

BlockchainAnalytica Research

Taking Alternative Investment Research to new levels

www.blockchainanalytica.io



Investment Research

- High quality research drives the decision making process of successful investors. *BlockchainAnalytica* supports its fundraising clients by providing that research.
- Fundraising rounds benefit massively from having supportive research in place ahead of companies engaging with investors. Key points about the business, its markets, its people and its financials are all covered off.
- *BlockchainAnalytica's* research activities reach out to early stage companies which wish to raise expansion capital, typically in blockchain, digital assets and other fintech activities.
- *BlockchainAnalytica* uses the research process to scrutinise high quality companies which it in turn assists with specialist advisory, fundraising, investor relations and token economics services.

The BlockchainAnalytica Difference

- *BlockchainAnalytica* is virtually the only specialist research provider in alternative assets, digital and blockchain.
- *BlockchainAnalytica's* analysts are available to join client companies on roadshows and conference calls to assist with questions from investors. They have demonstrable expertise in alternative finance, including cryptoassets.
- *BlockchainAnalytica* ensures that its research analyses key issues for all early stage companies: proof of concept, addressable market growth, due diligence, management & strategy, valuation & financials.
- *BlockchainAnalytica* boasts substantial, international product distribution with both high net worth private and institutional investors among key contacts.

BlockchainAnalytica – A full offering

BlockchainAnalytica's research process provides us with a detailed knowledge of our client companies. This knowledge helps optimise the quality of all our services.

- **Advisory.** The better we know client companies, the better we can advise them. As a result, the research process enhances the quality of our advisory work..
- **Fundraising.** Fundraising rounds benefit massively from having supportive research in place ahead of companies engaging with investors.
- **Investor relations.** In our opinion group meetings, one-on-ones and responses to investor queries all benefit from *BlockchainAnalytica* being engaged to produce in-depth, written analysis of the company.
- **Token economics.** For client companies with cryptoasset and digital needs, our research analysts will endeavour to find the best token economics solutions.

BlockchainAnalytica – Strong Track Record

- *BlockchainAnalytica* was co-founded by Brian Basham and Chris Wickham. While committed to modern finance solutions, both have strong track records in mainstream finance and investment.
- *BlockchainAnalytica* ensures that its investor events are attended by investment professionals with access to the backing that early stage companies need for expansion finance.
- During the Covid19 lockdown, *BlockchainAnalytica* switched to online. Zoom webinars were successfully hosted and co-hosted for Adaptix, BCB Group and Katlas Technology.
- *BlockchainAnalytica* boasts a widespread network of operating partners. As a result, its research is more likely to lead to successful funding.



Importance of Research – The Experts' View



- Chris Wickham – Senior Equity Analyst, Research Consultant and co-founder of [BlockchainAnalytica](#) is pleased to spearhead *BlockchainAnalytica Research* and its exciting and growing investment **research** offering.
- He believes that a sound fundamental **research** process is central to effective investment decisions. It makes little sense in his view for companies either to attempt to raise expansion capital or to maintain a listing without effective, supportive **research**.
- “Building on active, bottom-up **research**, we create the competitive advantage that is able to deliver superior returns for our clients. Because markets are only semi-efficient, we act on intelligent insight.” (Source: [Fidelity - About Fidelity](#).)

BlockchainAnalytica – Promoting RSTs

- **“Disrupting Dividends – The Case for RSTs”**
BlockchainAnalytica published its groundbreaking research report on 3rd February 2020.
- Revenue Share Tokens (RSTs) could well provide the optimal funding solution for early stage businesses.
- Currently, financing options for young companies in both Western Europe and North America are not only limited but could well create economic shortfalls at a time when “new economy” firms seem likely to generate the bulk of mature market GDP growth.
- **Given traditional funding sources appear virtually dead, a solution is needed.** We look to support early stage companies who wish to raise expansion capital through RSTs.

Disrupting Dividends – The Case for RSTs

Revenue Share Tokens could well provide the optimal funding solution for early stage businesses. Currently, financing options for young companies in both Western Europe and North America are not only limited but could well create economic shortfalls at a time when “new economy” firms seem likely to generate the bulk of mature market GDP growth. Given traditional funding sources appear virtually dead, a solution is needed. We argue the case for RSTs.

Business expansion finance for early stage companies is probably on the verge of its most radical shake-up for some time. Put simply, the traditional potential sources of finance do not satisfy younger companies' needs. Commercial banks, investment banks, private equity and venture capital, with due regard for favourable tax treatment, have overall failed in their potential reliably to finance to early stage growth companies. We examine these failures more closely in this report.

Revenue share tokens (RSTs) are relatively simple and cost effective to mine, mint and create. Each issuing company creates a blockchain with integral smart contracts, which deliver an income stream to the token holders that is based on the revenue of the company. Moreover, it should be noted that reported revenues are prone to far less subjectivity than reported profits.

Moreover, how RSTs work is simple too. The holder of a token receives a given share of a company's revenue in return for having invested in that token. The issuing company is obliged to allocate a pre-determined portion of its revenue to its RST token holders. These distributions are a cost to the company which is struck between the gross profit and EBITDA lines of its accounts. As revenue rises so do the RST pay-outs.

Cryptocurrencies issued by companies in the form of a pure Initial Coin Offering proved to be a short-lived attempt to disrupt the incumbent, albeit inadequate, sources of finance. The lack of any clear association between an issuing company's performance and the value of that company's tokens proved pretty much universally fatal. Ironically, the dominantly traded cryptocurrency remains Bitcoin, which has never acted as a source of corporate finance.

But crypto currencies in the form of revenue share tokens have the potential to generate substantial change. In our view, they should be the “go to” source of funding for any company looking to raise early stage expansion capital. In particular, they provide a clear relationship between a company's commercial success and the value of its token. Moreover, they return an estimable pre-defined income stream to token holders while allowing the issuers total control of their businesses and avoidance of any dilution. Put simply, disruption of the dividend model is a “win-win” for both sides.

Valuation of a revenue share token is very straightforward. It is the present value of future pay-outs depending on assumptions of revenue growth. There is no opportunity, in contrast to equities, for profit and dividend pay-out based valuation models to bifurcate due to management strategy, leverage and free cash flow issues. Revenue is very definable and the token holders earn a fixed share of it each year.

BlockchainAnalytica

Customised Research Offering

Research Update - 4 page investment case & financial summary	£2,000
Research Report - 10 to 12 page investment case overview	£6,500
Research Report - detailed 20 to 24 page analysis and model	£13,000
Comprehensive Research Service - annual retainer	£34,500

BlockchainAnalytics and The Full Offering

“Working Together”

- **Advisory.** *BlockchainAnalytics* works at competitive rates for work done in the run up to a fundraising round. Equally, we can provide paid-for advice where other solutions are required.
- **Fundraising.** *BlockchainAnalytics* will work for a pre-negotiated “success” percentage, which can be paid either in cash or equity. We identify clients whom we are keen to back.
- **Investment research.** Please refer to the previous slide. We believe our rates to be a competitive reflection of the quality of our experience and unusually strong understanding of how to market modern, alternative investment products.
- **Investor relations.** We can offer investor relations services on an unbundled basis as well as part of the comprehensive annual service, which includes research.
- **Token economics.** Working with our partners, we will endeavour to find elegant solutions for our client companies while keeping costs to a minimum.