



Project Analysis

This document contains a brief analysis of the project through the 7 dimensions of People, Idea, Execution, Legal and Regulatory Issues, Tokenization, Distribution and Value Drivers.

People

We are experienced people to undertake this project – our team is not only competent but capable of creating, developing, completing, expanding and scaling up our project to meet its objectives – and they are also people, who like to work together and have fun in doing it. That makes it into something exceptional.

- We have a proven track record in developing successfully greenfield Fintech projects from scratch, creating robust Fintech platforms, turning ideas into reality
- We have thorough understanding and competence of the required technologies / programming languages and their potential, which we have applied in previous contexts, and we have studied the structure, setup ('technology stack') and technological choices made in other major blockchain projects for an efficient implementation of our proprietary one
- We have a long banking, payments and other financial services experience within our team, up to 20 years individually at founder level, so we have a thorough mastery of the underlying substance that we actually intend to transform
- We will further complement different dimensions of competence, experience and contact network through that of our expanding setup of advisers, while seeking to create such matches between our core team and advisers that are real, inspiring, challenging and rewarding for all parties concerned

We have reserved at least 10% of the token allocation to incentivize our team as a whole, to align everybody's interests with the projects' success and the achievement of the objectives we have set.

Idea

We believe we have a very compelling idea that is at the same time realistic and timely: Neither with the previous non-blockchain Fintech nor with the first generation blockchain technologies could our objectives have been reached. The '*second generation*' of distributed ledger technologies and recent advances make our project *realistic, viable and achievable*. We know 'everything' about 'closed-ledger',



'centralized' banking and payment systems, and are deep in our understanding of various blockchain projects and in their technological choices applied. *We have detected numerous flaws in a number of projects, and each flaw also represents us with an opportunity: There is nowhere near a 'perfect' solution that exists, but there is, at the same time, a full opportunity to create better solutions that get it closer to perfection* – we must let the 'Darwinian evolution' and entrepreneurship take care of that, making things better.

The total addressable market

When we look at the opportunity ahead, transforming the global landscape for banking, payments and other financial services, we are looking at absolutely vast numbers in this space:

- Already the 3 major payment card schemes Visa, MasterCard and Amex have a combined market capitalization of more than USD 500 billion
- Only 70 of the world's biggest banks already have a total market capitalization of USD 6-7 trillion
- SWIFT, the single largest global payments messaging system, processes payment messages worth several trillion dollars every day

If we consider the rest of the banks' market and other relevant financial service providers' market capitalization, we are talking about trillions of dollars of value, and in total, *globally, this space is worth tens of trillions* (thousands of billions) of dollars.

This is the size of the 'total addressable market'. So it is by no means a minor feat, and *already minor migration of value from this space into a new blockchain, or the wider crypto economy, creates billions worth of new value-added.*

The value-added is obviously created, when the transactions and the overall underlying economic activity moves from traditional structures into the blockchain structures, which is reflected in the value of the blockchain network.

The current total market capitalization of cryptocurrencies between USD 300 and 400 billion is only a small fraction of what will eventually take place, when the concrete economic activity migrates from old structures into new ones.

This has happened so many times historically within various industries subject to rupture and transformation (look at e.g. the transformation of global online and mobile advertising into an effective duopoly of Google and Facebook), and it will happen again in the global banking, payments and financial services industry.

Product-market fit

Does our project address an urgent problem? Well, despite advances in technology, global payments are still inefficient, costly and time-consuming, and no one has



managed to create 'the' solution for this, whereas the incumbents are focused to protect their own 'walled gardens' such as the SWIFT network, the payment card schemes, the traditional banks and so on. None of those wants to lose control of payments into blockchain networks, or their ability to control their clients and charge hefty fees, when instant, free or very low cost decentralized services and other applications are available.

The second-generation blockchain like ours will help to take concrete steps in developing real 'dapps' economy, where banks and bank accounts will disappear and morph into blockchain network interfaces, but they will no longer be 'walled gardens' that control their clients, and are in turn themselves tightly controlled by public institutions and governments holding excess powers.

Unique value proposition

Our blockchain will represent proprietary technology and it will not be a copy or fork of an existing blockchain like many, if not most other projects. Our intention is not to 'reinvent the wheel' in everything, where something works already. In some parts, we have learned from others, what works and what is sufficient, but concerning the gaps and flaws of existing structures, novel solutions are required. One of the key challenges is to eventually achieve (i) practically instant transaction confirmation speed, down from the 2-5 seconds of the 'best' native solutions in that area, which is to be achieved either directly through smart structural solutions or through a hybrid solution of the native network combined with advanced second layer 'payment channels' through implementation of a variation of the 'lightning network' technology, and (ii) a transaction throughput volume that enables a true global operation: if e.g. Visa processes 50-60 thousand transactions a second globally, the global capacity should be eventually millions of transactions per second, which could be achieved at least through a smart application of the 'lightning' approach, if not natively. Also, for a global transaction volume, the network databases stored as duplicates in every node would become so massive, if the databases grow by up to millions of transactions per second, so the network would need to apply 'smart sharding' or similar approach i.e. asymmetrically distributing the network load so that all nodes would not contain copies of everything, but the protocol would determine a smart asynchronous storing of the transactions in 'shards' to lessen the overall network load. This means that the complete solution will be unique as a whole, because no one has a working solution at hand that enables all that capacity.

In addition to that, the unique dimension of this project is also a clear plan for the entire ecosystem taking shape around the core blockchain, because the blockchain itself cannot efficiently function in a vacuum, but transactions and, in general, economic activity must migrate into the network to enhance its utility and create value-added. Therefore, as it is explained, an ecosystem needs to be created that consists of (i) the core blockchain network with its native digital asset, (ii) the interfaces and bridge entities enabling its convenient use and the transactions between the 'real' economy and the cryptoeconomy taking place through bridge entities such as banks, exchanges, money transfer and currency trading firms and so on, and (iii) the decentralized applications, dapps, that will leverage the power of the



network in enabling many of the traditional banking and other financial services products and services to take place within the network directly such as (in addition to the core 'transfer of value' or payment service) decentralized lending, funds and so on, all enabling supporting economic activity and growth in an accessible and inclusive manner.

The important point between first and second generation blockchain projects is this 'ecosystem thinking' to create a setup for real economic activity helping to migrate activity from traditional to cryptoeconomy, and to create entirely unseen activity within the cryptoeconomy. This requires both the interfaces and bridges between traditional and crypto economy, and the dapps that will capture the functions of traditional banking and other financial services. The whole value proposition is indeed unique, because nothing like this exists anywhere, and we have understood that the blockchain itself is not enough: there must be an economic platform to feed activity in it and let it grow, accelerating the speed of absorption and generation of economic activity in the crypto economy, which will create superior efficiency, benefits and thus value-added to all of its users. This, of course, increases the intrinsic value of the ecosystem.

Our advantages is also, as stated, that we know both the substance of the underlying business and products and services to be migrated, and the technology making such disruption and migration possible into a wholly new platform.

Execution

In the end of the day, only performance and results count. That is why it is important that the project is robustly resourced and funded to counter any competition and any other projects that may have more extensive resources. With sufficient resources in line with our objectives, the execution will in principle be very straightforward, save for challenges that always emerge with respect to creating and applying new, evolving technologies. Our previous creation of robust, smoothly running Fintech platforms is also a testament of our ability to execute and deliver results, and in the fast-evolving world of cryptocurrencies and blockchain technologies, speed and capacity to deliver is of essence.

A swift conclusion of the private pre-distribution period increasing resources at hand will accelerate the work to conclude a prototype possibly before the public distribution period. We are focused on performance and results, and smart allocation of resources to maximize that, but it is indeed important to have strong funding and resource base for the project in an environment, where an average project (even if there is no similar overall project like ours anywhere) has more and more expansive resources. Our project has the potential to achieve a leading position in the markets it is disrupting, causing massive migration of economic activity and value-added into the new ecosystem.

Legal and Regulatory Issues



In terms of legal and regulatory issues, the crypto sphere is in a constant flux and faces a number of uncertainties, with different countries and regions having adopted different approaches. Some smart countries have adopted supportive, pragmatic and constructive regulatory attitude in recognizing the value of innovation and its potential for value-added and wealth creation for their respective economies, and have decided not to proceed with anything that might break, suffocate or kill this potential. Some less smart countries, where the incumbents have mainly been driven for the fear of loss of power, have focused on adverse, not very far-sighted approaches.

We have studied these different approaches and adopted structural choices and directions that leverage the smarter approaches to legal and regulatory issues that are *'win-win' solutions for all parties concerned creating new value to new ecosystems* that benefit the surrounding economies through new efficiencies and entirely new activities vs. any incumbent powers attempting to suffocate everything perceived as a threat to their continued existence and maintenance of power.

The decentralized blockchains and their native cryptocurrencies are not generally seen to be subject to the existing or planned regulatory tools – they are just software tools like the Internet protocol, pieces of software enabling certain functionalities with a set of rules that are often not owned or controlled by anyone, thus there is no 'central authority' or 'issuer' but true decentralization.

What generally is seen subject to regulatory attention are the gateways, or as we call them, 'bridges', between the traditional and crypto economies. They are banks and other financial intermediaries at the other end of 'value transfers' in the network, holding the counter-balances of digitized fiat currencies and other assets such as securities and commodities being transferred, and redeem such balances upon request. Such entities are often subject to traditional regulation and know-your-customer (KYC) and anti-money laundering (AML) requirements. This means that by definition all balances of such assets must be 'compliant', because they are issued through network gateways that must remain 'compliant' of the applicable regulations. New, similar regulations in terms of KYC and AML are being imposed on crypto exchanges that were previously not recognized to be exchanges similar to those of traditional financial assets, but now are increasingly seen as such, with an increasing regulatory burden to follow.

Dapps, the third category, is a largely uncharted territory, because there are so few, if any, functional financial services dapps replacing existing products or services through traditional intermediaries, while many dapps could be more to the tune of some existing Fintech apps but running on decentralized blockchain networks and leveraging their capabilities. When such dapps capture any meaningful volume or critical mass in the disruption of such products and services, they are likely to attract regulatory attention too. Then, it will be seen, whether it draws from the regulation concerning the bridge entities at the network gateway entry and exit points, or whether it relates to the underlying service provided by the dapps. Since very little of that exists, only time will tell. In any case, the end result will look very different from the current bank-centered setup in the provision of such products and services.



In all these dimensions, we have studied, continue to study and adopt structural solutions that are most value-adding to the project and its stakeholders at any phase of its development. Further details will be released before the public distribution period.

Tokenization

There are many projects that organize an ICO or similar token sale, but they actually do not have or need blockchain, cryptocurrency or tokens for their project to be successful.

This project is 'pure play', 'hardcore' crypto project to develop proprietary blockchain with its native digital asset, a sphere of interfaces and bridge entities around it, and an entirely new dapp economy leveraging the power of the blockchain, thus creating an unique blockchain-powered ecosystem.

To be able to build a robust ecosystem enabling attraction, migration and facilitation of economic activity leveraging the power of the new blockchain network, strong funding base is important vis-à-vis any potential competition there may be. New and competing projects with strong funding other resource base may emerge, which will require a strong resource base for this project to maintain an advantageous position and enable swift, powerful execution of the plan and delivery of the intended outcomes. For this, the tokens are the most appropriate and pragmatic choice, and it is generally seen that the tokens will normally reflect the perception of the economic value-added of the independent, decentralized distributed new blockchain network and its ecosystem. The blockchain's native digital asset will in itself only exist, when the public blockchain is launched as an outcome of the project, and will enable any transfer of an item of value in its decentralized exchange.

Distribution

The distribution of the tokens is generally divided into two major phases: (i) private community pre-distribution phase, and (ii) the public distribution phase.

Through the private pre-distribution phase, *we wish to reward the trust of our early supporters, fans and believers in the project, by privately offering the possibility to participate in the community pre-distribution before any public distribution or token sale*, at a token rate that is expected to be at least 50% lower than in the public distribution phase. We have structured the private pre-distribution so that it will take place over time and allow the 'smart' followers to benefit from the early opportunity to get our tokens, and not be squeezed into very tight time windows.

The public distribution is expected to take place later in the second or third quarter of 2018, and further details regarding it will be released, based on developments and the feedback of the private pre-distribution phase, helping to determine the distribution specifics such as the hard cap at an appropriate level, while enabling robust funding of the project. Robust funding is also required to support the creation



and joining of bridge entities and the dapps, boosting the development of the ecosystem that will also boost the value-added the network can create to its participants, so it would create automatic synergies within the ecosystem, if all key dimensions of the ecosystem buildup, the network, bridges and dapps can be supported from the project resources.

In terms of those key dimensions:

- **Distribution:** Advantage is given to early believers, fans and supporters of the project during the private pre-distribution phase, who will benefit from significant discount compared to the later public distribution phase. As stated above, the team will also be incentivized with tokens to align its interests fully with those of the participating community members.
- **Distribution schedule:** Sufficient time will be given for the community to expand organically and participate in the pre-distribution instead of too tight distribution windows. The pre-distribution performance and the later public visibility before the public distribution period will have an impact on the duration and other specifics of the public distribution phase.
- **Discounts:** The public distribution period will be equal to all, while early believers will be in an advantageous position during the private pre-distribution phase. That also reflects the progress of the project, as it will be clearly more advanced by the time of the public distribution phase, meriting higher distribution price during the public phase.
- **Value of the ecosystem:** The value of the ecosystem, through increasing economic activity within the public network and further members of the ecosystem, reflected by the tokens, will evolve in line with those dimensions, so more robust funding base faster will also create faster tangible results and progress to all stakeholders.

Value Drivers

Some of the drivers of network value-added, as reflected by the tokens, as discussed in above sections, can be considered:

- **Network volume:** in simplest terms, the network value will increase by any additional transaction or economic activity in the network. This means that this project with its proprietary blockchain and the surrounding ecosystem has entirely different value creation potential from individual dapps running on some blockchain, because the blockchain forms a generic platform for all transactions, native and through bridges, increases both real and crypto economic activity, and enables such activity be migrated from traditional products and services to dapps within the network. Thus the platform, the network, can constantly produce increasing value-added, the more there is activity within the network.



- **Market position / leadership:** Our project has very strong potential to capture a leadership position in the particular areas it is focusing on – we know the underlying substance that we intend to transform particularly well, and we have a history of succeeding in creating new Fintech platforms. It is a complete blue ocean ahead, where no player has well established any position whatsoever. Some projects have run real-life ‘pilot’ schemes in some niches, but the real economic activity has practically not yet migrated into any of those projects working in the area of payments, banking and other financial services to disrupt and transform them.
- **Incentives to hold tokens:** It is evident as the project progresses and further milestones are achieved in terms of its launch, creation and expansion of bridge entities and the dapps economy that more and more activity will migrate into the network and increase the value of the ecosystem. The token holders can always decide, whether they wish to remain members of the community and hold their tokens, but those that will, will be best rewarded, when the growth of the underlying economic activity and the ecosystem created for it is increasingly recognized.
- **Token supply:** The token supply is fixed at 1,000,000,000 (one billion) tokens as a whole, and cannot be increased, so it cannot be diluted, but the increasing ecosystem value is reflected across a fixed number of tokens.
- **Profit sharing:** The tokens are by no means any securities. Only securities would enable profit sharing, or any other right of distributions or other future income streams. There is no securities offering of any kind, only distribution of tokens that do not give any right to any profit sharing, distributions or other income streams.
- **Staking:** there is no staking involved, and the proprietary blockchain will not involve proof-of-stake or proof-of-work transaction validation either.
- **Liquidity:** When all tokens have been distributed, that will enable ample liquidity, should it be needed. As the tokens are XLM-compatible, they can be exchanged on the Stellar decentralized exchange and any exchange that may independently of the project choose to offer the facility to buy and sell them. The trading of the tokens is by no means an objective of the project but the delivery of the objectives of the project and the migration and creation of real economic activity in the public network is, which will add enormous value to all users of the network.