



ORMEUS ECOSYSTEM

INTEROPERABLE SELF-PERPETUATING BUSINESS ECONOMY FEATURING SMART TRUST  
GOVERNANCE & ECO COMMUNICATION PROTOCOL

## A WHITE PAPER

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## 1.0 ABSTRACT

Architecturally designed to create a 'business first' approach to global currency and digital life, Ormeus Ecosystem is collaborating with Binance Chain to create a ground-breaking "Internet of Business Assets". The multi-functional ecosystem cryptocurrencies will achieve mass adoption as businesses ranging from Banking, Insurance, Agriculture, Energy, Mining, Real Estate, Health, Trading, Payments and Online Retail are signed-on to the network - categorized into 'side-chains' - and catapulted into the blockchain age.

The network fuses enterprise, data, sales force and virtual money through partnering with Binance. The innovative onboarding ramp for businesses and the native fuel for the network is the new ECO token, a ground-breaking 'gas' used to power, protect, authorize and process data in real-time between thousands of corporate and personal users. The ECO token can reward and notify when data points are shared cross chain, and even works in conjunction with point-of-sale terminal systems to prevent and terminate fraudulent sales of goods.

ECO can also process 'ground rent' fees for corporations wishing to join the ready-made business community, a portion of which will feed into a Smart Trust managed protectionary asset vault. If blockchain is considered the ecosystem backbone, then the business assets and services are the network's muscles and organs. The ECO token is the central nervous system, acting like a complex web of nerve tissues controlling the body's activities. The circulating blood corresponds to the native currencies: Ormeus Coin (ORMEUS), Ormeus Cash (OMC), ECO itself, along with the forthcoming Ormeus Digital Gold (ODG), and Ormeus Green (ORG).

The self-sustaining network provides flexibility to create stores of value, high-speed smart payments, asset transfer protocol, transparent financial information flow, and the appropriate management of network costs. The marketplace features a reserve asset vault supporting the underlying ecosystem. This means corporations can trust in the resilience and reliability of the network and focus on what matters: expanding their own market penetration and sales in a favourable business environment.

Governance of the network is provided by the unique Smart Trust legal framework, a collateral management system styled on a Decentralized Autonomous Organization (DAO). The Trust is responsible for the healthy development and management of pre-defined smart contract rules for the Reserve Vault. The set of rules on how the vault transacts can be voted on by ECO members through the DAO inspired Smart Trust. The strict and unalterable algorithms directed to the vault guarantees the survival of the ecosystem and allows transactions to be executed without censorship or fraud.





## 2.0 INTRODUCTION

Billionaire investor Warren Buffett said that “only when the tide goes out do you discover who’s been swimming naked.” Buffet was probably keeping an eye on the ebb and flow of the 2018 crypto bear market, which saw only true innovators staying the course to develop essential infrastructure.

Samsung is one of those innovators, recently announcing that its Galaxy S10 flagship smartphone comes complete with a crypto wallet. This will allow users to store private cryptocurrency keys, which are needed to exchange cryptocurrencies or use blockchain-based services. Rival company LG also announced a blockchain-based payment service using QR codes allowing foreign credit card payment to be approved in real time via blockchain.<sup>1</sup>

Facebook currently has 50 engineers working on its new cryptocurrency and the notoriously critical JPMorgan has also warmed to the industry - even though CEO Jamie Dimon previously called bitcoin a ‘fraud’. This indicates that the major investment bank which moves over USD\$6 trillion daily is innovating for a future where blockchain is a key part of its financial infrastructure.<sup>2</sup>

Meanwhile, ‘retail crypto’ is about to ignite with Starbucks tipped to start accepting Bitcoin at its US outlets next year.<sup>3</sup> The development comes as payment processor BitPay reported a record USD\$1 billion in Bitcoin transaction revenue in 2018.<sup>4</sup> The use of cryptocurrencies in economically unstable countries as Venezuela and India has also surged, with people turning to digital cash to escape from increasingly worthless national currencies.

Innovation distinguishes between a leader and a follower, and when the cryptocurrency market was crashing over the past year, Ormeus was committed to innovating. The result is the initiation of a complete, credible, scalable and transferable asset-backed self-perpetuating business ecosystem featuring currencies such as Ormeus Coin (ORMEUS), the transactional Ormeus Cash (OMC), the new Ormeus Ecosystem data processing token (ECO), and the upcoming Ormeus Digital Gold (ODG) and Ormeus Green (ORG).

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<sup>1</sup> Bradley, R. (March 5th, 2019) New York Times: “South Korean Conglomerates Rushing into Blockchain”

<sup>2</sup> Palmer, D. (Feb 14th, 2019) Coin Desk: “JP Morgan has its own crypto and it’s starting real-world trials”

<sup>3</sup> Rooney, K. (Aug 3rd, 2018) CNBC: “Starbucks and Microsoft to bring Bitcoin to the coffee chain”

<sup>4</sup> Chandler, S. (March 11th, 2019) Coin Telegraph: “The Tipping Point: Starbucks, Kroger, ignite retail crypto”



### 3.0 INTERNET OF BUSINESS ASSETS

The world economy, society and survival are not based on ideas or information – they are based on things and assets. You can't eat and drink information or burn it to stay warm. Ideas and information are important in connecting the economy, but things, assets, businesses are more important to actually support the entire ecosystem.<sup>5</sup> Today, most fiat currencies are backed by nothing but debt and the promise of an issuing government,<sup>6</sup> or in the case of the US Dollar, an unsustainable \$22 trillion debt.<sup>7</sup>

Ormeus is extending its existing technological and physical asset-based architecture into an even wider space with a concept derived from the 'Internet of Things' (IoT).<sup>8</sup> The ECO network can be described as an 'Internet of Business Assets' - controlled by a Smart Trust and Reserve Vaults, the rules for which will be democratically decided by ECO members. In the event of a 'Black Swan' event or devaluation of native currencies, the vault will be programmed to buy from the market at pre-defined trigger prices, thereby offering support if pre-determined levels are breached.

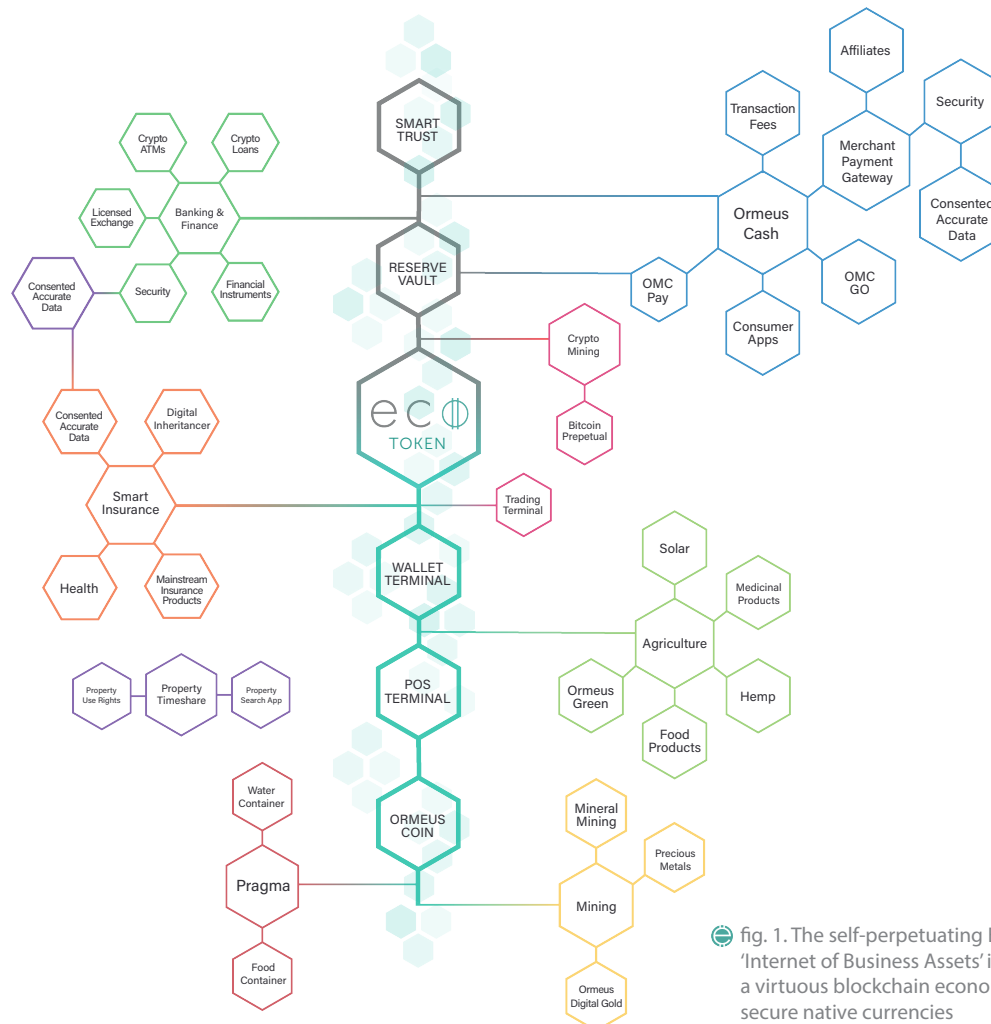


fig. 1. The self-perpetuating Ecosystem 'Internet of Business Assets' is a virtuous blockchain economy featuring secure native currencies

<sup>5</sup> Holmes, F. (December 2015) Business Insider: 'A History of the US Gold Standard'

<sup>6</sup> Davies, G. (2002) A History of Money: From ancient times to modern day

<sup>7</sup> DePillis, L. (February 13th, 2019) CNN: "How to think about the United States' \$22 Trillion Debt"

<sup>8</sup> Ashton, K. (22nd June, 2009) RFID Journal: "That 'Internet of Things' Thing"

## 4.0 ECO TOKEN

The box-office hit movie Avatar made mycelium more recognized – the vegetative fungi strands of mass branching needed for the survival of a forest. By simply plugging into mycelial networks, plants can become more resistant to disease. When faced with a substance that is unknown, mycelium tries to eat it. If it is poisonous, it will keep attempting to eat it until successful and then communicate to the wider network. It's all one thinking organism.

This is the best way to describe the Ormeus Ecosystem and the role of the new ECO token, which provides businesses and users with the necessary resources and connections to enjoy a dependable digital life. ECO is the underlying 'gas' that protects and powers the Ormeus Ecosystem, processing compulsory services such as De-Identified Secure ID, Reusable Ecosystem KYC, Cross-Chain Relationship Authentication, Credit Rating, Instant Retail Passport and Captive Business Insurance.

Apart from running these type of services, ECO is also required to process 'ground-rent' and business fees, onboarding new corporations or users wishing to operate in the smart economy. And when bad actors such as 'Silk Road' businesses attempt to gain access, just like mycelium, ECO will block access, destroy and spread the word.

### 4.1 BINANCE & MULTI-LAYERED SIDE CHAINS

The collaboration between Binance Chain and the Ecosystem supports significant interoperability to create what will become the biggest multi-business network in the world. Not only is Binance one of the largest centralized cryptocurrency exchanges, the newly released Binance DEX is also one of the most promising decentralized exchange solutions.

The Ecosystem is conceptualized as a business and currency scaling operation built technology-agnostic on top of a mainnet. The Ecosystem and Binance partnership will be specifically geared for use-cases requiring sidechain to mainnet synchronizations. Integration with Binance Chain will also achieve more liquidity via the Binance ecosystem and near-instant transactions using the BEP-2 token standard.

As illustrated in fig. 2 below, the main chain underpins the entire cyber economy, and connects to multiple side chains<sup>9</sup>, with bi-directional transferability of data. Cross chain interactions are therefore possible, which means the ecosystem can manage large commercial blockchain usage via data integration, data customization, circulation, verification, and 'explicit' consented storage.

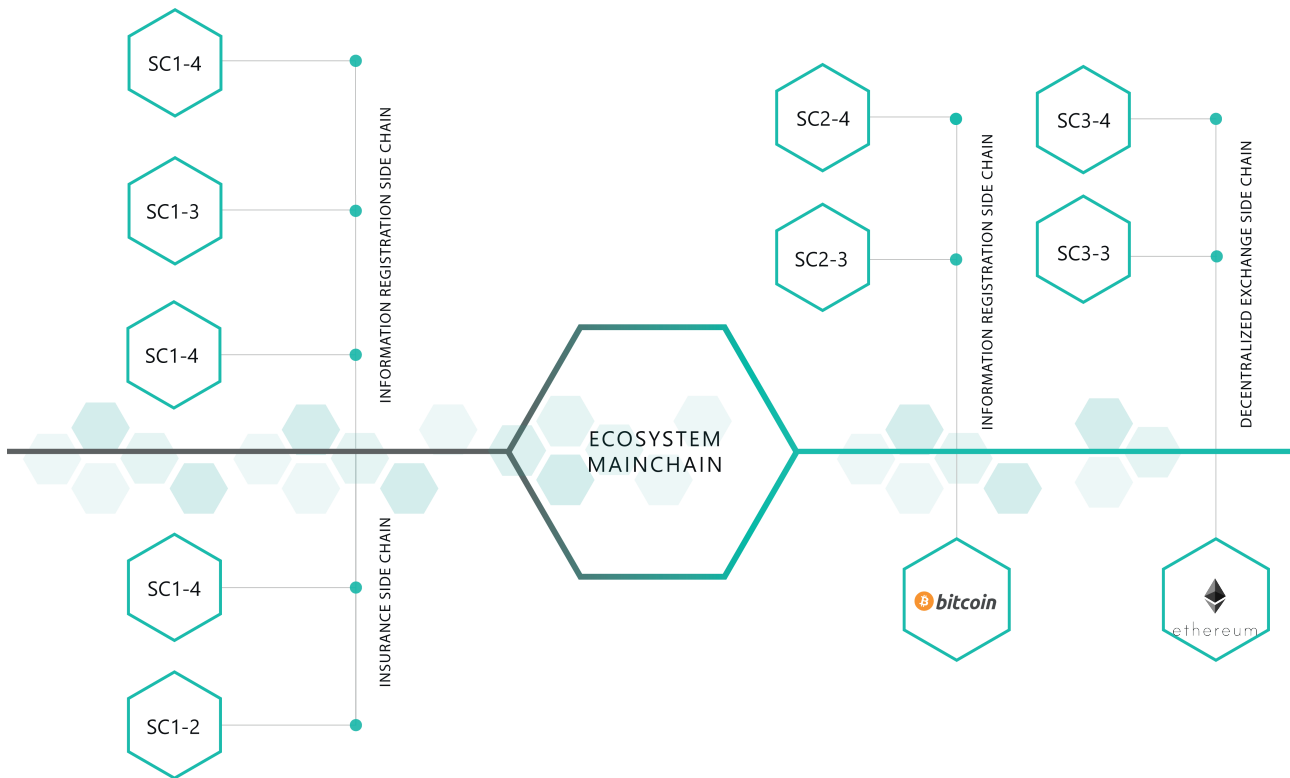


fig. 2. The Ecosystem forms a highly organized business economy, where each industry has its own dedicated multi-layered side chain to fulfil its business goals, whilst engaging in cross-chain interactions and thus supporting entire network currencies

<sup>9</sup> Back, A., Corallo, M., Dashjr, L., Friedenbach, M., Maxwell, G., Miller, A., (October 22nd, 2014), Blockstream: "Enabling Blockchain Innovations with Pegged Sidechains"


It is this ground-breaking 'connection' that puts Ormeus ahead of the game. The main chain consists of the DAO Smart Trust communicating with the Reserve Vault - a huge financial brain capable of managing segmented data streams, securing digital currencies and supporting various businesses in the network. For example, the DAO ORV can manage liquidity across Ormeus Cash (OMC) payments.

The side chains will economically support the Ecosystem main chain or face expulsion. These contributions can include business listing charges and transaction fees being adopted to reflect the different performance level of each chain or business on the network as a whole.

Each sidechain can be 'gated' and firewalled if necessary, with regard to the wider framework and monetary flows. This avoids legal issues relating to permissioned data or securities. For instance, the Ormeus Cash (OMC) support team will only ever have access to OMC data. The main chain will parse, analyze, encrypt, linking to other data points, thereby realizing cross chain business data, economic co-sharing, effective quick indexing of valuable big data and full exploitation of the ecosystem's assets.

The main chain nodes read and interact with information from side chains via dynamic indexing technology.<sup>10</sup> Ormeus also connects with the likes of Bitcoin and Ethereum in order to be compatible with globally popular digital money. The side chain data indexing is essential for the smooth running of the Ormeus 'Internet of Assets', which offers constant support to the ecosystem currencies.



 fig 3. The problem with most blockchains is that transactions are executed one after another. The Ormeus Ecosystem differs in its parallel computing capability by scaling computing power inside side chains

<sup>10</sup> Aelf Whitepaper, V. 1.6 (June 7th, 2018) "A Multi-Chain Parallel Computing Blockchain Framework"

## 5.0 THE ORMEUS FAMILY



fig 4. With ECO at its heart, the Ormeus family of coins gives you all the tools you need to operate successfully in the smart economy

Cryptocurrencies are known for their polarizing price fluctuations; a volatility derived from being backed by mere ideas. The Ormeus Ecosystem on the other hand, contains a family of coins that are indirectly linked to a series of DAO Smart Trust controlled asset vaults, ensuring the survival of the ecosystem and its currencies.

The contents of the sub-vaults illustrated in fig. 1, ranges from precious metals to agricultural products. The vaults feed into the Reserve Vault - an algorithm run system which automatically supports the entire Ecosystem. In contrast to ordinary cryptocurrencies, the Ormeus coins have a lower level of volatility since they exist within a thriving business network.

The Ecosystem wallet also contains unique gamification elements for family coins - the more you spend, the better deals users receive within the network. The more that users give to the Ecosystem, the more incentivized airdrops and staking rewards on offer. The following is an overview of the existing and upcoming Ormeus coins:



**Ormeus Ecosystem (ECO):** ECO token is the underlying 'gas' that protects and powers the Ormeus Ecosystem. It runs a cross-chain, multi-factor data verification and encrypted whitelisting standard known as Blockchain Trust Rating, (BTR). ECO is the brain of the ecosystem and allows businesses and users to conduct commerce within the smart economy with full security and trust. Authentication processing fees for compulsory ecosystem services that comprise BTR include De-Identified Secure ID, Reusable Ecosystem KYC, Cross-Chain Relationship Authentication, Instant Retail Passport and Captive Business Insurance are paid in ECO. Actual business listing fees for entities permitted to operate in the Ecosystem and who achieve a positive BTR are paid in ORMEUS Coin. If for example ECO detects a hack, the system shuts down the portion it needs, and can use the Reserve Vault to mitigate loss or support a token economy against black swan events



Ormeus Coin (ORMEUS): ORMEUS is the currency of choice needed to list a business in the ecosystem or pay for compulsory captive business insurance premiums to protect against unforeseen events such as exchange or wallet hacks. An agreed amount of ORMEUS will be deposited and held in order to start a business on the network. Business owners will need to hold ORMEUS as a prerequisite to commerce; while customers can hold the coin to enjoy exclusive access to Ecosystem goods, services and benefits. Before joining the network, businesses and users are vetted via the 5-point Blockchain Trust.



Ormeus Cash (OMC): An asset-backed virtual currency with a stable transactional price, OMC is set to transform global payments. The currency is being touted as the 'Uber of Crypto' - simple, available, and accessible to all. Bitcoin transactions can conduct 3-5 TPS (transactions-per-second), and Ethereum marginally better at 15 TPS. Ormeus Cash however, with its tech partner COTI, is able to process 10,000 TPS. Shop owners in the Ormeus Ecosystem will also have a new 'trustless' point-of-sale (POS) system that enables merchants and customers worldwide to use OMC for instant payments. Millions of people can now shop and transact using OMC based on a DAG (Directed Acyclic Graph) protocol - no miners or blocks - which means no wasted time and money confirming transactions, allowing for virtually real-time and low-cost crediting of funds to the other party's wallet



Ormeus Digital Gold (ODG): The Ecosystem will use blockchain to secure and tokenize precious assets such as gold bullion by independently enforcing legal trust rules. The soon to be announced Ormeus Digital Gold, (taken from the word 'Orme' - a Medieval alchemist's term for turning base metal into gold), is a de facto gold-standard digital currency with stable economic units of measurement. The upcoming currency will eventually become a base trading pair in the Ormeus wallet and exchanges. It will be supported by a mineral mining business and precious metals reserve, linked to a physical assets vault



Ormeus Green (ORG): With an initial focus on hemp products and with no scheduled release date as of yet, Ormeus Green will be used as a store of value and used in exchange for goods and services within the Agriculture, Food and Energy sector of the Ecosystem. The goal of Ormeus Green will be to promote sustainable green projects using tried and tested blockchain technology



## 6.0 ECOSYSTEM WALLET

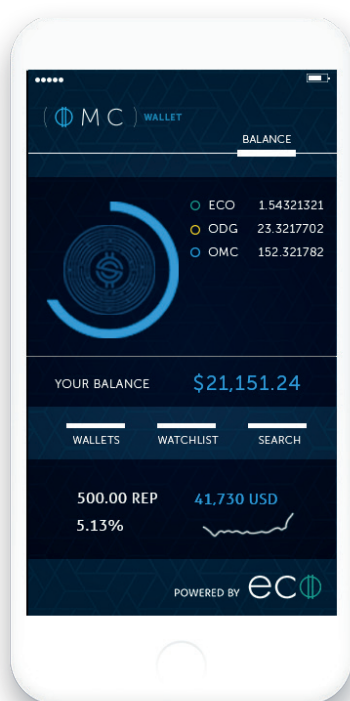


fig 5. Seamlessly integrated, the Wallet is a first point of contact with the new ecosystem

The fully-insured COTI-powered Wallet app is the gateway to Ecosystem goods & services. Powered by ECO and led by the transactional dynamo Ormeus Cash (OMC), the fully-secure hub provides users with an opportunity to store, track, send and receive the most liquid mainstream coins and conduct business in the ecosystem. The wallet uses COTI's proprietary Trust Chain algorithm<sup>11</sup> to turn OMC into a payment method for everyday life and will be supported by European Union regulated banking and money transfer licenses.

If the worst happens, and the ecosystem wallets lose funds due to hacking, customers will be compensated. In the traditional banking world, this is largely provided by FDIC insurance, designed to cover the most likely consumer loss scenario for consumer banks: insolvency. In the Ormeus Ecosystem, the insurance is provided in real-time on the blockchain, (discussed later in 'smart insurance').

The core element to unlock the wallet solution is ECO, which serves three key functions:

1. It covers users' transactional risk until the trade is complete
2. It equitably determines who can be trusted to exercise various types of transactions, and if it is to be based on incentivization
3. Finally, it serves as a login gateway, where only users who possess ECO can use the wallet and unlock access to the payment platform

## 6.1 DEBIT CARD

The Ormeus Debit Card is seamlessly linked to the wallet app, allowing real-time crypto conversions for real-world purchases; anytime, anywhere. The card can be loaded with ECO, Ormeus Coin (ORMEUS), Ormeus Cash (OMC), the upcoming Ormeus Digital Gold (ODG), Ormeus Green (ORG), or other leading digital coins.

Users pay with their debit card at any store while the charge is deducted from the pre-paid wallet balance. The debit card avoids risk of price fluctuations by being linked to the Smart Trust and asset vault system. It will be possible to use it anywhere mainstream cards are accepted, with Ormeus Ecosystem merchants and users getting special rates, discounts, and loyalty points.

The card will be authorised by the Financial Conduct Authority in an EU country under Electronic Money Regulations to issue e-money. Users can either order a physical card with a chip & pin, or a virtual app card if you don't need the plastic. The card balance can be converted to USD, EUR or GBP with Asian currencies being added. A premium black steel card will also be made available with no set up fee, and with a 2% cashback on all purchases.



fig 6. The Debit card allows users to spend or withdraw crypto for everyday fiat transactions

<sup>11</sup> COTI Trust Chain, (Oct, 2018), White Paper: <https://coti.io/en/files/COTI-technical-whitepaper.pdf?v=4d7a1732670>

## 6.2 POINT OF SALE NETWORK

The Ormeus Point of Sale (POS) platform overcomes what is perhaps the greatest obstacle to the widespread adoption of digital currencies by consumers and merchants. The Ecosystem POS accomplishes this by making cryptocurrency seamlessly convertible, enabling people to pay shop owners instantly.

This means that Ormeus Cash (OMC) will be the gateway to a new 'trustless' POS system. Through a partnership with technology partner COTI, Ormeus Cash utilizes COTI's trustless protocol; a directed acyclic graph-based ledger, built from transactions connected through time and using trust-based algorithms.<sup>12</sup>

Traditional blockchain-based POS have struggled with slow transaction times and high fees. Most blockchains depend upon miners to confirm transactions; miners are paid a percentage of the transaction fee.

The Trustchain Algorithm with Ormeus Cash POS eliminates the need for miners to confirm transactions by using data to validate information. In other words, the trust algorithm bases its conclusions and actions on historical behavior data and objective information about the participant.

Merchants worldwide have been keeping close watch on these developments. Benefits that include expanded payment options, micropayment processing, secure and private payment networks, and full KYC and AML regulation. Low or no fees result in higher profits and faster payments improve cash flow. There are also fewer unnecessary declined transactions. The POS will be linked to the Ormeus Debit card, wallet app platform and bank accounts.



fig 7. Built by technology partner COTI from Israel, the Ormeus Ecosystem will have a new 'Trustless' Point of Sale network which can run on all existing terminals. The POS uses a Trustless Blockchain to reduce or eliminate fees, and greatly increase transaction speeds

<sup>12</sup> COTI Pay Whitepaper: <https://coti.io/en/files/COTI-Pay-Overview.pdf?v=4d7a1732670>

## 7.0 TRADING TERMINAL & BOT

The Trading Platform featuring configurable trading Bot enables users to define their full investment strategies and trade automatically based on pre-set conditions of entry and exit positions.

The Terminal provides ecosystem traders with unrivalled flexibility, along with news updates, analysis, and loyalty programs. While regular stock markets are only open during the daytime, the cryptocurrency market is open all day, every day.

The algorithm based Bot seeks to provide all users irrespective of their experience level with access to the best tools in the market. Ormeus will license out the trading bot platform and a portion of that revenue will flow into the main Ormeus Reserve Vault along with standard ecosystem business listing fees applying.

The Terminal's main advantages are:

- **Crypto Signaling:** Manage the Buy/Sell signals from a proprietary integrated signals provider;
- **Trailing Stop Loss:** One of the most used close strategies in crypto trading and isn't available in most of the exchanges. It follows the price until the market reverses;
- **Safe & Secure:** Always updates, no installs, no servers needed on the customer's side.

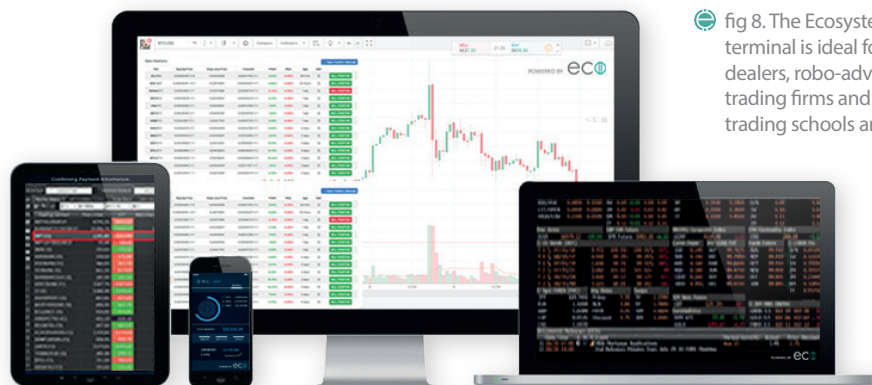


fig 8. The Ecosystem trading terminal is ideal for broker-dealers, robo-advisors, trading firms and online trading schools and educators

## INITIAL ECOSYSTEM BUSINESSES

The ecosystem will initially onboard key business such as banking, insurance, agriculture, real estate and payments. The new digital world will be the epitome of connection; securely linking businesses, currency, and people by moving packets of side-chain data to and from the main chain, whilst gradually solving the challenges of scalability, time-stamps, records, privacy, trust and reliability. In this way, the Ecosystem will constantly evolve into a fully-fledged asset-backed smart economy, supporting the next generation of digital money.

## 8.0 BANKING & FINANCE

The banking and finance side chains bring together major elements of cryptocurrency and traditional finance, providing an essential gateway to new blockchain services such as loans, insurance, interest bearing deposit accounts, cryptocurrency ATMS, debit & credit cards, banking security, custodial services and a sophisticated exchange platform.

At the time of writing, the Ecosystem is in negotiations to on-board entities with the appropriate licences for money transfer and banking services. All major currencies will be supported, with multiple deposit and withdrawal options making it simple to send and receive both local currencies and digital cash. The proposed European Union agreement will also cater for the new Ecosystem range of debit cards, (described in section 6.1).

Our banking partners will ensure that major currencies along with Ormeus Cash and Ormeus Coin will be supported in our network. Main features will include:

- Banking on the go in the Ormeus Ecosystem
- State of the art security
- Deposit and Wallet Insurance
- Instant Transfers
- Smart Notifications

### 8.1 ORMEUS LOANS & CREDIT RATING

The Ecosystem will streamline online loans and mortgage processing. Cryptocurrencies including ORMEUS, OMC, or ODG will be accepted as collateral for loans. The borrower's solvency assessment can be based on ecosystem internal credit ratings via ECO token, with a high rating reducing loan defaults.

The ECO credit rating shows trust levels for the borrower within the ecosystem and directly affects the percentage and the number of people allowed to borrow at competitive rates. The main elements of Ormeus Loans & Credit Rating will be:

- Fully licensed credit business via investment in new banking partner
- Loans for Fiat or BTC funds possible
- Ability to take out a loan in another country
- Transparent conditions specified in the smart contract
- Quick transfers without a fee
- Highly competitive interest rates

## 8.2 ATM NETWORK

The global crypto ATM market is projected to reach US\$183 million by 2024, from US\$18.513 million in 2018.<sup>13</sup> ATMs are the kiosks allowing users to exchange their cryptocurrency for cash. The Ecosystem will help people exchange crypto and fiat currencies through a bi-directional functionality which means that it is possible not only to buy, but also sell cryptocurrencies at the ATMS, including the Ormeus family of coins.

The machines will have a connection to the ecosystem banking facility, exchange, POS and wallet app. One of the corporate leaders in this niche has already signed up to the ecosystem, and is aiming to be competitive with the likes of Coinsource, which currently has a portfolio of over 120 ATMS around the world.

The ATM partner will create payment and cash management solutions for retail, municipal transport and fintech applications, including ready-to-use crypto-ATMs, automatic currency exchange machines, payment terminals, deposit safes and automatic fare collection

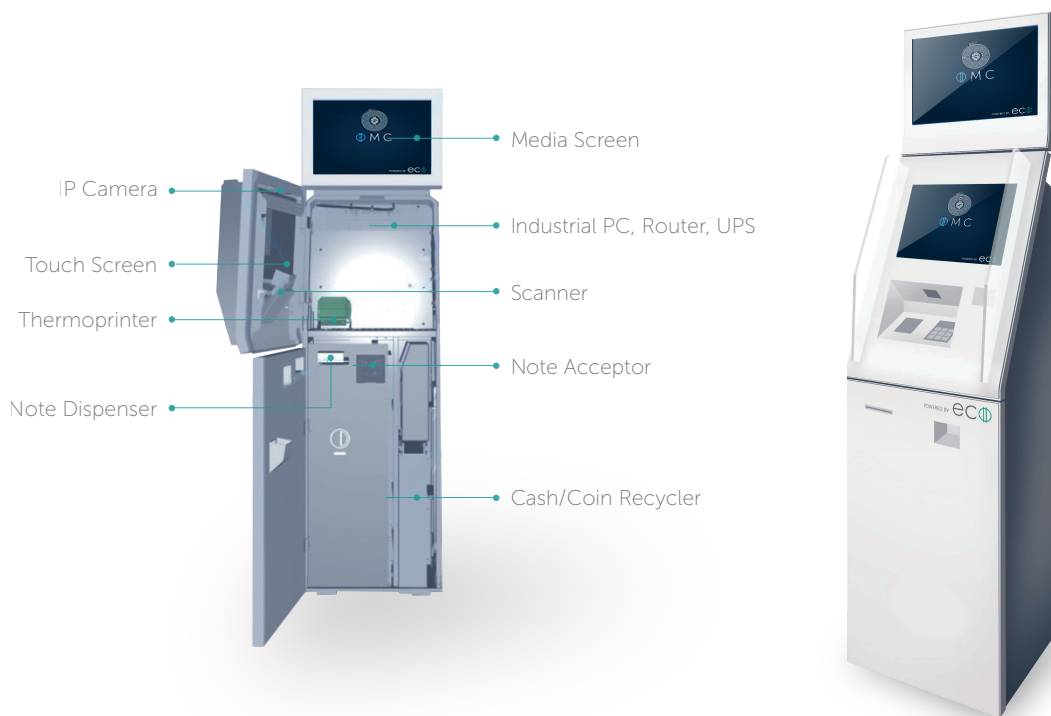


fig 9. Ormeus Ecosystem will unite all crypto-ATMs in one network, gathering statistics on bought & sold currencies. It also fulfils financial and technical monitoring to reduce maintenance cost

## 8.3 LICENSED EXCHANGE PARTNERS

The exchange sector is considered to be one of the largest industries in the crypto world, allowing investors to buy and sell cryptocurrencies for fiat. The Ecosystem will onboard reputable and licensed exchange partners with simple interfaces, easy management and operational information about rate changes, promoting quick trade order decisions in favour of the trader.

Users will be able to perform transactions not only in cryptocurrency, but also trade major world currencies supported by the system. In order to access the Ecosystem, the exchange partners will discharge the mandatory business listing fee in Ormeus Coin and subscribe to the native exchange insurance policy.

<sup>13</sup> Knowledge Sourcing Intelligence, (January 2019), "Crypto ATM Market - Forecasts from 2019 to 2024"

## 9.0 SMART INSURANCE

Early methods of distributing risk were practiced by Chinese and Babylonian traders as far back as the 3rd and 2nd millennia BC. Chinese merchants negotiating treacherous river rapids would pool their wares in collective funds that would help pay for the damages or loss to any individual's capsized ship. The Babylonians also developed a system whereby if a merchant received a loan to fund his shipment, he would pay the lender an additional sum in exchange for the lender's guarantee to cancel the loan should the shipment be stolen.<sup>14</sup>

More than two thousand years have passed, but until recently, the basic scheme for insurance has not: a fee for coverage is paid from insured to insurer, with actual rates determining loss/premium rates based primarily on historical data versus real time data. The blockchain revolution provides new tools to change this, and is currently working its way into mainstream business operations throughout the world, and now via the unique captive insurance (self-insurance) sector.

While captive insurance is not new, technology, risk sharing and innovative risk mitigation programs will demand "smart scaling" of insurance programs in these new industries and businesses. The Ecosystem has identified partners who will use the new ledger technology to help insure businesses and assets within its ecosystem, by innovating technology assisted risk sharing and smart contract policies in real time programs.

### 9.1 POOLING RISKS

Blockchain insurance works on the principle of shared risk management – defined by self-insurance and pooling risks, where a group or individuals with complimenting insurance needs contribute to share certain risks themselves against potential financial loss.

Once the premium has been set, the members provide reserves into a shared capacity. In case of a claim event, which is generally approved by voting and oracle data investigations, the amount is paid to the claimant consistent with the policy limits.

In this arrangement, each participant is both a provider and a consumer of insurance coverage for every member of a particular group, including its own insurable risk.

Through the sponsor vehicle, groups will pool their risk and cede a portion of their catastrophic risk to the international reinsurance marketplace - projected to be at dramatically reduced rates, not only due to the self and pooled risk components, but because of 'live' risk management strategies available through technology.

The new ECO token protocol for KYC and onboarding, provides unprecedented safeguards against fraud and manipulation, whilst dramatically reducing operating costs of the insurance and reinsurance companies; including expediting payments of third party claims.

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<sup>14</sup> Knowledge Sourcing Intelligence, (January 2019), "Crypto ATM Market - Forecasts from 2019 to 2024"



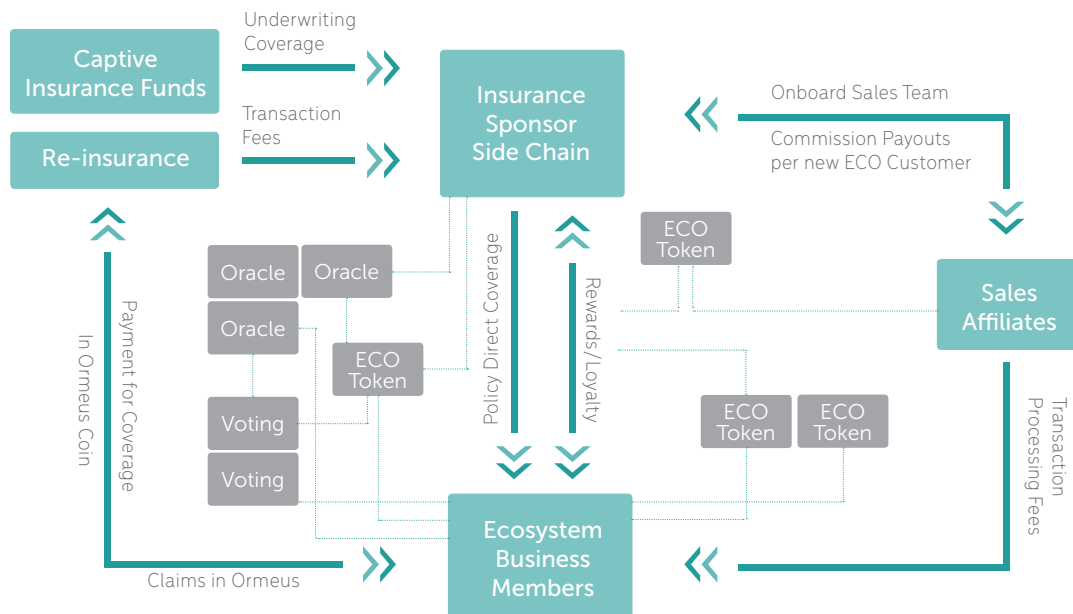


fig 10. The approval/rejection mechanism for each claim can be decided through a blockchain voting mechanism, the ECO token intelligence, and using multiple 'oracles' or data sources

Claim payments can be made at varying percentage levels depending on what a specific smart policy limit is for a specific claim; these procedures will reduce fraud by increasing the participant and group verification procedure, before stop-loss claims are processed. In the event of catastrophic events, the international re-insurance market can step in.

The system becomes a fully-automated shared and verified blockchain mechanism to pay claims, with shared 'risk' first levied against the individual participant, secondarily against the group, and finally against reinsurers.

## 9.2 INSURANCE SMART CONTRACTS

A contract is a paper agreement between two or more parties that is enforceable by law; a smart contract is an agreement between two or more parties that lives on a blockchain and is enforceable by code.<sup>15</sup>

A smart contract can automate an insurance policy whereby, upon a specified trigger event, (say, a natural disaster, exchange hack, or qualifying product claim), the code evaluates predetermined data and automatically calculates and effects a pay-out to policyholders, including validation and distribution of capital allocated towards a claim.

There are rules with respect to the form that an insurance contract must take when applying the insurance provisions, the enforcement and remedies available in the event of a breach. However, uncomplicated trigger events within the ecosystem can work seamlessly through a smart contract system, assigning real time actuarial and adjustments to the multiple participants in the Contracts.

For example, in the event of a hack to a crypto exchange, policy holders in a certain group get paid out. Or in the event of stablecoin collateral moving below guaranteed levels, affected parties are compensated - but in each case the individual volatility history of a participating insurer will affect the variable share of exposure.

## 9.3 DIGITAL INHERITANCE & LIFE INSURANCE

The Ecosystem will also introduce much needed digital inheritance, financial planning and life insurance to the blockchain. This will be achieved by merging orthodox private express trusts law with the technical architecture of Ricardian and Smart Contracts.

Through this new legal concept, digital assets can be stored in a decentralised, encrypted manner, and can be automatically allocated and divided amongst beneficiaries chosen by the original holder, based on pre-set conditions, while the owner remains in control of the assets.

By transferring title to assets and ownership via the blockchain's protocol, the Ecosystem can manage far more than just Last Will & Testaments. Various forms of educational, maintenance, pensions, charitable, or property trusts can also be securely programmed into network wallets to avoid unnecessary expense, inconvenience and loss.

## 9.4 INDUSTRY DISRUPTION

The insurance industry will be disrupted by streamlining client on-boarding; improving administration through automated verification of policyholders; setting underwriting criteria including innovative programs combining both fiduciary and insurance benefits; sharing data required to analyse risks and set premium, allowing insurers to more accurately assess and price risk on-chain in real time; and automating claims handling and payment processes. These advancements will lead to lower operational costs, reduced third party premiums for catastrophic claims and increased speed of claim transactions due to enhanced data security programs.

Future applications outside captive business insurance may include:

- Fraud Detection & Risk Prevention: Reducing fraud means higher margins for insurance companies, which can lead to cheaper premiums for consumers;
- Property & Casualty (P&C) Insurance: Improving efficiency to property and casualty insurance;
- Health Insurance: Increasing interoperability in the health insurance ecosystem;
- Reinsurance: Simplifying the flow of information and payments between insurers and reinsurers.

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<sup>15</sup> CBInsights Research (Jan 10th, 2019) "How Blockchain Could Disrupt Insurance"

## 10.0 REAL ESTATE: BLOCKCHAIN BNB

During the 1990s, more than 60,000 people were subjected to time share property fraud in Europe alone, with vacation weeks being overbooked and overpriced. In fact, timeshare swindles still affected 20,000 owners in 2009, and new laws<sup>16</sup> were introduced to protect consumers relating to long-term holiday product, resale and exchange contracts. In short, timeshare got a bad name.

Technology has since seen time share make a comeback however, with sales volume reaching USD\$9.6 billion in 2017, up 4 percent from the year before and rising nearly one-fourth since 2013, according to findings from the American Resort Development Association International Foundation.<sup>17</sup>

Blockchain is now breathing further life into the decades-old business. The core differentiator is search engine functionality on an ecosystem side-chain that facilitates rentals with more security, real reviews and no overbooking or overpricing from AirBnB-style middleman charging up to 15% fees.

### 10.1 SHARING ECONOMY: PROPERTY USE RIGHTS

The Ecosystem will allow people and corporates to rent use rights to global 5-star Vacation Ownership (time share) properties for ecosystem members to enjoy. The system is membership based allowing people use rights in the properties, not ownership. The vision is a hybrid between true decentralized timeshare and a user friendly Airbnb modern interface.

The booking engine and platform will list all available properties around the world and will occupy the casual luxury segment that has broad appeal to holiday and business travellers. Ormeus Coin or Ormeus Cash will be used to book time in the properties, with ECO running in the background.

The platform will be scalable and able to rapidly add new properties and manage any increase in bookings. Ormeus has already identified corporates willing to place their properties on the time share platform. Users can stay for as long as they want provided they have enough coins/points to book a particular property.

The system works in a similar way to other accommodation-based services in that it will be on a first-come, first-served basis.

As part of the service, the Ecosystem will manage the upkeep of these properties, absorbing costs such as maintenance fees, service fees, cleaning fees, and taxes through the use of ECO, Ormeus

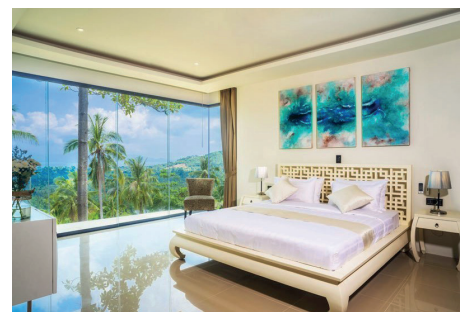


fig 11. 5-Star Sharing: Corporates and individuals will be able to grant 'rights to use' their luxury properties on the Ormeus Ecosystem booking platform

<sup>16</sup> EU Timeshare Directive: [https://ec.europa.eu/info/law/law-topic/consumers/travel-and-timeshare-law/timeshare-directive\\_en](https://ec.europa.eu/info/law/law-topic/consumers/travel-and-timeshare-law/timeshare-directive_en)

<sup>17</sup> Parker, J. (June 16th, 2018), News Bank: "High Tech digital accounting breathing new life into shared vacation ownership"

## 11.0 ORMEUS GREEN - AGRICULTURE, FOOD & ENERGY

The Ecosystem will include a global marketplace for consumers and businesses relating to agriculture, food and green energy. The game-changing Ormeus Green (OMR) will be at the heart of this new blockchain-based organic economy.

The overall vision is that a wide selection of farmers, food growers, green energy providers, manufacturers of agricultural machinery and fertilizers, farm product processors, food manufacturers, coffee shops and restaurants, organic supermarkets, food delivery services, and of course ecosystem customers, will trust and believe in Ormeus Green and Ormeus Cash.

A cutting-edge legal hemp business will be the first enterprise in the Green ecosystem sector. CBD, which stands for cannabidiol, is burgeoning in popularity after the U.S. farm bill legalized a hemp-derived version of the non-intoxicating extract in 2018. Ormeus will use blockchain to track cannabis from harvest to purchase in order to verify quality, (please see section 8.1, Case Study: Hemp Production).

The platform will make easy to use instruments available for buyers and sellers. Consumers and businesses will have access to platform proposals directly from manufacturers, thereby cutting costs. For example, coffee shops will be able to source coffee direct from a plantation ecosystem members in Colombia; cheese and chocolate can be available from a small manufacturer in Switzerland; olive oil or wine from a small winery in Italy.

Tools such as remote user identification, configurable smart contracts, authentication of the origin of goods and built-in Ormeus wallet payment processor, will allow users to choose and customize their own platform parameters. The DAO controlled Ormeus Agriculture asset vault will ensure price stability and reliability in this ecosystem sector. Ormeus will also support business start-ups with the verified business model.

Another essential scope of the Ormeus Green project will be collaborating with the Pragma organisation in the integration of blockchain technologies to solve actual global problems, such as famine relief and disaster relief.

### 11.1 CASE STUDY: HEMP PRODUCTION

US Congress and President Trump gave industrial hemp production the green light In December 2018, with a farm bill that legalized the growing of cannabis plants that contain 0.3 percent or less of THC, the compound in marijuana that gives you a high.<sup>18</sup> The Ecosystem in conjunction with Ormeus Green (ORG), is working through a series of milestones for cropping of industrial hemp, including developing farm plans and multipurpose industrial hemp processing facilities.

Hemp is a fast-growing field crop - adaptable to most climates. Hemp produced for use in rope and textiles fetches USD\$200-400 per acre of land, while Hemp grown for CBD (Cannabidiol) is worth more; between USD\$2-3 thousand per acre. As a reference point, soybeans earn profits of about USD\$11 per acre. Ormeus will initially focus on Hemp production for construction materials and legal medicinal products.<sup>19</sup>

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<sup>18</sup> HR.5485 – Hemp Farming Act of 2018: <https://www.congress.gov/bills/115/congress/house/bills/5485>

<sup>19</sup> Bourque A- (Dec 17th 2018) Forbes: "How Hemp and the Farm Bill may change life as you know it"

## 11.2 CBD (CANNABIDIOL)

Research group Brightfield once predicted CBD could become a \$1 billion industry by 2021. In September 2018, it revised its prediction to say sales in the U.S. alone could reach USD\$22 Billion by 2022. CBD products are known to clear up aching joints, cramping, sleep problems, whilst improving mood and appetite and boosting your immune system. Ormeus intends to break its medicinal product line into five main categories:

- CBD oils
- CBD capsules
- CBD vapes (including things like dabs and wax concentrates)
- Topical CBD creams
- CBD edibles/drinks (including CBD gummies)

Ormeus will use its native ecosystem blockchain technology to track hemp from harvest to purchase; validating each strain's genetics, linking it to a QR code so buyers can verify product quality.

## 11.3 HEMP CONSTRUCTION MATERIALS

Hempcrete is bio-composite material, a mixture of hemp hurds and lime used as a material for construction. Hemp can also be used to make insulation, however it has natural insulating properties that prevent heat loss and thus are energy efficient. The materials is environmentally friendly. In fact, once a wall made using hempcrete is built, it draws carbon dioxide from the air, effectively neutralizing it.

This means that both its production, the growing of hemp and its use over the course of its whole life are carbon negative processes. It has an estimated life span of more than 100 years, which means it produces less physical waste over time.<sup>20</sup> Ormeus will be growing its own hemp and empowering farmers across the world by offering processing services to meet the high demand for high cannabidiol (CBD), as farmers profit from the opportunities afforded by the historic 2018 Farm Bill that legalized hemp.

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<sup>20</sup> Mills, N. (Feb 26th, 2019) Tufts University: "From Farm to House – Industrial Hemp"

## 12.0 ECOSYSTEM MERGERS & ACQUISITION

Cryptocurrency and blockchain-related mergers and acquisitions (M&A) increased by 200 percent in 2018 with 145 deals reported. The overall value was USD\$100 Million, which is expected to rise over the coming years.<sup>21</sup> The Ormeus Ecosystem will become a hotbed for companies joining forces with 'asset-first' approaches. The network will be assessing the following areas for upcoming business onboarding:

**Utilities :** Allowing Ecosystem users to share the surplus of their electricity or solar energy to their neighbors or to monitor the performance and condition of green grid equipment will eventually become an Ormeus priority

**Payroll :** Not many companies have implemented blockchain in the payroll system. The Ecosystem will require a system that allows companies to accelerate the process of wage payments to employees and reduce costs

**Data Storage :** Services that store data on the blockchain based clouds or allow you to rent the unused data capacity to other users of the network

**Distributed Computing :** A service that enables the Ecosystem to use the unused computing power of other users to solve the most intensive calculations

### Blockchain/Cryptocurrency M&A Activity

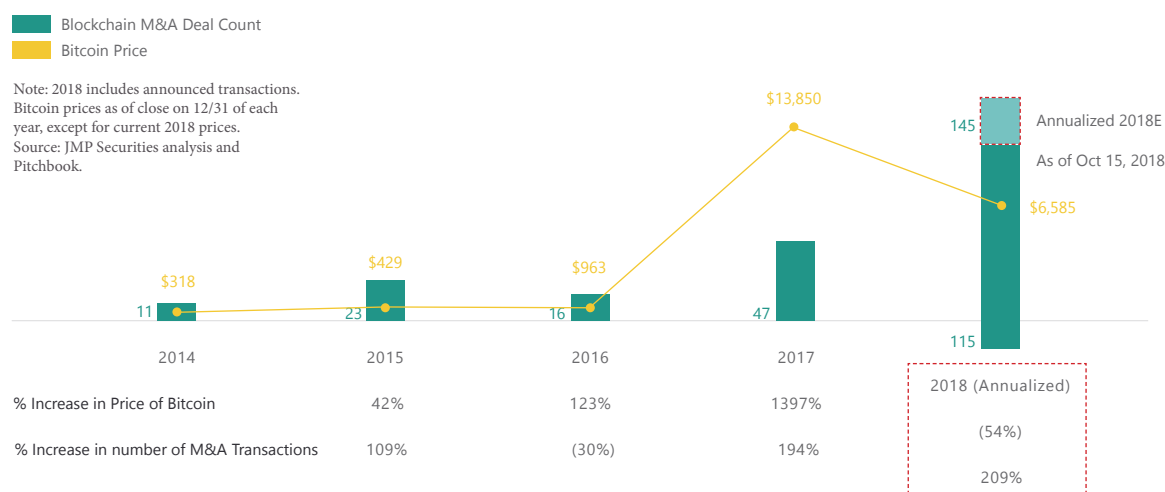


fig 12. Merger & Acquisition activity for cryptocurrency companies more than doubled in 2018

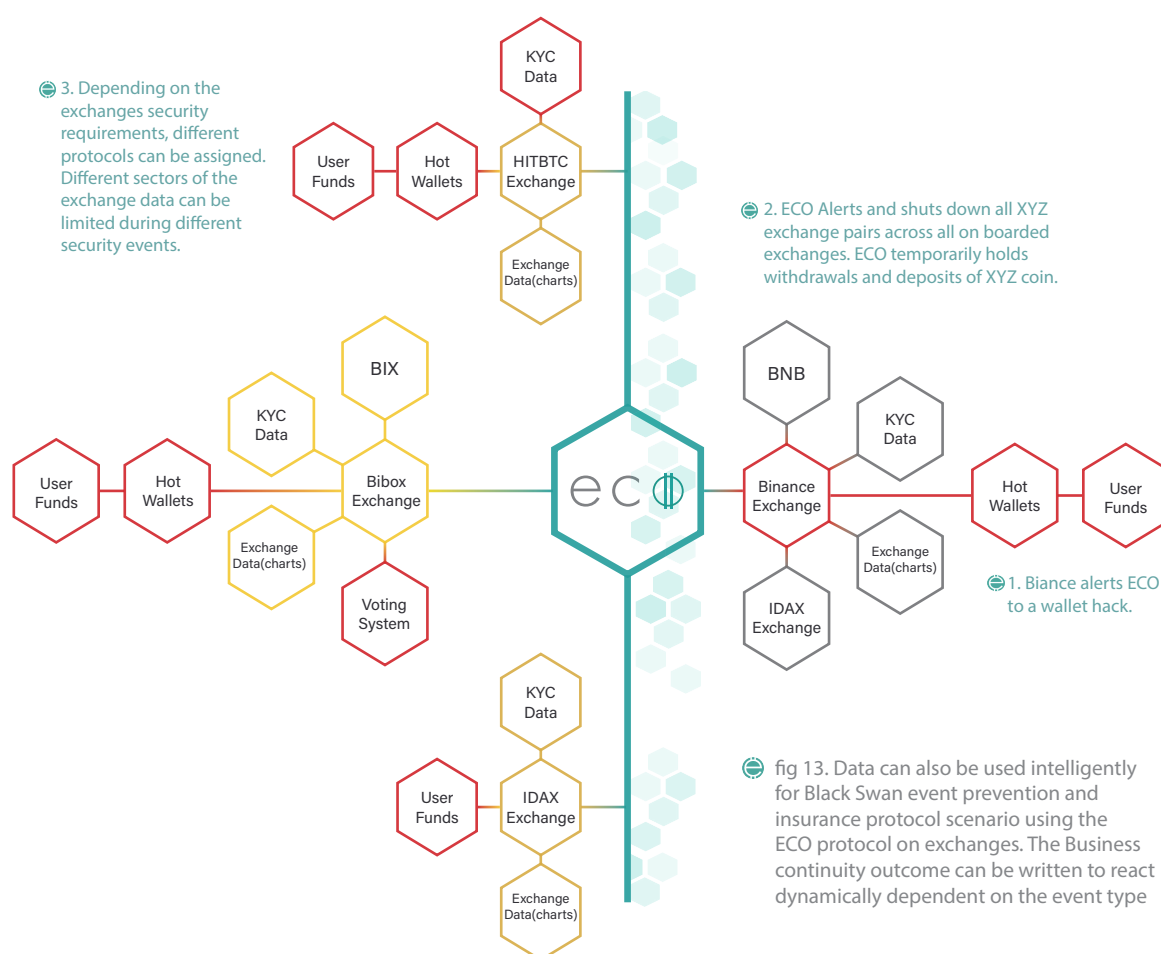
<sup>21</sup> Rooney, K. (Oct 18th, 2019) CNBC Markets: "Crypto M&A is on a tear as deal-makers see opportunity in Bitcoin's slump"



## 13.0 ECOSYSTEM BIG DATA

The network's interconnectedness will generate vast amounts and varieties of data from numerous businesses, devices, objects, people and systems at a supreme volume and velocity. The data generated from these multiple interactions must be secure, analysed, integrated and actionable – and of course adhere to new legislative laws like GDPR in Europe. The term 'big data' refers to more diverse and ever-larger data sets that are updated in real-time within the Ecosystem. Data can be considered another main asset and can be unstructured or structured; the hallmarks being volume and variety, helping industries like insurance, finance, healthcare.

The Ecosystem has plans to commence pilot projects relating to supply chain data, initially allowing users and/or third-party product manufacturers to bind physical products being sold on the network to RFID, (Radio Frequency Identification), tracking chips. In this way, products can be bound individually or batched in a group when there is a high volume of use cases. The technology will be used to track the supply chain of products, and the data can then be presented to customers.



## 13.1 DATA PROTECTION BY DESIGN

Most global legislation, for example the European Union's General Data Protection Regulation (GDPR), (2016/679)<sup>22</sup>, requires affirmative data consent, and 'explicit consent' for health related data. The Ecosystem aims to solve multiple data protection rules on the network by defining which parties have access to specific data; only keeping data as long as a user needs it; and implementing the 'right to be forgotten'.

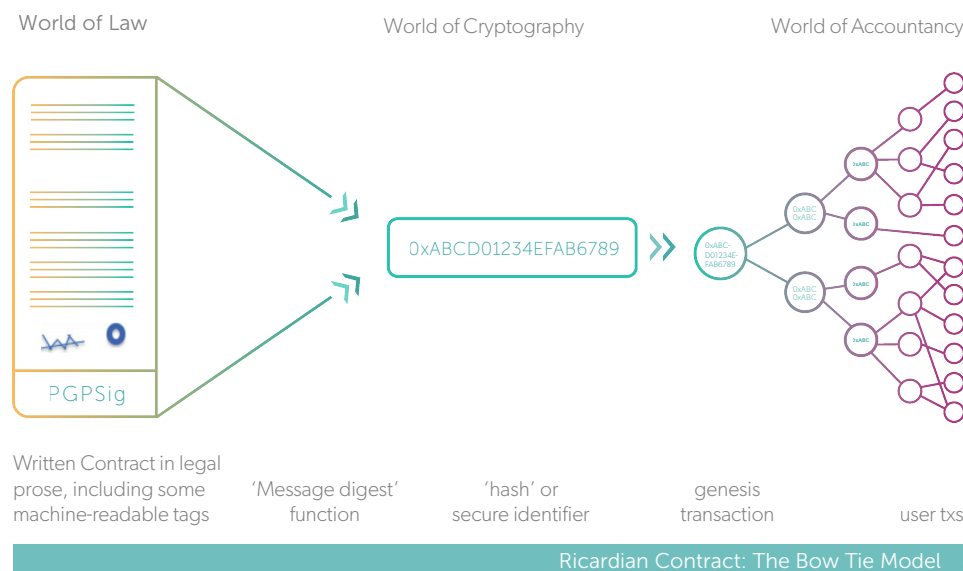
<sup>22</sup> Regulation (EU) 2016/679 of the European Parliament and of The Council, of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, (General Data Protection Regulation)

## 14.0 ORMEUS SMART TRUST & RESERVE VAULT

Governance of the Ecosystem is provided by a ground-breaking Smart Trust legal framework, a collateral management system styled on a Decentralized Autonomous Organization (DAO). The Trust is responsible for the healthy development and management of pre-defined smart contract rules for the Reserve Vault and the trustees are essentially the business members signed on to the network.

The set of rules on how the vault transacts can be voted on by these ECO business members through the DAO inspired Smart Trust.<sup>23</sup> The strict and unalterable algorithms directed to the vault guarantees the survival of the ecosystem, (e.g., what percentage of ECO transaction fees are sent to the vault 'rainy day' fund), and also allows transactions to be executed without censorship or fraud.

Written code to execute trust rules on the blockchain is possible by supplementing basic natural language (legal prose) template/wrapper on the Smart Trust. In short, a Ricardian Contract can hold the terms of a Trust in a program-readable file, whilst the Smart Contract can execute the terms of that file. The Ricardian contract can therefore state the intentions of the trust which can then be carried out once a democratic vote triggers for yet to be defined 'black swan' events occurs.<sup>24</sup>



The technology already exists to make Smart Trusts a reality. Ricardian Smart Contracts can include an element of adaptability in a Smart Trust, which can allow amendments or rewrites to incorporate newly agreed terms in response to unforeseen situations. The Smart Trust legal and technical protocol can generally be characterized by {Prose}, {Meta-Tags}, {Legal Patterns}, {Variables}, {Trustees}:

- Legal Prose: Description of the various basic trust language
- Meta-Tags: Tags for the smart indexation
- Legal Patterns: Legal rules that govern the smart trust template
- Variables: Adaptable variables that govern possible variations of trusts
- Democratic 'Coin Holder' Trustees: Validate transactions

<sup>23</sup> Herian, R. (Sep, 2017) 'Blockchain and the (re)imagining of Trusts Jurisprudence'

<sup>24</sup> Cardon, D. (Nov 30th 2017) Medium: Ricardian Contracts – Legally Binding Agreements on the Blockchain

## 15.0 ECO USE CASE - DATA CONSENSUS

ECO token allows for consented centralized and decentralized blockchain technologies to share information transparently from the Ecosystem app user. The user can be notified and rewarded each time a data point relating to his/her data property is shared cross chain as fig. 4 demonstrates

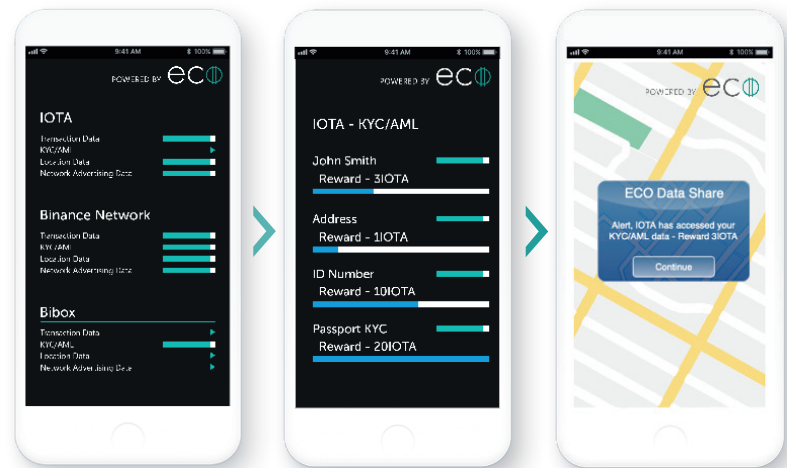


fig 14. Ground-breaking consented data control and rewards for data

## 15.1 FRAUD PREVENTION - SALE DENIED

With the advancement and acceleration of the Internet of Things, ECO aims to crosslink item verification services such as WABI and Everledger, along-side Point of Sale (POS) terminal systems to prevent and terminate fraudulent sales of goods. Figure 5 below illustrates an ECO token and Ormeus Cash use case, where a sale of counterfeit goods is denied.



## 15.2 FRAUD PREVENTION - SALE ALLOWED

Providing proof of authenticity of goods by tracing their origins from raw materials to point of sale and beyond to used goods markets is a key use case for ECO. Future phases of the platform will explore protection of creative intellectual property, exclusive offers and events for each Ecosystem member brands' customers. Fig 6 below shows how a sale can be allowed via verification through ECO token.



fig 16. Authenticity-tracking on the ECO blockchain in conjunction with OMC Pay platform

## 16.0 CONCLUSION

The Ecosystem is focusing on the true meaning of connection via side chain technology to form a highly organized business economy. Each niche industry has its own dedicated multi-layered side chain to fulfil its business goals whilst engaging in cross-chain interactions and thus supporting network currencies.

Each chain can accurately store its own data and upload it to the larger parent chain to realize cross-chain query through data union. Entire network architecture will connect hardware, devices, terminals or services for connection with the Ormeus 'Internet of Assets'.

The Ecosystem is partnering with Binance Chain in a move designed to exploit better performance, usability, and liquidity. All of this amounts to the co-integration of big data with people, services, money and businesses in a new blockchain era - a new digital life.

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3. failure or termination of the application development which results in the failure to deliver any Ormeus Ecosystem related coins;
4. delay or rescheduling of the application development and resulting failure to meet any published schedules;
5. any errors or other issues in the source code of any of the Ecosystem related coins;
6. any malfunction, breakdown, collapse, rollback or hard forking of the original public chain that the Ecosystem related coins may rely on;
7. failure of the Ecosystem to meet any specific purpose or its unfitness for any use;
8. failure to promptly and completely disclose any information relating to the development of any of the Ecosystem related coins;
9. any person's divulgence, loss or destruction of the private key to his/her wallet for cryptocurrency or cryptographic (particular the private key to any Ormeus Ecosystem wallet);
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11. any difference, conflict or contradiction between this White Paper and the agreement between any person and any third-party portal;
12. trading or speculation of the Ormeus Ecosystem related coins by any person;
13. listing or delisting of the Ormeus Ecosystem related coins on or from any exchange;
14. any damage, loss, claim, liability, punishment, cost or other adverse impact that is caused by, associated with, in connection with, incidental to or relevant to the Ormeus Ecosystem related coins.

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There are a number of risks involved with the Ormeus Ecosystem coins, as well as the future development, maintenance and running of the Ecosystem or any of its related coins. Some of these risks are beyond the control of the Company. Each reader should pay particular attention to the fact that the Ormeus Ecosystem does not yet have a parent company and is still deciding what corporate structure to select in relation to the ecosystem. In addition, the legal and regulatory position of the Ormeus Ecosystem may vary depending on the facts, circumstances and corporate positioning. They may therefore fall within the purview of one or more jurisdictions, at least to some extent, and the legal and regulatory implications may therefore be unexpected. Any acquisition of Ormeus Ecosystem coins mentioned in the enclosed whitepaper, shall be taken as an action after careful and prudent analysis and evaluation, and will be deemed as the relevant reader having been fully informed, advised and willing to bear all of the risks associated with it, as set out under this section. Any such loss will be at your sole and absolute risk. The relevant risks are as follows:

1. AMENDMENT OR TERMINATION OF THE ORMEUS ECOSYSTEM
2. LIMITED AVAILABILITY OF SUFFICIENT INFORMATION
3. REGULATORY MEASURES
4. CRYPTOGRAPHIC PROTECTIONS
5. ABANDONMENT OR DEVELOPMENT FAILURE
6. FLAW IN THE SOURCE CODE
7. UNPERMISSIONED, DECENTRALIZED AND AUTONOMOUS LEDGER
8. COMPROMISED SECURITY
9. "DISTRIBUTED DENIAL OF SERVICE" ATTACKS
10. INADEQUACY OF PROCESSING POWER
11. UNAUTHORIZED CLAIM OF RELATED COINS
12. LOSS OF PRIVATE KEY
13. FORKING
14. POPULARITY
15. MARKET LIQUIDITY
16. PRICE VOLATILITY
17. THE COMPANY'S EXPOSURE TO CRYPTOGRAPHIC TOKENS
18. CONFLICT OF INTERESTS
19. POTENTIAL CONCENTRATED OWNERSHIP OF RELATED COINS
20. POTENTIAL COMPETITORS
21. THIRD PARTY DEVELOPERS AND SUPPLIERS
22. POTENTIAL MISUSE OF THE TECHNOLOGIES AND BRAND RELATED TO COINS
23. PRIVACY AND DATA RETENTION ISSUES
24. GENERAL RISKS RELATING TO USE OF THE INTERNET OR ELECTRONIC MEDIUMS
25. TAX MATTERS RELATING TO THE COMPANY'S OPERATIONS
26. TAX MATTERS RELATING TO PARTICIPATION IN THE CAMPAIGN
27. PERSONAL CONNECTIONS WITH PARTICULAR JURISDICTIONS
28. INCOMPLETE INFORMATION REGARDING RELATED ECOSYSTEM COINS
29. FURTHER TOKEN SALES AND DEVELOPMENT AND SALE OF ADDITIONAL TOKENS
30. FAILURE TO OBTAIN LICENCES RELATED TO ECOSYSTEM DEVELOPMENT

The above is not an exhaustive list of the risks associated with the Ormeus Ecosystem or its related coins. Each reader shall familiarize itself with all associated risks prior to acquiring any Ecosystem related coins.