



DES-COIN White Paper

DES-Capital Technologies (Limited)
(DES-CT)



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1) Starting point/status quo

a) Current state of the art – blockchain

Blockchain technology first appeared in 2009 with the creation of Bitcoin. Previous discussions of this topic had all been theoretical, as it was never possible to create a technical application with identifiable content until this date. No technical evidence can therefore be provided regarding functionality, so the approaches in question should be seen as ideas or hypotheses.

Blockchain is primarily known for its decentralised data storage and its extremely high level of security.

This high level of security is guaranteed by the revolutionary structure.

As the name already suggests, a blockchain comprises a chain of data blocks. Each of these data blocks contains a certain number of arithmetic operations. The individual data blocks build on one another and are therefore logically linked to one another. This link also makes it impossible to change the sequence of the blocks.

Counterfeit protection, the traceability of the sequence and its validity are ensured as follows. Starting with the genesis block, the cornerstone of the technology, a hash value is calculated for each data block. This hash value is also saved in the next block and thereby incorporated in the calculation of the hash value for this next block. Since each block makes reference to the hash value of its preceding block, the sequence can be determined.

It is therefore sufficient to know the hash value of the final block in order to validate that there has been no manipulation throughout the entire blockchain. Manipulation of content in the blockchain is prevented by the complex proof of work (POW) verification algorithm.

Any anomalous data leads to an invalid result and is then not verified. The data block in question is rejected as invalid.

Generating a valid block is a computationally intensive task due to the very high degree of encryption. This inevitably leads to high expenditure, particularly with regards to suitable hardware and energy costs.



b) Bitcoin/current deficits

Bitcoin is a currency which was originally developed as an alternative to existing currencies regulated by the government. The intention was to disengage monetary transactions from government regulation and create a currency which would be useful for individuals in a decentralised network.

Another feature of a cryptocurrency, and of Bitcoin in particular, is the anonymity of the users who perform transactions using the peer-to-peer process.

This allows transactions to be completed without specifying or checking personal data.

Users can store and transfer large financial assets easily thanks to the fact that Bitcoin can be stored electronically or in paper form, regardless of any banking architecture.

However, this approach fundamentally goes against the general guidelines with regard to KYC and AML. As it stands today, it is therefore impossible for companies to conclude contracts in economically relevant frameworks in Bitcoin or any other cryptocurrency due to the lack of risk liability.

Another contentious issue is the actual value of the currency. There are no definitions or pointers for an objective valuation of a Bitcoin. The volatility of the currency, coupled with uncertainty regarding the correct value of a Bitcoin, represents an enormous economic planning risk.

Finally, it must be noted that blockchain technology offers enormous potential in terms of its applications, in spite of all existing problems and external issues.

Currently, these applications can only be performed in very specific circumstances, if at all, in monetary transactions, as they are not capable of fulfilling the framework conditions and security requirements of the economic system.

Across-the-board introduction of a digital currency therefore requires a clear definition of values to minimise the economic planning risks for traders. It also urgently requires fulfilment of the framework conditions in terms of the liability of the contracting parties (KYC) and transparency in terms of money laundering (AML).



c) DES-COIN – the alternative

The goal is to establish DES-COIN as a digital currency which meets the framework conditions of the generally accepted economic system in terms of how widely known its business partners are (KYC) and anti-money laundering legislation (AML), demonstrates the security level required of a blockchain system and ensures unimpeded scalability.

This means that all users can store, transport and transfer their DES-COINs independently and free from any banking architecture. Through the use of a direct peer-to-peer process with independent authentication, the transaction is carried out securely, in real time and without any bottleneck. The technical complexity of the transaction is solely dependent on the transfer partners. A comprehensive blockchain is not required, as the counter readings at the transaction partners and the verification partners are documented in the private blockchain itself.

Thanks to the new architecture, all transaction volumes can be mapped. This allows for a wide range of economic applications without encountering the known issues with other cryptocurrencies.

The traceability of the transactions and verification means that there is no opportunity to manipulate the counter reading.

Ultimately, the intention is for the currency to be linked to profitable values as a way of providing risk protection for all trade partners. In the case of global regulation or a technical overhaul in blockchain technology, this takes effect and limits the risk to all participants.

2) How does the concept behind DES-COIN work?

The technical concept of DES-COIN

The explanation of the concept includes the definition of a participant in the economic area and the definition of the transaction process.

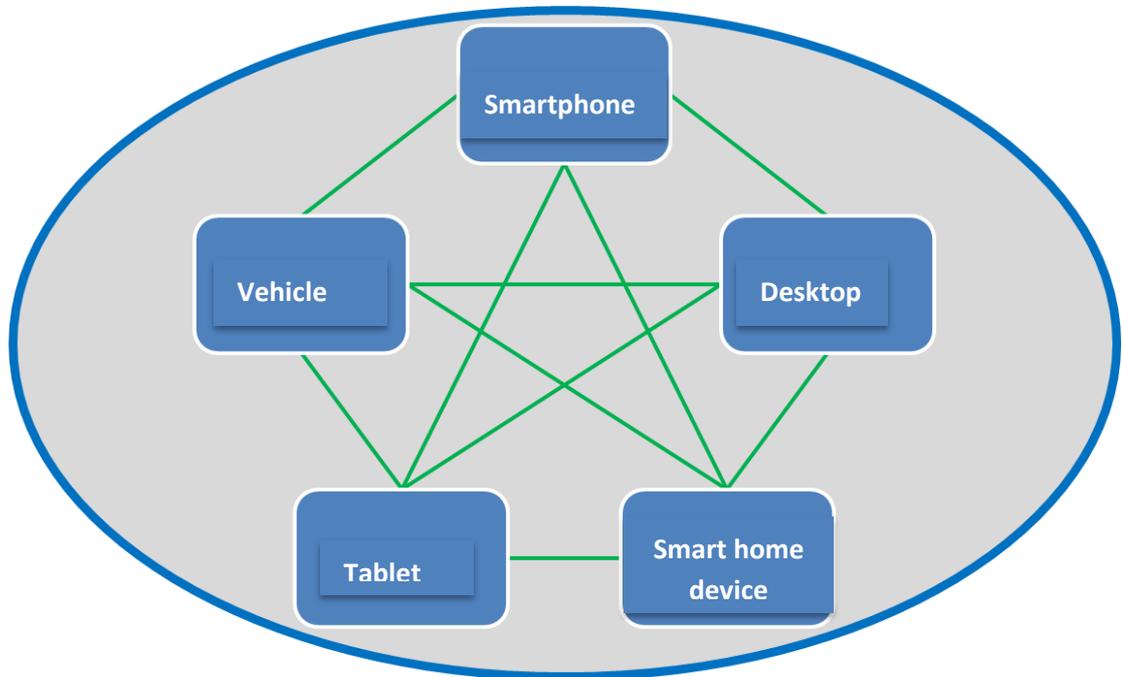
Participant in the economic area

In the age of advancing digitalisation, participants (regardless of whether natural or legal entities) use a large number of smart terminals to manage their economic activities. In some cases, these smart terminals are already capable of executing and handling economic processes independently and this is likely to increase further in future.

DES-COIN integrates the devices in a user-internal network that engages in trusting communication. In this network, a user's own private blockchain is established, which documents all transactions and transaction



confirmations of the specific terminals involved and secures the validity of the current balance.



This user network is referred to as a "shell".

Depending on their own requirements and their technical infrastructure, users can define the cryptic configurations of their shell themselves. Before engaging in any external communication, however, the shell must always complete a verification process that uniquely identifies the person acting or the company in the economic area. This fulfils the requirements of the KYC standard.

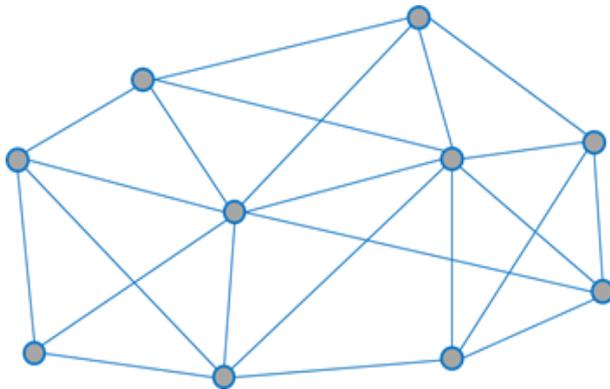
By preventing non-certified micro-transfers, it is possible to completely rule out any risk of bypassing security regulations with regard to AML in the DES-COIN network.

The shell therefore represents a user that has been verified as a real natural or legal entity, despite operating under a pseudonym in the DES-COIN network. In addition to this, the user complies fully with the regulations in terms of KYC and AML and has a secured documentation status thanks to use of a blockchain.



Transaction process between shells

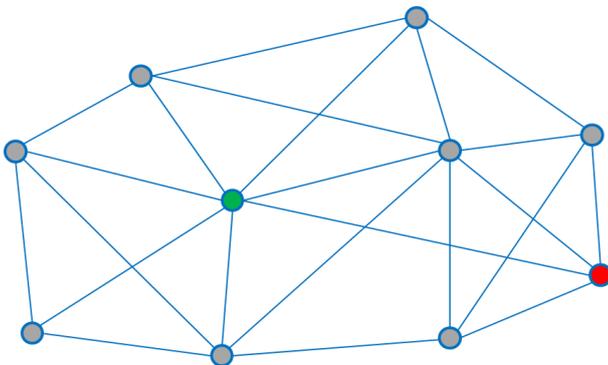
Transferring funds requires two shells that are known to one another in the DES-COIN network and a number of verification partners. Each shell is available in the network as a verification partner. Verification does not require any active intervention on the part of the user and is carried out automatically.



The unequivocal identification of the shells is ensured through their network ID.

Sending transactions

The shell sending funds (S_D - green) sends the transaction information of the volume to be transferred (25), as well as the transaction security level to be maintained (15), to the receiving shell (S_A - red) for confirmation. The specimen configuration of transaction information is (S_D ; 25; 15; S_A) In simple terms, this means that shell S_D will send 25 units to shell S_A if 15 other shells confirm this transaction.

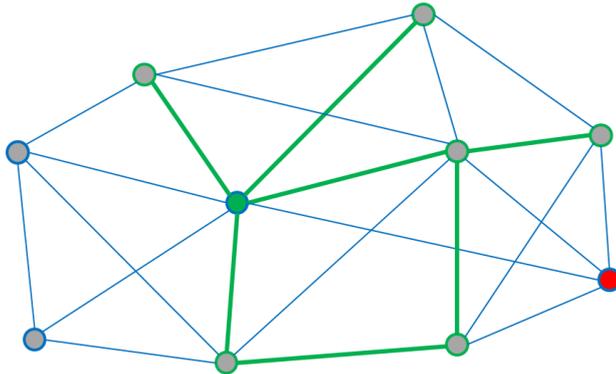


At the time of sending the funds, the counter reading of shell (S_D) is then reduced by 25. When the transaction information arrives at (S_A) and is confirmed by (S_A),

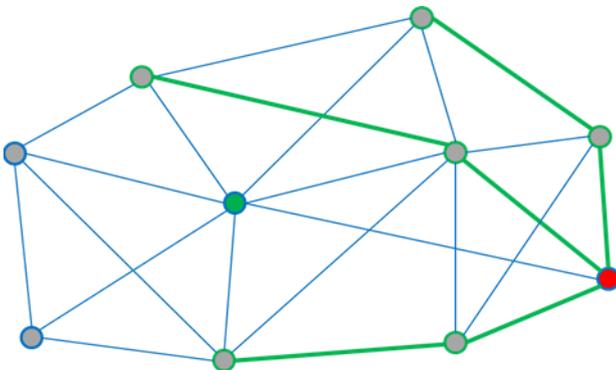


this represents an unproven transaction hypothesis between shell (S_D) and shell (S_A).

In parallel to this, the shell sending the funds also sends the information to the network, where it is received and temporarily stored by other shells S_x .



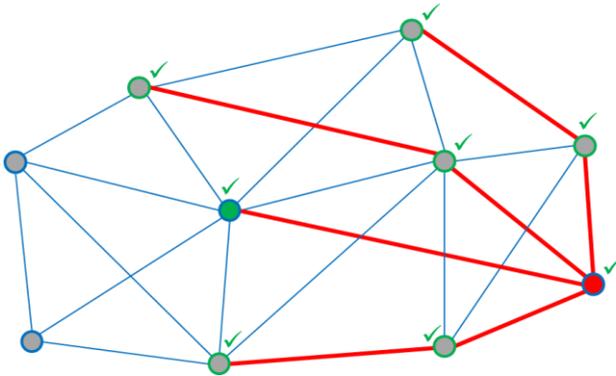
In the following configuration, the transaction is forwarded to shell S_A . Shell (S_A) receives n-times S_x transaction information.



As soon as the transaction information has been received by S_{15} , the transaction hypothesis in place so far becomes proven information and the balance of shell (S_A) is altered accordingly.

Verifying the transaction

Shell (S_A) sends confirmation of the transaction hypothesis to shell (S_D) and shells (S_{1-15}). Shell (S_A) organises the transfer of transaction information to the network and saves the confirmation in its own blockchain.



Shells (S_{1-15}) also save the confirmation. The transaction between two contracting parties unknown to each other yet verified is then complete.



The business model behind the final DES-COIN

Financing from investors, the try-out market, token pre-sales and token sales should provide enough capital to conclude the development of DES-COIN, establish a stable infrastructure and develop and operate direct economic fields of application. Capital from the financing rounds is managed by a foundation located in Liechtenstein.

The profits generated from investments in profitable companies and projects are put toward the continued development of DES-COIN, expansion of business areas, new investments and personnel costs. Thanks to continuous reinvestment, the internal value of DES-COIN has increased and the relationship between the FixValue and speculation capacity has decreased in favour of the FixValue.

The result of this is that the maximum risk of loss if commercial operation stops due to external risk factors or a technical overhaul is reduced or even completely eliminated.

Calculation and total volume of DES-COIN

The DES-COIN project was started with the aim of establishing an alternative to conventional currencies. In order to ensure universal understanding of the system, it is important to consider global financial assets.

Considering global financial assets

The country with the greatest financial assets is the United States of America. According to a market research report from McKinsey Global, Americans saved 27 trillion US dollars in 2010 – more than the whole of West Europe (23 trillion).

Japan took third place in the report, with 11.6 trillion dollars. China saved 6.5 trillion dollars. In total, McKinsey Global's analysts calculated global financial assets totalling 198.1 trillion dollars (approx. 152 trillion Euros).



How the world's money is distributed	Value - (%)
Private households:	85.2 trillion dollars (43%)
Institutional investors Pension funds, insurance, etc.:	52.8 trillion dollars (27%)
Banks:	30.7 trillion dollars (16%)
Companies (excluding banks):	11 trillion US dollars (6%)
Central banks:	12 trillion US dollars (6%)
State funds:	4.3 trillion US dollars (2%)
Other state resources:	2.4 trillion US dollars (1%)

It is not possible to make more precise estimates of this financial capital as data is only available for developed countries and the strongest emerging BRIC country, China.

The report does not include unclear data from the other BRIC countries, Asian tiger economies or the other South American, Central American and African countries. A value of 15% has been assumed for the part of the world which has not been taken into consideration.

This enables experts to determine global capital of 227.8 trillion dollars in 2010, with an estimated annual growth of 1.5%.

A cumulative total of 252.8 trillion dollars has been given for 2017.

Deriving the DES-COIN volume

The aim of the DES-COIN project is, as noted earlier, to create a currency solution which can be put to universal use and is easy to use.

As a result, it must be ensured that it is sufficiently available to the general public.

The stated goal is therefore for this currency to represent 2–5% of global capital raised.

The volume determined for the final developed version of DES-COIN totals 100 billion DES-COINs. Assuming that they are all issued with a distribution of 2%, this would represent a target course of approximately \$51/DES.



Fallback plan in case the development fails or in the event of a technical overhaul

From the very beginning, every technical development uses state-of-the-art technology. However, this cannot guarantee that no parallel developments will arise which affect the market potential or influence the technical framework conditions. The DES-COIN project is also beginning at this starting point.

If external influences mean that realising the project would hinder its success on the market, there are two options. It could be converted into a financial product based on a security token. Alternatively, the project could be liquidated; the business value and business capital would then be paid out to the token holder.



3) **DES utility token trading platform**

The DES utility token can be traded on the DES-CT private trading platform.

The trading platform is a licensed product of draglet GmbH and is subject to continuous further development.

In order to register to trade DES utility tokens, the user must enter a sponsor key or use a random sponsor key. After this, users must follow the instructions given by the platform and complete the verification process successfully.

Registration and use of the trading platform is free for users.

The verification process, which is carried out by the independent service provider ID-Now, and the process of successfully selling a DES utility token are both subject to a charge.

The verification costs depend on the conditions agreed between DES-CT and ID-Now and may change.

When DES utility tokens are sold, a trading fee of 5% must be paid.

Intended purpose and background

The trading fee is charged in order to cover all running costs, marketing expenditure and to provide enough funding for sales contributions. The amount to be paid may be adjusted depending on the market situation or environmental conditions which cannot be influenced.

The trading fee has been deliberately calculated to be higher than regular trading fees in order to support the DES utility token as a means of payment. This is intended to motivate the user to carry out real financial operations using DES utility tokens and to reduce the risk of "pump and dump" campaigns.

Intelligent Corporate Recompense (ICR) system

The ICR system is responsible for intelligently controlling the trading fees of the exchange and ensures that any fixed costs incurred, marketing expenditure, sales contributions and payback actions are managed systematically and on schedule. Furthermore, the ICR system is responsible for carrying out the necessary transactions.

The system can be employed flexibly in all use cases and operator situations and represents one of the central functional modules of the DES utility token network.

DES-CT trading platform



The final evolutionary stage of DES-COIN will also be able to be traded on a trading platform against fiat cryptocurrencies. The method, scope and conditions of these trades have not yet been determined.



5) **The team DES-COIN team and cooperation partners**

DES-CT is tied to a project structure, both as a company and in its work. The integration of external service providers and strategic cooperation partners is a significant structural part of the company.

Project management

The central role of project management is to manage the individual service providers and partners that have been commissioned and to ensure that concepts agreed upon in the project are implemented consistently.

Strategic cooperation partners

When selecting strategic cooperation partners, particular attention was paid to their expertise and assessment from relevant markets.

draglet GmbH

draglet GmbH is a German company and was founded in 2013. draglet GmbH specialises in software development in the blockchain applications and cryptocurrency exchange sectors.

draglet GmbH offers a range of solutions for business purposes regarding smart contracts, digital tokens, private blockchains and consulting. Their customers are also offered the opportunity to operate a white label exchange set up by draglet GmbH under their own legal responsibility. draglet already serves customers from more than 35 countries around the world. Their software has been continuously developed over the past five years and has proven to be "unhackable". A specially developed encryption mechanism (international patent pending) provides additional security and enables the software to be used with no risk of security vulnerabilities.

The brains behind the project are Sales Director and Co-Founder Benjamin Bommhardt and Project Manager Alessandro Conalicchio.

caesar & gustav Werbeagentur UG (hb)

caesar & gustav is a Stuttgart-based creative agency for branding, creative work, digital projects and communication. We turn the complex into child's play. Communication that you can feel and touch – it's as simple as that. Whether on paper, online, or in your hands. We like brands with an impressive structure and our work follows a consistent creative process. For <online/> and offline. For the smallest details and the biggest projects. For brands that are truly different. We are caesar & gustav. Advertising agency. Creative agency. In Stuttgart. For start-ups, medium-sized businesses and the major players in every sector. Away from the



mainstream – we think outside the screen.

ID-Now GmbH

ID-Now offers an "identity-as-a-service" platform based on the most advanced deep learning technology in the world. It can verify the identities of more than 5.1 billion people from 65 different countries in real time. Our patent-protected solutions for video identification and eSigning help our customers to save money, improve their conversion rate for customer acquisition and rationalise the onboarding process. We are supported by two large venture capital investors, BayBG and Seventure Partner, as well as a consortium of known Business Angels. Our company was founded in 2014 and now employs 300 members of staff. This makes us one of the fastest-growing fintech companies in Europe. Our customers include leading international blue chip companies such as Commerzbank, UBS, Sixt, Erste Bank and Telefónica Deutschland, a number of fintech businesses like Fidor, N26 and Smava, and many blockchain-based companies.

In 2017, ID-Now was presented with the award for the "Most Successful Fintech".



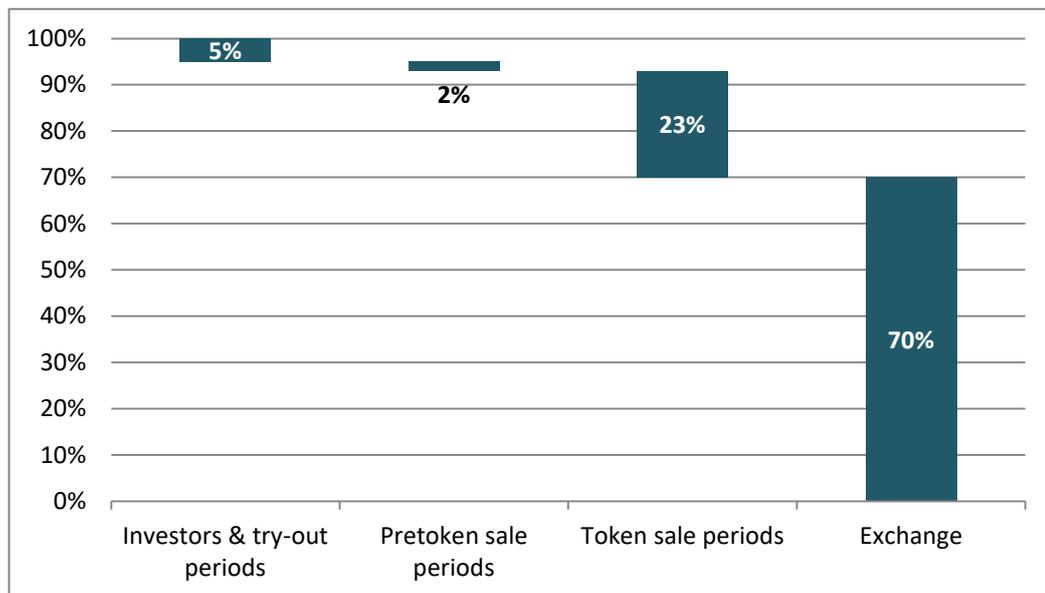
6) Financing using the DES utility token (DES-U)

a) Issuing the DES utility token

The utility token is how the DES-COIN development project has been financed. The DES utility token is based on the Ethereum blockchain ERC20 standard protocol. However, it does not represent any corporate codetermination right or right of ownership in DES-Capital Technologies Limited.

Issuing volume for the DES utility token

The issuing volume is limited to one billion. Investors have formed the company capital basis. The first issue took place as part of a market demand research project in the try-out market via a provisional trading platform. In the DES-COIN utility pretoken sale, investors and try-out market participants were able to reserve further portfolios at a rate of €0.75. The DES utility token sale starts at an initial rate of €0.95.



Trading begins after the conclusion of the token sale. The market value for exchange operation is generated via the trading platform.

Converting DES utility tokens into DES-COIN

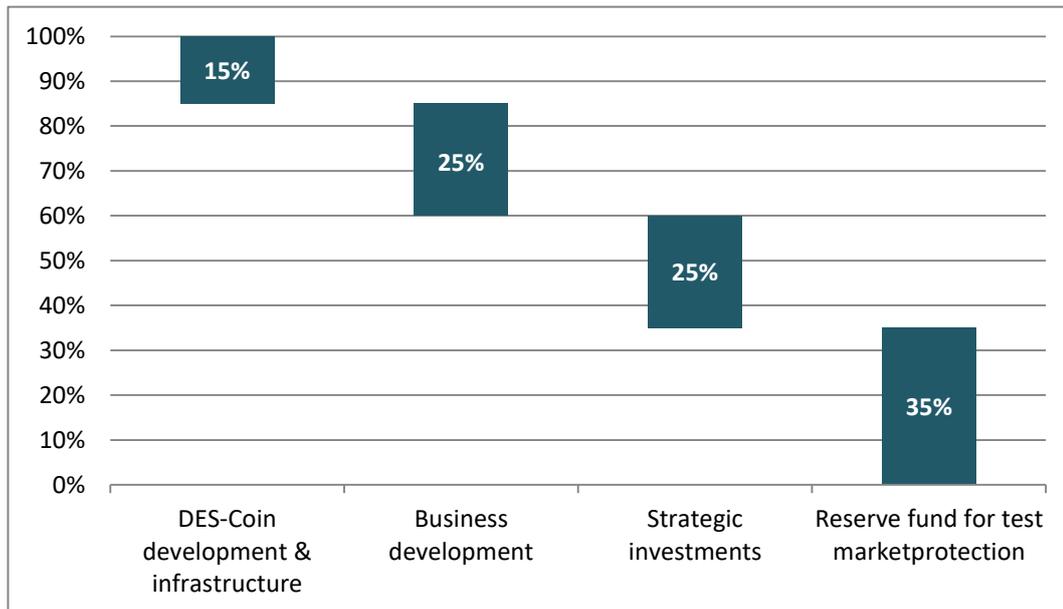
Once the development project has been successfully completed, the counter readings of the token holders will be scaled with a factor of 2 and converted into DES-COIN.



b) Using the development capital

The development budget made available from the sale of tokens is managed on a trust basis and deployed in a targeted manner to help achieve the objectives.

DES-CT reserves the right to invest excess capital independently as company capital, in order to reduce the costs of development through interest income.



This does not represent any form of investment that can be classed as commissioned, i.e. undertaken on behalf of third parties. This is an internal means of controlling equity.

The aim of any investment is to generate a stable economic system by developing business areas and strategic participation. This is necessary in order to ensure that the DES-COIN product can be made fully ready for series production, with the help of a scaled test market.

To protect the end consumers involved in the test market, stable reserve capital is required.

Returning and selling DES utility tokens

The owner of a DES utility token can sell it to other interested parties on the exchange provided for this purpose. However, users do not and have never had any right to return their DES-COIN tokens to DES-Capital Technologies Limited. The DES project reserves the right to buy back DES utility tokens for economic and strategic reasons.



7) Risk information

General information

Before users of the DES utility token (also referred to as "token") make a purchase, they should consider the risks, costs and benefits of the purchase and, if necessary, seek independent advice. The German-language versions of the website and the White Paper are the only legally binding versions. We take no responsibility in the event of errors in translation. If interested parties are not capable of understanding or accepting the risks associated with the purchase of utility tokens or cannot understand any other risks as illustrated below, these DES utility token users should not make a purchase now, but wait until a later date. In particular, they must understand and accept that tokens do not represent or confer any property rights or shares, stocks, shares in company profit, securities or equivalent rights, or any right to the receipt of future revenue shares, intellectual property, or any implicit rights other than the right to use tokens as a means or any other form of participation in or relating to the DES-COIN project and/or the company and its group companies, with the exception of the rights which are explicitly specified in these conditions. The tokens are not intended to be a digital currency, securities, a commodity or any other financial instrument.

Agreement

DES-COINs are not intended, were not designed and are not sold as securities, financial instruments or any other type of investment product. DES-Capital Technologies takes no responsibility for losses or damages which occur either directly or indirectly due to investment decisions made on the basis of this White Paper. This also includes inaccuracies, errors or incomplete lists of all potential risks.

The following risks are associated with the purchase, ownership and use of DES utility tokens.

The launch may not take place and services may not be rendered. The DES-COIN team is working under intense pressure to implement the market launch. However, technical or legal obstacles that may delay or entirely prevent the launch cannot be ruled out. This would then lead to a situation in which the services described in this document may only be rendered at a later date or may not be rendered at all.

Fraudulent behaviour

As is evident, DES-CT is a transparent business. Many of our employees have already gained experience at well-known companies which they are now putting to use at DES-Coin. However, the risk of third parties using the planned ICO for fraudulent purposes in order to harm investors cannot



be ruled out. We strongly recommend that users only purchase DES utility tokens using the trading platform operated by DES-CT.

Instability of the market

The DES utility token has an intrinsic value, which is dictated by the value of the company. However, the market value on the trading platform may vary. This means that the DES utility token may be subject to fluctuations in value similar to those in the crypto sector. In particular, this may occur if the DES utility token is traded on a secondary market and thereby outside the closed ecosystem of the DES-CT trading platform.

DES-CT has no influence at all on the market values which arise on the DES utility token trading platform or in the secondary market due to supply and demand.

DES-CT reserves the right to increase the number of available ICO tokens to a maximum of five billion if there is sufficient demand.

An idea and a White Paper – no tangible product

The DES utility token is dependent on the DES-CT trading platform being able to commence operation as planned and on the community also accepting the trading platform after its launch. If this is not possible due to technical or legal reasons, or if the community loses interest in the platform, there is a risk that the DES utility token will lose value, will not be able to be released at all or will require a technical overhaul. In this situation, there is also a risk that investors could lose some of their investment capital. In this case, the company capital and the company value will be paid out to the token holders.

At the time of the ICO, the information in this White Paper may still be incomplete, may be difficult to verify or may be subject to changes.

The DES-CT team has invested significant time and effort in the White Paper in order to make it as detailed and informative as possible. We are anxious to ensure that our documents and channels are as up-to-date as possible when they are presented. Our website, the ICO website and DES utility token social media channels provide users with information about current topics and future plans.

However, this does not mean that no short-term technical, legal or factual changes will be carried out. In some cases, this may lead to the platform launch being delayed.

Subsequent classification as a security token

It cannot be guaranteed that the utility token planned for the ICO will have to be classified as a security token by a financial supervision body. This means that if the existing relevant requirements (including banking



licences, supervisory permissions and prospectus requirements) are not met, the utility token may in some cases have to be retracted or modified.

Third parties with fraudulent intentions

The DES utility token is based on smart contracts based on Ethereum; this is precise and transparent and mitigates the risk of manipulation by third parties. The smart contracts are executed by an automated management system, which guarantees the security and availability of the DES utility token. The smart contracts control the purchase of DES utility tokens and the deployment of authorisations for each individual.

Risk of losing access to the DES-U in the event of loss of a private access key/access code or due to a user's own misconduct

Users need a private access code in order to gain access to their personal e-wallet, to monitor their DES utility tokens and to trade with them. Losing this access key can lead to permanent loss of access to the e-wallet and therefore loss of access to the DES utility tokens. Furthermore, misuse of the access code by a third party can lead to the available DES utility tokens being lost or used against the owner's wishes. DES utility tokens can also be lost if the access code is stored improperly or rendered unusable due to incorrect operation, or if any other incorrect operation of the e-wallet leads to a permanent access ban for the e-wallet in question.



Risks related to the Ethereum protocol

As DES utility tokens and the economic system of the marketplace are partly based on the Ethereum protocol, any malfunction or failure of the Ethereum protocol may have a significant influence on the stability of the marketplace platform and the value or portfolio of DES utility tokens. The same applies if a change of protocol becomes necessary for technical or economic reasons. Furthermore, technical developments may mean that the mechanism forming the basis of the Ethereum protocol is no longer able or not secure enough to guarantee the services being provided and the economic system.

Risk of hacking and weak points in the security system

No system is 100% secure. Both the repay.me platform and the e-wallet could be targeted by hackers using a range of methods. Hacker attacks can lead to short- or medium-term access restrictions or even a (temporary) total failure of the economic system on the platform. This may be accompanied by negative effects on both the value of the DES utility token and the platform as a marketplace.

Risks related to token trading platforms

The DES utility token is a token. Tokens are traded on secondary trading platforms independent from the intended economic system on the marketplace platform. DES-CT explicitly does not support trading with DES utility tokens on secondary trading platforms or external token evaluation systems. Secondary trading platforms are highly speculative. The value attributed to a token is extremely volatile and can easily be accessed by third parties for fraudulent systems.

Risk of unprotected losses

In contrast to bank accounts or other financial accounts, the DES utility token is not safeguarded by a public insurer or a deposit protection fund. This means, for instance, that a loss of access always represents a total loss.

Risks related to unsecured legal regulations

The regulatory status of tokens and the underlying technology is unclear or completely unregulated in many jurisdictions. It is currently not possible to predict how tokens and blockchain-based ecosystems will be dealt with legally in future. Changes to the law could have significant negative effects on tokens and blockchain-based ecosystems. In extreme cases, this may result in the entire system being banned, which would make legally trading



and using tokens impossible. Lawmakers may enforce strict rules on systems with tokens – for example, laws which only allow for licensed trading with tokens. Regulatory restrictions may even lead to a total loss of tokens. Furthermore, the advertising sector and advertising-based platforms must adhere to a wide range of legal regulations. Changes to this legal basis may have negative effects on the advertising-based ecosystem of DES-CT. In extreme cases, these negative effects could mean that the ecosystem must be closed down, which may lead to liquidation of the DES utility token.

Risk of taxation

How tokens will be dealt with and evaluated in terms of taxation is currently unknown. We recommend consulting a tax advisor before purchasing any tokens. Purchasing tokens may lead to negative tax repercussions, such as an obligation to make a tax declaration, payment of income taxes or taxes on trading profits obtained through the use of tokens. The list of tax effects provided here is purely exemplary and is not definitive.

Risk of competing ecosystems

It is possible that competing companies could establish alternative ecosystems which negatively affect the market potential of the DES utility token. In extreme cases, this may lead to liquidation of the DES utility token ecosystem and therefore to a loss of the DES utility token.

Risk of insufficient interest in the DES-COIN ecosystem and/or the APP used

It is possible that the DES utility token system will not be met with the keen interest expected among potential users. If this is the case, the development of the DES utility token system and thereby also the potential of the DES utility token could be negatively affected. Low interest levels and a lack of development opportunities could, in extreme cases, lead to liquidation of the ecosystem and a resulting loss of DES utility tokens.



8)

Risks related to the development and maintenance of the DES utility token ecosystem

The DES utility token ecosystem is still in development. Significant changes may still be made to it before its official release. The development team has had limited opportunity to influence the way the system and DES utility tokens are used by third parties. Currently, we can only make predictions regarding the actual development of the ecosystem. Even when the development team assume high levels of market acceptance and judge the potential of the DES utility token ecosystem to be extremely high, success cannot be guaranteed.

Risks related to liquidation of the ecosystem or company

It is possible that the ecosystem or company may be liquidated; this could happen for a number of reasons. Financial mismanagement, low acceptance of the ecosystem or failure of important commercial relationships are just a few exemplary reasons why the ecosystem or company may no longer be able to operate and may have to be liquidated. Liquidation of the ecosystem or company would result in the loss of the DES utility tokens.

Risks relating to a lack of corporate management rights

No corporate management rights are associated with the DES utility token. All decision-making rights remain with the company. The company can decide whether and how the DES utility token ecosystem continues to operate or whether the company is liquidated; these decisions can be made without the consent of the DES utility token owner. All of these decisions may have negative effects on the ecosystem or the DES utility token and may lead to the liquidation of the DES utility token. Changes to the number of utility tokens issued within the framework of the ICO are not included in the decision.

Other risks

Blockchain technology is a relatively new, untested technology. It is impossible to rule out the possibility that other risks may arise which have not been included in this document and which were not anticipated. It is also impossible to guarantee that risks of this kind may not lead to liquidation of the DES utility token or termination of the ecosystem.



9) Explanation of terms and abbreviations used

Blockchain

Blockchain refers to a decentrally stored, chained list of datasets which is protected using cryptographic methods. Blockchain can therefore be compared to a transparent database. All transactions are recorded in a "digital account statement"; they can be seen by all members of the network and cannot be changed afterwards. Thanks to this process, blockchain provides levels of transparency and security between individual parties in a transaction higher than anything that has been seen before.

Coin

Coins and cryptocurrencies can often be used synonymously. Examples include Bitcoin and Ethereum. Unlike tokens, coins have their own blockchains. A token is placed on the blockchain of a coin (usually on Ethereum, as well as REME tokens). Tokens, like coins, are traded on an exchange after the ICO. This means that from a practical perspective, there is essentially hardly any difference for the purchaser between a coin and a token. This is why the terms "coin" and "token" are used interchangeably in this document.

ICO

An Initial Coin Offering (ICO) takes its name from the term IPO (Initial Public Offering). However, in the case of an ICO, purchasers buy coins or tokens rather than shares in a company. The sale of coins or tokens is intended to finance the relevant project, similar to the principle of crowdfunding.

DES

DES is constructed from the terms "digital", "equivalent" and "stabilised" and reflects the core message of a stable cryptocurrency of equivalent value.

Token

Tokens are digital units of account which were created based on an existing blockchain or cryptocurrency (for example Ethereum). Most tokens – including DES utility tokens – are converted using the Ethereum blockchain. Tokens can be used for a range of purposes. "Smart contracts" can be programmed to provide tokens with a range of functionalities.

DES utility token (DES-U)

Required for the development of the final DES-COIN, alongside the



necessary infrastructure and markets. The utility token is based on the Ethereum ERC20 standard.

DES-COIN (DES-C)

The end product – a new virtual currency. It is the next generation of currencies based on blockchain.

DES-Capital Technologies Limited

The corporation needed for development. DES-Capital Technologies Limited reserves the right to rename or change the company over the course of its strategic establishment in Liechtenstein.