



## TELLURIA MARKETPLACE

### Initial Token Offering

of up to 150 million Ethereum-based 'TELA' token

Telluria GmbH, a limited liability company pursuant to the laws of the Federal Republic of Germany, having a registered branch at Heiligenstädter Lände 29/2, 1090 Vienna, Austria, which is registered with the Commercial Court of Vienna under registration number FN 481141 k (the "**Developer**") intends to offer for exchange up to 150 million units of a new Ethereum-based token named 'TELA' (the "**TELA**") during a limited offer period (the "**Offer Period**") beginning on 7 May 2018 08:00 CET and ending on 2 July 2018 08:00 CET (the "**Initial Token Offering**" or "**ITO**"). TELA are ERC20 tokens based on the Ethereum platform, which allow users to pay for commissions and fees for exchanging virtual currencies on the yet to be developed Telluria Marketplace.

This Initial Token Offering is governed by Austrian law and is subject to the terms and conditions set out in this document (the "**Token Offer Document**") and the Token Exchange Agreement attached hereto as Schedule A. This Token Offer Document has been drafted in accordance with the requirements set out in Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 (the "**Consumer Rights Directive**") and the Austrian Consumer Rights Directive Implementation Act (CELEX-Number 32011L0083). You are required to read this Token Offer Document carefully before deciding to participate in this Initial Token Offering.

TELA are 'digital content' in the sense of Article 2 para (11) of the Consumer Rights Directive. TELA qualify as immaterial and movable assets (*unkörperliche und bewegliche Sachen*) in the sense of §§ 285, 292, 293 of the Austrian General Civil Code and are subject to property rights under Austrian law. If you decide to participate in this Initial Token Offering, you will obtain legal competence (*Rechtszuständigkeit*) under Austrian law over the amount of TELA delivered to you.

TELA are not securities and do not carry with them any rights as may be commonly associated with securities. Consequently, this document is not a capital market prospectus and Austrian capital market regulation does not apply to this Initial Token Offering. Austrian law does not require the prior approval of this Initial Token Offering by any government agency and this Token Offer Document has not been filed with or approved by any government authority. Any person considering to participate in this Initial Token Offering is required by the Developer to inform themselves about, and to observe, any restrictions imposed upon them by any jurisdiction other than the laws of Austria. For a description of certain restrictions see the chapter "EXCHANGE RESTRICTIONS" beginning on page 11.

There is no guarantee that an increase of the TELA' market value can be achieved. If you decide to participate in this Initial Token Offering as a form of investment, the Developer expressly warns you that an investment in TELA carries a high degree of risk. For a description of risks associated, see the chapter "RISK FACTORS" beginning on page 26.

The Developer assumes the sole responsibility for the information provided in this Token Offer Document and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Token Offer Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Token Offer Document may only be used for the purpose for which it has been published. In particular, it may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. This Token Offer Document does not constitute an offer of TELA nor an invitation for an offer to exchange any amount of Ether for TELA. This Token Offer Document will be published in electronic form under [www.telluria.at](http://www.telluria.at) and will be available until the end of the Offer Period.

## **PRIOR WARNING**

This Token Offer Document has been prepared to provide information on the Initial Token Offering, the Developer and the TELA. If you make a decision to participate in this Initial Token Offering and to exchange Ether for TELA, you should base this decision on an assessment of the Developer and the TELA as described in this Token Offer Document, including, but not limited to, the associated risks, as well as the conditions of the Initial Token Offering and the use of TELA. You must assess yourself, with your own advisors if necessary, whether participating in this Initial Token Offering is suitable for you, considering your personal income and financial situation. In case of any doubt about the risk involved in participating in this Initial Token Offering, you should abstain from participating.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported or any other information contained in this Token Offer Document may in no circumstances be interpreted as investment, legal or tax advice. You are urged to consult your own advisors concerning the legal, tax, economic, financial and other aspects associated with the participation in this Initial Token Offering.

## **CHANGES TO THIS TOKEN OFFER DOCUMENT**

The information contained in this Token Offer Document is accurate as of the date of this Token Offer Document. Any new significant fact, or material error or inaccuracy concerning the information contained in the Token Offer Document that can influence the assessment of the Developer or the TELA and which arises or becomes known to the Developer between the date of the Token Offer Document and the end of the Offer Period will be made public online under [www.telluria.at](http://www.telluria.at).

In addition, the Developer reserves the right to update and modify this Token Offer Document at any time before the Offer Start Date. No amendments will be made in the Offer Period. If you decide to participate in this Initial Token Offering, you will be required to declare to have read and understood the Token Offer Document in the form valid at the time of the Offer Start Date. The Developer assumes no responsibility to keep you updated about changes made to this Token Offer Document before the Offer Start Date and you are required to carefully read the version valid in the Offer Period.

## **NO RIGHT OF WITHDRAWAL**

The Developer expressly informs you that there is no right of withdrawal in relation to an Exchange Offer (as defined herein) made by you, neither statutory nor contractual. Articles 9 to 15 of the Consumer Rights Directive as implemented by § 11 of the Austrian federal law on distance and off-premises sales provide for the right of a consumer to withdraw from a distance or off-premises contract. This Initial Token Offering, however, is excepted from this right of withdrawal since it concerns the supply of goods (TELA) for which the price is dependent on fluctuations in the financial market which cannot be controlled by the Developer and which may occur within the withdrawal period (Article 16 litera (b) of the Consumer Rights Directive; § 18 para (1) item 2 of the Austrian federal law on distance and off-premises sales).

Additionally, the exception of Article 16 litera (m) of the Consumer Rights Directive and § 18 para (1) item 11 of the Austrian federal law on distance and off-premises sales applies, since this Initial Token Offering concerns

the supply of digital content in the sense of the Directive which is not supplied on a tangible medium and prior express consent and acknowledgment must be made that the right of withdrawal is lost when making an Exchange Offer. As soon as the Exchange Offer has been made, the Developer will provide the Participant (as defined herein) with an email confirmation relating to such prior express consent and acknowledgment as well as to the legally binding Exchange Offer itself.

## PRIVACY NOTICE

The Developer will process personal data in accordance with the provisions of the General Data Protection Regulation (EU) 2016/679 ('GDPR'). Besides the exact amount of TELA, certain personal data have to be provided by the data subject in order to validly submit an Exchange Request (as defined herein) to the Developer. These personal data comprises your full name, address, citizenship, date of birth, telephone number, email address and wallet address. Such collected data solely serve the purpose of processing the Exchange Request as well as executing the Token Exchange Agreement. Moreover, such data are gathered to fulfil relevant legal requirements the Developer is subject to. The Developer therefore processes this data on the basis of Article 6 para (1) lit b GDPR (necessity for the performance of a contract to which the data subject is party) as well as Article 6 para (1) lit c GDPR (compliance with a legal obligation to which the controller is subject) to achieve the aforementioned purpose.

Personal data will only be kept for as long as the Developer reasonably considers is necessary for achieving the purpose set out above and is permissible under applicable law. The Developer will, in any case, retain your personal data for as long as there are statutory retention obligations or potential legal claims are not yet time-barred.

Under applicable law, you have, among others, the rights: (i) to check whether and what kind of personal data the Developer holds about you and to request copies of such data, (ii) to request correction, supplementation or deletion of your personal data that is inaccurate or processed in non-compliance with applicable requirements, and (iii) to request us to restrict the processing of your personal data, (iv) in certain circumstances, to object for legitimate reasons to the processing of your personal data or to revoke consent previously granted for the processing, (v) to request data portability, (vi) to know the identities of third parties to which your personal data are transferred, and (vii) to lodge a complaint with the competent authority.

In the Exchange Request Form attached hereto as [Schedule B](#), you will find a form to fill in your personal data necessary for processing the Exchange Request and the Token Exchange Agreement. The provision of personal data is voluntary; however, if you do not provide your personal data, the exchange process is rendered impossible for the Developer to execute.

Should you have any questions or requests concerning the processing of your personal data, please address them to the Developer (contact details are available under item 3.4).

## FORWARD-LOOKING STATEMENTS

This Token Offer Document contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. The forward-looking statements are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. Such forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe",

"could", "estimate", "expect", "intend", "plan", "predict", "project", "will" and similar terms, including references and assumptions. This applies, in particular, to statements in this Token Offer Document containing information on future developments of the Developer.

Forward-looking statements in this Token Offer Document are based on current estimates and assumptions that the Developer makes to the best of its present knowledge. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual developments to differ materially from and be worse than expected or assumed or described in these forward-looking statements. Accordingly, any person interested in participating in this Initial Token Offering is strongly advised to read the chapter "RISK FACTORS" beginning on page 27. This chapter includes more detailed descriptions of factors that might have a negative impact on the Developer and the TELA.

In light of these risks, uncertainties and assumptions, future events described in this Token Offer Document may not occur. In addition, the Developer does not assume any obligation, except as required by Austrian statutory law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

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## 1. DEFINITIONS

<b>Aggregate Exchange Proceeds</b>	Total amount of all ETH Exchange Amounts transferred to the Collection Address from verified Participants in the Offer Period.
<b>Altcoin(s)</b>	Alternative coins; used to describe coins other than Bitcoin or Ether.
<b>Business Day</b>	A day other than a Saturday or Sunday which is not a public holiday in Austria.
<b>CET</b>	The time zone used in Austria (Central European Time).
<b>Collection Address</b>	An address on the Ethereum blockchain where all ETH Exchange Amounts transferred by all Participants are collected.
<b>Consumer Rights Directive</b>	Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council.
<b>Delivery</b>	Transfer of the TELA Exchange Amount of TELA to the ETH Address the Participant has transferred the ETH Exchange Amount from.
<b>Developer</b>	Telluria GmbH, a limited liability company pursuant to the laws of the Federal Republic of Germany, having its branch at Heiligenstädter Lände 29/2, 1090 Vienna, Austria, which is registered with the Commercial Court of Vienna under registration number FN 481141 k.
<b>ETH Address</b>	Identifier of alphanumeric characters that represents a possible destination on the Ethereum blockchain.
<b>ETH Exchange Amount</b>	Amount of Ether or fraction thereof to be transferred by a Participant to the Collection Address in order to make a binding Exchange Offer.
<b>ETH Token Value</b>	Fraction of Ether to be transferred in exchange for a single TELA; the ETH Token Value changes in the Offer Period and equals 0.00019231 Ether in ITO Week 1; 0.00021739 Ether in ITO Week 2; 0.0002439 Ether in ITO Week 3 and 0.00027027 Ether in ITO Week 4. Between ITO Week 5 and ITO Week 8, starting on 4 June 2018 08:00 CET and ending on 2 July 2018 08:00 CET the ETH Token Value increases by 1% compared to the ETH Token Value of the day before.
<b>Ether</b>	The virtual currency used in connection with the Ethereum platform.

<b>Ethereum</b>	Open-source, public and blockchain-based distributed computing platform featuring smart contract functionality (scripting), which facilitates online contractual agreements.
<b>EUR, Euro</b>	The currency of the member states of the European Union, which participate in the European Monetary Union.
<b>Total Exchange Amount</b>	The amount of TELA the Developer would like to obtain in the Initial Token Offering.
<b>Exchange Offer</b>	Legally binding offer from a Participant to exchange Ether for TELA by transferring the ETH Exchange Amount of Ether stated in the Developer's Offer Invitation to the Collection Address.
<b>Exchange Request</b>	Legally non-binding request made by a Participant to be provided with an Offer Invitation regarding a certain number of TELA.
<b>Exchange Request Form</b>	Template for an Exchange Request as attached to this Token Offer Document in <a href="#">Schedule B</a> .
<b>FN</b>	Austrian company register number ( <i>Firmenbuchnummer</i> ).
<b>GmbH</b>	Private limited liability company ( <i>Gesellschaft mit beschränkter Haftung</i> ).
<b>Initial Token Offering or ITO</b>	The exchange of up to 150 million units of the new Ethereum-based tokens named 'TELA' for Ether during the Offer Period as described in this Token Offer Document.
<b>IOSCO</b>	International Organization of Securities Commissions; an association of organizations that regulate the world's securities and futures markets; members are typically primary securities and/or futures regulators in a national jurisdiction or the main financial regulator.
<b>ITO Smart Contract</b>	Smart contract on the Ethereum platform as described in this Token Offer Document that is managing the Initial Token Offering process.
<b>ITO Week 1</b>	The period starting on the Offer Start Date and ending on 14 May 2018 08:00 CET.
<b>ITO Week 2</b>	The period starting on the 14 May 2018 08:00 CET and ending on 21 May 2018 08:00 CET.
<b>ITO Week 3</b>	The period starting on the 21 May 2018 08:00 CET and ending on 28 May 2018 08:00 CET.

<b>ITO Week 4</b>	The period starting on the 28 May 2018 08:00 CET and ending on 4 June 2018 08:00 CET.
<b>ITO Week 5</b>	The period starting on the 4 June 2018 08:00 CET and ending on 11 June 2018 08:00 CET.
<b>ITO Week 6</b>	The period starting on the 11 June 2018 08:00 CET and ending on 18 June 2018 08:00 CET.
<b>ITO Week 7</b>	The period starting on the 18 June 2018 08:00 CET and ending on 25 June 2018 08:00 CET.
<b>ITO Week 8</b>	The period starting on the 25 June 2018 08:00 CET and ending on the Offer End Date.
<b>Offer End Date</b>	The last day of the Offer Period, i.e., 2 July 2018 08:00 CET.
<b>Offer Invitation</b>	Legally non-binding invitation from the Developer to a Participant to make a legally binding Exchange Offer.
<b>Offer Period</b>	The period starting on the Offer Start Date and ending on the Offer End Date; in the Offer Period, the Developer may be provided with Exchange Requests and Exchange Offers by Participants; the Developer reserves the right to extend or contract the Offer Period if demand for the TELA requires such course of action.
<b>Offer Start Date</b>	The first day of the Offer Period, i.e., 7 May 2018 08:00 CET.
<b>Offer Website</b>	<a href="http://www.telluria.at">www.telluria.at</a> .
<b>Participant</b>	A person participating in this Initial Token Offering.
<b>Participant, registered</b>	A Participant in this Initial Token Offering after submitting an Exchange Request to the Developer.
<b>Participant, verified</b>	A Participant in this Initial Token Offering who has (a) made an Exchange Offer by transferring the ETH Exchange Amount of Ether to the Collection Address and (b) expressly accepted the terms of the Token Exchange Agreement.
<b>PoS</b>	Proof of Stake; a method to verify transactions currently discussed to be introduced into the Ethereum platform that would make energy-intensive mining pointless.
<b>PoW</b>	Proof of Work; the method currently used to verify transactions in most blockchains; PoW requires an energy-intensive mining operation.

<b>Private Key</b>	Alphanumeric value that is required to sign a transfer of Ether from one ETH Address to another ETH Address.
<b>Reporting Date</b>	Every 15 November of a calendar year for a period of three consecutive years after the Offer End Date, starting on 15 November 2018 and ending on 15 November 2020.
<b>Return Transfer</b>	Transfer of Ether back to the ETH Address the Participant has transferred the ETH Exchange Amount of Ether from; a Return Transfer is made if the Developer does not accept an Exchange Offer.
<b>SEC</b>	United States Securities and Exchange Commission.
<b>Securities Act</b>	United States Securities Act of 1933.
<b>Securities Exchange Act</b>	United States Securities Exchange Act of 1934.
<b>Target Markets</b>	Territories where the Initial Token Offering as described in this Token Offer Document is not prohibited by law or regulation.
<b>TELA</b>	Ethereum-based tokens as described in this Token Offer Document which allow Token Holder to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace.
<b>TELA Exchange Amount</b>	The amount of TELA a Participant is requesting to exchange for Ether in an Exchange Request or offering to exchange for Ether in an Exchange Offer.
<b>Telluria Marketplace</b>	A yet to be developed new generation marketplace, which aims to eliminate the issues of existing solutions and aims at expanding the possibilities of traders.
<b>Token Creation Date</b>	Date when the Total Token Amount of TELA will be created by the Developer; the Token Creation Date is the day before the Offer Start Date, at the latest.
<b>Token Delivery Date</b>	Date when Delivery of TELA to a Participant takes place.
<b>Token Exchange Agreement</b>	Barter agreement in the sense of § 1045 of the Austrian General Civil Code concluded between the Developer and the Participant regarding the exchange of TELA for Ether, a template of which is attached to this Token Offer Document as <u>Schedule A</u> .
<b>Token Holder</b>	Any person holding TELA on an address on the Ethereum blockchain this person has control over.

<b>Token Offer Document</b>	This document including all schedules and supplements and material incorporated by reference.
<b>Total Token Amount</b>	Total amount of TELA created by the Developer in this Initial Token Offering, i.e., 150 million TELA.
<b>USD</b>	The currency of the United States of America.

## 2. EXCHANGE RESTRICTIONS

This Token Offer Document may only be used, and this Initial Token Offering is only made, in such countries and territories where the use of the Token Offer Document and the Initial Token Offering as described herein is not prohibited by law or regulation (the "**Target Markets**"). This Token Offer Document does not constitute an offer to exchange (or solicitation from anyone to this end) in any country or on any territory where its publication, disclosure, lecture or communication by any means or any reliance on its content would be illegal or subject to the approval and authorization of, or filing with, any authority or entity, or in which such an offer or solicitation is prohibited, or to any person located in a territory where it is illegal to make such an offer or solicitation.

In particular, the Developer informs you about the following restrictions it has become aware of, however, without making an assessment as to the accuracy and completeness of the information provided. Any person considering to participate in this Initial Token Offering is required to inform themselves about, and to observe, any restrictions imposed upon them by any jurisdiction other than the laws of Austria. The following information is obtained from the website of the IOSCO unless otherwise indicated:

- In Abu Dhabi all financial services activities in relation to an Initial Token Offering (such as operating primary and secondary markets, dealing / trading / managing investments in, advising on such tokens, etc) are subject to the relevant regulatory requirements under the Financial Services and Markets Regulations (FSMR). Where tokens do not have the features and characteristics of securities such as shares, debentures or units in a fund, the offer of such tokens is unlikely to be an offer of securities, nor is the trading of such tokens likely to constitute a regulated activity under the FSMR. Other virtual tokens that do not exhibit the features and characteristics of a regulated investment or instruments under the FSMR are treated as commodities and not regulated under the FSMR.
- In Argentina, depending on the concrete structure and content of the Initial Token Offering, most public offers are subject of authorization; the more features and characteristics of securities the token provides the more requirements are to be met.
- In Australia, depending on the specific structure of an Initial Token Offering, it may be subject to prior authorization; in particular, the Corporations Act might be applicable if the token provides rights comparable to securities.
- In Bangladesh, the Bangladesh Bank established that using virtual currencies would violate anti-money laundering laws and people using virtual currency could face criminal charges.<sup>1</sup>
- In Belgium, apart from certain EU legislation, potential investors should be aware of the Financial Services and Markets Regulation of 3 April 2014 on the ban of distribution of certain financial products to retail clients. As long as tokens offered are not being classified as a financial

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<sup>1</sup> <http://www.telegraph.co.uk/finance/currency/11097208/Why-Bangladesh-will-jail-Bitcoin-traders.html>

product, a public offer of investment instruments neither meets the criteria of being an instrument of alternative finance, and no permission or license is necessary.

- In Bolivia, the Central bank has banned the use of virtual currencies that are not regulated by the government.<sup>2</sup>
- In Brazil, the local regulatory authority will analyze Initial Token Offerings on a case-by-case basis and depending on the rights conferred to investors, tokens may meet the definition of securities.
- In Canada, businesses need to be aware of legislation regarding registration or marketplace requirements for Initial Token Offerings. The Canadian regulatory authority will assess, whether tokens constitute securities and if that is the case, require organizers of Initial Token Offerings to issue a document that complies with the requirements of securities law.
- China prohibited Initial Token Offerings in July 2017.
- In Dubai, the Dubai Financial Services Authority issued a statement, indicating that it does not regulate cryptocurrencies and Initial Token Offerings and warns investors of potential risks involved with offerings of cryptocurrency.
- In Ecuador, the government has banned virtual currencies due to the establishment of a new electronic money system that is run by the state.<sup>3</sup>
- In the European Union, the Council of the European Union and the European Parliament have issued directives and regulations on securities in order to harmonize the laws of the Member States. The key rules that are likely to apply within the EU are:
  - Prospectus Directive (PD) – in case the token constitutes a transferable security, the publication of a prospectus (which will be subject to approval by a competent authority in some cases) is necessary;
  - Markets in Financial Instruments Directive (MiFID II) - in case of Initial Token Offerings, where the token qualifies as a financial instrument, the process by which the token is created, distributed or traded is likely to involve some MiFID activities/services, such as placing, dealing in or advising on financial instruments;
  - Alternative Investment Fund Managers Directive – in case the Initial Token Offering is used to raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy.
- In France, the French regulatory authority (Autorité des Marchés Financiers, AMF) informs that some Initial Token Offerings might fall under certain French legislation, in particular on the public

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<sup>2</sup> <http://www.ibtimes.co.uk/cryptocurrency-round-bolivian-bitcoin-ban-ios-apps-dogecoin-mcdonalds-1453453>

<sup>3</sup> <http://www.ibtimes.co.uk/ecuador-reveals-national-digital-currency-plans-following-bitcoin-ban-1463397>

offering of financial securities, but most Initial Token Offerings would fall outside the current legislation for which the AMF is responsible.

- In Germany, the German Federal Financial Supervisory Authority maintains that authorization requirements may apply to platforms and exchanges of virtual currencies<sup>4</sup> and warns of potential risks of Initial Token Offerings for consumers.
- In Hong Kong, Initial Token Offerings falling under the definition of securities may constitute a regulated activity pursuant to laws of Hong Kong. In such a case, parties engaged in a regulated activity need to be registered with the Securities and Futures Commission (SFC).
- In India, the Reserve Bank of India banned entities regulated by it from providing services to any individual or business entities dealing with or settling virtual currencies. Also, regulated entities which already provide such services must exit the relationship.<sup>5</sup>
- In Iceland, there are no specific provisions on Initial Token Offerings but a general registration policy.
- Regulators of the Isle of Man consider Initial Token Offerings as a business of issuing, transmitting, transferring, administering or managing a convertible virtual currency which is therefore a business in the regulated sector, to which additional legislation in particular Anti-Money Laundering laws apply. Financial services regulation does usually not apply.
- Japan has enacted a law regulating blockchain based virtual currencies. Exchanges for virtual currencies are required to obtain licenses as a payment institution under the Payment Services Act. These provisions also affect service providers outside of Japan.
- In Jersey, Initial Token Offerings may fall under financial regulation depending on the form and structure of the offering.
- In Kyrgyzstan, the government has emphasized that virtual currencies violate the law of the state if used as a means of payment.<sup>6</sup>
- In Lithuania, the Bank of Lithuania has banned financial institutions from engaging in services and investments related to virtual currencies. Furthermore, offerings of tokens will require the issuer to provide a prospectus similar to the law on securities.<sup>7</sup>
- The Monetary Authority of Macao has issued a notice stating that financial institutions and non-bank payment institutions are prohibited from providing services for virtual currencies.
- The Securities Commission of Malaysia (SC) informs that Initial Token Offerings and providers of virtual currency exchanges may fall under the securities laws of Malaysia. The provision of these services without authorization is an offence according to the SC.

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<sup>4</sup> [https://www.bafin.de/EN/Aufsicht/FinTech/VirtualCurrency/virtual\\_currency\\_artikel\\_en.html](https://www.bafin.de/EN/Aufsicht/FinTech/VirtualCurrency/virtual_currency_artikel_en.html)

<sup>5</sup> <https://www.thehindubusinessline.com/money-and-banking/reserve-bank-bars-bitcoin-trading/article23447178.ece>

<sup>6</sup> <http://www.nbkr.kg/searchout.jsp?item=31&material=50718&lang=ENG>

<sup>7</sup> <https://www.cryptocoinsnews.com/lithuanias-central-bank-issues-ico-guidelines-reminds-banks-of-cryptocurrency-ban/>

- In the Netherlands, the Dutch Authority for Financial Markets (AFM) assesses whether an Initial Token Offering is subject to its supervision based on the provisions of the Financial Supervision Act. Usually Initial Token Offerings only fall under this act, if the tokens represent a share in the project or give entitlement to a part of the future returns.
- In New Zealand, the Financial Markets Authority (FMA) will analyze the specific characteristics and economic substance of an Initial Token Offering to determine if it constitutes a financial product.
- In Poland, a special task force for financial innovation in Poland was created on the initiative of the Financial Supervision Authority (KNF). Initial Token Offerings are regulated under existing law in the event that the tokens are considered to be regulated products.
- In Portugal, Initial Token Offerings are considered an unregulated activity, but still each case is subject to analysis by the local regulatory authority.
- In Singapore, the Monetary Authority of Singapore (MAS) stated that tokens constitute a product regulated under the securities laws, if certain rights are attached to the token which are usually linked to shares or debentures. Tokens may for example represent ownership or a security interest over the issuer's assets or property.
- The Financial Stability Board (FSB) in Slovenia has issued a warning on the purchase of virtual currencies and the crowdfunding via an Initial Token Offering, as these activities are not regulated or supervised.
- In South Korea, the Korean Financial Services Commission prohibited Initial Token Offerings and announced strict penalties for financial institutions and third parties involved in Initial Token Offerings.<sup>8</sup>
- In Switzerland, the Swiss Financial Market Supervisory Authority announced that it would investigate Initial Token Offerings to determine their compliance with Swiss law.<sup>9</sup>
- The Securities and Exchange Commission Thailand (SEC) clarifies that Initial Token Offerings might constitute offerings of securities, where the issuer needs to comply with regulatory requirements. However, the SEC is considering different approaches on Initial Token Offerings.
- Initial Token Offerings in the United Kingdom that are similar or have parallels to Initial Public Offerings or collective investment schemes may fall within the prospectus regime of the UK.
- In the United States of America, the US Securities and Exchange Commission announced that U.S. federal securities law might apply to the offering and sale of digital tokens.<sup>10</sup>

No Exchange Request, Offer Invitation or Exchange Offer (all as defined herein) may be made in this Initial Token Offering, and neither the Token Offer Document nor any information relating to the Initial

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<sup>8</sup> <https://www.reuters.com/article/us-southkorea-bitcoin/south-korea-bans-raising-money-through-initial-coin-offerings-idUSKCN1C408N>

<sup>9</sup> <https://www.nytimes.com/2017/09/29/business/sec-initial-coin-offerings.html>

<sup>10</sup> <https://www.coindesk.com/securities-exchange-commission-us-securities-laws-may-apply-token-sales/>

Token Offering may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Any person having access to this Token Offer Document must obtain information on these restrictions and, if applicable, comply with such restrictions. By accepting a copy of the Token Offer Document or any notice or information relating to the Initial Token Offering and/or by submitting an Exchange Request or an Exchange Offer, each Participant shall be deemed to agree with, and represent that it complies with, such restrictions.

No step has been taken to authorize the Initial Token Offering in a country or on a territory where formalities are required for this purpose. Neither this Token Offer Document nor any other information or publicity may be provided to the public in a country or on a territory where registration, approval or any other obligation is or will be applicable in connection with this Initial Token Offering and Token Offer Document and it may not be distributed in any country or on any territory other than the Target Markets (as defined herein).

Any breach of these restrictions may constitute a breach of laws and regulations applicable in a country or on a territory other than the Target Markets. Neither the Developer, nor any other person participating in this Initial Token Offering, shall be liable for any breach of these restrictions.

#### **NO OFFER IN THE UNITED STATES OF AMERICA**

Under Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Securities Exchange Act, a security includes investment contracts. An investment contract is an investment of money in a common enterprise with a reasonable expectation of profits to be derived from the entrepreneurial or managerial efforts of others. According to the SEC, profits include dividends, other periodic payments, or the increased value of the investment. Since (a) an increase or decrease of the market value of the TELA might, at least in part, depend on the managerial efforts of the Developer, and (b) since Participants may have a reasonable expectation of profits to be derived from the managerial efforts of the Developer, the Developer has decided not to make an offer in the United States of America and not to accept exchange requests or exchange offers any U.S. person as defined in Regulation S of the Securities Act of 1933.

### 3. THE DEVELOPER

#### 3.1 Basic Information

Telluria GmbH, a limited liability company pursuant to the laws of the Federal Republic of Germany, having its branch at Heiligenstädter Lände 29/2, 1090 Vienna, Austria, which is registered with the Commercial Court of Vienna under registration number FN 481141 k (the "**Developer**"). The Developer has developed the TELA as described in this Token Offer Document.

Telephone number: +43 1 267 6383 (regular landline charges may apply)

Mail address: info@telluria.at.

#### 3.2 Corporate Structure

Telluria GmbH, a limited liability company pursuant to the laws of the Federal Republic of Germany. The shareholders of Telluria GmbH at the time of the company's formation are:

- Christian Ries 5%;
- Vitaliy Teper 5%;
- Alexander Utschitel 5%;
- Hans-Peter Hülsebusch 5%;
- Michael Seibel Familienstiftung 40%;
- Vladislav Chetyrkin 40%.

Hans-Peter Hülsebusch and Vladislav Chetyrkin act as managing directors (*Geschäftsführer*) of Telluria GmbH each with the power to represent the Developer.

#### 3.3 Contact Details

If you have questions regarding this Initial Token Offering, the Telluria Marketplace or the TELA, you may contact the Developer via telephone (+43 1 267 6383) or via email (info@telluria.at) during regular Vienna business hours on any Business Day. If you are calling from outside of Austria, charges for international calls on the telephone line of the Developer may apply.

#### 3.4 Business Field and Trends

The following is a summary of the business field the Developer operates in and trends that may affect the Developer, the Telluria Marketplace or the TELA. The summary is based on publicly available information. Despite using reasonable care, the Developer makes no representation as to the reliability of its sources or the accuracy of the information provided.

Since the beginning of the year 2018, the market capitalization of crypto currencies in general decreased strongly. Many traders and funds suffered huge losses.

The main business field of the Developer is the intended establishment of a new generation marketplace, the Telluria Marketplace, which is intended to eliminate the issues of existing solutions, such as

difficulties with scalability, low protection from cyber-attacks and legal issues regarding virtual currencies in many countries, and expanding the possibilities of users to trade virtual currencies. The Developer has noticed a significant growth behind the importance of cryptocurrency exchanges.

The market for exchanging crypto currencies is a very competitive industry with a number of large players controlling the market. The market for exchanging crypto currencies is characterized by companies newly entering into and exiting the market frequently. Providing an user-friendly service for exchanging many crypto currencies is crucial for the success of the Developer. Since this industry is still in its early stages of development, it currently lacks transparency which makes it difficult to achieve a comprehensive overview of the whole market. Due to ongoing technological advances, the market will continue to shift toward bigger players exchanging crypto currencies for the users.

#### 4. THE TELLURIA MARKETPLACE AND THE TELA

##### 4.1 TELA

TELA are ERC20 tokens based on the Ethereum platform, which Participants may use to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace. TELA's only function is to allow Token Holder to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace.

Token Holders are granted the following discounts on the Telluria Marketplace:

Validity Period (starting at the launch of the Telluria Marketplace)	Discount Amount
1 <sup>st</sup> month	100% discount for Token Holders holding more than 5000 TELA
1 <sup>st</sup> year	50%
2 <sup>nd</sup> year	25%
3 <sup>rd</sup> year	15%
4 <sup>th</sup> year	10%

##### 4.2 Telluria Marketplace

With the Telluria Marketplace, the Developer intends to offer a solution to the existing problems of crypto currency exchanges such as:

- Inoperability during peak loads

The Developer intends to minimize the probability of platform failures.

- Lack of liquidity

The use of new technology provides for a stable platform functionality. During a test of the systems test configuration, the Developer achieved a capacity of 3,000,000 orders per second.

- Legal issues

Compliance with legal requirements is one of the main principles of the Developer, thus for example the Developer intends to implement a verification process on the Telluria Marketplace.

- High commissions

The Developer intends to offer high discounts to Token Holders, which will significantly decrease the commissions they pay.

As of the date of this Token Offer Document the Telluria Marketplace is 95 % complete. The Telluria Marketplace is intended to launch in June 2018. The key functions of the Telluria Marketplace are already functional. The Telluria Marketplace shall provide speed and reliability for trading virtual currencies and offer technical solutions based on intellectual algorithms of balancing and load distribution. Furthermore, the Telluria Marketplace shall offer a straightforward and user-friendly interface, the maximum safety for users' data and assets through the integration of built-in algorithms for protection and multifactor authorization.

The Developer intends to launch the Telluria Marketplace only as far as it is in full compliance with the applicable registration and licensing requirements. If a registration was not or applied for or a license cannot be obtained, the Developer will only offer the Telluria marketplace and its services as far as they do not require a registration or license.

As the Telluria Marketplace continues to develop, the Developer intends to transform the Telluria Marketplace into an extensive ecosystem, payment system, and commercial bank, at the base of which lays the blockchain technology. The Developer is aware that any such transformation ensues a multitude of technical and legal problems that the Developer intends to address at a later point in time. As a result, all standard banking services, such as the opening of multicurrency accounts, payments, and transfers, placements of deposits, receiving loans, bank card emissions, and the installation of POS-terminals shall become available to users once all legal prerequisites have been obtained by the Developer. The Developer intends to apply for a banking license in an EU Member State, or, alternatively, in a country outside the European Union. The Developer has not taken steps to obtain the required licenses yet. In particular, the Developer has not applied for a banking license yet.

Furthermore, the Developer intends to apply for a payment service provider license, an e-money license in an EU Member State, the USA and/or an Asian country. In the long run the Developer intends to obtain a banking license in an EU Member State. The preparations for obtaining such a license are at an early stage. So far the Developer has not made a final decision to apply for such licenses. The decision depends on various factors. Also the Developer is aware that the application process is lengthy, and licenses can be subject to conditions and limited to certain types of transactions. If the licenses are limited in scope, it may reduce the services the Developer will be able to provide.

#### 4.3 TELA Distribution

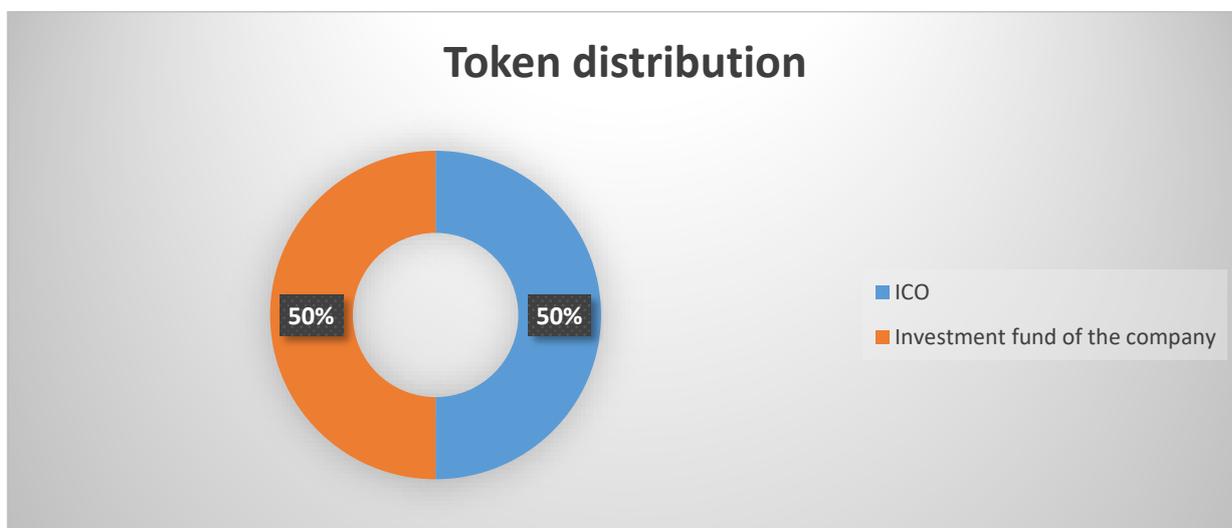


Figure 1: TELA Distribution (Source: Own contribution of the Developer).

The Developer intends to distribute 50% of the TELA in the Initial Token Offering, the remaining 50% are intended to be directed to the investment fund of the Developer.

#### 5. THE EXCHANGE PROCESS

In total, a fixed amount of 300 million TELA (the "**Total Token Amount**") will be created by the Developer on the Token Creation Date. The Developer intends only to exchange up to 150 million TELA (or 50 percent of the Total Token Amount) in this ITO for Ether. TELA that are not exchanged during the Initial token Offering are burned after the Offer End Date.

The Developer has decided to introduce a staggered exchange scheme. This means that the fraction of Ether to be transferred in exchange for a single TELA ("**ETH Token Value**") in this Initial Token Offering will depend on when an Exchange Offer is made by a Participant. The ETH Token Value is used to calculate the ETH Exchange Amount that a Participant is required to transfer to the Collection Address in order to make a legally binding Exchange Offer:

- In the period starting on the Offer Start Date and ending on 14 May 2018 08:00 CET ("**ITO Week 1**"), the ETH Token Value will be 0.00019231 Ether;
- In the period starting on 14 May 2018 08:00 CET and ending on 21 May 2018 08:00 CET ("**ITO Week 2**"), the ETH Token Value will be 0.00021739 Ether;
- In the period starting on 21 May 2018 08:00 CET and ending on 28 May 2018 08:00 CET ("**ITO Week 3**"), the ETH Token Value will be 0.0002439 Ether;
- In the period starting on 28 May 2018 08:00 CET and ending on 4 June 2018 08:00 CET ("**ITO Week 4**"), the ETH Token Value will be 0.00027027 Ether;

- Between **ITO Week 5** and **ITO Week 8**, starting on 4 June 2018 08:00 CET and ending on the Offer End Date, the ETH Token Value increases by 1% compared to the ETH Token Value of the day before.

The remaining 150 million TELA (or 50 percent of the Total Token Amount) will remain with the Developer. All TELA held by the Developer may be exchanged against other virtual currencies or sold for Euro or any other fiat currency at a later point in time. However, the Developer reserves the right to exchange TELA in the future at any marketable price.

There is a minimum amount of 0.1 Ether that an Exchange Offer must be made for. There is no maximum number of TELA an Exchange Offer can be made for by a single Participant. The Developer, however, reserves the right not to accept an Exchange Offer made.

### 5.1 Exchange of TELA for Ether

In the course of this Initial Token Offering, the Developer will exchange a number of TELA for Ether. Both TELA and Ether are immaterial and movable assets (*unkörperliche und bewegliche Sachen*) in the sense of §§ 285, 292, 293 of the Austrian General Civil Code and are subject to property rights under Austrian law. The exchange of TELA against Ether in this Initial Token Offering is facilitated by entering into the Token Exchange Agreement as attached to this Token Offer Document as Schedule A.

The Token Exchange Agreement is a barter agreement (*Tauschvertrag*) in the sense of § 1045 of the Austrian General Civil Code. It is concluded between the Developer, as the party exchanging TELA for Ether, and you, as Participant in the Initial Token Offering exchanging Ether for TELA. For details on how the Token Exchange Agreement is concluded, see chapter 5.2 "Conclusion of the Token Exchange Agreement".

Only Ether will be accepted in exchange for TELA. No other virtual currency may be traded in for TELA. Also, TELA cannot be purchased from the Developer, therefore the Developer does not accept any form of fiat currency as purchase price for TELA. If you would like to participate in this Initial Token Offering, you are required to make sure to convert any other virtual currency or fiat currency into Ether before being able to make an Exchange Offer. Also, you are required to make sure to know the correct ETH Address you are going to send Ether from as otherwise the exchange process will not work.

### 5.2 Conclusion of the Token Exchange Agreement

To participate in the Initial Token Offering, a person interested in obtaining TELA must first submit an Exchange Request to the Developer. "**Exchange Request**" is a legally non-binding request from a person indicating (i) their general intent to obtain a certain amount of TELA and (ii) the wish to be provided with an Exchange Offer from the Developer (as described below). An Exchange Request may be submitted to the Developer

- (a) by using the online form provided by the Developer available on the Offer Website under [www.telluria.at](http://www.telluria.at); or

(b) by filling in the Exchange Request Form attached to this Token Offer Document as Schedule B, and submitting this form electronically or via mail to the Developer.

In the Exchange Request, the person interested in obtaining TELA states, among other things, the exact amount of TELA he or she wishes to obtain as well as some personal information and contact details (for details see the Offer Website or the Exchange Request Form in Schedule B; the Developer reserves the right to request less information online than is requested in the Exchange Request Form). After having submitted an Exchange Request, the Developer will register this person as being interested in participating in this Initial Token Offering, hence such person is referred to as registered Participant.

All Exchange Requests must be submitted to the Developer in the period starting on the Offer Start Date, i.e., 7 May 2018 08:00 CET and ending on the Offer End Date, i.e., 2 July 2018 08:00 CET (the "**Offer Period**"). The Developer reserves the right to extend or contract the Offer Period if demand for the TELA requires such course of action.

After the Developer has received a legally non-binding Exchange Request, it submits to the registered Participant an (also legally non-binding) invitation to make a legally binding offer to exchange Ether for TELA to the Developer (the "**Offer Invitation**"). The Offer Invitation contains the following information:

- (a) the TELA Exchange Amount, i.e., the amount of TELA the registered Participant has stated in its legally non-binding Exchange Request;
- (b) the ETH Exchange Amount, i.e., the amount of Ether or fraction thereof to be transferred to the Collection Address at that time in order to make an Exchange Offer.

After receiving an Offer Invitation, the registered Participant is invited to make a legally binding offer to exchange Ether for TELA by transferring the ETH Exchange Amount of Ether stated in the Offer Invitation to the Collection Address (the "**Exchange Offer**"). Since the Developer employs a staggered exchange scheme, an Offer Invitation is only valid as a basis for an Exchange Offer that was made in the same ITO Week or between ITO Week 5 and 8 on the respective day. If an Exchange Offer is made after the end of the period of one ITO Week or between ITO Week 5 and 8 after the respective day then the Exchange Offer is made on the basis of the ETH Token Value valid in the current ITO Week or on the respective day, irrespective of the ETH Exchange Amount stated in the Offer Invitation.

Before the Participant can make such legally binding Exchange Offer to the Developer, he or she must confirm his or her agreement with the terms of the Token Exchange Agreement in Schedule A, as well as some other statements, by providing the Developer with the ETH Address the transfer of Ether will originate from. If the Participant is using the online form provided by the Developer on the Offer Website under [www.telluria.at](http://www.telluria.at) then this is made by entering the ETH Address into a specific field before the Exchange Offer has been made by the Participant.

By transferring the ETH Exchange Amount to the Collection Address, the registered Participant makes a legally binding offer to exchange the ETH Exchange Amount of Ether for the TELA Exchange

Amount of TELA, i.e., the amount of TELA specified in the Offer Invitation. The Participant bears the costs (gas) of the Ethereum blockchain for the Exchange Offer. An Exchange Offer can only be made by transferring Ether to the Collection Address and not by any other means. The Developer strives to make a quick decision whether an Exchange Offer will be accepted, however, the Developer reserves the right to make a decision within one business day.

If the Participant has requested an Offer Invitation by filling in the Exchange Request Form attached to this Token Offer Document as Schedule B, and submitting this form electronically or via mail to the Developer, then this step is made either (a) by stating the ETH Address directly in the Exchange Request Form or (b) also on the Offer Website under [www.telluria.at](http://www.telluria.at) before the Exchange Offer was made.

After having confirmed to be bound to the terms of the Token Exchange Agreement as well as having confirmed some additional statements, the Participant is referred to as a verified Participant.

The Collection Address is managed by a smart contract on the Ethereum blockchain (the "**ITO Smart Contract**"). In the Offer Period, the ITO Smart Contract makes sure that all incoming ETH Exchange Amounts from verified Participants are stored on the Collection Address. No person, not even the Developer, has control over the amounts of Ether collected on the ITO Smart Contract until the Offer End Date. The ITO Smart Contract also ensures that the Aggregate Exchange Proceeds (i.e., all amounts collected on the Collection Address) or parts thereof are only forwarded to the Developer if it has accepted an Exchange Offer by having delivered the TELA to the verified Participant as described below.

If the Developer does not accept an Exchange Offer or if Ether were transferred to the ITO Smart Contract from an ETH Address not associated with a verified Participant, then the ITO Smart Contract will transfer back the ETH Exchange Amount to the ETH Address the transfer of Ether originated from. In such case, the Developer is obligated to bear the costs of the Ethereum blockchain for the transfer. The Participant will receive the exact amount of Ether it has transferred to the Collection Address when making the Exchange Offer. The ITO Smart Contract safeguards that the Developer's Delivery obligation is fulfilled.

The Developer is under no legal obligation to accept any Exchange Offer made. If the Developer accepts an Exchange Offer, it will deliver the TELA to the Participants as described below.

### 5.3 Delivery of the TELA

Provided the Developer has accepted an Exchange Offer from a Participant—for which the Developer reserves the right to decide within one business day—, it will deliver the TELA as soon as a Participant has been verified, i.e., as soon as the following conditions are fulfilled:

- (a) the Participant has confirmed his or her agreement with the terms of the Token Exchange Agreement, in particular by using the online form provided by the Developer on the Offer Website under [www.telluria.at](http://www.telluria.at);
- (b) the Participant has made an Exchange Offer by transferring the ETH Exchange Amount to the Collection Address;

Delivery by the Developer is made promptly after all conditions are fulfilled and the Developer has decided to accept the Exchange Offer. Delivery is made by transferring the TELA Exchange Amount of TELA to the ETH Address the verified Participant has transferred the ETH Exchange Amount of Ether from (the "**Delivery**"). In order to be able to access the TELA once delivered, the Participant must use an Ethereum wallet software that supports ERC20 tokens natively.

## 6. USE OF PROCEEDS

### 6.1 Use of Ether Obtained

As of the date of this Token Offer Document, the exact amount of Ether obtained from Participants in the Initial Token Offering (the "**Total Exchange Amount**") is uncertain and depends on

- (a) the final amount of TELA exchanged for Ether in the Initial Token Offering; and
- (b) the time when an Exchange Offer is made by a Participant since the ETH Token Value, i.e., the fraction of Ether to be transferred in exchange for a single TELA changes over time from 0.00019231 Ether in the first week of the ITO to 0.00021739 Ether in the second week, 0.0002439 Ether in the third week, and 0.00027027 Ether in the fourth week. Between ITO Week 5 and ITO Week 8, starting on 4 June 2018 08:00 CET and ending on 2 July 2018 08:00 CET the ETH Token Value increases by 1% compared to the ETH Token Value of the day before.

If all 150 million TELA are exchanged in the first week of the Initial Token Offering, i.e., in the period starting on 7 May 2018 08:00 CET and ending on 14 May 2018 08:00 CET, then the Total Exchange Amount would equal up to 28,846.15 Ether.

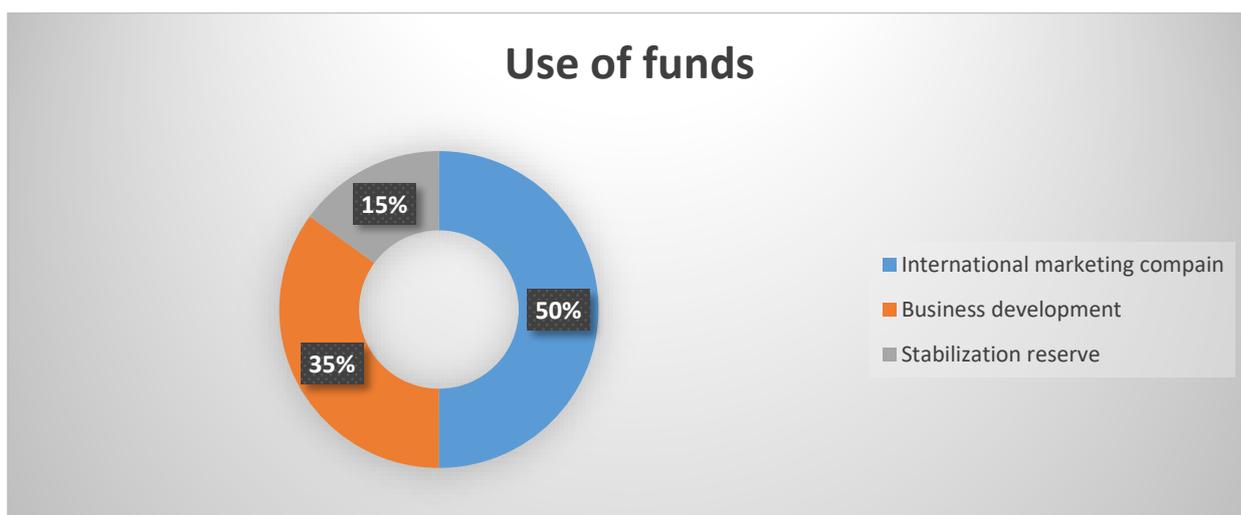


Figure 2: Use of the Total Token Amount (Source: Own contribution of the Developer).

The Developer intends to use the Total Exchange Amount for (a) an international marketing campaign (50 percent of the Total Exchange Amount), (b) business development, in particular for the Telluria Marketplace (35 percent of the Total Exchange Amount) and (c) as an stabilization reserve.

Most of the Developer's expenses are to be paid in fiat currencies such as EUR or USD. The exact amount of Ether spent therefore not only depends on the amount of Ether obtained in this Initial Token Offering but also the EUR/ETH exchange rate when the Developer exchanges proceeds into fiat currency. The figures shown above are therefore only an estimate and may be lower or higher. Also because of these reasons, the Developer is under no legal obligation to use the proceeds exactly as described above. At any time, the Developer may decide to use the Total Exchange Amount in other ways than described above.

## 6.2 Total Supply of TELA

The Developer will create a total amount of 300 million TELA on the Token Creation Date. The Developer intends to exchange only up to 150 million TELA in this ITO for Ether. The remaining 150 million TELA are intended to be directed to the investment fund of the Developer. Some of the TELA, which are initially held by the Developer shall be used for other purposes, namely for team members and consultants, the reserve fund, token volatility, and marketing bounties.

The Developer explicitly reserves the right to exchange the retained portion of TELA for virtual currencies or sell it for Euro or any other fiat currency at a later point in time at any marketable price. However, the Developer commits itself to adhere to the following restrictions in the use, exchange or selling of TELA on the market. Especially, the Developer commits itself to only exchange or sell such amounts of TELA that, to the best knowledge of the Developer, would not have a material impact on the market value of the TELA.

## 7. RIGHTS OF THE PARTICIPANT

TELA are not securities and do not carry with them any rights as may be commonly associated with securities. In particular, TELA do not grant any rights with respect to corporate decision-making. Also, TELA do not grant a right to dividends or any other sort of payment *vis-à-vis* the Developer. TELA only allow Token Holder to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace.

Rights of the Participant in this Initial Token Offering are limited to statutory and contractual rights, in particular to warranty rights (*Gewährleistung*) as provided for under § 922 of the Austrian General Civil Code and other rights such as contestation for error (*Irrtum*) under § 871 *legis citatae*. If the Participant is not a consumer in the sense of the Consumer Rights Directive or the Austrian Consumer Protection Act, warranty rights are limited to the representations and warranties set out in the Token Exchange Agreement in Schedule A.

The following description of Austrian statutory warranty rights is intended to provide you with an overview of a Participant's warranty rights. Warranty rights under the Token Exchange Agreement may not be assigned or transferred to any third party. The following overview only concerns warranty rights in relation to this Initial Token Offering.

The Developer warrants for any material and legal defects the TELA may have.

- A material defect (*Sachmangel*) occurs in case the TELA or Telluria Marketplace does not have the characteristics or functionality described in this Token Offer Document at the time of Delivery. In particular, the TELA must be fit for the purpose specified in the Token Exchange Agreement and the use cases described in this Token Offer Document. A Participant could have warranty claims under the Token Exchange Agreement for material defects if, for example, the programming of the TELA would not function as described in the Token Offer Document.
- A legal defect (*Rechtsmangel*) occurs if third parties could assert rights over the TELA against the Participant, or if the Developer does not provide the Participant with the agreed legal position.

If the TELA or Telluria Marketplace shows a defect that was present at the Token Delivery Date, the Participant may, in a first step, claim that the TELA or Telluria Marketplace may be repaired or replaced (*Verbesserung oder Austausch*) by the Developer. The Participant is entitled to choose between these two options of repair and replacement. The Developer is obligated to bear any necessary costs associated with the repair or replacement in such a case. If the Developer fails to repair a defect within a reasonable period of time or if it fails to replace defective TELA or the defective Telluria Marketplace, the Participant may withdraw from the Token Exchange Agreement or claim a reduction of the ETH Exchange Amount of Ether exchanged for TELA. In the event of only a minor defect, a Participant may only claim a reduction of the ETH Exchange Amount.

## 8. RISK FACTORS

The following is a disclosure of principal risk factors which are considered to be material by the Developer in connection with the exchange of Ether for TELA in this Initial Token Offering. Participants should consider these risk factors alongside all other information provided in this Token Offer Document and are advised to consult with their own professional advisers (including their financial, accounting, legal and tax advisers) before deciding to obtain TELA. In addition, Participants should be aware that the risks described herein may combine and thus intensify one another.

The Developer believes that the following risk factors may affect its own business and the future market value of the TELA. Most of these risk factors are contingencies which may or may not occur and the Developer is not in a position to predict the likelihood of such contingency occurring. If any of the following risks materializes, the market value of TELA could be negatively affected and decline, hence a Participant could lose all or part of its investment.

*The concrete business model of the Developer depends on the success of the Initial Token Offering. Depended on the success the Developer intends to obtain a payment service provider license, an e-money license or a banking license in an EU Member State, or elsewhere. Obtaining such licenses is a significant challenge. Even if a license is obtained, it may be subject to conditions or limited in scope. Further, obtaining a license is subject to minimum capital requirements, ongoing disclosure obligations and other regulations, noncompliance with which may result in suspension or revocation of the license. If the Initial Token Offer is not as successful as expected or if Developer is unable to obtain and retain such licenses, it may lead to the discontinuation of its business operations. As a result, the TELA may lose all of their value.*

After the ITO, the Developer intends to apply for a payment service provider license, an e-money license in an EU Member State, the USA and an Asian country. In the long run the Developer intends to obtain a banking license in an EU Member State. The preparations for obtaining such a license are at an early stage. So far the Developer has not made a final decision to apply for such licenses. The decision depends on various factors. Also the Developer is aware that the application process is lengthy, and licenses can be subject to conditions and limited to certain types of transactions. If the banking license or another license is limited in scope, it may reduce the services the Developer will be able to provide, and thus affect the Developer's overall success. If the Developer is unsuccessful in obtaining the intended license it is uncertain whether or when the Developer would be able to obtain a license at all. If the Developer, for whatever reason, is unable to obtain these licenses, it may lead to the discontinuation of its business operation. As a result, the TELA may lose all of their value.

*If you decide to participate in this Initial Token Offering without proper consultation of tax, legal and economic advisors, taking into account your personal circumstances, you might not be able to fully assess the tax, legal and economic impact a participation in this ITO could have on you.*

Insufficient or faulty consultation can lead to unintended or unforeseen tax, legal and economic consequences. The absence of advice from experts such as financial advisors, lawyers and tax consultants can have detrimental consequences for a Participant in this ITO. Prospective Participants should carefully

consider the following risks together with their expert advisers before deciding whether a participation in the Initial Token Offering is suitable for them or not. The Developer is not liable for a loss of the Participant in connection with erroneous or insufficient consultation or advice provided by third parties.

The exchange of virtual currencies (TELA / Ether) without taking into account the individual circumstances and the financial situation of the Participant might have negative consequences. The decision to obtain TELA should take into account the individual knowledge of the Participant. Only freely available capital should be used for a participation in this Initial Token Offering as a total loss cannot be excluded.

***TELA do not provide any rights to the Participant or Token Holders; in particular, the Participant or Token Holder does not have a right to dividend payments, payments of capital, or any right associated with corporate decision-making. The Participants are limited to warranty and other statutory rights; Token Holders not having participated in this ITO do not have warranty rights against the Developer.***

TELA are not securities and do not carry with them any rights as may be commonly associated with securities. In particular, TELA do not grant any rights with respect to corporate decision-making. Also, TELA do not grant a right to payments of capital or dividends or any other sort of payment *vis-à-vis* the Developer. Rights of the Participant in this Initial Token Offering are limited to contractual rights based on the Token Exchange Agreement, and statutory rights pursuant to Austrian law, in particular to warranty rights as provided for under § 922 of the Austrian General Civil Code, and other statutory rights. These rights are based on the conclusion of the Token Exchange Agreement between the Developer and the Participant but are not associated with the TELA themselves. The Developer stresses that it assumes statutory warranty obligations only *vis-à-vis* a Participant, i.e., not *vis-à-vis* Token Holders that have obtained TELA on the secondary market after the Initial Token Offering.

***TELA are Ethereum-based ERC20 tokens allow users to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace. If the Developer were to cease its business operation, there would be no third parties accepting TELA in exchange for goods or services. For the use of the TELA you are therefore dependent on the Developer's continuing operation.***

The Developer is a company that is in continuing competition to other similar companies around the world. Many of the risk factors described in this Token Offer Document have the potential to severely impede the ability of the Developer to conduct its business profitably. However, as with any other business, continued profitability is a prerequisite for the Developer to be able to continue offering its services to Token Holders. In the long term, the income of the Developer is largely dependent on factors that are outside of its influence, such as, in particular, technological advances regarding the exchange of virtual currencies, global competition, changes to the protocols of block-chains that can negatively affect the Developer.

Any of the risks described herein has the potential to severely impede the Developer's ability to expand its business operation as projected or to even continue its business and may therefore have a severe negative influence on the market value of the TELA. Since there is no third party accepting TELA, the Developer's continued ability to conduct its business profitably is therefore also a key factor regarding the market value of the TELA. Any failure of the Developer to conduct its business

successfully may have a severe negative influence on the market value of the TELA. If the Developer were to cease its operation, it is likely that the TELA would lose all of its value.

***The market has seen a number of new virtual currencies and tokens come into existence in the last years. The TELA competes against other tokens that are issued alongside the TELA.***

Currently, many different virtual currencies and tokens coexist alongside one another and many new coins and tokens are expected to be created in the next years. Some of these virtual currencies and tokens are more successful than others and possess more market potential. There is a risk that a virtual currency or token is under market pressure because of the success of another popular virtual currency and therefore loses some or all of its market value. This risk also applies to the TELA. This, in turn, may have a severe negative influence on the market value of the TELA.

***The amount of Ether received in this ITO will be a main source of income for the Developer's future business operations. In the past, Ether has experienced high market value fluctuations. If the market value for Ether drops, this might negatively influence the Developer's business.***

In this Initial Token Offering, the Developer exchanges TELA for Ether. Ether is a virtual currency that has historically been subject to high market value fluctuations. The future exchange rates for Ether cannot reliably be predicted. Should the market value of Ether subsequently drop significantly, this could have a material negative impact on the financial situation of the Developer. This, in turn, could severely impede the Developer's ability to expand its business operation as projected and therefore have a severe negative influence on the market value of the TELA.

***Future regulation on virtual currencies or tokens in Austria may have a negative impact on the Developer and the TELA. Burdensome regulation might have a significant negative impact on the market value of the TELA.***

Currently, under Austrian law there are no licensing, registration or concessionary requirements for the production, custody, trading and/or sale of virtual currencies such as the TELA. However, on the EU-level as well as in certain countries, governments have already started to adapt legislation and regulate virtual currencies and tokens. Even if virtual currencies and tokens are not subject to limiting regulation today, the legal regime in Austria may change and Austria may in future also regulate virtual currencies and tokens restrictively.

In this context, one should be aware of the proposals currently discussed on the EU-level to regulate virtual currencies—in particular the proposals to amend Directive 2015/849/EU for the prevention of money laundering and financing of terrorism. The proposed changes include stricter requirements for the trade with virtual currencies such as increased transparency, due diligence, and more competences for public authorities. It is therefore likely that in the near future (in the years 2018 or 2019), regulations for virtual currencies will enter into force, both on the EU-level and in Austria. However, in which form virtual currencies will be regulated is currently unclear.

If a licensing, registration or concessionary requirement is imposed on the Developer, the Developer will strive to obtain such a license, registration or concession. However, it is possible that the Developer cannot fulfil certain requirements in time or may not receive the necessary approval at

all. In this case, the Developer might have to limit or even cease its business operations. Furthermore, legal or regulatory changes might lead to complaints, claims, obligations or other legal burdens that affect the financial situation of the Developer in a negative way. There is a remote possibility that the Austrian or European legislator might decide to declare illegal the trade of virtual currencies or tokens such as the TELA.

All these risks may have a significant negative impact on the ability of the Developer to continue its business operation and therefore also have a significant negative impact on the market value of the TELA.

***If you are resident in a country or territory that has declared the trade with virtual currencies or tokens or the participation in an Initial Token Offering to be illegal, you may face administrative or criminal charges when participating in this ITO.***

The Initial Token Offering is only made in such territories where the Initial Token Offering as described in this Token Offer Document is not prohibited by law or regulation (Target Markets). The Developer has used its best efforts to inform you in this Initial Token Offering about certain restrictions that apply in certain jurisdictions such as Abu Dhabi, Argentina, Australia, Bangladesh, Belgium, Bolivia, Brazil, Canada, China, Dubai, Ecuador, European Union, France, Germany, Hong Kong, India, Iceland, Isle of Man, Japan, Jersey, Kyrgyzstan, Lithuania, Macao, Malaysia, Netherlands, New Zealand, Poland, Portugal, Singapore, Slovenia, South Korea, Switzerland, Thailand, United Kingdom, and United States of America.

However, the Developer is not able to describe the legal situation of this Initial Token Offering with regard to all possible jurisdictions. It is therefore your responsibility to consult with local legal, tax and other advisers to find out whether the participation in this Initial Token Offering constitutes a breach of law or regulation under your jurisdiction. Violation of applicable laws or regulation may result in administrative or even criminal charges.

***The TELA are not yet listed on a virtual currency exchange. A low liquidity on the Telluria Marketplace or legal restrictions imposed on the tradability of the TELA could have a material negative impact on the market value of the TELA and your ability to trade TELA.***

This Initial Token Offering is intended as the means for delivering TELA to the Participants. As described above, TELA are not securities and do not carry with them any rights such as the right to a payment of dividends or capital. TELA allow Token Holder to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace. The Developer also intends to have TELA listed on the Telluria Marketplace and one or more virtual currency exchanges. As of the date of this Token Offer Document, however, the TELA are not listed on any exchanges yet.

Should legal restrictions be imposed on the tradability of the TELA on the Telluria Marketplace or should the Developer fail to have the TELA listed on the Telluria Marketplace, then it is likely that the TELA would lose all of its value.

*The Telluria Marketplace has not started its operations. There is no guarantee that the Telluria Marketplace will ever open its operations, develop and evolve as planned. The Telluria Marketplace is not state controlled and their continuous operation cannot be guaranteed by the Developer. There are many existing platforms for exchanging cryptocurrencies. If the Developer fails to attract user the market value of the TELA may not develop as expected. Also, TELA are not subject to deposit guarantees.*

The Developer intends to have TELA listed on the Telluria Marketplace. If the Developer fails to attract users for the Telluria Marketplace, it is unclear whether the Developer is able to continue its business efforts. Furthermore, the Telluria Marketplace might not develop and evolve as planned and supply and demand for the TELA might be limited. In particular the Telluria Marketplace may not be functional as intended. In this case, the Participants might not be able to sell their TELA to third parties.

Also the Telluria Marketplace might cease to operate. There is no legal protection, deposit guarantee or protection for Participants, when an exchange platform ceases its operation. If the exchange platform has managed the private keys of the Participant or Token Holder, there might be no way to retrieve TELA.

As there is yet no clear legal regulation and institution supervising virtual currencies or tokens, there is also no deposit guarantee as banks provide for savings deposits. Exchange platforms are not banks who need to be prepared for certain risks. Capital adequacy regulations such as the European Capital Requirements Directive IV or the Capital Requirements Regulation are not applicable to virtual currency exchanges, increasing the risk of insolvency of a virtual currency exchange.

The volatility of virtual currencies and tokens makes it very difficult to provide a reliable forecast for the development of the exchange rate of the TELA, even considering the known factors determining the price. It is not possible to foresee the economic and technical development of virtual currencies and tokens in the future. Historic developments are not a sufficient indicator for forecasts. The Developer stresses that it does not provide any forecast of the development of the TELA.

Any of the risks described herein has the potential to severely impede the Developer's ability to further the adoption of the TELA in the market and may therefore have a severe negative influence on the market value of the TELA. If the Developer were to cease the Telluria Marketplace, it is likely that the TELA would lose all of its value.

*Virtual currencies and tokens are very volatile and the market value of a given virtual currency or token can swing dramatically. Such fluctuations may also be noticeable with regard to the TELA.*

The TELA have been developed by the Developer without the involvement of a bank and are not issued by a central bank or another public authority. The supply of TELA is limited and is not being monitored by any public authority, is not bound to a traditional currency, and market value and price stability are not secure. The market of virtual currencies or tokens is influenced by supply and demand. Fluctuations of the exchange rates are interesting to speculators but may impede the acceptance of virtual currencies or tokens for other purposes. This is also one of the reasons, why

virtual currencies and tokens are not considered a safe investment in comparison to usual investments. This insecurity needs to be taken into account when deciding to participate in this Initial Token Offering. Also, the TELA may experience heavy exchange rate fluctuations. This might lead to losses for Participants who have obtained TELA at the fixed ETH Exchange Rate set by the Developer.

***There are no institutions like central banks that back the system of virtual currencies or tokens in times of crises. In times of crises, the market value of virtual currencies or tokens such as the TELA may therefore significantly decrease.***

An institution supervising and controlling the economy for virtual currencies or tokens does not exist. Therefore, it is currently not possible for state institutions to influence the exchange rate of virtual currencies or tokens. Stability and control mechanisms which are normally at the disposal of central banks, are not available in this context. In the case of economic recession or a drop of the exchange rate of a virtual currency or token such as the TELA, there is no possibility to apply counter measures. Therefore, in times of crises, the lack of institutional control could result in enormous economic damage as virtual currencies or tokens lose value. Usually states support banks in times of crises and prevent the monetary system from failing. This is not the case with respect to virtual currencies or tokens such as the TELA. This may have a significant negative impact on the market value of the TELA.

***The Developer is exchanging only 50 percent of the total supply of TELA for Ether in this Initial Token Offering. 50 percent of the total supply therefore remains with the Developer. Should the Developer decide to trade large portions of its own holdings of TELA, this could have a severe negative impact on the market value of the TELA.***

In total, a fixed amount of 300 million TELA (Total Token Amount) will be created by the Developer on the Token Creation Date. The Developer intends only to exchange 150 million TELA (or 50 percent of the Total Token Amount) in this Initial Token Offering for Ether. The remaining 150 million TELA (or 50 percent of the Total Token Amount) will remain with the Developer and may be exchanged for other virtual currencies or sold for Euro or any other fiat currency at a later point in time at any marketable price. Should the Developer decide to offer for large portions of its own holdings of TELA after the Initial Token Offering, this could have a severe negative impact on the market value of the TELA.

***The Developer uses the Ethereum blockchain technology for the TELA. The TELA are therefore dependent on the future continuation of this blockchain. Also, Ethereum is a young technology. A possible hacking attack cannot be ruled out. A discontinuation of Ethereum could lead to a severe drop of the market value or even discontinuation of the TELA as a whole.***

The TELA are designed as a decentralized ERC20 token on the Ethereum blockchain. The TELA are therefore dependent on the future continuation of the Ethereum blockchain. The Ethereum blockchain has already come to its limits in the past. It is unclear, whether the Ethereum blockchain will continue to be operated by the community in the future.

Hackers may target the Ethereum blockchain. The attacks of these hackers may be difficult to trace and the damage of the individual Token Holder would likely have to be borne by themselves. Usually, insurance companies will not offer insurance for these risks. Furthermore, it is unclear if exchange platforms fulfil reasonable safety standards which are necessary to defend against attacks. Thieves may try to steal the private keys associated with TELA and try to obtain user data by using malware. It is likely that more attacks will occur as virtual currencies and tokens gain popularity.

Virtual currencies, tokens and the blockchain technology are still in its initial stage. Software applications that may be used in connection with the TELA may not have been developed for the mass market and may technically be not well adapted. No superior institution is correcting errors that occur when trading with virtual currencies or tokens. If problems arise in this context, TELA might be lost for the Participant.

A discontinuation of the Ethereum blockchain or technical difficulties such as software bugs could lead to a severe drop of the market value or discontinuation of the TELA as a whole.

***Legally non-binding statements of governments and public authorities can have a strong influence on the market value of tokens such as the TELA.***

Alarming statements of governments and public authorities like a banking regulator or supervisor can heavily influence exchange rates of any virtual currency or token. In this context, it is unclear how banks will react to the increasing popularity of virtual currencies or tokens. Banks and public authorities may be open to the concept, however, it is possible that banks and public authorities articulate that they are in favour of a strict regulation and government supervision. Any such statements by governments and public authorities (even if they are only opinions and not legally binding) have the potential to significantly influence the market value of virtual currencies or tokens such as the TELA.

***TELA are stored on the Ethereum blockchain which uses private keys to validate transactions. If a Participant or Token Holder loses their private keys, they might not be able to access TELA in the future. If a Participant or Token Holder makes a transfer by accident, they might not be able to get a refund.***

An institution like a bank or another public authority that is responsible for the safekeeping of virtual currencies such as TELA does currently not exist. TELA are stored on the Ethereum blockchain which uses private keys to validate transactions. If you lose your private keys, you might not be able to access your TELA in the future. In such a case, there may be no possibility to compensate for damages. Also, in the field of virtual currencies, there is no possibility to get a refund for transactions made by accident. This may lead to an increased risk of losses, when a transaction is sent to the wrong recipient. In many cases it will be impossible to undo a wrong transaction. The anonymity of the parties involved makes it very difficult to contact the counterparty if an amount of TELA was transferred to the wrong party mistakenly.

## SCHEDULE A – TOKEN EXCHANGE AGREEMENT



### TELLURIA MARKETPLACE

#### Initial Token Offering

of up to 150 million Ethereum-based "TELA" tokens

#### TOKEN EXCHANGE AGREEMENT

This Token Exchange Agreement (the "**Agreement**") is concluded by and between Telluria GmbH, a limited liability company pursuant to the laws of the Federal Republic of Germany, having its branch at Heiligenstädter Lände 29/2, 1090 Vienna, Austria, which is registered with the Commercial Court of Vienna under registration number FN 481141 k as the party exchanging TELA for Ether (the "**Developer**") and you as participant in the Initial Token Offering exchanging Ether for TELA (the "**Participant**"). Both parties to this agreement are collectively referred to as the "**Parties**" and individually as a "**Party**".

#### 1. DEFINITIONS AND INTERPRETATION

1.1 For the purpose of this Agreement, the terms and expressions defined shall have the meaning ascribed to them below, unless the context or use clearly indicates a different meaning or intent:

"**Aggregate Exchange Proceeds**" means the total amount of all ETH Exchange Amounts of Ether transferred to the Collection Address from verified Participants in the Offer Period.

"**CET**" means the time zone used in Austria (Central European Time).

"**Collection Address**" means the address on the Ethereum blockchain where all ETH Exchange Amounts of Ether are collected in the Offer Period.

"**Consumer Rights Directive**" means Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council.

"**Delivery**" means the transfer of the TELA Exchange Amount of TELA on the Token Delivery Date to the ETH Address that the Participant has transferred the ETH Exchange Amount of Ether from.

"**Developer**" means Telluria GmbH, a limited liability company pursuant to the laws of the Federal Republic of Germany, having its branch at Heiligenstädter Lände 29/2, 1090 Vienna, Austria, which is registered with the Commercial Court of Vienna under registration number FN 481141 k.

"**ETH Address**" means an identifier of alphanumeric characters that represents a possible destination for a transfer of Ether on the Ethereum blockchain.

"**ETH Exchange Amount**" means the amount of Ether or fractions thereof to be transferred to the Collection Address by a Participant in order to make an Exchange Offer.

"**ETH Token Value**" means the fraction of Ether to be transferred in exchange for a single TELA; the ETH Token Value changes in the Offer Period and equals 1/5200 Ether in ITO Week 1; 1/4600 Ether in ITO Week 2; 1/4100 Ether in ITO Week 3 and 1/3700 Ether in ITO Week 4. Between ITO Week 5 and ITO Week 8, starting on 4 June 2018 08:00 CET and ending on 2 July 2018 08:00 CET the ETH Token Value increases by 1% compared to the ETH Token Value of the day before.

"**Ether**" means the virtual currency used in connection with the Ethereum platform.

"**Exchange Offer**" means a legally binding offer from a verified Participant to exchange Ether for TELA by transferring the ETH Exchange Amount of Ether stated in the Offer Invitation to the Collection Address.

"**Exchange Request**" means a request made by the Participant to be provided with an Offer Invitation by the Developer regarding a certain number of TELA.

"**ITO Week 1**" means the period starting on the Offer Start Date and ending on ending on 14 May 2018 08:00 CET; in ITO Week 1 the ETH Token Value equals ETH 0.00019231.

"**ITO Week 2**" means the period starting on 14 May 2018 08:00 CET and ending on 21 May 2018 08:00 CET; in ITO Week 2 the ETH Token Value is ETH 0.00021739.

"**ITO Week 3**" means the period starting 21 May 2018 08:00 CET and ending on 28 May 2018 08:00 CET; in ITO Week 3 the ETH Token Value equals ETH 0.0002439.

"**ITO Week 4**" means the period starting on 28 May 2018 08:00 CET and ending on 4 June 2018 08:00 CET; in ITO Week 4 the ETH Token Value is ETH 0.00027027.

"**ITO Week 5**" means the period starting on 4 June 2018 08:00 CET and ending on 11 June 2018 08:00 CET; starting on 4 June 2018 08:00 CET and ending on 2 July 2018 08:00 CET the ETH Token Value increases by 1% compared to the ETH Token Value of the day before.

"**ITO Week 6**" means the period starting on 11 June 2018 08:00 CET and ending on 18 June 2018 08:00 CET; starting on 4 June 2018 08:00 CET and ending on 2 July 2018 08:00 CET the ETH Token Value increases by 1% compared to the ETH Token Value of the day before.

"**ITO Week 7**" means the period starting on 18 June 2018 08:00 CET and ending on 25 June 2018 08:00 CET; starting on 4 June 2018 08:00 CET and ending on 2 July 2018 08:00 CET the ETH Token Value increases by 1% compared to the ETH Token Value of the day before.

"**ITO Week 8**" means the period starting on 25 June 2018 08:00 CET and ending on the Offer End Date; starting on 4 June 2018 08:00 CET and ending on 2 July 2018 08:00 CET the ETH Token Value increases by 1% compared to the ETH Token Value of the day before.

"**ITO Smart Contract**" means the smart contract on the Ethereum platform as described in this Token Offer Document that is managing the Initial Token Offering process after the end of the Pre-Sale Period.

"**Know your Customer**" means the identification verification requirements designed to protect users' property and maintain security of the Telluria Marketplace.

"**Offer End Date**" means the last day of the Offer Period, i.e., 2 July 2018 08:00 CET.

"**Offer Invitation**" means a legally non-binding invitation from the Developer to the Participant to make a legally binding Exchange Offer.

"**Offer Period**" means the period starting on the Offer Start Date and ending on the Offer End Date; in the Offer Period, the Developer may be provided with Exchange Requests and Exchange Offers by Participants; the Developer reserves the right to extend or contract the Offer Period if demand for the TELA requires such course of action.

"**Offer Start Date**" means the first day of the Offer Period, i.e., 7 May 2018 08:00 CET.

"**Offer Website**" means the website [www.telluria.at](http://www.telluria.at).

"**Participant, registered**" means a Participant in this Initial Token Offering after submitting an Exchange Request to the Developer.

"**Participant, verified**" means a Participant in this Initial Token Offering who has (a) made an Exchange Offer by transferring the ETH Exchange Amount of Ether to the Collection Address and (b) expressly accepted the terms of the Token Exchange Agreement.

"**Private Key**" means an alphanumeric value that is required to transfer Ether from one ETH Address to another ETH Address.

"**Return Transfer**" means the transfer of Ether back to the ETH Address the Participant has transferred the ETH Exchange Amount of Ether from; a Return Transfer is made if the Developer does not accept an Exchange Offer.

"**Target Markets**" means such territories where the Initial Token Offering as described in the Token Offer Document is not prohibited by law or regulation.

"**TELA**" means the Ethereum-based tokens as described in this Token Offer Document which allow Token Holder to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace.

"**TELA Exchange Amount**" means the amount of TELA the Participant would like to obtain in the Initial Token Offering.

"**Telluria Marketplace**" means the Telluria Marketplace, which is a new generation marketplace aiming to eliminate the issues of existing solutions and expands the possibilities of traders.

"**Terms of Service**" means the rules by which users must agree to participate in the Telluria Marketplace online community, create and contribute to projects, or purchase digital content.

"**Token Creation Date**" means the date when the Total Token Amount of TELA will be created by the Developer; the Token Creation Date is the day before the Offer Start Date, at the latest.

"**Token Delivery Date**" means the date when Delivery of the bartered TELA takes place.

"**Token Offer Document**" means the latest version of the document describing the TELA and the Initial Token Offering which was published in electronic form under [www.telluria.at](http://www.telluria.at).

1.2 Unless a contrary indication appears, any reference in this Agreement to

- (i) any Party shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (ii) the term "person" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (iii) the term "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization;
- (iv) the term "including" shall not be interpreted as limiting to;
- (v) the term "token" shall mean a voucher for the use of obtaining goods or services from parties accepting such vouchers;
- (vi) a provision of law is a reference to that provision as amended or re-enacted; and
- (vii) a time of day is a reference to Vienna time.

1.3 Clause and schedule headings are for ease of reference only and references to clauses and schedules are references to the clauses and schedules of this Agreement.

## **2. CONCLUSION OF THIS AGREEMENT**

2.1 In the Offer Period, the Participant shall submit to the Developer an Exchange Request, specifying the exact TELA Exchange Amount of TELA. The Exchange Request is a legally non-binding general inquiry (*unverbindliche Anfrage*) by the Participant.

2.2 The Developer shall then submit to the Participant an Offer Invitation, specifying therein the ETH Exchange Amount of Ether in relation to the TELA Exchange Amount of TELA specified in the Exchange Request. The Offer Invitation also is a legally non-binding invitation to make an offer (*Einladung zur Anbotslegung*).

2.3 The Participant shall then make an Exchange Offer by transferring the ETH Exchange Amount of Ether stated in the Offer Invitation to the Collection Address. The Exchange Offer is an offer (*Anbot*) legally binding the Participant to the terms of this Agreement.

- 2.4 The ETH Exchange Amount of Ether stated in the Offer Invitation is only valid if the Exchange Offer is made in the same ITO Week (ITO Week 1, ITO Week 2, ITO Week 3, ITO Week 4) or on the same day of the ITO Week (ITO Week 5, ITO Week 6, ITO Week 7, ITO Week 8) the Exchange Request was made by the Participant. If an Exchange Offer is made in a later ITO Week (ITO Week 1, ITO Week 2, ITO Week 3, ITO Week 4) or on a later day of an ITO Week (ITO Week 5, ITO Week 6, ITO Week 7, ITO Week 8) then the Exchange Offer is made on the basis of the ETH Token Value in the ITO Week the Exchange Offer is made, irrespective of the ETH Exchange Amount stated in the Offer Invitation.
- 2.5 The Participant's Exchange Offer is accepted by the Developer, and therefore the Agreement is finally concluded, through fulfilment by Delivery of the TELA Exchange Amount of TELA to the Participant (*Vertragschluss durch Erfüllung*). Only after Delivery, the Developer shall be bound to the terms of this Agreement.

### **3. NO RIGHT OF WITHDRAWAL**

- 3.1 The Participant shall not have a right of withdrawal, neither statutory nor contractual.
- 3.2 Articles 9 to 15 of the Consumer Rights Directive as implemented by § 11 of the Austrian federal law on distance and off-premises sales (*Fern- und Auswärtsgeschäfte-Gesetz*) provide for the right of a consumer to withdraw from a distance or off-premises contract. This Agreement is excepted from the right of withdrawal since it concerns the supply of goods for which the price is dependent on fluctuations in the financial market which cannot be controlled by the Developer and which may occur within the withdrawal period (cf. Article 16 litera (b) of the Consumer Rights Directive; § 18 para (1) item 2 of the Austrian federal law on distance and off-premises sales).
- 3.3 In addition, the exception of Article 16 litera (m) of the Consumer Rights Directive and § 18 para (1) item 11 of the Austrian federal law on distance and off-premises sales applies since this Agreement concerns the supply of digital content in the sense of the Directive which is not supplied on a tangible medium and the Participant's prior express consent and acknowledgment that he or she thereby loses his right of withdrawal will be obtained when making an Exchange Offer. As soon as the Exchange Offer has been made, the Developer will provide the Participant with an email confirmation relating to such prior express consent and acknowledgment as well as to the legally binding Exchange Offer itself.

### **4. BARTER CLAUSE**

- 4.1 Subject to the terms and conditions of this Agreement and in reliance on the representations and warranties of the Participant as set out herein, the Developer agrees to barter (*tauschen*) in the sense of § 1045 of the Austrian General Civil Code and to deliver to the Participant the TELA Exchange Amount of TELA; and the Participant, in return, subject to the terms and conditions of this Agreement and in reliance on the representations and warranties of the Developer as set out herein, agrees to barter (*tauschen*) in the sense of § 1045 of the Austrian General Civil Code and to deliver to the Developer the ETH Exchange Amount of Ether.

4.2 The Participant declares to accept the TELA Exchange Amount of TELA as consideration for the ETH Exchange Amount of Ether bartered, and the Developer declares to accept the ETH Exchange Amount of Ether as consideration for the TELA Exchange Amount of TELA bartered. Both parties declare that after due consideration of all material aspects, the TELA Exchange Amount of TELA is of equal value to the ETH Exchange Amount of Ether.

## 5. CALCULATION OF THE ETH EXCHANGE AMOUNT

5.1 The ETH Exchange Amount of Ether to be transferred to the Collection Address by the Participant which is provided in the Offer Invitation shall be calculated by the Developer by multiplying the TELA Exchange Amount stated in the Exchange Request with the ETH Token Value.

5.2 The ETH Token Value changes in the Offer Period and is ETH 0.0001333333 in the Pre-Sale Period, ETH 0.00014285714 in ITO Week 1, ETH 0.00015384615 in ITO Week 2, ETH 0.00016666666 in ITO Week 3, ETH 0.00018181818 in ITO Week 4, and ETH 0.0002 in ITO Week 5.

## 6. DELIVERY OF THE TELA

After a Participant has made a binding Exchange Offer, the TELA Exchange Amount of TELA shall, as quickly as reasonably possible, but in any case within one day, be delivered by the Developer to the ETH Address the Participant has transferred the ETH Exchange Amount of Ether from.

## 7. RIGHTS ASSOCIATED WITH THE TELA

7.1 The Participant acknowledges that there are no rights whatsoever associated with the TELA. In particular, the TELA do not purport any rights as commonly associated with securities (such as shareholder or information rights). TELA are ERC20 tokens based on the Ethereum platform, which only allow users to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace.

7.2 Rights of the Participant are only derived from this Agreement and statutory Austrian law. Rights derived from this Agreement are (a) the right to Delivery if the Developer decides to accept an Exchange Offer, and (b) rights in connection with the representations and warranties made by the Developer.

7.3 If the Participant is not a consumer (*Konsument*) in the sense of the Austrian Consumer Protection Act (*Konsumentenschutzgesetz*), the Participant waives any and all statutory warranty rights and agrees to be limited to the contractual warranty rights set out hereinafter.

## 8. USE OF THE AGGREGATE EXCHANGE PROCEEDS

8.1 The Developer shall, at all times, keep any unused Aggregate Exchange Proceeds on one or more ETH Addresses separated from other Ether in its possession. The Developer shall therefore ensure that the Aggregate Exchange Proceeds are not mingled with other amounts of Ether the Developer has control over.

8.2 The Developer shall have the right to exchange the Aggregate Exchange Proceeds, or any portion thereof, into any virtual currency or into fiat money of any type, at any time and at any exchange rate reasonably achievable at the time of such exchange.

8.3 The Developer shall have the right to apply the Aggregate Exchange Proceeds or any substitute amount pursuant to clause 8.2 towards any purpose in compliance with the goals of the Developer as set out in the Token Offer Document.

## 9. REPRESENTATIONS AND WARRANTIES

9.1 The Participant makes the representations and warranties set out in this clause (9.1.1 to 9.1.7) to the Developer on the date of this Agreement and on the Token Delivery Date.

9.1.1 The Participant is participating in this Initial Token Offering for its own account and is not resident (or does not have a seat) in a jurisdiction outside of the Target Markets.

9.1.2 The material obligations under this Agreement expressed to be assumed by the Participant are legally binding, valid and enforceable against it.

9.1.3 The entry into this Agreement and performance by the Participant do not and will not conflict with (i) any law or regulation or (ii) its constitutional documents (if applicable).

9.1.4 The Participant has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement.

9.1.5 The Participant is in possession of the Private Key of the ETH Address the Delivery of the TELA shall be made to.

9.1.6 The choice of Austrian law as the governing law of this Agreement as well as the choice of Austria as place of jurisdiction will be recognized and enforced in the jurisdiction of the Participant, except in case the Participant is consumer in the sense of the Consumer Rights Directive or the Austrian Consumer Protection Act.

9.1.7 Any judgment obtained in Austria will be recognized in the jurisdiction of the Participant, except in case the Participant is consumer in the sense of the Consumer Rights Directive or the Austrian Consumer Protection Act.

9.2 In addition to statutory warranty obligations (§ 922 of the Austrian General Civil Code; if not waived under clause 7.3), the Developer makes the representations and warranties set out in this clause (9.2.1 to 9.2.4) to the Participant on the date of this Agreement and on the Token Delivery Date.

9.2.1 The TELA qualify as 'digital content' in the sense of Article 2 para (11) of the Consumer Rights Directive and, as such, qualify as immaterial and movable assets (*unkörperliche und bewegliche Sachen*) in the sense of §§ 285, 292, 293 of the Austrian General Civil Code and are subject to property rights under Austrian law; the Developer makes no representations or warranties as to other jurisdictions.

9.2.2 The Participant will obtain legal competence (*Rechtszuständigkeit*) under Austrian law over the amount of TELA delivered after this Agreement has been concluded; the Developer makes no representations or warranties as to other jurisdictions.

9.2.3 Any factual information provided by the Developer in the Token Offer Document is true, complete and accurate in all material respects as at the date of the Token Offer Document or as at the date (if any) at which it is stated.

9.3 The Developer will accept TELA tokens in exchange for the use of the Telluria Marketplace as described in this Agreement.

## 10. MISCELLANEOUS

10.1 If the Participant is not a consumer in the sense of the Consumer Rights Directive or the Austrian Consumer Protection Act, the Participant waives its right to contestation of the contract for *laesio enormis* (*Verkürzung über die Hälfte*).

10.2 The Participant may not assign any of its rights or transfer any of its rights or obligations under this Agreement, including, but not limited to statutory or contractual warranty rights. This clause does not affect the TELA themselves. TELA may be traded freely on a virtual currency exchange, or otherwise, at any time.

10.3 Any communication to the Developer will be effective only when actually received by the Developer and then only if it was sent via mail to the physical address of the Developer. Any communication or notice given under or in connection with this Agreement must be in German or English language.

10.4 This Agreement is the entire agreement and understanding between the Parties with respect to the exchange of the TELA Exchange Amount of TELA for the ETH Exchange Amount of Ether and supersedes all prior written or oral commitments, arrangements or understandings between the Parties with respect thereto.

10.5 Should one or more of the provisions or any part of a provision of this Agreement be or become void, illegal or unenforceable, then the validity, legality or non-enforceability of the remaining provisions of this Agreement shall not be affected thereby and the Parties shall use reasonable efforts to agree upon a new provision which shall, as nearly as possible, have the same commercial effect, meaning and spirit as the ineffective provision and to the purpose of this Agreement. To the extent permitted by applicable law, each Party waives any provision of law which renders any provision of this Agreement invalid, illegal or unenforceable in any respect. This clause 10.5 is not applicable in case the Participant is consumer in the sense of the Consumer Rights Directive or the Austrian Consumer Protection Act.

10.6 This Agreement and any non-contractual obligations arising out of or in relation to this Agreement shall be governed by and construed in all respects in accordance with Austrian law, excluding the Austrian conflict of laws rules.

10.7 If the Participant is not a consumer in the sense of the Consumer Rights Directive or the Austrian Consumer Protection Act, then all disputes arising out of this Agreement or related to its violation, termination or nullity, shall be brought before the competent court in corporate matters (*Handelsgericht*) in Vienna, Austria.

**SCHEDULE B – EXCHANGE REQUEST FORM**

**To:**

Telluria GmbH  
 Heiligenstädter Lände 29/2  
 1090 Vienna  
 AUSTRIA

**Email: info@telluria.at**

Terms used in this Exchange Request have the meaning ascribed to them in the Token Offer Document available under [www.telluria.at](http://www.telluria.at).

<i>Last Name</i>	<i>Frist Name</i>	
<i>Street, No.</i>	<i>ZIP Code, Town</i>	<i>Date of Birth</i>
<i>Telephone Number</i>	<i>E-Mail Address</i>	<i>Citizenship</i>

<i>Wallet Address</i>
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ETH Address the transfer of the ETH Exchange Amount will be made from

I confirm that I have made these statements correctly and I am aware that the processing of these data is necessary for the fulfilment of the contract (Article 6 para 1 lit b GDPR).

Furthermore, I hereby give my explicit consent to receive regular news by Telluria GmbH. I am aware that I can withdraw my consent at any time. The withdrawal will not affect the lawfulness of processing based on consent before the withdrawal.

I confirm to use a wallet software that supports ERC20-Tokens to receive TELA.

I confirm that I have read and understood the Token Offer Document carefully.

I confirm that I have read and understood the Token Exchange Agreement carefully and accept it.

I hereby agree that TELA will be transferred immediately after conclusion of the Token Exchange Agreement before the end of the withdrawal period.

I hereby approve and acknowledge that I have no right of withdrawal to rescind the Token Exchange Agreement once I have made the Exchange Offer as

- (i) the price of the TELA to be obtained is dependent on fluctuations in the financial market which cannot be controlled by Telluria GmbH and may occur within the withdrawal period and
- (ii) TELA are considered digital content which is not supplied on a tangible medium.

I herewith make a non-binding Exchange Request as defined in the Token Offer Document for the following amount of TELA.

\_\_\_\_\_ **Amount of TELA**

\_\_\_\_\_  
Place / Date

\_\_\_\_\_  
Signature

## SCHEDULE C – TERMS OF ACCEPTANCE



### Initial Token Offering

of up to 150 million Ethereum-based tokens named 'TELA'

## TERMS OF ACCEPTANCE

These terms of acceptance (the "**Terms of Acceptance**") by Telluria GmbH, a limited liability company pursuant to the laws of the Federal Republic of Germany, having a registered branch at Heiligenstädter Lände 29/2, 1090 Vienna, Austria, which is registered with the Commercial Court of Vienna under registration number FN 481141 k (the "**Accepting Party**") set out the terms and conditions the Accepting Party will accept TELA (as defined hereinafter) as vouchers by any person wishing to redeem TELA with the Accepting Party (the "**Redeeming Party**") to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace of the Accepting Party.

These Terms of Acceptance are a unilaterally legally binding declaration of the Accepting Party based on the legal construct of *Auslobung* pursuant to § 860 of the Austrian General Civil Code. These Terms of Acceptance are not general terms and conditions. Any agreement ("**Agreement**") that a Redeeming Party and the Accepting Party are entering is subject to the terms and conditions of the respective Agreement.

### 1. DEFINITIONS AND INTERPRETATION

1.1 For the purpose of these Terms of Acceptance, the terms and expressions defined shall have the meaning ascribed to them below, unless the context or use clearly indicates a different meaning or intent:

"**Accepting Party**" means Telluria GmbH, a limited liability company pursuant to the laws of the Federal Republic of Germany, having its branch at Heiligenstädter Lände 29/2, 1090 Vienna, Austria, which is registered with the Commercial Court of Vienna under registration number FN 481141 k.

"**Consumer Rights Directive**" means Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council.

"**ETH Address**" means an identifier of alphanumeric characters that represents a possible destination for a transfer of Ether on the Ethereum blockchain.

"**Initial Token Offering**" means the exchange of up to 150 million units of the new Ethereum-based tokens named 'TELA' for Ether during the Offer Period as described in this Token Offer Document.

"**TELA**" means the Ethereum-based tokens as described in this Token Offer Document which allow Token Holders to pay reduced commissions and fees for exchanging virtual currencies on the Telluria Marketplace.

"**Total Coin Amount**" means the amount of TELA created by the Developer in the Initial Token Offering, i.e., 300 million TELA.

- 1.2 Unless a contrary indication appears, any reference in these Terms of Acceptance to
- (i) any person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (ii) the term 'person' includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
  - (iii) the term 'regulation' includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization;
  - (iv) the term 'including' shall not be interpreted as limiting to;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Vienna time.
- 1.3 Clause and schedule headings are for ease of reference only and references to clauses and schedules are references to the clauses and schedules of these Terms of Acceptance.

## **2. TERMS OF ACCEPTANCE**

- 2.1 The Accepting Party herewith binds itself publicly pursuant to § 860 of the Austrian General Civic Code to accept TELA for any and all goods or services offered by the Accepting Party. The Accepting Party will accept TELA to be redeemed for commissions and fees for exchanging virtual currencies on the Telluria Marketplace of the Accepting Party, in particular regardless
- (i) of the legal status of the Redeeming Party; or
  - (ii) of whether the Redeeming Party is as a consumer or entrepreneur; or
  - (iii) of whether the Redeeming Party is a natural person or a legal entity.
- 2.2 The Accepting Party will further make no distinction between
- (i) TELA that were obtained by the Redeeming Party from the Accepting Party directly in the course of the Initial Token Offering; or
  - (ii) TELA that were obtained from a third party at any point in time after the Initial Token Offering.

2.3 The Accepting Party will neither charge a different price nor charge additional fees if any amount due is settled by redeeming TELA.

2.4 The Accepting Party will grant Token Holder the following discounts on the Telluria Marketplace:

<b>Validity Period</b> (starting at the launch of the Telluria Marketplace)	<b>Discount Amount</b>
1 <sup>st</sup> month	100 % discount for Token Holders holding more than 5000 TELA
1 <sup>st</sup> year	50 %
2 <sup>nd</sup> year	25 %
3 <sup>rd</sup> year	15 %
4 <sup>th</sup> year	10 %

2.5 These Terms of Acceptance may be cancelled by the Accepting Party, subject to a notice period of three months, as of 31 December of each calendar year. The Accepting Party will publish the termination of the Terms of Acceptance on its website.

2.6 The Accepting Party waives its right to withdraw from these Terms of Acceptance for a period of five years with this period commencing on 30 June 2018. The Terms of Acceptance can therefore be cancelled for the first time with effect as of 31 December 2023.