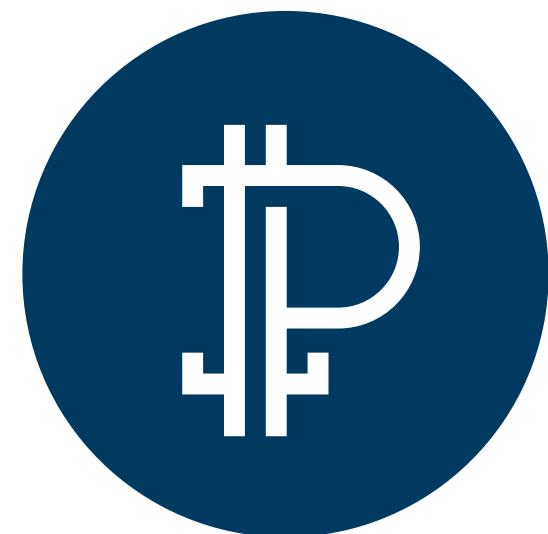




The world's decentralized
credit infrastructure

irresident.io



P R I V É
PRIVATE CREDIT
ON BLOCKCHAIN

DISCLAIMER

This document describes the Prive software platform and the planned launch of its token sales. At the time of writing, the Privé software platform is in an early stage of development. Any forward-looking statements contained in this document, as well as statements declaring what Privé platform is or does, constitute descriptions of Privé's business requirements and its desired features; they do not presently assume any particular level of completeness or availability of the same. This document does not constitute investment advice of any kind.

The document includes a description of the Privé software platform token, as well as a description of the token sales strategy. Please refer to the token sale terms published on www.irresident.io.

All brands, product names, and trademarks of other companies mentioned in this document are used for identification purposes only and are acknowledged as property of the respective company.



At a Glance

From credit origination to debt service to collateral management and trading,
Privé renders the world of private credit accessible to everyone.

	OLD SCHOOL	ATS / MTF / BROKERED	PRIVÉ
ORGANIZATION	Decentralized	Centralized	Decentralized
MARKET REACH	Agent/sourcing networks	Regional, proprietary	Global
CREDIT ORIGINATION	Direct or intermediated	Direct or intermediated	Peer to peer
TRADING	Direct or intermediated	Intermediated	Peer to peer
DEBT SERVICE	Intermediated	Intermediated	Built-in
PERFORMANCE ANALYSIS	Data vendors	Data vendors	Built-in
PLATFORM ACCESS	N/A	Restricted	Free



- > UNCORRELATED TO PUBLIC MARKETS
- > PORTFOLIO DIVERSIFICATION
- > ABOVE AVERAGE RETURNS
- > PARTICIPATION IN UNIQUE DEALS

Private Credit

Flexible terms for borrowers

Stable and predictable cash-flow for lenders

By definition, private credit is all unregistered credit. Private credit is a flexible and systemically sustainable alternative to bank loans. For private companies, it is often the only alternative.

From an investor's perspective, private debt is a highly sought-after asset class for mid-to-long term investment strategies. However, private credit typically competes with banks and public bond markets over a limited group of large corporate borrowers with the overhead costs for smaller transactions outweighing the expectations of potential returns.

We at Irresident view this phenomenon as a direct consequence of the present intermediary-centric financial system architecture.

Our view is that a decentralized credit infrastructure may contribute to substantial cost reduction and help the private credit market

accommodate transactions of all sizes. Given a proper technological base, we believe that a platform that turns debt financing into a utility accessible to borrowers and lenders of all sizes is both required and achievable.

Ethereum is that base and Privé is the platform.

(1) Government-sponsored bail-outs

(2) Government-enforced bail-ins, see Cyprus crisis 2013



Problem

Private credit is decentralized in nature as it is based on direct deals between borrowers and lenders. The centralized solutions have helped the market gain traction and grow in liquidity and size, especially since the easing of regulations in the US and Europe⁽³⁾. However, the centralized access points are now becoming an obstacle to future exponential growth.

→ RESTRICTED ACCESS

The private credit market is effectively out of reach for the vast majority of US and EU companies. Access to centralized platforms is restricted to “sponsored” or QIB-intermediated deals only.

→ LIMITED INVESTABLE UNIVERSE

An investor's ability to diversify in private debt is dependent on the availability of high quality assets. Without a broad base of borrowers, the investment options are very limited.

→ DATA MAPPING

Loan (collateral) performance analysis is central to credit investors. Proprietary solutions require constant mapping of credit data from disparate sources. The data is not available in real time.

→ REGULATORY FRAGMENTATION

Owing to the fusion of diverging regulatory frameworks with the centralization of market access, there exists no single marketplace where credit demand is met by global supply.

→ COST

The notable costs of centralized solutions and their integration with intermediaries are transferred to market participants. The costs include fees for admission, transaction structuring, data feeds, and payment and disbursal intermediation.

(3) SEC adopting amendment to Rule 144A permitting resale (trading) of private debt to Qualified Institutional Buyers, EU allowing direct institutional lending to SMEs.



Solution: P2P is the New Private

- | SUPER SENIOR DEBT
- | SENIOR SECURED DEBT
- | SECURED DEBT
- | SENIOR UNSECURED DEBT
- | SUBORDINATED DEBT
- | CONVERTIBLE BONDS
- | PREFERRED STOCK

→ BORROWERS

Freely access the global private credit market and make the deal that suits your business goals best.

→ LENDERS

Engage in credit strategies of choice and build diversified portfolios of high quality assets.

→ AGENTS

Easily find clients in need of your investor network, expertise, and regulatory status.

All market participants have free access to the Privé platform.

Users benefit from the Privé RegTech layer assisting them in taking optimal regulatory routes for private debt placement or trading across different jurisdictions.

Debt servicing is built in, and the distribution of principal and interest is automated.

Investors gain access to loan performance data in near real time. The borrower's privacy is secured.

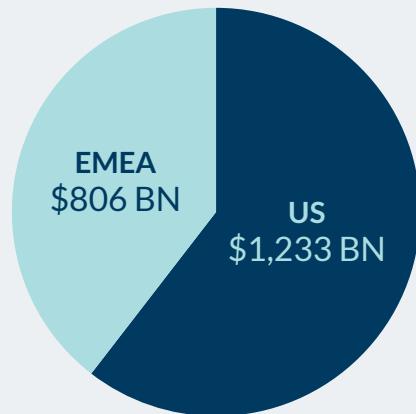
Private Credit Market Size



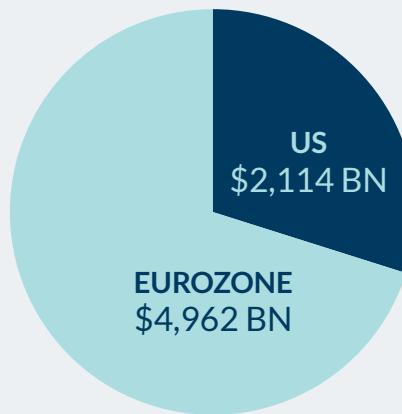
→ Private credit AUM is estimated to reach \$1 TN by 2020

 [US] Companies will need to refinance an estimated \$4 trillion of bonds over the next five years, about two-thirds of all their outstanding debt.

Beyond Private Credit



HIGH YIELD BONDS
US + EMEA = \$2 TN



COMMERCIAL LOANS
US + Eurozone = \$7 TN



BANK INTERMEDIATED TRADE FINANCE
Total ~\$9 TN

SME Financing Gap
~\$2.6 TN



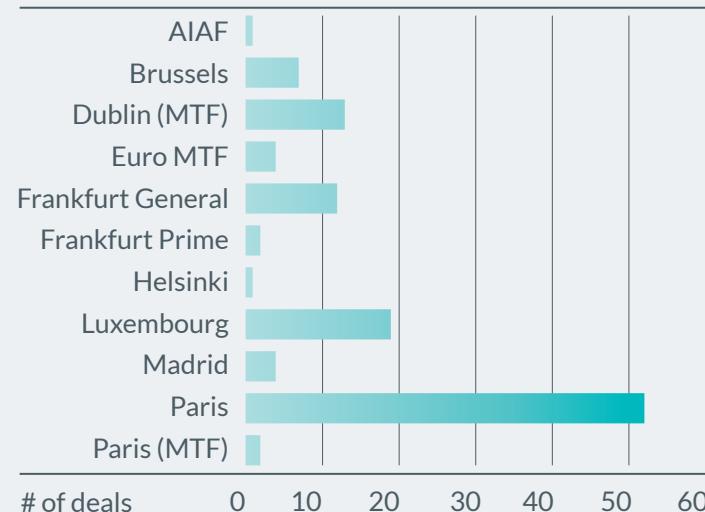
The rise of interest rates and the necessity for businesses to refinance their not-so-cheap-anymore debt will see the application of Privé expand well beyond the present private credit boundaries.

- > BORROWERS OF ALL SIZES
- > PRIVATE LENDERS OF ALL SIZES
- > PLACEMENT AGENTS
- > CREDIT FUNDS
- > STRUCTURED VEHICLES
- > BANKS AND BANK SYNDICATES
- > INSTITUTIONAL INVESTORS

Market Validation

€22 BN issued

Place of listing of Euro-PPs



Between 2012 and 2016, the Euro Private Placement Initiative involved 299 deals of privately placed mid-to-long term debt issued by mostly French companies amounting to a total of €22 BN, according to Boston Consulting Group*. The individual transactions ranged from as low as €4 million all the way up to €600 million while as much as 69.7% of the total issuance was unlisted (i.e. originate and hold).

In addition to the Euro PP, there is also the Schuldchein market for privately placed debt in the DACH region (Germany, Austria and Switzerland). According to Bloomberg, €35 BN worth of Schuldchein were sold in 2017.

In the US, private placement of senior, typically investment grade debt represents a significant share of insurers' bond portfolios.

PORTFOLIOS as of 2016

18.2%

LIFE INSURANCE

11.8%

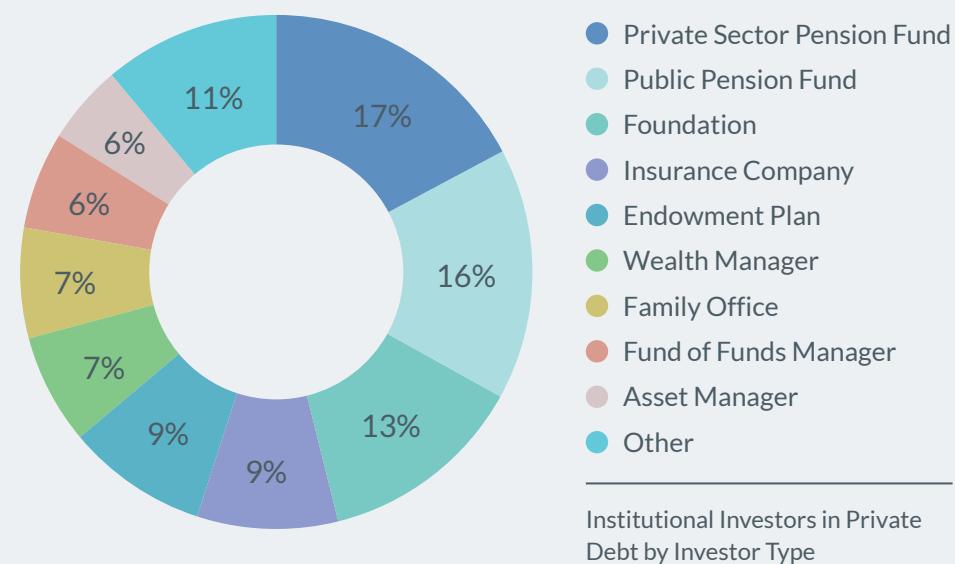
PROPERTY / CASUALTY

11.7%

HEALTH INSURANCE

Market Validation

The prolonged period of near-zero interest rates has been driving institutional investors toward the more attractive opportunities in the SME bond market. The regulations in Europe have softened to allow institutional investors to directly lend to SMEs without credit rating or listing.



Market Validation

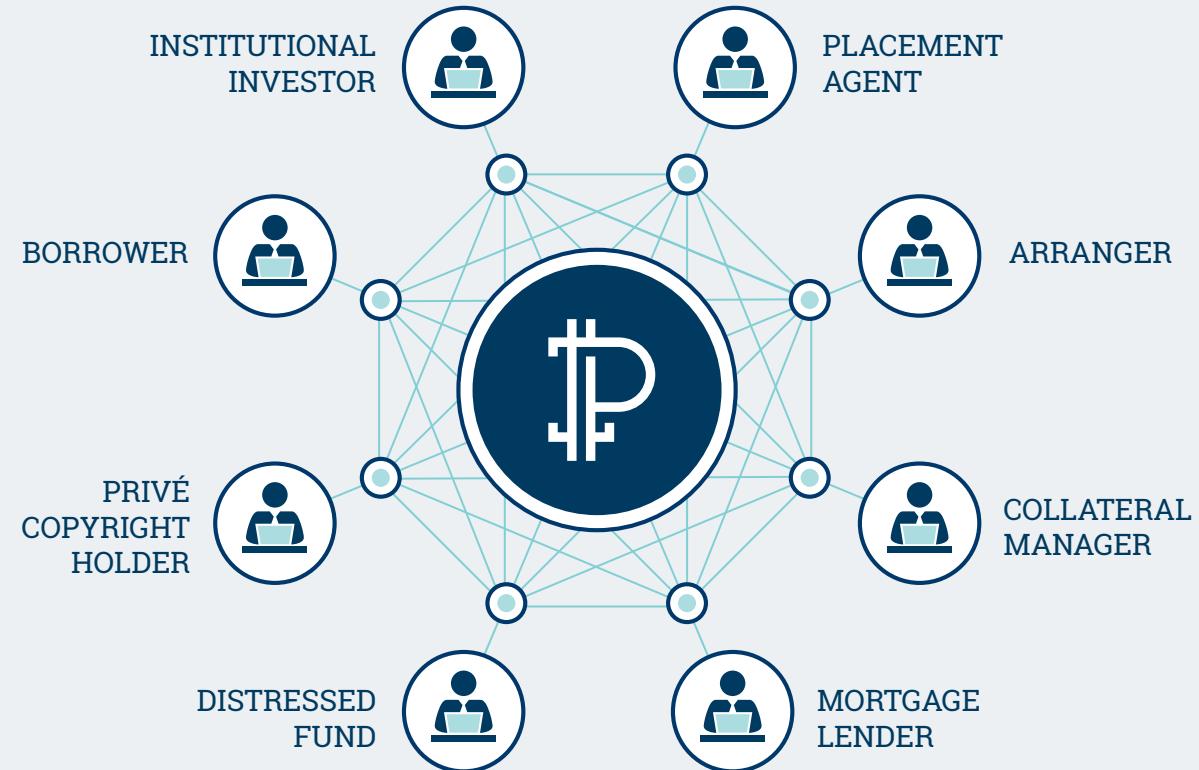
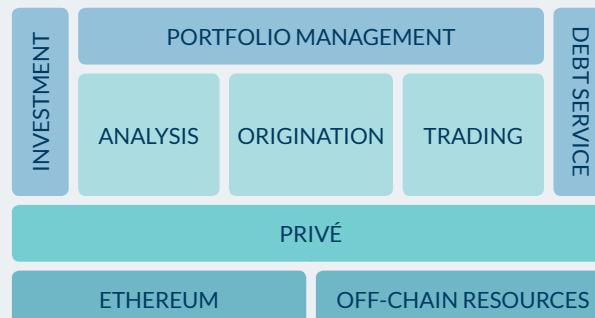
Spectrum of Issuers Accessing the PP Market in 2017

POWER / INFRASTRUCTURE / PROJECT FINANCE				INDUSTRIALS			
	London Luton Airport		€155m		€240m		\$300m
£230m						€225m	
	£55m		\$750m		A\$200m		£300m
							\$200m
							\$50m
							€360m / £127,5m
							\$355m
							\$370m
REAL ESTATE				CONSUMER / RETAIL		OTHER INDUSTRIES	
	€650m		£225m		£100m		\$176m
							£200m
							€220m
							\$150m
							\$585m
							\$275m
	£200m		£75m		\$2,500m		\$243m
							\$400m
							£40m
							\$585m
							\$550m

The Privé Platform

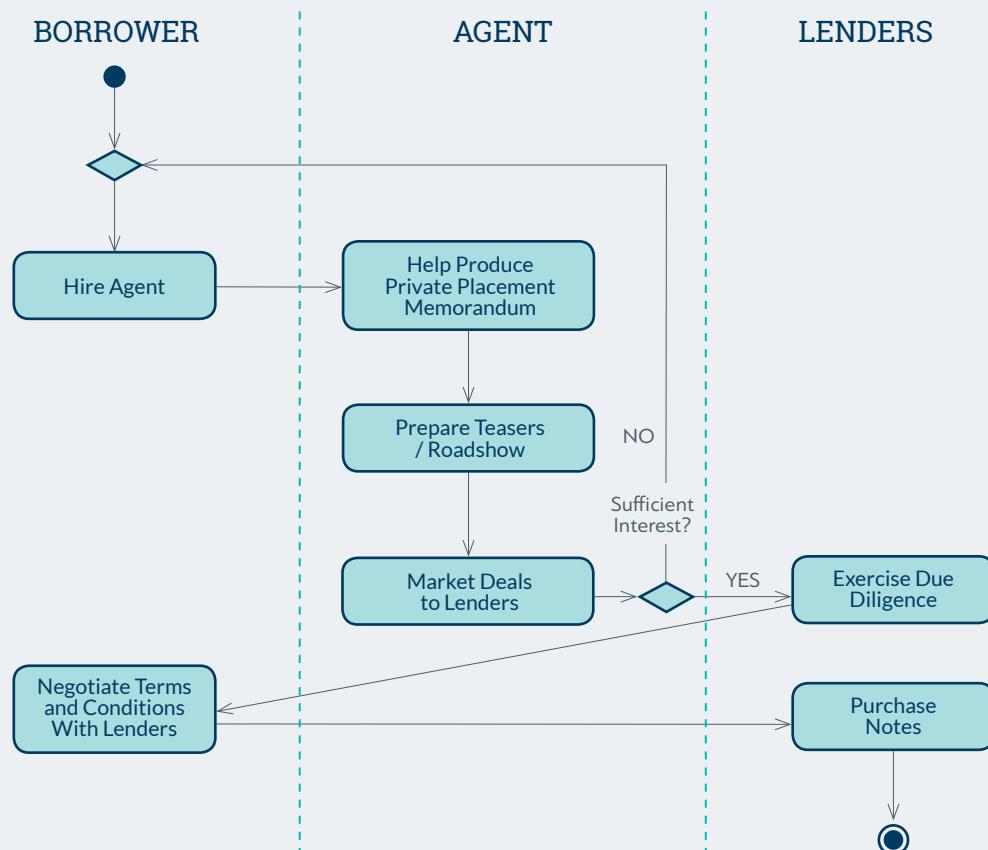
Privé deals are regular private credit deals, denominated in a fiat currency and secured with real assets. Fund transfers are settled in digital assets of choice or through a Privé enabled third party Fiat Relay service that bridges fiat to blockchain and blockchain to fiat transactions.

Private deal data are protected by encryption.



- Privé gives rise to a single global marketplace of credit deals, therefore reducing the need for costly intermediary networks traditionally required by lenders and borrowers alike.

Private Placement: A Borrower's Perspective



TRADITIONAL APPROACH

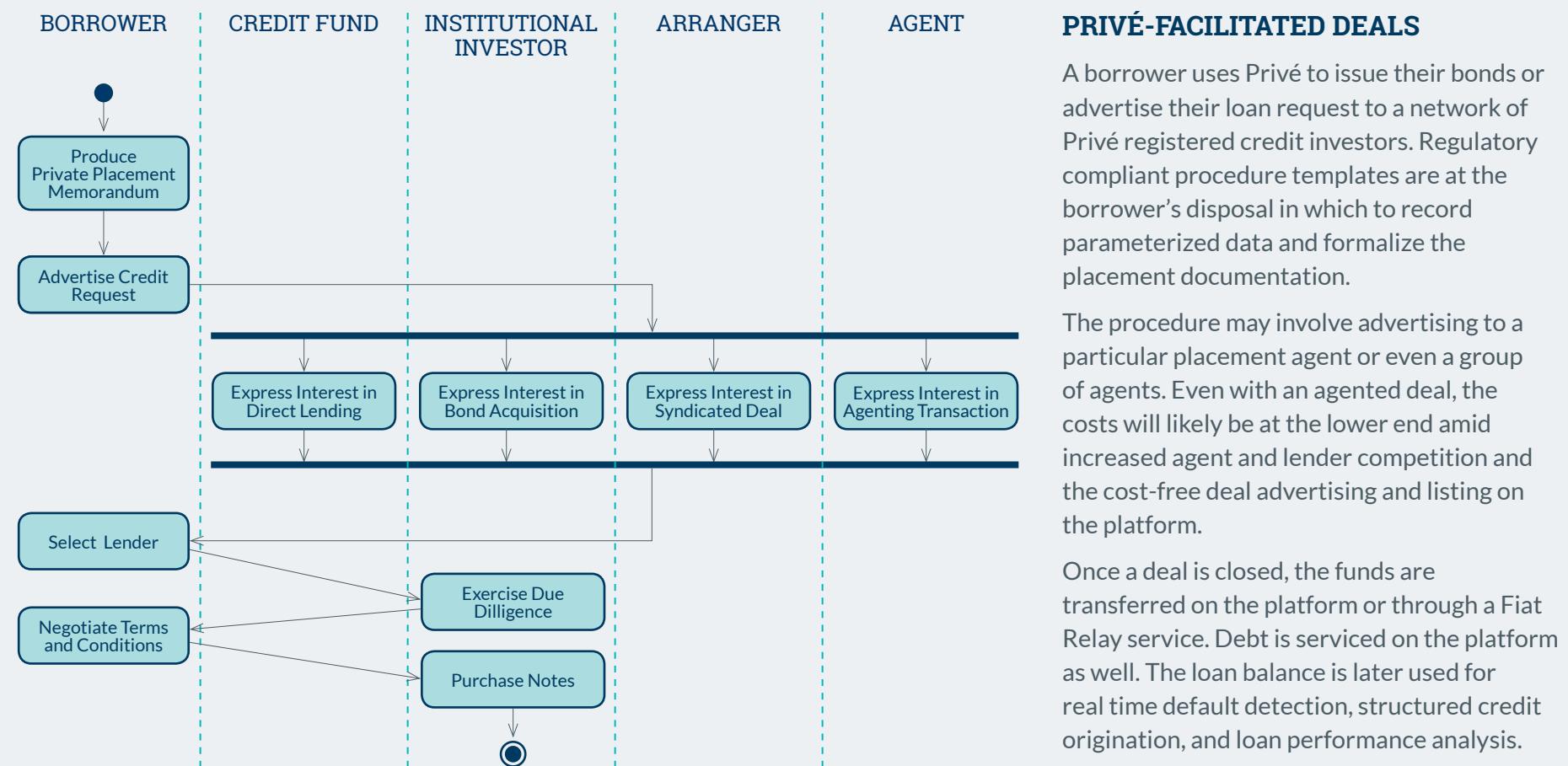
Before approaching lenders, the borrower typically hires a placement agent and relies on their assistance to produce the required documentation and market the bond issuance to the agent's investor network. The agent offers no guarantees of the placement success. All risks and costs associated with attracting lenders' interest and closing the deal are entirely the borrower's.

Conversely, as much as a borrower may require placement agents to approach potential lenders, lenders are reliant on their sourcing networks to identify attractive deals.

Upon closing a deal, the loan is disbursed or the bonds acquired with the parties involved reflecting the changes in their books.



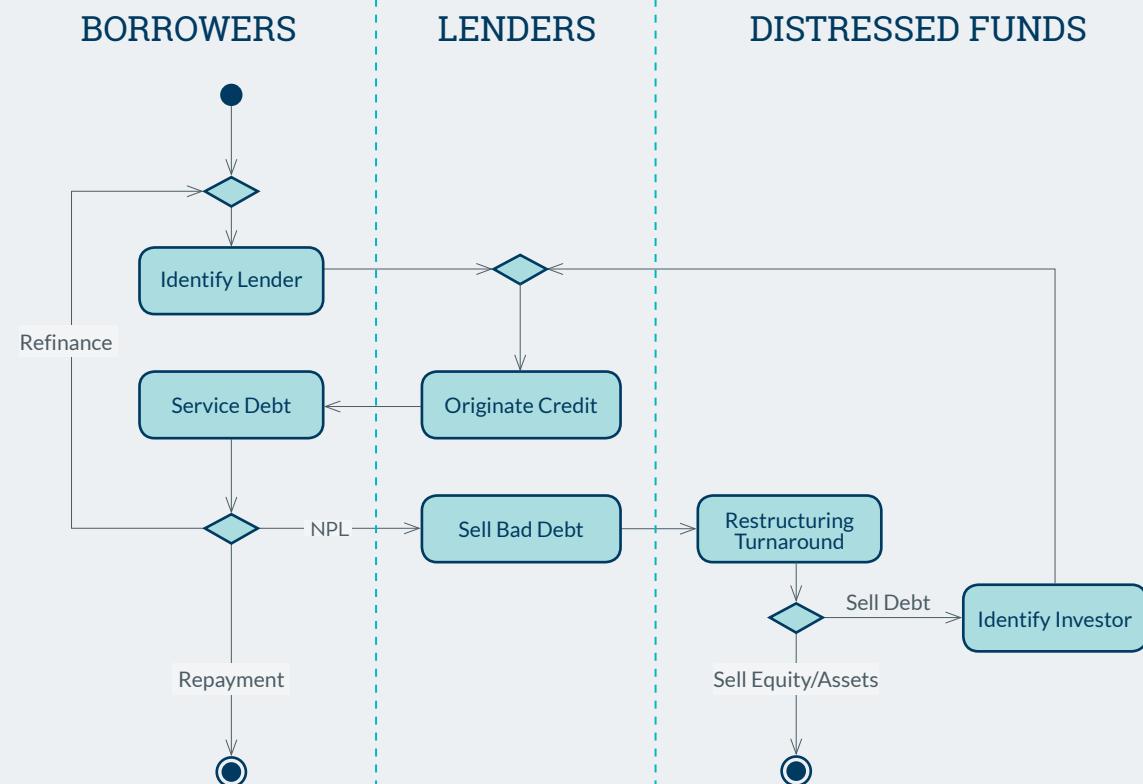
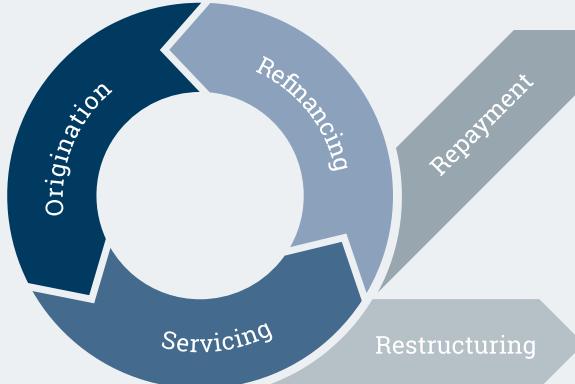
Private Placement: A Borrower's Perspective



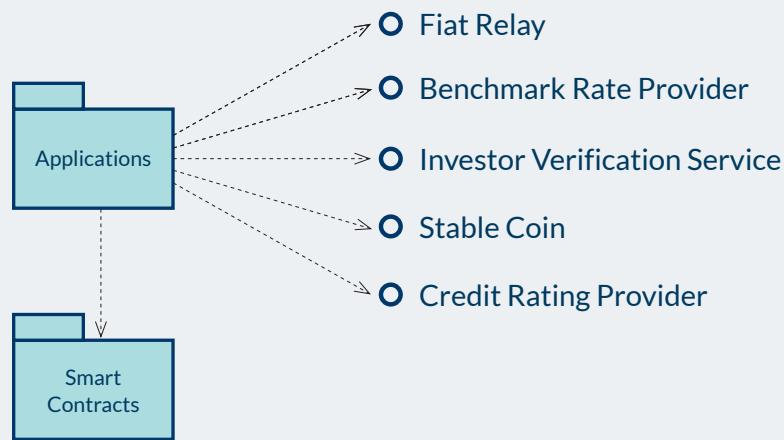
The Credit Lifecycle

Privé provides support to borrowers and lenders for their activities throughout all stages of a credit lifecycle.

Credit origination, debt servicing, and trading of debt instruments are all available to users on a single platform that unifies the entire private credit spectrum.



Data and Service Providers

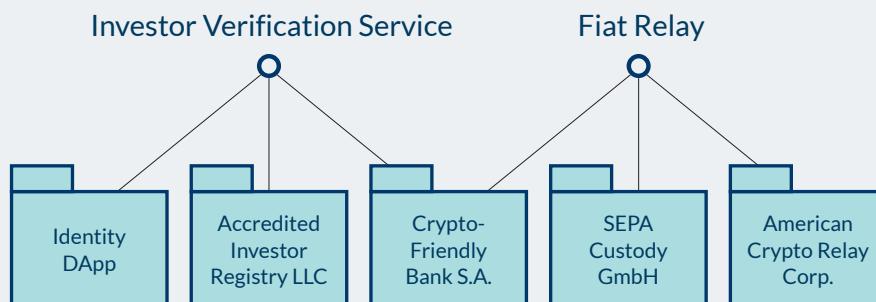


Privé is a fully decentralized platform. Its dependencies on external data or service provision are configurable at the application level so that the end users can choose among different providers, whether themselves decentralized applications or specialized businesses.

Stable coins are one such use-case. Irresident is developing its own fiat-reserves backed stable coin as part of the Refuel project. However, Privé lets its end users rely on other major fiat-equivalent stable coins as well.

Many Prive users come from either the real economy or finance and are not familiar with blockchain technology. They are expected to opt for traditional money transfer methods, instead. For this purpose, Privé provides a Fiat Relay mechanism⁽⁴⁾ that helps users transfer their funds without the necessity for fiat-to-blockchain-and-back conversions.

Other external services include benchmark rate providers (LIBOR, SOFR, EURIBOR, etc.), credit rating services, investor verification and others. For instance, if an issuer wants to make sure they are advertising their private deal to qualified institutional buyers only, they will simply choose one or more investor-verification services that Privé will rely upon when fetching and displaying the deal data to end users.



(4) Basically a communication protocol between Privé and the external money transfer services

Competitive Landscape



Prive is the only decentralized platform for credit secured with real assets and of any duration.

Core Team

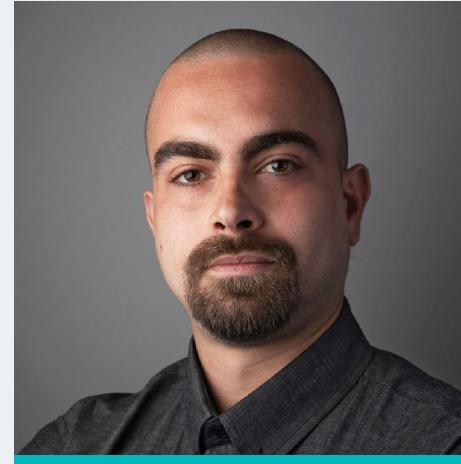


DAMIR PETKOVIC

Co-Founder and CEO

With over 20 years in software development, Damir has served as software architect and project manager on large-enterprise projects throughout Europe.

Prior to going all in with Privé, Damir spent 10 years in financial and capital markets providing his sourcing services to distressed asset funds and private investors.

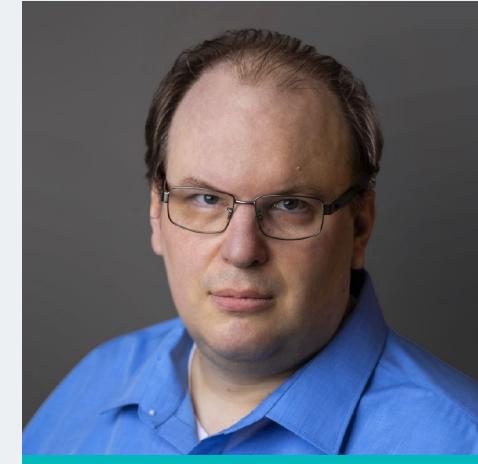


LUKA ARVAJ

Co-Founder and CLO

Before joining forces and founding Irresident Limited with Damir, Luka served as a corporate lawyer. Luka served over 7 years of experience in corporate law and corporate finance law.

In addition to his professional career, Luka is also passionate about international law and was the founder of the first-of-its-kind, not-for-profit private arbitration court in Croatia.



HRVOJE VELIC

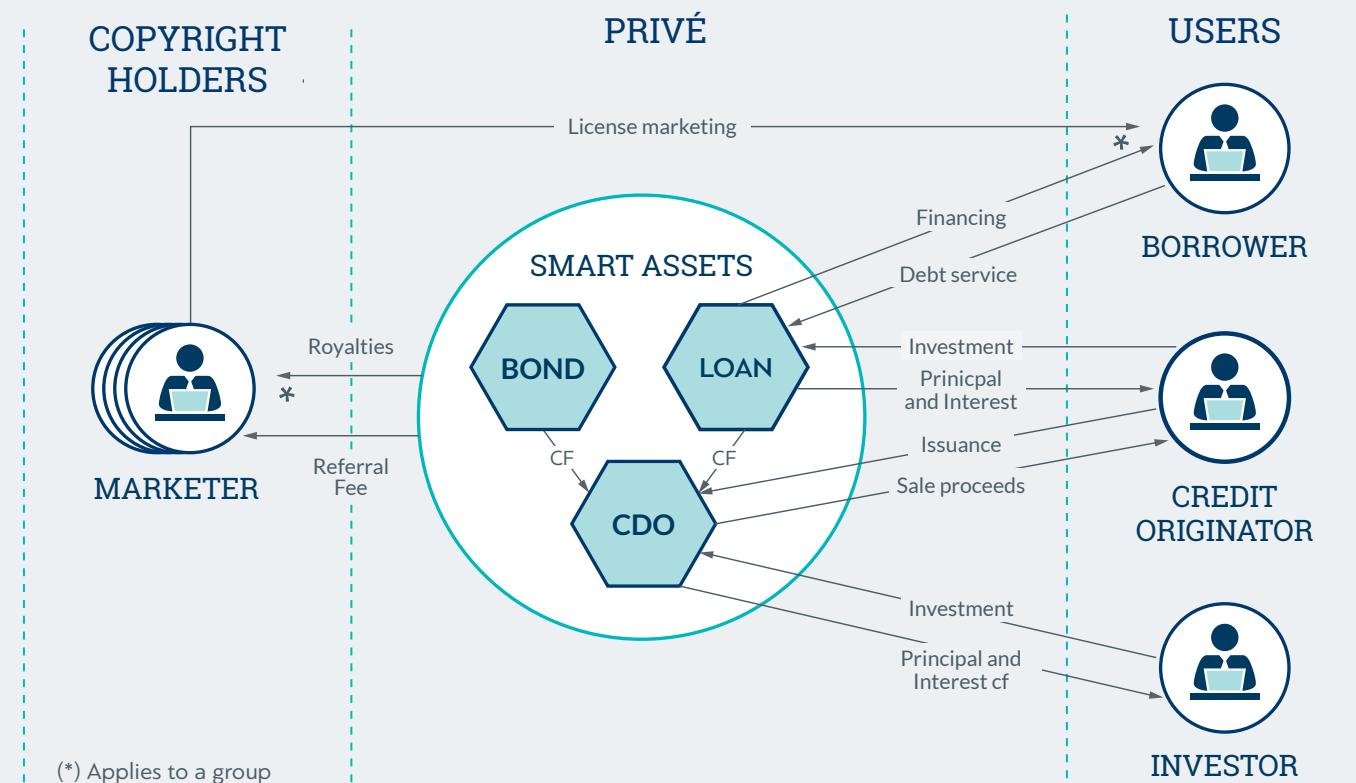
Software Architect

Hrvoje is a long-time associate of Damir and a brilliant software developer with a track record of quality spanning more than 20 years. Hrvoje has served on various large-scale projects in Europe, including projects in the banking industry and telecommunications.

Business Model

The Privé platform is owned by its copyright holders – the holders of Privé tokens who accept the Joint Copyright Ownership Agreement.

The copyright holders have the right to market and license the platform to end users. All economic benefits of licensing the platform to the end users will be distributed in the form of royalties to Privé platform copyright holders, on a pro rata basis.



Privé business model (end user licensing) is being incorporated into the software.

Sample Model Settings

Private credit AUM by 2020 ⁽⁷⁾	\$1 trillion
Market share mid-term target	1%
Presumed weighted average return	10%
Aggregate return on Privé platform	\$1 billion
License fee	2%
Royalties from license fees	\$20 million



In an illustrative scenario with a 1% share of the global private credit market and a license fee of 2% off the aggregate performance, Privé clearly shows the scale of its potential.

Note: The sample model presented herein is subject to change and should not be used for future reference.

(7) As estimated by Preqin, ACC Research, AIMA



Token name	Privé Token
Token symbol	PRIVE
Asset type	Copyright
Total supply	50,000,000
Sale strategy	Long term

Initial Copyright Offering

A game-changing token sale strategy for a game-changing product

Privé token is a certificate of fractional undivided interest in and to the copyright of the Privé software platform. Simply speaking, it is a certificate of partial ownership of the Privé platform. The associated legal prose can be retrieved by invoking the token's 'copyrightAgreement' function. The legal prose is a joint

copyright ownership agreement that defines the copyright holder's mutual rights and obligations. For a token holder to take their pro rata ownership of the Privé copyright, they must accept the said aforementioned agreement by invoking the token's 'acceptAgreement' function. For this purpose, a Privé wallet dApp will be available on the Irresident website.

→ COPYRIGHT TOKEN HOLDERS ADVANTAGES

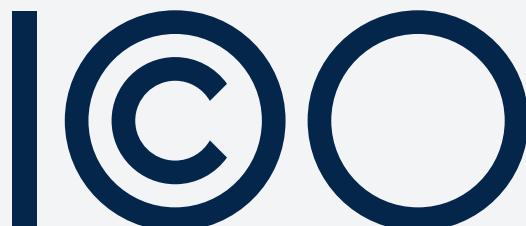
- > Everyone is eligible: Copyright is not a security
- > Copyright tokens have an intrinsic value
- > Token-holder interests are protected by US copyright laws

As per the Joint Copyright Ownership Agreement, copyright holders (the token holders who accept the agreement) are permitted to derive work from the original work of the Privé platform and are entitled to royalties from economic exploitation of the Privé platform's original and derivative work. Prive's royalty distribution mechanism will be implemented as part of the software platform.

→ @dev Privé token uses 'onlyOwner' modifier solely for the purpose of setting its crowdsale contract, minting, whitelisting, and enabling trading. Once enabled, the trading cannot be disabled again.



The Timeline



Initial Copyright Offering

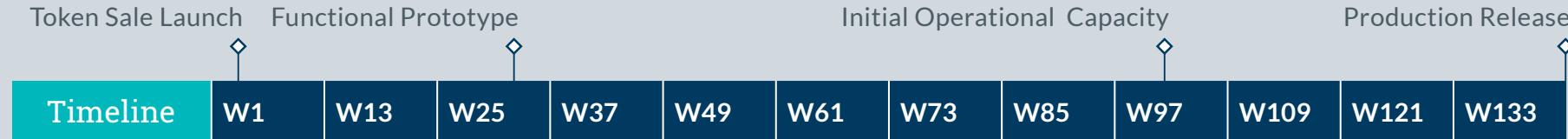
TOKEN SALE

The sale of Privé copyright tokens is organized in multiple sale rounds. The total amount of tokens in existence will be limited to 50 million. The amount of tokens intended for distribution is planned to exceed 50% of the issuance over time, but the total amount intended for sale will remain at the sole discretion of Privé Trust.

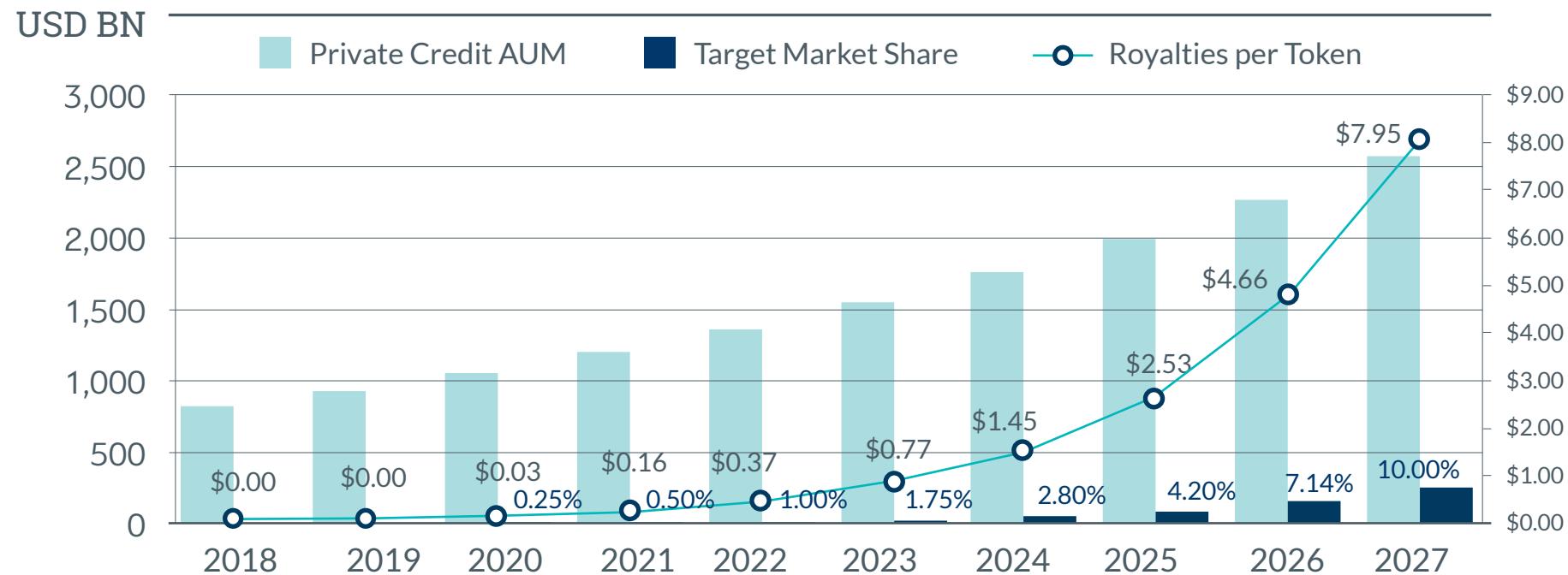
A fixed amount of tokens will be allocated to each sale round and each such round may end at any time without any commitment to sell the entire allocation. The sale dynamics are not predetermined nor is the total number of sale rounds. The token price may vary over time. The terms of sale can be found at www.irresident.io.

PROJECT TIMELINE

The presented project timeline reflects the current estimate of the Privé platform development milestones and assumes a timely and successful execution of Privé token sale rounds. Given the project's dependence on external funding, the scheduling may vary accordingly.



Illustrative RPT Growth Projection



→ The chart is an illustrative projection of the royalty-per-token growth scenario in which the adoption of Privé reaches a 1% share of the private credit market within 2 years from its pre-beta release (the initial operational capacity) and 10% of the market share over the following 5 year period.



Illustrative Token Valuation

Illustrative IRR and ROI projections for 5Y and 10Y holding periods*

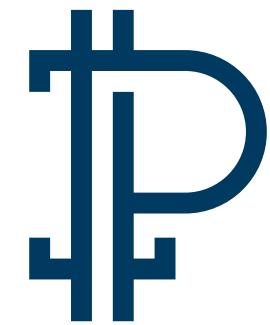
	Purchase Price	5Y IRR	5Y ROI	10Y IRR	10Y ROI
First Token Sale Round	\$1.00	58.10%	492%	77.18%	12620%
Successive Sale Round**	\$2.71	22.80%	118%	57.07%	4594%
Successive Sale Round**	\$3.64	13.97%	63%	51.68%	3395%

Based on the illustrative royalty-per-token growth projection on page 23, both the five-year and the ten-year IRR and ROI projections demonstrate ample room for token price growth over the successive token sale rounds.

* Royalty-per-token IRR and ROI projections based on 2% license fee on user-generated returns less referral fees

** Illustrative token prices in successive sale rounds

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