



RETAIL COIN

Whitepaper v1.6

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Organization & Purpose



Hugo Leijtens

Digital Retail (Digital MKB) is a Dutch company founded by Hugo Leijtens in March 2017 that provides a digital solution to increase foot traffic and consumer loyalty in the retail industry.

Trends in e-commerce are endangering retail stores, since it is easier than ever to find items online and to have them delivered in a matter of hours or days. While recognizing this truth, Digital MKB offers a set of technology-based sales tools to improve the retail shopping experience, increase engagement and loyalty, and strengthen in-store revenue.

A Digital MKB mobile application combines push-notifications, integrations to social media, and Google Analytics to offer a tailored, engaging, and more effective loyalty rewards program. Digital MKB currently partners with many small- and medium-sized retail businesses in Europe, already reaching nearly 1,000,000 unique transactions, proving the value and need for such a solution.

Recognizing an opportunity to improve the Digital MKB product for retail stores and the end-user consumers alike, the company formed the Digital Retail Foundation (DRF) and created a crypto token as well as a smart contract on top of the Ethereum Network. The Digital Retail Foundation is a nonprofit organization (a "Stichting" under Dutch law) set up to encourage innovate retail solutions in Europe, including the introduction and roll-out of this "multi-value loyalty" crypto token to support loyalty solutions. The token will facilitate what we call "multi-value loyalty." This will allow retailers more control over their loyalty programs and offer them the ability to collaborate with other retailers in their geographic location for the benefit of the consumer.

In addition to winning the Business Accelerator Competition, Digital MKB has been nominated as "Start-up of the Quarter" by Rabobank.

Market overview

Digital MKB believes the organization is well-positioned, at a prime intersection of the right place, the right industry, and the right time. The growing European retail market has a clear need for technological innovation, the end-users are eager and willing to adopt mobile wallet technologies, and the use of blockchains is enabling a system-wide benefit previously unavailable.

European Market and perspective

Europe's political and social climate led to an uncertain and potentially vulnerable retail market in 2016, primarily driven by political tensions in Turkey and Russia, the Brexit vote and fallout, and ongoing continent-wide issues related to refugees and terrorism. Nonetheless, Europe's economy and private consumption proved robust as overall unemployment rates fell and income levels increased slightly. In 2016, citizens of the 28 countries of the European Union had an average of €16,153 available per person, which is a nominal purchasing power increase of +0.7% compared to the previous year.

There is optimism in the retail industry for 2017, as a growth of 1.4% - 2.2% is forecasted. This is reinforced, in part, by declines in unemployment rates and an increase in net incomes across many European countries.

Western European Market

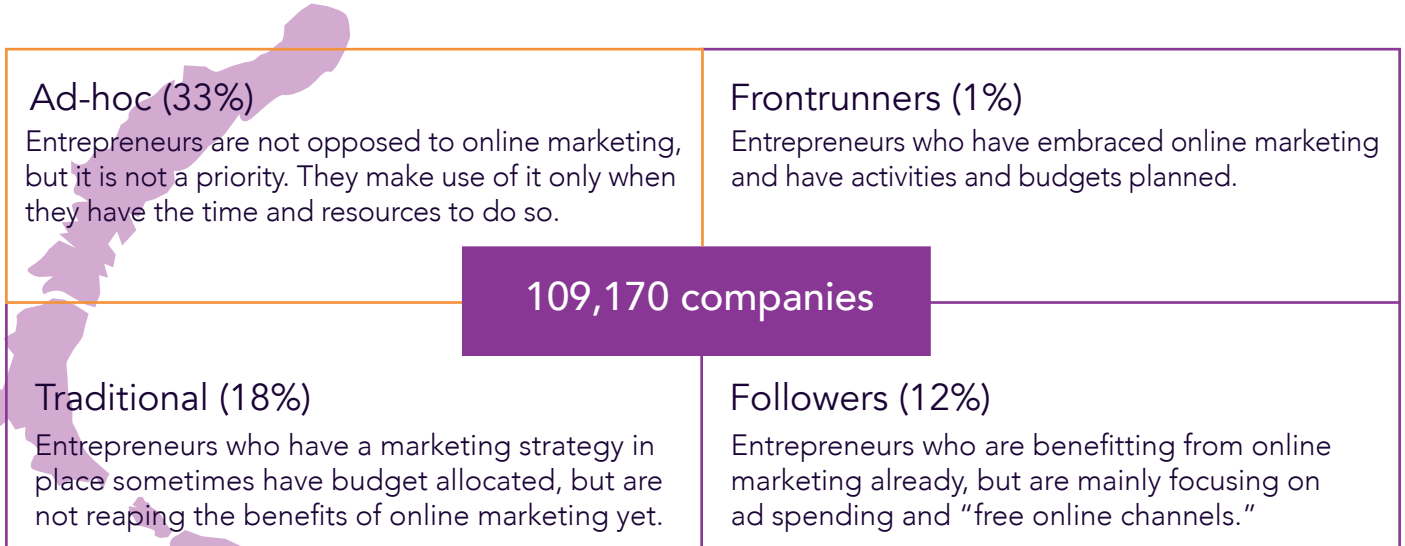
Retailers enjoyed satisfactory growth gains in 2016 in France (+1.8%) and the Netherlands (+1.6%). While Belgium, Denmark and Greece recognized losses, Great Britain's stationary retail did not have a bad year. Although the Brexit vote impacted consumer mood, Britain's 2016 retail turnover grew by +2.3% in the national currency (-9.4% when calculated in euros).

A mixed picture characterizes the Northern European countries: Sweden's store retail had above-average gains at +5.8%, which reflect the country's impressive Geomarketing -0.4% growth in stationary retail in the EU-28 (excluding UK: +1.7%) economic development. By contrast, Danish retail declined (-0.8%) partly due to zero inflation and an above-average rise in the savings rate. After turnover declines in 2015, Finland's store retail stabilized and achieved a modest gain of +0.3% in 2016.

The Netherlands

The Netherlands has about 17 million inhabitants with an annual turnover of €103.4 billion in 2016 from 96,080 retail shops². We experienced an increase of 1.6% in turnover since the previous year.

As the following figure demonstrates, the largest percentage of retailers are interested in online marketing solutions but share that they have limited time resources.



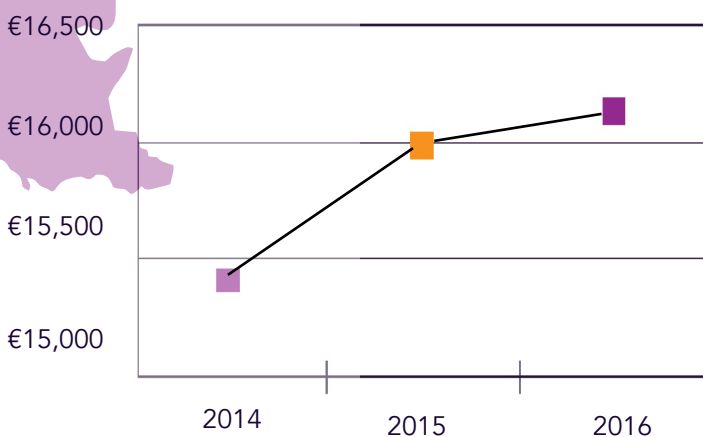
Statistics from KvK and DTG Online Monitor

Central and Eastern Europe

As the year progressed, consumers' propensity to spend increased in Central and Eastern Europe. As in the past, many Eastern European countries and the three Baltic states were among the winners with respect to 2016 euro-based retail turnover, with Romania leading the way with an increase of +10.5%. Bulgaria's retailers also demonstrated strong growth, with a turnover increase of +5.1%.

The consumer climate also improved, in part due to declining unemployment and rising tourism revenue.

Per-capita purchasing power (EU-28)



* Purchasing power corresponds to the population's disposable net income, including government subsidies, such as pension payments, unemployment assistance and child benefits. The population must use its purchasing power to cover expenses related to food, accommodation, services, vacations, insurance, private pension plans and retail purchases. Purchasing power is a prognosis and is provided in nominal euro values. Comparison figures from previous years are based on revised values.

Poland

In addition to our offering in the Netherlands, Digital MKB made the strategic decision to enter the Polish market, as Poland is the largest addressable market in Central and Eastern Europe. Poland had the biggest GDP per capita growth in the OECD and in Europe between 1990 and 2015. In terms of the rate of growth, Poland beat all the states of the OECD and the whole of Europe.^{3 4 5}

Competition

There are a number of loyalty reward startups, both established and new, who are considering blockchain technology to build their offering. This includes but is not limited to Incent, LoyaltyCoin, and LoyalCoin.

RetailCoin is positioned as the primary token of Digital MKB and the Digital Retail Foundation and as a result, it will find immediate utility with Digital MKB's existing business partners. Further, the Digital MKB team already has a full technical staff and sales operation dedicated to the development of the RetailCoin backend, and we're prepared to convert our existing client base to RetailCoin-based systems. We are well-positioned for near-term success in Europe.

Loyalty Market

Our white-label loyalty and reward applications are specifically designed to amplify retail businesses in the Netherlands and Poland, with plans to address the rest of Europe in the coming years. This market is large, untapped, and represents a tremendous opportunity for innovation.

There are a number of important considerations and reasons why the retail market is primed for innovation including, first and foremost, that the global retail market is generally slow to adopt digitization compared to other industries. This is applicable on all small and large retail organizations - large organizations often have fragmented IT solutions, and smaller organizations simply do not have access to advanced technological tools. This leads to significant turnover and lost opportunities in retail.

This is not only a global consideration, as the European market is especially new to the concept of loyalty program marketing. While 80% of European shoppers belong to at least one loyalty program, this pales in comparison to the United States where there are more than 2.65 billion loyalty program memberships (spread across a population of 314 million). Loyalty programs are growing at a rate around 20% year over year. This represents a tremendous opportunity for growth in Europe.

Loyalty program distribution is only one piece of the puzzle: many loyalty programs find that their customers are inactive, with low redemption rates and low client retention.⁶ The implications of inactive loyalty programs are vast, including wasted resources in managing related systems and the liabilities they create on company balance sheets.

³ financialobserver.eu/poland/poland-had-the-biggest-gdp-per-capita-growth-in-the-oecd-and-in-europe/

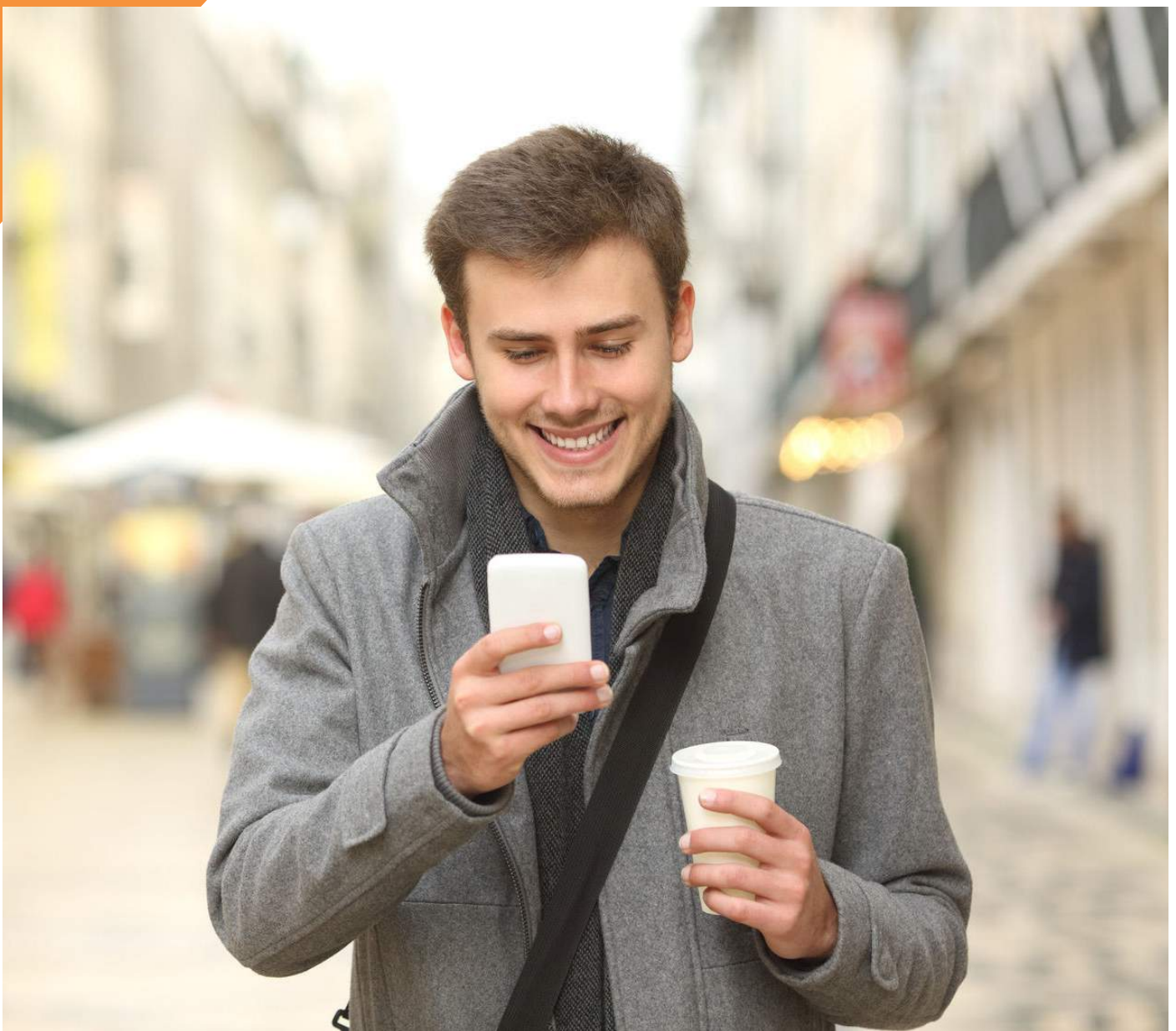
⁴ www.fas.usda.gov

⁵ dlandlu.pl

⁶ Jeff Berry, "the 2015 Colloquy Loyalty Census: Big Numbers, Big Hurdles"

There are several drivers for these inefficiencies, the largest of which is the paucity of uniform management systems which confuse managers at these companies and the end-consumer alike. The ideal solution is to integrate programs to an interlinked loyalty network, but such collaboration is not easy in an industry with inconsistent digital infrastructure and obligations to protect competitive proprietary information (and the customer's personally identifiable information, or PII).

These market findings are key drivers for our effort to build the Digital Retail Foundation and a universal RetailCoin backend, offering a standard set of tools, a universal loyalty reward token, and the ability for the end-user to redeem their rewards. Blockchain, as a distributed ledger with a way to transact and maintain records in a secure, trustless, digitized interlinked network, will eliminate many inefficiencies.



Market Approach

In the current retail market, we identify 3 different levels of need for digital and online (loyalty) solutions. Starting with local and regional retailers with smaller budgets, up to international brands and businesses who have already invested large amounts into digital applications and such. This is illustrated in the graph below.

Our goal is to steadily move up from Tier 3 to Tier 1, without losing sight of our existing clients. This is how we want to realize an even more relevant market position for Retailcoins. This 'moving up' is carried out in accordance with 3 more or less distinguishable phases.

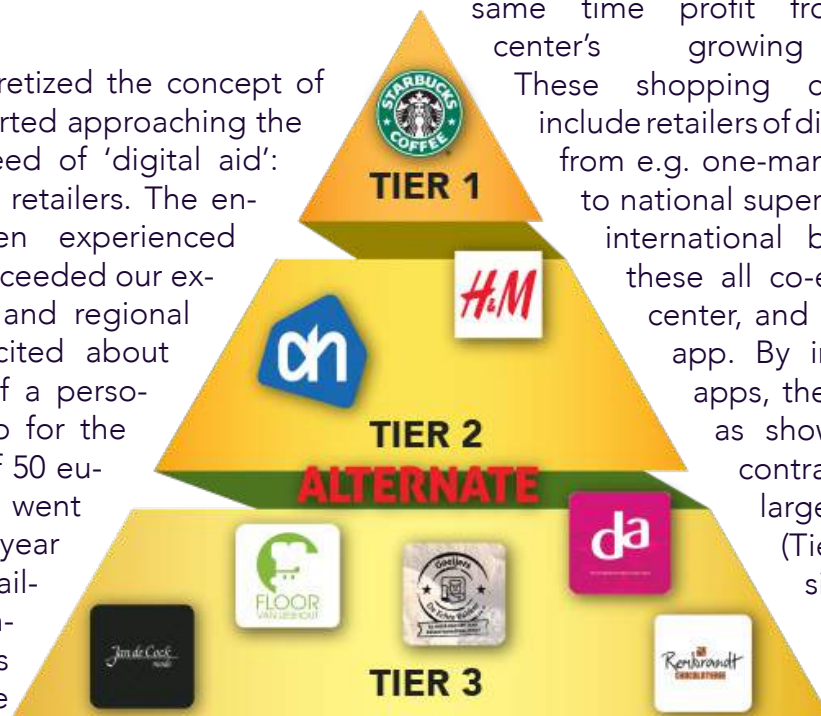
In the first phase, we've seen Retailcoins rapidly expand among smaller retailers in The Netherlands.

After having concretized the concept of Retailcoins, we started approaching the group most in need of 'digital aid': local and regional retailers. The enthusiasm we then experienced among retailers exceeded our expectations. Local and regional retailers were excited about the opportunity of a personalized loyalty-app for the affordable price of 50 euros a month, and went on to sign multi-year contracts with Retailcoins. Our clientage now consists of what would be considered smaller, local and regional retailers (Tier 3), and individual franchises conducting a retail shop under the name of a larger business (Tier 3). What we found out during this phase was that about half of all our clients acquired at this time, had had no loyalty program implemented at all until we came along. Retailcoins is not only innovating the way loyalty programs work, it's also broadening the industry as a whole.

In the second phase, the implementation of shopping center applications is carried out.

In order to enlarge our clientage and more

importantly, increase relevance, we start approaching shopping centers. With our applications designed specifically for shopping centers, shoppers are now able to collect and redeem their loyalty points throughout the entire shopping center. These applications are built in a way that individual retailers are presented both distinctive as well as recognizable. Retailers are thus able to advertise their own identity, and at the same time profit from the shopping center's growing attractiveness. These shopping center applications include retailers of different significances, from e.g. one-man companies (Tier 3) to national supermarkets (Tier 2) and international businesses (Tier 1), these all co-exist in a shopping center, and consequently in our app. By implementing these apps, the tiers in the graphs as shown to the left are contracting, and accessing larger businesses (Tier 1) is becoming significantly less complicated.



In the third phase, large brands and businesses will be integrating Retailcoins.

Large brands and businesses (Tier 1) will be empowered to integrate Retailcoins in their own loyalty applications through an API. This means large businesses are able to profit from extra turnover generated by Retailcoins shopper loyalty, without having to make – financially unappealing – major changes to their existing applications. This leads to smooth adaption of Retailcoins and subsequently to international recognition.

Partnerships & Co-operation

In order to scale up the distribution of the Retailcoin, we will engage in partnerships and co-operations with several platforms. This includes platforms that have access into Tier 1 companies. This leads to an accelerated and broader distribution of the Retailcoin. A broad distribution of Retailcoin increases the utility of the Retailcoin and prompts more excitement about the Retailcoin among the general public.

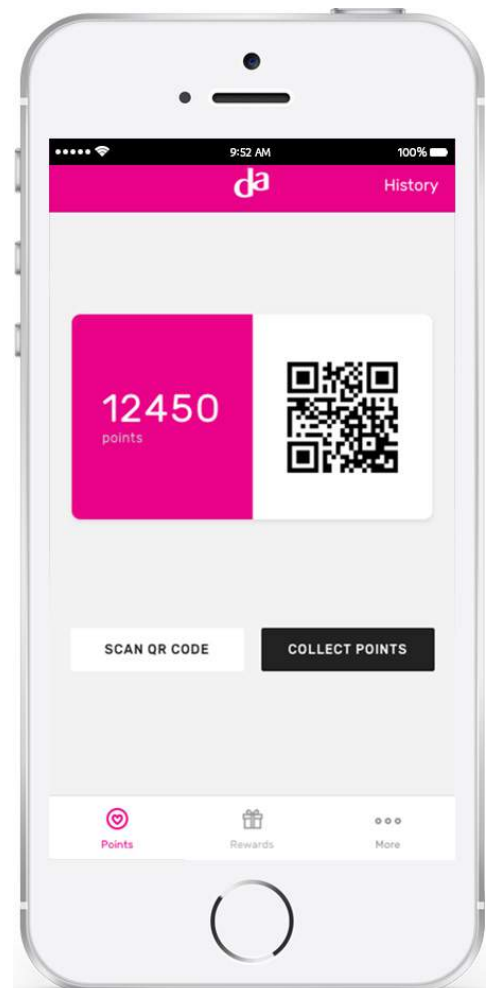
Product overview

Digital MKB builds white-label mobile applications to empower retail stores in their effort to improve customer retention. The most important feature is a personalized digital loyalty program which began as a simple effort to digitize the famous paper stamp card. Because of our further developments and growth, we have found a solution for enabling variable rewards, a more detailed level of analytics, and more.

For the customer, the first advantage is no longer using paper stamps and plastic cards. It allows the user to collect the loyalty points needed for their rewards, understand their status within the programs, and to access their rewards quickly and easily.

With barriers to access lowered, our retailer will see the benefits of a loyalty rewards program realized: repeat business will increase and, with a white labeled app, the retailer will maintain and create top of mind awareness with their logo and presence on the customer's mobile device.

Digital MKB offers solutions that start at €50 per month on a three-year contract. In exchange, we offer a mobile app on both major platforms that is fully customized, designed, and ready to use for the retailer. We also provide training for the back office of the app and offer world class support. Business has been increasing steadily, with multiple new retailers joining our platform each week.



When it comes to the implementation of the current version of our application, we distinguish three possible bases on which integration can take place:

1

Retail stores with few to no in-store IT systems

Some retail stores do not own any IT systems. The software and hardware on their point of sale systems are not regularly maintained. For these retailers, we provide a simple solution: with a private PIN, staff members can access a control panel on the customers' smartphones to manually enter an amount of loyalty points, depending on the amount of money the customer has spent. This type of integration permits even the smallest retailers to join our community of modern loyalty.

2

Retail stores with limited in-store IT systems

For retail stores with mid-grade IT systems, typically one or more tablets or smartphones, we offer a more efficient and professional roll-out of our product. A customer's identity is verified by scanning a QR code on the customer's smartphone. Subsequently, the purchase amount can be filled in by the staff member and the loyalty points will be rewarded automatically.

3

For stores with advanced in-store IT systems

For stores with advanced in-store IT systems, namely digital point of sale systems, we present a more customer-friendly method of distributing loyalty points: a custom barcode is printed on the receipt which the customer can scan with his or her smartphone. The loyalty points will then be awarded to the customer's RetailCoin wallet instantly. This implementation is by far the most customer-oriented and turnover-increasing for ambitious and modern retailers who want to connect with their 21st century customers.

With the advent of RetailCoin, additional benefits are offered to both the retailer and the end-user. Digital MKB will share the underlying backend technologies with the Digital Retail Foundation as the organization seeks to improve technology offerings sector-wide.

Modern Loyalty, Multi-Value

The Retailcoin is a multi-value loyalty token. In (very) short, this means that saving and redeeming is no longer limited to one store, shopping center, or brand. Consumers (shoppers) make a purchase at Retailer A and receive their Retailcoins, which they can exchange for set rewards at Retailer A, but also at Retailer B. Our blockchain solution is the first that empowers Retailers around the world to work together on customer retention. A successful rollout will entirely remodel the way loyalty programs work.

Value

The value of the Retailcoin is ensured by those who make use of the Retailcoin. The Retailcoin is a utility token whose value is created across 4 areas, by various parties.

Consumers

Consumers are enabled to purchase Retailcoins in-app. The average of application users worldwide committing to in-app purchases is around 5%, and they spend about \$9,60 per month¹.

With Retailcoins, this percentage and average monthly spending might be even higher. When a shopper is lacking those last few Retailcoins needed to claim a reward, they are enabled and encouraged to buy extra Retailcoins through an in-app implementation, as is the case now with e.g. AirMiles. These Retailcoins are transferred directly from the crypto-exchange to the application users. This means an increase in demand on the crypto-exchange, and thus an increase in the value of the Retailcoin.

Consumers are not able to sell their saved or bought Retailcoins on the crypto-exchange.

Retailers

The Digital Retail Foundation provides shoppers with Retailcoins when they spend a certain amount of money at a Retailcoin-connected Retailer. Those Retailcoins can be exchanged for rewards at Retailcoin-connected Retailers. At some point, a Retailer will want to issue more Retailcoins than the set amount (2,5% of the purchase amount) issued by the Digital Retail Foundation. In this case, the Retailer is enabled to purchase extra Retailcoins directly from the crypto-exchange. Retailers have various incentives to increase their issued loyalty, such as: wanting to densify issued loyalty for a certain period of time (e.g busier periods, campaigns, special offers, etc.), wanting to spend a larger part of their budget on loyalty in order to distinguish from larger businesses, or simply wanting to capitalize on Retailcoins while also increasing customer loyalty. Also, large brands and businesses tend to prefer spending budget on customer loyalty through loyalty programs instead of through 'cheaper looking' discounts and offerings. For them, handing out Retailcoins is a convenient way of optimizing customer loyalty while sustaining (and enhancing!) the brand image. All these incentives lead to more and more and Retailers purchasing Retailcoins, which naturally leads to an increase in value of the Retailcoin.

¹ https://cdn2.hubspot.net/hubfs/597489/IAP_Guide/The_State_of_In-App_Spending_AppsFlyer.pdf

Retailers

- For various Non-Retail Businesses, Retailcoin is a unique opportunity to increase brand awareness and appeal. For instance, insurance companies can give out Retailcoins to their clients upon taking on insurance. This empowers them to partner up with local and/or regional retailers, realizing a more recognizable and engaging identity.
- Non-profit organizations and institutions have plenty of incentives to buy and distribute Retailcoins. Certain types of consumer behavior (parking outside the city center, using public transportation, etc.) can be rewarded with Retailcoins.

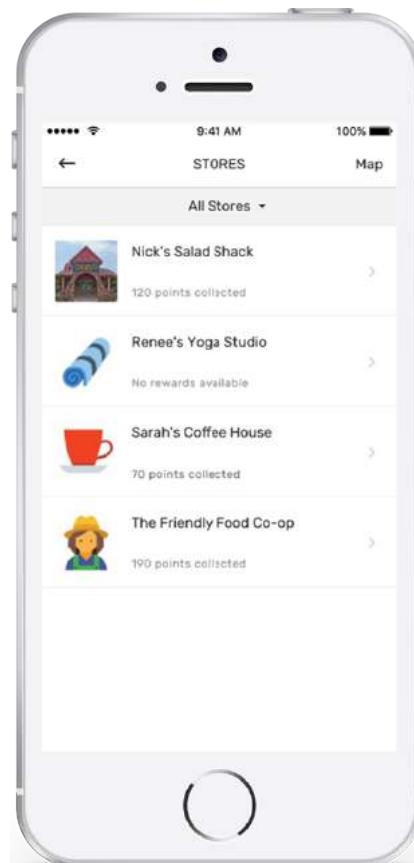
Non-Retail Businesses and Organizations will have to obtain their Retailcoins through the crypto-exchange, after which they are enabled to distribute them.

Investors

The Retailcoin will be freely tradable on the crypto-exchange. Day traders and investors will buy and sell Retailcoins. Investors who join the ICO will receive freely tradable Retailcoins.

Product Update

Retailcoins is siding with shopping centers (see Market Approach, Phase 2). This means our team is working on the development of a 'container app', specifically designed for shopping centers. This is a smartphone application wherein all participating retailers are presented equally recognizable to the application users (i.e. the shoppers). For shoppers, this is a user-friendly medium allowing them to put the multi-value of the Retailcoin into practice. Switching their interface from one retailer to another is done in a few clicks inside one application.



Token overview

Digital MKB and the Digital Retail Foundation are executing a token issuance under the name RetailCoin. RetailCoin will serve as a utility token for rewarding consumer behavior for those businesses who join the Digital Retail Foundation.

Retail incentive, loyalty, and reward programs are a natural fit for an alternative digital currency (or, as we'll more commonly reference in this paper, "token"). There are many benefits for the end-users, retail businesses, shopping centers, the Digital Retail Foundation, Digital MKB, and for our token community.

End-User Benefit

The end-user is conditioned to accept loyalty reward programs where they offer their personal information to a store and have to use a physical card to earn discounts and rewards upon checkout. Existing solutions offer limited engagement (including, and perhaps limited to, membership in a retail store's e-mail newsletter) and many rewards programs offer limited insight into status or progress toward reward goals. As a participant in a loyalty solution powered by Digital MKB, the end-user can be engaged by something through push notifications or on social media.

and thanks to the white-labeled mobile app solution, the end-user has immediate access to their point totals and pending discounts. Armed with a basic level of information, the retail store may tailor rewards or incentives to the end-user's interests, enabling a better experience and improving in-store conversion. In a later phase, the end-user will explore even more benefits of the RetailCoin. Our aim is to let the RetailCoin be more-universally accepted. In some instances, the end-user may earn RetailCoin at their favorite coffeeshop but then redeem their reward at a local bookstore. This is a key benefit of the Digital Retail Foundation.

Retail Business and Shopping Center Benefit

Our current customers feel quite positive about our Digital MKB technology platform. It gives them an incredible insight of consumer behavior and analytics which they did not have before. Starting at €50 per month, businesses are offered a white label mobile application which enables the sharing of engaging content. A mobile application icon on the devices of an end-user maintains top-of-mind awareness.

To some, RetailCoin's status as a universally-accepted loyalty token may appear to represent a risk: the owner of a coffeeshop may wonder what benefit they'd receive if a RetailCoin earned at their coffeeshop is redeemed at a bookstore down the street. The Digital MKB analytics platform, powered by blockchain, enables radical transparency into this workflow, so the coffeeshop owner will know when and where those tokens are being redeemed. Armed with this information, it will be easier for retail businesses and shopping centers to make strategic business decisions.

Organizational benefit

Digital MKB will realize significant benefits developing a token-based platform:

1

Collaboration between multiple retailers to empower them to cooperate.

2

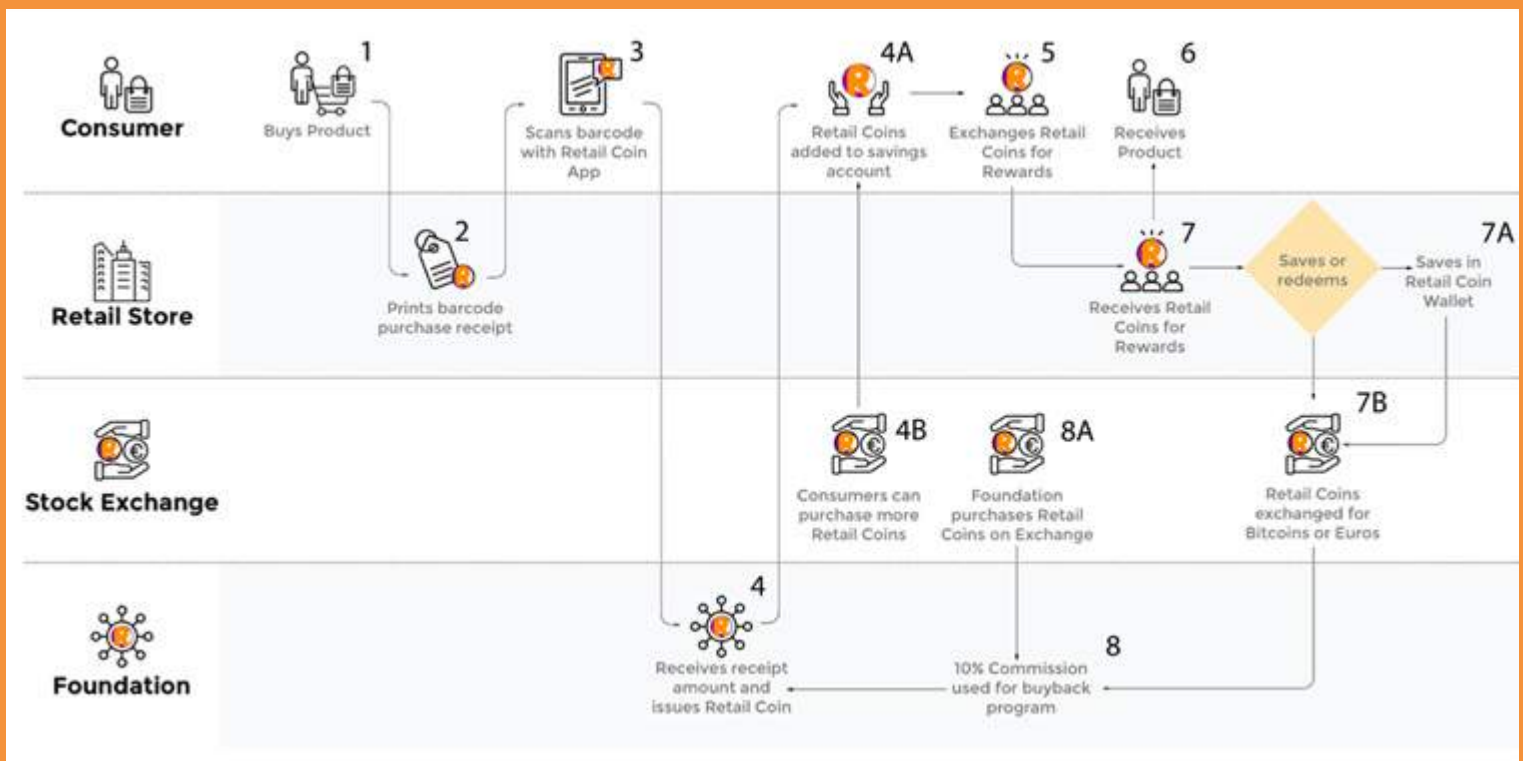
Fewer barriers to international growth, as businesses interested in our platform may join through the purchase of a token that is available around the world. In contrast to forming and building organizational structures in individual countries, the token system offers a significantly clearer path to offering our platform around the world.

3

Substantial product improvement, in terms of transparency, liquidity, and value to our customers and end-users.

Token Usage Flow

When determining the Retailcoin's value, it's important to understand the usage 'flow' of the token.



- 1** The Consumer buys a product at a Retailer.
- 2** The Retailer prints the receipt, a proof of purchase.
- 3** The Consumer scans the barcode on the receipt with his Retailcoin-app.
- 4** The Digital Retail Foundation is alerted of the purchase amount. The according amount of Retailcoins is rewarded to the Consumer.
- 4A** The Retailcoins are automatically added in the Consumer's Retailcoin-app.
- 4B** (If the Consumer does not have enough Retailcoins to claim the reward they want, they are able to buy extra Retailcoins from the crypto-exchange. The Consumer does this through a user-friendly integration within their application.)
- 5** The consumer goes to a Retailer in order to redeem their Retailcoins for a reward of choice (set available for redemption by this Retailer).
- 6** The Consumer selects which reward he wants to claim. The Retailer then scans the QR-code on the Retailcoin-app of the Consumer. The Retailcoins are then transferred from the Consumer to the Retailer(s) who partook in issuing and rewarding this Customer's loyalty.
- 7** The Retailer can either hold on to their newly acquired Retailcoins or exchange them on the crypto-exchange for fiat currency.
- 7A** The Retailer decides to hold on to the Retailcoins.
- 7B** The Retailer decides to exchange the Retailcoins for fiat currency.
- 8** The Digital Retail Foundation issues 10% commission on the transaction described in 7B which it uses to fund their operation and buy Retailcoins from the crypto-exchange (which goes back into the circulation through the loyalty that Retailers offer)
- 8A**

Token Technology

What kind of Token is Retailcoin?

Retailcoin is an ERC20-compatible Ethereum Smart Contract Token. ERC20 is the standard protocol for smart contract tokens on the Ethereum blockchain. Retailcoins can be stored and traded in any ERC20 compatible wallet, although some specific features will only be visible within the Retailcoin wallet.

What does multi-value mean in technical terms?

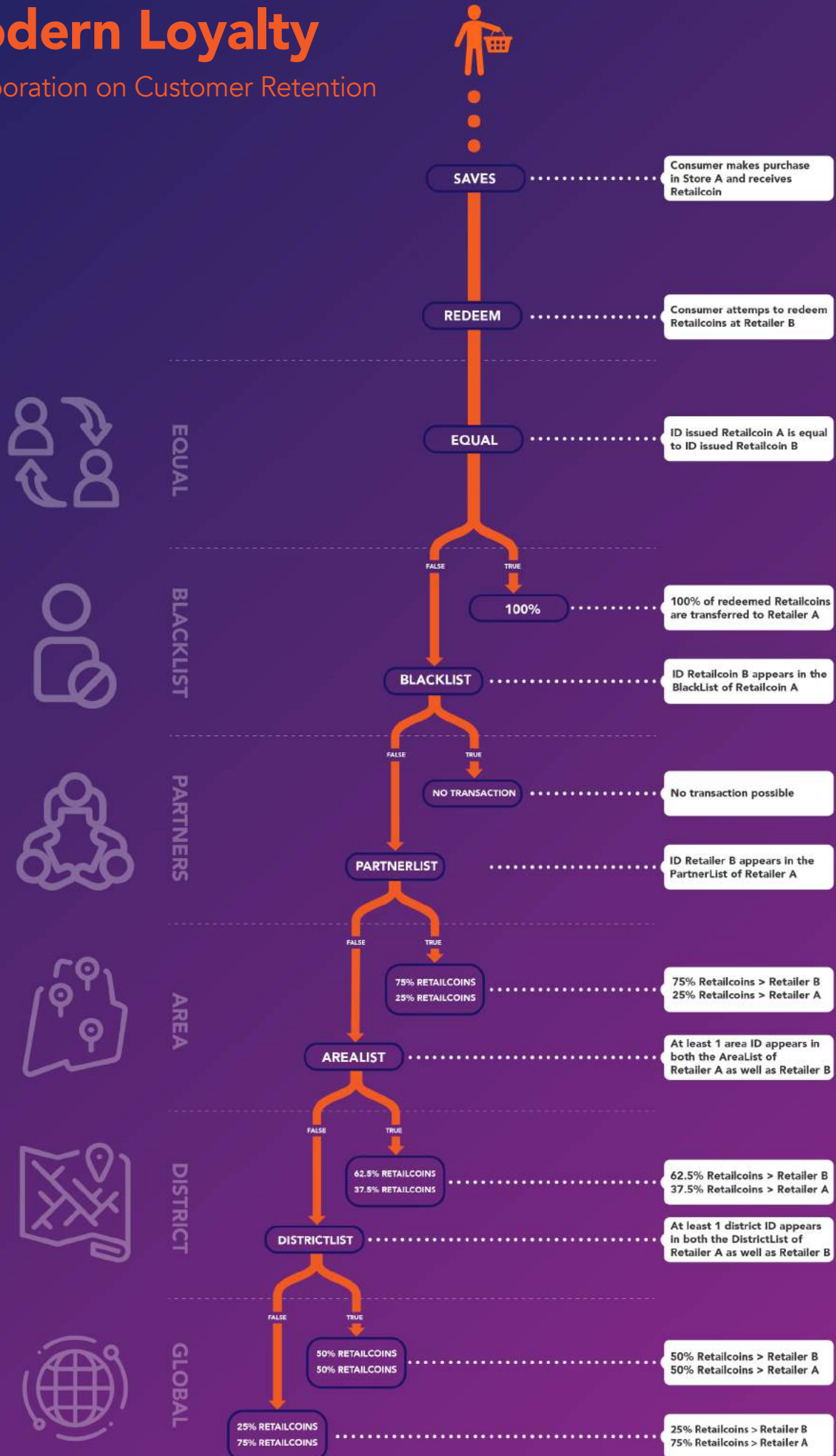
Multi-value can be visualized as multiple tables with 1:1 and 1:n relationships to each other. Every retailer is identified through their own wallet address (unique address), which is stored in the smart contract. Within the smart contracts, the participating retailers are defined and identified as well. When, upon redeeming by the customer, there is a match on the retailer-IDs, Retailcoin becomes eligible for those specific retailers. The other fields incorporated in the smart contract include: area, district, and also a blacklist, to allow competitors to exclude each other.

How does Loyalty return to those who issued it?

Loyalty is not equally generated and redeemed. When a consumer saves their Retailcoins at Retailer A and redeems them at Retailer A, we have defined this as 100% loyalty. When a consumer saves at Retailer A and redeems at Retailer B, then we allow Retailer A to receive their share of Retailcoins, as the loyalty was created in Shop A. This is fair because: without Retailer A, the consumer would not have gone to Retailer B. Therefore both shops will be rewarded with Retailcoins for providing loyalty. This continues to expand in the Area and District where we have defined different 'loyalty sharing' percentages to redeeming Retailcoins. This is visualized on the next page.

Modern Loyalty

Collaboration on Customer Retention



The Digital Retail Foundation

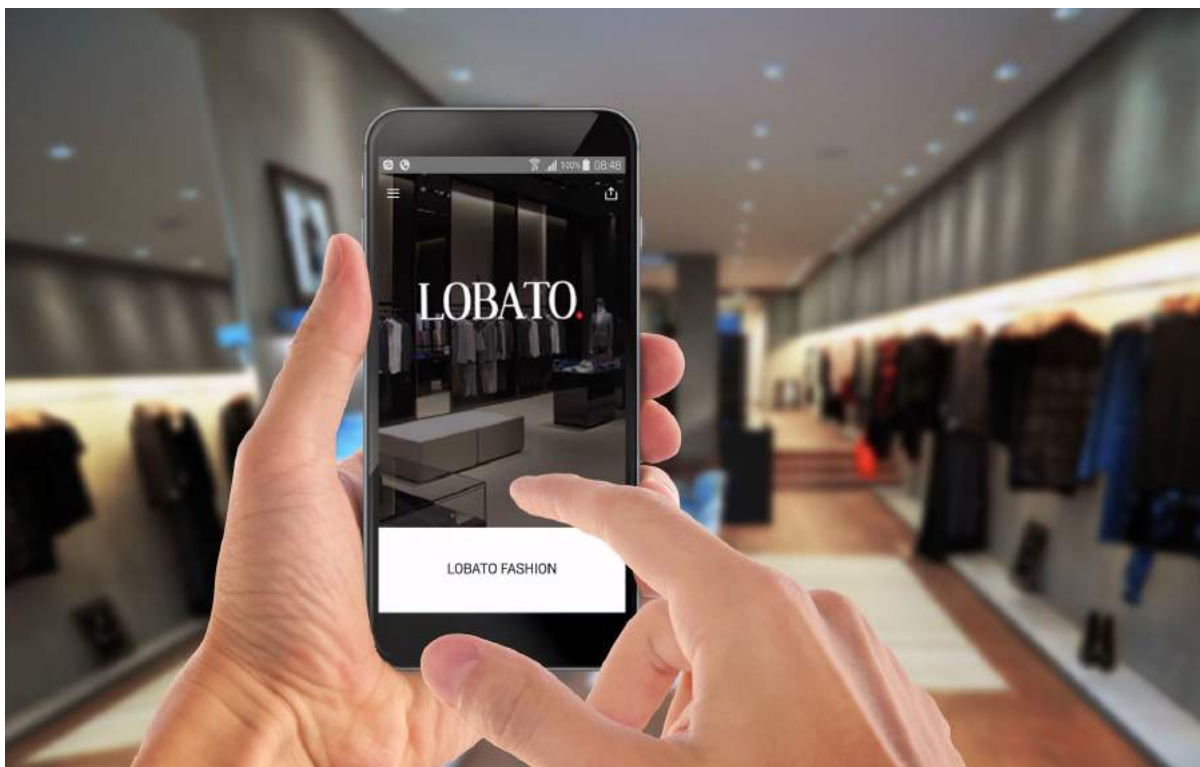
The coins will be issued by the Digital Retail Foundation (DRF) through an Initial Coin Offering event and through usage of DRF technology products.

The Digital Retail Foundation is a nonprofit organization (a “Stichting” under Dutch Law), set up specifically to ensure proper management and oversight of the funds generated by the Initial Coin Offering. The mission of the foundation is to encourage innovative retail solutions in Europe including the introduction and roll-out of the multi-value crypto coin to support loyalty solutions.

The Foundation has a board that acts independently from Digital MKB. The Foundation will provide Digital MKB with subordinated 5-year loans, subject to meeting the business plan quarterly milestones, at an interest rate of 6%. Digital MKB will report its progress, use of funds and financial results on a quarterly basis so the Foundation can monitor compliance with the white paper regarding the use of these funds.

The ICO aims to generate in excess of five million euros in Bitcoin and Ethereum. The Foundation will convert the larger part of these funds over time into euros. Moreover, it will invest these in accordance with its mission in the following three activities:

- Executing the development and roll-out phase of Digital MKB.
- Stabilization of the RetailCoin on the chosen platform.
- Fund management. Any ICO funds not needed by for the first two activities will primarily be invested in shares and bonds of established European Retailers.



The costs of the Foundation will be paid strictly from the generated returns. The board may use any excess returns to stimulate innovative projects aimed at the benefit of the European retail sector, in particular those of small- and medium-sized businesses.

Partners

The Digital MKB business is fortunate to have the backing of Rabobank, a financial partner with loan facilities, and Starterslift, a business accelerator built to support the scale of our mobile solution. Our technology stack is supported by Five Minutes LTD, a development partner in Croatia, and InBeacon, which provides beacon integration for our mobile applications.



Token distribution

Bakker Floor van Lieshout	3-year contract	Chocolaterie Rembrandt	2-year contract
Kools Dranken	3-year contract	BF Fashion	3-year contract
MCS PR	2-year contract	Drankenhuis	3-year contract
Vis Vlijmen	5-year contract	Royal Kingdom	3-year contract
Attune	3-year contract	Wijnhuis Uden	3-year contract
Da Drogisterijen	3-year contract	Wolluks Snoepparadijs	3-year contract
Visspecialzaak Dekkers	3-year contract	Piano Tilburg	5-year contract
Waalwijk nieuws	3-year contract	Trendjetter	3-year contract
Loon op Zand Nieuws	3-year contract	Mima mode	3-year contract

Team members



Hugo Leijtens
Co-Founder & Architect
Globally-awarded technologist
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Wilco Bakker

Blockchain Developer

Concepts and coding



Domagoj Rukavina

Senior Software Developer



Slavko Stimac

Software Developer



Ivo Katunaric

Software Developer

Advisory board



Frans van Haarlem

Former Director National
Police NL

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Bas van Os

Director Accept Institute, former
Director Translink Systems



Michiel Hoogenboom

Strategy Designer Business
Model Inc, Former BU Director
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Andrew J. Chapin

Co-Founder & CEO, Benjacoins
ICO Governance Foundation
Author, Art of the Initial Coin
Offering

 /in/andrew-j-chapin/

Token terms, conditions and plans

Summary

RetailCoin is an open-source cryptographic token. In character, it is a pure cryptocurrency of fixed supply. It is fractionally divisible, long-term non-inflationary, and is pre-mined. As described below, only a portion of the RetailCoin supply will become liquid as part of the sale event. Like other cryptocurrencies, RetailCoin units are fungible and transferable, and we expect the token to trade on cryptocurrency exchanges.

Token Distribution and Issuance

7 billion tokens will be generated during our token generation event. All unsold tokens will be made available to our retail partners and on our mobile application experiences. We expect the tokens to trade on several larger Cryptocurrency exchanges.

Pre-sale	15,000,000	Employee tokens	2,000,000
Token sale	135,000,000	Founder tokens	1,000,000
Partners & advisors	3,000,000		

Pre-ICO Sale

15 million tokens will be sold as part of a pre-sale event in Ede (the Netherlands) and San Francisco (United States) beginning November 29, 2017 and running through the end of the 2017 calendar year, or upon achieving the 15 million RC sales cap, whichever occurs first.

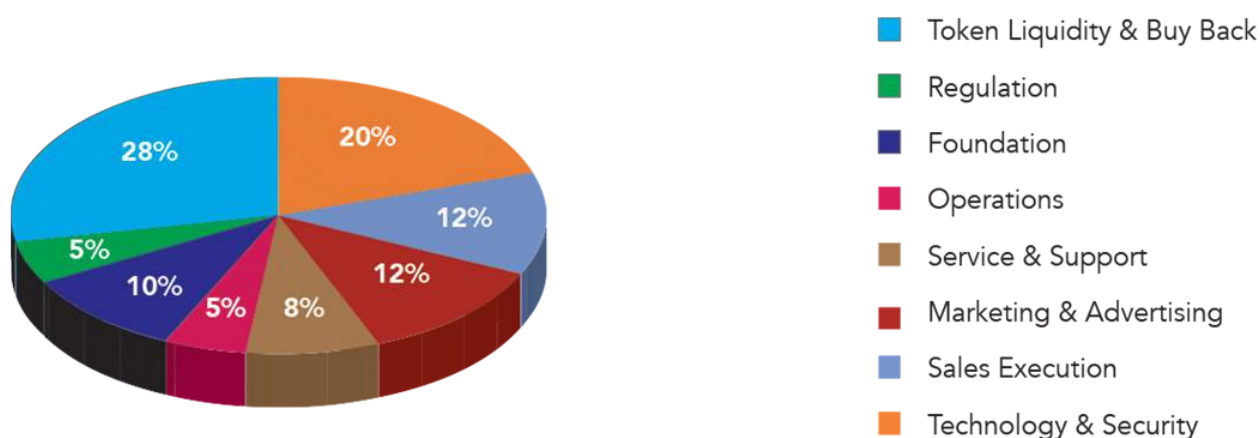
During this period, tokens may be purchased in the following amounts:

100,000 RC	0.095 per RC	€9,500
200,000 RC	0.092 per RC	€18,400
300,000 RC	0.091 per RC	€27,300
400,000 RC	0.090 per RC	€36,000

ICO Sale

During the primary ICO sale, 135 million RC will be made available. The ICO is set to begin February 1, 2018 and will run through March 1, 2018 or until the hard cap has been reached. The hard cap, which will be defined in ETH and BTC terms as the date approaches, will be 25 million euros.

Use of funds



Additional Notes

- Digital MKB commits to offering the ability to trade RetailCoin on a public exchange within 15 days of the conclusion of the token sale.
- ZRetailCoin token holders will receive early (beta) access to products developed by the firm.

Development roadmap

2017

Q1

- Develop MVP Loyalty App
- Preparations & market research

Q2

- Innovation on loyalty app:
 - Integration Facebook
 - Integration Google Analytics
 - Integration Push Notifications
 - Integration Promotions
 - Integration Inspirational content
- Sign up first customers
- Setup sales pipeline and sales processes
- Setup Customer Success
- Investigate Blockchain solution for multi-vendor-collaboration

Q3

- Implement version 2.0 of the loyalty app
 - Barcode scanning
 - QR-code scanning
 - Full Native App
 - Rapid Development Layer
- Winner Business Accelerator "Starterslift"
- Expand Sales Team and start City Roll-Out
- Professionalize Sales Pipeline

Q4

- Develop Shopping-Center app
- Design Blockchain model
- Prepare for Pre-ICO
- Develop Blockchain prototype integration

2018

Q1

- Develop solution for production
- Upgrade Barcode scanning
- Optimize app-designs for scale-up roll-out
- Upgrade Shopping-Center app

Q2

- Replace app Points-Reward system with RetailCoins
- Upgrade all existing apps to RetailCoins
- Optimize app-designs for scale-up roll-out
- Integrate retailer wallets in back office

Q3

- Start issuing RetailCoins in Retailer Loyalty apps
- Add in-app token purchases for consumers
- Create consumer overview app for RetailCoins with balances

Q4

- Deploy RetailCoins overview app to the app stores
- Develop web-shop integration for RetailCoins

2019

Q1

- Enable retailer joined loyalty program
- Develop web-shop integration for RetailCoins

Q2

- Upgrade all systems and eliminate technical debt
- Refresh all backend systems
- Design larger API Hub Platform for Omni-Retail integration

Q3

- Develop API Hub Platform with advanced Big Data Analytics
- Integrate RetailCoins and mobile loyalty program in the API Hub Platform

Q4

- Develop API Hub Platform with advanced Big Data Analytics and AI

2020

- Launch RetailCoins powered Loyalty 2.0 Platform for even faster business acceleration across Europe

Disclosures & good citizenship

We know a rising tide lifts all boats, and we realize retail token solution will introduce cryptocurrency and blockchain concepts to a group of people who up to now have not generally been involved with the technology. Nevertheless, our existing user base of nearly 1,000,000 transactions will, wittingly or not, hold a crypto token through the use of our mobile applications.

Because of the big potential of blockchain, crypto token, and the initial coin offering process, Digital MKB commits to compliance with regulatory bodies in the jurisdictions where the organization operates.

Our organization will file an IGF-1 with the ICO Governance Foundation, a decentralized global organization and Swiss foundation whose mission is to establish a protocol-based global community that pDRForms a regulatory function for ICOs, and will comply with best practices as defined by the organization.

Regulatory and compliance

Offer allocation

Metric	Assumption
Total planned Supply	7.000.000.000
Percent of Tokens Issued in Private Sale	0,143%
Percent of Tokens issued in ICO	2,143%
Percent of Tokens Issued to Loyalty Program	97,714%
Percent Issued to Founders & Employees	0,043%
Lock-up for Founders	3 years
Percent Issued to Partners	0,043%
Lock-up for Partners	3 years
Free coins / Bonus coins issued	0
Minimum Price Private Sale	0,09
Maximum Price ICO Sale	0,17

Despite the fact that the project is in its later development phases and that the adoption of the token will start in 2018, we expect that it may take 8 – 12 years before the tokens issued to the loyalty program are available on the public market. With the success of retailers joining the Retailcoin loyalty program, more coins will become available on the market.

The success of the business can be measured directly with the amount of coins that are available on the public market and the crypto-exchanges.

Not all tokens available for ICO token-sales have to be sold during the ICO sales, and the sales of these tokens may continue until after the ICO has finished.

The tokens available for the Loyalty Program will not be sold, but instead distributed through the Loyalty Program. Once the Retailer has redeemed the reward for the consumer, the token will become available on the public market.

Based on our business plan, the funds raised will help the team to finance the operational expenses required to achieve the milestones based on our roadmap. The main use will be financing R&D activity, wages and marketing expenses (for more details on the business plan, investors can contact Digital MKB).

Token roles and attributes

Retailcoin is a utility token offering loyalty for Retailers. With Retailcoin, consumers will receive their loyalty points in Retailcoin, which can be redeemed at the participating stores. Retailcoin will compensate the products that are redeemed by consumers at the participating retailer corresponding to the value of the exchange.

Retailcoin can only be used by members of the Retailcoin community. Retailcoin cannot be used outside the Retailcoin ecosystem.

The Retailcoin's value is correlated with the different ways of demand generation for Retailcoin. This includes consumers, retailers, non-retailers and investors. New consumers are incentivized to use Retailcoin primarily through in-store marketing, delivered through the mobile apps of the retailers.

Digital MKB provides apps with Retailcoin integrated and offers open API integrations for others.

Legal disclaimer

Any buyer purchasing Retailcoin products or services expressly acknowledges technical and market uncertainties which are inherent in any business development project as presented in this Whitepaper (see below for risk factors) and that this project may therefore never come to fruition or may have to be abandoned, without the Retailcoin being used. In such a case, the buyer expressly acknowledges and accepts that it will not be entitled to sue or bring any direct or indirect legal action before the courts, the arbitration bodies or bring any direct or indirect legal action before the courts, the arbitration bodies or any alternative dispute settlement body, either in The Netherlands or abroad, against Retailcoin, Digital MKB B.V. and/or Stichting Digital Retail Foundation, its directors, shareholders, employees or subcontractors in the event of the non-performance, non-deployment or non-implementation of the project, even in cases where its Retailcoin tokens have lost some or all of their value.

In addition, Retailcoin may not be held liable for any of the following:

1. Use of services that are not compliant with the applicable terms
2. Non-performance, failure, malfunction or unavailability of the services due to a third party, the buyer, a third-party product, or the buyer's breach of its obligations;
3. Indirect damages such as business loss or disturbance, loss of orders, operating loss, infringement of the trademark, loss of profits or clients (e.g. improper disclosure of confidential information concerning said clients due to failure or piracy of the Platform, third-party proceedings against the client, etc.);
4. Loss, disclosure or unlawful or fraudulent use of user sign-ons by the buyers or third parties;
5. Suspension of access or temporary or permanent suspension of services (in particular, arising from a request issued by an appropriate administrative or judicial authority, or notification received from a third party);
6. Loss, alteration or destruction of all or part of the content (information, data, applications, files or other items) hosted on the infrastructure, insofar as Retailcoin is not responsible for managing the continuity of buyers' activities, and data backups in particular;
7. Mismatch between the services and the buyer's needs (in particular, with regard to the sensitivity of the relevant data);
8. Security incidents relating to use of the Internet, concerning in particular the loss, alteration, destruction, disclosure or unauthorized access to the buyer's data or details on or via the Internet; and
9. Damages to systems, applications and other items installed by the buyer on the infrastructure

General Warning

This Whitepaper does not constitute an offer or an invitation to sell shares, securities or rights belonging to Retailcoin or any related or associated company or foundation.

None of the information or analyses in this Whitepaper is intended to provide a basis for an investment decision, and no specific investment recommendation is made. Accordingly, this Whitepaper does not constitute investment advice or an invitation to invest in any security or financial instrument of any nature whatsoever.

This Whitepaper does not constitute or form part of, and should not be construed as, an offer for a sale or subscription, or an invitation to buy or subscribe securities or financial instruments. This Whitepaper, or any of its component parts, does not constitute the basis for, or should not be used as a basis for, or in connection with, a contract for the sale of securities or financial instruments or a commitment to sell securities or financial instruments of any kind.

Digital MKB and Stichting Digital Retail Foundation expressly disclaims any liability for any direct or indirect loss or damage of any kind arising directly or indirectly from:

Any reliance on the information contained in this Whitepaper;

1. Any error, omission or inaccuracy in said information; or
2. Any resulting action that may be brought

[This Whitepaper has been constructed in accordance with the applicable EU regulations.]

Retailcoin does not represent an investment

In a security or a financial instrument within the meaning of EU Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 relating to markets in financial instruments: Retailcoin token confer no direct or indirect right Retailcoin capital or income, nor does it confer any governance right within Retailcoin, Digital MKB B.V. and / or Stichting Digital Retail Foundation.

A Retailcoin token is not proof of ownership or a right of control

Control over a Retailcoin token does not grant the controlling individual any asset or share in Retailcoin or in the Platform. A Retailcoin token does not grant any right to participate in control over Retailcoin's management or decision-making set-up, nor over the Platform, nor over Digital MKB B.V. or Stichting Digital Retail Foundation.

Retailcoin is not an electronic currency

Within the meaning of EU Directive 2009/110/E of the European Parliament and of the Council of 16 September 2009 relating to access to and pursuit of the business of electronic currency institutions: Retailcoin tokens are not accepted outside the Platform.

Recent regulatory actions

As mentioned above, operations of the Platform and the Retailcoin tokens may be impacted by future restrictive laws, regulations, opinions, decisions, injunctions, actions or investigations by national regulators and lawmakers.

Warnings on the risks inherent to the ICO

Risk of loss of access to a Retailcoin token due to loss of credentials

Until it is distributed to the buyer, the said buyer's Retailcoin token may be linked to a Retailcoin account. You can only access the Retailcoin account using the credentials selected by the buyer. The loss of these credentials will result in the loss of the Retailcoin token. Good practices advice buyers to store their credentials securely in one or more backup location that are geographically separated from the work location.

Risks associated with the Ethereum Protocol

Both Retailcoin token and the Platform are based on the Ethereum protocol. Therefore, any malfunction, unplanned function or unexpected operation of the Ethereum protocol may cause the Platform or Retailcoin token to malfunction or operate in a way that is not expected. Ether, the native Ethereum Protocol account unit, may itself lose value in a similar way to Retailcoin token, and also in other ways. For more information on the Ethereum protocol, see <http://www.ethereum.org>

Risks associated with the buyer's credentials

Any third party that obtains access to the buyer's credentials or private keys may be able to use the buyer's Retailcoin tokens. To minimize the risk, buyers must protect themselves against people gaining unauthorized access to their electronic devices.

Legal risk and risk of adverse regulatory intervention in one or more jurisdictions

Blockchain technologies have been reviewed by various regulatory bodies around the world, including within the European Union. The ICO has been structured to comply with EU law applicable at the time of the offer.

The operation of the Platform and of the Retailcoin token may be impacted by the passing of restrictive laws, the publication of restrictive or negative opinions, the issuing of injunctions by national regulators, the initiation of regulatory actions or investigations, including but not limited to restrictions on the use or ownership of digital tokens such as Retailcoin tokens, which may prevent or limit development of the Platform.

Given the lack of crypto-currency qualifications in most countries, each buyer is strongly advised to carry out a legal and tax analysis concerning the purchase and ownership of Retailcoin tokens according to their nationality and place of residence.

Risk of an alternative, unofficial Platform

Following presales and development of the original version of the Platform, there is a possibility that alternative platforms may have been established using the same open-source code and open source protocol that underlies the Platform. The official Platform may find itself in competition with these alternatives, unofficial platforms based on Retailcoin tokens, which could potentially adversely impact the Platform and Retailcoin tokens.

Risk of a lack of interest in the Platform or distributed loyalty

There is a possibility that the Platform may not be used by a large number of companies, individuals and other organizations, and that there may be limited public interest in the creation and development of the Platform and usage of distributed loyalty. Such a lack of interest could impact on the development of the Platform and, therefore, on the uses or potential value of Retailcoin tokens.

Risk that the Platform is not developed

The main right associated with Retailcoin tokens is the right to receive rewards associated with specific actions on the Platform. The value of the Retailcoin tokens is therefore heavily correlated with the existence of such Platform, which has not yet been implemented. Retailcoin tokens may lose part or all of their value if the Platform is never fully developed.

Risk that the Platform, as developed, does not meet buyer expectations

The Platform is currently under development and may undergo significant redesign prior to its launch. For a number of reasons, not all buyer expectations concerning the Platform or Retailcoin tokens' form and function may be met on the launch date, including changes in design, implementation and execution of the Platform.

Risk of theft and piracy

Hackers or other malicious or criminal groups or organizations may attempt to interfere with the Platform or the availability of Retailcoin tokens in several ways including, but not limited to, denial of service attacks, Sybil attacks, mystification, surfing malware attacks, or consensus-based attacks.

Risk of error in the Source Code

The distribution of Retailcoin tokens to each purchaser may be adversely affected by various human and technical errors in the source code of the Smart Contract or in the source code.

Risk of security weaknesses in the Platform's core infrastructure software

The Platform's core software is based on open source software. There is a risk that the Retailcoin team, or other third parties, may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructure elements of the Platform, by interfering with the use of, or causing loss of Retailcoin tokens.

Risk of weakness or exploitable breakthrough in the field of cryptography

Advances in cryptography or technical advances such as the development of quantum computers, may present risks for crypto-currencies and the Platform, which could result in the theft or loss of Retailcoin tokens.

Risk of a mining attack

As with other decentralized cryptographic tokens and crypto-currencies, the blockchain used for the Platform is vulnerable to mining attacks, including but not limited to, dual-expense attacks, powerful mining attacks, selfish mining attacks and critical competition attacks. Any successful attack poses a risk to the Platform, the expected performance and sequencing of Retailcoin markets, and the expected performance and sequencing of Ethereum contract calculations. Despite the best effort of the Retailcoin team, the risk of known or new mining attacks exists.

Risk of the Platform failing to be used or adopted

While Retailcoin tokens should not be considered as an investment, their value is bound to change over time. This value may be limited if the Platform is not sufficiently used and adopted. In such a case, there could be few or no markets at the Platform launch, which would limit the value of Retailcoin tokens.

Risk of a tight market for Retailcoin

There are currently no exchange or trading facilities on which Retailcoin tokens can be traded. If such exchange or trading facilities do develop, they will probably be relatively new and subject to poorly understood regulatory oversight. They may therefore be more vulnerable to fraud and default than the established and regulated exchanges that exist for other products. Should exchanges or trading facilities that represent a substantial part of the Retailcoin tokens trading volume be involved in fraud, security failures or other operational problems, the failures of such exchanges or trading facilities may limit the value or liquidity of Retailcoin tokens.

Risk of uninsured loss

Unlike bank accounts or accounts in other regulated financial institutions, funds held through Retailcoin or the Ethereum Network are generally uninsured. At present, there are no public or private insurance agents providing buyers with coverage against a loss of Retailcoin tokens or a loss of value.

Risk of winding-up of the Company's project

For a number of reasons, including, but not limited to an unfavorable fluctuation in Bitcoin value, an unfavorable fluctuation in Retailcoin tokens value, the failure of business relationships or competing intellectual property claims, the Retailcoin project may no longer be a viable activity and may be dissolved or simply not launched.

Risk of malfunction in the Platform

The Platform may be impacted by an adverse malfunction including, but not limited to, a malfunction that results in the loss of Retailcoin tokens or market information.

Unforeseen risks

Crypto currencies and cryptographic tokens are a new untested technology. In addition to the risks stipulated above, there are other risks that the Retailcoin team cannot predict. Risks may also occur as unanticipated combinations or as changes.

KYC (Know Your Customer) Procedure

As part of the Know Your Customer procedure (KYC), anyone wishing to acquire Retailcoin will have to provide Digital MKB and / or Stichting Digital Retail Foundation with the KYC documents and/or information requested at the dedicated ICO website prior to purchasing Retailcoin.

Applicable law and jurisdiction

This Whitepaper and any contractual relationship arising in relation with the product and services sold by Retailcoin are governed exclusively by Dutch law, Retailcoin commitment being subject to this clause.

The Parties agree to seek an amicable settlement prior to bringing any legal action. Failing this, any dispute of any nature whatsoever, will be brought expressly before the courts of 's-Hertogenbosch, as no document can effect a novation or waiver of this jurisdiction clause.

