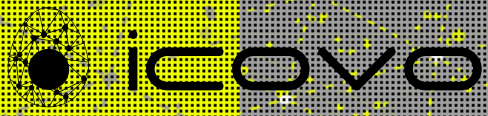

The World's First ICO Platform Implementing DAICO

Whitepaper #tokensale

ver. 1.1 2018/06/20

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A. Token and Token Sale

i. Overview and Purpose

ICOVO will issue its own token—OVO (OH-vo)—that can be used on our ICO platform ICOVO. OVO has two functions: payment and utility. Using the payment function, ICO investors can purchase ICO project tokens at a 25% discount compared to purchasing with ETH. It can also be used to pay for co-working spaces and other services ICOVO provides. The utility function can be used to exercise voting rights for raising the Tap (amount that can be withdrawn per second) or returning a procured funds back to the investors. The OVO token does not possess the functionality of assets such as securities, and its distribution is not linked to ICOVO's profits.

A brief overview of OVO:

Token type:	ERC20/ERC223	
Token function:	Utility1:	25% discount relative to ETH (At the time of ICO token purchase Regular currency (At the time of purchase of ICOVO support services)
	Utility2:	Voting feature (Warning: OVO does not function as an asset in any form)
Ticker:	OVO (OH-vo)	
Total number of tokens to be issued:	200 million	
Set price at the time of ICO:	1 OVO = 0.0005030 ETH (Equivalent to 0.3 USD)	
	1 ETH = 1,988 OVO	
Smallest unit:	nOVO (nano OVO) = 0.000000001 OVO	
Issue date:	July, 2018	
Soft Cap:	5,868 ETH (Equivalent to 3.5 Million USD)	
Hard Cap:	60,360 ETH (Equivalent to 36 Million USD)	
Target:	33,533 ETH (Equivalent to 20 Million USD)	

ii. Allotment and Distribution

The 200 million OVO tokens issued will be distributed according to the chart below, and a portion will be locked up for a maximum of 2 years.

Use of funds		Number of tokens allotted	Additional lock up period			
			None	6 months	1 year	2 years
Team use	Distributed to team members and contributors	34 million tokens 17%	12 million tokens	-	11 million tokens	11 million tokens
	Marketing	46 million tokens 23%	20 million tokens	12 million tokens	14 million tokens	
Sale	Closed sale	60 million tokens 30%	30 million tokens	30 million tokens		
	Presale and crowd sale	60 million tokens 30%	60 million tokens			

Of the 46 million tokens (23%) allotted for marketing, the 20 million tokens not locked up will be used for our referral program and airdrop. For the tokens that will be locked up for 6 or 12 month (total of 26 million), we plan to apply a soft lock. Furthermore, the number of tokens allotted for the closed sale, presale, and crowd sale are subject to change in accordance with sales. 10% of bonus tokens will be supplied to investors who held OVO for 6 months. Another 10% will be supplied to investors who held OVO for 1 year.

iii. Token Sale and Participation Process

The closed sale is scheduled to start on 15 May, 2018. Tokens that are left unsold will be sold in the presale and crowd sale. Whitelist registration is planned to be held in Q3 2018, will start from 22 June, 2018. The crowd sale will be held to sell the tokens that were left unsold from the presale. Tokens left over from the crowd sale will not be issued. What follows are summaries of each sale:

Presale	
Start date:	17 July, 2018 00:00(UTC)
End date:	25 July, 2018 23:59(UTC)
Tokens to be sold:	Maximum of 120 million (All tokens left from the closed sale out of those reserved for sale)
Price and perks:	30% discount from the standard unit price 1 OVO = 0.0003521 ETH
Cryptocurrency that can be used for purchase:	ETH (Ethereum)
Minimum purchase amount:	0.17 ETH (Equivalent to 100 USD)
Maximum purchase amount:	420 ETH (Equivalent to 250,000 USD)
Target group:	White list registrants
White list registration start date:	22 June, 2018

Crowd sale (Will not be held if all reserved tokens are sold during the presale)	
Phase 1: Price and perks:	15 August, 2018 00:00(UTC) --- 24 August, 2018 23:59(UTC) 10% discount off of the standard unit price 1 OVO = 0.0004527 ETH
Phase 2: Price and perks:	26 August, 2018 00:00(UTC) --- 4 September, 2018 23:59(UTC) 5% discount off of the standard unit price 1 OVO = 0.0004779 ETH
Phase 3: Price and perks:	6 September, 2018 00:00(UTC) --- 15 September, 2018 23:59(UTC) 5% discount off of the standard unit price 1 OVO = 0.0005030 ETH
Tokens to be sold:	Maximum 120 million (Tokens left over from the presale)
Cryptocurrency that can be used for purchase:	ETH (Ethereum)
Minimum purchase amount:	0.08 ETH (Equivalent to 50 USD)
Maximum purchase amount:	420 ETH (Equivalent to 250,000 USD)
Target group:	White list registrants
White list registration start date:	22 June, 2018

The fundraising goal is 20 million USD, hard cap (maximum amount to raise) is 36 million USD. Soft cap (minimum amount to raise) of 3.5 million USD. In case these criteria are not met after launching the token sale, all funds raised will be returned to the investors.

KYC (Know Your Customer) and AML (Anti-Money Laundering) authentication will be mandatory to participate in the token sale. Residents of countries that prohibit participation in ICO token sales cannot participate through our platform. Whitelist registration is necessary to participate, and thus those who wish to do so must register using the dashboard on ICOVO Web.

iv. Usage of Procured Funds

The working capital needed to become profitable is 0.5 million USD, funds needed for development are 1 million USD, funds for advertising and publicizing are 2 million USD, and funds to be distributed to team members and contributors are 2 million USD. The remaining funds are planned to be used for marketing in order to increase the speed of scaling. The funds distributed to team members and contributors will be less than 10% of the total funds procured.

If we are able to procure funds exceeding the soft cap of 3.5 million USD, growth of our service can be expected to be steady.
If we reach our goal of 20 million USD, capital for marketing will be abundant and exponential growth can be expected. At the crux of our marketing strategy lies incubation of innovative blockchain-related startups and acquisition of high quality ICO projects.

Funds will be allocated to a news media site centered on ICOs and Ethereum that is planned to launch in Q3 2018 and co-working spaces for blockchain-related startups expected to open in Q4 2018. Co-working spaces are planned to be opened in Zug (Switzerland), Tokyo (Japan), etc. and will be available free of charge to establish a hub for blockchain-related startups. These co-working spaces will have an in-built private Ethereum-based blockchain, an environment suitable for testnets, and will be equipped with the functionality needed for experiments combining blockchain, IoT, and AI.

Akihiro, the CEO, launched a co-working space in Tokyo in 2010 and has 8 years of experience running it, with over 800 clients.

Expected usage when 20 million USD is raised

Working capital	500,000	3%
Development capital	1,000,000	5%
Advertising and publicizing	2,000,000	10%
Marketing capital	14,500,000	72%
Team members and contributors	2,000,000	10%
Total (USD)	20,000,000	100%

v. Cash Flow Scheme and Tap

If our ICO finishes by September 2018, development of the ICOVO platform will finish by the end of 2018, and by Q1 2019 ICOVO will host its first ICO project on its platform. Accordingly, ICOVO will gain its first profits after Q1 2019. Simultaneously, as a marketing endeavor, we plan to open a co-working space in Zug, Switzerland. Co-working spaces, which are pivotal to our marketing strategy, will be opened afterwards in Tokyo, Japan, etc. In the case that our funds raised reach 20 million USD, 33% of total expenditures are planned to go towards marketing.

Hence, in terms of cash flow layout, 1.5 million USD will be necessary per month. The amount that can be withdrawn out of total funds raised will be set to 1.5 million USD per month using DAICOVO's Tap (amount that can be withdrawn per second) Additionally, DAICOVO's parameter Tap settings will be set right before the token sale starts at the average USD-ETH exchange rate over the last 3 months.

For example: if the 3 month average USD-ETH exchange rate right before the crowd sale starts is 1 ETH = 596.42 USD, the Tap will be set as Tap = 0.0009703 ETH/sec.

Note: At the project beginning, 2,800 ETH will be released for the payment for the initial costs.

vi. Exchange Listing

OVO will look to be listed on as many exchanges as possible, aiming for listing within one month after the end of the token sale. Negotiations for listing will start on 15 April, 2018 and progress reports will be disclosed.

vii. Layout for Control of Tokens in Circulation

The number of OVO tokens in circulation at any time will be controlled via the following four mechanisms:

1 Hard lockup

Of the 200 million OVO tokens to be issued in total, 11 million tokens distributed to team members and contributors will be locked up for 1 year, and another 11 million for 2 years. Additionally, if 60 million tokens are sold during the closed sale, 50% or 30 million of those tokens will be locked up for 6 months, leading to a total of 52 million tokens that cannot be sold immediately due to a hard lockup.

2 Soft lockup

For the 12 million OVO tokens issued for marketing purposes, token holders that hold on to them for over 6 months will be ofered a 10% bonus of the amount retained. Another 14 million OVO are set aside for token holders that hold for over a year, where they will be offered a 10% bonus of the amount retained. These OVO tokens set aside for free distribution will be locked up until they are bestowed.

At the same time, OVO token holders' retention rate is expected to increase through free distribution of OVO tokens to token holders that hold on to OVO for 6 months or 1 year.

3 OVO tokens locked up through DAICOVO

The cryptocurrencies that proposed projects listed on the ICOVO platform can use to procure funds are ETH and OVO.

The procured funds will be managed by DAICOVO and can be withdrawn by a preset Tap (amount that can be withdrawn per second), though the order of the currency that can be withdrawn is fixed. The mechanism is set up so that ETH shall be withdrawn first, and OVO can be withdrawn only after all ETH has been withdrawn. Thus, OVO will be locked up through DAICOVO to ensure it is not sold immediately on the market.

For example, if a particular project's drafters raise 15 million USD, 70% of that (11.5 million USD) will be ETH, and the rest (4.5 million USD) will be OVO. If DAICOVO is set up so that all procured funds can be withdrawn in 10 months, 1.5 million USD can be withdrawn each month. Funds withdrawn in the first 7 months will be in ETH while those in the last 3 months will be in OVO.

← OVO will be locked up for 7 months →

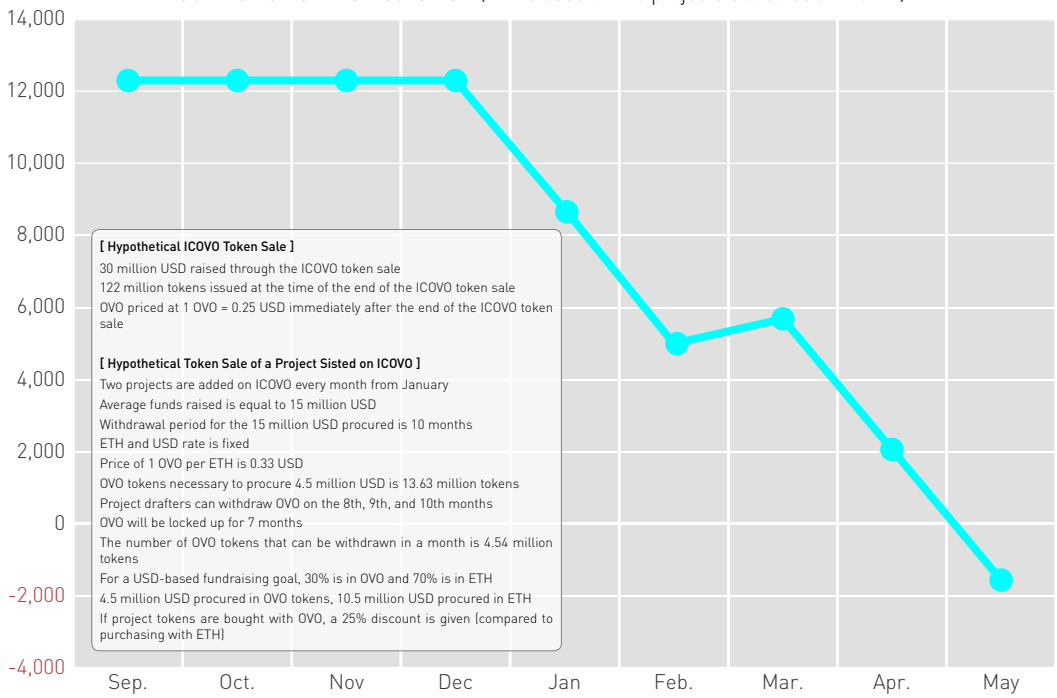
1st month	2nd month	3rd month	4th month	5th month	6th month	7th month	8th month	9th month	10th month
ETH	ETH	ETH	ETH	ETH	ETH	ETH	**OVO**	**OVO**	**OVO**

Simulation of circulating OVO

Since OVO will be used for procuring funds for each project in proportion to the number of projects listed on ICOVO, the number of OVO tokens locked up by DAICOVO will increase. Additionally, since the market cap at the time of fundraising for ICOVO will be small, locking up of OVO through DAICOVO will have a significant impact on the number of OVO tokens in circulation.

The following chart shows a hypothetical scenario simulation where the OVO price (compared to USD) does not increase and remains stable and two projects are added on ICOVO each month starting from January 2019. OVO will be locked up via DAICOVO and in theory, by May 2019, OVO tokens circulating in the market will be zero.

Amount of OVO in Circulation (in the case of two projects added each month)



Unit: 10,000 tokens	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar	Apr.	May
Total OVO tokens issued (A)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total OVO subject to lockup (B)	7,800	7,800	7,800	7,800	11,400	15,000	14,400	18,000	21,600
Total OVO in circulation (A-B)	12,200	12,200	12,200	12,200	8,600	5,000	5,600	2,000	-1,600

4 Unsdold tokens

All tokens left over from token sale will not be issued.

B. Management of Procured Funds (DAICO)

i. Withdrawing Procured Funds

If deemed necessary, the ICOVO team or investors (token holders) may propose and resolve to increase the Tap. Specifically, this can be done using the ICOVO App through the following steps.

Initiative: ICO drafters or investors can use the ICOVO App to propose increasing the Tap or use another wallet to directly transact with the contract address and initiate an increase

Cost:	ETH or OVO (Equivalent to 500 USD)

Voting: Token holders can vote in favor or in opposition using the ICOVO App and temporarily deposit tokens at the voting address (once deposited at this address, tokens cannot be withdrawn during the voting period). They may also vote using another wallet by directly transacting with the contract address.

Period:	14 days
Relative weight of vote:	Proportional to tokens in possession
Tallying votes and settling results:	Voting results will be released after the voting period ends
Standard for approval:	Yes - No - Absent / 6 > 0
Token returns:	Deposited tokens will be automatically returned to the original address after vote tallying ends.

Once the Tap has been increased, it cannot be decreased. Furthermore, once an initiative is in motion, another initiative cannot be started during the voting periods.

ii. Refunding Procured Funds

If a project is not proceeding according to schedule or is clearly deadlocked, investors can initiate a "refund of the remaining funds".

In general, the process is the same as the aforementioned Tap increasing process, and in the case that it is approved, the refund will proceed in the following steps:

Freezing the remaining funds:	Immediately after approval, 30 days worth of funds will be supplied to the founder and also TAP will be closed. The remaining funds will be frozen so that withdrawals are not possible.
Returning the remaining funds:	Investors can reclaim their invested funds by sending tokens to a specified address. The refund amount shall be calculated using the following formula:

Refund amount = remaining funds * (tokens in possession / total number of issued tokens)

Moreover, proposals to increase the Tap or return the remaining funds cannot be made simultaneously. Although additional initiatives cannot be started if another initiative is in the voting stage, proposals can be scheduled.

C. Referral Program and Airdrop Program

As part of our marketing strategy for ICOVO's token sale, we have introduced the following programs. Please check details about the programs and their participation processes by accessing ICOVO's website and logging in to the dashboard.

i. Referral Program

[Overview]

No technical expertise or knowledge is needed for ICOVO's referral program. Anyone can easily participate. For those that share our vision and highly value our service, we will distribute OVO for free for supporting ICOVO's ICO through web promotion. To participate in the program, you simply distribute unique referral links to friends and investors you want to invite through your personal Twitter, Facebook, Telegram, blog, BitcoinTalk account, etc. by writing about ICOVO and pasting the referral link.

If your unique referral link is clicked (or tapped), you will receive free OVO. In addition, if an ICO investor signs up with your link and participates in ICOVO's token sale by purchasing OVO tokens, you will receive OVO tokens worth 10% of their investment for free.

Example: If your referral link is clicked (or tapped) 2000 times, you will receive 200 OVO. Additionally, if an investor uses 10 ETH to buy 40,000 OVO tokens using your referral link, you will receive 10% of their purchase of 40,000 tokens or 4,000 OVO, for a total of 4,200 OVO tokens.

[Features]

- You will receive 0.1 OVO (maximum of 10,000 OVO) per click of your unique referral link
- If an ICO investor invests through your unique referral link, you will receive free OVO tokens worth 10% of their investment
- No lockup for the OVO distributed
- Standard OVO price: 1 OVO = 0.0005030 ETH (Equivalent to 0.3 USD)
  (Average price may change due to sale of discounted tokens)
- Only people from countries where solicitation and purchase of tokens are not prohibited can be invited
- Ends at the end of the token sale
- The program will end earlier if the 20 million OVO reserved for marketing are used up
- OVO will be provided within 1 month after the end of the token sale

ii. Airdrop Program

[Overview]

We will provide OVO for free to those that perform ICOVO's specified airdrop target actions such as registering their email on ICOVO, participating in ICOVO's Telegram Group, etc. 4 OVO can be earned through each of the following simple actions:

- Register your email on ICOVO
- Participate in ICOVO's Telegram Group and Telegram Channel
- Follow ICOVO's Twitter account
- Like and Follow ICOVO's Facebook page
- Download the ICOVO App and set up an address
- Other

[Features]

- 4 OVO are provided for 1 action
- No special requirements for participating in the program
- Ends at the end of the token sale
- Standard OVO price: 1 OVO = 0.3 USD0.0005030 ETH (Equivalent to 0.3 USD)
  (Average price may change due to sale of discounted tokens)
- No lockup for the OVO provided
- The program will end earlier if the 20 million OVO reserved for marketing are used up
- OVO tokens will be provided within 1 month after the end of the token sale

D. Legal Considerations

Before acquiring OVO-Tokens please read also the Whitepaper (Service Version) as well as the OVO Token Sale Terms and Conditions carefully.

This Whitepaper (Token Sale Version) is a draft and the information set out herein is of a preliminary nature. Consequently, ICOVO AG does not assume any responsibility that the information set out herein is final and/or correct and disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise in respect of the mentioned Whitepapers.

Potential investors should note that the finalization of this Whitepaper (Token Sale Version) is subject to ongoing legal and regulatory considerations and may, therefore, be subject to material changes. In particular, ICOVO AG has filed an enquiry to FINMA for the issuance of a no-action letter which has not been answered yet. ICOVO AG reserves the right to change the structure of the ICO or the ICOVO-Platform for any reason at its sole discretion.

i. General Information

The OVO-Token does not give any rights to dividends or interests. The sale of OVO-Tokens is final and non-refundable. OVO-Tokens are not shares and do not give any right to participate to the general meeting of ICOVO AG.

Anyone purchasing OVO-Tokens expressly acknowledges and represents that she/he has carefully reviewed this Whitepaper (Token Sale Version), the Whitepaper (Service Version) as well as the OVO Token Sale Terms and Conditions and fully understands the risks, costs and benefits associated with the purchase of OVO-Tokens.

ii. Risks

Purchasing OVO-Tokens and storing them involves various risks, in particular the risk that the ICOVOPlatform may not be implemented and maintained as envisaged. Therefore, and prior to purchasing OVOTokens, any potential investor should carefully consider the risks, costs and benefits of purchasing OVOTokens and, if necessary, obtain independent advice in this regard. Any interested person who is not in the position to accept or to understand the risks associated with the ICO or any other risks as indicated in the OVO Token Sale Terms and Conditions should not purchase OVO-Tokens.

Risks associated with the blockchain: The Smart Contract, the underlying software application and software platform is still in an early development stage and unproven. There is no warranty that the process for creating OVO-Tokens and/or the Ethereum blockchain will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of ETH, other (financial) support of the Project and/or OVO-Tokens. The Smart Contract and/or underlying protocols and/or any other software involved may either delay and/or not execute a contribution due to the overall contribution volume, mining attacks and/or similar events.

Risks associated with a loss of private key: OVO-Tokens can only be accessed by using an Ethereum compatible wallet with a combination of the account information (address) and private key or password. If the private key or password gets lost or stolen, the OVO-Token associated with one's account (address) will be unrecoverable and will be permanently lost.

Further risks are described in Annex A of the OVO Token Sale Terms and Conditions. You acknowledge and agree that there are risks associated with purchasing OVO-Tokens, holding OVO-Tokens, and using OVO-Tokens, as disclosed and explained here and in Annex A of the OVO Token Sale Terms and Conditions. By purchasing OVO-Tokens, you expressly acknowledge and assume these risks. If you have any questions regarding these risks, please contact us at contact@icovo.co.

iii. Important Disclaimer

Neither this Whitepaper (Token Sale Version), the Whitepaper (Service Version) as well as the OVO Token Sale Terms and Conditions nor anything contained therein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever and shall not be considered as an invitation to enter into an investment. Those documents do not constitute or relate in any way nor should they be considered as an offering of securities in any jurisdiction. This Whitepaper (Token Sale Version), the Whitepaper (Service Version) as well as the OVO Token Sale Terms and Conditions do not include or contain any information or indication that might be considered as a recommendation or that might be used as a basis for any investment decision. OVO-Tokens are just payment/utility tokens which can be used on the ICOVO-Platform and are not intended to be used as an investment.

OVO-Tokens shall therefore not be purchased for speculative or investment purposes. The potential purchaser of OVO-Tokens is aware that national securities laws, which ensure that potential investors are sold investments that include all the proper disclosures and are subject to regulatory scrutiny for the investors' protection, are not applicable.

Regulatory authorities are carefully scrutinizing businesses and operations associated to blockchain and cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may impact ICOVO AGs business and even limit or prevent it from maintaining its operations in the future. Any person undertaking to purchase OVO-Tokens must be aware that the initial business model, this Whitepaper (Token Sale Version), the Whitepaper (Service Version) as well as the OVO Token Sale Terms and Conditions may change or need to be modified because of new regulatory and compliance requirements from any applicable laws in any jurisdictions. In such a case, purchasers and anyone undertaking to acquire OVO-Tokens acknowledge and understand that neither ICOVO AG nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes.

This Whitepaper (Token Sale Version), the Whitepaper (Service Version) as well as the OVO Token Sale Terms and Conditions or any other materials provided by ICOVO AG are not a prospectus within the meaning of articles 1156 and 652a of the Swiss Code of Obligations or a prospectus under any other applicable laws.

The Tokens-OVO are not offered to minors or to any citizens or persons from a jurisdiction in which it is impermissible or restricted to offer, distribute, purchase, sell, or retain cryptographic tokens. By purchasing Tokens, you warrant that you are neither a minor or a citizen or person

from a jurisdiction in which it is impermissible or restricted to offer, distribute, purchase, sell, or retain cryptographic tokens. You acknowledge that any purchase of Tokens by minors or citizens or persons from a jurisdiction in which it is impermissible or restricted to offer, distribute, purchase, sell, or retain cryptographic tokens under these Terms will be rendered null and void.

These Terms shall not be sent and or addressed wholly or in part, directly or indirectly, to any minors or citizens or persons in any jurisdiction in which it is impermissible or restricted to offer, distribute, purchase, sell, or retain cryptographic tokens.

iv. Tax Implications

Potential investors are solely responsible for determining what, if any, taxes apply to the purchase of OVOTokens, including, for example, sales, use, value added, and similar taxes. It is also their sole responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. Potential investors are urged to consult their own tax advisors as to the tax consequences of acquiring, owning and disposing of OVO-Tokens.

v. Governing Law and Arbitration

This Whitepaper (Token Sale Version) and the acquisition and loss of rights related to and interest in the OVO-Tokens will be governed by and construed and enforced in accordance with the laws of Switzerland, without regard to conflict of law rules or principles (whether of Switzerland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether the OVO-Tokens qualify as right or property under the applicable laws.

Any dispute, controversy or claim arising out of, or in relation to this Whitepaper (Token Sale Version) and the acquisition and loss of rights related to and interest in the OVO-Tokens, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution in force on the date on which the Notice of Arbitration is submitted in accordance with these Rules. The seat of the arbitration shall be Zurich, Switzerland. The arbitral proceedings shall be conducted in English.