



Novem Gold: A Better Way to Buy Gold



“Gold is money,
everything else is credit.”

— JP MORGAN

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Abstract

For thousands of years, gold has been the primary store of value for individuals and nations alike. But to trade with it, you need to validate both the quantity stored and the ownership. Which until now, has been a challenge. Furthermore, the gold buying and selling industry has a poor reputation with the general public. There are no defined ethical standards and the industry is still analogue and not using digital means to further benefit revenue and growth.

Novem is set to transform the precious metal industry through the use of high ethical standards, modern communications and advanced blockchain technology. By creating an immutable, secure, and distributed ledger of ownership, and a large network of stores that operate on standardised ethical principles, it delivers surety for gold buyers, refiners, investors and traders, both online and offline.



Vision

The business of gold itself, especially the buying and refining of old gold, is an immensely profitable industry with tens of thousands of single stores in Europe alone. These are all individual businesses and the industry is yet to have one international player that has built a brand with the general public. That is where Novem comes in.

Our Vision is to advance, better, transform and disrupt the gold industry by opening up a large network of stores for which we will be creating, implementing and enforcing the highest standards, strictest regulations and security through state of the art technologies and concepts. We want to use blockchain technology and the wide network of stores to make gold accessible to everyone and remove hassles like transportation and secure storage, in order to simplify the process of owning gold. Furthermore, we want to make our brand known to a large group of people and bring the trust and certainty that gold invokes to the VUCA (volatile, uncertain, complex, ambiguous) environment the cryptocurrency world presents.

Approach & USP

Our approach is based on safety, transparency, and trust. Our USP, and also the most significant difference to other gold token projects, is the fact that our NNN token is the first block chain based token that allows the buyer to directly acquire ownership of gold stored in a high security warehouse in the Principality of Liechtenstein that can be reclaimed or sold through the block chain at any time.



Safety principle: Instead of going for quick wins and easy solutions, which might not be sustainable or reliable, we have chosen to make every decision with safety in mind. That is why we founded the company in Liechtenstein, a well-regulated country, we invest in the safest tools and work only with the best partners.



Transparency principle: At Novem Gold you do not have to ask us about the real people behind the project, the real people within the supplier companies and any other information that is needed to form an opinion and build trust. Instead we proactively offer all information, including images and videos, which allows our customers to feel secure in the knowledge that we are not just another anonymous, internet-based crypto project.



Trust principle: We are real people, who run a real business, work with real businesses, and offer our investors and customers real value, both on the blockchain and in the real world. We open ourselves up to regular audits by established and recognised firms, we show ourselves and the real people behind our suppliers and partners proactively to the world and are available to talk to and meet with. In the culture that the Novem founders live and do business in, trust and a handshake are worth more than any written contract, and since this part is taken care of by our tokens smart contracts, we will take all steps necessary to instil that trust in our customers all over the world.

Business Model

Novem Gold generates its revenue from the buying and selling of gold. In that particular manner we are not a start-up but a working and profitable business and have been for many years. Old gold can be sold to us in our stores, and with the funding of our ITO, we plan to open up to 100 new stores over the next couple of years, first across Europe, and then around the world. After buying old gold, we deliver it to a refinery and have it melted and refined so that it is of LBMA-certified quality (London Bullion Market Association, the world's standard regulator for the gold industry). We will then use a portion of this gold to mint our gold token, bringing highest quality gold to our token holders and generating good profits for ourselves. We will also sell part of it in our stores, which is also a very profitable business. Some will be processed into different products, including jewellery and gold gift cards which we will sell.



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Products

Novem Gold offers physical products sold in-store, as well as our two blockchain based tokens. The physical products comprise LBMA-certified gold bars of all dimensions, and gold products like jewellery and gold gift cards. These products can be bought with traditional fiat money, with gold, and when paid for with our utility token a sizeable discount applies.



Our Tokens

Introducing: the 999.9 (\$N99) gold-backed token, and the NOVEM (\$NVM) utility token.

\$N99 - the 999.9 token

The 999.9 (S999) represents ownership of physical gold stored in a high-security storage facility in the Principality of Liechtenstein. The S999 token holder has a right in rem to a certain amount of existing gold, which can be claimed at any time.

Directly linked to physical gold, 999.9 takes its name from the common purity measure of gold, 999.9

- ✓ 100 tokens equal 1 gram of gold
- ✓ Built on the NEO blockchain
- ✓ Can be traded on the blockchain
- ✓ Token price is pegged to gold price
- ✓ Gold reserves certified by LBMA, stored safely in Liechtenstein
- ✓ 999.9 tokens are not part of the ITO (initial token offering)



\$NVM - the NOVEM token

(our utility token)

NVM, a true utility token, is used to pay for NOVEM services and products

- ✓ Receive bonuses when you purchase physical gold
- ✓ Built on the NEO blockchain
- ✓ Provides additional benefits for current and future partners
- ✓ Bonus paid when used to buy gold
- ✓ Will be tradable on cryptocurrency exchanges



NNN token Details



VALUE

The 999.9 token will see its value influenced by the value of the gold assets it represents.

USE CASES

The use cases Novem had in mind when developing the 999.9 were first and foremost to be able to own gold, without the hassles that come with it. Another is the possibility to store cryptocurrency value on the blockchain without being subject to the volatility of usual non-asset-backed tokens. This is of interest to the public and also to institutional investors. Due to the nature of the NEO blockchain and our gold resources, the 999.9 token can handle the storage and the fast transfer of large portions of value all over the world within seconds.

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ASSET & SAFETY

The asset that backs the 999.9 token, gold, will be secured by the leading security and storage company in Liechtenstein, Trisuna Lagerhaus AG / OZL AG, who securely stores diamonds, precious metals and art for the wealthiest families in the country. An international security transport company picks the gold up at the refinery and securely transports it to the high security facility in Triesen, Liechtenstein, where Novem controls the quality and quantity and it will be safely stored. In the future we may offer the option to transfer gold to other locations around the globe, but as of this version of the white paper and until after our ITO, all assets will be stored with Trisuna / OZL in Triesen, Liechtenstein.

The underlying asset is physical gold of “999.9” quality, certified by the London Bullion Market Association, LBMA, the world’s leading regulator for the gold industry. Novem either has it refined from old gold that is collected in our stores, or directly buys it at the refinery. We only do business with the world’s finest refineries, which are obviously on the LBMA’s Good Delivery list but are also able to supply large amounts of gold if necessary. Namely, we will obtain gold from Germany’s oldest refinery, Heimerle & Meule, but we also have the option to obtain gold from two of the largest refineries in the world, Nadir in Turkey and Perth Mint in Australia.



MINTING PROCESS

New tokens will be created on a regular basis. To be cost effective, a specific amount of gold is collected before a new token issue starts. All gold received is scanned by a Novem Gold employee and validated that it is 100% 999.9 LBMA-certified gold. Once validated, it is taken to our storage facility by our partner in Liechtenstein. Once our partner confirms it is deposited, we start the minting process to issue 100 tokens for every 1 gram of gold stored.

The total supply of tokens, and therefore the amount of stored gold can be requested by using the standard NEP-5 token supply method.

On our roadmap we want to store all the paper records issued by our partner on the blockchain as well as on NeoFS which is currently being researched, or alternatively on the interplanetary file system (IPFS).

Novem Gold AG guarantees that NNN tokens can be exchanged for 100% 999.9 LBMA-certified gold, either from their current possession or by taking the gold out of storage again. In the case of gold being taken out of storage, we initiate a “burn process“, which results in the total supply being reduced by the burnt amount. This complies with the NEP-5 token standard proposal that is officially accepted by the NEO blockchain.

To maintain transparency, we will post a new message on a social media platform (such as Twitter) whenever such a token-burn takes place, so the availability of tokens can be checked and the process can be monitored.

TRANSFER FEES

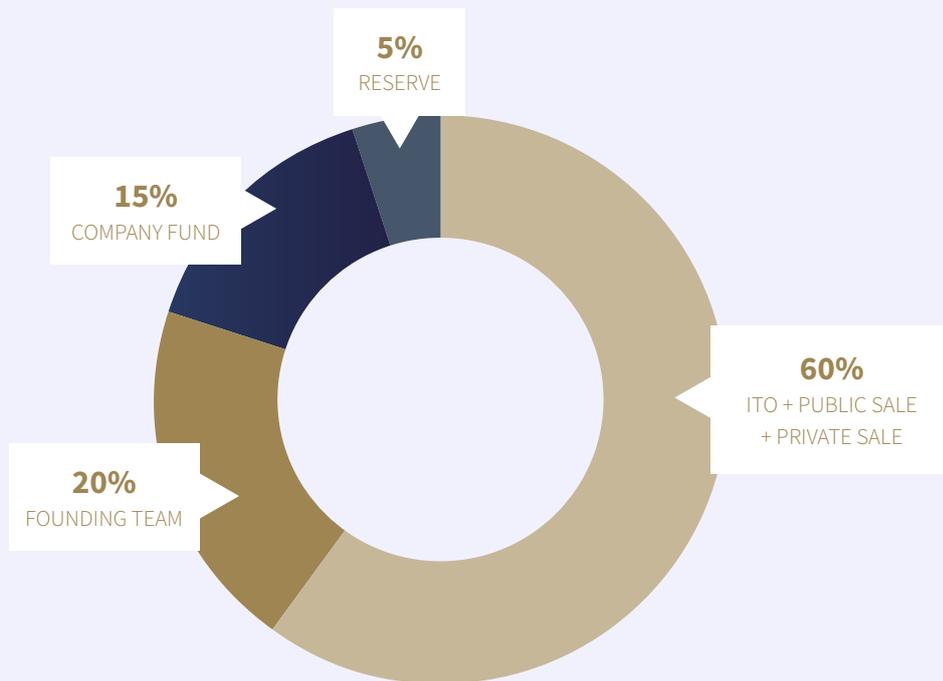
Every blockchain transaction will incur a fee of 0.05%. When NNN tokens are transferred, 0.05% of the tokens will be moved to an address owned by Novem. These fees will be used to cover storage and insurance costs of the underlying gold, and to burn NVM tokens, more information on that is available later in this paper, in the section “Token Burn”.

NVM token Details

The NVM token allows customers to purchase gold and services from our company at a discount. These discounts will be shown in detail later in this paper.

TOKEN DISTRIBUTION

In total, 300 million NVM tokens will be emitted. The NVM tokens will be distributed to private and public investors, the founding team, the company fund, and kept in reserve:



VESTING

There is a vesting in place for the founding team.

The founding team has a 3 year vesting plan, they can liquidate 25% right away, and then another 25% every year.

UTILITY

The NVM token can be used at its current value to pay for goods and services of Novem Gold AG. When instead of paying with fiat, the NVM token is used, the following discounts apply:

GOLD BARS:

- 1g bars: 5% discount off market price
- 5g, 10g, 20g, 1oz t, 50g, 100g bars: €0,10 per gram discount off market price



Please note that due to shrinking margins any bars above 100g are not subject to discount.

JEWELLERY, WATCHES:

- 5% discount off listed price
- Purchasing NNN gold token:
- 2% discount off market price



Furthermore, when selling old gold and old jewellery to us, if payment is made in NVM tokens instead of fiat money, we offer a bonus of €0,50 above the daily set price for each gram.



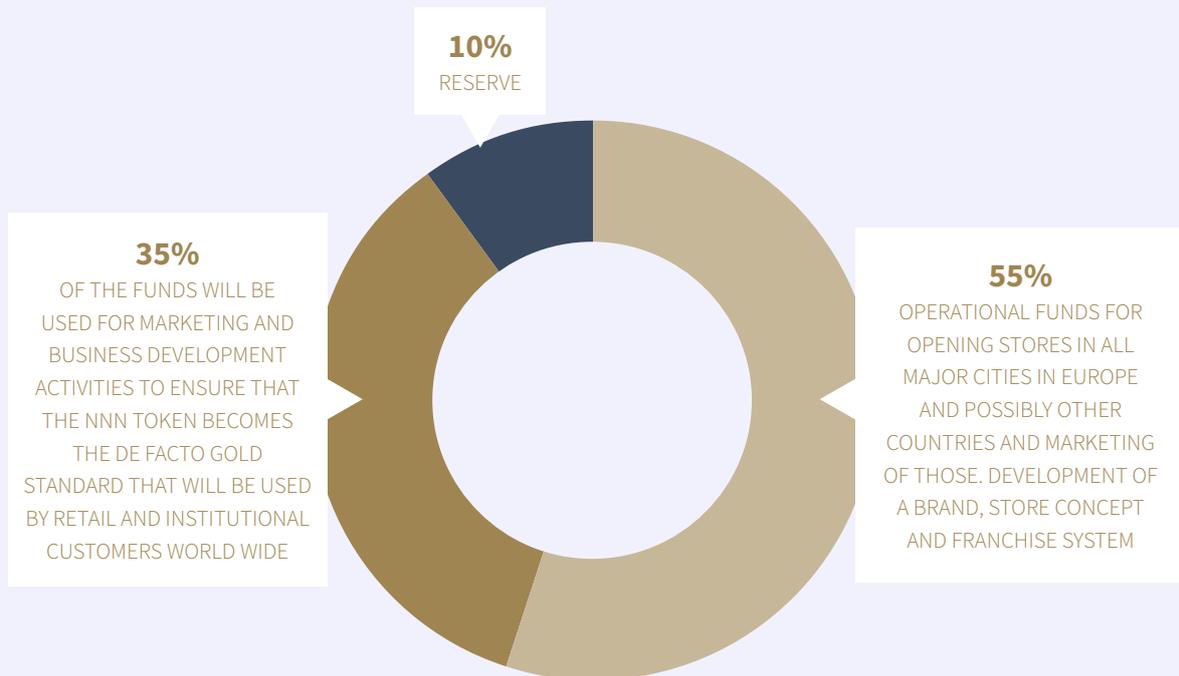
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TOKEN BURN

Every quarter our company burn NVM tokens it holds or receives as payments for goods and services. The burn will be based on the surplus of the transfer fees of the NNN token and purchases in our Gold stores. Each burn will be announced on our website and social media feeds.

Economics & Use of Funds

The minimum amount of funding necessary to execute our goals is €5 Million, this is our soft cap. Due to the number of tokens emitted we have a hard cap of €117.000.000,00.



We have a detailed and proven business plan for our gold stores in place, and a large portion of ITO funds will be used to fund the opening of stores first across Europe, starting in Liechtenstein, Switzerland, Austria, and Germany, then around the world.

We have chosen to hold an ITO to receive funding for the execution of the Novem Gold vision, because we believe the gold industry is ripe to be disrupted, in a positive way, and that the crypto community, as well as investors with a knack for blockchain, are the right community to help us make this happen.

Market and Competition

The gold market is **huge**:

- ✓ According to German gold news report “Goldreporter”, in the first three weeks of 2019, **€1.4 billion** worth of gold was already bought in Germany by private individuals alone.
- ✓ According to Wikipedia, Ögussa, which is a gold buying and selling company in Austria (a relatively small country with only 8,8 million citizens), runs 9 stores and generates a revenue of **€400 million** (!). Now imagine these were 100 stores all over Europe.
- ✓ The World Gold Council and London Bullion Market Association, LBMA, say that an average of **US\$36.9 billion worth of gold** is traded over the counter each day at London’s gold market.

Our founder and former resident of Munich (Germany), Wolfgang Schmid, estimates that there are 1400 stores that buy old gold in Munich alone. This market is truly big, which opens up opportunities for Novem to develop and expand quickly, because the old stores are so outdated in many of their methods.

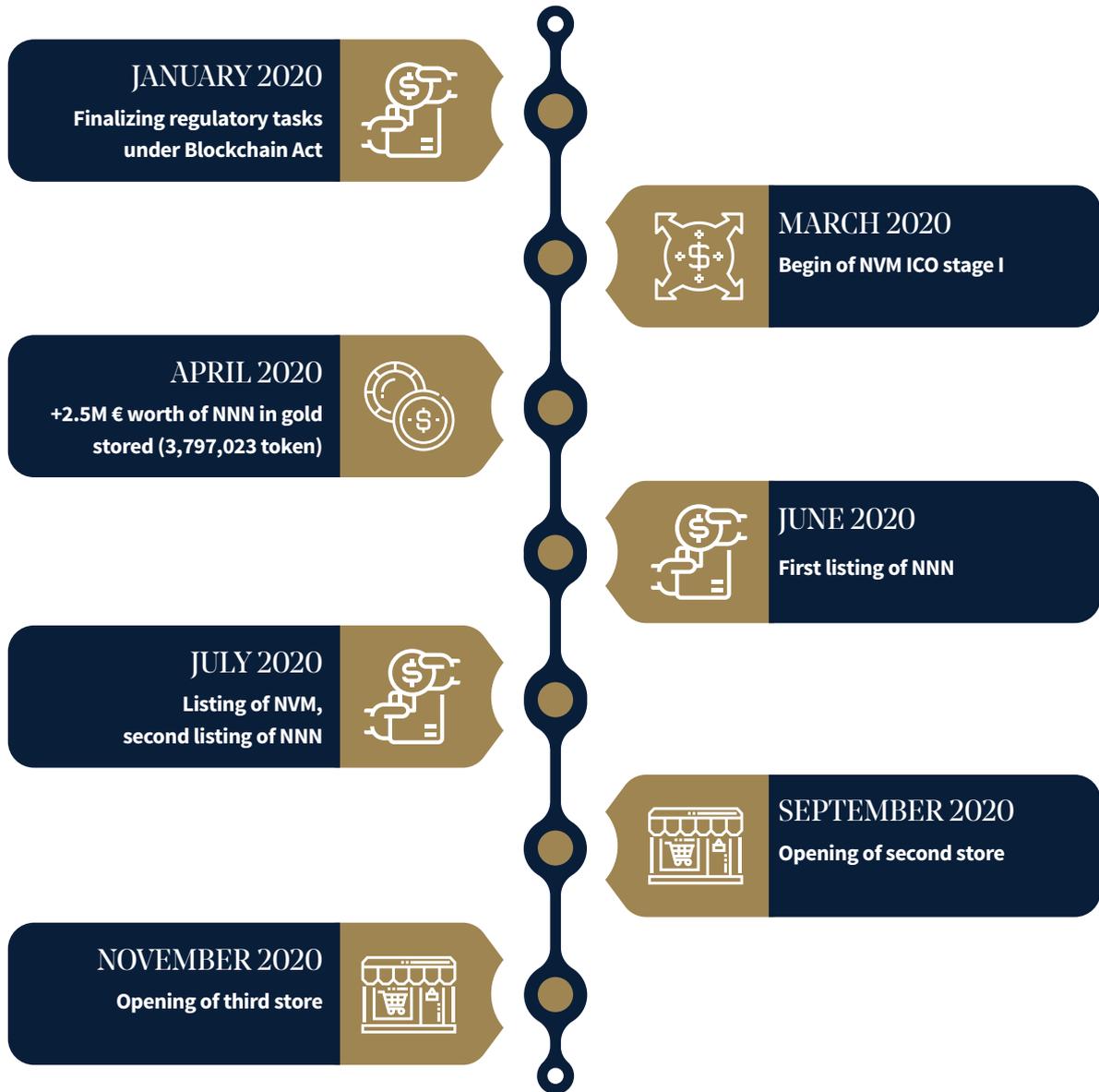
Currently there are a few different gold tokens out there, however only a few, or maybe just a single one, is similar to our NNN token in that it is fully backed by physical LBMA-certified gold. However, we believe that none of the current offerings are as transparent and as trustworthy as our NNN token - we use a well known external auditor who confirms the amount of stored gold aligns with the minted gold tokens to match 1 gram of gold to 100 NNN token.

We also think using NEO and its 15 second final block confirmation is an advantage for using the token in the real world, when we want to sell the NNN tokens in our retail stores. Instead of waiting minutes for several confirmations the purchase will be completed within 15 seconds.

Achievements & Road Map

As of April 15th 2019, after two rounds, we have raised over € 1.9 million (USD 2.1m) in cash for NVM private sale funding, as well as 35,85kg of gold worth around €1.33 million (USD 1.5m) in NNN private sale minting. Both the NNN and NVM tokens are operational and were already distributed to all present investors. Our public company in Liechtenstein has been formed and is noted in the public company registry under FL-0002.606.156-5. Several exchanges have offered to list both the NVM and the NNN token and listing will take place in the second quarter of 2020.





Team

One of the reasons why Novem created instead of just investing in / adapting another gold token project out there, was that very few of these projects had actual ties to the gold industry, let alone decades of experience in the trade and ongoing business and network.

Our two founders are experts in buying and selling precious metals and stones internationally, dealing in Austria, Germany, and Dubai, UAE. Their experience and network create a real upside for Novem and its customers, because we don't need to fail first to learn the ropes, instead we know exactly what it takes to build profitable stores fast. This will allow us to follow through on our vision and open 100+ stores all over Europe.

Our CTO is a full stack developer with extensive startup experience and we have just hired a multi-lingual business development and project management specialist from Germany, who has experience with blockchain in supply-chain-management.

By combining our individual skill sets and experiences, we connect the new and modern digital and technological world with the traditional gold business, which puts us in a unique position to succeed with our mission.

Advisors

Safety, transparency and trust are what make us stand out against other projects in this space. To ensure that on one hand, we would be well advised in order to minimize the risk for potential mistakes, and on the other hand to prove to our customers that we truly do have the safest processes in place, we made sure to only work with the most reputable partners, that are renowned for their quality and highest standards. Passing their strict due diligence processes and being able to rely on their advice and tap into their network is yet another step to ensure that we meet the high standards we impose on ourselves.



CVVC - CRYPTO VALLEY VENTURE CAPITAL

CVVC Advisory are our chosen consultants for all areas of the business. They have supported us from the very start and their extensive network has helped us form connections that we otherwise could not have made so early in the project. We are grateful to have such experienced and well connected advisors on our side, namely CVVC Principal Ralf Kubli.



NÄGELE RECHTSANWÄLTE

The leading crypto lawyers in Liechtenstein / Switzerland, Nägele are the right partners, not only to represent us in legal matters and the formation of our public company, but also to advise us on the intricate details that can make the difference between success and failure.

KYC & AML

In order to buy any of our tokens, very strict rules regarding KYC (know your customer) and AML (anti-money laundering) must be met. We will work with one of the leading providers in the KYC check business which will automate the checking of personal data, and in case of a larger investment, conduct an ID check via video on the desktop or smartphone. AML checks of potential investors are conducted. All providers and companies we work with are legally adhering to all the laws issued by Liechtenstein as well as the AML laws of the countries we offer our tokens to.

Disclaimer

This is not a final document. This is version 4 of our white paper and it will evolve with the project. This document is provided for information purposes only and in no way constitutes a contract, investment advice or recommendation. We are in the process of complying with all the requirements of the Blockchain Act. This means also that we could adapt parts of our business model in the future to meet future to meet legal or regulatory obligations.



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