

Whitepaper summary

Note: The authors of this paper declare that the information contained within, to the best of their knowledge, is in accordance with the facts and that the White Paper makes no omission likely to affect its import.

IMPORTANT LEGAL INFORMATION

The following whitepaper refers to an initial coin offering (ICO) which will not be available to residents (and to other persons under the jurisdiction) of the following countries:

Afghanistan, Bosnia and Herzegovina, People's Republic of China, Guyana, Iran, Iraq, Lao PDR, North Korea, South Korea, Syria, Uganda, United States, Vanuatu, and Yemen

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THE OFFERING AND SALE OF EBIT TOKENS IS NOT AVAILABLE TO ANY PERSONS, GROUPS OR ENTITIES LISTED IN SANCTION LISTS PROMULGATED BY: THE UN SECURITY COUNCIL SANCTIONS COMMITTEE, THE COUNCIL OF THE EUROPEAN UNION, UNITED NATIONS SANCTION LISTS, HM TREASURY IN THE UK, AND OFAC (“**SANCTIONED PERSONS**”).

RISK DISCLOSURE

PURCHASE AND HOLDING OF EBIT TOKENS MAY INVOLVE A HIGH DEGREE OF RISK.

PLEASE CAREFULLY READ THE “RISK FACTORS” SECTION BEGINNING ON PAGE 7 OF THIS DOCUMENT

IMPORTANT LEGAL INFORMATION

The purpose of this White Paper is to present EBIT System Limited, a company incorporated under the laws of Malta, bearing company registration number C87751 and having its registered address at 192, Old Bakery Street, Valletta, VLT 1455, Malta (“**Company**”, “**EBIT**”, “**we**” or “**us**”) and its proposed products and services, including its EBIT token (“**EBIT Token**”), to you (“**you**” or “**Participant**”), a potential token purchaser and/or holder, in connection with the proposed sale of EBIT Tokens (“**Token Sale**”). The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to you as potential token holders in order for them to determine whether to undertake a thorough analysis of the company with the intent of purchasing, holding and using the EBIT Token.

Nothing in this White Paper shall be deemed to constitute a prospectus of any sort or a solicitation for investment, nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction. This document is not composed in accordance with, and is not subject to, any laws or regulations of any jurisdiction that are designed to protect investors.

This product is not a digital currency, security, commodity, or any other kind of electronic money or financial instrument and neither it, nor this White Paper has been registered under the United States Securities Act, the securities laws of any state of the United States of America, or the securities laws of any other country, including the securities laws of any jurisdiction in which a potential Token holder is a resident or to which it may be subject. EBIT Token is not intended for sale or use in any such jurisdiction, or generally any jurisdiction where sale or use of digital tokens may be restricted or prohibited.

EBIT Token confers no other rights in any form, including but not limited to any ownership, distribution (including but not limited to profit), redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights, other than those specifically described in the White Paper.

EBIT Token is not intended to be used for any purposes other than those provided in the White Paper, including but not limited to, any investment, speculative or other financial purposes.

There is presently no market for the EBIT Tokens and it is possible that such market may not arise, or be liquid enough, in the future, due to various circumstances, including, among other, limited transferability of rights conferred by the EBIT Token. Accordingly, you may be unable to dispose of your EBIT Token, or exercise or dispose of any rights conferred by it.

Certain statements, estimates and financial information contained in this White Paper constitute forward-looking statements or information. Such forward-looking statements or information involve known and unknown risks and uncertainties, which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements. This White Paper can be modified after its original publication date to provide more detailed information.

This English language White Paper is the primary official source of information about the EBIT Token. The information contained herein may from time to time be translated into other languages or used in the course of written or verbal communications with existing and prospective customers, partners, etc. In the course of such translation or communication some of the information contained herein may be lost, corrupted, or misrepresented. The accuracy of such alternative communications cannot be guaranteed. In the event of any conflicts or inconsistencies by using such translations and communications and this official English language White Paper, the provisions of this English language original document shall prevail.

VIRTUAL FINANCIAL ASSETS ACT DISCLOSURE

AT TIME OF INITIAL PUBLICATION, THIS WHITE PAPER DOES NOT MEET, AND IS NOT LEGALLY REQUIRED TO MEET, THE STANDARDS OF DISCLOSURE ESTABLISHED UNDER FIRST SCHEDULE OF THE MALTESE VIRTUAL FINANCIAL ASSETS ACT, 2018 (MATTERS TO BE SPECIFIED IN A WHITEPAPER OF AN ISSUER AND REQUIREMENTS FOR ITS APPROVAL AND PUBLICATION).

THIS WHITE PAPER MAY BE SUBJECT TO FURTHER UPDATES AS MAY BE REQUIRED UNDER APPLICABLE LAW, INCLUDING A DISCUSSION OF MATTERS

LISTED IN FIRST SCHEDULE OF THE MALTESE VIRTUAL FINANCIAL ASSETS ACT, 2018.

1. About us

eBit System is a team of people having the common vision to create a payment processor of the XXI century. We want to revolutionize the internet payment market and cryptocurrency payments. Business cooperation with other crypto projects allows us to dynamically develop application functions. Charging low fees, having one of the best development teams in the crypto industry and priding of visionary approach while developing the eBit System, exerts a level dominance in the realm of cryptocurrencies and international payment market.

Instead of promising uncertain benchmarks in the distant future, we deliver of our results straight away. We have already released the first completel-free version of the eBit System application. Building the eBit System environment is the underlying key to the dynamic development of both the application and the whole project.

eBit System info:

Company name:

eBit System Limited C 87751
Old Bakery Street 192,
VLT 1455 Valletta, Malta

Website:

www.ebitssystem.com

Social media:

https://www.facebook.com/eBitSystem/?ref=br_rs

2. eBit System explained

The whole eBit ecosystem is built around the eBit token which is a token issued on the Ethereum blockchain. The eBit System accepts eBit tokens as a commission for performing specific services in the field of transfer services. We have created a user-friendly app for all crypto transactions. Moreover, we are able to make available the option to our clients the option exchange different cryptocurrencies to legal fiat and vice versa, as it might be available from time to time. We also aim to facilitate transactions between users from different parts of the world. eBit System allows you to hold and transfer in seconds your EBIT Tokens without paying any fees. In the future, we are planning to issue the following functionalities.

Multi currency e-wallet

- Crypto to crypto exchanges
- Crypto to Fiat exchanges

- Fiat to Crypto exchanges
- Cryptocurrency transfers
- eBit token transfers completely for free

International transfers

Owing to the functionality of the eBit System's, a client is able to transfer EBIT Tokens for free in a matter of seconds. If a client needs to transfer his funds, either through a currency conversion or otherwise, and regardless of the distance or the jurisdiction, the process for this transaction shall be as follows:

- The client shall transfer currency (e.g. Polish Zloty) to the eBit System
- The eBit system will exchange the Polish Zloty (taking the same example) to EBIT Tokens. For avoidance of doubt, eBit system will be a a counterparty to the transaction and shall deal on its own account.
- The client shall then receive EBIT Tokens in his eBit wall in a matter of a few seconds.
- Consequently, the recipient would then be able to exchange eBit into a variety of currencies which are available on eBit system.
- If the client wishes to withdraw his funds, the underlying dynamics would namely involve the eBit System sending Polish Zloty (using the same example) to its Financial Broker's bank account in Poland, who would then transfer the funds directly to the client's account

International online purchases

For online purchases we have in the pipeline two main options:

- a) Transfer of funds
 - These kinds of transfers will imply the same process outlined above with respect to international transfers
- b) Card purchases
 - This model will entail a similar process. Notwithstanding, we will only be able to implement card payment services after and until we receive the necessary regulatory approvals and licences mandated under the Financial Institutions Act (Chapter 376 of the laws of Malta).

Purchases in stationary shops

With respect to stationary purchases, we plan to present two options:

- a) A retail store which accepts eBit token payments and has an eBit System account. In this situation, the retail store would simply print a dynamic QR code, which the client would then be able to use so as to transfer EBIT Tokens to merchant's bank account
- b) In the case of a store accepting only Fiat payments, a similar process will occur. Notwithstanding, we will only be able to implement card payment services after and until we receive the necessary regulatory approvals and licences mandated under the Financial Institutions Act (Chapter 376 of the laws of Malta).

Easy to use e-wallet for ICO companies

Because of the functionality of our wallet, we know that legal entities launching their ICO will likely be interested in opting for the safekeeping of their tokens into our wallet. Therefore, we are going to make available the option for tokens to be:

- Held on eBit system wallet
- Transferred between users of our app
- Exchanged for eBit or other cryptocurrencies (if prepaid by the ICO company)
- Purchased directly from eBit wallet as a payment processor

We can also provide AML/KYC service for these same clients.

Considering that all the fees on the eBit System app are going to be collected in EBIT Tokens, we plan to tap into other cryptocurrency markets after we implement first exchange pairs (such as Bitcoin to Eth). This will create demand for EBIT Tokens. Commissions are going to be counted as a % of transaction values, regardless of EBIT Tokens price (e.g. eBit token worth 0,97\$ - Transaction worth 100\$: $100\$ \times 1,5\% = 1,5\$ = 1,5463 \text{ eBit}$)

Commissions will be counted on every currency exchange

All commissions for services are accepted in eBits

Domestic transfer - 0%

International transfer - 3 euros

Transfer in crypto - 0%

Fiat-Fiat exchange - about 0.5% from forex prices

Replacing krypto-fiat, fiat-krypto - about 1.5% from prices on coinmarketcup.com

Purchase of the item by card or NFC - 0%

Purchase of an item using the app - 0%

Receipt of payment for the product by eBit System (qr code or online) - on beginning 0% then 0.1%

payment with niche cryptocurrency or token - set individually from 2% - 10%

3. Problems we solve

eBit System is a payment ecosystem that has the potential to reach millions of users worldwide thanks to its functionality, technological innovation and lowest fees. We plan to reach the myriad of groups of client-bases, including :

- Business owners that are interested in cheap and fast international FIAT/CRYPTO transfers
- People using cryptocurrencies that are interested in an easy-to-use mobile app for cryptocurrencies (transfers, exchanges, holding of token etc.
- People that need easy access to a variety of different currencies (multi-currency fiat wallet with an attached payment card and very low fees for currency exchanges)
- eBit token holders (very easy transfers and exchanges for these clients)

- Cryptocurrency miners - they can offer easy and cheap transfers for their clients that would like to withdraw their profits onto a cryptocurrency wallet with a possibility of exchanging profits for fiat currencies.
- ICO companies that would like to allow their token holders easier access and use of their tokens.
- People who travel a lot and need easy access to a multicurrency wallet with a payment card attached
- Online shoppers, who usually use international websites (e.g. ebay)

4. Token sale

We started to develop software September 2017, and for that we held a private sale to our investors. 40 mln EBIT Tokens have already been sold to our private sale investors.

ICO sales stages

- Stage 1:
40 mln EBIT Tokens for 0,24\$
- Stage 2:
20mln EBIT Tokens for 0,48\$
- Stage 3:
10mln EBIT Tokens for 0,96\$

The ICO is going to start on the 15th of October 2018 end on the 31st of January 2019 or on the date marking the sale of all the EBIT Tokens (whichever is the earliest date). We are using an ERC20 based token.

5. Team and Key partners

As for our key strategic partners, we are teaming up with the best companies in their respective fields. We are closely working with a cryptocurrency mine - Glocin, so that we can provide a crypto and fiat wallet services for all of their users and transfers. We are currently in agreement negotiations with Coinfirm - an expert in Anti-Money-Laundering, which we plan to represent on Malta. This partnership will allow us to have a fully-audited client base and make sure no funding will come from illegal sources. One of our key partners which we want to team up with is a payment card provider. While no agreement has been signed yet, we have a very clear condition list from such provider, and we plan to meet all those conditions such as the number of clients and so on, by the end of this year. Finally, our co-founders own a e-marketing agency which is our closest ally when it comes to social media, pr, website development and much more.

The current team working on the project directly, not including advisors and outsourced companies. Is composed of:

Artur Hofman
Jarosław Dziędziol
Maria Sapińska-Strojek
Juliusz Czakon
Adrian Łojek
Monika Hofman
Damian Tomiło
Iliia Panashchenko
Katarzyna Kasprzycka
Oleksandr Oliinykov
Dariusz Baniel
Antoni Nowak

6. Cost structure

30%

Development

Giving users an app that not only is a great product, but also is evolving and constantly getting better is something that requires a strong development team and funds. After licencing and partnership costs are met, we plan to reinvest up to 50% of our revenue for further system development.

25%

Market and network fluency

In order to function well within the financial market, we need to initiate collaboration with other companies. To make payments as fast and secure as possible, large portion of our budget is going to securing transactions and contracts. Also, this opens up financial opportunities in the future.

15%

Licensing, integration and partnership

As eBit System Limited, we need to invest in software licences, bear the additional costs associated with cards and also “patching the gap” between cryptocurrencies and fiat currencies.

20%

Marketing

We want to help millions of people with their everyday transactions. By promoting our vision we can reach a wider customer base , and make sure our investors are taken care of.

10%

Additional workforce

In order to grow at a rapid pace, we need to hire additional specialists in fields such as Finance and Legal Finance, Marketing, HR, Administration and Customer Service.

7. Risk Factors

By providing any personal data to us, and by participating in the Token Sale and the ICO, and/or purchasing, holding, using and disposing of EBIT TOKENS and by using any other services and goods that are, or may in the future be, offered by us, you expressly acknowledge and assume the following risks:

A. Risks Associated with the Ethereum Protocol and blockchain and cryptocurrencies in general

Because EBIT Tokens, and our Platform, are based on the Ethereum protocol, any malfunction, breakdown, or abandonment of the Ethereum protocol may have a material adverse effect on the Platform or EBIT Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to EBIT Tokens and the Platform, including the utility of EBIT Tokens for obtaining services, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol. Smart contracts concepts, the underlying software application and software platform (i.e. the Ethereum blockchain) are still in an early development stage and unproven. There is no warranty or assurance that the process for creating EBIT Tokens will be uninterrupted or error-free and there is an inherent risk that the software could contain defects, weaknesses, vulnerabilities, viruses or bugs causing, inter alia, the complete loss of your cryptocurrency contributions and/or EBIT Tokens.

Subject to the timely satisfaction of any conditions that may be applicable to the Token Distribution by the Purchaser (including without limitation the satisfaction of all KYC/AML procedures and the provision of a valid wallet address and other information), EBIT Tokens will be distributed to your registered wallet address, after the contribution is completed. Company may delay distribution of EBIT Tokens for any reason whatsoever (including the collection, processing and completion of any KYC or AML checks on Participants and their wallet addresses, as well as in connection with any requirements of applicable law).

In the event that there is a serious and permanent malfunction, or breakdown of the Ethereum protocol, the Company directors may, at their sole discretion, elect to transfer or change protocols to ensure the continued operations of the Platform.

Blockchain technologies are controlled by various regulatory bodies around the world. Any cryptocurrency including EBIT Tokens tokens can also be regulated by them, which makes it possible to restrict the use or possession of digital crypto-tools, or the purchase of crypto-tools in future. EBIT TOKENS Token is not an investment and does not involve passive income. All persons and parties involved in the purchase of EBIT TOKENS Tokens do it at their own risk.

B. Risk of Mining Attacks

As with other decentralized cryptographic tokens based on the Ethereum protocol, EBIT Tokens are susceptible to attacks by miners in the course of validating EBIT Tokens transactions on the Ethereum blockchain, including, but not limited to, double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Platform and EBIT Tokens, including, but not limited to, accurate execution and recording of transactions involving EBIT Tokens.

C. Risks of Hacking, Security Weaknesses, and Theft of EBIT Tokens

Hackers or other malicious groups or organizations may attempt to interfere with the Website, the Platform or EBIT Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the platform is based on open-source software, there is a risk that a third party or a member of our technology team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the platform, which could negatively affect the Platform and EBIT Tokens, including the utility of EBIT Tokens for obtaining our services.

Notwithstanding any security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Token Sale websites, in the smart contract(s) on which the escrow wallet and the Token Sale relies, on the Ethereum blockchain or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Token Sale is completed, we may not be able to receive the cryptocurrencies raised and we may not be able to use such funds for the development of the Platform and/or for launching any future EBIT Tokens functionality. In such case, the launch of the Platform and structuring and licensing of any future EBIT Tokens functionality might temporarily or permanently be curtailed. As such, distributed EBIT Tokens may hold little worth or value and this would impact their price or value.

Any third party that gains access to your login credentials or private keys may be able to dispose of your EBIT Tokens. To minimize this risk, you should guard against unauthorized access to your electronic devices.

Any cryptocurrency is an inherently risky asset. One of the main features of cryptocurrency is the anonymity of all users and the absence of personalized accounts. Cryptocurrencies are, to a large extent, intangible digital codes for which there is no property right. In case of an erroneous or fraudulent transfer, it is usually no longer possible to return the money. All transactions are at your own risk. When performing transactions through many exchanges, the user does not in fact own the funds on his account - the assets are owned by the exchange. The platform only provides access to them at the entrance to the system. There are a lot of cases when users of crypto exchanges lost their assets due to cyber-attacks and bankruptcies of platforms. If money is stolen from a virtual wallet, the owner can neither identify the thief (because of anonymity and decentralization) nor assert his right to coins (due to the lack of a law on personal property).

D. Risk of Privacy and Data Retention Issues

As part of the Token Sale and the subsequent verification processes, the Company may collect personal information from Purchasers. All information collected will be used for purposes of Token Sale and community management and may be transferred to contractor, service providers and consultants worldwide as appointed by the Company. Apart from external compromises, the Company and its appointed entities may also suffer from internal security breach whereby their employees may misappropriate, misplace or lose your personal information. of Purchasers. The Company may be required to expend significant financial resources to alleviate problems caused by any breaches or losses, settle fines and resolve inquiries from regulatory or government authorities. Any information breaches or losses will also damage the Company's reputation and thereby may harm its long term prospects.

E. Risks of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography

Cryptography is evolving and there can be no guarantee of security at all times. Advancement in cryptography technologies and techniques, including, but not limited to, code cracking, the development of artificial intelligence and/or quantum computers, could be identified as risks to all cryptography-based systems. The security of EBIT Tokens, and your personal data or assets cannot be guaranteed as the future of cryptography or security innovations is unpredictable.

F. Risks Associated with Markets for Company

There is no prior market for EBIT Tokens, and although approval of cryptocurrency exchanges and markets to list EBIT Tokens for trading may be sought by certain persons in future, there is no guarantee that such approval will be obtained. There is no guarantee that an active or liquid trading market for EBIT Tokens will develop or grow, or if developed, that such development and growth will be sustained after EBIT Tokens has been made available for trading on such exchange or market. There is also no guarantee that the market price of EBIT Tokens will not decline below the original or issue purchase price and the purchase price may not be indicative of the market price of EBIT Tokens after they have been made available for trading on an exchange or market. If secondary trading of EBIT Tokens 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 fraud or manipulation. Furthermore, to the extent that third parties do ascribe an external exchange value to EBIT Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile. Company is not responsible for the circulation and trading of EBIT Tokens on any exchange or market. Trading of EBIT Tokens will merely depend on the consensus on it value between the relevant market participants. No one is unconditionally obliged to purchase any EBIT Tokens from any holder of EBIT Tokens, including you nor does anyone guarantee the liquidity or market price of EBIT Tokens to any extent at any time.

The Company cannot ensure that there will be any demand or market for EBIT Tokens, or that the purchase price is indicative of the market price of EBIT Tokens after they have been made available for trading on any exchange or market. Exchanges or markets may require additional due diligence on our contributors in order to list on their platforms.

G. Risks of Potential Concentrated Ownership of EBIT TOKENS

Immediately after the completion of the Token Sale, a number of individuals may directly or indirectly hold significant portions of the total available EBIT Tokens Tokens. These Token holders may have significant de facto influence over the Company. These significant Token holders may, acting alone or in concert, not necessarily make decisions that are in the best interests of the other Token holders or of the EBIT Tokens community as a whole.

H. Risks Arising from Lack of Governance Rights

Because Company confers no governance rights of any kind with respect to the Company Platform, all decisions involving the Company's products or services within the Platform or Company itself will be made by Company at its sole discretion. These decisions could adversely affect the Platform and the value and/or utility of EBIT Tokens you own, including their utility for obtaining any Services.

I. Risks of Uncertain Liquidity of EBIT TOKENS

The Company is not responsible for and has limited control over the subsequent circulation and trading of EBIT Tokens. EBIT Tokens is not money, legal tender or currency, fiat or otherwise, issued by any individual, entity, central bank or national, supranational or quasi-national organization, nor is it backed by any type or quantity of assets, property, or any cryptocurrencies included in the EBIT Tokens index, nor does it represent any entitlement to any distributions of profits, dividends, or any other returns or payments of any kind. There is no obligation of the Company nor anyone else to redeem, repurchase or acquire any EBIT Tokens Tokens from any Holder. There is no guarantee or assurance that there will be a market or marketplace where Holders may readily trade EBIT Tokens.

J. Risk of fluctuating trading price of EBIT Tokens and cryptocurrencies in general

All cryptographic tokens and cryptocurrencies are subject to volatile pricing and pricing can fluctuate rapidly and significantly over short periods of time.

The demand for, and the corresponding market price of, EBIT Tokens and other cryptocurrencies may fluctuate significantly and rapidly in response to, among other, the following factors, many of which are beyond the control of Company:

- a. New technical innovations;
- b. Analysts' speculations, recommendations, perceptions, or estimates of EBIT Tokens market price or Company's financial and business performance;

- c. Changes in market valuations and cryptographic token prices of entities with businesses similar to that of Company that may be listed on the same cryptocurrency exchanges or markets as EBIT Tokens.
- d. Announcements by Company of significant events, for example, partnerships, sponsorships, or new product developments;
- e. Fluctuations or departures of key personnel of the Company;
- f. Success or failure of Company's management in implementing business and growth strategies;
- g. Any legislative or regulatory action which may adversely affect the Company, the EBIT System or the EBIT Tokens;
- h. Negative press or publications about the Company or any related parties, about the Company Platform, or about our services, and
- i. Changes in conditions affecting the blockchain or financial technology industry, the general economic conditions or market sentiments, or other events or factors.

Generally, speaking, high volatility of the exchange rate is a very characteristic feature of any cryptocurrency. Even within one day, fluctuations in the rates of individual cryptocurrencies can range from -50% to +50%.

Formation of the cryptocurrency exchange rates occurs in a very specific way. Unlike money that is issued by national banks, electronic money is subject to change in the exchange rate over a short period of time. Due to the decentralization of the cryptocurrency market and the absence of a governing body, no one can maintain the minimum value of a digital currency. In this case, large holders of cryptocurrencies can influence the market, creating an opportunity for panic and collapse.

K. Risk of Failure

There is no reasonable expectation of profits based on your purchase of EBIT Tokens, and there is no guarantee that you may benefit from the EBIT System in any particular way.

While the Company adopts quality assurance procedures to help ensure the source codes reflect as accurately as possible their intended operation, the flawlessness of the source codes cannot be guaranteed. They may contain bugs, defects, inconsistencies, flaws or errors, which may disable some functionality, create vulnerabilities or cause instability. Such flaws may compromise the predictability, usability, stability, and/or security of the EBIT Tokens, the EBIT System in general. Open source codes rely on transparency to promote community-sourced identification and solution of problems within the code.

Due to the technically complex nature of the EBIT System, the Company or those contributing to Company's software development effort could face difficulties from time to time that may be unforeseeable and/or unresolvable. Accordingly, the development of the Project could fail, terminate or be delayed at any time for any reason, including due to lack of funds. Development failure or termination may render the EBIT Tokens non-transferable, of reduced or no utility or value, and/or obsolete.

L. Risk of Competition

In addition, there is fierce competition in the cryptocurrency market and our competitors may offer products and services that may be superior to ours, and/or more aggressively marketed or more modestly priced than our products or services, which may negatively affect the value of our product and services and the value of EBIT Tokens.

It is also possible that alternative platforms could be established that utilize the same open source code and protocol underlying the EBIT System and attempt to facilitate services that are materially similar to the our project or any parts thereof.

M. Risk of Uninsured Losses

Unlike bank accounts or accounts at some other financial institutions, Company accounts are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by Company to offer recourse to you.

N. Risks Associated with Uncertain Regulations and Further Enforcement Actions

The regulatory status of digital tokens and the distributed ledger technology in general is unclear or unsettled in many jurisdictions. Cross-border data exchange does not directly link wallets and transactions with them to a single jurisdiction. Moreover, each state has its own traditions in the legal regulation of information technologies, international regulation in this area is minimal. Many experts believe that due to the high volatility of cryptocurrency, legal problems and some high-profile fraudulent schemes, it is better to consider all cryptocurrencies as speculative instruments, since the level of investment security is extremely low, and the risks are too high.

The governments of many large countries are already discussing the legal basis for regulating the industry in order to make it more transparent and safe for investors, which means that the cryptocurrencies have prospects for further development. However, it is also necessary to take into account the fact that national regulators can, at any moment introduce criminal liability for the turnover of the cryptocurrency, which means that the risks of a strong depreciation of digital assets are also high.

It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including the EBIT System, its user network ("Network") and the services we offer. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and cryptocurrencies, and its applications, including to the Company Platform and Company. Regulatory actions could negatively impact the Company in various ways, including, for purposes of illustration only, through a determination that the purchase, sale and delivery of Company constitutes unlawful activity or that Company are a regulated instrument that require registration or licensing of those instruments or some or all of the parties involved in the purchase, sale and delivery thereof.

Company may choose or be required to cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. This may impact the appeal or practicality or functionality of the Project and/or the anticipated EBIT Tokens functionality for the Purchasers and result in a decreased usage of and demand for the Project and EBIT Tokens. Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the Company Platform and/or developing, structuring, licensing and/or launching the future of EBIT Tokens functionality may no longer be commercially viable, and Company may opt to discontinue the whole project, the anticipated future EBIT Tokens functionality, and/or EBIT Tokens.

Company may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially unviable or undesirable to obtain the necessary regulatory approval (s) to operate in such jurisdiction. In scenarios such as the foregoing, the utility, liquidity, and/or trading price of EBIT Tokens will be adversely affected and/or EBIT Tokens may cease to be traded. The value of EBIT Tokens may also have to be refunded to our affected participants.

Crypto-tokens have been the subject of scrutiny by various regulatory authorities and may be overseen by the legal and regulatory authorities of a number of jurisdictions globally. The functioning of the Network and the Project generally could be impacted by one or more regulatory inquiries or actions, including, but not limited to, restrictions on the use or possession of digital tokens like EBIT Tokens, which could impede or limit the development of the Project.

The Company may receive notices, queries, warnings, requests or rulings from one or more authorities upon short notice, or may even be ordered to suspend or terminate any action in connection with the Token Sale or the Network as a whole without prior notice.

Furthermore, many aspects of the EBIT Tokens, the EBIT System and the Network also involve untested areas of law and regulation, and could be subject to new laws or regulations, so their legal and regulatory outcome in all relevant jurisdictions is not possible to predict. The planning, development, marketing, promotion, execution or otherwise of the Company or the Token Sale may be seriously affected, hindered, postponed or terminated as a result. Since regulatory policies can change with or without prior notice, any existing regulatory permissions for or tolerance of the Company, the EBIT System and the Token Sale in any jurisdiction may be withdrawn without warning. The EBIT Tokens could be deemed from time to time as a virtual commodity, a digital asset or even as money, securities or currency in various jurisdictions and therefore could be prohibited from being sold, purchased, traded, distributed or held in certain jurisdictions pursuant to local regulations. In turn, the EBIT System, or the Network could be deemed to be a regulated or restricted product. There is no guarantee that the Company can maintain any particular legal or regulatory status in any particular jurisdiction at any time.

Since the cryptocurrency market, the market of crypto-tools, tokens or bonuses, exchanges and platforms on which secondary tokens can be traded are not always regulated by applicable law, the volatility of the cryptocurrency, tools, bonuses or tokens in general and EBIT Tokens, in particular, can be very significant. Transactions with cryptocurrencies, transactions with bonuses, tokens and other electronic instruments are not insured by any external public or private bodies. All the risks associated with the loss of cryptocurrency, tokens, points, including EBIT Tokens, are borne by the acquirer of the cryptocurrency. EBIT Tokens is generally not refundable. The Company does not repurchase EBIT Tokens from EBIT Tokens holders. Holders of EBIT Tokens will not receive financial means or other compensation for from the Company for their Tokens. The Company makes no promises regarding the future performance or value of EBIT Tokens.

The regulatory landscape with respect to cryptocurrencies and cryptographic tokens, including EBIT Tokens, is fast evolving. There may be uncertainty in the regulatory treatment of EBIT Tokens and this offer, purchase and sale of tokens in the jurisdictions where it is conducted. Although we do not believe that EBIT Tokens are securities in any jurisdiction where the EBIT Token Sale is conducted, there is no assurance that relevant competent government or regulatory authorities would take a similar view, either now or in the future. Similarly, although the Company does not believe that the offer, purchase and sale of EBIT TOKENS is subject to any securities, commodities, derivatives or other financial law and regulation, there is no assurance that any competent regulatory and governmental authorities in your jurisdiction would not subsequently take the view that EBIT TOKENS or this offer, purchase and sale of EBIT TOKENS be subject to specific regulation and is or was not in compliance with certain existing regulations, including without limitation financial services based regulation. Any such different view or determination by a relevant regulatory or governmental authority may adversely affect the legality of EBIT Tokens and this token sale, or may otherwise impose restrictions on the future transfer of EBIT Tokens which may affect the market value and liquidity thereof.

Legislative and regulatory changes or actions in your local jurisdiction or at the international levels may adversely affect the use, transfer, exchange and value of EBIT Tokens. You acknowledge there may be risks associated with EBIT Tokens and/or the Index not being regulated in the jurisdictions in which EBIT Tokens may be purchased, including the risks of retroactive regulatory applicability. None of the Company, its founders, advisors or affiliates is a financial institution or is currently under supervision of any financial supervisory authority. The Company does not provide any licensed financial services, such as investment services, fund management or investment advice.

O. Risks Relating to Use of the Internet or Other Electronic Media

Without limiting the foregoing risks, any communication or transaction via or information (including document) transmitted via the internet or other electronic medium involves risks and by participating in the Token sale or utilizing the Network or the EBIT System, you acknowledge that you understand and accept the following risks:

- We and/or third parties may use such authentication technologies as we deem appropriate;
- No authentication, verification or computer security technology is completely secure or safe. You agree to bear all risks of unauthorized access/use, hacking or identity theft;
- The internet or other electronic media (including, without limitation, electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) are an inherently unreliable form of communication;
- Any information (including any document) transmitted, or communication or transactions made, over the internet or through other electronic media (including electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices, including those with interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume, internet traffic, market volatility or incorrect data transmission (including incorrect price quotation) or stoppage of price data feed due to the public nature of the internet or other electronic media.

As a result of such unreliability, there may be time-lags, delays, failures or loss of data or loss of confidentiality in the transmission of data and receipt of communications; and while the Company may believe certain data to be reliable, there may be no independent basis for it to verify or contradict the accuracy or completeness of such data.

P. Risks of Exposure to Cryptographic Tokens

After the completion of the Token Sale, the Company expects that a certain portion of the proceeds will be held in cryptographic tokens. The Company may, but it may not be required, to convert an appropriate proportion of cryptographic tokens received into fiat currencies at the sole discretion of the directors of the Company. For the avoidance of doubt, no Token holder has any right, title or interest in any such cryptographic tokens or such fiat currency.

Q. Risk of Malfunction in the Company Platform, the Network, and the Project in General

It is possible that the Network and the EBIT System malfunctions in an unfavourable way, including, but not limited to, one that results in the loss of EBIT Tokens, or information concerning any particular asset market.

R. Unanticipated Risks/Risks of other Risks

Cryptographic tokens such as EBIT Tokens are a new and untested technology. In addition to the risks discussed here there are other risks associated with your purchase, holding, use and disposal of EBIT Tokens, and access to and the use of Company Platform, Services and Network, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed here.

S. Forward-Looking Statements

All statements contained in the Company documentation (whether presented on the website, the whitepaper, or in any other document or publication), statements made in any press releases (or any medium), statements made on social media platforms (including but not limited to: Telegram, Facebook, Twitter, and Discord), or statements made by any person in any place accessible by the public and oral statements that may be made by Company or Company representatives (as the case may be) that are not statements of historical fact, constitute “forward looking statements”. All statements regarding Company’s financial position, business strategies, plans and prospects and the future prospects of the industry which Company is in are forward-looking statements. These forward-looking statements, including but not limited to statements as to Company’s revenue profitability and growth, expected revenue profitability and growth, prospects, future plans, other expected industry trends and other matters discussed in the information regarding Company are matters that are not historical facts, but only estimations and predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results, performance or achievements of Company to be materially different from any future results, performance or achievement expected, expressed or implied by such forward-looking statements. These factors may include: a) changes in political, social, economic and stock or cryptocurrency market conditions, b) the risk that Company may be unable to execute or implement its business strategies and future plans; c) changes in interest rates and exchange rates of cryptocurrencies; d) change in anticipated growth strategies and expected internal growth of Company; e) changes in the availability and fees payable to Company in connection with its business and operations; f) changes in preferences of contributors of Company; g) Acts of God; and h) other factors beyond the exclusive control of Company.

All forward-looking statements made by or attributable to Company or Company representatives are expressly qualified in their entirety by such factors. Given that risks and uncertainties that may cause the actual future results, performance or achievements of Company to be materially different from that expected, expressed or implied by the forward-looking statements made by Company or Company representatives, undue reliance must not be placed on these statements. These forward-looking statements are applicable only as of the later of the date of publication of the whitepaper and the latest date that our website has been updated.

Neither Company nor its representatives nor any other person represents, warrants and/or undertakes that the actual future results, performance or achievements of Company will be as discussed in those forward-looking statements. Nothing contained in the information provided by Company or Company representatives is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of Company. Further, Company disclaims any responsibility to update any of those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

8. Summary

To summarise, we are creating a payment processor of our time. While others talk and claim, we produce software. We are focused only on developing the best software possible for the gain of not only the blockchain community, but also the entire population.

eBit System - All Payments Accepted.