



**WHITEPAPER:  
KODO1 PROJECT**

**KODO**  
a s s e t s

<b>1. Abstract</b> .....	<b>4</b>
Core advantages.....	4
Token sale .....	5
<b>2. Real Estate</b> .....	<b>5</b>
b. Overview: the real estate market in Sao Paulo .....	6
c. High costs .....	7
d. Liquidity .....	8
e. Transaction costs .....	8
f. Bureaucracy .....	9
<b>3. Tokenization advantages</b> .....	<b>9</b>
a. Digitalization.....	10
b. Divisibility .....	10
c. Transparency .....	10
d. Agility and efficiency.....	11
e. Reduction of transaction costs.....	11
<b>4. Kodo Assets: a platform for tokenizing Real Estate</b> .....	<b>11</b>
<b>5. The Kodo Project</b> .....	<b>13</b>
a. KODO1 token.....	13
b. Wallet .....	13
c. Payment .....	13
d. Token administration .....	14
i. The underlying asset.....	14
ii. Using Polygon for issuing the tokens .....	14
iii. USDC as stablecoin of choice .....	15
iv. Receiving rentals .....	16
v. Sale of the underlying asset .....	16
vi. Reserve fund .....	17
vii. Frequency of distributions.....	18
viii. Property management .....	18



- 6. Token offering and sale ..... 19**
  - a. Token Offering..... 19
    - i. Token classification ..... 19
    - ii. Total supply..... 20
    - iii. Offering conditions ..... 20
    - iv. Offering period ..... 20
  - b. Token sale ..... 21
    - i. Conditions for effecting the sale ..... 21
    - ii. Token transferring..... 21
  - c. Canceling the offer ..... 21
  - d. Applicable regulation..... 22
  - e. KYC/AML ..... 22
  - f. Secondary market..... 23
  
- 7. Legal information ..... 24**
  - a. Legal structure ..... 24
  - b. Eligibility ..... 25
  - c. Restrictions ..... 25
  - d. KODO1 token’s liquidity ..... 25
  - e. Occurrence of adverse factor..... 26
  
- 8. Team ..... 26**



# 1. Abstract

The Initial Coin Offers (ICOs) phenomenon made it possible to carry out what we know today as asset tokenization.

The mechanism behind this is relatively simple: it uses a blockchain technology platform for smart contracts (Ethereum, Solana, Polygon, etc.) to create new cryptocurrencies (“tokens”) and, by using legal enforceable contracts, the parity of these tokens with some existing asset in the real world is defined: it can be from entire soybean crops to gold or even properties.

From that moment on, the holder of 1 token will have **rights related to the underlying asset**, according to the rules defined in the contract, and will have the rights provided for in that instrument.

This is basically what the Kodo Assets is about: tokenizing real estate and granting its token holders all the rights that derive from such indirect property: (i) ownership and (ii) future lease receivables.

As our first project, we have decided to tokenize a real estate property located in Sao Paulo, SP, Brazil, as we understand it is a highly promising market. Therefore, the KODO1 token shall be issued using Polygon’s smart contract platform and grant to its holders equal parts of the property rights, in proportion to the tokens acquired.

In other words, the holder of the KODO1 token will be entitled to receive the net proceeds of (i) rentals relating to that property, in proportion to their share of tokens versus the total tokens issued by the project and (ii) an eventual sale of the underlying real estate, which can generate an interesting capital gain.

## Core advantages

Tokenizing real estate properties can have interesting advantages, especially if compared to a property purchase *per se*.

The first is that, once the initial token holder verification (KYC) requirements are met, it is possible for these tokens to be **offered and held by an indiscriminate number of people**.

This would make it possible, for example, that instead of offering autonomous units, the real estate is divided into as many tokens as its square footage and the minimum price of the investor to expose himself to this type of investment is drastically reduced: at the end of the day, it would be possible to buy the equivalent of 1sq of a certain property.



Another advantage concerns the way in which these token holders receive the proceeds: because the token is an integral part of a smart contract, **the net results shall be distributed directly to the token holders' digital wallets**, without any need of additional information, such as bank accounts, IRS forms, etc<sup>1</sup>.

In addition, token transactions will have **lower transaction costs** compared to buying and selling real estate, as incidental taxes and property registration costs do not apply in this case.

Finally, since (i) the underlying asset (real estate) is a low-risk investment if compared to stocks or crypto-assets, (ii) there is a lower entry barrier due to the reduction in the minimum investment ticket if compare to the real estate market and (iii) the token market works globally, 24 hours a day, 7 days a week, it is reasonable to expect that KODO1 tokens' **liquidity will be considerably higher than would be to invest directly in properties**.

## Token sale

All details regarding the first Kodo project to be released, e.g. the property that will be tokenized and the token offering, are set forth in this whitepaper.

Given the benefits that adding blockchain technology can bring to the traditional real estate market, we may be facing a revolution regarding real estate projects.

## 2. Real Estate

As it is well known, the real estate market is the one in which lands are traded, as well as anything built on certain land, such as buildings and houses, for example.

And as the amount of land, and consequently, of buildings is finite in every part of the world, this type of property is called “root property”, having very specific regulations in the laws of several states and countries.

Also because they are finite and have growing demand, since every (also growing) population needs at least one place to live, these goods usually have relatively high unit values.

Therefore, thinking about the real estate market for investment today is a benefit that few can enjoy, given a series of peculiarities that permeate it, as we will see below.

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<sup>1</sup>The obligations to each token holder may differ. Please consult your tax advisor.

## a. Overview: the real estate market in Brazil

For the purposes of this whitepaper, we are considering the real estate market in the city of São Paulo, SP, Brazil as the relevant market. Because of this, it is necessary to bring some specific information related to it.

Brazil started its real estate system late, only in 1964, with the creation of the Housing Financial System (SFH), the National Housing Bank (BNH) and the Real Estate Credit Societies (SCI). Prior to that, there was no regulated housing credit system.

However, it was only after 1997, with the creation of the SFI (Real Estate Financing System), that the financing system was improved, with the creation of systems of additional guarantees to the guaranteed credit.

Improvements in regulations have been constant, and in 2004, Law No. 10,931 further improved this system of guarantees, creating the Real Estate Credit Notes (CCI) and Real Estate Credit Letters (LCI). These securities are used by the Real Estate Sector to improve its liquidity and agility in raising funds, since before them fundraising was slower and more bureaucratic.

Even so, according to studies by the World Bank, less than 2% of Brazilian GDP is represented by real estate credit. This, when compared to other countries like Spain, for example, which has 46% of GDP in real estate credit, gives us an idea of how great the potential for developing the real estate market in Brazil can be.

## b. Overview: the real estate market in Sao Paulo

São Paulo is a Brazilian municipality, capital of the state of São Paulo and the main financial, corporate and commercial center of South America.

In addition, it is the most populous city in Brazil, the South American continent and the entire southern hemisphere, in addition to being the most influential Brazilian city on the global stage.

In 2016, São Paulo was elected the 11th most globalized city on the planet, receiving the classification of alpha global city by the Globalization and World Cities Study Group & Network (GaWC).

According to a PricewaterhouseCoopers report published in 2009, the city has the 23rd largest GDP in the world, representing, alone, 11% of all Brazilian GDP and 34% of the São Paulo state's GDP.

The city is the 8th most populous on the planet and its metropolitan region, with around 21 million inhabitants, according to official data from 2007, and also the 10th largest urban agglomeration in the world. The capital of São Paulo also has a cosmopolitan character, given that, in 2016, it had native residents from 196 different countries. In 2021, it was considered by the Boston Consulting Group as one of the 45 best cities in the world to live in.

Given these data, it is fair to say that São Paulo is one of the largest megalopolises in the world and, as such, has peculiar issues when it comes to real estate.

The first point worth noting is that the city's area is finite, and well-located places close to the city's main business centers are increasingly scarce. Therefore, better located properties have much higher demand than supply, which has led to a growing price increase in recent years.

Another latent issue concerns the housing deficit: according to data from the PMH (Municipal Housing Plan), the deficit in the capital of São Paulo is 369 thousand households, which involves the huge number of inadequate and precarious housing, not counting the approximately 31 thousand homeless people.

Despite this growing and justifiable demand for real estate in São Paulo, the average price per square meter in the city center is around US\$ 2,613.04<sup>2</sup>. However, if we consider some of its similar cities<sup>3</sup>, we find, for example, Chicago, with an average price of US\$ 4,137.14<sup>4</sup> and Lisbon, with an average price of US\$ 5,239.25<sup>5</sup>.

Because of this, it is plausible to believe that the value of real estate in São Paulo is very underpriced. In other words, believing in an even greater appreciation in the price of real estate in the city for the coming years is a natural conclusion if we observe the degree of importance that São Paulo occupies in the world and the average prices in similar cities.

### c. High costs

Owning a property is usually expensive anywhere in the world, and São Paulo is no different.

Assuming that you want to invest in a property of 100m<sup>2</sup>, the average price to make an investment in this sector would start from US\$ 261,304. In other words: a small investor or someone who wants to allocate only a small fraction of their equity in real estate would hardly have access to this type of investment, given the high barrier to entry caused by the price.

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<sup>2</sup>Considering USD 1.00 = BRL 5.00. In <https://www.numbeo.com/property-investment/in/Sao-Paulo> - access on August 31st, 2022

<sup>3</sup>In [https://www.prefeitura.sp.gov.br/cidade/secretarias/relacoes\\_internacionais/assuntos\\_internacionais/index.php?p=146728](https://www.prefeitura.sp.gov.br/cidade/secretarias/relacoes_internacionais/assuntos_internacionais/index.php?p=146728)

<sup>4</sup>In <https://www.numbeo.com/property-investment/in/Chicago> - access on August 31st, 2022

<sup>5</sup>In <https://www.numbeo.com/property-investment/in/Lisbon> - access on August 31st, 2022

In addition, specifically in São Paulo, there is the Urban Property and Territorial Tax (IPTU) to be paid annually, which up to 1.5%<sup>6</sup> of the market value of the property. Therefore, there are costs associated with the property that cannot be ignored, as they must be borne by the owner in the event of the property's vacancy.

#### d. Liquidity

Liquidity can be understood as the ability to turn an asset into cash. In this sense, the faster and easier it is to sell an asset, without a large loss of value, the greater its liquidity.

Real estate is, by definition, a less liquid asset if compared to financial investments, for example. This is largely caused by the high barrier to entry in this type of investment that we exposed earlier: the price to acquire a property is relatively high, which pushes many buyers away.

However, there are other factors that can make a property more or less liquid, the main one being the location: after all, it is easier for people to be interested in finding properties located close to large urban centers than far from them.

#### e. Transaction costs

Buying and selling real estate is a task that, in addition to requiring some expertise to detect good opportunities, is subject to high transaction costs.

Specifically for São Paulo, the acquisition cost of a real estate unit also includes the imposition of the Property Transfer Tax (ITBI), at the rate of 3% on the sale value of the property or the value attributed by the municipality, the highest amount among them.

In addition, there are still the costs related to property registration, which for our example of a 100m<sup>2</sup> property would result in an additional amount of 0.32%<sup>7</sup> of the property value to be paid at the time of transfer of title.

Also, public deed costs should also be considered, which for our example would result in something around 0.47%<sup>8</sup> of the property's value.

Finally, the intermediary costs must also be taken into account, as legally they can be of about 6% of the property cost.

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<sup>6</sup>In <https://www.prefeitura.sp.gov.br/cidade/secretarias/fazenda/servicos/iptu/index.php?p=2456>

<sup>7</sup>In <https://www.arisp.com.br/TabelaCustas.aspx>

<sup>8</sup>In <https://cnbsp.org.br/tabelas-de-custas-e-emolumentos/>



Because of this, it is customary to estimate the costs incurred for the purchase and sale of a property in São Paulo at around 11% of the value of the deal. For our specific example, this cost would be 9.79% of the property sale price.

## f. Bureaucracy

The purchase and sale of real estate in Brazil is a formal legal transaction, that is, it only takes effect if the form provided for by law is respected.

In this way, a purchase and sale of real estate will only be completed if the formal requirements for drawing up a public deed and the respective registration in the Real Estate Registry are fulfilled, which, in addition to the costs described above, can take up to 10 days according to the Public Registry Law<sup>9</sup>.

Therefore, the bureaucracy legally required for the transaction of real estate, in addition to imposing high costs on the businesses, also results in delays for the perfect conclusion of the parties' wishes.

## 3. Tokenization advantages

Asset tokenization consists of transforming any type of asset or its derived rights (real) into tokens (digital), whether tangible assets (real estate, works of art, equipment, among others), intangible assets (copyrights, patents, among others), or even financial assets (regulated by the capital market rules).

In a tokenization process, these goods are fragmented into unique encrypted portions, which can then be traded through a blockchain.

The purchases or sales of these assets are made through smart contracts, which are nothing more than programming codes that have the function of “negotiation documents”, carried out within the blockchains.

Asset tokenization offers numerous advantages to both the issuer of tokens and those interested in purchasing them. In addition to the security and agility offered by tokenization, there are other factors that demonstrate why converting an asset into tokens can be positive.

Precisely considering the benefits that an asset tokenization can bring, Kodo Assets believes that asset tokenization can be fundamental to revolutionize the Real Estate market worldwide.

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<sup>9</sup>Art. 188 of Law 6,015/73: “Article 188. Once the title is filed, the registration or issuance of a return note will be carried out, within 10 (ten) days, counted from the date of the protocol, except in the cases provided for in § 1st of this article and in articles 189, 190, 191 and 192 of this Law”.

## a. Digitalization

The tokenization process, as we mentioned earlier, consists of converting an asset or its derived rights into a fractional digital representation of it. This process alone guarantees the opening to new types of markets (including international ones) by undocking the asset from the physical market, making it more malleable for negotiations.

In the specific case of the real estate market, investment in this type of asset can reach another level. We are talking about global access to markets that, until then, were local, limited by the physical location of properties or available only to qualified investors.

In this sense, the digitization of real estate can democratize access to this type of investment, as they become available to publics worldwide<sup>10</sup>.

## b. Divisibility

Tokenization does not stipulate a minimum threshold of shares that a physical asset must have to become a token. This allows the issuance of several parts and, consequently, the opening for more investors to be able to inject capital into your project.

When it comes to real estate, a new dimension can be reached with the fractionation of properties, made possible by tokenization: high property prices are no longer a barrier to entry as each token can represent minimal fractions of a property.

## c. Transparency

Whoever holds a token has access to all information regarding it stored on the blockchain and available for consultation if necessary.

Even if the asset is resold hundreds of times, it is possible to do a complete tracking of each transaction and find the current owner without much difficulty. This feature brings transparency and reliability to transactions.

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<sup>10</sup>Restrictions may apply



## d. Agility and efficiency

With the use of smart contracts, the need for intermediation for the negotiation and registration of tokens falls apart. In addition to reducing the cost by not needing third parties, the entire process becomes much more agile and efficient.

This is a factor that can be transformative for the real estate market: currently, in addition to being time consuming, it is also expensive to transact property related to real estate units.

In this sense, tokenization can increase efficiency and dramatically reduce transaction costs, helping to strengthen the market as a whole.

## e. Reduction of transaction costs

One of the great advantages of tokenizing real estate is precisely in reducing transaction costs, which can represent up to 11% of the value of the property in São Paulo, Brazil.

In this sense, by adopting the appropriate legal framework, token transactions will have less transaction costs compared to buying and selling real estate, as the incidental taxes and property registration costs do not apply in this case.

# 4. Kodo Assets: a platform for tokenizing Real Estate

Precisely because we believe that tokenization can solve the main problems of the real estate market, Kodo Assets was created.

Our objective is, through tokenization, to democratize investors' access to the real estate market, to help increase the liquidity of this type of asset and to reduce barriers to market access, whether due to high transaction costs or bureaucracy.

Our company, which will issue the tokens, is called **Kodo Limited and is incorporated under the laws of Bahamas**, with certificate of incorporation number 209391 B, with registered office at Shirley and Charlotte Streets, Bahamas Financial Center, 3rd floor, Nassau, registered in CNPJ under no. 47.579.473/0001-59.



The tokens will be created and distributed in accordance with the Bahamas legislation which, given their nature, classifies them as security tokens. Therefore, as they are considered securities, we are subject to an intense and thorough regulatory process.

Kodo systems are deployed in a cloud-based environment in an event-driven microservices architecture.

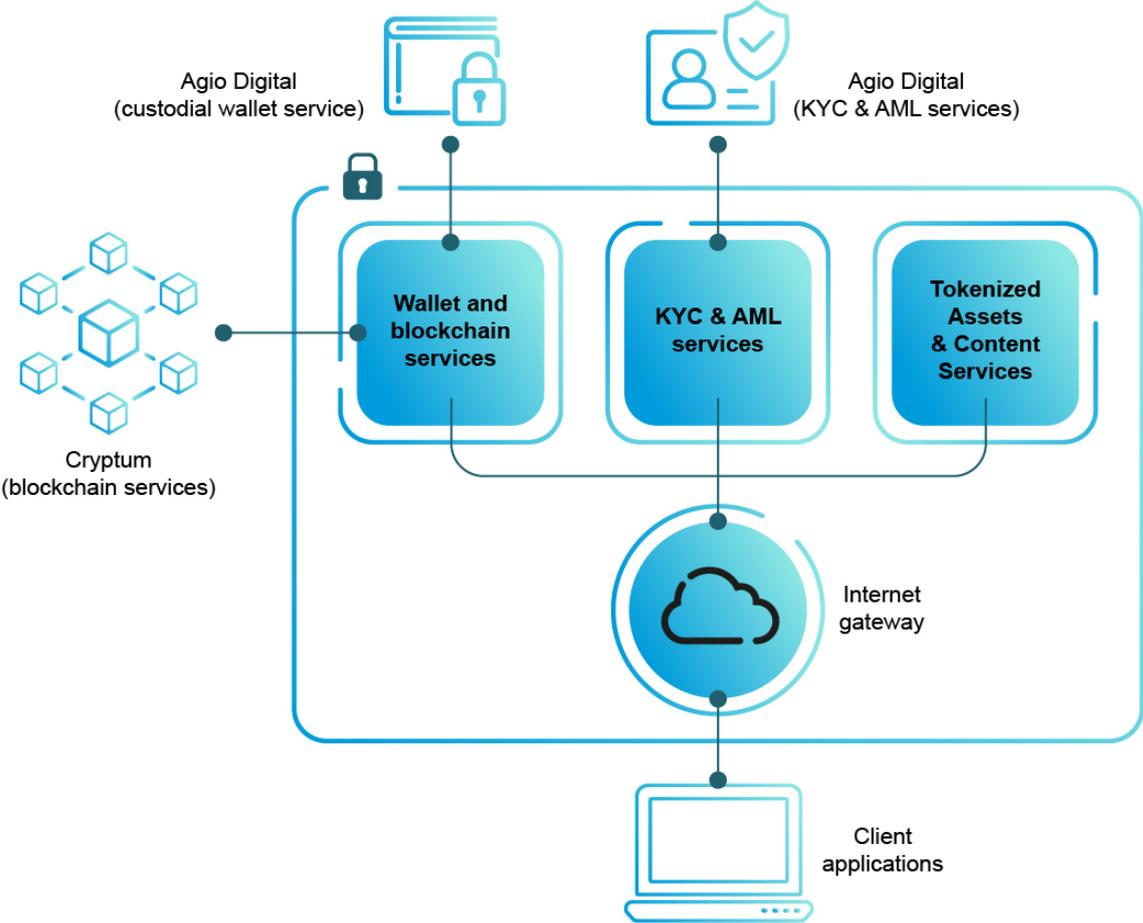
The main services are split into three domain areas: blockchain, KYC & AML and business-related logic.

The blockchain services are responsible for handling all interactions with blockchain networks, including reading token information and contract interactions.

KYC & AML services handle identity verification and legal and security measures to ensure Kodo services are used in conformity with legal requirements.

The other services grouped as Tokenized Assets & Content services are responsible for serving content to the client apps, managing tokenized assets and handling business logic related to the platform in general.

**The platform structure can be summarized as follows:**



## 5. The Kodo Project

The first token issuance to be carried out by Kodo Assets is called Project Kodo. For such, a Security Token Offer (STO) registered under the laws of Bahamas under the number [\*] will be carried out and the main characteristics of such are as follows.

### a. KODO1 token

We use the ERC-20 token standard. ERC tokens are representations of something on the blockchain. They are fungible tokens. which means they are interchangeable. The user doesn't need to worry about which exact token he's dealing with within that network, he just needs to worry about the amount.

### b. Wallet

Thinking about the best user experience and considering the best security practices, the user can use an existing wallet that he has to buy KODO1 tokens or we can issue a non-custodial wallet to the user if he doesn't have one at the moment of the purchase.

### c. Payment

The payment of the proportional profit share to the token holders will be as described in this whitepaper and will be paid through the stablecoin USDC, the most credible and transparent stablecoin in the crypto market.

This payment will be made in the same wallet that holds the KODO1 tokens at the time of distribution of these earnings.

## d. Token administration

### i. The underlying asset

The asset to be tokenized is a commercial property located in the financial heart of the city of São Paulo, in the Faria Lima region, at Rua dos Pinheiros, 1673, cj. 62, São Paulo, SP, Brazil, SQL 015.073.1023-4.

The total area of the property is 1,144.525m<sup>2</sup>, with a BOMA area of 552.58m<sup>2</sup>, a private area of 473m<sup>2</sup> and a common area of 671.525m<sup>2</sup>, according to registration number 141,264, registered at the 10th Real Estate Registry of São Paulo.

The property is currently leased by a large multinational, and said contract expires on June 14, 2025. The current value of the lease before taxes, net of condominium fee and IPTU, is US\$ 19,979.84<sup>11</sup>, This amount is adjusted annually by the IGP-M<sup>12</sup> on the anniversary of the contract.

Kodo Limited, through its wholly-owned subsidiary, Kodo FL1 Administração de Bens Próprios Ltda. (“Kodo FL1”), a company incorporated under Brazilian law with address at Rua Dr. Amâncio de Carvalho, 182, cj. 609, São Paulo, SP, Brazil, registered with the CNPJ under n. 48.236.573/0001-45, has an option to purchase the underlying asset, which will be carried out with the proceeds of the aforementioned fundraising.

### ii. Using Polygon for issuing the tokens

Polygon is one of the most promising blockchain infrastructures today with a large community of developers, companies and organizations dedicated to strengthening and maturing the technology and its applications.

Since its launch in 2017, the Polygon network has gone from a second-tier Ethereum scalability option to a large project ecosystem solution for Web3.

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<sup>11</sup>Considering USD 1.00 = BRL 5.00

<sup>12</sup>Available at <https://portal.fgv.br/noticias/igpm-resultados-2022>

### As positive points, we can mention:

- Use of an optimized Proof-of-Stake protocol, which allows the validation of transactions at each block, enabling faster and cheaper transactions;
- Full compatibility with the Ethereum Virtual Machine (EVM). This allows Polygon to integrate into the already established community of developers who can easily migrate their work to and from the ETH network, leveraging their existing tools;
- Possibility of using the MetaMask wallet by users, one of the most known and used applications by Web3 users, as well as other wallets that support this type of token; and
- The stablecoin USDC is already running on the Polygon network, which will facilitate the user experience when receiving the project proceeds.

### iii. USDC as stablecoin of choice

USD Coin (known by its USDC ticker) is, like Tether, a stablecoin pegged to the US dollar at a 1:1 ratio.

Each unit of this cryptocurrency in circulation is backed by \$1 which is held in reserve, in a mix of cash and short-term US Treasuries. The Center consortium, which is behind this asset, says that USDC is issued by regulated financial institutions.

The stablecoin was originally released on a limited basis in September, 2018. Simply put, USD Coin's mantra is "digital money for the digital age" and is designed for a world where cashless transactions are becoming more common.

We chose this stablecoin as it is audited monthly by a large international independent auditing firm<sup>13</sup>. In this way, even though it is not a decentralized cryptocurrency, we can have greater reliability regarding the backing that makes up the asset.

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<sup>13</sup>In <https://www.centre.io/usdc-transparency>

#### iv. Receiving rentals

The main income expected to be obtained from the property is the rent. As already mentioned, there is a lease agreement signed with a multinational company, which will expire in June, 2025, whose current value before taxes, net of condominium fee and IPTU, is US\$ 19,979.84<sup>14</sup>.

The rents will be received by the direct owner of the property, that is, Kodo FL1 Administração de Bens Próprios Ltda mentioned above, and duly offered to the applicable taxation, which is estimated to be 14.53%.

Of the gross amount, before taxation, 6% will be paid to the company that is hired to conduct the property management, and 10% will be allocated to a reserve fund, which will be explained below.

The resulting amount after discounts (VRD) will be distributed as dividends to Kodo Limited, which is the issuer of tokens representing rights inherent to the real estate.

Finally, Kodo Limited will be responsible for distributing such proceeds to token holders in their own wallets, in proportion to each one's share in the venture, directly in USDC, as follows:

$$\text{Dividends in USDC} = \text{VRD} \times \frac{\text{Number of Kodo tokens held}}{\text{Total Kodo tokens issued}}$$

#### v. Sale of the underlying asset

The sale of the property is a possibility that cannot be ruled out, especially if there is an offer that proves to be advantageous in this regard.

If this occurs, the property will be sold by Kodo FL1 Administração de Bens Próprios Ltda., its direct owner, and the gain will be subject to taxation, which is usually between 6,73% and 34%, depending on certain tax planning.

In such an event, the income net from tax, the management of up to 6% of the sale price and intermediation costs, if applicable (RLI), will be distributed to Kodo Limited as dividends or capital reduction, which will later be determined by its accounting and legal advisors.

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<sup>14</sup>Considering USD 1.00 = BRL 5.00.

Once this occurs, Kodo Limited will distribute such proceeds to USDC token holders directly into their digital wallets. The amount distributed will be directly proportional to the share of tokens that the token holder has, as follows:

$$\text{Capital Gain in USDC} = \text{RLI} \times \frac{\text{Number of Kodo tokens held}}{\text{Total Kodo tokens issued}}$$

## vi. Reserve fund

As stated, the property to be acquired is already leased until June 14th, 2025. However, if it becomes vacant, there will be a series of charges levied on the property (e.g. condominium and IPTU) that must be borne by the owner company.

In addition, even if there is a current lease, the law provides that the improvements necessary for the preservation of the property must be borne by the owner. Therefore, it is possible that there are extraordinary expenses to be paid at some point.

Precisely to protect the company and token holders from such situations, we chose to create a reserve fund to cover these costs, should they occur.

For this purpose, during the first 3 years (36 months) after the token is released, the amount corresponding to 10% of the gross value of the leases will be allocated to the composition of a reserve fund.

In this sense, 50% of the amounts deposited in the reserve fund will be invested in fixed income securities issued by large financial institutions<sup>15</sup> and the other 50% will be invested in the Brazilian direct treasury, an investment considered highly safe.

As of the 37th month, the distribution of dividends will no longer have discounted the percentage related to the reserve fund, and the expectation of dividends to be paid will therefore be higher.

In case the reserve fund is used, in any circumstances, Kodo Assets may, on its own discretion, restart deducting 10% of the dividends to be paid as dividends to the token holders until it is fully reestablished.

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<sup>15</sup>Funds that try to monetize at least the CDI, which in the last 12 months has accumulated 9.43% (at [https://www.anbima.com.br/pt\\_br/informar/estatisticas/precos-e-indices/indicadores.htm](https://www.anbima.com.br/pt_br/informar/estatisticas/precos-e-indices/indicadores.htm))

Finally, we emphasize that the reserve fund is an amount that, despite not being distributed, belongs to the holders of the KODO1 token. Because of this, in the event of sale of the property, the amount calculated for this title will be distributed to the holders of the token, in proportion to their participation.

## **vii. Frequency of distributions**

In order to be able to distribute dividends from rents received, a quarterly income statement is planned, as well as priorly discussed procedures, to be pointed out by independent auditors, according to NBC-TSC-4400.

As a result, dividend distributions are scheduled to occur four times a year, after the closing of the financial statements, which must occur during the end of each quarter of the year.

In the event of the sale of the property, a special balance will be carried out to determine the quantum to be allocated to holders of KODO1 tokens, which will include the proportional value resulting from the sale and the remaining value of the reserve fund.

Therefore, if this is the case, the distribution will depend on the conclusion of these works, which is estimated not to exceed 6 months after the occurrence of the liquidity event.

## **viii. Property management**

The property will be managed by a company that is hired for such an end, which will be responsible for dealing with the lessee, including the collection of rents.

The company will also be responsible for carrying out all the financial and accounting verification of the results obtained from the rental of the property, conducting the priorly discussed procedures, to be pointed out by independent auditors according to NBC-TSC-4400 and transferring the dividends to Kodo Limited, which, in turn, will be responsible for the transfers to token holders.

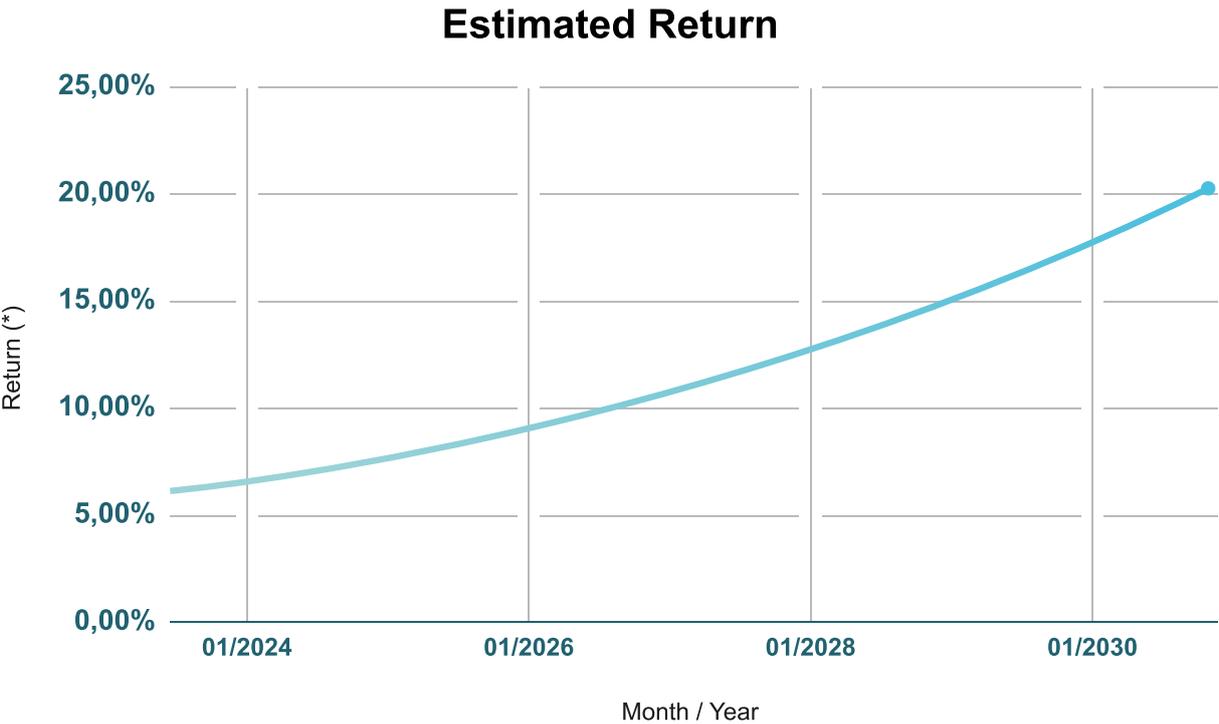
To this end, the service fee that will be charged will be 6% of the gross value of rents received and the company will be responsible for all costs arising from the management of the property, including legal, independent accountants and auditors costs.

# 6. Token offering and sale

## a. Token Offering

### i. Token classification

The KODO1 token is a tokenized security, since there is an expectation of financial return, in the same way as in the traditional capital market. In this case, the expectation of annual profitability is 6% until June, 2023 and 6%+ accumulated IGP-M, with the IGP-M index adjusted annually.



(\*) Considering the IGP-M accumulated in the last 12 months on August 31st, 2022



Precisely because the KODO1 token is a security, the initial offering of these tokens is a Security Token Offer (STO) that follows much more stringent regulation than an unregulated token issuance.

The issuer of the token is Kodo Limited, previously qualified, and the present offer is regulated by the competent governmental body of the jurisdiction of the Bahamas under the number [\*].

## ii. Total supply

Through this offer, a total of **25,000 KODO1 tokens will be issued**.

There are no plans to issue more tokens or any policy for token burning.

## iii. Offering conditions

Each KODO1 token will be offered for \$140.00 per token, in addition to the cost of KYC/AML verification (see below), which will be \$13 per individual user and \$25 per corporate user.

The minimum purchase amount is 1 KODO1 token, and as there are no governance rights inherent to the token, there is no maximum purchase limit.

The total value of this offer is US\$3,500,000.00.

## iv. Offering period

This token offering will take place between **April 10th, 2023(\*) and September 9th, 2023(\*) or until all 25,000 KODO1** tokens are sold out, whichever comes first, and may be changed according to opportunity and convenience criteria, to be defined by Kodo Assets

\*Dates subjects to changes.



## b. Token sale

### i. Conditions for effecting the sale

For the sale of KODO1 tokens to be effective, it will be necessary that:

- (1) the user submits documents and information for the KYC/AML verification process (see below) and bears the costs;
- (2) the user passes the KYC/AML process;
- (3) the user selects how many KODO1 tokens he wants to acquire and submit the payment, which can be made in USDC, USDT and BUSD, as long as they are issued on on the Ethereum network (ERC-20 standard);
- (4) all KODO1 tokens are sold.

### ii. Token transferring

The transfer of tokens will take place 40 days after the end of the present offer period and will be sent to the same wallet of origin of the resources used to pay for the token.

For KYC/AML reasons, under no circumstances will the token be sent to a wallet that has not undergone the aforementioned verification process.

## c. Canceling the offer

Kodo Limited, issuer of KODO1 tokens, reserves the right to cancel this offer if all said tokens are not fully sold to validated users by the end of the offer period.

This being the case, the net amount sent for the payment of the KODO1 tokens will be fully refunded to the users to the respective origin wallets, with the fees related to the gas for the respective remittances being deducted, within 12 days counted from the end of the offering period.

We emphasize, however, that the amount paid as fees by KYC/AML will not be refunded under any circumstances.



## d. Applicable regulation

As previously informed, the issuer of the token is Kodo Limited, a company incorporated in the Bahamas, with certificate of incorporation number 209391 B.

This offer is regulated by the competent governmental body of the jurisdiction of the Bahamas under number [\*].

## e. KYC/AML

KYC refers to “Know Your Customer” rules, while AML refers to anti-money laundering rules.

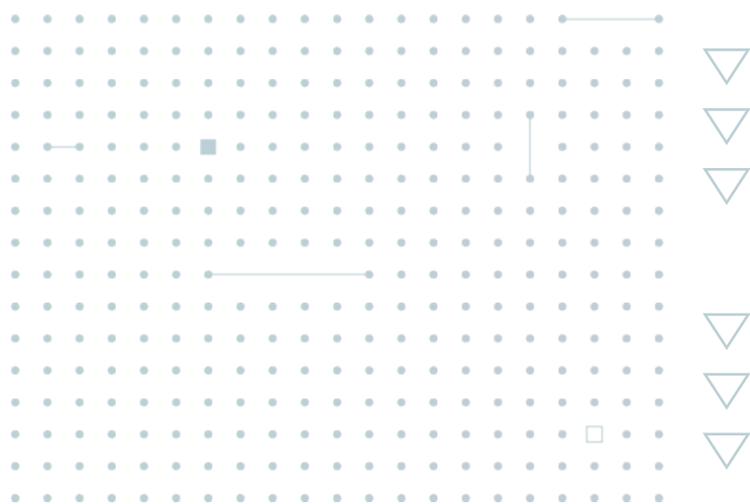
The entire KYC/AML process follows the legal recommendations of the jurisdiction in which KODO is established and in which the offer is registered, namely the Bahamas.

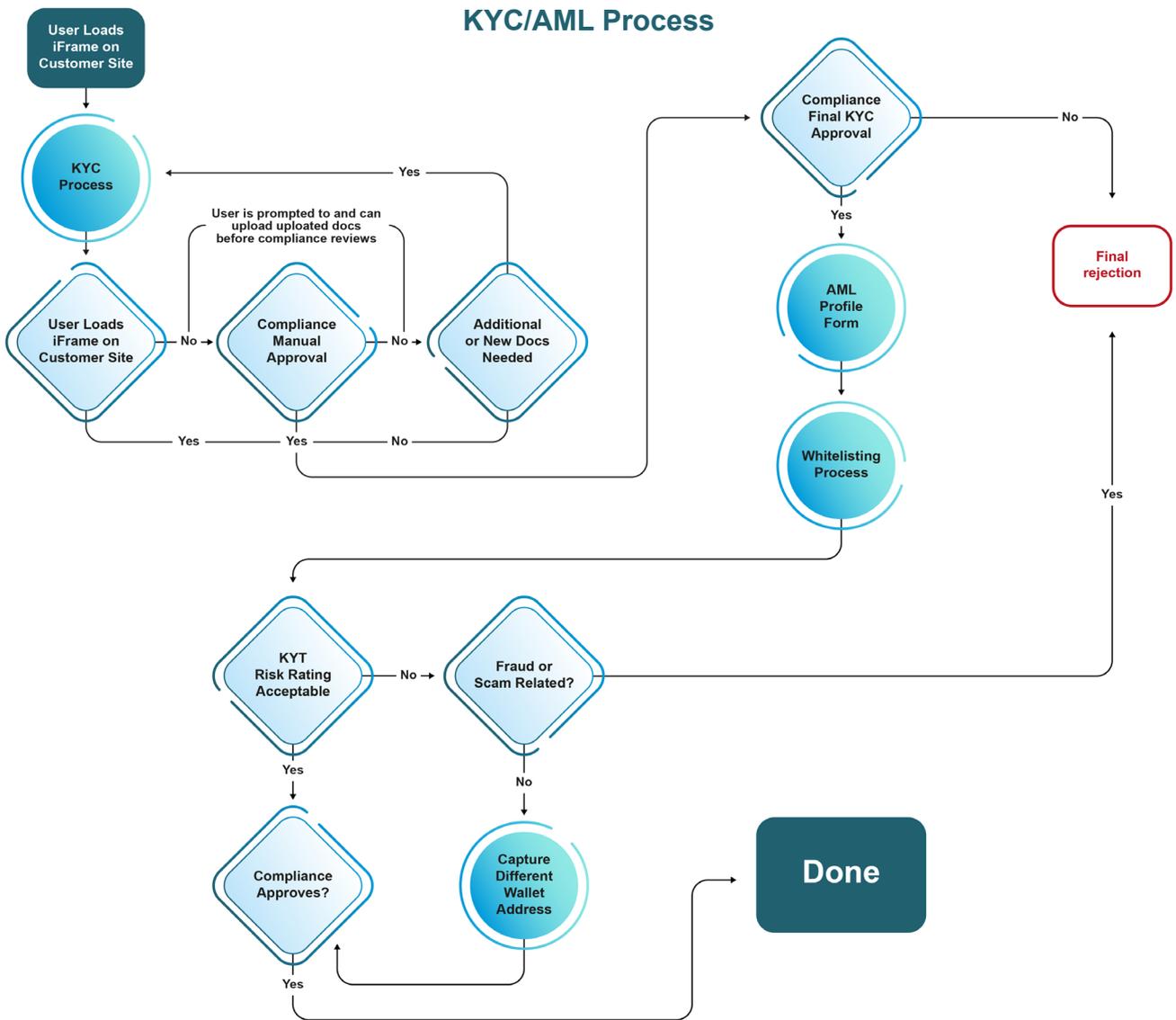
This process will be carried out by a partner company, Agio Digital <https://www.agiodigital.com/>.

As soon as the user starts the KYC/AML process, a flow to send documents (Identity and proof of address) and facial recognition process will be started.

Once the KYC/AML is completed and the process is approved, the user will follow the KODO1 token purchase flow.

**Check the details of this process in the diagram below:**





The KYC/AML process has a cost of \$13 for individuals and \$25 for legal entities and must be borne by the user who wishes to acquire KODO1 tokens. Under no circumstances will these amounts be refunded, even if the offer is canceled.

## f. Secondary market

Once the sale of KODO1 tokens is successful, the **Kodo Assets team intends to make its best efforts to have such tokens listed on the secondary market.**

In any case, nothing prevents certain user(s) from trading KODO1 tokens through Decentralized Exchanges (DEX) that support tokens issued on the Polygon platform or from sending KODO1 tokens voluntarily to another wallet.

# 7. Legal information

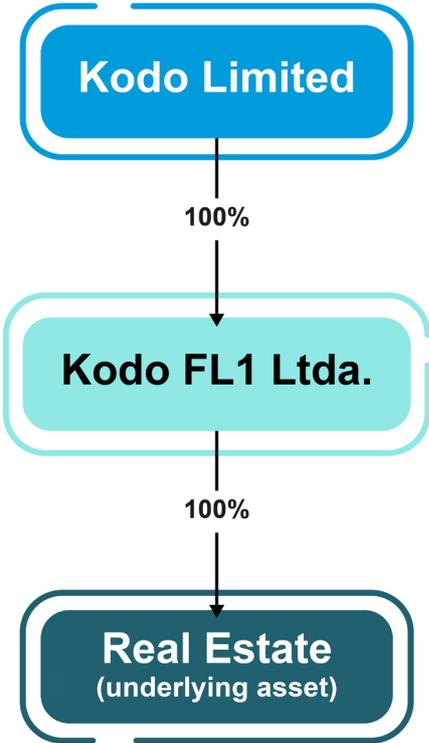
## a. Legal structure

Kodo Limited is incorporated under the laws of Bahamas, with certificate of incorporation number 209391 B, with registered office at Shirley and Charlotte Streets, Bahamas Financial Center, 3rd floor, Nassau, registered with the CNPJ under n. 47.579.473/0001-59.

It owns 100% of the quotas issued by Kodo FL1 Administração de Bens Próprios Ltda. (“Kodo FL1”) company incorporated under Brazilian law with an address at Rua Dr. Amâncio de Carvalho, 182, cj. 609, São Paulo, SP, Brazil, registered with the CNPJ under n. 48.236.573/0001-45.

Kodo FL1, in turn, holds an option to purchase the property located in the Faria Lima region, at Rua dos Pinheiros, 1673, cj. 62, São Paulo, SP, Brazil, SQL 015.073.1023-4. The total area of the property is 1,144.525m<sup>2</sup>, with a BOMA area of 552.58m<sup>2</sup>, a private area of 473m<sup>2</sup> and a common area of 671.525m<sup>2</sup>, according to registration number 141,264, registered at the 10th Real Estate Registry of São Paulo.

The structure can be summarized as follows:





## b. Eligibility

Those who are approved in the KYC/AML process and pay for the KODO1 tokens within the period of the offer are eligible to participate in this offer.

## c. Restrictions

This offer is available to citizens worldwide, except for residents of OFAC<sup>16</sup> listed countries, United States, China and Politically Exposed Persons (PEPs).

The offer may also be restricted in accordance with the AML verification process of each user's fund source wallet.

The token holders are required to work on a best effort basis not to transact the KODO1 tokens with residents of OFAC<sup>17</sup> listed countries, United States, China and Politically Exposed Persons (PEPs).

## d. KODO1 token's liquidity

The KODO1 token is a security in accordance with current legislation in the Bahamas. Its offer is fully regulated, as previously mentioned.

For this reason, the KODO1 token is not expected to be accepted as a form of payment for goods and services.

Furthermore, there is no official repurchase offer for KODO1 tokens by Kodo Assets at this time.

It is possible that in the future there will be a secondary market for the KODO1 token. To this end, Kodo Assets will use its best efforts to obtain listings of said token on exchanges.

Furthermore, it is possible for any user to create KODO1 token liquidity through the use of liquidity pools on Decentralized Exchanges (DEX) that support tokens issued on the Polygon platform.

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<sup>16</sup>In <https://sanctionssearch.ofac.treas.gov/>

<sup>17</sup>In <https://sanctionssearch.ofac.treas.gov/>

## e. Occurrence of adverse factor

In the remote event of a fortuitous event, force majeure or any excessively adverse factor that significantly affects the lease of the property, the rules regarding management fees and reserve fund may be revised at the convenience of Kodo Assets.

This being the case, token holders will be duly notified of the serious reason that gave rise to the change in the rules as well as the new rules in force, in a process of total transparency.

## 8. Team

The team dedicated to Kodo Assets is as follows:

### Ciro Iamamura - CEO

Bachelor in Production Engineering and Financial Management and student of Law and Civil Engineering, he has extensive experience in technology and the real estate area of a large real estate developer. With great knowledge in business management, he is an entrepreneur and CEO of Kodo, where he closely follows every decision that takes Kodo towards growth, being a key player in the consolidation of the project.

### Andre Daher - CTO

André has a degree in computer engineering from USP. Under the technical development leadership, he has been working in the blockchain area since 2019, having been involved in asset tokenization initiatives, means of payment, digital wallets and Web 3.0 applications. Software engineer with many years of experience with web and mobile application development and cloud solutions architecture.

## Rafael Pettersen - Operations

Graduating in business administration, he has almost 10 years of experience in project management, where he worked for companies of the administrative and legal sectors. In addition to his years of experience, he worked in the 3rd sector, where he coordinated and presided over projects of great social and economic impact. At KODO, he is responsible for managing the operations, aiming at the development and fulfillment of the business plan to establish Kodo in the market.

## Graziela Tamanaha - Marketing

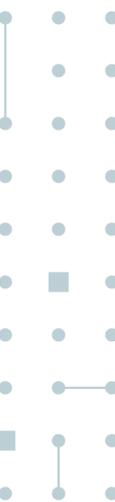
Bachelor in Social Communication, she started her career in health marketing at a startup. Years later, she worked at a large hospital in São Paulo and today she migrated to the technology area. She has almost 10 years of experience in events, through volunteer and freelance projects. At Kodo, she is responsible for Communications and Marketing, which includes social media management, multi-channel and offline content creation.

## Rafael Motta - Community Manager

Journalist and trader, former editor of Guia do Bitcoin and 21CRYPTOS and co-founder of Escola do Bitcoin, the first crypto education portal in Brazil. Wrote hundreds of articles for great companies, such as Mercado Bitcoin, Bitget and EMURGO. Also an early adopter, libertarian by nature and tech-enthusiast.

## Tatiane de Oliveira Mendes - Financial Services

Graduated in Physical Education and studying Financial Management, she began her career as an educator at a museum, where she remained for 13 years until she became a supervisor. She implemented and coordinated accessibility and inclusion projects in the areas of education, gender and better age, through gamification and audiovisual content. At Kodo, she takes care of all financial management and monitors metrics and reports, focusing on Kodo's financial health.



## Patricia Ajimura - HR

Graduated in Psychology and Post-Graduate in Clinical Psychology, she has 25 years of professional experience, the last 15 years in the Human Resources and Personnel Department. Extensive experience in the area of People Management and Training and Training of Employees. At Kodo, she is responsible for the development and execution of the human resources strategy in support of the organization's strategic direction in the areas of talent, organizational and performance management, development, compensation and digital transformation.

## Alexandre Tagawa - Advisor

Alexandre Tagawa is a businessman, publicist, writer and speaker. Today he is a founding partner of Tagawa Propaganda, a agency that is reference in the real estate and education market, with more than 600 advertising campaigns carried out over its 20 years.

## Guilherme Terra - Advisor

Lawyer, partner at Duarte Garcia, Serra Netto e Terra, where he leads real estate and capital markets teams. Specialized in highly complex real estate transactions, including acquisitions, swaps, leases and special leases (Built to Suit, Sale Lease Back and similar), contaminated properties, real estate fund corporate operations, construction contracts in their various modalities, real estate developments, subdivisions (from land formation to delivery of lots), rural properties and structured operations (capital markets' real estate products). Recognized by international guides such as Chambers Latin America (2017, 2018, 2019, 2020 and 2021), The Legal 500 (2012), Leaders League Brasil (2019 and 2020), Who's Who Legal (2020) and Best Lawyers (2019 and 2020).

## André Salem - Advisor

André Salem is a leading expert in the architecture of blockchain solutions. Working in the segment since 2016, he was Head of Blockchain for pioneering Brazilian initiatives, having worked at IBM Research Lab as a blockchain researcher, and in the blockchain business area, at IBM Brazil. Mentor and project advisor in the segment. André is Founder at Blockforce, and co-founder at Cryptum.

## Helena Margarido - COO

Lawyer (PUC-SP), studied LLM at the University of Illinois / Universidade Católica Portuguesa (joint-degree). Specialist in Blockchain and digital currencies for 10 years, she has more than 19 years of professional experience (GP Investments, PwC, Banco Itaú). She was a professor of the MBA in Web Intelligence & Digital Ambience at UFRJ, MBA at PECE (POLI-USP), specific courses (Instituto de Tecnologia e Sociedade - ITS Rio, Google Campus) and speaker at several events in Brazil and abroad (TEDx São Paulo, TEDx USP, Blockchain Conference in Austin, Texas, USA (2015), Bitcoin Conference in Hong Kong, China (2015), among others). She was named LatAm crypto leader by Bloomberg in 2021.

## Julio Cavalcanti - Business Development

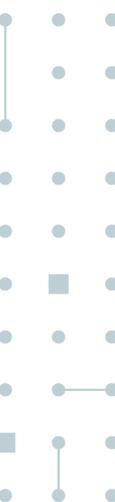
Julio Cavalcanti is a professional with extensive experience in entrepreneurship in the marketing and entertainment field, having worked in this industry for over 5 years. He has advanced knowledge in marketing techniques, business management, and content creation. He has studied Actuarial Sciences at University of São Paulo (USP) and studies financial management at the St. Paul Business School.

## Emily Furchi - Project Management Intern

Advertising student, specializing in Social Media with competencies in the Marketing area. Responsible for using her creativity and expertise to develop content and projects.

## Carolina Silveira - Graphic Design

Graduated in Graphic Design Technology Bachelor's Degree (CST) at FIAM-FAAM, with experience in digital and graphic design for online and offline media, and knowledge in user interface (UI) design. Focuses on visual communication, creation, branding, and UI.



## Luiza Bueno - Video Editing Intern

Studied Film & TV in the city of Atlanta, Georgia at Savannah College of Arts & Design, currently completing her cinema studies at Fundação Armando Alvares Penteado in the city of São Paulo, Brazil. Video production and editing focused, she has high experience with audio and visual communication.

## Janderson Santos - Creative Design & Branding

Graduated in Graphic Design; Advertising and Marketing, working for over 10 years in the advertising market in the area of creating visual concepts for institutional and promotional campaigns aimed at the retail market, moving from assistant to Art Direction in advertising agencies active in the endomarketing and trade marketing sector.

## Andre Colbano - Marketing

Graduated in Multimedia Production, with extensions in marketing, growth, and SEO. Working with marketing for over 7 years, I have strategically followed and developed the marketing of various companies in the health, technology, innovation, and construction industries. Always combining the latest branding, design, web, and audiovisual trends with growth hacking techniques and marketing-sales integration.



**KODO**

Incorporation Number 209391 B  
Shirley and Charlotte Streets, Bahamas Financial Center, 3rd floor, Nassau

[www.kodoassets.com](http://www.kodoassets.com)