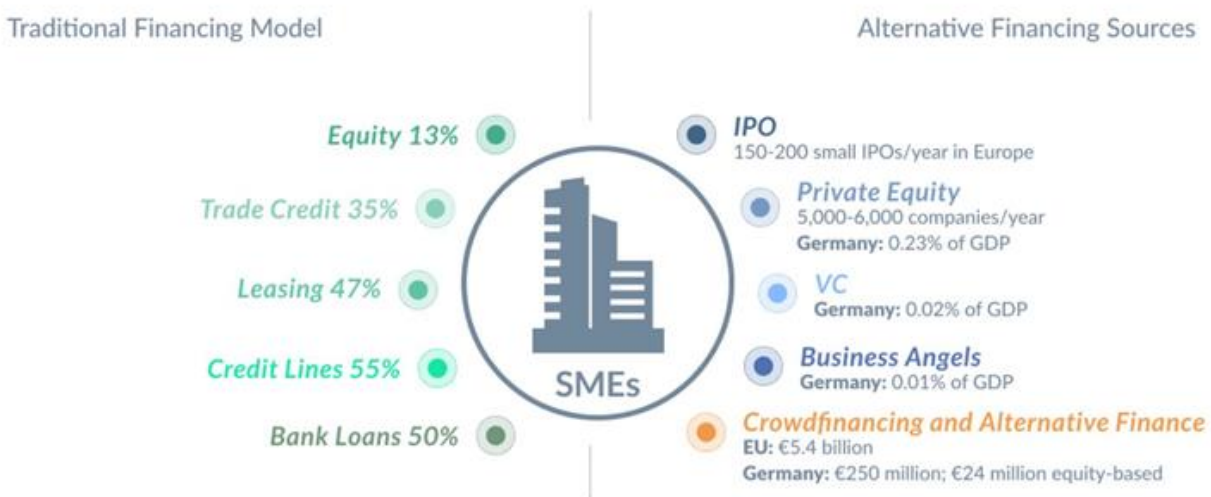
CONDA's blockchain infrastructure will also afford partner platforms with the opportunity to use this legally-compliant investment infrastructure on the blockchain as a service.

# Competition

CONDA’s evolving infrastructure has given rise to an impressive track record ahead of the competition. Its experienced team offers multi-platform support, and a “Know Your Customer” (KYC) blockchain process is integrated within CONDA’s blockchain platform.

Features	<b>CONDA</b> Decentralized crowdfunding clearing system	<b>Neufund</b> Decentralized crowdfunding clearing system	<b>KICKICO</b> ICO crowdfunding	<b>Wish Finance</b> Lending	<b>Cofound.it</b> Accelerator ICO	<b>KICKSTARTER</b> Crowd Funding	<b>Bnk To The Future Crowd Investing</b>
First Project on the platform	<b>2013</b>	Not Started	<b>2017</b>	Not Started	<b>2017</b>	<b>2009</b>	<b>2010</b>
Already funded for companies	<b>€20 Million</b>	Not Started	Data not Published	Not Started	Data not Published	<b>€2.883.367.000</b>	<b>€224,018,467</b>
Investment projects fully selected/managed by community and partners	✓	✗	✗	✗	✗	✗	✗
Crowd-powered selection process	✓	✗	✗	✗	✗	✗	✗
Decentralized ecosystem for other platforms	✓	✗	✗	✓	✗	✗	✗
Fully API-driven	✓	✗	✗	✓	✗	✗	✗
Multi-client white-label platform on top	✓	✗	✗	✗	✗	✗	✗
Support for counterparty tokens (Company/Equity token for participation in companies)	✓	✓		✓	✗	✗	✗

## Demand for New Financial Instruments



When it comes to investments in Europe, as presented in the figure above, SMEs, startups and real estate projects mainly rely on bank loans (50%) and credit lines (55%) for their financial needs. Private equity, venture capital and business angel investors are fulfilling just a small niche for high-tech and high-growth firms and do not actually fit the majority of companies' needs.

This traditional model of raising investments is being stretched to its limits, as more and more innovative and rapidly-growing SMEs, startups and real estate projects need equity and mezzanine capital.

This growth, on the other hand, is in stark contrast with bank regulations. The rules and procedures by which companies must comply to raise funding is gradually becoming more complicated and dismissive, therefore reducing these firms' access to bank lending.

On account of these reasons, the need for alternative investing methods has risen, leading to the expansion of alternative financing methods.

# The Power of the Crowd and the Democratization of Financial Markets

Emerging technologies have afforded startups, SMEs and entrepreneurs with new investing approaches for securing financing. Some of the fastest-growing and most important methods are referred to as crowdfunding or alternative financing, meaning a broad range of people are now able to finance projects and companies.

Crowdfunding, which until recently only supported local and creative projects, has now become a popular way of raising money around the globe. Startups and entrepreneurs with incredible ideas are now securing investments through various platforms for crowdfunding. Because these platforms differ from traditional funding methods, they're considered revolutionary and may boost sales and marketing via a "cool" factor.

“ Crowdfunding has solved many fundraising issues by combining the positive aspects of both traditional equity trading and modern crowdfunding. ”

The first (and most important) achievement is the automatization and optimization of the process, thereby reducing costs. Previously, small businesses were prevented from entering the financial market due to its high price tag. By giving firms a chance to set up a legally-compliant platform for crowdfunding, CONDA provides every business a fair opportunity to succeed.

In short, crowdfunding offers investors the opportunity to legally invest in small companies and startups; these same companies can thus realize their ideas, thanks to the power of the crowd.

# The Power of the Crowd and the Democratization of Financial Markets

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*The “Initial Coin Offering”, or “ICO”, is the next logical step in the evolution of alternative financing.*

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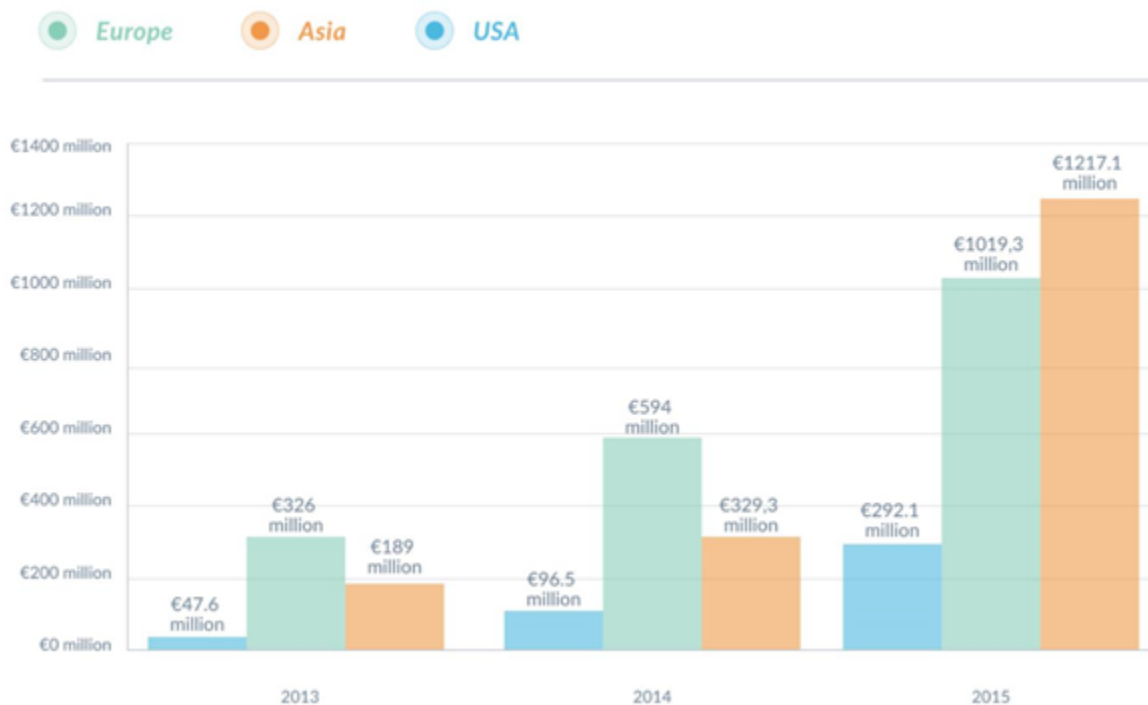
Blockchain technology is a simple and easy way to create a completely decentralized market on a trusted technological layer. The procedure of an ICO is almost the same method used for an IPO except that there are fewer intermediaries with an ICO.

As the popularity of blockchain has grown, the number of companies launching their own ICOs have grown as well. Over the last couple of years, ICOs have become very popular ways of gaining investment. In the first half of 2017 alone, over \$1.2 billion was raised through these mechanisms.\* The time to reach the desired cap is also decreasing, with Gnosis raising \$12 million in 10 minutes this past April.\*\*

\*AutonomousNEXT\_TokenMania.pdf, July 2017

\*\*<http://uk.businessinsider.com/initial-coin-offerings-explained-icos-token-crowdsale-2017-7>, 2017

## The Alternative Financial Market is Growing



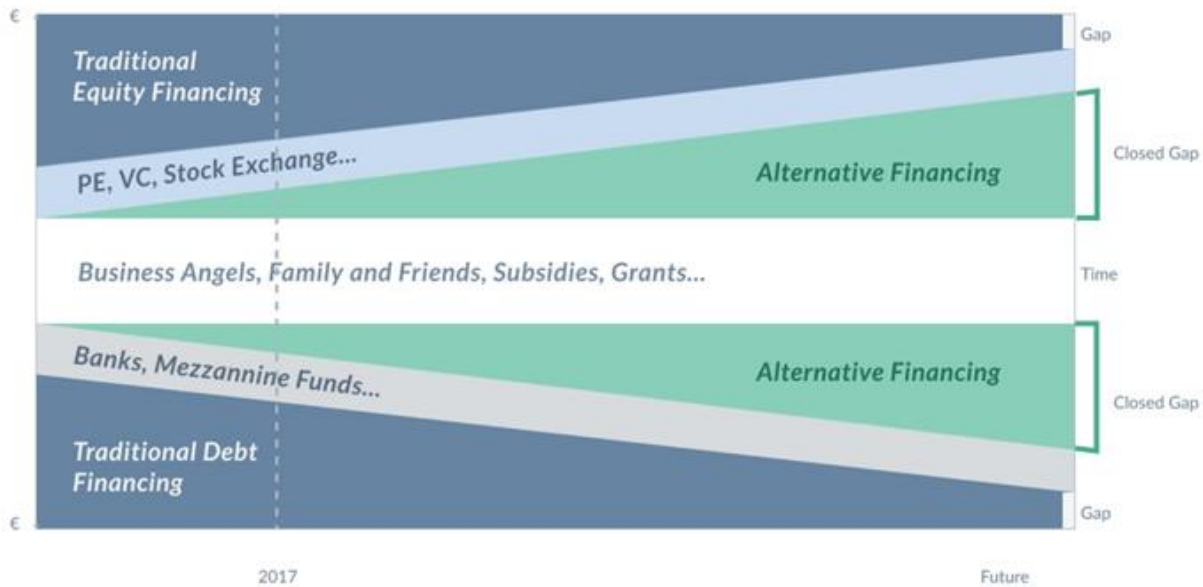
The global alternative financial market is growing rapidly, but it is still a niche market when compared to traditional resources. Still, increasing demand and trends toward democratization and blockchain technology are accelerating its importance at a rapid pace.

The figure above clearly shows the impressive difference in the amount of money raised through alternative financing in Europe, Asia and America since 2013. In 2015, crowdfunding reached over \$34.4 billion in investments. That's the year crowdfunding entered hyper-growth: 60% of the total market activity was dominated by debt-based online alternative finance. Between 2015 and 2017, the alternative financing sector increased an extraordinary 84%.\*

The ICO trend has surpassed every other investment model, with over \$1.2 billion raised in the first half of 2017, and is unlikely to stop anytime soon. While this young sector may need a few years to become a true commodity, ICO crowd-sale figures demonstrate this method's high potential for raising funds. There may be periods of economic downturn in which some people lose money; however, the basic idea and technology behind ICOs provides the chance to change financial markets for good.

\*(Cambridge Centre for Alternative Finance, 2016)

# Alternative Finance Closes the Financing Gap



Due to the issues with traditional financing methods, SMEs and startups frequently rely on venture capitalists (VCs) and business angels for investment. While VCs and business angels are increasing in both number and approachability thanks to technology, a financing gap remains.

Figure 3 presents the current and projected state of raising investments via various methods. Alternative financing is closing a significant gap, reducing pressure on traditional financing models and lending a helping hand to innovative SMEs and startups.

In Europe, the UK leads the way with 94 peer-to-peer lending platforms, followed by France (49) and Germany (35).<sup>\*</sup> Large market potential exists in Central Europe, where the concentration of similar platforms is rather low. However, it is estimated that over \$90 billion in investment will flow to these alternative platforms by 2020. Considering current growth rates, this may even be an underestimation.<sup>\*\*</sup> By now, it should be evident that alternative finance is on the way to become the primary source and method of raising investments.

<sup>\*</sup>Cambridge Centre for Alternative Finance, 2016

<sup>\*\*</sup>The World Bank, 2013

## CONDA's Solution

“

*A decentralized network protocol for issuing and managing tokenized equity offerings of SMEs, startups and real estate projects*

”

CONDA is closing the funding gap described above by creating a decentralized network protocol built on the blockchain to benefit companies seeking funds, investors looking for investment options and other platform operators. This technology allows anyone to securely and transparently invest in companies around the world in accordance with regulatory requirements.

With this new platform, the power of the crowd will reach its full potential by being fully decentralized, community-driven, transparent and boundary-less, meaning there is no need for intermediaries between the network's participants.

## Meet the CRWD Network

	Current services				New services	
Challenges and needs	 SMEs/startups lack financing options.	 Investors search for new investment opportunities.	 Platforms for specific regions or topics evolve.	 Investors search for diversification.	 Interoperability, standardization, and internationalization are needed.	 Investors search for professionalization.
	<b>Crowdfunding platforms</b>  Crowdfinance 1.0 Launch of <b>CONDA crowdfunding</b> platforms in various countries.		<b>Platform as a service</b>  Crowdfinance 1.5 CONDA offers a platform to others <b>Franchise and white-label.</b>		<b>CONDA infrastructure</b>  Crowdfinance 2.0 Creation of infrastructure for alternative financial markets, which enables users to exchange and trade assets within and between platforms.	
Solutions by CONDA	2013		2016		2017	

In recent years, CONDA has been working on creating the technological infrastructure to solve the problems companies face when attempting to gain financing.

- In 2013 we took on the lack of financing options for SMEs and startups by creating the CONDA crowdfunding platform 1.0.
- In 2016 we addressed the demand for ready-to-use white-label platforms via CONDA’s platform-as-a-service 1.5.
- In 2017 we tackled the need for standardized, professional and trustworthy platforms in the world of alternative financing.

As CONDA continues to evolve, we recognize the need for interoperability and internationalization of all these platforms. Our solution: the CONDA infrastructure, which will professionalize the alternative financing market.

“We believe that only standardization and interoperability will shift alternative financing into the general public’s consciousness, allowing non-traditional investments to become commonplace in the future of corporate finance.”

## Value of the CRWDToken: Why You Should Invest

CRWDToken functions as a single method of payment for services and infrastructure on the blockchain, regardless of the country of operation.

The usage of CRWDToken (CRWT) will increase with every new user, thereby simultaneously increasing in value.

The CRWDToken will not bear any rights and does not have a fixed maturity. CRWDToken is not repayable, and does not bear any voting or interest rights. Investors will not be able to reclaim their contribution in CRWDToken.

## Company Use of CRWDToken

Companies will be able to create new investment offers directly within the network, either by themselves or via a platform. Once their offer is present within the network, they can decide in which countries to display. Platforms presenting investments are incentivized with CRWT.

Companies need to pay in CRWDToken to create their tokenized equity offerings, which will then be offered to investors. By purchasing these tokenized equity offerings, investors are investing in the company which issued them. Therefore, a tokenized equity offering is a representation of the investment product in the form of a token.

Company token also allows its owner to participate in the profits of the company and to earn interest. The tokenized equity offering includes functionalities for its owner such as voting, messaging, payouts and investor registration.

Additionally, companies can use CRWDToken to pay for CONDA's services in the CRWD network versions 1.0 and 1.5.

Each crowdfunding campaign needs to be conducted in compliance with capital markets and regulatory requirements. More detailed and technical information about tokenized equity offerings is presented in CONDA's technical white paper.

## Investor Use of CRWDToken

Investors who participate in the CONDA crowd-sale can use their CRWDToken to pay to create investor keys.

Every investor needs to be identified prior to investing to maintain the legal compliance CONDA is proud of. This identification is completed in compliance with KYC and AML (Anti-Money Laundering) regulations.

To participate in the network, investors need to create investor keys with CRWDToken. The investor key contains all the data the investor provided as identification. This data is encrypted with the investor's protection, and the investor always stays in control of their data. Once the investor creates an investor key, other platforms can work with the previously-completed KYC check. The identification procedure now only needs to be done once.

*“We believe that the future of the alternative financing market lies in the area between existing rules and regulations of the real world and the power and possibilities of the digital realm.”*

While the investment procedure will still be accomplished using fiat currencies, the investor must provide the platform and company access to their KYC data via the investor key. This stipulation allows the company to see who the investors are and to maintain compliance with regulations.

The investor key is merely a method of identification and cannot be used in any other way. The only participants able to access the investor key are: 1) the company that sold their tokenized equity offering to the investor and 2) the investors themselves. Once the investor owns a tokenized equity offering, they can prove that they have ownership in a company and participate in any company profits.

To summarize, investors:

- Have investor keys
- Actively participate in the platform and receive tokenized equity offerings
- Receive a reward for their participation in the community

More detailed and technical information about tokenized equity offerings is presented in CONDA's technical white paper.

## CRWDToken Distribution & Supply

CONDA will create up to 45,000,000 CRWDTokens. We intend to exchange up to 22,500,000 CRWDTokens (or 50% of the total Token amount), including bonus tokens, for Ether/Fiat. After the crowd-sale, unsold tokens will be burned. CRWDToken purchases will earn a 20% bonus during the pre-sale. An additional 10% bonus is available, depending on the amount of the investment.

After the ICO, country expansion, future technology and team pool will together receive a 35% allocation of CONDA, subject to special holding conditions for 9 months. That will ensure a long-term incentive for the CONDA team. In addition, 5% will fund a community award for those who contribute to the growing CONDA community.



## ICO Process

Token Name	CRWDToken
Token Symbol	CRWT
Private-Sale start Date	December 20, 2017
Start Whitelist for Pre- and Crowd-Sale	April 01, 2018
Start Pre-Sale	June 04, 2018
Start Crowd-Sale	December 19, 2019
Token Activation Date	Q4 2019
Price of the CRWDToken	Fixed on the first day of the Pre-/Crowd-Sale, based on EUR/ETH
Price of CRWDToken in Other Currencies	Updated on the website
Minimum Cap	1,000,000 CRWD
Technical Limit to the Number of Tokens	45,000,000 (forty-five million) CRWD
Adjustable Distribution	Unsold tokens will be burned
Further Token Issues	There will be no further Crowd-Sale
Team Token Handling	Time-locked for nine months as of transferability
Bonus Token	Up to 30%, based on the time and amount invested

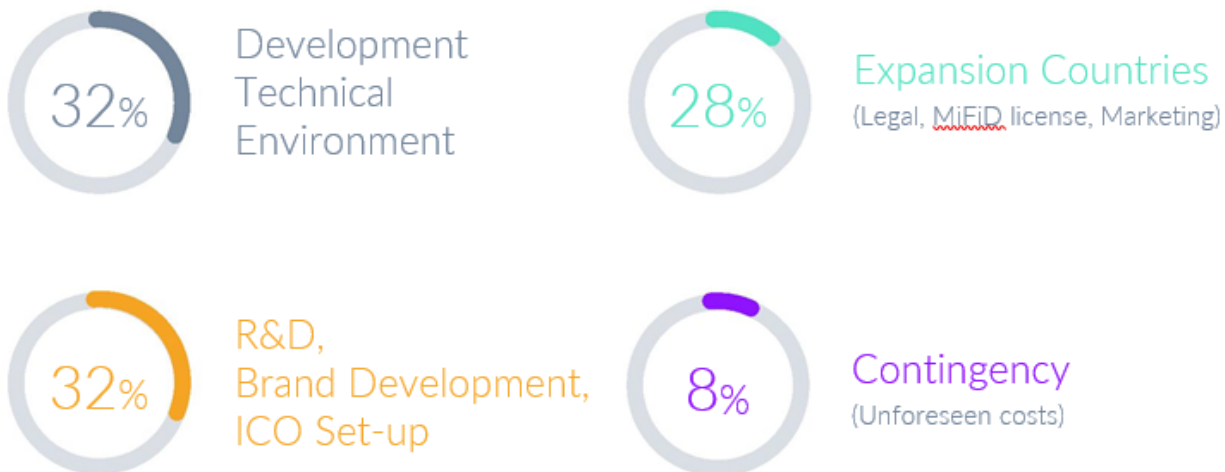
## The Detailed Exchange Process (Crowd-Sale)

The details of the pre-sale and crowd-sale exchange process will be published at the beginning of the pre-sale and crowd-sale, respectively.

### CRWDToken Distribution (Pre-Sale/Crowd-Sale)

CRWT will be delivered to the wallet provided by the buyer on the CRWT order form one month after the end of the offer period at the latest. To access the tokens once distributed, the buyer must use an Ethereum wallet that natively supports ERC20 tokens.

### Ethereum Proceeds



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