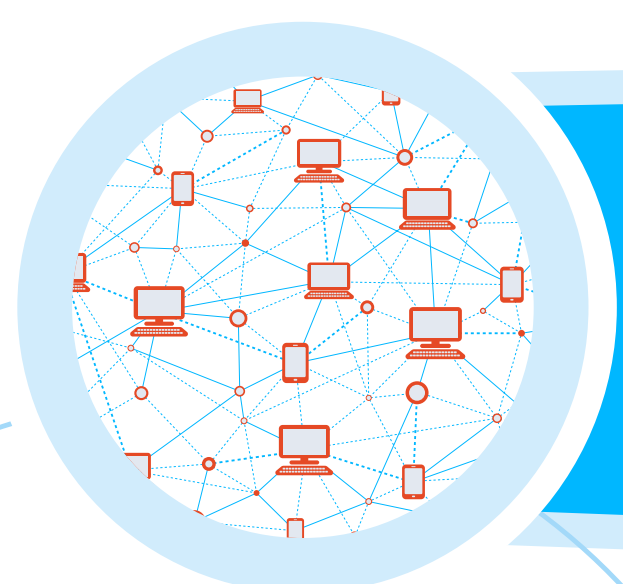




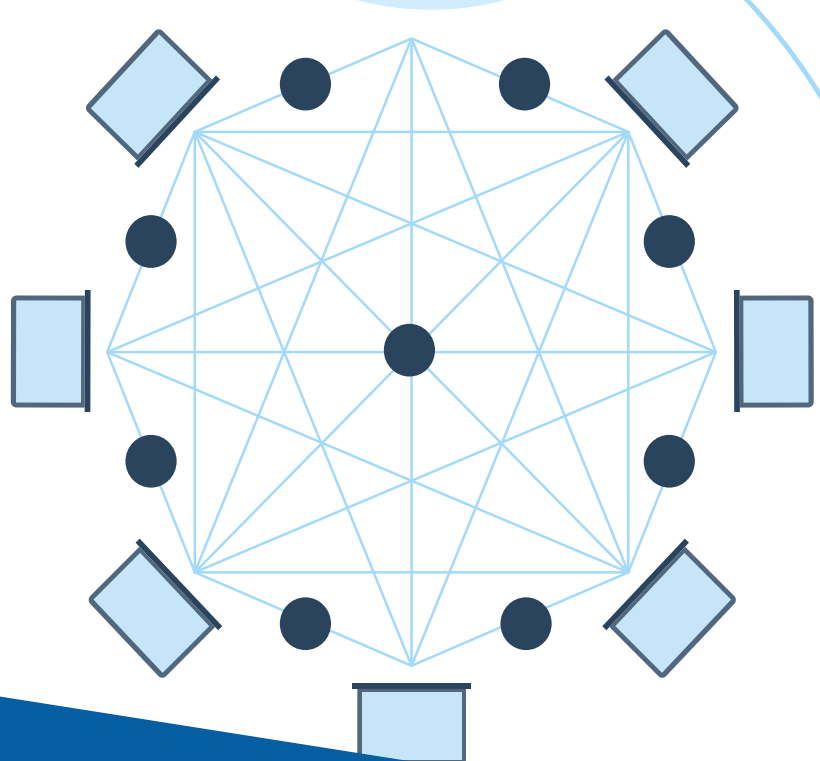
DECENTRALIZED APPLICATION DEFINITION

WHAT IS DAPP?



A decentralized app (dApp) is a software program that uses the power of blockchain technology, and oftentimes smart contracts, to achieve decentralization.

They store most often on cloud computing platforms and can operate on multiple systems simultaneously.



Each system runs on the same blockchain network, and every system in the network communicates with the other systems in order to complete a task or command.

Blockchain based companies used Apps to streamline processes and increase operational efficiency.

The underlying blockchain technology fosters transparency and auditability.

KEY CHARACTERISTICS

Decentralized apps have four intrinsic characteristics:

OPEN SOURCE

The applications infrastructure and code must be publicly available, allowing for transparency, auditability, and scrutiny.

PROTOCOL CONSENSUS

The application runs on a public blockchain and is free from the control of a central authority.

INTERNALLY MONETIZED

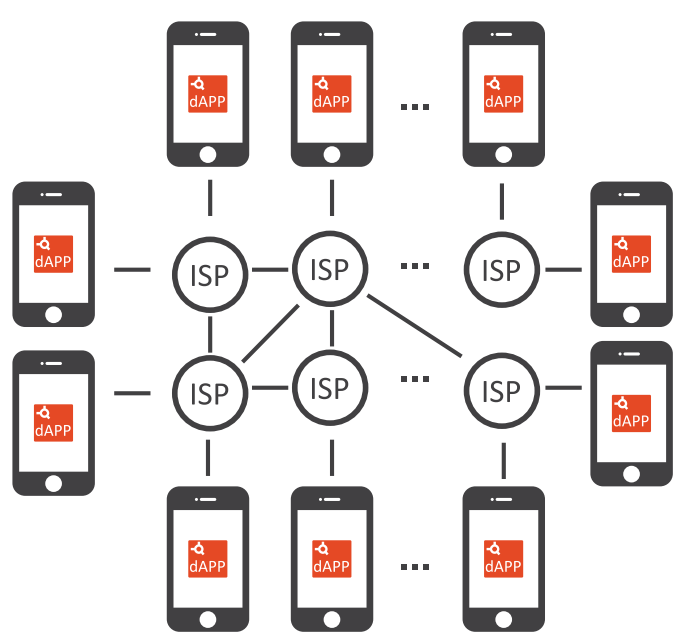
The application runs on a public blockchain and is free from the control of a central authority.

DECENTRALIZED

Platform tokens are generated using a cryptographic consensus protocol, such as Proof-of-Work or Proof-of-Stake.



DIFFERENCES FROM TRADITIONAL APPS



DAPPS

OPEN SOURCE

because all parties have access to the code, it can't be easily manipulated. Updates are based on consensus and are transparent.

INTERNALLY MONETIZED

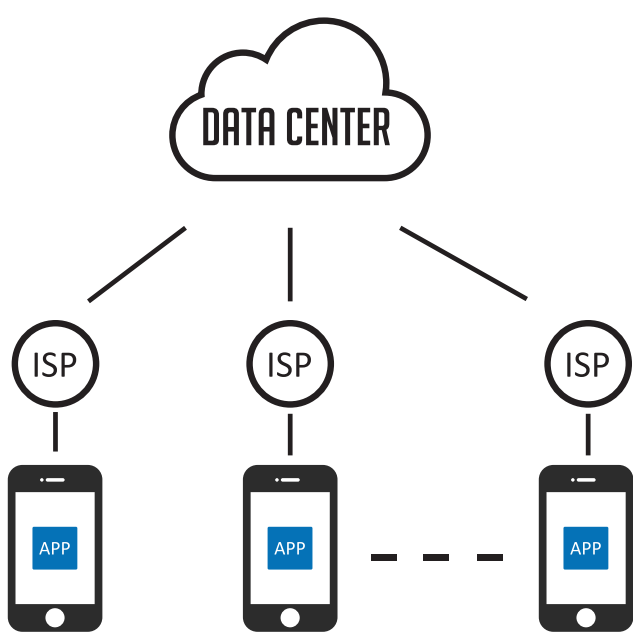
digital token monetization means each participant can receive tokens. App use can be global because there aren't currency barriers.

DECENTRALIZED

not controlled by any one party. Changes must be agreed upon by the community.

PROTOCOL CONSENSUS

tokens are created in a decentralized manner, meaning money creation and supply isn't arbitrary or easily tampered with.



APPS

CLOSED SOURCE

only the developers have access to the code, meaning it can be changed whenever the developer wants. Transparency is nonexistent.

FIAT MONETIZED

network supporters are not rewarded for participation; fiat money is used to purchase the apps.

CENTRALIZED

controlled by centralized parties like app stores, corporations, and developers. Individuals must go along with the directions of the entity in charge.

SINGULAR CONSENSUS

the fiat money behind traditional apps is controlled by central banks. The corporations that control the apps can also redirect money supply and charge fees.