AGENDA

• TOKEN SIMULATION EXERCISE
• ABC OF TOKENS
• USE CASE EXAMPLES
• ADOPTION
• Q&A
TOKEN SIMULATION EXERCISE
FOR PHYSICAL / OFFCHAIN ASSETS
CREATE A ‘DIGITAL TWIN’
VERIFY AND RECORD TOKENIZED ASSET MOVEMENTS

<table>
<thead>
<tr>
<th>G.</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
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<tbody>
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<td>Mints</td>
<td>Gives</td>
<td>Sells</td>
<td>Auctions</td>
<td>Trades</td>
<td>Etc.</td>
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<tr>
<td>S+1</td>
<td>S-1</td>
<td>J-1</td>
<td>T-1</td>
<td>M-1</td>
<td>A+1</td>
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VERIFY AND RECORD TOKENIZED ASSET MOVEMENTS

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**Common record, multiple copies, transparent changes**

**Peer approved, based on consensus agreement**

Current ledger statement always available
OFF-CHAIN RECONCILIATION AND SETTLEMENT
SUMMARY - TOKENISED ASSET MANAGEMENT

EASIER, TRUSTED, TRANSPARENT, DISTRIBUTED, SECURE

- Digital Twins
  - Easier to manage

- Peer verified
  - no need to validate or trust just one actor

- Transparent ledger
  - Common basis for reconciliation

- Multiple distributed copies
  - survives any single point of failure / bad actor

- Net-net settlement offchain
  - send tokens back to start position

EASIER, TRUSTED, TRANSPARENT, DISTRIBUTED, SECURE
TOKENS - ABC

ATTRIBUTES

• ASSET ENTITLEMENTS – 'DIGITAL TWIN'
• IDENTITY / PROVENANCE MARKERS
• ANY SHAREABLE DATA POINT – SINGLE OR AGGREGATE

WORKS WHEN

• INFORMATION NEEDS TO BE SHARED AND TRUSTED ACROSS A NETWORK
• THE MAJORITY OF PARTICIPANTS ARE INCENTIVISED FOR THE NETWORK TO BE SECURE AND TRUSTED
TOKENS - ABC

BITCOIN (ETHEREUM, STELLAR, IOTA ETC.)
- A TRULY DISTRIBUTED ASSET-TOKEN
- PUBLICLY MAINTAINED BY AN EXTENSIVE NETWORK OF ACTORS
- PROVEN TO BE SECURE AND UNHACKABLE
- AS A STORE AND EXCHANGE OF VALUE

HOWEVER
- SPECULATIVE PRICE FLUCTUATIONS DESTROY ITS CREDIBILITY FOR VALUE STORE / TRANSFER
- THE ‘MINING’ ALGORITHM IS RESOURCE INTENSIVE AND GETTER HARDER
CRYPTOCURRENCIES (OTHER)

• SIMPLE AND EASY TO LAUNCH A NEW TOKEN
• EXCHANGES NEED TO LIST THEM FOR TRADING
• OFTEN CAN ONLY BE BOUGHT WITH BITCOIN (ETHER, STELLAR, IOTA ETC)

IMPLODED BECAUSE

• ZERO REGULATION / DUE DILIGENCE INITIALLY ON THE ‘UTILITY’ USE CASE
• BUBBLE-STYLE MARKET SPECULATION
• EMERGING REGULATION DEEMS VAST MAJORITY AS ILLEGAL
• OVER 95% OF CRYPTOCURRENCY-BASED PROJECTS FAIL
FUNGIBILITY
INTEROPERABILITY
WHAT?

PARTNERING
TRANSFERRING,
VALIDATING,
RECONCILING

DIGITISING
DIGITAL WALLET APP

PROMOTING
CAMPAIGNS,
GAMIFICATION

PAYMENTS
DIGITAL POINTS,
CRYPTO-PAYMENTS

DIGITAL WALLET APP

ECOSYSTEM
FRICIONLESS,
NETWORK

ECOSYSTEM
FRICIONLESS,
NETWORK

DISTRIBUTION
PRIVATE
CHANNELS

COALITIONS
BITCOIN,
WALLETS

FMCG
PAAS - TOKENS

FMCG
PAAS - TOKENS

CRYPTO
COIN REWARDS

CRYPTO
COIN REWARDS

FUNGIBILITY
INTEROPERABILITY

FUNGIBILITY
INTEROPERABILITY
ADOPTION

PLATEAU WILL BE REACHED IN 5 TO 10 YEARS
Three Tokenisation Waves

Andy Martin, IBM Blockchain value design – WW Leader
WAVES OF ADOPTION

ELECTRICITY IN FACTORIES
• BETTER STEAM
• IMPROVED LINE DRIVE
• NEW UNIT DRIVES
• STEP CHANGE IN QUALITY AND EFFICIENCY
  • BECAUSE OF ELECTRIC LIGHTS

BLOCKCHAIN TOKENISATION IN TRAVEL
• EXISTING DIGITAL ASSETS (E.G. POINTS)
• IMPROVED NETWORKS (E.G. PARTNERING)
• NEW DIGITAL ATTRIBUTES (E.G. IDENTITY)
• STEP CHANGE IN QUALITY AND EFFICIENCY
  • BECAUSE OF ‘MODULARISATION’ ???

Tom Godwin – Digital Darwinism
THANK YOU!

ANY QUESTIONS / COMMENTS?

STUART EVANS
FOUNDER, WAVEBREAKR – INNOVATION INTO ACTION
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E: STUARTE@WAVEBREAKR.COM
APPENDIX
## WHY BLOCKCHAIN?

<table>
<thead>
<tr>
<th><strong>Branded tokens</strong></th>
<th><strong>Smart contracts</strong></th>
<th><strong>Common ledger</strong></th>
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<tr>
<td>• Multi-currency</td>
<td>• Flexible</td>
<td>• Security</td>
</tr>
<tr>
<td>• Gamification</td>
<td>• Programmable</td>
<td>• Trusted</td>
</tr>
<tr>
<td>• New mechanics</td>
<td>• Automated</td>
<td>• Shared</td>
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