DeHedge

Whitepaper

Contents

1. Introduction

The following document is formulated solely for providing information about the DeHedge project. No decision can be made on the purchase of project tokens based on the information outlined herein.

Investments in cryptocurrencies and application tokens keep growing. According to Coinschedule, the total amount of investments into initial coin offerings (ICOs) from January to October 2017, exceeded $3 billion. More than 10 ICOs occur worldwide daily and their number is constantly growing.

Application tokens have demonstrated an unprecedented increase in returns, while remaining highly volatile. Players who profit from the emerging market are individual investors, traders, and investment funds. Also, investments in cryptocurrencies are made by conventional hedge funds willing to earn higher returns.

It is important to mention that investments in ICOs and crypto-currencies present high risks amid successful offerings. Some ICOs fail and investors incur losses or, alternatively, lose their investments in full.

To manage the high financial risks related to crypto economy investments, investors require an effective hedging instrument.

1.1 Market review

Although ICOs are somewhat similar to IPOs, the crypto economy itself has a very different structure of participants, largely due to its “anarchist” background. Investor anonymity, mainly personal trading, and lack of regulation has allowed the creation of a B2C-like token offering model.

Unlike the stock market, there are no brokers, hedge funds, investment banks, or underwriters in the crypto market. Finally, there are no market makers, whose strategy is to facilitate the trading of national currencies, because cryptocurrencies do not belong to countries or geographies.

A company has the right to hold an initial token offering on its own without resorting to underwriting services or by using tokenization platforms for the ICO.

The crypto economy plays several roles, which are unusual for the stock and money markets, such as:

- ICO platforms;
- Unregistered exchanges;
- Shadow market makers;
- Infrastructure solutions for effecting transactions;
- Cryptocurrency and token wallets

Crypto investments are considered risky, because there are no government or other regulators able to stabilize the market and facilitate trading of national currencies.

Crypto markets have no mechanisms to protect the market or its private investors. This could lead to investors' losing their money on fraudulent ICOs.

As the easiest way to earn on an ICO is to "buy low, sell high," any investor's primary goal is to make sure that the price of a token they purchased grows. However, the price is highly volatile, so the investor should remain vigilant on the trading floor.

Investors always want to minimize their possible losses, irrelevant of the environment they operate in. But, in the crypto market, investors are unable to spot the break-even point of an investment portfolio through personal investment strategies. Thus, they are at risk of losing all of their investment.

The absence of historical quote data increases the investment risks further. Options and other derivatives are impossible due to the time it takes to pass from an ICO to an actual listing, which is at each project's discretion.

1.2 Importance For the Market

The only way to mitigate financial risks is to make use of hedging agents or risk reduction tools. Hedging is one such tool. To hedge a transaction made in one market, an investor opens an opposite companion position in another market to offset the potential losses under the former. Hedging strategies usually aim at mitigating price fluctuation risks.

In case of ICO investments, hedging is beneficial for both parties of the transaction. Crypto hedging will allow investors to limit their potential losses, while the advantages for investors of having guarantees in buy-and-sell markets are obvious. We will subject projects aiming for an ICO to due diligence and determine their individual risk ratios and hedging premiums, thus providing investors with an objective assessment of each project. The hedging coverage for an initial token offering of a project will be a trust trigger for its potential investors.

Hedging is just as beneficial for platforms providing ICO infrastructure. By cooperating with a hedging provider, such platforms will guarantee the credibility of published ICOs and help them raise more funds, adding to the platform's own profits.

Already tokenized and fiduciary crypto investment funds will also benefit from cooperation with DeHedge by minimizing the possible losses and risks for themselves and their investors.

A hedging instrument will contribute to the crypto market as a whole, attracting investors who used to avoid ICOs due to high risks. Growing investments will fuel the growth of blockchain projects and the crypto economy in general, ultimately affecting various business processes. Minimized investment risks shall reinforce confidence in crypto projects.

A very different structure of players and processes on stock and token markets and the fact that investors are currently unable to mitigate their

financial risks calls for the creation of an effective token price hedging mechanism.

1.3 Summary

DeHedge aims to create hedging tools for the cryptocurrency and ICO market.

Hedgers are provided with the opportunity to hedge their investments against fluctuations in cryptocurrency and token prices. Reducing the risks also lowers the potential profits. In case of a hedged event, an investor shall be reimbursed their investment less the hedging premium. The investor's maximum loss will therefore be equal to the cost of the latter.

DeHedge supports two hedging strategies:

Hedging Initial Token Offerings

An investor getting a hedging coverage for the purchase price of project tokens pays the hedging premium to receive the right to sell the tokens at the same price later on. This works in the same way as a PUT option in a financial market, giving the option holder the right to sell an asset at a predetermined price. But, in case of DeHedge, the rights and obligations of the parties are different. Only DeHedge has the obligation to buy back a project token in case of a hedged event. The token owner,

on the other hand, has the right, but not an obligation, to exchange the token for the hedging premium.
Hedging coverage for primary token offerings is unlike any instrument on the financial market.

Hedging Publicly Traded Project Tokens

Hedging involves buying or selling a limited options contract on a crypto exchange.

An options contract (also known as option) is a derivative financial instrument that gives the buyer the right, and the seller the obligation, to buy/sell a certain asset at a predefined price later on. For this right, the buyer pays the so-called option premium. A DeHedge contract defines the hedging period and the range of prices for hedged tokens. Similarly to ICO hedging, DeHedge has the obligation to buy back the token in case of a hedged event.

2. Terminology

A user, is a person or entity, which procures a hedging policy, pays for it, and intends to cover their risks by such a hedging policy.

A DeHedge Token (DHT) is a commodity and an essential part of the platform. It is used as the hedging premium that triggers the creation of a blockchain record testifying the hedging.

A hedged event is an event covered by a hedging contract.

A hedging payout is the amount payable to the user in case of a hedged event.

A project token is a token of a hedged project.

A scoring model is a model that assigns scores to projects in order to reflect their individual investment risks.

A strike price is the price of a project token available at the time of getting hedging coverage. It will be paid to the user in case of a hedged event.

The strike range is a range of project token prices fixed at the time of getting hedging coverage. The upper limit reflects the amount that will be pwd to the user in case of a hedged event. If the token price drops below the lower limit, a hedging policy terminates.
The hedging reserves are the funds that guarantee fulfillment of

DeHedge's obligations under existing law and a hedging contract. The hedging reserves are increased through hedging premiums and stored in cryptocurrencies.

Unearned premium reserves store hedged tokens, until a hedging policy expires or a hedged event occurs.

Earned premium reserves store hedged tokens after a hedging policy expires. Unclaimed loss reserves store hedged tokens after a hedged event occurs and until a user files a claim.

Unclaimed loss reserves are taken from the unearned premium reserves.

We manage the reserves on a segregated basis while preserving the amount required to guarantee hedging liabilities.

3. Business Model

In the existing token market, DeHedge has to act as a hedging company, an underwriter, a hedge fund, and a market maker. The roles pertain to different conventional stock market players. We refer to the companies that offer such a range of services for all market participants as Decentralized Financial Organizations (DFOs).

The DeHedge platform leverages a mix of financial and hedging technologies. By acting as a risk hedging provider in the crypto economy, DeHedge is a blend of an options and hedging underwriter, a seller, a market maker, and a broker.

DeHedge offers hedging coverage for two types of projects:

1. Presale and sale projects, i.e. projects the tokens of which do not circulate in the market;
2. Projects the tokens of which are traded on crypto exchanges.

3.1 Hedging Risks When Investing Into ICOs

DeHedge scores presale/sale projects according to the criteria designed and approved in collaboration with one of the world class accounting firms. We take into account how experienced and competent the team and its advisors are, how innovative and detailed the concept is, whether there is a long-term strategy and road map, and how well-elaborated the token's economics and other parameters are. As a result, we devise a score from 0 to 100 and either reject the project, if the score is below a certain threshold, or submit it for further assessment. In the end, we establish the price and terms of hedging for DHT holders.

We use proprietary software to be able to process more projects at a given time.

At the moment, the scoring model involves two information processing steps:

1. Automatic collection and analysis of publicly available data;
2. Manual data adjustment.

At the first stage, the system uses a variety of parsers to process the following content types:

- Project white paper;
- Project web page;
- Information about the team and its advisors, including social activity in Facebook, Twitter, LinkedIn, Instagram, etc.;
- Project GitHub and repository activity;
- Project blog articles;
- News and posts in popular online resources and forums;
- Emission volume;
- Token price during ICO;
- Token distribution;
- Amount raised or being raised;
- Number of investors;
- Post-ICO token quotes;
- Trading volume per day/week/month;
- Number of bidders per day/week/month;

We constantly update the list to improve the quality of input data.

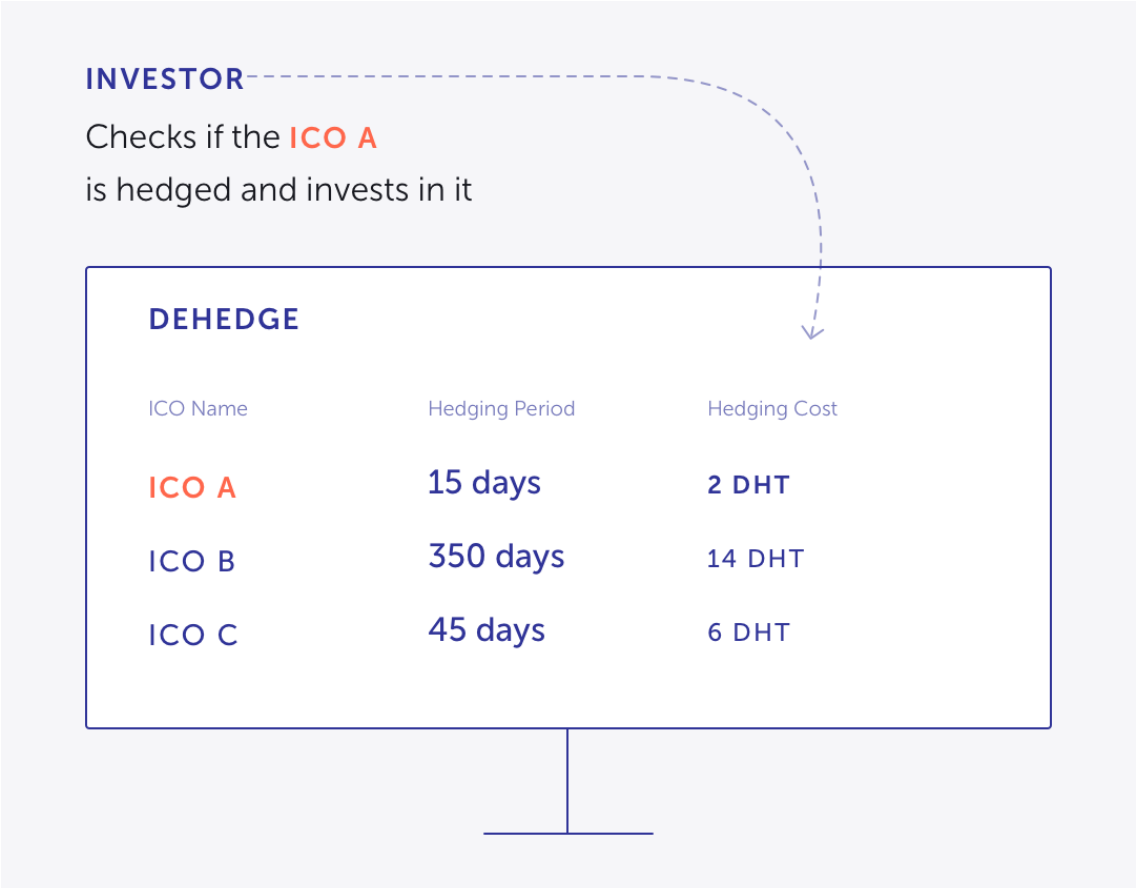
DeHedge uses machine learning algorithms to assign projects to certain categories and domains.

The information is stored in a multidimensional array to allow relational projections for different kinds of data from different sources. As a result, DeHedge analysts handle the information as OLAP (**o**n**l**ine **a**nalytical **p**rocessing) cubes — data structures allowing quick analysis by several scoring-critical dimensions. OLAP cubes allow large amounts of data to be searched, analyzed, and displayed in near real time thanks to preliminary calculations and data aggregation. With OLAP cubes, one can restructure, replace, and change the presentation of data to analyze a wide variety of issues relevant to crypto project scoring.

A hedged event for ICO projects occurs in one of the following cases:

1. The project is delisted, terminated, or ceases operation;
2. The token price drops below the strike price.

Dehedge.com users can view the list of hedged ICO projects on the HedgeDeskICO web dashboard. Each project can be hedged for various periods, each with its own hedging premium. A DHT owner chooses the project and the hedging period and pays hedging premiums by sending a DHT token to DeHedge.



DHT is a product token that gives its owner the right get hedging coverage to cover their ICO investment risks.

The DeHedge platform stores the following data:

- User (wallet sending the DHT);
- Hedged object (project the tokens of which are covered by hedging);
- Cost of hedging of the object;
- Payout (money to be paid if a hedged event occurs);
- Hedging period, and;
- Hedged event definition.

After the user pays the hedging premium, the DHT token is transferred to DeHedge's unearned premium reserves (UPR, see Terminology). If a hedged event does not occur during the hedging period, the DHT token is transferred to earned premium reserves (EPR, see Terminology).

If the platform detects a hedged event, but the user does not file a claim, the DHT token is transferred to unclaimed loss reserves (ULR, see Terminology).

If a hedged event occurs for a specific hedging object, the user is compensated from the hedging reserves and the DHT tokens used for hedging are removed from the ULR and deleted. This reduces the number of tokens in free circulation.

If, after a hedged event, the token price exceeds the strike price and/or if the hedging policy expires, the DHT token is transferred from unclaimed loss reserves to earned premium reserves.

DeHedge notifies the user of a hedged event on the user dashboard at dehedge.com and via email. DeHedge receives token price data via the crypto bridge API that lists the hedged tokens.

DeHedge automatically adjusts claims by sending the hedging object's token via an Ethereum smart contract to the user's wallet.

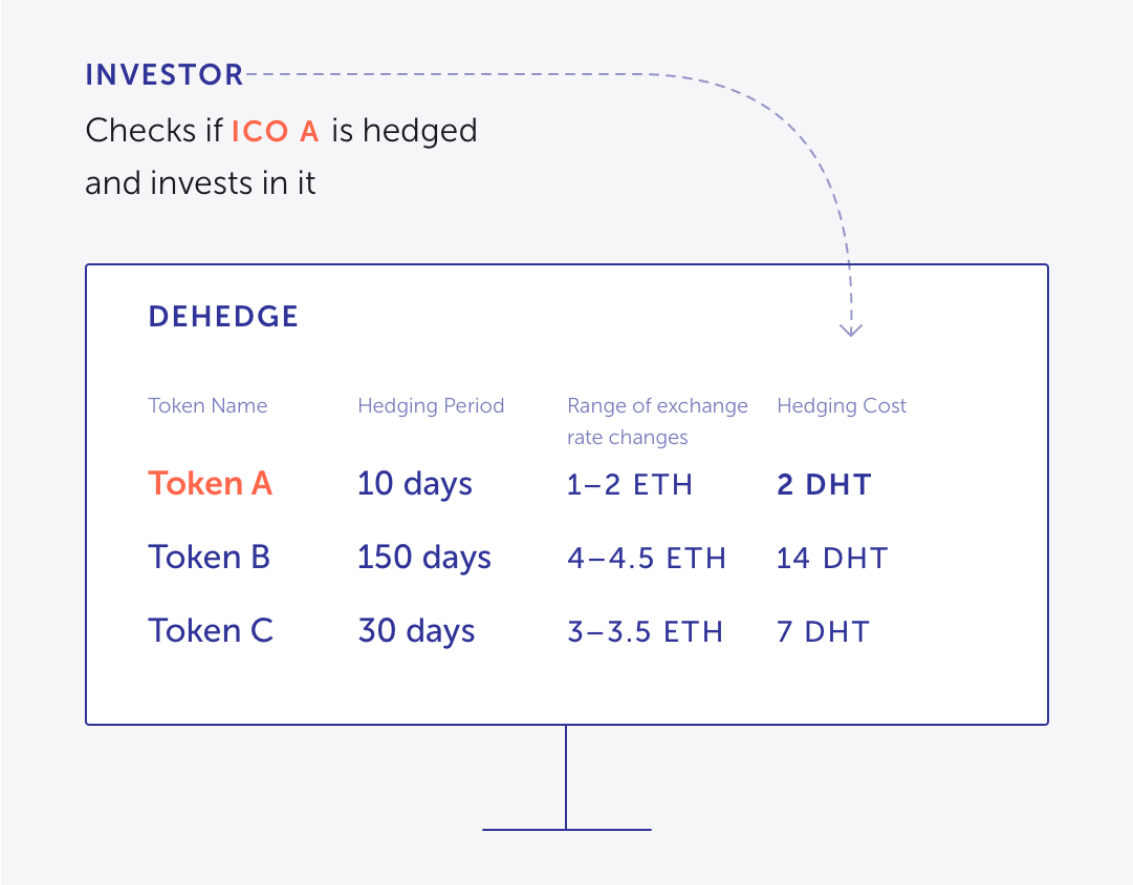
The mechanics of ICO risk hedging are implemented via a PUT option with a strike price equal to the project token purchase price. If the option holder files a claim, DeHedge is obliged to buy out the option.

If the user pays the hedging premium in bitcoins or ethers, DeHedge automatically buys out the equivalent number of DHT tokens on public exchanges.

DeHedge increases its hedging reserves by investing into liquid crypto assets.

3.2 Hedging Risks When Buying Tokens In the Aftermarket

It is difficult to forecast the exchange rates of publicly traded tokens. DeHedge provides investors with an opportunity to receive hedging coverage and hedge against token rates fluctuation during the hedging period.



Dehedge.com users can see the list of application tokens in the HedgeDeskTrade dashboard. Each token has several options from the standpoint of hedging and price change ranges. Each option has a

different price. The platform gets current token rates via API from at least three exchanges and displays the average on the dashboard. This allows users to see the exchange rates without leaving the website.

DeHedge calculates the hedging premium using the Black–Scholes formula and proprietary models as follows (source: http://philsci-archive.pitt.edu/13078/1/Black-Scholes.pdf (Oxford University Press, Oxford, UK. 16)):

European call option:

$$C(S,t) = SN(d_1) - Ke^{-r(T-t)}N(d^2), d_1 = \frac{ln(S/K) + (r + \sigma^2/2)(T-t)}{\sigma\sqrt{T-t}},$$

$$d_2 = d_1 - \sigma\sqrt{T-t}\,.$$

European PUT option:

$$P(S,t) = Ke^{-r(T-t)}N(-d_2) - SN(-d_1)$$

Where:

$C(S,t)$ is the current price of the call option at time t.

S is the current price of the underlying asset.

$N(x)$ is the risk-adjusted probability that the option will be exercised. It is used for limiting the value area for the standard normal cumulative distribution function.

K is the strike price of the option.

r is the risk-free interest rate.

$T - t$ is the time before expiration.

σ is the volatility (standard deviation) of the underlying asset's returns.

The Greeks

"The Greeks" measure the sensitivity of the value of an option to changes in the token price, volatility, and time before expiration. The name is used because most of these sensitivities are denoted by Greek letters.

The Black–Scholes uses the following Greeks:

1. **Delta** ($\frac{\partial c}{\partial S}$) measures how the option price changes with the underlying asset (UA) price. Delta equals $N(d_1)$ for call options and $-N(-d_1) = N(d_1) - 1$ for PUT options. Delta represents the current slope of the option price vs. UA price curve.

2. **Gamma** ($\frac{\partial^2 c}{\partial S^2}$) measures how the option price changes with Delta, i.e., how it accelerates with the UA price. Gamma equals

$$\frac{N'(d_1)}{S\sigma\sqrt{T-t}}.$$

3. **Vega** ($\frac{\partial c}{\partial \sigma}$) measures how the option price changes with the UA volatility: $S N'(d_1)\sqrt{T-t}$. Vega reflects the change of the option price in points for each percentage point (1%) of change in volatility.

4. **Theta** ($\frac{\partial c}{\partial t}$) measures how the option price drops over time. For call options, Theta equals

$$-\,-\frac{SN'(d_1)\sigma}{2\sqrt{T-t}} - rKe^{-r(T-t)}N(d_2), \text{ for PUT options } -$$

$$-\frac{SN'(d_1)\sigma}{2\sqrt{T-t}} + rKe^{-r(T-t)}N(-d_2)\,.$$

Users can pay token rate hedging premiums using DeHedge tokens.

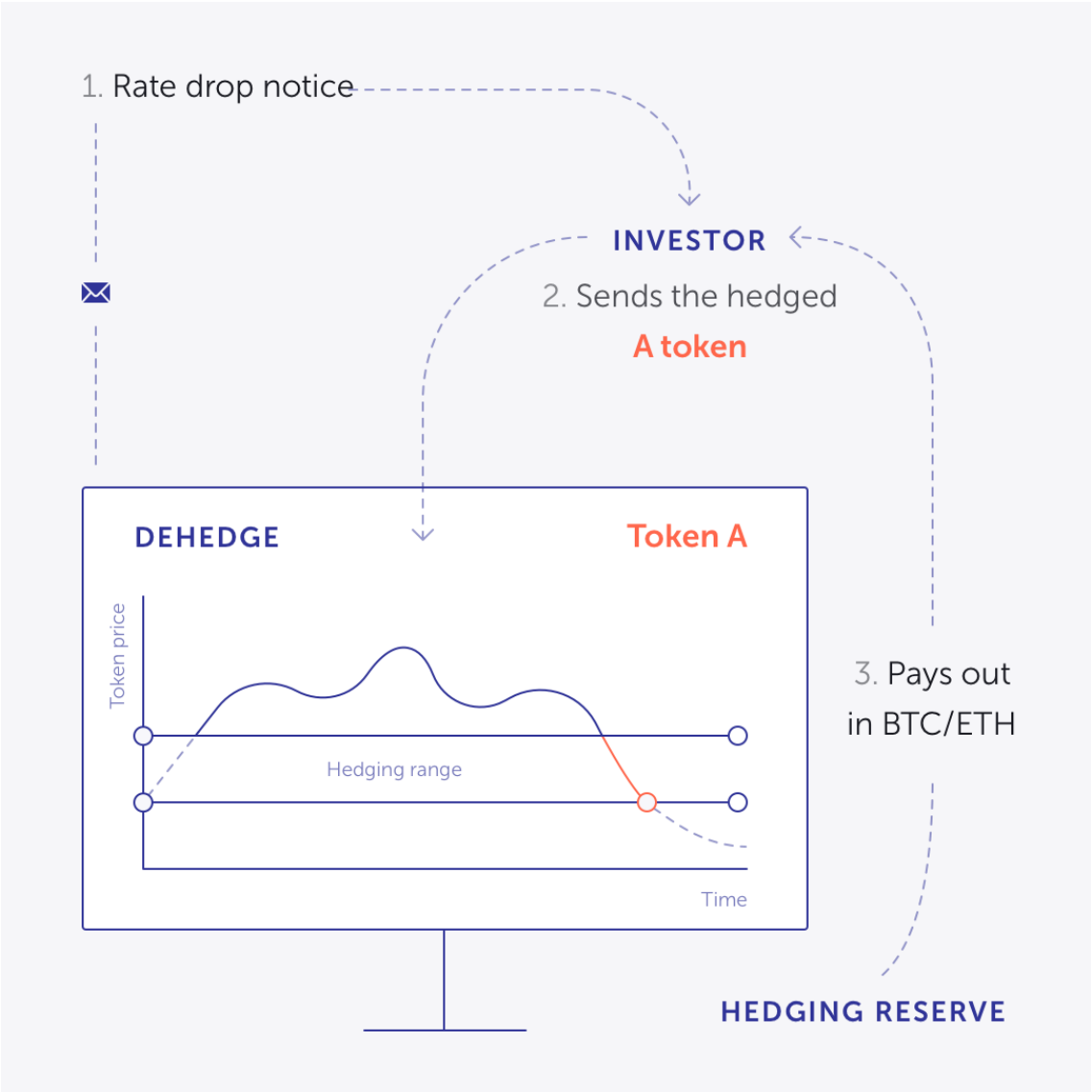
The DeHedge platform stores the following data:

- User (wallet sending the DHT);
- Hedging object (project the tokens of which are covered by hedging);
- Cost of hedging of the object;
- Payout (money to be paid if a hedged event occurs);
- Hedging period;
- Range of token prices covered by hedging.

For listed tokens, a hedged event occurs when the token price drops below the covered range.

DeHedge notifies the user of a hedged event by email. The user can enable a token price threshold crossing which triggers automatic compensation by DeHedge.

DeHedge pays hedging benefits to the hedged user's crypto wallet. The compensation amount is equal to the strike price.



DeHedge implements the mechanics of offering hedging coverage for projects the tokens of which freely circulate in the aftermarket through buying and/or selling PUT options.

4. Investment Strategy

DeHedge tokens sold during the initial offering will be used as hedging reserves.

The reserves ensure that the user fulfills its hedging obligations. DHT smart contracts use a binary relation algorithm based on hedging reserves and liabilities, guaranteeing the fulfillment of DeHedge's hedging obligations. This approach prevents overhedging, providing for DeHedge's financial stability. DHT owners are guaranteed full compensation by means of smart contracts. If hedging objects are to be increased, DeHedge can integrate with hedging companies, thus increasing the financial guarantees.

DeHedge's maximum financial losses can be calculated as follows:

$$Pmax = St - Sh - Sth$$

Where:

$Pmax$ is DeHedge's maximum loss,

St is the cost of the project token,

Sh is the cost of hedging;

Sth is the token price at the time of claim.

Example: Max losses = EOS token price, $0.925 – cost of hedging, $0.111 (12%) – token price as of payout, $0.743 = $0.071

DeHedge's maximum hedging liabilities can be calculated as follows:

$$Omax = St - Sh$$

Where:

$Omax$ is the maximum liabilities,

St is the cost of the project token,

Shc is the payout amount.

The maximum hedging liabilities for a specific project can be calculated as follows:

$$Rmax = (St - Sh)*n$$

Where:

$Rmax$ is the maximum hedging liabilities for the project,
St is the cost of the project token,
Sh is the payout amount,
n is the number of hedging policies.

As the payout threshold is chosen by the user, DeHedge automatically calculates the reserves required for a specific liability.

The current hedging liabilities for a specific project can be calculated as follows:

$$Vmax = Rmax - Sc$$

Where:

$Vmax$ is the current hedging liabilities for the project,
$Rmax$ is the maximum hedging liabilities for the project,
Sc is the current token exchange rate.

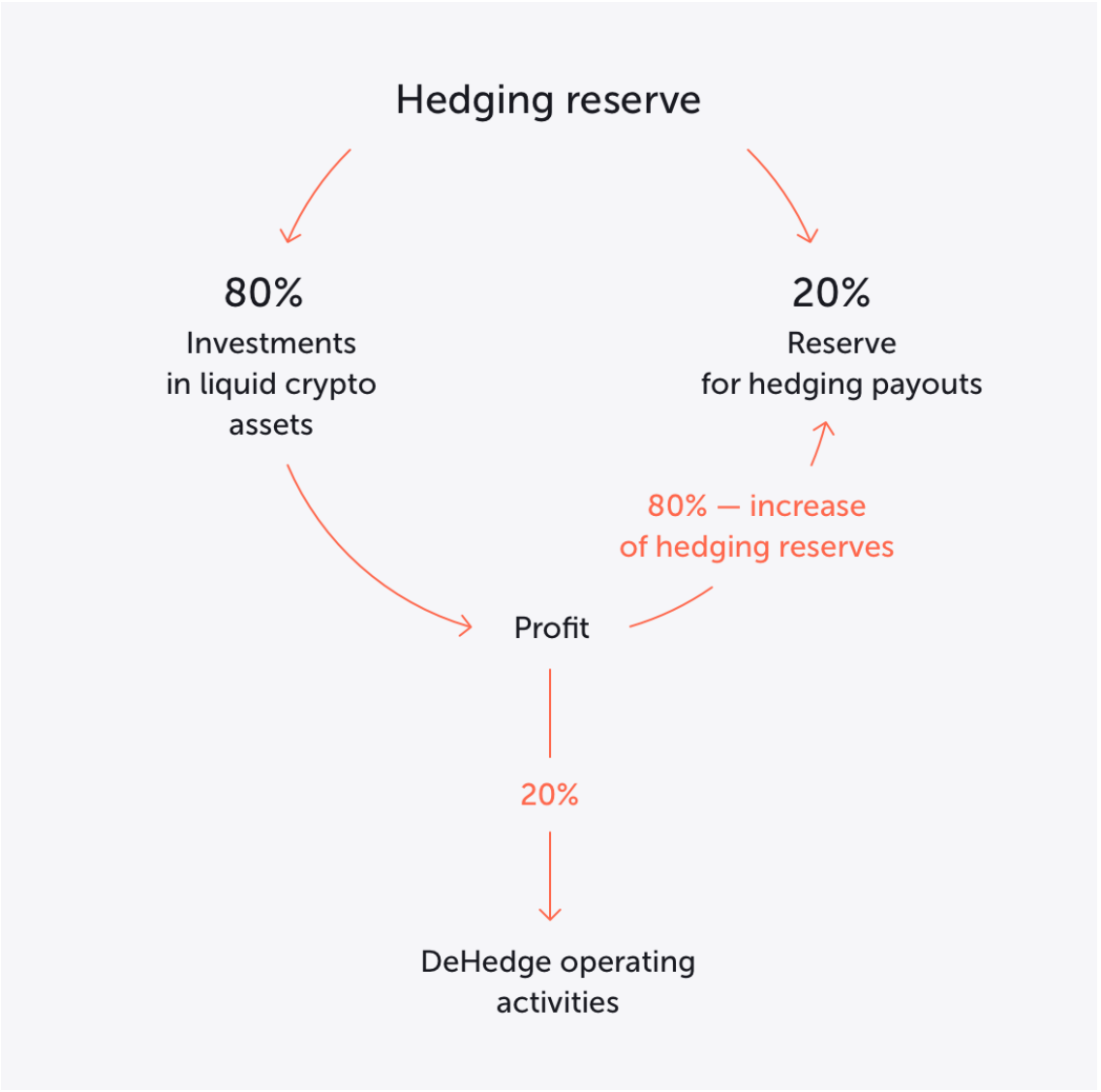
By automatically calculating the possible token rate-adjusted liabilities that can lead to potential losses, we are able to maximize the financial stability of the DeHedge DFO.

In addition to being used for paying the hedging premium, DHT tokens have an investment component. By paying the premium, users reduce the number of tokens in circulation. With the growth of DeHedge-hedged projects, the demand for DHT tokens will grow and, as a result, inc Grease their value on crypto exchanges.

The hedging reserves raised during the DeHedge ICO will be managed as follows:

- At least 20% of the amount will be used as permanent reserves for hedging payouts.
- At most 80% of the amount will be invested into liquid assets. The income from such investments will go towards increasing the reserves. Up to 20% of issued tokens of hedged projects will be purchased with a discount. In the future, these tokens will be sold in combination with hedging at the project ICO price. This kind of investment is the most secure, because DeHedge performs its own due diligence of the project, buys the tokens with a discount, and, if their price drops, can sell them without incurring losses.

Increasing the hedging reserves increases the hedging capacity of one DHT token.



The income generated from investing the hedging reserves will be distributed as follows:

80% to increase the hedging reserves;
20% for DeHedge operational activities.

4.1 DHT Rate Growth Forecast

The DHT rate grows in the following four cases:

1. Decrease in the number of tokens in the free circulation;
2. Increase in the hedging reserves;
3. Increased demand for hedging;
4. Expansion of the hedging product portfolio.

4.1.1 Decrease In the Number of Tokens In the Free Circulation

We estimate that up to 15% of all freely circulating tokens will be used for hedging at the same time. Hedging experts assessed the ratio of hedging policies under which payouts will be made as 25%. Thus, the number of tokens will decrease by a quarter.

First year

		Q1	Q2	Q3	Q4
Emission		10,000,000,000	9,625,000,000	9,264,062,500	8,916,660,156
Hedging	15%	1,500,000,000	1,443,750,000	1,389,609,375	1,337,499,023
Burned	25%	375,000,000	360,937,500	347,402,344	334,374,756

Second year

	Q5	Q6	Q7	Q8
Emission	8,582,285,400	8,260,449,698	7,950,682,834	7,652,532,228
Hedging	1,287,342,810	1,239,067,455	1,192,602,425	1,147,879,834
Burned	321,835,703	309,766,864	298,150,606	286,969,959

Third year

	Q9	Q10	Q11	Q12
Emission	7,365,562,269	7,089,353,684	6,823,502,921	6,567,621,562
Hedging	1,104,834,340	1,063,403,053	1,023,525,438	985,143,234
Burned	276,208,585	265,850,763	255,881,360	246,285,809

** Forecast period equals 3 years — 12 time spans per quarter*

As the charts show, the remainder of the tokens in free circulation will be 6,567,621,562 at the beginning of the 12th quarter (Q12). Thus, the number of tokens in the free circulation will decrease by 3,432,378,438 in three years, affecting the DHT exchange rate.

4.1.2 Increase In Hedging Reserves

The investment strategy described in Section 4 aims at increasing the hedging reserves. The average planned growth rate for the hedging reserves is 15% per quarter.

First year

		Q1	Q2	Q3	Q4
Amount raised during the ICO		150,000,000	150,000,000	150,000,000	150,000,000
Reserves	80%	120,000,000	135,360,000	152,686,080	172,229,898
Invested reserves	80%	96,000,000	108,288,000	122,148,864	137,783,919
Planned increase in reserves	20%	19,200,000	21,657,600	24,429,772	27,556,784

Second year

		Q5	Q6	Q7	Q8
Amount raised during the ICO		150,000,000	150,000,000	150,000,000	150,000,000
Reserves	80%	194,275,325	219,142,567	247,192,815	278,833,496
Invested reserves	80%	155,420,260	175,314,053	197,754,252	233,066,797
Planned increase in reserves	20%	31,084,052	35,062,811	39,550,850	44,613,359

Third year

		Q9	Q10	Q11	Q12
Amount raised during the ICO		150,000,000	150,000,000	150,000,000	150,000,000
Reserves	80%	314,524,183	354,783,279	400,195,538	451,420,567
Invested reserves	80%	251,619,347	283,826,623	320,156,431	361,136,454
Planned increase in reserves	20%	50,323,869	56,765,325	64,031,286	72,227,291

** Forecast period equals 3 years — 12 time spans per quarter*

The table shows that hedging reserves will increase to USD 451,420,567 at the beginning of the 12th quarter (Q12) due to investment activity. Thus, hedging reserves will increase by USD 331,420,567, or 276.18%, in three years, which will directly impact the DHT rate.

4.1.3 Increased Demand for Hedging

DeHedge will become increasingly popular as the number of hedged projects grows, while unhedged crypto investors keep losing.

The demand can also increase due to new market regulations or the inflow of conventional stock/currency market investors.

4.1.4 Expansion of the Hedged Product Portfolio

DeHedge plans to increase the supply of hedging products for the crypto economy and crypto investors.

Planned DeHedge products:

1. Hedging stock exchange transactions;
2. Hedging wallets;
3. Hedging currency fluctuation risks for mining farm buyers;
4. Hedging miners' lost profits;
5. Hedging mining hardware.

New DeHedge products will increase the demand for and, consequently, the price of DHT tokens.

5. Technology

5.1 Decentralized Applications

Many modern applications use the client-server architecture, combining a user interface, the business logic and data. Manufacturers of such software can control and modify components at their discretion.

However, the rise of the Ethereum blockchain platform gave momentum to so-called decentralized applications, or Dapps. In contrast to applications based on the centralized model, the business logic and data are staged in each blockchain network hash, where tampering or alteration is impossible, due to the absence of a centralized control hub. The DeHedge platform combines both approaches - the centralized and decentralized architecture models.

5.2 Ecosystem

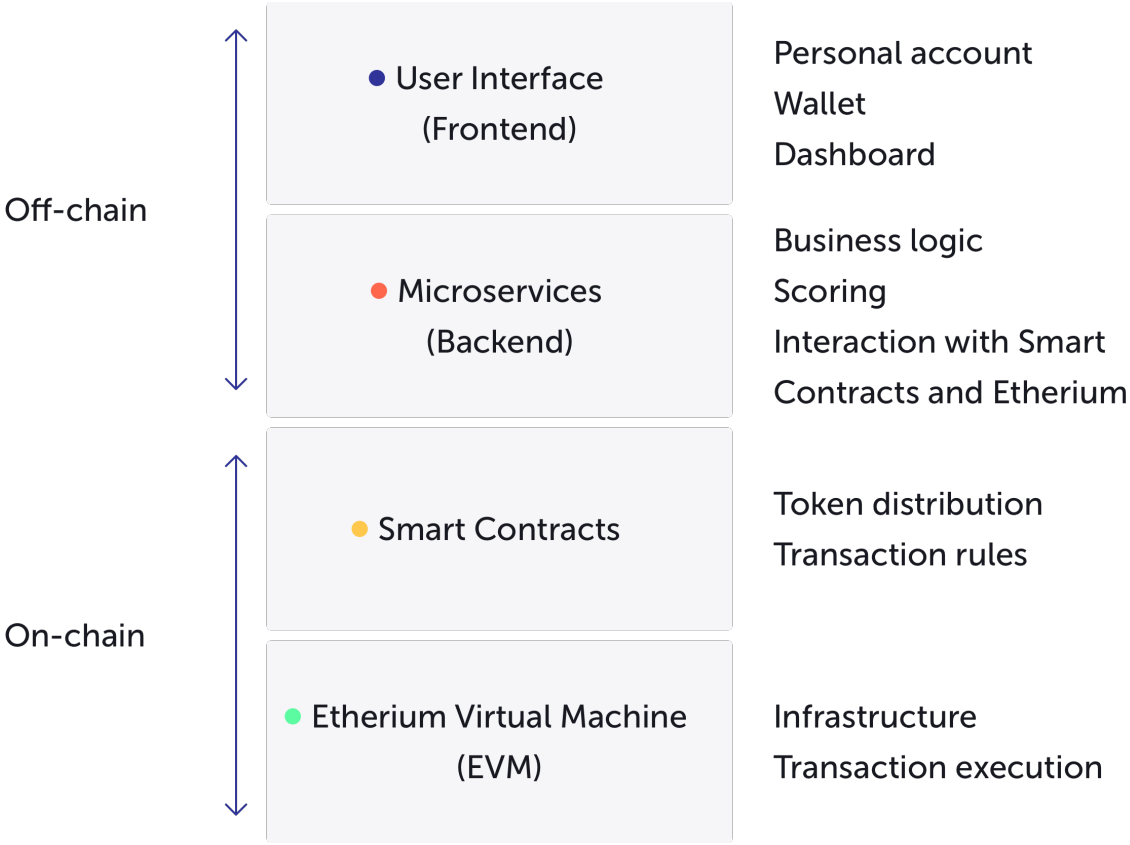
The DeHedge project will be implemented using the Ethereum public blockchain.

The Ethereum Blockchain is the industry standard for issuing digital assets and smart contracts. The ERC20 token interface has allowed us to create a standard token compatible with the existing Ethereum infrastructure, including development tools, wallets, and exchanges. The Ethereum Blockchain perfectly fits DeHedge's needs, from issuing tokens and recording hedging liabilities in a decentralized fashion to accepting payments and making payouts. DHT follows the ERC20 standard. Smart contracts will be implemented in the Solidity programming language.

5.3 Platform Architecture

From a technical perspective, the DeHedge platform consists of four key elements:

1. A user interface (front end), where the user can sign up and interact with the platform by viewing the current offers, managing their account, and so on;
2. A set of back-end microservices supporting the website, the admin panel, offer listings, and smart contract interaction;
3. Smart contract groups in the public blockchain;
4. Oracles providing smart contracts with token quotes and other required data **from the outside world.**



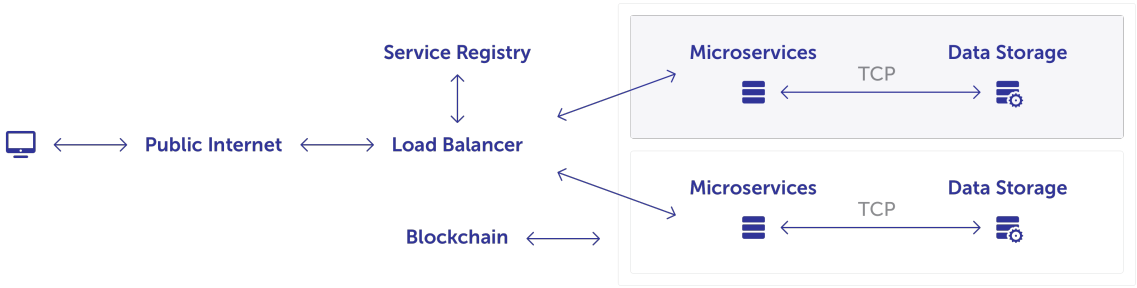
The user interface and the back end are off-chain solutions with a centralized client-server architecture.

Smart contracts represent the on-chain portion of the DeHedge platform and have a decentralized architecture.

5.4 UI and Backend

DeHedge's off-chain portion will be made available using the SaaS model, following a centralized client-server architecture.

We will use the most advanced cloud technologies to ensure high performance, availability, and reliability. We will ensure high fault tolerance by providing redundant nodes for all critical components. To achieve the required performance, the components responsible for the UI and the backend will be placed downstream of a load balancer.



The platform's back-end architecture will use predefined and managed microservices to encapsulate the functionality, segregate sensitive data, and support responsive and efficient scalability. The separation of microservices will also streamline the platform's future development.

5.5 Smart Contracts

The on-chain part of the DeHedge platform is a decentralized application that contains smart contracts running on the Ethereum Virtual Machine (EVM). Smart contracts execute client requests and save transactions to the Ethereum blockchain. The contract's instructions are performed at each node of the blockchain network, so the price of each smart contract transaction is certain and known in advance. Smart contracts need so-called gas to be executed. The more computation and data-intensive a contract is, the more gas it requires.

For most transactions, the cost of gas will be covered by DeHedge.

We will determine the complete list of contracts, their detailed functionality, structure, and design at the start of development.

5.6 Oracles

The DeHedge business logic involves a source of information about current token quotes from the outside world.
An oracle, in the context of blockchains and smart contracts, is an agent that finds and verifies facts from the real world and logs them in the blockchain for further use by smart contracts. There are several projects trying to solve the oracle problem, including https://gnosis.pm/ and https://www.aeternity.com/. Specifically for DeHedge, it is worth mentioning http://www.oraclize.it/, which provides a data source for decentralized projects. It uses several original sources — listings from various exchanges — and verifies data if there is a consensus among N of M oracles. An oracle can cryptographically verify the data taken from a stock exchange using the TLSNotary technology, which makes undetected MITM attacks impossible.

In today's environment, using on-chain solutions is suboptimal, as they feature high transaction costs and delays, which is critical for real-time quote data.

For these reasons, DeHedge will be initially implemented through a combined on/off-chain transaction service for scalable interactions

between the platform, its users, and oracles, with all liabilities recorded in the public blockchain. This will eliminate high latencies and transaction costs while ensuring the reliability of the commitments made.

In the long term, we will strive to move the back end and its operational logic to a decentralized environment.

5.7 Security

High security is an essential feature of decentralized projects, so we take it seriously by implementing a range of security measures in DeHedge.

We will use best practices and checklists for developing secure systems, such as OWASP Secure Coding Practices, Solidity Documentation Security Considerations, and the Consensys Ethereum smart contract security best practices.

We plan to use the OpenZeppelin library, containing community-tested open-source code, which developers can use as a basis for creating secure smart contracts.

We will thoroughly test all smart contract functions, aiming for a close to 100% unit test coverage. Smart contracts will also be audited in terms of security and correct operation. All project source code will undergo mandatory code reviews.

The connection between the user's browser and the DeHedge platform will be SSL-protected. Users will also be able to enable two-factor authentication for a secure access to the admin panel.

Project stages

2017

01.04.17 – 20.12.17	Development of the scoring model
01.07.17 – 20.12.17	Testing
01.09.17 – 01.02.18	Development of the ICO hedging platform
01.02.17	Launch of the beta version

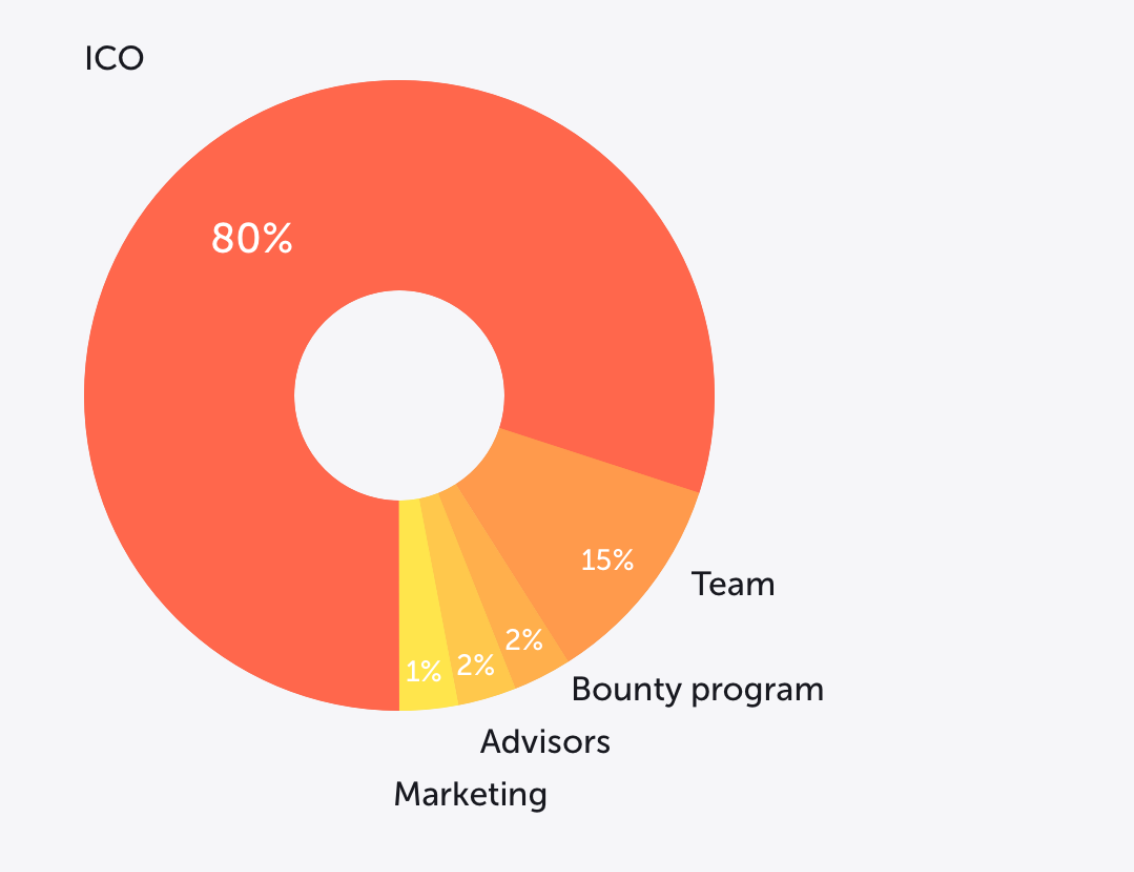
2018

01.03.18	Launch of the platform
01.02.18 – 20.04.18	Development of the platform for hedging quotes
20.04.18 – 01.05.18	Testing
01.05.18	Launch
01.05.18 – 01.07.18	Development of the platform for hedging transactions on crypto exchanges
01.07.18 – 01.08.18	Testing
01.08.18	Launch
01.06.18 – 01.09.18	Development of a product for hedging the risks of mining farm buyers
01.09.18	Launch
01.09.18 – 01.11.18	Development of a product for hedging mining hardware
01.11.18	Launch
01.08.18 – 01.11.18	Development of the product for hedging crypto wallets
01.11.18 – 01.01.19	Testing

2019

01.01.19	Launch

6. Token placement strategy



Ten billion (10,000,000,000) DeHedge tokens will be issued.

The DHT tokens will be distributed as follows:

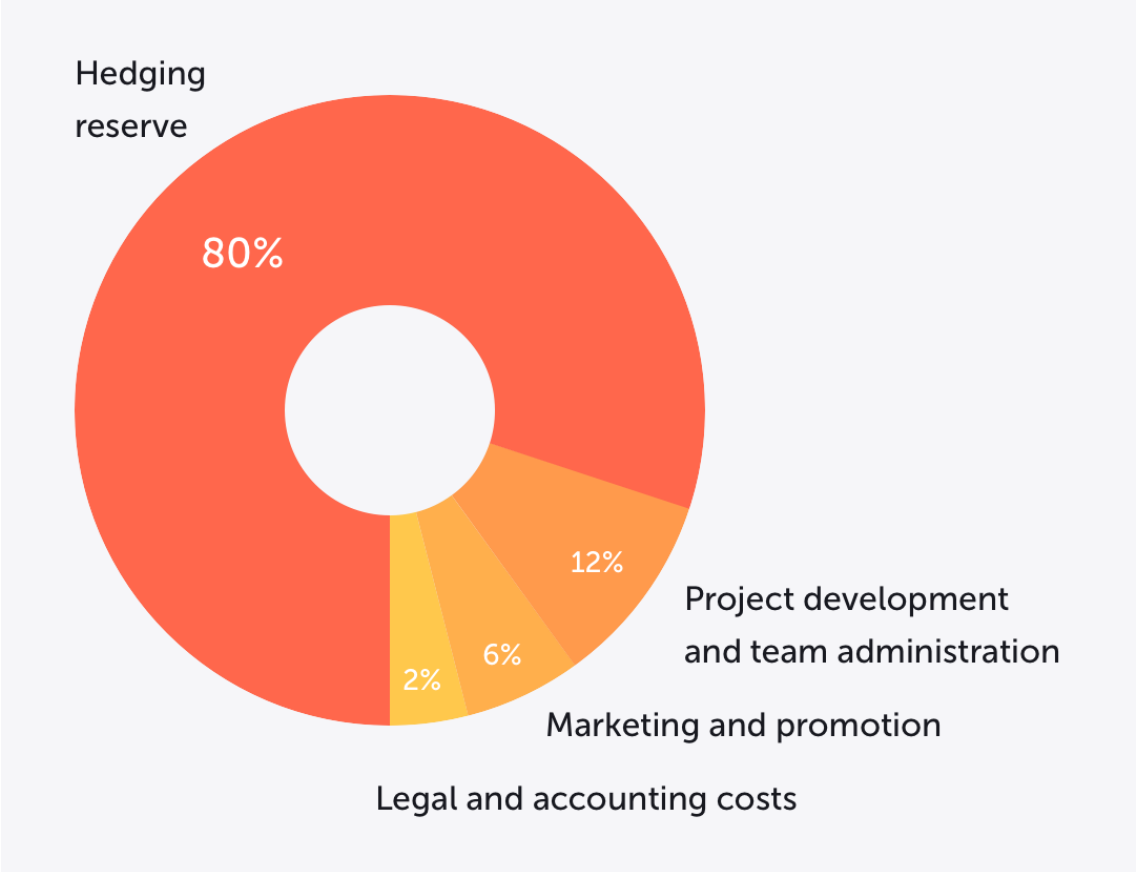
80% — sold during pre-sale/sale;

15% — project team and cofounders;

2% — bounty program;

1% —marketing;

2% — advisor compensation.



The amount raised during the ICO will be distributed as follows:

80% — hedging reserves;
12% — project development and team administration;
6% — marketing and promotion;
2% — legal and accounting services.

The volume of hedging reserves depends on the total amount of funds raised for a project. The larger the amount raised, the more projects will be available for hedging.

7. Risks

Buying DHT tokens bears significant risks. Buyers of DeHedge tokens are exposed to the risks of theft, loss, as well as inherent, regulatory, technological, and political risks. By participating in the DeHedge ICO, a buyer agrees that they understand and accept these risks and that they can potentially lose their funds without the possibility of recovery.

Please read this section and the following sections entitled "Disclaimer of liability", "No representations and warranties", "Representations and warranties by you", "Cautionary note on forward-looking statements", "Market and industry information and no consent of other persons", "No advice", "No further information or update", "Restrictions on distribution and dissemination", "No offer of securities or registration" and "Risks and uncertainties" carefully.

If you are in any doubt as to the action you should take, please consult your legal, financial, tax or other professional advisor(s).

DHT tokens are not intended to constitute securities in any jurisdiction. This Whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction.

This Whitepaper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by the distributor/vendor of

DHT tokens (the "**Distributor**") to purchase any DHT tokens, nor shall it or any part of it, nor the fact of its presentation form the basis of, or be relied upon in connection with any contract or investment decision.

The Distributor will be DeHedge and will deploy all proceeds of sale of the DHT tokens to fund DeHedge's cryptocurrency project, businesses and operations.

No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of the DHT tokens and no cryptocurrency or other form of payment is to be accepted on the basis of this Whitepaper.

Any agreement as between the Distributor and you as a purchaser, and in relation to any sale and purchase, of DHT tokens (as referred to in this Whitepaper) is to be governed by only a separate document setting out the terms and conditions (the "Terms and Conditions") of such an agreement. In the event of any inconsistencies between the Terms and Conditions and this Whitepaper, the former shall prevail.

You are not eligible and you are not to purchase any DHT tokens in the DeHedge Initial Token Sale (as referred to in this Whitepaper) if you are a citizen, resident (tax or otherwise) or green card holder of the United States of America or a citizen or resident of the Republic of Singapore.

No regulatory authority has examined or approved of any of the information set out in this Whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this Whitepaper does

not imply that the applicable laws, regulatory requirements or rules have been complied with.

There are risks and uncertainties associated with DeHedge and/or the Distributor and their respective businesses and operations, the DHT tokens, the DeHedge Initial Token Sale and the DeHedge Wallet (each as referred to in this Whitepaper).

This Whitepaper, any part thereof and any copy thereof must not be taken or transmitted to any country where distribution or dissemination of this Whitepaper is prohibited or restricted.

No part of this Whitepaper is to be reproduced, distributed or disseminated without including this section and the following sections entitled “Disclaimer of Liability”, “No Representations and Warranties”, “Representations and Warranties By You”, “Cautionary Note On Forward-Looking Statements”, “Market and Industry Information and No Consent of Other Persons”, “Terms Used”, “No Advice”, “No Further Information or Update”, “Restrictions On Distribution and Dissemination”, “No Offer of Securities Or Registration” and “Risks and Uncertainties”.

Disclaimer of liability

To the maximum extent permitted by the applicable laws, regulations and rules, DeHedge and/or the Distributor shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection

with any acceptance of or reliance on this Whitepaper or any part thereof by you.

No representations and warranties

DeHedge and/or the Distributor does not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this Whitepaper.

Representations and warranties by you

By accessing and/or accepting possession of any information in this Whitepaper or such part thereof (as the case may be), you represent and warrant to DeHedge and/or the Distributor as follows:

a) You agree and acknowledge that the DHT tokens do not constitute securities in any form in any jurisdiction;
b) You agree and acknowledge that this Whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities and you are not bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this Whitepaper;
c) You agree and acknowledge that no regulatory authority has examined or approved of the information set out in this Whitepaper, no action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction and the publication, distribution or dissemination of this Whitepaper to you does not imply that the applicable laws, regulatory

requirements or rules have been complied with;

d) You agree and acknowledge that this Whitepaper, the undertaking and/or the completion of the DeHedge Initial Token Sale, or future trading of the DHT tokens on any cryptocurrency exchange, shall not be construed, interpreted or deemed by you as an indication of the merits of the DeHedge and/or the Distributor, the DHT tokens, the DeHedge Initial Token Sale and the DeHedge Wallet (each as referred to in this Whitepaper);

e) The distribution or dissemination of this Whitepaper, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to DeHedge and/or the Distributor;

f) You agree and acknowledge that in the case where you wish to purchase any DHT tokens, the DHT tokens are not to be construed, interpreted, classified or treated as:

i) Any kind of currency other than cryptocurrency;

ii) Debentures, stocks or shares issued by any person or entity (whether DeHedge and/or the Distributor);

i) Rights, options or derivatives in respect of such debentures, stocks or shares;

ii) Rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;

iii) Units in a collective investment scheme;

iv) Units in a business trust;

v) Derivatives of units in a business trust; or

vi) Any other security or class of securities.

g) You are fully aware of and understand that you are not eligible to purchase any DHT tokens if you are a citizen, resident (tax or otherwise) or green card holder of the United States of America or a citizen or resident of the Republic of Singapore;

h) You have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;

i) You are fully aware and understand that in the case where you wish to purchase any DHT tokens, there are risks associated with DeHedge and the Distributor and their respective business and operations, the DHT tokens, the DeHedge Initial Token Sale and the DeHedge Wallet (each as referred to in the Whitepaper);

j) You agree and acknowledge that neither DeHedge nor the Distributor is liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Whitepaper or any part thereof by you; and

k) All of the above representations and warranties are true, complete, accurate and non- misleading from the time of your access to and/or acceptance of possession this Whitepaper or such part thereof (as the case may be).

Cautionary note on forward-looking statements

All statements contained in this Whitepaper, statements made in press releases or in any place accessible by the public and oral statements that may be made by DeHedge and/or the Distributor or their respective directors, executive officers or employees acting on behalf of DeHedge or the Distributor (as the case may be), that are not statements of historical fact, constitute “forward- looking statements”. Some of these statements can be identified by forward-looking terms such as “aim”, “target”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “would”, “will” or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding DeHedge’s and/or the Distributor’s financial position, business strategies, plans and prospects and the future prospects of the industry which DeHedge and/or the Distributor is in are forward-looking statements. These forward-looking statements, including but not limited to statements as to DeHedge’s and/or the Distributor’s revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this Whitepaper regarding DeHedge and/or the Distributor are matters that are not historic facts, but only 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 DeHedge and/or the Distributor to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, amongst others:

a) Changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which DeHedge and/or the Distributor conducts its respective businesses and operations;
b) The risk that DeHedge and/or the Distributor may be unable or execute or implement their respective business strategies and future plans;
c) Changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
d) Changes in the anticipated growth strategies and expected internal growth of DeHedge and/or the Distributor;
e) Changes in the availability and fees payable to DeHedge and/or the Distributor in connection with their respective businesses and operations;
f) Changes in the availability and salaries of employees who are required by DeHedge and/or the Distributor to operate their respective businesses and operations;
g) Changes in preferences of customers of DeHedge and/or the Distributor;
h) Changes in competitive conditions under which DeHedge and/or the Distributor operate, and the ability of DeHedge and/or the Distributor to compete under such conditions;
i) Changes in the future capital needs of DeHedge and/or the Distributor and the availability of financing and capital to fund such needs;
j) War or acts of international or domestic terrorism;
k) Occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of DeHedge and/or the Distributor;

l) Other factors beyond the control of DeHedge and/or the Distributor; and

m) Any risk and uncertainties associated with DeHedge and/or the Distributor and their businesses and operations, the DHT tokens, the DeHedge Initial Token Sale and the DeHedge Wallet (each as referred to in the Whitepaper).

All forward-looking statements made by or attributable to DeHedge and/or the Distributor or persons acting on behalf of DeHedge and/or the Distributor 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 DeHedge and/or the Distributor to be materially different from that expected, expressed or implied by the forward-looking statements in this Whitepaper, undue reliance must not be placed on these statements. These forward-looking statements are applicable only as of the date of this Whitepaper.

Neither DeHedge, the Distributor nor any other person represents, warrants and/or undertakes that the actual future results, performance or achievements of DeHedge and/or the Distributor will be as discussed in those forward-looking statements. The actual results, performance or achievements of DeHedge and/or the Distributor may differ materially from those anticipated in these forward- looking statements.

Nothing contained in this Whitepaper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of DeHedge and/or the Distributor.

Further, DeHedge and/or the Distributor disclaim any responsibility to

update any of those forward- looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

Market and industry information and no consent of other persons

This Whitepaper includes market and industry information and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

Save for DeHedge, the Distributor and their respective directors, executive officers and employees, no person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such person in connection therewith in this Whitepaper and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person and such persons shall not be obliged to provide any updates.

While DeHedge and/or the Distributor have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, DeHedge and/or the Distributor have not conducted any

independent review of the information extracted from third party sources, verified the accuracy or completeness of such information or ascertained the underlying economic assumptions relied upon therein. Consequently, neither DeHedge, the Distributor, nor their respective directors, executive officers and employees acting on their behalf makes any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

Terms used

To facilitate a better understanding of the DHT tokens being offered for purchase by the Distributor, and the businesses and operations of DeHedge and/or the Distributor, certain technical terms and abbreviations, as well as, in certain instances, their descriptions, have been used in this Whitepaper. These descriptions and assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

No advice

No information in this Whitepaper should be considered to be business, legal, financial or tax advice regarding DeHedge, the Distributor, the DHT tokens, the DeHedge Initial Token Sale and the DeHedge Wallet (each as referred to in the Whitepaper). You should consult your own legal, financial, tax or other professional adviser regarding DeHedge and/or the

Distributor and their respective businesses and operations, the DHT tokens, the DeHedge Initial Token Sale and the DeHedge Wallet (each as referred to in the Whitepaper). You should be aware that you may be required to bear the financial risk of any purchase of DHT tokens for an indefinite period of time.

No further information or update

No person has been or is authorized to give any information or representation not contained in this Whitepaper in connection with DeHedge and/or the Distributor and their respective businesses and operations, the DHT tokens, the DeHedge Initial Token Sale and the DeHedge Wallet (each as referred to in the Whitepaper) and, if given, such information or representation must not be relied upon as having been authorized by or on behalf of DeHedge and/or the Distributor. The DeHedge Initial Token Sale (as referred to in the Whitepaper) shall not, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a material change in the affairs, conditions and prospects of DeHedge and/or the Distributor or in any statement of fact or information contained in this Whitepaper since the date hereof.

Restrictions on distribution and dissemination

The distribution or dissemination of this Whitepaper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of this Whitepaper or such part thereof (as

the case may be) at your own expense and without liability to DeHedge and/or the Distributor.

Persons to whom a copy of this Whitepaper has been distributed or disseminated, provided access to or who otherwise have the Whitepaper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this Whitepaper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

No offer of securities or registration

This Whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. No person is bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this Whitepaper. Any agreement in relation to any sale and purchase of DHT tokens (as referred to in this Whitepaper) is to be governed by only the Terms and Conditions of such agreement and no other document. In the event of any inconsistencies between the Terms and Conditions and this Whitepaper, the former shall prevail.

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information set out in this Whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this Whitepaper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

Risks and uncertainties

Prospective purchasers of DHT tokens (as referred to in this Whitepaper) should carefully consider and evaluate all risks and uncertainties associated with DeHedge, the Distributor and their respective businesses and operations, the DHT tokens, the DeHedge Initial Token Sale and the DeHedge Wallet (each as referred to in the Whitepaper), all information set out in this Whitepaper and the Terms and Conditions prior to any purchase of DHT tokens. If any of such risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of DeHedge and/or the Distributor could be materially and adversely affected. In such cases, you may lose all or part of the value of the DHT tokens.

Risk section

Before you purchase DHT tokens, you should be aware of various financial risks DeHedge is exposed to, including those described below. You should carefully consider these risk factors, together with all of the other information included in this White Paper and the accompanying supplement, if any, before you decide whether to make a purchase of DHT token. Please note that the risks set out below are not the only risks we face.

Principal risks

It is possible to lose money by investing in any type of Crypto Asset Classes. Purchase of DHT tokens is not a deposit or obligation of any bank/financial institution, is not hedged or guaranteed by any bank/financial institution or government agency. The principal risks which could adversely affect both DeHedge financial standing and DHT token value, are:

Credit and counterparty risk

Credit risk is the risk that one or more asset classes (including but not limited to Crypto Asset Classes) in the DeHedge's Reserves will decline in value because the Issuer or Counterparty experiences a material deterioration in financial status or fails to meet its obligations.
Assets held by DeHedge are generally affected by varying degrees of credit and counterparty risk arising in a number of ways. For instance, DeHedge could lose money if the Issuer of a token (or any other asset class), or the Counterparty to a financial contract, repurchase agreement, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Poor performance of an Issuer or Counterparty may be caused by poor management decisions, competitive pressures, changes in technology, expiration of patent protection, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures, credit deterioration of the Issuer or Counterparty, or other factors.

To manage credit and counterparty risk, DeHedge may employ various risk mitigation techniques including but not limited to investment restrictions which determine a minimum external or internal (based on

DeHedge proprietary scoring model) credit ratings for the counterparty or investment.

Hedging risk

The use of financial contracts for hedging purposes involves the risk of mispricing or improper valuation and the risk that changes in the value of the financial contract may not correlate perfectly with the underlying asset, rate or index. Hedging also involves the risk that DeHedge's proprietary hedging model or external Hedge Provider is incorrect in its expectation of what an appropriate hedging position would be. Also, DeHedge may not hedge when it would have been beneficial to do so.

Liquidity and concentration risk

Trading opportunities are more limited for certain asset classes (including but not limited to Crypto Asset Classes) that have complex terms or that are not widely held, or that have been adversely affected by financial markets (including but not limited to cryptocurrency markets) volatility. Such circumstances may make it more difficult to sell or buy a security at a favorable price or time, which could have a negative effect on DeHedge performance. Infrequent trading of tokens and other Crypto Asset Classes may also lead to an increase in their price volatility. Liquidity risk also refers to the possibility that DeHedge may not be able to sell a token (or other Crypto Asset Class) when it wants to. On top of that, the greater the concentration of investments on particular asset classes, such as cryptocurrencies or other blockchain assets, the greater the asset class risk in DeHedge's Reserves.

Risk associated with fluctuation in DeHedge's reserve value

Given that DeHedge's Reserves and provisions are invested in various digital asset classes, primarily in tokens and cryptocurrencies, Crypto Asset Classes price changes affect the overall performance (including but not limited to proprietary hedge pricing models), and because of this, DeHedge token values may vary even substantially in the short term.

Management Risk

DeHedge is subject to management risk. Key executive managers will apply investment techniques, experience and risk analyses in making pricing and investment decisions. However, there is no guarantee that the techniques and analyses applied by key managers will produce the intended result.

Valuation risk

Fair value pricing is inherently a process of estimates and judgments. Fair value prices established by DeHedge (for both hedging and investment purposes) may fluctuate to a greater degree than securities for which market quotes are readily available and may differ materially from the value that might be realized upon the sale of the security (including but not limited to Crypto Asset Classes).

There can be no assurance that DeHedge could purchase or sell a portfolio of Crypto Assets at the fair value price used to calculate the value of its Reserves. In addition, changes in the value of Reserves priced at fair value may be less frequent and of greater magnitude than

changes in the price of securities that trade frequently in the marketplace, resulting in potentially greater Reserve value volatility. While DeHedge's policy is intended to result in a calculation of value of its Reserve that fairly reflects security values at the time of pricing, DeHedge cannot ensure that fair value prices would accurately reflect the price that could be obtained for a security if it were to dispose of that security, particularly in a forced or distressed sale.

Operational risk

DeHedge is subject to operational risks caused by poorly functioning technology, defective action taken by staff or defects in organization or internal processes. These risks may be realized as disruptions in the IT systems/infrastructure of transaction clearing and custodial systems, which may have a negative impact on trading in tokens or any other asset classes (including but not limited to cryptocurrencies) in which DeHedge invests its Reserves.

On top of that, any breach in the security of DeHedge's systems, for example from sophisticated attacks by cybercrime groups, could disrupt its business, result in the disclosure of confidential information and create significant financial and legal exposure, as well as damage to DeHedge reputation.

Regulatory risk

Being a fintech blockchain-based project, DeHedge is exposed to risks associated with changes in Regulatory landscape. The existing regulation is immature and may vary substantially for different Crypto Asset Classes across different jurisdictions. Despite the regulatory

treatment of each of the existing digital asset class is different, lack of specific regulation is a common factor. However, it's a matter of time before a regulatory treatment of ICOs begins to emerge. Thus, we don't rule out regulators to put additional constraints on a block-chain-based fundraising process in the future. As a result, some ICO projects may face situation their tokens are treated as regulated financial investments or their activities are falling under regulated activities under the relevant law.

Political risk

DeHedge may be subject to political risks including wars and unexpected changes in the economic policies or political circumstances of the market area where DeHedge operates. Political risk may manifest itself as various types of sanctions, including tax consequences, foreign exchange regulations and obstacles to repatriating assets from abroad. These factors may have an impact on the prices of DHT tokens.

Force majeure risk

Force majeure risks are factors that have consequences which are independent of contracts, unexpected and insurmountable, and put the continuity of operations at risk. Contractual parties are not liable for these risks. Force majeure risks include serious natural disasters, riots, industrial action and war. The realization of a force majeure risk may have substantial impact on the prices of securities a fund invests in or in the fund's ability to trade in securities, for example. Consequently, the realization of force majeure risk may affect the timetable of implementing fund orders.

8. Potential users

The target audience consists of professional/institutional and individual investors.

The DeHedge infrastructure suits both experienced crypto investors and newcomers. We expect DeHedge to be the popular among:

- ICO Investors;
- Cryptocurrency traders;
- ICO platforms (Waves, KICKICO, etc.),
- Crypto exchanges;
- Trust funds;
- Conventional hedge funds;
- Investment funds;
- Agents interested in mitigating exchange rate fluctuations during transactions;
- Miners;
- Crypto wallets.

By operating a large amount of money, the hedger needs to foresee a stagnation of the market and its individual assets. We believe that risk hedging will open the crypto market to conservative investors, while PUT option-style hedging instruments will attract financial market traders.

DeHedge can also be beneficial for banks, which will be able to hedge themselves against crypto market volatility while providing end users with services priced in fiat currencies.

In addition to these users, there are organizations that will support the operation of the DeHedge platform, such as brokers, hedging companies, and market makers.

9. Conclusion

Risk hedging institutions are among the first signs of a civilized market. We are creating DeHedge as a financial infrastructure that will stabilize the crypto market. In the future, DeHedge will grow to a platform that creates new Decentralized Financial Organizations (DFO), using big data and other technologies. This will reduce the cost of individual tools for crypto investors and improve the opportunities for investing into the crypto economy.

In a way, DeHedge is also a kind of buffer in case of token rate plunges from their listing to hedging expiration. When a token rate drops below the ICO rate, most investors will begin to dispose of the asset in order to minimize their losses. The increased supply will lead to a further plunge. By exercising their right for a payout in case of a hedged event, the investor will send the tokens to DeHedge, thus reducing the number of traded tokens and mitigating the plunge.

DeHedge's mission is to develop the market of cryptocurrencies and blockchain-enabled projects by providing its players with financial protection instruments.