



# Degen

DISTILLERY



## White Paper v.3.0

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#### Dollar Drink Limited

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MH96960

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Registered Address- Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

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**Suitability of the Underlying Technology:** The suitability of the technology on which the Company will rely could decline due to a variety of causes. Unfavourable developments of the technology could adversely affect the functionality.

**Uncertain Regulatory Framework:** The regulatory status of cryptographic tokens, digital assets and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, distributed ledger technology and its applications.

## EXECUTIVE SUMMARY

Founded in 2023, Degen Labs is an innovative Web3 company that is leveraging blockchain technology to sell Degen Distillery drinks products through a Web3 social distribution mechanism which tokenises sales agreements into a revolutionary new form of real-world asset (RWA).

### Degen Distillery

The first product, 721 Vodka, has been partially funded by a £50,000 sale of non-fungible tokens (NFTs) named ORIGO Origins.

The Company has already secured an extensive partnership with Brewdog - a \$2 billion industry disruptor for the product that includes international production and logistics as well as listing the product in over 130 venues that serve 17 million+ customers, with access to over 250,000+ direct to consumer customers as well as support into key global retail accounts and an estimated sales pipeline of over £500,000 in Year 1 alone.

Future revenue streams, including additional spirits, branded merchandise, collectible items and private commercial events, will be guided by the Degen community with on-chain infrastructure for community voting, further NFTs and a range of other digital assets. This unique approach will allow Degen Distillery to establish a truly modern brand that is based on technical innovation, collaboration, and selfempowerment.

### Tokenised Affiliate Protocol

In pursuit of this collective, corporate ethos, the Company, Degen Labs Ltd., has also developed an innovative marketing model based on Social Distribution that it has called the Tokenised Affiliate Protocol (TAP). By purchasing NFTs from the TAP System, users become authorised Ambassadors that are able to sign up Client Accounts from the hospitality sector e.g. bars, hotels, etc., and earn perpetual commissions for their contribution to the Degen business.

Ambassador Wallets are non-custodial ERC6551 smart contract accounts that allow Ambassadors to maintain self-custody and control of all their digital assets. Aside from event tickets, artwork, collectibles and popular cryptocurrencies for payments, this includes ERC-721 tokens to represent Client Account contracts and their associated commissions. The integrated Degen Marketplace therefore creates a revolutionary ecosystem for this new form of on-chain, real-world asset (RWA), where users can trade not just digital assets, but a global economy of tokenised commercial contracts and real-world revenue streams.



## The DRINK Token

The DRINK Token (ticker: [DRINK]), being issued by Dollar Drink Limited in the Marshall Islands, will be implemented by Degen Distillery as a multi-utility token for the Degen ecosystem. Launched on the Ethereum blockchain and the Base Layer 2 scaling solution to be compatible with the TAP System and community infrastructure, the token can be used for payments as well as offering exclusive access to new products, member rewards, global events, and future mints.

Token Details	
Name	DRINK Token
Ticker	[DRINK]
Protocol	ETH / BASE
Launch Price	\$0.018
Max. Supply	721,000,000

The maximum supply of DRINK Tokens will start at 721,000,000 DRINK, with 28.8% of the supply being offered in a token sale. The supply will be reduced to 350,000,000 DRINK over time, with 10% of Distillery revenues funding a periodic buy-back on the secondary market. 50% of the bought-back tokens will be burned while the other 50% is retained in a Treasury, therefore supporting the Degen ecosystem and developing a robust token economy for the Distillery customer base.



# INTRODUCTION

Degen Distillery, a UK-based spirits company, is on a mission to disrupt the current spirits industry by going beyond traditional business models and empowering individuals to co-create together and have a say in the “next big thing”.

Using blockchain technology, the Distillery aims to transform, inspire, and empower a new generation of creators, disruptors and innovators to co-create a truly great and global spirits brands. Degen Ambassadors become free agents with more control over their working lives, generating their own wealth and participating in a radical social experiment.

Degen Distillery is revolutionising the spirits industry with the concept of Social Distribution, a disruptive marketing model that the Company enhances with the smart contracts and digital assets of blockchain ledgers. This innovative approach will use the innovative TAP System to overcome many of the barriers that distilleries face today in the multi-billion dollar market.

The Tokenised Affiliate Protocol System will be a partially decentralised application for the tokenisation of sales contracts in Ambassador wallets, creating a new form of RWA crypto asset with peer-to-peer trading of tokenised revenue streams. Following the initial launch of Degen Distillery, the TAP System has potential in many sectors beyond the spirits industry, with integration of third-party products and B2B services allowing the protocol to disrupt sales operations on a global scale.

Combined with a range of community-driven products, a uniquely collective corporate ethos and an ecosystem of wealth generation opportunities for a network of brand Ambassadors, the Degen model is expected to drive brand growth, loyalty, scalability and enhanced customer engagement.

This White Paper will explain how the model replaces the traditional distribution hierarchy with a decentralised system that encourages direct participation and ownership at the community level. With tokenised commercial agreements, the TAP System offers a new form of on-chain, real-world asset to Web3 users as well as disrupting the traditional business model for commercial sales.

This is a collaborative approach that synergises the interests of the brand and the individuals, thereby fostering a connected, empowered way for the Degen community to share and enjoy spirits together. Degen Distillery is creating not just a brand, but a movement, inviting a global community to join them on a journey of innovation, transformation, and shared success.

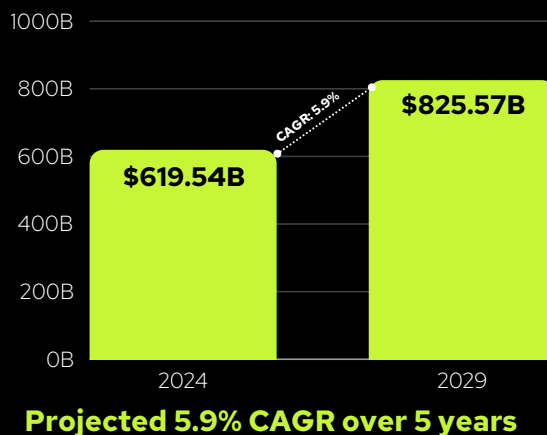


# TARGET MARKET

## Market Size & Growth

The global spirits industry is estimated to reach \$619.54 billion by the end of 2024, with a forecasted compound annual growth rate of 5.9%, leading to a value of \$825.57 billion in 2029.<sup>1</sup>

The anticipated growth is being driven by a number of factors, including increased consumer spending power and environmental awareness leading to a higher demand for premium alcoholic beverages.<sup>2</sup>



This is supplemented by enhanced logistics as alcohol manufacturers have strengthened their distribution networks following disruption of the covid-19 pandemic.<sup>3</sup>

There are also reports of increased alcohol consumption in younger generations, particularly in less developed nations that are adopting Western culture at an increasing rate<sup>4</sup> This is coherent with regional analysis, which shows Asia-Pacific to be the fastest growing market while North America retains its position as the largest market across the globe.

## Industry Trends & Competition

The spirits industry is currently undergoing significant changes, with emerging trends reshaping consumer interactions and preferences. Degen Distillery is aligning itself with these trends in order to generate customer growth and gain traction in an international market.

Key among these trends is the move towards more experiential and personalised offerings.<sup>5</sup> The shift is being driven by several factors:



### Premiumisation of products:

Premium-priced ready-to-drink beverages have seen remarkable growth, with consumers willing to pay more for quality and a story that highlights a brand's heritage and production processes. This trend is expected to continue to shape the beverage industry, with a focus on quality over quantity.

1. Mordor Intelligence, Spirits Industry Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029), 2024
2. Vintage Acquisitions, DIAGEO PROFITS JUMP ON PRICE HIKES AND PREMIUM WHISKY DEMAND, 1 August 2023
3. The Business Research Company, Spirits Global Market Report 2024, January 2024
4. H.K. Ho, Twenty-first Century Wine Consumption Trends in East Asia: History, Luxury, and Transformation, Journal of Cultural Analysis and Social Change, 6(2), 12., 31 December 2021
5. N. Hines, 5 Spirits and Cocktail Trends to Watch in 2023, SevenFifty Daily, 2 January 2023



### **Digital platforms and social media for brand storytelling:**

The role of digital platforms in driving brand engagement is paramount. Consumers are increasingly drawn to brands that effectively use social media and other digital channels for storytelling, offering them a connection beyond the product itself.



### **Sustainability and eco-consciousness:**

There is a growing trend towards environmentally conscious brands and products. Consumers, especially younger demographics, are prioritising eco-friendly features alongside premiumisation. They are more vocal about sustainability issues and hold companies accountable for their environmental impact.



### **Innovation in taste and experience:**

Whisky producers are turning to alternative methods of imparting flavour, such as kilning barley with botanicals, to create innovative flavours. Flavoured vodka also continues to keep the category growing, with new product innovations attracting new consumers to the segment.



### **Distilleries enhance visitor experience:**

Distillery tourism is gaining momentum, with distilleries in lesser-known regions offering taproom-like experiences. This trend is indicative of the industry's shift towards more experiential offerings, where consumers can engage with the brand story in a tangible, real-world environment.



### **Hyper-transparency goes mainstream:**

There is a growing subset of whiskey distillers who are providing in-depth details to passionate consumers. This level of transparency is becoming a mainstream expectation as consumers demand more information about the products they consume.

Key market leaders including Diageo Plc, Pernod Ricard, Brown-Forman Corporation, Beam Suntory Inc. and William Grant & Sons Ltd have been contributing to the market growth by capitalising on these trends, expanding production facilities and consolidating the market through acquisitions.<sup>1</sup>

For example, 2024 market leader Pernod Ricard has investigated implementation of blockchain in supply chain track & trace solutions while William Grant & Sons, the distiller of premium spirits such as Glenfiddich launched a blockchain-based process to ensure the authenticity of its rare whiskies, offering customers detailed provenance and ownership records. The same blockchain adoption trend is being followed by SMEs trading in spirits and other alcoholic beverages<sup>6</sup>, which continue to launch a range of utility tokens and security tokens, as well as accepting crypto assets as payment.

6. A.L. Escarzaga, Raising the bar: 10 European startups boosting innovation in the beverage industry, EU Startups, 1 September 2023



## Degen Distillery Market Position

Degen Distillery is targeting initial markets of the UK, Europe and the US before expanding globally. The initial markets reduce operating and delivery costs as well as being more compatible with the social distribution mechanism of TAP. While targeting the growing GenZ<sup>7</sup> and millennial customer base, these regions have also shown an increased preference for brands that offer unique stories and a commitment to sustainability. These consumers, often seeking more than just a product, are attracted to brands that align with their values and lifestyles, making them ideal for the innovative approach of Degen Distillery.

Assessment of industry trends shows that the market is evolving rapidly, with a focus on premiumisation, sustainability, digital engagement, and experiential offerings. Brands that adapt to these trends and leverage them effectively are likely to see continued growth and success. Degen Distillery is one of these brands, with a unique technological and community-focused image that lends itself well to a young, digital customer base and entrepreneurial network of Ambassadors.

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7. ICSC, The Rise of the Gen Z Consumer, 2023



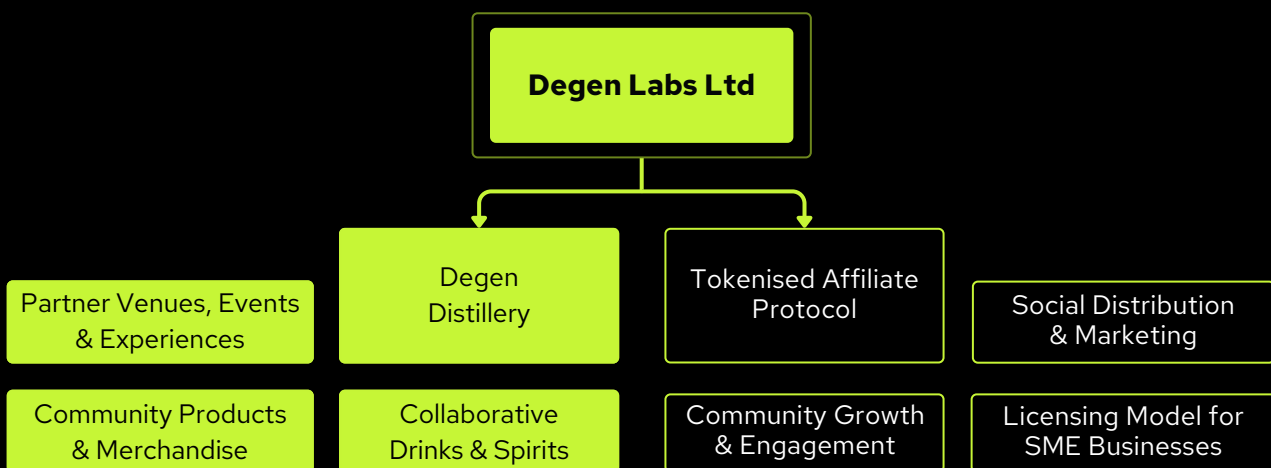
# DEGEN DISTILLERY

## Origin, Vision & Mission

Co-founded in 2023 by two long-term friends, the Degen Distillery is a new and disruptive form of spirits company. Both experienced entrepreneurs, Sammy & Tom have devised an innovative business model driven by a collaborative spirit with the ethos of truly collective creation and ownership.

Degen Distillery has a unique vision to become a pioneer at the intersection of traditional distilling and blockchain technology. Distributed ledger technologies (DLT) such as blockchain are changing the way that modern economies can store and transfer value across all global industries. In particular, the Tokenised Affiliate Protocol devised by Degen Labs Ltd. (the Company) is the latest example of how DLT can enable more efficient and effective business operations relative to legacy systems.

Through tokenisation of commission agreements and automated digital processing facilitated by smart contracts, the TAP Vision is a new evolutionary stage for marketing and distribution. The security, transparency, and trust of encrypted NFTs will be combined with social distribution mechanisms to enhance marketing and sales outreach of the Degen Distillery. The resulting network of affiliated Ambassadors can therefore accelerate corporate growth as the business expands across the initial target markets of the United Kingdom, Europe, and the US.



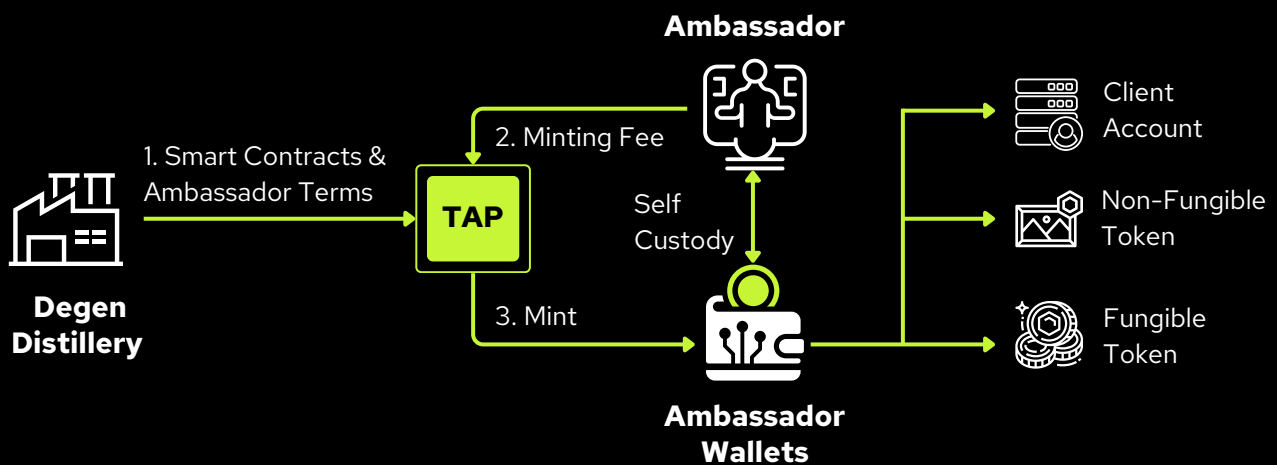
*Company Vision for Degen Distillery & TAP*

The Company Mission is for Degen Distillery and TAP to transform, inspire and empower a new generation of creators, disruptors, and innovators to establish a global spirits brand whilst taking part in a revolutionary social movement. Beyond the spirits industry, the TAP model can be licensed and implemented in many other B2B sectors, allowing the global Company to be built with the input and collaboration of the very community that it serves. This in turn will drive sustainable growth by providing opportunities for all community members to generate wealth and redefine their working lives.

## Tokenised Affiliate Protocol (TAP)

Degen Labs introduces the Tokenised Affiliate Protocol, a pioneering approach that integrates blockchain technology into the spirits industry, with broader potential application for other sectors in future. TAP leverages the efficiency and transparency of blockchain to revolutionise marketing and sales strategies.

The Tokenised Affiliate Protocol is a novel system devised by the Company to enhance its market reach and distribution efficiency. TAP operates by issuing unique digital asset wallets, referred to as **Ambassador Wallets**, to individuals that become authorised as **Ambassadors**. These Ambassadors, in turn, play a crucial role in expanding the customer base for Degen Distillery.



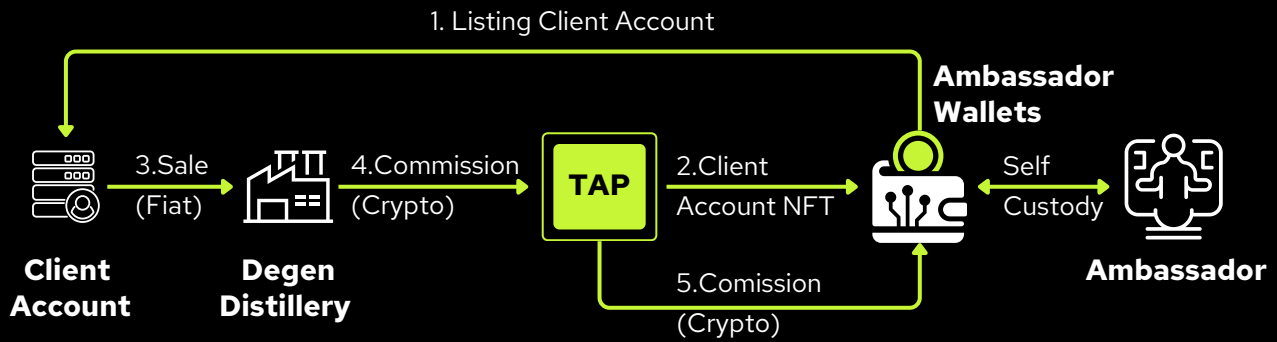
*TAP Ambassador Network & Self-Custodial Infrastructure*



Ambassador Wallets are integral to the functioning of TAP. These digital assets empower Ambassadors to onboard new **Client Accounts** for Degen Distillery. Account details are uploaded to the TAP system, creating a Client Account NFT in the Ambassador Wallet so that TAP can trace sales data back to the original referrals and the Ambassadors that made them.

A key feature of TAP is its commission distribution model. Upon successful sales transactions from the listed Client Accounts, Degen Distillery exchanges a portion of the sales revenue into crypto assets.

Once deposited on TAP, the system allocates a commission to the respective Ambassador Wallet holder for the origin Client Account. This model therefore incentivises Ambassadors to actively promote Degen Distillery products and expand their customer network.



TAP Commission Distribution Model

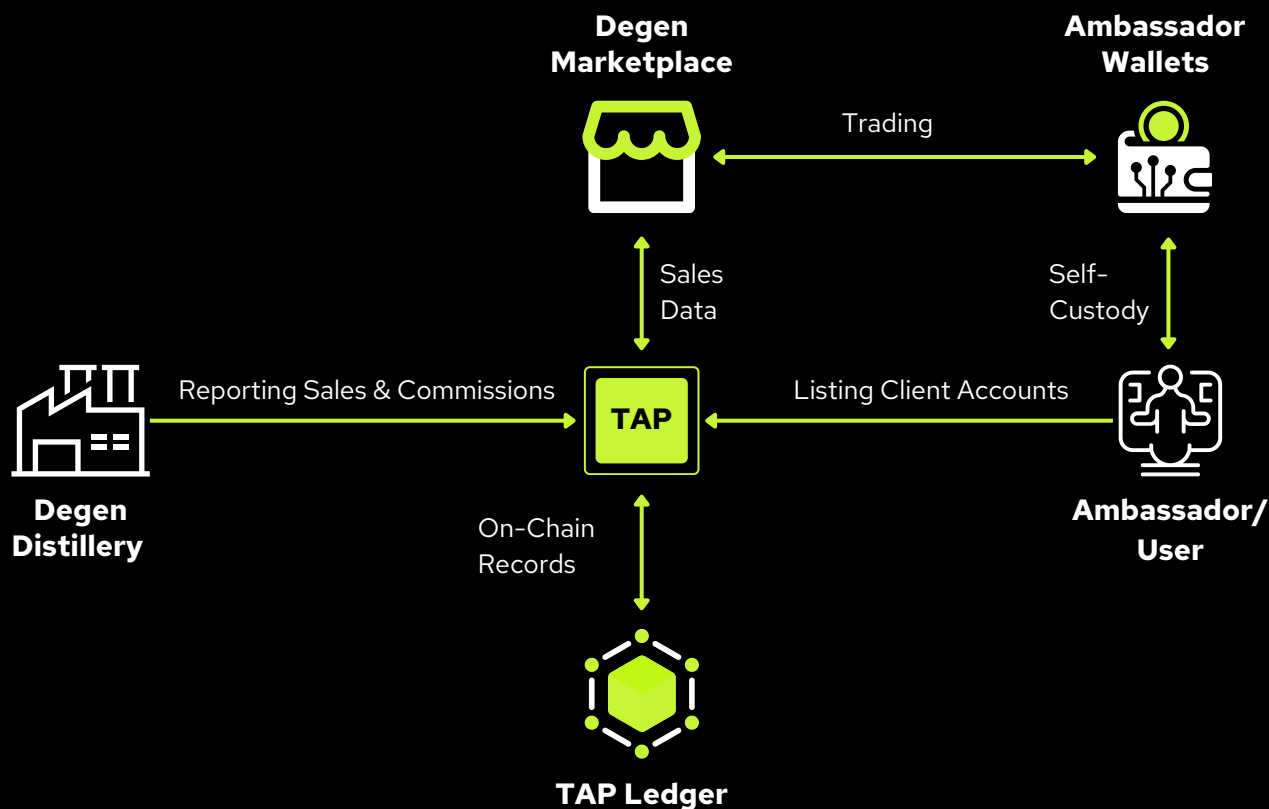
Two more distinguishing aspects of TAP are the self-custodial nature of user Wallets and the integrated Degen Marketplace, both being implemented with Ethereum-based blockchain technology. This DLT infrastructure ensures that Ambassadors have complete control over their digital assets, while participating in real world commercial transactions.

The **Degen Marketplace** will feature the full range of community-driven products offered by the Degen Distillery including various digital collectibles issued as NFTs.

However, the truly innovative aspect of the Marketplace will be the listing of contractual NFTs by Ambassadors from within their Ambassador Wallets. These may be event tickets and collectibles, individual Client Accounts or the entire Ambassador Wallet and portfolio of tokenised assets contained within it. This enables Ambassadors to sell or acquire lucrative revenue streams from other community members, creating a revolutionary new form of asset class by facilitating retail investment in low-value commercial contracts.

TAP represents a significant leap in integrating blockchain technology into the traditional spirits industry. By employing a decentralised approach to marketing and sales, Degen Distillery positions itself at the forefront of innovation. This system not only enhances operational efficiency but also fosters a community-driven distribution network with an unprecedented degree of transparency.

TAP consolidates the off-chain sales data of the Distillery with on-chain interactions of the Ambassador network, including all listing and trading activity over the integrated Degen Marketplace. The resulting **TAP Ledger** will therefore provide a comprehensive and immutable record of all transactions across the Degen Distillery ecosystem. This will increase market confidence in the Company and the TAP system as all parties can be held accountable and Ambassadors can trust in the transparent reporting of sales revenues from their respective Client Accounts.



*Data Flow Diagram for the TAP Ledger*

The introduction of the Tokenised Affiliate Protocol by Degen Distillery marks a transformative step in the spirits industry. By leveraging blockchain technology, TAP offers a unique and efficient system for marketing and sales. Its emphasis on transparency, decentralisation, and community involvement sets a new standard for the industry. As TAP gains traction, Degen Distillery will be poised to influence how other players in the spirits sector approach market expansion and customer engagement.



## Community Driven Products

The Degen Distillery plans to introduce a range of different products over time, which will be guided by the expanding community of Degen Ambassadors. Starting with the globally favoured spirit of vodka, the Company will then produce additional spirits, merchandise and products that Ambassadors have expressed an interest in adding to their inventory.



### 721 Vodka

Degen Distillery is poised to launch its inaugural product, the Limited Edition 721 Vodka. This premium vodka represents a fusion of traditional distilling craftsmanship with modern blockchain technology. Alongside the physical product, purchasers will receive a complimentary ERC-721 NFT, featuring exclusive artwork and offering a range of benefits within the Degen Distillery ecosystem.

The Limited Edition 721 Vodka is crafted with meticulous attention to detail, ensuring a high-quality spirit that appeals to discerning consumers.

The production process involves carefully selected ingredients and advanced distillation techniques, resulting in a vodka of exceptional purity and taste. This product is positioned as a premium offering in the market, targeting a clientele that appreciates both quality spirits and technological innovation.

Each bottle of Limited Edition 721 Vodka is accompanied by a unique ERC-721 NFT. This non-fungible token serves as a digital collectible with dedicated artwork, embodying the spirit of innovation, co-creation and exclusivity that Degen Distillery stands for.

The ERC-721 standard is chosen as both the namesake and technical implementation of this limited-edition series due its ability to represent individual, unique assets, ensuring that each token is distinct and a worthy collectors item.

Owning the Limited Edition 721 Vodka's ERC-721 NFT provides several advantages to token holders. These benefits are designed to enhance the customer experience and engagement with the Degen Distillery brand.

Token holders will gain access to exclusive perks on the Degen Distillery platform, including priority access to future product releases, invitations to special events, and potential participation in decisionmaking processes related to new products and initiatives.

Additionally, within the TAP system, these NFTs may offer specific advantages to Ambassadors, such as enhanced commission rates or special recognition within the community. This integration further incentivises participation in the TAP system and strengthens the bond between Degen Distillery, its customer base and the network of Ambassadors.

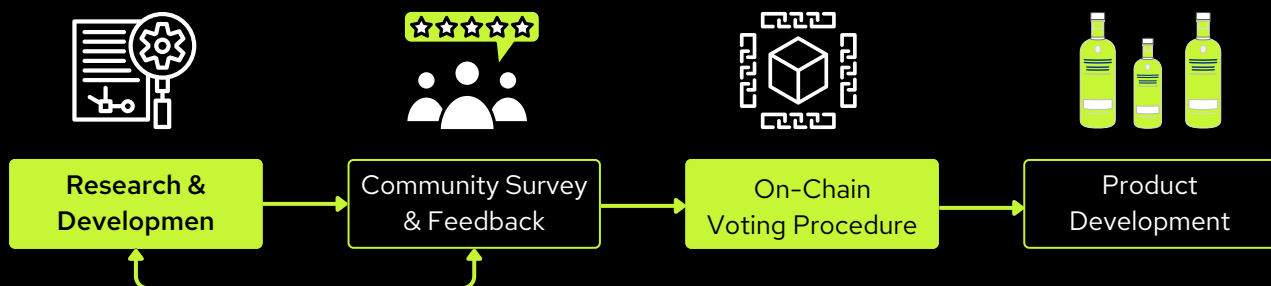


### Additional Spirits

The Degen Distillery vision extends beyond the Limited Edition 721 Vodka, with plans to produce a diverse range of spirits. A cornerstone of this strategy is the active involvement of the distillery community, consisting of Ambassadors, Vodka 721 and ORIGO token holders. This section outlines the approach Degen Distillery will adopt for the development of future spirits, emphasising community engagement and decision-making processes.

The development of new spirits at Degen Distillery will be guided by the insights and preferences of its community. This approach leverages the collective wisdom and diverse tastes of the community, ensuring that the Distillery offerings resonate with its customer base. Ambassadors, along with ORIGO token and other NFT holders, will play a pivotal role in shaping the future product portfolio.

Degen Distillery will periodically announce a range of potential new spirits for consideration by the community. These options will be developed based on market trends, distilling expertise, and innovative concepts. Following the announcement, the distillery will conduct feedback surveys, allowing community members to express their opinions, preferences, and suggestions. This feedback will be instrumental in refining the concepts and aligning them with community expectations.



In addition to feedback surveys, Degen Distillery will employ on-chain voting mechanisms to facilitate community-driven decision-making. This process will leverage blockchain technology to ensure transparency, security, and fairness in the voting process.

Vodka 721 token holders and Ambassadors will have the opportunity to cast their votes on the proposed spirit options, with their level of participation and influence determined by the TAP system guidelines and the specific terms associated with their tokens.

Engaging the community in the product development process serves multiple purposes. It not only empowers the community members by giving them a voice in the direction of the distillery but also fosters a sense of ownership and loyalty towards the brand. Additionally, this approach aligns product development with market demand, increasing the likelihood of success for new spirits.



## Merchandise

In addition to its line of spirits, Degen Distillery is set to expand its product offerings by introducing a range of merchandise. This expansion is aligned with the Company commitment to creating a comprehensive brand experience for its community.

The development of merchandise by Degen Distillery will be guided by the demands and preferences of its community, comprising Ambassadors and Vodka 721 token holders. This strategy reflects the dedication of Degen Distillery to creating products that resonate with its audience, reinforcing the brand's connection with its Ambassadors and customers.

The range of merchandise to be developed by Degen Distillery will encompass various categories, potentially including apparel, accessories, and branded collectibles. These items are intended to cater to the diverse interests of the community, offering them an opportunity to showcase their affiliation with the Degen Distillery brand.



### Apparel

Apparel items may include branded clothing such as t-shirts, hoodies, caps, and jackets. These products will be designed with a focus on quality and style, reflecting the premium image of Degen Distillery.



### Accessories

Accessories could include items such as glassware, bar tools, and other related products that enhance the spirits consumption experience. These accessories will be crafted to embody the Company ethos of quality and innovation.



### Branded Collectibles

Branded collectibles may range from limited edition art pieces to bespoke items that capture the essence of Degen Distillery and its spirit offerings. These collectibles will be designed to appeal to collectors and enthusiasts, adding a unique aspect to the merchandise range.

The selection of merchandise to be developed will involve input from the community. Similar to the spirits development process, Degen Distillery will engage its community through surveys and on-chain voting to gauge interest and preferences. This participatory approach ensures that the merchandise aligns with the tastes and desires of the community members.



## Community Events

Degen Distillery recognises the importance of community events as a means of engaging with its audience and enhancing its brand presence. The distillery plans to host and participate in various events, both as a sponsor and a supplier of its spirits. The Company will adopt a strategic approach to community events, emphasising their role in building brand loyalty and expanding market reach.



### Dedicated Degen Events

Degen Distillery will organise dedicated events at select venues across the world. These events are designed to offer an immersive experience into the world of Degen Distillery, showcasing its spirits and brand ethos.

The primary objectives of these events are to foster a sense of community among Degen Distillery customers, provide an opportunity for direct interaction with the brand, and introduce new products and initiatives. These events also serve as a platform for gathering feedback and insights from attendees, further aligning the Distillery offerings with customer preferences.

The types of events may vary, ranging from exclusive tasting sessions and product launches to educational workshops and networking gatherings. These events will be tailored to cater to different segments of the Degen Distillery audience, ensuring relevance and appeal.



### Third Party Events

In addition to hosting its own events, Degen Distillery will actively participate in third-party events. This participation takes two forms: as a sponsor and as a supplier of alcoholic spirits.

As a sponsor, Degen Distillery will seek opportunities to associate its brand with events that align with its values and target audience. Sponsorship will provide visibility and recognition, allowing the distillery to reach a broader audience and strengthen its brand positioning.

As a supplier, Degen Distillery will provide its spirits for events, showcasing its products to attendees. This role allows the distillery to introduce its spirits to potential new customers, gather feedback, and create memorable experiences associated with its brand.

Community events play a crucial role in the marketing and brand-building strategies currently planned by Degen Distillery. They provide a platform for direct engagement with customers, fostering brand loyalty and advocacy. Additionally, these events offer opportunities for market expansion and brand exposure, contributing to the overall growth of the Distillery.

# BLOCKCHAIN TECHNOLOGY

## Blockchain Protocols

The following is a detailed analysis of the technological underpinnings of Degen Distillery's innovative distribution system, known as the Tokenised Affiliate Protocol. This section will outline the foundation for TAP, followed by an exploration of the token standards within the TAP System.



### Building on Ethereum & Base

The decision to build TAP on the Ethereum blockchain and the Base Layer 2 scaling solution is founded on several key advantages. By leveraging the Ethereum Layer 2 solution Base, TAP can securely and efficiently facilitate a high volume of transactions at a low cost. In addition, compatibility with the Ethereum blockchain and the use of Solidity language ensure seamless integration of Ethereum-based assets and applications. This interoperability is critical for TAP as it enables a wider range of functionality and accessibility for participants in the Ambassador ecosystem.



### Token Standards & Functions

The TAP System employs a suite of token standards to optimise its functionality and user experience. These standards are carefully selected to cater to the diverse needs of the TAP ecosystem.

**ERC-6551 Standard for Ambassador Wallets:** The Ambassador Wallets in the TAP system utilise the ERC-6551 standard. This standard is designed to enable NFTs to function as multi-purpose wallets. The ERC-6551 standard provides the necessary framework for these wallets to hold and manage various blockchain addresses and assets, thereby offering flexibility and utility to the Ambassadors.

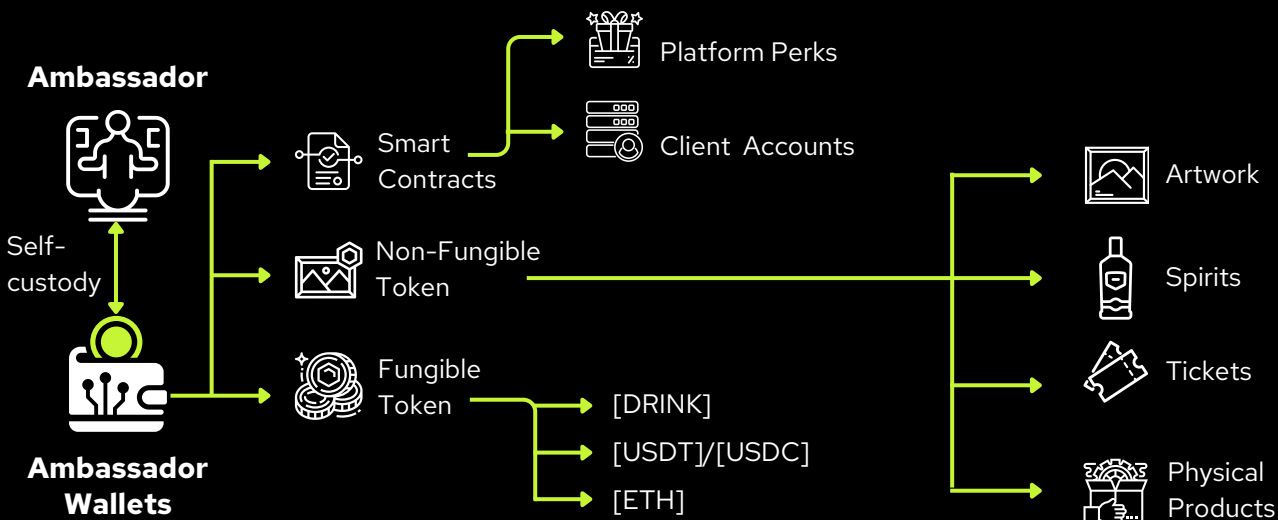
**ERC-4337 Standard for Smart Contracts:** Smart contracts within the TAP system are based on the ERC-4337 standard. This standard is essential for creating user-friendly, secure, and efficient smart contracts that govern the operations of the TAP system. The ERC-4337 standard ensures a high degree of automation and trust in the execution of transactions and commission distributions.

**ERC-721 and ERC-20 Standards:** The TAP system also integrates popular token standards like ERC-721 and ERC-20. ERC-721, known for its ability to represent unique digital assets, is employed for many NFTs within the TAP ecosystem. On the other hand, the ERC-20 standard is used for fungible tokens, facilitating seamless transactions and interactions within the TAP system.

The technological framework of the TAP system built on Ethereum, the Base Layer 2 solution and incorporating various token standards, is a testament to Degen Distillery's commitment to innovation and efficiency. The strategic selection of blockchain and token standards enhances the functionality of the TAP system and positions it as a pioneering solution in the spirits industry. This technology-driven approach promises to revolutionise distribution and marketing strategies, setting a new benchmark for blockchain integration in business operations.

## RWA & Other Digital Assets

Every registered user will have to connect an external, non-custodial wallet supported by Degen Distillery infrastructure and the innovative TAP social distribution system. The collection of token standards outlined above have been implemented so that the resulting solution can support a wide range of digital assets and associated use cases for the Degen Distillery ecosystem, including the ORIGO NFTs sold to the first generation of Ambassadors and 721 Vodka buyers.



## Tokenised Affiliates & Client Account Trading

The most revolutionary innovation by the TAP System, is the tokenisation of Ambassador Wallets and Client Accounts. Their implementation on the platform offers the Web3 sector a new type of RWA crypto asset, one which represents the contractual rights to ongoing commissions in commercial agreements.

1

This changes the nature of the labour market for sales and marketing professionals across the world. It enhances their revenue streams through on-chain commissions, but also enables them to trust the payment of those earnings as a freelancer without reliance on traditional employment contracts and enforcement methods. Furthermore, if an Ambassador chooses not to maintain a certain business relationship, they are not left with nothing. By selling the ERC-721 token representing the contract, they are still able to extract value from the future financial potential of the Client Account. The same applies if they decide to move into an entirely new field of work – the TAP System allows them to tokenise the value of the entire network they have built and sell it to fund their next venture.

2

The companies themselves benefit from this new freelancer labour market. A business with good products can engage top talent Ambassadors in a scalable, low-cost manner that enhances both market reach and customer loyalty through community development. By integrating the DRINK utility token, the TAP System is able to benefit the token economy as B2C and B2B customers stake DRINK in order to reduce their protocol fees. As the TAP network grows, an increasing number of retail users and companies will be able to stake DRINK, increasing demand for the token and simultaneously inhibiting the circulating supply. This locks the supply to protect the secondary market from industry shocks and adverse volatility.

3

The TAP System can also be beneficial for the entire Web3 sector, as it introduces a novel form of RWA that offers real-world value. The tokenisation and p2p trading of these commission agreements creates an ecosystem of unprecedented investment opportunities for NFT traders.

While the NFT market has been historically dominated by profile pictures, AI-generated artwork and largely pointless collectibles, the sector has seen a shift towards more functional NFT assets that justify their value based on the real-world utility being granted to owners. The ERC-6551 Ambassador Wallets and ERC-721 Client Accounts therefore represent the next generation of NFT assets that are able to offer not just commercial utility, but real-world revenue streams.

By disrupting basic business functions such as marketing and sales, the Tokenised Affiliates or Ambassadors of the TAP System have the potential to disrupt the majority of industries around the world. Degen Distillery believes this is the technology that will drive and accelerate the already prominent trend as increasingly globalised workforces move towards freelance labour markets.

## Licensing & Expansion Opportunities

The innovative TAP System not only serves as a groundbreaking approach to marketing and sales within the spirits industry but also possesses the potential for broader application across various sectors. Degen Distillery will consider licensing the TAP system to other companies in future, facilitating the adoption of this social distribution model on a global scale and across diverse business models.

The underlying principles of leveraging blockchain technology for affiliate marketing, commissionbased incentives, and community engagement can be effectively adapted and applied to various sectors, including retail, technology, services, and beyond.

Licensing TAP may offer numerous benefits, opening up new revenue streams for Degen Labs, diversifying its business model and reducing reliance on product sales alone. The Company can expand its brand presence and influence on a global scale, establishing itself as a leader in blockchain-based social distribution. This has the potential to enhance its reputation and therefore attract high calibre partnerships to accelerate growth of the business.

## User Benefits

By leveraging blockchain technology, TAP facilitates a unique and efficient model for marketing and sales which offers several benefits for both Ambassadors and Degen Distillery as a business.

### Benefits for Degen Distillery Ambassadors

- **Commission Incentives:** Ambassadors earn commissions on sales generated from the accounts they list, providing a direct financial incentive for their promotional efforts.
- **Self-Custodial Wallets:** The use of self-custodial Ambassador Wallets ensures that Ambassadors have full control over their assets and rewards, enhancing security and autonomy.
- **Access to Exclusive Products:** Ambassadors may receive priority access to limited edition products and new releases, enriching their association with Degen Distillery.
- **Community Recognition:** Active and successful Ambassadors can gain recognition within the TAP system community, enhancing their reputation and potential for further rewards.
- **Direct Influence on Product Development:** Through feedback and on-chain voting mechanisms, Ambassadors can influence the development and selection of new spirits and merchandise, giving them a stake in the brand's evolution.
- **Networking Opportunities:** Participation in the TAP system provides Ambassadors with opportunities to connect with likeminded individuals, fostering a sense of community and collaboration.



## Benefits for Degen Distillery

- **Increased Market Reach:** The TAP system enables Degen Distillery to leverage the networks of its Ambassadors, significantly increasing its market reach and customer base.
- **Cost-Effective Marketing:** By utilising a commission-based model, marketing costs are directly tied to actual sales, ensuring efficient use of resources.
- **Identify Top Talent:** The commission-based model will attract higher quality sales professionals that can generate more earnings from their high performance.
- **Enhanced Customer Loyalty:** The system encourages a deeper connection between the distillery and its customers, fostering loyalty and longterm engagement.
- **Real-Time Feedback and Insights:** Direct feedback from Ambassadors and their networks provides valuable insights into customer preferences and market trends, guiding product development and marketing strategies.
- **Scalability:** The blockchain-based infrastructure of the TAP system allows for easy scalability, accommodating growth without substantial increases in operational complexity.
- **Brand Differentiation:** By adopting a cutting-edge social distribution model, Degen Distillery differentiates itself in the competitive spirits market, appealing to tech-savvy consumers and blockchain enthusiasts.
- **Community-Driven Product Innovation:** Engaging the community in product development and decisionmaking processes ensures that new products are aligned with customer desires, increasing the likelihood of success.

# DRINK TOKEN

## Token Details & Utility

Degen Distillery plans to integrate a utility token named the DRINK Token (ticker: [DRINK]). This digital asset is designed to deepen community engagement, incentivise participation in the TAP System, and facilitate unique brand experiences. The DRINK Token acts as a key to unlocking reduced fees when earning sales revenues through the tokenised affiliate protocol as well as accessing a comprehensive suite of benefits and privileges within the Degen Distillery ecosystem.

Issued by Dollar Drink Ltd., the DRINK Token will have a maximum supply of **721 million DRINK**.



Degen Distillery will implement the asset to offer a range of utilities across the ecosystem:



### Reduced TAP System Fees

Governance, administration, and Ambassador hierarchy for the Tokenised Affiliate Protocol will be fuelled by the DRINK Token. A global workforce of independent sales & marketing professionals, companies with internal teams and B2B Clients will stake an increasing amount of the DRINK supply as the TAP System grows over time.



### Exclusive Access

Holders of the DRINK Token are granted unparalleled access to a curated selection of Degen Distillery's premium spirits and merchandise, along with unique brand experiences and future mints of on-chain crypto assets. This includes exclusive pre-sales opportunities for limited edition bottles, available solely through transactions in \$DRINK, ensuring that token holders enjoy priority access to the distillery's most sought-after products.



### Member Rewards

The DRINK Token serves as a mechanism for rewarding community engagement and participation within the Degen Distillery ecosystem. Members can accrue benefits proportionate to their level of interaction, fostering a vibrant and active community. This rewards system is designed to recognise and incentivise the contributions of each member, enhancing their sense of belonging and loyalty to the brand.





### Global Events Participation

Ownership of DRINK Tokens offers entry into an exclusive world of select events, hosted by Degen Distillery and its partners. These events provide token holders with opportunities to immerse themselves in the brand culture, connect with likeminded individuals globally, and experience the essence of Degen Distillery firsthand. The token serves as a passport to a global community of spirits and blockchain enthusiasts.



### Purchase of Tangible Products

The DRINK Token transcends digital utility by enabling the purchase of real beverages at Degen Distillery events, partner events, and venues. This functionality bridges the gap between the digital and physical realms, allowing token holders to enjoy Degen Distillery's premium spirits in real-world settings, thereby enhancing the overall brand experience.

## Token Economics

The DRINK Token will be minted on the Ethereum blockchain and the Base Layer 2 with a maximum supply of 721 million DRINK, of which 28.8% shall be sold in a Token Sale. The remaining 71.2% of the DRINK supply has been segmented for a range of purposes including rewards for ecosystem participants and budgets for token economy management operations.

Token Details	
Name	DRINK Token
Ticker	[DRINK]
Protocol	ETH / BASE
Launch Price	\$0.018
Max. Supply	721,000,000

The Sale shall be comprised of four progression rounds, beginning with two private placement rounds for partners that can provide further support to Degen Distillery through business synergies. Then a Strategic round for key opinion leaders and early project supporters will further enhance market awareness before the Sale is opened up to the Public Sale Round.

Sale Structure					
Round	Tokens	% Max Supply	Price	Discount	Funding
Private 1	108,150,000	15.00%	\$0.010	44.44%	\$1,081,500
Private 2	32,445,000	4.50%	\$0.012	33.33%	\$389,340
Strategic	28,162,260	3.91%	\$0.013	27.78%	\$366,109
Public	38,890,740	5.39%	\$0.018	0.00%	\$700,033
<b>Total</b>	<b>207,648,000</b>	<b>28.80%</b>			<b>\$2,536,983</b>



The Token Distribution for DRINK is shown below, with other segments of the token supply being released over a 4-year period. Only early supporters of the Degen Distillery will receive DRINK Tokens at the token generation event (TGE). The 30% of the Liquidity segment being released on TGE will be used to support market making operations on centralised and decentralised exchange listings.

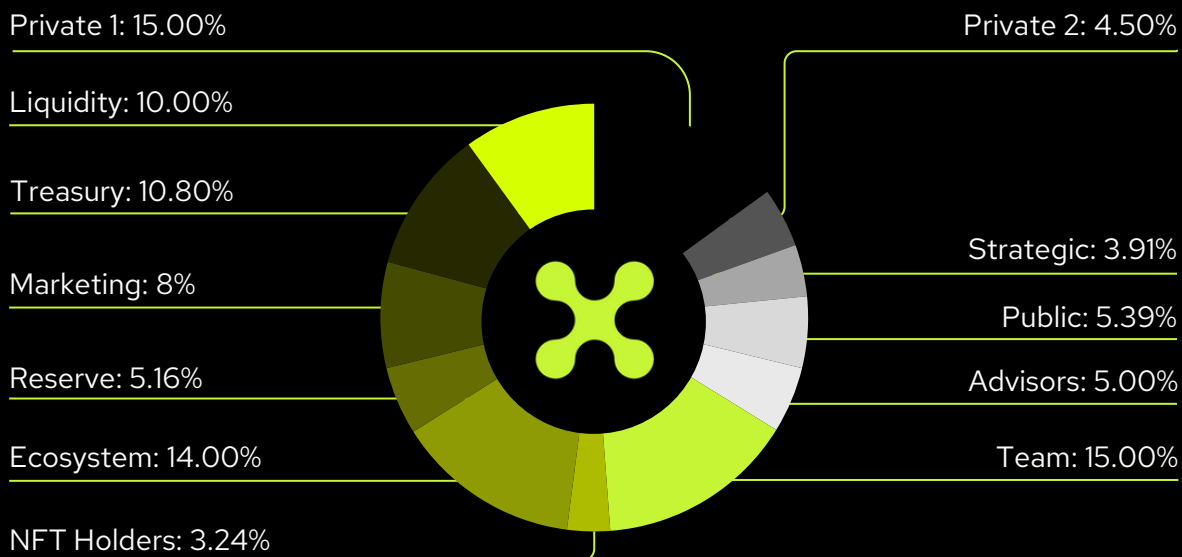
## Token Distribution

Segment	Tokens	% Max Supply	Release Schedule (Months)		
			% on TGE	Lockup	Vesting
<b>Sale Rounds</b>					
Private 1	108,150,000	15.00%	8.00%	2	15
Private 2	32,445,000	4.50%	8.00%	2	14
Strategic	28,162,260	3.91%	17.00%	2	12
Public	38,890,740	5.39%	20.00%	1	6
<b>Other Segments</b>					
Team	108,150,000	15.00%	0.00%	12	36
Advisors	36,050,000	5.00%	0.00%	6	24
Ecosystem	100,940,000	14.00%	0.00%	1	48
NFT Holders	23,360,400	3.24%	10.00%	2	9
Liquidity*	72,100,000	10.00%	30.00%	0	6
Reserve	37,203,600	5.16%	0.00%	18	30
Marketing	57,680,000	8.00%	0.00%	3	24
Treasury	77,868,000	10.80%	0.00%	6	42
<b>Total</b>	<b>721,000,000</b>	<b>100%</b>			

\*Liquidity tokens are under discretionary lockups which can be released at any time for any reason pertaining to an increase in liquidity across CEX's or DEX's.

## Supply Management

Once tokens are released, Dollar Drink Ltd. shall only distribute DRINK into circulation when it believes it will result in a net positive effect on the Degen Distillery ecosystem proposed by this White Paper.



## DRINK Stacked Release Schedule



In the evolving landscape of digital assets, aligning the performance of crypto assets with the tangible success of the issuing company remains a significant challenge. Degen Distillery has meticulously designed its token economy to foster a symbiotic relationship between the achievements of the Company and the vitality of the DRINK Token.

In management of the DRINK token economy, the ecosystem plans to reach a reduced target supply in the long term of 350,000,000 DRINK. This is approximately 50% of the starting supply and will be achieved through a carefully structured buyback and burn policy.

Degen Distillery commits to allocating 10% of its revenue from various sales channels towards repurchasing DRINK from the open market. This policy is twofold in its purpose:



### Burn: Deflationary Mechanism

50% of the repurchased tokens will be permanently removed from circulation through burning. This reduces the total supply of \$DRINK tokens over time, creating a deflationary pressure that is designed to support the token market and ensure that DRINK supply dynamics are closely aligned with the financial health and market success of the Degen Distillery.



### Treasury: Formation of Strategic Reserves

The remaining 50% of the repurchased tokens will be locked in the Treasury to serve as strategic reserves, earmarked for fuelling future growth initiatives, such as investment in product development, market expansion, and enhancement of the TAP system. By maintaining a portion of the tokens in reserve, Degen Distillery ensures a reservoir of value that can be strategically deployed to support long-term objectives.



# COMPANY INFORMATION

## Management Team

Degen Distillery is being established by an experienced management team with relevant backgrounds in e-commerce, events and hospitality as well as the investment, fintech and blockchain sectors.



### **SAMMY VERGHESE**

**Co-Founder & Chief Executive Officer**

Experienced founder across multiple industries, taking first company from \$0 to \$30 million in revenue, successfully raising \$17 million while completing a law degree. Co-founded a web2 marketplace with 30,000 users in the first month. Co-founded one of the UK's fastest growing events companies (650+ events p/a by year 2). Co-founder of one of the UK's top 5 music venues and several pubs and restaurants. Former board member of the UK's largest electronic music conference. Experienced advisor and angel investor with 7 years of blockchain experience. Public speaker and founder of popular daily Web3 Twitter saces.



### **TOM WEBSTER**

**Co-Founder & Chief Commercial Officer**

Acquired & exited a UK FCA regulated financial advisory business. Cofounder and Commercial Director of Sentry Funding, a SaaS portal that automates litigation funding, on target to process £100m in funding this year. Former Chairman of Seaford Town Football Club (first football club in the world to self-issue NFTs). Retail investor with 7 years crypto experience. Cofounder of Wake Up Web3. Former event promoter. Featured in Huffington Post's Young Entrepreneur series and in the Financial Times as an NFT innovator.



### **Franklyn**

Director of Web3 & Creative



### **Alex**

Director of Operations



### **Dan**

Director of Sales



### **Diego**

Director of Brand & Growth



### **Jordan**

Director of Immersive & Partnerships



### **Emi**

Operations Manager



### **Mikey**

Community Manager

## Advisory Board

### James Massey

UK Web3 Lead at Google.  
ExAmazon/AWS

### Monty Munford

Fortune 500 PR Advisor &  
Keynote Speaker

### Ben Bennet

B2B Sales Training Expert  
& Natwest Accelerator  
Mentor

### S4mmy.eth

Digital Asset Consultant at  
Mocaverse. Advisor at  
Courtyard & Frame. Ex CA,  
Ernst & Young

### Covey

### Metaverse Solutions

## Go-to-Market Strategy

Degen Distillery has been established with a phased go-to-market strategy with subsequent capital building to fund the evolution of the ecosystem proposed by this White Paper.



# CONCLUSION

In summary, Degen Distillery represents a significant evolution in the spirits sector, combining traditional distilling excellence with cutting-edge blockchain technology. This White Paper has outlined the various components that constitute the innovative business model of Degen Distillery, including its premium product offerings, the ambassador-driven Tokenised Affiliate Protocol, the Ethereum-based DRINK Token, and strategic token economy management.



## Ambassador Engagement and TAP System

At the heart of the marketing strategy for Degen and the token utility of DRINK is the TAP System, a novel approach to social distribution that leverages the power of blockchain technology. Ambassadors play a crucial role in expanding the brand's reach, rewarded through a commission-based system that incentivises promotion and sales. This model fosters a strong community of brand advocates, driving growth and engagement.



## Premium Spirits and Merchandise

The Degen Distillery commitment to quality is evident in its inaugural product, the Limited Edition 721 Vodka, accompanied by unique ERC-721 NFTs. This approach not only enhances product appeal but also bridges the gap between traditional spirits and the digital world. The distillery plans to extend its product line, guided by community feedback, ensuring relevance and quality in its future spirits and merchandise offerings.



## DRINK Token: Enhancing Community Involvement

The DRINK Token is a cornerstone of the Degen Distillery ecosystem, designed to fuel the TAP System reward engagement, provide exclusive access to products and events, and facilitate purchases within the brand's network. The strategic management of the token supply, through a buyback and burn policy, aligns the token's performance with the company's success, ensuring a sustainable and value-driven economy.



## Innovative Business Model with Global Potential

The Degen Distillery business model is distinguished by its innovative integration of blockchain into traditional distilling and marketing practices. This model presents a scalable and replicable framework that could revolutionise not only the spirits industry but also other sectors looking to harness the benefits of decentralised systems and community-driven growth.

The potential for licensing the TAP System to other companies further underscores the versatility and applicability of the Degen Distillery approach, suggesting a path towards widespread adoption of social distribution models across various industries.



Degen Distillery's innovative approach represents a transformative moment for the spirits industry, promising to redefine the relationship between brands and their communities. Through the strategic use of blockchain technology, Degen Distillery is poised to create a more engaged, transparent, and valued-driven ecosystem. The company's commitment to quality, community, and innovation sets a new standard for the industry, heralding a future where technology and tradition converge to create unparalleled experiences for consumers and stakeholders alike.



## CONTACT

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