



Prop.com Whitepaper

Pioneering infrastructure for redefining real estate ownership and generational wealth sustainability.



Disclaimer

Prop.com's securitization activities are provided and performed by a Securitization SPV (The Issuer), which is a subsidiary of PC Holding UAB. The investment platform is being provided by PC Holding UAB, a private limited liability company registered under Reg. No. 306138178, located at Žalgirio Avenue 90, LT-09303, Vilnius, Lithuania. PC Holding UAB and its subsidiary are not being regulated by the Bank of Lithuania (BoL). The Securitization SPV (The Issuer) relies on an exemption under The Prospectus Regulation (Regulation (EU) 2017/1129, Article 3(2) lit. b, for the obligation to publish an approved prospectus. These exemptions apply when the issuer offers notes up to a total offer consideration of less than EUR 8.000.000 calculated over a period of 12 months, as per the Prospectus Regulation (Regulation (EU) 2017/1129, which applies to all EEA member states. However, EEA Member states can choose a threshold between EUR 1.000.000 and EUR 8.000.000 calculated over a period of 12 months, in their own member state, as per article 1(3) of The Prospectus Regulation (Regulation (EU) 2017/1129. In Lithuania this threshold is set at EUR 8.000.000 calculated over a period of 12 months, as per the European Securities and Market Authority's (ESMA's) report on 3 July 2023, report number: ESMA31-62-1193.

Important Notice:

It is essential to assess whether the investments available on the Prop.com platform align with your financial objectives. We strongly recommend conducting a thorough evaluation of both the potential risks and opportunities associated with these investments. Investment inherently carries risks, including market volatility, return variability, liquidity concerns, and the possibility of vacancies. The value of your investment may decrease, resulting in a partial or complete loss of funds invested through Prop.com. Past performance should not be relied upon as a dependable indicator of future performance. Gross rent, interest, and potential appreciation may fall short of initial estimates.

PROPC Utility Token Risk Disclaimer and Statement by PC Holdings LLC

Situated at MBFC Tower 3, 17/F, Singapore 018982 and registered in Saint Vincent and the Grenadines (No. 1585 LLC 2021), PC Holdings LLC is the official issuer of PROPC tokens, which are a part of the rapidly evolving cryptocurrency domain.

PROPC might face developmental changes, unpredictable challenges, and significant price fluctuations influenced by factors like technological shifts, regulatory changes, and global economic conditions. A legal opinion performed by an independent third-party, available on our official website, has also emphasised substantiation of the qualification of the PROPC token as a Utility Token.

Holders must note: owning PROPC tokens doesn't equate to holding equity in PC Holdings LLC or the Propchain Ecosystem. It's vital for (potential) holders to know that PROPC tokens don't represent any equity or rights in PC Holdings LLC or the Propchain Ecosystem. They are utility-focused within the Propchain system for the use of the products of the Propchain ecosystem.

The technology behind PROPC may present technical glitches, and like other cryptocurrencies, it's vulnerable to security threats, including potential hacks. The loss of a digital wallet can mean a permanent loss of the tokens, underscoring the need for secure backups.

Engaging with PROPC signifies accepting these risks. PC Holdings LLC strongly encourages seeking professional advice before making any PROPC-related decisions.



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Preface

Unlocking the value of real estate demands a new pathway to unveil accessibility, affordability, and inclusiveness.

This pathway is deeply rooted in technological advancements and a consumer-centric infrastructure.

A real-world asset protocol enabling legacy building featuring:

- ✓ Fractionalized real estate ownership
- ✓ Digital board
- ✓ Regulatory compliant structure
- ✓ On-chain tokenization infrastructure
- ✓ Self Custodial

The idea of creating a legacy is not just for the wealthy; it opens up a world of opportunities for anyone who takes action. The vision of Prop.com is deeply rooted within this ethos of transforming real estate into a legacy-building vehicle again.

Over the last two and a half years, Prop.com has been working on a solution for fractionalizing an integral real-world asset (RWA) - real estate. By tokenizing real estate property on the blockchain, we have created a possibility for everyone to access real estate in their own capacities. Prop.com created a successful MVP of this solution and completed more than €1.5 million worth of fractional real estate asset sales. We chose a prestigious real estate property located in Boulevard Point, Downtown Dubai, to tokenize and distribute the ownership to investors.

The next step of Prop.com is aimed at expanding our offerings by scaling the technology and yet retaining the user-centric approach. By issuing real-world assets in tokenized format (ERC-1155 tokens), we facilitate security and transparency throughout the investment process. Moreover, the issuance and exchange of these tokens are governed by smart contracts enabling automated management and transfer of tokens, which are backed by real estate assets.

This solution will be firmly governed by a resilient regulatory framework to ensure compliance with the legal requirements. In addition, a stakeholder-driven approach is in place through our feature of 'Digital Board' to ensure active participation and feedback from our community. The collective process and a healthy environment will play an important role in the overall growth and development of the project.

More than merely a platform, the ecosystem that Prop.com belongs to - Propchain embodies a movement. This movement strives to democratize real estate investment and make homeownership attainable--ultimately empowering individuals to construct enduring legacies.



Introduction

For ages, real estate has always been associated with a stable and tangible source for accumulating wealth. Real estate has not only been viewed as a rite of passage towards financial stability, but it has also empowered individuals to build and accumulate wealth over time and pass the assets to future generations.

However, the current challenges, from escalating property prices to complex bureaucratic processes, have rendered property ownership into an exclusive privilege - inaccessible to a large population. Prop.com, a Real World Asset (RWA) protocol, aims to redefine asset ownership through blockchain technology, thereby making real estate accessible and affordable.

Vision

Prop.com repositions real estate into a legacy-building avenue by democratizing asset ownership of real-world assets. Through fractionalizing real estate, Prop.com ushers in a new era of accessible generational wealth.

Mission

Operating at the intersection of blockchain technology and real estate, Prop.com leverages decentralization's transformative power to redefine asset ownership. By harnessing blockchain's innovative potential, we have created a robust platform for tokenizing and enabling fractional ownership of real-world assets.

We aim to establish a decentralized framework for legacy builders and forward-thinkers, creating an inclusive ecosystem that democratizes real estate investment. Through Prop.com, we aim to unlock the doors to generational wealth for everyone, making real estate not just an asset but a pathway to a lasting legacy.





Challenges

The existing framework of real estate alienates a vast majority of investors due to a high financial entry barrier. The conventional methods are outdated, with operational bottlenecks and a lack of transparency in the processes. The industry also faces a generational divide, with soaring property prices and stagnant wage growth making it increasingly difficult for many to afford property.

Real estate investments also demand a significant amount of capital lockup, which can pose a challenge to an investor's liquidity position. This poses difficulty for an investor to respond to financial emergencies or even invest in new opportunities.

Another hindrance that plagues the traditional real estate market is a lack of diversification of assets. The high capital invested in one property makes it challenging for investors to diversify investment to multiple other asset classes.

Real estate developers often find themselves intertwined in the slow and bureaucratic loan approval processes that frequently result in unfavorable terms. Moreover, the extravagant interest rates associated with the loans can deter developers from finding a financially viable solution for real estate projects.



High financial entry barrier makes real estate investments inaccessible to a vast majority.



Operational bottlenecks result in lengthy and complex processes for asset ownership.



Illiquid markets hinder an investor's liquidity position.



Lack of diversification in other asset classes due to high capital hold-up in real estate investments.



Unfavorable loan terms for real estate developers lead to a lack of funding.



Market Potential

From the Bank of China, J.P.Morgan Chase to the World Economic Forum - prominent institutions have either vouched or are actively participating in the tokenization markets by using the blockchain technology. One such market that stands to gain substantial advantage from asset tokenization is the real estate industry.

Driven by the evolving needs of real estate developers as well as investors, new solutions - from crowdfunding to real-world asset (RWA) tokenization - have become attractive to stakeholders.

A recent report indicates that the RWA market is estimated to reach a significant value of \$16.1 trillion by 2030¹. The technological innovation of RWA also plays a major role in real estate assets. Insight from a Deloitte report suggests that the total addressable market for tokenized offerings in real estate is expected to grow to \$3.3 trillion, with an annual growth of 6% by 2025².



“The next generation for markets, the next generation for securities, will be tokenization of securities.”

Larry Fink, CEO of Blackrock

Moreover, innovative solutions such as crowdfunding have already grabbed the attention of investors. The global real estate crowdfunding investment market was estimated at USD 10.8 billion and is projected to reach approximately USD 250 billion by 2030³.

Over the last few years, Dubai has witnessed massive growth in the real estate industry, which has set new records in terms of transaction volumes as well as values. The year 2023 observed a 66% year-on-year (YoY) increase in transaction activity compared to 2021, with the total value of real-estate transactions surpassing \$64 billion⁴. The revenue of Dubai's real estate sales jumped 43% in the first half of 2023⁵, and the market shows no signs of slowing down.

Amidst the rapidly flourishing real estate industry, alternative innovations such as crowdfunding provide a way for investors to diversify their portfolios and benefit from the growing yields. Furthermore, the UAE government believes that the tokenization of assets can significantly bolster the economy. Abdullah Bin Touq Al Marri, the United Arab Emirates' minister of economy, asserted that asset tokenization will be key to the country's plans to double its economy in the upcoming decade.

1. [Relevance of on-chain asset tokenization in 'crypto winter'](#)

2. [Real estate STO whitepaper 1st paper](#)

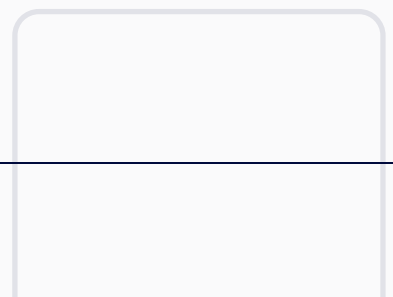
3. [Real Estate Crowdfunding Market Share & Size Report 2022 - 2030](#)

4. [Henley Global: Dubai's record-breaking results continue in 2023](#)

5. [Arabian Business](#)



Products & Solutions





Market Position

Prop.com is committed to re-establishing real estate investment as an avenue for legacy building and wealth accumulation for investors of all classes. By empowering investors with tools to democratize real estate, Prop.com has already achieved significant milestones on its journey. The success of our first MVP has garnered a waitlist of 18,000 individuals, and our content has generated more than 50 million impressions across different channels.

A key component that has and will continue to play a role in shaping the investment platform is the adoption of a robust technological stack. By integrating blockchain technology and real-world asset tokenization, Prop.com not only serves all the advantages of a crowdfunding solution but also facilitates automated management, transparency, and auditable results.

Moreover, the division of a single real estate asset into multiple shares allows individuals to invest in real estate without having to buy the entire property. This approach directly lowers the entry barrier, empowering the average investor to own a piece of premium real estate. It directly opens the pathway for liquidity and diversification in real estate by allowing investors to sell their shares more quickly and easily.

Prop.com's USP

Through its unique approach and proven track record, the unique features of Prop.com are:



An all-encompassing ecosystem

By being a part of an ecosystem, Prop.com leverages the various horizontal and vertical cornerstones of the Propchain ecosystem to enable value creation across the entire spectrum of its offerings.



Automated and transparent

The issuance and sale of real-world assets in tokenized form is governed and automated using two specialized smart contracts with pre-defined conditions. This level of automation not only ensures cost efficiency but also minimizes the risks of human error.



Community-centric platform

By integrating a digital board in the Propchain ecosystem, Prop.com fosters an environment driven by the community, valuing their feedback to enhance the platform and its features. Additionally, the platform also empowers its users' suggestions on the composition of real estate portfolio by enabling them to contribute insights regarding the integration of specific types of real estate assets into the platform.



Diversification

Prop.com allows investors to spread their assets across a broad spectrum. The diversification of assets across different sectors in the thriving real estate market of Dubai, including commercial, residential, and industrial arenas. This enables investors to enhance their returns through a diversified portfolio.



Business Model & Fees

Prop.com's business model revolves around providing exceptional services to its users while charging fees for access. This straightforward approach allows Prop.com to generate revenue and maintain financial stability. Prop.com prioritizes transparency and responsiveness to meet its customers' changing needs.

Fee Models:

Investor Account Fees:

1. Entry Fee:

This fee is calculated based on the 'Raise Amount,' meaning it's added to the property value. It won't be billed during checkout to provide users with a fee-free perception.

2. Yearly Admin Fee:

This fee is assessed monthly and is calculated based on the total Assets Under Management (AUM) of each user. It helps cover operational and administrative costs, ensuring the smooth management of user assets.

3. Exit Fee:

This fee is charged when properties are sold or exited outside of our platform. It's calculated as a percentage of the total property value at the time of sale, safeguarding against potential depreciation.

4. Exit Window Fee:

This fee is applied when users exit their assets before the official exit event on our platform. It's calculated as of the sales price listed when users decide to exit, offering flexibility and generating revenue for Prop.com.

Business Account Fees:

6. Arrangement Fee:

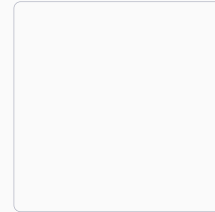
Real estate owners/developers listing their assets/opportunities on our platform pay this non-refundable fee, compensating Prop.com for the effort and risk involved in preparing the listing and presenting it to our investor database.

7. Success Fee:

This fee is charged when the listing is successfully filled and represents a comparable broker fee that sellers no longer have to pay, as they can sell directly on our platform.



Product Pillars



Client and Business Platforms

Prop.com's end-to-end solutions are tailored for both investors and real estate owners & developers in Dubai's thriving economy. Moreover, investors get the chance to leverage the high yield by accessing real estate investments with a low entry barrier. The platform offers a seamless process with a user-friendly interface to visualize investments and income.

The business platform specifically addresses owners looking to liquidate their portfolio or developers who seek alternative ways of funding. It provides a comprehensive solution encompassing security token issuance, investor management, financial reporting, compliance, and distribution of inflows and outflows.



Blockchain as the tech stack

Prop.com's infrastructure is built on a strong technological solution, blockchain technology. The smart contracts are programmed to ensure maximum security, high-level automation, and streamlined management.

Assets are logged on-chain using a customized ERC-1155 contract. A plethora of other smart contracts are in place to facilitate smooth operations, such as managing escrows during capital raises and tracking amounts raised from different investor types.



Self-Custodial Solution

With the ethos of empowering users to be their own bank by managing the ownership of their assets, Prop.com's mobile application features a self-custodial solution.

At the same time, keeping in mind the requirements of non-crypto users, the self-custodial solution will integrate a biometrics-based solution to simplify UX and mitigate the risk of loss of private keys.

This feature also eliminates the intermediaries, the custodians of security tokens, thereby cutting down user costs.



Liquidity Windows

The claims of tokenization and RWA protocols promise liquidity. But in practice, it faces the same issues of a lack of liquidity as that of traditional web2 crowdfunding platforms.

Prop.com mitigates this with Liquidity Windows - these are specific periods when users can swap assets, creating liquidity events. These events increase the likelihood for the easy entry and exit of users' investments by having enough liquidity in the market. Furthermore, the underlying onchain technology simplifies cap table management and facilitates a seamless transfer of securities. It is executed in a fully automated manner, thereby eliminating any possibilities for human errors and guaranteeing a timely process.



Key Features Investors

For Investors

The key components of Prop.com ensure that a realm of opportunities opens up for clients. The comprehensive structure, aimed to increase transparency, accountability, and security, ensures a conducive environment for clients to securely manage, grow, and diversify their investments.

Investments

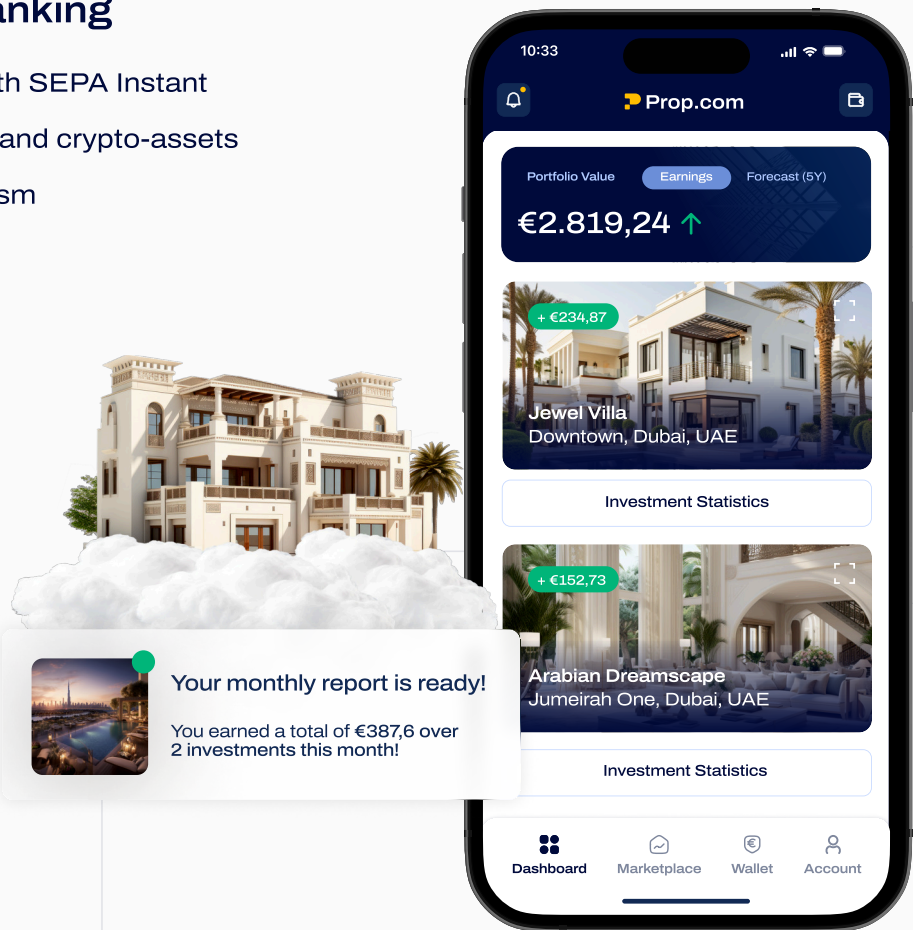
- ✓ Low entry barrier at 1000 EUR
- ✓ Various Dubai real estate strategies for max diversification
- ✓ Liquidity windows for early exits and/or entries
- ✓ Secured by compliant EU structure
- ✓ Audited by leading third party institutions

Automation & Transparency

- ✓ Yearly valuations by an independent 3rd party
- ✓ On-chain escrow
- ✓ Asset-backed tokenization
- ✓ Fiat & crypto investments
- ✓ Automated income distributions

Self-Custody & Banking

- ✓ Personal fiat IBANs with SEPA Instant
- ✓ Self-custody of RWAs and crypto-assets
- ✓ Key recovery mechanism
- ✓ Fully biometric
- ✓ MPC technology

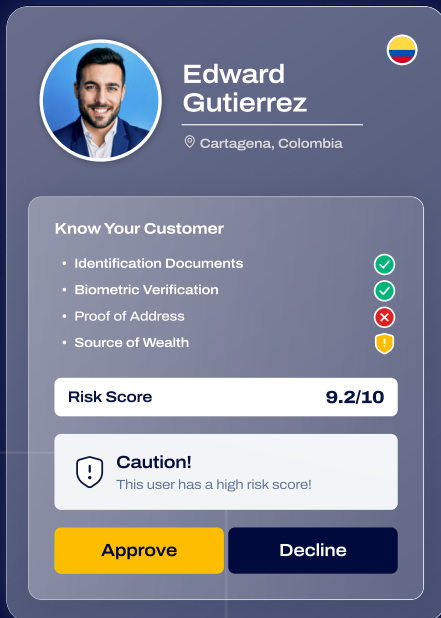




Key Features Business

For Businesses

Prop.com's integrations equip businesses with an innovative avenue for real-estate investment while ensuring that it meets legal and regulatory compliance. The framework enables businesses to leverage Prop.com's tokenization pillar and ensure sustainable growth.



Edward Gutierrez
Cartagena, Colombia

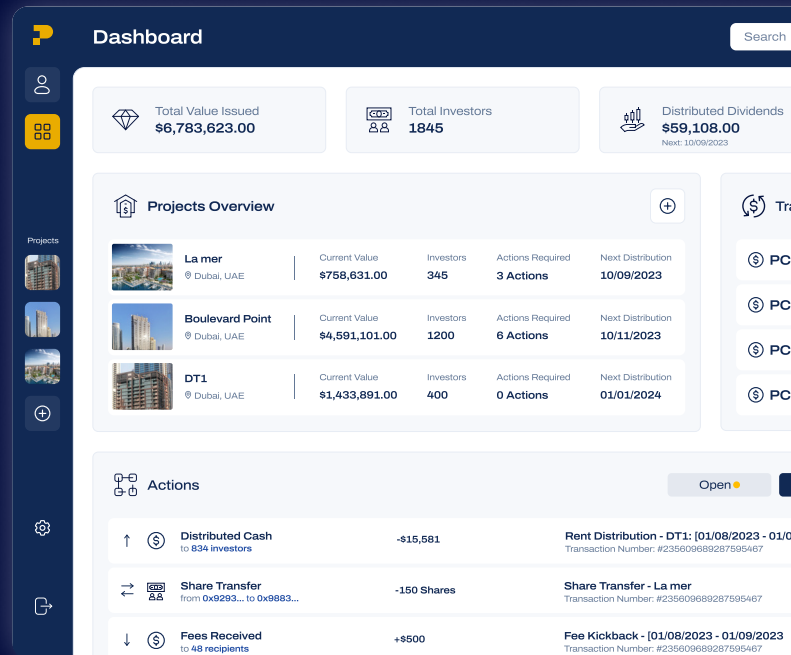
Know Your Customer

- Identification Documents ✓
- Biometric Verification ✓
- Proof of Address ✗
- Source of Wealth ⚠

Risk Score 9.2/10

Caution!
This user has a high risk score!

Approve **Decline**



Dashboard

Total Value Issued: \$6,783,623.00
Total Investors: 1845
Distributed Dividends: \$59,108.00

Projects Overview

Project	Current Value	Investors	Actions Required	Next Distribution
La mer (Dubai, UAE)	\$758,631.00	345	3 Actions	10/09/2023
Boulevard Point (Dubai, UAE)	\$4,591,101.00	1200	6 Actions	10/11/2023
DT1 (Dubai, UAE)	\$1,433,891.00	400	0 Actions	01/01/2024

Actions

- Distributed Cash to 834 investors: -\$15,581
- Share Transfer from 0x9293... to 0x9883...: -150 Shares
- Fees Received to 48 recipients: +\$500

Compliance & Legal Structure

- ✓ Transaction monitoring (fiat & crypto)
- ✓ Advisory and compliant legal structure for retail investor offerings in EEA
- ✓ Retail & accredited status and KYC/AML filing
- ✓ Library of jurisdictional offering rules
- ✓ Multi-Roles for compliance, auditor, admin, owners

Token Factory & Issuance

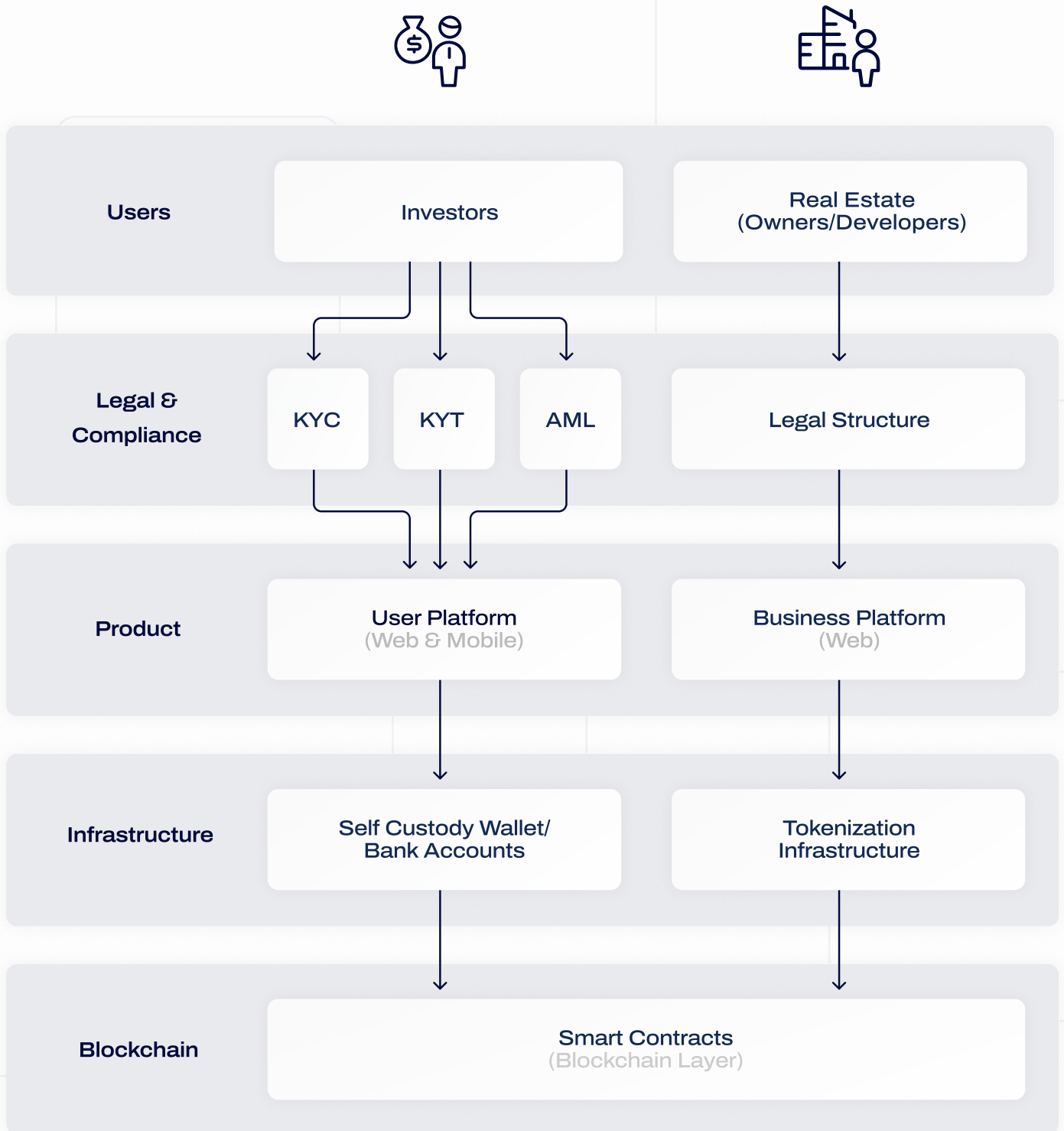
- ✓ Security token issuance factory
- ✓ Escrow system for transparent offering
- ✓ Custom token parameters
- ✓ Upgradable tokens for re-evaluations
- ✓ Mint & burn function
- ✓ Permissioned tokens

Liquidity & Investor Management

- ✓ Alternative methods for project financing
- ✓ Access to Prop.com.com investor database
- ✓ Automated income distribution
- ✓ Investor overview
- ✓ Financial reporting
- ✓ Buy-Back options

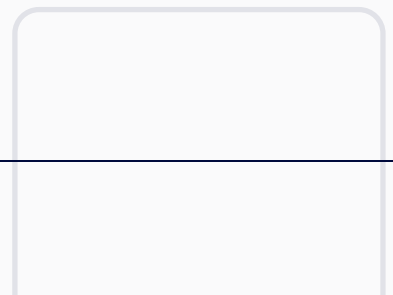


Product Flow





Regulatory Framework





Corporate Structure

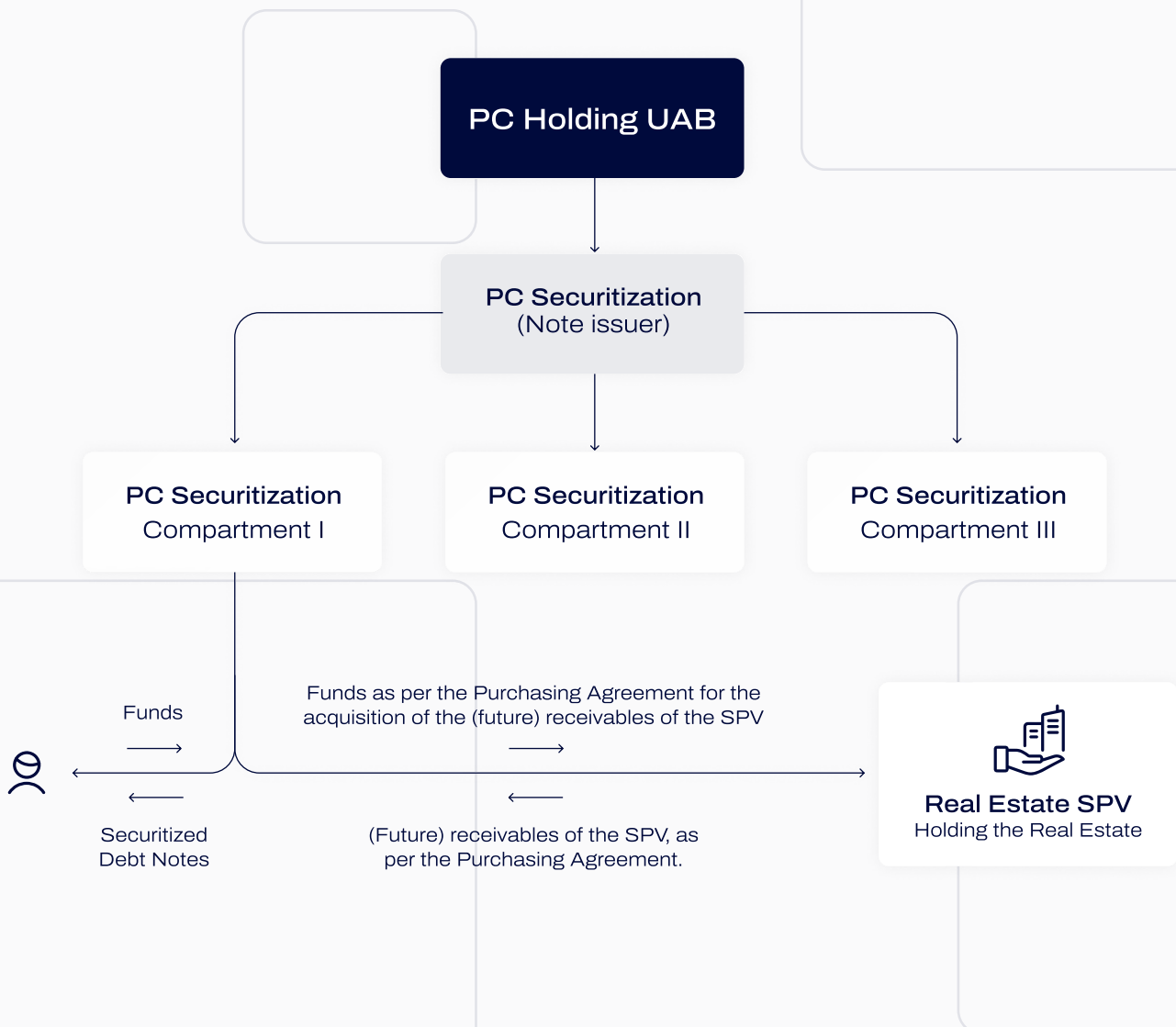
Prop.com, steered by PC Holding UAB, emerges as a progressive real estate investment platform that harnesses state-of-the-art technologies to offer securitized debt notes underpinned by real-world assets - real estate.

PC Holding UAB, holding the status of a registered Virtual Asset Service Provider (VASP), stands as the parent entity of Prop.com. It retains the intellectual property rights of the platform and is the recognized entity engaged with all service providers involved.

The Securitization Special Purpose Vehicle (SPV), also called 'The Issuer', is operating as a subsidiary of PC Holding UAB, and takes on the responsibility of issuing the underlying notes.

The SPV establishes compartments to segregate assets, thereby providing a safety net for investors in the case of a default. Although not an entity in itself, a compartment is a legally acknowledged administrative setup within the Securitization SPV to segregate one asset from the others.

The Real Estate Holding Special Purpose Vehicle (SPV) holds the title deed of the underlying asset that is being securitized.



Financial Industry Lithuania

The Lithuanian financial industry is one of the strongest in Europe and is home to a number of big-name companies in the fin-tech space, such as Revolut, Nasdaq, and TransferWise.

This is due to a number of factors, including

- A favorable regulatory environment: Lithuania has a very transparent and efficient regulatory environment for the financial sector, which has made it attractive to foreign investment.
- A skilled workforce: Lithuania has a large pool of highly skilled workers in the financial sector, which has helped to attract top companies to the country.
- A strong commitment to innovation: Lithuania is a leader in financial innovation and has been at the forefront of developments such as fintech and blockchain.

As a result of these factors, the Lithuanian financial industry is growing rapidly and is playing an increasingly important role in the country's economy.

Underlying Product Structuring

The Lithuanian Securitization Special Purpose Vehicle (SPV), acting as the issuer, will form a True Sale Principle Agreement with the SPV that holds the underlying real estate asset. As per this agreement, the (future) receivables of the SPV holding real estate assets will be acquired by the Securitization SPV. The proceeds generated in the Real Estate Special Purpose Vehicle will be allocated to the issuer, who will then distribute these proceeds to the noteholders.

The Securitization Special Purpose Vehicle (SPV) would subsequently issue a bond, with the real estate asset as collateral, which is being held by the Real Estate SPV. This is achieved through the acquisition of the (future) receivables by the Securitization SPV from the Real Estate SPV.

In the unlikely event of bankruptcy by PC Holding UAB, the SPV remains unaffected, ensuring that the investors would either continue to receive their payments or the assets held by the Real Estate SPV are liquidated to refund the investors.

At Prop.com, we have placed stringent measures to uphold this framework and maintain the integrity of the investment process. Some of these safeguards include planned regular audits conducted by prominent third-party auditing entities. To achieve this, we plan to work with reputable institutions such as Ernst & Young (EY) Lithuania to be the independent financial auditor of the Securitization SPV and its compartments and Audifina Lithuania who will be acting as the trustee to represent the bondholders by monitoring the issuer, supervising the fulfilment of the obligations to the investors and, if necessary, communicating with the investors. To guarantee an independent annual valuation of the underlying assets held within the Real Estate SPV, independent third-party valuation firms will be engaged. These independent third-party audits provide an extra layer of security by delving into the financial health and operations of the SPV, ensuring compliance with the guidelines and the effectiveness of risk mitigation measures.

Continuing with our dedication to investor protection, we are in the process of securing a DIFC Property-based crowdfunding license in the UAE under the jurisdiction of the DFSA. Upon the completion of this regulatory setup, the oversight and monitoring of Prop.com activities will transition to the relevant regulatory body. This alignment will further bolster the security and transparency of our product offerings, fostering enhanced trust among our investors.



Regulatory Framework

Prop.com operates in a framework that is legally compliant for all its systems and dealings.

Under the exemption of the Prospectus Regulation (Regulation (EU) 2017/1129, Article 3(2) lit. b), Prop.com is relieved from the obligation of publishing an approved prospectus when the Securitization SPV offers notes up to a total offer consideration of less than EUR 8.000.000 calculated over a period of 12 months.

In Lithuania, where Prop.com operates, the threshold for this exemption for the Securitization SPV is set at EUR 8,000,000 over a 12-month period as per the European Securities and Market Authority's report (number ESMA31-62-1193) on 3 July 2023.

The offerings of Prop.com are structured in a way to be exempted from the obligation to produce an approved prospectus for public offers under the Lithuanian Law of Securities, implementing the Regulation (EU) 2017/1129. This exempts Prop.com from the publication of an approved prospectus in situations when the securities are offered to the public or admitted to trading on a regulated market under the following conditions:

- The offering of the Notes does not require notification as per Article 25 of the Prospectus Regulation.
- The total principal amount of the Notes offered in the European Economic Area (EEA) by the Securitization SPV is below EUR 8,000,000.00 over a period of 12 months.

The MIFID-II exemption allows the Securitization SPV to distribute and sell securitized debt notes on the Prop.com platform of its mother company. This is due to the intragroup exemption outlined in the MiFID-II Article 2(1)(b). The PSD2 Exemption enables PC Holding UAB to handle central cash management for Prop.com, as per the intragroup exemption stipulated in the European revised Payment Service Directive (PSD2) Article 3, lit. (n). This exemption streamlines financial management as well as the onboarding process for investors.

The notes offered on Prop.com shall be categorized as Packaged Retail Investment Products (PRIIP) as per the European Regulation (EU) 1286/2014. The offerings are supplemented with a Key Information Document to provide retail traders with the necessary information to make informed investment decisions.

1. [Prospectus Regulation](#)

2. [Threshold Per EEA Member States](#)

3. [Lithuanian Securities Regulations](#)

4. [MIFID-II Exemptions](#)

5. [Intragroup exemption under MiFID II - Article 2\(1\)\(b\)](#)

6. [Directive \(EU\) 2015/2366](#)



Tokenization of Securitized Debt Notes

The initial issuance of assets will be done electronically and stored on Propchain's Closed Enhanced Database. Eventually, this process will be transitioned to blockchain technology, and the issuance of the assets will be represented by digital tokens. This transition is aimed at enhancing the security, transparency, and accessibility of the assets.

Regulatory Milestone

The DIFC Property-Based Crowdfunding License, granted by the Dubai Financial Services Authority (DFSA), allows firms to operate property crowdfunding platforms within the Dubai International Financial Centre (DIFC).

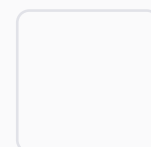
Property crowdfunding entails investors to contribute funds to invest in property. To safeguard investors and follow regulatory compliance, this is facilitated by acquiring shares of a Special Purpose Vehicle (SPV) that holds the asset in question, thereby entitling investors to a portion of the income generated by the asset, given the SPV's sole function is asset holding.

Securing the DIFC Property-Based Crowdfunding License is vital for organizations that strive to operate as a property crowdfunding platform in the Middle East. The DIFC, being a globally recognized financial hub with a solid reputation for rigorous regulation and transparency, serves as an exemplary base for firms aiming to extend their property crowdfunding services to investors across the globe.

Prop.com now makes headway towards securing a DIFC Property-Based Crowdfunding License from the Dubai Financial Services Authority (DFSA). Several factors fuel this strategic move to the Dubai International Financial Centre (DIFC).

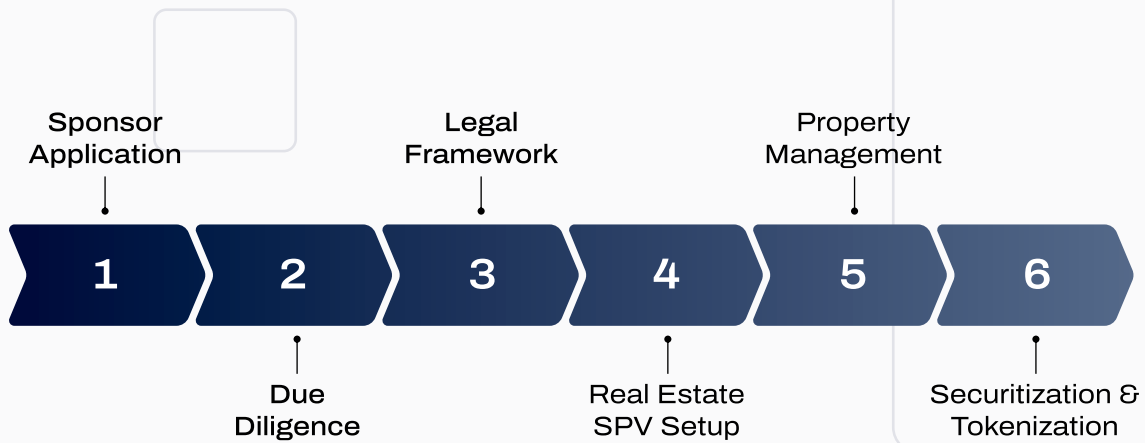
- 1. Navigating Regulatory Waters:** The tightening of European regulations for retail investors has created challenges for the operations of Fintech companies such as Prop.com. Moving to Dubai will allow us to navigate such complexities while ensuring compliance with global standards.
- 2. Regulatory Compliance and Investor Security:** Operating within the legal regulations not only offers a safety net for our investors and our business but also ensures their protection within a regulated ambiance.
- 3. Unlocking Real Estate Ventures:** The real estate market in Dubai and the UAE is a thriving industry that offers attractive investment opportunities.
- 4. Embracing Innovation:** The UAE, especially Dubai, is known for its forward-thinking and tech-friendly regulatory approach, which is beneficial for ventures like Prop.com.

In essence, our relocation to the DIFC positions Prop.com within the right financial and regulated environment. Along with a reputable financial ecosystem, it also allows us to adapt to the changing regulations and benefit from an innovative infrastructure.





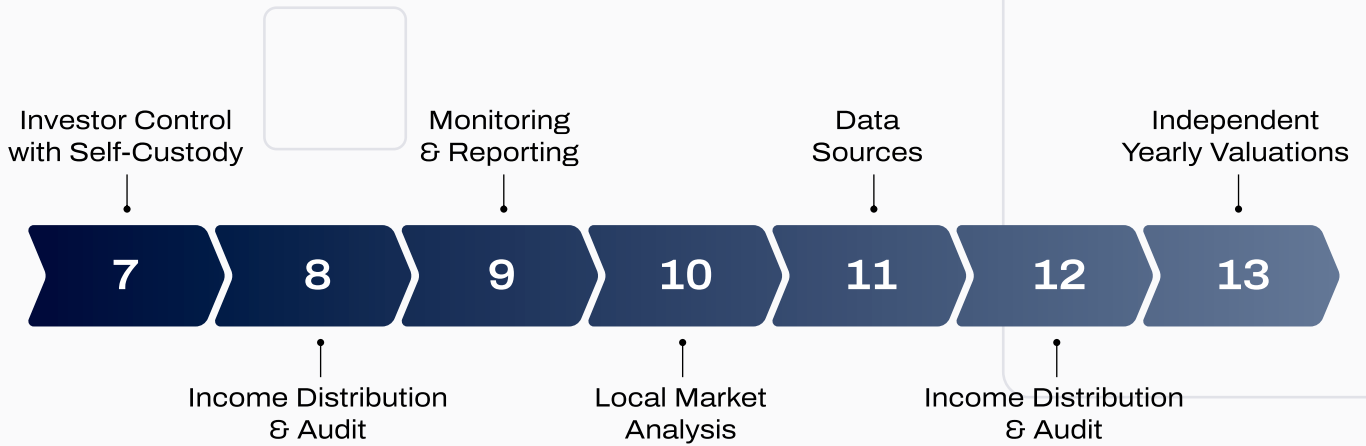
Operational Workflow 1.0



With Prop.com, we aim to redefine the real estate industry through the technological innovation of blockchain. Tokenization of real-world assets enables the conversion of real estate into digital tokens, thereby opening a plethora of opportunities. The workflow, from a property to be tokenized to distribution, is as follows.

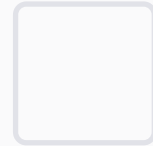
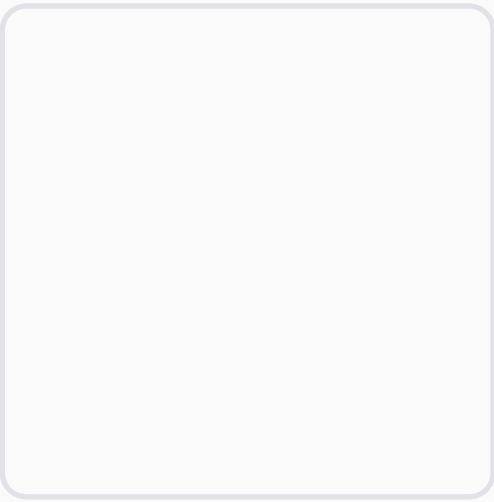
1. **Sponsor Application:** To initiate the process, a sponsor proposes a real estate asset for tokenization on the Prop.com platform. Initially, all the real estate assets will be proposed by the Prop.com investment committee.
2. **Due Diligence:** Prop.com conducts a thorough due diligence, in which it screens several different aspects:
 - a. **Initial screening**, during which vital factors such as location, asset type, and the credibility of parties involved against our set investment benchmarks are verified.
 - b. **An in-depth analysis** is conducted for assets that pass the initial criteria. They are then subjected to an extensive examination covering financial, legal, and operational aspects through site visits.
 - c. **Market research**, which analyzes current market trends, the supply-demand dynamics, potential risks, and expected rewards.
 - d. **Parties Involved Evaluation**, which is an assessment of the track record, expertise, and financial solidity of all parties.
 - e. **Independent Auditor and Valuation Reports**, provide transparency through independent auditor and valuation reports for each asset.
3. **Legal Framework with TGS Baltic:** Legal documentation and a compliant regulatory setup are created through our collaboration with TGS Baltic, known for its reputation for exceptional legal services across the Baltic region. Their portfolio as a law firm includes the completion of more than 31 billion in projects.
4. **Real Estate SPV Setup:** A Real Estate Special Purpose Vehicle (SPV) is incorporated to align the asset for securitization. All the financial agreements for income rights are structured with this SPV.
5. **Property Management:** A property manager is selected by the SPV, who is responsible for supervising the asset management. The roles and responsibilities of the manager would include dealing with the tenants, rent collection, and management of different aspects of the property.
6. **Securitization and Tokenization:** Leveraging the Distributed Ledger, the Securitized Debt Notes will be represented by the digital tokens. These tokens are subsequently listed on the marketplace, accessible for acquisition by verified Prop.com investors.

Operational Workflow 1.1



7. **Investor Control with Self-Custody:** Investors are in complete control over their tokens through a self-custodial solution. This empowers investors to manage their own assets securely and not depend on any third-party risks.
8. **Income Distribution and Audit:** The monthly income generated from the asset is distributed to token holders and audited by reputable third-party firms to ensure transparency and accountability. In addition, yearly financial audits are conducted on the securitization of SPV and its subsequent compartments.
9. **Ongoing Monitoring and Reporting:** We are committed to maintaining investor satisfaction through continuous monitoring steps, which include:
10. **Dedicated local market analysis:** Our team of experts keeps a close eye on the market performance.
11. **Data sources:** The provision of real-time insights by leveraging various data sources.
12. **Income Distribution and Audit:** The monthly income generated from the asset is distributed to token holders and audited by reputable third-party firms and service providers to ensure transparency and accountability. In addition, yearly financial audits are conducted on the securitization of SPV and its subsequent compartments.
13. **Independent Yearly Valuations:** In addition to the independent third-party audits on the SPV and its compartments, third-party valuations are conducted annually to ensure asset accuracy. Regular, in-depth reports are shared with the stakeholders for transparency.

Proactive communication: A proactive approach is deployed by our investor relations team to address inquiries and offer valuable insights to our investors.



Tokenization & Technology





Tokenization process

Leveraging Propchain's technological infrastructure, Prop.com facilitates the conversion of real-world assets into digital tokens through tokenization. A network of smart contracts is used to automate and secure the process.

The list of contracts that have been developed for investment escrow and a brief description of their functions are listed below:

TransferController

1. Responsible for investment checks that apply to a listing.
2. Some of the operations that fall under this contract include the specific total investment limit for each user, jurisdictional restrictions, and membership requirements.
3. This smart contract essentially reflects the logic of the investment application and guarantees compliance with platform rules and regulatory guidelines.

TransferStorage

1. Serves as an extensive database that holds all the vital information related to investment data, listing information, and other factors.
2. The structure of this contract guarantees transparency and accountability for Prop.com's ecosystem.

ERC-1155 contracts, individually assigned to every legal party on the platform, facilitate the asset tokenization process at the core of the Tokenization Factory. These contracts enable the issuance of fungible tokens, which represent the underlying asset. From listing assets as investments to distributing tokens, all steps encapsulated within this mechanism adhere strictly not only to our platform rules but also to regulatory compliance requirements.



Technological Stack 1.0

Prop.com is one of the verticals of the Propchain ecosystem - a blockchain tailored for real-world asset issuance and management. It is designed with a user-centric approach by integrating the easy-to-use interface of web2 on a completely decentralized architecture of web3. This dual-layered approach not only offers our users a familiar and responsive interaction but also ensures the security and transparency of the overall systems and processes.

At its core, the Propchain ecosystem is a decentralized model that governs all the interactions, from asset tokenization to their management, in an automated manner by leveraging smart contract functionality.

Through the system architecture of smart contracts and blockchain, Propchain has meticulously designed the investment process to offer a seamless user experience. First off, users can browse and choose the investment opportunity they are interested in from a list of carefully vetted properties available on Prop.com. Upon selecting their desired investment, users can specify the amount they wish to invest and finalize the purchase by digitally signing the agreement. Once the purchase is complete, the investment is marked as “in escrow” within the user’s portfolio.

This status remains until the accumulated investments for the chosen opportunity reach the predefined soft cap, which is the minimum investment threshold for a property listing to be considered successful. Each listing has a predetermined ‘listing period,’ which is the timeframe during which users can invest. In the event that the soft cap is not reached, the listing is deemed unsuccessful, and the funds are refunded back to the user, ensuring their protection. The escrow account securely holds the funds during this period.

When the collective investments attain the established soft cap of a property, a series of automated actions governed by smart contracts are triggered. Security tokens, representing the underlying property, are transferred to the users’ wallets in accordance with the amount invested. Simultaneously, the funds are now transferred to the offering stakeholders, the listing entity effectively exchanging funds for securities and concluding the trade.

Along with the soft cap, a hard cap for the property is also defined. The hard cap represents the maximum investment amount that can be contributed by all investors. Once the threshold of the hard cap is achieved, the platform will automatically halt any additional investments.

In the duration of these processes, multiple checks and due diligence are conducted to ensure regulatory compliance and investor protection.

To start with, users must undergo KYC verification with their jurisdiction verified against two key components: a global list covering all operational areas of Propchain and an individual list specific to each listing’s available jurisdictions. These checks ensure that the user’s jurisdiction aligns with regional regulations.

Listings also have aggregate investment limits per jurisdiction and individual user caps. If the investments from a particular jurisdiction reach this cap, further investments from users of that region will be temporarily halted. This mechanism supports fairness and ensures that no single user can dominate an investment opportunity entirely.

All of these processes are governed by pre-defined conditions in the smart contract.



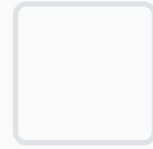
Technological Stack 1.1

The **escrow contract** tracks the investments made by users of the platform. Its primary function ensures that all transactions follow the guidelines of the pre-defined criteria set by the Propchain ecosystem.

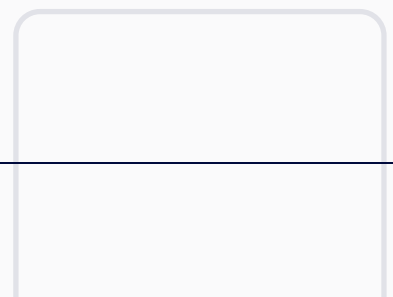
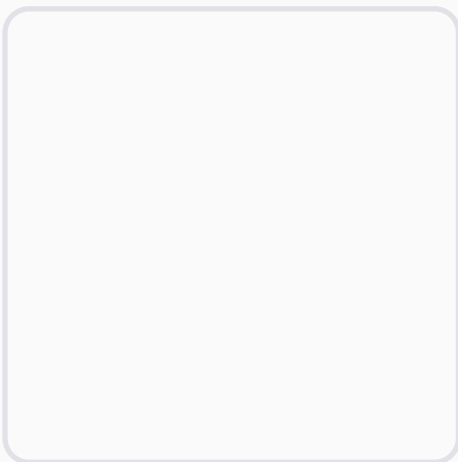
Along with this, the **TransferController smart contract** is designed to oversee and validate the investment-related checks for listings. And the **TransferStorage smart contract** functions as the platform's digital repository. It is structured so as to hold the vital information related to the investment data, listing information, and other factors.

To ensure complete regulatory compliance, the Propchain ecosystem requires users to undergo KYC verification. This also plays a crucial role as each investment opportunity on the platform is subject to jurisdictional considerations. To manage and store the data collected during the KYC process, Propchain employs the **KYCStorage contract**. This smart contract focuses on data security and privacy by retaining the most essential information of users, primarily their jurisdiction and associated wallet address. To ensure the best user experience and respect their privacy, no personal identifiers such as names or physical addresses are stored on the blockchain.

Serving as Propchain's dynamic engine for asset tokenization is the **STFactory contract**. It is deployed to create unique ERC-1155 contracts for each legal entity that tokenizes, and issues fractionalized assets on the blockchain. These ERC-1155 contracts, in turn, facilitate the issuance of fungible tokens that symbolize fractional ownership in tangible real-world assets. The STFactory contract simplifies the deployment of all ERC-1155 contracts and ensures the cost-effectiveness of the process. Moreover, it ensures that each contract adheres to the platform's standards and rules. Once an ERC-1155 contract is generated for a legal entity through the STFactory, the entity gains the capability to tokenize and issue tokens for any number of assets using a specific contract termed **STToken**, which in turn is an extended ERC-1155 contract. The ERC-1155 standard allows for the issuance and tracking of individual tokens. Each token carries specific data, such as its total supply and the details of its holders and their respective balances.



Utility Token & Ecosystem





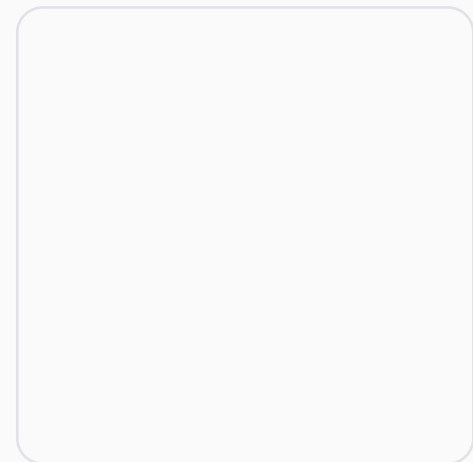
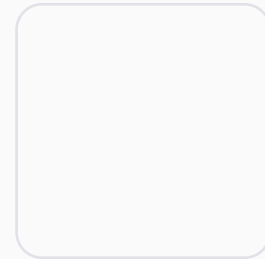
Token & Ecosystem

This paper details how Prop.com, the investment vertical, offers a way for users to invest in Real World Assets (RWA) via Propchain, a blockchain solution. This unique solution caters to both web2 and web3 users by offering an affordable and accessible way to diversify their investments in real estate.

Prop.com is a part of a larger ecosystem, Propchain, ideated by the same team. Propchain is a blockchain ecosystem dedicated to exploring the possibilities of RWA. A specific emphasis is placed on Proptech's solution for homeownership and real estate investment. Prop.com fits as a puzzle piece within this framework, democratizing RWA for mainstream adoption. The investment solutions presented by Prop.com are a great tool for customers to build their legacies and also serve as an alternative financing option for developers seeking funding.

On its own, Prop.com stands as a robust and resilient solution. But when synergized with the other verticals of the Propchain ecosystem, it amplifies the value creation. The Propchain ecosystem orchestrates a self-sustaining system where customers who are looking to invest can facilitate capital for people seeking homeownership or accommodation. This system, under the label 'Property on the Blockchain' lays the groundwork for generational wealth.

The initial focus on fostering a robust financial foundation paves the way for further ecosystem expansion, potentially drawing more capital for Propchain Capital—a venture capital arm for Proptech & RWA solutions.





Token Utility

PROPC acts as the utility token within the Propchain ecosystem and its subsequent verticals, each catering to a unique use case. At the same time, each vertical employs PROPC as a way to optimize value creation and utility throughout the ecosystem. It is important to note that PROPC is distinct from the security tokens, which represent the underlying real-world assets.

The different utilities underlying PROPC include the following.

1. Tier and Loyalty Programs

Prop.com is committed to serving and rewarding its most loyal users. Each interaction, from browsing properties to listing and transacting, rewards users with PROPC tokens. The accumulated tokens reflect the user's engagement and commitment to the platform, and in turn, users can leverage these tokens to climb the ladder of membership tiers. This not only bolsters the feeling of being a part of a larger community but also entails users to access exclusive rewards. This includes reduced fees and early access to premium listings.

2. Cashflow Buybacks

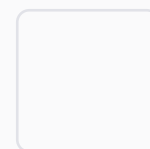
Balancing the token demand with the overall platform health, Prop.com channels a portion of its revenue towards buying back the PROPC tokens existing on the open market. This practice not only solidifies the token's demand but also boosts confidence among investors and builds the long-term sustainability of the platform.

3. Business Accounts

Extending its services to the professionals of the real estate sector, Prop.com allows developers, agencies, and enterprises to showcase, tokenize, as well as list their projects. To leverage these features from Prop.com, businesses are required to stake PROPC tokens and cover associated fees for listing. This mechanism ensures the increasing growth and demand of the token's market dynamics.

4. Liquidity Windows

Recognizing the necessity of liquidity in real estate asset trading, Prop.com introduces distinct liquidity windows. While users can exchange their assets anytime, utilizing PROPC tokens amplifies the trading experience by unlocking special trading windows, thereby increasing trading velocity and broadening the opportunity spectrum. This initiative elevates the likelihood of users finding their ideal match, facilitating quicker and more efficient transactions.





Milestones

✓ H2 2021

- ✓ Birth of Propchain
- ✓ Market Validation & legal research
- ✓ Brand foundation
- ✓ Product & tech team establishment
- ✓ Product requirements
- ✓ Initial product designs
- ✓ Seed round (Utility Token)

✓ H1 2022

- ✓ Private Round (Utility Token)
- ✓ Kick-Off Web & Smart Contract Development
- ✓ Property Acquisition Dubai Penthouse
- ✓ Start Construction of Dubai Penthouse
- ✓ Incorporation of Securitization Vehicle
- ✓ Completion of all Legal offering Documentation

✓ H2 2022

- ✓ Launch of the first private MVP
- ✓ Listing of Dubai Penthouse
- ✓ Opening Propchain Office in Business Bay
- ✓ Granting of VASP Registration in Lithuania
- ✓ Alpha Web Platform Launch (Private)
- ✓ Token Contract Audits by Zokyo

✓ H1 2023

- ✓ Beta Web Platform Launch (Closed)
- ✓ Successful \$PROPC Token Launch
- ✓ First Rental Pay-out
- ✓ Listing of Tulum, Mexico property
- ✓ Mobile Development Kick-Off
- ✓ CashFlow BuyBack (Utility)
- ✓ Fiat Republic Partnership for
- ✓ Integrated Bank Accounts

✓ H2 2023

- ✓ Public Launch of Platform
- ✓ First 6 months of Rent Distributed
- ✓ Start of DFSA License Application
- ✓ Launch of the Mobile Application
- ✓ Prop.com Re-Brand & Dubai Focus
- ✓ Equity Round Prop.com
- ✓ Full Prop.com On-Chain Deployment
- ✓ Business Account Utility

Roadmap

✓ H1 2024

- Tier & Loyalty Utility
- Education Library
- Wealth Management Tool
- DFSA License Approval
- Liquidity Window Utility Launch
- 25.000 Users Prop.com

✓ H2 2024

- Will be announced in the first weeks of January...



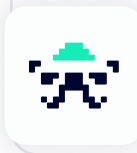
Trusted By



Fiat Republic: Provides the banking infrastructure on the platform, and offers over-the-counter (OTC) services for distribution purposes. The company holds regulatory approval from the Financial Conduct Authority (FCA) as an E-money Issuer under License No. 900480.



TGS Baltic plays a key role in our platform by managing the legal framework, ensuring compliance, and providing strategic counsel for expansion into new markets.



Sumsb offers KYC, PEP screening, and AML watchlist checks, ensuring that all users are properly vetted and verified before transacting on our platform.



Self-custody: Investing through the Propchain platform means you enjoy self-custody of your investments. This ensures that you're not dependent on third parties, minimizing associated risks and providing you with greater control over your financial assets



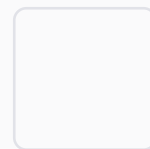
Ernst & Young (EY) is planned to be the independent third-party auditor to conduct the annual audits on the securitization vehicle and its compartments, ensuring compliance with industry standards and investor security.

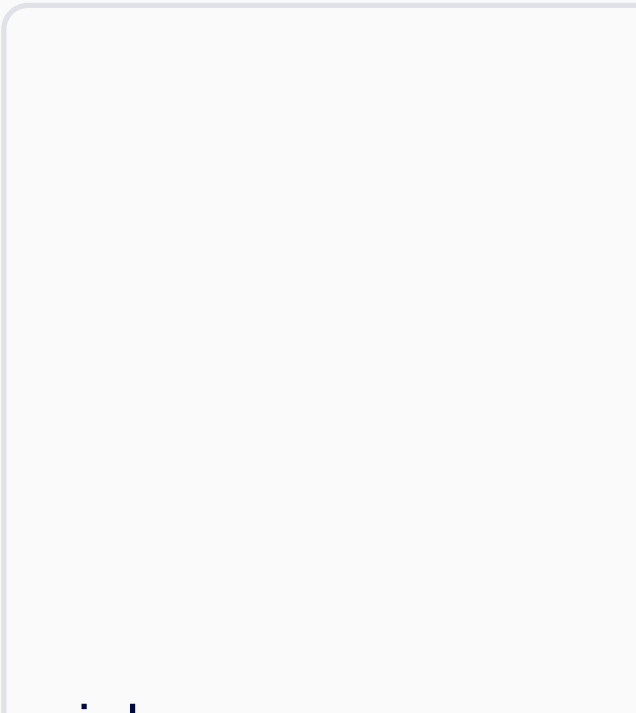
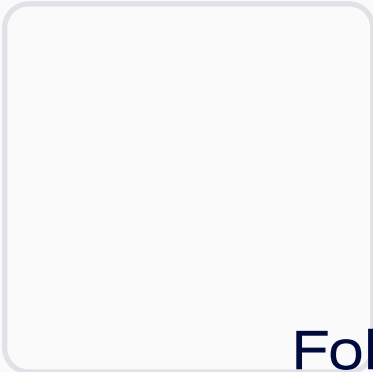


Elliptic is utilized for transaction monitoring and AML-related checks to ensure that we remain compliant with all applicable regulations and best practices in the crypto asset space.



Audifina Lithuania will act as the Trustee for the Securitization Transactions. The Trustee's main duties encompass monitoring the issuer, ensuring the fulfillment of obligations to the investors, and, when required, facilitating communication between the issuer and the investors.





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