



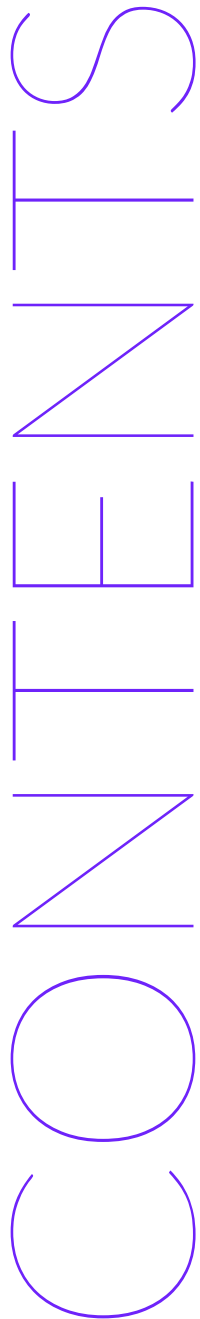
HOW IT WORKS

THE COMPLETE TOKENIZATION PROCESS

Discover lifecycle management of tokenized securities, from onboarding, issuance to servicing and secondary trading.



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Tokeny is a leading global provider of tokenization solutions that enable securities issuers, agents, and investors to seamlessly issue, manage, and transfer digital assets on a secure and efficient blockchain infrastructure.

6 years

of track record

\$28bn

in assets tokenized

100+

security tokens issuers

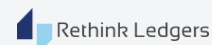


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We are the creator of the market standard ERC3643



The standard is supported and adopted by large traditional institutions

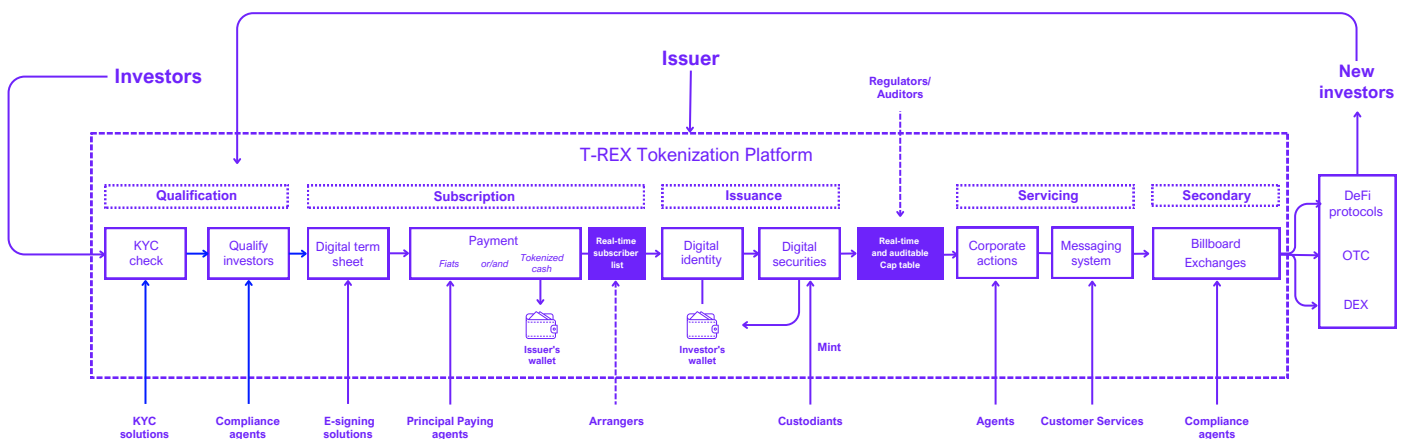


INTRODUCTION

Enable tokenization of any asset on any EVM blockchain, regardless of jurisdiction.

Our T-REX tokenization platform is assets-agnostic, jurisdictions-agnostic, and multi-chain (EVM). The platform provides a flexible plug-and-play infrastructure to enable issuers to tailor the platform and processes to accommodate their needs.

Below, we illustrate the complete process that covers the entire lifecycle of ERC3643 security tokens from onboarding to secondary trading from the issuers' and their agents' points of view.



Our mission is to simplify capital markets with tokenization by providing an all-in-one platform that hides blockchain complexity from traditional end-users.

ONBOARDING

The T-REX platform provides qualification and subscription features to easily onboard investors.

01

KYC Checks and Document Collections

Investors will go through a workflow where an AI-driven KYC solution (chosen by the issuers) ensures individuals who conduct the KYC check online are the same person on the authorized documents. Investors will also submit all required documents for the KYC check in one place.

02

Qualification of Investors

Issuers or their authorized compliance agents will determine whether to approve an investor. Only qualified investors who are approved are able to purchase or trade the security tokens throughout the lifecycle of the securities.

03

Document Signature

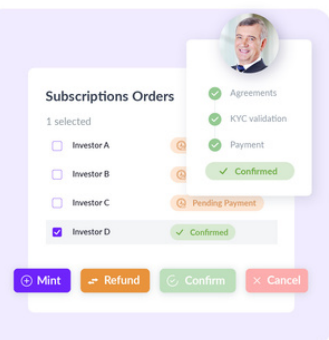
Qualified investors will be able to subscribe to securities by signing the document digitally with an embedded e-signing solution.

04

Payments

Issuers can accept fiat and/or tokenized cash (cryptocurrency as well). The platform provides a calculator to provide information on the total cost of the securities, including calculating based on the exchange rate as well as additional fees.

- *Fiat*: For fiat payment by wire transfer, issuers, or their paying agents, need to reconcile payments with payment references to confirm they receive the funds on the platform.
- *Tokenized cash/cryptocurrency*: The payment will be simultaneously confirmed once received in the issuer's wallet. There are no fees for these types of payments.



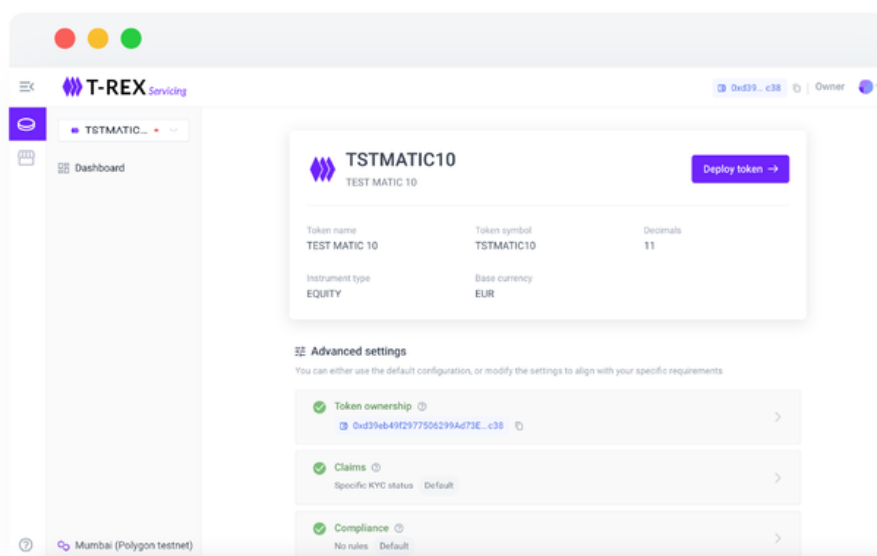
ISSUANCE

Now that the investors have been onboarded, the issuers and agents next step is to deploy the token smart contract on the blockchain.

At this point in time, it becomes clear to the issuers and agents the benefits of blockchain infrastructure to ultimately set the stage for efficient servicing and revolutionary distribution post-issuance.

01 Token Deployment

A user-friendly UI on our T-REX platform enables issuers and their agents to seamlessly deploy token smart contracts (ERC3643). They can easily set up the token's information, the wallet address for smart contract ownership, eligibility rules (via claims), and compliance rules (e.g. maximum investors volume), as well as the identity storage (whitelist). Issuers can save and reuse the same compliance rules and identity storage, making it easier to tokenize additional assets.

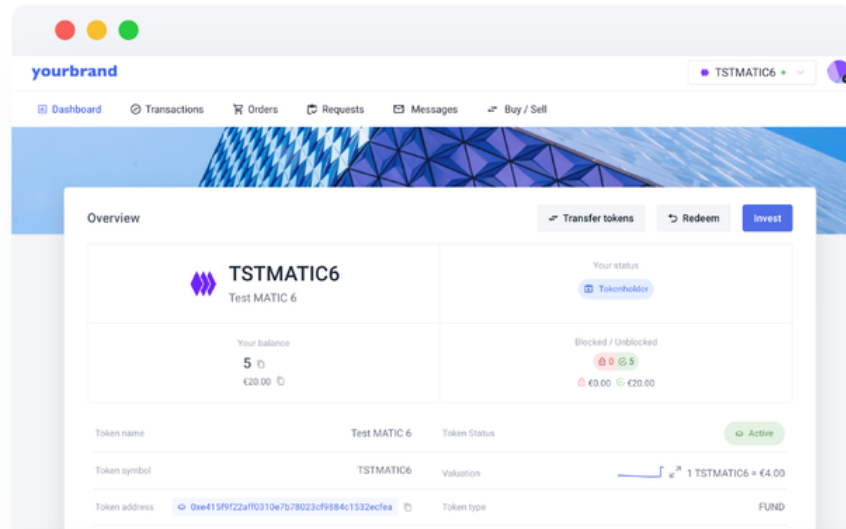


Token Factory view

02

Token Allocation

Once the tokens are deployed, issuers or their agents (e.g., custodians) can issue and allocate the tokens to the corresponding investors. A bulk operation can be performed. Behind the scenes, a digital identity ONCHAINID will be generated automatically if the investor doesn't have one and added to the identity storage. Tokens will be sent to the investor's wallet. Investors' dashboard will display their token balances in real-time, while issuers' cap tables will be updated simultaneously.



Investor portal view

VALUE PROPOSITION

Investors

Improved Experience

24/7 e-commerce-like experience for purchasing, managing, and trading securities.

Self-service

Meeting Investors' demand for more automation and self-service;

Real-time Operations

Operations are efficient, and the result is synced in real-time.

Issuers

Tech Hustle-free Platform

End-users including issuers, agents, and investors can use the UI-friendly platform without needing to face blockchain or coding complexity.

Less Cost and More Efficiency

Automated processes reduce operation costs for manual processes, and allow issuers to handle a larger number of investors.

Easier Management

All-in-one onboarding system that integrates all solutions needed (KYC providers, e-signing tools, calculators, permission system, etc.), and manages data and investors in one place.

Agents

More Efficiency

No more jumping from email, Excel, PDFs, to paper-based processes as all processes are digitized and happening in the same platform.

Real-time Data and Actions

Investors' status will be updated in real-time across all stakeholders, improving transparency and efficiency.

SERVICING

Go beyond simple reporting functionality and perform actions on the securities

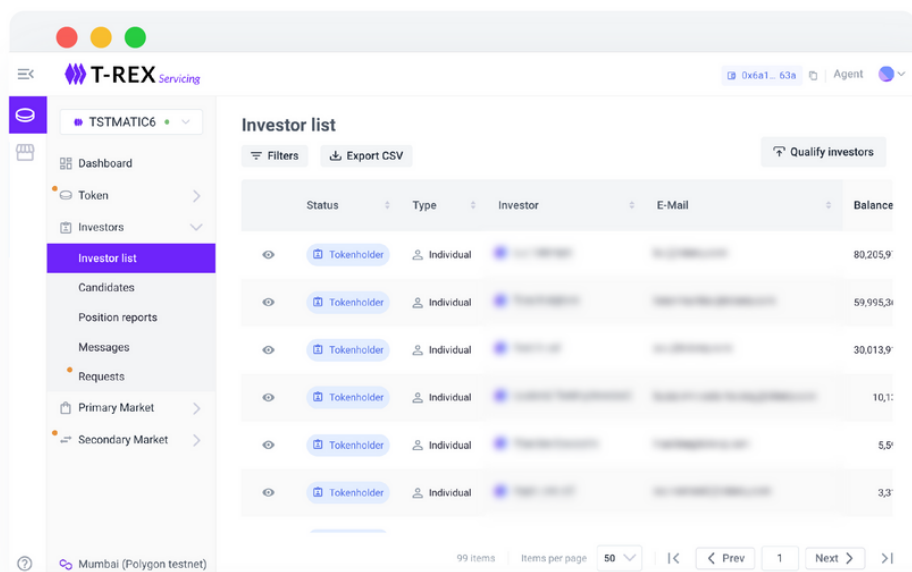
01

Corporation Actions:

Issuers can use a permission system to delegate their agents to perform certain actions and control digital securities to facilitate operations while enforcing compliance.

- **Cap Table Management**

Issuers can easily manage their investor list and track ownership at any moment. Each investor's details (digital identity, wallets, and transactions) can be viewed directly through the platform.



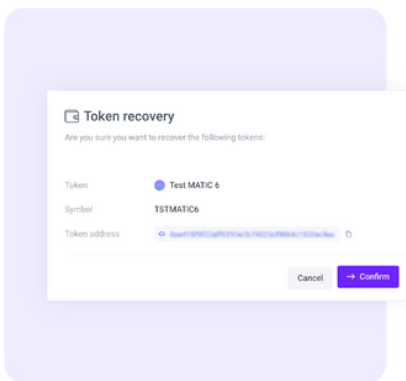
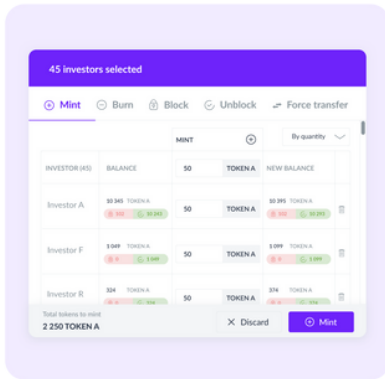
Issuer/Agent Servicing view

- **Reporting**

Issuers and their auditors can export position reports from any selected time and date.

• Token Management and Operation

Issuers and their appointed agents can control digital securities. They can trigger token functions in bulk for multiple investors:



- **Mint/Burn Tokens:** Create or reduce digital securities.
- **Pause Tokens:** Tokens can be paused entirely, meaning no one can perform anything to the tokens anymore.
- **Block/Unblock Tokens:** Blocking individual investors, or a portion of tokens, can be done via this action. For example, a suspicious investor or transaction can be paused for regulatory checks.
- **Force Transfer Tokens:** Issuers or their agents can force transfer tokens from one investor to another. The action is designed for issuers or their agents to take action on behalf of the investors. Thanks to blockchain's immutability, the force transfers will be recorded and reflected on the cap table in real-time.
- **Recover Tokens:** Issuers or their agents can recover tokens for investors who submit recovery requests, even if they don't control the investors' wallets.
- **Approve transfers*:** Issuers can set additional control for each transfer, which we call 'Conditional Transfers'. Issuers or their agents (e.g., a custodian) will be able to approve each transfer, even if all eligibility requirements and offering rules are met. It is practical to add additional control to meet certain regulatory requirements in some jurisdictions.

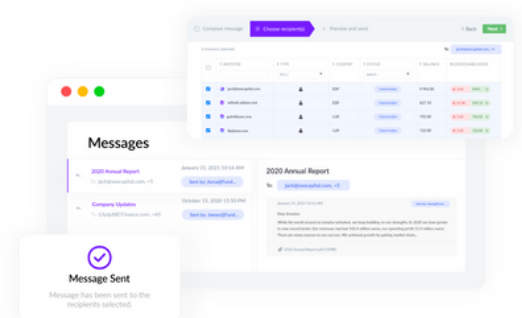
• Primary Market Management

- **Subscriptions:** This is a periodic or continuously open subscription funnel. For open-ended investments, subscriptions are available anytime, issuers or their agents can manage the subscriptions and allocate tokens similar to onboarding processes. The T-REX platform provides a complete Order Management System (OMS).
- **Redemptions:** Issuers and their agents can manage redemptions to pay back their investors.

02

Messaging System

Issuers can delegate their customer support to an agent to communicate with investors (e.g., annual reports) via the messaging system.



VALUE PROPOSITION

Investors

Transferability

Digital securities can be transferred peer-to-peer to another qualified investor, which is impossible in the traditional world where you must contact relevant professionals and go through a long process, where a middleman will transfer the securities on your behalf.

Fully Digitized Experience

Investors can easily take actions without needing to send emails, call middlemen, or go through manual and human-interrupted processes. Via the platform, they can directly invest, pay, transfer tokens, and even request token recoveries.

Real-time Updates

Investors receive real-time updates on every action taken by the issuers or their agents, plus they can access all the data concerning the digital securities and themselves.

Issuers

Cost Saving

Issuers are no longer required to reconcile data between stakeholders, and compliance is automatically enforced, saving time and resources.

Capability to Handle More Investors

Automated processes and a unified data room reduce operational costs and increase the capability to accept more investors. A permission system allows them to quickly delegate responsibility to corresponding parties at scale.

Control Over Digital Securities:

Issuers retain control over their investors and digital securities even when they use a shared ledger, even if they allow self-custody of securities.

Agents

Scalability

Automated and digitized processes and bulk operation features allow agents to operate at scale. Therefore, agents will be able to serve more customers and increase revenue.

Real-time Data and Actions

Having real-time data at all times makes it easier for agents to work more efficiently and make better decisions for their operations.

Save Time for Add-value Tasks

Programs automate repetitive and redundant processes, freeing agents to take action on add-value tasks.

SECONDARY & DISTRIBUTION

Tokeny provides built-in trading solutions and connectivity with a global network of trading venues.

Issuers or their agents need to set the digital securities as “tradable” to allow investors to transfer their tokens to other qualified investors and make tokens available to secondary solutions.

By using ERC3643 smart contracts, digital securities have compliance built into the token itself, which means that they can only be traded between qualified investors. Additionally, our T-REX platform allows issuers to enrich tokens with data, for example, a valuation agency can provide an up-to-date price that can be embedded into the tokens.

It enables **digital securities to carry both compliance rules and valuation data** and leave the T-REX platform, **traveling to any other trading platforms** on the same network.

In our T-REX platform, we already provided some built-in secondary solutions:

01

Billboard:

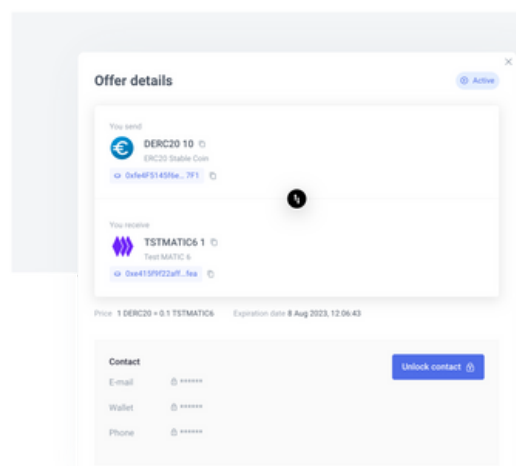
A secondary solution that is licensed-exempt in most jurisdictions. It is a bulletin board for investors to find a counterparty to make peer-to-peer transfers.

- **Monitoring Offers**

Issuers and their agents can have control over the offers to activate and deactivate them.

- **Peer-to-peer Transfers**

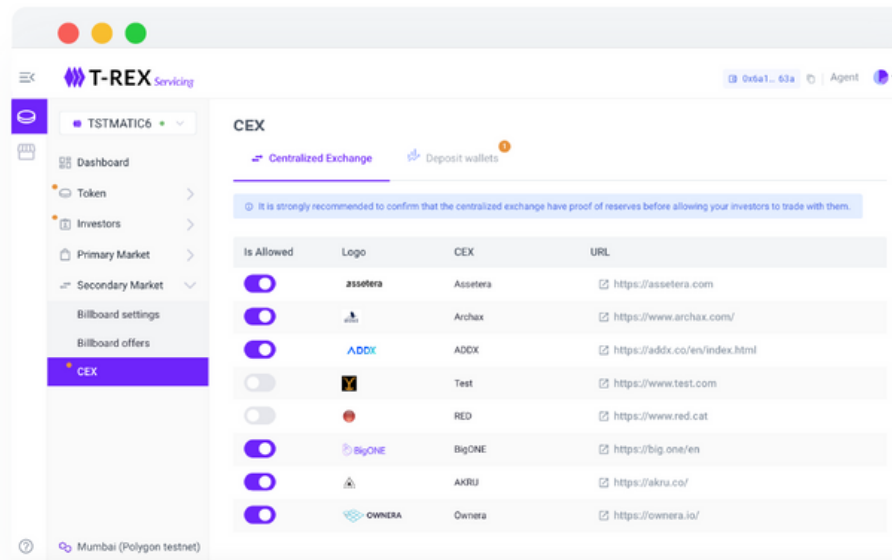
Investors can unlock contact information to get wallet addresses, emails, etc. Two qualified investors can then make a delivery vs. delivery transfer without any counterparty risks via their investor portal. Thanks to the atomic settlement, the cap table will be updated simultaneously.



02

Centralized Exchanges:

Allowing digital securities to be traded in one or multiple authorized trading venues. It is the issuer's responsibility to comply with their compliance obligations, which means signing a commercial agreement with the exchange and ensuring that transfers within the exchange meet the regulator's requirements.



- **Control Connectivity**

The issuer or its agents can enable the tokens to be traded on one or multiple trading platforms. Once allowed, investors can transfer digital securities to their deposit wallets (which needs to be approved by issuers), making them available for trading on the trading platforms.

- **Deposit Wallet Validation**

When investors add their deposit wallets (provided by exchanges), issuers or their agents can approve, reject, or revoke those wallets.

Our APIs can easily be leveraged to **list digital securities on any other platform** or anywhere for visibility to allow investors to find counterparts.

New investors can become qualified by going through a fully digitized qualification process on the T-REX platform, transfers will be conducted by digital securities owners peer-to-peer.

A few examples are below:

03

DeFi Protocols

Digital securities can be made available to any permissioned DeFi protocols, such as a lending protocol, to allow investors to use digital securities as collateral to borrow money efficiently. If a liquidation event happens, the new investor has to be qualified in order to become the new owner of the token.

04

Decentralized Exchanges

Digital securities holders can deposit their tokens into a liquidity pool in a decentralized exchange (DEX) to earn an extra yield. However, due to regulatory uncertainty, the first adoption might only allow investment firms or entities with valid licenses to act on behalf of digital securities depositors to become the sole owner of the liquidity pool.

Consequently, no MTF/ATS/exchange license is required in most jurisdictions, since the DEX is then facilitating peer-to-peer trading of digital security. It also provides an extra revenue stream for issuers and securities holders who provide liquidity.

05

OTC/Marketplaces

Platforms with visibility can list digital securities and anyone interested can be led to the onboarding process on the T-REX platform to be qualified to subscribe to securities or trade with existing inventors to improve liquidity.

Our T-REX platform provides **automatic cap table updates for each transaction**, regardless of where transfers happen or are triggered.

VALUE PROPOSITION

Investors

Liquidity

Investors can use multiple secondary solutions to find a counterpart and make transfers with qualified investors easily.

Interoperability

Investors can connect their digital securities to other platforms by connecting their wallets. For example, when DeFi is ready for tokenized securities, investors can easily borrow money or earn extra yield by using digital securities on DeFi protocols.

Eliminate

Counterparty Risks

Delivery vs. delivery transfers ensure that investors will receive tokens as agreed upon transfers.

Issuers

Open Networks for Distribution

Digital securities are published on the open network – a blockchain –, can be connected to any liquidity provider, and are not siloed in a single trading platform.

More Revenue Streams

More revenue streams are created such as allowing other companies to advertise in Billboard or provide DeFi services in the future. Moreover, diverse distribution solutions will increase investor reach, while automation and fractionalization will allow issuers to gain management/transaction fees from a broader group of new investors.

One United View

The cap table and investors' details will be updated in real-time on the T-REX platform, no matter where transactions take place.

Always in Control

Every new investor will have to go through the qualification process, and issuers are always in control of who can invest in their securities.

Agents:

New Operations

The new distribution model will require more operations, which lead to new businesses and new revenue streams for agents.

Ecosystem Effects

As new business processes and operations become standard, the ecosystem will attract more businesses, leading to increased demand for agents.

We enable your digital securities carrying compliance rules and data to connect to the entire ecosystem.



THE COMPLETE TOKENIZATION PROCESS

Get your tokenized assets to market faster to reach global investors at scale, improving liquidity.

Traditional capital markets are underpinned by many fragmented and siloed networks with barely any interoperability between them. This leads to an industry that is analogue and fraught with slow, inaccurate and costly processes.

At Tokeny, we believe tokenization of securities will benefit all stakeholders in the value chain by offering tremendous improvements in interoperability, automation, distribution and ultimately liquidity. We act as a catalyst for firms seeking to digitize their operations and benefit from the latest advancements in technology.

We navigate our clients throughout their tokenization journey with our technology and know-how.

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