White Paper v2.3

Nousplatform: Global Investment Ecosystem powered by Smart Contracts

https://nousplatform.com

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Nousplatform, Ltd., an affiliate of ABB Capital LP, UK

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This Whitepaper contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this Whitepaper regarding our strategy, future operations, regulatory process, future financial position, future revenue, projected costs, prospects, plans, strategic relationships, joint venture relationships, objectives of management and expected market growth are forward-looking statements. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this Whitepaper include, among other things, statements about:

- our ability to develop a decentralized ecosystem of fund investment opportunities and that, in turn, enables growth without massive volatility, and that offers a value proposition to society;
- our ability to aggregate value from multiple token holders to satisfy minimum high-value investment thresholds to provide favorable access terms to the service of any business partners to its token holders, regardless of where they land on the socioeconomic scale;
- whether the Nousplatform Ecosystem will successfully generate revenue;
- our ability to reduce friction costs and exchange rates wherever possible in the Nousplatform Ecosystem;
- our ability to charge fees for our various service offerings that are at or below rates charged by current or future providers of similar services; and
- our ability to engage investors and fund sponsors to adopt the Nousplatform Ecosystem.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and readers of this Whitepaper are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their respective dates. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Whitepaper, particularly the factors described in the “Risk Factors” section of this Whitepaper, that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments that we may make.

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1. Introduction

With the emergence of cryptocurrency and the ability to raise capital via an initial coin offering (ICO), new financial markets have been created and the rules of participation in those markets are developing very rapidly. This has created an enormous demand for trusted, transparent and simple technology for traders, investors and subscribers alike. What was science fiction just a few years ago is now a reality with the introduction of blockchain technology.

Cryptocurrency projects also provide investors with new opportunities to back promising startups launching on the basis of proprietary cryptocurrency or token platforms. Investors in turn have the ability to sell or exchange their assets or instruments on cryptocurrency exchanges. Unlike typical venture capital financings, coin offering opportunities are often very “user friendly” with low commissions and do not require minimum amounts to participate and extensive paperwork or bureaucracy. In the current market, almost anyone can purchase tokens of an issuing company by paying a small commission fee.

These new developments create demand for new investment funds to manage crypto assets and cryptocurrency portfolios. Moreover, as the industry is becoming more regulated, institutional investors will take advantage of new opportunities in this niche market. In the near future, we anticipate that crypto assets will evolve into a new format of investing. For example, stocks, futures, options and many other assets may be indexed as crypto assets (tokens) and the supply of those tokens will be balanced utilizing an elimination and issuance mechanism.

We are even witnessing some startup companies try to index gold and other precious metals with tokens. The indexing will make it possible to buy and sell any assets with tokens in digital format and will create new opportunities to institutional investors.

This white paper describes the possibilities of creating new investment funds utilizing innovative blockchain technologies. Investing funds and investors are facing many obstacles such as raising capital, transparency of fund operations, decentralized data storage of investors’ assets, high liquidity, elimination of intermediaries, and many others. We propose that implementation of blockchain technology will help in overcoming those obstacles.

In addition, Nousplatform will provide a mechanism for tokenization of assets for existing companies and establishment of new companies.

2. Major Obstacles of the Investment Industry

The average investor faces many obstacles when trying to pick a project to make an investment:

- Lack of real time unaltered fund performance data of the Funds
- Intermediaries and high commissions
- High entry level for small investors
- Portfolio diversification and liquidity problems
Crypto Investors don’t have a possibility for efficient investments in the managed crypto assets due to the lack of transparency of crypto funds. Most of those funds are not auditable and not transparent. Licensed Crypto Funds are audited quarterly or annually, that is not enough on such dynamic and high volatile markets as crypto currencies and crypto assets. Investors need more efficient instruments to analyze performance of the funds or projects in real time.

One of the most major obstacle for the private held, small and mid-size companies is a lack of alternatives for a long and costly process of Initial Public Offering (IPO), and thereby the lack of liquidity of these markets.

3. Description of the AuM Market

According to research published by Boston Consulting Group, global assets under management (AuM) placed with traditional managers in 2016 grew by 7%, to 69.1 trillion dollars.¹

The marketplace for the Nousplatform is very diverse and potentially astronomical in volume. For example, BlackRock, Inc. alone manages $5.5 trillion in assets. As everybody knows, there are many hedge funds, banks, institutional investors, private investment funds, family trusts, venture capital funds and many more investing entities. At some point a plurality of these entities will implement blockchain technology; it is a promising method to limit liability and increase profitability by overcoming major obstacles. Yet today, the ratio of tokenized assets to traditional assets remains miniscule.

4. Solution

Our solution describes an open protocol, that allows investors to interact with financial projects, to purchase and sell the assets utilizing smart contracts peer-to-peer without intermediaries. A Protocol drives interoperability among decentralized financial projects.

There are three major components of Nousplatform

- Nousprotocol - is a framework that employs smart contracts to set the rules of On-Chain collaboration between investors and projects. Protocol sets the terms for interactions of the parties and can be adopted according to the type and the functionality of the project.

The first release will support 6 types of investment projects.

¹ Boston Consulting Group, Global Asset Management 2017: The Innovator’s Advantage, July 2017
Auditing Oracle is On-Chain and Off-Chain solution consisting of smart contracts, and API that allows access to the certain data of the project such as gathering statistics, calculations of capitalization, order books, exchange rates, etc. In the beginning our team will be assigned with the task of the Auditing Oracle, and later this task can be assigned to the third party audit companies. Auditing Oracles Network consists of nodes, that creates reports of any project connected to the Network. Reports are stored decentralized as files on every node and signed by its creator. The hash of file is stored in a project’s smart contract to ensure its credibility.

Nousplatform is Web interface which allows managers to create an investment project and deploy it on Ethereum blockchain. For the investors functionality of the platform allows to go thru KYC process, as well as acquisition and liquidation of the assets of the investment projects in the form of ERC20 tokens.

5. How Nousprotocol works

The project manager selects type of the project he desires to create. He can choose Open-Ended Fund, Closed-Ended Fund, Venture Capital Fund, Charity Foundation, Family Fund, Business/Startup. In the next versions of the Nousprotocol the types of projects could be extended.

Example of an Open-Ended fund:

Manager inputs the terms and conditions of the project and parameters of the token.

Each project issuing its own token. In this example token represents Assets under Management (AuM).

Then Project is getting deployed on a blockchain. After that, the manager goes thru set up process and configures the wallets and exchanges’ API for Auditing Oracle to track and make snapshots of the trading statistics and recalculates the price of the token. Price of the token directly correlates to the profit or loss of this project.

If manager ignores Auditing Oracle and tempers with the collection of statistical data, Auditing Oracle may remove the project from the listing at its own discretion.

Nousprotocol utilizes extended ERC20 standard, which enables the acquisition and liquidation of the tokens with atomic transactions within a smart contracts, and excludes intermediaries.

5.1 Nousplatform Solution for Fund Managers

Fund managers operating on our platform will receive a complete set of technology tools for managing their funds and interacting with investors. The main aspects of fund operations are controlled through open source smart contracts, which fosters improved transparency and makes the fund more trustworthy and attractive to the investor. Investment transactions are carried out according to smart contracts that regulate and control the acquisition or sale of equity shares utilizing our utility tokens, the “NSU”.

DRAFT MAY 20, 2018
Every time a new fund is established on a platform, a new smart contract will be instituted and published by the Nousprotocol on the blockchain. We anticipate that this smart contract will contain the specific terms, conditions and features of the fund. Each smart contract will have two types of parameters: constant (unchangeable, permanent) and variable (can be changed or modified). Constant parameters, such as creation date of the fund, the initial capitalization, the founders, etc., are final and cannot be altered after the publication of the smart contract. By contrast, variable parameters, such as the investment maturity timeframe and the assignment of the manager, can be modified by utilizing a private key.

Nousplatform approach will ensure fairness and transparency for both parties and will help protect investors from any manipulation by project managers. Each project’s smart contract delegates a part of the authority over project to Auditing Oracle. Auditing Oracles Network in turn utilizes certain entrusted functions, such as verification of the asset ownership, records of the investment portfolio, identification of the fund managers, estimating the level of capital accounts, and much more.

The Nousplatform by itself is a powerful tool for attracting and creating a pool of potential investors. Therefore, we anticipate that all investment funds that adopt our platform will be exposed to a substantial number of users/investors.

5.2 Advantages of Nousplatform for Investors

By using the Nousplatform, an investor will be able to invest in any resident project at any time by purchasing project’s assets as ERC20 tokens. As of this writing, the ERC20 token standard has the advantages associated with leading cryptocurrency Ethereum, such as using a single wallet for all ERC20 tokens. If an investor wants to liquidate all or some of the assets he or she holds, the investor would receive NSU at the current exchange rate at the time of the transaction.

We propose that an investor on the Nousplatform will be able to choose from multiple projects with differentiated portfolios to diversify risks. He/she will be able to decide whether to participate in a given project based on research of the statistics recorded by Auditing Oracle, which offers transparent, unaltered real data. Auditing Oracle creates snapshots of the assets portfolio of each project with a specified period. Statistics available for review and analysis at any time in a personal back office.

An investor can analyze the activity of any fund in his/her back office. The statistical data of a project based on snapshots shows the fund’s economic profile at any given period. In addition, it reveals the redemption and acquisition of assets, and any other modification of the portfolio, as well as the liquidity index, the number of tokens in reserve, the project’s own capital in relation to the total portfolio, and so on.
The Nousplatform will provide tools for analyzing and evaluating funds based on various statistical data. These reports will be available for any user to review.

The main advantages for investors are simplicity, transparency, the ability to diversify, quick deposit or withdrawal of funds, no bureaucracy, set rules of participation for all the parties involved, no minimum amount entry requirements, and unaltered and accurate data.

In the future, we plan to create a merchant portal for the Nousplatform, which will allow investors to pay for goods and services using their assets, assuming those assets are always under management of the same entity and utilized only when necessary. This approach, in our opinion, should lead to a new kind of relationship between the buyer and the seller, where money, as we know it, will no longer be needed; we anticipate that the economy will shift toward tokenized barter.

**Example: Use of NSU in Commerce**

Bob acquires equity shares of a fund investing in solar energy which owns tokens of this solar energy portfolio company. The portfolio company pays dividends quarterly to the fund from the profits on energy sales. The fund receives the dividends and distributes them among investors. Accordingly, Bob receives quarterly dividends for his equity shares of the fund. Let us assume Bob would like to buy a video camera priced at 1,000 NSU tokens from an electronics store. Using the Nousprotocol, Bob directs a payment of 1000 NSU tokens to the electronics store from Bob’s Nous account. The Nousprotocol in turn (i) automates a request for the fund to redeem equity shares equivalent to 1000 NSU tokens and (ii) transfers the 1000 NSU tokens as a payment to the electronics store in exchange for the camera.

What happened in this case? For Bob, it means he bought the camera for some of the energy that belongs to him, and for the store, it is a normal transaction. Of course, all of this will be possible if the fund has the sufficient amount of tokens for instant transactions with the investor, but as described above, the fund is predisposed having reserve to maintain liquidity. The retailer must accept Nous Tokens as a payment in order to avoid paying additional commissions to the intermediary liquidity provider, or willing to accept payments utilizing more innovative technologies such as the bancor protocol or any 0x relayer.

**5.3 Type of Projects Supported**

At our first stage of development, the Nousprotocol will support six types of funds:

1. Open-ended Investment Funds
2. Closed-ended Investment Funds
3. Venture Capital Funds
4. Charitable Foundation
5. Family Trust Funds
6. Business/Startups

We anticipate rolling out support for more complex types of funds shortly following launch.
5.3.1 Open-ended Investment Fund

Open-ended investment funds enable investors to acquire or sell investment shares directly from the fund. Within our platform, investors will send NSU or USD pegged Tokens to the fund. The fund in return will assign tokenized investment shares to the investor. The investor can sell these shares back to the Fund at any time for the market value of the shares, based on the fund’s performance. This approach allows the fund constantly to increase liquidity, and allows the investor to liquidate the shares at any time. The fund typically charges investors entry, management or exit fees for the acquisition and disposition of the equity shares.

5.3.2 Closed-ended Investment Fund

By contrast, closed-ended funds raise capital only once. After raising the capital, the fund issues a fixed amount of tokens, which are distributed among investors pro rata based on the amount they have invested. After capital formation and collection of investors’ assets, the fund would then be listed on crypto exchanges and its tokens would trade as an exchange traded fund. The fund pays dividends to its token holders based on profitability over a pre-described period. We anticipate that the Nousplatform will enable a closed-ended fund (i) to introduce its concept to investors, who are already utilizing the platform, and potentially (ii) raise initial capital by conducting an ITO.

We anticipate that this approach will allow the closed-ended fund to attract new investors, which may increase the chance for successful fundraising. As for investors, they will have the opportunity to diversify their portfolio of close-ended funds.

5.3.3 Venture Capital Fund 2.0

Nousplatform allows VC founders to create venture capital funds, which in turn invest capital into start-ups and growth stage business. These fund structures will be extended from the open-ended fund. The VC fund utilizes an open voting system to allow investors to decide whether to invest in a particular start-up venture. Each investor who holds tokens of the fund is anticipated to have a pro-rata vote. The investor’s exit fees will paid in NSU or any USD pegged tokens as well. These funds have a unique ecosystem, which is why we call them second-generation VC funds.

Example of a Venture Capital Fund

After the VC fund’s successful launch via ITO, all investor funds are blocked by a smart contract and are released only after an open vote. Assuming the VC fund has raised $10 million, and the managers propose to invest $500k in start-up venture "X", the managers then propose to release the needed $500K by posing a vote to the investors. Each investor can vote via a smart contract for or against the proposed investment, after evaluating the risks and rewards of the proposed start-up venture. If the required number of votes is cast according to the rules, the funds are automatically released for investment by the VC fund. The potential advantage of such VC fund structures is that each fund investor has a specific voting power. For example, if Adam has 10 shares, and Bart has 2 shares, then Adam’s vote is 5 times more powerful than Bart’s vote; if Adam and Bart agree, their 12 shares could potentially outweigh any other investor(s), even the VC fund management, whose shares in the VC fund are less than Adam’s and Bart’s.
5.3.4 Charity Funds

Nousplatform enables users to create not only investment funds, but also Charity Foundations. The main advantage of a charitable organization based on blockchain is its transparency and accountability to its donors. Auditing Oracles are anticipated to enable the monitoring of the activities of the charitable foundation. There is open access of the information on how and what type of charitable assistance is being provided, and how much is spent on operational expenses. A charity fund is able to accept donations from all over the world without restrictions. Any token holder can donate to any fund anywhere in the world.

5.3.5 Family Trust Fund

Family trusts are a very popular form of capital preservation and investment. Trusts are established when the asset holder (grantor) contributes assets (res) to a legal holding entity (trust) and appoints a manager (trustee). This family trust is an entirely private entity and the public does not have any access to any details of this structure or its holdings. Via the Nousplatform, family trusts would have the ability to allow voting by beneficiaries of the trust to approve investments of the res or to release assets from the trust.

The trust fund may even consist of a structure with a single beneficiary, who nonetheless can manage the assets and enjoy all the advantages of the Nousplatform, or a more complex structure with multiple generations of beneficiaries of a larger estate.

6. Tokenization of Assets

Asset tokenization involves issuance of tokens that represent commodities, assets, products or services provided by a company in order to operate in the blockchain domain. Nousplatform seeks to provide the opportunity to any existing company to tokenize its assets in order to raise capital, as well as to help promising startups raise seed and growth capital.

6.1 Types of Tokens

In general, there are two types of tokens: security tokens and utility tokens.

Security tokens are used by companies to raise money and are regulated by government oversight. The company issuing security tokens must follow laws, rules and regulations in order to be compliant. Security tokens are most easily compared to equity stakes, similar to a company’s shares of stock.

Utility tokens, on the other hand, are not designed to be used for future developments of the issuer’s products, goods or services. Rather, they can be used as a medium of exchange for the existing products, goods or services.

Assets Tokenization will provide liquidity for the assets held by private companies. It is multi-trillion dollar market worldwide.

6.2 Compliance for Tokenization System

Let’s take a look at the scheme as shown on the diagram below:
For the purpose of assets tokenization for company “ABC, Inc.”, Nousplatform organizes a specialized investment vehicle called Cyprus International Fund (CIF) and hires a trusted, licensed and regulated company to manage CIF.

If ABC, Inc. desires to tokenize 30% of its existing assets, it would take the following actions:

- **Step one:** CIF’s managing company creates new legal entity, that will issue tokens (Token Issuing Entity, or TIE). 100% of TIE is held by the CIF.
- **Step two:** ABC, Inc. transfers thirty percent (30%) of its assets to TIE.
- **Step three:** TIE then issues new tokens on Nousplatform. New tokens are sold to investors as part of the sale offering. All new Nousplatform investors thereby become passthrough shareholders of ABC, Inc. by virtue of holding tokens of CIF, which owns 100% of TIE, which owns 30% of ABC, Inc..

### 7. Competition and Comparative Analysis

The marketplace in which Nousplatform operates is extremely competitive. However, Nousplatform has a very limited number of direct competitors developing solutions to integrate the investment management market with blockchain technology.
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<td>no</td>
</tr>
<tr>
<td>Voting</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Legal Framework</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Escrow</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Referring Agents</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
</tbody>
</table>

*Tokenization - See Paragraph 6.
8. Structure of Nous Ecosystem

Core components of the Nousplatform technology are as follows:

System’s Components Interaction Scheme

8.1 Nousprotocol
Nousprotocol is a set of Smart Contracts, that has been published as an open source code and licensed under GNU Lesser General Public License v3.0

Anyone can utilize the Nousprotocol to create a project.

8.2 Auditing Oracle Node
Auditing Oracle Node is also published as an open source code, and licensed under GNU Lesser General Public License v3.0. Any Auditing Company can install, compile and run the node on its own server. This node will be added to the Network after verification. Any Project can assign the node for issuing reports.

8.3 Smart Contract of the Project
Project’s Smart Contract will be created and published dynamically by Nousprotocol. Its main function will be managing the project, such as assets acquisition and redemption, and distribution of tokens among investors.
8.4 Wallet
Nousplatform allows to create a wallet on Ethereum Network utilizing json+password verification. User can add existing wallets or use Metamask, Ledger or Trezor. Wallet’s owner will be able to make a payment or invest in any of the projects on the Nousplatform.

8.5 Marketplace
Nousplatform is the system which allows a collaboration between investment funds and their potential and existing investors. Nousplatform includes a personal back office, statistical reporting, wallet function, and lists of funds and their ratings. For investors, the Nousplatform is a turnkey solution for managing assets invested in Nousplatform-registered funds.

The funds and their managers will also have a user-friendly interface to conduct business and a platform to attract potential investors.

9. Platform
Nousplatform’s user interface is a web interface that interacts with the clients’ Nousprotocol library, as well as with an API, which in turn interacts with the Nous Smart Contract and Nousplatform database.

9.1 Participants and Their Functions
There are five primary categories of participants in the Nousplatform:

1. Fund Sponsor or General Manager
2. Fund Manager or Portfolio Manager
3. Referring Agent or Investor Relations Manager
4. Investor or Beneficiary
5. Escrow Holder

9.2 Functions for Managers

A Fund Sponsor initiates registration on the Nousplatform and confirms the information and data through a double authentication process. After the registration process is confirmed and complete, the Fund Sponsor creates a Nous wallet and saves a private key file. This Nous wallet address is later used for the publication of the smart contracts of the fund. Then the Fund Sponsor deposits Nous blockchain tokens to the wallet to allow the proposed fund to collaborate with the blockchain. The blockchain charges a small commission for any transaction related to the recording of information, so the Fund Sponsor will need to pay a small fee to publish a smart contract for the fund.

The Fund Sponsor then establishes the fund, inputs the data of the fund, the type of fund, and the addresses of the Fund Sponsor’s Nous wallet. Thereafter, the Nousprotocol published, on behalf of the Fund Sponsor, a smart contract on the blockchain with all required settings. The smart contract also includes as necessary the addresses of the Escrow smart contracts to handle different trust functions.

The next step is adding and verifying Nous wallets to create a portfolio. Verification is necessary to prove the fund and ensure that the assets of investors will be stored in these Nous wallets, and to confirm whether managers have their own equity shares in those wallets. The Nousprotocol will use a variety of verification methods, depending on the blockchain where the Nous wallets are stored. The simplest method of verification is the transfer of micro sums or OP_RETURN transactions to the Nousprotocol verification wallet. If the transaction proceeds successfully, then the protocol verifies the wallet of the fund in a smart contract.

Verification of the initial assets owned by the fund is one of the most important aspects, since it is very important to understand—especially for hedge funds—what amount of the assets at risk are owned by the fund. At the time of verification of the wallet, the Nousprotocol reads the available balance and records it into a smart contract as the initial capital of the fund.

*Publication of data:* Once daily, Nousprotocol cross-references balances and transaction data from the verified Nous wallets and records them through Nous smart contracts to the smart contract of the fund. Published data becomes available so the managers can analyze the fund’s performance on a daily basis.

*Listings of the fund:* Fund managers with existing funds that have been set up correctly on the Nousplatform system can use the Nousplatform to attract investors. Each qualified fund is listed and ranked by the Nousplatform, which is the most powerful marketing tool within the Nousplatform framework for attracting new investors.

Closed-ended funds can use the Nousprotocol to conduct an ICO, to raise initial capital and issue their own ETF tokens. After a closed-ended fund is established, the manager can publish an additional smart contract for the purpose of ICO, which works in concert with the primary smart contract of the fund and controls the distribution of the tokens.
Assignments of responsibilities: The Fund Sponsor will be able to assign responsibilities to the managers within the smart contract of the fund, by granting permission or blocking access to the different functions.

9.3 Functions and Options of the Nousplatform for Investors

Investors who register on the Nousplatform system will get a personal account and back office. If the investor passes “know your client” and “anti-money-laundering” verification, the investor then will receive access to a proprietary Nous wallet, into which the investor can deposit funds and store Nous tokens. Investors can review the rating and statistical data of each fund on the Nousplatform and make a decision whether to invest or divest. Funds are divided into categories and types. The investors can analyze the activity of the fund for any period.

The Nousprotocol forms the trust level of the fund, an important factor affected by and associated with the fund’s activities. This will allow investors to make more educated and informed decisions.

Investors can buy and sell equity shares of the fund by moving NSU tokens into and out of fund offerings. Investors wishing to divest can tender their equity shares back to the fund and get the then-current value of their equity stake in NSU tokens in return. Closed-ended funds use a different approach, see paragraph 6.

Security of the assets: All assets purchased from funds established by the Nousprotocol are stored in a “cold” wallet. Only holders of a private key have will have access to the wallet opened by the private key. The same Nous wallet may be used to store all the assets of a given investor.

ICO participation: An investor can acquire the equity shares of a closed-ended fund before it is listed on an exchange.
9.4 Referring Agent or Investor Relations Manager

The Referring Agent is an independent agent of the fund who is primarily responsible for attracting new capital to a fund and who receives compensation for the services provided. The Nousprotocol will support the Referring Agent’s functions via mechanisms of compensation by the fund. Upon introduction of a new investor by a Referring Agent and his or her admission as an investor to a fund, the protocol may also identify and record the compensation to the Referring Agent and allocate Nous tokens to the Referring Agent’s wallet address.

10. Tokens

Nousplatform will issue a utility token for use in the Nousplatform system: NSU.

The NSU Token is a utility token designed as in-platform currency to establish enhanced functionality of the Nousplatform, such as:

- Acquisition of tokens of open-ended crypto funds on the Nousplatform
- Acquisition of tokenized assets of companies established on Nousplatform
- Participation in ICOs of closed-ended funds or startups on Nousplatform
- Payment of dividends of closed-ended funds launched on Nousplatform
- Establishment of reserves of open-ended funds to increase liquidity
- Platform for Commissions payout
- Use of tokens to pay for goods and services.

NSU tokens initially will be made available once the Nousplatform is completed. The NSU token will be based on the ERC20. ERC20 wallets can be used to receive and store NSU tokens.
We anticipate listing the NSU tokens on cryptocurrency exchanges. If we are successful in listing the NSU token on exchanges, such as Bittrex, Poloniex and Kraken or others, they will become available for the purchase on the secondary market.

11. Crypto Currencies used for acquisition of Fund Assets

NSU will be one of the tokens used for the acquisition of assets on Nousplatform. In addition Nousprotocol will allow the use of USD pegged tokens such as TrueUSD, DAI and some others. There are many advantages for the integration of those tokens.

Those tokens are immune to volatility of the market, because they always retain USD/Token very close to 1:1 ratio.

TrueUSD will enable user to convert fiat in to ERC20 Token pegged to USD. Then tokens used for the acquisition of the Project’s assets, and allows conversion of tokens back into fiat. For more information, please click on the link https://www.trusttoken.com/trueusd/

USD pegged tokens designed to provide the opportunity for the Projects to limit effect of the cryptomarket volatility. They provide adequate liquidity for the large crypto portfolios for the purpose of acquisition of the assets.

12. Legal Framework

The legal framework for establishing Nousplatform, the Nousprotocol, the NSU and all related services is one of the most critical aspects of the Nousplatform business. Nousplatform provides services to investment funds and investors; therefore, Nousplatform is obligated to maintain appropriate compliance to operate its business. Nousplatform began operations under the jurisdiction of the United Kingdom and is in the process of reorganizing to operate via a Gibraltar entity that is a wholly-owned subsidiary of a British Virgin Islands limited company. The funds created on Nousplatform will similarly be controlled by additional terms and conditions included in each fund’s smart contract, depending on the jurisdiction. Nousplatform monitors compliance of the funds’ activities, and acts as a due diligence provider to verify the license of the fund to ensure operation within the legal framework. Nousplatform performs significant know your client and anti-money laundering procedures as mandated by the laws, rules and regulations.

13. Nousplatform Utility Token (NSU) Distribution

Upon completion of the Nousplatform technology and launch of the platform, Nousplatform will make NSU (utility) tokens available to subscribers.

<table>
<thead>
<tr>
<th>Symbol</th>
<th>NSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum supply</td>
<td>2 500 000 000</td>
</tr>
<tr>
<td>Supply Available for ICO</td>
<td>Not less than 1 250 000 000</td>
</tr>
<tr>
<td>Pre-ICO/ICO</td>
<td>See on Website</td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Minimum transaction amount</td>
<td>No minimum</td>
</tr>
<tr>
<td>Accepted currencies</td>
<td>BTC, BTH, LTC, ETH, DASH</td>
</tr>
<tr>
<td>Exchange Rate</td>
<td>See Table 11.3</td>
</tr>
<tr>
<td>Soft Cap</td>
<td>$ 1,600,000 Crypto equivalent</td>
</tr>
<tr>
<td>Hard Cap</td>
<td>$ 25,000,000 Crypto equivalent</td>
</tr>
</tbody>
</table>

### 13.1 Tokens Distribution

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>Will be sold to backers</td>
</tr>
<tr>
<td>20%</td>
<td>Will be retained by Nousplatform</td>
</tr>
<tr>
<td>20%</td>
<td>Reserves, Grants and Partnerships</td>
</tr>
<tr>
<td>5%</td>
<td>Advisors</td>
</tr>
<tr>
<td>3%</td>
<td>Community</td>
</tr>
<tr>
<td>2%</td>
<td>Will Be Used To Cover Token Sale</td>
</tr>
</tbody>
</table>

### 13.2 Allocation of Funds

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>Software development</td>
</tr>
<tr>
<td>5%</td>
<td>Legal Expenses, Licenses (FCA, SEC, etc.)</td>
</tr>
<tr>
<td>15%</td>
<td>Marketing</td>
</tr>
<tr>
<td>5%</td>
<td>Operational Expenses</td>
</tr>
<tr>
<td>50%</td>
<td>Liquidity pool (funds reserved for stabilization of the token value)</td>
</tr>
<tr>
<td>20%</td>
<td>Equity Acquisitions, Joint Ventures, Business Expansion</td>
</tr>
</tbody>
</table>

### 13.3 Bonuses

Nousplatform adopted dynamic bonus system anticipates offering a token-based bonuses to purchasers of NSU tokens, as follows.
Token Sale starts at the Exchange Rate of 1 ETH to 22 500 NSU

The price of NSU increases in order to reward early project backers. After any transaction, the price of NSU will increase as a function of received contributions. The formula for price increases:

\[ 1 \text{ NSU} = 0.000044443 \text{ ETH} + (\text{ETH equivalent contributed} \times 0.000000000452114) \]

After the price reaches 1 ETH to 16 500 NSU, the dynamic price increase freezes and continues at that exchange rate until the conclusion of the sale.

13.4 Vesting Period

All NSU tokens retained by Nousplatform will vest over time. None of the retained NSU tokens will vest over the first 4 months following their issuance; thereafter 5% of the retained NSU tokens will vest per month for a period of 20 months. The total vesting period is 24 months.

After Airdrop, Advisors’ tokens will be restricted for 30 days. Thereafter they will become freely tradeable.

13.5 Reserves, Grants and Partnerships

NSU tokens held as Reserves are intended to be deployed in connection with integrations with exchanges (such as Bittrex, Poloniex, and Kraken).

Similarly, NSU tokens may be used in connection with establishing or solidifying strategic partnerships with joint venturers or strategically aligned firms (such as Bancor).

NSU tokens are anticipated to be issued as grants to key team members in connection with specific projects that Nousplatform believes will provide opportunities for expansion of the Nousplatform ecosystem or enhancements to Nousplatform’s revenue or net income.

13.6 Liquidity Pool

Liquidity pool serves as a reserve to accommodate large volume transactions in order to provide additional liquidity to the Fund managers.

13.6 NSU Inflation / Deflation

The Nousplatform team has developed a mechanism to reduce the circulating volume of NSU tokens. Undistributed tokens are null and void after the completion of the ICO. Payment of platform commissions for transactions will be eliminated until it reaches the Hard Cap collected through the ICO. Thus, a large number of NSU will be terminated, which will ensure inflation. Some other factors must be considered to assess inflation. For example, Investment Funds and Projects will keep reserve of NSU to redeem their assets or make dividends payouts to their investors.

Demand for NSU tokens will be created upon the usage of NSU.

Some examples of NSU usage:

- Payment of commissions for transactions
- Payment of commissions for the management of assets by Investment Funds
14. Nousplatform Income and Revenue Stream

Our proprietary research indicates that most companies capitalizing via ICO rely on a speculative valuation of their to-be-issued tokens as an income model for their backers. Our approach is quite different. Nousplatform believes that in order to be successful and provide long term opportunity for our investors and users, Nousplatform must adopt an income model that is both sustainable and profitable. To that end, we are committed to rewarding our investors by paying dividends as soon as practicable from retained earnings.

14.1 Profit Focused Equity Acquisitions

Nousplatform actively helps businesses to tokenize their assets. Our tokenization platform is designed to allow businesses to tokenize existing assets and utilize our ecosystem as a launching pad. In return, Nousplatform will acquire shares of companies that utilize our platform and will participate pro-rata in the profits derived from our subscriber companies’ activities.

14.2 Income from tokenization

When a business or company tokenizes assets on our system as described above, Nousplatform will receive a percentage equity allocation of the tokenizing business utilizing our system.

14.3 Other streams of income and revenue

As a sustainable business, Nousplatform will seek out additional opportunities to enhance revenues and profitability. Additional income opportunities may come from the following, without limitation:

1. Fees and income associated with startup launch and support
2. Real estate acquisitions, development, sales and rental
3. Acquisitions of the shares of companies in tangible segments of the economy
4. Fees and income associated with launch of funds

15. Our Team Members

Our team brings together experts from many different industries. From operations to finance, execution to legal, our key leaders bring decades of experience in IT projects, metal manufacturing, raw energy industry, sales and marketing, and technology law. We are well versed in many aspects of fund management and asset trading. All of us are blockchain enthusiasts and believers in the future of a decentralized Internet.
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLIN BREEZE / CEO</td>
<td></td>
<td>Colin is an entrepreneur and attorney, whose education and profession adds additional value to any successful venture. As a CEO, Colin brings fund management and operations experience. As a trained securities lawyer with over 20 years of working with startups, Colin has been at the intersection of technology, fund formation and regulatory oversight for his entire career.</td>
</tr>
<tr>
<td>ANATOL OSTROWSKI / CTO</td>
<td></td>
<td>Anatol is an entrepreneur and software developer with more than 12 years of experience. He is the visionary, chief enthusiast and driving force for the Nousplatform. Anatol has managed more than 12+ IT projects since completing his IT education.</td>
</tr>
<tr>
<td>ALEX MAN / Managing Director</td>
<td></td>
<td>Alex is a leading blockchain enthusiast and ICO evangelist. He combines a unique skill set in creative business analysis with domain expertise in cryptocurrency business development, sales, and marketing. Alex holds multiple degrees in Business Administration, Management, and Marketing.</td>
</tr>
<tr>
<td>ANDREW VORobyovski / CSO</td>
<td></td>
<td>Andrey specializes in business strategy and development of strategic partnerships. He has over two decades of business, sales and management experience. His dedication, tenacity, organizational skills, vision and drive for success is a big asset to the Nousplatform team.</td>
</tr>
</tbody>
</table>
VICTOR PULIAEV / COO

Viktor is an serial entrepreneur with 18 years of business management experience and an expert in international trade relations between Russia and China. Since 2015, Victor has been actively working on financial asset and crypto asset management.

16. Advisors

JOHN CIOE

John is founder of INOV8 Golf, a professional fundraiser and business development strategist for startups. He is a member of the private community of tech startups, Founders Network.

BRIAN KUSMER

Brian is a real estate business professional. Over 20 years he handled nearly $500 million in transactions volume. He is among the top 1% of real estate business performers in the world.
BENJAMIN THEOBALD

Benjamin is a serial entrepreneur of British-Dutch origin. He started his first company in 2003 at the age of 23 and has been active around the world with successful projects leading to the sale of iGo Inc. (NASDQ) listed in 2010. Founder of ICO Global.

BONNIE NORMILE

Bonnie Normile is a blockchain/cryptocurrency enthusiast. She assists in Business Development, Funding and Public Relations. Bonnie also serves as advisor to many specialty blockchain projects. She is an accomplished entrepreneur and an SBA advocate. Bonnie holds her B.A. in Business Administration from Berkeley College.

YAGUB RAHIMOV

CEO/Co-founder - 7marketz Inc. Group, Yagub Rahimov is serial entrepreneur operating within FinTech ecosystem. Investing since the age of 16, Yagub is an award winning trader and a savvy Crypto/Bitcoin investor since mid-2009.

MD. MOFASSAIR HOSSAIN

CEO and Founder of Perhalic, the first ever Cryptocurrency website in Bangladesh. Expert at ICO bench.
ALEXANDER UGLOV

Blockchain-evangelist, visionary. Has experience of staging ICOs in several projects (SONM, Humaniq, etc). Co-founder of Blockchain Association in Russia.

NORMAN CHOU

Norman Chou is an blockchain enthusiast and believes that blockchain will impact society in the most positive ways. Norman brings over 20 years of successful experience from IT industry developing business partnerships. Norman has several engineering accreditations along with his Bachelors of Science degree in Business Administration specializing in Marketing Management and PR/Organizational Communications.

HENOK (HEN) TEKLE

Henok (Hen) Tekle is a cryptoassets fund manager, advisor, and thought leader. Frequently invited to attend or speak at events in the space, Hen has attended or spoken at the inaugural Token Summit (New York City), Blockstack (Silicon Valley), CoinAlts Fund Symposium (San Francisco), Block-Con (Los Angeles), Crypto Valley Trip (Zug, Switzerland), Mindspace (Berlin), GCC Blockchain Conference (Dubai), Blockchain World Conference (Bangkok).

AHSAN B. ALI

Ahsan B. Ali is a blockchain and cryptocurrency enthusiast bringing over 20 years of Sales & Engineering experience in high-tech industry. With a proven track-record in creating innovative strategies to sell products and services to Fortune 500 companies and carrying 100 million plus sales quotas. Ahsan is a thought leader in building and advising startups in Silicon Valley and APAC.
VIV ANAND

Viv is a big believer in Blockchain technology and expects it to fundamentally change the way we live. He has a wealth of diverse work experiences including in corporate America (GE & McKinsey) and technology sales (Datalink, Nimble Storage & HPE).

MICHEIL TRIEBERT

Michiel Triebert is a dynamic entrepreneur of Dutch-Indonesian origin with an enthusiasm for online marketing and a fascination for blockchain. Following a successful career in sales, Michiel made the decision to carve his own path and in 2012, he founded Gado Gado Mobile BV.

MAURO ANDRIOTTO

Mauro Andriotto is a professor of Corporate Finance and Enterprise Risk Management at Bocconi University, University of Pisa and University of Genève – UBIS. He is an independent expert at the European Commission for Horizon 2020 (80 bn funds) where he approves public grants up to €2,5 mln for innovative and disruptive European projects. He is also the quantitative leader at EY for the South Europe area. He is the founder of Andriotto Financial Services a financial boutique located in Switzerland specialized in fundraising strategies and the founder and managing partner of ICO Advisors. He sits in different Advisory Boards around the world.

ANDRE (YUNSOO) KIM

He is the founder of first generation of Crypto Currency miner, when mining is not well known in South Korea. After that he founded 'BLOCKCHAIN i' (which is accelerating Crypto Fund & ICO projects) He is currently accelerating INSUREUM (by Zikto voted as Top 20 Start-up company from Forbes Magazine and Temco (First Korean Supply Chain Blockchain Project). His goal in 2018 is dedicating himself to be a bridge in between Korean Blockchain technology to international and international Blockchain technology to South Korea.
17. Roadmap, Timeline and Milestones

Nousplatform believes that the shift of the economy toward tokenized asset markets cannot be reversed. These markets have an extremely high demand for a mechanism to align investors, funds and portfolio companies in a single platform such as ours. We remain convinced that, with the expansion of the markets of cryptocurrency and crypto assets in general, our platform will be met with even greater demand. We believe that any investment fund based on Nousplatform will be able to gain access to thousands crypto assets available on the market today. Therefore, we see as our first and most important task the creation of a core platform for fund asset management and the interaction of investment funds and investors.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>April of 2017</td>
<td>Idea creation, proof of concept.</td>
</tr>
<tr>
<td>June of 2017</td>
<td>Website launch, Nousplatform and Nousprotocol development. In-House Development Team.</td>
</tr>
<tr>
<td>July of 2017</td>
<td>Publishing of the Whitepaper Completion of technical documentation.</td>
</tr>
<tr>
<td>September of 2017</td>
<td>PoC of the investor’s cold wallet for the storage of tokenized assets.</td>
</tr>
<tr>
<td>November of 2017</td>
<td>Pre-Sale to create a community of backers, that become potential investors on the platform.</td>
</tr>
<tr>
<td>February of 2018</td>
<td>Launch of back offices pre-registration of the investors and establishment of their accounts. PR campaign to build a community of the investors on the platform.</td>
</tr>
<tr>
<td>June of 2018</td>
<td>Launch of beta version of the Nousplatform in Ethereum Testnet and initial testing. Launching pilot investment funds with existing partners.</td>
</tr>
<tr>
<td>July of 2018</td>
<td>Integration with Bancor protocol.</td>
</tr>
<tr>
<td>September of 2018</td>
<td>Launch of beta for decentralized exchange (DEX) Development of the API for Escrow and third-party service integration with smart contracts.</td>
</tr>
<tr>
<td>October of 2018</td>
<td>Development and integration of third-party solutions and services to purchase NSU using FIAT.</td>
</tr>
<tr>
<td>December of 2018</td>
<td>Launch beta integration API for third-party services.</td>
</tr>
<tr>
<td>2019</td>
<td>Development and integration of algorithms for decentralized asset management that will determine the initial rules and framework for managers working with equity assets.</td>
</tr>
</tbody>
</table>
18. Frequently Asked Questions

Where is Nousplatform Registered?

Nousplatform, Ltd. is a British Virgin Islands limited company. Its affiliate, ABB Capital, LP is registered in Scotland (Company Number SL023197; Address: Suite 1, 4 Queen Street, Edinburgh, Scotland Uk, EH2 1JE Scotland, UK). ABB Capital, LP is reorganizing the activities of Nousplatform under Gibraltar operating entity owned 100% by Nousplatform, Ltd. (BVI).

What is Nousplatform?

Nousplatform is a financial ecosystem, that consists of on-chain and off-chain modules, that provide technical, auditing and legal framework for decentralized managed investment funds or projects based on blockchain technology.

What is an NSU token?

NSU is an ERC20 Token, that serves as the main Utility Token for the transactions between investors and the investment funds or projects. An algorithm for settlement is based on NSU. Investors send NSU or any USD pegged Tokens to the fund or project. In return investors get tokenized equity shares or any assets related to the project.

What about NSU Inflation / Deflation?

The Nousplatform team has developed a mechanism to reduce the circulating volume of NSU tokens. Undistributed tokens are null and void after the completion of the ICO. Payment of platform commissions for transactions will be eliminated until it reaches the Hard Cap collected through the ICO. Thus, a large number of NSU will be terminated, which will ensure inflation. Some other factors must be considered to assess inflation. For example, Investment Funds and Projects will keep reserve of NSU to redeem their assets or make dividends payouts to their investors.

How are NSUs and other assets stored?

All of the assets (ERC20 tokens) are stored in a wallet that can only be accessed through a private key. Nousplatform will support all popular “cold” wallets types: Json, Metamask, Ledger, Trezor. Important: Nousprotocol does not store the private keys of the investor and does not have access to the investor’s wallet.

Why do I need NSU?

NSU is used for: Payment of commissions for transactions. Payment of commissions for the management of assets by Investment Funds. Payment for partner services (KYC, Audits, Escrow). Projects Onboarding Fee. Dividend payment to investors. Payment for additional Nousplatform services. Acquisition of funds’ or projects’ assets.
Can I make an investment in the fund with USD pegged or other ERC20 token?

Yes. Nousplatform supports USD pegged Tokens, such as TrueUSD, DAI and s.o. Other ERC20 Tokens can be exchanged through Bancor protocol or 0x Relayers.

How is the investment fund rating established and published?

Auditing Oracles Network provides snapshots of verified wallets of the investment funds and records those in blockchain. That creates transparent and accurate data for statistics. Then the system analyzes this data and establishes a rating list based on the fund’s performance. This feature helps to build an investor’s confidence in the fund: the so-called Trust Level, which is also a factor for the ratings. At the TOP of the list, investors will see the most profitable funds that can be trusted.

How do you plan to draw the investors to Nousplatform?

Anyone who has spare cash and a smartphone is a potential investor. We are utilizing all the available marketing strategies to draw targeted traffic to the Nousplatform and are actively working with the investors’ community.

19. Risk Factors

A purchase of NSU Tokens involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in this Whitepaper, before making a decision to purchase. The following risks entail circumstances under which, NousLtd’s business, financial condition, results of operations and prospects could suffer.

Participation in coin offerings, including the NSU Token offering, involves a high degree of risk.

Financial and operating risks confronting financial and technology companiesNousLtd may be significant. The financial and payment processing industries are highly competitive and the percentage of companies that survive and prosper may be limited. Unexpected problems in the areas of product development, marketing, financing and general management, among others, that cannot be solved may arise.

We may not be successful in developing our proprietary blockchain and/or the technology upon which NSU Tokens are expected to be based.

If we are unable to successfully develop this proprietary platform, we may not be able to issue NSU Tokens, and you may lose the entirety of your investment. Even if we develop such proprietary technology, such development may be delayed or become subject to the adverse intellectual property claims of others. In such an event, our ability to utilize our to be developed proprietary technology may be limited or delayed, and your ability to acquire NSU Tokens, if ever, may be delayed.

General risks associated with the business of NousLtd.
NousLtd proposes to offer highly complex services and products and faces competition that may result in low market share and/or profitability. NousLtd expects the marketplace to continue to be highly competitive as new products develop, industry standards become well known and other competitors attempt to enter these markets. Some competitors may have longer operating histories, and larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other capabilities than NousLtd. These competitors may be able to adapt more quickly to new or emerging technological requirements and changes in customer and/or regulatory requirements. They may also be able to devote greater resources to the promotion and sale of their products and services. Competition from newly established competitors may also enter the marketplace and further materially adversely affect NousLtd. Existing or new competitors may develop products, technologies or services that more effectively address NousLtd’s markets with enhanced features and functionality, greater levels of integration and/or lower cost. Additionally, changes or developments in technology could render NousLtd’s products and services dated or obsolete or cause them to lose market acceptance, which could have a material adverse impact on business performance. As the technological sophistication of its competitors and the size of the market increase, competing low-cost producers could emerge and grow stronger.

Our reliance on third parties and agreements with collaboration partners may require us to share our trade secrets, which increases the possibility that a competitor may discover them or that our trade secrets will be misappropriated or disclosed.

Our reliance on third party contractors to develop and manufacture our products and services is based upon agreements that limit the rights of the third parties to use or disclose our confidential information, including our trade secrets and know-how. Despite the contractual provisions, the need to share trade secrets and other confidential information increases the risk that such trade secrets and information are disclosed or used, even if unintentionally, in violation of these agreements. In the highly competitive markets in which our products and services are expected to compete, protecting our trade secrets, including our strategies for addressing competing products and services, is imperative, and any unauthorized use or disclosure could impair our competitive position and may have a material adverse effect on our business and operations. In addition, our partners may be larger and more complex organizations than ours, and the risk of inadvertent disclosure of our proprietary information may be increased despite internal procedures and contractual obligations in place with our collaboration partners. Despite our efforts to protect our trade secrets and other confidential information, a competitor’s discovery of such trade secrets and information could impair our competitive position and have an adverse impact on our business.

Risks associated with financial reporting.

There may be material weaknesses in our internal control over financial reporting as well as significant deficiencies in our disclosure controls and procedures, and we may identify material weaknesses in internal controls or significant deficiencies in our disclosure controls and procedures in the future. If we fail to remediate any identified material weaknesses, or if we otherwise fail to maintain effective internal control over financial reporting and disclosure controls and procedures, we may not be able to accurately report our financial results, or detect or prevent fraud in a timely manner, which may, among other adverse consequences, cause our customers to
lose confidence. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

**Interruptions in IT systems could materially adversely affect business performance.**

NousLtd is entirely dependent on the secure operation of its websites and systems as well as the operation of the Internet generally. Its business involves the storage and transmission of customers’ proprietary information, and security breaches could expose NousLtd to a risk of loss or misuse of this information, and to resulting claims and litigation. A number of large companies have suffered security breaches, many of which have involved intentional attacks. From time to time NousLtd and many other businesses also experience denial of service attacks in which attackers attempt to block customers’ access to any or all of its product, software and platforms, including but not limited to its website. If NousLtd is unable to avert a denial of service attack for any significant period, it could sustain substantial revenue loss from lost sales and customer dissatisfaction. NousLtd may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target NousLtd, its customers, its suppliers, banks, credit card processors, delivery services, e-commerce in general or the communication infrastructure on which it depends or which it operates. If an actual or perceived attack or breach of its security occurs, customer and/or supplier perception of the effectiveness of its security measures could be harmed and NousLtd could lose customers, suppliers or both. Actual or anticipated attacks and risks may cause NousLtd to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third party experts and consultants. A person who is able to circumvent security measures might be able to misappropriate its or its customers’ proprietary information, cause interruption in operations, damage computers or those of customers, or otherwise damage reputation and business. Any compromise of security could result in a violation of applicable privacy, banking, consumer protection and other laws, significant legal and financial exposure, damage to its reputation, and a loss of confidence in security measures, which could harm NousLtd’s business. Any significant interruption to the efficient and uninterrupted operation of NousLtd’s information technology applications, systems and networks, including, but not limited to, new system implementations, facility issues or energy blackouts, could have a material adverse impact on NousLtd’s operations and operating results. The protective measures adopted to avoid system or network disruptions may be insufficient to prevent or limit the damage from any future disruptions, and any such disruption could have an adverse effect on NousLtd’s business, financial condition and results of operations.

**Risks associated with intellectual property.**

We may in the future be subject to intellectual property or other claims, which are costly to defend, could result in significant damage awards, and could limit our ability to use certain technologies in the future. In the future we may have patent, copyright, and trademark infringement lawsuits filed against us claiming that certain of our products, services, and technologies infringe the intellectual property rights of others. Adverse results in any of these lawsuits may include awards of substantial monetary damages, costly royalty or licensing agreements (if licenses are available at all), or orders preventing us from offering certain features, functionalities, products, or services,
and may also cause us to change our business practices, and require development of non-infringing products or technologies, which could result in a loss of revenues for us and otherwise harm our business. Intellectual property claims are often time consuming, expensive to litigate or settle, and cause significant diversion of management attention. To the extent such intellectual property infringement claims are successful, they may have an adverse effect on our business. Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products and services. Our intellectual property rights are important assets for us. Various events outside of our control pose a threat to our intellectual property rights, as well as to our products, services and technologies. For example, effective intellectual property protection may not be available in every country in which our products and services are distributed or made available. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective. We also seek to maintain certain intellectual property as trade secrets. The secrecy could be compromised by outside parties, or by our employees, which could cause us to lose the competitive advantage resulting from these trade secrets. Any significant impairment of our intellectual property rights could harm our business and our ability to compete.

*Risks associated with legal proceedings.*

NousLtd undertakes global business operations and may be involved from time to time in disputes, including lawsuits and other legal proceedings, and investigations by relevant authorities. It is possible that such cases may arise in the future. Due to the differences in judicial systems and the uncertainties inherent in such proceedings, NousLtd may be subject to a ruling requiring payment of amounts far exceeding its expectations. Any judgment or decision unfavorable to NousLtd could also have a material adverse effect on NousLtd’s business. In addition, due to various circumstances, there can be no assurance that lawsuits involving claims for large sums will not be brought, even if the possibility of receiving orders for such payment is quite low.

*Risks associated with international operations.*

NousLtd is subject to numerous evolving and complex laws and regulations which apply, among other things, to financial reporting standards, corporate governance, data privacy, tax, competitive practices and regulations in each jurisdiction in which it operates. In the jurisdictions in which it operates, NousLtd would need to comply with various standards and practices of different regulatory, tax, judicial and administrative bodies. There are a number of risks associated with international business operations, including political instability (e.g., the threat of war, terrorist attacks or civil unrest), inconsistent regulations across jurisdictions, unanticipated changes in the regulatory environment, and import and export restrictions. Any of these events may affect its employees, reputation, business or financial results as well as its ability to meet its objectives, including the following international business risks:

- negative economic developments in economies around the world and the instability of governments, or the downgrades in the debt ratings of certain major economies;
- social and political instability;
- complex regulations governing certain of its products;
- potential terrorist attacks;
- adverse changes in governmental policies, especially those affecting trade and investment;
- foreign currency exchange; and
• threats that its operations or property could be subject to nationalization and expropriation. NousLtd may not be in full compliance at all times with the laws and regulations to which it is subject. Likewise, NousLtd may not have obtained or may not be able to obtain the permits and other authorizations or licenses that it would need. If NousLtd violates or fails to comply with laws, regulations, permits, health and safety regulations or other authorizations or licenses, it could be fined or otherwise sanctioned by regulators. In such a case, or if any of these international business risks were to materialize, the business, financial condition and results of operations, and thus the value of the NSS Token, could be adversely affected.

NousLtd may be forced to cease operations or take actions that result in a dissolution event.

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of cryptographic and fiat currencies, the inability by NousLtd to establish the NSU Token, the failure of commercial relationships, intellectual property ownership challenges, inability to service debt or meet obligations as they come due in the ordinary course of business or governmental or regulatory actions or proceedings, NousLtd may no longer be viable to operate and may dissolve or take actions that result in a dissolution event.

The loss of key personnel or any inability to attract and retain additional personnel could affect NousLtd’s ability to successfully grow its business.

NousLtd’s performance is substantially dependent on the continued services and on the performance of its senior management and other key personnel. The loss of the services, of any such person for any reason, including due to pending or future legal proceedings, could harm NousLtd’s business. NousLtd’s future success also depends on its ability to identify, attract, hire, train, retain and motivate other highly skilled technical, managerial, editorial, merchandising, marketing and customer service personnel. Competition for such personnel is intense. The failure to retain and attract the necessary technical, managerial, editorial, merchandising, marketing and customer service personnel could harm NousLtd’s business.

The regulatory regime governing blockchain technologies, cryptocurrencies, tokens and token sales such as NSU Tokens is uncertain or nonexistent in many jurisdictions, and new regulations or policies may materially adversely affect the development of NousLtd’s NSU Token.

As blockchain networks and blockchain assets have grown in popularity and in market size, US federal and state agencies and regulatory authorities in other jurisdictions have begun to take interest in, and in some cases regulate, tokens and token sales and blockchains and their use and operation. Regulation of tokens and token sales such as this, cryptocurrencies, blockchain technologies and cryptocurrency exchanges is largely undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty in legal and regulatory interpretation and enforcement. Various legislative and executive bodies in the United States and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may materially adversely affect or otherwise severely impact the development and growth of NousLtd and the adoption of NSU Tokens. Failure of any party to comply with any laws, rules and regulations, some of which may not exist yet or are
subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including criminal and civil penalties, suspension of trading and fines.

In the case of virtual currencies, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, including but not limited to New Hampshire, North Carolina, Illinois, Hawaii, California, Florida and Washington, have amended or are in discussions to amend their state’s statutes to address licensing, exchange and other regulatory matters. Treatment of virtual currencies continues to evolve under United States federal law as well. In the US, the Department of the Treasury, the Securities Exchange Commission and the Commodity Futures Trading Commission, for example, have published guidance on the treatment of virtual currencies. The IRS released guidance treating virtual currency as property that is not currency for US federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws. The regulation of non-currency use of blockchain assets is also uncertain. The SEC has issued a public report stating federal securities laws require treating some blockchain assets as securities. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or cryptocurrency asset, including but not limited to the ways set forth in this Whitepaper, NousLtd and the ability of purchasers to negotiate NSS Tokens may be materially and adversely affected. Under applicable law the regulatory interpretation of the business to be conducted by NousLtd is by no means certain and is open to challenge. No licences or authorisations have been sought or applied for from the BVI financial regulators to conduct the business in the BVI. Given the uncertainty of the regulatory status of the NSU Token and the distributed ledger technology, added to which are the developments in applicable regulations, there is a real risk that the regulators may or could in the future dispute the regulatory interpretation currently being applied to the business and the NSU Token which could materially and negatively affect the viability of the Company and could lead it to cease operating.

The effort to develop code for the purposes of facilitating the creation of certain of the programs and platforms set forth herein may be an area in which NousLtd has limited experience, may be expensive, and subject to the resolution of significant technical constraints.

NousLtd is working to develop code for the purposes of facilitating the creation of certain of the programs and platforms set forth herein. Although NousLtd has hired and will hire employees with significant experience in the technical workings of blockchain, Ethereum and other cryptocurrencies, NousLtd has limited experience with such types of projects. These projects may be expensive, and are subject to substantial risk that they may ultimately be unsuccessful. Further, the creation thereof would be subject to the future resolution of numerous significant technical challenges, which may be insurmountable.

The issuance of NSU Tokens may constitute the issuance of a “Security” under U.S. Federal laws and may constitute the issuance of a security under the laws of non-US jurisdictions.

On July 25, 2017, the United States Securities and Exchange Commission (the “Commission”) issued a Report of Investigation under Section 21(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) describing an SEC investigation of The DAO, a virtual organization, and its use of
distributed ledger or blockchain technology to facilitate the offer and sale of DAO Tokens to raise capital. The Commission applied existing U.S. federal securities laws to this new paradigm, determining that DAO Tokens were securities. The Commission stressed that those who offer and sell securities in the U.S. are required to comply with federal securities laws, regardless of whether those securities are purchased with virtual currencies or distributed with blockchain technology. The Commission’s announcement, and the related Report, may be found here: https://www.sec.gov/news/press-release/2017-131. NSS Tokens may be deemed to be securities by other jurisdictions’ securities and exchange commissions or monetary authorities under applicable securities, banking or monetary laws and regulations, and might be similarly subject to registration requirements and/or civil and criminal investigations, proceedings and penalties, any of which might have a material adverse effect on NousLtd and purchasers’ ability to negotiate NSS Tokens, including but not limited to these recent events:

The People’s Republic of China has banned initial coin offerings in China: The People’s Bank of China announced on September 4, 2017, that initial coin offerings are banned inside the People’s Republic of China and that refunds would be sought with respect to prior offerings.  Digital token financing and trading platforms are prohibited from converting digital tokens to fiat currencies. As of November 1, 2017, cryptocurrency exchanges were no longer operating in the People’s Republic of China. There is no certainty regarding how long this ban will be in effect.

This issuance of NSU Tokens may constitute the issuance of a “Security” under the Laws of Hong Kong and trading of NSU Tokens on secondary markets may be subject to applicable regulatory requirements: On September 5, 2017, the Hong Kong Securities and Futures Commission (the “SFC”) issued a statement advising that “depending on the facts and circumstances of a TGE, digital tokens that are offered or sold may be “securities” ... and subject to the securities laws of Hong Kong.” (emphasis in original). The SFC further noted that “Parties engaging in the secondary trading of such tokens (eg, on cryptocurrency exchanges) may also be subject to the SFC’s licensing and conduct requirements.”

Regulation of cryptocurrencies such as NSU Tokens is likely to change in Korea in the near term and may become stricter: On September 3, 2017, Korea’s Financial Supervisory Commission held a joint task force with digital currency-related regulators and other bodies, including the Korea Fair Trade Commission and the National Tax Service. Authorities intend to strengthen user

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5 Id.

authentication procedures, regulate domestic trading of digital currencies, increase consumer protections, and punish initial coin offerings that do not comply with Korean laws.7

Secondary trading of NSU Tokens may be deemed subject to regulatory restrictions or even illegal by regulators subsequent to the publication of this Whitepaper: Other countries or regulatory jurisdictions may follow Hong Kong and deem the secondary trading of digital tokens potentially subject to regulatory requirements of local securities enforcement and regulatory bodies. It is possible some jurisdictions may ban secondary trading altogether. Laws and regulations applicable to digital tokens are evolving and there can be no certainty as to what any country, regulatory body, or other rule-making agency may determine. The effect of any future regulatory change is impossible to predict, but such change could be substantial and adverse to our business. Changes and developments in commercial and corporate laws may alter the nature of our business or the operation of a blockchain network upon which we rely in a manner that adversely affects our business. Blockchain networks face an uncertain regulatory landscape in many other jurisdictions such as the European Union, China and Russia. Various jurisdictions may, in the near future, adopt laws, regulations or directives that materially adversely affect or otherwise severely impact NousLtd. Such laws, regulations or directives may directly and negatively impact its business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of NousLtd and the adoption, utility and transferability of the NSU Token.

**Regulations governing cryptocurrency, such as our Tokens, are unsettled and are likely to vary across different jurisdictions. We may not be in compliance with all applicable regulations, and you may lose the entirety of your investment.**

The landscape of cryptocurrency tokens and cryptocurrency token offerings is unsettled, and regulations are likely to vary across different jurisdictions. The Company has used reasonable endeavors to approach the Token Generating Event in a responsible and sensible manner. Given the legal uncertainty of distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities in a number of jurisdictions, the Company has spent time and resources to consider its business approach and where it proposes to operate now and in the future. It is possible that the Company’s Tokens described in this Whitepaper and which are the subject of the Token Generating Event may comprise a security in your jurisdiction, or that the offer for sale by the Company of the Tokens in your jurisdiction may be a regulated or prohibited activity. The Company accepts no responsibility or liability to you in these or in any circumstances. You are strongly advised to take independent legal advice in respect of the legality in your jurisdiction of your participating in the Token Generating Event and purchase of Tokens. If the offering is not compliant with regulations in your jurisdiction, you may lose the value of your entire investment.

**Tokens do not represent equity ownership in NousLtd or an arrangement with respect to pooled property.**

Tokens do not entitle you to any equity, governance, voting or control over the management of the Company whatsoever, or any similar right or entitlement in the Company or any of its affiliates.

7 See Id.
Tokens do not evidence interests in or represent an arrangement with respect to pooled property or the right to participate in or receive profits or income arising for their acquisition, management, or disposal of pooled property or sums paid out of such profits or income. We do not recommend that you purchase tokens unless you have prior experience with cryptographic tokens, blockchain-based software and distributed ledger technology and unless you have taken independent professional advice. Accordingly, your purchase of Tokens will not provide you with an opportunity to influence the conduct of NousLtd’s business.

**Purchasers of NSU Token will have no voting rights, consent rights or other control over or rights with respect to NousLtd.**

Purchasers are not and will not be entitled to vote or be deemed the holder of capital stock of NousLtd for any purpose, nor will anything be construed to confer on the purchasers any of the rights of a stockholder of NousLtd or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise. NSU Tokens do not evidence interests in or represent an arrangement with respect to pooled property or the right to participate in or receive profits or income arising from the acquisition, management or disposal or pooled property or sums paid out of such profits or income.

**Purchasers may lack information and/or access for monitoring NousLtd.**

A purchaser of NSU Tokens may not be able to obtain all information it would want regarding NousLtd or the NSU Tokens themselves on a timely basis or, as the case may be, in substantial part or at all. It is possible that purchasers may not be aware on a timely basis or at all of material adverse changes that have occurred with respect to NousLtd or with respect to the NSU Tokens.

**NSU Tokens have no operating history.**

NSU Tokens will be a newly formed token and have no operating history. Past performance of tokens or coins issued by any other person or entity, including without limitation Bitcoin or Ethereum, is not predictive of the value of the NSU Tokens in the future.

*The further development and acceptance of blockchain networks, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have a material adverse effect on the successful development and adoption of NousLtd’s platforms and proposed projects, as well as the NSU Tokens themselves.*

The growth of the blockchain industry in general, as well as the blockchain networks with which NousLtd will rely and interact, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency industry, as well as blockchain networks include, without limitation:

- Worldwide growth in the adoption and use of Bitcoin, Ethereum and other blockchain technologies;
● Government and quasi-government regulation of cryptocurrency and other blockchain assets and their use and exchangeability, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;

● The maintenance and development of the open-source software protocol of the Bitcoin networks;

● Changes in consumer demographics and public tastes and preferences;

● The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks;

● The nature and extent of cyberattacks, protocol forks and cryptocurrency co-participant fraud;

● General economic conditions and the regulatory environment relating to cryptocurrencies; and

● A decline in the popularity or acceptance of Bitcoin, Ethereum or other blockchain-based tokens and coins would adversely affect NousLtd.

The slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the NSU Tokens.

Risk of losing access to NSU Tokens due to loss of private key(s), custodial error or purchaser error.

A private key, or a combination of private keys, may be deemed a necessary element to control and, negotiate NSU Tokens stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing NSU Tokens will result in loss of such Progressive Coins. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a digital wallet or vault service you use, may be able to misappropriate your NSU Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store NSU Tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your NSU Tokens. Additionally, your failure to follow precisely the procedures specifically set forth for buying and receiving, or negotiating NSU Tokens, including, for instance, providing the wrong address for receiving NSU Tokens, may result in the loss of your NSU Tokens.

Risk of hacking and security weaknesses.

Hackers or other malicious groups or organizations may attempt to interfere with the NSU Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, there is a risk that a third party or a member of the NousLtd team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the NSU Tokens, which could negatively affect the NSU Tokens, including NousLtd’s utility for obtaining services. The NSU Tokens and any related blockchain platforms, as well as NousLtd’s technological platforms, may be the target of malicious cyber attacks or may contain exploitable flaws in its underlying code (such as distributed denial of service attacks, double-spend attacks, 51% attacks, or other malicious attacks), which may result in security breaches and the loss or theft of NSU Tokens. If cybersecurity is compromised or if the NSU Tokens and related platforms are subjected to attacks that frustrate or thwart its customers’
ability to access or use their tokens, the purchasers of NSU Tokens may suffer losses in value or otherwise be materially adversely affected. On February 7, 2014, MtGox (a bitcoin exchange based in Japan) halted all bitcoin transactions and withdrawals due to the disappearance of hundreds of thousands of customer- and MtGox-owned bitcoins. 8 All trading was suspended two weeks later following an internal investigation that pegged the loss at 744,408 bitcoins. 9 According to Mark Karpeles, CEO of MtGox, MtGox was susceptible to theft because of a “defect or ‘bug’ in the bitcoin software algorithm, which was exploited by one or more persons who had ‘hacked’ the bitcoin network.” 10 Ultimately, customer losses totaled nearly 750,000 bitcoins, while MtGox losses were approximately 100,000 bitcoins. At the time, this represented approximately $473 million and nearly 7% of the bitcoins then in existence. 11 MtGox filed for bankruptcy protection in Japan on February 28, 2014. Following a proposed class action suit by traders alleging fraud against MtGox, the company sought recognition of the Japanese proceeding in U.S. bankruptcy court on March 9, 2014. 12 The Japanese proceeding converted to liquidation in April 2014. Another substantial theft of crypto-currency funds occurred in 2016 in connection with the TGE of The DAO, an unincorporated organization that was intended as a first generation “Decentralized Autonomous Organization.” In exchange for ETH, participants received DAO Tokens, representing ownership interests and voting rights in The DAO. The holders of DAO Tokens stood to share in the anticipated earnings from these projects as a return on their investment in DAO Tokens by re-selling the tokens on a number of different webbased platforms that supported secondary trading in the DAO Tokens. DAO founders envisioned projects and earnings distributions would be voted upon by all DAO Token holders, and that project proposals would be embodied in Ethereum blockchain contracts. DAO Token holders could exercise their voting rights by choosing to distribute earnings from prior projects back to DAO Token holders, or to reinvest those earnings on new project proposals submitted for voting. Approximately 1.15 billion DAO Tokens were sold for approximately 12 million ETH from April 30, 2016, to May 28, 2016. Approximately $150 million USD was raised in the offering. On June 17, 2016, after the offering period ended, an unknown party exploited a software security vulnerability in The DAO and diverted 3.6 million ETH (worth approximately $45 million, and representing one third of the ETH raised by The DAO offering). In response, Slock.it’s cofounders (associated with the founding of The DAO) proposed a “Hard Fork” protocol (a process whereby the path of the blockchain is split, invalidating transactions confirmed by the nodes that have not been upgraded to the new version of the protocol software) to the Ethereum blockchain to restore DAO Token holders’ investments. On July 20, 2016, following implementation of the “Hard Fork” protocol updates, all funds raised in the offering, including those stolen, were transferred to a recovery address, where DAO Token holders could exchange their DAO Tokens for ETH. Other initial coin offerings have been compromised by attacks. On July 17, 2017, $7 million in ETH was stolen from purchasers trying to participate in social-trading startup CoinDash’s initial coin offering. 13 Later that week, a well-known Ethereum wallet was hacked as

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8 See Declaration of Robert Marie Mark Karpeles, In re MtGox Co., Ltd. (a/k/a MtGox KK), No. 14-31229 (Bankr. N.D. Tex. Mar. 3, 2014) [Docket No. 3], at 4.
9 Id.
10 Id.
11 Id.
well: on July 19, 2017, approximately 153,000 ether tokens worth roughly $32 million were stolen by hackers exploiting security vulnerabilities in Parity’s digital wallet.\textsuperscript{14}

**Risk of uninsured losses.**

Unlike bank accounts or accounts at some other financial institutions, NSU Tokens are uninsured unless the purchaser is able to specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurance arranged by us, to offer recourse to you.

**Risks arising from taxation.**

The tax characterization of NSU Tokens is uncertain. You must seek your own tax advice in connection with purchasing NSU Tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

20. Conclusion

We believe that blockchain technologies will become a part of our everyday lives: every day we find more things mentioned in the media, that various companies have successfully implemented pilot crypto projects and are ready to launch. In the near future, we believe developments in blockchain technology will unlock opportunities to allow anyone to access and benefit from segments of the economy and industry that until now were available only to the large institutional players and big corporations.

We are confident that the Nousprotocol will be a key player to opening free investment in any managed tokenized asset and that our technology will allow investors to acquire completely new types of assets, such as solar energy, digital real estate, mining farms, game artifacts, futures and much more.

We also anticipate that private or governmental organizations would utilize our Nousprotocol and platform to create pension funds that will be transparent, simple and understandable to the public.

Do you have more questions? Contact us or join any of our communities

Website: https://nousplatform.com

Telegram: https://t.me/nousplatformEng

Facebook: https://www.facebook.com/nousplatform

Twitter: https://twitter.com/nousplatform

Blog: https://medium.com/@nousplatform

Github: https://github.com/nousplatform