



ètalonium
DECENTRALIZED FASHION WORLD



White Paper

ABSTRACT

This White Paper provides an overview of Etalonium’s (hereinafter “Company”) business model and the architecture of a decentralized online platform in the world of Fashion, which provides functionality for open and reliable interaction between the subjects of the fashion industry in a modern and user-friendly way as further described in this White Paper, available under www.etalonium.io (hereinafter “Etalonium Website”), and the Etalonium Token, a utility token issued on the Ethereum blockchain using the smart contract technology, which complies with the ERC-20 standard and will be freely transferable on the Ethereum platform (hereinafter “MODL”). The MODL already exists on the Etalonium Platform and is due to go on sale within an Initial Exchange Offering (hereinafter “IEO”).

Before you decide to invest in or purchase MODLs, please carefully read this White Paper, especially the Legal Disclaimer section and the Further Risk Factors section, and all further documents mentioned in this White Paper or provided by the Company, in particular the Terms and Conditions, and consult with your own legal, financial, tax or other professional advisors. All documents are available for download at www.etalonium.io. An investment in MODL is speculative, involves high risks, which you should understand prior to making an investment, and can lead to a total loss of the investment. If you are in any doubt or in case of remaining circumstances you do not understand it is strongly recommended that you restrain from any investment in or purchase of MODLs.

This White Paper is of the date first above written, represents work in progress, may not be final or complete, does not contain all material information regarding an investment, including specific information relating to investment risks, and is subject to change. This White Paper illustrates the intent of the Company to develop, launch and market the Etalonium Platform and the MODL. The implementations of these products are built on new technologies and it is expected that significant changes will be continually required to meet the evolving requirements of the market’s and customer’s demands.

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DEFINITIONS

Company

Etalonium

CRM

Customer Relationship Management

ETH

Ethereum

Excluded Third Parties

Persons with registered residence or office, habitual residence or tax residence in countries or initiate the acquisition of MODL from or through countries in which the sale or purchase of tokens and cryptocurrencies is prohibited or subject to certain conditions, such as official approval, which have been classified as high-risk countries and countries under observation with regard to money laundering and terrorist financing by the Financial Action Tasks Force (FATF), or against which embargoes or sanctions have been imposed, in particular by the United States of America or the European Union. These countries in particular include the Excluded Countries.

Excluded Countries

Bosnia and Herzegovina, the Democratic People's Republic of Korea, Ethiopia, Iran, Iraq, Sri Lanka, Syria, Trinidad and Tobago, Tunisia, Vanuatu, Yemen, Singapore and Cuba.

MODL

Etalonium Token, a cryptocurrency (payment token (cryptocurrency)) issued on the Ethereum blockchain using the smart contract technology, which complies with the ERC-20 standard and will be freely transferable on the Ethereum platform.

EC

Etalonium Coin, a cryptocurrency, that serves as internal project coin, issued on ExtraCoin blockchain and is used for securing internal lightweight transactions. Etalonium Coin is internal equivalent to MODL.

DEFINITIONS

Etalonium Platform

Decentralized online platform in the world of Fashion, which provides functionality for open and reliable interaction between the subjects of the fashion industry. Platform has different platforms described in sections “Platform Ecosystem” and “Platform Functional modules”. Platform will be available under www.etalonium.com, www.etalonium.io.

IEO

Initial Exchange Offering

Big Data

Field that treats ways to analyze, systematically extract information from, or otherwise deal with data-sets that are too large or complex to be dealt with by traditional data-processing applications.

Fashionmaker

A person engaged in fashion industry. Designer, stylist, photographer etc. but not a model.

NN

Neural Network algorithm. It is an evolutionary algorithm that simulates work of natural brain. Commonly, these algorithms are used for image, sound and speech recognition. Also, it is able to find sequences in big amount of data in a fast and reliable way. That is why this type of algorithm is used in Big Data processing.

MARKET ANALYSIS AND TRENDS



Stable growth

Historically, the Fashion Market has shaped trends, which in turn have a direct impact on all spheres of human life in society. Thus, Fashion Industry is a kind of engine of progress for a huge number of individuals. The market is constantly in motion.

The global online fashion market is predicted to reach \$765 billion by the year 2022, a projected increase of \$281 billion, or 58%, from year 2018. In fact, in 4 years, 36% of total fashion retail sales are expected to occur online, up from 27% year 2018. [2]



The demand for personalization.

The trend number 1 in the global business processes. Customers favor businesses who align with their own values, and fashion is a huge expression of this trend. Such expectations are driven heavily by increased visibility across personal networks via social media, and only retailers who can identify with their customers in an honest, personalized way will succeed. Additionally, an increased demand for unique items - along with better quality, prices and exclusivity, is also prevalent.

In order to foster a long-term relationship with their consumers, retailers will need to offer a personal touch to stand out.

In 2021, we are expecting to see more fashion brands leverage data and machine learning technology to provide personalization in a variety of ways, including brand storytelling, custom recommendations, individualized curation and more. [1]

MARKET ANALYSIS AND TRENDS



The volume forming world GDP by 5%

According to the latest data, the volume of the fashion market is estimated at \$ 2.4-3 trillion. [1]



The pursuit of innovation

The share of transactions on mobile platforms is also constantly growing. As example, in China, 2012, online retail sales grew 4.7 times faster than China's total retail sales of consumer goods.

Forrester [2] notes that 58% of the global online population has made a purchase online this year, and that roughly half of those have bought clothing, accessories or footwear. E-commerce has a greater impact on the fashion market than the broader retail one: it accounts for 27% of global fashion sales this year, compared to 15% of global retail sales.

This is why [1] brands are increasingly shifting the focus to online sales.



China Market Analysis

According to the National Bureau of Statistics of China (NBS), the total retail sales of clothing, shoes, hats and textiles by enterprises above designated size in 2011 rose nominally by 24.2% year-on-year (yoy) to reach 795.5 billion yuan.

Chinese consumers have traditionally relied on western brands for the latest trends, especially in the luxury sector. The fashion industry is no exception. "China is crazy about heritage," confirms Chinese high fashion designer Ping He, which is why luxury brands like Christian Dior, Prada, Burberry, Hermès and Ferragamo have seen growth in China between 27 and 65 percent from 2009-2012. Brand recognition is also very high with Chinese consumers who are well traveled and used to picking up their favorite brands abroad.

MARKET ANALYSIS AND TRENDS

Now, with so many foreign brands entering the Chinese market, they don't have to. Even French department store chain Galeries Lafayette is back with a flagship store in Beijing, after a failed attempt to enter the market fifteen years ago.

The notion that anything hip and trendy has to come from abroad is slowly changing, as Chinese companies are establishing their own fashion brands and collections. Ne Tiger, for example, is the country's first own luxury fashion brand and big Chinese fashion companies like casual wear brand Metersbonwe, the Trendy International Group and jewelry company Qeelin, have discovered foreign shores for expansion, especially Europe and the US. News of China's biggest apparel group Bosideng, buying British menswear label Greenwoods shook the industry just a few weeks ago. The move not only signifies that Bosideng is all set to become a true global brand, but is also a trend setter for other companies.

As we want to break into the Chinese fashion industry, we should first of all understand the market and the consumer, including Chinese sizes and bodies. Quality is a big draw, with the best example being European products, which Chinese consumers love for their premium quality and fabrics. Geography is also key - keeping the vast market with its regional preferences in mind and that not only first-tier-cities are important but also second - and third-tier ones. After all, Uniqlo, H&M, Zara, C&A, Gap Inc., Nike and Adidas are already banking on smaller cities to grow their business. We should keep in mind that e-commerce is booming and that a strong, customer friendly Internet presence is a "must-have". For example, in 2012 online retail sales grew 4.7 times faster than China's total retail sales of consumer goods.

With almost 255 billion US dollars in exports in 2012, China is the undisputed textile and garment export champion of the world.

According to the China Chamber of Commerce for Import and Export of Textile and Apparel (CCCT), the lion's share of 44.8 percent goes to the Asian countries, followed by Europe with 23.3 percent and North America with 16.8 percent.

MARKET ANALYSIS AND TRENDS

With more than 100,000 manufacturers, China's garment industry is huge and employs over 10 million people. In 2012, China made 43.6 billion pieces of garments with an export value of 153.219 billion US dollars. Geographically, the industry is mainly located in the south east in the garment clusters around the Pearl River Delta, Yangtze River Delta, the Bohai Sea region and the southeastern coastal areas. Though there are altogether 50 garment clusters throughout China, it is the total output of the five provinces Shandong, Jiangsu, Zhejiang, Fujian and Guangdong in the eastern coastal area that make up 70 percent of China's total garment output.

According to the China National Garment Association (CNGA), "China's garment industry has gained an advantage in making garment products of all kinds of categories in a fast and timely manner, which secures its front ranking in the world market in terms of capacity and quality." The focus has so far been more on the copying of designs but this is slowly changing with manufacturers and domestic brands investing in original creations.

Though China is the number one in terms of textile and garment exports in the world, its situation is very different from a country like Bangladesh for example in terms when it comes to the industry's overall importance. While in Bangladesh, it is the main and most important industry (at 85.9 percent of all exports), in China it is one of many of the country's major industries like mining, iron and steel, aluminium, coal, petroleum, machinery, armaments, cement, fertilizers, food processing, automobiles and many others. [3]

PROBLEMS AND SOLUTIONS



Industry fragmentation

Fashion is one of the largest and most fragmented industries in the world, divided into several segments and product categories located in many different types of organizations and widely spread across geographic regions.

Solution:

globalization within a decentralized platform and a range of products.



Industry Corruption

Not many people manage to conclude a lucrative contract with an Agent, much less get into the rank of the Elected. Most models and fashionmakers remain forever in the “shadow” and not having fulfilled their dreams of career and professional growth. Accordingly, the models and fashionmakers have need in a safe and reliable environment in which they would have access to the realization of their capabilities in real time.

The sieve effect (filtering) does not allow many applicants to the industry. Fashion trends are artificially imposed through trend-setters (fashion professionals), their opinions are fundamental for shaping what is fashionable and expensive and what is not.

Solution:

The platform allows you to become such a trend-setter regardless of the initial connections and authority using open ratings, and also gives you the opportunity to join modern sustainable trends - streaming content, creating content within social networks, etc.

PROBLEMS AND SOLUTIONS



Bad security environment

Agencies and customers do not always effectively protect models or artists in the fashion industry from fraudsters, non-fees, sexual harassment and slavery.

Solution:

The blockchain provides openness to all participants in the process and ensures trust between them.



False fundamental rankings and competencies

The lack of quality assessment standards, currently, they are determined by a group of individuals based only on their personal preferences and experience.

Solution:

Rating is formed by collecting data on the work done, as well as the active interaction with other members of the community.

Model Fashion Maker Agent Customer

PLATFORM ECOSYSTEM



Model

It is registered, verified according to the requirements of the platform and gets a place in the rating. The rating rises due to the influx of Etalonium Coin from customers and completed contracts. The model can use Etalonium Coin to pay for services within the platform as well as in friendly services.

Fashion Maker

It is registered, verified according to the requirements of the platform, and further advertises, sells its services, uses other people, influences the rating of models, forms its own.



Agent

The agent is the first and main subject regulating the interaction of the Model with other subjects of the Fashion world. Supervises the process of contract execution or participates in the production of its Affiliate Users. Contributes to the formation of the rating model, the search for new business contracts for the model.

Customer

Pay through Etalonium Coin any product, service or advertisement on the platform, has personal rating.



Model

Fashion Maker

Agent

Customer

PLATFORM ECOSYSTEM

The key point of the platform ecosystem is reputation module. Each user, no matter what role he or she has, uses reputation to safely interact with platform and other users.

Reputation (R) is based on key parameters of each role:

1 For model or fashionmaker:

Wd - amount of finished contracts;

Dg - registered time (in days);

Pt - total amount of Etalonium Coins received from completed contracts;

Ds - amount of Etalonium Coins received from all donation channels;

Cr - closing rate from employee.

This parameters describe three main metrics:

1. Activity = Wd / Dg

2. Average Price = Pt / Wd

3. Average Rate = Cr / Wd .

$$Cr = r1 + r2 + \dots + rn, \text{ where } n = Wd$$

$$R = (Ds * Pt/Wd * Wd/Dg) + Cr$$

2 For customer:

Dg - registered time (in days);

Ds - amount of Etalonium Coins received from all donation channels;

Cr - closing rate of contracts made with other platform participants;

$$R = Ds * Dg * Cr$$

3 For agent:

rn - rating of platform participant brought by this agent (all users invited into the platform with referral link are connected with the agent. This link can be broken only if both participants agree);

n - amount of users connected with the agent.

$$R = (r1 + r2 + \dots + rn) / n$$

PLATFORM FUNCTIONAL MODULES



The system of reputation and protection of decisions based on the blockchain

The basis of the reputational module, covering all activities of the network participant, is the blockchain. It ensures the integrity and reliability of each transaction made and can serve as a guarantor of verification of the participant's actions. According to the idea of the system, the rating is made up of the initial data indicated by the participant and their follow-up. Any actions within the framework of the platform affect the rating and cannot be forged thanks to the blockchain.



Personal Area

Personal account includes user rating in the system, tools for searching by specified groups with filtering by preferences, calendar of events, public calendar of models.th in China between 27 and 65 percent



Etalonium Wallet

The wallet is a significantly improved version of the traditional cryptocurrency wallet, as it offers not only opportunities for receiving and sending transactions to Etalonium Coin, but also generates statistics on spending and profits, allowing you to effectively use the platform.



Matching module

The platform offers users to evaluate how much their taste coincides with the opinion of other users, using the "One of Three" mini-game. The choice offered accounts of three models or fashionmakers, the user must select one of them. The choice is made by the user providing a virtual gift to the selected Model. The number of gifts received by the Model determines its place in the popularity rating among users.

PLATFORM FUNCTIONAL MODULES



Event module

The module is a service for organizing events. An interested person can set up a public invitation to an event related to the fashion world. The inviter indicates the amount of EC needed to attend the event, the opportunity to attend the event may be paid or vice versa - the reward may be issued for attending the event. Confirmation of a visit to the event takes place through geolocation and additional conditions set by the organizer.



Rating module

All of the above modules affect the formation of user rating in the project. Sources of formation can be divided into three groups (one for each role in the network):

- 1** For the model - the implementation of contracts with Fashion makers, sponsorship contributions from users and participation in public events.
- 2** For the agent - the rating of the models led by him. For the agent, it is possible to abandon the model after confirmation. Failure means that the agent returns model tokens and the model rating ceases to influence the agent rating.
- 3** For the Fashion Maker - successfully completed contracts with models, rating of models with which contracts were signed, participation in an affiliate program.



Affiliate module

This module allows the inclusion of partners adjacent to the fashion industry, such as beauty salons, cosmetology studios, airlines, taxi services, hotels, restaurants, etc. The module was created to provide discounts and unique conditions to platform members.

PLATFORM FUNCTIONAL MODULES



Marketplace

Built-in marketplace for brands or fashion maker beginners in order to sell their own products or services among platform members. If a brand wants to attract models to its brand promotion campaign, it can post an ad with a fixed payment amount attached to it. The model, in turn, fulfills the terms of the contract and advertises the proposed brand or product, for which, after the end of the campaign, receives the agreed amount of Etalonium Coin or other remuneration under the contract.



Messenger

To ensure the connection of all network participants, the project has a messenger module. The decentralization of data storage and the presence of a blockchain also allow you to create a distributed messaging system. Stability and safety is guaranteed by the presence of the above modules and allows the use of the approaches previously mentioned in all previous modules.



Additional modules

To make experience of our users better we plan to add these modules after release:

- Pattern analyzer: partly-distributed big data analyzer based on NN. Snapshots, created from user data, depicts trends. They are strongly anonymized. This way we combine high security of user data with ability to analyze it to predict global trends;
- Personal advisor: a module, based on pattern analyzer. It makes trends serve people, not people serve trends! This way users will have free and unlimited access to global prediction mechanisms.

BUSINESS ADVANTAGES

The Fashion Industry and the video streaming market are growing rapidly in Asia, more than 40% per year each. We strive to firmly occupy our niche in the Asian market, linking the various stakeholders of the fashion industry.

We consider streaming platforms as our competitors, but at the same time we see the possibility of cooperation by giving them our token for use.

Our main advantage is a clear understanding of the market, which produces the best models, flexibility and in-depth understanding of the fashion market in the post-Soviet countries. We already have the MVP, we have held several major events of international scope, and we have recognition among the recognized participants in the fashion industry.

- 1 Blockchain makes financial transactions secure and protects the rating system from fraud.
- 2 We have a utility token.

Our system of tokens serves as a donation option for users, the token can be sent by the user as a donation to your favorite streamers. In addition, the token is used by models to gain access to master classes and other platform services.

BUSINESS MODEL

The strategic goal of the Etalonium project is to build stable cryptocurrency ecosystem in the world of Fashion and to make this ecosystem available around the world. After analyzing existing platforms we decided to improve the experience of users by creating a structure with all modern social channels and supply technology chains. All parts are designed to help people find and express themselves.

Our platform introduces friendly fees and is open to discussions and suggestions. Platform has four different ways of monetization, according to number of main parts of project:

- Streaming service
- Inner transactions system
- Analytics and targeting modules
- Personal Advisor

In general, translation and value transferring system are based on "fiat - token - coin" chain.

Coin is a stable representation of Token in system. So, the ratio of this representation is:

MODL : EC = 1 : 1

Therefore, final price of coin are based on token's price on all platforms where token is tradable. So, this chain works in all variants, from "fiat" to coin and from coin to "fiat".

Also, Platform has two subscription plans:

- Major - subscription plan for business and fashion data scientists (1000 EC per month);
- Minor - subscription plan for users (200 EC per month);

Information about modules, available through this plans can be found in this chapter.

BUSINESS MODEL

Streaming service

The streaming service is represented by the streaming platform Etalonium which will be merged to the Etalonium App in future.

At the first stage there will be certain number of models certified by Etalonium who are available to make content. Later on this option will be available for every Etalonium App user.

This service is monetized through virtual "gifts" and donations for content creators. There will be 3 levels of gifts:

- 1st level: simple (streamer and watchers will be notified about this gift in chat - the message is marked up by different colour)
- 2nd level: ordinary (static picture, appears for 2 seconds, all people will be able to see it)
- 3rd level: complex (animated picture appears on the screen for 3 seconds, message appears in the chat)

Gifts could be bought via EC and the price starts from 1 EC.

During the stream content maker may be rewarded by receiving a gift.

For a content maker received gift are represented as EC which could be swapped to MODL token. MODL token as it was mentioned earlier is available to trade on the exchange.

Streamer fee will be not bigger than 40% of virtual gift, instead of 60% at all famous streaming platforms as Inke, Douyu etc.

Fee for conducting transactions within the platform

Company, as a development supporter and service provider of system, charges small fee for each transaction in Etalonium Coins. All these funds will be sent for improving and developing platform according to needs of platform users.

BUSINESS MODEL

Platform charges 3% fee of each transaction and, according to development plan, sends these funds to:

- Development of smart analytical data tools for users;
- Development of personal advisor;
- Support of approved entry nodes and data storages;

Analytical research tools (trend analysis tools)

These are additional analytical tools, that will be useful for everyone, who live in modern fashion world. All anonymized data, that we collect, as our previous researches as data, collected from user routine, will be sorted, categorized and will be accessible in form of charts and reports. These reports will be updated in real time, thanks to smart analytics and pattern analyzer. This tool will be indispensable for everyone who wants to follow and create trends in fashion world.

This service will be accessible as part of Etalonium Major Subscription Plan.

Personal Advisor

Personal advisor is a lightweight module, connected with Pattern Analyzer module, but displays predictions and advices only for one user. As for example, this module can tell you, what trends do you follow or what can you do to improve your look (for example).

This service will be accessible as part of Etalonium Major Subscription Plan.

TOKENOMICS

Token advantages

- 1 Token grants access to the platform.
- 2 Token is not bound with an owner.
- 3 Equivalent of inner coin at the beginning.
- 4 Token is an identifier of backer and it grants access to unique elements at platform.
- 5 Backer gets access to high-level platform services.
- 6 Token is an instrument for getting access to virtual presents.

Token value

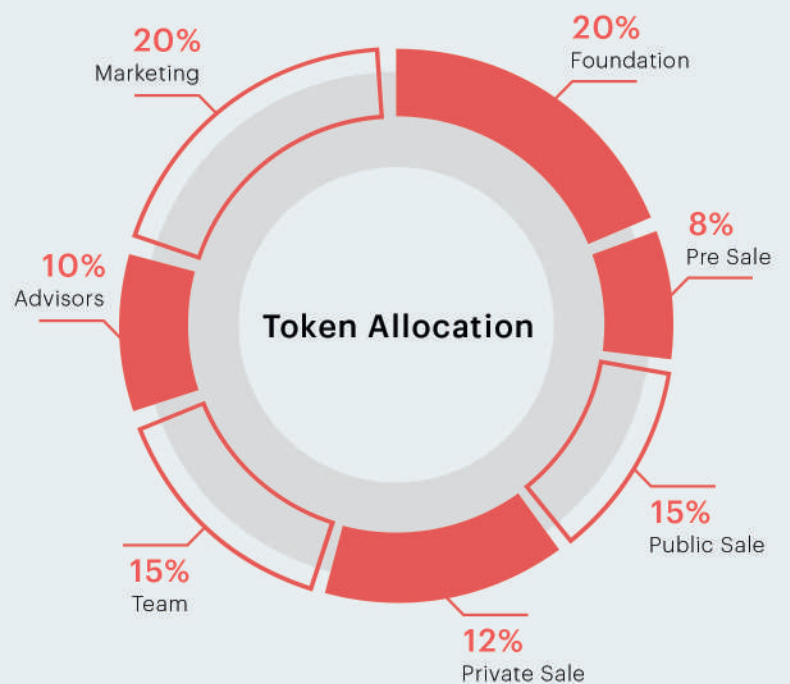
Token value corresponds with platform services. Since there is a plan to launch platform modules separately, starting token price is calculated as price of each modules separately.

Token volume

600 000 000 Tokens

Starting price

0.1 USDT



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<https://fashionunited.cn/fashion-industry-statistics-china>

ROADMAP

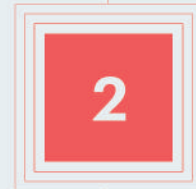


March 2019 - June 2019

Closed Alpha

July 2019

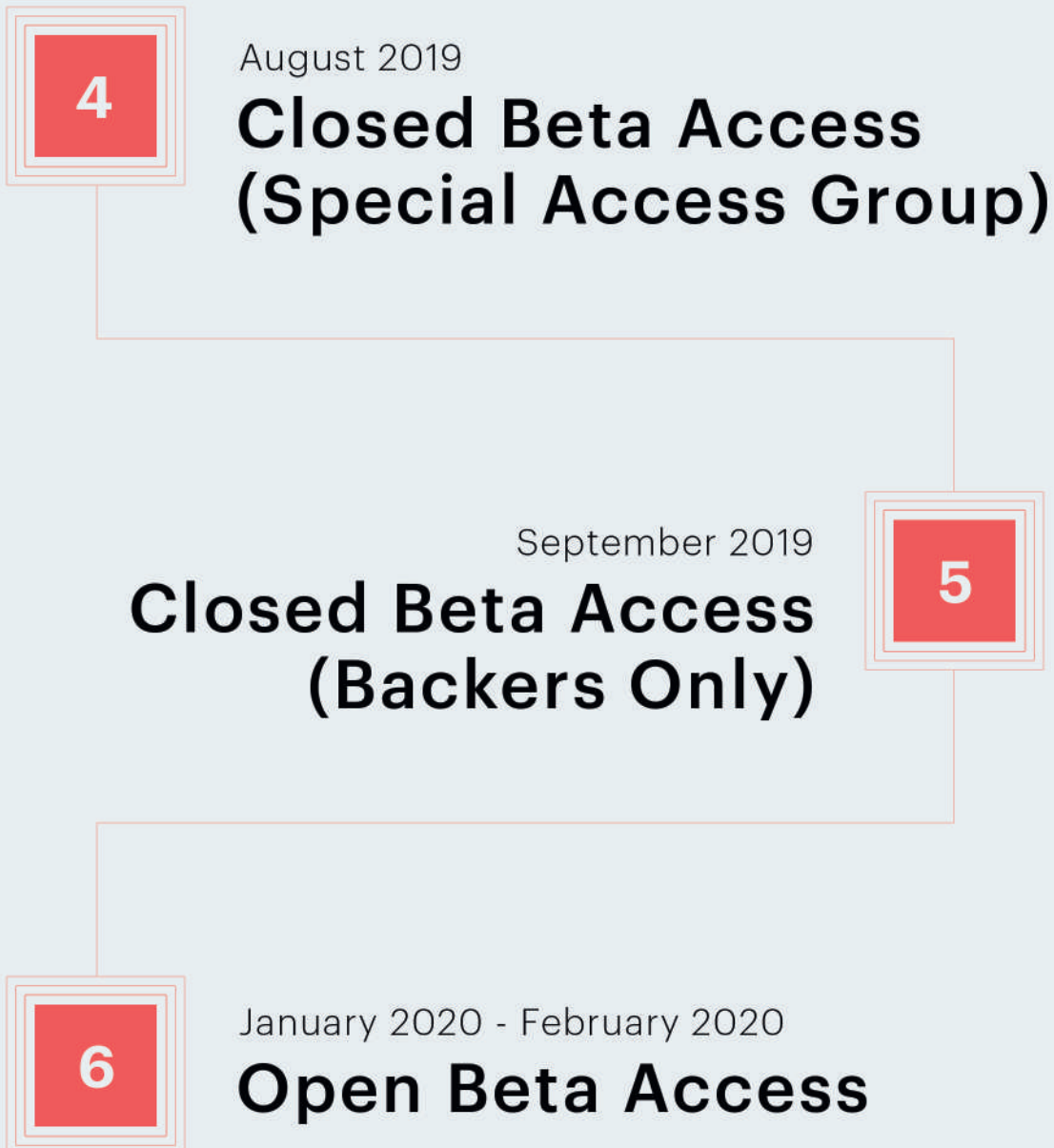
IEO



August 2019 - February 2020

**Analytical modules
development (Personal
Advisor and smart
analytical research)**

ROADMAP



ROADMAP



February 2020

In-App Marketplace Launch



March 2020

Analytical modules Launch



January 2021

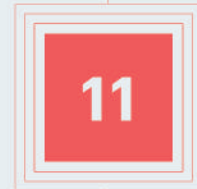
Launch in France

ROADMAP



February 2021

Launch in Italy



February 2021

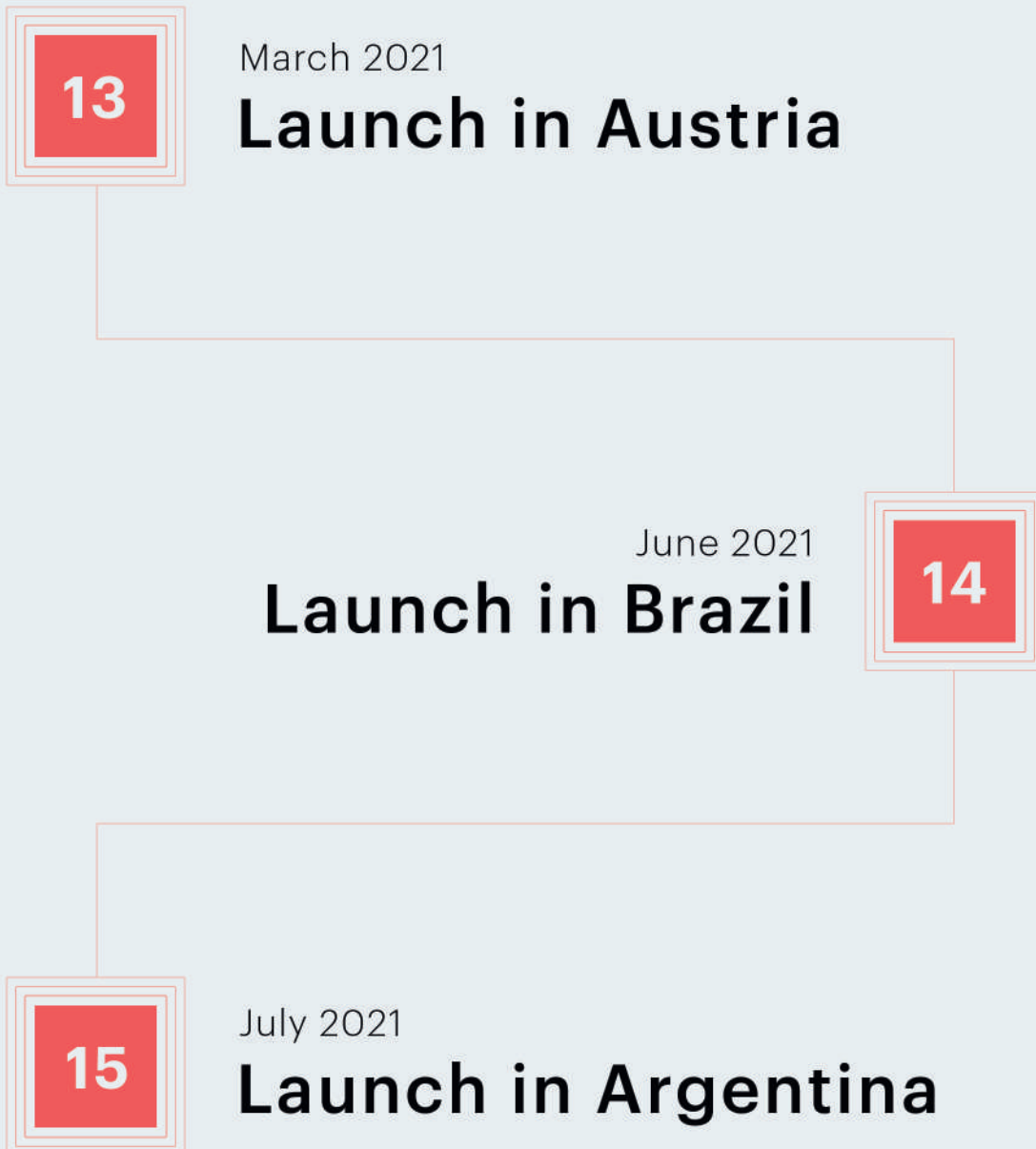
Launch in Switzerland



March 2021

Launch in Germany

ROADMAP



TEAM



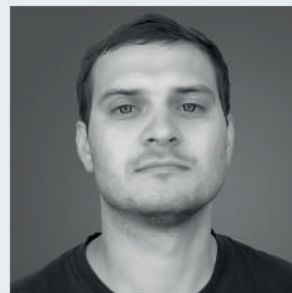
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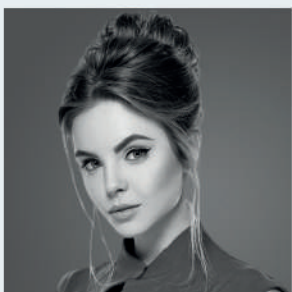
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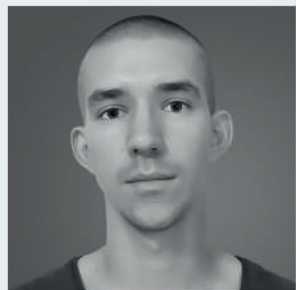


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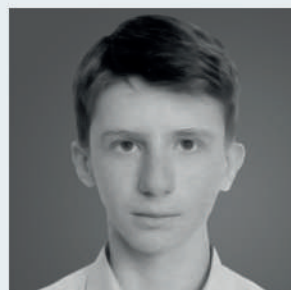
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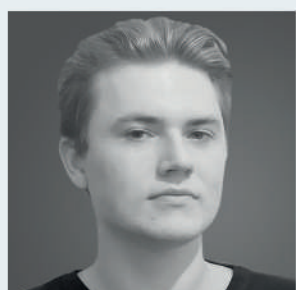
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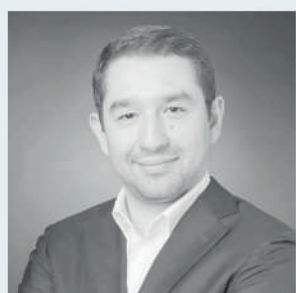
Advisor
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Advisor
**Alexander von
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Advisor
Shirly Valge



Advisor
**Farkhad
Shagulyamov**



Advisor
Jason Butcher

LEGAL DISCLAIMER

NO PROSPECTUS OR OFFER TO INVEST IN OR PURCHASE A SECURITY OR FINANCIAL INSTRUMENT

1 The MODL is designed as a pure payment token (cryptocurrency) and does therefore, according to their structure, not constitute a security or financial instrument. Nothing in this White Paper shall be deemed to constitute a prospectus or offer document for securities or financial instruments of any kind in any jurisdiction nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction. the fashion industry. Platform has different platforms described in sections “Platform Ecosystem” and “Platform Functional modules”. Platform will be available under www.etalonium.com, www.etalonium.io.

2 This White Paper is for project description and informational, illustration and discussion purposes only and does in no way provide an offer to sell or a solicitation of any offer to buy neither the planned MODLs nor any security or other financial instrument. Furthermore, this White Paper does not constitute an investment recommendation to acquire MODLs or for the disinvestment of other securities, financial instruments or other assets.

ESTABLISHMENT OF A LEGAL RELATIONSHIP SOLELY ON THE BASIS OF INDIVIDUAL AGREEMENTS

3 This White Paper does not imply any elements of a contractual relationship. The content of this White Paper is not binding for the Company and is subject to change in line with the ongoing research and development of the Etalonium Platform. Any legal relationship between a token purchaser of the planned MODL and the Company is not established by this document but solely based on separate individual agreements and conditions, in which the rights and obligations of a token purchaser and the Company are ruled. In case of any ambiguities or contradictions the regulations of the individual agreement take precedence over the information contained in this White Paper.

LEGAL DISCLAIMER

NO REPRESENTATION OR WARRANTY AS TO THE INFORMATION CONTAIN IN THIS WHITE PAPER

4 The information contained in this White Paper is for general understanding purposes only. This White Paper is for discussion and presentation purposes only. The Company endeavours to keep the information contained in this White Paper up-to-date and correct, however, the Company has no obligation to update or keep current any information or projections contained in this White Paper. The Company does not make any representation or warranty of any kind as to the accuracy, completeness, reliability, suitability or availability of the information contained and the conclusions reached in this White Paper.

HIGH RISK OF LOSS

5 The purchase of MODLs involves considerable risks. Therefore, a token purchaser should not invest a substantial part of its assets for the purchase of MODLs and should be economically able to cope with a total loss of the investment. A token purchaser should have experience with cryptocurrencies, in particular issued by start-up companies, and should be able to understand the economic and technical interdependencies of the entrepreneurial activities of Etalonium and the MODL and the impact on the value of the MODL.

NO FINANCING THROUGH LOAN

6 It is strongly advise against the financing of the purchase of MODLs through a loan. The obligations to pay interest and amortization remain even if the purchased MODLs should become worthless.

THIS WHITE PAPER DOES NOT REPLACE COMPETENT ADVICE

7 This White Paper merely gives an overview over the planned investment and business activities of The Company, the Etalonium Platform and the planned MODL. This Whitepaper does not constitute investment, economic, legal, tax, regulatory, financial,

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accounting or other advice, and is not intended to provide the sole basis for any evaluation of a transaction on acquisition of MODLs. This White Paper cannot replace investment, economic, legal, tax, regulatory, financial, accounting or other advice. Prior to the acquisition of MODLs, a token purchaser should independently assess any possible risks, seek advice with respect to the economic, legal, regulatory and tax implications of the purchase of MODLs and should consult with his/her own investment, legal, tax, accounting or other advisors to determine the potential benefits, burdens, risks and other consequences of a purchase of MODLs. The Company does not accept any liability with respect to the personal economic goals a token purchaser strives with the purchase of MODLs.

ALCULATIONS, FORECASTS AND FORWARD-LOOKING STATEMENTS

8 The information set forth in this White Paper may not be exhaustive. The calculations and forecasts in this White Paper are essentially based on the experiences or assessments of the management of the Company. In this respect, this White Paper contains forward-looking statements, in particular subjective objectives of the future business development, which are associated with uncertainties and risks. Opinions, assumptions, assessments, (forward-looking) statements or the like reflect the current state of perceptions and expectations of the Company and constitute only subjective views, beliefs, outlooks, estimations or intentions of the Company. These perceptions and expectations may contain perception errors and errors of assessment and thus prove to be incorrect. The calculations were made with care and with commercial caution. Nevertheless, it cannot be excluded that events or developments, which were not taken into account within the calculations and forecasts, lead to significant deviations of the actual results of the Company and thus possibly to a deterioration in the value of the Etalonium Platform and the planned MODLs. Opinions, assumptions, assessments, (forward-looking) statements or the like should not be relied on, are subject to change due to a variety of factors, including fluctuating market conditions and economic factors,

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and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond the control of the Company. Therefore, there can be no assurance that the events and developments described in this White Paper can be achieved. The token purchaser bears the risk of deviating events and developments.

ETALONIUM, ETALONIUM PLATFORM AND MODL

9 The Company and the Etalonium Platform have limited operating history, which makes it hard to evaluate its ability to generate revenue through operations.

10 The Company may be forced to cease operations for some reason. The Company may not successfully develop, market and launch the Etalonium Platform and the MODL and even if launched the Etalonium Platform and the MODL may not be widely adopted, may have limited users, could be subject to significant competition and may not be successful and not meet the expectations.

11 The Company exclusively offers to facilitate mediation of services and the handling of payments but is in no way responsible for the execution of the facilitated service via the Etalonium Platform.

12 The MODL is a payment token (cryptocurrency) which does not substantiate any debt claim against the Company and comprises no further rights neither vis-à-vis the Company nor third parties, in particular no participation or membership rights, no voting rights, no ability to influence the Company's decisions, no dividend rights, no subscription rights, no usage / utility rights and no access to services. MODL does not represent an investment or a share in the Company. MODL purchasers have no claim to any benefits and no right to return acquired MODLs to the Company.

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13 There is no assurance that MODLs retain their value. There is no assurance that token purchasers will receive a return on or of their investment and are able to sell their MODLs. Rather, there is the risk of deterioration in the value and a total loss of the investment.

14 Prices of tokens as the MODL are extremely volatile, especially over short time horizons, and fluctuations in the price, which are to be expected, could materially and adversely affect the Company's business.

RESTITUTION AND REPAYMENT EXCLUDED

15 Because MODL is a mere payment token, restitution of MODL to the Company and repayment of the purchase price by the Company are explicitly excluded. Purchasers of MODL must therefore take into account that the money used to purchase MODL might be tied in MODL and can only be changed in fiat currencies or other cryptocurrencies via trading systems of third parties, insofar as such trading systems are available. Unless a third party is willing to acquire MODL from the purchaser against fiat currencies or other cryptocurrencies, the purchaser of MODL cannot sell MODL and the acquired MODL might become useless or worthless to the purchaser.

TRADEABILITY AND VALUE FLUCTUATIONS

16 Tradability of MODL cannot be guaranteed. Although the Company aims that the MODL will be listed on one or several trading systems for trading, it cannot be excluded that the Company fails to find one or several trading systems who are willing or able to list the MODL for trading. Even if the Company succeeds to list the MODL for trading at one or several trading systems, it cannot be excluded that because of the absence of buyer or seller no trading will take place.

LEGAL DISCLAIMER

17 Even if the Company succeeds to list the MODL on one or more trading systems for trading, it must be expected that the trading price and thus the value of the MODL will be subject to substantial short-term fluctuations. Furthermore, it cannot be excluded that trading prices and thus the value of the MODL will develop very differently on different trading systems. The development of the value of the MODL on trading systems may also be affected massively by the development of the value of other cryptocurrencies, such as e.g. Bitcoin or Ether, even if the operating business of the Company provides no reason or starting point for any changes in value.

18 The Company does not guarantee that a trading system, in which the MODL is listed, will perform or offer a transparent determination of the price or will be in the position to meet legal or regulatory requirements. The purchaser of MODL must further consider that the trading of acquired MODL probably will incur costs, which will have to be covered by the purchaser and which will further affect the value of the purchased or traded MODL.

REGULATORY RISKS, NO REGULATORY AUDIT OR CLEARANCE

19 Currently, no specific regulations or legal requirements exist with respect to the content of this White Paper. Accordingly, this White Paper is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction, which are designed to protect investors. The content of this White Paper and its structure are solely based on the decisions of the management of the Company.

20 The Company assumes that the MODL qualifies as a mere payment token and that the issuance, sale and purchase of MODL and the payment of services via the Etalonium Platform with MODL – in each case performed by non-excluded third parties – is not subject to regulation and not subject to approval by any government agency.

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However, the legal environment of blockchain projects, distributed ledger technologies, smart contracts and their applications, in particular sales of cryptocurrencies (MODL), is complex, evolving and not clearly regulated, neither national nor international. Therefore, it cannot be excluded that due to national or international regulatory or legal action or by reason of new jurisprudence, the issuance, acquisition, management (including trade) of or payment for products or services with cryptocurrencies is legally qualified differently, prohibited in whole or in part or possible only under certain conditions. The legal situation, thus, may change. This can lead to significant negative effects on the Company's business model and the development of the value of the Company and the MODL, e.g. in the case of a repatriation of MODL or termination of the business operations as the result of an official directive and the bankruptcy of the Company and to the total loss of the investment.

21 Furthermore, it cannot be excluded that third parties, who are offering the trading of crypto-currencies such as the MODL on their platform are prohibited to further offer their services as a trading platform in general or without an official permit, so that there might not be any trading platforms anymore to trade or exchange the MODL into other cryptocurrencies or fiat currencies. Also this might result that MODL become worthless.

FURTHER RISK FACTORS

GENERAL REMARK

1 Any IEO process involves risks that cannot be eliminated. The risks described hereinafter should not be considered as all the risks that exist. There may be additional risks that are not known or considered immaterial at this time, but if they do occur, they could have a substantially negative effect on the operation of the business, the operating results, or the financial situation of the Company. The order in which the risks are related, should not be interpreted as an index that indicates its possibility or that indicates its level of materiality.

2 Each investor invests at its own risk.

BUSINESS RISKS

3 The capital invested in the IEO is not guaranteed and could in an extreme case be entirely lost. The projects financed through the funds collected through the IEO are at an early stage of development and based on assumptions that could turn out to be overly optimistic or just unrealistic. There is no way to anticipate with certainty the success of the projects and the Company at the time of investing in the IEO. It is also possible that the blockchain and the Company's tokenized ecosystem (the Etalonium Platform) will not be used by many individuals, companies and other entities or that there will be limited public interest in the creation and development of the Etalonium Platform. Such a lack of use or interest could negatively impact the development of the Etalonium Platform and the potential utility of the token, including its utility for obtaining services.

OPERATIVE RISKS

4 The Company is a start-up and has just a short operating history against which purchasers of the token may consider the appropriateness of purchasing the token.

FURTHER RISK FACTORS

5 Many risks and uncertainties affect start-up and early stage companies, which often have very limited operating history, profits or cash flow. There can be no assurance of the success of such enterprises. Their potential must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with new or developing businesses, including technology risks, unproven business models, untested plans, uncertain market acceptance, competition and lack of revenues and financing.

6 The technological fields and markets that many start-up and early stage companies address have undergone and are expected to continue to undergo rapid and significant change. Rapid technological developments may result in the technology of companies becoming obsolete, uneconomical or uncompetitive before any commercial success or financial return can be achieved. Numerous other risks may affect developing companies and ventures, including risks that products or services will be found to be ineffective, unreliable, unsafe or uncompetitive and risks that such companies' technologies, products or service will not achieve market acceptance or penetration. Market acceptance of new products, services or technologies depend on many factors and uncertainties and cannot be assured.

7 In a start-up business, the loss or disability of a key person(s) can result in significant financial hardship, in some cases the failure of the company. More than other businesses, start-ups are highly dependent on the skills and contributions of very few key employees.

8 Any projections, forecasts, plans or other forward-looking statements are subject to numerous risks, uncertainties, changing circumstances and other factors that could cause actual results, performance, plans, prospects, operations and opportunities to differ materially from any forward-looking statements, including competition, inability to identify and do business with appropriate customers, existing and future law and regulations, liabilities under the securities laws, inability to hire, retain or qualify sufficient management and staff,

FURTHER RISK FACTORS

general economic conditions, rapid technological change, cost overruns, delays in bringing products or services to market, marketing failures, difficulty in penetrating markets, delays or failures in developing anticipated capabilities, products or services, failure to obtain necessary regulatory approvals, insufficient funding, lack of availability of capital, rates of economic growth, levels of consumer and business spending, conditions in the technology and financial industries, dependence on strategic partners and business relationships, unproven business models, adverse developments affecting customers and end-users, fluctuations in securities markets and valuations, limited marketing, expansion risks, losses and costs, uncertain revenues and profitability, conditions in particular industries, accounting problems, costs, delays and liabilities arising from legal proceedings, failure to obtain and maintain intellectual property or proprietary rights and management failures.

LACK OF FINANCING OF THE COMPANY

9 The Company as a young company depends on generating adequate funding for the development and expansion of the business (including the maintenance of an infrastructure for using the token). Should the Company not be successful in generating adequate funding, e.g. in the event of failure of the IEO, there is a risk that the Company cannot develop and expand its business operations as planned and as the case may be has to wholly or partly cease its business operations or even declare itself insolvent. Such a development could have a lasting negative effect on the usability or intrinsic value of the token until they become useless or worthless.

FURTHER RISK FACTORS

REGULATORY AND LEGAL RISKS

10 Reference is made to the information in the Legal Disclaimer section above.

11 The token is not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Whitepaper is intended to form the basis for any investment decision, and no specific recommendations are intended. The Company expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from:

A reliance on any information contained in this White Paper;

B any error, omission or inaccuracy in any such information;

C or any action resulting from such information.

12 The regulation of IEOs is in development and at different stages of maturity in different markets. Further regulatory developments are expected to take place during 2020. In this dynamic regulatory environment, the Company does every effort to comply with known regulations, to anticipate regulatory trends, and to promote an IEO practice that grants best possible consumers' / investors' protection, accordingly. There is a risk that the regulation may develop in a way unfavorable to IEO and IEO participants. By no means are investors protected in their investments to a level comparable to when investing in fully regulated financial products. This risk is amplified in the case of international investors and due to the significant differing status of IEO regulations internationally.

FURTHER RISK FACTORS

13 It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of Bitcoin, Ether, or other cryptocurrencies, decrease in token's utility (including its utility for obtaining services), the failure of commercial relationships, or intellectual property ownership challenges, the Etalonium Platform may no longer be viable to operate and the Company may dissolve. It could be, as a way of illustration, that regulatory actions could negatively impact the Etalonium Platform and the token through a determination that the token is a regulated financial instrument that requires registration or licensing. The Etalonium Platform may cease operations in a jurisdiction, or undergo significant redefinitions, if such regulatory actions make it commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

14 Investors are obliged to identify themselves prior to purchasing the token in accordance with the anti-money laundering regulations and regulations on the financing of terrorism and on tax evasion and to this end to disclose its personal data to the Company. Investors of the token should anticipate that the company may be compelled to disclose such personal data collected to competent authorities, because of national or international official or statutory measures.

FINANCIAL RISKS

15 In a first phase, the token is intended to be used solely on the Etalonium Platform and the Company does not support or otherwise facilitate any secondary trading or external valuation of it. This restricts the contemplated avenues for using the token to obtain Services or access the Etalonium Platform, and could therefore create illiquidity risk for the token holders. When secondary trading of the token is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to market-related risks.

FURTHER RISK FACTORS

16 Furthermore, to the extent that third-parties do ascribe an external exchange value to the token, such value may be extremely volatile (as evidenced by price fluctuations in other crypto assets) and diminish to zero. It also possible that no secondary exchange develops for the token or that the terms of exchange turn out to be extremely negative for the token holders. Then, the trading of the token or their exchange into national currencies (fiat) may be subject to limitations. Finally, unlike bank accounts or accounts at some other financial institutions, the token is uninsured unless the holder specifically obtains private insurance to insure it. Thus, in the event of loss or loss of utility value, there is no public or private insurance arranged by us, to offer recourse to the holder.

TECHNOLOGICAL / SECURITY RISKS

17 The investor bears the entire responsibility regarding the secure storage of the private key (necessary to access and use the token). The loss or theft of the private key means loss of the token. The distributed ledger or blockchain technology that underpins the token is still largely untested. There may be flaws in the code or programs that are used to create, transfer or store the tokens. Investors may not be able to access or control their tokens, or the tokens may be stolen, e.g., in case of a hack. More generally, the technology may not function quickly and securely, e.g. during peaks of activity.

18 Because the token and the Etalonium Platform outer interactions are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the Etalonium Platform or token. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the token and the Etalonium Platform, including the utility of the token for obtaining services, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

FURTHER RISK FACTORS

19 The smart contract system has been, on a reasonable effort basis, audited and approved by technical experts. The technical experts have confirmed that the smart contract system has, with regard to both accuracy and security, been programmed according to the current state of the art. However, the investor understands and accepts that smart contract technology is still in an early development stage and its application of experimental nature which carries significant operational, technological, financial, regulatory and reputational risks. Accordingly, the investor understands and accepts that the audit does not amount to any form of warranty, including direct or indirect warranties that the smart contract system is fit for a particular purpose or does not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of tokens.

20 As with other decentralized cryptographic tokens based on the Ethereum protocol, the tokens are susceptible to attacks by miners during validating token transactions on the Ethereum blockchain, including, but not limited, to double-spend attacks, majority mining power attacks, and selfish-mining attacks. Hackers or other malicious groups or organizations may attempt to interfere with the Etalonium Platform or token in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Any successful attacks present a risk to the Etalonium Platform and token, including, but not limited to, accurate execution and recording of transactions involving the token.

21 It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Etalonium Platform and attempt to facilitate services that are materially similar to the Services. The Etalonium Platform may compete with these alternative platforms, which could negatively impact the Etalonium Platform and the token, including the token's utility for obtaining Services.

FURTHER RISK FACTORS

22 The Etalonium Platform is still under development and may undergo significant changes over time. We may have to make changes to the specifications of the token or the Etalonium Platform for any number of legitimate reasons. This could create the risk that the token or the Etalonium Platform, as further developed and maintained, may not meet your expectations at the time of acquiring the token. Furthermore, despite our good faith efforts to develop and maintain the Etalonium Platform, it is still possible that the Etalonium Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Etalonium Platform and the potential utility of the token, including its utility for obtaining services.

TAX RISKS

23 The tax characterization of tokens is under development in different jurisdictions and may vary even within jurisdiction. Investors and token holders must seek their own tax advice in the relevant jurisdictions in connection with acquiring tokens, which may result in adverse tax consequences, including withholding taxes, income taxes and tax reporting requirements.

24 The possibility should not be excluded therefore that transactions with cryptocurrencies both with the Company and with buyers lead to tax burdens that put a strain on the operational activities of the company or the usability or intrinsic value of purchased token until they become useless or worthless.

OTHER RISKS

25 Because the token confers no governance rights of any kind with respect to the Etalonium Platform, all decisions involving the Etalonium Platform will be made by the Company at its sole discretion, including, but not limited to, decisions to discontinue the Etalonium Platform, to offer more tokens for use in the Etalonium Platform, or to liquidate the Company.

FURTHER RISK FACTORS

These decisions could adversely affect the Etalonium Platform and the utility of the token, including the token's utility for obtaining services.

26 Each of the risks represented can have lasting negative effects on the usability and intrinsic value of the token in its own right. The possibility is not excluded of several risks simultaneously materialising, mutually triggering or reinforcing each other and thus further increasing the lasting negative effects. Both the materialisation of individual risks and the materialisation of cumulative risks can lead to the complete uselessness or worthlessness of the token.