

PROPTHEREUM

Crowdfunded Cryptocurrency

WHITE PAPER

VERSION 1.5





"The Proptherium business model is a long-term model with the unique ability for its Cryptocurrency to appreciate in value almost immediately once it is released. Because the underlying asset is backed by real property, we anticipate it could rise by as much as +1,566% as it starts to trade on the exchanges."

– The Founders of Proptherium

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OUR STORY

Welcome to our whitepaper. We hope you are as excited about our Initial Coin Offering (ICO) as we are.

The backbone of an ICO is its whitepaper, so we think that an explanation of a whitepaper is a good place to start.

We believe a whitepaper is essentially the story of a business proposal. As Peter Lynch, one of the most successful fund managers who ever lived said, he “wanted to know the fundamental story of the company.”

That’s what we will attempt to do in this whitepaper. We will tell you our story and what we hope to achieve.

As we write the story of Proptereum, we are aware that the people who read this whitepaper are looking for information, data, and the people behind the ICO, or you could say clues, that will help them make a good investment decision.

To begin with, let us give you the big 50,000-foot view. There are basically two ways to make money.

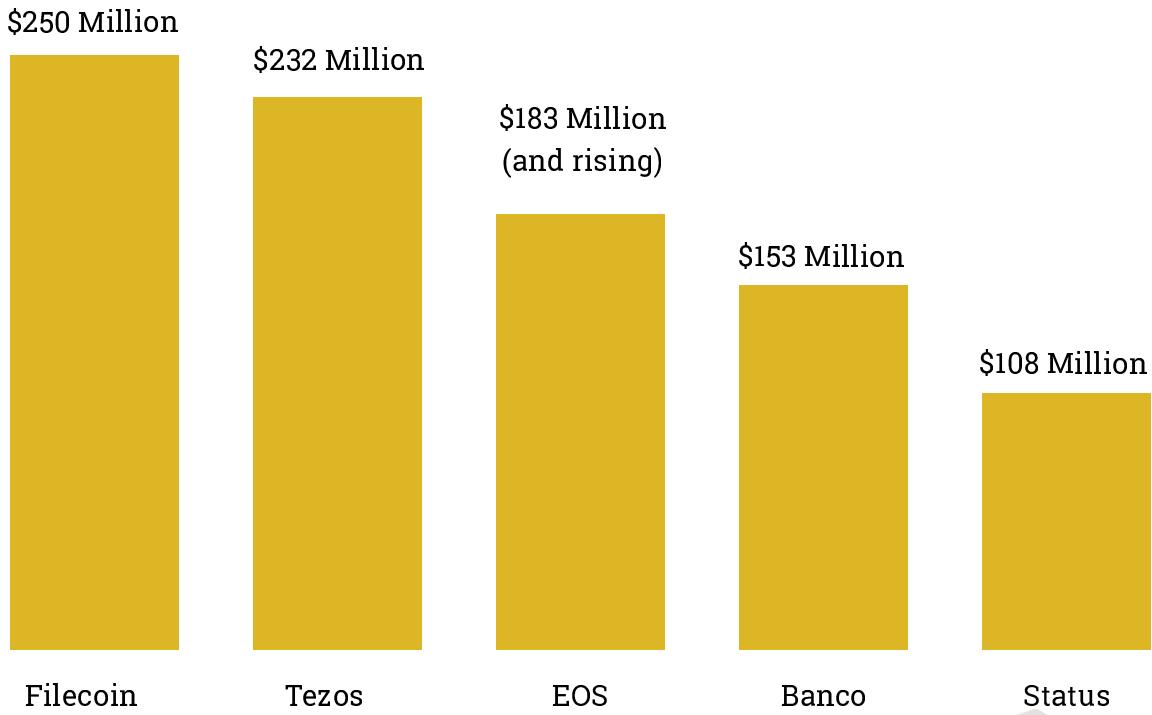
- **You speculate**
- **You invest**

The main differences between the two are time and risk. Speculators have a very short time horizon and tend to want a return on their money in days, weeks, months, and sometimes hours. They also tend to have a high risk profile, which means they are prepared to take higher risks if they have the potential of higher rewards.

Cryptocurrencies and ICOs are good examples of that. These are businesses that have decided to go the crowdfunding route by raising money from speculators, typically by way of cryptocurrencies.

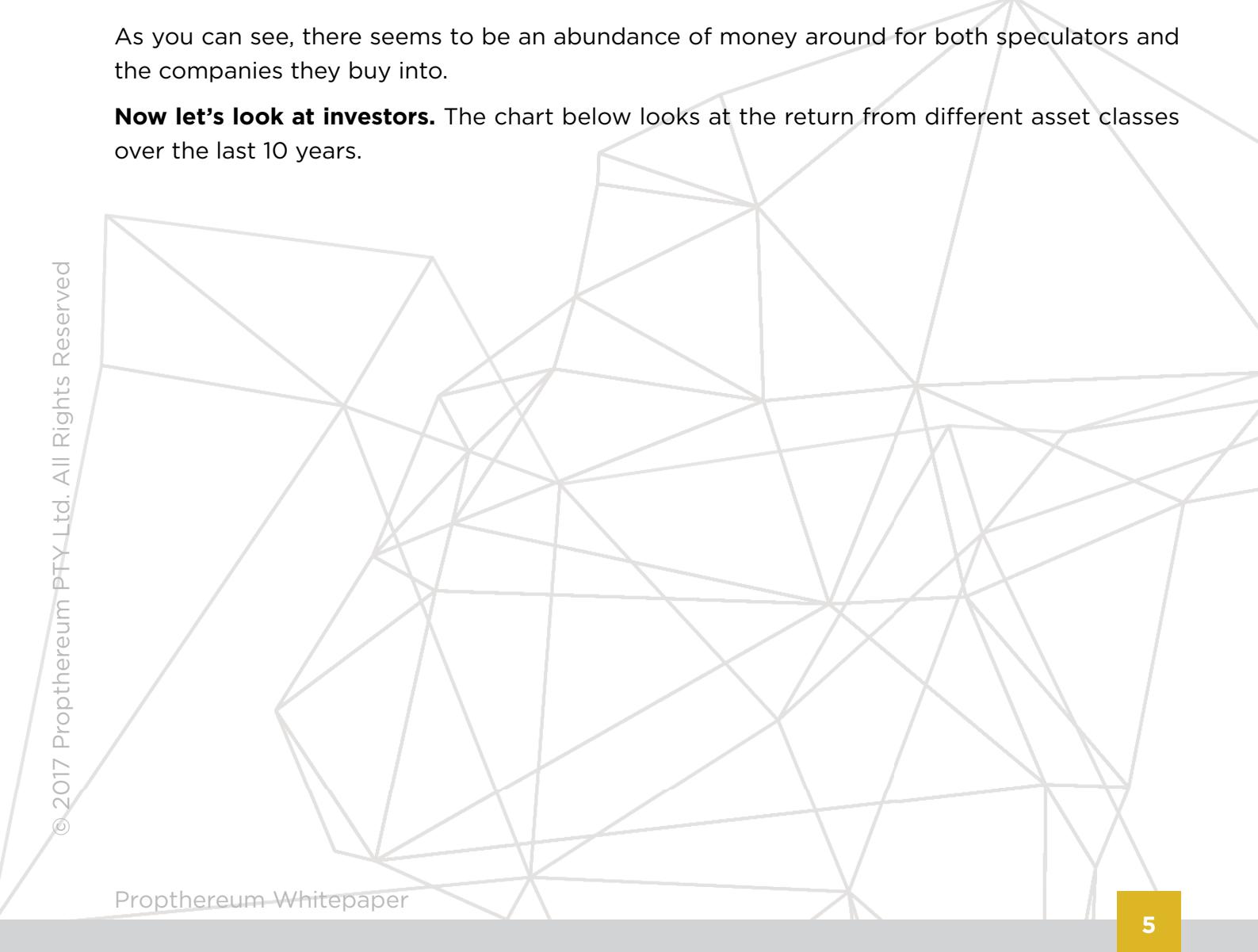
People who speculated by investing with these businesses have seen spectacular results, sometimes doubling, tripling, or quadrupling their money in days.

Some examples of big ICOs:

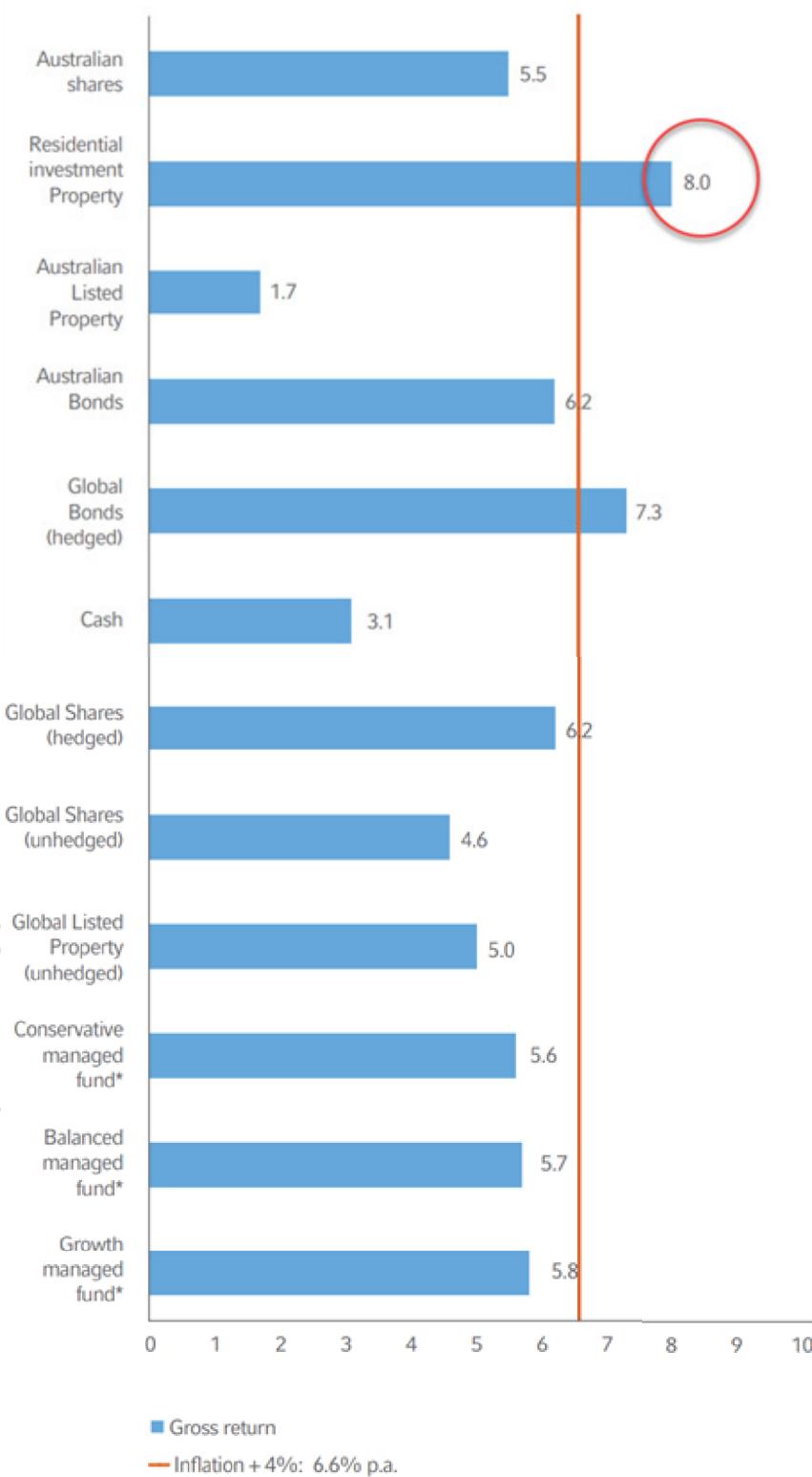


As you can see, there seems to be an abundance of money around for both speculators and the companies they buy into.

Now let's look at investors. The chart below looks at the return from different asset classes over the last 10 years.



Returns (% p.a.)



* Only before-tax returns have been calculated.

See Appendix for details on how these sample fund are defined.

Note: All returns are net of costs. Past performance is not a reliable indicator of future performance.

Source asx.com.au

Here's a look at the UK property market from July 2016 to July 2017.

UK Property Investment Yields - July 2017

	Sept-16	Dec-16	Mar-17	June-17	July-17	Trend
HIGH STREET SHOPS	%	%	%	%	%	
Prime	4.25	4.00	4.00	4.00	4.00	Stable
Good Secondary	6.75	6.75	6.75	6.75	6.75	Stable
Secondary	9.00	9.00	9.00	9.00	9.00	Weaker
SUPERMARKETS						
Prime (25 yrs, 3.5% pa cap RPI)	4.50	4.50	4.50	4.50	4.50	Stronger(Sta)
SHOPPING CENTRES						
Prime	4.65	4.65	4.65	4.65	4.65	Stable
Best Secondary	6.75	6.75	6.75	6.75	6.75	Stable
Secondary	7.75	7.75	8.00	8.25	8.25	Weaker
RETAIL WAREHOUSES						
Park - Open A1 (inc fashion)	4.75	4.75	4.75	4.75	4.75	Stable
Park - Prime - Bulky User	5.50	5.50	5.50	5.50	5.50	Stable
Solus - Prime - Bulky User	5.75	5.75	5.75	5.75	5.75	Stable
Park - Secondary	7.25	7.25	7.25	7.25	7.25	Stable(Wk)
LEISURE PARKS						
Prime	5.00	5.00	5.00	4.85	4.85	Stronger
OFFICES						
West End	3.75	3.75	3.75	3.75	3.75	Stable
City	4.25	4.25	4.00	4.00	4.00	Stable
M25/South East	5.25	5.25	5.25	5.25	5.25	Stable
Regional Cities	5.25	5.25	5.25	5.25	5.25	Stable
Good Secondary	6.50	6.50	6.50	6.50	6.50	Stable
Secondary	9.00	9.00	9.00	9.00	9.00	Weaker
INDUSTRIAL						
Prime Distribution	5.00	5.00	5.00	4.85	4.85	Stronger
Prime Estate (GL ex HTW)	5.00	5.00	4.75	4.50	4.50	Stronger
Prime Estate (Ex Greater London)	5.25	5.25	5.00	4.75	4.75	Stronger
Good Secondary	6.25	6.25	6.00	5.75	5.75	Stronger
Secondary Estate	8.25	8.25	8.00	7.25	7.25	Stronger
FINANCIAL INDICATORS						
Base Rate	0.25	0.25	0.25	0.25	0.25	↔
5 Year Swaps	0.53	0.95	0.89	0.81	0.75	↓
10 Year Gilts	0.65	1.38	1.22	1.03	1.25	↑
RPI	1.90	2.00	2.50	3.50	3.70	↑
CPI	0.60	0.90	1.80	2.70	2.90	↑

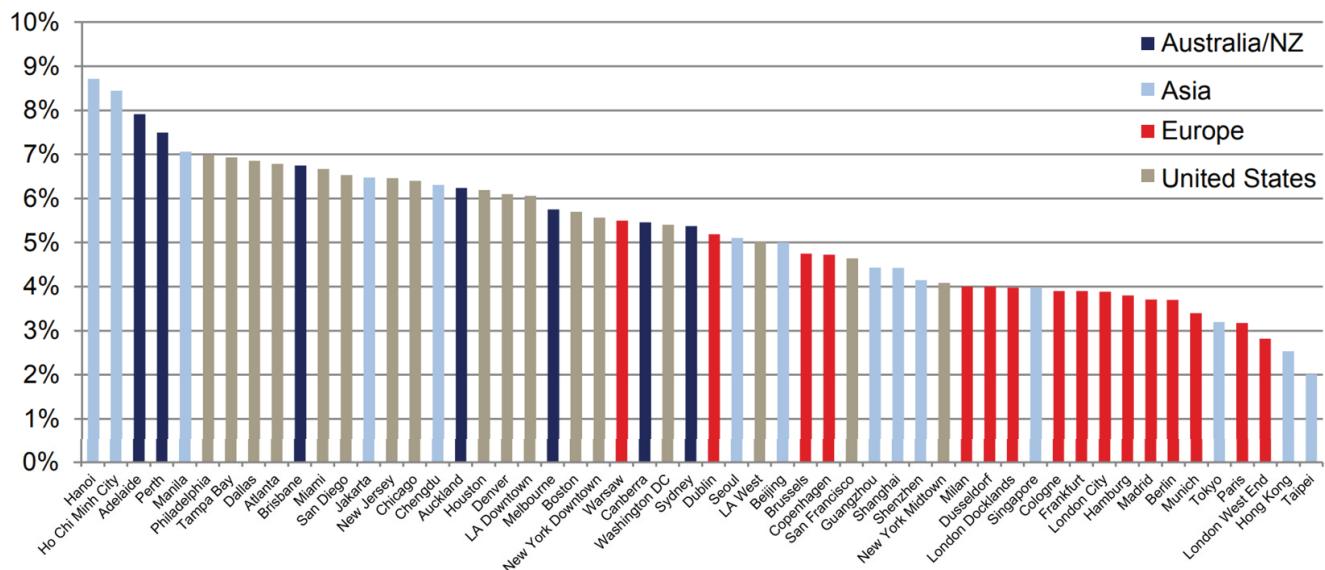
Source CBRE

Property has historically done well regardless of the lookback period and most first world countries actually have a shortage of Grade A investment class real estate.

The same is true of most other first world countries like European countries, Canada, America, Australia, and Asia.

World Office CBD Grade A Market Yields (percent) by Region and City

December 2016



Source: Savills Research

There is a very good reason for that. The population is getting bigger and more diverse, and so are companies. **They both need property.**

What we want to do with Propthereum is bring the world of speculators and long-term investors together. We do this by opening up the world of property to investors worldwide through our ICO.

Every member of Proptereum is passionate about property, and as we will demonstrate in this whitepaper, we are also extremely experienced.

This is core to the value proposition we are putting forward to you. Our founders have over 30 years' experience in investing, buying, and selling high-yield property all over the world.

IT'S THE THINGS WE BELIEVE IN THAT SET US APART

Our experience is live real-world experience that we earned the hard way: by being in the market. This is not a hypothetical proposition for us. We know what we are doing, and as you will see, we will prove that point as we go.

But first, let us tell you some of the problems with ICOs and the people behind them.

There are a lot of good credible ICOs coming onto the market almost weekly, but there are also a lot of dubious ones.

We think the dubious ones fall into three categories:

1

The founders set out to deceive the public with no intention of ever making anything real.

2

ICOs that have good intent, but their concept was doomed to failure because of lack of planning and a sound business idea.

3

The founders behind the ICOs do not have any real-world experience in the business they are proposing, and so they do not know the true risks involved and cost associated with those risks.

The problem is that it is very hard for cryptocurrency investors to tell the difference.

We hope to demonstrate in this whitepaper that not only do we have a sound business model, but we also have the experience and knowledge to make a sound business. Which will ensure an appreciation in coin value over time.

We will come back to this later, but now that we have explained what a whitepaper is, we want to move onto the next part of our story.

IT ALL STARTED WITH A SIMPLE, YET COMPLICATED THING CALLED BLOCKCHAIN

We call this simply complicated because the concept is really quite simple, but if you really want to know how the engine runs, it can get complicated.

We're going to assume that anyone who understands how Blockchains work does not need this explanation, and anyone who does not would like a nice, simple explanation.

Think of a Blockchain as simple ledger or **distributed database**. Like the one your accountant would have used before the days of computers. Yes, some of us are really that old.

Now imagine that each line in that ledger is a block. All we have done here is swap the word "**line**" for "**block**."

Now imagine that a group of people have all shared the exact same copy of that ledger - **known as a distributed ledger**.

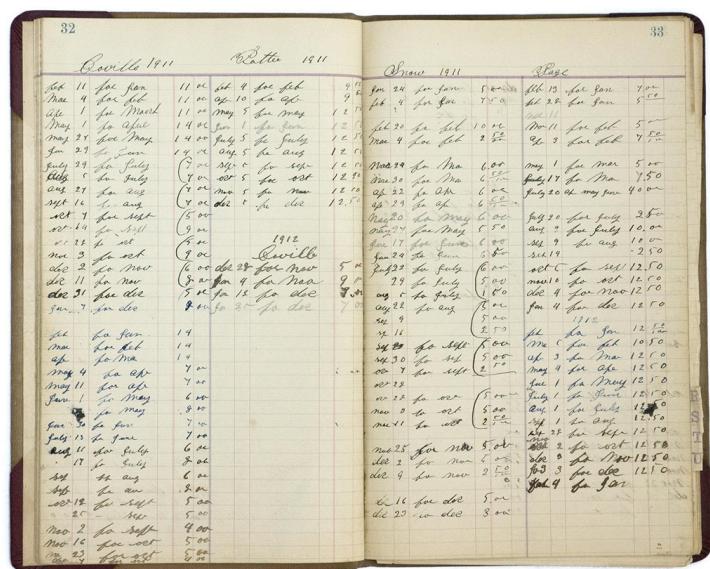
This distributed ledger lives virtually on any kind of digital storage device, like PCs, laptops, servers, and just about anything that can connect to the internet. That's where the word **decentralized** comes in.

There might be thousands of copies of this ledger all around the world. The information contained in the ledger can be used for many different things and types of information, but for the sake of our explanation, let's use the example of exchanging money.

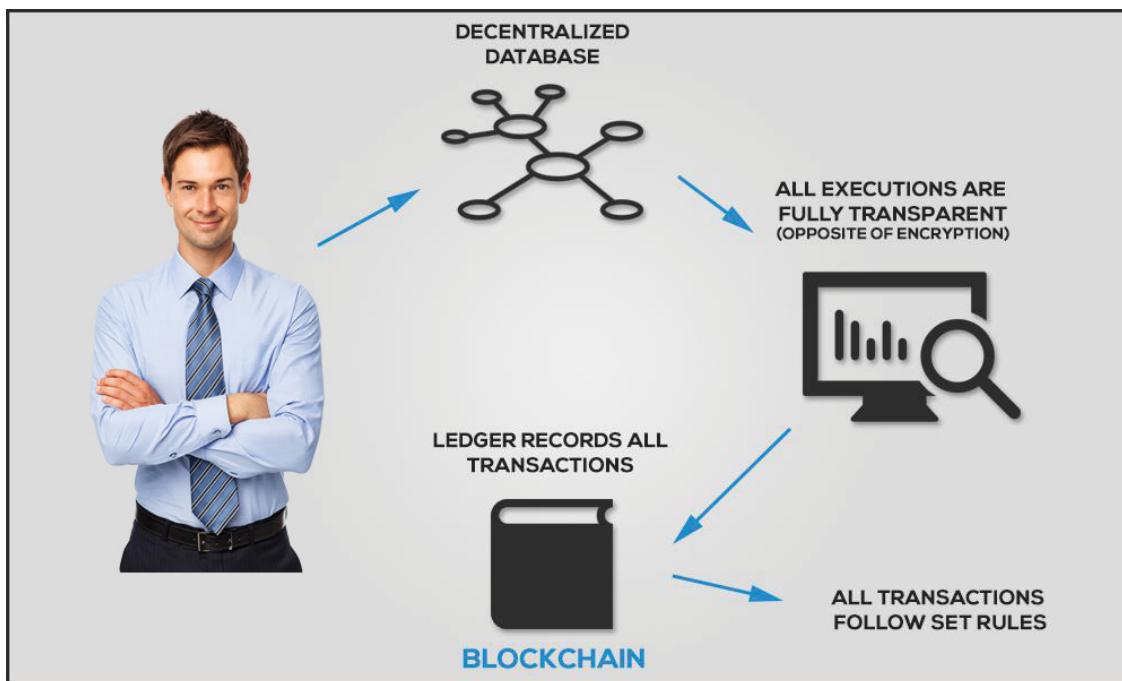
Let's say we want to send you some money. The ledger records that we have sent you money by making a new block in the ledger. Shortly afterwards, everyone else's copy of that ledger is updated with that same transaction.

All those other ledgers have to agree that the transaction meets certain criteria before they give it their approval. They may also disagree with the details of the transaction. If there is a disagreement, then the **consensus (general agreement)** of the ledgers will prevail. It should be a perfect match in every ledger. The ledger always balances.

We like to think of it like a courtroom where the jury watches me pay you and they all confirm that you were paid the right amount and in exactly the way we said it happened.



As more blocks are added to the ledger, you get the term **Blockchain**. The blocks that are added are irreversible or “**immutable.**” That means a block cannot be deleted, only added to.



The Beauty of This

Here's the wonderful thing about all this. The whole process happens without you leaving your home, or getting middle men involved, or some huge institution that wants to charge a percentage from you for making the transaction.

One of the things that is so exciting about Blockchain technology is that a lot of very knowledgeable people believe that it will change the way things work in the future. Let us rephrase that. **Blockchain technology is the future.**

CRYPTOCURRENCIES

We have discussed a simple explanation of how Blockchain technology works, and one of the uses of that technology is cryptocurrencies. There are many cryptocurrencies now, but one of the originals was called **Bitcoin**. You have probably heard of this currency and it's probably the best known and most traded cryptocurrency in the world.

It is also a great example of the simple ledger example we gave you.

ETHEREUM

Now, we want to introduce you to a Blockchain cryptocurrency called Ethereum. There are many cryptocurrencies, but what is unique about Ethereum is that it is not just a **simple** ledger. Ethereum has the ability to execute code. In other words, it can do more than just record things.

Because it can execute code, you can specify the conditions under which a transaction will occur.

SMART CONTRACTS

The conditions under which specific things can happen are called “Smart Contracts.” For example, you could specify under which conditions a person will be paid, and that **Smart Contract** will be executed without any outside interference, and will even happen regardless of that fact that something might happen to a computer on the distributed database.

WALLETS

Now that we have come this far, there’s only one more step. If you want to own a cryptocurrency, you need something to hold those coins. The container for that is a called a wallet. You can think of it just like your own wallet. And just like your own wallet, you can take money out and put money in.

Instead of a physical wallet, cryptocurrency wallets can be on your desktop, in the cloud, or as an app on your phone. To log into your wallet you will need a username and password.

For our example, we will assume you have an Ethereum wallet. Your wallet needs a way to communicate with the Ethereum network. The best way to think about that communication is to think about sending an email. Just like an email you need some kind of software to send the email. That’s where your wallet comes in.

Also just like an email, you can give anyone your email address and with a cryptocurrency you can give them your **public address**. There is a second part to your wallet and this is your **private key**.

All someone needs to know to send you money is your **public address**. The one thing you should never share is your **private key**. If someone gets access to your private key, they could steal all your coins.

Stay with us here. This is all relevant for the whitepaper.

OUR PROPOSITION

It’s hard to convey just how excited we are as a team about Blockchain technology because we can see so much potential.

Imagine there was a great investment. This investment was so good that people were lining up to invest in this wonderful thing... **BUT** the minimum investment you could make was \$100,000.00 or more. You would be disappointed, right?

It would mean that only the rich get to benefit from this wonderful investment.

Well, it's like that with some of the best A-grade investment properties in the world. The entry level for investors is so high that the little guy misses out.

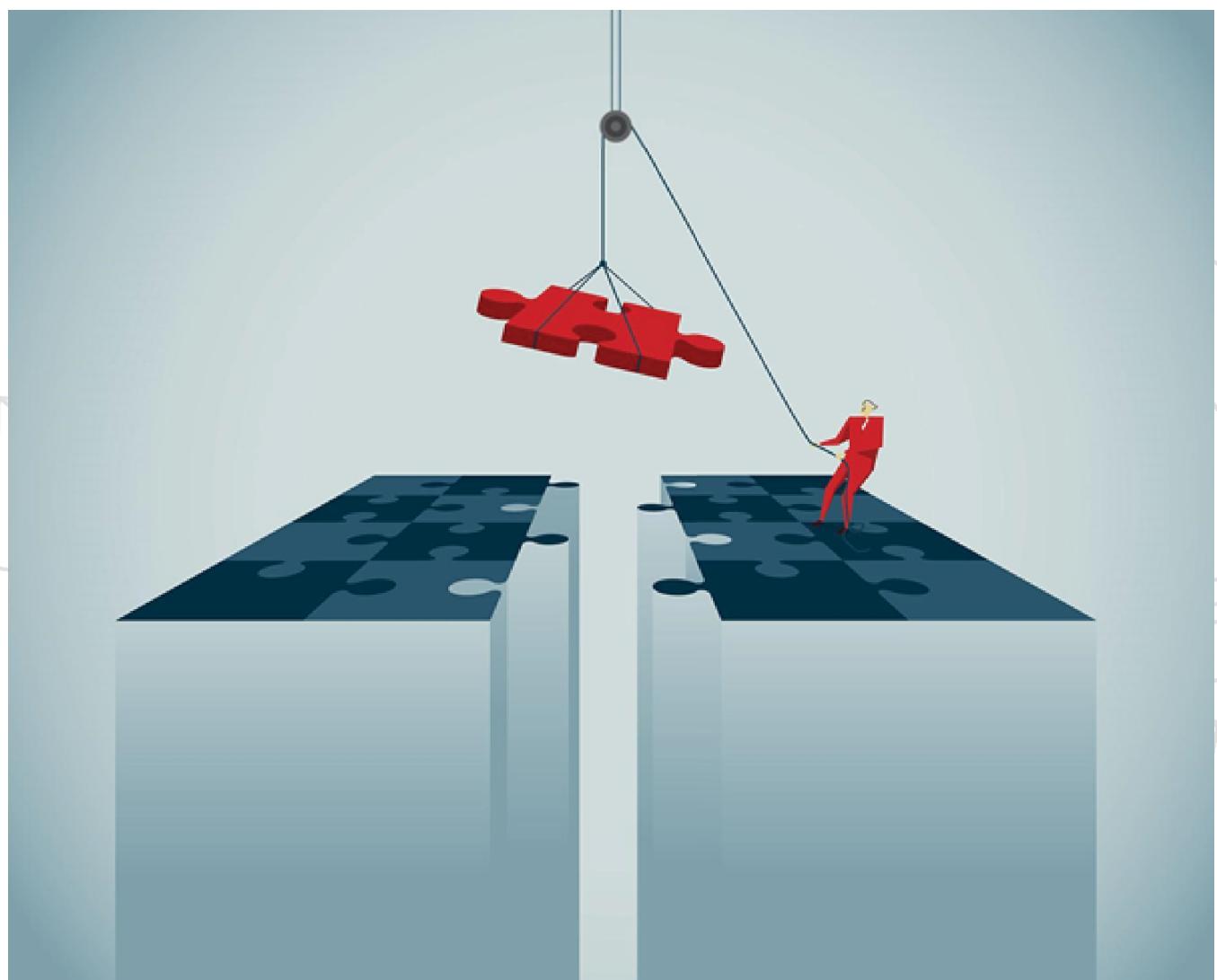
Only the wealthy and large institutions ever get to be a part of these big investments.

That's not all. Let's say you are in Canada and there is a really great investment opportunity in the UK. You would probably never hear about it. And even if you did and you could afford to take part in the deal, it might still be too hard.

Think about it. You would have to do the research, find out all the legalities, arrange flights back and forth, and a whole multitude of things that need to be done.

That was until now.

Proptereum wants to be the bridge between the small investor and the world of A-grade property investments through the Blockchain and cryptocurrency technology. Never before has this been possible until now!



We believe we have the experience and knowledge to bring both worlds together by way of an ICO.

LET'S LOOK AT THE MECHANICS OF HOW THIS WOULD HAPPEN

Let's say that you want to be part of our ICO. Then you need to buy in. To do that, you need to buy in using a coin called Ether, which is the cryptocurrency of Ethereum. Remember we spoke about this earlier.

If you have never owned a cryptocurrency or want to use any other cryptocurrency other than Ethereum for our ICO, then you can learn how to do that on our website www.proptherium.io/join-our-ico

So, let's say you have an Ethereum wallet with some Ether coins and you want to take part in our ICO.

It all starts the day the **Smart Contract** is launched and we begin to mint our own coins called PTCs. Coins are minted through interaction with the **Smart Contract** and cannot simply be minted by the founders. Interaction and code execution is done through the investor sending Ether into the **Smart Contract** public address.

Token Sale and Distribution

The Proptherium ICO crowdsale will run off a decentralized Smart Contract that runs on the Ethereum Blockchain. It is secured with a 256-bit encryption which makes it secure and reliable.

Proptherium Tokens will be minted as PTCs. These coins are a digital representation tracking the funding of our ICO and crowdsale. They are divisible units and are designed to have eight decimal digits. The minimum buy which can be represented in the compliant wallets, as mentioned below, is 0.00000001 PTCs.

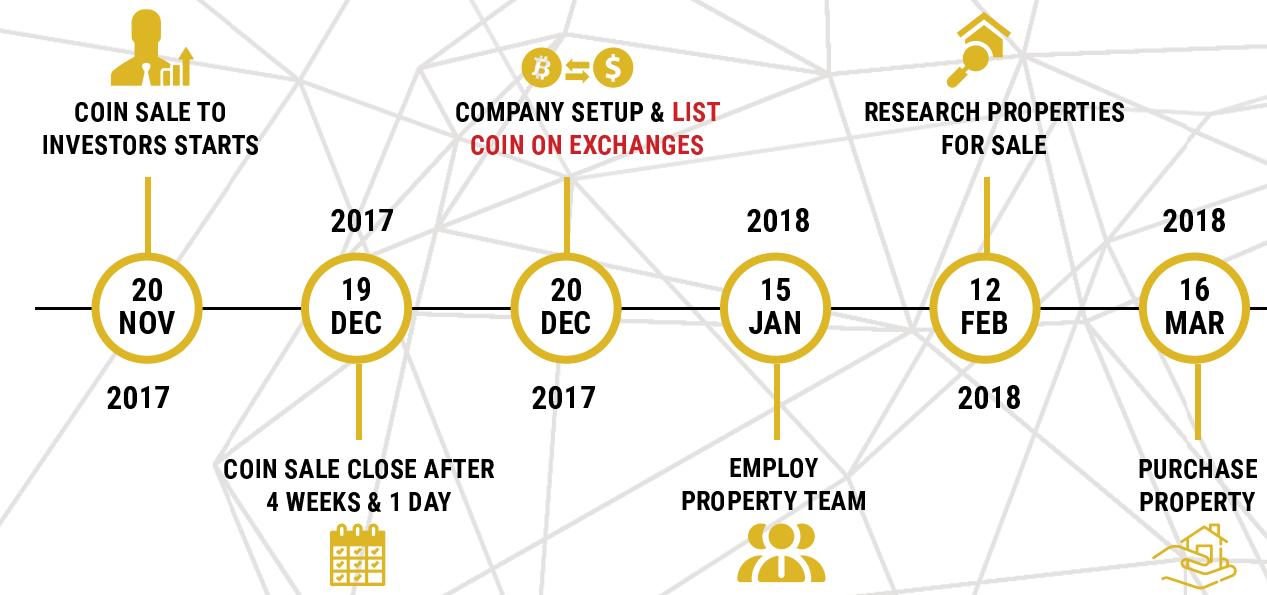
- The pre-ICO token sale will take place on November 10, 2017 at 12PM GMT

<https://www.timeanddate.com/worldclock/meeting.html>

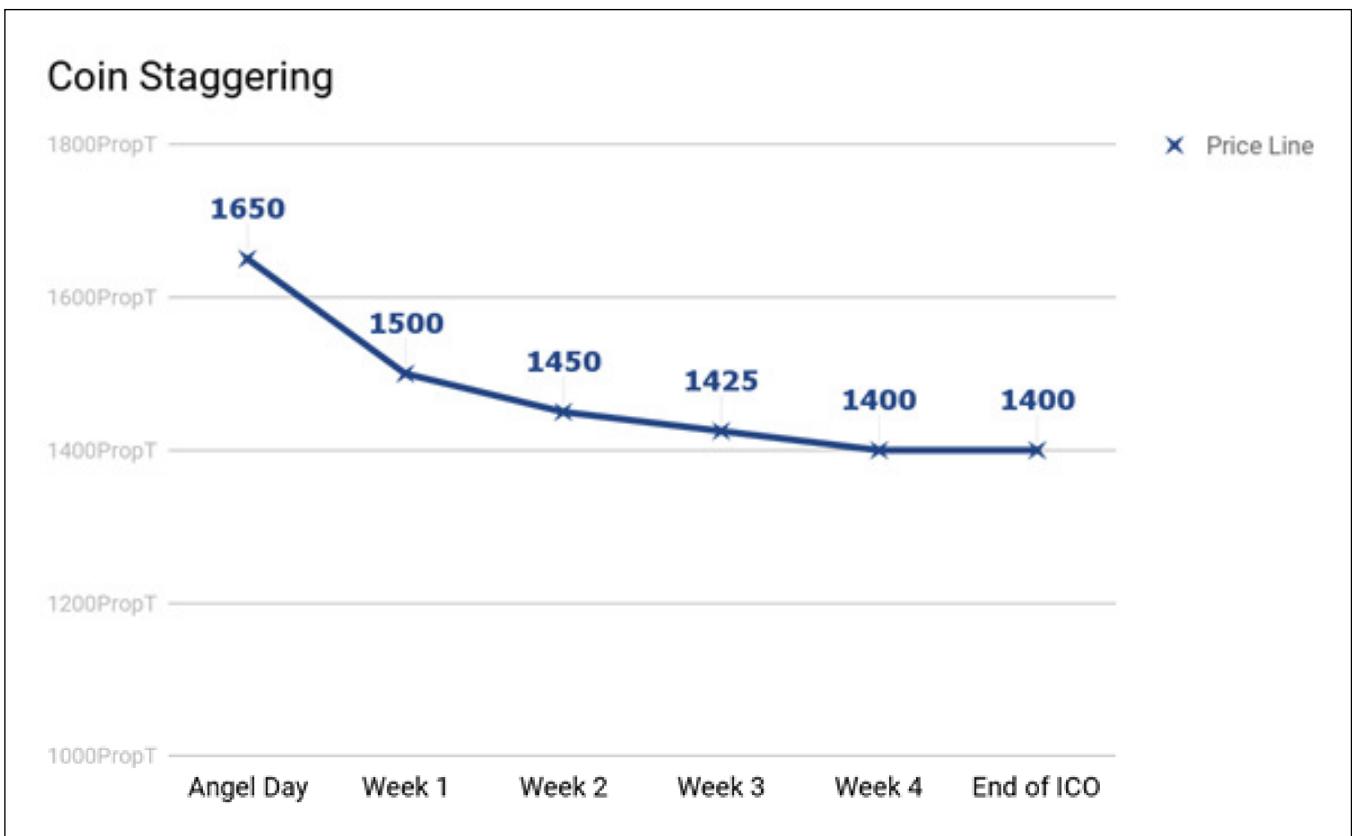
UTC-time	Sydney	Hong Kong	London	Paris	New York	Los Angeles	Tokyo	Toronto
Sunday, 19 November 2017, 13:00:00	Mon 00:00 * Sun 21:00	Sun 13:00 Sun 14:00 Sun 08:00	Sun 14:00 Sun 15:00 Sun 09:00	Sun 15:00 Sun 16:00 Sun 10:00	Sun 05:00 Sun 06:00 Sun 07:00	Sun 22:00 Sun 23:00	Sun 08:00 Sun 09:00	Sun 08:00
Sunday, 19 November 2017, 14:00:00	Mon 01:00 * Sun 22:00	Sun 14:00 Sun 15:00 Sun 09:00	Sun 14:00 Sun 15:00 Sun 09:00	Sun 15:00 Sun 16:00 Sun 10:00	Sun 06:00 Sun 07:00	Sun 23:00	Sun 09:00	Sun 09:00
Sunday, 19 November 2017, 15:00:00	Mon 02:00 * Sun 23:00	Sun 15:00 Sun 16:00 Sun 10:00	Sun 15:00 Sun 16:00 Sun 10:00	Sun 16:00 Sun 17:00 Sun 11:00	Sun 07:00 Sun 08:00	Mon 00:00 Mon 01:00	Sun 10:00 Sun 11:00	Sun 10:00
Sunday, 19 November 2017, 16:00:00	Mon 03:00 * Mon 00:00	Sun 16:00 Sun 17:00 Sun 11:00	Sun 16:00 Sun 17:00 Sun 11:00	Sun 17:00 Sun 18:00 Sun 12:00	Sun 08:00 Sun 09:00	Mon 01:00 Mon 04:00	Sun 11:00 Sun 12:00	Sun 11:00
Sunday, 19 November 2017, 17:00:00	Mon 04:00 * Mon 01:00	Sun 17:00 Sun 18:00 Sun 12:00	Sun 17:00 Sun 18:00 Sun 12:00	Sun 18:00 Sun 19:00	Sun 09:00 Sun 10:00	Mon 04:00 Mon 07:00	Sun 12:00 Sun 15:00	Sun 12:00
Sunday, 19 November 2017, 20:00:00	Mon 07:00 * Mon 04:00	Sun 20:00 Sun 21:00 Sun 15:00	Sun 20:00 Sun 21:00 Sun 15:00	Sun 21:00 Sun 22:00 Sun 19:00	Sun 12:00 Mon 00:00	Mon 07:00 Mon 14:00	Sun 15:00 Sun 22:00	Sun 15:00
Monday, 20 November 2017, 03:00:00	Mon 14:00 * Mon 11:00	Mon 05:00 Mon 06:00	Mon 05:00 Mon 06:00	Mon 11:00 Mon 12:00	Mon 02:00 Mon 07:00	Mon 19:00 Mon 21:00	Mon 14:00 Mon 21:00	Mon 05:00
Monday, 20 November 2017, 10:00:00	Mon 21:00 * Mon 18:00	Mon 12:00 Mon 13:00	Mon 12:00 Mon 13:00	Mon 11:00 Mon 12:00	Mon 02:00 Mon 07:00	Mon 21:00 Mon 22:00	Mon 14:00 Mon 21:00	Mon 05:00
Monday, 20 November 2017, 17:00:00	Tue 04:00 * Tue 01:00	Tue 19:00 Tue 20:00	Tue 19:00 Tue 20:00	Tue 20:00 Tue 21:00	Tue 09:00 Tue 10:00	Tue 02:00 Tue 03:00	Tue 02:00 Mon 12:00	Tue 12:00
Tuesday, 21 November 2017, 00:00:00	Tue 11:00 * Tue 08:00	Tue 00:00 Tue 01:00	Tue 00:00 Tue 01:00	Tue 01:00 Mon 19:00	Tue 16:00 Mon 19:00	Tue 09:00 Tue 10:00	Tue 09:00 Mon 19:00	Tue 19:00
Tuesday, 21 November 2017, 01:00:00	Tue 12:00 * Tue 09:00	Tue 01:00 Tue 02:00	Tue 01:00 Tue 02:00	Tue 02:00 Mon 20:00	Tue 17:00 Mon 20:00	Tue 10:00 Tue 11:00	Tue 10:00 Mon 20:00	Tue 20:00
Tuesday, 21 November 2017, 02:00:00	Tue 13:00 * Tue 10:00	Tue 02:00 Tue 03:00	Tue 02:00 Tue 03:00	Tue 03:00 Mon 21:00	Tue 18:00 Mon 21:00	Tue 11:00 Tue 12:00	Tue 11:00 Mon 21:00	Tue 21:00
Tuesday, 21 November 2017, 03:00:00	Tue 14:00 * Tue 11:00	Tue 03:00 Tue 04:00	Tue 03:00 Tue 04:00	Tue 04:00 Mon 22:00	Tue 19:00 Mon 22:00	Tue 12:00 Tue 13:00	Tue 12:00 Mon 22:00	Tue 22:00
Tuesday, 21 November 2017, 04:00:00	Tue 15:00 * Tue 12:00	Tue 04:00 Tue 05:00	Tue 04:00 Tue 05:00	Tue 05:00 Mon 23:00	Tue 20:00 Mon 23:00	Tue 13:00 Tue 14:00	Tue 13:00 Tue 00:00	Tue 23:00
Tuesday, 21 November 2017, 05:00:00	Tue 16:00 * Tue 13:00	Tue 05:00 Tue 06:00	Tue 05:00 Tue 06:00	Tue 06:00 Tue 00:00	Tue 21:00 Mon 21:00	Tue 14:00 Tue 15:00	Tue 14:00 Tue 01:00	Tue 00:00
Tuesday, 21 November 2017, 06:00:00	Tue 17:00 * Tue 14:00	Tue 06:00 Tue 07:00	Tue 06:00 Tue 07:00	Tue 07:00 Tue 01:00	Tue 22:00 Mon 22:00	Tue 15:00 Tue 16:00	Tue 15:00 Tue 01:00	Tue 01:00
Tuesday, 21 November 2017, 07:00:00	Tue 18:00 * Tue 15:00	Tue 07:00 Tue 08:00	Tue 07:00 Tue 08:00	Tue 08:00 Tue 02:00	Tue 23:00 Mon 23:00	Tue 16:00 Tue 17:00	Tue 16:00 Tue 02:00	Tue 02:00

- The token sale will proceed over four weeks and one day. The first day (November 20th, 2017), consists of an **“Angel Day”** where we are expecting to receive the majority of our funds for the project.

Timeline



The token distribution is done as follows: The price per Ether changes per time.



Coin staggering

- Percentage change throughout the ICO will see a return of **17.86%**

Percentage change:

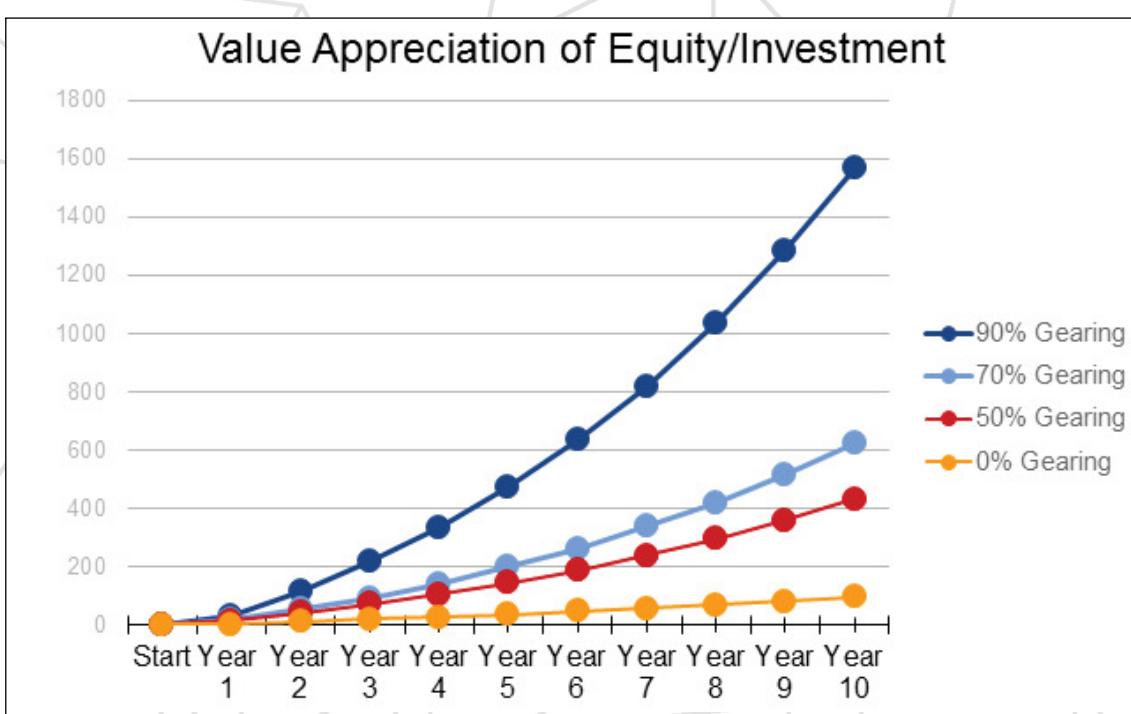
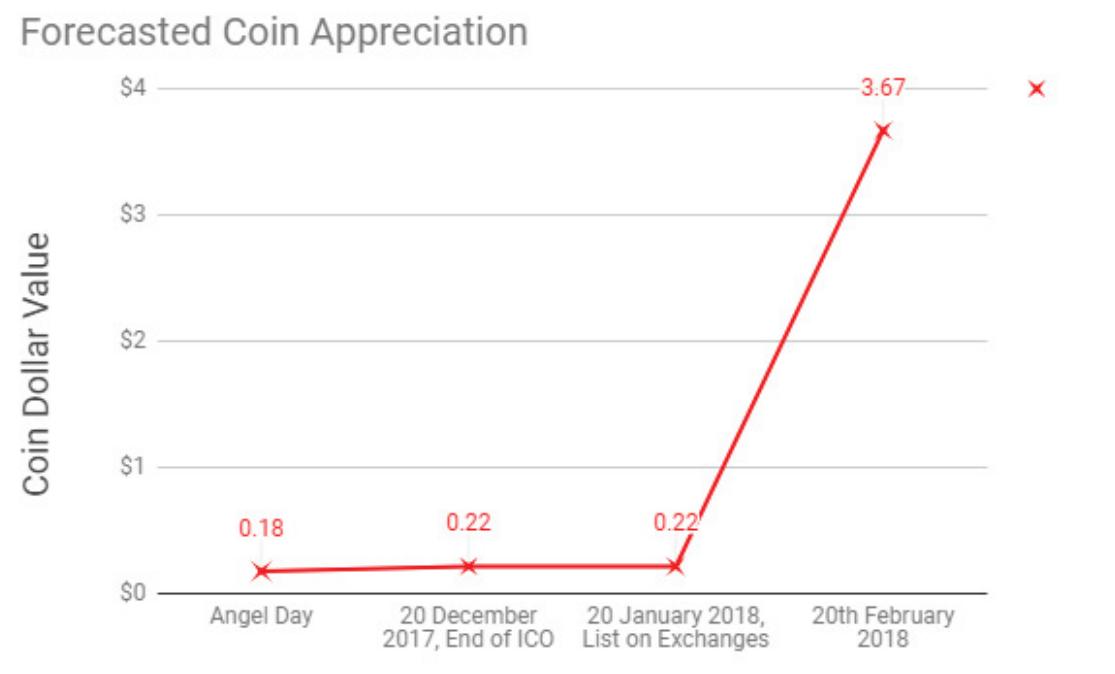
- From Angel Day to Start of Week 1 - **9.1%**
- Week 1 to Week 2 - **3.33%**
- Week 2 to Week 3 - **1.72%**
- Week 3 to Week 4 - **1.75%**
- Start of Week 4 to end of Week 4

Reason for the coin price:

The general trend with cryptocurrency coins is that the cheaper they are, the more volatile they are. We have engineered a way for the coin to only be volatile in a bullish market where investors can see big profits and benefit from the company behind the coin.

HOW OUR COIN IS VALUED?

Proptereum Coin Notes				
Ethereum	USD	PTC Coins	PTC USD Value	Current Value Date
1 Ether	307	1650	0.186060606	12-Oct-17



Real property acquisition example based on a recent property acquisition deal by our founders

Propthereum NO Gearing_Rental Income no distribution.xls

2017/10/19

DESCRIPTION		Date - 16-08-2016 87-91 Goodwood Road			
1 SELLER DETAILS					
1.1 COMPANY NAME		CAP PROPERTY FUND			
1.2 COMPANY REPRESENTATIVE & CONTACT DETAILS		ANT JOAN			
1.3 NATURE OF BUSINESS		PROPERTY FUND			
1.4 INTRODUCING AGENT		n/a			
2 LEASE DETAILS					
2.1 LEASE PERIOD - NEW LEASE K&N					
2.2 PERIOD		10 Years			
2.3 TYPE OF LEASE		NET			
2.4 PROPERTY EXPENSES		INCLUDING RATES			
3 BUILDING/PHYSICAL DETAILS					
3.1					
3.2 SITE AREA	m2	16457			
3.3		PERMITTED			
3.4 FAR -	1.4 m2	23039.8			
3.5 COVERAGE	70% m2	11519.9			
3.6 HEIGHT	6 Storey	6 Storey			
DIMENSIONS - 95m x 60m		9m			
3.8 Roller Shutter Doors - on grade	6				
3.10 Rooler Shutter doors - raised dockleveler	4				
3.11					
3.12 Fire tanks and pumps - about 50kl per tak = 100kl	YES				
3.13 FIRE OCCUPANCY J2 - Moderate risk					
4 BUILDING CONDITION					
4.1 Warehouse Floor	Excellent				
4.2 Warehouse roof	Good	Rusted roof fixings should be replaced			
4.3					
4.4 RACKING - INCLUDED in purchase price 7700 pallets		Estimated 2.5m			
4.5					
4.6 Sprinklers -		ASIB report issued, defects being addressed by Natal pumps.			

MAHOGANY RIDGE FEASIBILITY STUDY PREPARED UPDATED	KAN EXISTING BUILDING WITH BULK 87 GOODWOOD ROAD	29/01/2016 18-Oct 2017	MAHOGANY RIDGE	LAND 50 000 000 LOAN % 100 BUILD COST 0 BUILD PERIOD 0 MONTHLY ESCAL.
OTHER WAREHOUSE OFFICE	154 5 706 587 <hr/> Yield Total Rent	6 447 <hr/> 9.73% 418 750	9.73% <hr/> RENT PER M2 RENT MONTHLY RENT ANNUAL	BUILD PER M2 BUILD TOTAL SELL RATE SELL TOTAL
RENT AND BUILD ANALYSIS	AREA M2 (GBA/ PARKING BAYS)		Total Sales 50 975 500 Total Cost 50 975 500 Profit / <Loss> 0 0.00%	
	Warehouse 5 706.00 Office Off 64.95 Office FF 64.95 Mezzanine 73.40 Guard / Refuse and other 64.95 LEASE off to plans 36.00	64.95 <hr/> 370 620 24 227 88 076 7 664 2 338	4 447 441 290 728 91 973 28 060	0 0 0 0 <hr/> 7 907 7 907 7 907 7 907 284 647
NET RETURN THRO COVERED AREA	413 396 <hr/> 9.73% 6 447.00 64.95	418 750 <hr/> Area 6 447.00	5 029 000 <hr/> Rate per m2 R 7 906.86	0 <hr/> 50 975 500
EXPENSE ANALYSIS		MONTHLY ANNUAL		0
	MUNICIPAL RATES - FULL RATES FIRE EQUIPMENT MAINTENANCE MAINTENANCE LANDSCAPING AIRCON MAINTENANCE OFFICE STATE LEVY INSURANCE LAND RENTAL MANAGEMENT AUDIT SUNDRIES % OF GROSS RENT	0 0 0 0 0 0 0 4 188 1 000 117 5 354 1.28% <hr/> 6 447 7 756	0 0 0 0 0 0 0 50 250 12 000 2 000 64 250 <hr/> 64 250	0 Tenant <hr/> COST 50 000 000
LAND COST - BUILDING AREA				
VAT ON LAND				7 000 000
BUILDING COST				0
PLAN SUBMISSION AND CONNECTION FEE	ZERO			
LEGAL AND CONVEYANCING		395 745	COST BREAKDOWN	
ARCHITECTS FEES	3.00%	0	Bond Registration 161 995.00	Bond 51 000 000 Transfer 51 000 000 Legal
ENGINEERS FEES	1.70%	0	Conveyancing 158 750.00	Tariff 206 200 Tariff 203 700 75 000.00
GEOTECHNICAL			Legal 75 000.00	Discount 25.00% Discount 25.00%
FIRE ENGINEER+MECHANICAL	0.20%	0		Net Fee 154 650 Net Fee 152 025
ELECTRICAL ENGINEER	1.00%	0		Deeds Office 5 000 Deeds Office 4 675
PROJECT MANAGEMENT	2.00%	1		
QUANTITY SURVEYOR	1.50%	-1		
OFFICE ESTATE FEE	0.00	0		
LAND RENTAL	0.00	1.00		
RATES - MONTHS	6 447	0		
DEVELOPMENT FEE	0.00%			
RAISING FEE	57 975 500.00	1.00%	579 755	
AGENT - RENT				
TOTAL DEVELOPMENT COST			57 975 500	
HOLDING COST	ZERO			
GROSS TOTAL COST			57 975 500	
LESS : VAT ON LAND			-7 000 000	
NET TOTAL COST			50 975 500 7 906.86	
SALE		9.73%	50 975 500	
SURPLUS			0	
NET MONTHLY	418 750	EXP 5 354	INT 413 396	
YIELD BEFORE TAX			9.73	
CAPITALISED	RENT 418 750	EXP 5 354	NET 413 396	RETURN 10.00% 9.50% 9.00% 8.50% 8.00% VALUE 49 607 500 52 218 421 54 319 444 55 399 765 56 059 379 SURPLUS -1 368 000 1 242 921 1 143 251 7 383 985 11 033 875

MAHOGANY RIDGE
FEASIBILITY STUDY
PREPARED
UPDATED

K&N
EXISTING BUILDING WITH BULK
16-Aug-2017
20-Oct-2017

0

AREA & RENTAL ANALYSIS

AREA	DUBE TRADEPORT			
	GLA AREA M2/ PARKING BAYS	RENT RAND/M2	RENT MONTHLY	RENT ANNUAL
Warehouse	5 706.00	64.95	370 620	4 447 441
Office GF	101.00	64.95	6 560	78 723
Office FF	373.00	64.95	24 227	290 728
Mezzanine	113.00	64.95	7 340	88 076
Guard / Refuse and other	118.00	64.95	7 664	91 973
LEASE diff to plans	36.00	64.95	2 338	28 060
TOTAL NET RENTAL PER MONTH			418 750	5 025 000

COVERED AREA 6 411
NET THRO RATE ON COVERED AREA 65.32

PROPERTY EXPENSES FOR TENANT

MUNICIPAL RATES - FULL RATES	0
FIRE EQUIPMENT MAINTENANCE	0
MAINTENANCE	0
LANDSCAPING	0
AIRCON MAINTENANCE	0
OFFICE ESTATE LEVY	0
INSURANCE	0
BUDGETED TOTAL PROPERTY COST FOR TENANT	418 750

GROSS THRO RATE ON COVERED AREA 65.32

PROPERTY EXPENSES FOR LANDLORD	0
LAND RENTAL	4 188
MANAGEMENT	1 000
AUDIT	167
SUNDRIES	5 354

NET RENTAL TO LANDLORD 413 396
NET THRO RATE ON COVERED AREA 64.48

Escalation	8.00%
Year 1	5025000
Year 2	5427000
Year 3	5861160
Year 4	6330052.8
Year 5	6836457.024
Year 6	7383373.586
Year 7	7974043.473
Year 8	8611966.951
Year 9	9300924.307
Year 10	10044998.25

	0 ESCALATION	8.00%	YEAR 1 MONTHLY 01-Nov-2014	YEAR 2 MONTHLY 01-Nov-2015	YEAR 3 MONTHLY 01-Nov-2016	YEAR 4 MONTHLY 01-Nov-2017	YEAR 5 MONTHLY 01-Nov-2018	YEAR 6 MONTHLY 01-Nov-2019	YEAR 7 MONTHLY 01-Nov-2020	YEAR 8 MONTHLY 01-Nov-2021	YEAR 9 MONTHLY 01-Nov-2022	YEAR 10 MONTHLY 01-Nov-2023	
Warehouse	370 620	400 270	432 291	466 875	504 224	544 562	588 127	635 178	685 992	740 871			
Office GF	6 560	7 085	7 652	8 264	8 925	9 639	10 410	11 243	12 143	13 114			
Office FF	24 227	26 166	28 259	30 519	32 961	35 598	38 446	41 521	44 843	48 431			
Mezzanine	7 340	7 927	8 561	9 246	9 986	10 784	11 647	12 579	13 585	14 672			
Guard / Refuse and other	7 664	8 278	8 940	9 655	10 427	11 262	12 162	13 135	14 186	15 321			
LEASE diff to plans	2 338	2 525	2 727	2 946	3 181	3 436	3 711	4 007	4 328	4 674			
TOTAL NET RENTAL PER MONTH	418 750	452 250	488 430	527 504	569 705	615 281	664 504	717 664	775 077	837 083			
MUNICIPAL RATES - FULL RATES	0	0	0	0	0	0	0	0	0	0			
FIRE EQUIPMENT MAINTENANCE	0	0	0	0	0	0	0	0	0	0			
MAINTENANCE	0	0	0	0	0	0	0	0	0	0			
LANDSCAPING	0	0	0	0	0	0	0	0	0	0			
AIRCON MAINTENANCE	0	0	0	0	0	0	0	0	0	0			
OFFICE ESTATE LEVY	0	0	0	0	0	0	0	0	0	0			
INSURANCE	0	0	0	0	0	0	0	0	0	0			
	0	0	0	0	0	0	0	0	0	0			
MONTHLY	418 750	452 250	488 430	527 504	569 705	615 281	664 504	717 664	775 077	837 083	TOTAL		
ANNUALLY	5 025 000	5 427 000	5 861 160	6 330 053	6 836 457	7 383 374	7 974 043	8 611 967	9 300 924	10 044 998	TOTAL	72 794 976	
RENTAL /m2	64.95	70.15	75.76	81.82	88.37	95.44	103.07	111.32	120.22	129.84			
EXPENSE % (triple net lease)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			

SCENARIO 1 – NO GEARING

INVESTMENT SUMMARY																				
Project name	GOODWOOD Industrial		Land purchase price		Excl. VAT		Incl. VAT													
Region	Marion hill		Development Cost		50 975 500		50 975 500		0											
Property category	Warehouse		Interest during construction		-															
Tenant	K&N Logistics		TOTAL PROJECT COST		50 975 500		50 975 500													
Property type	Freehold		Cost per m ²		7 907															
GLA on completion (m ²)	6 447.00																			
Lease duration	10 years																			
Rental escalation (TBC)	8.00%																			
Rental guarantee			Initial yield		9.73%															
INFORMATION ON PROPERTY																				
SITE AREA	m ²	16457	PERMITTED	CURRENT	AVAILABLE	NOTES:														
FAR -	1.4	m ²	23039.8	6411	16628.8	Good condition and well maintained by Khuene Nagel. Sprinkler tanks and pumpjacks installed.														
COVERAGE	70%	m ²	11519.9	6331	5188.9	Occupancy J2 Moderate risk. RACKING INCLUDED IN PROPERTY PURCHASE - est. R2.5m - approx 7700 pallets. Triple Net Lease														
HEIGHT	6 Storey		6 Storey	9m																
TENANT																				
K&N signing a 10 year NET lease. Strategically required the property for future growth. Intentions is to develop additional more bulk. Develop for additional Tenant, try and gain access off Mahogany Road. ESCALATION - 8%.																				
FUNDING																				
Bank will fund 90%																				
Debt	Bank		Shareholding : Based upon Equity contribution		100%		Investor 1 - Propthereum Holdings (crowdfunding Project)		100.0%											
VAT facility	-		Investor 1 - Propthereum Holdings (crowdfunding Project)		100.0%		Investor 1 - Propthereum Holdings (crowdfunding Project)		0.0%											
Debt %	0%		Investor 1 - Propthereum Holdings (crowdfunding Project)		0.0%		Investor 1 - Propthereum Holdings (crowdfunding Project)		0.0%											
Equity required	50 975 500		Investor 1 - Propthereum Holdings (crowdfunding Project)		0.0%		Investor 1 - Propthereum Holdings (crowdfunding Project)		0.0%											
Construction loan term (months)			Equity contribution		50 975 500		Investor 1 - Propthereum Holdings (crowdfunding Project)		50 975 500											
Term loan (months)			Investor 1 - Propthereum Holdings (crowdfunding Project)		-		Investor 1 - Propthereum Holdings (crowdfunding Project)		-											
Loan residual			Guarantees:		-		Investor 1 - Propthereum Holdings (crowdfunding Project)		-											
Interest rate			Investor 1 - Propthereum Holdings (crowdfunding Project)		-		Investor 1 - Propthereum Holdings (crowdfunding Project)		-											
Raising/service fee (excl. VAT)			TBC by Bank		-		Investor 1 - Propthereum Holdings (crowdfunding Project)		-											
Profit share for the lender	None																			
STRATEGY																				
Intention is to retain property, long term hold, and develop additional bulk +/- 4000m ² for Tenant when they require- estimated cost 24m																				
VALUATION																				
	1	2	3	4	5	6	7	8	9	10										
Net Operating Income	4 960 750	5 357 610	5 786 219	6 249 116	6 749 046	7 288 969	7 872 087	8 501 854	9 182 002	9 916 562										
Cap rate																				
Valuation	9.00%	55 119 444	59 529 000	64 291 320	69 434 626	74 989 396	80 988 547	87 467 631	94 465 042	102 022 245										
=12m fwd NOI/Cap rate	9.50%	52 218 421	56 395 695	60 907 566	65 780 172	71 042 585	76 725 992	82 864 072	89 493 197	96 652 651										
	10.00%	49 607 500	53 576 100	57 862 188	62 491 163	67 490 456	72 889 693	78 720 868	85 018 537	91 820 020										
Rental Income accumulation incl Interest																				
Quarterly Rental Income distribution (incl 10%)	1 116 169	1 205 462	1 301 899	1 406 051	1 518 535	1 640 018	1 771 220	1 912 917	2 065 950	2 231 236										
10% to Propthereum	124 019	133 940	144 665	156 228	168 756	182 224	196 602	212 546	229 550	247 914										
NAV	9.00%	55 119 444	59 529 000	64 291 320	69 434 626	74 989 396	80 988 547	87 467 631	94 465 042	102 022 245										
=Valuation	9.50%	52 218 421	56 395 695	60 907 566	65 780 172	71 042 585	76 725 992	82 864 072	89 493 197	96 652 651										
all rental distributed	10.00%	49 607 500	53 576 100	57 862 188	62 491 163	67 490 456	72 889 693	78 720 868	85 018 537	91 820 020										
Total Project Cost	(50 975 500)	-	-	-	-	-	-	-	-	-										
Equity contribution	(50 975 500)	-	-	-	-	-	-	-	-	-										
Initial Yield	9.73%																			
Gross Profit before Tax	9.00%	4 143 944	8 553 500	13 315 820	18 459 126	24 013 896	30 013 047	36 492 131	43 489 542	51 046 745										
= (NAV - Equity contribution)	9.50%	1 242 921	5 420 395	9 932 066	14 804 672	20 067 085	25 750 492	31 888 572	38 517 697	45 677 153										
	10.00%	(1 368 000)	2 600 600	6 886 688	11 515 663	16 514 956	21 914 193	27 745 368	34 043 037	40 844 520										
Gross Propthereum capital profit	9.00%	414 394	855 350	1 331 582	1 845 913	2 401 390	3 001 305	3 649 213	4 348 954	5 104 674										
=Gross Profit x 10%	9.50%	124 292	542 039	993 207	1 480 467	2 006 709	2 575 049	3 188 857	3 851 770	4 567 715										
	10.00%	(136 800)	260 060	688 669	1 151 566	1 651 496	2 191 419	2 774 537	3 404 304	4 084 452										
GROSS PROFIT AFTER Propthereum Profit	9.00%	3 729 550	7 698 150	11 984 238	16 613 213	21 612 506	27 011 743	32 842 919	39 140 587	45 942 070										
=Gross Profit x 100%	9.50%	1 118 629	4 878 355	8 938 860	13 324 204	18 060 377	23 175 443	28 699 714	34 665 928	41 109 438										
	10.00%	(1 231 200)	2 340 540	6 198 019	10 364 097	14 863 460	19 722 773	24 970 851	30 638 734	36 760 068										
Return on Investment	9.00%	7%	15%	24%	33%	42%	53%	64%	77%	90%										
= (Valuation - Total Cost) / Total Cost	9.50%	2%	10%	18%	26%	35%	45%	56%	68%	81%										
	10.00%	-2%	5%	12%	20%	29%	39%	49%	60%	72%										
Return on Equity	9.00%	7%	15%	24%	33%	42%	53%	64%	77%	90%										
= (NAV-Equity)/Equity	9.50%	2%	10%	18%	26%	35%	45%	56%	68%	81%										
	10.00%	-2%	5%	12%	20%	29%	39%	49%	60%	72%										
Project IRR	9.00%	8%	8%	8%	8%	8%	8%	8%	8%	8%										
= Time based total project return	9.50%	2%	5%	6%	7%	7%	7%	7%	7%	7%										
	10.00%	-3%	3%	4%	5%	6%	6%	6%	7%	7%										
Equity IRR	9.00%	8%	8%	8%	8%	8%	8%	8%	8%	8%										
= Time based return on equity	9.50%	2%	5%	6%	7%	7%	7%	7%	7%	7%										
	10.00%	-3%	3%	4%	5%	6%	6%	6%	7%	7%										
Propthereum equity appreciation	Percentage Property/Coin Appreciation	2%	10%	18%	26%	35%	45%	56%	68%	81%										
	9.50%	2%	5%	6%	7%	7%	7%	7%	7%	7%										
	10.00%	-3%	3%	4%	5%	6%	6%	6%	7%	7%										

SCENARIO 2 – 90% GEARING

INVESTMENT SUMMARY										
	Project name	GOODWOOD Industrial							Excl. VAT	Incl. VAT
	Region	Marion hill								
	Property category	Warehouse								
	Tenant	K&N Logistics								
	Property type	Freehold								
	GLA on completion (m²)	6 447.00								
	Lease duration	10 years								
	Rental escalation (TBC)	8.00%								
	Rental guarantee									
	Land purchase price									
	Development Cost	50 975 500							50 975 500	
	Interest during construction	0								0
	TOTAL PROJECT COST	50 975 500							50 975 500	
	Cost per m²	7 907								
	Development fee to Hodari Projects	-								
	Initial yield	9.73%								
INFORMATION ON PROPERTY										
SITE AREA	m²	16457								
	PERMITTED	CURRENT	AVAILABLE							
FAR -	1.4	m²	23039.8	6411	16628.8					
COVERAGE	70%	m²	11519.9	6331	5188.9					
HEIGHT	6 Storey	6 Storey	9m							
TENANT										
K&N signing a 10 year NET lease. Strategically required the property for future growth. Intentions is to develop additional more bulk. Develop for additional Tenant, try and gain access off Mahogany Road. ESCALATION - 8%,										
FUNDING										
Bank will fund 90%										
Debt		Investec								
VAT facility		45 877 950								
Debt %		90%								
Equity required		5 097 550								
Construction loan term (months)										
Term loan (months)										
Loan residual										
Interest rate										
Raising/service fee (excl. VAT)										
Profit share for the lender		None								
Shareholding : Based upon Equity contribution										
Investor 1 - Proptherium Holdings (crowdfunding Project)										
100%										
100.0%										
0.0%										
0.0%										
0.0%										
0.0%										
5 097 550										
5 097 550										
Equity contribution										
Investor 1 - Proptherium Holdings (crowdfunding Project)										
5 097 550										
5 097 550										
-										
-										
-										
-										
-										
Guarantees:										
Investor 1 - Proptherium Holdings (crowdfunding Project)										
-										
-										
-										
-										
TBC by Bank										
STRATEGY										
Intention is to retain property, long term hold, and develop additional bulk +/- 4000m² for Tenant when they require- estimated cost 24m										
VALUATION										
Year										
1	2	3	4	5	6	7	8	9	10	
Net Operating Income	4 960 750	5 357 610	5 786 219	6 249 116	6 749 046	7 288 969	7 872 087	8 501 854	9 182 002	9 916 562
Cap rate	9.00%	55 119 444	59 529 000	64 291 320	69 434 626	74 989 396	80 988 547	87 467 631	94 465 042	102 022 245
=12m fwd NOI/Cap rate	9.50%	52 218 421	56 395 895	60 907 566	65 780 172	71 042 585	76 725 992	82 864 072	89 493 197	96 652 653
	10.00%	(1 097 255)	3 587 229	9 115 454	62 491 163	67 490 456	72 889 693	78 720 668	85 018 537	91 820 020
Debt	45 607 205	44 891 321	43 649 184	41 788 297	39 203 350	35 774 613	31 366 133	25 823 728	18 972 734	10 615 495
NAV	9.00%	9 512 240	14 637 679	20 462 136	27 646 329	35 786 045	45 213 934	56 101 498	68 641 313	83 049 510
=Valuation - Debt outstanding	9.50%	6 611 216	11 504 573	17 258 383	23 991 875	31 839 235	40 951 379	51 497 938	63 669 469	77 679 919
	10.00%	4 000 295	8 684 779	14 213 004	20 702 867	28 287 106	37 115 080	47 354 735	59 194 809	72 847 286
Total Project Cost	(50 975 500)	-	-	-	-	-	-	-	-	-
Equity contribution	(5 097 550)	-	-	-	-	-	-	-	-	-
Initial Yield	9.73%	-	-	-	-	-	-	-	-	-
Gross Profit before Tax	9.00%	4 414 690	9 540 129	15 544 586	22 548 779	30 688 495	40 116 384	51 003 948	63 543 763	77 951 960
= (NAV - Equity contribution)	9.50%	1 513 666	6 407 023	12 160 833	18 894 325	26 741 685	35 853 829	46 400 388	58 571 919	72 582 369
	10.00%	(1 097 255)	3 587 229	9 115 454	15 605 317	23 189 556	32 017 530	42 257 185	54 097 259	67 749 736
Gross Proptherium profit	9.00%	441 469	954 013	1 554 459	2 254 878	3 068 850	4 011 638	5 100 395	6 354 376	7 795 196
=Gross Profit x 10%	9.50%	151 367	640 702	1 216 083	1 889 433	2 674 169	3 585 383	4 640 039	5 857 192	7 258 237
	10.00%	(109 725)	358 723	911 545	1 560 532	2 318 958	3 201 753	4 225 718	5 409 726	6 774 974
GROSS PROFIT AFTER Proptherium Profit	9.00%	3 973 221	8 586 116	13 990 128	20 293 901	27 619 646	36 104 746	45 903 553	55 189 387	70 156 764
=Gross Profit x 10%	9.50%	1 362 300	5 766 321	10 944 749	17 004 893	24 067 517	32 268 446	41 760 349	52 714 727	65 324 132
	10.00%	(987 529)	3 226 506	8 203 909	14 044 785	20 870 600	28 815 777	38 031 466	48 687 533	79 804 638
Gross profit	9.00%	3 973 221	8 586 116	13 990 128	20 293 901	27 619 646	36 104 746	45 903 553	55 189 387	70 156 764
=Gross Profit x 100%	9.50%	1 362 300	5 766 321	10 944 749	17 004 893	24 067 517	32 268 446	41 760 349	52 714 727	65 324 132
	10.00%	(987 529)	3 226 506	8 203 909	14 044 785	20 870 600	28 815 777	38 031 466	48 687 533	79 804 638
Return on Investment	9.00%	7%	15%	23%	32%	41%	51%	62%	73%	85%
= (Valuation - Total Cost) / Total Cost	9.50%	2%	9%	17%	25%	34%	43%	53%	64%	75%
	10.00%	-2%	4%	12%	20%	28%	37%	46%	56%	78%
Return on Equity	9.00%	78%	168%	274%	398%	542%	708%	901%	1122%	1376%
= (NAV-Equity) / Equity	9.50%	27%	113%	215%	334%	472%	633%	819%	1034%	1281%
	10.00%	-19%	63%	161%	276%	409%	565%	746%	955%	1196%
Project IRR	9.00%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Time based total project return	9.50%	2%	5%	6%	7%	7%	7%	7%	7%	7%
	10.00%	-3%	3%	4%	5%	6%	6%	7%	7%	7%
Equity IRR	9.00%	87%	69%	59%	53%	48%	44%	41%	38%	35%
= Time based return on equity	9.50%	30%	50%	47%	44%	42%	39%	37%	35%	34%
	10.00%	-22%	31%	41%	42%	41%	39%	37%	36%	33%
Proptherium equity appreciation										
Percentage Appreciation	27%	113%	215%	334%	472%	633%	819%	1034%	1281%	1566%

MAHONGA RIDGE		K&N		COST BREAKDOWN - EXCLUDING VAT					
FEASIBILITY STUDY		EXISTING BUILDING WITH BULK							
PREPARED	UPDATED	16-Oct-2017							
PURCHASE OPTIONS	INTEREST	Forward to	Rate	Margin	Total	0.00%			
TAX RATE		28.00%							
NET RENT	413 396			Residual %	23.14%			10 615 495	
10 YEAR RESET		0.00%		Residual	10 615 495				
WAREHOUSE & OFFICE								10 YEAR	5 YEAR
				WAREHOUSE & OFFICE		Residual %	Resid %	10 615 495	39 203 350
								23.14%	85.45%
TEN YEAR								Escalation Interest	8.00%
								10.25%	PROPOSAL
YEAR	Opening Bal	Interest	Net Rent	Capital	Closing Bal	Annual Rental		Capitalised	Margin
2016	1 45 877 950	391 874.16	413 396	21 522	45 856 428	4 960 750	53 629 730	7 773 301	5 620 049
2	45 856 428	391 600.33	413 396	21 706	45 834 723				2 153 253
3	45 834 723	391 504.92	413 396	21 891	45 812 832				
4	45 812 832	391 317.94	413 396	22 078	45 790 754				
5	45 790 754	391 129.36	413 396	22 266	45 768 488				
6	45 768 488	390 939.16	413 396	22 457	45 746 031				
7	45 746 031	390 747.35	413 396	22 648	45 723 382				
8	45 723 382	390 553.89	413 396	22 842	45 700 540				
9	45 700 540	390 358.77	413 396	23 037	45 677 503				
10	45 677 503	390 162.01	413 396	23 231	45 654 270				
11	45 654 270	389 965.33	413 396	23 424	45 631 967				
12	45 630 837	389 768.59	413 396	23 618	45 607 265				
13	45 607 265	389 571.84	413 396	23 807	45 583 957				
14	45 580 299	389 075.47	446 468	57 392	45 492 907				
15	45 492 907	388 585.25	446 468	57 882	45 405 025				
16	45 435 025	388 080.84	446 468	58 377	45 376 648				
17	45 376 648	387 592.20	446 468	58 875	45 317 773				
18	45 317 773	387 089.31	446 468	59 378	45 258 394				
19	45 258 393	386 582.12	446 468	59 881	45 198 509				
20	45 198 500	386 070.66	446 468	60 397	45 138 112				
21	45 138 112	385 554.71	446 468	60 913	45 077 199				
22	45 077 199	385 034.41	446 468	61 434	45 015 766				
23	45 015 766	384 509.67	446 468	61 959	44 953 808				
24	44 953 808	383 980.45	446 468	62 487	44 872 511				
25	44 872 511	383 459.20	446 468	62 996	44 792 533				
26	44 792 533	382 930.51	482 185	69 582	44 693 002				
27	44 693 002	381 752.72	482 185	100 432	44 592 569				
28	44 592 569	380 884.96	482 185	100 290	44 491 279				
29	44 491 279	380 029.64	482 185	102 155	44 389 124				
30	44 389 124	379 157.10	482 185	103 028	44 286 096				
31	44 286 096	378 277.07	482 185	103 909	44 182 189				
32	44 182 189	377 389.53	482 185	104 795	44 077 393				
33	44 077 393	376 490.40	482 185	105 699	43 971 703				
34	43 971 703	375 591.68	482 185	106 591	43 865 109				
35	43 865 109	374 681.14	482 185	107 501	43 757 606				
36	43 757 606	373 762.48	482 185	108 422	43 661 184				
37	43 661 184	372 833.85	482 185	109 328	43 560 741				
38	43 560 741	371 573.40	520 760	149 186	43 352 074				
39	43 362 074	370 298.87	520 760	150 461	42 201 614				
40	43 201 614	369 013.78	520 760	151 746	43 049 868				
41	43 049 868	367 717.62	520 760	152 042	42 896 826				
42	42 896 826	366 410.32	520 760	154 349	42 742 476				
43	42 742 476	365 091.99	520 760	155 661	42 586 809				
44	42 586 809	363 762.32	520 760	156 997	42 429 811				
45	42 429 811	362 421.30	520 760	158 338	42 271 473				
46	42 271 473	361 068.84	520 760	159 691	42 111 782				
47	42 111 782	359 704.80	520 760	161 055	41 950 727				
48	41 950 727	358 329.13	520 760	162 431	41 787 041				
49	41 787 041	356 941.77	560 120	206 479	41 582 818				
50	41 582 818	355 563.40	560 120	207 400	41 375 584				
51	41 375 584	353 416.45	562 420	208 004	41 166 580				
52	41 166 580	351 631.20	562 420	210 789	40 955 791				
53	40 955 791	349 830.71	562 420	212 591	40 743 201				
54	40 743 201	348 014.88	562 420	214 400	40 528 795				
55	40 528 795	346 183.44	562 420	216 237	40 312 558				
56	40 312 558	344 336.43	562 420	218 084	40 094 474				
57	40 094 474	342 473.63	562 420	219 947	39 874 527				
58	39 874 527	340 594.56	562 420	221 822	39 652 702				
59	39 652 702	338 700.12	562 420	223 720	39 428 981				
60	39 428 981	336 789.24	562 420	225 631	39 203 350				
61	39 203 350	334 865.45	601 020	227 492	39 089 168				
62	39 089 168	332 553.00	601 020	227 800	38 655 192				
63	38 655 192	330 185.96	601 020	227 228	38 379 690				
64	38 379 690	327 817.97	601 020	227 598	38 099 094				
65	38 099 094	325 429.76	601 020	228 194	37 817 105				
66	37 817 109	323 021.14	607 414	284 393	37 532 716				
67	37 532 716	320 591.59	607 414	286 822	37 245 894				
68	37 245 894	318 142.01	607 414	289 272	36 956 622				
69	36 956 622	315 671.15	607 414	291 743	36 664 879				
70	36 664 879	313 179.18	607 414	294 233	36 370 644				
71	36 370 644	310 665.98	607 414	296 744	36 073 896				
72	36 073 896	308 131.19	607 414	299 283	35 774 613				
73	35 774 613	305 574.85	607 414	301 432	35 424 181				
74	35 424 181	303 105.54	607 414	303 007	35 075 265				
75	35 075 265	299 562.70	607 400	305 454	34 741 310				
76	34 741 310	296 518.07	605 007	359 489	34 354 821				
77	34 354 821	293 447.43	605 007	362 560	33 992 261				
78	33 992 261	290 350.57	605 007	365 657	33 626 605				
79	33 626 605	287 227.25	605 007	368 789	33 257 825				
80	33 257 825	284 077.25	605 007	371 930	32 885 895				
81	32 885 895	280 900.35	605 007	375 107	32 510 788				
82	32 510 788	277 698.33	605 007	378 311	32 132 477				
83	32 132 477	274 464.91	605 007	381 542	31 750 935				
84	31 750 935	271 205.90	605 007	384 801	31 369 133				
85	31 369 133	269 918.56	708 488	446 446	30 446 226				
86	30 446 226	268 545.88	708 488	444 352	30 161 230				
87	30 161 230	266 360.53	708 488	448 127	29 833 030				
88	29 833 030	252 527.37	708 488	451 955	29 581 150				
89	29 581 150	252 672.33	708 488	455 815	29 235 135				
90	29 235 135	249 778.90	708 488	459 703	28 665 626				
91	28 665 626	244 852.22	708 488	463 630	28 201 990				
92	28 201 990	240 889.70	708 488	467 593	27 734 395				
93	27 734 395	236 897.95	708 488	471 593	27 262 805				
94	27 262 805	232 869.79	708 488	475 618	26 787 187				
95	26 787 187	228 807.22	708 488	479 681	26 307 506				
96	26 307 506	224 709.35	708 488	483 778	25 823 728				
97	25 823 728	220 574.00	708 488	484 540	25 389 000				
98	25 389 000	218 256.58	705 167	486 241	25 079 126				
99	24 723 898	211 245.44	705 167	503 932	24 175 966				
100	24 175 966	206 502.04	705 167	508 664	23 617 202				
101	23 617 202	201 731.12	705 167	503 436	23 053 866				
102	23 053 866	196 918.44	705 167	508 248	22 485 618				
103	22 485 618	192 064.65	705 167	513 102	21 912 516				
104	21 912 516	187 169.41	705 167	517 997	21 334 518				
105	21 334 518	182 232.34	705 167	520 934	20 751 584				
106	20 751 584	177 253.11	705 167	527 914	20 163 670				
107	20 163 670	172 231.73	705 167	522 938	19 570 735				
108	19 570 735	167 166.69	705 167	528 000	18 972 734				
109	18 972 734	162 100.44	705 167	534 327	18 596 133				
110	18 596 133	156 384.64	705 167	538 996	18 163 417				
111	17 638 417	150 661.48	705 167	543 380	17 621 699				
112	16 962 699	144 889.72	705 167	541 690	16 281 208				
113	16 281 208	139 068.65	705 167	547 312	15 593 897				
114	15 593 897	133 197.87	705 167	552 380	14 932 184				
115	14								

SCENARIO 3 – 70% GEARING

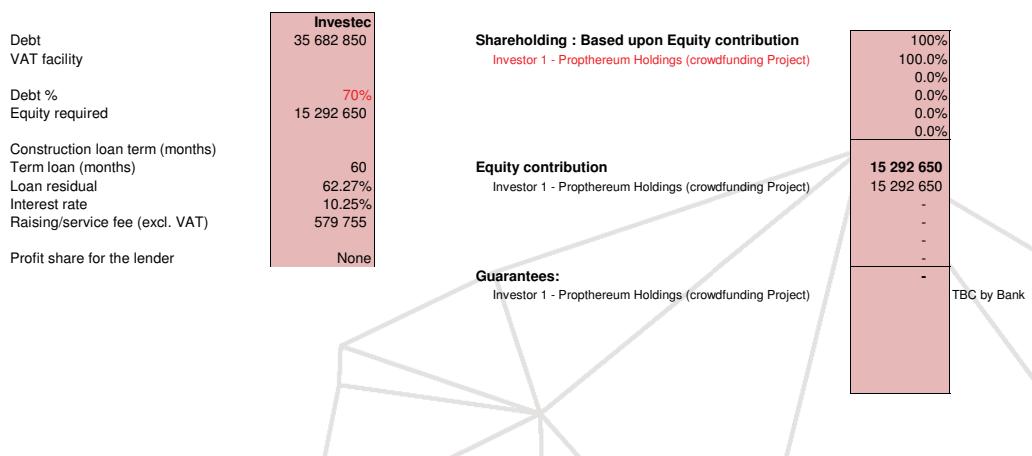
INVESTMENT SUMMARY		Excl. VAT	Incl. VAT
Project name	GOODWOOD Industrial		
Region	Marion hill	50 975 500	50 975 500
Property category	Warehouse	-	0
Tenant	K&N Logistics	50 975 500	50 975 500
Property type	Freehold		
GLA on completion (m ²)	6 447.00		
Lease duration	10 years		
Rental escalation (TBC)	8.00%		
Rental guarantee			
Land purchase price			
Development Cost			
Interest during construction			
TOTAL PROJECT COST	50 975 500		
Cost per m ²	7 907		
Development fee to Hodari Projects		-	
Initial yield	9.73%		

INFORMATION ON PROPERTY					
SITE AREA	m2	16457			NOTES:
		PERMITTED	CURRENT	AVAILABLE	Good condition and well maintained by Khuene Nagel. Sprinkler tanks and pump's installed.
FAR -	1.4	m2	23039.8	6411	16628.8 Occupancy J2 Moderate risk. RACKING INCLUDED IN PROPERTY PURCHASE - est. R2.5m - approx
COVERAGE	70%	m2	11519.9	6331	5188.9 7700 pallets. Triple Net Lease
HEIGHT	6 Storey	6 Storey	9m		

K&N signing a 10 year NET lease. Strategically required the property for future growth. Intentions is to develop additional more bulk. Develop for additional Tenant, try and gain access off Mahogany Road from Hwy 28.

FUNDING

Bank will fund 90%



STRATEGY

Intention is to retain property, long term hold, and develop additional bulk +/- 4000m² for Tenant when they require- estimated cost 24m²

VALUATION

	Year											
Net Operating Income	1	2	3	4	5	6	7	8	9	10		
Valuation	Cap rate	9.00%	55 119 444	59 529 000	64 291 320	69 434 626	74 989 396	80 988 547	87 467 631	94 465 042	102 022 245	110 184 024
	=12m fwd NOI/Cap rate	9.50%	52 218 421	56 395 895	60 907 566	65 780 172	71 042 585	76 725 992	82 864 072	89 493 197	96 652 653	104 384 865
Debt	10.00%	49 607 500	53 576 100	57 682 188	62 491 163	67 490 456	72 889 693	78 720 868	85 018 537	91 820 020	99 165 622	
NAV	9.00%	20 802 855	27 141 529	34 489 590	42 981 763	52 769 350	64 022 183	76 930 789	91 708 819	108 530 361	127 403 573	
	=Valuation - Debt outstanding	9.50%	17 901 832	24 008 424	31 105 836	39 327 309	48 822 540	59 759 672	72 327 229	86 736 975	103 160 769	121 604 440
	10.00%	15 290 911	21 188 629	28 060 458	36 038 300	45 270 411	55 923 328	68 184 026	82 262 315	98 328 136	116 385 197	
Total Project Cost	(50 975 500)	-	-	-	-	-	-	-	-	-	-	
Equity contribution	(15 292 650)	-	-	-	-	-	-	-	-	-	-	
Initial Yield	9.73%	-	-	-	-	-	-	-	-	-	-	
Gross Profit before Tax	9.00%	5 510 205	11 848 879	19 196 940	27 689 113	37 476 700	48 729 533	61 638 139	76 416 169	93 237 711	112 110 949	
	= (NAV - Equity contribution)	9.50%	2 609 182	8 715 774	15 813 186	24 034 659	33 529 890	44 466 977	57 034 579	71 442 325	87 868 119	106 311 790
	10.00%	(1 739)	5 895 979	12 767 808	20 745 650	29 977 761	40 630 678	52 891 376	66 969 665	83 035 486	101 092 547	
Gross Proptherium profit	9.00%	551 021	1 184 888	1 919 694	2 768 911	3 747 670	4 872 953	6 163 814	7 641 617	9 323 771	11 211 095	
	=Gross Profit x 10%	9.50%	260 918	871 577	1 581 319	2 403 466	3 352 988	4 446 698	5 703 458	7 144 432	8 786 812	10 631 179
	10.00%	10.00%	(174)	589 598	1 276 781	2 074 565	2 997 776	4 063 068	5 289 138	6 696 966	8 303 549	10 109 255
GROSS PROFIT AFTER Proptherium Profit	9.00%	4 959 185	10 663 991	17 277 246	24 920 202	33 729 030	43 856 579	55 474 325	68 774 552	83 913 940	100 899 855	
	9.50%	2 348 264	7 844 197	14 231 868	21 631 193	30 176 901	40 020 280	51 331 122	64 299 892	79 081 307	95 680 611	
	10.00%	(1 565)	5 306 381	11 491 027	18 671 058	26 979 985	36 567 610	47 602 238	60 272 698	74 731 938	90 983 292	
Gross profit	9.00%	4 959 185	10 663 991	17 277 246	24 920 202	33 729 030	43 856 579	55 474 325	68 774 552	83 913 940	100 899 855	
	=Gross Profit x 10%	9.50%	2 348 264	7 844 197	14 231 868	21 631 193	30 176 901	40 020 280	51 331 122	64 299 892	79 081 307	95 680 611
	100%	10.00%	(1 565)	5 306 381	11 491 027	18 671 058	26 979 985	36 567 610	47 602 238	60 272 698	74 731 938	90 983 292
Return on Investment	9.00%	7%	14%	22%	31%	40%	49%	59%	70%	82%	94%	
	= (Valuation - Total Cost) / Total Cost	9.50%	2%	9%	16%	24%	33%	42%	51%	62%	72%	
	10.00%	-3%	4%	11%	19%	27%	35%	44%	54%	64%	75%	
Return on Equity	9.00%	32%	70%	113%	163%	221%	287%	363%	450%	549%	660%	
	= (NAV-Equity) / Equity	9.50%	15%	51%	93%	141%	197%	262%	336%	420%	517% 626%	
	10.00%	0%	35%	75%	122%	176%	239%	311%	394%	489%	595%	
Project IRR	9.00%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	
Time based total project return	9.50%	2%	5%	6%	7%	7%	7%	7%	7%	7%	7%	
	10.00%	-3%	3%	4%	5%	6%	6%	7%	7%	7%	7%	
Equity IRR	9.00%	36%	33%	31%	29%	28%	27%	26%	25%	24%	24%	
Time based return on equity	9.50%	17%	25%	27%	27%	26%	26%	25%	24%	24%	23%	
	10.00%	0%	18%	22%	24%	24%	24%	24%	23%	23%	23%	
Proptherium equity appreciation												
Percentage Appreciation	15%	51%	93%	141%	197%	262%	336%	420%	517%	626%		

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MAHOGANY RIDGE FEASIBILITY STUDY		K&N EXISTING BUILDING WITH BULK		COST BREAKDOWN - EXCLUDING VAT														
PREPARED		16-Oct-2017																
UPDATED		Forward to	Rate	Margin	Total	0.00%												
PURCHASE OPTIONS INTEREST																		
TAX RATE		28.00%																
NET RENT		413 396		Residual %	-48.26%													
10 YEAR RESET		0.00%		Residual	-17 219 575													
ORIGINAL PURCHASE PRICE		50 975 500																
MARGIN		0																
ORIGINAL PURCHASE PRICE		50 975 500																
EQUITY		30.00%	15 292 650	11.00%														
LOAN AMOUNT			35 682 850															
WAREHOUSE & OFFICE																		
YEAR																		
2016	1	35 682 850	304 791.01	413 396	108 605	35 574 245												
	2	35 574 245	303 663.34	413 396	109 532	35 464 713												
	3	35 464 713	302 927.75	413 396	110 468	35 354 245												
	4	35 354 245	301 817.17	413 396	111 412	35 245 833												
	5	35 245 833	300 632.53	413 396	112 356	35 139 700												
	6	35 139 700	300 072.76	413 396	113 323	35 017 147												
	7	35 017 147	299 104.79	413 396	114 291	34 902 856												
	8	34 902 856	298 128.56	413 396	115 267	34 797 588												
	9	34 797 588	297 143.98	413 396	116 252	34 671 336												
	10	34 671 336	296 151.00	413 396	117 245	34 554 092												
	11	34 554 092	295 149.53	413 396	118 246	34 435 845												
RETURN PER ANNUM	20.00%	3 058 530	15.00%	0			12	34 435 845	299 139.51	413 396	119 256	34 316 589	96.17%					
RETURN PER MONTH		254 878		0			13	34 316 589	293 120.86	416 468	153 347	34 163 242	5 357 610	57 920 108	23 603 519	18 588 312	5 015 208	
Return	Year 1	3 058 530	3 058 530				14	34 163 242	291 811.03	416 468	154 656	34 008 586						
	Year 2	3 058 530	6 728 766				15	34 008 586	299 490.00	416 468	155 977	33 852 608						
	Year 3	3 058 530	10 399 002				16	33 852 608	289 157.70	416 468	157 310	33 695 299						
	Year 4	3 058 530	14 069 238				17	33 695 299	288 175.00	416 468	158 645	33 556 645						
	Year 5	3 058 530	17 739 474				18	33 556 645	286 459.84	416 468	160 003	33 376 636						
	Year 6	3 058 530	21 409 710				19	33 376 636	285 092.10	416 468	161 375	33 215 261						
	Year 7	3 058 530	25 079 946				20	33 215 261	283 113.69	416 468	162 754	33 052 507						
	Year 8	3 058 530	28 750 182				21	33 052 507	282 323.50	416 468	164 144	32 888 363						
	Year 9	3 058 530	32 420 418				22	32 888 363	280 921.44	416 468	165 546	32 722 817						
	Year 10	3 058 530	36 090 654				23	32 722 817	279 507.40	416 468	166 960	32 555 857						
CAP RATE			9.00%				24	32 555 857	278 081.28	416 468	168 386	32 387 471	90.76%					
PURCHASE OPTION 1 - 0 MONTHS		50 975 500	55 119 444				25	32 387 471	276 642.78	416 468	205 542	32 181 929	5 786 219	62 553 717	30 166 246	20 493 614	9 672 632	
PURCHASE OPTION 2 - 12 MONTHS		3 058 530	54 034 030				26	32 181 929	274 887.31	416 468	207 298	31 974 631						
PURCHASE OPTION 3 - 24 MONTHS		6 728 766	57 704 266				27	31 974 631	273 116.64	416 468	209 068	31 765 563						
PURCHASE OPTION 4 - 36 MONTHS		10 399 002	61 374 502				28	31 765 563	271 330.85	416 468	210 854	31 554 079						
PURCHASE OPTION 5 - 48 MONTHS		14 069 238	65 044 738				29	31 554 079	269 546.38	416 468	212 422	31 344 564						
PURCHASE OPTION 6 - 60 MONTHS		17 739 474	68 714 974				30	31 344 564	267 739.04	416 468	214 472	31 127 592						
PURCHASE OPTION 7 - 72 MONTHS		21 409 710	72 385 210				31	31 127 592	265 881.43	416 468	216 203	30 911 279						
PURCHASE OPTION 8 - 84 MONTHS		25 079 946	76 055 446				32	30 911 279	264 033.84	416 468	218 151	30 693 128						
PURCHASE OPTION 9 - 96 MONTHS		28 750 182	79 725 682				33	30 693 128	262 170.47	416 468	220 014	30 473 113						
PURCHASE OPTION 10 - 108 MONTHS		32 420 418	83 395 918				34	30 473 113	260 291.18	416 468	221 894	30 251 220						
PURCHASE OPTION 11 - 120 MONTHS		36 090 654	87 066 154				35	30 251 220	258 995.83	416 468	223 789	30 027 431						
2019	37	29 051 730	254 556.44	520 760	266 203	29 535 527	62 249 116	67 558 014	37 756 284	22 594 209	15 162 075							
	38	29 532 527	252 862.62	520 760	270 070	28 998 279												
	39	29 567 050	249 576.38	520 760	270 779	28 998 279												
	40	29 592 779	247 036.70	520 760	273 026	28 998 279												
	41	29 623 507	245 493.97	520 760	273 916	28 998 279												
	42	28 447 781	242 991.46	520 760	277 788	28 170 012												
	43	28 170 012	240 618.86	520 760	280 141	27 889 871												
	44	27 889 871	238 225.99	520 760	282 534	27 607 338												
	45	27 607 338	235 612.68	520 760	284 947	27 322 391												
	46	27 322 391	233 378.75	520 760	287 381	27 035 010												
	47	27 035 010	230 924.04	520 760	288 836	26 745 174												
	48	26 745 174	228 448.36	520 760	292 311	26 452 863	6 749 046	72 962 655	46 509 792	24 910 115	21 599 677	74.13%						
	49	26 452 863	225 951.54	520 760	296 159	26 166 327	6 727 087	85 103 641	68 137 276	30 278 401	37 858 875	42.27%						
	50	26 166 327	223 070.53	520 760	303 343	25 777 051	6 701 097	91 911 932	81 375 090	33 381 937	47 993 153	29.53%						
	51	25 777 051	220 798.45	520 760	304 424	25 432 056	6 676 097	91 911 932	81 375 090	33 381 937	47 993 153	29.53%						
	52	25 432 056	217 255.69	520 760	304 465	25 089 645	6 651 097	91 911 932	81 375 090	33 381 937	47 993 153	29.53%						
	53	25 089 645	214 307.88	520 760	304 491	24 741 532	6 626 097	91 911 932	81 375 090	33 381 937	47 993 153	29.53%						
	54	24 741 532	211 333.92	520 760	305 107	24 390 445	6 596 097	91 911 932	81 375 090	33 381 937	47 993 153	29.53%						
	55	24 390 445	208 355.05	520 760	305 157	562 420	6 566 097	91 911 932	81 375 090	33 381 937	47 993 153	29.53%						
	56	24 036 360	205 101.57	520 760	305 178	565 007	551 075	91 911 932	81 375 090	33 381 937	47 993 153	29.53%						
	57	23 679 250	202 260.26	520 760	306 160	562 420	360 160	91 911 932										

SCENARIO 4 – 50% GEARING

Proptereum 50% Gearing.xls

2017/10

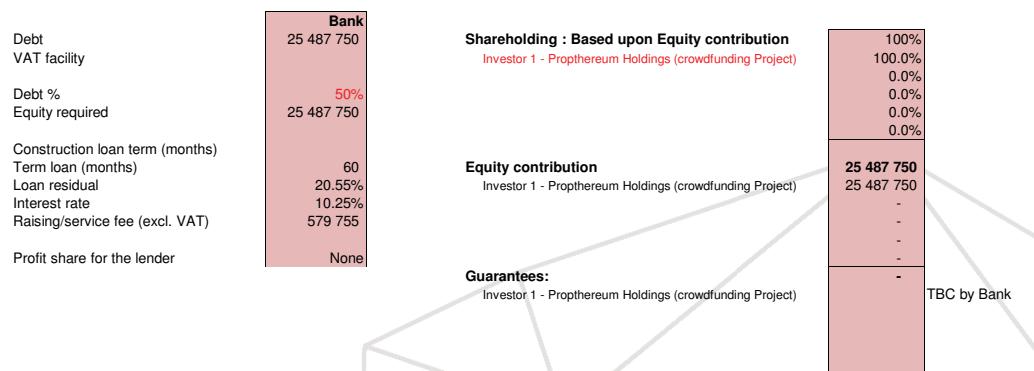


INVESTMENT SUMMARY						Excl. VAT	Incl. VAT
Project name	GOODWOOD Industrial						
Region	Marion hill					50 975 500	50 975 500
Property category	Warehouse					-	0
Tenant	K&N Logistics					50 975 500	50 975 500
Property type	Freehold						
GLA on completion (m ²)	6 447.00						
Lease duration	10 years						
Rental escalation (TBC)	8.00%						
Rental guarantee							
TOTAL PROJECT COST						50 975 500	50 975 500
	Cost per m ²					7 907	
	Development fee to Hodari Projects					-	
	Initial yield					9.73%	

.N signing a 10 year NET lease. Strategically required the property for future growth. Intentions is to develop additional more bulk. Develop for additional Tenant, try and gain access off Mahogany Road.
CALATION - 8%.

FUNDING

Bank will fund 90%



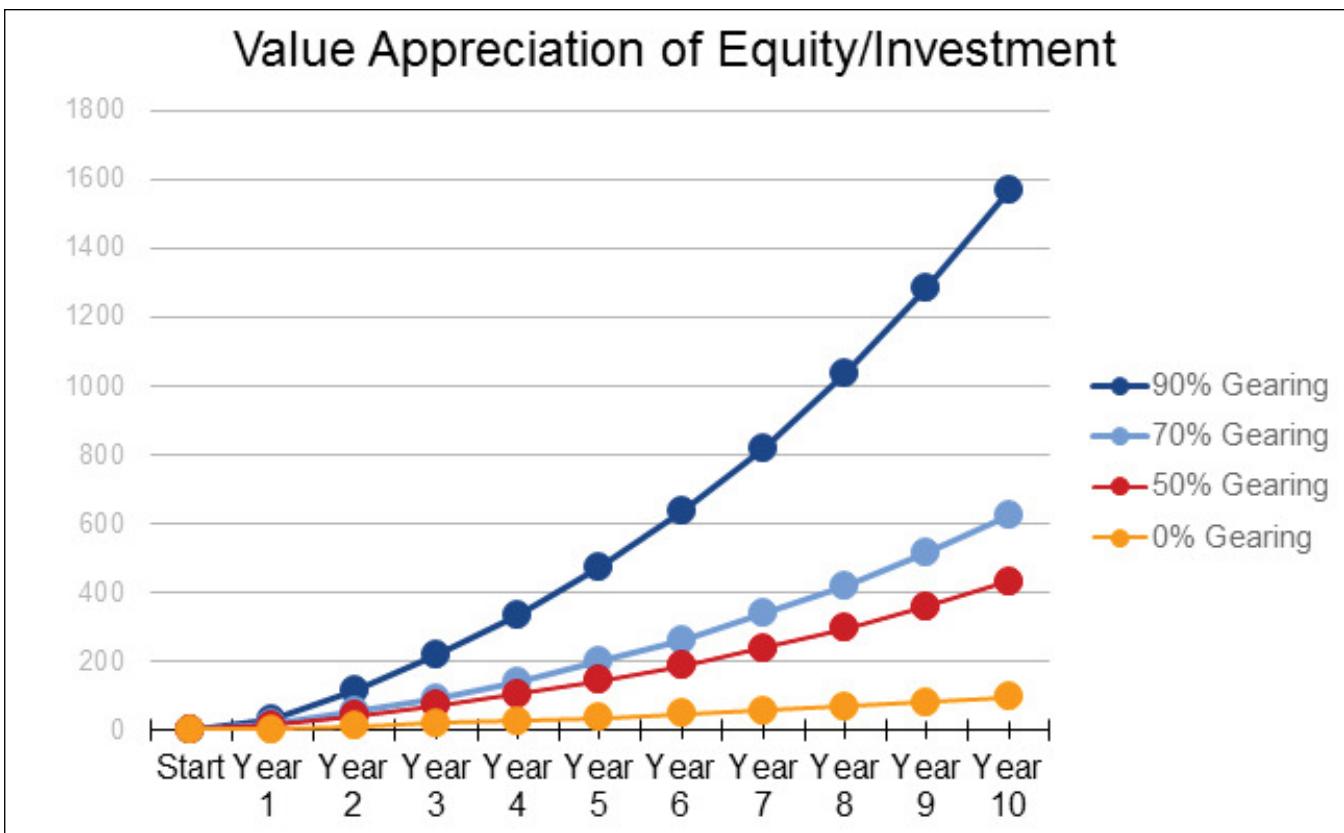
STRATEGY

intention is to retain property, long term hold, and develop additional bulk +/- 4000m² for Tenant when they require- estimated cost 24m

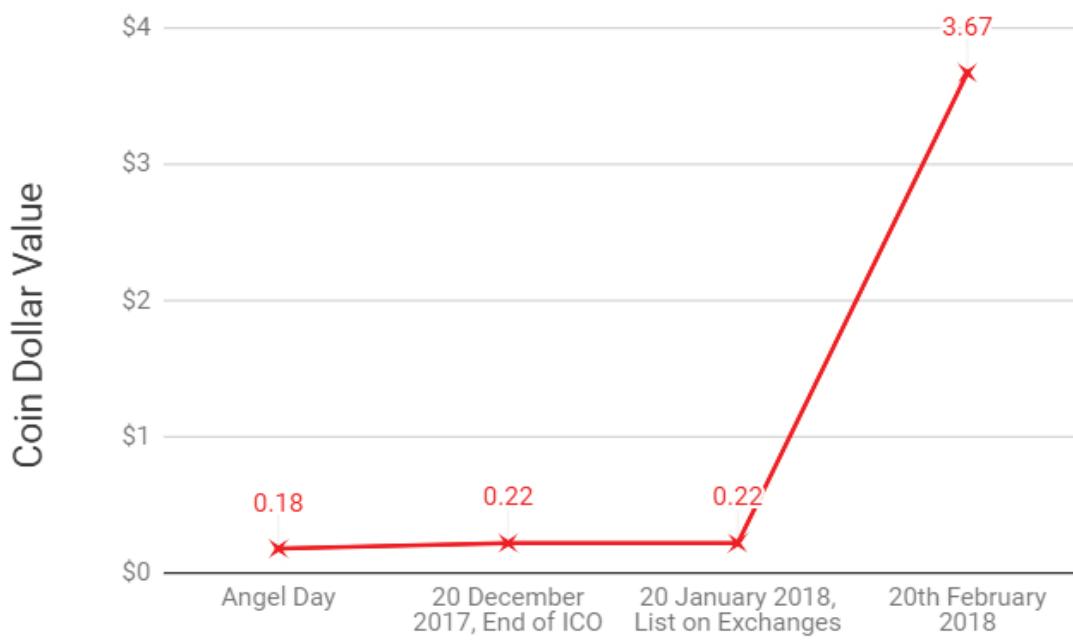
VALUATION												
	Year											
	1	2	3	4	5	6	7	8	9	10		
Operating Income	4 960 750	5 357 610	5 786 219	6 249 116	6 749 046	7 288 969	7 872 087	8 501 854	9 182 002	9 916 562		
Cap rate												
Valuation	9.00%	55 119 444	59 529 000	64 291 320	69 434 626	74 989 396	80 988 547	87 467 631	94 465 042	102 022 245	110 184 024	
=12m fwd NOI/Cap rate	9.50%	52 218 421	56 399 895	60 907 565	65 780 172	71 042 595	76 725 992	82 864 072	89 493 197	96 652 653	104 384 865	
	10.00%	49 607 500	53 576 100	57 862 188	62 491 163	67 490 456	72 889 693	78 726 868	85 018 537	91 820 020	99 165 622	
Debt												
	23 025 973	19 888 620	15 954 276	11 117 429	5 236 740	(1 836 892)	(10 099 307)	(19 609 382)	(30 509 341)	(42 955 851)		
NAV	9.00%	32 093 471	39 645 380	48 337 044	58 317 196	69 752 655	82 825 440	97 566 938	114 074 424	132 531 586	153 139 876	
=Valuation - Debt outstanding	9.50%	29 192 448	36 512 275	44 953 290	54 662 743	65 805 845	78 562 884	92 963 378	109 102 580	127 161 994	147 340 716	
	10.00%	26 581 527	33 692 480	41 907 912	51 373 734	62 253 716	74 726 585	88 820 175	104 627 920	122 329 362	142 121 473	
Total Project Cost		(50 975 500)	-	-	-	-	-	-	-	-	-	
Equity contribution		(25 487 750)	-	-	-	-	-	-	-	-	-	
Initial Yield		9.73%	-	-	-	-	-	-	-	-	-	
Gross Profit before Tax	9.00%	6 605 721	14 157 630	22 849 294	32 829 446	44 264 905	57 337 690	72 079 188	88 586 674	107 043 836	127 652 126	
= (NAV - Equity contribution)	9.50%	3 704 698	11 024 525	19 465 540	29 174 993	40 318 095	53 075 134	67 475 628	83 614 830	101 674 244	121 852 966	
	10.00%	1 093 777	8 204 730	16 420 162	25 885 984	36 765 966	49 238 835	63 332 425	79 140 170	96 841 612	116 633 723	
Gross Proptetherum profit	9.00%	660 572	1 415 763	2 284 929	3 282 945	4 426 491	5 733 769	7 207 919	8 858 667	10 704 384	12 765 213	
= Gross Profit x 10%	9.50%	370 470	1 102 452	1 946 554	2 917 499	4 031 809	5 307 513	6 747 563	8 361 483	10 167 424	12 185 297	
10.00%	10.00%	109 378	820 473	1 642 016	2 588 598	3 676 597	4 923 883	6 333 242	7 914 017	9 684 161	11 663 372	
GROSS PROFIT AFTER Proptetherum Profit	9.00%	5 945 149	12 741 867	20 564 364	29 546 502	39 838 415	51 603 921	64 871 269	79 728 006	96 339 453	114 886 913	
	9.50%	3 334 228	9 922 072	17 518 998	26 257 493	36 286 285	47 767 621	60 728 066	75 253 347	91 506 820	109 667 670	
	10.00%	984 399	7 384 257	14 778 145	23 297 386	33 089 369	44 314 951	56 999 182	71 226 153	87 157 451	104 970 351	
Gross profit	9.00%	5 945 149	12 741 867	20 564 364	29 546 502	39 838 415	51 603 921	64 871 269	79 728 006	96 339 453	114 886 913	
= Gross Profit x 10%	9.50%	3 334 228	9 922 072	17 518 998	26 257 493	36 286 285	47 767 621	60 728 066	75 253 347	91 506 820	109 667 670	
100%	10.00%	984 399	7 384 257	14 778 145	23 297 386	33 089 369	44 314 951	56 999 182	71 226 153	87 157 451	104 970 351	
Return on Investment	9.00%	7%	14%	22%	30%	38%	48%	57%	68%	79%	91%	
= (Valuation - Total Cost) / Total Cost	9.50%	2%	8%	16%	23%	31%	40%	49%	59%	70%	81%	
	10.00%	-3%	3%	10%	18%	25%	33%	42%	51%	61%	72%	
Return on Equity	9.00%	23%	50%	81%	116%	156%	202%	255%	313%	378%	451%	
= (NAV-Equity) / Equity	9.50%	13%	39%	69%	103%	142%	187%	238%	295%	359%	430%	
	10.00%	4%	29%	58%	91%	130%	174%	224%	279%	342%	412%	
Project IRR	9.00%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	
Time based total project return	9.50%	2%	5%	6%	7%	7%	7%	7%	7%	7%	7%	
	10.00%	-3%	3%	4%	5%	6%	6%	7%	7%	7%	7%	
Equity IRR	9.00%	26%	25%	24%	23%	22%	22%	21%	21%	20%	20%	
Time based return on equity	9.50%	15%	20%	21%	21%	21%	21%	20%	20%	20%	20%	
	10.00%	4%	15%	18%	19%	20%	20%	20%	19%	19%	19%	
Proptetherum equity appreciation												
Percentage Appreciation	13%	39%	69%	103%	142%	187%	238%	295%	359%	430%		

MAHOGANY RIDGE FEASIBILITY STUDY		K&N PREPARED		COST BREAKDOWN - EXCLUDING VAT											
UPDATED		16-Oct-2017													
PURCHASE OPTIONS		Forward to	Rate	Margin	Total										
TAX RATE			28.00%												
NET RENT		413 396		Residual %	-168.54%										
10 YEAR RESET		0.00%		Residual	-42 955 851										
ORIGINAL PURCHASE PRICE		50 975 500													
MARGIN		0													
ORIGINAL PURCHASE PRICE		50 975 500													
EQUITY		50.00%	25 487 750	11.00%											
LOAN AMOUNT			25 487 750												
RETURN PER ANNUM	20.00%	5 097 550	15.00%		0										
RETURN PER MONTH		424 796			0										
Return	Year 1	5 097 550	5 097 550												
	Year 2	5 097 550	11 214 610												
	Year 3	5 097 550	17 331 670												
	Year 4	5 097 550	23 449 720												
	Year 5	5 097 550	29 565 790												
	Year 6	5 097 550	35 682 850												
	Year 7	5 097 550	41 799 910												
	Year 8	5 097 550	47 916 970												
	Year 9	5 097 550	54 034 030												
	Year 10	5 097 550	60 151 090												
CAP RATE			9.00%												
PURCHASE OPTION 1 - 0 MONTHS		50 975 500	55 119 444												
PURCHASE OPTION 2 - 12 MONTHS		5 097 550	56 073 050		59 529 000										
PURCHASE OPTION 3 - 24 MONTHS		11 214 610	62 190 110		64 291 320										
PURCHASE OPTION 4 - 36 MONTHS		17 331 670	68 307 170		69 434 626										
PURCHASE OPTION 5 - 48 MONTHS		23 449 720	74 424 230		74 989 396										
PURCHASE OPTION 6 - 60 MONTHS		29 565 790	80 541 290		80 988 547										
PURCHASE OPTION 7 - 72 MONTHS		35 682 850	86 658 350		87 467 631										
PURCHASE OPTION 8 - 84 MONTHS		41 799 910	92 775 410		94 465 042										
PURCHASE OPTION 9 - 96 MONTHS		47 916 970	98 892 470		102 022 245										
PURCHASE OPTION 10 - 108 MONTHS		54 034 030	105 009 530		110 184 024										
PURCHASE OPTION 11 - 120 MONTHS		60 151 090	111 126 590		118 998 746										
10 YEAR						Residual									
						Resid %									
							10.25%								
							PROPOSAL								
							7.00%	Interest on positive balance							
WAREHOUSE & OFFICE									Capitalised						
									Margin						
									Cash Actual Margin						
									INCL INTEREST						
									10.25%						
									9.25%						
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SUMMARY OF INVESTMENT



Forecasted Coin Appreciation



SUMMARY OF INVESTMENT

Our investment is based on an aggressive gearing model.

What is the essence of gearing? – Using the bank's money (or financing) to increase the size of an investment in order to increase the returns on your investment outlay.

Basic example

You invest 5,1 Ether (X)

We borrow 45,88 Ether (Y)

Total property Investment = 50,98 Ether (Z)

Over time the value of the property soars to 104,38 Ether (T) and the Bank loan is reduced to 10,62 Ether (P) (Due to rental payments)

Over Time expenses = 8,86 Ether (K)

Refer to page 24: SCENARIO 2 - 90% GEARING

Value of coin= [(T)-(P)-(X)-(K)]

Original coin Value appreciation forecast = $[(T-P)-K-X]/X *100\% = 1566\%$

$[(104,38-10,62)-8,86-5,1]/5,1 *100\% = 1566\%$

See illustration Below

TOKEN VALUE PROJECTION

Original coin Value appreciation forecast
 $(T-P)-K-X)/X *100\% = 1566\%$

PROPERTY

90%

BANK LOAN

10%



TIME

PROPERTY
1566%

VALUE APPRECIATION

21%
BANK
LOAN
10%

HOW TOKENS ARE MINTED

The tokens are minted through interaction with the ERC20 compliant Smart Contract written in Solidity Pragma. The contract runs on the decentralized Ethereum Blockchain.

The contract is simply a code that runs on the network and mints new tokens whenever funds are sent into the contract. Simply put, Ether is sent into the contract using one of the following Ethereum wallets:

- MyEtherWallet (Online)
- MetaMask (Firefox and Chrome browser addon)
- Mist (Desktop)
- Parity (Desktop)
- Parity + Ledger (Hardware wallet)
- imToken (iPhone)
- imToken (Android)

If the investor does not have a wallet, he can simply fund these wallets using fiat currency (real money), and purchase Ethereum on an exchange. He then deposits the Ether/Ethereum into the crowdsale Smart Contract address. You can find our ICO crowdfunding address on our website.

How to exchange Ethereum for our tokens:

The compliant wallets are compatible for the use of ERC-20 standard tokens in which our token falls. The wallets are funded through Ethereum which can be purchased by the instruction of exchanging other cryptocurrencies for Ethereum on **ShapeShift, bittrex** or any other crypto exchange.

Note that sending Ethereum directly from a cryptocurrency exchange will not interact with the contract and issue you a PTC coin. Only Ethereum sent from an ERC-20 compliant wallet can interact with contract code. Send your Ethereum from an exchange to a ERC-20 compliant wallet and then proceed in making payment into the Smart Contract address.

The Ethereum in the wallet is sent to Proptereum's ICO/ crowdsale address which is the Smart Contract address, and will be updated at the time of launch. The deposit of the Ethereum/Ether in the contract executes a function which mints PTC tokens at the current rate and distributes those tokens instantly to the investor once the transaction has proceeded and the nodes approved.

How the Token Price is Decided

The token amount is decided based on the time of deposit into the Smart Contract, as mentioned above and displayed on the chart. When an Ether is deposited into the Smart Contract address, a PTC token is issued immediately based on a mathematical equation. The token has a representation of 8 decimal digits, has a minimum digital representation of 0.00000001.

Therefore, the absolute minimum buy-in, in terms of Ether, is the following:

Based on the Angel Day price of 1650 PTC Tokens per Ether:

$1 \div 1650 = 0.00060606$. This equals the price per coin in terms of Ether. Which in today's market represents \$0.16 per token.

Example: Date October 12, 2017

1 Ether = \$307

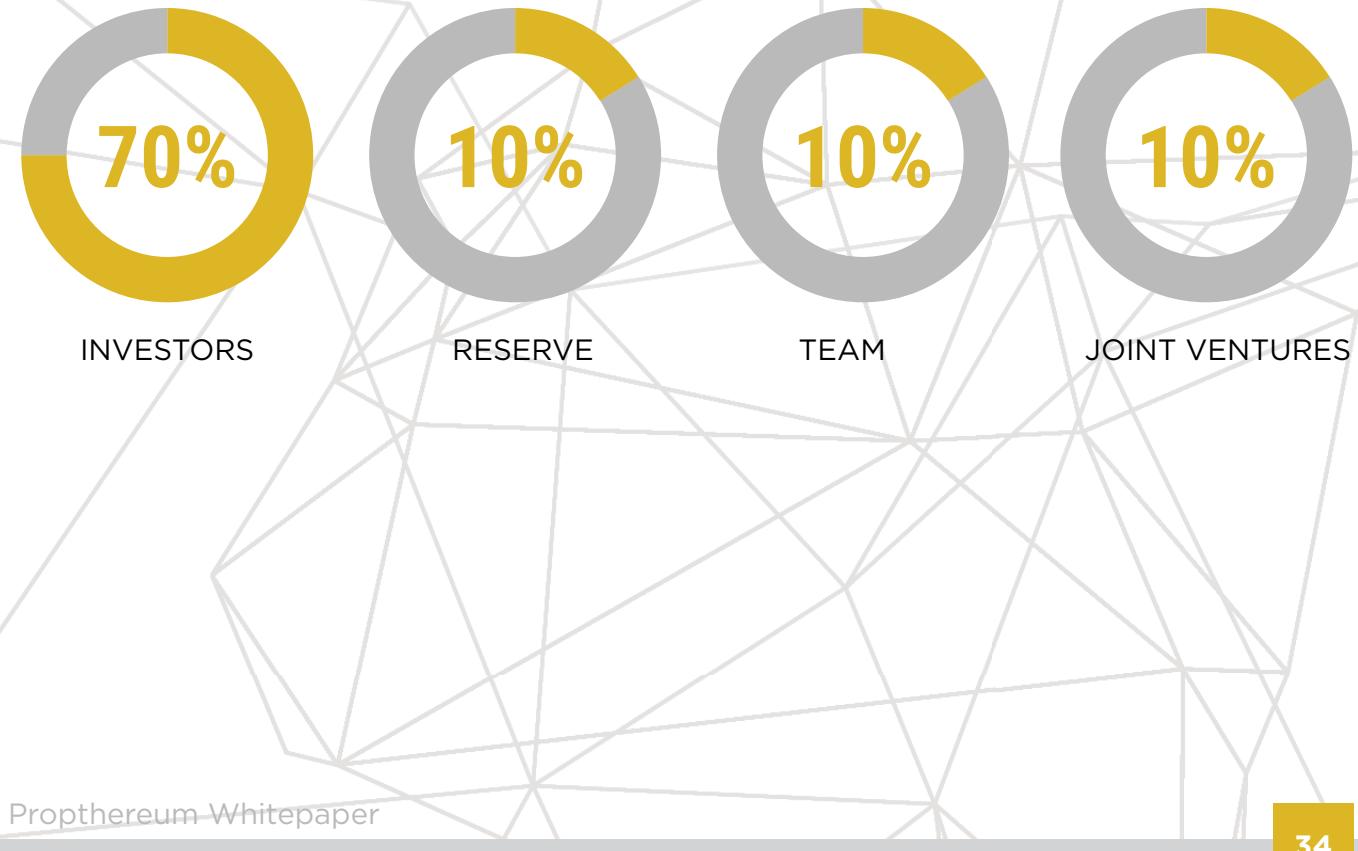
\$0.186 rounded to \$0.19

Minimum buy-in would be 0.00060606 of an Ether.

FUNCTIONS OF THE SMART CONTRACT

- Safety function of “process sale” which allows the “owner” of the contract to end the crowdsale in the unlikely event that there is a hack, etc.
- The crowdsale will have a Hard CAP of the equivalent of \$50 million. The sale of coins will automatically stop when we reach that amount.
- There will be a Soft CAP of \$5 million.
- 90% of the money raised from the crowdsale is for property investment. This is sent to the “beneficiary” multi-signature wallet which allows founders to withdraw funds at the end of the crowdsale period.
- 10% will be held in reserve for team setup costs.
- If for any reason the ICO does not raise sufficient funds to make the project viable, we reserve the right to cancel the ICO.
- In the unlikelihood that we are to cancel the ICO, investors will be refunded their Ether or the coin will be listed on an exchange which will be viable for trade. The investor will never lose out based on a decision that is out of his/her control.

TOKEN DISTRIBUTION



Why Property with a definite increase in value?

When investors buy the token through the crowdsale, they can trade the token on an exchange that we list on. Many of the exchanges require the coin to be minted prior to listing on an exchange. However we are in the process of fulfilling all requirements to list on cryptocurrency exchanges and we know that this is of the utmost importance.

It is our intention to list on as many exchanges as we can. You will be able to find that list when we have it, here: www.Proptereum.io/joinourico

Combine the fact that we may distribute profits on a regular basis, coupled with the trading on multiple exchanges; This will lead to an increase in demand for coins and thus raise the price of the coin to a potential of 1566 % within the few months of trade

Ownership of the PTC coin does not grant the owner any rights or privileges related to the property. They are two separate things.

The sale of the property is at the discretion of the founders and at no stage does a coin owner have any legal rights to the property.

The PTC coin value will be represented on the www.Proptereum.io website along with its equivalent Ethereum value.

OUR TEAM



Frank has over 30 years' experience in property.

He has also been involved in all aspects of property from residential, retail, warehouses, commercial, and development.

He has also run a successful online marketing company for over 10 years and is highly regarded in the online world.

FRANK ENGELEN
CEO & Co Founder

Brendan oversees all the technical aspects of Proptereum. He is responsible for the technological vision of the company and to make sure we stay on the cutting edge of technology and security.

He also oversees website development and any technology the company uses or may need. His proactive and practical approach keeps us up to date with all aspects that we need to build our business.

BRENDAN CORNELIUS
CTO & Co-Founder



Garry is a quantity surveyor with over 20 years' experience in the construction and property development industries. Garry graduated from Natal Technikon in 1991.

He worked for a large contractor (Group Five) for nine years, then lived and worked in the United Kingdom for seven years. While in London he worked for HBG Construction, a large Dutch-listed company, before moving into project management.

The project management was for IT infrastructure projects for Lloyds Bank. He spent four years with Lloyds before returning to South Africa in 2003, joining Maponya Developments as a senior executive and co-investor in 2004. Garry is a registered project manager with SACPCMP.

GARRY HAMILTON
Property Developer



Mark is an entrepreneur and property investor with over 25 years' experience building businesses and investing in property all over the world.

He has built businesses in six different countries and has owned, and invested in, properties in location all around the world.

As the owner of a digital marketing company, he works with clients from all over the world and is passionate about the potential for Blockchain technology and its future uses.

He is an expert in business growth and building strategies that grow companies quickly.

As an experienced property investor, he knows exactly how to find high-value properties with the best possible yields.

MARK MCRAE

Advisor

Adrian has an extensive and diverse background as an Attorney with vast business, property investment, financial and digital marketing experience that spans three decades.

He also serves as CEO at a trading publishing company, and is an advisor to various trading firms and investment enterprises.

"As Technology advances it opens new doors to investors. I believe we are now at a unique time in history where Proptereum could provide a platform for non-traditional and highly lucrative returns that will become the norm in the very near future."

ADRIAN JONES

Advisor and Corporate Counsel



Ian is the director of HVM Accounting and Financial Services and has been in the accounting business since 1997. He is responsible for looking after the accounts and auditing of Proptereum and also is part of the strategy team helping develop our roadmap as we move forward onto the purchasing stage.

IAN MCFARLAND

Accountant



Calvin has been instrumental in developing our in-house Smart Contract technology and launching Propthereum.

He spends most of his free time researching and educating himself on the potentials of Blockchain technology. He has done many projects in his free time and uses his entrepreneurial drive to strive for success in all aspects of this ICO.

CALVIN ENGELEN
Advisor

Wesley is widely considered to be one of the foremost experts in social media.

He has run large scale campaigns on Facebook, Twitter, and YouTube. He is highly sought after for his experience and knowledge.

He is responsible for overseeing the posting of high quality content for the company and building the relationship with the Blockchain community and participants in the ICO.

WESLEY GOVENDER
Social Media Manager



PROPERTY BUSINESS MODEL

The general consensus is that property is a good investment. It is also one of the four most common types of investments, alongside cash, bonds, and shares.

With property, there are two main potential ways to make a return:

- **Rent - you can earn an income by letting out property to tenants**
- **Selling for a profit - if you buy property and later sell it at a higher price**

Even if you don't want to buy a property yourself, you can get these potential benefits indirectly by investing in a property fund.

There are also other related ways to invest, for example, through property maintenance and management services.

With all investments, though, there are advantages and disadvantages. Let's look at these.

ADVANTAGES

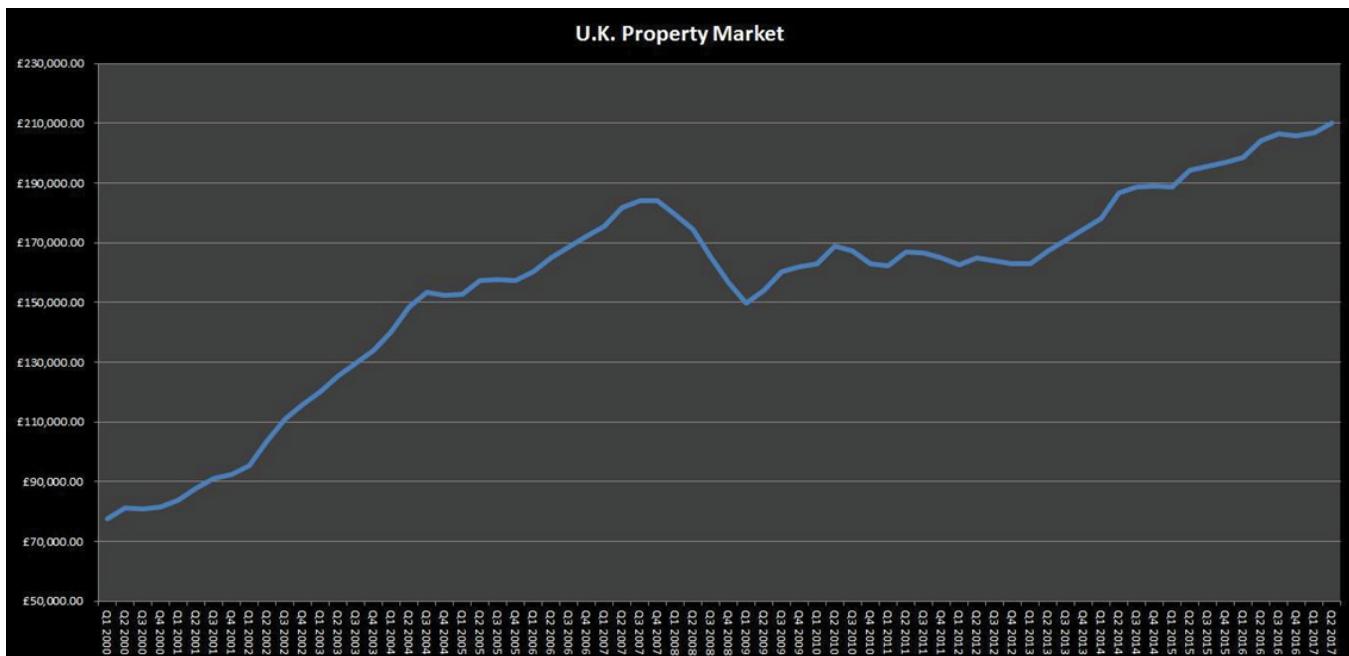
- ✓ It provides good annual returns of between 5 - 10% depending on your jurisdiction
- ✓ Depreciation can be a tax advantage in some jurisdictions
- ✓ It can be used as leverage for future purchases of more property
- ✓ Almost any investor can get in on the property market at some price point
- ✓ Property is relatively stable, unlike the share market with the risks of major fluctuations in value
- ✓ The capital investment appreciates over the long run and does so consistently

DISADVANTAGES

- ✗ It's not very liquid. It could take weeks or months to sell a property
- ✗ Changes in vacancy and interest rates could put strains on your cash flow
- ✗ Tenants could become problematic
- ✗ On-going costs with maintenance and unforeseen repairs
- ✗ You must be prepared to play the long game to see financial benefits

Initially we believe we can overcome some of the disadvantages because the properties we buy will be for cash depending on leverage. This will make our cash flow positive from the very beginning.

Over time, property has demonstrated that it is one of the most stable and reliable asset classes in the world.



UK PROPERTY MARKET 2000 - 2017

VALUE PROPOSITION

Our basic value proposition is that people who take part in our ICO do so knowing that the money raised is being invested by responsible people. We have the experience in the property market and want to share our success with people who own our PTC tokens.

Proptereum

Proptereum.io is essentially a platform for people who are interested in the concept of taking part in an **Initial Coin Offering**, the proceeds of which will be used to buy A-grade property around the world.

The property that we buy will produce a rental income and underlying value for the PTC token holders.

The advantage of this concept is that your PTC coin will always increase in value because it will always earn an income.

Our Vision

We hope that our ICO will be so successful and our resulting investments so lucrative that the owners of PTC coins will consider them a great thing to own over time.

The point of difference for most cryptocurrencies out there is that they have no way to retain and increase in value, and we believe our PTC token does.

We also have another advantage. The team involved with Proptereum has years of experience in the property market. Many of the ICOs are simply hypothetical business or real business with inexperienced people behind the ICO.

We want to create a transparent and efficient Blockchain-based marketplace for anyone one who wants to trade in cryptocurrency coins that are related to property.

The PTC Token

The platform we will be working from is our website at www.Proptereum.io

Proptereum.io will introduce a token/coin called PTC. This is a digital ERC20 compliant token (also referred to as coin).

The PTC token is an investment that rewards and protects the user while giving them access to benefit financially from a property's return. This is done via a distribution of the yield of the property on a quarterly basis.

HOW IS MONEY EARNED?



How much do we plan to raise?

We plan to raise \$50 million during the crowdsale. The funds we raise from the crowdsale will be utilized for purchasing property investments and initial setup and infrastructure. The more funds we raise, the bigger our property portfolio will be.

PTC Token Example

For example, let's say someone is interested in taking part in our ICO. This person has \$4,000 they would like to take part with.

If they do not already own a wallet, then they would open a virtual Bitcoin/Ethereum wallet and deposit their \$4,000 into their wallet.

For the purpose of this example we shall assume that his \$4,000 buys him 10 Ethereum.

He is now ready to invest in Proptereum.

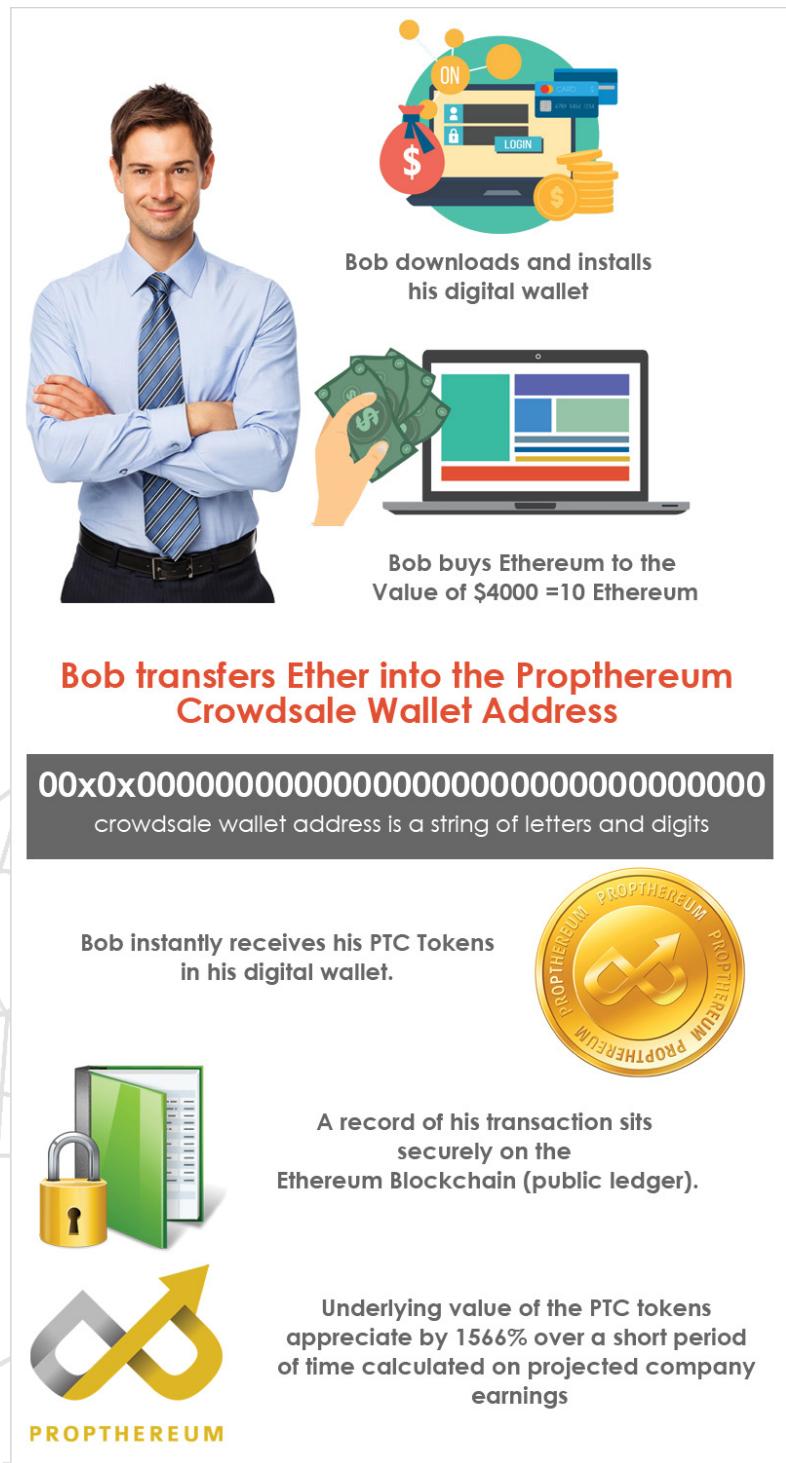
From November 20th, 2017 he can register on the Proptereum website. On the website he gets the details of the Ethereum Smart Contract address and transfers his 10 Ethers from an ERC-20 compliant wallet.

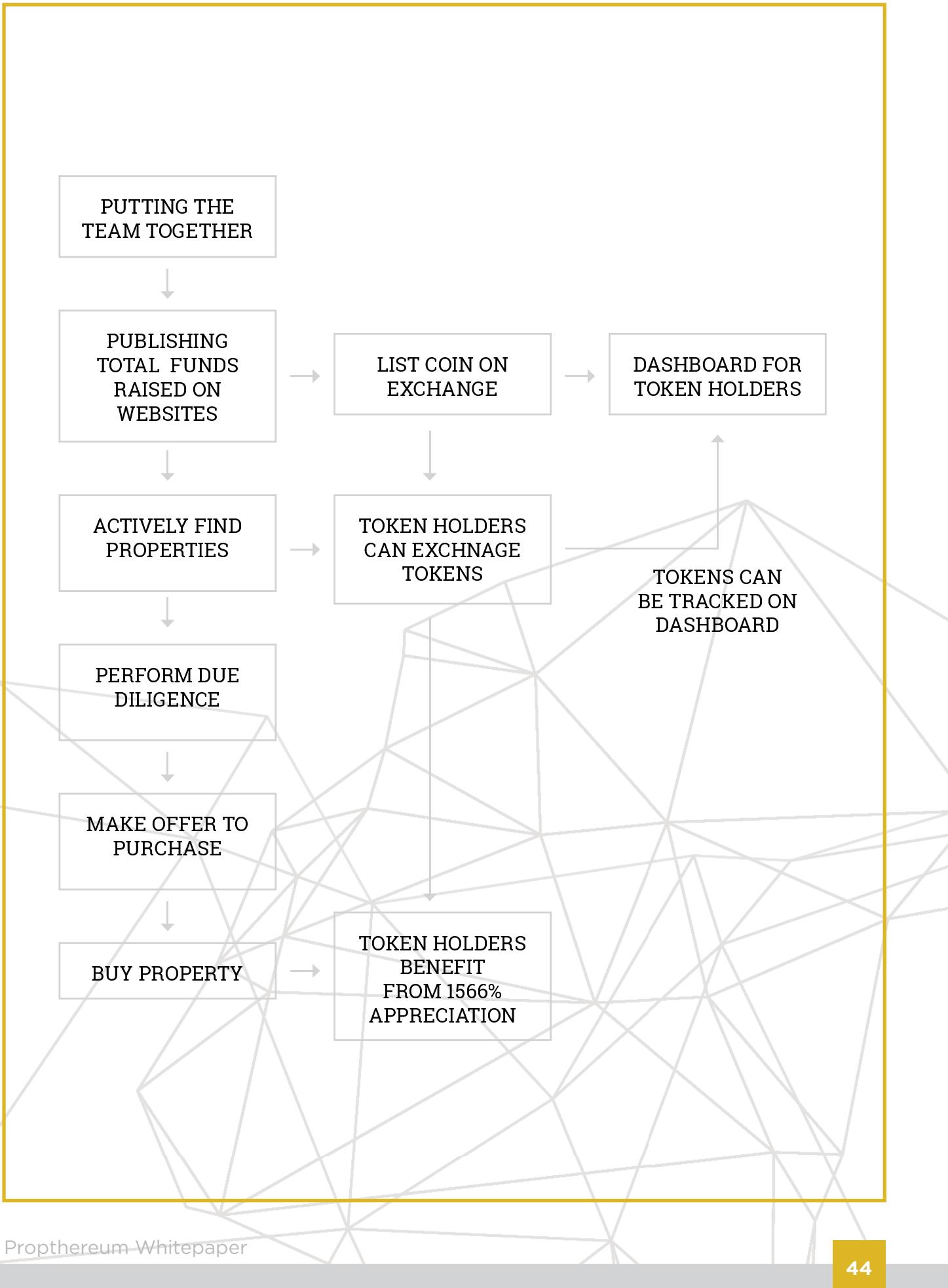
He is now a proud investor into Propthereum ICO. His Ether wallet shows his allocation of PTC tokens in his wallet and he is now the proud owner of 16.500 PTC tokens.

Four weeks and one day after the start of the ICO, the ICO will end the process to list the PTC token on various exchanges would have already have started.

The next stage or acquisition stage is when the funds raised from the crowdsale are used to buy A-grade property.

PTC token would have potentially raised by 1566% within the first few months of trade.





LONG TERM VALUE

How does Proptereum provide long-term value and sustainability?

This is not just a way for us to try to raise money. We believe in the concept of Blockchain and cryptocurrencies and want to see them succeed.

That's why we want to give something back that we think will help retain the value of our PTC.

We also want to build a community of like-minded people who think like we do.

We are always happy to help or answer any questions you may have and you can reach us at ico@Proptereum.io

Thanks for your interest in our ICO

DISCLAIMER & TERMS OF USE

It's extremely important that you know and understand that taking part in an ICO involves risk. There is no guarantee that any coin or token in any ICO will rise in value.

We try to be as transparent as possible at all times. We would never mean to say or pretend that anyone could earn or achieve extraordinary gains in a short period of time. Past performance of other ICOs is not indicative of future results of our or other ICOs.

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Market Opinions:

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