



smartlands  
platform

Asset Tokenization is the Future of Investments

## Challenges of Raising Investments for Real Economy Companies



Complex, time-consuming and costly process

It is becoming increasingly difficult to attract investments through traditional financial instruments.

- market regulation lacks flexibility
- barriers for investors that leads to lack of funding sources
- many expensive intermediaries
- overlooking of new technologies that can facilitate investments



A lot of attractive investment opportunities are not funded, profit is lost.

## Should the Classical Model Be Disrupted?

### — Technological Trends

- Blockchain
- AI
- IoT & Big Data

### — Regulations

### — Security

### — Fintech Startups

### — Talent Wars

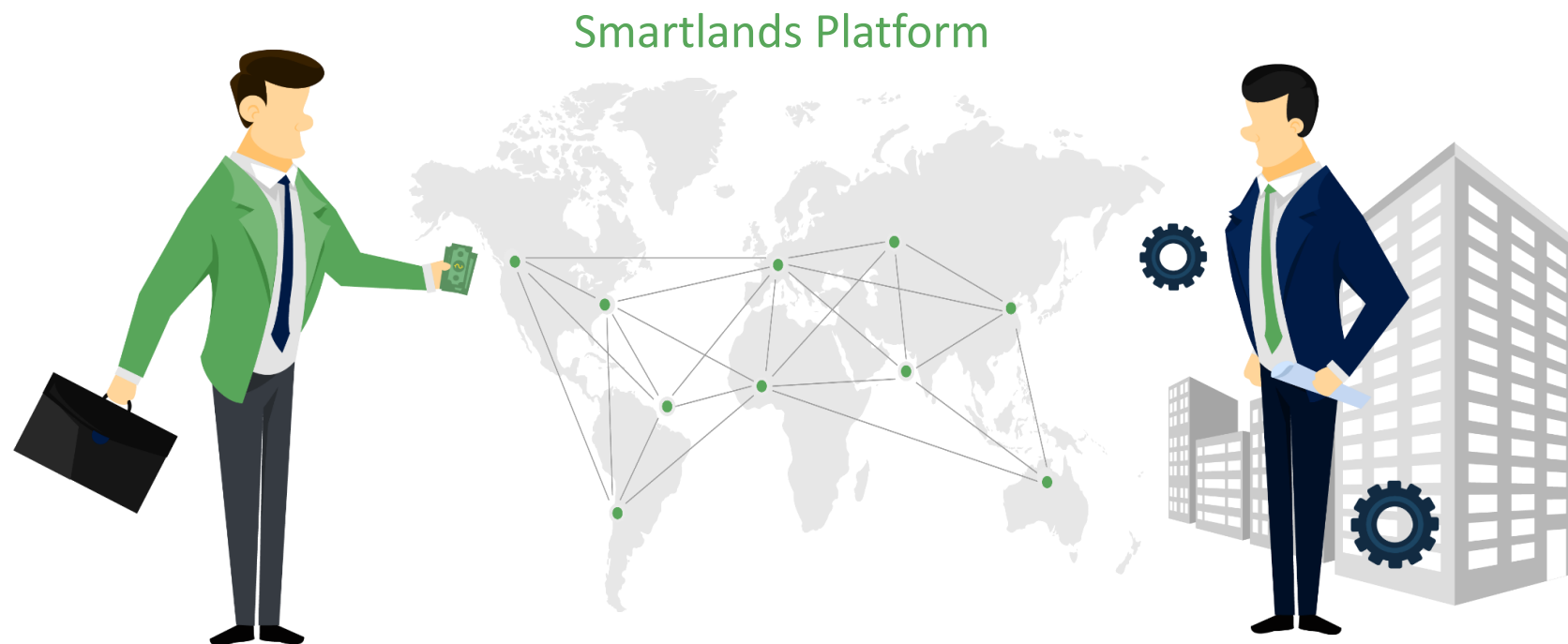


Disruptive  
Trends

## Tokenization as the Future of Investments

Tokenization is the process of converting rights to an asset into a digital token on a blockchain. It provides lower transaction costs, independence from centralized intermediaries, faster execution.

We see opportunity to make asset backed tokens (ABT) a new financial instrument that can disrupt financial markets and increase efficiency of raising capital for real economy companies.



ABT designed by the Smartlands Platform can be viewed as significantly revised and upgraded asset-backed securities (ABS) that fits well all real economy assets (not real estate only).

## Past and Future of Investment Banking

### Past



Conservative approach to adoption of new technologies



Lack of flexibility and mobility



Based on traditional currencies



Everything done in house – large headcount, capital and resources



Compliance with existing regulation



Skills focused on analysis and research

### Future



Adoption & leadership of emerging technologies



Super secure mobility and flexibility



Adapts to cryptocurrencies



Turning to fintech companies, outsourcing non-core functions



Proactive participation in creation of regulation for new products



Skills focused on technology fluency

## Idea Behind ABTs on Smartlands

Creation of a new class of **low-risk** tokens based on **real economy assets**.



Change of the whole effective frontier of the cryptoinvestment portfolios - increase in the expected yield for each level of risk

- Low risk due to collateralization of assets in real economy
- No or negative correlation with cryptocurrencies
- Sustainably increasing profits
- Future-proof legal framework
- Application of blockchain technology to remedy trust issues
- Advanced monitoring techniques with IoT, big data, AI, drones/robots for enhanced transparency

## 4 Easy Steps to Issue ABTs on Smartlands

1

### Audit and Due Diligence

ABT issue advisor coordinates auditing, legal due diligence and other preparatory procedures of the company

2

### Collateralization

The ICO company and escrow company enter a collateral agreement

3

### ICO

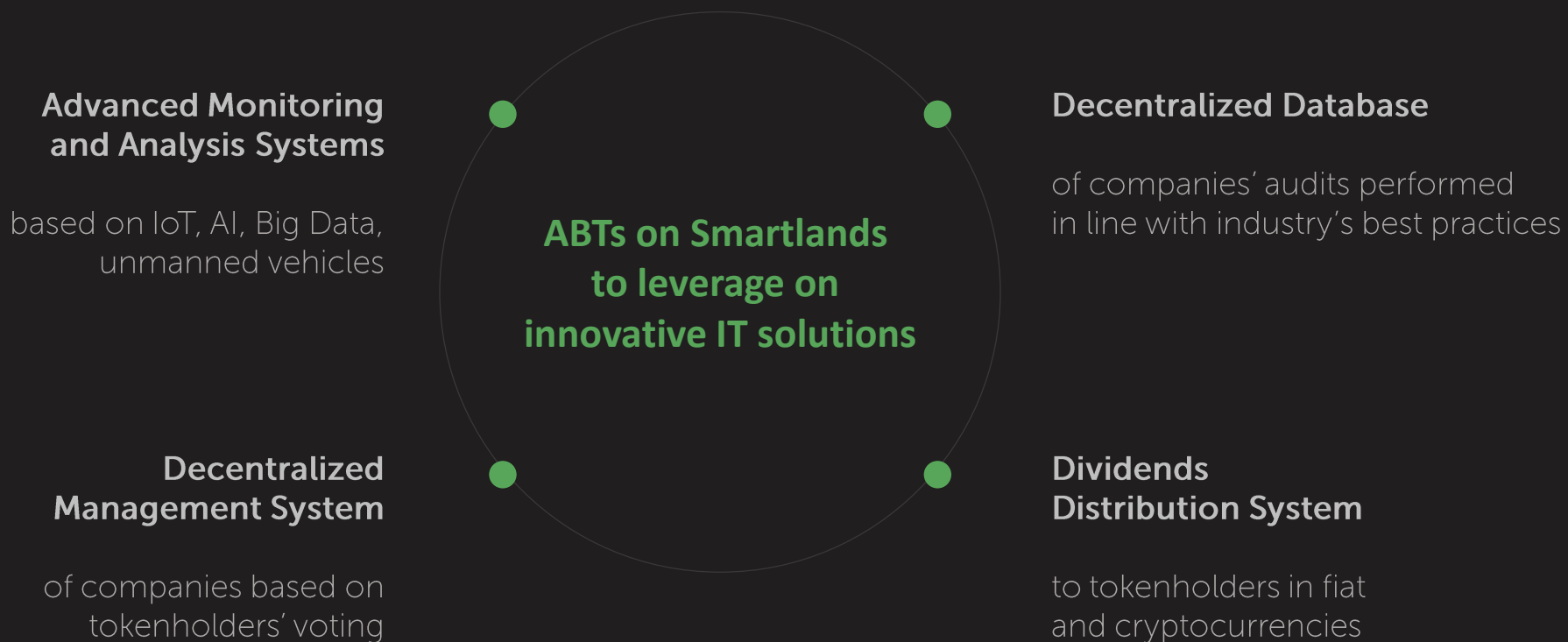
Investors buy tokens of the company. ICO proceeds are investments for strategic development of the company

4

### Trading and Profit Sharing

- Tokens are traded on exchange(s)
- Company periodically distributes part of profits/revenues to token holders (and undergo audits) according to the rules stated in ICO documents.

## Technological Landscape of Smartlands Platform







## Business

### Benefits of Assets Tokenization with Smartlands

- An asset-backed token (ABT) is a security issued on a blockchain – an inclusive technology that is not affected by country borders or local standards.
- A simple, convenient, reliable and agile way to attract investments for long-term development.
- Lower cost of capital for high-quality companies compared to currently available options in a wide range of cases.
- A borderless and inclusive instrument – opportunity to reach investors all over the world.



## Investors

### Benefits of Assets Tokenization with Smartlands

- A new class of low-risk future-proof tokens, secured by high-value assets in real economy.
- Transparency and accountability based on the relevant legal structure, a legal due diligence, highly automated audits and distributed governance.
- Elimination of all the trust issues related to a register of ABT owners. A blockchain-based register cannot be corrupted by anybody.
- A comprehensive way to invest in all kinds of real economy projects globally.
- Safe-haven assets: ABTs should have zero or negative correlation with other cryptocurrencies – the great tool to hedge risks for crypto investors.



## Society

### Benefits of Assets Tokenization with Smartlands

- Elimination of deadweight losses that occur due to information asymmetry between investors and entrepreneurs.
- Ability to attract long-term investments for technological upgrades will likely increase efficiency and consequent decrease in resources consumption (e.g. fossil fuels, chemicals, pesticides).
- Application of advanced agricultural technologies in developing countries (financed with ABT offerings) will help to fight world hunger.
- Attraction of investments by small and medium-sized real economy companies will increase employment levels and decrease poverty.

# The future of investment banking