CREDI

Token Economy Paper

Abstract Credefi is a crypto Peer2Peer lending platform, allowing token holders to invest in credit portfolios, individual credits, or do trade finance. With its hybrid approach, the platform aims to combine the worlds of decentralized financing and traditional banking and eliminate their inefficiencies.

Credefi is powered by its two main tokens - the CREDI and xCREDI tokens, which are compliant with the ERC20 standard and will be issued on the Ethereum network.

CREDI is designed to be an inflationary token, used for rewards and acting as an additional security level for the loans issued on the platform. It will be offered via private and public token sale and later available for purchasing and selling on the CREDI/DAI liquidity pool on UniSwap.

xCREDI is a variable supply token created by burning CREDI and stabilizing the Credefi ecosystem. Users who obtain xCREDI by depositing CREDI in the security module could also benefit from multipliers and are allowed to participate in the Credefi governance.
Additionally a percentage of fees/interest collected on the Credefi platform will be dedicated to a buyback and Liquidity provision program, creating constant deflationary pressure for xCREDI.

Content

Contents

1. Overview

For decades the banking industry has been in the hands of a few privileged individuals who have been in charge of the world's wealth, where no individual interest matters rather than their own. The banking industry has proven that it is not concerned with the well-being of its regular customers, while a few investment banks have been making the decisions where one's money is going to be invested and more often who is to benefit from these decisions.

Within the current crypto space, the technology of decentralization has given the means to participate in a market worldwide without regulations and central decision-making. However, until now there is no project, which provides the professional tools of the existing credit industry to its token holders, while being able to manage their own funds in a decentralized way and obtain high rates of return.

This is where the Credefi platform comes in, offering a full spectrum of traditional banking services in a decentralized form, where the interest is determined by the customer's own individual risk appetite. Credefi connects the willing parties in the forms of peer-to-peer lending, investment in credit portfolios, crypto swap deals, and trade finance.

The Credefi token economy setup follows a s two token system with added incentives for users who contribute to the system's stability, pioneered by protocols like SushiSwap and AAVE. The tokenomics consists of:

- CREDI – an inflationary token used for rewards on the platform.
- xCREDI – a variable supply (but deflationary in the long run) token created by burning CREDI and stabilizing the Credefi ecosystem.

The document that follows outlines the economic setup, forecasts and expectations for the Credefi platform and its CREDI and xCREDI tokens.

2. Economy Setup

Running a project's token economy is akin to running a small country. Without adequate monetary and fiscal policies, even if the token sale is successful, you still might be setting up for failure down the road .

The token's monetary policy mainly pertains to the number of tokens as a total and the release schedule of those tokens. It also covers any mechanisms to expand or contract this supply as needed or even introduce deflation mechanics' continuous inflation.

On the other hand, the fiscal policy defines possible commercial benefits for the holders of tokens, which transcend the simple capital gains related to the token's scarcity. Those could be any incentives to hold or stake the token instead of just buying the token only to settle a transaction. Those can take on the form of discounts, cashback or waiving of fees.

The bottom line to the token's fiscal and monetary policy is aggregate supply and demand and balance. Highly scarce and commercially beneficial tokens can lead to low market liquidity and high price volatility, resulting in deflationary spirals. Highly abundant and not commercially viable tokens can result in severe token price drops. A proper balance is critical.

2.1. Monetary and Fiscal policies

Credefi uses state of the art current tokenomics setup in the form of:

- A dual token system, inspired by SushiSwap[3] (SUSHI/xSUSHI)
- A security module inspired by AAVE[4]
- Decentralised governance inspired by UniSwap[5]

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[1] Avtar Sehra (2017) Economics of Initial Coin Offerings
https://medium.com/@avtarsehra/economics-of-initial-coin-offerings-c083311e53ec
[2] Hristo Piyankov (2018) A bad token economy model can kill your project, even if your ICO succeeds
https://medium.com/@hpiyankov/a-bad-token-economy-model-can-kill-your-project-even-if-your-ico-succeeds-part-1-1ce456cb72f4
[3] SushiSwap Staking SushiBar (xSushi)
https://help.sushidocs.com/products/sushiswap-staking-sushibar-xsushi
[4] AAVE Safety Module
https://docs.aave.com/aavenomics/safety-module
[5] UniSwap Governance Process
https://gov.uniswap.org/t/community-governance-process/7732

We explore those in more detail in the sections that follow.

2.1.1. CREDI

CREDI is an inflationary token used for rewards on the Credefi platform and the token used in the token sale. CREDI has a perpetual inflation of 5% based on the initial CREDI supply of 1 bn tokens, distributed as following:
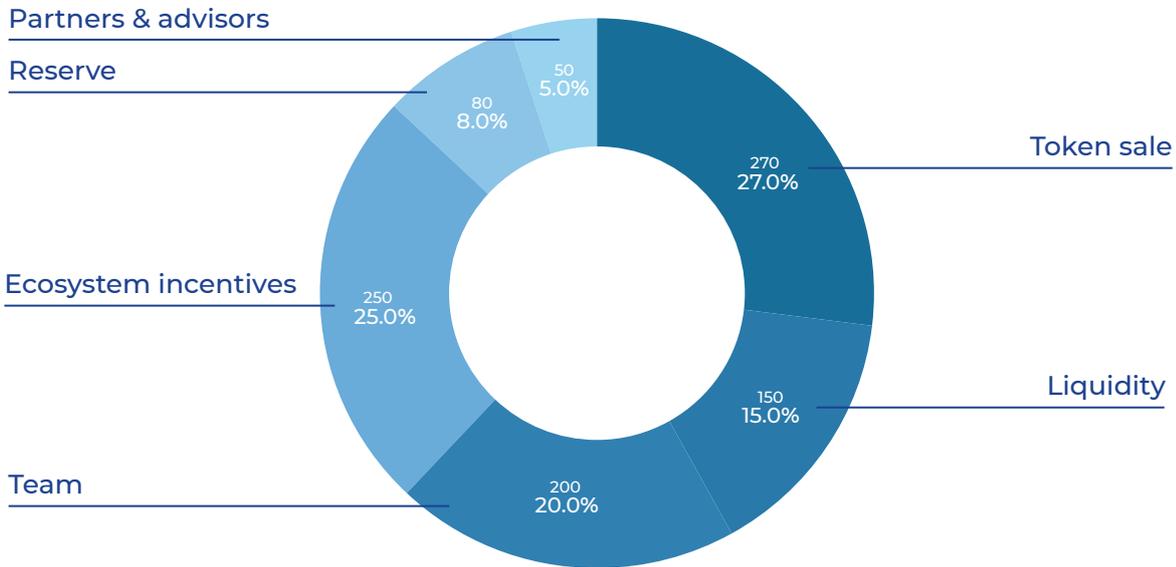
Total tokens allocation (in MM USD). Assumes reached Hardcap.

An equal amount of new CREDI will be released into the system each year, meaning that the percentage Year-on-year inflation will decrease over time.

This gives us the following distribution and growth:
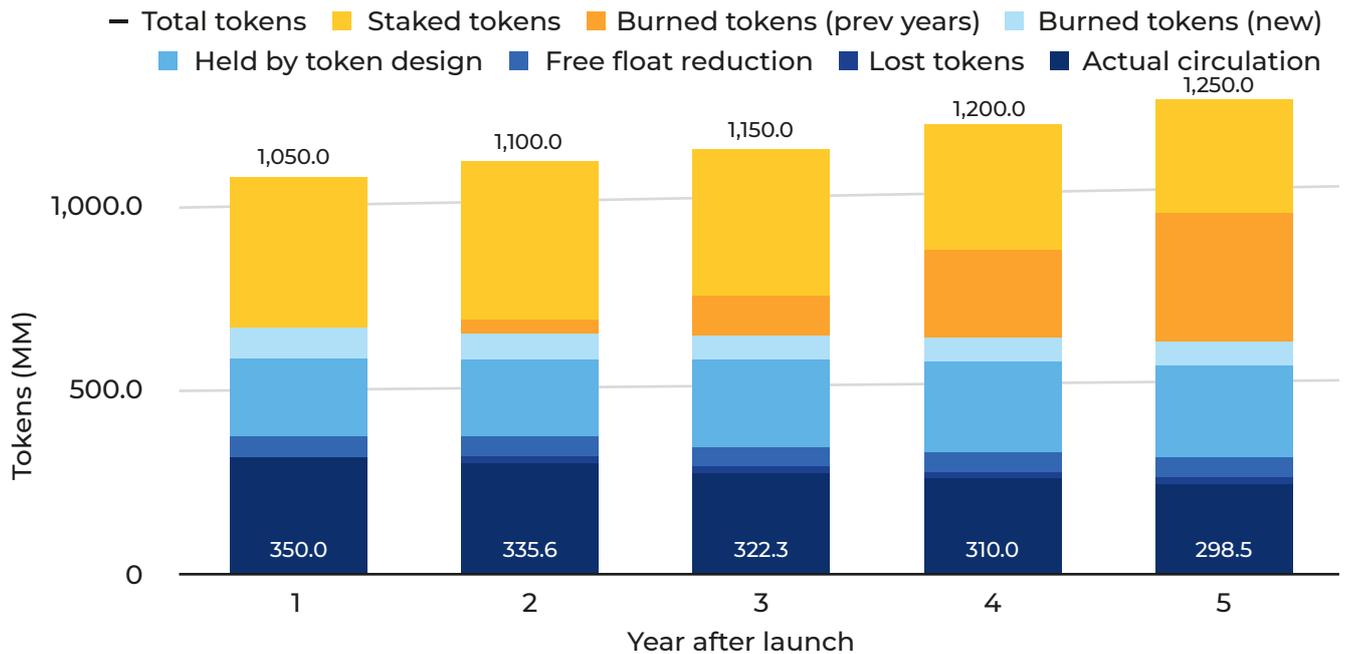
Expected actual token circulation (numbers at the bottom) compared to the total released tokens to date (numbers at the top)

This also gives us the following inflation rate YoY:

■ Yearly inflation   ● Cumulative inflation
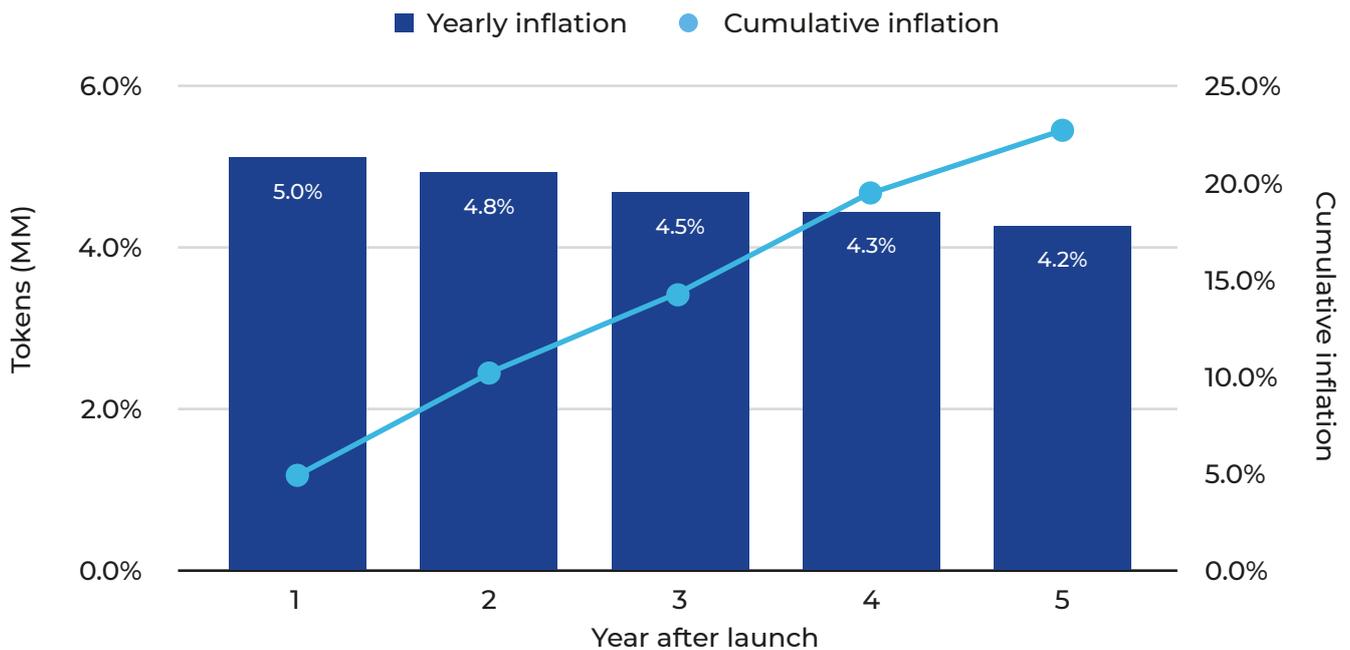
Token inflation, based on release schedule. Cumulative and year-on-year.

This inflation will be split between:

- Users who provide lending liquidity on the platform - 40%
- Liquidity providers for CREDI on UniSwap - 10%
- Liquidity providers who deposit their xCREDI LP tokens in the security module - 50%

The main utility function of CREDI is to act as an additional security layer for the loans issued on the platform and to serve as a fee discount yield/boost token on the platform. Those functionalities are explained in security module and fees/yield sections of this document respectively.

There are several ways to obtain CREDI:

- Purchase it during the token sale
- Purchase it from the CREDI/DAI liquidity pool on Uniswap (after the token sale)
- Obtain it as reward for providing:
    - Lending liquidity on the CREDI platform
    - Token liquidity for CREDI/DAI on UniSwap
    - Staking xCREDI LP tokens in the security mode

Once a user has CREDI they can opt to:

- Sell it via UniSwap

- Provide it as liquidity on UniSwap to reap rewards
- Convert it to xCREDI

2.1.2. Security module

Any CREDI and xCREDI which is available in the module can be used by the Credefi platform to renumerate lending liquidity providers in case a loan on the platform goes into default and liquidation the collateral proves insufficient to cover the loan principal and interest. Although supporting the security of the system bears a considerable risk for token holders, participants in the security module get significant incentives for this.

The incentives are:

- Significant allocation from the CREDI inflation
- The option to participate in the platform governance

There are two ways to participate in the Credefi security module:

- Users could deposit their CREDI in the Credefi security module and receive xCREDI tokens in return.
- Users who provide liquidity to the xCREDI/DAI UniSwap pair could stake their LP tokens in the security module and receive CREDI as additional incentive on top of the trading fees.

The Credefi security module will be released in two phases:

1. **"Centralisation" phase** - during that period, Credefi's team will be in complete control of the funds deposited in the security module

2. **"Decentralisation" phase** - during that period, use of the funds will be done via governance

2.1.3. Fee/yield

Via CREDI, users on the platform will be able to:

- Boost their yield (if they are lenders), by reducing the margin which Credi collects on each loan by up to 33%
- Reduce their fees (if they are borrowers), by reducing the origination fee which Credi collects by up to 33%

Minimum amount of CREDI held in wallet	Fee reduction factor
5,000	5%
7,500	10%
12,500	15%
20,000	20%
30,000	25%
50,000	33%

2.1.4. xCREDI

xCREDI is obtained by depositing CREDI in the security module. Any CREDI deposited in the security module is subject to 10 months vesting at a rate of 10% per month.
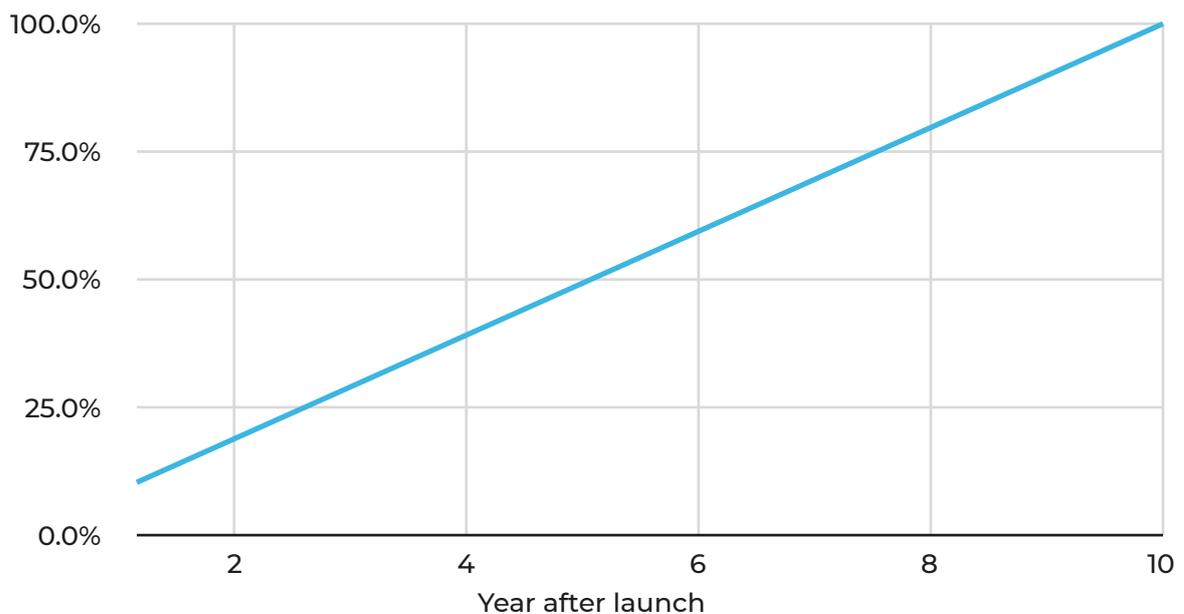
Release schedule for a 10-month vesting period

As an example: if a user deposits 1000 CREDI in the security module and the current CREDI/xCREDI conversion rate is 1:1, this user will get 100 xCREDI per month for 10 months. Any CREDI with is not yet converted to xCREDI is usable by the security module for system stability.

xCREDI is obtained by:

- Converting CREDI to xCREDI via the Credefi security module
- Purchase it from people who have already converted it using the mechanism described above

Once a user has xCREDI they can opt for:

- Participate in Credefi governance
- Provide liquidity to the xCREDI/DAI UniSwap pair, stake their LP tokens in the security module and receive CREDI as additional incentive on top of the trading fees
- Sell xCREDI on UniSwap, since there will be a continuous demand for xCREDI due to the buyback & LP program

Conversion rate. The CREDI/xCREDI conversion rate is defined as a bonding curve, where the more CREDI is converted to xCREDI, the more expensive subsequent conversions become.
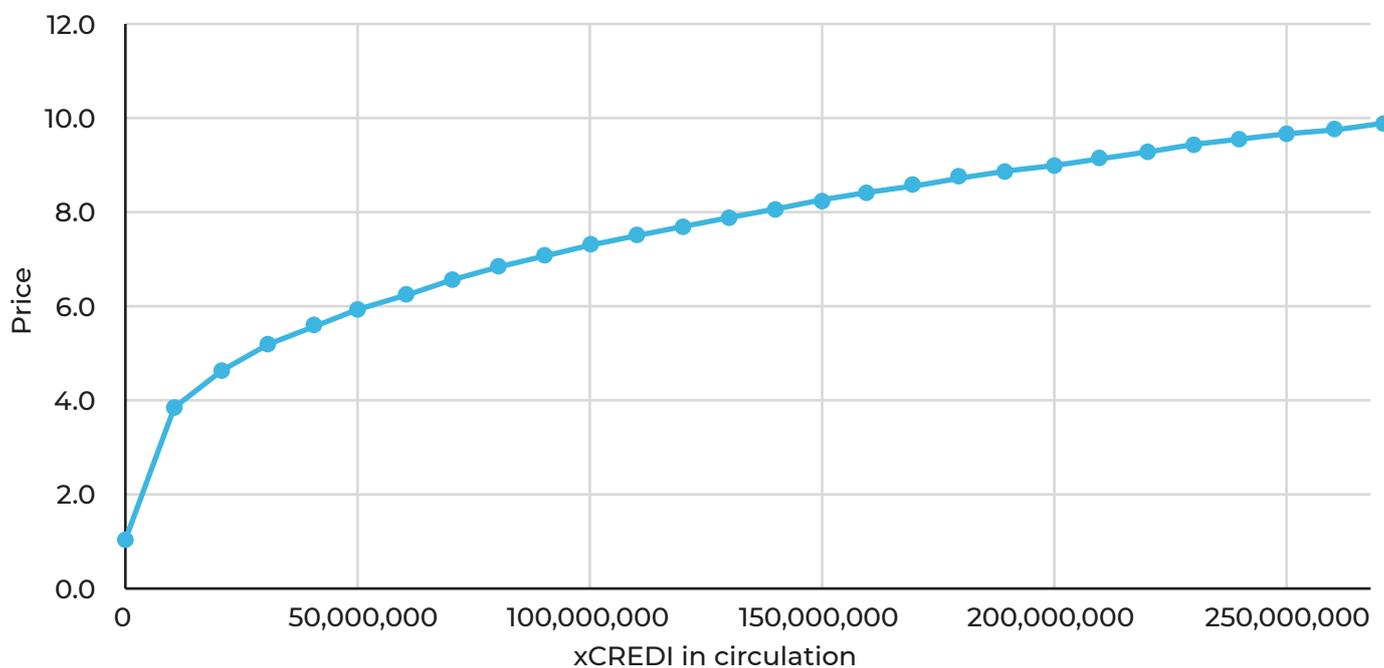
Conversion rate, based on the total xCREDI in circulation

And is described by the formula below:

$$P = 1 + 0.01 \times C_x^{1/3}$$

Where:

- P is the conversion rate from CREDI to xCREDI
- C_x is the total amount of xCREDI generated to date

Any CREDI which has already been converted to xCREDI is burned. This means that even though CREDI has a constant annual inflation, it could become deflationary in the long run, depending on how much of it is converted to xCREDI.

Multipliers. Users who deposit their CREDI or xCREDI LP tokens in the security module will have on option to choose a cliff for their deposit. The higher the cliff, the higher the multiplier between CREDI to xCREDI (for CREDI deposits) or the CREDI rewards (for xCREDI LP staking, respectively). If we continue the example above, a user who deposits 1000 CREDI at conversion rate 1:1 with no cliff would get 1000 xCREDI after 10 months (10% per month). If the same user decides to deposit the CREDI with a cliff of 12 months (equivalent to 52 weeks) , he will get a multiplier on the xCREDI received. In this second scenario he would receive no xCREDI for 12 months and after that (10% x 2.4) xCREDI per month.
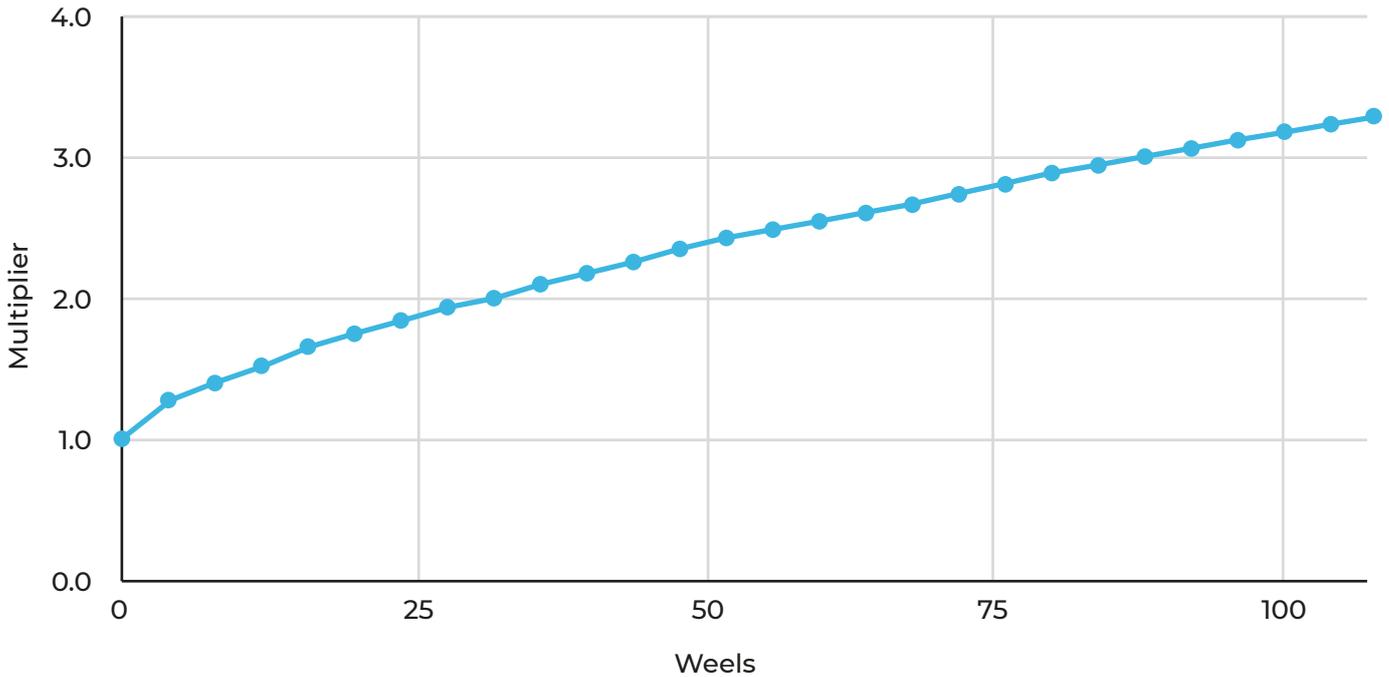
Expected multiplier, based on time staked

The curve above is defined by the formula:

$$M = 1 + 0.01 \times W^{2/3}$$

Where:

- *M* is the multiplier
- *W* is the staking duration

Buyback & LP. A 10% percentage of all fees/interest collected on the Credefi platform will go towards a buyback and Liquidity provision program for xCREDI. The resulting LP tokens would be burned. This will create constant deflationary pressure for xCREDI.

2.2. How LP providers generate revenue

Any basic LP provider on the platform has 2 revenue streams:

- The basic interest rate on the loans which can vary between 10% and 45% on the FIAT amount
- The CREDI rewards for being an LP

A more sophisticated LP provider would then convert their CREDI into xCREDI and deposit it into the security module. Then this would expose him to:

- Additional CREDI rewards
- Exposure to xCREDI burning

Let's explore the hypothetical APY for both kinds of LP providers under extremely conservative assumptions that:

- Only 50% of CREDI is converted to xCREDI
- About 50% of xCREDI is deposited into the security module
- The hypothetical LP provider did not manage to convert their CREDI early (e.g. they got an average conversion rate)
- The core value of CREDI (e.g. pre-accounting for xCREDI conversion) is the public sale price (0.1 USD). Since we are cutting the supply of CREDI in half (via the conversion) the new price would be at least 2x or 0.2 USD
- The platform has 100 MM in TVL with an average IR of 20%

The basic LP provider would get:

- Between 10% and 45% base IR
- 0.6% bonus IR from CREDI

Total APY range: 10.6% - 45.6%

The sophisticated LP provider would get:

- Between 10% and 45% base IR
- 10.6% bonus IR from CREDI
- 26% bonus IR from xCREDI burning

Total APY range 46.6% - 81.6%

All of the above considering that the price of CREDI is only 0.2 USD after destroying half of the supply and the LP does not benefit from the CREDI price appreciation at all. If we factor the price appreciation for the LP, then **both of the above would get**

a 100% bonus APY. If we factor a higher price increase for CREDI, **the APY only grows exponentially from there**.

2.3. Governance

The governance of the platform will be split into three separate phases, which are outlined below:

3. **"Early days" phase** - during that period, Credefi's team will be in complete control of the project and no voting will be done. The reason behind this decision is that there might be bugs and events, which require immediate hotfixes, and this cannot be done democratically.

4. **"Semi-decentralisation" phase** - during that period, the Credefi team will take suggestions from the community via our Forum, and proposed changes will be discussed. The ultimate decision on whether a change will be implemented or not remains the prerogative of the team.

5. **"Decentralisation" phase** - during that period, the team will put out all the changes to the system for a community vote via an off-chain voting solution such as snapshot (https://snapshot.page/)

In order to participate in the system's governance, users will need to stake xCREDI LP tokens in the security module. This creates a self-enforcing setup, where the people who are most invested in the platform, get to decide its development.

The process for suggesting and implementing a proposal will follow closely UniSwap's[6] governance process, with tweaked parameters and an additional **Tender** step.

2.3.1. Phase 1: Temperature Check

The purpose of the Temperature Check is to determine if there is sufficient will to make changes to the status quo.

To create a Temperature Check:

1. Community member (A) asks a general, non-biased question to the community forum about a potential change (example: "Should daily LP rewards be increased to 0.02%?").

2. Voters vote on-chain to indicate their interest in bringing it forward to the next stage. Voting lasts five days, or until 5% of the voting pool backs the proposal.

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[6] https://gov.uniswap.org/t/community-governance-process/7732

If the proposal gains 5% of the pool backing, it moves to the next stage - consensus check.

2.3.2. Phase 2: Consensus Check

The purpose of the Consensus Check is to establish a formal discussion around a potential proposal.

To create a Consensus Check:

Community member (A) uses feedback from the Temperature Check post and creates a new poll covering the options that have gained support. This poll can either be binary or multiple-choice but should include the option "Make no change", or its equivalent.

Community member (A) creates a new topic in the forum titled "Consensus Check — [Your Title Here]". This will alert the community that this topic has already passed Temperature Check. Community moderators should immediately remove any topics beginning with Consensus Check that have not passed Temperature Check. Community member (A) makes sure that the discussion thread links to the:

- Original Temperature check thread
- Original Temperature check poll
- The new poll for the Consensus check

Community member (A):

- Reaches out to their network to build support for the proposal
- Discusses the proposal and solicit delegates to vote on it
- Responds to questions on the Consensus Check topic
- Shares their viewpoint, although tries to remain as impartial as possible

The proposal should also include an implementation standard for the suggestion:

- What companies/individuals are eligible for the implementation process?
- Is a POC required?
  - Does the treasury partially or fully fund the POC?
- What is the maximum budget for the implementation?
- What are the deadlines?
  - For submitting a tender proposal
  - For the final deliverables
- What is the penalty for not delivering the project?
  - Within the deadlines
  - With a sufficiently good scope

Voting lasts five days. Whichever option has the majority of votes wins and can be included in a Tender for Stage 3. A 67% pool quorum of the voting pool is required for the vote to be considered valid.

If the option "Make no change" wins, the Consensus Check topic should be closed by community moderators.

2.3.3. Phase 3: Tender

Each passed Consensus Check will be subject to a public tender for implementation. The tender begins after the Consensus check, and applicants can submit their proposals for implementation. Those parameters include (but are not limited to):

- Bit for the implementation
- Deadline
- Success criteria
- Request for penalty amount subsidy
- Request for audit subsidy

This process as long as defined in the Consensus check, and at the end of the period, a vote is initiated. The vote lasts for five days:

- Any proposal that collects more than 25% of the votes is subject to financial compensation for the PoC / application (if explicitly specified in the consensus check parameters).
- The proposals are selected and ranked in order of votes collected. The top proposal is the winner and becomes the "Implementation party".

The implementation party has two days to stake any penalty deposits as defined in the Consensus check. Suppose the implementation party cannot provide this amount on their own. In that case, it can be delegated to them (penalty amount subsidy) by everyone who voted for their application (taken in proportional amounts to the vote).

If the implementation party does not satisfy the above conditions within the time period, the contract is awarded to the second runner up. This process continues until one of the applicants meets the above requirements. If none of the applicants satisfies the condition, then step 3 repeats all over. If step 3 fails a second time, then the whole process reverts to phase 2, where Community member (A) should suggest new proposal parameters.

2.3.4. Phase 4: Governance Proposal

Phase 4 — Governance Proposal — is the final step of the governance process. The proposal should be based on the winning outcome from the Consensus Check and

the winner of the Tender and can consist of one or multiple actions, up to a maximum of 10 actions per proposal.

To create a Governance Proposal:

The implementation party writes the code for the proposal. A professional auditor should audit all proposed code. This auditing process could be paid or reimbursed by the community treasury (audit subsidy)

Once the proposal is active, a five day voting period is started. Ongoing discussion can take place in the community forum. If the proposal passes successfully, a two-day timelock will follow before the proposed code is executed. If the proposal does not pass, one of two things happen:

- The community can vote on a time extension for the implementation party to re-calibrate their proposal
- The community rejects the proposal, any penalties defined are slashed from the implementation party's deposit, and the Tender process begins anew

2.3.5. Governance Glossary

Governance token: An ERC-20 token that designates the weight of a user's voting rights. The more Governance tokens a user has in their wallet, the more weight their delegation or vote on a proposal holds.

Delegation: Governance tokens holders cannot vote or create proposals until they delegate their voting rights to an address. Delegation can be given to one address at a time, including the holder's own address. Note that delegation does not lock tokens; it merely adds votes to the chosen delegation address.

Governance Proposal: A proposal is a code that is executed by the governance contract through timelock. It can replace the governance contract, transfer token. Proposals are stored in the "proposals" mapping of the Governor smart contract. All proposals are subject to a 5-day voting period. If the proposer does not maintain their vote weight balance throughout the voting period, the proposal may be cancelled by anyone.

Quorum: For a vote to pass, at least 67% of all delegated tokens must vote in the affirmative. The purpose of this quorum is to ensure that the only measures that pass have adequate voter participation.

Voting: Users can vote for or against single proposals once they have voting rights delegated to their address. Votes can be cast while a proposal is in the "Active" state. If the majority of voters vote for a proposal, the proposal may be queued in the Timelock.

Timelock: All governance actions are delayed for a minimum of 2 days by the timelock contract before they can be executed.

2.4. Phases of platform development

Credefi's platform will be developed in three phases, each of them introducing different services to the holders and the public. Outlined below are details of the phases of the project.

2.4.1. Phase 1: Passive income generation

CREDI holders will be incentivized to hold and earn passively CREDI tokens as reward, through participating in the provision of liquidity.

After the public sale and token distribution, CREDI will also be available to purchase on all decentralized platforms (UNISWAP, 1inch, Moonswap, Honeyswap etc.).

2.4.2. Phase 2: Lending and Borrowing

CREDI token holders will have the right to directly invest in credit deals uploaded on the Credefi platform, and receive interest rate on top of CREDI rewards.

During this phase, Credefi's security module becomes live and makes it possible for CREDI token holders to obtain xCREDI. Owning xCREDI allows users to participate in the platform's governance module, and earn additional rewards in CREDI.

The buyback and LP programme also starts during this phase.

2.4.3. Phase 3: Trade Finance

In phase 3, Credefi will introduce trade finance to its services. This brings no changes tokenomics-wise.

2.5. Economy Benchmarks

Economy-wise, the closest siblings to CREDI are AAVE and SUSHI, as they follow a two-token system with incentives for users who contribute to the platforms' development and stability. Aave and SushiSwap are also using extensive pooling approaches, but it is essential to point out some of the Credefi platform's advantages in this regard:

- Credefi mitigates the regulatory risk of large pools by offering a full spectrum of financial services, including peer-to-peer loans, passive lending and trade finance.
- A wide choice of collateral options with high-level risk assessment, backed by a licensed under EU law financial institution.

- The platform's multiple value creation mechanism offers continued incentives for providing liquidity for CREDI and xCREDI, which adds deeper liquidity to both tokens.

- A percentage of all fees and interest collected on the platform goes to a Buyback & LP program, also creating constant deflationary pressure on xCREDI with the burned LP tokens

3. Sale Financials & token generation event

Basics	
Ticker:	CREDI
ICO start date:	TBD
ICO end date:	TBD
ICO Denomination currency:	USD
Accepted currencies:	USD, ETH
Jurisdiction:	-
Eligibility:	Subject to KYC and AML
Compliance:	None
Token purchase contract:	SAFT
ICO stages:	2

*ICO tokens calculated under the assumptions of
50 MM CREDI sold @0.00 USD, with bonuses: 0.0% for all investors and 0.0% for large investors = 0.2 MM USD raised
200 MM CREDI sold @0.01 USD, with bonuses: 0.0% for all investors and 0.0% for large investors = 1.6 MM USD raised
20 MM CREDI sold @0.01 USD, with bonuses: 0.0% for all investors and 0.0% for large investors = 0.2 MM USD raised

Seed round

Token price:	0.004 USD
Bonuses:	0.0% for all investors
Bonuses for large investors:	0.0%
Stage number of tokens available:	50 MM CREDI
Stage cap:	0.2 MM USD
Cumulative number of tokens available:	50 MM CREDI
Cumulative cap:	0.2 MM USD
Minimum investment:	100 USD
Maximum investment:	TBD
Vesting:	Vested over 12 months
Stage start:	TBD
Stage end:	TBD

Private Sale

|	
Token price:	0.008 USD
Bonuses:	0.0% for all investors
Bonuses for large investors:	0.0%
Stage number of tokens available:	200 MM CREDI
Stage cap:	1.6 MM USD
Cumulative number of tokens available:	250 MM CREDI
Cumulative cap:	1.8 MM USD
Minimum investment:	100 USD
Maximum investment:	TBD
Vesting:	None
Stage start:	TBD
Stage end:	TBD

Public Sale	
Token price:	0.012 USD
Bonuses:	0.0% for all investors
Bonuses for large investors:	0.0%
Stage number of tokens available:	20 MM CREDI
Stage cap:	0.2 MM USD
Cumulative number of tokens available:	270 MM CREDI
Cumulative cap:	2.0 MM USD
Minimum investment:	100 USD
Maximum investment:	TBD
Vesting:	None
Stage start:	TBD
Stage end:	TBD

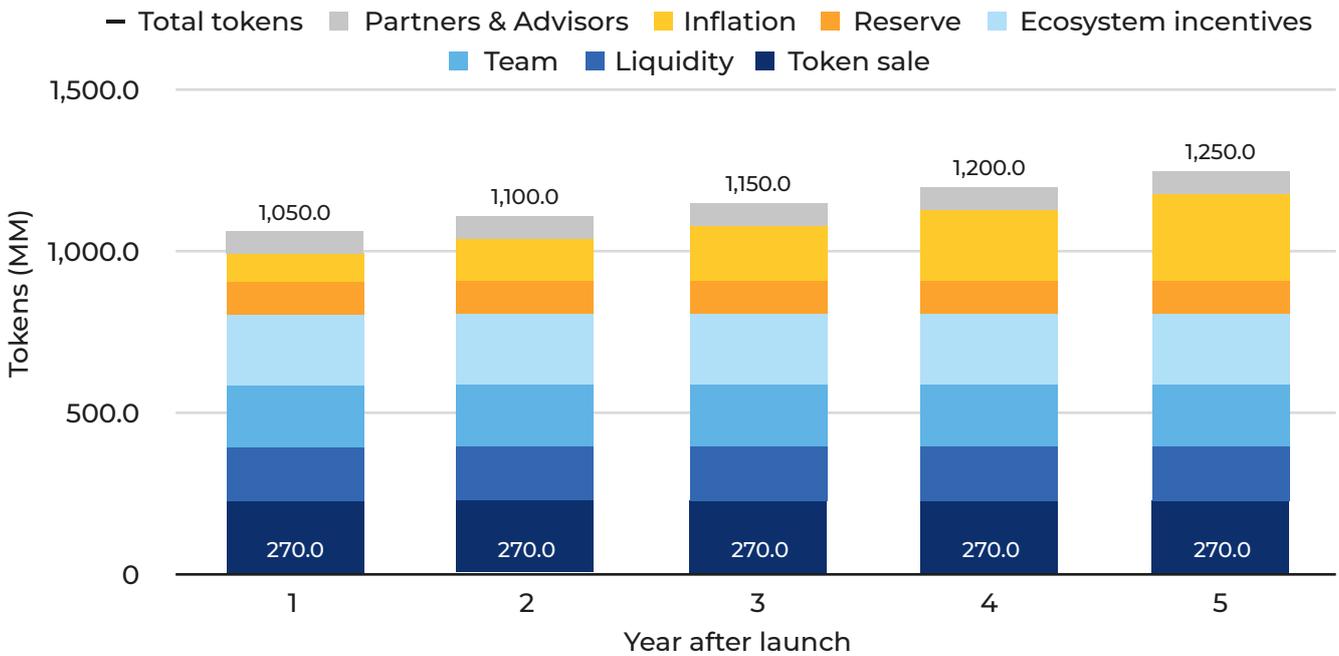| Vesting schedule, per token allocation	
Seed Round	Vested over 10 months
Private Sale	Vested over 10 months
Team	6 months clif + 12 month vesting
Partners & Advisors	6 months clif + 12 month vesting

Important: Under SEC rules, this token may constitute a security contract and will not be offered to US unaccredited investors.
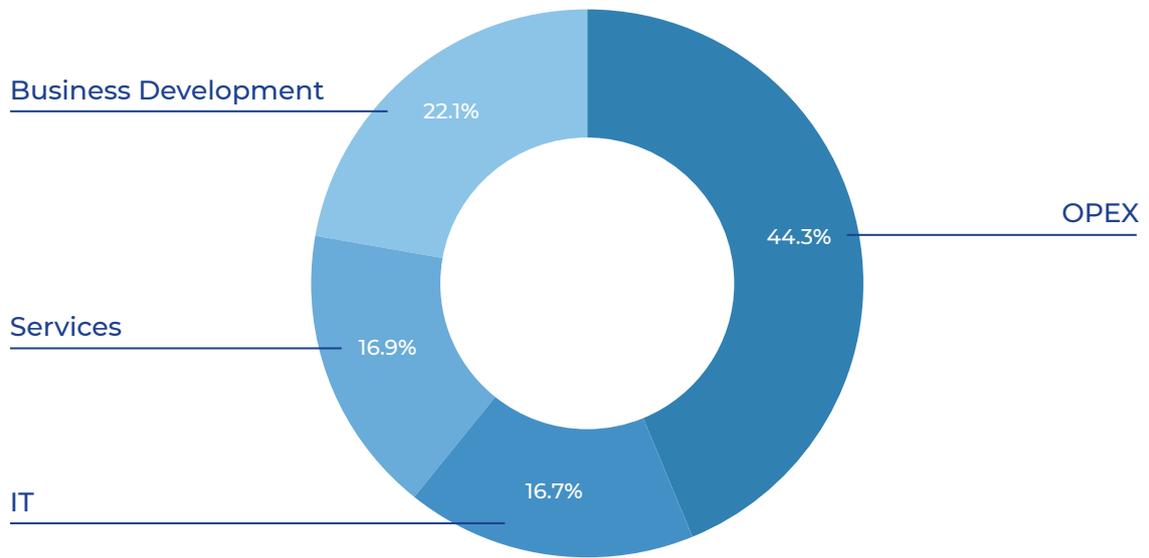
Allocation of funds raised during the token sale (in MM USD). Assumes reached Hardcap.

- Business Development — 22.1%
- OPEX — 44.3%
- Services — 16.9%
- IT — 16.7%

Total tokens allocation (in MM USD). Assumes reached Hardcap.

- Partners & advisors — 50, 5.0%
- Reserve — 80, 8.0%
- Token sale — 270, 27.0%
- Ecosystem incentives — 250, 25.0%
- Liquidity — 150, 15.0%
- Team — 200, 20.0%
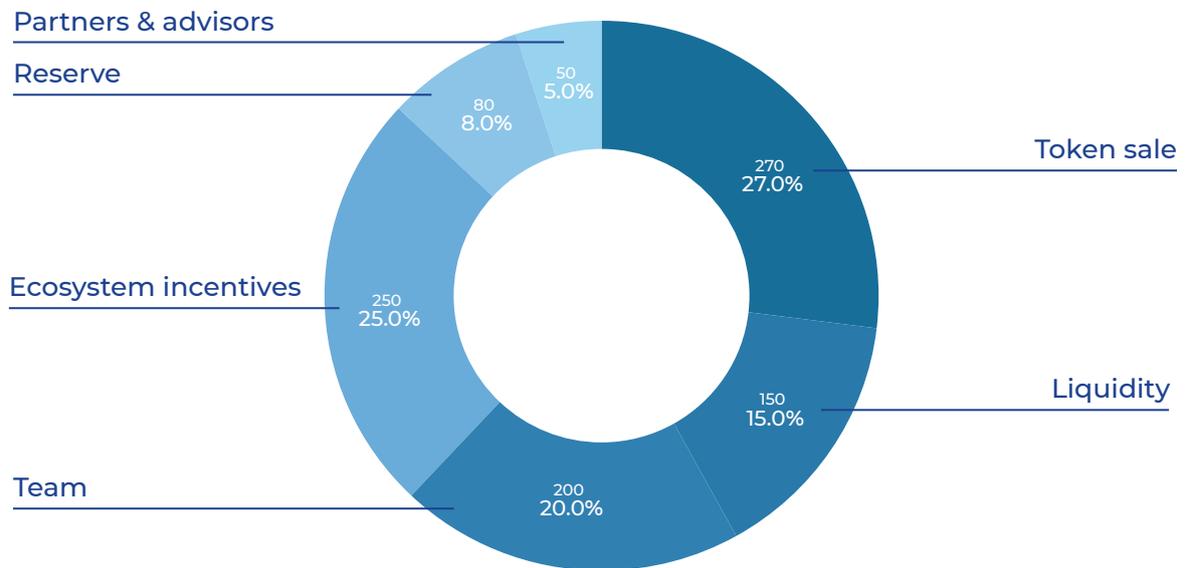
Breakdown of the token release schedule, by year and by allocation. The numbers on top are the total tokens released, the number on the bottom - tokens form the token sale.

Discount for early investors represented as price reduction compared to the highest token sale price when all bonuses are taken into account.
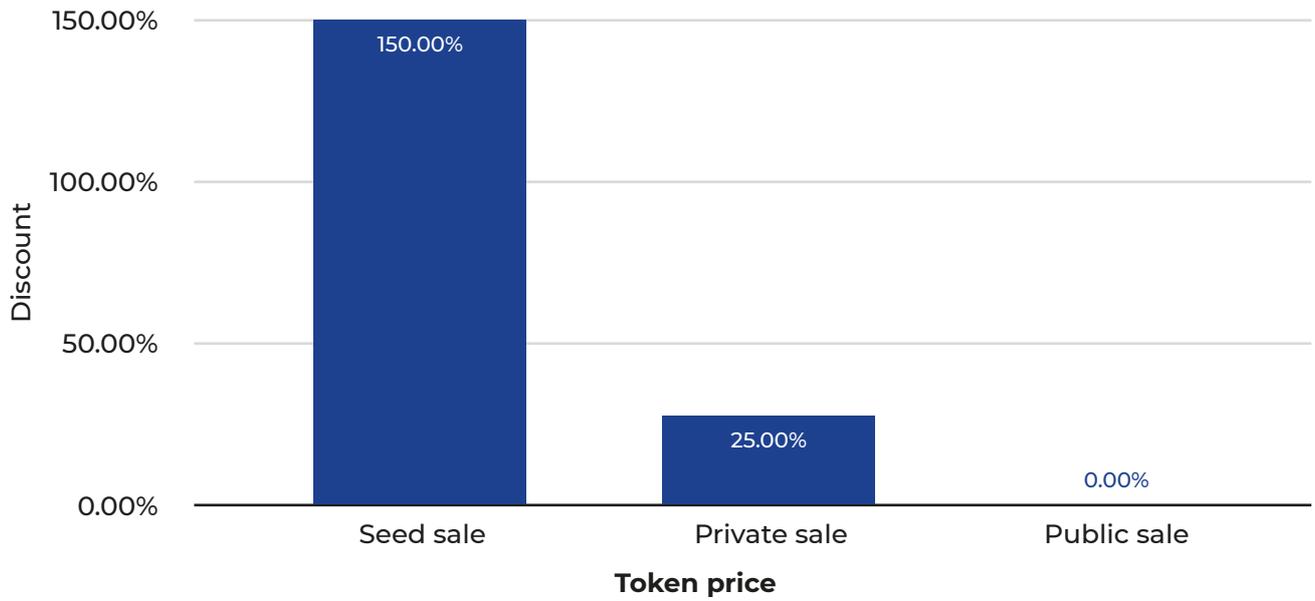
Bonus tokens for each stage. Figures are shown as % bonus versus the minimum token sale bonus.
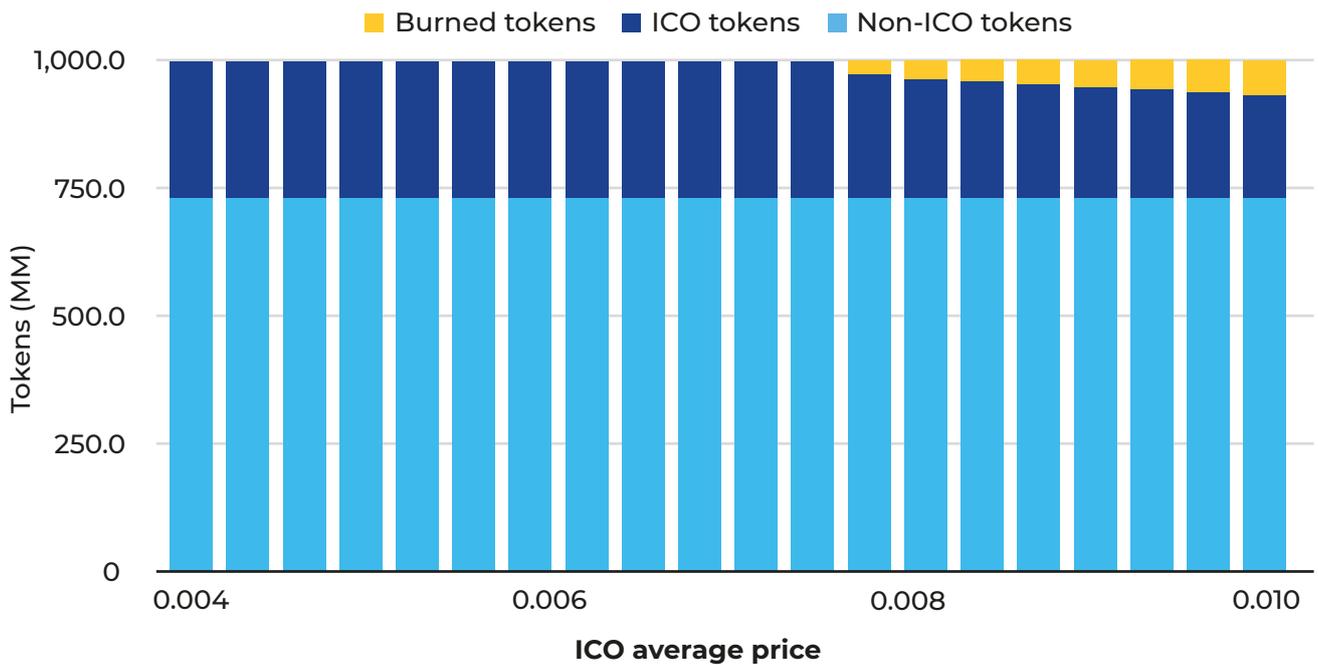
Remaining tokens after the token sale. Figures are shown as a function of the average token sale price, which was achieved during the token sale.

4. Limitations

"The only function of economic forecasting is to make astrology look respectable."
— John Kenneth Galbraith (economist, bestselling author)

It is important to note that the blockchain and cryptocurrency area is still very new. There is little to no historical data, past performance result and academic research on the topic of cryptocurrencies, let alone on the tokenization, economics and long term valuation of those asset classes. Stocks(equity) have been around since the early 1600s, and it is only in the past 100 years that we have begun to have more comprehensive and widely accepted valuation models. However, they are still subject to bias and interpretation and suffered from their inputs' quality. On the other hand, Cryptocurrencies have been around since 2008, with a wider recognition around 2016 and an explosion in the number of tokens in 2017. As such, it is way too early to evaluate or comment on the performance, monetary policy and models behind any of them. As a result, we prefer to rely on sound economic principles backed by data and reasonable assumptions.

Furthermore, any financial projections should generally be treated as a target rather than a prediction. Their purpose is to ensure that the project has sensible and achievable goals, and upon reaching those goals, the rest of the numbers would add up and make sense. On the other hand, they cannot predict the future, nor account for all possible variables and scenarios with any reasonable degree of certainty.

Disclaimer

Please read this section of the document carefully. Consult a legal, financial, tax or other professional advisors; if you are in any doubt about the action, you should take. This document's information may not be exhaustive and does not imply any elements of a contractual relationship or obligations. While, we make every effort to ensure that any material in this document is accurate and up to date, such material in no way constitutes professional advice. We do not guarantee nor accept any legal liability arising from the accuracy, reliability, currency, or completeness of any material contained in this document. No part of this document is legally binding or enforceable, nor is it meant to be.

The author developed be document based on an evaluation method generally accepted by the cryptocurrency community (quantity theory of money and discounted cash flow analysis) and relies on a generally accepted school of economic thought (monetarist school of economics). It is important to note that the blockchain and cryptocurrency area is still very new. There is little to no historical data, past performance result and academic research on the topic of cryptocurrencies, let alone on the tokenisation, economics and long term valuation

of those asset classes. Stocks(equity) has been around since the early 1600s, and it is only in the past 100 years that we have begun to have more comprehensive and widely accepted valuation models. However, they are still subject to bias and, interpretation and suffered from their inputs' quality. On the other hand, Cryptocurrencies have been around since 2008, with a broader recognition around 2016 and an explosion in the number of tokens in 2017. As such, it is way too early to evaluate or comment on the performance, monetary policy and models behind any of them. As a result, the author of the current document prefers to rely on sound economic principles backed by data and reasonable assumptions.

Furthermore, the current model relies on several assumptions, forecasts and requirements explicitly specified by the company behind the token offering. As such, this model is only as good as those assumptions are. Any significant deviation from the input numbers would subsequently impact the outputs of this model. The model presented here aims to provide a fair token price valuation based on the merits of the business behind it (as far as they are known/estimated at the time of the creation of this model) and cannot account for any possible speculative actions and market manipulation by any party as well as for irrational market behaviour.

None of the information or analyses in this document is intended to provide a basis for an investment decision, and no specific investment recommendation is made. This document does not constitute investment advice or an invitation to invest in any security or financial instrument. No regulatory authority has examined or approved any of the information set out in this document. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. You acknowledge and agree that you are not using the information in this document for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes.or will be taken under the laws, regulatory requirements or rules of any jurisdiction. You acknowledge and agree that you are not using the information in this document for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes.

Some of the document's statements include forward-looking statements that reflect our current views concerning execution roadmap, financial performance, business strategy and plans. All forward-looking statements address matters that involve risks and uncertainties and do not guarantee that these results will be achieved and may lead the actual results to differ materially from those indicated in these statements. No statement in this document is intended as a profit forecast.

Given that the "regulations" for cryptocurrency in most countries at best are highly ambiguous, or completely non-existent, each buyer is strongly advised to carry out a legal and tax analysis concerning the purchase and ownership of cryptocurrency and tokens according to their nationality and place of residence.

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