# Deepbook (DEEP)
# White paper

## In accordance with Title II of Regulation (EU) 2023/1114 (MiCA)

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|---|---|---|
| 01 | Date of notification | 2025-06-26 |
| 02 | Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114 | This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The operator of the trading platform of the crypto-asset is solely responsible for the content of this crypto-asset white paper. |
| 03 | Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114 | This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import. |
| 04 | Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114 | The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid. |
| 05 | Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114 | false |
| 06 | Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114 | The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council. |

<table>
<tr><td colspan="3">Summary</td></tr>
<tr><td>07</td><td>Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114</td><td>Warning<br>This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The admission to trading of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.</td></tr>
<tr><td>08</td><td>Characteristics of the crypto-asset</td><td>DeepBook (DEEP) is the native governance and incentive token of the DeepBook protocol on Sui, a decentralized on-chain central limit order book for DeFi liquidity. DEEP holders can use the token to pay trading fees and liquidity pool creation fees on DeepBook. By staking DEEP tokens in a DeepBook liquidity pool, holders gain the right to reduced trading fees (taker fee discounts based on trading volume) and to receive token-denominated incentives as liquidity providers. Staked DEEP also confers governance rights over that pool’s parameters, such as trading fee rates and staking requirements; voting power is proportional to stake but with a non-linear weighting to ensure smaller holders have a meaningful voice. These rights are exercised through on-chain proposals and votes per epoch, and any changes are implemented at the start of the next epoch.<br><br>DEEP has a maximum supply of 10 000 000 000 distributed as follows:<br><br>
<table>
<tr><th>Category</th><th>Allocation</th></tr>
<tr><td>Community airdrop</td><td>10%</td></tr>
<tr><td>Core contributors & early backers</td><td>28,43%</td></tr>
<tr><td>Ecosystem Growth</td><td>61,57%</td></tr>
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| 09 | Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability | N/A |
| 10 | Key information about the offer to the public or admission to trading | Kraken seeks admission to trading of the DEEP token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets. |
| **Part I – Information on risks** | | |
| I.1 | Offer-Related Risks | **General Risk Factors Associated with Crypto-Asset Offerings**<br>The admission to trading of crypto-assets, including DEEP, is subject to general risks inherent to the broader cryptocurrency market.<br><br>**Market Volatility**<br>The value of DEEP may experience substantial fluctuations driven by investor sentiment, macroeconomic developments, and market conditions.<br><br>**Regulatory Risks**<br>Changes in legislation, applicable laws, compliance requirements or the implementation of new regulatory frameworks could affect the availability, trading, or use of such assets.<br><br>**Security Risks**<br>The risk of exploitation, hacking or security vulnerabilities of the underlying protocol and/or contracts of the token leading to a loss.<br><br>**Reputational Risks**<br>The potential for damage to an organization's credibility or public trust, which can negatively impact stakeholder confidence and overall business viability**.** |
| I.2 | Issuer-Related Risks | **High concentration in Token Holdings**<br>The core contributors and early backers hold a sizable allocation of DEEP tokens (approximately 28.43% of supply subject to vesting). While this aligns their interests with the token's success, it also means they could influence market conditions (e.g., if tokens unlock and are sold in large quantities). |

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| | | **Funding and sustainability risk**<br>The future development and incentive programmes are funded primarily with DEEP held in the Ecosystem Growth vault; a sustained decline in DEEP's market value would reduce the real resources available for grants, liquidity mining and maintenance.<br><br>**Ecosystem and competitive risk** DeepBook's success depends on Sui's overall DeFi adoption. If competing liquidity venues on Sui or other chains attract traders and builders, usage of DeepBook could lag expectations. |
| I.3 | Crypto-Assets-related Risks | **Market Volatility**<br>The crypto-asset market is subject to significant price volatility, which may affect the value of DEEP. Prices can fluctuate rapidly and unpredictably due to various factors, including market sentiment, economic indicators, technological developments, regulatory news, and macroeconomic trends. This high level of volatility may lead to sudden gains or losses and can impact the liquidity and tradability of the crypto-asset.<br><br>**Liquidity**<br>Liquidity refers to the ability to buy or sell a crypto-asset without causing significant price impact. DEEP may experience periods of low liquidity, meaning that it could be difficult to enter or exit positions at desired prices or volumes. Reduced liquidity may result from limited market participation, exchange restrictions, or broader market conditions. This can lead to increased price volatility, slippage, and difficulty in executing transactions.<br><br>**Cybersecurity & Technology Risks**<br>Risks arising from vulnerabilities in the blockchain technology used by the project or platforms. Example risks include smart contract exploits, compromise of platforms, forking scenarios, compromise of cryptographic algorithms.<br><br>**Adoption Risks**<br>If the project fails to achieve its goals, adoption and usage may be lower than expected. This could reduce the token's utility and overall value proposition.<br><br>**Custody & Ownership Risk**<br>The risk related to the inadequate safekeeping and control of crypto-assets e.g. loss of private keys, custodian insolvency leading to a loss. |
| I.4 | Project Implementation-Related Risks | **Development delays or shortfalls**<br>DeepBook V3 is live, but future improvements (e.g., incremental "v3.x" upgrades) are still planned. Any slippage in shipping these upgrades, or in resolving bugs uncovered after launch, could slow adoption and reduce DEEP's utility. |

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| | | **Operational Challenges**<br>Although DeepBook has on-chain governance in place, it is still run by a small core team without formal management. Since this team handles most development, marketing, and outreach rather than a broader community, limited resources mean progress could be affected if key members leave or shift focus. |
| I.5 | Technology-Related Risks | **Smart contract risks**<br>DEEP uses smart contracts to facilitate automated transactions and processes. While these contracts enhance efficiency and decentralization, they also introduce specific technical risks. Vulnerabilities such as coding errors, design flaws, or security loopholes within the smart contract code may be exploited by malicious actors. Such exploits could result in the loss of assets, unauthorized access to sensitive information, or unintended and irreversible execution of transactions.<br><br>**Blockchain Network Risks**<br>DEEP operates on a public blockchain infrastructure, which is maintained by a decentralized network of participants. The functionality and reliability of the crypto-asset are dependent on the performance and security of the underlying blockchain. Risks may include network congestion, high transaction fees, delayed processing times, or, in extreme cases, outages and disruptions. Additionally, vulnerabilities or failures in the consensus mechanism, attacks on the network (e.g., 51% attacks), or protocol-level bugs could impact the operation and availability of DEEP.<br><br>**Risk of Cryptographic Vulnerabilities**<br>Technological advancements, such as quantum computing, could pose potential risks to cryptocurrencies.<br><br>**Privacy**<br>Transactions involving DEEP are recorded on a public blockchain, where transaction data is transparent and permanently accessible. While public addresses do not directly reveal personal identities, transaction histories can be analyzed and, in some cases, linked to individuals through data aggregation or external information sources. This transparency may pose privacy concerns for users seeking confidentiality in their financial activity. Transaction data on public blockchains is not inherently private and could be subject to scrutiny by third parties, including regulators, analytics firms, or malicious actors. |
| I.6 | Mitigation measures | **Anti-Exploitation Mechanisms**<br>The DEEP token model includes built-in safeguards against common DeFi exploits. To counter wash trading, DeepBook ensures that the total token incentives paid out never exceed the fees collected in the same epoch, with any excess being burned. This removes the profit motive for generating fake volume, thereby protecting the integrity of the volume-based fee discount scheme. |

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| | | Additionally, as trading activity grows, the marginal incentives decrease sharply, further reducing gains from artificial trading. To prevent governance capture, DeepBook limits governance to a narrow scope of parameters and applies changes uniformly (e.g., a vote for lower fees affects all users equally). Moreover, the quasi-concave voting system means that beyond a point, adding more tokens to one's stake yields diminishing additional voting power. This ensures that no single whale can unilaterally dictate outcomes, preserving a more democratic governance and protecting smaller stakeholders. These measures collectively mitigate risks of protocol abuse by insiders or large players.<br><br>**Burn Mechanism (Supply Control)**<br>The incentive burn mechanism not only disincentivizes wash trading but also acts to correct any token oversupply situations by eliminating excess tokens from circulation. This contributes to long-term token value support and network health, indirectly mitigating the risk of value dilution from misuse of the incentive system. |
| **Part A - Information about the offeror or the person seeking admission to trading** | | |
| A.1 | Name | N/A |
| A.2 | Legal form | N/A |
| A.3 | Registered address | N/A |
| A.4 | Head office | N/A |
| A.5 | Registration Date | N/A |
| A.6 | Legal entity identifier | N/A |

| | | |
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| A.7 | Another identifier required pursuant to applicable national law | N/A |
| A.8 | Contact telephone number | N/A |
| A.9 | E-mail address | N/A |
| A.10 | Response Time (Days) | N/A |
| A.11 | Parent Company | N/A |
| A.12 | Members of the Management body | N/A |
| A.13 | Business Activity | N/A |
| A.14 | Parent Company Business Activity | N/A |
| A.15 | Newly Established | N/A |
| A.16 | Financial condition for the past three years | N/A |
| A.17 | Financial condition since registration | N/A |

<table>
<tr><th colspan="3">Part B - Information about the issuer, if different from the offeror or person seeking admission to trading</th></tr>
<tr><td>B.1</td><td>Issuer different from offeror or person seeking admission to trading</td><td>true</td></tr>
<tr><td>B.2</td><td>Name</td><td>Mysten Labs</td></tr>
<tr><td>B.3</td><td>Legal form</td><td>Not available</td></tr>
<tr><td>B.4</td><td>Registered address</td><td>379 University Avenue, Suite 200, Palo Alto, CA 94301, United States</td></tr>
<tr><td>B.5</td><td>Head office</td><td>N/A</td></tr>
<tr><td>B.6</td><td>Registration Date</td><td>2021-09-01</td></tr>
<tr><td>B.7</td><td>Legal entity identifier</td><td>Not available</td></tr>
<tr><td>B.8</td><td>Another identifier required pursuant to applicable national law</td><td>Delaware registration number: 6208079</td></tr>
<tr><td>B.9</td><td>Parent Company</td><td>N/A</td></tr>
<tr><td>B.10</td><td>Members of the Management body</td><td><table><tr><th>Full Name</th><th>Business Address</th><th>Function</th></tr><tr><td>Evan Cheng</td><td>379 University</td><td>director</td></tr></table></td></tr>
</table>

| | | |
|---|---|---|
| | | <table><tr><td></td><td>Avenue, Suite 200, Palo Alto, CA 94301</td><td></td></tr><tr><td>Sam Blackshear</td><td>379 University Avenue, Suite 200, Palo Alto, CA 94301</td><td>Director</td></tr><tr><td>George Danezis</td><td>379 University Avenue, Suite 200, Palo Alto, CA 94301</td><td>Director</td></tr><tr><td>Adeniyi Emmanuel Abiodun</td><td>379 University Avenue, Suite 200, Palo Alto, CA 94301</td><td>Director</td></tr></table> |
| B.11 | Business Activity | Not available |
| B.12 | Parent Company Business Activity | N/A |
| **Part C- Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114** | | |
| C.1 | Name | Payward Global Solutions LTD |
| C.2 | Legal form | N/A |

<table>
<tr><td>C.3</td><td>Registered address</td><td>N/A</td></tr>
<tr><td>C.4</td><td>Head office</td><td>N/A</td></tr>
<tr><td>C.5</td><td>Registration Date</td><td>2023-07-11</td></tr>
<tr><td>C.6</td><td>Legal entity identifier of the operator of the trading platform</td><td>9845003D98SCC2851458</td></tr>
<tr><td>C.7</td><td>Another identifier required pursuant to applicable national law</td><td>N/A</td></tr>
<tr><td>C.8</td><td>Parent Company</td><td>N/A</td></tr>
<tr><td>C.9</td><td>Reason for Crypto-Asset White Paper Preparation</td><td>Kraken seeks admission to trading of the DEEP token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.</td></tr>
<tr><td>C.10</td><td>Members of the Management body</td><td>
<table>
<tr><th>Full Name</th><th>Business Address</th><th>Function</th></tr>
<tr><td>Shannon Kurtas</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Andrew Mulvenny</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Shane O'Brien</td><td>70 Sir John Rogerson's Quay,</td><td>Board Member</td></tr>
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|---|---|---|
| | | Dublin 2, Ireland | |
| | | Laura Walsh | 70 Sir John Rogerson's Quay, Dublin 2, Ireland | Board Member |
| | | Michael Walsh | 70 Sir John Rogerson's Quay, Dublin 2, Ireland | Board Member |
| C.11 | Operator Business Activity | PGSL is the operator of a Trading Platform for Crypto Assets, in accordance with Article 3(1)(18) of Regulation (EU) 2023/1114 (MiCA). |
| C.12 | Parent Company Business Activity | Payward, Inc., a Delaware, USA corporation, is the parent company of a worldwide group of subsidiaries (the following paragraphs use the term "Payward" or "Payward Group" to refer to the group) collectively doing business as "Kraken." Payward's primary business is the operation of an online virtual asset platform that enables clients to buy and sell virtual assets on a spot basis, including the transfer of crypto-assets to and from external wallets.<br><br>Payward, through its various affiliates, offers a number of other services and products, including:<br>* A trading platform for futures contracts on virtual assets ("Kraken Derivatives");<br>* A platform for buying and selling NFTs;<br>* An over-the-counter ("OTC") desk;<br>* Extensions of margin to support spot trading of virtual assets;<br>* A benchmark administrator; and<br>* Staking services. |
| C.13 | Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114 | N/A |

| | | |
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| C.14 | Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114 | N/A |
| **Part D- Information about the crypto-asset project** | | |
| D.1 | Crypto-asset project name | Deepbook |
| D.2 | Crypto-assets name | Deepbook (DEEP) |
| D.3 | Abbreviation | DEEP |
| D.4 | Crypto-asset project description | DeepBook is a fully on-chain central-limit-order-book (CLOB) protocol built on the Sui blockchain. It aims to serve as Sui's core liquidity layer by enabling permissionless creation of trading pairs, low-latency order-matching, and high-performance market-making directly on-chain. The native DEEP token underpins the system: traders pay fees in DEEP; liquidity providers earn DEEP incentives; and token-staking confers pool-level governance, allowing stakers to adjust taker fees, maker fees, and minimum-stake thresholds within predefined bounds. Unused fee surplus is automatically burned each epoch, creating a deflationary sink. |
| D.5 | Details of all natural or legal persons involved in the implementation of the crypto-asset project | Primary entities<br>**Sui Foundation** (legal entity, Cayman Islands) non-profit steward of the Sui ecosystem; financed initial DeepBook development, manages the DEEP token treasury, and administers community-grant programmes.<br><br>**Mysten Labs, Inc.** (legal entity, Delaware, USA) core software vendor that authored the original Sui Move codebase; supplied engineers and auditors who wrote and reviewed DeepBook v3 smart-contracts before launch. |

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|---|---|---|
| D.6 | Utility Token Classification | false |
| D.7 | Key Features of Goods/Services for Utility Token Projects | N/A |
| D.8 | Plans for the token | **Past milestones**<br>28 Mar 2024 DB Claim NFT airdrop announced, giving eligible wallets the right to claim DEEP.<br>Aug- Sept 2024 public testnet (over 120 000 wallets, 1,1 million orders) and third-party audit completed.<br>14 Oct 2024 DeepBook V3 and the DEEP token launched on Sui mainnet; 10 % of supply claimable by the community; trading and on-chain governance activated.<br><br>**Future milestones**<br>Please refer to the project team website for any further information regarding future milestones. |
| D.9 | Resource Allocation | **Resource Allocation**<br>Ecosystem Growth / Community Programs & Grants 61,57%. |
| D.10 | Planned Use of Collected Funds or Crypto-Assets | The Ecosystem Growth / Community Programs & Grants portion of the allocation supports long-term growth of the ecosystem and supports developer grants, community programs and community initiatives. |
| **Part E - Information about the offer to the public of crypto-assets or their admission to trading** | | |
| E.1 | Public Offering or Admission to trading | ATTR |
| E.2 | Reasons for Public Offer or Admission to trading | Making secondary trading available to the consumers on the Kraken Trading platform in compliance with the MiCA regulatory framework |

| | | |
|---|---|---|
| E.3 | Fundraising Target | N/A |
| E.4 | Minimum Subscription Goals | N/A |
| E.5 | Maximum Subscription Goal | N/A |
| E.6 | Oversubscription Acceptance | N/A |
| E.7 | Oversubscription Allocation | N/A |
| E.8 | Issue Price | N/A |
| E.9 | Official currency or other crypto-assets determining the issue price | N/A |
| E.10 | Subscription fee | N/A |
| E.11 | Offer Price Determination Method | N/A |
| E.12 | Total Number of Offered/Traded crypto-assets | 10 000 000 000 maximum supply |
| E.13 | Targeted Holders | ALL |

| | | |
|---|---|---|
| E.14 | Holder restrictions | N/A |
| E.15 | Reimbursement Notice | N/A |
| E.16 | Refund Mechanism | N/A |
| E.17 | Refund Timeline | N/A |
| E.18 | Offer Phases | N/A |
| E.19 | Early Purchase Discount | N/A |
| E.20 | Time-limited offer | N/A |
| E.21 | Subscription period beginning | N/A |
| E.22 | Subscription period end | N/A |
| E.23 | Safeguarding Arrangements for Offered Funds/crypto-assets | N/A |
| E.24 | Payment Methods for crypto-asset Purchase | N/A |

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| E.25 | Value Transfer Methods for Reimbursement | N/A |
| E.26 | Right of Withdrawal | N/A |
| E.27 | Transfer of Purchased crypto-assets | N/A |
| E.28 | Transfer Time Schedule | N/A |
| E.29 | Purchaser's Technical Requirements | N/A |
| E.30 | Crypto-asset service provider (CASP) name | N/A |
| E.31 | CASP identifier | N/A |
| E.32 | Placement form | NTAV |
| E.33 | Trading Platforms name | N/A |
| E.34 | Trading Platforms Market Identifier Code (MIC) | N/A |

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|---|---|---|
| E.35 | Trading Platforms Access | N/A |
| E.36 | Involved costs | N/A |
| E.37 | Offer Expenses | N/A |
| E.38 | Conflicts of Interest | All listings decisions made by Payward Global Solution Ltd are made independently by staff of the entity in line with internal policies. PGSL publishes a conflicts of interest disclosure on its website advising of potential conflicts that may arise. |
| E.39 | Applicable law | Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether DEEP tokens qualify as right or property under the applicable law. |
| E.40 | Competent court | Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts. |
| **Part F - Information about the crypto-assets** | | |
| F.1 | Crypto-Asset Type | DEEP is classified as a crypto-asset other than an asset referenced token or e-money token under MiCA, (EU) 2023/1114. |
| F.2 | Crypto-Asset Functionality | **Fee Currency**<br>DEEP is used to pay transaction fees on DeepBook (trading fees and pool creation fees are payable in DEEP), creating demand for the token as the medium for protocol fees.<br>**Staking for Benefits**<br>By staking DEEP in a DeepBook liquidity pool, users unlock volume-based trading fee discounts (taker fees that decrease with higher trading volumes for stakers) and become eligible for maker incentives (reward payouts in DEEP for liquidity providers). Without staking, users pay full fees and earn no incentives. These programs are designed to encourage active trading and liquidity provision by making participation economically attractive for DEEP holders.<br>**Governance**<br>Stakers of DEEP gain governance rights to influence DeepBook's pool parameters. Through on-chain voting, DEEP stakers in a pool can propose and vote on adjustments to that pool's fee levels and required staking thresholds. |

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| F.3 | Planned Application of Functionalities | There are no delayed or yet-to-be-activated features of DEEP noted in the whitepaper; the token's utility is fully in effect on Sui Mainnet. |
| **A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article** | | |
| F.4 | Type of white paper | OTHR |
| F.5 | The type of submission | NEWT |
| F.6 | Crypto-Asset Characteristics | DEEP is a fungible governance and incentive token on the Sui blockchain with a fixed supply of 10 billion minted at launch; any trading-fee surplus is burned each epoch, and the token is used to pay DeepBook fees, earn staking rewards, and cast pool-level votes, while remaining freely transferable on-chain. |
| F.7 | Commercial name or trading name | Mysten Labs |
| F.8 | Website of the issuer | https://deepbook.tech/ |
| F.9 | Starting date of offer to the public or admission to trading | 2024-10-14 |
| F.10 | Publication date | 2025-07-24 |
| F.11 | Any other services provided by the issuer | N/A |

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| F.12 | Identifier of operator of the trading platform | PGSL |
| F.13 | Language or languages of the white paper | English |
| F.14 | Digital Token Identifier | N/A |
| F.15 | Functionally Fungible Group Digital Token Identifier | N/A |
| F.16 | Voluntary data flag | Mandatory |
| F.17 | Personal data flag | true |
| F.18 | LEI eligibility | N/A |
| F.19 | Home Member State | Ireland |
| F.20 | Host Member States | Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden |
| **Part G - Information on the rights and obligations attached to the crypto-assets** | | |
| G.1 | Purchaser Rights and Obligations | **Right to Stake for Fee Benefits:**<br>Holders may stake DEEP in a DeepBook pool to receive reduced taker fees and maker-reward distributions.<br><br>**Right to Participate in Governance:** |

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| | | When DEEP is staked in a pool, the holder gains voting power to propose and vote on changes to that pool's taker fee, maker fee, and minimum-stake threshold.<br><br>**Right of Transfer:**<br>The holder can transfer DEEP tokens to third parties at any time; all associated staking and governance rights move with the tokens.<br><br>**Trading:**<br>If the DEEP token is listed on cryptocurrency exchanges, holders can trade their tokens there.<br><br>**Obligations:**<br>There are no mandatory obligations imposed on DEEP purchasers beyond the general terms of use of the platform. |
| G.2 | Exercise of Rights and obligations | To use DEEP's protocol benefits, a holder first stakes tokens into a chosen DeepBook pool via any Sui-compatible wallet or front-end before an epoch begins. Once staked, fee discounts apply automatically to that wallet's trades, maker incentives accumulate, and the wallet may submit or vote on proposals to adjust pool parameters. At epoch end the holder can claim rewards or unstake; unstaking during the epoch voids benefits for that period. A standard Sui token transfer is all that is required to move DEEP to another address, with all associated rights passing to the new holder. |
| G.3 | Conditions for modifications of rights and obligations | The rights and obligations attached to DEEP as described in this white paper reflect information available at the time of issuance. This white paper is issued by Kraken and does not constitute a commitment or guarantee by Deepbook or any other party regarding future modifications. No promises, warranties, or assurances are made herein regarding future token functionality, and this section is provided solely for informational purposes. |
| G.4 | Future Public Offers | The issuer has not announced any future sales, airdrops, or other public distributions. |
| G.5 | Issuer Retained Crypto-Assets | At the Token Generation Event, the Sui Foundation retained 6 157 000 000 DEEP (≈ 61,57 % of the fixed 10 billion supply). These tokens are locked in the on-chain Ecosystem Growth vault and will be released over multiple years for grants, liquidity incentives and other community programmes; they are not currently in circulation. |
| G.6 | Utility Token Classification | false |

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| G.7 | Key Features of Goods/Services of Utility Tokens | false |
| G.8 | Utility Tokens Redemption | N/A |
| G.9 | Non-Trading request | This white paper reflects a request to admit the token to trading. |
| G.10 | Crypto-Assets purchase or sale modalities | N/A |
| G.11 | Crypto-Assets Transfer Restrictions | Kraken may, in accordance with applicable laws and internal policies and terms, impose restrictions on buyers and sellers of these tokens. |
| G.12 | Supply Adjustment Protocols | false |
| G.13 | Supply Adjustment Mechanisms | N/A |
| G.14 | Token Value Protection Schemes | false |
| G.15 | Token Value Protection Schemes Description | N/A |
| G.16 | Compensation Schemes | false |

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| G.17 | Compensation Schemes Description | N/A |
| G.18 | Applicable law | Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether DEEP tokens qualify as right or property under the applicable law. |
| G.19 | Competent court | Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts. |
| **Part H – information on the underlying technology** | | |
| H.1 | Distributed ledger technology | DEEP is implemented on Sui. Sui is a public blockchain using a delegated Proof-of-Stake (dPoS) consensus mechanism. It features an object-centric data model, where assets and smart contract states are represented as programmable objects. Each object has a unique ID and ownership, enabling parallel execution of transactions that don't interact with the same objects. |
| H.2 | Protocols and technical standards | Sui features an object-based data model and the Move programming language for smart contracts. The DEEP smart contract resides on Sui. The DEEP token itself conforms to Sui's asset standard (a Move resource type representing a fungible token). |
| H.3 | Technology Used | The DEEP token uses Sui's native Move-based asset model, where tokens are represented as on-chain objects and transferred through programmable smart contracts defined in the Sui blockchain's Move language. Sui network tokens follow a custom asset standard built into its Move-based framework. |
| H.4 | Consensus Mechanism | Sui uses a delegated Proof-of-Stake (dPoS) consensus combined with an object-centric execution model. For simple transactions like DEEP transfers that don't involve shared state, Sui bypasses consensus entirely, achieving near-instant finality and high parallel throughput. |
| H.5 | Incentive Mechanisms and Applicable Fees | DEEP relies on the existing incentive mechanisms and fee structures of the Sui blockchain. |
| H.6 | Use of Distributed Ledger Technology | false |

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| H.7 | DLT Functionality Description | N/A |
| H.8 | Audit | true |
| H.9 | Audit outcome | DeepBook v3 Audit (Move smart-contracts, including DEEP token) by an undisclosed third-party; September 2024<br>0 Critical-severity issues<br>0 High-severity issues<br>4 Medium-severity issues (4 fixed)<br>2 Low-severity issues (2 fixed) |
| **Part J - Information on the suitability indicators in relation to adverse impact on the climate and other environment-related adverse impacts** | | |
| S.1 | Name | Payward Global Solutions Limited |
| S.2 | Relevant legal entity identifier | 9845003D98SCC2851458 |
| S.3 | Name of the crypto-asset | deepbook_protocol |
| S.4 | Consensus Mechanism | The Sui blockchain utilizes a Byzantine Fault Tolerant (BFT) consensus mechanism optimized for high throughput and low latency.<br><br>Core Components:<br><br>1. Mysten Consensus Protocol:<br><br>- The Sui consensus is based on Mysten Labs' Byzantine Fault Tolerance (BFT) protocol, which builds on principles of Practical Byzantine Fault Tolerance (pBFT) but introduces key optimizations for performance.<br><br>- Leaderless Design: Unlike traditional BFT models, Sui does not rely on a single leader to propose blocks. Validators can propose blocks simultaneously, increasing efficiency and reducing the risks associated with leader failure or attacks.<br><br>- Parallel Processing: Transactions can be processed in parallel, maximizing network throughput by utilizing multiple cores and threads. This allows for faster confirmation of transactions and high scalability. |

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| | | 2. Transaction Validation:<br><br>Validators are responsible for receiving transaction requests from clients and processing them. Each transaction includes digital signatures and must meet the network's rules to be considered valid. Validators can propose transactions simultaneously, unlike many other networks that require a sequential, leader-driven process.<br><br>3. Optimistic Execution:<br><br>Optimistic Consensus: Sui allows validators to process certain non-contentious, independent transactions without waiting for full consensus. This is known as optimistic execution and helps reduce transaction latency for many use cases, allowing for fast finality in most cases.<br><br>4. Finality and Latency:<br><br>The system only requires three rounds of communication between validators to finalize a transaction. This results in low-latency consensus and rapid transaction confirmation times, achieving scalability while maintaining security.<br><br>5.Fault Tolerance:<br><br>The system can tolerate up to one-third of validators being faulty or malicious without compromising the integrity of the consensus process. |
| S.5 | Incentive Mechanisms and Applicable Fees | Security and Economic Incentives:<br><br>1. Validators:<br><br>Validators stake SUI tokens to participate in the consensus process. They earn rewards for validating transactions and securing the network.<br><br>2. Slashing:<br><br>Validators can be penalized (slashed) for malicious behavior, such as double-signing or failing to properly validate transactions. This helps maintain network security and incentivizes honest behavior.<br><br>3. Delegation: |

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| | | Token holders can delegate their SUI tokens to trusted validators. In return, they share in the rewards earned by validators. This encourages widespread participation in securing the network.<br><br>Fees on the SUI Blockchain:<br><br>1. Transaction Fees:<br><br>Users pay transaction fees to validators for processing and confirming transactions. These fees are calculated based on the computational resources required to process the transaction. Fees are paid in SUI tokens, which is the native cryptocurrency of the Sui blockchain.<br><br>2. Dynamic Fee Model:<br><br>The transaction fees on Sui are dynamic, meaning they adjust based on network demand and the complexity of the transactions being processed. |
| S.6 | Beginning of the period to which the disclosure relates | 2024-06-20 |
| S.7 | End of the period to which the disclosure relates | 2025-06-20 |
| S.8 | Energy consumption | 3508.86657 kWh/a |
| S.9 | Energy consumption sources and methodologies | The energy consumption of this asset is aggregated across multiple components:<br><br>To determine the energy consumption of a token, the energy consumption of the network(s) sui is calculated first. For the energy consumption of the token, a fraction of the energy consumption of the network is attributed to the token, which is determined based on the activity of the crypto-asset within the network. When calculating the energy consumption, the Functionally Fungible Group Digital Token Identifier (FFG DTI) is used - if available - to determine all implementations of the asset in scope. The mappings are updated regularly, based on data of the Digital Token Identifier Foundation. The information regarding the hardware used and the number of participants in the network is based on assumptions that are verified with best effort using empirical data. In |

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| | | general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts. |