

A DIAMOND-BACKED BLOCKCHAIN TOKEN

D1 COIN

Overview: D1 Coin is a diamond-backed blockchain token built on the Ethereum blockchain according to the ERC-20 protocol

Backing: Each D1 Coin is pegged to 1/1000th the value of a D1 Standard Grade diamond, which are authentic and natural diamonds of the highest quality

Value: Each diamond is valued using a proprietary diamond pricing algorithm, the D1 Matrix, to obtain an unbiased and fair value of the underlying diamond inventory

KEY PRINCIPLES OF D1 COIN

Transparency: A multi-ledger blockchain system is utilized to store all token and diamond information, such as transaction details and diamond provenance

Verity: D1 Mint employs trusted third-party accounting firms to conduct unbiased audits on the underlying diamond inventory

Custody: Diamond inventory is stored in secured vaults with Brink's and Malca-Amit in Singapore and Switzerland, and insured by Lloyd's

Convertibility: Each D1 Coin can be converted into the underlying diamonds any time and in any amount; the converted diamonds can be collected via pickup or international delivery

BENEFITS OF D1 COIN

Trading Liquidity: Asset-Backed Tokens like D1 coins are traded more frequently than conventional cryptocurrencies, ensuring greater liquidity

Physical Liquidity: D1 Coins are generally freely and easily redeemable for the corresponding underlying diamonds, ensuring users have a safe exit from the crypto market

Downside Protection: Holders of D1 coins can arbitrage by redeeming diamonds if prices of D1 Coins fall below the underlying value of diamonds, setting a price floor on D1 Coin prices

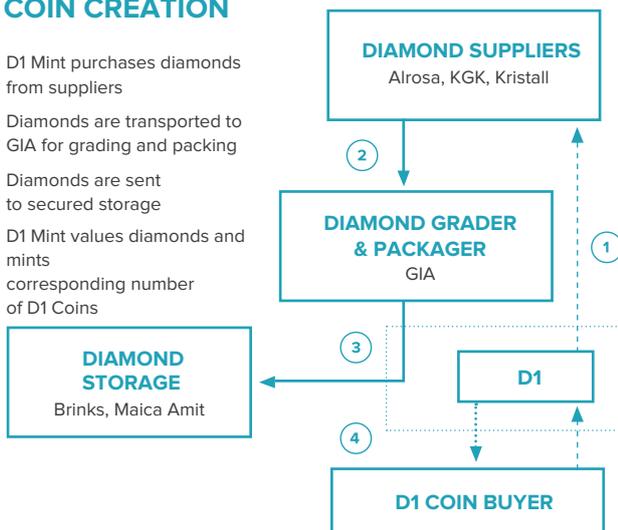
Investibility of Diamonds: Diamonds are made more investible as an investment class through investment and trading in D1 Coins

PARTNERS



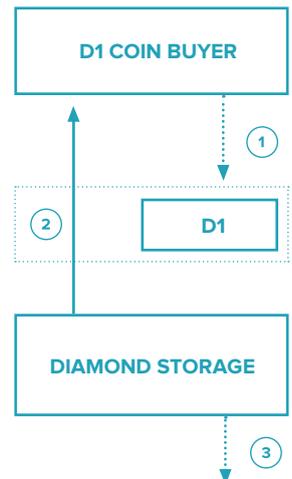
D1 COIN CREATION

- 1 D1 Mint purchases diamonds from suppliers
- 2 Diamonds are transported to GIA for grading and packing
- 3 Diamonds are sent to secured storage
- 4 D1 Mint values diamonds and mints corresponding number of D1 Coins



D1 DIAMOND EXCHANGE

- 1 D1 Coin holders select diamonds from D1coin.io and redeem the diamonds in exchange w for D1 Coins
- 2 Diamonds are delivered to diamond buyers
- 3 D1 burns the transacted D1 Coins and removes them from circulation



D1 DIAMOND DELIVERY OR COLLECTION

Courier Delivery: Redeemed diamonds can be delivered directly to the buyer's desired address through trusted logistics companies such as FedEx, UPS, Brink's and Malca-Amit

Airport Collection: D1 allows the collection of diamonds at the Singapore or Switzerland airports by arranging for a representative to meet and deliver the diamonds to the buyer

Collection from Vaults: Diamond buyers may pick up their redeemed diamonds directly from the secured storage partners in Singapore and Switzerland

D1 MATRIX – DIAMOND PRICING MODEL

Artificial Intelligence ("A.I."): The D1 Matrix is driven by A.I. and machine learning, built using methods such as Multiple Linear Regression, Random Forests and Neural Networks

Analytical: The D1 Matrix analyses relationship between a diamond's 4Cs (Carat, Cut, Clarity and Color) and 7 other characteristics with the corresponding current and historical prices

Real-World Based: Data from Rapaport, which is the leading diamond pricing benchmark index, is used as the inputs for the D1 Matrix

DIAMONDS AS AN INVESTMENT CLASS

D1 STANDARD GRADE DIAMONDS

Shape: Brilliant Round
Carat: Above 0.5 carat

Cut: Excellent or Very Good
Color: D to F (Colorless)

Clarity: Internally Flawless (IF) to Very Slightly Included 1 (VS1)

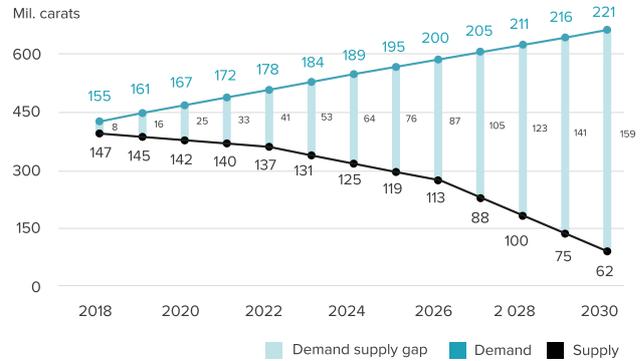
DIAMOND DEMAND-SUPPLY GAP

Very Rare: Natural and authentic diamonds take billions of years to form and the average yield mining is 1 part diamond to 1,000,000 parts host-rocks¹

Limited Supply: Supply of natural diamonds are declining due to exhaustion of operating mines and the fact that a new diamond mine is discovered only once in a generation

Increasing Demand: Demand for diamonds is projected to grow c. 3% annually, driven by growing demand from India and China^{2,3}

Increasing Scarcity: Demand-supply gap of diamonds is expected to increase to 159 million carats by 2030²

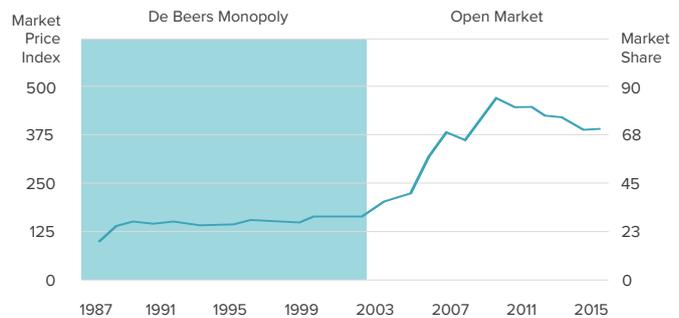


DIAMONDS AS A STORE OF WEALTH

Strong store of value: Diamonds have shown consistent and stable inflation-beating appreciation, with a 5% CAGR from 2003 to 2017^{4,5} after the end of the De Beers monopoly in 2003

Upward Price Pressure: Diamond prices are expected to increase in the coming decades due to the growing demand-supply gap, making them an ideal investment class

Rapaport diamond index & de beer Market share (1987-2017)



TOKENIZING DIAMONDS

Tokenization solves many problems associated with investing in physical diamonds. Using diamonds as the underlying asset for an Asset-Backed Token provides solutions to problems associated with traditional cryptocurrencies and tokens

PROBLEMS WITH PHYSICAL DIAMOND INVESTMENT

Heterogeneous: Each diamond is unique as appraisals, and thus valuation, of the same diamond may differ across dealers

Illiquid: Diamond sales are cumbersome and often result in wide bid-offer spread

Expensive: The high price point of a diamond creates a high barrier for potential investors

PROBLEMS WITH TRADITIONAL CRYPTOCURRENCIES AND TOKENS

Volatile: Most cryptocurrencies are valued purely on market sentiment, causing large price swings and high volatility

SOLUTIONS PROVIDED THROUGH TOKENIZATION

Fungible: Each blockchain token is identical, making them an easier way to trade the underlying asset

Liquid: Token transactions occur on crypto exchanges, are easy and have low fees

Accessible: The denomination of tokens is very low, allowing a greater number of investors to participate in an asset pool

SOLUTIONS PROVIDED THROUGH USING DIAMONDS AS AN UNDERLYING ASSET

Stable: Diamonds have displayed price stability and long-term appreciation for decades

The weighted average return of selected Pedigree Diamonds is an IRR of 5% p.a.:

RETURNS OF SELECT PEDIGREE DIAMONDS⁶

Diamonds	Prior Value (mil. USD)	Latest Value (mil. USD)	Years Between Sales	IRR (%)
Blue Moon	25,6	48,5	1,7	44
Taylor-Burton	1,1	5,0	8,3	21
Krupp	0,3	8,8	43	8
Hope	0,3	250	98	7
Koh-I-Noor ⁷	200	1 bil	50	3
Regent	0,1	63,6	314	2

1. Leibish.com 2. Frost & Sullivan 3. Bain & Company 4. Rapaport Diamond Price Statistic Annual Report 2017 5. Diamond Industry Expert, Paul Zimmisky Estimation 6. Worthy.com 7. Estimated valuation from renown diamond traders