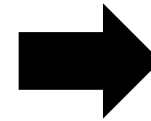
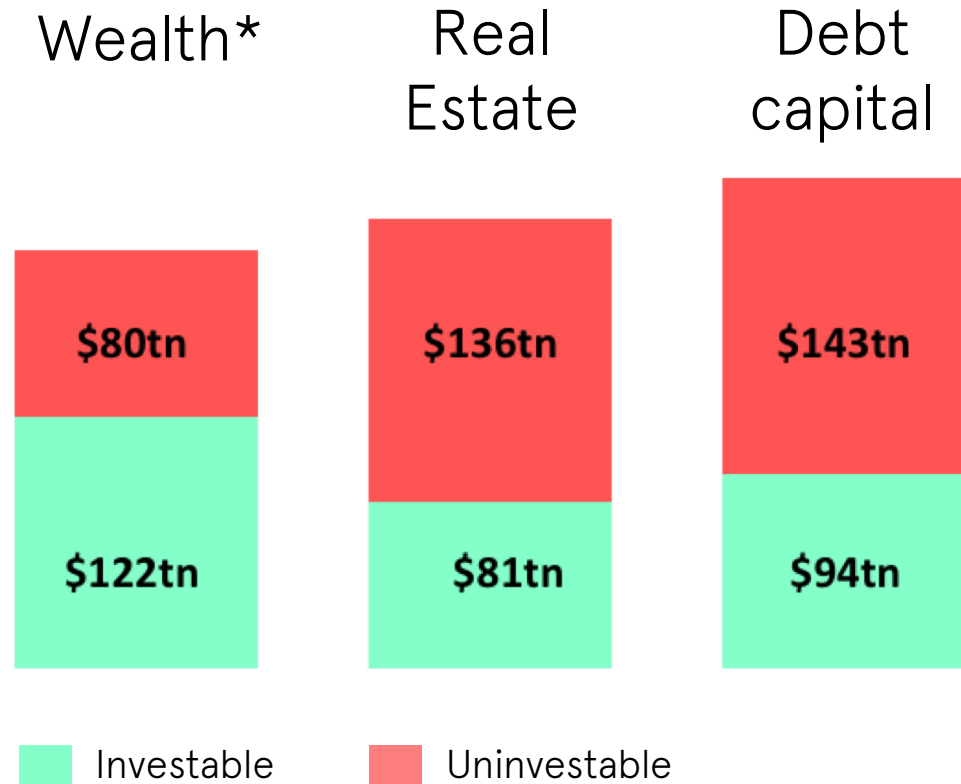


An abstract geometric composition in the bottom-left corner of the slide. It features a large teal rounded rectangle on the left, a light green square to its right, and a black triangle below the teal shape. Further right is another black triangle, a black circle, a teal rounded rectangle, and another black circle. The bottom edge consists of a light green rectangle, a black square, and a teal rectangle.

# BlockState

Unlocking inaccessible assets

# The majority of global assets are not easily investable



54%

Of global assets are not easily investable (\$359tn)

(USD, trillions, 2017) // Sources: Savills, McKinsey, Bloomberg, Bank of International Settlements

\* Global personal financial wealth". Investable: listed equity, funds, currency, deposits // Non-investable: Life insurance, pension funds, unlisted equity

# BlockState enables capital market access for illiquid assets

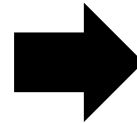


BlockState is an end-to-end platform that provides poorly accessible assets like SME investments, real estate or non-bankable assets with liquidity, fungibility and easy management. By tokenizing assets, we maximize cost- and time-efficiency in the issuing process and a strong partner network secures deal flow for our issuers.

## **Most assets are poorly accessible.**

Assets like SMEs, real estate or other non-bankable/illiquid assets are not easily accessible for many investors.

Access is quasi restricted to private equity, hedge funds or large asset managers and transferability is limited to inefficient OTC transactions.



## **Our technology enables access.**

Asset tokenization allows issuers to target both retail and institutional investors faster and more (cost-) efficiently.

Fractional ownership and transferability of assets and a streamlined investor UX allow issuers to address a much broader market.

# There is a huge global financing gap for many asset classes



A large part of global value lies in SMEs, real estate and a range of “non-bankable” assets (e.g. art, minerals, mining, etc.). However, capital market access for these asset classes is far from optimal and characterized by information asymmetry, a lack of exposure to investors and high costs to use traditional infrastructure.



## SME

- Most SME equity is unlisted
- Bond issuance is not provided
- Limited options beyond loans



## Real estate

- Local asset class
- High demand, but low liquidity
- Big tranches and high min ticket



## Non-bankable assets

- Only accessible to insiders
- Often large ticket sizes
- No or limited transferability

# Tokenization is ideal to connect issuers with investors



Tokenization bears several characteristics that fundamentally improve access between issuers and investors compared to traditional market infrastructure. Besides reducing the general costs associated with traditional issuance methods, tokenization structurally improves both the access and attractiveness of assets.

## Low-cost issuance

Tokenization disintermediates the issuance process, saving valuable time and resources to make assets bankable.

## Fractional ownership

Assets with previously high minimum ticket sizes can be fractionalized without any extra cost.

## Transferability

Replacing a paper-based system with a fully digital system enables the instantaneous and global transfer of asset ownership.

## Liquidity premium

Issuers benefit from secondary market liquidity as investors often pay premiums of up to 20% on liquid assets

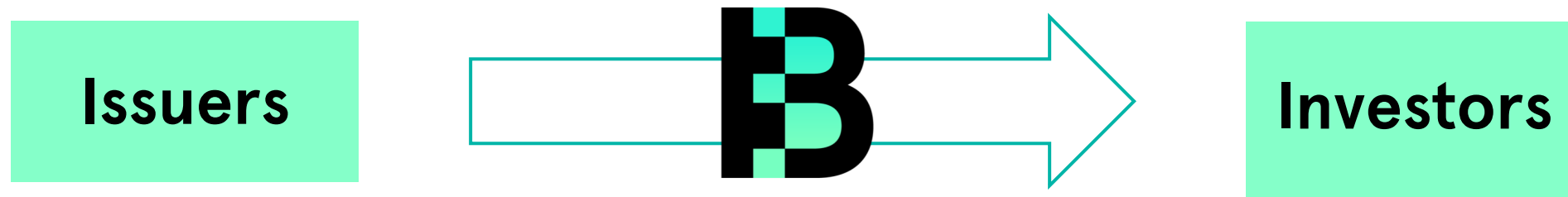
## Digital management

Smart contracts enable fully digitized shareholder registry and automated corporate actions and reporting.

## Fast time-to-market

By standardizing and automating a large part of the issuance and management process, we minimize the time to market.

# BlockState is a modular one-stop asset tokenization solution



## Setup

- ✓ Legal docs
- ✓ Tech setup

## Execution

- ✓ Access
- ✓ Distribution

## Management

- ✓ Maintenance
- ✓ Reporting



# Our intuitive interfaces streamline lifecycle management



In addition to advisory on the issuance process and preferential access to our partner network, we provide full lifecycle management solutions. From legally binding structuring and issuance of assets via smart-contracts across investor management to automated reporting – our intuitive interfaces vastly simplify asset management.



## Issuance dashboard

We guide our clients through the definition of their STO, step by step.

We generate a legally binding smart contract to tokenize our clients' assets.



## Management dashboard

Issuers can manage their investors directly via their corporate actions dashboard.

Besides a full shareholder registry and comms features, issuers can execute corporate actions easily.



## Reporting dashboard

Compliant reporting and analytics are provided through automated processes.

Generate and disseminate full financial reports automatically to shareholders and regulators.

By offering a customizable one-stop solution, we can provide the best-in-class issuance service on the market while keeping setup and commission costs at competitive rates.

Set-up fee charged prior to STO is validating the tangible interest of the partner, creating a lock up while providing early cash flow. The commission captures the larger part of the revenue created with a client.

Revenue generated per client ranges from €60k to over €300k.

## Setup fee

- €30k – €90k
- Depending on complexity

+

## Commission

- 0.75% – 4% of issuance
- Depending on volume and type of asset



# A team of seasoned founders, financial and tech experts



## Executives



**Paul Claudius**

CEO

Serial entrepreneur and investor with 10+ years of experience scaling €100+ million ventures across Europe.



**Michael Weber**

CFO

Former investment banker and serial entrepreneur with deep understanding of the financial legal frameworks.



**Samuel Brack**

CTO

Master of Science in Computer Science. Seasoned developer of complex FinTech projects and serial entrepreneur.



**Carl Bruns**

CMO

Operations and marketing specialist with 10+ years experience founding, and developing ventures.

## Advisors



**Patrick Storchenegger**

Co-founder Ethereum Foundation, Attorney at law and notary in Zug



**Dr. Martin Schröder**

Director, SMBC Nikko Capital Markets



**Andre Voinea**

Executive with extensive experience in ETPs and Asset Management



**Ludwig Schrittenloher**

Credit Portfolio Pictet, formerly Credit Suisse



**Bernhard Robbel**

Vice President Financial Restructuring Group Houlihan Lokey



**Bertjan Janzen**

Partner, PWC Netherlands Digital transformation and tax expert



**Christopher Kraft**

Executive Director Perella Weinberg Partners



**Phillipp Schoppmann**

Google, Humboldt University



**Julian Trautwein**

Head of CEE Communications, Airbnb

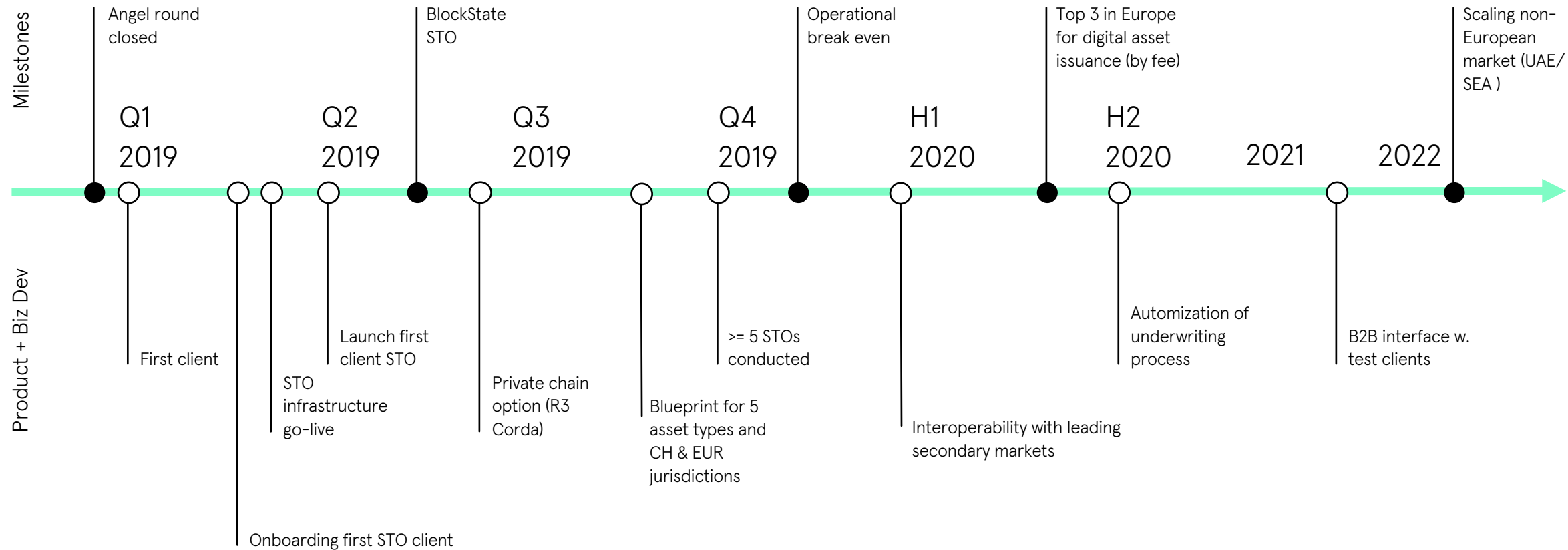


**Martin Hobler**

Serial entrepreneur and investor



# Timeline: Milestones and Product + Biz Dev Overview



# The market is seeing the first STO providers kicking off

A few competing players are successful in the US and Asia, however Europe is still relatively underserved. While most existing providers of STO solutions are inflexible due to a holistic in-house offering. We believe that in order to serve the broad range of cases, leveraging the ecosystems networks and capabilities is key.

Name	Jurisdiction	STOs	Status	Valuation/Funding
Daura	CH	Planned: 5	Operational	n/a
Edexa	LI	Planned: 1	Operational	€4.9m (expected funding)
Harbor	US	1 REIT; Issuance vol. = \$20m	Operational	\$40m (funding)
Indiegogo	US	Launched: 1; Issuance vol. = \$18m	Operational	\$56.5m (funding)
Liquid	EU, SE	Planned: 3	Operational	n/a
Neufund	EU	Planned: 10+; own STO	Operational	€125m (valuation)
Polymath	US	6+; Issuance vol. = \$210m	Operational	\$30m (market cap)
Securitize	US	7+; Issuance vol. = \$500m	Operational	\$12.8m (funding)
STOBox	Global	None	In development	\$9m (valuation)
Swarm	Global	6+; Issuance vol. = \$130m+	Operational	\$5.5m (ICO funding)
Tokenize EU	EU	Planned: 1; Launched: 2; Issuance vol. = \$3.6m+	Operational	n/a
Validity Labs	CH	Planned: 3	Operational	n/a

*Data is based on publicly available data*

# Our deal pipeline is filled and interest is growing



With four letters of intent signed and continued interest from a range of diverse asset classes and industries, we are set to tokenize a total issuance volume in excess of EUR >100mn

Projects scheduled for Q2/ Q3 2019:

Type	Jurisdiction	Category	Status	Issuance volume
SME	DE	Consumer	LOI	CHF5m
Non-bankable assets	CH	Natural resources	LOI	€10-15m
Non-bankable assets	DE	Digital Assets	LOI	€30m
SME	CH	Blockchain	Engagement letter	€4m
SME	CH	Media	Engagement letter	€5m
Real estate	CH	Project	Preliminary	€30m
Non-bankable assets	CH	Art	Preliminary	€10m (TBD)
SME	CH	Blockchain	Preliminary	€15m

# Blockchain technology is opening up a trillion dollar market



Leading institutions like KPMG, Deloitte and the World Bank project that ten percent of the global GDP will be tokenized by 2025-2027.

**\$88tn**

Projected global  
GDP by 2025\*

x

**10%**

Total global assets  
tokenised by 2025

=

**\$8.8tn**

Market size, global  
tokenised assets by  
2025

**1%**

Market share of  
global tokenization  
captured by 2025

x

**2%**

BlockState  
Commission fee

=



**\$1.8bn**

**Revenue potential  
by 2025**

# STO Information



## General

<b>Sale date:</b>	June 7, 2019 at 07:00 CEST June 27, 2019 at 17:00 CEST
<b>Settlement date:</b>	July 20, 2019 at 13:00 CEST
<b>Country:</b>	Switzerland
<b>Whitelist/KYC:</b>	Required (Fractal ID)
<b>Company Deck:</b>	<a href="#"> Read</a>
<b>Website:</b>	<a href="#"> Visit</a>

## Token

<b>Token name:</b>	BLK
<b>Platform:</b>	Ethereum (ERC-20)
<b>Hard cap:</b>	EUR 4,000,000
<b>Offer share price:</b>	EUR 400
<b>Restricted:</b>	USA, Korea, Iraq, Iran + more
<b>Currencies:</b>	EUR, USD, CHF, BTC, ETH
<b>Shares available:</b>	9.1%

## Social



[Twitter](#)



[Telegram](#)

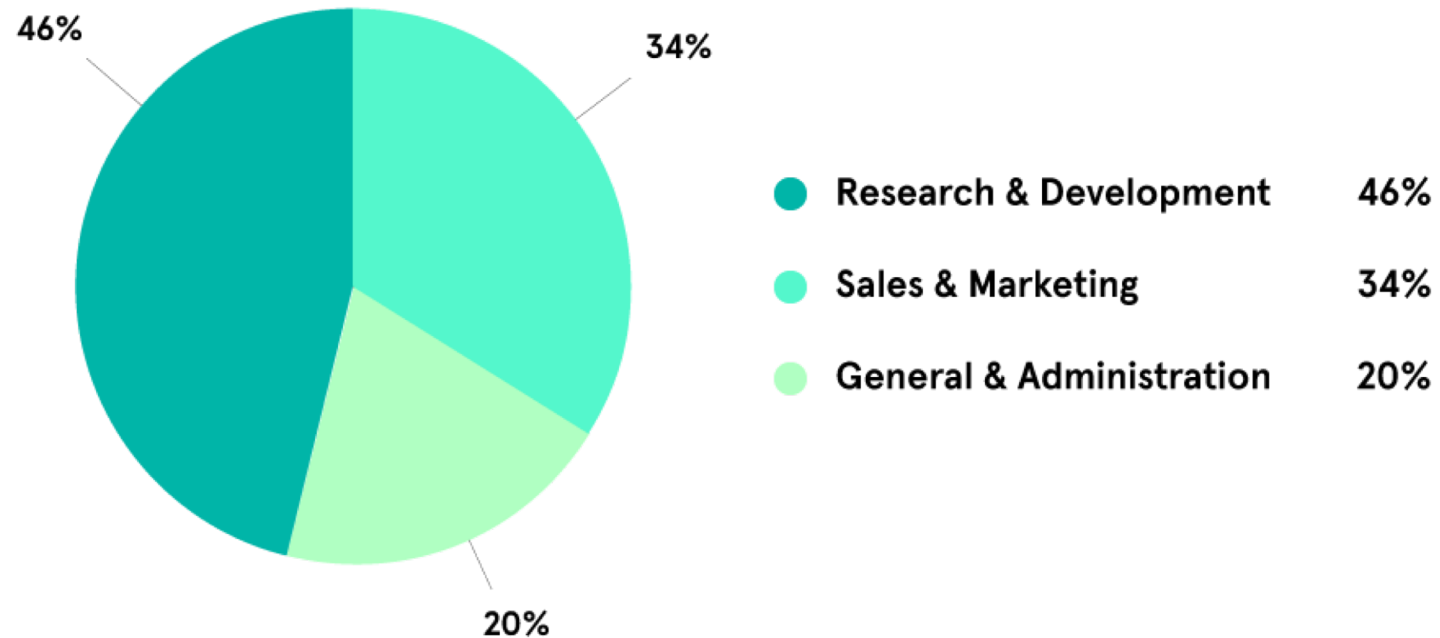


[Medium](#)



[Facebook](#)

# Use of funds & investor benefits



## Investor benefits

- ✓ Dividends
- ✓ Voting Rights
- ✓ Transferability



# Unlocking inaccessible assets

[www.blockstate.com](http://www.blockstate.com)



in

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# Appendix

The information below explores the BlockState model and market opportunity in more detail, elaborating on certain terminology used in this document.

# For the issuer: A powerful end-to-end solution



- |                               |  |
|-------------------------------|--|
| ▶ <b>Fast setup</b>           | <ul style="list-style-type: none"><li>✓ 1.5-3 months from kick-off to issuance</li><li>✓ BlockState manages stakeholders</li></ul>                             |
| ▶ <b>Full control</b>         | <ul style="list-style-type: none"><li>✓ Flexible smart contract design</li><li>✓ Open architecture and modular design</li></ul>                                |
| ▶ <b>Easy onboarding</b>      | <ul style="list-style-type: none"><li>✓ Tested, conversion-optimised</li><li>✓ Fully digital process, no paperwork required</li></ul>                          |
| ▶ <b>Minimal cost</b>         | <ul style="list-style-type: none"><li>✓ Minimal setup costs</li><li>✓ Minimal operating costs</li></ul>  |
| ▶ <b>Regulatory compliant</b> | <ul style="list-style-type: none"><li>✓ Fully compliant with Swiss regulatory body (Finma)</li><li>✓ Low additional maintenance (annual reports etc)</li></ul> |
| ▶ <b>Optimal distribution</b> | <ul style="list-style-type: none"><li>✓ Primary market infrastructure</li><li>✓ Support for exchange listing of tokens</li></ul>                               |

# For the Investor: Direct access to inaccessible assets

Investors all around the world can receive immediate and easy access to unbankable, unique assets. A perfect solution for thematic investments and above average returns. Direct ownership through fractionalization of high value assets and fungibility of illiquid assets.

## ► **Unique assets**

- ✓ Real estate, SME equity, art, natural resources, commodities ...
- ✓ Receive direct exposure to inaccessible assets

## ► **Access**

- ✓ Global assets with local access
- ✓ Easy ownership

## ► **Transferability**

- ✓ Safe and immediate transfer of assets (T=0)
- ✓ Fungibility of illiquid assets (i.e. real estate, art, SME equity)

## ► **Swiss structure**

- ✓ Trustworthy jurisdiction
- ✓ Regulatory compliant

# BlockState provides for its clients an end-to-end solution before, during and after the STO.



## Setup

### Finance & Legal

- Financial structuring
- Term sheet creation
- Prospectus creation\*

### Tech

- Smart contract development
- KYC/ AML infrastructure
- Whitelisting infrastructure



## Execution

### Access

- Frictionless access
- Qualified & retail investors eligible
- Multiple jurisdictions

### Distribution

- KYC/AML checks
- Primary market
- Transferability of tokens



## Maintenance

### Lifecycle management

- Easy maintenance
- Shareholder communication
- Corporate actions

### Reporting/auditing

- Shareholder registry
- Automated reporting

\* A prospectus may be required, depending on the specific combination of several factors including investor type, number of investors, jurisdiction and issuance volume.

# Choosing the right legal, tech and product setup is crucial to ensure a compliant and successful primary offering.



## Setup



## Execution



## Maintenance

Our team brings decades of financial, legal and technological expertise to set up your STO cost-efficiently and legally compliant. We will manage everything from project plan over drafting legal documents to tech infrastructure.

### Project management

- ✓ Project plan
- ✓ Stakeholder management

### Legal documents

- ✓ Financial structuring
- ✓ Term sheet
- ✓ Incorporation documents
- ✓ Shareholder agreement
- ✓ Prospectus

### Technical setup

- ✓ Smart contract creation
- ✓ KYC/ AML set-up
- ✓ Distribution interface
- ✓ White list set-up

# Qualified leads, minimal onboarding friction and secondary market liquidity are key for a successful STO campaign.

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**Setup**



**Execution**

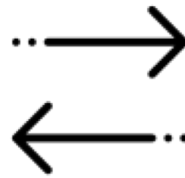


**Maintenance**

We can execute your STO for qualified and retail investors for multiple jurisdictions. With our tailor-made solutions onboarding friction is minimised. Secondary market liquidity is enabled both for OTC trades (KYC/AML for wallet whitelisting) as well as through token exchange listing facilitation (throughout 2019).



Minimal friction for  
effective investor  
onboarding



Primary market  
functionality



Secondary market: OTC  
and exchanges

# After your STO, efficient and automated maintenance helps you minimise operating cost and save valuable time.

---

**Setup****Execution****Maintenance**

BlockState enables simple and intuitive maintenance with minimal effort post fundraising. Our lifecycle management allows you to manage corporate actions with ease and retrieve a full and detailed overview of your shareholders at a glance.



Intuitive lifecycle  
management dashboard



Shareholder overview,  
STO analytics and more



Automated corporate actions  
like dividend pay-outs

# Secret Sauce



IP for issuance, onboarding and maintenance of financial products

Product operates DLT-enables issuance, compliance, maintenance as well as portability

MVP with tokenized equity and subordinated bond issuance operational

## Issuance Module

DLT Financial Structuring

Whitelisting Engine

Prospectus/Smart-Contract Engine

Fiat-Issuer Bridge

## Compliance Module

DLT Audit Trail

Permissioned User Management

Stockholder/Bondholder Register

DLT-based maintenance

## Maintenance Module

Corporate Actions

Voting

Investor Relations

DLT Document Archive

## Portability Module

DLT Interoperability Engine

ERC/R3/(Hyperledger)

Name	Surname	Email	Birthdate	Country	Wallet	Privacy	Investment	KYC Status	Action
Tomasz	Brandy	tomasz.brandy@blockstate.com	1977-01-13	Algeria	0x1234567890123456789012345678901234567890	Public	21	Completed	View
Stefanie	Carsten	stefanie.carsten@blockstate.com	1978-01-23	Germany	0x1234567890123456789012345678901234567890	Public	68	Completed	View
My	Barthel	my.barthel@blockstate.com	1980-05-05	France	0x1234567890123456789012345678901234567890	Public	21	Completed	View
Zulma	Burkhardt	zulma.burkhardt@blockstate.com	1981-05-13	Algeria	0x1234567890123456789012345678901234567890	Public	21	Completed	View
Andreas	Dale	andreas.dale@blockstate.com	1981-05-21	France	0x1234567890123456789012345678901234567890	Public	42	Completed	View
Priscilla	Balmer	priscilla.balmer@blockstate.com	1981-05-12	Hungary	0x1234567890123456789012345678901234567890	Public	69	Completed	View
Napier	Willy	napier.willy@blockstate.com	1981-05-15	France	0x1234567890123456789012345678901234567890	Public	25	Completed	View

ID	First Name	Last Name	Email	Role	Action
1	John	Doe	john.doe@blockstate.com	Account Manager/Analyst	View
2	John	Doe	john.doe@blockstate.com	Auditor	View
3	John	Doe	john.doe@blockstate.com	User Manager/Owner KYC Admin/Analyst	View
4	John	Doe	john.doe@blockstate.com	KYC Admin	View
5	John	Doe	john.doe@blockstate.com	Owner	View
6	John	Doe	john.doe@blockstate.com	Owner User	View
7	John	Doe	john.doe@blockstate.com	User Manager/Owner KYC Admin/Analyst	View

Name	Surname	Email	Country	Wallet	Chain name	KYC Level	Amount Invested	PDI, SL, NCIL	Tokens Reserved
Tomasz	Brandy	tomasz.brandy@blockstate.com	Algeria	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	21	None	None
Tomasz	Brandy	tomasz.brandy@blockstate.com	Algeria	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	21	None	None
Tomasz	Brandy	tomasz.brandy@blockstate.com	Algeria	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	21	None	None
Tomasz	Brandy	tomasz.brandy@blockstate.com	Algeria	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	21	None	None
Stefanie	Carsten	stefanie.carsten@blockstate.com	Germany	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	68	None	None
Stefanie	Carsten	stefanie.carsten@blockstate.com	Germany	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	68	None	None
Stefanie	Carsten	stefanie.carsten@blockstate.com	Germany	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	68	None	None
My	Barthel	my.barthel@blockstate.com	France	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	21	None	None
Napier	Willy	napier.willy@blockstate.com	France	0x1234567890123456789012345678901234567890	Ethereum	Light KYC	25	None	None

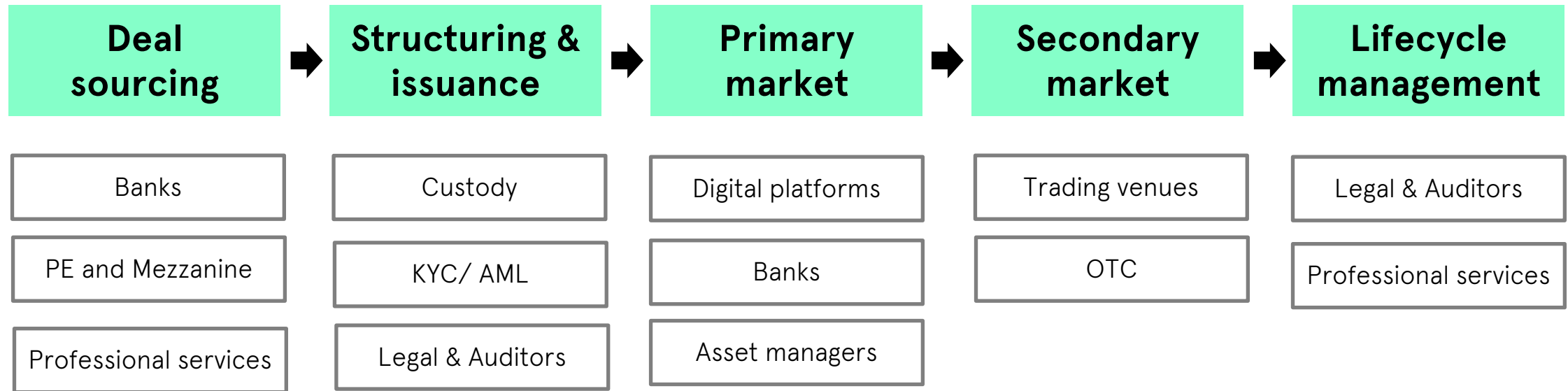




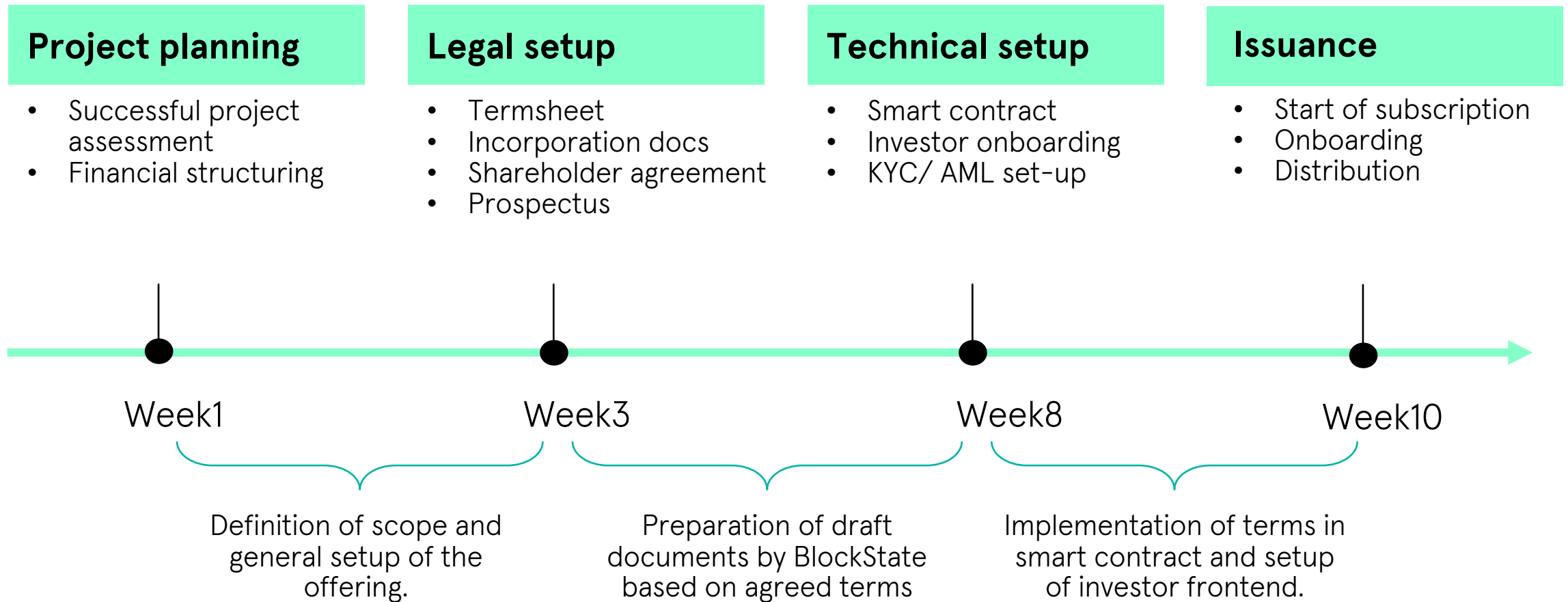
# A modular solution to meet the specific needs of issuers



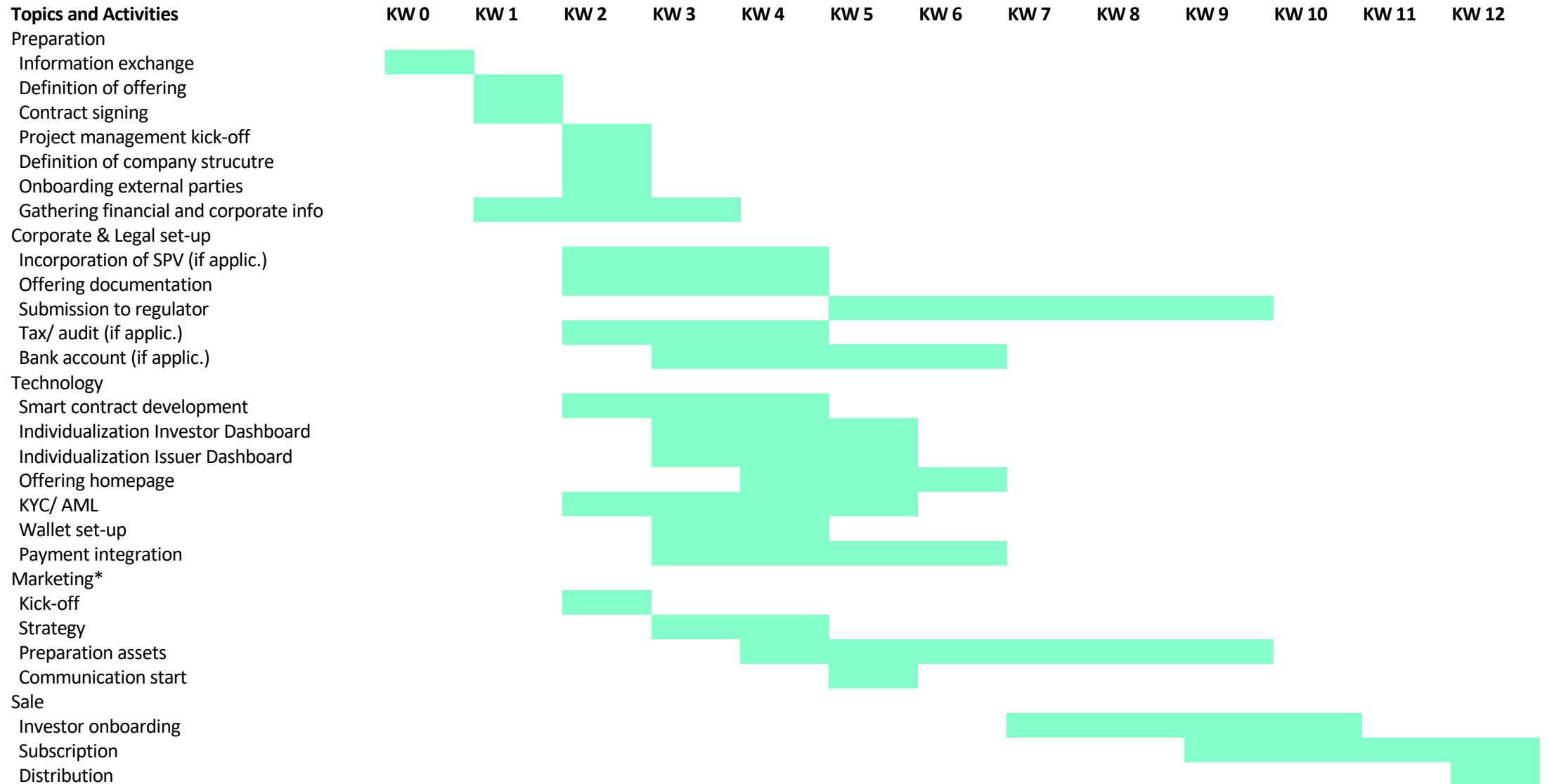
Our solution leverages the network and know-how of our partner network, while providing a tech and UX backbone that seamlessly connects the different service providers. This way, we are able to scale deal flow and placement via partners while offering a highly customizable range of issuing infrastructure.



Depending on your STO we can be ready in as fast as 10 weeks from initial assessment to issuance.



# Current timeline STO



\*Client responsible and leading effort

# We focus on SME financing for market entry



We provide SMEs with alternative financing solutions including capital increases through equity token offerings (ETO) and debt products (e.g. tokenized bonds).



## Financing by stage

Lifecycle stage:	Incorporation	Seed	Growth	Late	IPO
Founder & FF	X	X			
Business Angels		X	X		
Crowd		X	X		
VC		X	X	X	
Private equity				X	X
Strategist			X	X	
Asset managers					X

## Tokenization benefit

Access		X	X	X	
Fractionalization		X	X	X	
Transferability	X	X	X	X	
Liquidity		X	X	X	
Low infrast. / issuance costs					X
Fast time to market					X



# Swiss experts for digital assets.

[www.blockstate.com](https://www.blockstate.com)



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# ADVERTISEMENT

[www.blockstate.com](https://www.blockstate.com)

Please note that this non-binding draft version of the BlockState STO deck is for advertisement purposes only and does not constitute a binding offer nor a solicitation of an offer to purchase token-based stocks.

Only the official version of the securities prospectus, to be published on the 05.June.2019 and found under <https://blockstate.com/sto/blockstate/>, is binding and authorized for the public offering of token-based stocks