

WHITEPAPER

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Collectible cars as an asset class have significantly outperformed many traditional indices such as the S&P 500 and the Dow Jones over the past 15 years.

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Executive Summary

Collectible cars as an asset class have significantly [outperformed](#) many traditional indices such as the S&P 500 and the Dow Jones over the past 15 years. However, this investment opportunity has only been available to a small group of elite investors due to the following barriers of entry to the market:

- truly rare cars are sold through narrow, elite networks
- such vehicles often cost hundreds of thousands of dollars, which means that the minimum stake is very high
- expertise is required to store and maintain the vehicles
- specialist knowledge is needed to verify the provenance of the vehicles
- the purchase, insurance and sale of the vehicles involves a lot of administration and paperwork

In combination, these factors have made this asset class even more exclusive than hedge funds, venture capital or private equity funds.

CurioInvest's mission is to make it possible for everyone to invest in rare collectable vehicles. Based in Switzerland and Lichtenstein, CurioInvest is launching an online platform powered by blockchain technology which enables investors to purchase security tokens directly backed by limited edition collectable cars. These tokens allow investors to share in the profit if the value of the underlying vehicle increases.

In this way, CurioInvest is eliminating the barriers to entry to the collectable car market. As a fractional stake in a vehicle can be purchased online for as little as \$500, the minimum investment required to enter the market is dramatically lowered, enabling investors to diversify by purchasing stakes in multiple vehicles.

In addition, the CurioInvest platform will greatly simplify the investment process – investors can register and purchase tokens online, while CurioInvest Invest manages the purchase, maintenance, insurance and sale of the vehicle, as well as all related administration and paperwork.

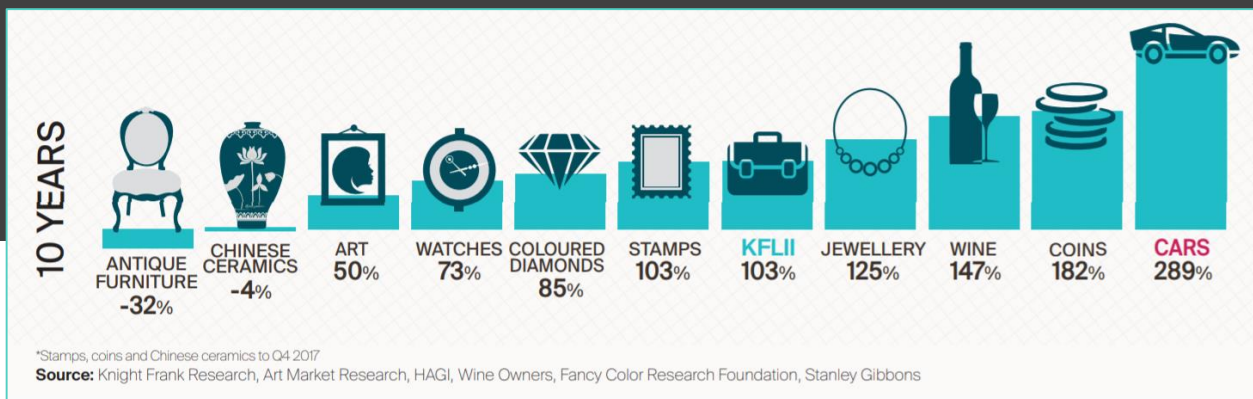
The CurioInvest team has a proven track record of profitably trading investment-grade cars at Mercuria Helvetica AG and has access to a pipeline of over 500 rare, collectable vehicles. In addition, CurioInvest has partnered with Mechatronik GmbH to store and maintain the vehicles.

The CurioInvest Invest platform will bring unprecedented transparency, security and liquidity to a market that was previously only accessible to elites. Ultimately, CurioInvest aims to become the Nasdaq of collectable vehicles, hosting an exchange where automotive security tokens can be traded in near real time.



Problem Statement

According to the Knight Frank Luxury Investment Index, over the 10-year period up to Q2 2018, collectable vehicles offered a return on investment of 289%. The asset class outperformed all other alternative investments under review over this period, including coins (182%), wine (147%), jewelry (125%), and watches (73%).



Despite the size and attractiveness of this asset class, only a small group of elite investors have had the resources necessary to overcome the barriers to entry to the market:

01

Restricted Access

Many collectable cars are not sold on the open market. Limited edition collectable vehicles are manufactured in such small numbers that limitations are placed on who can purchase them. To be eligible to purchase such a vehicle, prospective buyers usually need to demonstrate that they have owned multiple other vehicles of the same brand. In addition, membership of an owner's club or vintage fan group may be a prerequisite for purchase.

02

High Capital Requirement

The most valuable and lucrative collectable cars have high initial purchase prices. Once purchased, the vehicle needs to be insured, stored and maintained, incurring additional costs before a profit can be realized. While economies of scale could play a role in reducing such costs, they are rarely leveraged in the industry at present.

03

Expertise

Assessing the provenance and value of a car requires specialist knowledge. This is particularly important when a car is bought on the secondary market, as the vehicle needs to be inspected by an expert mechanic and all documentation needs to be verified.

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04

High Transaction Costs

Transaction costs are driven by two main factors - non-transparency and illiquidity. For each vehicle, prospective buyers need to conduct a costly due diligence process in order to verify the provenance of the car. The lack of transparency in the existing market erodes trust, meaning that documentation needs to be independently verified. In addition, collectable cars are often sold at auctions or through private sales, which makes it difficult to accurately ascertain the current market value of a vehicle. Ultimately, this leads to an opaque, illiquid market, hurting both buyer and seller.

05

Limited Diversification

A collectable car has to be purchased outright, which is in stark contrast to most other asset classes where fractional ownership is possible. Even relatively affluent investors cannot afford to own many collectable vehicles, and are thus exposed to greater risk due to the low degree of diversification.

Vision

CurioInvest Invest's vision is to enable everyone to invest in and profit from collectable cars. By tokenizing investment-grade vehicles, CurioInvest will open up the collectable car market to thousands of new investors.

The CurioInvest team has a proven track record of profitably trading investment-grade vehicles at Mercuria Helvetica AG and has partnered with Mechatronik GmbH to provide the expertise necessary to store and maintain the vehicles. Such partnerships will enable CurioInvest to manage the entire life cycle of the investment in a cost-effective manner and to leverage economies of scale.

CurioInvest's goal is to become the world's leading platform for the purchase and trade of collectable security tokens.

Asset Tokenization

Asset tokenization refers to a process whereby a digital asset is created which is directly backed by a physical asset such as a car. The main benefits of asset tokenization are as follows:

Liquidity/Divisibility: Tokenization enables clients to invest in an expensive asset like a supercar, without the need to purchase the vehicle outright. While this is theoretically possible using conventional financial mechanisms, investors typically have to pay a so-called "illiquidity discount" of up to 20-30%. By using tokenization, these costs can be avoided.

Diversification: Tokenization enables investors to diversify risk by buying tokens in multiple cars. This means that if one car does not perform well, the loss can be offset by profit on other cars.

Lower Cost: As fewer middlemen are involved, fees are much lower.

Less bureaucracy: Compared to a conventional investment, there is very little bureaucracy because everything can be controlled and monitored online.

Faster Settlements: The higher liquidity and automated nature of the system mean that transactions are much quicker.



Why CurioInvest?

CurioInvest is well positioned for the following reasons:

CurioInvest is not starting from scratch. CurioInvest's sister company Mercuria Helvetica AG has developed lasting relationships with many top-tier automotive companies including Pagani, Ferrari and Mercedes-Benz. Thus, CurioInvest has access to a pipeline of over 500 rare, collectable vehicles, ensuring exclusive investment opportunities from day one.

CurioInvest has developed a tried-and-tested operational model to manage the entire life cycle of an automotive investment. CurioInvest has established contacts with car maintenance companies, insurance companies and tax-free physical storage providers.

CurioInvest has established legal entities in Switzerland and Lichtenstein. Switzerland offers a stable regulatory environment and investor-friendly laws, while the base in Lichtenstein allows CurioInvest to legally sell security tokens throughout the European Economic Area, which comprises all 28 member states of the EU and the three EEA EFTA states Norway, Iceland and Lichtenstein. Switzerland has become a global hub of blockchain innovation, ensuring that CurioInvest will have direct access to the right technical talent to scale the business.

The CurioInvest team and its partners consist of experts with a proven track record in the automotive, IT, financial and investment industries.



Business Model

CuriolInvest Invest aims to use modern technologies such as crowdfunding and asset tokenization to bring many new small- and mid-level investors to the market. This is achieved in a 5-step process for each vehicle:



CuriolInvest Invest identifies a rare classic or modern collectable car that is priced competitively and likely to increase in value over time. (CuriolInvest Invest is a spin-off of Mercuria Helvetica AG, which has a proven track record of trading supercars profitably for 4 years. CuriolInvest's founders and advisory board have combined industry experience of over 50 years.)



To finance the car, CuriolInvest Invest launches a crowdfunding campaign. Investors and car enthusiasts can now invest in the vehicle. The funds are stored in an escrow (smart contract). If the crowdfunding campaign is successful, CuriolInvest Invest will acquire the vehicle and place it in storage with its maintenance partner, Mechatronik Fahrzeug- Und Motorentchnik GmbH. If the crowdfunding campaign cannot be completed within three months, investors will be refunded everything except third-party payment processing fees.



Once the vehicle is purchased, CuriolInvest Invest issues security tokens representing the value of the car. These tokens are then distributed to the investors, proportional to the size of their investment. The security token confers the right on the tokenholder to share in the profit if the value of the vehicle increases.



The token is distributed to a wallet which is automatically generated when the user signs up on the CuriolInvest Invest platform. The token can be traded peer to peer. The token also has an associated ISIN (International Securities Identification Number) and thus, it can potentially be traded on forthcoming digital exchanges like a conventional security.



If the conditions for disposal are met, the vehicle is resold (see: Section 3.1, below). All tokenholders receive a share of the proceeds of the sale proportional to their token holdings minus costs (storage, maintenance and insurance, for example) and the CuriolInvest performance fee of 20% (which will be waived for the Ferrari F12tdf). Tokenholders who have acquired the token OTC or on a secondary market are obliged to sign up on the CuriolInvest Invest platform and become a verified user in order to cash out. A KYC check is required for all investments.

The following example is intended to represent a model case:

Cost base value (890'000 tokens)	EUR 890,000.00
Gross sales price	EUR 1'100'000.00
Gross profit	EUR 210'000.00
Deduction of running costs (insurance, storage, maintenance etc)	- EUR 25,000.00
Net sales profit	EUR 185 ' 000.00
Deduction of performance fee for CurioInvest Invest (25%) - not applicable to the first car on the platform (Ferrari F12tdf)	- EUR 46 250
Net appreciation	EUR 138.750
Distribution revenue	EUR 1'028'750

How And When Is A Vehicle Resold?

For all of the cars listed on the platform, CurioInvest is targeting a 20% IRR before the payment of fees. To achieve this, the vehicle will be offered for sale to selected collectors, on online platforms and on the CurioInvest Invest website.

A sale is subject to the following conditions:

- In the **first two years**, a sale can only take place if the gross sales price is **25%** above the purchase price.
- In the **three subsequent years**, a sale can only take place if the gross sales price is **20%** above the purchase price.
- After **five years**, there is **no minimum** sale price.

The proceeds from the sale of the vehicle (gross sales proceeds) are used to cover ongoing costs such as insurance, maintenance and storage. This results in the net sales proceeds.

Afterwards, a 20% performance is deducted from the net profit. This will not be levied on the first car on the platform (Ferrari F12tdf).



Procurement, Provenance & Storage

Investing in collectable cars requires expertise, including knowledge of how to procure and value a vehicle. Once a car is procured, it must be stored and maintained in ideal conditions to retain its value. Thus, specialized facilities and technical talent are required in order to invest in this asset class.

Provenance

Particularly in the case of classic cars, the provenance of a vehicle plays a key role in determining its value. For this reason, authentic documentation and a verifiable history are crucial. Assessing the provenance of a vehicle requires specialist knowledge and years of training. Over 4 years of successfully trading collectable vehicles, CurioInvest's sister company Mercuria Helvetica AG has built up the knowledge and expertise necessary to make these judgements.

Safeguarding the Assets

CurioInvest will store vehicles at a highly secure and climate-controlled storage facility near Stuttgart, Germany managed by our partner, Mechatronik GmbH. The site has 24-hour security and investors will be able to monitor the vehicle via webcam.



Sources Of Revenue

CurioInvest Invest has three main sources of revenue:

- 1. 5% finder's fee:** when a car seller lists a vehicle on the CurioInvest platform, we charge the car seller a 5% fee if 100% of the car tokens are successfully sold.
- 2. 20% performance fee:** in the case of a successful exit scenario when the vehicle is resold, CurioInvest takes a 20% performance fee after covering costs
- 3. Subscription fees** when the platform achieves sufficient scale:

We are planning to implement a tiered “freemium” subscription model, outlined below. Everybody will be able to sign-up and invest for free. For \$10 a month, users will get early access to new cars on the platform and additional digital content and privileges. For €70 a month, users get personal one-on-one service and physical access to the cars at events.

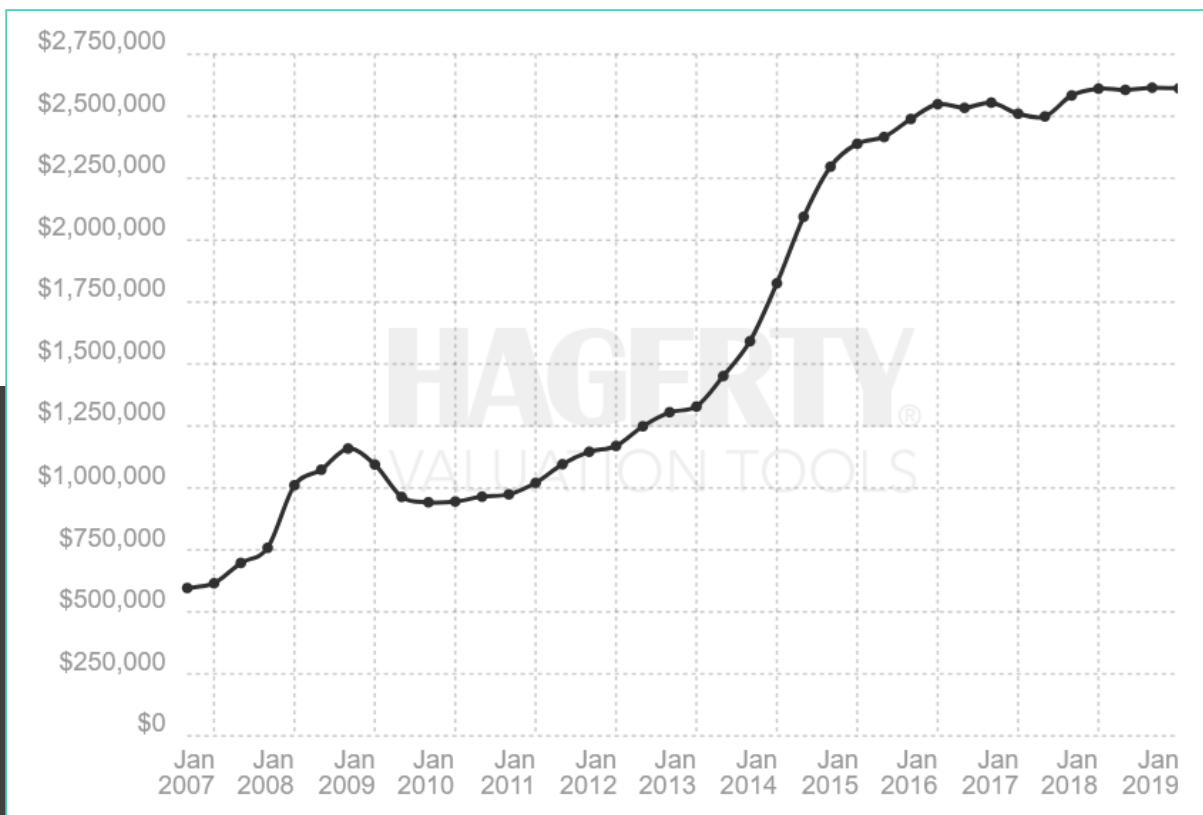
CurioInvest will waive all subscription fees for the first 12-18 months after deployment or until a critical mass of 10k-20k users has been reached.

Basic FREE Basic (For Free)	Premium €9.99 monthly subscription or for free if invested 10k+	VIP €70.00 (monthly subscription or for free if invested 100k+
<p>Personal account with portfolio management interface</p> <p>Access to premium cars: pipeline of over 500 cars</p> <p>Multi-currency: Invest in traditional currencies.</p> <p>No return, no fee: you don't pay any fees unless you investment succeeds.</p> <p>Full service investment: Curio manages every aspect of the investment such as transport, storage and insurance</p> <p>Invest securely: highest possible security, decentralized and encrypted through DLT & FMA compliant</p>	<p>Basic features &:</p> <p>Early access: invest in cars before they are open to everyone</p> <p>Documentation required for taxation</p> <p>Content about cars (magazine)</p> <p>Livestream events where members can “ask the expert” about features of the supercars at the storage facility in Germany</p>	<p>Plus features and:</p> <p>Personal account manager</p> <p>Invitation to events where members can see the vehicle in person</p> <p>Invitation to events where members can test drive a selection of supercars</p>

Market Overview

The collectible car market has been one of the strongest performing alternative asset classes of the last decade, with values [increasing 289%](#) in the 10-year period up to Q2 2018. To some extent, this is being driven by the globalization of the collectible car market, which has meant that there are now more international bids for the most sought-after collectible vehicles. In addition, the market has expanded from the core strongholds of the US and Europe to other regions such as China and the Middle East, which provides some degree of insulation from local economic fluctuations.

The sector is by no means limited to classic cars – exclusive limited edition supercars have also exhibited strong growth in value in relatively short periods of time. For example, while the Ferrari F12tdf initially sold for a price believed to be in the region of \$500,000 in October 2015 (to a select group of buyers), an example was sold for \$1.5 million at private auction in June 2016.



The collectible car market is ultimately driven by scarcity. McKinsey predicts that by 2030, 80% of the car industry's profits will stem from ACES (automated, electric, connected and shared) vehicles and services. We believe that the impending reorganisation of the car industry towards alternative drivetrains such as electric and hydrogen will serve to increase the cachet and value of the petrol supercars of today.

Thus, while the growth in value of blue-chip vehicles slowed in 2018, we believe the fundamentals remain strong for targeted investments in highly exclusive classic and limited edition supercars. Indeed, [according to Hagerty](#), three of the eleven most expensive cars ever sold exchanged hands in August 2018.

Main Markets & Competitive Landscape

CurioInvest operates in the EEA, EU and Switzerland. CurioInvest is in competition with a small number of other companies which offer similar types of crowdfunded profit participation. While similar companies such as Bitcar.io and Rallyrd.com have attracted investment in Australia and the US respectively, no competitor of similar size currently exists in the EU/EEA region.

Compliance

CurioInvest will take advantage of recent developments on the regulatory front in Lichtenstein, which provide the blockchain sector with a stable legal foundation. For each vehicle listed on the platform, CurioInvest will register the associated asset-backed STO directly with Lichtenstein's financial regulator, the FMA. Each security asset will be issued an ISIN which is compliant across the EU.



CuriolInvest Roadmap



Team & Partners



Fernando Verboonen

Founder & CEO

Before CurioInvest Capital, Fernando served as the CEO at Mercuria Helvetica, a fintech investment firm specializing in exotic cars. Fernando's extensive experience includes participating in the exit of Swiss portfolio firm CVC. He has also worked at Sunrise and an ETH spin-off, kooaba. Additionally, Fernando was involved in venture capital projects in software at Siemens VC. He started his career at Mercedes Benz. Fernando holds an MSc from ETH Zürich with training at Oxford and is an ESKAS Fellow.

<https://www.linkedin.com/in/rverboonen/>



Valerie Halter

Co-Founder & CEO

International Business Developer with +8 years experience in the financial industry supporting Vontobel and Mercuria Helvetica, with a focus on highly exclusive cars. Valerie is a car enthusiast, with gasoline in her veins. After working in the banking sector, she decided to pursue her passion for cars and shifted her focus to the fintech sector.

<https://www.linkedin.com/in/valeriefhalter/>



Jan Van den Broeck MA

Legal & Compliance

Jan provides CurioInvest with independent legal advice to ensure regulatory compliance and a smooth onboarding process for investors. He works as an external consultant at Google in San Francisco, specializing in automotive search features. Prior to moving to Silicon Valley, Jan gained experience as an in-house lawyer at an investment firm in Belgium. He holds a master's degree in financial law.

<https://www.linkedin.com/in/jan-van-den-broeck-38304055/>



Vladimir Kislinkskii MSc

Chief Technology Officer

Prior to joining CurioInvest, Vladimir led tech development for numerous DLT projects. He is an expert in Solidity, and is currently focused on the DAICO concept for the CurioInvest environment.

<https://www.linkedin.com/in/vladimir-kislinkskii-468a15153/>

CurioInvest's Advisory Board

CurioInvest assembled an advisory board consisting of highly successful entrepreneurs and industry experts.

Tom Frey

Dr. Tom Frey has been working for Baumgartner Mächler since 2009 in the area of civil law and civil procedural law. His work has a main focus on litigation proceedings in the banking sector as well as in other corporate law matters and disputes. In addition, he advises and represents clients in contract, employment and tenancy law matters as well as in the area of data protection and legal matters relating to the blockchain technology. Admitted to the Swiss Bar

Matthias Niedermüller PhD

Securities Law DLT Advisor to Liechtenstein Crypto Exchange together with Jimmy Wales.
<https://www.linkedin.com/in/matthias-niederm%C3%BCller-393871aa/>

Harald Steiger

Board member and advisor of several Swiss startups. Car collector.

Frank Rickert

Mechatronik CEO, among Europe's biggest private collection car garages.
<https://www.linkedin.com/in/frank-rickert-12195097/>

Antoine Verdon, MSc

CEO Proxeus, Crypto investor, advisor and entrepreneur.

Boris Paskalev, MIT

CEO Deep Code
Project Manager & Strategist
<https://www.linkedin.com/in/bpaskalev/>

CurioInvest's Partners

Mechatronik Fahrzeug AG

Mechatronik are experts when it comes to the maintenance, storage and restoration of collectable vehicles.

Mercuria Helvetica

Mercuria Helvetica advises clients on how to strategically invest in vehicles. The firm also provides a wide range of services in the premium vehicle sector.

RABAG

RABAG is a company specialized in the storage of collectable vehicles.

Disclaimer

This document does not constitute an offer or sale of the CurioInvest Tokens or any other mechanism for purchasing CurioInvest Tokens (such as, without limitation, a "Simple Agreement for Future Tokens" related to the CurioInvest Tokens). Any offer or sale of the CurioInvest Tokens or any related instrument will occur only based on definitive offering documents for the CurioInvest Tokens or the applicable instrument.

The Whitepaper does not purport to be all-inclusive or necessarily contain all the information that a prospective investor may desire in investigating the Company, and may be subject to updating, withdrawal, revision or amendment. No representation or warranty, express or implied, is or will be given by CurioInvest ("The Company"), their advisers or any of their respective directors, shareholders, partners or employees as to the accuracy or completeness of the Whitepaper or the information or opinions contained therein.

Any projections given are illustrative only and none of the projections or assumptions should be taken as promises on the part of the Company nor should they be taken as implying any indication, assurance or guarantee that those assumptions are correct or exhaustive. The Whitepaper contains forward-looking statements. These statements relate to, amongst other things, the Company's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions.

The forward-looking statements in this Whitepaper are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materializes, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected.

Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements. These forward-looking statements are made only as at the date of the Whitepaper. Each recipient of the Whitepaper must make their own independent assessment of the information provided by the Company and is recommended to seek independent advice on the contents hereof from an authorized person specializing in advising on investments of the kind in question.

Neither the Company, nor any of their advisers, nor their respective directors, partners, representatives, agents, consultants or employees shall be liable for any direct, indirect or consequential loss or damage suffered by any person relying on statements or omissions from the Whitepaper and to the maximum extent permitted by law, all conditions, warranties and other terms which might be implied by statute, common law or the law of equity and any such liability are expressly excluded. The Whitepaper should not be construed as a recommendation to prospective investors by the Company or any of their respective officers to invest in the Company or its token.

No other rights are associated with the CurioInvest token, in particular no share in the future company earnings or future capital flows, nor is there any right for repayment. Nothing herein constitutes an offer to sell, or the solicitation of an offer to buy, any tokens, nor shall there be any offer, solicitation or sale of tokens in any jurisdiction in which such offer, solicitation or sale would be unlawful. You should carefully read and fully understand this business plan and any updates. Every potential token purchaser will be required to undergo an on-boarding process that includes identity verification and certain other documentation, which you should read carefully and understand fully because you will be legally bound. Please make sure to consult with appropriate advisors and others. This business plan describes our current vision for the CurioInvest Platform. While we attempt to realize this vision, please recognize that it is dependent on quite a number of factors and subject to quite a number of risks. It is entirely possible that the CurioInvest Platform will never be implemented or adopted, or that only a portion of our vision will be realized. We do not guarantee, represent or warrant any of the statements in this business plan, because they are based on our current beliefs, expectations and assumptions, about which there can be no assurance due to various anticipated and unanticipated events that may occur. Please know that we plan to work hard in seeking to achieve the vision laid out in this business plan, but that you cannot rely on any of it coming true. Blockchain, cryptocurrencies and other aspects of our technology and these markets are in their infancy and will be subject to many challenges, competition and a changing environment. We will try to update our community as things grow and change, but undertake no obligation to do so.



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