



COBALTBLOX

**Disrupting the property
finance market through
innovative blockchain
technology**

**Own a piece of Prime
South African Property
with Cobalt Blox**

Trading Code: CBX



COBALTBLOX

**INVEST IN AN ASSET BACKED TOKEN THAT GROWS
IN VALUE AT A STEADY RATE WITH VERY LITTLE
VOLATILITY**

**INVEST IN A TOKEN THAT GIVES YOU A
REGULAR ANNUAL RETURN**

**INVEST IN A TOKEN THAT IS BASED
IN THE REAL WORLD BACKED BY
REAL PROPERTY ASSETS**

**WELCOME TO THE WORLD OF
COBALTBLOX**

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Cobalt Blox (CBX) White Paper

The Enterprise Development Property Fund (EDPF) is an IMPACT Fund with a mission to empower entrepreneurs who wish to enter the property sector. We are focused on improving the way professionals, developers and investors connect and engage to create sustainable business within the property space.

Alongside the creation of its own Mobile Platform, the project has explored the potential of blockchain technology in relation to property. In the face of new innovations and digital advances, traditional boundaries are dissolving, and disruptive technologies are redefining industries as we know them. Tomorrow's leading companies are capitalizing on the widespread digital opportunities to operate with ever-increasing intelligence, and enhanced sustainable performance.

Through innovation, insight-rich strategy, data-led research and platform development, the team (comprising EDPF, The Stagebox, Dataledger, Smart Trade Networks and Malungelo Properties) have supported Cobalt Blox in realizing the shared vision for industry wide digital transformation. Of key importance is understanding the implication of technology trends driving change across industries, with specific focus on the best application in relation to property financing options.



Introduction

A series of exponential technological advances - blockchain, artificial intelligence, augmented and virtual reality, IOT (internet of things), robotics, cloud and quantum computing - individually and collectively, are creating the opportunity to reinvent and reimagine the way one does business in the property industry with the aim of creating future growth and sustainability.

Within the context of South Africa, broader socio-economic responsibilities require that the Real Estate sector takes cognizance of these opportunities and innovations within the sphere of Development and Property Investment, with the aim of enabling better ways of working and creating new levels of growth and differentiation, leading to new economic opportunities.

The growing impact and role of the property sector highlights the need for industry growth and digital transformation across social, environmental and economic sectors. This gives rise to the necessity to place emphasis not just on technological innovation alone, but also fundamentally on entrepreneurship and promoting Sustainable Economic Development.

It is with this background that Cobalt Blox (CBX) was born to help facilitate funding to property investors and developers who cannot raise capital through traditional and stale banking systems



Introduction



Most observers of cryptocurrency markets will agree that crypto volatility is in a different league from normal market volatility altogether. There are no indices to measure crypto price volatility, but you just need to glance through historical price charts to see that skyrocketing peaks and depressive troughs occur at a quicker and more extreme pace in crypto prices compared to prices of assets in mainstream markets.

In 2016, the price of bitcoin rose by 125% and in 2017 the price rose again, this time by more than 2,000%. Following the 2017 peak that saw it hit new all-time highs, bitcoin's price receded once more. In 2021, bitcoin continued to set new all-time highs, more than tripling the peak price bitcoin achieved during the 2017 bull run.

Many of the reasons for price volatility in mainstream markets hold true for cryptocurrencies as well. News developments and speculation are responsible for fuelling price swings in crypto and mainstream markets alike. But their effect is exaggerated in crypto markets as they have less liquidity than traditional financial markets, a result of crypto markets lacking a robust ecosystem of institutional investors and large trading firms. Heightened volatility and a lack of liquidity can create a dangerous combination because both feed off of each other. Other than bitcoin, most other cryptocurrencies also lack established and widely adopted derivative markets.

For more crypto volatility go to:

<https://www.gemini.com/cryptopedia/volatility-index-crypto-market-price>

Crypto Currency Volatility



CBX - Stable Coin Solution through an Asset Backed Token

As with any emerging asset class, cryptocurrencies are susceptible to market forces. Accordingly, many crypto projects are actively exploring ways to reduce risk and bolster participation in the broader crypto ecosystem. Current solutions go well beyond the buy, sell, and stop orders of conventional markets. Instead, price stability is being built directly into the assets themselves. The result is an entirely new subset of the cryptocurrency market known as stablecoins. These tokens are meant to function the way their name suggests – with stability.

Stablecoins are digital currencies minted on the blockchain that are typically identifiable by one of three underlying collateral structures: fiat-backed, crypto-backed, or commodity-backed. While underlying collateral structures can vary, stablecoins always aim for the same goal: stability.

Commodity-backed stablecoins are collateralized using physical assets like precious metals, oil, and real estate. Commodity-backed stablecoins facilitate investments in assets that may otherwise be out of reach locally. CBX is considered a commodity-backed stable coin as its ultimate goal is to be backed by real estate within the South African market.

The most immediately apparent advantage of stable coin technology is its utility as a medium of exchange, effectively bridging the gap between fiat and cryptocurrency. By minimizing price volatility, stablecoins can achieve a utility wholly separate from the ownership of legacy cryptocurrencies.

As their name suggests, stablecoins are inherently stable assets, making them a suitable store of value, which encourages their use in everyday transactions. Stablecoins point the way toward integrating traditional financial markets with the quickly evolving decentralized finance (DeFi) industry. As a force for market stability, stablecoins present a primary vehicle for cryptocurrency adoption in loan and credit markets, while inheriting much of the utility previously reserved for only fiat currency.

For more on stable coin go to:

<https://www.gemini.com/cryptopedia/what-are-stablecoins-how-do-they-work#section-medium-of-exchange-and-store-of-value>



COBALT BLOX



CBX - Stable Coin Solution through an Asset Backed Token

What Are the Asset-Backed Tokens (ABT's)?

Cryptocurrencies have evolved beyond digital coins with volatile speculative value. One of the many types of crypto assets that have emerged in recent years and has potential in a range of applications is asset-backed tokens. These tokens represent a bridge between traditional assets and blockchain technology, combining the security and transparency of distributed ledgers with tangible, real-world assets.

Asset-backed tokens are a form of digital token that derives value from tangible or physical assets and represents their ownership on a blockchain.

Conventional cryptocurrencies such as Bitcoin or Ethereum are purely digital assets that are valued based on market demand and supply dynamics, whereas asset-backed tokens are linked to real-world assets such as fiat currencies, real estate, fine art or commodities. **In the case of CBX it is Real Estate.**

This backing provides the tokens with a measure of stability and trust, as their intrinsic value is tied directly to the worth of the assets they represent. As the value of the underlying asset changes, so does the token's value.

Techopedia Explains:

Asset-backed tokens are an innovative use of blockchain technology that can give the holder the right to own the underlying asset. This means they can be used to transfer ownership digitally without physically moving the asset or requiring physical paperwork. Instead, contracts and other ownership information can be stored on-chain.

While there are debates as to whether cryptocurrencies like Bitcoin and Ripple are currencies, securities or other types of assets, ABT's tend to be classified as securities by financial regulators.

Tokenized assets can be used as a store of value and traded between peers at low cost, without the need for third-party intermediaries like financial institutions.

How Does an Asset-Backed Tokens Work?

Asset tokenization involves converting the ownership rights to a real-world asset into digital tokens stored on a blockchain using smart contracts. **This enables fractional ownership of assets**, as each token can represent a share rather than the whole.

For more on asset backed tokens go to:

<https://www.techopedia.com/definition/asset-backed-tokens>



COBALT BLOX

Cobalt Blox (CBX) is an asset backed digital security providing holders with real rights including, but not limited to, fractional ownership in the CBX property portfolio, annual income distributions / dividends and capital growth. The South African market, over the last decade, has shown a consistent capital growth in the region of 8% annually and shows no signs of dropping any time soon as the demand for real estate is ever growing.

The current portfolio of properties, valued at ZAR 35,000,000, are held in a company called Malungelo Properties (Pty) Ltd who's shareholding is digitally represented using blockchain technology through 9 non fungible tokens (NFT's) representing the 9 properties owned by the company. The targeted use of capital deployed in this capital raise is to settle the bond debt of the company and expand the portfolio with further acquisitions increasing the value of the assets to on a regular basis. The current value of the 3,500,000 CBX in issue is ZAR 35,000,000.

These CBX are digitalised shares tracked on the blockchain giving CBX holders the same rights as shareholders in the company. The offer value is based on the value of the 9 existing properties owned by the company. The token minting contract is governed via a multisig jointly managed by the parties to this agreement as there will be future issuance events as the portfolio of properties are expanded with the purchase of new properties into the portfolio.

The token itself is KYC (Know Your Client) enabled which means that every investor will be accredited and vetted by the managers. The rationale behind such KYC process is compliance with relevant financial laws on one hand, and also the need to maintain a registry of shareholders to comply with corporate law within the borders of the Republic of South Africa.

The Underlying assets will be tracked on blockchain providing token holders with transparency as to the status of those assets. Status updates concerning the assets, including activities that impact value and performance, will be updated on the blockchain as close as possible to when these events take place so as to keep investors informed of all property investment and management activities in real time.



CBX – Asset Backed Token



First Issuance History

In July 2021, EDPF Propcoin issued 20,000 EPCN into the Swarm Trading Platform to test the trading model which was met with great success. By September 2022 we were ready to begin phase 2 where we have issued 1,800,000 CBX through the Smarttrade Network for trading and by March 2024 we issued a further 1,700,000 CBX in conjunction with the purchase of 2 new assets.

These tokens are specifically created to raise capital for property developers and investors for the purchase of sought after properties in high end locations within the South African property market. The investment strategy is to invest in high yielding residential and student accommodation assets within the borders of South Africa.

CBX Token holders will have fractional ownership in these property opportunities and receive annual financial rewards in the form of dividends from the combined property portfolio in which Malungelo has invested.

In addition to bi-annual returns, the value of the CBX Token will grow as the underlying property portfolio grows in value. The South African market has shown great resilience and has, over the years, grown in value by more than 8% per annum for the most part over the last decade.

With the specific pipeline of projects identified we believe that the growth of the underlying portfolio will reach much higher value increments due to the nature, location and quality of the portfolio.

Investors in the First Issuance in July 2021 will be allocated an additional 25% from the Second Issuance in May 2024

New investors will pay ZAR10 per CBX and will be allocated their tokens via the Smarttrade Trading Platform into their Metamask Wallet.



Second Issuance Offering

<p>Initial Offer</p>	<p>Release of 3,500,000 CBX Tokens by way of DeFi offering on the Smartrade Network Platform:</p> <p>Total CBX Tokens to be issued over time: 1,000,000,000</p>
<p>Pricing</p>	<p>CBX Tokens will only be sold through the Smartrade Trading Platform at an initial value value of ZAR10 (10 South African Rand) per token thus valuing the total issued CBX at ZAR 35,000,000 in line with the value of the 9 assets owned by the company which is also ZAR 35,000,000.</p>
<p>Application of proceeds</p>	<p>Utilised to pay off bond commitments and to further fund the investment into prime property developments and existing properties in the South African property market thus creating a pool of investors who will have “Fractional Ownership” in a large portfolio of properties in the residential and student accommodation sectors.</p>
<p>Distribution periods</p>	<p>CBX will have bi-annual distribution periods which will begin on 30 September 2024, subject to available property opportunities. Each distribution of CBX Tokens will be directly related to these available property opportunities. Investors can purchase shares directly from Cobalt Blox or any other holder through the Smartrade Trading Platform on any day from the launch date.</p>
<p>Timing</p>	<p>Opening of Offer: 1 May 2024</p> <p>Closing of Offer: Permanently Open until all CBX has been issued</p>

Regulation & Compliance

- Cobalt Blox (Pty) Ltd implements full KYC policies and procedures in accordance with the local Financial regulatory requirements as meeting compliance obligations is at the centre of the Cobalt Blox, Dataledger, EDPF and Malungelo philosophy.
- Continuous monitoring and evaluation of KYC is essential in mitigating fraud and exposure to risk elements in the financial sector.
- In addition to this Cobalt Blox is regulated by the National Credit Regulator in South Africa through our partners GIG Bank.
- Finally regulatory compliance in South Africa is monitored and controlled by GIG Bank who is an independent body registered with the South African Financial Sector Conduct Authority (FSCA). GIG Bank will oversee all regulatory requirements and report to the FSCA on Cobalt Blox activities as required by a financial services institute.



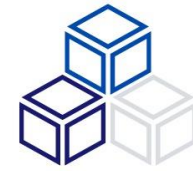


Programmable money and more specifically STABLE COIN and ASSET BACKED TOKENS are the future of financial inclusion. The internet and blockchain technology has enabled a new world in business information and transactional systems are evolving to meet the demands of the next generation.

Cobalt Blox (CBX) is rising to meet the new frontiers of an ever-changing landscape.


Join us as we pivot into a new way of owning property through **Fractional Ownership** utilising innovative **Blockchain-based Technology**.


Conclusion




COBALT BLOX

Thank You

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