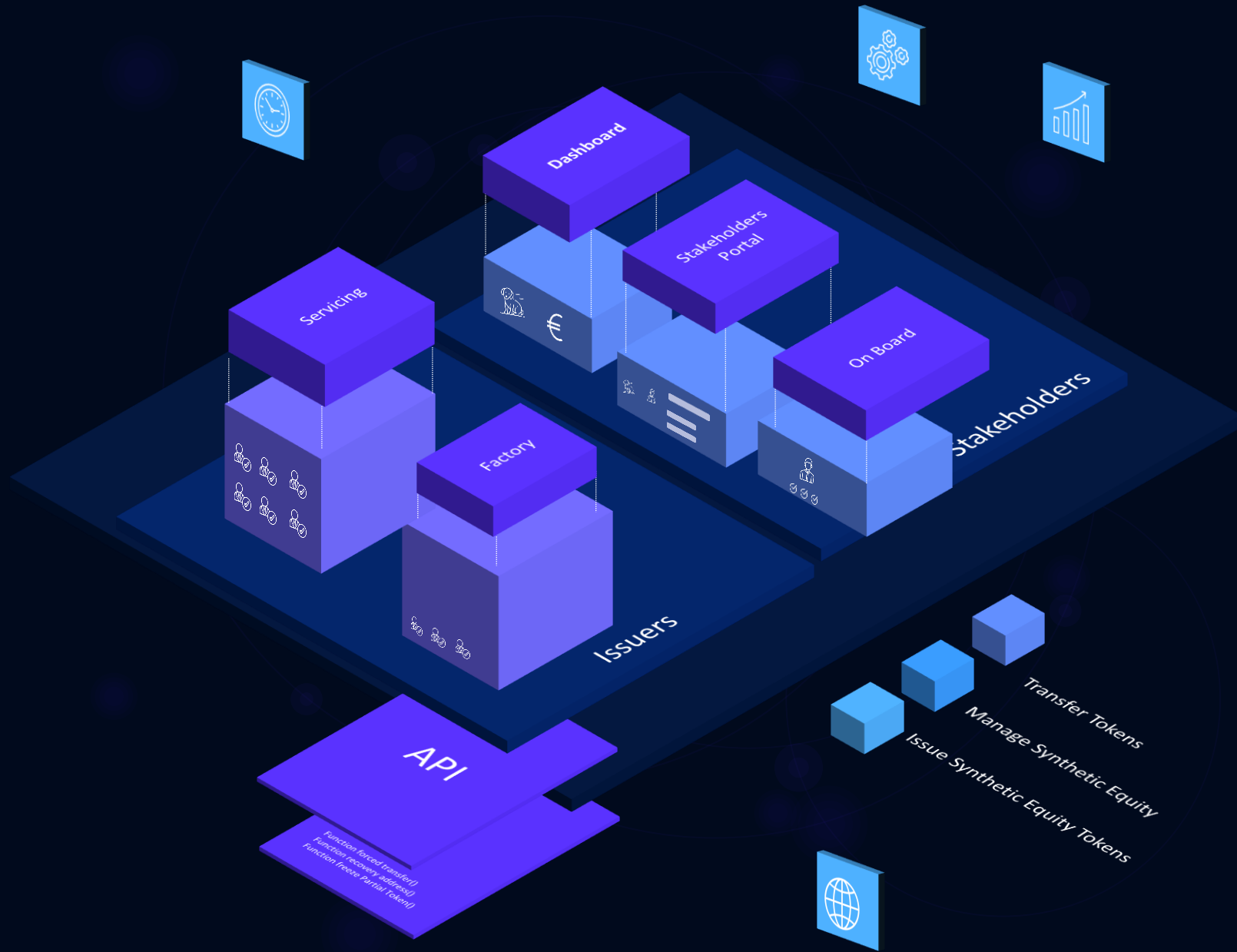




syntheticequity

We use blockchain technology to incentivize high performance and innovation



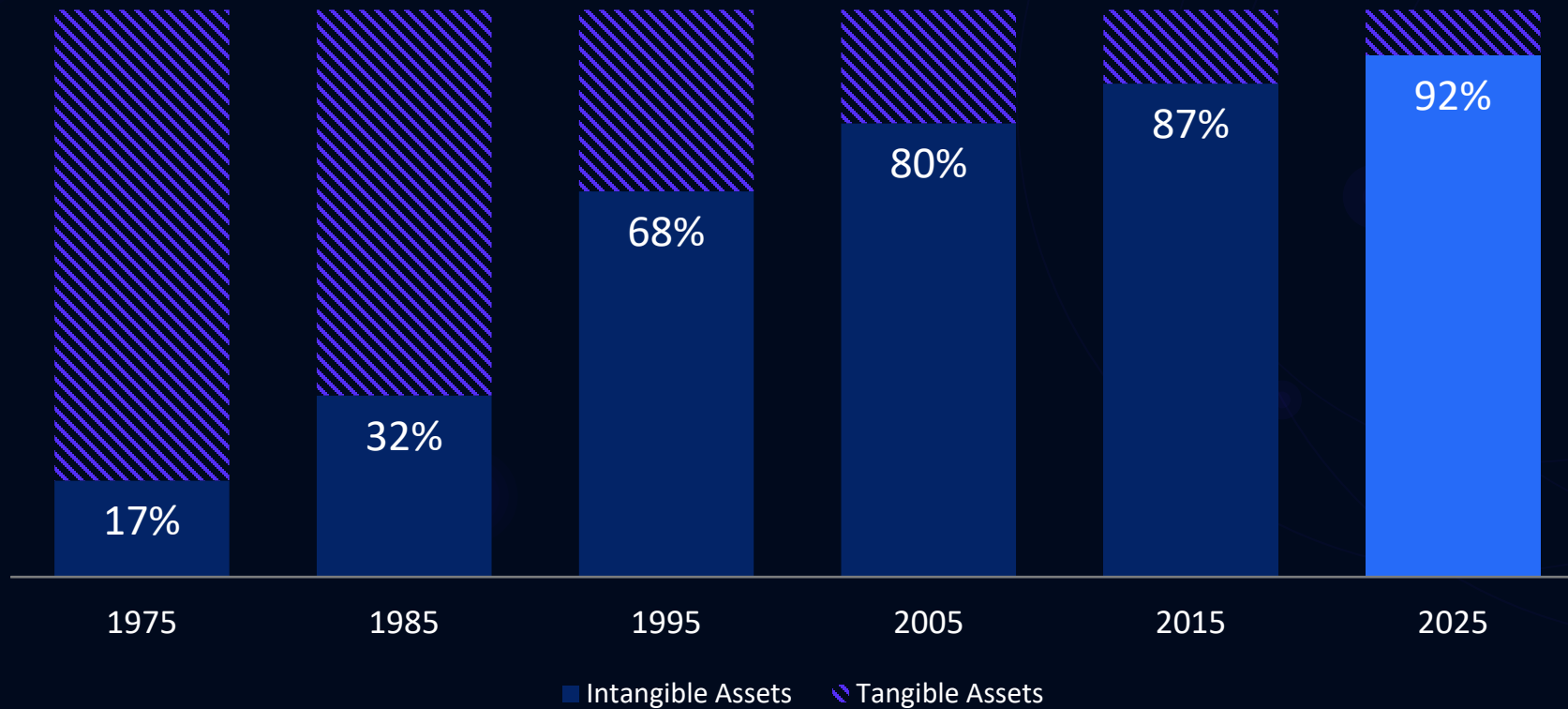


Shareholders don't need to have a long-term perspective on the company and can sell the stock whenever they need to!

Stakeholders are often in it for the long haul and have a greater need to see the company prosper

INTANGIBLE ASSET MARKET VALUE

S&P 500 Market Value Breakdown



Key Takeaways

- ✓ Within the last quarter century, intellectual capital has emerged as the leading asset class
- ✓ Between 1995 and 2025, the share of intangible asset market value will increase from 17% to 92%
- ✓ At the current pace diminishing value of brick-and-mortar assets leads to ever challenging quest for sustainable breakthrough performance and innovation

For issuers & stakeholders

PROBLEM WORTH SOLVING

Standard rewards do not create a lasting commitment. They merely, and temporarily, change what we do.



For issuers & stakeholders

OUR SOLUTIONS

- ✓ Align the interest of stakeholders
- ✓ Deliver market competitive rewards
- ✓ Drive certain desired behaviors
- ✓ Deliver long-term performance
- ✓ Incentivize innovation



THE TEAM AND KEY ROLES



PHILIPP KISHKOVAROV
Chief Technology Officer

Innovation and transformation technology leadership; accelerating the realization of new ideas and ways of thinking which empower individual

 [Feel free to add me](#)



TESHA TESHANOVICH
Head of Growth

Media and change management expert, and author on global economic trends and topics such as productivity, growth and the Future of Work.

 [Feel free to add me](#)



PAUL LALOVICH, MSC
Founder and CEO

Brings deep experience in tech, helping leading companies win market share, drive top-line growth, and transform operations to reduce costs

 [Feel free to add me](#)



CHRISTOPHER PAGE
Chief Investment Officer

Significant expertise with executive remuneration and experience engaging and working effectively with clients' C suite and Boards

 [Feel free to add me](#)

COMPETITIVE ANALYSIS

The logo for wtw, consisting of the lowercase letters 'wtw' in a bold, purple, sans-serif font.

- ✓ We go wide and deep by using tech
- ✓ We offer an incentives vehicle
- ✓ We know tech
- ✓ We are agile

The logo for stobox, consisting of the lowercase letters 'stobox' in a bold, white, sans-serif font. The letter 't' has a small blue square above it.

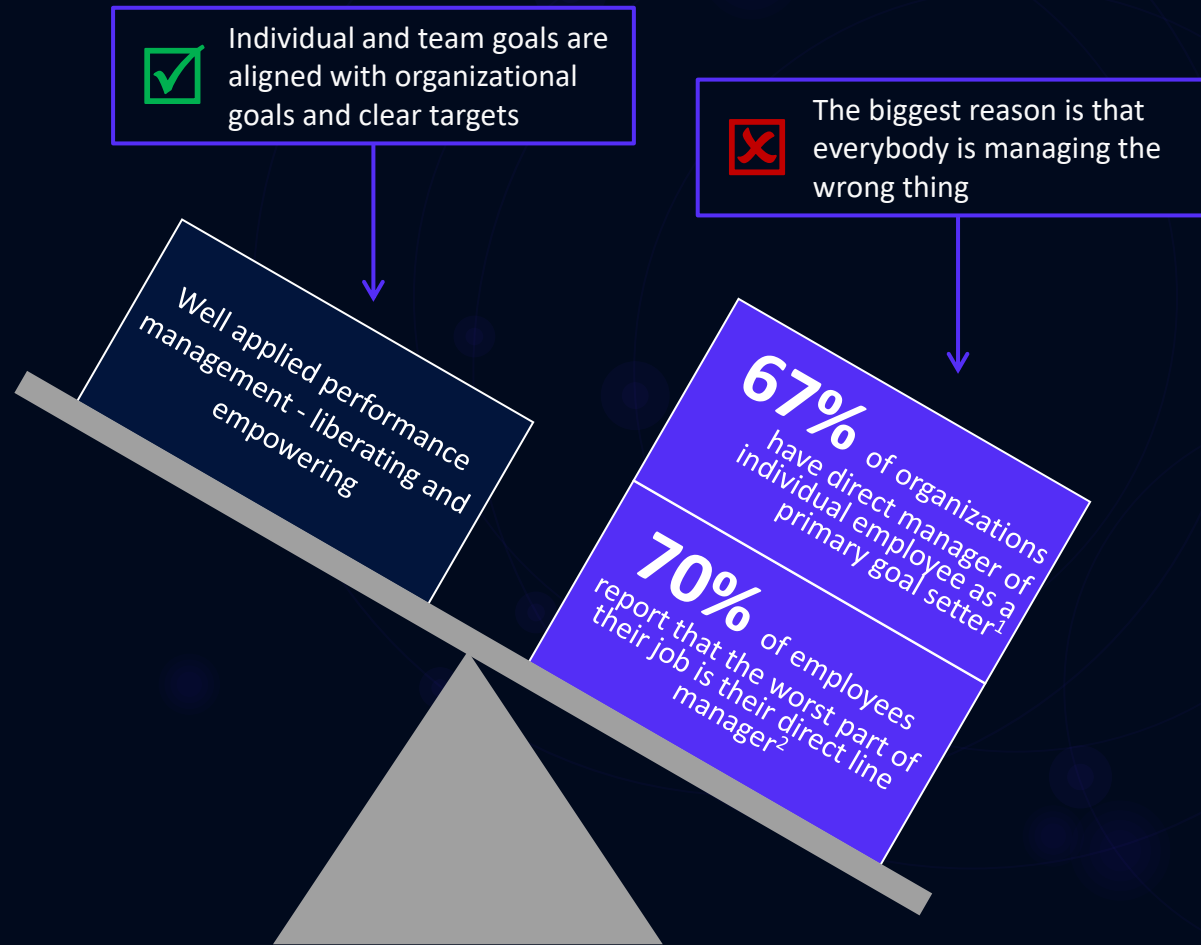
- ✓ We tokenize labor and ideas
- ✓ Our buyers of the Security Tokens are stakeholders
- ✓ We know business
- ✓ We are structured

WHY PERFORMANCE MANAGEMENT ULTIMATELY FAILS?

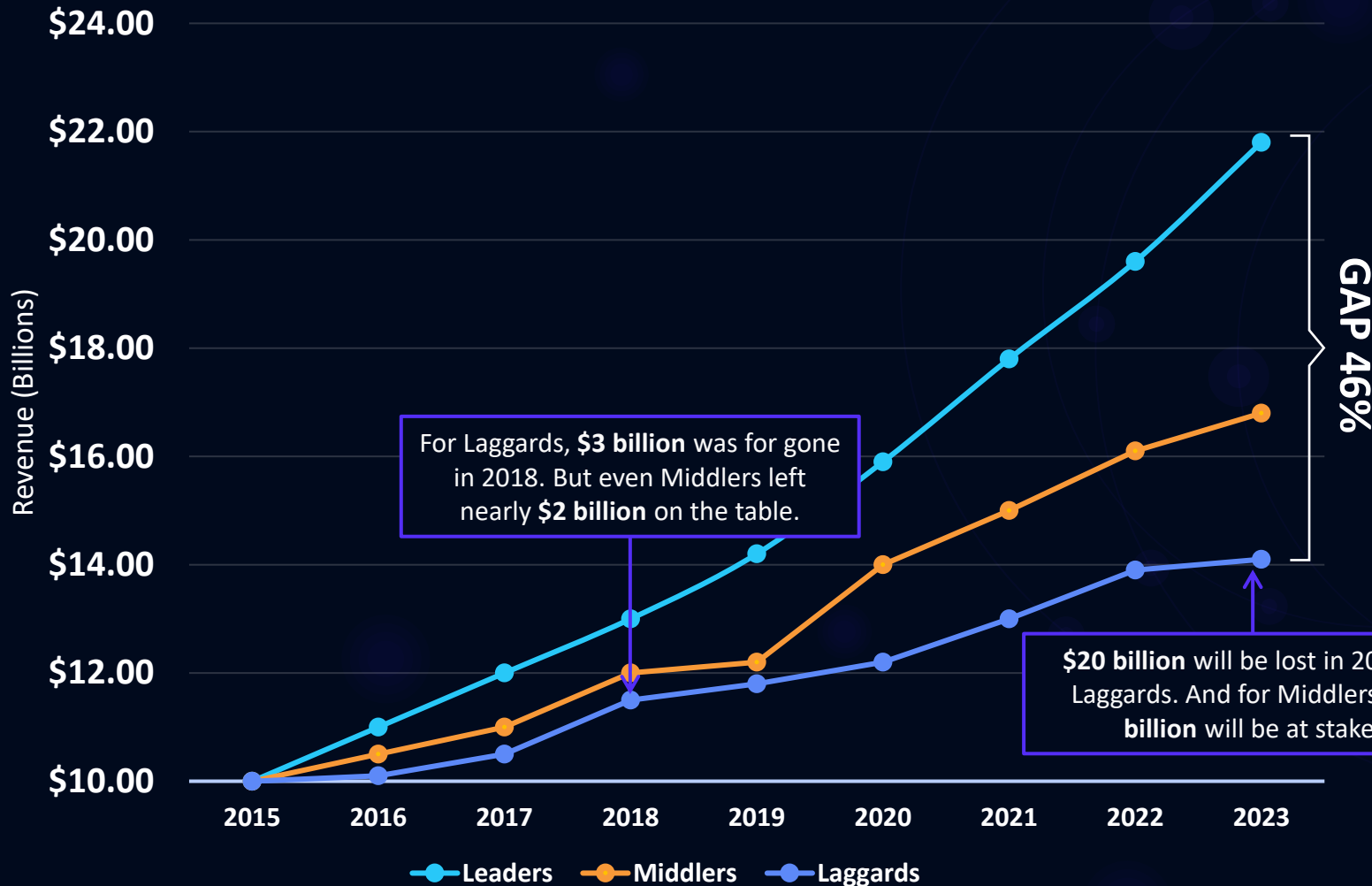
IF GREAT MANAGERS SEEM SCARCE, IT'S BECAUSE THE TALENT REQUIRED TO BE ONE IS RARE - GALLUP'S RESEARCH REVEALS THAT ABOUT ONE IN 10 PEOPLE POSSESS THE TALENT TO MANAGE

So, what stops businesses from simply replacing bad management with more talented people who will enable their teams with effective performance management? 3 things:

- The first is a general inability — or unwillingness — to actually measure the performance of their leaders.
- The second is the influence of toxic politics. In the absence of clear-cut performance data, leadership is reduced to a popularity contest, a political game in which Machiavellian and manipulative leaders will thrive.
- The third and final reason is a failure to understand leadership potential.



CORELATING TECH INVESTMENTS AND INNOVATION TO REVENUE

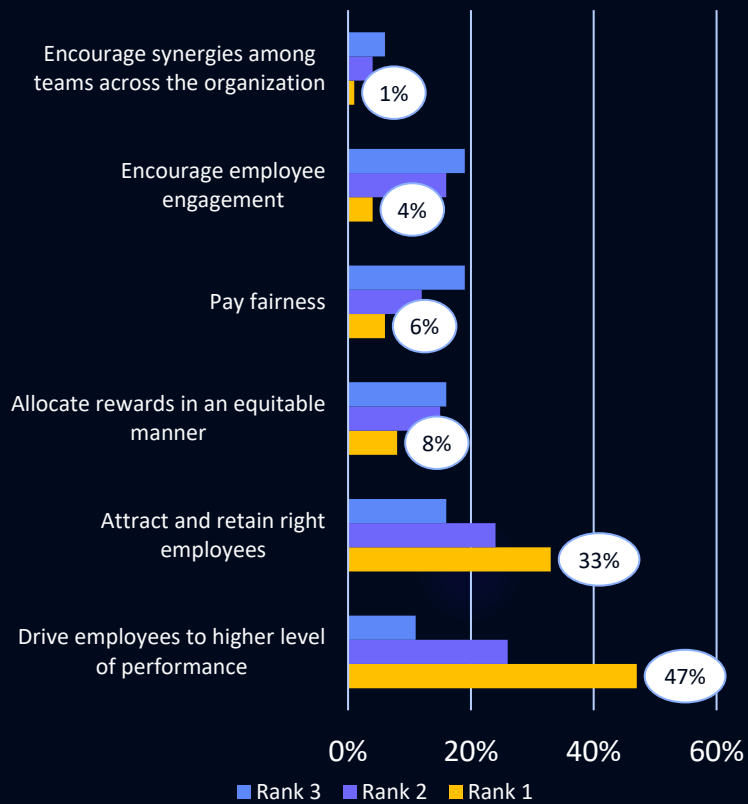


8,300 COMPANIES HAVE BEEN EVALUATED, IDENTIFYING THOSE THAT WERE GETTING THE MOST OUT OF THEIR TECHNOLOGY INVESTMENTS (“LEADERS”) AND INNOVATION

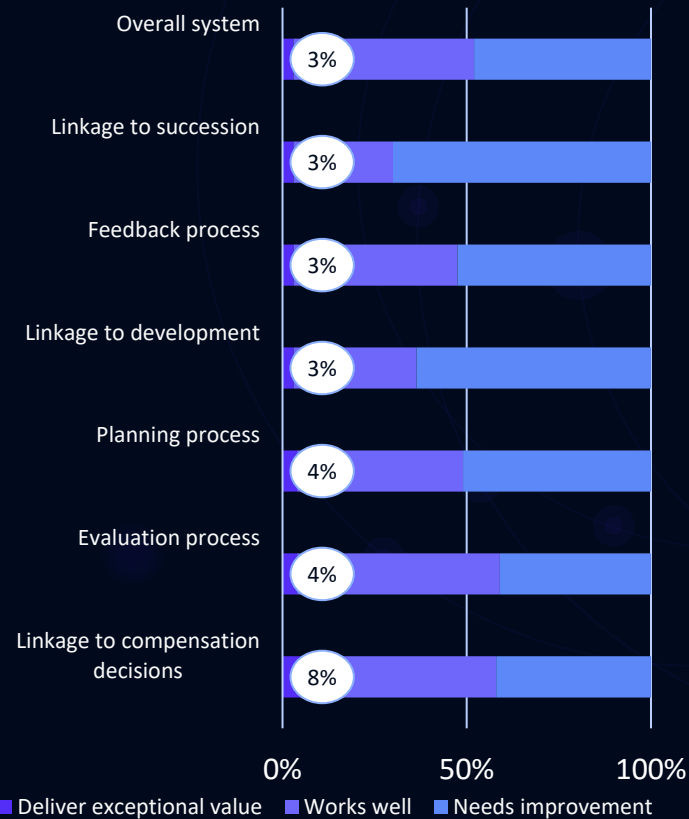
- **LEADERS:** Representing just 10 percent of the overall group, these companies grow revenue at more than two times the rate of those in the bottom 25 percent of the study group (the Laggards).
- **LAGGARDS:** This group left 15 percent of their annual revenue on the table. If both Leaders and Laggards continue their current trajectories, the cost will be 35 percent of Laggards’ annual revenue in 2023.
- **MIDLERS:** This group—the middle 20 percent of the companies we studied; those in the 40th to 60th percentile—grow revenue at more than one and-a-half times the rate of Laggards. But Leaders still grow more than 50% faster than Middlers.

CURRENT STATE OF LONG-TERM INCENTIVE PLANS

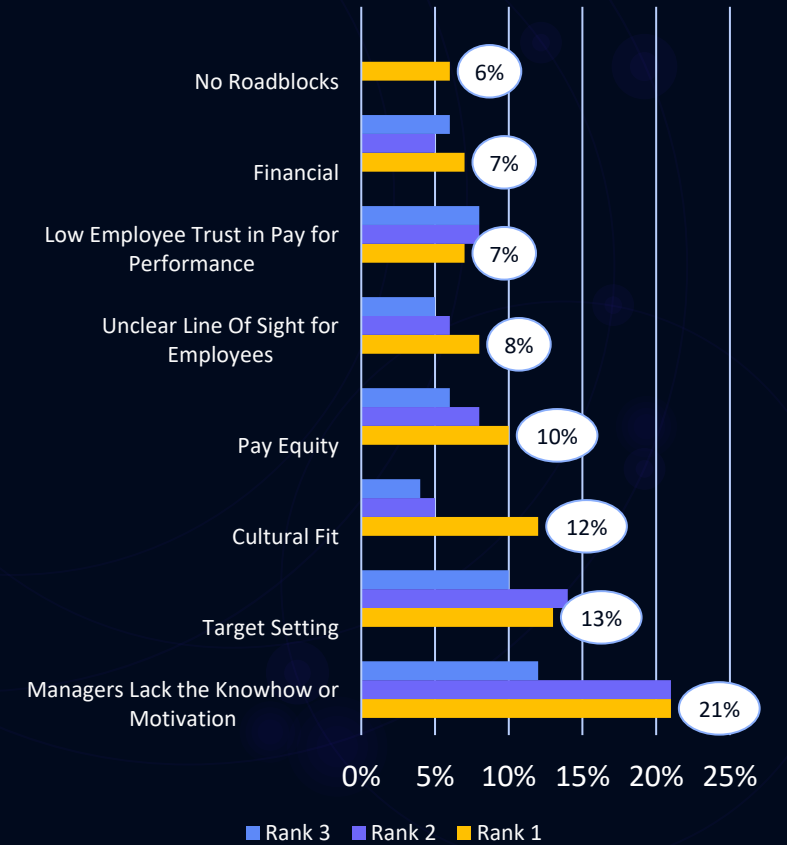
What are your organization's primary objectives in using pay for performance?



Evaluate the effectiveness of your performance management approach



Pay for performance implementation roadblocks



WHY DO COMPANIES CARE ABOUT THEIR STOCK PRICES?

Analysts evaluate the trajectory of stock prices in order to gauge a company's general health. They likewise rely on earning histories, and price-to-earnings (P/E) ratios, which signal whether a company's share price adequately reflects its earnings. All of this data aids analysts and investors in determining a company's long-term viability.

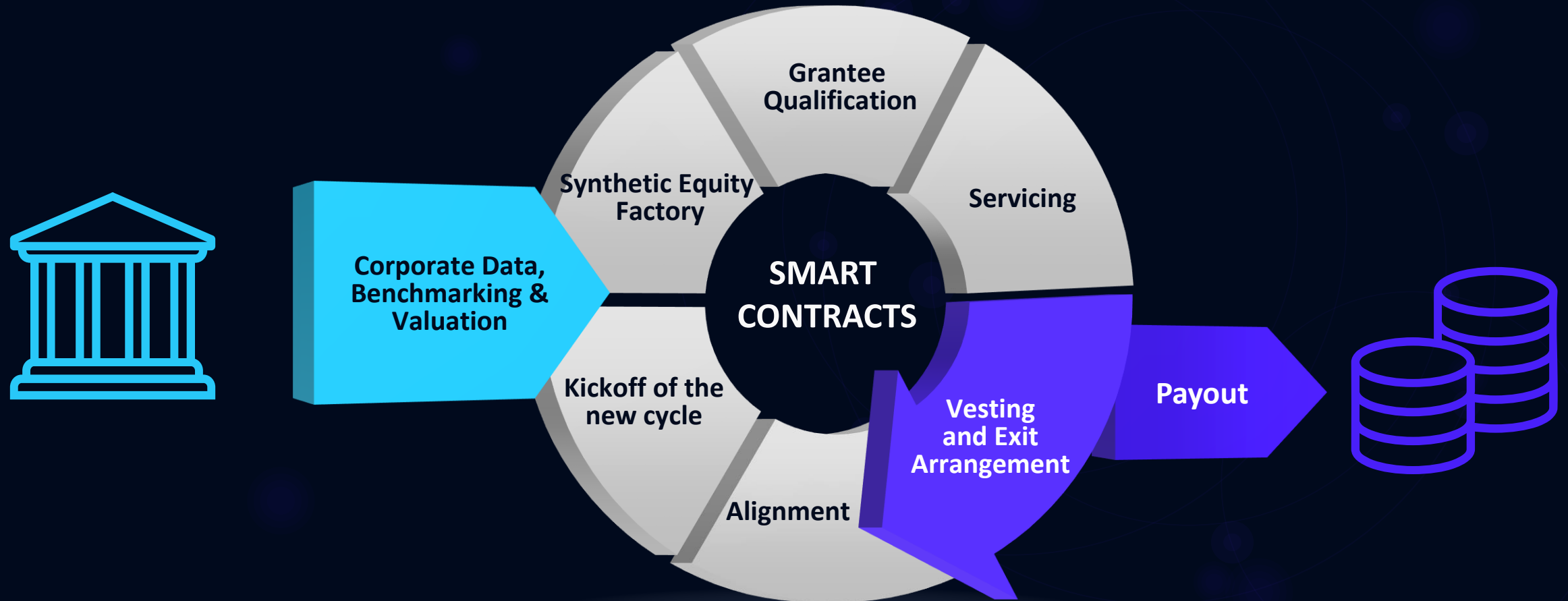
Key Takeaways

- ✓ A company's stock price reflects investor perception of its ability to earn and grow its profits in the future
- ✓ If shareholders are happy, and the company is doing well, as reflected by its share price, the management would likely remain and receive increases in compensation
- ✓ The prevention of a takeover is another reason that a corporation might be concerned with its stock price



There is absolutely nothing more powerful than the trajectory of stock prices to gauge a company's general performance

SYNTHETIC EQUITY ON THE BLOCKCHAIN PLAN APPROACH



EXAMPLE

The tokens issued represent the value of the issuer's assets on the blockchain



ESTIMATED GAIN \$398,057.02

SOME COMMON SYNTHETIC EQUITY PLANS DESIGN PROVISIONS INCLUDE:

- Vesting period is typically 3 years (76% of companies).
- Payments are typically made in cash although shares can be used.
- Gives the participant a financial interest in the company's future without granting any stock.
- Stakeholders have several years to see if the token value rises.
- If it does and stakeholders met their performance targets, they can exercise their Synthetic Equity on the Blockchain Plans, receiving cash for the increased value2 (Tokens are burned, and cycle starts again or exchanged for security tokens).
- Eligibility: All stakeholders.
- Value:
 - Market price (if traded)
 - Formula value (if privately held)

OBJECTIVES OF THE SYNTHETIC EQUITY PLAN

EXAMPLE

EMPLOYERS

- Motivate and reward employees for meeting long-term goals (more than one year)
- Tie rewards to shareholder gains
- Balance annual and long-term rewards
- Retain key talent
- Meet competitive pressures

EMPLOYEES

- Recognize performance
- Accumulate wealth
- Build ownership

SHAREHOLDERS

- Link financial interests with management
- Provide a threshold return before incentive payments are made
- Limit charge to earnings (in some cases)

TOKENIZATION LAYERS

1. Web Platform

2. APIs and SDKs

3. Token Protocol

4. Interchangeable blockchain network



For issuers

BENEFITS

Advantages of synthetic equity incentives based on blockchain technology



1

AUTOMATION AND FAST PROCESSING

Compared with traditional schemes, employee incentives share options/complex allocation, exercise and transfer steps.

The application of blockchain technology can make employee incentives more efficient and faster. By executing preset smart contracts, employees can automatically obtain tokens for incentives when the conditions are met.

Afterwards, whether it is based on the employee's active transfer or the company's transfer requirements for employees after leaving the job, it can ensure that the Token is only transferred in the preset whitelist.



2

INCREASED ENGAGEMENT AND EMPLOYEE TRUST

After the employee incentive plan is launched on the chain, due to the consensus mechanism of the blockchain technology, the grant and exercise information is recorded at each node on the chain, and the implementation of the plan will be open and transparent throughout the process.

Besides, it is not only traceable and cannot be tampered with, which not only avoids the possibility of black box operations, but also ensures fair, stable and orderly incentives.

At the same time, it is conducive to enhancing the credibility of the enterprise, enhancing the trust of employees in the enterprise, and can really play an incentive role.



3

TAX ADVANTAGES

Synthetic equity programs also have several significant tax advantages that are attractive to both business owners and the key employees. First, when an employee receives shares under the firm's synthetic equity program, the IRS does not recognize that receipt as taxable income to the employee until he or she actually receives the money.

Second, when the firm pays a key employee to redeem synthetic shares, the company can treat it as an expense rather than a repurchase of shares and the company receives a tax deduction. If the company were redeeming traditional shares, the event would have no tax benefits to the firm.



4

FLEXIBILITY AND THE GLOBAL REACH

In the traditional scheme, companies can only use equity or options to motivate employees.

However, blockchain technology can allow companies to choose the right equity based on their specific circumstances to be on the chain to motivate employees.

In other words, the design of the token can vary from company to company. On the one hand, companies can still design tokens with equity as the underlying fundamental rights and issue them to employees to share capital gains generated by the development of the company regardless of the location of the employee or the employment profile.

For Stakeholders

ONBOARD

Enable the digital qualification and subscription of stakeholders

- ✓ Create digital onboarding workflows for stakeholders
- ✓ Enable stakeholders to quickly create a wallet
- ✓ Manage and track performance
- ✓ Enforce compliance

The screenshot shows the 'syntheticequity' onboarding interface. On the left, a vertical list of steps is shown with checkmarks for 'Introduction', 'Stakeholder Type', 'Basic information', 'Video identification', and 'ETH Wallet'. The 'Grants' step is currently active, indicated by a white 'X' icon and a blue highlight. Below it, 'Confirmation' is marked with a grey 'X'. The main content area is titled 'Enter the Amount you want to vest'. It features two input fields: 'VALUATION 50,000' with a currency selector set to 'EUR', and 'You get 500' with a token selector set to 'TKT'. Below these fields, the text 'Token price : 1TKT = 100 EUR' is displayed. At the bottom, the summary shows 'Tokens : ● 500TKT' and 'Payment method : ● EUR', followed by a blue 'Continue' button.

	IPO ¹	STO ²	ICO ³	
Associated Risks	★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★ ★ ★
Relative Costs	★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★ ★ ★
Issued	Shares	Token representing securities	Utility token	Utility token
Issuer	Public company	Start-up, public company, SMEs, large companies	Start-up, public company, SMEs	Start-up, public company, SMEs, large companies
Platform	Regulated Stock Exchange	Digital (e.g. website of issuing company or crypto exchange if IEO)	Digital (e.g. website of issuing company or crypto exchange if IEO)	Digital (e.g. website of issuing company or crypto exchange if IEO)
Participation	Generally, via Broker (e.g. Bank)	Directly	Directly	Directly
Accepted Funds	Generally, Fiat only	Fiat and/or crypto-assets	Fiat and / or crypto-assets	Fiat and/or crypto-assets
Token standard	None	ERC20 permissioned (e.g. ERC1400); ERC725/735 to manage identities	ERC20	ERC20 permissioned (e.g. ERC1400); ERC725/735 to manage identities
Initiated	Generally, Investment bank to underwrite the IPO	Direct launch to the public without a centralized third party (except if IEO)	Direct launch to the public without a centralized third party (except if IEO)	Direct launch to the stakeholders
Documentation Requirements	Prospectus, Filings, Registration with the regulator	Prospectus, Filings, Registration with the regulator, website	Whitepaper, website	Whitepaper, website
Stakeholders' rights	Generally, Voting rights, dividends	Generally, Voting rights, dividends (if structured similar to e.g., shares)	Generally, Limited to digital access to service / application	Generally, Limited to digital access to service / application
Controlling Authority	Regulator	Regulator	None	None
Underlying	Asset	Asset	None	None
Dividends	Yes	Depending on Token structure	None	None
Credibility	★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Source: syntheticequity.io and Agile Dynamics research and analysis

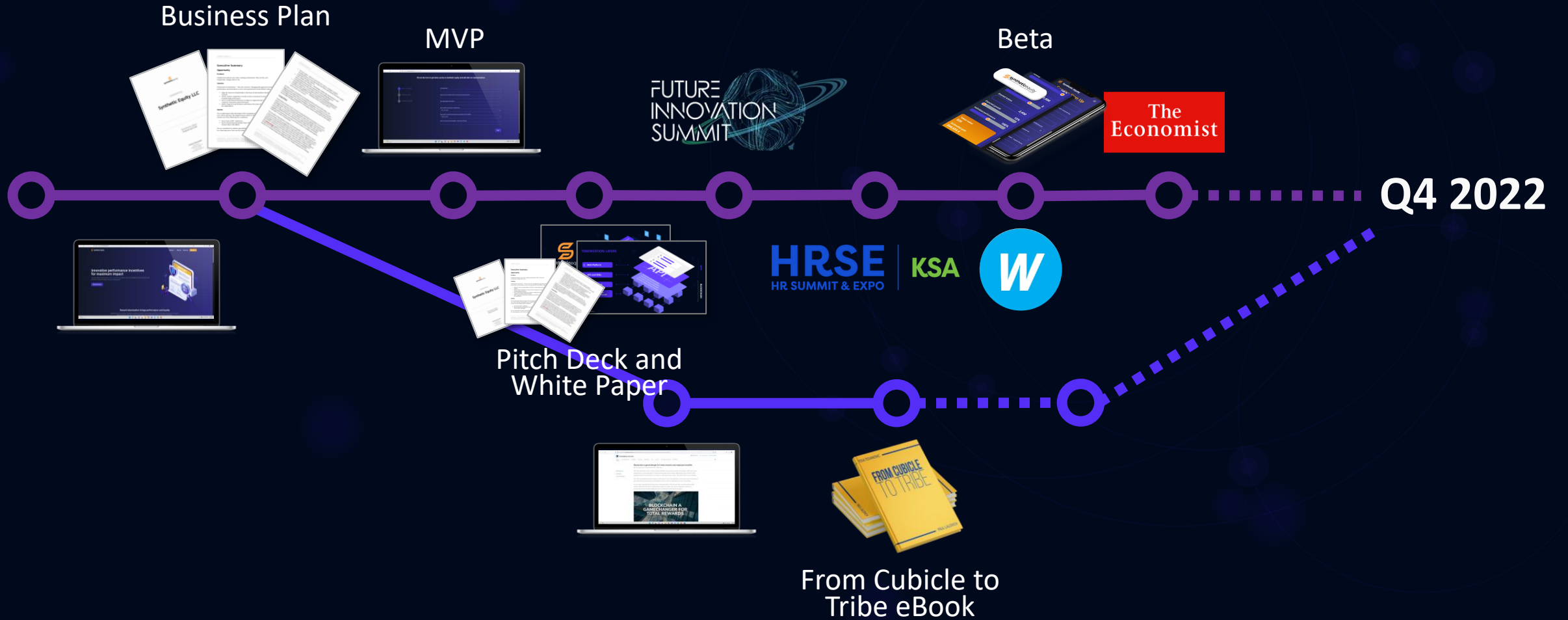
Note: The first issuance of tokens may come in several factettes and names, such as Initial Digital Offering) IDO, Initial Exchange Offering (IEO) and many more will follow;

1 - Initial Public Offering; 2 - Security Token Offering; 3 - Initial Coin Offering

OUR ADVISORY SERVICES CLIENTS AND POTENTIAL BUYERS



THE ROADMAP





syntheticequity



Contact us

WE ARE LOOKING FORWARD TO HEARING FROM YOU