



CRYPTECTUM

WHITEPAPER

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EDUARD SALM



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INHALT

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OVERVIEW

The Cryptectum uses blockchain technology to refine a highly proven investment strategy in Switzerland - the investment in real estate. Rental of real estate in Switzerland has been an extremely lucrative investment with up to 8% return per annum for a very long time without interruption. Unfortunately, the minimum investment amounts required to buy a property are very high, as, for example, 3-room apartments in a city already cost over one million Swiss francs. This is where the Cryptectum comes in and, with the help of blockchain technology, allows small investors to profit from the rental of real estate.

Via crowdfunding the Cryptectum collects funds, acquires a property and rents them. Blockchain technology in turn helps to distribute rental income to investors in the simplest and most cost-effective way. In addition, the Cryptectum maintains the acquired property, which is a big plus for the investor, since he does not have to worry about it.

However, an investor would also like to have a say in what property the Cryptectum acquires or whether the capital of the Cryptectum should be increased. The Cryptectum has integrated so-called proposals into the Smart Contract. The investor thus has the opportunity to vote on the acquisition of real estate or increase in liquidity.

With Cryptectum, investors get the opportunity to benefit from the Swiss real estate market for as little as \$ 1 investment. Investing in Cryptectum is a solid investment with a relatively high return and low risk.





RENTAL MARKET

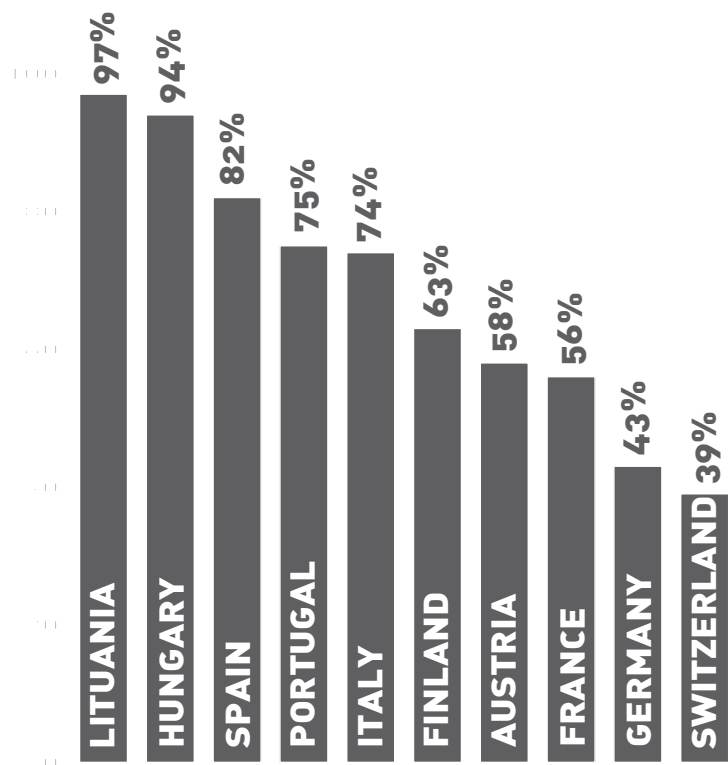
A special feature in the Swiss housing market is the enormous number of tenants. This means that the majority of Swiss live in a rented apartment resp. a rented house. In recent years, only 39% of the apartments / houses have been occupied by the owners themselves. This rate is in some cases significantly higher in all EU countries. This is illustrated in the graphic below.

CONCLUSION

From the above, it can be quickly concluded that buying and renting real estate in Switzerland is a lucrative and safe business. Not only does the value of the property increase with high probability, the rental of real estate is quite easy due to the high demand.

DISADVANTAGE

The laws for the protection of tenants are very strong. A tenant who can not or will not pay the rent is very difficult and costly to remove from the apartment. A sufficiently good reference clarification of the new tenants is indispensable. A debt collection excerpt provides further protection.



PROPERTY MARKET

The real estate market in Switzerland, like most real estate markets in industrialized countries, shows a continuous increase in value. Condominium prices increased by 4.6% last year (2016). Apart from a dent in the 1990s (in which a correction of overheating property prices coincided with an economic recession), real estate price index has shown continuous growth rates for over 30 years. However, even in the years of the housing crisis, the price trend showed an average decrease of only -2.6%.

Various measures taken by banks and cantons prevent the formation of pronounced bubbles such as in the USA. The capital requirements and portability requirements of the banks are very high, so foreclosures are very rare in Switzerland. The cantons dampen property speculation by means of massive property gains taxes.

OUTLOOK

Since 2002, the agreement on the free movement of people with Switzerland was applied to the EU, there has been increased immigration of EU citizens to Switzerland. For 10 years, Switzerland has experienced an increase of more than 1% in population. The population increase is always been positive except 1976.

Building space is limited in Switzerland, for the approximately 8 million inhabitants only about 230,000 hectares of building area is available. This is only about 300 m² per inhabitant (about 0.6 million inhabitants live outside the building zone). Thus, an increase in real estate that can keep up with the population growth is hardly possible and this has resulted in an ever increasing demand for housing.

How CRYPTECTUM DOES

Cryptectum collects funds via crowdfunding to buy and rent real estate in Switzerland. The revenues are distributed to the investors. Due to the low mortgage rates in Switzerland (about 1%), the real estate is 50% financed with mortgages.

The special thing about Cryptectum is the collection of funds via Blockchain. The administration of the shares will also be done using blockchain technology. This means that the participants acquire tokens. The tokens can be used to distribute the profits from the rental income and to sell the shares. The name of the token is «Tectum». The Ethereum Blockchain is chosen as the blockchain because it enables «Smart Contracts». The Ethereum Blockchain is the most common blockchain with smart contracts, so there are plenty of ways to set up a wallet. Even without downloading the complete Blockchain, a wallet can be created via Metamask or MyEtherWallet, which can record any Altcoins based on Ethereum.

The Smart Contract also allows shareholders to participate in Cryptectum AG. This way, counterfeit-proofing can be coordinated via proposals. Shareholders can thus decide on the purchase of real estate. The management of Cryptectum AG propose a property for sale and the tokenholders can either approve or reject the purchase. A token has a voice. Also, the tokenholders can vote on new issue of tokens for capital increase.

In addition to the positive influence of the «wisdom of the crowd», it is thus ensured that the persons involved in Cryptectum AG do not sell their own real estate to Cryptectum AG.

The uncomplicated crowdfunding and simple management of the shares via Blockchain makes Cryptectum AG extremely efficient and can pay more of the income to the participants.

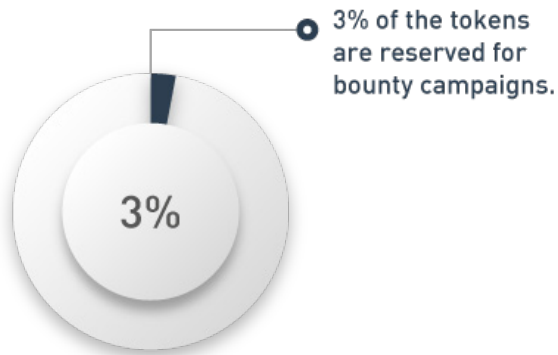
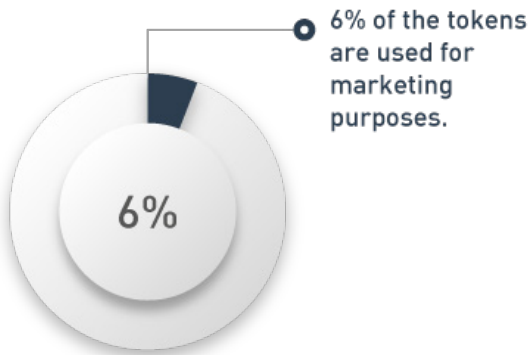
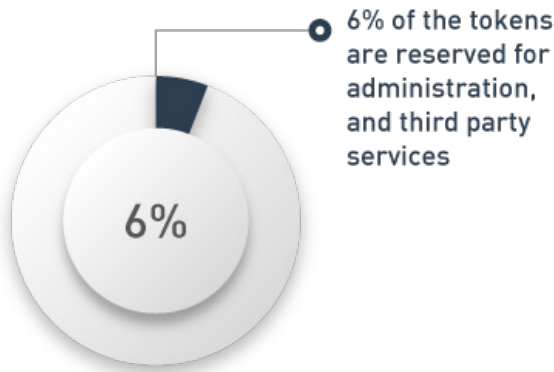
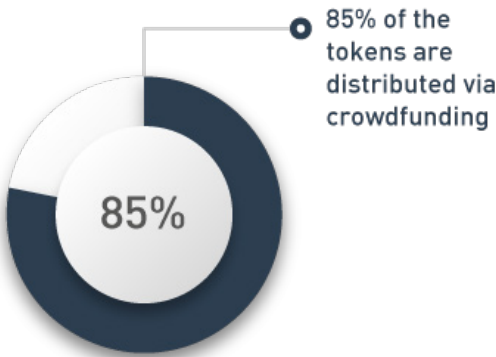




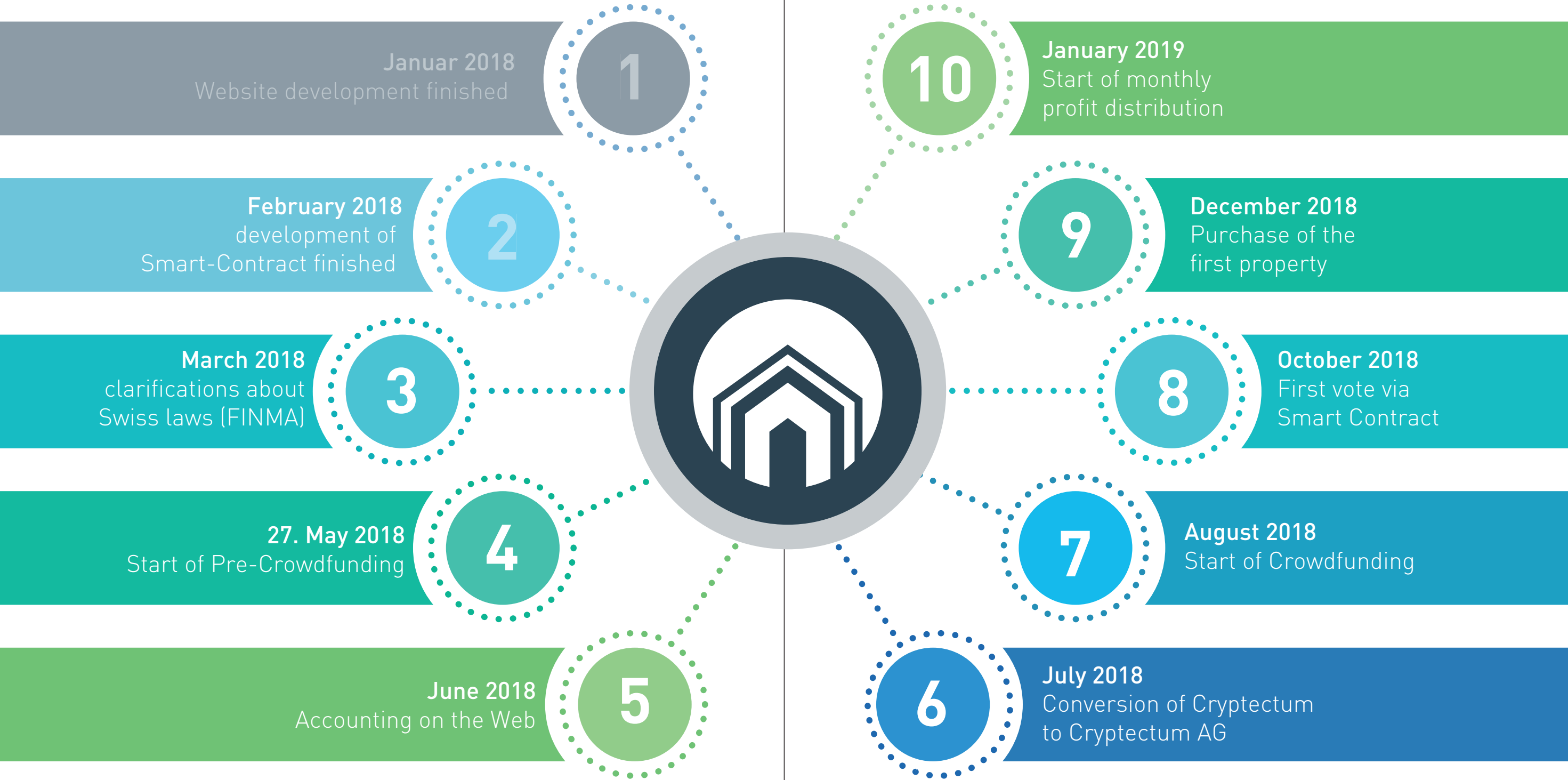
TOKEN DISTRIBUTION

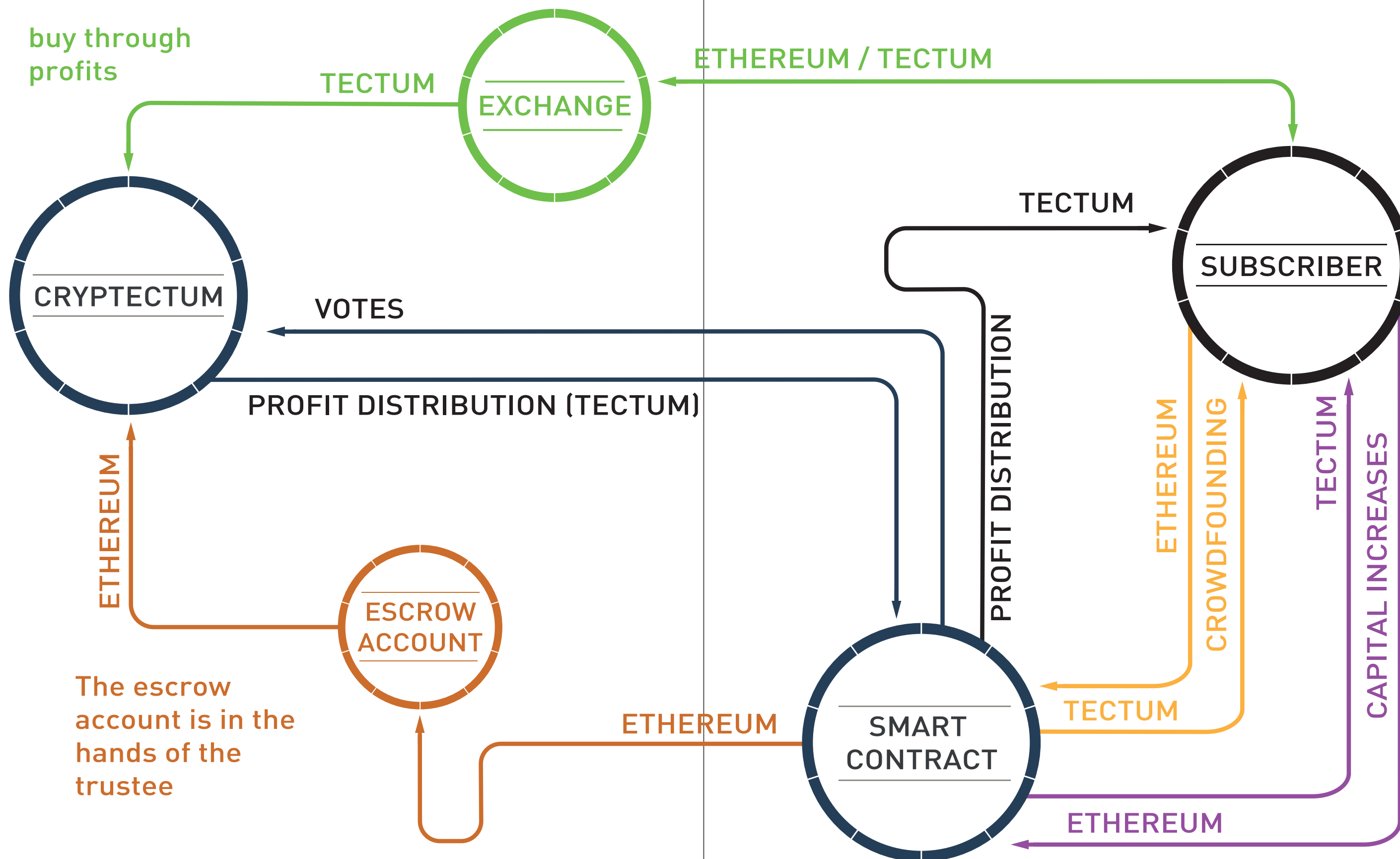
85% of all Token are available in Crowdfunding for 1\$ per Tectum. This relation stays the same for Pre-Crowdfunding and Crowdfunding. In Pre-Crowdfunding we offer a 5% discount.

Pre-Crowdfunding max. Cap: 1 250 000 Token
Crowdfunding max. Cap: 80 000 000 Token
min. Cap: 125 000 Token.



MILESTONES





THE SMART CONTRACT

The Smart Contract is based on the Ethereum Blockchain, the associated token complies with the ERC20 Token Standard.

POSSIBILITIES OF SMART CONTRACT

- Crowdfunding is carried out by means of a multisignature wallet connected to the contract. Participants pay into the wallet and receive a corresponding number of tokens.
- The administrators (Cryptectum AG) can submit proposals for voting to the participants. On the one hand real estate can be proposed for sale, on the other hand, the increase in the number of tokens can be proposed. This may be necessary to grow Cryptectum AG and increase the liquidity of the tokens.
- Participants can vote yes or no on the suggestions. However, as long as the vote is in progress, the tokens can not be sold after voting. This prevents multiple voting with the same token.
- With the proceeds earned, Cryptectum AG purchases tokens on the market, as far as they are available on the market at reasonable prices. The purchased tokens are distributed among the tokenholders.
- When Cryptectum closes and all tokens have been bought, the Smart Contract can be closed.



ethereum

PROFITS

The profit distribution will be made the following way:
With the revenue, tokens are bought from the market.
Hence the participants can easily sell their tokens if they wish to. Once sufficient tokens are available, they are distributed among the participants.

If the participants agree to a capital increase, further tokens are created and offered for sale, so Cryptectum can grow and purchase more real estates for more profits. The advantage for the token holder to increase capital is an increased liquidity of the token.

Of course, the token holder wants to forecast how high the return on his investment is. The graph below makes it easy to understand what the capital will be, to what extent tokens will be burned. (What capital value is burned, causing the remaining tokens to increase.

Zu erwartende jährliche Ergebnisse aus Sicht des **TEILNEHMERS** für die Kapitalsummen 1.5, 10 und 50 Millionen USD

Investment-capital \$ 1 275 000	total value all Token	Share assets Tokenholder	available Cash-Assets	mortgage lending %	max. possible Investment	Investment effectiv in % possible	total invested	yield	yield absolut
Best-Case	\$ 1500000	85%	\$ 1275000	60%	\$ 3187500	97%	\$ 3091875	5,7%	\$ 176236
Normal-Case	\$ 1500000	85%	\$ 1275000	50%	\$ 2550000	90%	\$ 2295000	4,5%	\$ 103275
Worst-Case	\$ 1500000	85%	\$ 1275000	45%	\$ 2318181	85%	\$ 1970455	3,50%	\$ 68966

	mortgage rate	yield minus interest	vacancy and maintenance	yield netto	distribution in %	absolute
Best-Case	1%	\$ 157112	1.5%	\$ 155541	91,30%	\$ 142009
Normal-Case	1,40%	\$ 85425	2%	\$ 83717	91,30%	\$ 76433
Worst-Case	1,80%	\$ 50189	3%	\$ 48683	91,30%	\$ 44448

Investment-capital \$ 10 000 000	total value all Token	Share assets Tokenholder	available Cash-Assets	mortgage lending %	max. possible Investment	Investment effectiv in % possible	total invested	yield	yield absolut
Best-Case	\$ 10 000 000	85%	\$ 8 500 000	60%	\$ 22 100 000	97%	\$ 21 437 000	5,7%	\$ 1 221 909
Normal-Case	\$ 10 000 000	85%	\$ 8 500 000	50%	\$ 21 250 000	90%	\$ 19 125 000	4,5%	\$ 860 625
Worst-Case	\$ 10 000 000	85%	\$ 8 500 000	45%	\$ 20 825 000	85%	\$ 17 701 250	3,50%	\$ 639 543

	mortgage rate	yield minus interest	vacancy and maintenance	yield netto	distribution in %	absolut
Best-Case	1%	\$ 1 209 690	1.5%	\$ 1 191 545	91,30%	\$ 1 087 880
Normal-Case	1,40%	\$ 848 576	2%	\$ 746 746	91,30%	\$ 681 779
Worst-Case	1,80%	\$ 628 031	3%	\$ 609 190	91,30%	\$ 556 190

Investment-capital \$ 50 000 000	total value all Token	Share assets Tokenholder	available Cash-Assets	mortgage lending %	max. possible Investment	Investment effectiv in % possible	total invested	yield	yield absolut
Best-Case	\$ 50 000 000	85%	\$ 42 500 000	60%	\$ 68 000 000	97%	\$ 65 960 000	5,7%	\$ 3 759 720
Normal-Case	\$ 50 000 000	85%	\$ 42 500 000	50%	\$ 63 750 000	90%	\$ 57 375 000	4,5%	\$ 2 581 875
Worst-Case	\$ 50 000 000	85%	\$ 42 500 000	45%	\$ 61 625 000	85%	\$ 52 381 250	3,50%	\$ 1 833 343

	mortgage rate	yield minus interest	vacancy and maintenance	yield netto	distribution in %	absolut
Best-Case	1%	\$ 3 722 122	1.5%	\$ 3 666 290	91,30%	\$ 3 347 322
Normal-Case	1,40%	\$ 2 545 729	2%	\$ 2 494 814	91,30%	\$ 2 277 765
Worst-Case	1,80%	\$ 1 800 342	3%	\$ 1 746 331	91,30%	\$ 1 594 400



PARTICIPATION OF TOKENHOLDERS

The Smart-Contract also allows the token holders to participate in Cryptectum AG. In this way it is possible to vote against suggestions (so-called «proposals»). The operators of Cryptectum propose a property for purchase and the token holders can either cancel or refuse the purchase with a token having one vote. The token holders can also vote on new issuance of tokens for capital increase.

In addition to the positive influence of the «Wisdom of the Crowd» it is ensured that the people involved in Cryptectum AG do not suddenly sell their own real estate to Cryptectum AG.

FEES

Through the efficient structure and easy management of the assets deposited via blockchain, the costs for the token holders can be kept down without competition.

ESTATE AGENT FEE

The search for an optimal property and its purchase is very time-intensive. The Cryptectum will receive a fee of 3.5% of the total price for each purchased property.

ADMINISTRATIVE FEES

For the administration of the real estate, the fee is 8.7% of the real estate income. The real estate success is defined by the net rental income less than a year, net of mortgage and maintenance and operating costs.

TEAM



Eduard Salm

Dipl. Verfahrensing. ETHZ Freelancer in process engineering
Founder of algo.land
Technical advisor of Infolabel AG



Jakob Hürlemann

Jakob Hürlemann will look after the real estate at Cryptectum AG. By buying and renting a detached house in the region of St.Gallen, he has the necessary skills for all matters relating to real estate. In addition, he is currently working on the new construction of the property (Rennen 15, 9126 Necker). The mortgage has been kept low and 20% of the new building will be self-produced, allowing him to acquire further knowledge in the field of construction.



Janine Durot

Bachelor of Arts in Visual Communication
CEO von DesignBuffet
Janine Durot takes care to all marketing-relevant questions in the Cryptectum.



Sandeep Nailwal

Bachelor of Technology (B.Tech.),
Computer science Guru Gobind Singh Indraprastha University worked for Deloitte and Computer Sciences Corporation (CSC)



CRYPTECTUM

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