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## Conclusion

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Twenty first century technologies have already revolutionized such spheres as communications, labor markets, and medicine. It was Bitcoin that first, using blockchain technology, revolutionized financial markets, making it realistic for people to make transactions easily, quickly, and securely all over the world with minimal commissions. Then Ethereum came to the fore, and has had a fantastic impact, enabling such things as token generation, DAO management, and smart-contract development. Yet there still exists no decentralized platform that connects those people that have extra capital with those, especially in developing countries, who lack of money.¹

¹ http://www.nber.org/digest/jul05/w10979.html
What is Gelios?

Gelios is a cryptocurrency lending marketplace. The mission of the Gelios platform is to provide a whole new level of flexibility to the lending industry. Gelios utilizes a decentralized credit bureau built using the Hyperledger Fabric blockchain infrastructure to allow people from all over the world to receive capital.

This capital may be used for various purposes. These may include personal finance, SME financing, or long-term loans. Gelios aims to provide a “pure platform” approach, that enables different parties to interact, communicate. This approach will lead to synergy in work and a better credit process.

The main operative function of the Gelios platform is to bring potential creditors and borrowers together by way of a matching mechanism. This mechanism helps both parties reach a consensus on the period of the loan, the interest rate, and the identification and validation procedure. This will make the borrowing process fast, easy, and available online to anyone, anywhere.

The key elements of Gelios ecosystem are:

1. A decentralized credit bureau, built using the Hyperledger Fabric blockchain infrastructure.
2. A user-friendly mobile application and web portal.
3. The Gelios token.
4. The KYC-marketplace.
5. A marketplace for risk-algorithms.
How the blockchain makes the lending process more flexible:

1. By being accessible to everyone. Each and every risk-analyst on the platform is able to download the desktop application, which enables them to access impersonal information about the loans. He or she may create his or her own algorithm, and may submit it to the platform so that lenders may choose it. The algorithm will enable lenders to be matched with borrowers at a reduced risk of loan default.

2. Unlike traditional lending platforms, the risk-analyst has the ability to choose a KYC provider from the Gelios marketplace, making sure that the selected method of identification is suitable to the borrowers’ geographic location.

3. Risk-analysts may choose the most suitable KYC provider for the “profile” of their risk-algorithm. If the profile is a riskier one, the KYC process identification may include video stream. If the risk level is lower, a more conservative approach can be taken. In these cases, governmental methods of identification may be used, or a face-to-face meeting may be set as a requirement for the loan.

4. At the end of the day, lenders have a lot of different risk algorithms to choose from, depending on their openness to risk and expectations regarding yield. As statistics about each risk-algorithm, borrower, and KYC provider get recorded into blockchain, participants are given added security, ensuring that they see the real track record of other users.

Example of the Gelios lending process

<table>
<thead>
<tr>
<th>Risk-analyst uses</th>
<th>Lender</th>
<th>Borrower</th>
<th>In case of delay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Decentralized credit bureau</td>
<td>1. Exchanges fiat to token</td>
<td>Gets the tokens and exchange them to fiat</td>
<td>Collector uses soft collection tools to prevent hard default</td>
</tr>
<tr>
<td>2. And mobile app data to collect metrics about borrowers and make scoring algorithm</td>
<td>2. Choose risk-algorithm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Chooses KYC provider</td>
<td>3. And gets borrowers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All communications are made in smart-contracts on Hyperledger Blockchain
The basic function of the token in the Gelios ecosystem is to account for value, and to eliminate dependency on the country of residence and keep it from becoming a participant of the platform. Location, language and race are non-issues on the Gelios platform.

Smart-contracts are considered by many in the financial sector to be an excellent tool for the facilitation, by way of the blockchain, of money-transfers. Their implementation is the result of the agreement between two parties to make a micro-transaction on the blockchain. The smart contract ensures rewards for lenders, webmasters, KYC-providers and risk-analysts, and other participants of the platform.

The basic economic principle that stands behind Gelios’ technology, and which makes our team move forward, is the reallocation of capital from countries with developed economies to countries with developing economies.

Let’s take a look at basic interest rates (for refinancing) in different countries:

<table>
<thead>
<tr>
<th>COUNTRY OR CURRENCY UNION</th>
<th>CENTRAL BANK INTEREST RATE (%)</th>
<th>DATE OF LAST CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>1.25</td>
<td>4 May 2016</td>
</tr>
<tr>
<td>Angola</td>
<td>16.00</td>
<td>30 June 2016</td>
</tr>
<tr>
<td>Argentina</td>
<td>26.25</td>
<td>11 April 2017</td>
</tr>
<tr>
<td>Armenia</td>
<td>6.00</td>
<td>14 February 2017</td>
</tr>
<tr>
<td>Australia</td>
<td>1.50</td>
<td>2 August 2016</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>15.00</td>
<td>9 September 2016</td>
</tr>
<tr>
<td>Bahamas</td>
<td>4.00</td>
<td>22 December 2016</td>
</tr>
<tr>
<td>Bahrain</td>
<td>1.50</td>
<td>14 June 2017</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>6.75</td>
<td>14 January 2016</td>
</tr>
<tr>
<td>Barbados</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Belarus</td>
<td>12.00</td>
<td>28 June 2017</td>
</tr>
<tr>
<td>Botswana</td>
<td>5.50</td>
<td>12 August 2016</td>
</tr>
<tr>
<td>Brazil</td>
<td>7.25</td>
<td>26 July 2017</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0.00</td>
<td>29 January 2016</td>
</tr>
<tr>
<td>Canada</td>
<td>1.00</td>
<td>6 September 2017</td>
</tr>
<tr>
<td>Cape Verde</td>
<td>3.50</td>
<td>16 February 2015</td>
</tr>
<tr>
<td>Central African States</td>
<td>2.95</td>
<td>22 March 2017</td>
</tr>
<tr>
<td>Chile</td>
<td>2.50</td>
<td>8 May 2017</td>
</tr>
<tr>
<td>China</td>
<td>1.75</td>
<td>23 October 2015</td>
</tr>
<tr>
<td>Colombia</td>
<td>5.50</td>
<td>27 July 2017</td>
</tr>
<tr>
<td>Croatia</td>
<td>2.50</td>
<td>20 October 2015</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.25</td>
<td>3 August 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COUNTRY OR CURRENCY UNION</th>
<th>CENTRAL BANK INTEREST RATE (%)</th>
<th>DATE OF LAST CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>-0.65</td>
<td>7 January 2016</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>5.25</td>
<td>31 July 2017</td>
</tr>
<tr>
<td>DR Congo</td>
<td>14.00</td>
<td>14 January 2017</td>
</tr>
<tr>
<td>Eastern Caribbean</td>
<td>6.50</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>18.75</td>
<td>6 July 2017</td>
</tr>
<tr>
<td>Eurozone</td>
<td>0.00</td>
<td>10 March 2016</td>
</tr>
<tr>
<td>Fiji</td>
<td>0.50</td>
<td>2 November 2011</td>
</tr>
<tr>
<td>Gambia</td>
<td>20.00</td>
<td>9 May 2017</td>
</tr>
<tr>
<td>Georgia</td>
<td>7.00</td>
<td>2 May 2017</td>
</tr>
<tr>
<td>Ghana</td>
<td>21.00</td>
<td>24 July 2017</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1.50</td>
<td>15 June 2017</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.90</td>
<td>24 May 2016</td>
</tr>
<tr>
<td>Iceland</td>
<td>4.50</td>
<td>14 June 2017</td>
</tr>
<tr>
<td>India</td>
<td>6.00</td>
<td>2 August 2017</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4.75</td>
<td>20 October 2016</td>
</tr>
<tr>
<td>Iran</td>
<td>10.00</td>
<td>22 August 2017</td>
</tr>
<tr>
<td>Israel</td>
<td>0.10</td>
<td>23 February 2015</td>
</tr>
<tr>
<td>Jamaica</td>
<td>5.00</td>
<td>21 May 2016</td>
</tr>
<tr>
<td>Japan</td>
<td>-0.10</td>
<td>29 January 2016</td>
</tr>
<tr>
<td>Jordan</td>
<td>3.75</td>
<td>15 June 2017</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>10.50</td>
<td>15 June 2017</td>
</tr>
<tr>
<td>Kenya</td>
<td>10.00</td>
<td>20 September 2016</td>
</tr>
</tbody>
</table>
Those developed economies with the lowest interest rates are indicated in blue. The interest rates of developing economies are highlighted in green.

Sometimes, there can be an interest rate difference of greater than 20% (i.e. Switzerland and Argentina).

---

*<sup>2</sup>https://en.wikipedia.org/wiki/List_of_countries_by_central_bank_interest_rates*
In terms of alternative yield for investors, especially for those holding funds in EUR or USD, Gelios offers an attractive opportunity, comparing to the following investments.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>50% Stocks/50% Bonds</td>
<td>8.30</td>
<td>11.30</td>
<td>0.4248</td>
</tr>
<tr>
<td>30% Stocks/70% Bonds</td>
<td>7.40</td>
<td>9.20</td>
<td>0.4239</td>
</tr>
<tr>
<td>70% Stocks/30% Bonds</td>
<td>9.00</td>
<td>14.50</td>
<td>0.3793</td>
</tr>
<tr>
<td>Intermediate-Term Government Bonds</td>
<td>5.40</td>
<td>5.60</td>
<td>0.3393</td>
</tr>
<tr>
<td>90% Stocks/10% Bonds</td>
<td>9.60</td>
<td>18.20</td>
<td>0.3352</td>
</tr>
<tr>
<td>Long-Term Corporate Bonds</td>
<td>6.10</td>
<td>8.30</td>
<td>0.3133</td>
</tr>
<tr>
<td>Large Company Stocks</td>
<td>9.80</td>
<td>20.20</td>
<td>0.3119</td>
</tr>
<tr>
<td>10% Stocks/90% Bonds</td>
<td>6.30</td>
<td>9.00</td>
<td>0.3111</td>
</tr>
<tr>
<td>Small Company Stocks</td>
<td>11.90</td>
<td>32.30</td>
<td>0.2601</td>
</tr>
<tr>
<td>Long-Term Government Bonds</td>
<td>5.70</td>
<td>9.70</td>
<td>0.2268</td>
</tr>
</tbody>
</table>

As we can see, potential returns from Gelios lending, of at least 20% annual, can be competitive with modern investment opportunities.

Footnotes:
3 https://www.equalcapital.com/rsi/policyportfolio.htm
Gelios returns can also be compared to classic p2p lending platforms:

We deliberately compared possible Gelios returns only to the fixed-income class of assets, as evident in different risk-algorithms, Gelios might be compared to such investments as indexes, bonds, or stocks.

---

**HISTORICAL RETURNS BY GRADE**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Adjusted non annualized return</th>
<th>Average interest rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>7.72%</td>
<td>5%</td>
</tr>
<tr>
<td>B</td>
<td>11.8%</td>
<td>7.33%</td>
</tr>
<tr>
<td>C</td>
<td>15.22%</td>
<td>8.73%</td>
</tr>
<tr>
<td>D</td>
<td>18.17%</td>
<td>8.88%</td>
</tr>
<tr>
<td>F</td>
<td>20.96%</td>
<td>9.5%</td>
</tr>
<tr>
<td>F+G</td>
<td>23.47%</td>
<td>8.84%</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th></th>
<th>Account Value Mar 31, 2014</th>
<th>Deposits</th>
<th>Account Value Mar 31, 2015</th>
<th>Interest Paid</th>
<th>Loss to Default</th>
<th>Net Interest</th>
<th>12 mo. Return</th>
<th>Lifetime Return</th>
<th>Age (mnths)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prosper</td>
<td>$9,651.44</td>
<td>$10,000</td>
<td>$22,275.46</td>
<td>$3,616</td>
<td>$873</td>
<td>$2,742</td>
<td>16.0%</td>
<td>14.27%</td>
<td>121</td>
</tr>
<tr>
<td>Lending Club</td>
<td>$13,814.67</td>
<td>$5,000</td>
<td>$20,775.33</td>
<td>$3,629</td>
<td>$1,693</td>
<td>$1,936</td>
<td>10.7%</td>
<td>12.01%</td>
<td>18.1</td>
</tr>
<tr>
<td>Total/Avg</td>
<td>$23,466.11</td>
<td>$15,000</td>
<td>$43,050.79</td>
<td>$7,245</td>
<td>$2,567</td>
<td>$4,678</td>
<td>12.9%</td>
<td>13.08%</td>
<td>14.4</td>
</tr>
</tbody>
</table>

---

* [https://www.kitces.com/blog/investing-in-peer-to-peer-lending-as-an-alternative-fixed-income-asset-class/](https://www.kitces.com/blog/investing-in-peer-to-peer-lending-as-an-alternative-fixed-income-asset-class/)
Let’s look through the interest rate for loans that we can issue in developing regions:

**MFI INTEREST YIELD DISTRIBUTION, 2011**

![Interest Rate Distribution Chart](chart.png)

**CREDIBLELY HIGH VALUES OF COMPLETE COST OF CONSUMER CREDIT (LOANS)**

<table>
<thead>
<tr>
<th>Category of Consumer Loans</th>
<th>Medium Values of Complete Cost of Consumer Loans (%)</th>
<th>Extreme Values of Complete Cost of Consumer Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer microloans with collateral in the form of a pledge</td>
<td>69,616</td>
<td>92,821</td>
</tr>
<tr>
<td>Consumer microloans with other security</td>
<td></td>
<td></td>
</tr>
<tr>
<td>up to 365 days inclusive</td>
<td>94,687</td>
<td>126,249</td>
</tr>
<tr>
<td>over 365 days</td>
<td>49,047</td>
<td>65,396</td>
</tr>
<tr>
<td>Consumer microloans without security (excluding POS microloans)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>up to 30 days inclusive, in particular:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>up to 30,000 rubles, inclusive</td>
<td>614,567</td>
<td>819,423</td>
</tr>
<tr>
<td>over 30,000 rubles</td>
<td>99,407</td>
<td>132,543</td>
</tr>
<tr>
<td>from 31 to 60 days inclusive, in particular:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>up to 30,000 rubles, inclusive</td>
<td>303,580</td>
<td>404,773</td>
</tr>
<tr>
<td>over 30,000 rubles</td>
<td>93,099</td>
<td>124,132</td>
</tr>
</tbody>
</table>

* [http://www.cbr.ru/analytics/consumer_lending/table/16112017_mfo.pdf](http://www.cbr.ru/analytics/consumer_lending/table/16112017_mfo.pdf)
Background

The Brainysoft company

Brainysoft is a company specializing in SaaS and stand-alone solutions for the financial sector, including microfinance companies, banks, p2p platforms, and pawnshops. Since 2014 the company has been located in one of the most cutting-edge technological ecosystems in the Russian Federation — and Europe’s biggest techno park - Skolkovo Innovation Center.

The main team, which is sometimes referred to as the “backbone” of the Brainysoft Company (formerly eStable web), has been developing automated accounting systems in the field of microfinance since May 2002. Its first projects were carried out in Central Asia under the terms of reference of the CAMFA — Central Asia MicroFinance Alliance. The first industrial version of the product was called eStabl WEB, and was successfully implemented in Kazakhstan. Starting in 2008, eStabl WEB has also been implemented in Russian companies.

In Kazakhstan, the product was successfully implemented jointly with the BAS EBRD program for the development of small and medium-sized businesses. During all the years of operation of the Financial Supervision Agency in Kazakhstan, the eStabl product was the main system used for recording loans by the Agency.

The success of the product can be attributed to the use of a cost-effective stack of technologies, as well as the high qualifications of the team’s experts in the field of microfinance, as well as their experience, accumulated over many years.

Our clients in Kazakhstan include such well-known companies as:

- ToyotaFinance (a subsidiary of Toyota Bank),
- Shinankard (Korean joint venture),
- ArnurCredit (state financing of agricultural crediting),
- SmartCredit (a subsidiary of Tengri Bank).

\(^9\) http://brainysoft.ru/
\(^10\) http://sk.ru/
In Russia:

- HomeCreditExpress (a daughter company of HomeCredit Bank)
- Finance Department (SME loans)
- National credit (financial holdings, leasing, mf, pda, pawnshop)
- League of money

---

In 2008, the first project based on the SaaS model was launched. More than 40 companies used this service up to 2014, when the first Brainysoft product was launched.

The total number of implementations (SaaS and on-site) in 2012 exceeded 100.

---

In 2013, the Brainysoft team was selected, because of its innovative projects, to join the IT cluster Skolkovo and since August 2014 has been a participant in the project.

---

In 2016, Brainysoft won third place in the start-up competition Finopolis-2016.

---

Starting in 2013, work began to improve the eStabl WEB product, and this work became the basis of BRAINYSOFT.

---

In 2014, a new multi-tenant core was created, based on the eStabl WEB calculation libraries, the “restful” API, and the user interface of the first version of BRAINYSOFT. Currently, 24 companies use the SaaS service and this number is increasing monthly.

The Brainysоft team has always worked hard to provide the best service possible to client organizations. For companies operating on SaaS, all required updates due to changes in legislation and standards are made free of charge.

At the moment, the product is fully ready for the transition to new industry standards.

Currently, the company has a well-coordinated team actively working in both the offline and online lending markets, developing a gateway for customers to enter external services and to identify himself. The platform currently has more than 20 integrations, and this number is constantly increasing.
Team

Victor Orlovsky
Head of the board of directors

- Graduated from the Tashkent Electrotechnical Institute of Communications, specializing in Automatic Telecommunications
- Graduated from Moscow State University of Economics, Statistics and Informatics, majoring in Finance and Credit
- He was nominated for the title «Person of the Year» by CNews
- He was Deputy Director of IBM Eastern Europe/Asia
- As a member of Sberbank’s board, he was in charge of the information technology unit
- While senior vice president of Sberbank, Viktor Orlovski left the IT-block and headed the new direction of Digital
- Orlovski has been the managing director of the venture fund SBTV Fund I
Denis Krestin
*Gelios and Brainysoft Business development*

**2001-2006**
Russian National University of Administration
(Faculty of Hotel and Hospitality management)

**2005-2008**
CEO of Sosnovy Bor Hotel

**2006-2009**
CEO of “Olympic” Business Center Sochi (11 000 sq. meters)

**since 2014**
Early investor of Dodo Pizza (Company is the leader of Russian pizzeria market)

CDO of Brainysoft, co-founder

Galina Bakhmetyeva
*Gelios and Brainysoft CEO*

**since 2012**
CEO and Founder of Brainysoft Company
and product owner of Brainysoft (eStabl)

Artem Zhilin
*COO Gelios, Brainysoft business development*

**2005**
Russian Presidential Academy of National Economics and Public Administration (Faculty of Marketing)

**2015-2017**
CEO of online microloan organization Pyatak.rus

**2017**
Head of Ecommerce project (leads generation)
Anton Pushkov  
**Legal adviser**

- Since 2002: A qualified lawyer in the fields of media and telecommunications
- **His major projects include:**
  - Rebranding of Vneshtorgbank — VTB
  - Advising Microsoft regarding the protection of consumer rights
  - Advising Motorola on the import and registration of technology in the Russian Federation
- Present: Managing partner at the Center for Intellectual Property Protection Skolkovo

Pavel Novikov  
**Adviser**

- **2006-2013:** Developed a business in the direction of virtualization and private clouds at Softline
- **2010:** Built a partner sales channel for the VMware and Citrix lease
- **2013-2015:** Served as Director of Business Development for Cloud & Mobility in Latin America at Softline
- **2015-2016:** Director of the Center for Financial Technologies of the Skolkovo Foundation
The Worldwide P2P Market

Peer-to-peer lending, sometimes abbreviated P2P lending, is the practice of lending money to individuals or businesses through online services that match lenders with borrowers. Since peer-to-peer lending companies offering these services generally operate online, they can run with lower overhead and provide the service more cheaply than traditional financial institutions. As a result, lenders can earn higher returns compared to savings and investment products offered by banks, while borrowers can borrow money at lower interest rates, even after the P2P lending company has taken a fee for providing the match-making platform and credit checking the borrower. There is the risk of the borrower defaulting on the loans taken out from peer-lending websites.

Zopa (https://www.zopa.com) (Zone of Possible Agreement) – 500,000 clients, 469 million pounds of loans issued.

Zopa is a UK online personal finance peer-to-peer lending company founded in 2005. In 2012 the New York Times reported that Zopa was “one of the world’s first Web sites that aims to directly bring together borrowers and savers, cutting out financial institutions from the lending process”.


Prosper Marketplace is America’s first peer-to-peer lending marketplace, with over $7 billion in funded loans. Borrowers request personal loans on Prosper and investors (individual or institutional) can fund anywhere from $2,000 to $35,000 per loan request. Investors can consider borrowers’ credit scores, ratings, and histories and the category of the loan. Prosper handles the servicing of the loan and collects and distributes borrower payments and interest back to the loan investors.

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11 https://en.wikipedia.org/wiki/Peer-to-peer_lending
12 All number on this page from the report: https://rb.ru/media/reports/RMG_Partners_P2PReport_RUS_final.pdf
14 https://en.wikipedia.org/wiki/Prosper_Marketplace
Lending Club (https://www.lendingclub.com) – 2.58 billion dollars capitalization on 5th September, 2017\(^{15}\). The company claims that $15.98 billion in loans had been originated through its platform up to 31 December 2015. Lending Club enables borrowers to create unsecured personal loans between $1,000 and $40,000.

The company raised $1 billion in what became the largest technology IPO of 2014 in the United States. Lending Club enables borrowers to create loan listings on its website by supplying details about themselves and the loans that they would like to request. All loans are unsecured personal loans and can be between $1,000-$40,000. On the basis of the borrower’s credit score, credit history, desired loan amount and the borrower’s debt-to-income ratio, Lending Club determines whether the borrower is credit worthy and assigns to its approved loans a credit grade that determines payable interest rate and fees. The standard loan period is three years; a five-year period is available at a higher interest rate and additional fees. The loans can be repaid at any time without penalty.
Current state of P2P lending market

Let’s review some recent statistics of P2P lending market explosion worldwide:

Market Context and Evolution

UK P2P Lending Market

CAGR 48.2%


EUROPEAN ONLINE ALTERNATIVE FINANCE MARKET VOLUMES
2013-2015 in € EUR (incl. the UK)

REGIONAL ONLINE ALTERNATIVE FINANCE VOLUMES
2013-2015 in € EUR (excl. the UK, US and China)

Market Context and Evolution

P2P lending in cryptocurrency

**BTCjam**²⁰ is a company based in San Francisco, California, that provides a peer-to-peer lending service where people from around the world connect to borrow and lend using bitcoin. It is available to users in countries that lack a local credit score system to receive loans, based on an in-house credit-scoring algorithm. Its mission is to make credit affordable and accessible everywhere.

BTCjam was part of the 500 Startups accelerator program and received investments from Ribbit Capital, Foundation Capital, Pantera Capital, and other venture capital firms. It has facilitated bitcoin loans for more than $14,000,000 US in over 120 countries worldwide.

Smaller platforms are Nebeus²¹ and Bitbond²², BTCPop²³, Loanbase²⁴.

The full presentation about existing peer-to-peer cryptocurrency lending solutions available at [http://bit.ly/2mC0jTH](http://bit.ly/2mC0jTH)
Issues

You can’t customize risk-analytics to your investment purposes

There are yield-hungry investors, but there are conservative investors also.

The services named above don’t give you the opportunity to use your own risk-analytics. Why is this important? As there are a lot of different parameters in the system; such as different types of KYC methods, and many types of borrowers (some of whom being without credit history, others with just a couple of “bad” loans, and others with perfect credit history), various age groups give risk-analysts in the classic industry the chance to segment borrowers into groups and analyze them more clearly. Also, the opportunity for risk-analysts to check data and implement their own algorithms leads to a whole new variety of credit products on the platform. Compare this to the low number of credit products on typical platforms. Gelios uses a decentralized credit bureau, based on the Hyperledger Fabric Blockchain infrastructure, to check data and implement algorithms, and then to sell them on a transactional basis (per every score check).

Trustworthy system statistics

When talking about trust between parties, especially when the two parties are located in different countries, it becomes necessary for everyone to trust one another absolutely. In effect, trust serves as the driver of the system. On typical platforms, companies prefer to use standard databases, which don’t actually do anything to save you from hack-fraud (see Equifax incident, September 2017[^25]) or from the risk of fraud from the system itself, such as when a higher rating is given to someone in exchange for money. The Hyperledger Fabric Blockchain is used by Gelios to implement statistics about participants, and is perfect to ensure trust between participants in the system itself, and between the system and the customer.

The problems involved in building your own credit business

On typical P2P platforms it is impossible to build your own business. Business-processes may vary from country to country, KYC methods may be suitable for one lender and impossible for another, etc. Some lenders may need to run their own website to ensure a better UI. Gelios provides a unique tool — a ready-to-use personal area for borrowers. Imagine: you have your own plan about how to run your cryptocurrency lending business internationally. You choose

Market Context and Evolution

your KYC method, your risk-model and select the type of credit product you wish to offer. Then, you buy your own domain name and connect it to the personal area, offer it to webmasters and attract customers to YOUR internationally accessible cryptocurrency loan website.

There are no truly global p2p lending platforms

Some might think, that all one has to do to create a global lending platform or bank is open an office in another country. This is simply not the case.

What we are doing is designing a product from the start in order that it performs globally. Our product will not be bound to any one location.

An example of what we are trying to do was done by Ethereum. The Ethereum foundation is located in Switzerland, but the system operates on thousands of computers by miners throughout the world.

This type of organization keeps the system:

1. In unceasing operation
2. Accessible anywhere in the world
3. Impartial regarding the interests of system participants
Lending in fiat money on classic platforms means that you can only lend in one country or region. But what if you want to be able to lend money to people in India (population of 1.3 billion), China (1.3 billion) or Africa (1.2 billion)?

**WORLD POPULATION GROWTH**

![World Population Growth Chart](http://www.unz.com/isteve/the-worlds-most-important-graph/)

Sources: United Nation Population Division and Population Reference Bureau, 1993

**UN 2012 POPULATION PROJECTIONS**

![UN 2012 Population Projections Chart](http://www.unz.com/isteve/the-worlds-most-important-graph/)
Limit of potential customers

Classic P2P platforms don’t allow you to widen your sales funnel. That means that you can rely only on the traffic that the platform provides to you directly. The amount of traffic is nothing if you are to decide to start your own lending business, receive constant traffic, or to distribute big amounts of capital.

https://www.mycyberwall.co.za/get-smart/geography/grade-6/people-around-world
Why cryptocurrency?

**Cryptocurrency** (or crypto currency) is a digital asset designed to work as a medium of exchange using cryptography to secure the transactions and to control the creation of additional units of the currency. Cryptocurrencies are classified as a subset of digital currencies and are also classified as a subset of alternative currencies and virtual currencies.

Cryptocurrencies — and Gelios tokens especially, allows — allow you to allocate capital globally without commissions and regulatory clauses interferrence. This is impossible with fiat currencies.

**Why we use our own token:** The Gelios token is the unique tool to build a decentralized ecosystem, specialized on the cryptocurrency lending business.

The future development of the platform also implies token usage for lending in other cryptocurrencies, buying membership on the platform or as remuneration for using decentralized credit bureau or enterprise version of the system, that makes it pure utility token.
The purpose of smart-contracts on the platform

The main aims of the smart-contract in the Gelios ecosystem:

1. Ensuring return of value from the borrower to the lender. Fixation of loan details. Return of the loan.

2. In case of delay - providing the loan to a collector and making arrangements between the lender and collector.

3. Facilitation of secure transactions to webmasters based on a CPA model, when using the white-label personal area (the customized personal area).

4. Arrangements between lenders and validators (the validator’s commission in cases where borrower passports must be validated in person, or by other verification methods).

Why people need cryptocurrency lending overall

1. To lower cross-border capital allocation costs.

2. To enable cross-border crediting between individuals of different nationalities.

3. As global access to the system increases, higher return rates for fixed-income investors, as well as lower interest rates for borrowers, will be possible.
Product description

Participants

**Lender** – Person or organization, willing to loan money at competitive rates. The lender has two options: either to use the default platform solution or to use the enterprise-level white-label solution.

**Borrower** – Person or organization, willing to borrow money for personal use, for small business development, or for any other purpose.

**Webmaster** – Person who attracts customers to the personal area/landing page of the creditor. One of the most attractive ways for both sides is to work using the cost per action model (CPA). This model is based on the amount of money it will take for the lender is to acquire one customer. If the webmaster agrees to the price (according to statistics of the offer, maintained by the blockchain, ePC metrics, and CPC metrics) he will put promotional materials online and in social media groups to encourage customers to go to the landing page of the creditor and initiate the loan. If the loan is issued by the lender, the webmaster gets his money in tokens.

**Risk-analyst** – The person or organization with expertise in processing various data about borrowers in models, in order to diminish the risk that the borrower will default on the loan. Risk-models for small-business loans and for payday loans varies dramatically. Overall there are more than 20 ways to segment customers based on risk.

**Validator** – The person or organization, whose responsibility it is to check official personal information such as passport data, driver’s licenses, and other documents, to ensure to creditors that the person who wants to borrow exists and is genuinely the person shown in their documentation. This is the simplest anti-fraud system there is to reduce conflicts between lenders and borrowers. Otherwise, the Gelios platform is also ready-to-use progressive solutions such as distant verification, as per the wishes of the lender.

**Collector** – The person or organization that helps lenders to ensure the return of loaned funds. Collectors from the same country as the borrower can highly decrease the rate of default for creditors.
Identification and validation (KYC market)

When the borrower logs into the system for the first time, he will be asked to provide some minimal information – passport information or data gathered by the mobile app — and information from the credit bureau. The borrower is encouraged to provide as much information as possible, that way the choice of lenders is widened. Also, borrowers may prefer to provide full identification by searching for the nearest validator and showing them their passport or ID in person.

“Distant” verification involves providing ID scans, video-calls, or voice verification.

Gelios will provide an API to developers, allowing them to develop options suitable for both the lender and the borrower.

A potential selection of KYC providers, available on the Gelios marketplace. Risk-analysts can choose from these services to serve as the first stage (the identification phase) of their algorithms.
The loan matching process

The loan matching process is one of the key features of the system. The process will go as follows:

1. Borrower logs into the system for the first time and provides the following information:
   - Personal data
   - The requested loan amounts
   - Time of the loan
   - Stage of identification
   - Limit of interest rate in %
   - Mobile number
   - Data from mobile app
   - Information from the credit bureau

2. After providing the above information, the loan application will go to the core of the system, where the prospective borrower will be matched with a lender. Lenders with lower standards will appear to borrowers who have provided less information with loans at a higher interest rate. Lenders with higher standards will appear only to borrowers who have provided more information with loans at a lower interest rate.

3. Lenders can adjust rate intervals to obtain a better matching. For example, if a lender chooses a rate interval between 1-1.5% per day and a borrower chooses a rate of 1.2 per day, the loan will match.
Money transfer process

When the lender agrees to make the loan, a smart-contract with a unique ID will be created and will send the Gelios tokens from the lenders to the customers.

The process will be the same for the return of funds.

In order to ensure versatility, we will integrate the system with major exchanges to enable easy conversion of fiat currencies to the Gelios token.

In the backend, this integration will occur by way of the Gelios API. In the front-end, the user will see the button “exchange,” as well as the most convenient way for him or her to convert the token (to a debit card or to a mobile wallet, or to any cryptocurrency).

The user will not need to enter his personal data again, as he has already passed a KYC procedure. The exchange will be able to gather the necessary information from the Gelios database.

The return of the loan on the blockchain

The return of the loan is entered into the blockchain,

1. If the loan is closed successfully.
2. If the loan is closed partly.
3. If the loan is prolonged.
4. If the loan is defaulted upon.
5. If the defaulted loan was closed on a certain day.
The risk-analyst is an essential part of the system. He or she has a lot of information to analyze — scores for identification, personal data scores, credit-history scores. The fintech scoring machine can put together a variety of information and provide weights for different variables.

Risk-analysts can use such data as:

1. Verification materials
2. Credit scores from the credit bureau
3. Credit scores from the Gelios blockchain

At the start of the project, it will be essential for risk-analysts to use data from the mobile app to provide better returns for investors and higher rates for their algorithms. This will lead to higher profits for themselves.

**Basic metrics on the mobile app that can be used (Android devices):**

- IP-address
- Proxy Flag
- VPN Flag
- ID evercookie
- ID fingerprint
- `<browser>` name
- `<browser>` version
- `<browser>` major
- `<engine>` name
- `<engine>` version
- `<os>` name
- `<os>` version
- `<device>` vendor
- `<device>` model
- `<device>` type
- `<device>` vendor
- `<cpu>` architecture
- `<screenSize>` width
- `<screenSize>` height
- `<time>` timezone
- `<time>` timevalue
- Browser settings — SessionStorage, LocalStorage, IndexedDB, OpenDatabase
- Plugin information
- Browsing history
- GET parameters from current webpage
- UTM marks
It’s important, on Gelios, to be able to adopt risk-analytics to yourself with a customized workflow. This solution has been successfully used by Brainysoft users for more than 2 years.

Risk-analysts are allowed to choose ratios, metrics, the type of KYC-providers, and to analyze data using the decentralized credit bureau.

**AN ILLUSTRATION OF THE RISK-ALGORITHMS MARKETPLACE**

<table>
<thead>
<tr>
<th>Target metrics</th>
<th>Risk-algorithm #1</th>
<th>Risk-algorithm #2</th>
<th>Risk-algorithm #3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
<td>Brazil</td>
<td>Nigeria</td>
<td>Thailand</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>18-30</td>
<td>35-40</td>
<td>27-34</td>
</tr>
<tr>
<td><strong>Income (Monthly)</strong></td>
<td>&gt;1,000$</td>
<td>&gt;200$</td>
<td>100-200$</td>
</tr>
<tr>
<td><strong>Number of previous loans</strong></td>
<td>3</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td><strong>OS version</strong></td>
<td>4</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td><strong>Potential annual income</strong></td>
<td>10%</td>
<td>15%</td>
<td>23%</td>
</tr>
</tbody>
</table>

This marketplace gives you a new level of freedom. You can either work with prime-rate customers, with brilliant stats, or with the other segments which mean higher risk and but higher rates. A whole new variety of credit products on the platform is made possible by the platform.

Risk-analytics are also miners in the system, supporting the blockchain. It is through this feature that they can explore the whole blockchain, and are given data that can be used for analysis, in order to improve their algorithms.
Why will people use the Gelios mobile app?

Let’s take a look at the current state of the smartphone market:

![Growth of Internet Users vs Mobile Internet](image1)

Source: IAMAI, Feb 2016, Figures in Million Users. “Estimated number

![China Mobile Internet Users](image2)

Source: CNNIC, Jan 2017

![Smartphone Penetration in Africa](image3)

The availability of low-cost smartphones has increased adoption in the continent. Informa Telecoms & Media forecasts a penetration of 12% by end-2017. Source: WCIS World cellular information service, INFORMA Telecoms & media

As the data above shows, the penetration of mobile devices, (especially cheap ones utilizing operating systems based on Android) has been increasing at a fast rate in such regions as China, Africa, India. These are the key regions in which live Gelios borrowers.

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https://www.chinainternetwatch.com/whitepaper/china-internet-statistics/

https://www.slideshare.net/jonhoehler/insights-into-the-potential-for-mobile-media-in-africa/32-Smartphone_penetration_in_Africa_The
Micro-services system and options for lenders

1. **Personal area.** Each lender can use the module “white-label personal area” with their own logo and settings. Whether to use this module or not is currently the choice of the lender.

2. **Customer verification.** As said above, the lender can use Gelios partner-validators. During cases of online borrowing, the validator can use distant verification methods such as photo identity or voice metrics, or even hire users in the borrower’s area.

3. Customer credit scores from the decentralized credit bureau.

4. Open databases and social networks

5. **Custom risk-analytics**

Collection tools

If the loan is defaulted upon, the lender can choose a collector from the system, who will be paid a commission on the returned loan.

What would make the Gelios borrower return the loan?

This is a very good question.

The following is a graphic account of microloan market growth in Russia (2010-2016)
As we can see, such a regulation that gives the lender the official right to claim debt from a borrower in the court has only been legislated recently - in 2014. This regulation did not slow down market growth. Moreover, this example only shows ONLINE microloan organizations in Russia, where all interactions between the lender and the borrower goes through a mobile app or website.

As we can see, the development of the payday loan market in Russia, and even of the online-only loan market, started before regulation. This means that the main stimulus for the borrower to return the loan is the desire for continued access to funding in the future - not legal action.

The precedent of returning the loan in cryptocurrency

There are examples of cases that went to court to adjudicate the return of Bitcoin loan following a default. Over the course of 2017, there was a major trend towards regulation in this regard, and the examples of Belarus, Japan and other countries shows us, that in nearest future cryptocurrencies and tokens will be either recognized as currencies, or as digital assets by major governments. This will mean that borrowing and not returning cryptocurrency will lead to the same punishments defaults on fiat loans.

Legal agreement on the platform

At the time of platform launch, agreement will be made between participants regarding what could occur when a loan is defaulted upon.

Soft-collection tools development

Soft collection is the process of returning the loan in a “soft” way – through phone calls, text messages and letters, as well as via social media.

Hard collection is the process of returning the loan by approaching with debtor in person.

Why is the lending industry switching to soft-collection techniques?

1. It is much cheaper, especially for small loans
2. It is easier to apply a “big data” approach to soft-collection, via debt collection scoring

“You can think of TrueAccord like a marketing and sales campaign, just for debt collection,” Ohad Samet wrote to me in an email. “You get our first communication based on your debt parameters (one of several possible emails), and then based on your behavior (emails opened, text messages you reply to, browsing pattern on our website, conversation with our call center) the system continues to personalize the experience in channel, frequency, tone, and payment arrangement until it finds something that works for you.”

Quote from True Accord.
The white-label solution

The lender can use his own website to attract customers and use Gelios as a core for his own international financial system. He has just to make a landing page, use the enterprise version of Gelios, choose the module – the customer’s personal area: and make an offer on the Gelios CPA exchange. Webmasters will provide leads.

This is unique opportunity to run your own business on the platform and participate in global trend for using blockchain and cryptocurrencies.

CPA market / Customer acquisition

If the lender uses the white-label solution with his customized personal area, he can make his own offer on the Gelios CPA market.

For example, a lender, after making 1000 loans on Gelios, has decided to widen his customer base. He knows that the CLV (customer lifetime value) for one customer is 100 Gelios tokens. He makes an offer on the Gelios CPA market, saying that he is ready to reward anybody, who will find him a customer, 50 Gelios Tokens. The webmaster sees the offer, and decides to place the banner, promoting the lender’s personal area on his website. The customer goes to the website of the webmaster and sees the banner. Upon clicking on it, he has the cookie file in his browser, making his identity know to the platform. If customer makes an application for the loan and receives it, Gelios tokens go from lender to webmaster.

How can we be sure that the lender won’t commit fraud against the webmaster, cancelling the application and then returning the funds back to the customer?

The cookie file helps here. The borrower is marked, so if he returns to Gelios and takes out the loan, the reward will go to the webmaster.
Connecting with the real world and debit cards

Of course, there’s an issue in connecting virtual systems existing on the blockchain with the real world, as there’s a lot of investors and borrowers who are not familiar with cryptocurrencies and blockchain. The following companies provide services that help to connect cryptocurrencies with traditional bank accounts:

**Wirex** (formerly E-Coin) is a cloud-based hybrid personal banking platform that offers bitcoin debit cards, remittances, and mobile banking. Headquartered in London, Wirex allows users to link bitcoin wallets to Visa and MasterCard debit cards in up to three fiat denominations (dollars, pounds sterling, and euro). Wirex can be accessed using their banking app, available in desktop and mobile versions.

**The CoinsBank Wallet** provides a simple way to manage your funds when and where you want. All it takes is the click of a button, the sending of an email or the swipe of your CoinsBank Debit Card.

Additionally, such projects as Monaco[^37], Coinsbank[^38], Bitpay[^39] can fulfill these needs.

One of the main goals of the Gelios project is to provide a connection between the fiat and crypto worlds. We hope to do this not only for geeks, but for all kinds of people.

[^37]: https://mona.co
[^38]: https://coinsbank.com
[^39]: https://bitpay.com/card/
The role of the blockchain in the Gelios architecture

THE STRUCTURE OF THE GELIOS PRODUCT

ETHEREUM —
transactions between participants, token

HYPERLEDGER FABRIC —
smart-contracts between participants, decentralized credit bureau

BRAINYSOFT CORE (APPLICATION SERVER) —
Financial mathematics
What differentiates Gelios from other cryptocurrency lending platforms?

1. Experience: As was said above about the Brainysoft company, we have been building solutions for the microloan industry for more than 15 years, since 2002. Things like integrations with payment systems, risk-management implementations, and regulatory changes are routine for us.

2. The use of a token: The token is the only way to access the decentralized credit bureau, to make the loan, and to use a risk-algorithm or KYC-provider, for membership buying purposes.

3. A small ICO: The hard cap of our ICO is 7 million dollars. This is an adequate sum to build a product on a global scale that has a correspondingly large number of participants.

4. Distributed structure of the platform: Our goal is to build an open platform that maximizes freedom and customizability. Our goal is to let people work to earn and develop the lending process in the way that works best for them.

Token volatility and exchange rate risk

1. Given the global trend for token creation and volatility, such decentralized solutions as DY/DX\(^{40}\) can be used to hedge risk, using of Ethereum smart-contracts.

2. Bitmex – an existing solution of volatility hedging, including tokens.

3. Futures and derivatives launch on CBOE and Nasdaq.

We, in Gelios, plan to implement one of the volatility hedging tools to the platform as soon, as the industry of derivatives grows to the product stage and the industrial usage of it.

\(^{40}\) [https://whitepaper.dydx.exchange](https://whitepaper.dydx.exchange)  
The Token’s Role

The token’s role is to provide value without hard commissions and regulatory issues. We use our token in order that our platform may become independent of such circumstances as changes in gas value, hard forks in the blockchain, or other risk factors.

1. Providing value worldwide.
2. Microtransactions between parties.
3. Secure way to stabilize the platform (we can be sure that no hardfork can destroy the ecosystem).
4. Providing membership on the platform.
## Token Generation and Distribution

<table>
<thead>
<tr>
<th>STAGE</th>
<th>TIMING</th>
<th>NUMBER OF TOKENS</th>
<th>BONUS</th>
<th>BONUS TOKENS</th>
<th>TOKENS ON THIS STAGE SOLD</th>
<th>INVESTMENTS ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-ICO</td>
<td>30 days, start 21 January</td>
<td>1 000 000</td>
<td>30%</td>
<td>300 000</td>
<td>1 300 000</td>
<td>150 000-1 000 000</td>
</tr>
<tr>
<td>ICO part 1</td>
<td>15 days or cap, starts March 13</td>
<td>500 000</td>
<td>25%</td>
<td>100 000</td>
<td>600 000</td>
<td>500 000</td>
</tr>
<tr>
<td>ICO part 2</td>
<td>15 days or cap</td>
<td>750 000</td>
<td>15%</td>
<td>112 500</td>
<td>862 500</td>
<td>750 000</td>
</tr>
<tr>
<td>ICO part 3</td>
<td>15 days or cap</td>
<td>750 000</td>
<td>8%</td>
<td>60 000</td>
<td>810 000</td>
<td>750 000</td>
</tr>
<tr>
<td>ICO part 4</td>
<td>15 days or cap</td>
<td>5 000 000</td>
<td>0%</td>
<td>0</td>
<td>5 000 000</td>
<td>5 000 000</td>
</tr>
<tr>
<td>Overall community</td>
<td></td>
<td>572 500</td>
<td></td>
<td>8 572 500</td>
<td>7 000 000</td>
<td></td>
</tr>
<tr>
<td>Team</td>
<td></td>
<td></td>
<td>49%</td>
<td></td>
<td></td>
<td>8 236 324</td>
</tr>
<tr>
<td>Referral</td>
<td>5% from team tokens</td>
<td></td>
<td></td>
<td>411 816</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16 808 824</td>
</tr>
</tbody>
</table>

If the goal is not capped on the stage of pre-ICO or ICO, other tokens will be burnt.

1 token = 1$ in ETH or BTC equivalent.
• **The Pre-ICO stage** with begin on January 21st 2018 PST 00.00. Overall, 1,000,000 tokens will be distributed, at a cost of 1 USD in Ethereum per token. A 30% bonus will be available at this stage. If the hardcap is not reached all unsold tokens will be burnt.

• **The soft cap** during the pre-ICO is set at $150,000. If the hard cap is not reached, the remaining tokens from this stage will be burnt. The pre-ICO will end on February 21st if all the tokens are sold. The minimum investment at this stage is set at $50 in Ethereum equivalent.

• **The first stage of the ICO** will begin on March 13th. 500,000 tokens will be distributed with a 20% bonus. This stage will last for 15 days, until March 27th, at 23.59 PST, so long as 500,000 tokens have been sold. If this is not the case, the remaining tokens will be burnt. The minimum investment at this stage is set at $500 in Ethereum equivalent.

• **The second stage of the ICO** will begin on March 28th. 750,000 tokens will be distributed with a 15% bonus. This stage will last for 15 days, until April 11th, at 23.59 PST, so long as 750,000 tokens have been sold. If this is not the case, the remaining tokens will be burnt. The minimum investment at this stage is set at $200 in Ethereum equivalent.

• **The third stage of the ICO** will begin on April 12th. 750,000 tokens will be distributed with a 15% bonus. This stage will last for 15 days, until April 26th, at 23.59 PST, so long as 750,000 tokens have been sold. If this is not the case, the remaining tokens will be burnt. The minimum investment at this stage is set at $50 in Ethereum equivalent.

• **The fourth stage of the ICO** will begin on April 27th. 5,000,000 tokens will be distributed with no bonus available. This stage will last for 15 days, until May 11th, at 23.59 PST, so long as 5,000,000 tokens have been sold. If this is not the case, the remaining tokens will be burnt. The minimum investment at this stage is set at $50 in Ethereum equivalent.

• **No additional token emissions are envisaged.**

• **Gelios token will be listed at least at 3 exchanges in one month after the end of ICO.**
The Gelios financial plan covers the next three years, until the release of the final product. We have considered three possible financial scenarios. In all three of these scenarios, we consider marketing activities as the most important, as customer acquisition costs on the lending platforms are very high. Marketing activities will widen during the ICO.

Gelios’ development goals are delineated in the section entitled “Roadmap and Goals.” Every funding goal is bound to a certain development goal. The development will take place with the funding has been obtained.

### Development

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Matching Algorithm of Lender and Borrower improving, Hyperledger Fabric based trust-system + credit bureau prototype, basic Mobile App</td>
<td>1,400,000</td>
<td>1,400,000</td>
<td>1,400,000</td>
</tr>
<tr>
<td>2019</td>
<td>Exchanges integration for token converting from/to fiat, Integrating role of KYC provider</td>
<td>700,000</td>
<td>700,000</td>
<td>700,000</td>
</tr>
<tr>
<td>2020</td>
<td>Integrating role of risk analyst, Risk-analysts interface for custom risk-models</td>
<td>1,400,000</td>
<td>1,400,000</td>
<td>1,400,000</td>
</tr>
</tbody>
</table>

### Marketing

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Working with community of KYC providers to attract more options to the marketplace</td>
<td>Hold at least one conference, dedicated to attract KYC and risk-analysts community</td>
<td>700,000</td>
<td>700,000</td>
</tr>
<tr>
<td>2019</td>
<td>Working with community of KYC providers and risk-analysts to attract more options to the marketplace</td>
<td>Hold at least one conference, dedicated to attract KYC and risk-analysts community</td>
<td>700,000</td>
<td>700,000</td>
</tr>
<tr>
<td>2020</td>
<td>Working with community of KYC providers and risk-analysts to attract more options to the marketplace</td>
<td>Hold at least one conference, dedicated to attract KYC and risk-analysts community</td>
<td>700,000</td>
<td>700,000</td>
</tr>
</tbody>
</table>

### Legal

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Claiming to UK government for cryptocurrency projects sandbox participation</td>
<td>700,000</td>
<td>700,000</td>
<td>700,000</td>
</tr>
<tr>
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<tr>
<td>2020</td>
<td>Claiming to UK government for cryptocurrency projects sandbox participation</td>
<td>700,000</td>
<td>700,000</td>
<td>700,000</td>
</tr>
</tbody>
</table>

You can review all three scenarios here: [http://bit.ly/2E1CmeS](http://bit.ly/2E1CmeS)
Platform development and the team

We believe that token ownership is a major motivating factor for our team to develop the Gelios product quickly and efficiently. It might sound like a big percentage, but if you compare it to venture investments, or such crypto-projects like Ripple it is really not that high.
## Roadmap and Goals

### 2013
- Brainysoft established

### 2014
- Brainysoft is Resident of Skolkovo Innovation Center

### 2017
- 3 million dollar monthly netflow and 90 active clients

### November 2017
- Start of Gelios.io
- Matching Algorithm of Lender and Borrower
- Hyperledger Fabric based trust-system + credit bureau prototype
- Integrating with financial core of Brainysoft

### Winter 2018
- Pre-ICO
- ICO marketing, MVP development, Roadshow, Public Relations

### Spring 2018
- Exchanges integration for token converting from/to fiat
- Integrating role of KYC provider
- KYC providers API
- Integrating role of risk analyst
- Risk-analysts interface for custom risk-models

### Summer 2018
- Mobile app development
- Blockexplorer for risk-analysts
- Marketing on borrowers and lenders
- Marketing on risk-analysts

### Autumn 2018
- Integrating role of collector

### Winter 2018
- White-label solution development
- White-label solution API
- White-label customers personal area

### Spring 2019
- Constructor for Lender’s business-processes

### Summer - Autumn 2019
- Integrating role of manager
- Integrating role of webmaster

### 2020
- CPA marketplace prototype

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#### Financial Milestones

- **November 2017**: 1,000,000 $
- **Summer 2018**: 3,000,000 $
- **Autumn 2018**: 4,000,000 $
- **Winter 2018**: 5,000,000 $
- **Spring 2019**: 6,000,000 $
- **2020**: 7,000,000 $
Token prospects

As it’s often said, numbers don’t lie. Let’s compare Gelios’ maximum token liquidity post-ICO (7 million dollars) to the lending flow of some other platforms:

### P2P LENDING VOLUMES BY PLATFORM AND COMPARED WITH OTHER CREDIT MARKETS IN THE UK

<table>
<thead>
<tr>
<th>Platform</th>
<th>Balance</th>
<th>Net Lending Flow, 2015 (£mn)</th>
<th>Number of:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>End-2015 (£mn)</td>
<td>Consumer</td>
<td>SME</td>
</tr>
<tr>
<td>Funding Circle</td>
<td>657</td>
<td>-</td>
<td>243</td>
</tr>
<tr>
<td>Zopa</td>
<td>625</td>
<td>293</td>
<td>-</td>
</tr>
<tr>
<td>RateSetter</td>
<td>517</td>
<td>154</td>
<td>68</td>
</tr>
<tr>
<td>LendInvest</td>
<td>195</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Thincats</td>
<td>89</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td>Market Invoice</td>
<td>36</td>
<td>-</td>
<td>Annual lending of £264mn to businesses</td>
</tr>
<tr>
<td>Landbay</td>
<td>21</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LendingWorks</td>
<td>14</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Total P2P</td>
<td>2,155</td>
<td>456</td>
<td>332</td>
</tr>
<tr>
<td>All lenders</td>
<td>522,620</td>
<td>14,606</td>
<td>2,294</td>
</tr>
<tr>
<td>P2P (% of total)</td>
<td>0.4%</td>
<td>3.0%</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

Notes. All P2P data were calculated from tables in the press releases of the UK Peer-to-Peer Finance Association (2016b, 2015c, 2015b and 2015a). The data on other lenders are from the Bank of England: BankStats Table 5.2 for stock and flow of consumer credit from monetary financial institutions (banks and building societies); BankStats Table A8.1 for the stock and flow of lending to small- and medium-sized enterprises (SMEs) by monetary financial institutions. Lending secured on property is calculated using Bank of England MLAR Table 1.33 to compute stock and flow for buy-to-let residential mortgage lending only and deducting P2P (we restrict comparison in this way because most UK P2P lending secured on property goes into the buy-to-let market, itself about 15% of total UK stock and flow of residential mortgage lending). The figures given here on lending flows are net of repayments and so are not directly comparable with the gross lending figures reported by Zhang et al. (2016) and illustrated in Figure 1.

The market for alternate finance has gained popularity in recent years. A finding by Transparency Market Research suggests that “the opportunity in the global peer-to-peer market will be worth $897.85 billion by the year 2024, from $26.16 billion in 2015. The market is anticipated to rise at a whopping CAGR [Compound Annual Growth Rate] of 48.2% between 2016 and 2024.”

If you pay attention to the net lending flow of these platforms, and compare them to Gelios’ hard cap, (7 million dollars) you will notice that there is a lot of room for profit.

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43 http://www.nasdaq.com/article/the-rise-of-peertopeer-p2p-lending-cm485513
A comparison of US loan volumes (in billions of dollars)

Source: Direct Lending: Finding value/minimising risk, Liberum, 20 October 2015, p. 6
See also: http://www.liberum.com/media/69233/Liberum-Lendit-Presentation.pdf; Deloitte analysis
* Figures are rounded to the nearest million

US MPL ANNUAL LOAN VOLUMES, US$ MILLION, 2011-2015*

A comparison of US loan volumes (in billions of dollars)
Gelios is P2P lending platform that allows people to participate in the global financial market in the following roles:

1. Lender
2. Borrower
3. Webmaster
4. Collector
5. KYC organization

The company is backed by professionals in financial accounting — the Brainysoft company — which has a 15-year track-record in the industry.

Unique opportunities on Gelios include:

1. The white-label personal area
2. Customized risk-analytics'
3. The free blockchain explorer = data analysis for node holders
4. The KYC market
5. The CPA market (a unique customer acquisition opportunity)
1. http://www.nber.org/digest/jul05/w10979.html
12. All number on this page from the report: https://ibr.ru/media/reports/RMG_Partners_P2PReport_RUS_final.pdf
22. https://www.bitbond.com/
30. https://www.slideshare.net/jonhoehler/insights-into-the-potential-for-mobile-media-in-africa/32-Smartphone_penetration_in_Africa_The
37. https://monsco.co
38. https://coinsbank.com/
40. https://whitepaper.dydx.exchange/
LEGAL SECTION

All matters associated with Gelios project, including the terms of distribution of Gelios tokens are available at http://gelios.io/

You acknowledge and agree that there are risks associated with purchasing, holding, using and disposing of Gelios tokens in connection with the services, stores and the Gelios project itself, as disclosed and explained in this document and in the materials available at http://gelios.io/. If you have any questions regarding any of the risks please contact us.

Any person purchasing Gelios Lending Solutions products, services or Gelios tokens (the “Purchaser”) expressly acknowledges technical and market uncertainties which are inherent in any business development projects as presented in this document and that the project, therefore, may not come to a final realization as planned or may have to be abandoned, or the rights or Purchasers who are Gelios token holders may vary significantly from those listed in this document or any documents available at http://gelios.io/

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In addition, none of the Gelios Parties may in any way be held liable, without limitation, for any of the following: (1) any delays with implementation of the Gelios project at any stage for the reasons out of reasonable and fair control of the Gelios Parties; (2) any changes to the business strategy of the Gelios project to be made solely by the Gelios Parties; (3) any limitations to the rights of Gelios token holders at any stage; (4) any non-compliance of the Purchasers with applicable laws and regulations; (5) any changes to this document, terms and conditions of tokens distribution and any other documents or materials available at http://gelios.io/ (6) any technical failures in smart contract operations; (7) non-performance, failure or unavailability of the services due to a third party or the Purchaser breach of obligations; (8) indirect or direct damages and losses related to purchase from Gelios Lending Solutions by the Purchaser of any services, products or Gelios tokens; (9) suspension of access, temporary or permanent suspension of the Gelios project (in particular, arising from a request issued by an appropriate administrative or judicial authority, or notification received from a third party); (10) loss, alteration or destruction of all or part of the content (information, data, applications, files or other items) hosted on the infrastructure and data backups in particular; (11) mismatch between the Gelios services and the Purchaser’s needs (in particular, with regard to the sensitivity of the relevant data); (12) security incidents relating to use of the internet, concerning in particular the loss, alteration, destruction, disclosure or unauthorized access to the Purchaser’s data or details on or via the Internet; and/or (13) damages to systems, applications and other items installed by the Purchaser on any infrastructure.

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Gelios tokens are not a regular currency or an electronic currency within the meaning of EU Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 relating to access to and pursuit of the business of electronic currency institutions. Gelios tokens are not accepted outside the Gelios project system and Gelios tokens do not have a fixed exchange value equal to the amount delivered at the time of its issue. Gelios project is not a payment service within the meaning of EU Directive 2007/64/EC of 13 November 2007 relating to payment services in the internal market, nor within the meaning of EU Directive No. 2015/2366 of the European Parliament and of the Council of 25 November 2015.

Gelios token is a cryptographic token used in the Gelios project, an unregulated, digital asset, issued and controlled by its developers, and used and accepted by the members of the Gelios community.

Warnings on the risks inherent to the participation in the Gelios ICO is reserved for natural or legal persons acting within the scope of their professional activities. Any private individual acting on a non-professional basis as a simple consumer within the meaning of EU Directive 2011/83/EU relating to consumer rights shall be excluded from the Gelios ICO.
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