

Security Token Offerings (STOs) for Securitization (ABS/MBS)

Leverage the advantages of blockchain technology while removing the inefficiency in traditional securitizations via Security Token Offerings (STOs)

Better Deal Execution

Issuers can provide more attractive deals to investors by re-defining traditional deal roles. Cash flow terms can allow for cash to be more readily returned to the deal generating higher returns for investors and lower cost of capital for issuers. Indirect costs related to technology, vendor, legal, and other deal counterparties can be automated in smart contracts, lowering deal costs. The flexibility and immutable ledger provided by STOs can enable optimal deal execution.

Blockchain Benefits for Securitization

- **Immutable ledger** – STOs enable transparent ownership and programmatic distributions
- **Liquidity** - 24/7 markets allow for price discovery and trading without artificial geographical and time constraints; reduce the liquidity premium of bonds that infrequently trade
- **Reduction in direct costs** – legal costs, listing fees, underwriting, compliance and other costs are either reduced or eliminated
- **Automated compliance** – compliance rules are programmed directly into the blockchain contract that governs the offering, ensuring programmatic governance
- **Voting rights** – ensure adherence to the rights of both investors and issuers

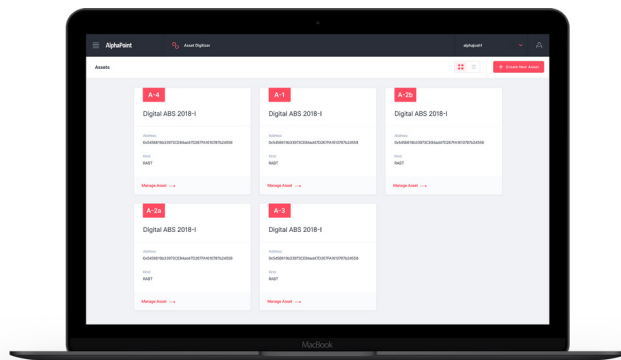
Improved Liquidity

- **Enhanced price discovery:** AlphaPoint Exchange software has been licensed by over 100 institutions operating digital asset exchanges in more than 35 countries globally. AlphaPoint's white-label exchange technology enables broker-dealers and issuers to offer branded solutions and provide price discovery. AlphaPoint's eOTC Trader product enables broker-dealers to handle off-market transactions and large orders, offer custom-pricing in real time, and manage settlement with an intuitive interface.
- **Improved transparency:** AlphaPoint's APIs connect with off-chain software that integrates the rules of the payment waterfall into the smart contract and determines appropriate payments on the Distribution Date.
- **Elimination of counterparty risk:** With transactions settled on a distributed ledger, the risk that the other side of the transaction will be unable to meet its obligations is reduced, as a clear bondholder table can be maintained on chain. Additionally, consensus algorithms for unusual circumstances can be customized into the smart contract.
- **Guarantee of settlement:** Coupled with institutional grade KYC/AML solutions, Qualified Institutional Buyers are white-listed, and distributions can be settled on an immutable ledger. Moreover, since the record of ownership is maintained, in the unlikely event of a re-calculation through the waterfall, payment amounts can be amended as necessary.
- **Reduced transaction cost:** The costs of doing an STO-type securitization are reduced due to both the inherent technical advantages of distributed ledger technology and the ability to innovate in transaction structures and the deal party responsibilities.

Primary Market: AlphaPoint Asset-Digitization

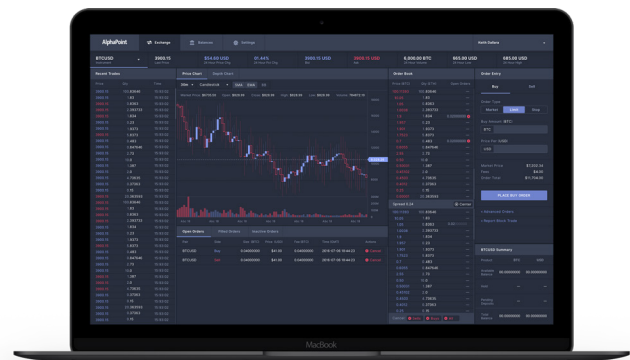
Enables institutions and organizations to make illiquid assets liquid, with the ability to digitize any asset.

- Dedicated portal for issuer offerings that manages the Security Token Offering (STO) creation
- Know Your Customer (KYC), Anti-Money Laundering (AML), and accredited investor verification for all potential investors prior to access to the STO
- Private-labeled – with a customizable front-end, investors will enjoy a consistent brand experience as AlphaPoint licenses all its software on a white-labeled basis
- Asset Structuring, Digitization and Tokenizing – Management of security token rules throughout the security token lifecycle



Secondary Trading: AlphaPoint Exchange

- AlphaPoint Exchange is exchange software that enables the trading of STOs and other digital assets
- Securely trade natively digital and tokenized assets
- Battle tested, SaaS exchange solution for the enterprise
- Instant liquidity via global network of 100+ partnership exchanges
- Professional user interfaces for buying, selling, transferring, and otherwise trading digital assets



Why AlphaPoint

AlphaPoint is the only vendor that provides a patent-pending Regulatory Asset-Backed Token (RABT), asset-digitization ability, and a full trading and exchange trading capability. AlphaPoint is unique in providing this end-to-end AlphaPoint Distributed Ledger Platform (ADLP) that enables primary issuance and secondary market trading. Moreover, AlphaPoint works with all

leading distributed ledger technologies and blockchain ecosystem vendors to ensure that best-of-breed technology and smart contracts are utilized. Thus, whether institutions raise capital via debt, equity, or otherwise, AlphaPoint's technology can be used to create the appropriate security token.

