

## 1. Eliminating a Loss-Making Property

Formulas:

1. Total revenue from sold properties:

$$S_{\text{sold\_properties}} = \sum_{i=1}^n (P_i \times A_i)$$

Where:

- $P_i$  is the price per 1 m<sup>2</sup> of property  $i$ ,
- $A_i$  is the area of property  $i$ .

2. Total token redemption cost:

$$S_{\text{tokens}} = N_{\text{tokens}} \times C_{\text{token}}$$

Where:

- $N_{\text{tokens}}$  is the number of tokens,
- $C_{\text{token}}$  is the cost of one token.

3. Profit from the operation:

$$\text{Profit} = S_{\text{sold\_properties}} - S_{\text{tokens}}$$

### Example 1: Eliminating a Loss-Making Property Using the Flexionization Method

1. Initial Situation:

- The project has a loss-making property with an area of 1500 m<sup>2</sup>, valued at \$600,000 (at a price of \$400 per m<sup>2</sup>).
- After selling this property, the project will need to buy tokens worth \$3,000,000, as the token price is \$2,000.

2. Compensating for Losses:

- To eliminate the loss-making property, the project decides to sell several other properties already owned by the project, for example:
  - One property of 400 m<sup>2</sup> at \$6,400 per m<sup>2</sup>, valued at \$2,560,000.
  - A second property of 300 m<sup>2</sup> at \$4,480 per m<sup>2</sup>, valued at \$1,344,000.
- The total value of these properties is \$3,904,000.

3. Sale of Properties:

- The project sells these properties for \$5,080,000.

4. What Needs to Be Done for Compensation:

- After selling these properties, the project needs to buy 2,200 tokens at \$2,000 per token (totaling \$4,400,000) to balance the value and eliminate the loss-making property.

#### 5. **Final Result:**

- The project sells the properties for \$5,080,000.
- It buys 2,200 tokens for \$4,400,000.
- The profit from these operations will be:

$5,080,000 - 4,400,000 = 680,000$  dollars.  
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#### **Explanation:**

The essence of the operation is to eliminate the loss-making property using the Flexionization method. The project sells several properties to compensate for the losses from the loss-making property, then buys tokens to balance the value. As a result, the project earns \$680,000 in profit and eliminates the loss-making property, which no longer affects the company's financial position.

## 2. Purchasing a Property Pool with Subsequent Tokenization

Formulas:

1. Total purchase cost of properties:

$$S_{\text{purchase}} = \sum_{i=1}^n (P_i \times A_i)$$

Where:

- $P_i$  is the price per 1 m<sup>2</sup> of property  $i$ ,
- $A_i$  is the area of property  $i$ .

2. Total tokenized value:

$$S_{\text{tokenization}} = N_{\text{tokens}} \times C_{\text{token}}$$

Where:

- $N_{\text{tokens}} = \frac{A_{\text{total}}}{A_{\text{per token}}}$ ,
- $A_{\text{total}}$  is the total area of the properties,
- $A_{\text{per token}}$  is the area per token.

3. Profit from the transaction:

$$\text{Profit} = S_{\text{tokenization}} - S_{\text{purchase}}$$

### Example 2: Purchasing a Property Pool Using the Flexionization Method

1. Initial Situation:

- The market has two properties:
  - Property 1 (apartments):
    - Area: 120 m<sup>2</sup>.
    - Value: \$1,032,000 (\$8,600 per m<sup>2</sup>).
    - Not used, with a high price, so it cannot be sold.
  - Property 2 (additional):
    - Area: 2,400 m<sup>2</sup>.
    - Value: \$1,920,000 (\$800 per m<sup>2</sup>).
- The total value of the properties is \$2,952,000.

2. Advantage of Purchasing Through Tokenization:

- Our company evaluates the value of this property pool through tokenization:

- Total area: 2,520 m<sup>2</sup>.
- Token value: \$5,040,000 (at a rate of \$2,000 per token).

### 3. Transaction Essence:

- The company buys both properties for \$2,952,000.
- After tokenizing the properties, their value is fixed at \$5,040,000.

### 4. Transaction Outcome:

- The total profit from the transaction is:

$5,040,000 - 2,952,000 = 2,088,000$  dollars.  
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 $\text{\text{dollars}}. 5,040,000 - 2,952,000 = 2,088,000$  dollars.

### Explanation:

The essence of the operation is to purchase the property pool at a price below its potential tokenized value. The Flexionization method, applied within the EstateTokenChain framework, allows:

1. The acquisition of properties with high liquidity value in the market.
2. The increase in their value through tokenization.
3. A profit of \$2,088,000 from the difference between the purchase price and the tokenized value. This approach solves the sellers' problem (eliminating illiquid properties) and brings profit to our company.

### 3. Accelerated Asset Liquidation with Cross-Balance Adjustment

Formulas:

1. Revenue from the sale of the property:

$$S_{\text{sale}} = P_{\text{sale}} \times A_{\text{property}}$$

Where:

- $P_{\text{sale}}$  is the price per m<sup>2</sup> at the time of sale,
- $A_{\text{property}}$  is the area of the property.

2. Token redemption cost:

$$S_{\text{tokens}} = N_{\text{tokens}} \times C_{\text{token}}$$

3. Remaining funds after token redemption:

$$S_{\text{remaining}} = S_{\text{sale}} - S_{\text{tokens}}$$

4. Increase in the value of the upgraded property:

$$S_{\text{upgraded\_property}} = S_{\text{old\_property}} + S_{\text{upgrade}}$$

Where:

- $S_{\text{old\_property}}$  is the initial value of the property,
- $S_{\text{upgrade}}$  is the amount added through the upgrade.

#### Example 3: Accelerated Asset Liquidation with Cross-Balance Adjustment Using the Flexionization Method

Initial Situation:

- Property 1: Warehouse of 2,000 m<sup>2</sup>, valued at \$1,200,000, which is idle.
- Property 2: Office of 500 m<sup>2</sup>, valued at \$1,500,000, rented out at 70%.

Solution Using Flexionization:

- The company sells Office 2 for \$1,500,000.
- After selling the office, the company buys 500 tokens at \$2,000 (totaling \$1,000,000 for token redemption).
- The remaining \$500,000 is used to modernize the warehouse, for example, by installing refrigeration equipment.

Final Result:

- After modernization, the warehouse value increases by \$500,000, making it more liquid.
- The upgraded warehouse is now ready for lease and will generate additional income.

- Flexionization enabled the effective redistribution of value between assets and increased the liquidity of the illiquid property.