



**CAST**  
S T U D I O

The Exclusive NFT Community Bridging the gap between heritage and innovation,  
seamlessly blending the traditional and modern world.

# Executive Summary

The CAST project intends to create the foremost market for exclusive community art pieces and corporate community engagement works in both digital and physical form, with rights and ownership conferred on the blockchain by NFTs.

We will build a community of high value collectors and innovative globally known firms, to create curated art pieces and community engagement works in both the digital and physical world, by a hand selected committee of reputable patrons of our collection, and the voice of our community, we will oversee the creation and distribution of one of one masterpieces rare and limited collections, and corporate collections from established and world leading brands, to be issued and sold exclusively via the CAST marketplace to our high caliber clientele.

## USPs

- Focused on exclusives, tier 1 brand launches and premium clients
- Higher focus on community than competitors
- Premium
- Quality filtered

## Core Principles

- Decentralization
- Exclusivity
- Quality
- Community
- Reputation

The CAST coin is issued by HoGa capital AG the holding company of the project, with the following utility:

- Means of payment on the CAST platform
- DAO engagement (Voting rights)
- Membership access
- Events access
- Staking rewards



# Crypto - Art - Share - Trust

## Crypto

- We establish a unique digital ecosystem
- We provide brands and artists an immersive experience to showcase their products through NFTs and connect with a new audience.
- The CASTELLO Coin serves as the foundation for a universal currency in both the traditional and modern worlds.

## Art

- We bridge the analog world and the digital world
- The CASTELLO platform empowers emerging artists while offering established artists the opportunity to redefine their craft.
- We enable artists to express their creativity in diverse and exciting forms through curated events that blend these worlds.

## Share

- We believe in sharing our success with the community
- Our innovative reward system ensures that artists and active community members alike can benefit from CASTELLO's achievements.
- The protocol's auto-Perpetual Staking mechanism helps drive the long-term value of the coin by reducing its circulating supply.

## Trust

- We value community participation in decision-making
- The CastDAO comprises NFT and Coin holders from our ecosystem, empowering them to make democratic choices collectively.
- Through open channels of communication on Discord and Twitter, we ensure that our actions align with the community's best interests.

*Bridging the gap between heritage and innovation,  
seamlessly blending the traditional and modern world.*



# The Porsche Problem

In the 23rd of January 2023, Porsche Launched an NFT collection focused on its most iconic car, the famous 911. One of the largest and most Iconic brands in motorsport entering the world of Web3 should have been a home run win.

But it wasn't.

What went wrong?

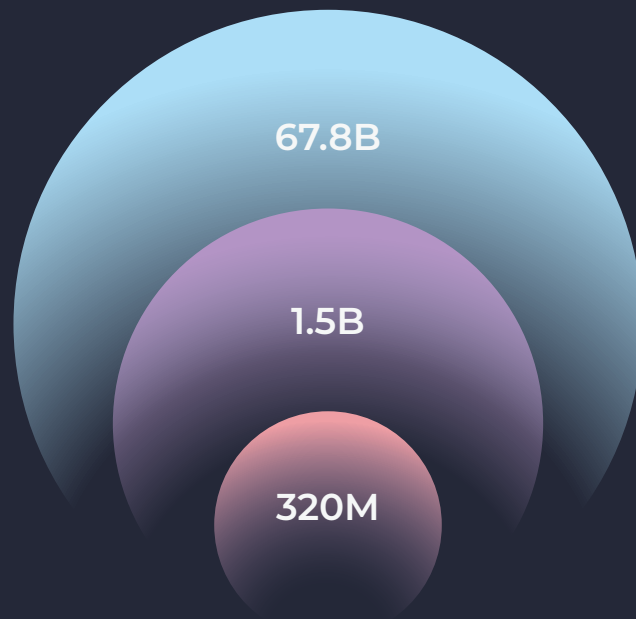
The community saw the prices as too high, the utilities as simply insufficient to justify the purchases, and felt a lack of authenticity in the concept, simply seeing it as a 'cashgrab'.

Many companies, celebrities, and artists see the huge potential value of entering the web3 space to expand their horizons, access a new generation, and embrace changing technologies, but fear a response just like that Porsche faced.

In a world of segmented brands, segmented communities, and a risky plunge into the unknown new technology and community of Web3, what is needed is calm shallow waters where we can gracefully introduce heritage brands, established traditional artists, and traditional celebrities, into the new world of web3.

CAST intends to be the bridge between the old world and the new, aggregating a community of active and engaged web3 members, who are looking for the latest and greatest releases in an exclusive community, and working directly with corporates on their entry and offering in the web3 space, including utilities and events, to guarantee the prestige their brands both personal and corporate are preserved in the new world.

- **The NFT trading marketplace is dominated by large Generalist platforms**
- **Individual collections from corporates and artists get lost in a sea of individual community projects**
- **Artists not experienced in the world of crypto have very little assistance in onboarding,**
- **'Phygital' works are not supported commonly**
- **Corporate partnerships are not supported or given the needed guidance to succeed**



Art Basel in collaboration with UBS estimate annual art sales for 2022 at \$67.8 Billion, with an estimated CAGR of 3% in 2023<sup>1</sup>

Global NFT market estimated at \$1.5 Billion in 2022, a 70x increase on figures in 2020<sup>1</sup> with the best estimate of total market cap of all NFTs at \$11.3Bn<sup>2</sup>

Currently, 50% of sales of NFTs have a value of under \$2002, compared to the traditional art market, while growth across the sector by value grew at 3%, by Volume the market grew at only 1%<sup>1</sup>, with a bias in pieces over \$10m in Value.

Meanwhile traditional online only art sales have increased 85% between 2019 and 2022 to a value of \$11 billion.

What we see is a critical disconnect between the current market of art and collectibles in online sales, and the growing space of NFT sales, where NFTs represent the future of fully online art sales and digital ownership rights.

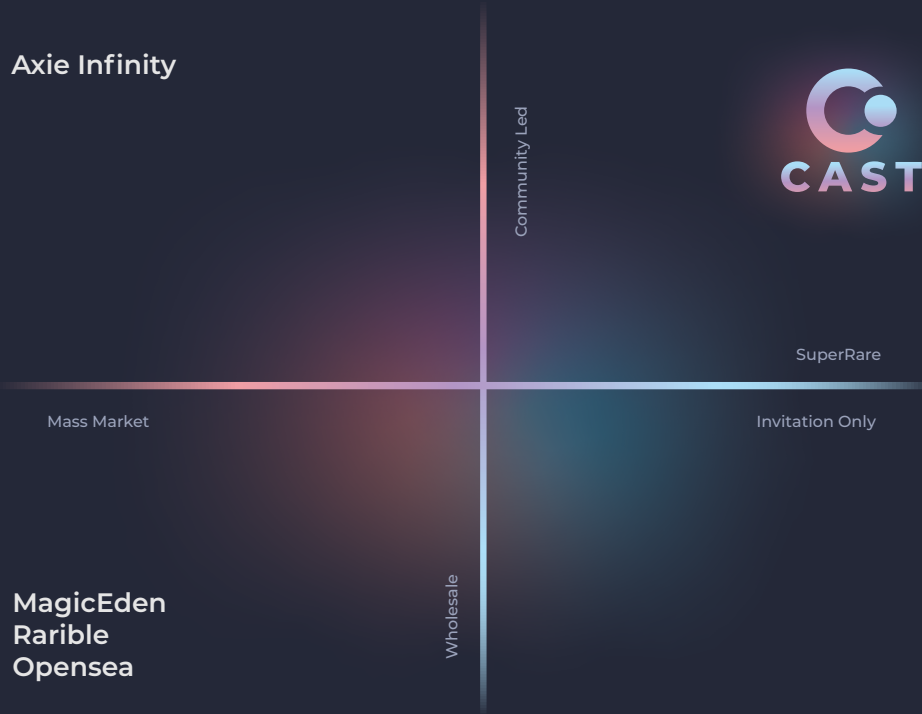
With a strategy focused on bringing high value traditional art sales, brand partner collectibles and native web3 projects, we believe we have the chance to dominate the emerging high value end of the NFT space, with a unique community dedicated to masterpieces in traditional art and Web3, along with bringing new brands into the space with our corporate partnerships. We estimate by 2024, with these growth factors a SOM of over \$320M in 2024 with a combination of NFT market growth and migration of traditional online art sales to fully digitalized NFT sales.

When we combine this with the added exposure of our project to online gaming and mobile games in particular through theplooshies acquisition, a global market worth some 248.4 Billion and a growth rate of 7.08% CAGR annually worldwide. By offering collectibles, elements with utility within web3 game eco-systems, and blue chip integrations with brands wishing to enter the world of web3. We could have an exposure to a far larger and faster growing market segment

1) <https://www.artbasel.com/stories/the-art-basel-and-ubs-global-art-market-report-2023?lang=en>

2) <https://www.nansen.ai/guides/nft-statistics-2022>

3) <https://www.statista.com/outlook/dmo/digital-media/video-games/mobile-games/worldwide#revenue>



The market of NFT Platforms is dense but segmented, into wholesale mass market style platforms that deal in high volumes such as MagicEden, Rarible, and Opensea. These platforms represent the exact issue we would like to solve, while useful, artists collections get lost in the volume regardless of quality, they also lack a community of their own, the customer base is a fan of the 'product' but have no loyalty or association to any one platform, if the artists move or quality art moves we believe users will readily move. Being just a service platform without direct customer loyalty or a community, is a huge strategic weakness.

Axie infinity is a useful case study of a platform with a dedicated community, however, it is focused on the art of only Axie, is related only to the one game. However, they retain good loyalty and interest with this dedicated community. It has one weakness only in that it is only the one 'artists' work, with no external invitations to artists in to contribute.

SuperRare is an interesting direct potential competitor, however, they have their own issues. Artists interested in collaborating can only be accepted by the owners of the platform, it is not particularly user friendly, the level of direct community engagement is low. It also operates solely on Ethereum, with increasing volumes on separate chains, and users preferring multiple means of payment, this is a restriction.

All are centralized platforms that restrict community engagement.



## Core business lines

- Exclusive artworks
- Events access
- Memberships
- Staking and AMM participation

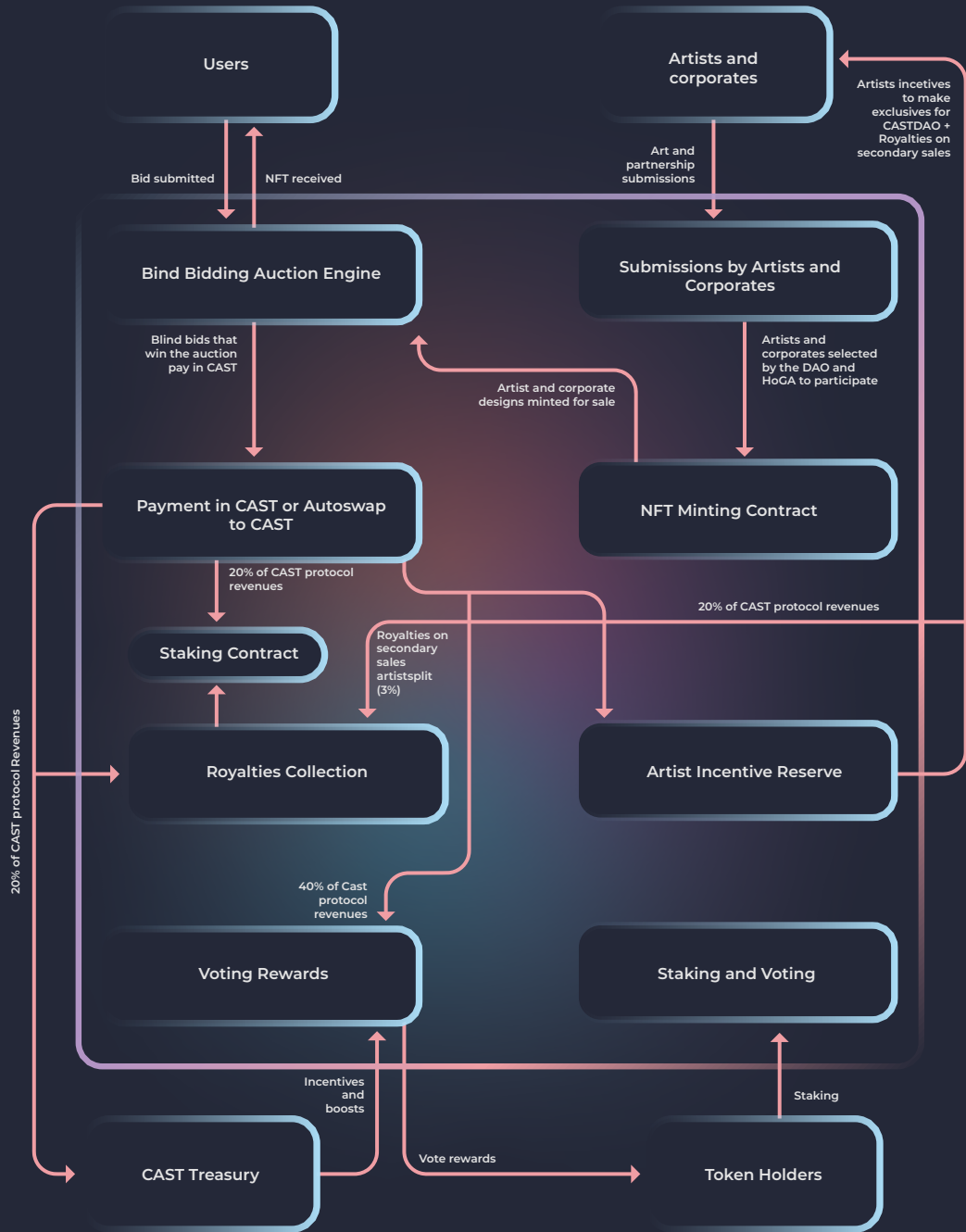
Platform fee for direct sales ————— 5%

Trailing royalties for artists and CASTdao ————— 5%

Memberships include discounted fee rates for future CAST events in the DACH region and internationally, pricing is still to be considered.

Staking and AMM participation (See Financials)

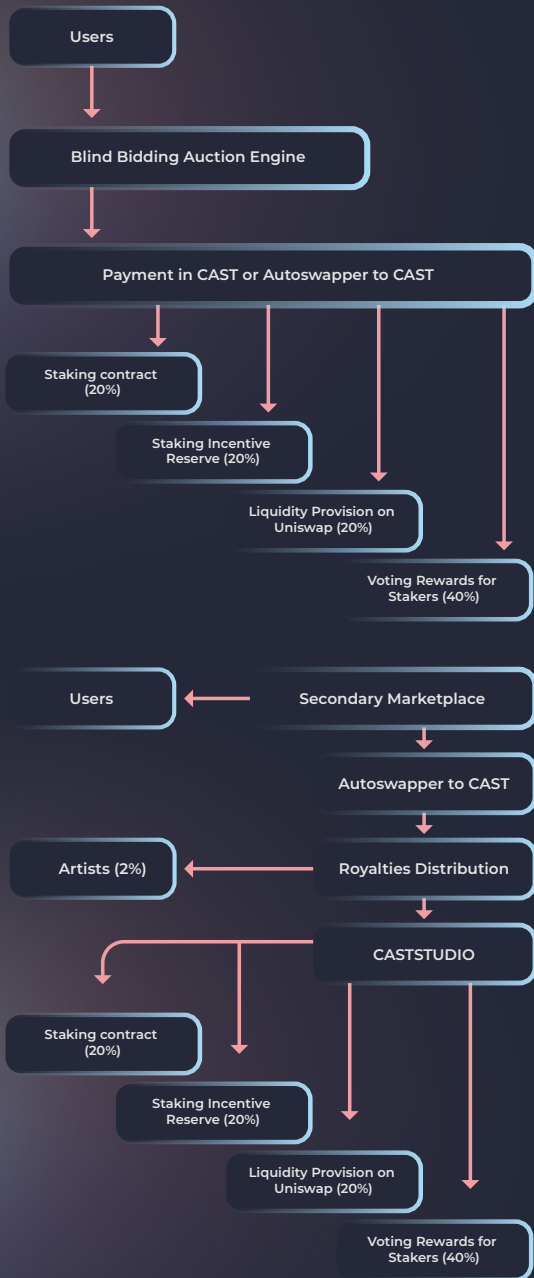
Boutique Consulting for Corporates, Artists, Or, Celebrities wishing to enter the web3 space.



- Maintain Uniswap Liquidity
- Business development for artists and corporate partners
- physical world contracts with partners and contractors



# Example Token Flow Simplified



## Initial Launchpad Sales

NFTs sold on the initial Launchpad have a 5% selling fee through our blind bidding auction system.

Successful blind bids by a user will be accepted and the protocol will take the 5% selling commission

This fee is paid in Either USDT, ETH, or CAST. If the fee is received in USDT or ETH, this is autoswapped to CAST using the Uniswap liquidity pools provided by CAST.

When the protocol receives this fee in CAST, it follows our main tokenomics distribution. 20% being staked immediately from supply by being sent to the 0x000.... Address.

20% being held in the Company controlled Artist incentive reserves, used exclusively in securing partnerships with significant partners in the space to issue their projects in future on the CASTstudio platform.

20% is sent to the LP position of the CASTstudio in its main Uniswap pools to ensure there is at all times sufficient market liquidity for the token to execute autoswaps.

40% is distributed to users staking their CAST token to participate and vote in the CASTDAO as rewards.

## Secondary Market Sales

NFTs originally issued by the CASTstudio launchpad have a 5% royalty fee on all secondary sales. When sold on any secondary exchange, we receive this 5% fee in ETH.

This Royalty in ETH is swapped to CAST by the Autoswapper Contract using the CAST/ETH Uniswap pool.

2% of the royalty is sent directly to the original artist/corporate/partner who generated the NFT, 3% is retained by the CASTstudio.

When the protocol receives this fee in CAST, it follows our main tokenomics distribution, 20% being perpetually staked, effectively removing it from supply.

20% being held in the Company controlled Artist incentive reserves, used exclusively in securing partnerships with significant partners in the space to issue their projects in future on the CASTstudio platform.

20% is sent to the LP position of the CASTstudio in its main Uniswap pools to ensure there is at all times sufficient market liquidity for the token to execute autoswaps.

40% is distributed to users staking their CAST token to participate and vote in the CASTDAO as rewards.



## Users

Users includes buyers and secondary sellers of high value artworks via the CAST Market place.

Listing will be a simplified process of a wallet approval for verifying the address you intend to use with the protocol, either for payments, or for listing your NFT.

## Seller process

Listing the NFT on the CAST marketplace, is a simple interaction, depositing the NFT to the Auction engine, receiving a "Sellers LP" token unique to the listing, the seller can also submit a 'threshold' a minimum sales price they would accept. They can also select the length of the auction, with a minimum time of one week, and a maximum of two months. If no bids are received above this threshold, the seller may release their NFT from the protocol by connecting their wallet and sending in their "Sellers LP" where the NFT will be returned to them.

If a bid is received above this threshold, a sale will execute, the seller will receive their payment by submitting their "Sellers LP" token, and their wallet will be credited with the sales price in CAST less the commission from the protocol (5%)

For Physical artworks sold in digital form, please contact HoGA Capital AG regarding the handling and custody of your artwork/item during the auction period.

## Buyer process

A user can view the listings on the CAST marketplace via our webapp, click on a listing and see the artwork for sale including details on the artist, the piece and whether it is physical or solely digital.

A buyer may then submit a blind bid by clicking on 'bid' and enter a value in dollars (USDC) Ethereum or \$CAST (In the case of USDC or ETH payment selected, these will be automatically swapped to \$CAST via our Uniswap pool) this will bring up a prompt to connect their wallet to verify the transaction. (This transaction will contain two steps for those submitting bids in USDC or Ethereum, the first being a swap via Uniswap V3, and then the deposit of the bid in exchange for a "buyers LP" Token.

If the bid is the highest at the end of the bidding period, they will win and receive their NFT by submitting their "Buyers LP" token to receive their NFT.

If the bid is unsuccessful, they can retrieve their Bid from the auction engine by submitting their "Buyers LP" Token.

For Physical artworks won in auction, please contact HoGA Capital AG should you wish to have physical delivery of your piece or for us to maintain custody of the piece for you.

## Artists and Corporates

Includes artists who would wish to work with the protocol, or companies who would wish to work with our protocol to issue on the CAST market. Partnerships with Artists and corporates can be done directly from HoGA Capital AG.

For Artists, we publish publicly our terms and conditions for participation, including the sales commissions given to the protocol, and the trailing Royalties split for the protocol and the artist.

For corporates, we offer a boutique service, where we will directly assist and coordinate with artists on your behalf and co-plan releases. Please get in touch with HoGA Capital AG for further details on our corporate assistance offering (See contact page)

## Blind Auction Engine

Our bidding system operates on blind bids by potential buyers for each individual listing.

With an auction length selected by the sellers, between one week and two months.

The auction engine, maintains the NFTs listed for sale, records of the "Sellers LP" Positions and minimum prices for each listing, as well as buyers bids via the "Buyers LP" for each listing.

The auction engine, should a buyers bid at the expiry of the blind bid auction for a single listing, exceed the minimum sales price selected for the NFT, will exchange the collateral held in the Sellers LP locker for the Collateral held in the Buyers LP locker to execute the transaction. Buyers and sellers then may submit their respective LP token to receive their collateral back to their private wallet. In the case the minimum price is not exceeded by the bids by the expiry of the auction as selected by the seller, both may submit their LP tokens to return their original collateral, and no transaction occurs.

## Payment in CAST or Autoswap to Cast

Payments for all works listed for sale on the CAST market place are purchased in CAST, a user may select another currency to pay with (USDC or ETH) however this will be automatically swapped to CAST via our Uniswap V3 Pool.

## NFT Minting Contract

Triggered by approval of HoGA Capital AG based on community approval via the DAO, for a corporate or artist to mint their limited NFT collection with us, creates an NFT of the artwork in question

## Perpetually Staked Contract

Automatically takes 20% of CAST from our sales commissions on primary sales (5%) and our share of recurring royalties on secondary sales (2%)

## Royalties Collection

Contract receives the royalties from the sale of NFTs primarily issued and minted on the CAST Marketplace, the current rate of royalty is 5% of the sales price of the NFT on a secondary marketplace, this is programmed into each NFT minted by CASTDAO. 3% of this is directly received by the original artist in CAST token, 2% is received by the CASTstudio protocol, and distributed as per all CAST Revenues, 20/20/20/40.

## Artist incentive reserve

The artist incentive reserve is deployed by the governance, upon artist submissions of interest to primary issue and mint on CASTDAO, initial negotiations with artists of particularly high prestige or brands of high prestige who may be interested in issuing via our protocol by HoGA Capital AG, where we will submit to the DAO the terms to attract artists, that we believe to be of a size that would positively effect the project in permanent way, with grants of CAST. This is continuously topped up by 20% of protocol CAST revenues. Held token in the art reserve, can be released or transferred to other functions based on a DAO vote should the volume of token in the reserve be seen by the community as excessive.

## **Voting Rewards**

Voting rewards are granted to staking users, based on our yields calculation engine (See tokenomics).

This pool of tokens is continuously topped up with CAST Token with 40% of protocol revenues in CAST.

## **Staking and Voting**

Voting in the CASTDAO on proposals made (See DAO function for possible proposals) can be done by Staking CAST tokens, voting members will be rewarded in line with our yields calculation engine (See tokenomics)

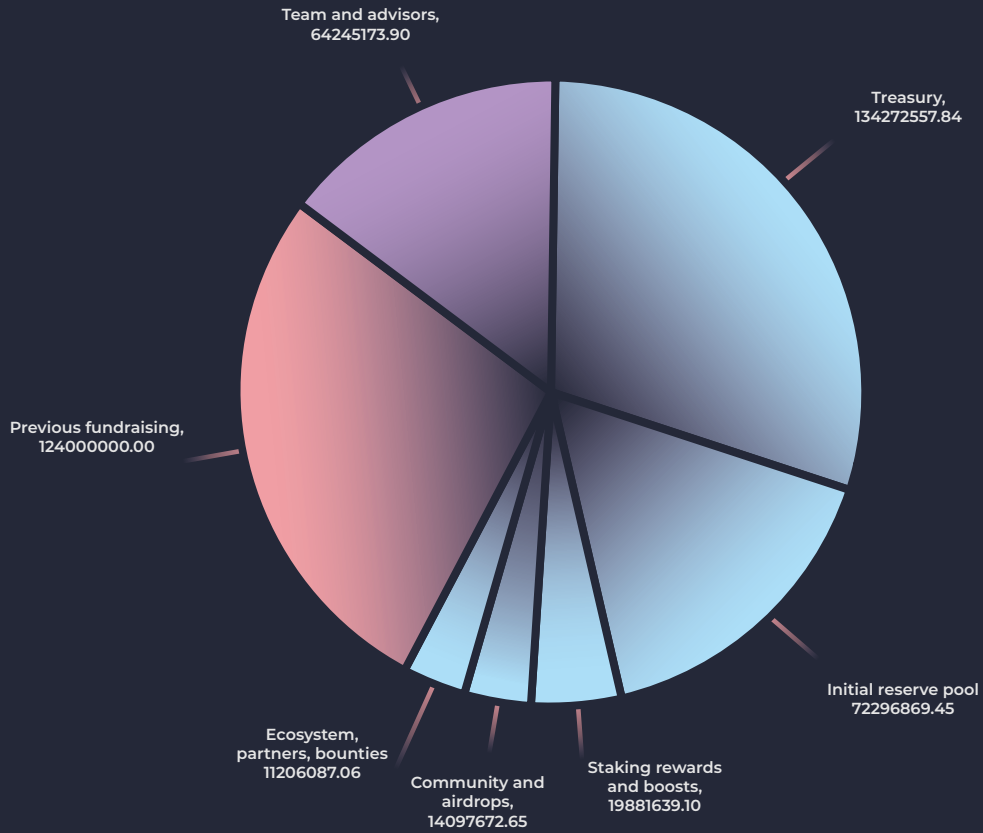
## **HoGA Capital AG**

HoGa Capital AG is the management company behind the CASTDAO,

Where on behalf of the DAO we operate physical world contracts on behalf of the DAO. The company also operates a large portion of the liquidity provided to Uniswap to ensure market liquidity for the token. On request we can also through our partners offer OTC transactions for larger acquisitions of CAST Token.

## **Token Holders**

Owners of the CASTDAO token \$CAST



Maximum Supply  
**440,000,000 CAST**  
Current Floating Supply  
**196,245,173 CAST**



The CAST token is an Ethereum based ERC-20 utility token with a number of use cases within the CAST eco-system:

### Means of Payment

- Payment for artworks sold on the CAST platform
- Payment for membership perks
- Payment for events hosted by CAST.

### Voting rights and participation

- Token holders are able to participate in the CASTdao, with votes proportional to their token holding on CAST Improvement Proposals (CIPs) nominated by tokenholders or by HoGA Capital AG management for tokenholders consideration.

### Yields and Staking

- Staking your \$CAST token to participate in DAO votes, makes the user eligible for yields. These yields are organically generated from sales on the platform paid in \$CAST.

When a user makes a payment in \$CAST, we allocate the CAST received as follows:

Staked	20%
Artists Reward Reserve	20%
Voting Rewards	40%
Liquidity Provision (HoGA Capital)	20%

This schedule creates utility for the token, value to our users for actively participating, and is sustainable in its value and purpose.



# Staking and AMM Participation

## Staking

Users of the CASTDAO are able to participate in voting on upgrades and policy updates for the DAO (See DAO function for all details). To incentivize active participation from the community and continuous upgrades, we offer partial participation in the protocols revenues in CAST.

'Vote Locked' CAST will generate returns in CAST based on :

- Length of time locked (from 1 Month to 12 Months)
- Volume of CAST staked
- Airdrops and added incentives
- Protocol revenues in CAST

Staking rewards are calculated by:

$$BW_i = 0.002 * CS * \left( \frac{LN(TS)}{2} \right)$$

Boost weight (BW) of an individual staking a number of CAST Token (CS)

$$YPBW = \frac{YT}{\sum BW_i}$$

Yield per boost weight (YPBW) calculated by total yield tokens (Sum of 40% of protocol raw CAST revenues and boost incentives planned)

$$Y_i = BW_i * YPBW$$

Yield of the user (Yi) based on their boost weight (BW<sub>i</sub>) multiplied by the Yield per boost weight (YPBW)

This system creates linear benefits to staking more CAST, and benefits for staking token for longer.

## AMM Participation

Users are freely able and incentivized to participate in providing liquidity to our Uniswap V3 pool, where our system is designed to regularly rebalance the pool using partial CAST revenues from the token.

20% of all revenues received in CAST are sent to the Uniswap pool as LP contributions to ensure fair liquidity, creating a mechanism by which there is always readily available CAST for trading and utilization.

This creates a consistent volume of resupply maintaining a more stable pricing for the token in the market relative to centralized exchanges, giving participants incentives to engage in fair market arbitrage,



CASTDAO from the initiation of the DAO, will have authority through votes, to alter the following metrics:

- % perpetual staking from CAST Revenue (between 0% and 80%)
- % Staking Rewards from CAST Revenue (between 0% and 80%)
- % AMM contributions from CAST Revenue (Between 0% and 80%)
- Proposed art partnerships and issuers to the CAST platform.
- Sales commissions paid in CAST (between 0.1 and 20%)
- Trailing commissions paid in CAST (Between 0.1% and 20%)
- Artists commission in CAST split (between 0% and 80%)
- Grants proposed to be approved by vote to incentivize artists to issue on CAST.

The minimum threshold of the DAO to make proposals for Votes will initially be 500,000 CAST, this will reduce to 200,000 by the end of FY1.

Initial Quorum for a vote to pass will be 10% of the outstanding floating tokens in circulation.

HoGA capital will maintain in fair reserves a portion of CAST it believes is sufficient to disrupt votes that the board would consider to be 'malicious' as is the norm during entities transitioning to fully decentralized, vis a vis MAKERDAO, an established practice for a safe transition. Such radical measures will only be deployed in extreme circumstances where we believe the governance is under threat of exploitation. If utilized the community will be informed immediately, along with a brief explanation for the intervention in terms of dynamics and our beliefs.

On request, should there be a disagreement between token holders on major changes in the DAO and the entity HoGA capital, this intervention method may only be used once for a proposal to be 'Vetoed'. A re-listing of the proposal and vote will be permitted after a period of two weeks, for any possible dialogues to occur between the entity and community regarding the proposal and a final vote held.

In future these voting rights may be expanded to include members of the Board, technology partners, and company functions to a limited degree.

The voting mechanism and DAO is planned to be built with Aragon, a trusted partner in the space, who have experience in building the robust system behind curve.fi.





# T I M E L I N E

2021

## July 2021

- HoGA Capital AG Formed
- Concept Design
- Pre-sale starts
- Partnership SEBA BANK
- Partnership Märki Baumann Private Bank

## August 2021

- Initial whitepaper and website launched
- Social media presence established and marketing begins
- Design and Forging the 1st Art Project "Castello Cube" begins

## November 2021

- FINMA Non Action letter recieved

2022

## January 2022

- PRESALE finished

## February 2022

- First Exhibition of the Castello Cube in New York, gaining world wide attention and 1.2 Billion social media impressions globally
- Certik and Byterocket Smart Contract Audits complete

## April 2022

- Public Sale finished
- \$18.6M Capital Raised (PRESALE + PUBLIC SALE)
- Listing of CAST Token on Bittrex, and Bitmart
- dApp Development begins
- 2nd Display of the Cube in Venice

## May 2022

- Listing on Lbank
- Custody arranged with Märki Baumann
- Initial Partnership discussions begin with Plooshies NFT and 3D World Plooshie Islands
- Preparing development of utility token
- Businessmodel start up development
- Start Equity Round with strategic investors

## September 2022

- 3rd display of the Castello cube in Zurich
- Team expansion begins, focusing on development and token design
- Initial web3 use case design begins

## November 2022

- Workshops to demonstrate the development and concept in Zurich

2023

## January 2023

- Partnership Discussions and planning for 'Shapes in white' Snow sculpture NFT collection with Ischgl Pilot Project for NFT blue Chips Solutions

## March 2023

- 1st Sale ISCHGL NFTs – sold out after 15 min
- Contract ready with a BIG Partnership
- ISCHGL x Tier1 Brand x Castello ready for 2024

## June 2023

- Change of core team to focus on a larger CASTstudio concept
- Tokenomics Redesign and modelling completed
- Brand Redesign completed
- Updated Roadmap
- Artiade contract completed
- Artiade Partnership confirmed
- CAST Token transforms from basic payments token to utility token within a wider CASTstudio universe

## July - August 2023

- CASTstudio Launchpad development begins
- The Plooshies NFT Merger completed after 12 months of preparing
- Additional marketing begins
- Stakeholder update

## September – October 2023

- Launch of CASTstudio MVP Launchpad
- CAST Payment integration into Plooshies NFT Game completed
- CAST Airdrop Begins to partner Eco-system
- DAO Design in partnership with Aragon Begins

## November – December 2023

- Castello Cube Auction and bidding
- DAO Completion and CASTstudio Full V1 launches
- First DAO CIP Votes opened and rewards granted
- Making of the Castello Cube Documentary to release

2024

## January 2024 - Onwards

- Continuous improvements, upgrades and partnerships, continuing to build the bridge between the traditional and digital world in exclusive collectables
- Plooshie Island 2 Opening
- Integration of the CAST currency into the plooshies eco-system



## Castello Golden Cube

A grand artwork produced by artist Niclas Castello, the 186KG Gold Cube, Cast in 24k Gold, gained global fame in February 2022 in its first public appearance In Times Square in New York, reaching 2.1 Billion global social media impressions within its first month, a testament to the lofty aims of the project in crossing between the worlds of traditional art and web3 with one of the most eye catching and public art works of the decade. Currently still in the possession of the CAST project.



## Plooshies NFT

In July 2023, to advance our exposure to web3 projects and expand partnerships in the space, we acquired the Plooshies project and team to expand expertise and exposure for the project, and to work on the future of the CASTstudio launchpad. With over 30k Followers, a total volume of 338 ETH on Opensea and a highly active in the plooshies island game associated with the project and its collection.

In the future we will be running integrations in game, for advertising the latest CAST releases on the plooshies island, and future plooshies releases will be purchased through the CASTstudio launchpad.



## **Plooshies as Ambassador**

Through conversations and close cooperation over the last 12 months, we were able to sign up the Plooshies as an Ambassador and partner in July of 2023. From now on, they will accompany us in the digital as well as in the analog world.

## **What are the plooshies?**

Introducing The Plooshies, an NFT collection showcasing 3333 fully rigged and animated 3D models of 11 unique characters. This innovative project seeks to revive cherished childhood memories while emphasizing interactive storytelling, community involvement, and gaming as its core pillars. Embark on thrilling adventures alongside Penelope, Viktor, and their friends, and immerse yourself in an incredibly fun experience!

## **Q1 2024**

The currency on Plooshy Island 2.0

After the team has already launched a successful MVP with Plooshy island 1.0, the team is currently working with 7 developers on an immersive web3 world, where the CAST token will play a key role in the near future.

You can use \$CAST Tokens in the Land, Build and Shop system. The Needs System ensures that the Plooshies have constantly growing needs that must be satisfied.

There will be a dedicated marketplace where the parcels can be merged or separated at any time by the owner to create larger or smaller areas. Each parcel can be traded or rented via the marketplace with \$CAST tokens. In addition, there is the possibility for the players to be rewarded via different modes using CAST tokens

## Artiade

Artiade is the international Olympics of art, an international exhibition designed to create new avenues for artistic expression outside of established routes. A competition for up and coming artists, with categories in Paintings, sculpture, installations, photography, video art, mixed media, street art, environmental art and conceptual art.

For the Artiade 2024 in New York, CASTstudio has been selected as the official blockchain and NFT partner for the artiade, with more details to be released soon.



## SCRIPT AG

- Fiat on-ramp/off ramp (OTC)
- Crypto Custody
- Market Making as a service

## Fireblocks and/or Copper

- Crypto custody for DAO allocated token and smart contract interaction

## Flooz.xyz

- Simplified card payment solution for users wishing to purchase CAST or NFT works directly with card or crypto through a simplified Interface

\* *We Will update this as we select partners during continuous development*

# Risks

## **Operational**

Operational and execution issues may occur between the project and artists, or corporate partners. Through our technical plans, we implement seamless means for partners, artists, and corporates to work with us without continuous operational oversight by the team. In the case of any operational failures, we have a sufficiently capable team to intervene and execute fixes rapidly.

## **Technical**

The project in its nature has significant technical risks which are the main risks of the project.

Should there be any technical failure, the project can entirely fail, from either a stop of operational functions or simple hacks.

This is why we have been highly selective in our development partners based on their previous projects and their success rate, and why we will be actively engaging with multiple technical auditors of the code including our current CERTIK audit.

## **Political / Regulatory**

Decentralised protocols are still subject to regulatory or political interventions depending on their jurisdiction, we have mitigated these associated risks with our company location within the Crypto-Valley Zug, where regulatory clarity codefied into law under the DLT Regulation and previous FINMA rulings. HoGA Capital AG has actively engaged with the local regulator (FINMA) for a fair ruling on our token, where it was determined the token represents only a 'payment token' under swiss law, in the course of this adjustment to the business plan, we may need to engage with finma again to update this change to a 'utilty token.'

Based on our previous and timely interactions with regulators locally, and with our previous successful engagements with the german regulator (BAFIN) we have every confidence that with our history and forward plans to continue engaging with regulators in a timely manner, we have every confidence in continuing compliance and adherence with current regulatory frameworks and any future changes to the regulatory environment.

# Risk Disclaimer

## DE

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