

Digitorney^{*}

Security Token Offering

WHITEPAPER

www.digitorney.io

Attention! This investment falls outside AFM supervision.
No license and no prospectus required for this activity.





Digitorney Group B.V. ("Digitorney") has created this document for the purpose of evaluating and executing a possible financing. Digitorney is a limited liability company under Dutch law domiciled in Amsterdam (The Netherlands).

Acceptance of delivery of this document by a recipient constitutes acceptance of the terms and conditions set out in this disclaimer.

The sole purpose of this document is to inform recipients based in The Netherlands about Digitorney's ideas and objectives regarding an STO (Security Token Offering) and instructions that could be taken to attract investments via the crypto market. This document has not been registered nor approved in any jurisdiction. However, much effort has been made to make sure that the information, valuation and forecasts are accurate with the information we have currently available.

This documents' contents are as accurate as possible. However, because of our objective to be fully AFM compliant, contents in this document are subject to change. At the same time, the valuation, invested amount and the discount will not be changed after a start of the token sale.

Under no circumstances should the recipient of this document contact shareholders, employees, customers, and suppliers of Digitorney without prior written consent from Digitorney. Any communication or inquiry concerning this document, or any need for further information concerning this document or the process should be referred exclusively to:

Digitorney Group B.V.
Attn. Dr. Ruediger Theiselmann
Chief Executive Officer
Email: token@digitorney.com
B. Amsterdam | Johan Huizingalaan 763a
1066 VH Amsterdam, The Netherlands

The authorities impose strict requirements on the provision of financial instruments. Some of these requirements are based on European legislation and apply to all member states (regulations), while others have been translated into local legislation by the Dutch authorities (guidelines). We aim to make an accurate inventory of all requirements and comply fully with them.

Specifics of Security Token Offerings in general:

One decisive element in determining the applicable requirements is the difference between an IPO (Initial Public Offering) and an STO (Security Token Offering).

- In case of an IPO, securities (shares, bonds) are publicly offered and/or traded on a regulated market. The Authority for the Financial Markets (AFM) requires companies to draw

up a prospectus containing detailed information about the company and the financial instrument. This prospectus must be approved by the AFM and subsequently publicly presented for the IPO.

- When issuing electronic shares/tokens/coins (STO) the obligation to have an approved prospectus available only applies if the total value of the offer exceeds EUR 5 million (as of 1 October 2017). For an STO with a total value of less than EUR 5 million, the prospectus requirement is replaced by the exemption statement.

Formal remarks in terms of Digitorney's STO:

Digitorney aims at issuing an STO with a maximum value of EUR 4,999,999.99. This offering volume is lower than EUR 5mn and therefore falls under the exemption statement. However, Digitorney wants to inform all participants as thoroughly as possible. We hereby present to you this Whitepaper containing all information you need as an investor to form a solid opinion about the Digitorney's financial situation, outlook and valuation.

This Whitepaper describes the duties and responsibilities of the directors in relation to the information provided in this Whitepaper. Disclaimer: It is the nature of a Whitepaper to contain brief descriptions and some level of progressive insight and it does not promise nor guarantee to contain all the information. Prospective investors are reminded that the actual performance attained will depend on numerous factors and circumstances.

Digitorney has taken all reasonable efforts and care to ensure that this Whitepaper is not only fair, clear and non-misleading, but also that the statements of opinion or belief contained in this document regarding future events constitute its own assessment and interpretation of information available to it at the date of issue of this document. We have also taken care that no representation is made that such statements are correct or that the objectives of Digitorney will be achieved. Additionally, some information contained in this document has been obtained from public sources prepared by other parties, and no responsibility is claimed for the accuracy or completeness of such information.

Information in this Whitepaper has been prepared to assist relevant persons in making their own evaluations, and it does not purport to contain all the information that investors or potential investors who are considering making an investment may need or desire. In all cases, relevant persons should conduct their own investigation and analysis of the data in the presentation.





01	Disclaimer
03	Introduction
07	Market
14	Business Model
18	Achievements
25	Financials & Forecast
29	The Digtorney Team
33	Offering, Pricing & Capitalization
38	Use of Funds
41	Key Investment Considerations
43	Investment Risks
45	Governance Policy





1. INTRODUCTION



WELCOME TO THE FUTURE OF BUSINESS LAW



Introduction: Welcome to Digitorney

Digitorney is the world's first digital market place for business law:

On behalf of companies, we identify and propose suitable lawyers for the individual case in a digital and unbiased manner based on predefined search criteria – worldwide and in all fields of business law.

In addition, we take care of the initial fact finding, create a written case summary and arrange the relationship between company and law firm.

**DIGITORNEY IS
THE WORLD'S FIRST
DIGITAL MARKET PLACE
FOR BUSINESS LAW**

Moreover, we offer legal tech solutions developed by strategic partners or by us. Sometimes we sell the software in conjunction with lawyer search assignments, often standalone.





For decades, companies and corporate law firms have been working together in a traditional manner: when it comes to a legal issue, the executive or general counsel calls a law firm and then the work starts. This system has some weaknesses which are addressed by Digatorney:



1 Lack of Independence

Many corporate law firms are not able to freely choose the most suitable experts (e.g. in another legal field or in another country) for the individual case as they need to involve their internal colleagues or network partners. Regardless if the hourly rates or the expertise match the client's needs.

2 Lack of Comparability

In marketing communications, almost every lawyer presents him or herself as an expert. Often enough, it's difficult to judge the lawyer's capabilities and compare them with others – this applies in particular to cross-border situations.





3 Intransparent Pricing

The hourly rates of corporate law firms mostly depend on the size, sector and origin of the company. Often enough, it's impossible for general counsels or executives to clarify whether or not the offered rate is at market levels – in particular when it comes to legal matters in other countries. Furthermore, it's unclear from an external perspective if and to what extent law firms accept alternative fee arrangements (e.g. lump sums, caps, subscriptions).

4 Unclear Fact Base

At the beginning of almost every legal case, fundamental facts and aspects are unclear. In addition, general counsels or executives are often internally not on the same page as far as the status quo and objectives are concerned. This leads to a timeconsuming and hence costly fact finding process by the involved lawyers.

5 Leeway For Efficiency

While most cases in business law show a high degree of customization and non-standardizable tasks, there are many situations where software can be used in order to achieve efficiency and quality levels. That's where legal tech comes into play. However, it often remains unclear which solutions are suitable for the individual situation.





2. OUR MARKET:



\$ 349,000,000,000

**Digitorney receives fees
from companies and corporate law firms
across all fields of business law**



**Digitorney generates
commissions from legal tech companies
and marketing fees from corporate law firms**





Our Market: USD 349 Billion Revenue Pool Per Annum

According to the “B2B Legal Services Global Market Report 2018” the business law sector generates worldwide roughly USD 349 billion revenues per annum. More than 50% are allocated to North America, the remaining amount is almost equally distributed over Asia, Europe and rest of the world. Out of the aforementioned global revenue pool, the 100 largest corporate law firms gain more than USD 100 billion revenues per annum. This figure has constantly increased over the past five years.



Legal Tech: USD 16bn Potential

In addition, the global market for legal tech solutions is valued at USD 3 billion revenues at present according to the “Legal Tech Market Report” published by Catalyst Investors in 2017.

The same source estimates the Total Addressable Market (TAM) at USD 16 billion with Knowledge Management, Legal Analytics, and Contract Management as fastest growing areas over the next few years.

The global business law practice is already undergoing a fundamental change and we strongly believe that this is just the beginning. Overall, we see the following market developments:





Global Market Trend 1: Digitization of Business Law

On a global scale, nearly all big law firms as well as legal departments of many large caps and blue chips are currently evaluating soft-ware for their legal practice. In this respect, the following fields are of relevance:

- Artificial Intelligence / Legal Analytics
- Document Automation / Contract Management
- eDiscovery
- Knowledge Management
- Workflow Management
- Data protection / secure communication tools

Of course, business law matters predominantly require tailor-made documents comprising of individual clauses based on an iterative process between lawyer and client.

However, every law firm and every legal department typically makes use of proprietary templates and other legal documents which can be structured and customized in a digital manner in order to achieve economies of scale.

Moreover, digital-based interpretation of documents, data and behaviour can help lawyers create new advisory solutions and hence strengthen the client relationship.





Global Market Trend 2: Cost-Saving Pressure From Companies

In view of both increasing specialization and digitization, more and more companies demand alternative fee arrangements (AFA) from law firms whereas the dominance of the traditional hourly rates model is weakened. In a nutshell, AFA are about charging an appropriate fee based on what value the client receives and how that client perceives value.

Hence, the client is able to budget the legal advisory costs and to shift parts of the entrepreneurial risk to the law firm. In the markets, we see the following models:

- Subscription service: client pays a monthly or annual subscription fee that includes a defined number of hours.
- Product bundle: client pays a package price for a defined number of documents regardless of the time and efforts invested by the lawyer.
- Fixed/Flat Fee: client pays a lump sum for a predefined service at a fixed or flat rate.
- Contingent or Success Fee: client pays in case a defined result is being achieved.
- Percentage Fee: client pays based on a schedule of fees related to the amount involved in the transaction.
- Task or Unit-Based Billing: client pays for certain tasks or components of the transaction.
- Retrospective Fee Based on Value: client agrees to pay a fee whereas the exact amount is not defined but mostly ranges between an agreed minimum or a maximum fee based on the transaction value. Often enough corporate legal departments involve the procurement department in order to negotiate terms and conditions with law firms.





Global Market Trend 3: Digital Origination of New Business

So far, corporate law firms have generated new business predominantly from longstanding personal relationships to clients and the partners' or the firm's network – while reciprocity has often been promised but rarely occurred: informal referrals are typically based just on the intangible expectation to get new business in the future. On the other hand, many mid-sized and small law firms are reluctant to become part of a formal network as they fear a loss of independence.

Moreover, lawyers typically invest lots of time and money in traditional marketing by way of hosting/attending events and roundtables or invitations for lunch or dinner and legal publications, for instance. Getting air-time in a physical meeting has been the major objective so far.

However, in light of internal restrictions of companies (e.g. compliance, procurement procedures) and the interest of the new generation of general counsels in digital information sources as well as pressure for unbiased selection of service providers, this traditional origination model is changing.

For good reason, an increasing number of in particular younger lawyers frequently publishes legal news via social media (e.g. LinkedIn) and makes use of video clips in order to promote both their firm's and their personal brand.

Of course, physical contact moments will always play an important role to convince corporate clients as personal trust remains paramount. However, content marketing via digital channels becomes crucial to convey strategic messages, demonstrate legal expertise and to build the personal brand.





Global Market Trend 4: Higher Degree of Specialization

Over the last decades we have seen a clear trend towards specialization in business law in light of increasing regulation across sectors, the pivotal role of capital markets as well as new challenges stemming from digitization. This applies in general to new special fields of expertise such as

- Corporate Governance
- Compliance
- Data Protection / Data Privacy
- Cyber Crime
- Foreign Economy Law / Foreign Investments

Furthermore, lawyers specialized in legal matters related to certain industries have been strongly in demand over the last years, for instance in

- Banking: e.g. FATCA, CRD, AML, Basel IV
- Asset Management: e.g. MiFID, AIFM, PRIIPS
- Insurance: e.g. Solvency II,
- Energy: e.g. Critical Infrastructure Protection
- Pharma: e.g. DSCSA, GMP, SPC

With that in mind, law firms have been forced either to heavily invest in new experts or to focus on certain legal fields in order to remain at the forefront of things and to manage liability risks for the firm. As a consequence, big law has achieved significant growth over the last five years as can be seen from the continuous revenue increase of the top 100 law firms, reaching a global fee volume of more than USD 100 billion per annum.

On the other hand, many law firm boutiques have been established as spin-offs from large law firms: due to their focus on legal niches and hence high degree of expertise on top of a lean cost base, they can offer high advisory quality, flexible fee models and attractive rates while achieving substantial margins.





Global Market Trend 5: Human Factor Remains Paramount

While digitization of the legal practice is evolving dynamically, the human factors remains paramount. From our own experiences on both the client and law firm side on top of hundreds of bilateral discussions with general counsels, managing partners and academics, we strongly believe that software cannot replace lawyers because of the following human factors:

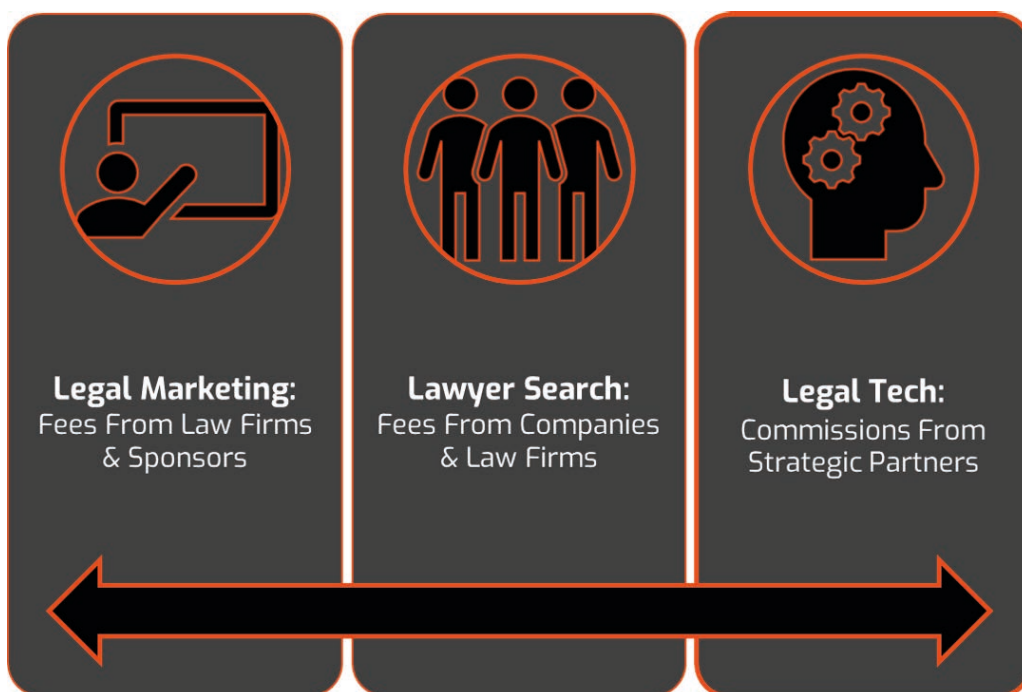
- Empathy: the lawyer's ability to gauge interests and objectives of parties involved
- Creativity: the lawyer's capability to transfer and combine legal concepts in order to create economically viable and innovative solutions
- Experience: the lawyer's gut feeling and know-how for negotiations and legal proceedings
- Trust: the lawyer's ability to get (repeated) business from clients based on proven expertise and success.

At the same time, standard and repetitive tasks (e.g. drafting of documents, analysis of standard agreements) will increasingly be done by software so that lawyers can prepare to be "co-botics". That's why a combination of human-centric legal services and legal tech solutions including blockchain applications is the future of business law.





3. BUSINESS MODEL



Digitorney's Business Model Based on Three Pillars

Since its inception in 2016, the core business of Digitorney has been the digital search of lawyers. This field has been further developed over time and enriched with legal tech tools so that we created a Digital B2B Market Place For Business Law available via our platform "Digitorney Plus" where all services are bundled in one place.





Digital Lawyer Search

Since 2016, we have created a comprehensive lawyer data base covering more than 50 countries. This proprietary source allows for digital search of legal professionals in a structured and targeted manner based on pre-defined criteria (e.g. country, city, legal field). Once companies have submitted their search request via Digitorney Plus, we start the digital search process and approach the company in order to narrow down the list of candidates on a no-names basis. In addition, we talk about the individual case and create a written summary expanding on the status quo, commercial objectives and major tasks.

Based on the revised candidate list we contact selected lawyers and provide them with a short version of the case summary on a no-names basis. On the back of this, they come up with a quote. Digitorney collects and forwards all feedbacks to the company which then selects a candidate. In the end, we connect both sides and arrange the relationship.

Benefits For Companies:

- Lawyer perfectly fits to the individual case in terms of both professional and soft skills;
- Pricing becomes comparable;
- Pre-negotiation of fees and, if applicable and requested, alternative fee arrangements;
- Case summary for internal clarity and reduction of costs for fact finding.

Benefits For Corporate Law Firms:

- Externalized origination of business allows for focusing on legal matters;
- Case summary allows for efficient fact finding and hence

DIGITORNEY GETS PAID BY:

- THE COMPANY FOR ARRANGING THE RELATIONSHIP
- AND THE CORPORATE LAW FIRM FOR CREATING THE CASE SUMMARY

ability to offer competitive fee arrangements;

- Case summary reduces misunderstanding risks significantly.





Legal Tech Sales

BLOCKCHAIN COMMUNICATIONS

The Digitorney Messenger is our own secure and confidential communication tool for lawyers via the public blockchain; we developed this tool jointly with DresdenTech.

ARTIFICIAL INTELLIGENCE

Extraction and analysis of legal documents by way of deep learning technologies; in this field, we offer tools developed by Leverton.

DIGITAL COLLABORATION

Digital Platform "HighQ Collaborate" which can be customized for law firms and legal departments and allows for digital cooperation (e.g. exchange of documents without emails, synchronized drafting, document automation, alert functions for deadlines, project management tools, dashboards).

DIGITAL COMPLIANCE

Compliance management tool developed by WhistleB: confidential communication with whistleblowers and digital compliance management.

DIGITAL WORKFLOWS

Document management tool developed by Worklean for storage of files in a secure manner and matched to every single step of a process.

DIGITORNEY GENERATES:

- COMMISSIONS FROM SOFTWARE PARTNERS
- SUBSCRIPTION FEES FOR PROPRIETARY LEGAL TECH TOOLS





Legal Information Services

As market places have always been also a venue for sharing information and experiences, our platform “Digitorney Plus” brings together law firms and general counsels for virtual exchange:

Interviews

We publish brief interviews with legal experts on relevant topics and latest developments across all legal fields of business law and countries.

Profiles

We publish the profiles of lawyers from corporate law firms across all types, sizes and countries and connect the profiles with contents.

Heatmaps

We offer interactive heatmaps with brief information enabling users to compare the legal situation in different countries.

Articles

Digitorney plans to offer lawyers and legal journals the opportunity to monetize their contents by way of editor partnerships: in this respect, Digitorney acts as a digital publishing house by circulating summaries of articles across all fields of business law and lets authors participate in revenues gained from subscriptions and one-off payments.

BASED ON THE EXISTING PLATFORM, DIGITORNEY WILL INTRODUCE A PRICING MODEL IN THIS FIELD IN 2019, LEADING TO MARKETING FEES AND SUBSCRIPTION FEES.

Templates

Digitorney plans to offer subscription models to companies and corporate law firms in terms of legal templates which can be customized by way of document automation tools. Lawyers shall have the opportunity to monetize their templates and participate in revenues gained from subscriptions and one-off payments.

Benefits For Our Clients:

- Information source in terms of latest market developments and relevant legal topics
- Quick comparison of important legal matters in selected jurisdictions
- Content marketing and monetization of contents for lawyers





4 . A C H I E V E M E N T S



Proven Business Model 100% Bootstrapped

Since Digtorney's inception in 2016, we have ramped up the business and served renowned corporate clients, ranging from privately owned mid-caps to publicly listed blue chips as well as from law firm boutiques to big law. Our company has been bootstrapped, i.e. we have invested own money and all available funds from operations.





Client Acquisition

Since June 2016 we have arranged numerous cross-border projects for companies and corporate law firms from different countries. This is a selection of cases/projects which Digitorney has been involved in:

For a Dutch manufacturing group we found a lawyer who assessed tax matters of a purchase price allocation in Italy and France related to an M&A transaction.

For a wholesaler from the Netherlands we found a tax lawyer who clarified the value added tax matters of a German subsidiary.

For a Dutch tech company we found a lawyer who took care of the general terms and conditions in Colombia in Spanish.

For a French industrial holding we found a lawyer specialized in corporate, transformation and tax law concerning the reorganisation of German activities (e.g. spin-off) and investigated complex circumstances.

For a German logistics group we found a lawyer specialized in restructurings in Taiwan who analyzed the legal situation for the local management of the subsidiary.

For a listed industrial holding from Hong Kong we found a German lawyer experienced in cross-border acquisitions and structured the case with regard to a co-investment.

For a German advisory firm we found a lawyer in Johannesburg who took care of a share transfer in South Africa.

Several of our projects have been repeated business from the same clients which underscores client satisfaction and makes us proud and confident.





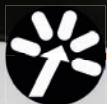
Legal Tech Solutions

Jointly with DresdenTech we have developed a Blockchain communications tool tailored to the specific needs of corporate law firms. This online application enables lawyers to exchange information among colleagues or with clients via the public blockchain. Highly encrypted and in a decentralized manner, peer-to-peer and without any intermediaries.

The app's surface offers a structured digital input screen (current status, problem, objectives) where users can fill in all relevant case details. Any registered participants can be selected as recipients. Messages are being split in blocks with 512 kilobyte each and transmitted by way of blockchain cryptography non-transparently solely to the recipient. They can only be decrypted and read based on the individual private key. Payments for messages can be made based on a subscription by way of traditional payment methods as well as bitcoins.

Irrespective of this, Digitorney is a sales partner for internationally renowned legal tech companies such as HighQ, Leverton, WhistleB and Worklean (see Business Model).





Digitorney

Board Assembly

Dr. Rüdiger Theiselmann
CEO, Digitorney Group B.V.

Brand Building...

**Digitorney – “The Digital Attorney”.
With this Portmanteau we went to
market in 2016 and left an impression
on a global scale. Digitorney stands
allegorically for modern and forward-
facing business lawyers with:**

- premium skills and deep expertise in their respective legal field,
- digital competence and the ability to provide clients with premium advisory in an efficient manner,
- international scope,
- highest aspiration and performance levels,
- openness for innovative legal advisory services and
- flexibility in terms of remuneration.

In order to offer business lawyers from corporate law firms of any type, size and origin a digital platform, we created Digitorney as a digital marketplace in business law. Our positioning: we operate as a digital-based premium service provider for the business law practice, while bringing together offer and demand and integrating ourselves into the value chain of law firms.

Based on a comprehensive legal protection in the European Union and the USA, which has been secured by Digitorney Group B.V. based on a long-term license agreement, we have practiced intensive brand building over the last years with substantial results.

United States of America
United States Patent and Trademark Office

DIGITORNEY





Digitorney

...on a Global Scale

- Crunchbase lists Digitorney as a digital marketplace for business law.
- German legal directories (e.g. Dominik Tobschall or Legal Tech Verzeichnis) list Digitorney.
- NJW as a leading German legal journal mentioned Digitorney.
- The financial daily Börsen-Zeitung published an article about Digitorney.
- The Munich bar association mentioned Digitorney in its journal.
- We published almost 100 articles and posts in social networks - in particular LinkedIn, Facebook, Medium and Xing.
- Our German blog "ManagerRecht" delivers specifically edited court decisions for executives as an important target group.
- We publish blog articles for our partner Diligent and comment on latest developments of digitization.
- During conferences at Bucerius Law School, European Business School, Frankfurt School of Finance and Management and the University to Cologne we presented Digitorney and our view on current market developments as well as the future of business law.
- We published the results of our global survey on the future of business law in 2017.
- We hosted a conference for junior lawyers on the future of business law.
- In several hundred talks and workshops with law firms and legal departments in America, Asia and Europe we talked about digitization of business law and introduced Digitorney.
- By participation in the World Economic Forum 2018 in Davos we introduced Digitorney to a high-calibre target group.





Digitorney

Group Structure...

In light of our focus on cross-border situations we created an international group structure in an early stage enabling us to operate and invoice regionally and, at the same time, to serve our clients worldwide. In this regard, we created three legal entities as regional hubs of Digitorney Group B.V.:

Digitorney
Americas

Digitorney Americas Inc.

Empire State Building
350 Fifth Avenue, Suite 5220
New York City, NY 10118
USA

Department of State (DOS) ID:
5343525

Digitorney
Asia-Pacific

Digitorney Asia-Pacific Ltd.

Prudential Tower, The Gateway
Harbour City, 21 Canton Road,
Suites 2111-13, 21/F
Tsimshatsui, Kowloon
Hong Kong SAR

Companies Registry:
2555335

Digitorney
EMEA

Digitorney EMEA B.V.

B. Amsterdam
Johan Huizingalaan 763a
1066 VH Amsterdam
The Netherlands

Company Number (KvK):
69171939





Digitorney

...For Global Expansion

The major function of these three regional hubs is to originate cross-border business with companies and law firms in the respective region as well as to coordinate projects in cooperation with the responsible regional hub.

For the future, Digitorney plans to establish a further regional hub presumably in the Middle East covering the "Rest of the World", in particular Africa.

On the back of our regional hubs, we plan to appoint freelance "Executive Partners" responsible for client relationship management and origination in their country.

coordination shall be done by full-time employees of our regional hubs with country-specific responsibilities.

Each of the three regional hubs is 100% owned by Digitorney Group B.V. as holding company. The latter has been domiciled in the Netherlands since the main focus of new business was initially there.

Furthermore, the flexibility of Dutch corporate law offers significant advantages for the financing of our company.

The major functions of our holding company encompass central coordination of client projects and sales as well as global marketing, business development and financing. Additionally, the holding company is responsible for group-wide operations such as "Digitorney Plus".





5. FINANCIALS & FORECAST



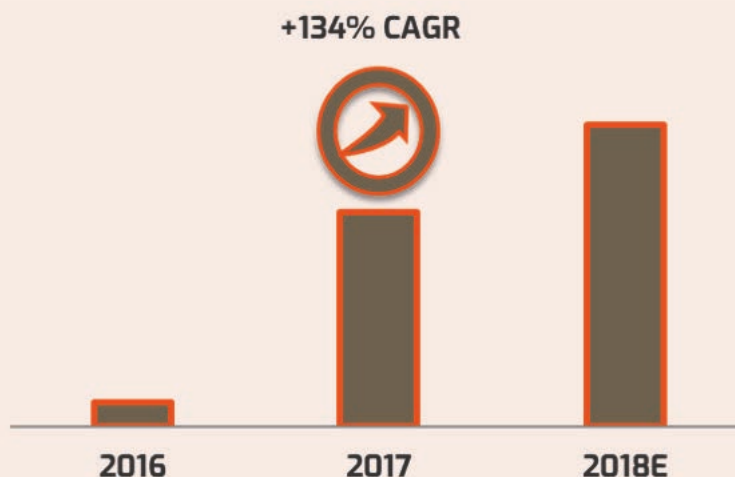
**DIGITORNEY =
STRONG GROWTH + STRONG UPSIDE**





STRONG REVENUE GROWTH

Since its inception, Digitorney has achieved strong growth: After a 12 months' pilot phase from June 2016 onwards, we achieved in the short fiscal year 2017 a turnover growth of 781 percent and in 2018 a further growth of 30 per cent (yoy). In total, the Compound Annual Growth Rate (CAGR) was 134 per cent since we started.



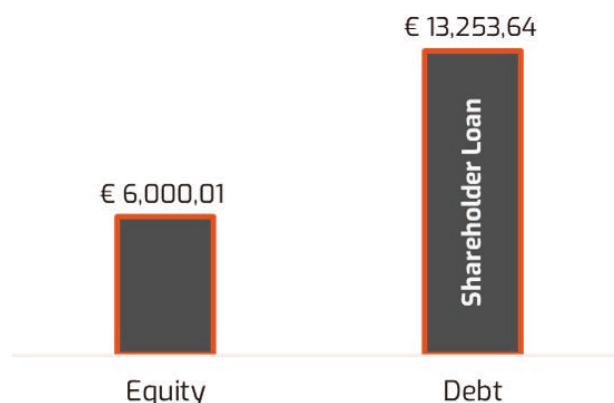
INITIAL KEY FIGURES

Since its incorporation on 22 June 2017 and based on the first experiences made since 2016, Digitorney Group B.V. tested various activities and business models in 2017 and 2018 and introduced them to the market in order to develop a successful range of services.

The activities and models that have proven successful are being continued and further developed by Digitorney Group B.V. The balance sheet and profit and loss account therefore do not provide a reliable picture of the financial position of Digitorney Group B.V. in terms of the presented business model in total.

For this reason, information on the financial situation at the time of the token offering is limited to the equity and debt position of Digitorney Group B.V.

It is important that, thanks to the results achieved, the debt financing is very limited. The following financial information is the most recently available information as of 14 December 2018:



Our AFM information document: <https://group.digitorney.com/afm/>





FORECAST & COMPANY VALUATION

Since Digtorney is still a young company, common valuation methodologies such as Discounted Cash Flow (DCF) do not reflect a realistic enterprise value.

Irrespective of this, market multiples are also no suitable approach in this particular case given that there is no comparable competitor (i.e. a digital market place for business law with a global approach) which has already been sold to an investor or which is publicly listed.

In light of this, we have decided to take the following into account for estimating the enterprise value of Digtorney:

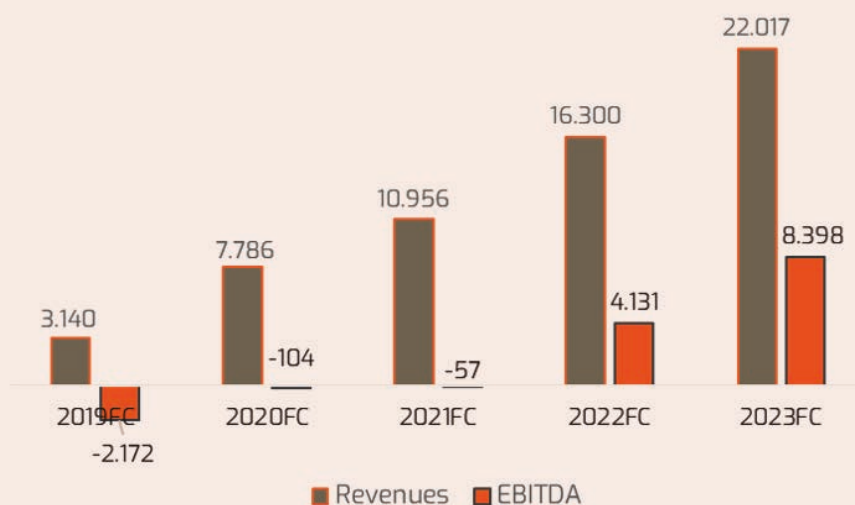
- Digtorney's business model has been validated: we generated repeated business from blue chips, large caps, mid caps and corporate law firms. For confidentiality reasons we cannot disclose client names publicly but we herewith confirm to have worked for a listed company from Hong Kong and a DAX-listed company from Germany, for instance.
- Digtorney has established strategic partnerships with renowned legal tech companies such as HighQ and Leverton.
- Digtorney runs a digital platform and database for global business law.
- Digtorney has a strong and seasoned management team, consisting of legal market experts with outstanding track records.
- Digtorney has already achieved substantial growth since inception.
- Digtorney is a strong and internationally known brand.
- Digtorney operates in a market which generates USD 349 billion revenues per annum globally which means that there's significant leeway for growth. In addition, the size of the global market for legal tech solutions is valued at USD 16 billion which provides additional growth potential.





REVENUE AND EBITDA FORECAST

Based on our business plan for the period from 2019 to 2023, we plan in the Real Case scenario accumulated revenues of globally €60mn and accumulated EBITDA of globally €10mn.



All figures in €k and under the assumption of a capital inflow of almost €5mn from STO

In addition to the aforementioned Strategic Factors, Digitorney's business plan for the period from 2019 to 2023 is of relevance for the valuation.

In the Real Case it shows accumulated revenues of globally €60mn and accumulated EBITDA of globally €10mn based on conservative assumptions for the operational business. The following operational targets and assumptions for the year 2019 make the business case tangible:

- **Lawyer Search:** we assume to get 319 new lawyer search cases in 2019 worldwide and are confident to achieve this level under the assumption that we have full financial and hence human resources based on the targeted STO volume. Remark: Digitorney has already generated business in this area and a good sales pipeline for 2019.
- **Software Sales:** we plan to sign 328 new contracts with legal departments and law firms in 2019 globally. Remark: this is completely new business of Digitorney with no revenues so far but with a good sales pipeline based on our existing partnerships with HighQ and Leverton.

Based on these assumptions we plan for the Real Case to generate global revenues of in total €3.4mn in 2019. Due to planned expenses of €5.3mn this would lead to an operational loss of €2.2mn in 2019. In 2020, the revenues shall increase to €7.8mn, whereas the loss shall shrink to €100k due to expenses of €7.9mn. In 2021, the revenues shall increase further to €11mn, while the loss shall decrease to €57k because of €11.1mn expenses. From 2022, the business case is profitable (EBITDA: €4.1mn) due to planned revenues of €16.3mn and expenses of €12.2mn. In 2023, we plan to generate €22mn revenues and €8.4mn EBITDA.

This Real Case and its underlying figures are based on the assumption that Digitorney can bank on a team of full-time employees for each region (1 Head and 1 to 5 sales experts from 2019 onwards) concentrating 100% on Digitorney. Of course, this is only possible if we raise roughly €5mn in order to cover the initial costs. In light of our Strategic Factors and the Real Case figures, we estimate the current value of Digitorney at €50mn under the assumption of a successful Security Token Offering (STO) leading to capital inflows of approx. €5mn for a stake of 10 per cent enabling us to pursue the Real Case.





6. THE DIGITORNEY TEAM



**DIGITORNEY =
INDEPENDENCE + ENTREPRENEURSHIP**





DR. RÜDIGER THEISELMANN

Dr. Rüdiger Theiselmann is Chief Executive Officer and Head of Digorney Asia-Pacific.

As a German lawyer and corporate financier, he gained more than 20 years professional experience in media, investment banking, financial restructuring and legal services.

He cofounded the Board Academy and is an expert in board matters. In addition, he frequently publishes books/articles and holds lectures at European Business School as well as Frankfurt School of Finance & Management.



GABY G. BAAIJENS

Gaby Baaijens is CFO and Head of Digorney EMEA.

She worked over twelve years for the The Hague, Amsterdam and Frankfurt (Germany) offices of the largest Benelux law firm and over three years for a Big4 accounting firm where she was responsible for the "German Desk".

Since March 2015, Gaby is an entrepreneur developing new tools and activities focusing on international finance and (tax) law. In parallel, Gaby lectures and publishes articles frequently on international tax law topics.



MARIA FLAVIA DO AMARAL

Maria Flavia do Amaral is Head of South America.

She studied law and economics in Brasil, USA and Germany and received an LL.M. in Germany. Prior to joining Digorney, she worked for international corporate law firms in Brasil and Germany, co-founded and managed for four years a logistics-servicer in Brasil. At the same time, she has been working on her doctoral thesis at the University of Cologne. Since 2016 she is in charge of the establishment of Digorney's network in South America.



**DR. OLIVER STRANK**

Dr. Oliver Strank is Member of Digitorney Council for DACH.

In this role, he coordinates all activities of Digitorney in Germany, Austria and Switzerland.

In parallel, he is a lawyer based in Frankfurt. Previously, he worked for law firms and served as research assistant at universities.

**OLEG RIVKIN**

Oleg Rivkin is Head of North America at Digitorney based in New York City.

He looks back on nearly 25 years' experience as attorney and partner in U.S. law firms and specializes in international litigation.

In 2016, he founded his own law firm in Manhattan and is responsible for Digitorney's operations in the U.S. and Canada.





BASTIAN TIMM

Bastian Timm is Head of Investor Relations & Corporate Communications at Digitorney.

He has been working as a journalist in the fields of business, finance and capital markets for renowned TV and radio stations.

In addition, he has been a communications advisor to listed blue chips.



YUMI WILDE

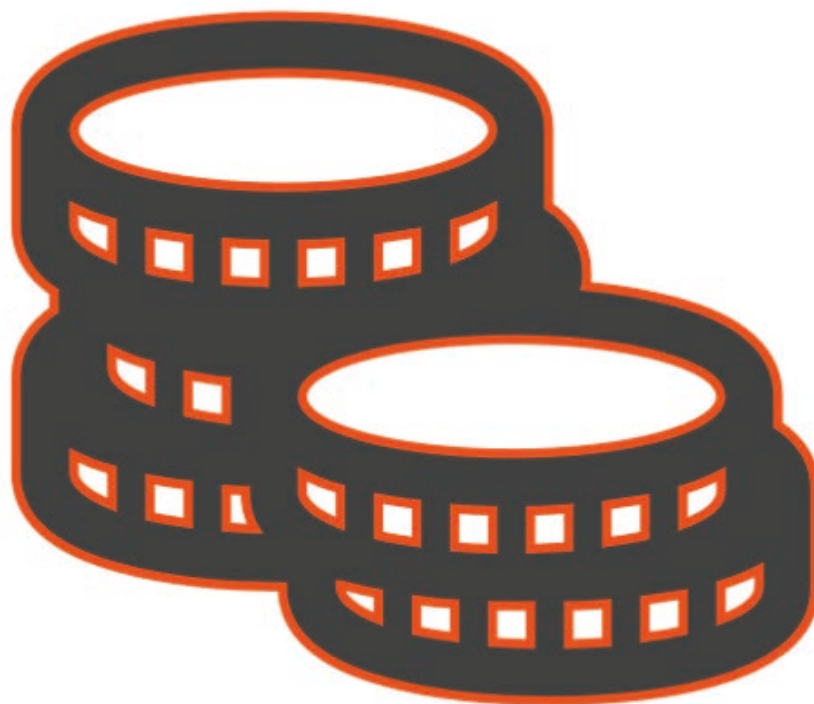
Yumi Wilde is Social Media Manager at Digitorney.

She gained professional experience in a global consumer goods group, is fluent in Korean and brings with her a versatile and international background.





7. OFFERING, PRICING & CAPITALIZATION



INVEST IN OUR DIGITAL SHARE





Digitorney plans to raise up to € 4,999,999.99 through the issuance of 100,000 Digitorney Tokens (DGTY) representing certificates of Digitorney B shares.

The Base Issue Price for this offering is set at € 50.00 per token. The exact number of Digitorney Security Tokens (DGTY) required to raise up to € 4,999,999.99 will depend on incentives provided above the Base Issue Price during the offering period until 31 December 2018.

The total number of new Tokens issued in the offering shall in any case not surpass 490,000, which is the total number of tokens registered with the STAK Digitorney Group BV at this point in time.

Any Digitorney Tokens (DGTY) which are not sold

in the offering will remain with the STAK as registered / unissued and shall not be eligible for dividends.

Digitorney's current size does not reflect our ambition. To drive the change in business law, we know that we will have to significantly invest in sales, marketing and technology.

We believe in why, how and what we do and offer you the scarce opportunity to be part of this exciting journey to help shape the future of business law. The raised capital shall be invested between 2019 and 2021, at which point revenues are projected to have grown substantially.

Additional funding rounds will be sought at commensurate valuation levels to fund further growth.

Digitorney intends to raise further equity in future by way of follow-up STO's and, if needed, to secure additional bank financing once the STO funding campaign has been successfully completed.





Dr. Rüdiger Theiselmann
CEO, Digitorney Group B.V.

7.1 Ownership and Underlying

The key aspect of your token share is that it represents a real share in the company Digitorney Group B.V.. As such, the value of the share will primarily depend on the performance of Digitorney and ultimately on the demand for the Digitorney Tokens (DGTY).

The DGTY will be distributed directly by Digitorney and shall ultimately be listed on one or more security token exchanges in twelve months after going public. From then on, investors can trade the tokens through these exchanges. With the proceeds of the public funding, Digitorney expects to be able to significantly scale its business, in particular through intensified marketing and sales as well as

solutions for the legal practice.

7.2 Timing

We have chosen a two-step approach in order to go public: in the first step, we start our public offering with an attractive discount (see 8.3.) between 14 December and 31 December 2018. In the second step, we offer Digitorney Security Tokens (DGTY) from 7 January 2019 onwards with no discount until the funding goal has been reached.

7.3 Price

We issue Digitorney Security Tokens (DGTY) with a public price of € 50.00 per token. For instance, if you invest 1,000 Euro you will own 20 DGTY tokens, equalling 20 underlying shares in Digitorney Group B.V.. The discount during the STO between the period of 14 December 2018 and

31 December 2018 is fifteen per cent (15%) for the public and twenty per cent (20%) for invited investors. This means that

- investors with 20% discount will pay € 40.00 per DGTY token and
- investors with 15% discount will pay € 42.50 per DGTY token.

After the aforementioned period the 15% discount will be removed and the normal token price of € 50.00 per DGTY token will be used.

Our tokens have a minimum/maximum investment amount in the public phase, the minimum investment is set at 1 token, and there is no maximum set for the number of tokens per transaction (other than the remaining





Digitorney

available tokens at that moment). If you want to purchase a large number of tokens (from 2,000 tokens, i.e. from € 100,000 onwards), please contact us for an individual offer.

Call us at:
+31(0)6 55 01 37 11, or mail
to: token@digitorney.com

7.4 Dividend rights

The Digitorney Token (DGTY) is based on the principle that every token investor benefits from any possible future dividends in an equal way.

Dividends will be distributed directly to the investor's wallet, in the form of more Digitorney Tokens (DGTY) or Ethereum (both based on the daily actual exchange rate). Every token holder will get the same amount of dividend, obviously relative to the quantity of tokens in possession.

By nature, we cannot not put a number estimate on dividends because this wouldn't be realistic. In addition, we do not recommend anyone to bring in savings or to take out a loan in order to invest in Digitorney's vision. But if you are in the position to invest a small percentage of your net worth, there is a fair chance it will be multiplied. Digitorney has proven its capability to achieve remarkable results in a short period of time, even without external funding and with a small team.

7.5 Smart Contract

In order to issue Digitorney Tokens (DGTY) a so called Smart Contracts is being created. This is a software code which permits trusted transactions and agreements to be carried out among disparate, anonymous parties without the need for a legal system,

or external enforcement mechanism. Smart Contracts render transactions traceable, transparent, and irreversible.

Ethereum smart contracts are used to create ERC 20 tokens, such as the Digitorney Token (DGTY). With a universal standard, new tokens can be put on an exchange or transferred to a wallet automatically (once it has been created).

Smart Contracts allow the performance of credible transactions without third parties. These transactions are trackable and irreversible. All agreements between shareholders and Digitorney are determined in the digital contract. Middle men such as notaries and lawyers are therefore not needed for transactions.





Digitorney

7.5 How and where to buy

If you want to buy Digitorney Tokens (DGTY) you just visit our investor website <https://group.digitorney.com>.

At the top on the right you find the button "BUY TOKENS". If you click on that button, you can select how many tokens you wish to purchase and which payment method (e.g. iDEAL, bank transfer, Paypal, credit card, international bank transfer, Bitcoins or Ethereum) you prefer.

7.6 Where to keep DGTY

You keep your purchased tokens in your so called Wallet, which is a virtual depot for tokens. Digitorney Tokens (DGTY) are being sent to and usually kept in a Wallet which must support Ethereum ERC-20 token standard. This is a widespread standard and all the alternative tokens on the Ethereum Blockchain are currently ERC 20.

Wallets can be completely digital or even paper. If you do not have an Ethereum Wallet yet, you as token buyer will get a thorough instruction on the options regarding Wallets.

It's a simple process to create a Wallet, which is your personal vault and can never be accessed by anyone else, as long as you keep the private key to yourself. There are tools to assist you with this, such as hardware ledgers like Trezor.

7.7 Distribution

The exact date of the distribution of Digitorney Tokens (DGTY) is not known yet, but it will happen after the funding round is finished. Right after the moment of purchase, you will receive a buyer's agreement by email as proof of purchase. We will keep you informed by email of the final distribution date.

Digitorney manages the relationship with our token holders. From a technical perspective, we are assisted by Liqwith, who have helped us develop the crypto tokens. We also use their Distribution Application Tool (DAPP).

7.8 Tradeability

The Digitorney Token (DGTY) is a fully tradeable asset. It can be traded directly between people, wallet to wallet, as well as through exchanges. Presently, there are no security exchanges for ERC 20 tokens yet. However, various companies are preparing for this. Digitorney plans to list its DGTY on one or more exchanges within twelve months upon issuance. A key aspect of the DGTY is that it cannot be traded during the first twelve months after purchase. At the same time, Digitorney has intentions to get the Digitorney Token listed afterwards. In addition, Digitorney Team members investing in tokens have a lock-up period of twelve months.





8. USE OF FUNDS



FUNDS FOR FUTURE GROWTH





After a successful STO with a volume of up to €5mn we plan to invest the raised funds for financing our future growth:

1 Expansion of Sales

- Hiring of employees
- Office rentals
- Travel expenses for client visits
- Origination of new business
- Marketing (e.g. events, conferences, adverts, public relations, sponsorings, content marketing, video clips)

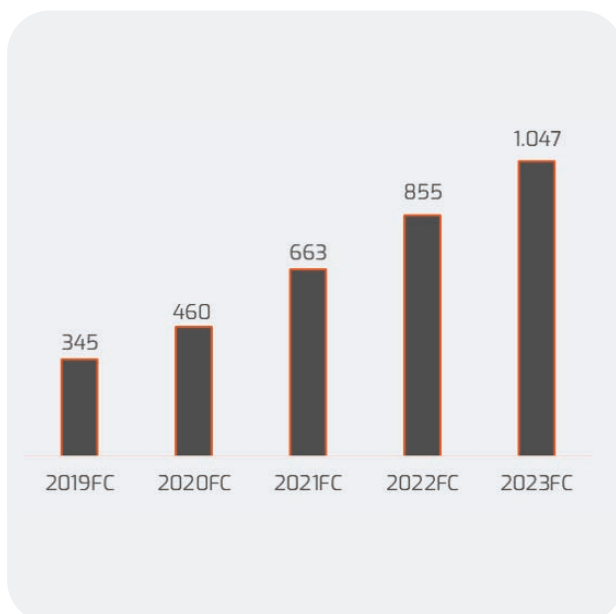
2 Software Development

- Smartphone app for digital lawyer search
- Expansion of already existing blockchain messenger
- Development of proprietary blockchain compliance tools
- Introduction of payment services for business law
- Acquisition of shares in legal tech companies



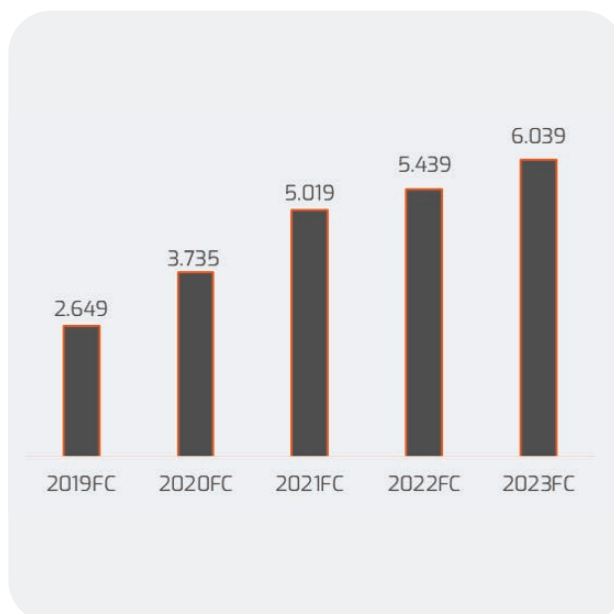


LEGAL TECH INVESTMENTS OVERALL



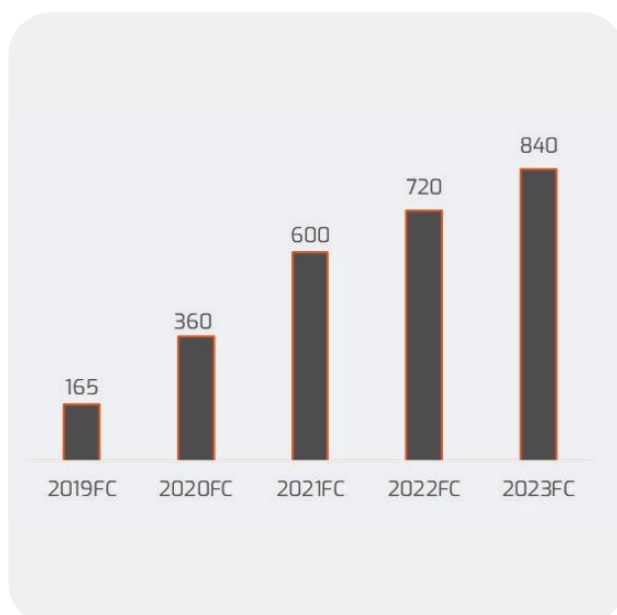
e.g. smartphone app for digital lawyer search, expansion of already existing blockchain messenger, acquisitions

SALES EXPENSES OVERALL



e.g. hiring of new employees, travel expenses for client visits, office rentals

MARKETING EXPENSES OVERALL



e.g. events, conferences, adverts, public relations, sponsorings, content marketing, video clips

OTHER EXPENSES OVERALL



e.g. IT, hardware, phone, insurances, office equipment

All figures in €k and under the assumption of a capital inflow of almost €5mn from STO

**Attention! This investment falls outside AFM supervision.
No license and no prospectus required for this activity.**





9. KEY INVESTMENT CONSIDERATIONS



INVEST IN GLOBAL BUSINESS LAW





- You Invest In Real Equity: The Digitorney Token is a crypto investment in real equity including dividends and voting rights - it's the Digital Share.
- You Invest In Success: Digitorney has shown a strong track record and tangible results.
- You Benefit From Strong Upside: The forecast shows strong operational growth and investors take part in significant growth potential.
- You Invest In People: Digitorney has a seasoned and personally committed management team with deep market know-how.
- You Invest In Diversification: Digitorney has a diversified business model with various revenue streams.
- You Benefit From Global Scalability: The business model of Digitorney works cross-border.
- You Participate In Juicy Business: The global revenue pool of the B2B legal advisory market is USD 349 billion per annum.
- You Benefit From Strong Demand: Nearly every law firm and company looks for legal tech solutions - Digitorney covers that demand across all types of tools.



**INVEST IN
THE FUTURE OF
GLOBAL BUSINESS LAW**



10. INVESTMENT RISKS



WHICH RISKS YOU SHOULD CONSIDER

As every corporate investment, the STO of Digitorney implies the typical risk of a complete loss for shareholders.

In particular, the following risks should be considered:





Ramp-up Phase (2016-2018)



Growth Phase (2019-2021)



Expansion Phase (from 2022)



10.1 Sales risks

Digitorney's revenues predominantly stem from

(a) arranging legal advisory projects with corporate law firms and companies involved and

(b) legal software and legal information services. This special market segment is quite young and hence still requires substantial efforts in order to convince a high number of market participants to make use of this type of service.

Although we have a good sales pipeline, we cannot exclude that the origination of new business takes more time than expected in the Real Case (see 5.2 Company Valuation) due to the typical lead time for new business which can be up to 12 months and means that the assumed revenue growth could be delayed. Moreover, arranging legal advisory projects is event-driven which might lead to strong volatility of revenues in this field.

10.2 Regulatory risks

Digitorney serves the business law practice which is a highly regulated industry with deviating rules under local law. We cannot exclude that parts or the complete business model of Digitorney will be restricted in certain countries and that we can therefore not make use of the full revenue potential.

10.3 Dilution risks

Digitorney may require additional funds at various points in time in order to grow. With regards to this goal, Digitorney may raise funds by various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of existing equity shareholders.

10.4 Volatility risks

Digitorney's equity shares' trading price may fluctuate. Unpredictable adjustments might occur due to a

variety of factors, including but not limited to: results of operations, performance of business, competitive conditions, general economic, political and social factors, the crypto market in general, global economy, significant developments in the Dutch fiscal regime, volatility in the local/global crypto securities market, performance of competitors, changes in the estimates of performance, recommendations by financial analysts, announcements regarding contracts, acquisitions, strategic partnerships, joint ventures and capital commitments. In addition, if the crypto markets experience a loss of investor confidence, the trading price of our equity token could decline for reasons unrelated to our business, financial condition or operating results. Furthermore, the trading price of our equity tokens might be influenced as a reaction to events that affect other companies in our industry even if these events do not directly affect us.





11. GOVERNANCE POLICY



Digitorney: Governance Performed By Lawyers

As lawyers and tax advisors, it is part of our professional DNA to be compliant with all applicable regulations.





GOVERNANCE POLICY

Digitorney's intention is clear as far as governance policies are concerned: We already maintain a policy regarding Anti-Money Laundering, and we are in the process of implementing the highest Know Your Customer policies and a quality policy.

Furthermore, we are working on a publication policy to cover the company's performance, a market abuse policy, a conflict of interest policy and an insider trading policy.



Digitorney Council

**Attention! This investment falls outside AFM supervision.
No license and no prospectus required for this activity.**

