



DEBITUM
NETWORK

TOKEN GENERATION EVENT



Details of the debitum network token generation event

Debitum Network is a distribution framework built for alternative finance. The Debitum token is an Ethereum blockchain-based digital token that facilitates the transmission of information and instructions within Debitum Network. The Token Generation Event (TGE) is an event whereby tokens are distributed to the first owners.

This document constitutes the announcement of the initial Debitum token generation event and aims to unambiguously describe the rules of the event. It also explains the economics of the Debitum token ecosystem. All reasonable care has been taken to ensure that, to the best of our knowledge, the information in this document does not contain any untrue or misleading statements or omit any important matters.

This Document is dated and is valid as at 11 January 2018.

To learn more about Debitum Network, please refer to the White Paper where we describe the current state of business financing for small medium enterprises (SME) around the world. We also detail our research on the potential benefits for an alternative SME financing industry to be decentralized with blockchain technology, as well as our system architecture and working principles. In our White Paper we offer specific solutions to cover all the important issues and provide detailed reasoning behind those suggested solutions.

<https://debitum.network>

Contents

Snapshot	4
Utility of tokens	7
Governance	11
Distribution	13
Substantiation	19
Token economy	22
Action plan / use of proceeds	25
Risks	32



Snapshot

400 million Debitum tokens

All Debitum tokens to ever be in existence will be distributed during this event.

Token name	Debitum (DEB)
Blockchain	Ethereum-based ERC223 token
Crowdsale	The Stage 1 Crowdsale from December 7th <i>Other tokens will be sold later in line with business development of Debitum Network.</i>

For the Stage 1 Crowdsale the Hard cap is:

Round A	4,000 ETH
Round B	20,000 ETH



Price

Round A

Step 1

8,700 DEB for **1 ETH** in total
3,750 DEB for 1 ETH during Round A
Additional 4,950 DEB provided for 1 ETH after Round B

Round B

Step 2

7,800 for **1 ETH** in total
till 500 ETH raised during Round B

Step 3

7,500 for **1 ETH** in total
after second step up to 2 000 ETH raised during Round B

Step 4

7,150 for **1 ETH** in total
after third step up to 6 000 ETH raised during Round B

Step 5

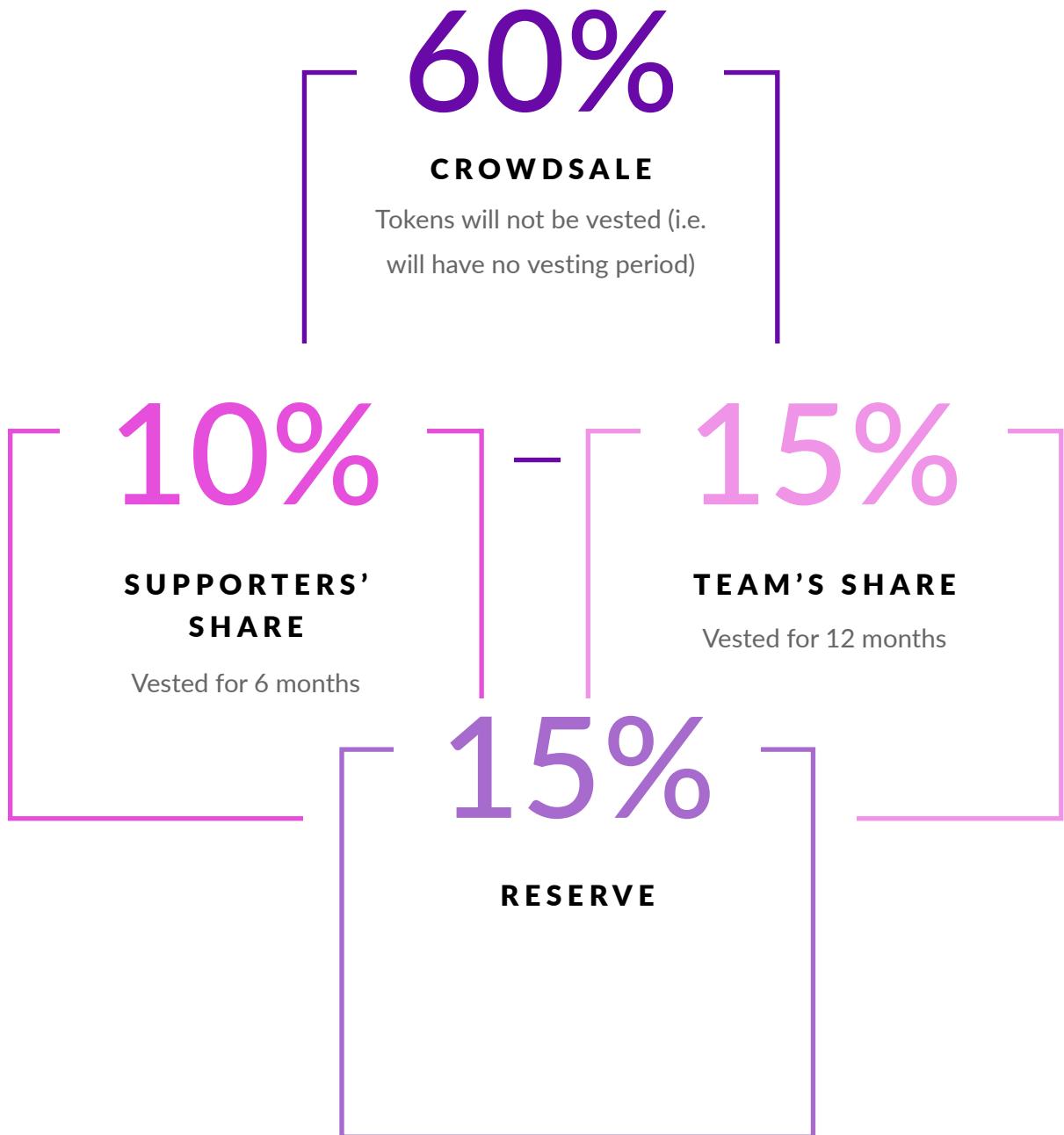
6,850 for **1 ETH** in total
after fourth step up to 14 000 ETH raised during Round B

Step 6 (the Main price)

6,500 for **1 ETH** in total
after fifth step up to 20 000 ETH raised during Round B



Token distribution



Utility of tokens

Debitum Network is a distributed ecosystem consisting of various counterparties involved in the business financing process for small medium enterprises (SME) - borrowers, risk assessors, insurers, investors, debt collectors and other counterparties - who all use Debitum tokens as the only possible means of payment among themselves when transacting within the Debitum Network.

Debitum tokens will be utilized in multiple ways. We've analyzed various possible token models, applied the findings to Debitum Network use cases, and designed Debitum token to run two key roles within the ecosystem:

✓ **A “Value Exchange” role to build and nurture the Debitum Network economy:**

Debitum tokens will be spent by borrowers and investors to buy services on the ecosystem with an ability to set the price for the services acquired in accordance with the quantity and quality of services received. The Debitum token will allow all ecosystem users to earn value and to spend it on valuable services in a measured way.

✓ **A “Toll” role to have counterparty buy-in:**

Debitum tokens will be used as a security to guarantee a counterparty's delivery of service. Tokens will also be used to run Trust Arbitrage smart contracts that will indicate a trust level of counterparties within the ecosystem. This way tokens will ensure and sustain the credibility of Debitum Network.

The utility of Debitum tokens remain intact, even if the initial founders and development team of Debitum Network are removed or replaced. Most components of Debitum Network's technology will be open-source. In fact, all transactions will take place on the Ethereum blockchain, and it'll therefore be possible for any other development group/team to reinvent or recreate the Debitum Network user



interface and/or portal access. In effect, the project can live on without the initial founders and development team - should such a situation ever arise.

All tokens are equal, with no classes or statuses. All token holders have the same set of capabilities. While the ecosystem of borrower-investor relations and related collaborations are technically limited to using Debitum tokens only, some external applications of the token cannot be limited.

For the purposes of facilitating business borrowing, there's no reason for tokens to be continuously mined or minted. During the growth stage of Debitum Network there will be more and more transactions taking place within the ecosystem and thus a growing number of Debitum tokens will be demanded to pay for various services and fees within Debitum Network.

When the ecosystem reaches maturity, each new borrower-investor deal in the ecosystem will increase the demand for Debitum tokens, and thus the principal overall value of the Debitum Network temporarily (until the engaged participants remain active within the Debitum Network). If they were to leave the ecosystem after a series of deals, there's little technical possibility to identify such fact and correct the system's value. Considering the above, the Debitum Network will issue a limited and fixed amount of tokens, minted once and forever during this Crowdsale event.

A one-time mining event guarantees the scarcity of the Debitum tokens, and will potentially allow them to grow in value, alongside the growing number of participants and transactions within the Debitum Network. The maximum possible divisibility of Ethereum-based tokens allow Debitum tokens to provide convenient functionality long into the future.

Most of the original Debitum token demand will be created by borrowers and investors who require counterparty services within the network in Debitum tokens only. At a mature stage of the ecosystem, the closed loop of multiple participants' aligned will have incentives to co-exist.. This pool of Debitum Network participants



- risk assessors, insurers, operators, debt collectors, etc. - will all effectively raise the value of the Debitum tokens through incentivised participation in the ecosystem.

Investors, borrowers and other counterparties will join Debitum Network and stipulate its growth. The outcome will be a potential increase in the value of the Debitum token. The reasons for each group may differ but their motivation remains aligned - a desire to have more loans provided/taken via Debitum Network as exactly the turnover of loans provided guarantees real benefits for each group.

Incentives for Investors

Investors worldwide have an abundance of capital that they're willing and able to deploy and provide to other parties. However, there are currently limited possibilities to do so on a global scale. The Debitum Network ecosystem provides Investors with an opportunity to deploy their capital in a trustworthy, diversified manner globally and help SMEs grow. Moreover, usage of blockchain transactions ensure lower transaction costs (especially when considering global deployment of capital), hence Debitum Network allows investors to deploy capital cheaper. Our research suggests that these benefits alone prove to be an extremely compelling reason for Investors worldwide to join and use Debitum Network.

Incentives for Borrowers

IFC, a World Bank organization, has shown in it's research papers a huge credit gap of around 2 trillion USD for SMEs worldwide. The sole reason to found IFC was to develop the private sector worldwide due to existing market failures.



We believe that borrowers will favour Debitum Network as it ensures access to global financing, faster, more conveniently and with less administrative costs than traditional means.

Incentives for Other Counterparties

Various counterparties provide services to Investors and/or Borrowers. Debitum Network allows these counterparties to reach larger, more diversified clients in one global marketplace. For example, Insurers would not be able to work with such a diverse and sizeable portfolio if partnering with individual local companies, hence Debitum Network provides a larger, as well as more diversified portfolio, that carries less risk to insure. Other counterparties in the ecosystem include asset verification auditors, risk assessors, insurers, underwriters, investment advisers, debt collectors, legal advisers, debt buyers and investors on secondary markets.

Counterparties will receive secure payments using blockchain technology for their services from Investors and/or Borrowers, hence it'll be easier for them to grow their businesses.



Governance

Debitum Network is in the process of being incorporated in Gibraltar. We've chosen this jurisdiction as Gibraltar has progressed with innovative regulation for enterprises generating token events. This innovative regulation allows for easier generation and management of crypto currencies and digital assets, as well as a more efficient exchange from cryptocurrency to fiat currency, and vice versa. Debitum TGE will be carried out by the legal entity incorporated in Gibraltar.

There may also be a need for important decisions to be made within the Debitum Network ecosystem. Below we lay out how such decisions shall be made, describing the governance of the Debitum Network.

Automation of Governance Rules

During the development of the Debitum Network most of the rules will be automated and worked into the smart contract library and network's API integrations. These rules include objective measures for trust arbitrage, calculations of interest to be paid, conditions for fulfillment / failure to fulfill a counterparty's service smart contract, and other related events. During the development, these rules will be made public and community feedback will be collected. The final decision on how to implement the required set of rules will be made by Debitum Network's development team, understanding that any major decision that goes against the will of the broader community may lead to usage issues within the ecosystem.



Trust Arbitrage Parties

As Debitum Network is a hybrid solution, there's a need for trusted fiat facilitators. An additional trust element, trust arbitrage, will be required as smart contracts may not ensure every eventuality needed at this stage. The first trust arbitrage party will be the Debitum Network itself, as the community has trusted it's team with the creation and development of the Debitum Network ecosystem. Moreover, during the initial business development phase, the Debitum Network team will onboard and take full responsibility for the quality of the initial counterparties.

Over time more fiat facilitators and trust arbitrage parties may join in to ensure further decentralization of the ecosystem.

Other Decisions

As token holders are not owners of the project or the company delivering the project, token holders will not be able to directly vote for particular decisions. Instead token holders can "vote with their feet" by selling tokens if any decision (to be) taken by the development team is not favorable or acceptable. Moreover, during the initial development, founding team members will have a vested interest in Debitum tokens and thus will do everything possible to ensure that the development of Debitum Network is in line with the opinion of the Debitum support community.



Distribution

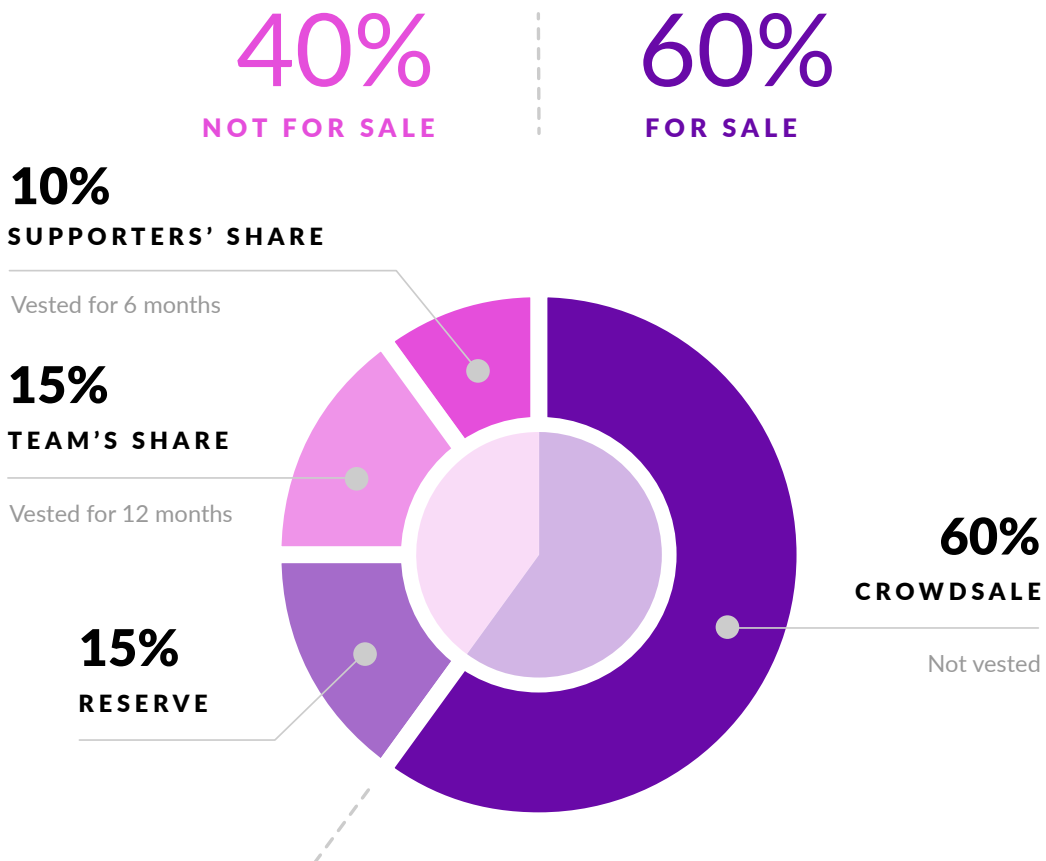
Debitum Network, an innovative global ecosystem providing alternative small business financing, requires an aggressive new user acquisition approach in multiple key markets globally. We're focused on attracting and onboarding a diverse range of multiple counterparties in each of the identified key markets across the world, within a limited time window, to ensure success. To succeed in its mission of bridging the credit gap for small businesses around the world, Debitum Network must execute across multiple areas at the same time - technology, sales, communication and operations.

To withstand the initial resistance coming from legacy finance institutions, Debitum Network shall launch with substantial resources and build a presence in key markets fast. To succeed in the launch of a new financing ecosystem, multiple counterparties shall be brought into an initial collaboration mode during a short window of time. We fully anticipate the need for reassurance from our initial testing counterparties to see other "pioneers" jumping on the band-wagon, so with this in mind we'll be fast to scale our onboarding campaigns.

With sufficient resources contributed during the Crowdsale, Debitum Network shall successfully launch and build an innovative global ecosystem for small business financing, bridging the credit gap suffered by millions of small businesses around the world.



THEREFORE 400 MILLION OF DEBITUM NETWORK TOKENS WILL BE CREATED AND DISTRIBUTED



60% or 240,000,000 Debitum tokens will be sold to the general public. Around Around 40%, 156,500,000 Debitum tokens, will be sold for Ether (ETH) during the Stage 1 Crowdsale described in this document. These tokens will not be vested. The other 83,500,000 Debitum tokens will be kept to be sold later in line with business development stages of Debitum Network.

The Stage 1 Crowdsale is meant to collect funding for Debitum Network home markets as indicated in White Paper and shown below - steps 1 and 2:



MARKETS LAUNCHED



The remainder of tokens to be sold to general public will be sold in later Stages of Crowdsale to fund Debitum Network expansion into new markets - steps 3 and 4.

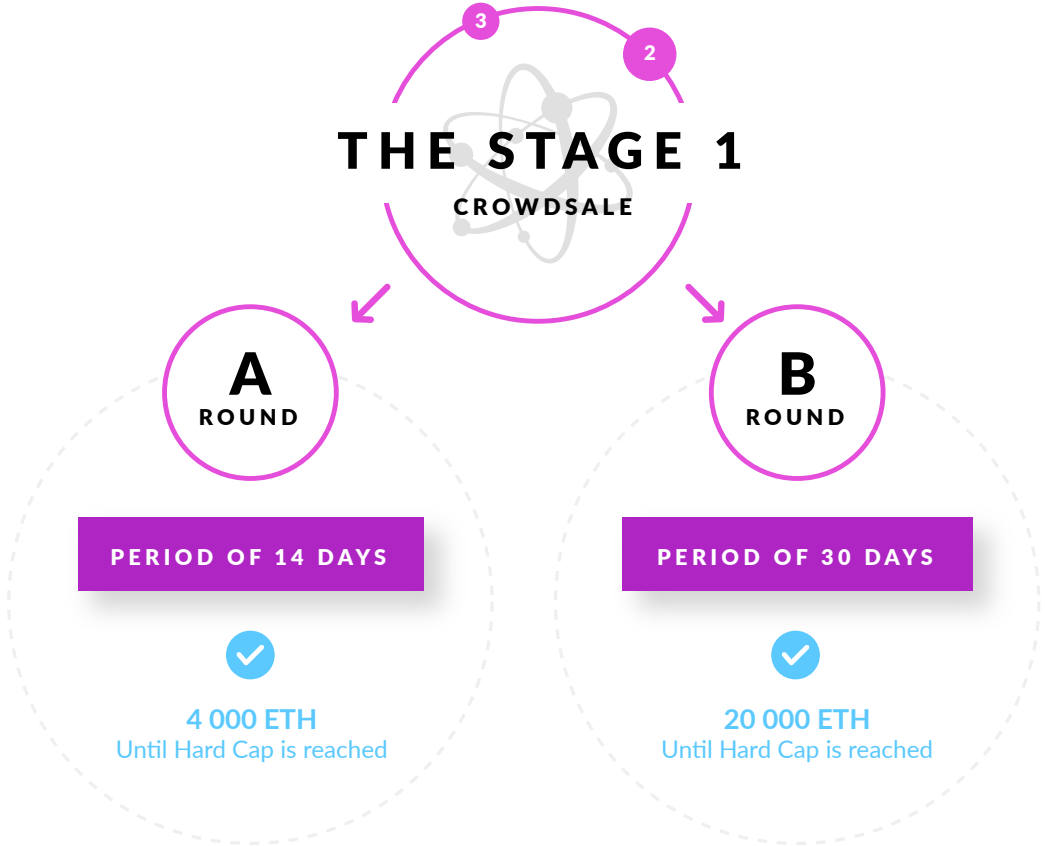
The remaining 40% of Debitum tokens will not be sold to the general public and will be vested (unavailable for trading in the secondary market for defined periods of time). 10% of Debitum tokens will be directly distributed to Debitum Network advisors and contributors. These tokens will be vested for 6 months. 15% of Debitum tokens will be directly distributed to the Debitum Network team - founders, technology developers, ecosystem developers and multiple other team members. These tokens will be vested for 12 months. The other 15% of Debitum tokens (60,000,000 tokens) will be stored in Reserve.

To proceed with the development and launch of Debitum Network, the minimum required contribution equivalent to 1,200,000 USD was collected during Round A of the Stage 1 Crowdsale. A contribution of this size will allow us to develop and launch the basic software functionality, onboard the initial ecosystem participants in at least one market where the SME credit gap (lack of financing for small and medium businesses) is indicated by the World Bank organization as being worst.

The Stage 1 Crowdsale hard cap is split between Round A (4 000 ETH) and Round B (20 000 ETH), the funds needed to develop Debitum Network to a full production version. Furthermore, we'll be able to launch our home market - Europe, ensuring the initial success of the ecosystem. However, it would not bring immediate self-sustainability and would take significantly more time to reach it. The ecosystem we're building requires many connections to the legacy world and a considerable



international presence to succeed. This means that with the development of the Debitum Network ecosystem, moving from Stage 1 development to Stage 2 and Stage 3, we will conduct additional sale to sell the remainder of Debitum tokens meant for general public. For more details please see our Action Plan / Use of Proceeds.



The Stage 1 Crowdsale will be organized in two Rounds. Round A will run (1) for a period of 14 days but only (2) until the Round A hard cap of 4 000 ETH is reached. Round B will run (1) for a period of 30 days but only (2) until the Round B hard cap of 20 000 ETH is reached. To protect against receiving any excess contributions, the Debitum Network team have deployed the 'hard cap' which triggers an immediate closure of the particular Stage of the Crowdsale.



A total of around 156,500,000 Debitum tokens will be offered to all participants of the Stage 1 Crowdsale. All purchased Debitum tokens will be distributed within 15 calendar days after the closing of the Crowdsale. All contributors will receive their Debitum tokens in accordance with the amount of ETH contributed and the price level at which the ETH contribution was made. Any Debitum tokens sold during the Crowdsale are not vested. No other limitations are imposed onto Debitum tokens sold during the Crowdsale.

In the case whereby not all 156,500,000 Debitum tokens will be distributed, the remainder will be added to the Debitum tokens kept for further Stages of Crowdsale.

Use of Reserve

We keep Debitum tokens in the Reserve of the amount of 60,000,000 Debitum tokens. This amount will be used to ensure the following:

- ✓ non-systemic counterparty risk coverage (anti-fraud guarantee for counterparties' transactions) to support the initial stages of the Debitum Network growth. This trust capital is needed in the ecosystem until the trust arbitrage smart contract possess enough data on various counterparties, indicating their actual trust ratings based on their historical performance.
- ✓ efficient operations of Debitum Network while the ecosystem penetrates the global market by using these tokens for market making based on strict and public rules.
- ✓ faster growth of Debitum Network by lending or giving away tokens to newly joining service providers to be able to pledge these tokens as a guarantee for quality of their services provided. This would lower barriers to entry as well as allowing more sceptical parties to try the ecosystem. As service providers earn new Debitum tokens from other counterparties, automatic smart contracts



will collect a percentage of the earned Debitum tokens, so the initially lent Debitum tokens are repaid.

- ✓ aligning motivation of seasoned senior regional and country management with Debitum token holders.
- ✓ additional funding for further development of Debitum Network.

We strongly believe in Debitum Network, the value it brings to various counterparties and the re-imagined financing process. Hence we believe that if we receive the support of the community, we are prepared to look for other options for required funding after the initial contribution session.

To learn the Crowdsale dates, please visit <https://debitum.network>



Substantiation

Why simply not use Ether (ETH) to facilitate payments and relations in the system?

Why create a new token?

Here are four key arguments:

1

Better Control of Means of Value Exchange within the Ecosystem

With an own token created and distributed, we are able to develop smart contracts that allow to fully control of the token ensuring that Debitum Network smart contracts will be able to guarantee clear token flow and payment management for provided services in Debitum Network ecosystem. Such additional possibilities to set the rules of the token use cases ensures better mutual trust among multiple counterparties and allows Debitum Network ecosystem to be successfully built around this trust. Of course, such token features would be set in accordance with publicly and strictly stipulated rules, within terms and conditions of Debitum Network.

2

Equipped for Future Developments

The next argument is regard to future development and integration with other distributed systems. Possibly, the task of decentralizing the alternative finance industry has a more elegant solution, possibly without using Ethereum, possibly



based on a devoted blockchain or a tangle ledger or some other technology that is yet upcoming. Perhaps some newer third party infrastructure, whose development is already underway, will become a more valuable hosting platform for Debitum Network. We may not know today or tomorrow. What we do know is: (1) Ethereum is a workable and affordable solution for now; (2) if we have our own token, we are by far better prepared for a potential migration in the future. Ethereum is a launch pad for Debitum Network, but we shall have all key equipment buckled so it goes with us wherever we fly in the future.

3 More Space for Legal Compliance

The third argument is legal. An act of onboarding an investor includes accepting some financial resources from them. Laws differ from country to country, but in most places on Earth, if you give some other commonly recognized currency in return to that – the transaction qualifies as a possible starting point in a potential money laundering chain and thus results in a full-scale KYC/AML procedures. Both Bitcoin (BTC) and Ether (ETH) are likely to become officially recognized in many countries worldwide, Japan being only the first one. Paradoxically, some waves of broad crypto adoption are not in our favour. The native token gives potentially valuable flexibility in this regard, whereby counterparties might be able to operate without (or with less) licensing requirements, etc.

4 Leverage Invention of Closed-loop Economies Against Traditional Competitors

Lastly, the native token is a protectionist economic weapon for a new, disruptive ecosystem operating in the hostile competitive environment. A good illustration is a nation state with a sovereign currency that has a variety of tools to respond to external pressure. It is also free to choose how to assign value to a newly created domestic product. Without the sovereign currency, a state has only one option – to exchange goods using a foreign currency and



thus be exposed to a potential aggressor who has more of that or controls that foreign currency.

Take this example to the extreme and ask yourself – when you play a monopoly game with your friends, what would your chances be if one of your friends pulled out some extra tokens from his pocket at a critical moment in the game? Similarly, if Debitum Network operated in ETH or any other commonly available currency, it could fall victim to large competitor consortiums, before it could accumulate a substantial counterparty clientele to protect itself in a regular manner.

In connection with this protectionist argument, it is also important to note that some activities in Debitum Network are long-term and the dormant value of ongoing efforts needs be accounted for. The native token does that naturally and free of charges or limitations. For example, a debt collector might be handling a single case for many years. The native token naturally integrates that sort of continuous effort into the valuation of 'gross domestic product' as the corresponding cost of the service is temporarily locked-in in the form of tokens. When such debt collector finishes the job tokens will be converted into fiat, which, again, will reflect the change in the system's total value.



Token economy

To understand if token is sufficiently likely to gain value over time after the token generation event, it is important to apprehend token economy within Debitum Network ecosystem.

Token demand will grow with a growing number of transactions by a growing number of counterparties within the Debitum Network ecosystem (mostly due to payments for services and downpayments as a guarantee for quality).

Hence the demand for tokens will increase until the Debitum Network fully matures. When we reach maturity of Debitum Network, the number of transactions will become stable, hence the price of the token will stabilize at its maximum potential.

Borrowers / Investors

Both borrowers (small business) and investors (willing to lend fiat to small business) will need tokens to perform various activities, for example, to list an asset on the network, to buy risk assessment, to buy insurance, to buy debt collection services etc.

As soon as borrowers will spend all tokens on services, they will require more tokens to keep using the network.

In addition, investors may receive certain amount of interest earned from fiat facilitators in Debitum tokens. That will allow investors to have constant supply of tokens for participating in the ecosystem. The more interest investors will earn, the more tokens they will receive and the more additional services they will be able to buy.



Service providers

Service providers will receive tokens for services they provide. They will generally have two choices - sell tokens to cover their non-crypto expenses (i.e., salaries, payments for non-crypto data sources) or keep them to store value.

At the same time service providers will be requested to put down a small amount of tokens for each transaction they perform as a guarantee of their work quality. It means that the more simultaneous transactions (smart contracts) will be carried out, the more tokens service providers will need to use as a guarantee. Hence more and more Debitum tokens will be “frozen” at any given moment as a guarantee, as Debitum Network grows.

Fiat facilitators

While ensuring fiat transactions, fiat facilitators will receive interest payments from borrowers and may convert part of these interest payments into tokens upon investors' requests to ensure constant supply of Debitum tokens for investors. The more fiat transactions (principal loan and interest payments) will take place, the more Debitum tokens fiat facilitators will buy for investors.

In addition, investors will be able to send initial funds for fiat investments both in fiat and in Debitum tokens, providing additional use of the Debitum tokens.



Trust Arbitrage smart contract

Each smart contract transaction will trigger Trust Arbitrage smart contract to account for objective increase (in case of successful fulfillment of smart contract) or decrease (in case of failure to fulfill specific smart contract). To be able to trigger Trust Arbitrage smart contract parties of initial smart contract will have to send a small amount of tokens (as this is the only technical way to trigger a smart contract).

It means that all transactions will transfer tiny fraction to Trust Arbitrage smart contract, hence decreasing available amount of Debitum tokens in a short term.

Tokens collected in Trust Arbitrage smart contract may be sold, thus returning Debitum tokens used to trigger Trust Arbitrage smart contracts back to ecosystem.



Action plan / use of proceeds

Debitum Network solution development and deployment

Before the launch of production version of Debitum Network we need to finalize the software solution, undergo strict security, performance and usability tests. Smart contract and blockchain implementation will be audited and ethical hacks will be performed to ensure security of the production version.

Debitum Network solution will be build in a nearshore country like Lithuania with good access to strong local community of IT specialists as well as international experts. Deploying a decentralized solution requires several very high level audits and reviews to make sure that error-free code is deployed to production. We expect to ensure error-free code on three levels: at least 2 independent peer reviews, at least 2 independent globally recognized Ethereum development house review and, at least 2 ethical hacking attacks / tests.

Region by Region Network Development

To successfully launch Debitum Network on a global scale we have to launch (set-up operations, reach target counterparties, run marketing campaign, establish proxy teams etc.), region by region. As our company will be established in Gibraltar and as we possess significant experience in alternative finance industry in Europe, we will first build Debitum Network operations in Europe. Then we will consequently move to Middle East, Southeast Asia, South America, Central America and parts of Africa. Regional development plan is based on IFC (World Bank organization) figures for small businesses' lack of access to credit worldwide, considering Debitum team business network depth in various regions:



Region	Credit Gap, USD mill.	MSMEs, number	Credit gap / MSMEs, USD	Unserviced + Underserved, % of MSMEs
Europe	210,120	9,400,815	20,004	52%
Middle East	297,327	7,365,431	41,444	43%
Southeast Asia	218,284	71,430,759	22,719	46%
South America	495,686	34,640,661	21,393	51%
Central America	124,145	17,828,851	12,540	49%
Africa	188,239	52,223,144	7,037	52%
Northern Africa	56,483	13,103,327	7,584	50%
Western Africa	60,808	16,737,793	6,033	54%
Central Africa	29,657	5,696,801	13,871	55%
Eastern Africa	21,216	7,940,609	3,707	51%
Southern Africa	22,130	9,280,826	4,305	47%
Australia & Oceania	2,605	781,180	4,369	49%

Source: <https://www.smefinanceforum.org/data-sites/ifc-enterprise-finance-gap>



Country by Country Network Development

Further within each region Debitum Network will be launched country by country, initially establishing presence in the single key country in a region, later followed by several of additional key countries with similar features, and then - the rest of chosen target countries within the region. Countries are selected based on detail IFC reports on SMEs (micro, small and medium enterprises) credit situation in every particular country. More specifically, countries are selected by following criteria, in an order of priority: largest credit gap, largest credit gap per SMEs in the country, percentage of unserved and underserved SMEs in the country.

Countries are pooled together if they use the same fiat currency, as initially Debitum Network will use fiat transactions for transferring loan principal payments (the hybrid solution).

At the moment these are 50 primary target countries in various regions:

Euro zone countries ✓ Lithuania ✓ Latvia ✓ Estonia ✓ Hungary
 ✓ Slovenia ✓ Greece

Non-euro zone ✓ Poland ✓ Romania ✓ Bulgaria
EU countries ✓ Czech Republic ✓ Slovakia

Balkans ✓ Croatia ✓ Serbia
 ✓ Bosnia and Herzegovina ✓ Turkey

Other European ✓ Russia ✓ Ukraine ✓ Belarus
countries



- South America**
 - ✓ Brazil ✓ Argentina ✓ Chile ✓ Uruguay
 - ✓ Venezuela ✓ Bolivia ✓ Paraguay ✓ Peru
 - ✓ Colombia ✓ Ecuador

 - Central America**
 - ✓ Mexico ✓ Honduras ✓ Jamaica
 - ✓ Costa Rica ✓ Guatemala
 - ✓ Dominican Republic ✓ Trinidad & Tobago

 - Asia**
 - ✓ Thailand ✓ South Korea ✓ China
 - ✓ Kazakhstan ✓ Hong Kong, ✓ Singapore
 - ✓ Malaysia ✓ Brunei ✓ India

 - Middle East**
 - ✓ Saudi Arabia ✓ United Arab Emirates
 - ✓ Iran ✓ Kuwait ✓ Qatar

 - Africa**
 - ✓ South Africa
-

Debitum Network must set up initial community in each country, starting with participants for each crucial role of the ecosystem - risk assessors, insurance providers and debt collectors. If available, Debitum Network must also add and activate investment brokers, market operators and other available digital SME finance counterparties onto the ecosystem.

Time Horizon of Five Years

Possessing sufficient contributions for fast ecosystem build-up, we shall enter most of the countries around the world where SMEs significantly lack access to finance within 60 months. Current plan is to enter 50 countries with the worst IFC indicators for SMEs access to credit.



As we use region by region and country by country approach, Debitum Network will enter key countries in every region during year one, build regional teams, enter other key countries in every region during year two, strengthen the regional teams and enter the rest of the target countries in year three. Our business experience in alternative financing shows that a build-up to platform maturity in any target country may take up to three years. Thus the whole Debitum Network shall be built within five years.

After three years of operation in a country, on average, Debitum Network shall become self-sustainable there. We believe that during the three year period in average-size market Debitum team will be able to create local communities for each counterparty role of the ecosystem to the level where service providers become objectively decentralized and can evolve further on their own. Debitum team will ensure continuous support to the communities of Debitum Network.

Debitum Network Autonomous Drive Comes with 440 Counterparties

Debitum Network must gain two properties - it should become truly global and self-sustaining / autonomous.

To have truly global reach we believe that Debitum Network should run in 50 countries with the most underserved SMEs. Based on Debitum Network team's alternative finance experience in countries where statistically SMEs have poor access to credit, we will run a following network development plan. To become self-sustainable and able to attract network of borrowers to the ecosystem, each country should have established Debitum Network community consisting of at least:



✓ 1-2 Risk assessors	✓ 1-2 Insurers (local or regional, serving several countries)	✓ 1-2 Debt collectors	✓ 2-3 Institutional lenders (regional or global, serving many countries)
-----------------------------	---	----------------------------------	--

So each country may start with 5-9 counterparties. We estimate that Debitum will be well on the path to become global, self-sufficient network after reaching about 440 counterparties in 50 target countries. Once these goals are achieved, local Debitum Network communities to a large extent will grow organically and become self sustainable, with Debitum Network management team ensuring required support to Debitum Network participants.

Target KPIs to Watch

The main KPI is a number of debt transactions on Debitum Network, because all other transactions are derivative from the debt transactions (i.e., would not exist without future, in process or completed debt transactions).

Other important KPIs are number of borrowers who will fuel the ecosystem with their request for loans, number of countries and counterparties to ensure global reach and sufficient choice of services needed.

Finally, it is important to follow the number and amount of Debitum token transactions as they indicate healthy adoption of Debitum Network ecosystem and may indicate if tokens will appreciate or depreciate in value.

Below are the primary KPI and other KPIs based on Stage 1 Crowdsale to follow for measuring if Debitum Network is on the needed growth path to become a global and self-sustainable ecosystem:



KPIs	EoY 1	EoY 2	EoY 3	EoY 4	EoY 5
Debt transactions, MUSD	3,3	23,3	70,3	105,5	128,9
Borrowers, number	210	1,500	4,500	6,750	8,250
Countries, number	3	10	15	15	15
Counterparties, number	9	28	54	75	132
Debitum token transactions, annual turnaround of tokens	3,5 million	26 million	80,3 million	124 million	156 million



Risks

The loss or destruction of a private key required to access tokens may be irreversible. The project operator's loss of access to its private keys could adversely affect the utility of Debitum tokens.

Currently, the use of crypto assets in retail and commercial marketplaces is relatively small in comparison to the relatively large use by speculators, thus contributing to price volatility that could adversely affect the utility of Debitum tokens.

The further development and acceptance of the Ethereum blockchain and other cryptographic and algorithmic protocols governing the issuance of transactions in digital currencies, which represent a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate.

The slowing or stopping of the development or acceptance of Ethereum may adversely affect the utility of Debitum tokens. The developers of Ethereum could propose amendments to the protocols and software that, if accepted and authorized by the network community, could adversely affect the utility of Debitum tokens.

If a malicious actor or botnet obtains control of the Ethereum network, such actor or botnet could manipulate the network to adversely affect the utility of Debitum tokens or the ability of the Debitum project to operate. The acceptance of Ethereum network software patches or upgrades by a significant, but not overwhelming, percentage of the users and miners could result in a "fork" in the blockchain, resulting in the operation of two separate networks that could adversely affect the utility of Debitum tokens.

Due to the unregulated nature and lack of transparency surrounding the operations crypto assets, the marketplace may lose confidence in Debitum tokens or Ethereum, upon which the project is dependent.



The utility of tokens relates directly to the publicly perceived value of the network. The lack of positive sentiment could materially and adversely affect the utility of Debitum tokens. The exchange value of tokens may be subject to momentum pricing due to speculation regarding future appreciation in value, leading to greater volatility which could adversely affect the utility of Debitum tokens. A possible “short squeeze” due to a sudden increase in demand for the tokens that largely exceeds supply may lead to price volatility in the tokens.

Regulatory changes or actions may alter the nature of operations with tokens or restrict the use of tokens or the operation of the entire Ethereum network, or the crypto exchanges in a manner that adversely affects the utility of tokens.

The developers’ ability to adopt technology in response to changing regulatory environment, market needs or trends poses a potential challenge to the utility of tokens.

The treatment of the tokens and Ethereum’s native currency, ETH, for income tax purposes is uncertain. Future developments in the tax treatment of tokens and ETH could adversely affect the utility of Debitum tokens.

WARNING

THIS DOCUMENT AND ANY OTHER DOCUMENTS PUBLISHED IN ASSOCIATION WITH THIS WHITE PAPER RELATE TO A POTENTIAL TOKEN OFFERING TO PERSONS (CONTRIBUTORS) IN RESPECT OF THE INTENDED DEVELOPMENT AND USE OF THE NETWORK BY VARIOUS PARTICIPANTS. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OF SECURITIES OR A PROMOTION, INVITATION OR SOLICITATION FOR INVESTMENT PURPOSES. THE TERMS OF THE CONTRIBUTION ARE NOT INTENDED TO BE A FINANCIAL SERVICES OFFERING DOCUMENT OR A PROSPECTUS. THE TOKEN OFFERING INVOLVES AND RELATES TO THE DEVELOPMENT AND USE OF EXPERIMENTAL SOFTWARE AND TECHNOLOGIES THAT MAY NOT COME TO FRUITION OR ACHIEVE THE OBJECTIVES SPECIFIED IN THIS WHITE PAPER. THE PURCHASE OF TOKENS REPRESENTS A HIGH RISK TO ANY CONTRIBUTORS. TOKENS DO NOT REPRESENT EQUITY, SHARES, UNITS, ROYALTIES OR RIGHTS TO CAPITAL, PROFIT OR INCOME IN THE NETWORK OR SOFTWARE OR IN THE ENTITY THAT ISSUES TOKENS OR ANY OTHER COMPANY OR INTELLECTUAL PROPERTY ASSOCIATED WITH THE NETWORK OR ANY OTHER PUBLIC OR PRIVATE ENTERPRISE, CORPORATION, FOUNDATION OR OTHER ENTITY IN ANY JURISDICTION. THE TOKEN IS NOT THEREFORE INTENDED TO REPRESENT A SECURITY INTEREST.

Visit <https://debitum.network> to read the White Paper, to subscribe for future updates, to comment and ask questions.

