DOMUSX

ACCESSIBLE COMMERCIAL REAL ESTATE INVESTMENTS IN GERMANY THROUGH A SECURITY TOKEN

WHITE PAPER V2

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Disclaimer & Abstraction

The purpose of this Whitepaper is to present the DomusX project and its STO (security token offering) including the underlying DMSX security token giving access to profit participation rights – to potential investors who want to participate in the upcoming Security Token Offering ("STO") of the DomusX company. The information set forth below should not be considered exhaustive and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential token holders in order for them to determine whether to undertake a thorough analysis of the company with the intent of acquiring DMSX Tokens.

Nothing in this Whitepaper shall be deemed to constitute a prospectus of any sort of a solicitation for investment.

Certain statements, estimates, and financial information contained within this Whitepaper constitute forward-looking, or pro-forma statements, and information. Such statements or information involve known and unknown risks and uncertainties which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

Abstract

The commercial real estate (CRE) sector has long been regarded as a reliable avenue for wealth creation, underpinned by tangible assets and consistent income streams. Despite its stability and attractiveness, the CRE investment landscape remains dominated by institutional players, with high barriers to entry deterring most private and retail investors. Recent advancements in digital technologies—particularly blockchain—are reshaping traditional financial markets, offering new opportunities for democratizing access to previously exclusive asset classes like commercial real estate.

The CRE market faces several persistent challenges: significant capital requirements that prevent smaller investors from participating; complexity in sourcing, assessing, and managing high-yielding properties; limited liquidity, making it difficult for investors to exit or adjust their positions quickly; and cumbersome administrative processes that often delay profit distribution and reduce transparency. Additionally, cross-border investments are hampered by regulatory fragmentation and legal complexities, making international diversification a daunting task.

DomusX is designed to break down these barriers. Through a fully compliant Security Token Offering (STO), the project enables investors to participate in a professionally managed, high-potential portfolio of commercial properties in Germany. Token holders gain profit participation rights tied to both recurring rental income and potential capital gains from asset sales. The project blends the rigor of traditional asset management—focused on value-add strategies such as renovation, leasing optimization, and operational efficiency—with the advantages of blockchain, offering greater transparency, efficiency, and a pathway to liquidity through tokenized securities.

DomusX aims to redefine how individuals invest in commercial real estate by providing secure, transparent, and efficient access to institutional-grade

assets. Our mission is to democratize real estate investment, making it more inclusive, flexible, and rewarding for all participants. We invite forward-thinking investors to join us on this journey, leveraging the power of blockchain to unlock new levels of accessibility and profitability in the real estate market. By participating in DomusX, investors gain not just a stake in high-performing assets but also a role in shaping the future of real estate investment.

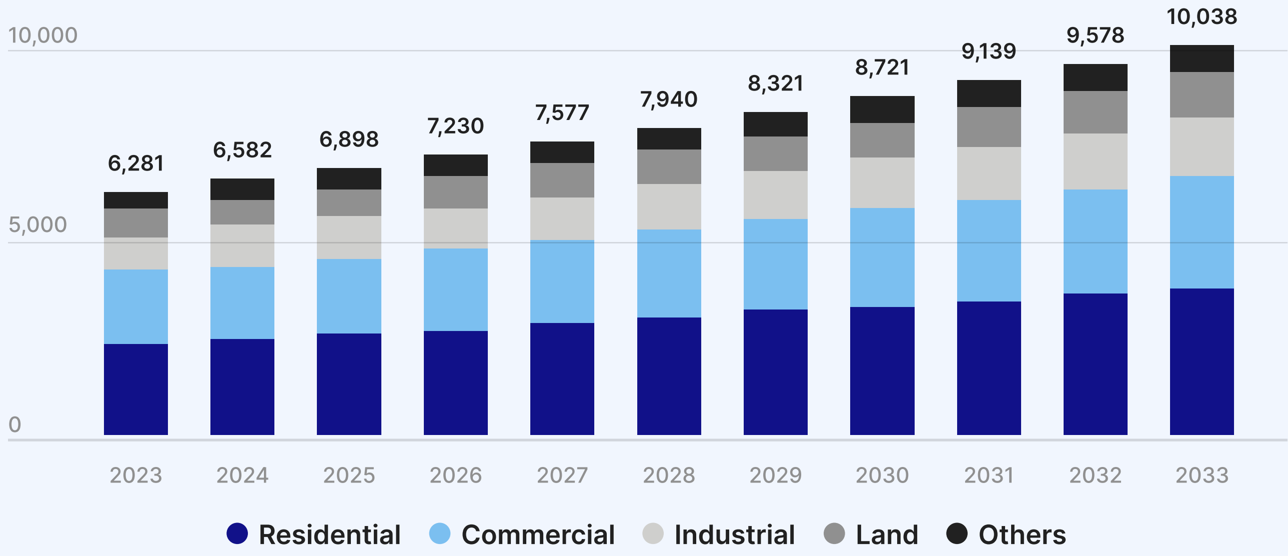
Industry Overview

The Global Real Estate Market

The global real estate market is the world's largest asset class, with an estimated value of USD 6.898 billion in 2025 and is estimated to reach over 10.000 billion by 2023. This figure, which encompasses residential, commercial, and agricultural property, represents almost four times global GDP and even exceeds the combined value of all global equities and debt securities.

Global Real Estate Market

Size, by resolution, 2023-2033 (USD Billion)



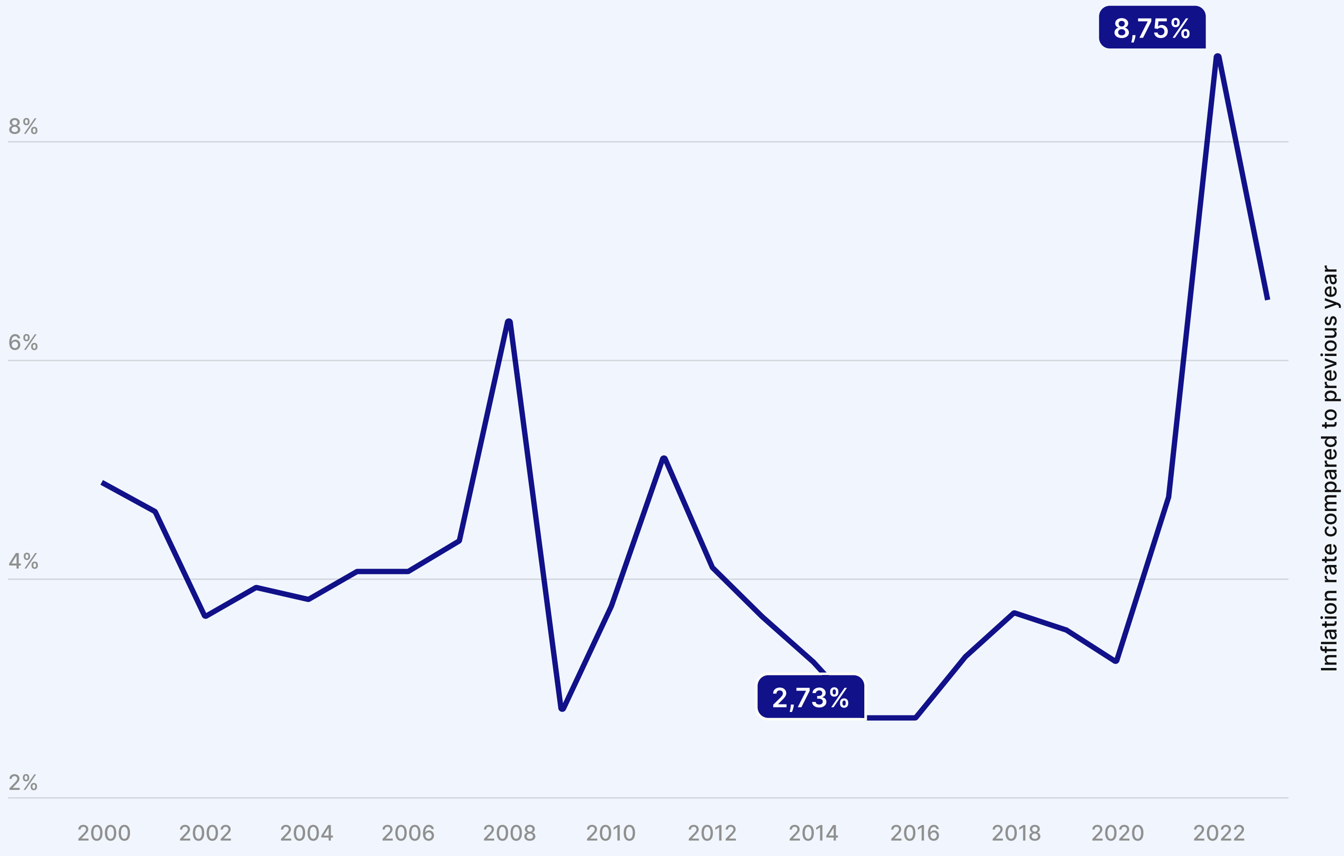
The Market will Grow At the CAGR of: **4.8%**

The Forecasted Market Size for 2033 in USD: **$10,038B**

Value of the global real estate market by type. Commercial real estate is overtaking residential real estate, making it the biggest subcategory in terms of value in the real estate sector

After a boom in 2020–2021 driven by low interest rates, global real estate values slightly contracted (−2.8%) in 2022 as central banks began tightening policy. Despite this dip, values remained nearly 19% above pre-pandemic 2019 levels, underscoring the market's enormous growth over the past few years.

Macroeconomic headwinds in 2023 put further pressure on real estate. Surging inflation in 2021–2022 (reaching multi-decade highs) prompted aggressive interest rate hikes by central banks, dramatically raising borrowing costs. For example, the average 30-year mortgage rate in advanced economies more than doubled to 6.8% by late 2022, up from ~3% a year prior.

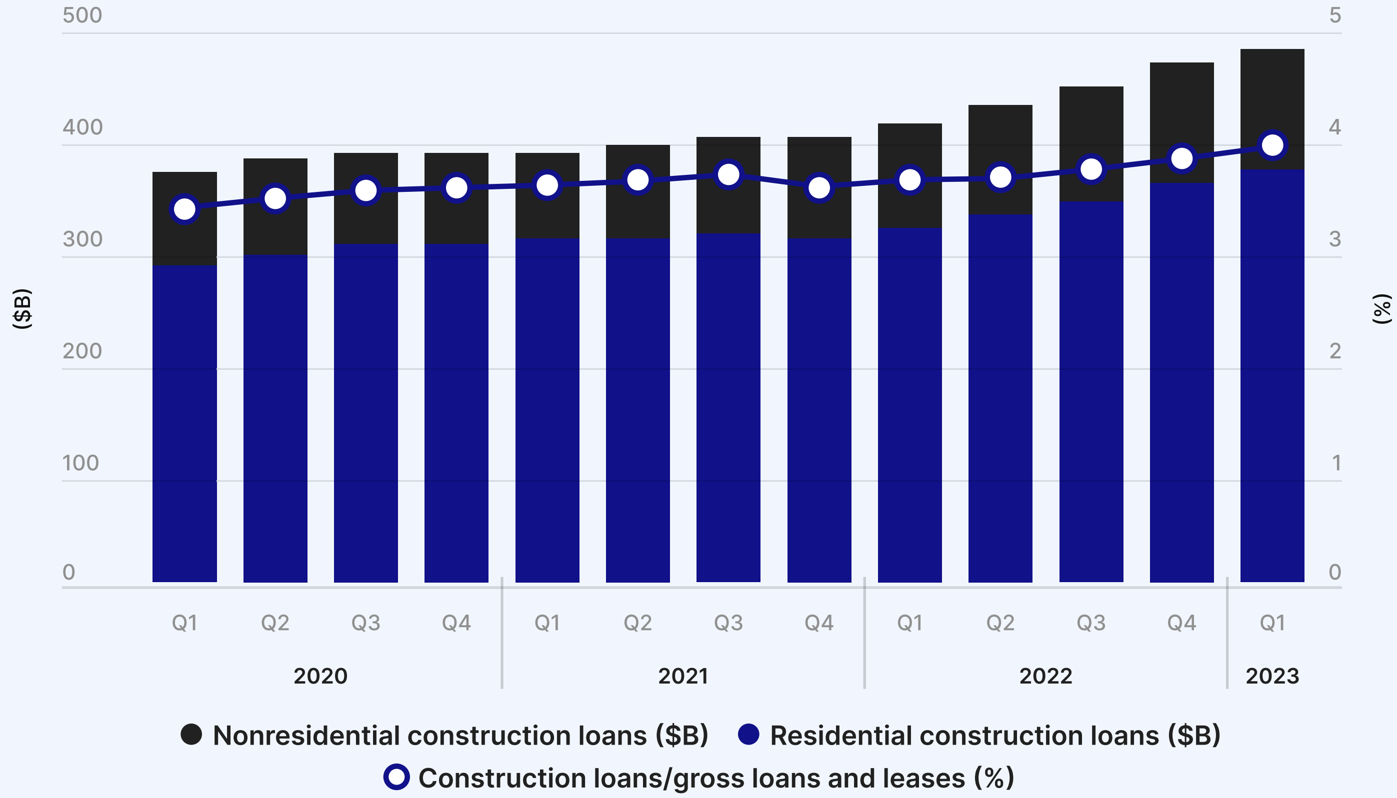


Global inflation hit a 20 year all time high of nearly 9% that was more than 2% higher than the ATH during the previous financial crisis.

Average rates on two-year (red) and five-year (blue) fixed deals. Mortgage rates were at 15-year high in 2022.

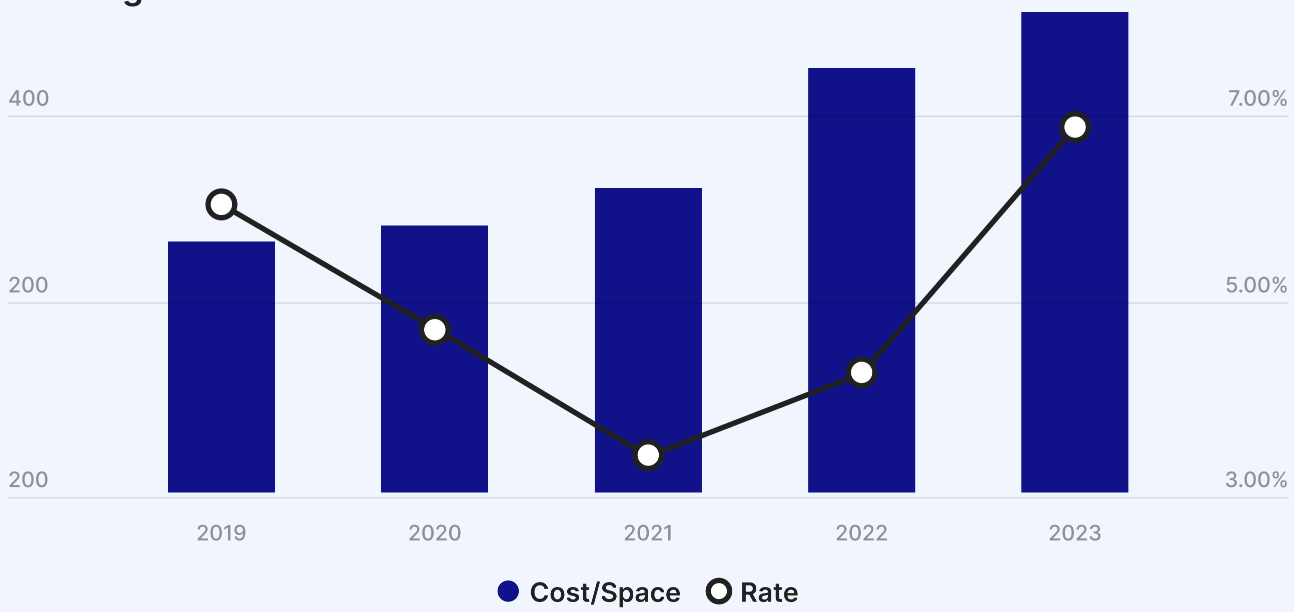
Higher financing costs and recession fears cooled real estate investment activity worldwide. Global investment volumes fell to about $699 billion in 2023, the lowest since 2012, as many buyers and lenders pulled back amid economic uncertainty. Geopolitical issues also dampened confidence – the war in Ukraine drove up energy prices and inflation, particularly impacting Europe, while supply chain disruptions increased construction costs.

Construction loan growth trend at US banks



Construction loans by US banks are getting more expensive for borrowers. This includes both commercial and residential loans.

Building Cost vs. Interest Rates

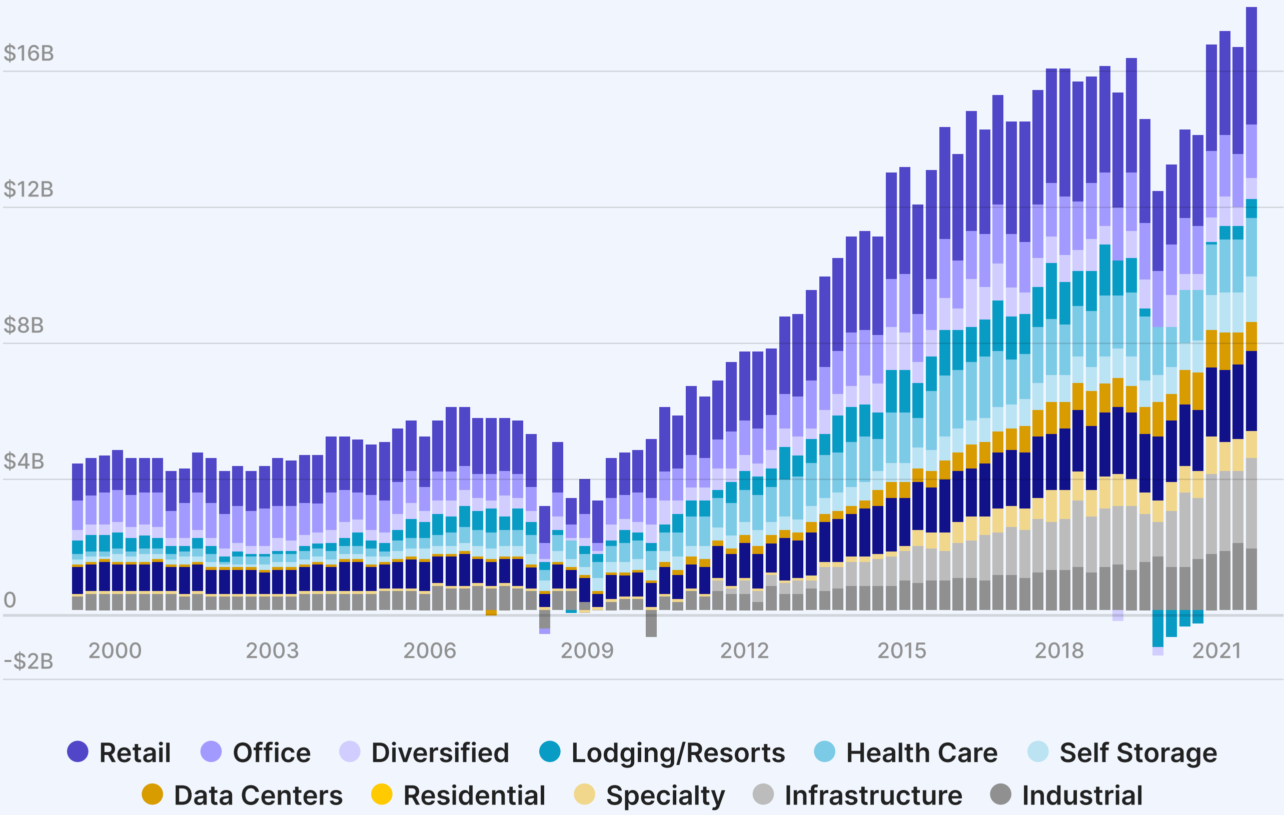


Both building costs and interest rates for real estate developers have been on the rise, which can explain the rate at which real estate prices are increasing. Since 2019, overall building costs have increased roughly 32%.

Toward late 2023 and early 2024, conditions began to stabilize with inflation easing and rate hikes pausing. Nonetheless, the global real estate market in 2023 reflected a cautious mood, with transaction volumes depressed and property values under pressure in many regions. Real estate's sheer scale (often 15–20%+ of national GDP in major economies) means these macro trends have broad implications. Overall, investors remain watchful of interest rate trajectories and economic growth, as these factors will continue to "dictate the terms" for real estate performance.

In 2024 and 2025, a recovery began, signaling more positive investor attitude towards the real estate market.

The Real Estate Investment Universe



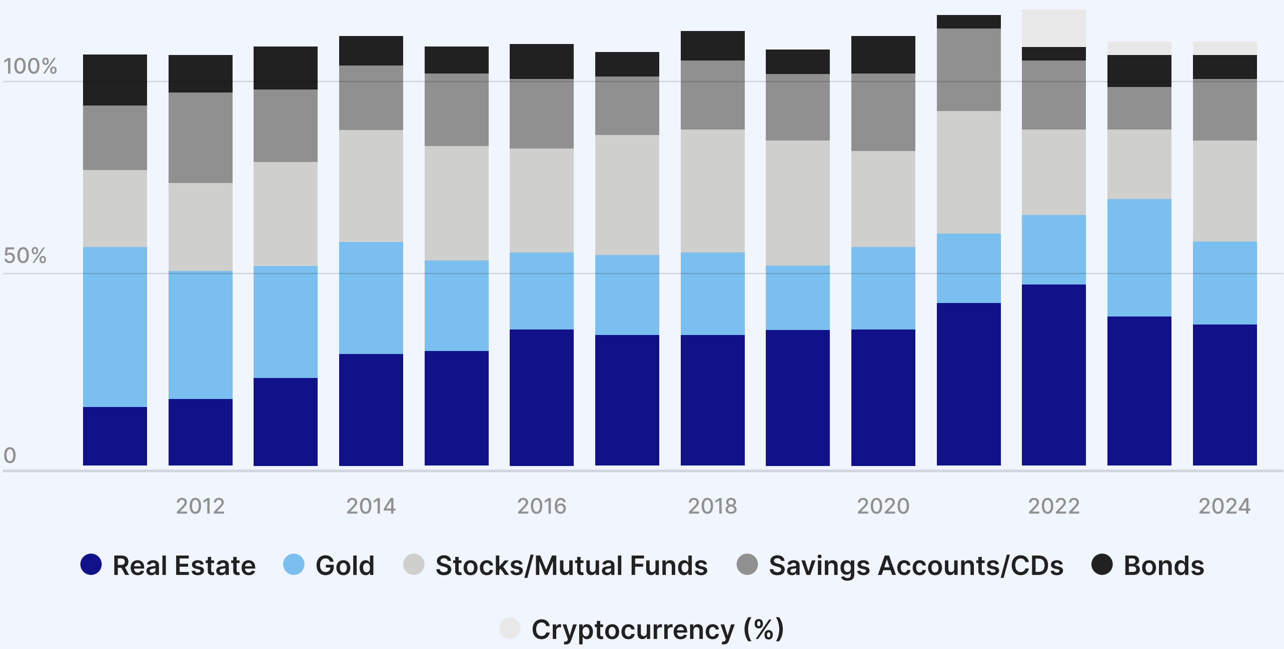
The real estate sector took a hit during the COVID pandemic due to the interest rate hikes. The market has since recovered and is on a new growth trajectory.

Real Estate as an Investment Vehicle

Real estate has long been a pillar of diversified investment portfolios, prized for its tangible value and steady income. Historically, real estate returns have been competitive with other asset classes – though typically a bit lower than equities in pure appreciation, property investments offer significantly lower volatility and ongoing rental yields.

For instance, over the long run the S&P 500 has returned about 10% annually, outpacing U.S. housing price growth (roughly 4–5% per year on average). However, when factoring in rental income (or REIT dividends) and tax advantages, real estate often achieves comparable total returns with a smoother ride.

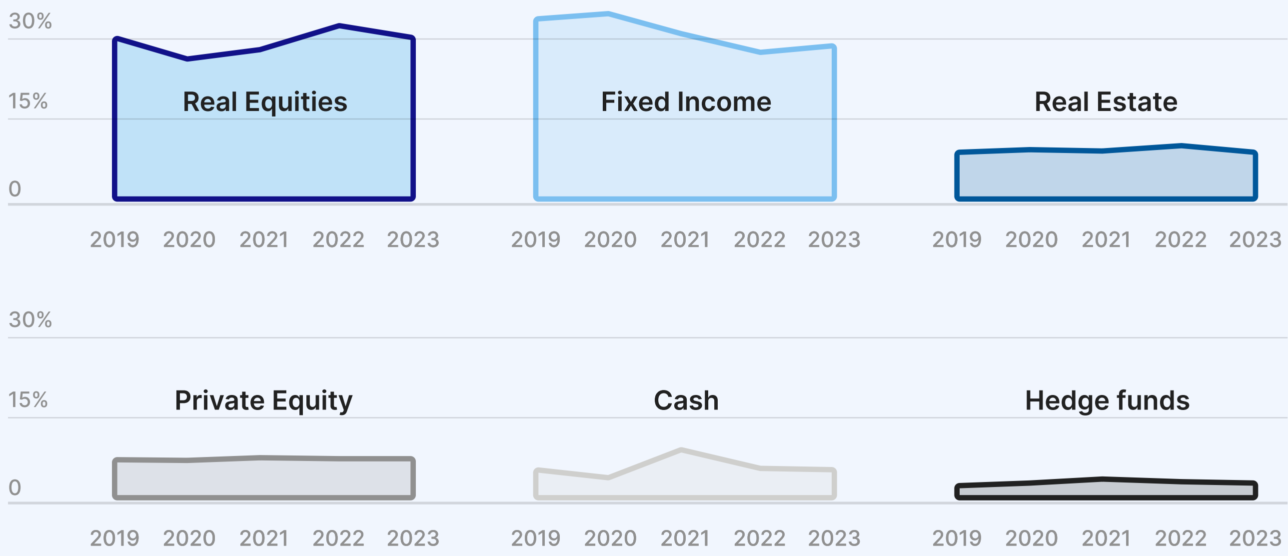
Real estate values also tend to be less volatile; in downturns, property prices usually decline more modestly than stocks. As an example, during the 2020 pandemic shock, U.S. home prices dipped only ~3% in one quarter, whereas the S&P 500 plunged ~33% before rebounding. This stability appeals to investors seeking capital preservation and income.



What US Adults Regard as the Best Long-Term Portfolio Investments. Real estate is the most popular category by a large margin.

Diversification benefits are another key attraction. Real estate has a low correlation with public stock and bond markets, improving portfolio risk/return profiles. A study of U.S. data showed real estate returns had negative or low correlation to fixed-income returns over 20 years (correlation of –0.2 to 0.0 depending on bond type). By adding property assets, investors can buffer against equity market swings and inflation spikes.

In fact, real estate is widely regarded as an effective inflation hedge. As a real asset with inherent utility, property values and rents tend to rise with general prices over time. Notably, in the high-inflation 1970s, U.S. stocks and bonds suffered negative real returns, but housing prices outpaced inflation, giving homeowners a positive real return and preserving wealth. This inflation-hedging capacity comes from landlords' ability to raise rents in response to inflation and the replacement cost principle (expensive construction pushes property values up).



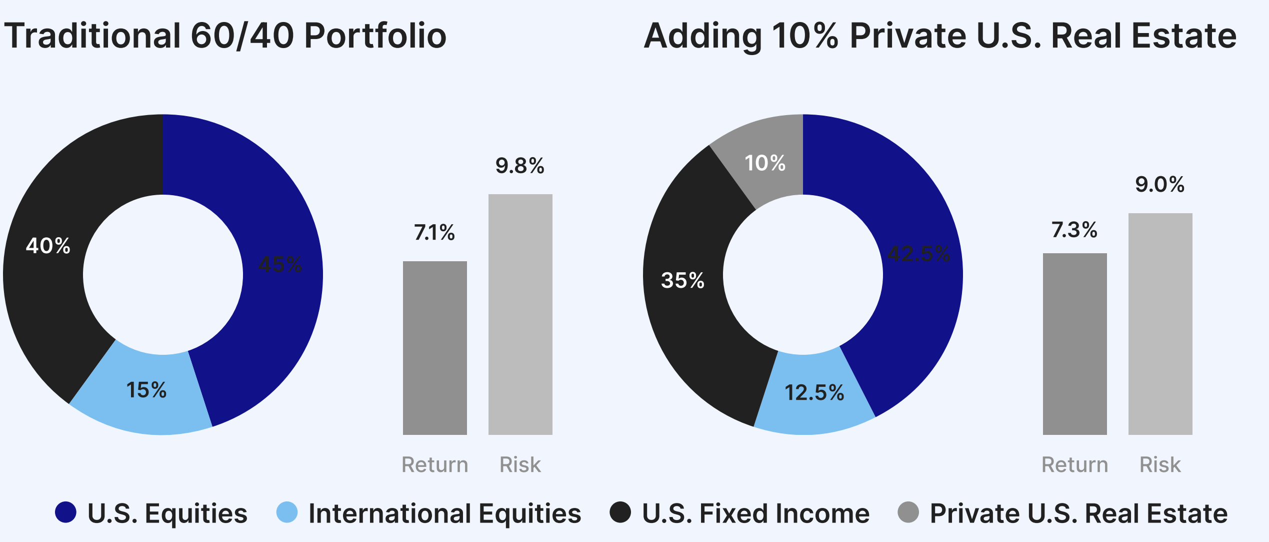
Sovereign wealth fund asset allocations between 2019 and 2023. Real estate is better placed to offer inflation protection relative to bond investments due to its steady, stable income streams and mid- to long-term return outperformance.

Real estate also provides consistent income through rents or distributions, which can offer a bond-like steady cash flow. This makes it popular for income-oriented investors (e.g. retirees or endowments) seeking yield. Indeed, many institutions allocate heavily to real estate: surveys show that even amid rising rates in 2023, investors remained convinced of real estate's long-term merits, citing its stable income and outperformance in mid-to-long term relative to bonds. Additionally, real estate enjoys unique tax benefits that enhance after-tax returns.

Residential vs commercial real estate

It's worth noting differences within real estate as well – residential vs. commercial. Residential real estate (housing) is often the first investment for individuals and has shown solid, if modest, appreciation over time (national house prices tend to track inflation plus a couple percentage points).

The commercial real estate sector – which includes office buildings, retail properties (shopping centers, malls), industrial/logistics facilities, hotels, and more –, is usually higher-yielding and largely the domain of institutional investors and specialized firms (REITs, private equity, etc.). CRE segments like office buildings, shopping centers, and apartments can generate annual income yields in the ~4–8% range, on top of any value changes.



The benefits of adding real estate to an investment portfolio. At 10% increase of the share of real estate, the risk is reduced by nearly 1% while the return also increases by 0,2%.

Historically, private commercial real estate has delivered annualized total returns in the high single digits, with relatively low volatility, making it a compelling alternative asset for portfolio diversification. In practice, large pensions and endowments often target ~10–20% allocation to real estate (both residential and commercial) to balance stocks and bonds. The combination of long-term appreciation, recurring income, diversification, and inflation protection cements real estate's role as a core investment vehicle for both individuals and institutions.

CRE in Germany: Market Size, Urban Hubs, ESG, and Post-COVID Trends

Germany is Europe's largest economy and its commercial real estate market is accordingly one of the region's most significant.

The transaction volume for commercial property totalled €5.9 billion in the first three months of 2025, up around 7% on the same period of the previous year.

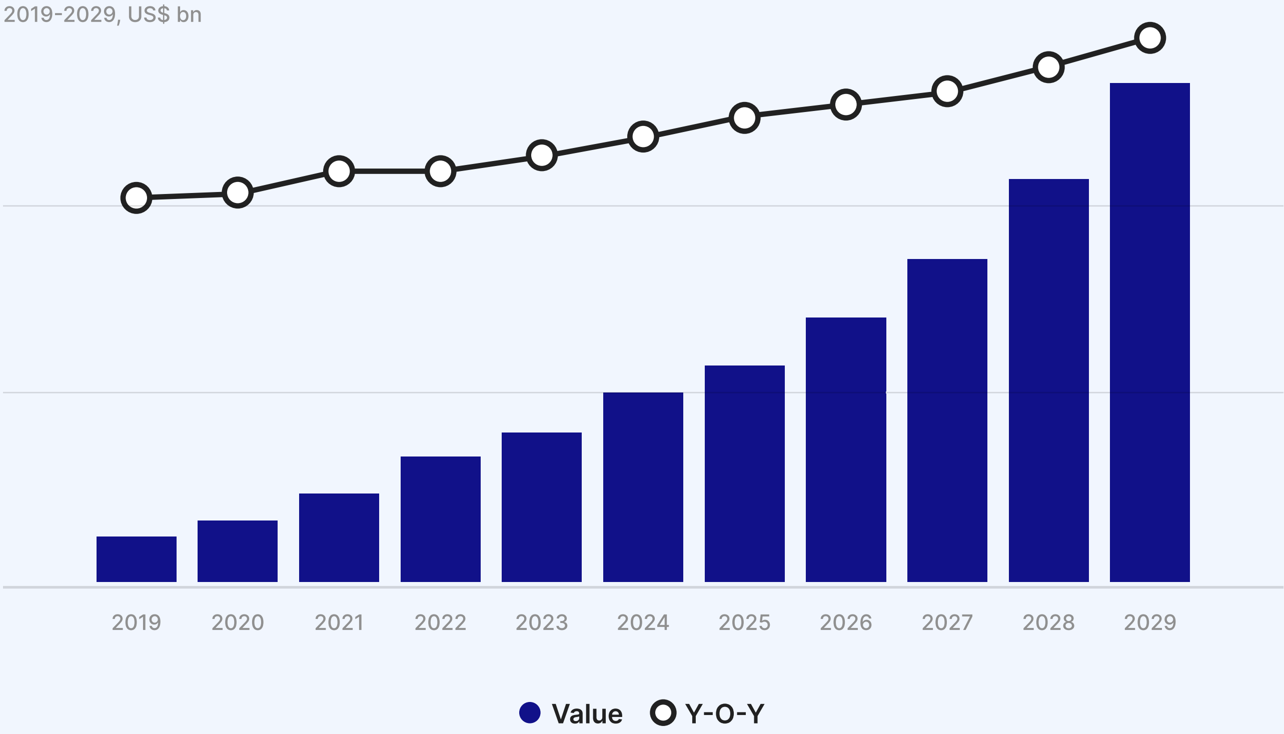
In terms of market size, Germany's CRE stock is enormous. A Statista forecast pegs the total value of commercial real estate in Germany at around $6–7 trillion in 2025 (including offices, retail, industrial, etc.). Key urban hubs dominate activity: the top seven cities – notably Berlin, Munich, Frankfurt, Hamburg, Cologne, Düsseldorf, and Stuttgart – usually account for the majority of investment volume.

Blockchain and Tokenization in Real Estate

Blockchain technology is making inroads in the traditionally illiquid, intransparent real estate industry through asset tokenization. Real estate tokenization is the process of creating digital tokens on a blockchain that represent ownership shares in real property.

Tokenization value forecast

2019-2029, US$ bn

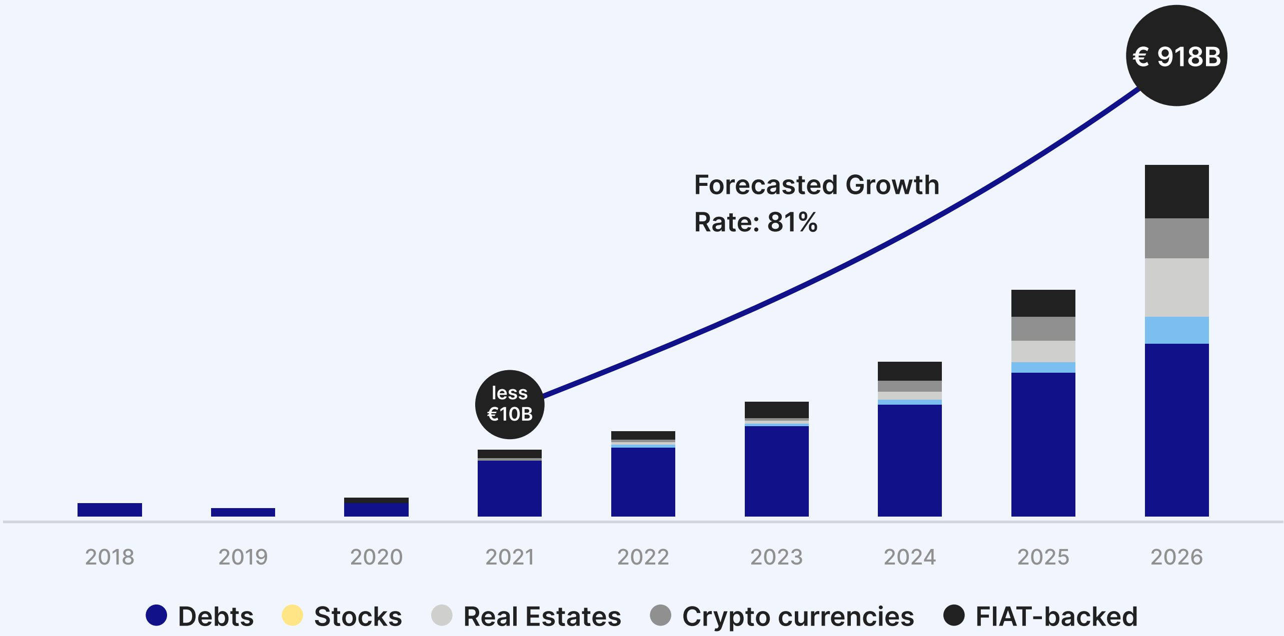


In practical terms, a property (or a stake in a property holding company) is digitized into fractional tokens – each token might equate to, say, a tiny percentage of a building or a specific claim on cash flows. These tokens are secured and tracked via blockchain ledger, enabling them to be bought, sold, or traded peer-to-peer much more easily than a whole property. The advent of real estate tokenization (often via Security Token Offerings (STOs) for regulatory compliance) promises to transform real estate investment by introducing greater liquidity, accessibility, and efficiency.

Tokenization has a potentially game-changing impact on real estate investing. By dividing assets into smaller units, it democratizes access – investors no longer need millions for a building, they could purchase a token worth a few hundred or thousand dollars. This fractional ownership means a broader pool of investors globally can participate in real estate, unlocking new capital for the industry.

Market Size for Digital Assets in Europe

From 2018 to 2026 in EUR bn



Digital assets in Europe are on the rise. Real estate security tokens are increasing in popularity - next year they are expected to surpass 1 trillion EUR while also increasing their overall share compared to other digital assets.

	2023	2024	2025	2026	2027+
Fixed income portfolio	1.1%	1.9%	3.6%	5.4%	6.5%
Real estate portfolio	1.3%	1.6%	3.3%	4%	6%
Alternative portfolio	1.4%	2.3%	3.8%	5%	6.7%
Entire portfolio	1.5%	2.7%	4.3%	5.6%	7.2%

The allocation of tokenized assets in real estate portfolios is expected to grow from 1.3% in 2023 to 6.0% by 2027.

Tokenization also provides solutions to the issue with liquidity - whereas selling a physical property is cumbersome, token holders could theoretically trade tokens 24/7 on digital exchanges, allowing real estate exposure to be liquidated or acquired far faster than before. This newfound liquidity could reduce the traditional “illiquidity premium” and make real estate behave more like a fluid asset – a significant shift in market dynamics. Additionally, blockchain’s transparent and secure record-keeping instills greater trust; every transaction and ownership change is recorded immutably, mitigating title fraud and easing due diligence. Smart contracts can automate processes like dividend (rental income) distribution to token holders and voting rights on property decisions, streamlining property management and governance.

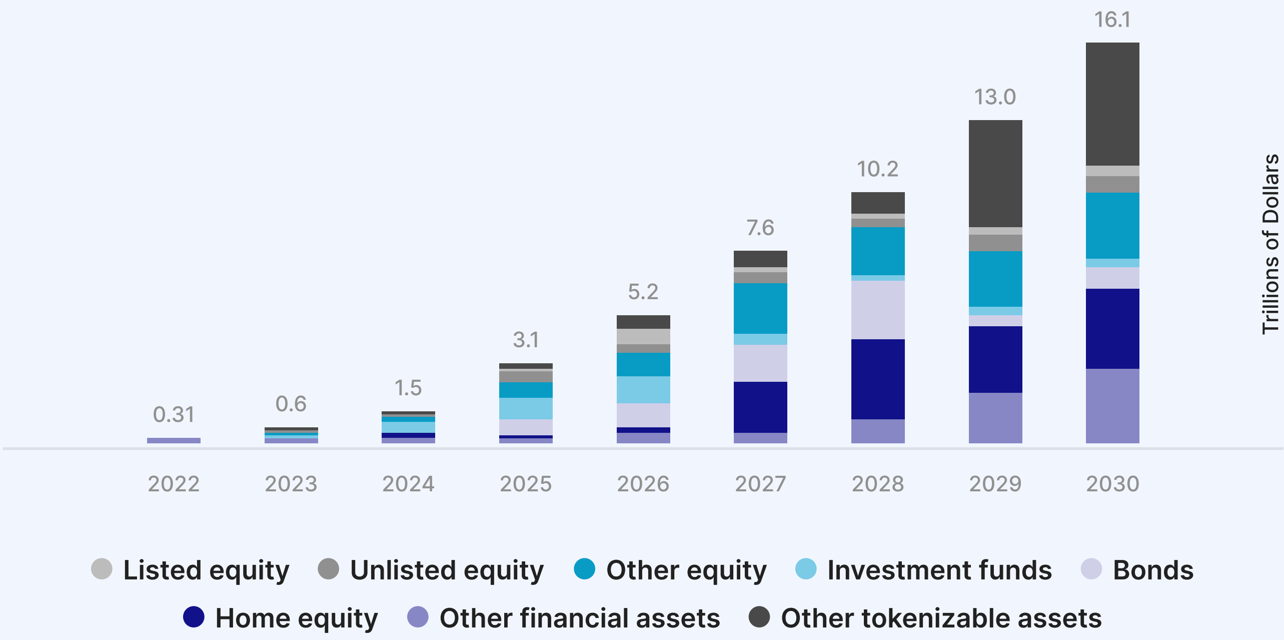
Overall, tokenization can “digitize trust” in real estate, potentially lowering costs (no need for as many intermediaries like brokers, transfer agents, or extensive legal escrow for each trade) and increasing transaction speed.

Investment Trends and Investor Appetite

The past two years have seen a notable shift in investor interest toward real-world asset (RWA) tokenization, amid a broader search for stable, asset-backed investments in the crypto/blockchain space. After the volatility and speculative excesses of the 2017–2021 crypto cycles, both institutional and retail investors began focusing on tangible assets on-chain – and real estate is front and center in that trend.

There is a growing recognition that tokenization of real assets (like property, commodities, or bonds) could unlock trillions of dollars in value. Market forecasts are bullish: A BCG/ADDX report estimates up to $16.1 trillion of assets could be tokenized by 2030 (about 10% of global GDP).

Asset tokenization estimates



A new report from Boston Consulting Group (BCG) and ADDX estimates that asset tokenization will reach $16 trillion by 2030, or 10% of global GDP.

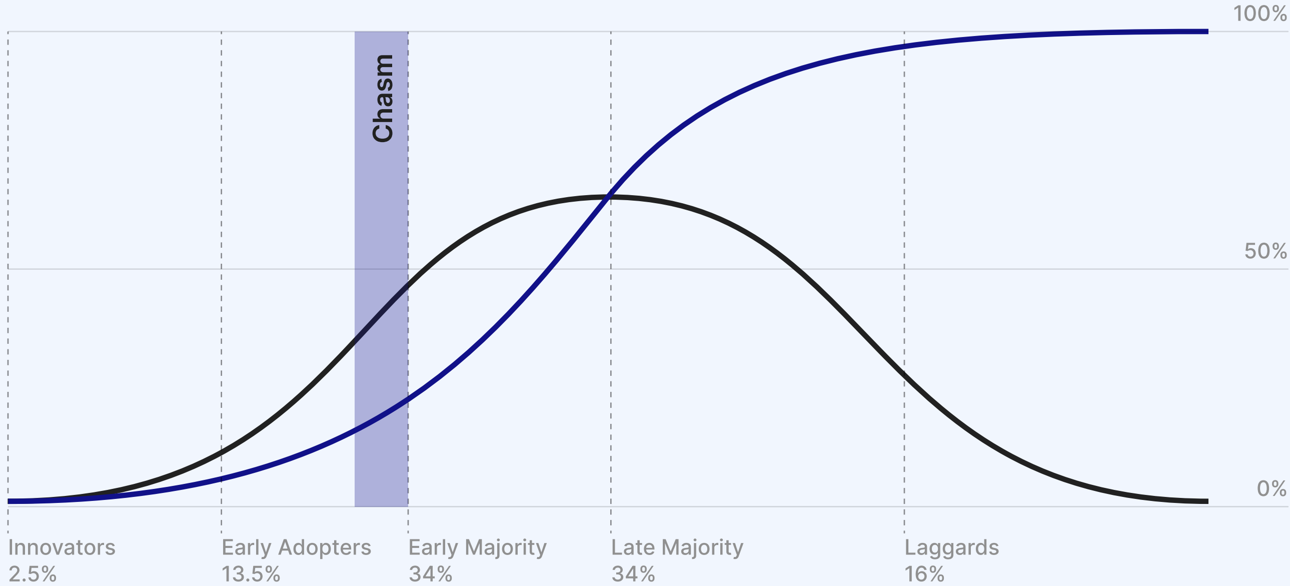
Investors – from large institutions to individual crypto holders – are increasingly keen on asset-backed tokens that generate income. Real estate, with its concrete value and rental yields, is often cited as the ideal candidate for tokenization.

In an EY global investor survey, real estate was ranked as the #1 or #2 most preferred assets to purchase in tokenized form by 56% of institutional and 49% of high-net-worth (HNW) investors, second only to private equity in popularity.

This underscores a strong appetite for tokenized real estate. The appeal lies in combining the familiarity and stability of property with the flexibility of digital assets. Especially after the 2022 crypto downturn, investors showed a preference for tokens backed by real assets (like property or revenue streams) over purely speculative crypto coins. Security tokens, sometimes dubbed “asset-backed tokens you can trust,” gained traction as they often entail lower volatility and inherent value from the underlying asset.

Both institutions and retail are driving this trend. On the institutional side, major players (BlackRock, Goldman Sachs, JPMorgan, etc.) have been exploring tokenization as part of their service offerings, and many have made public bullish statements. BNY Mellon’s 2022 survey found 97% of institutional respondents agree tokenization will revolutionize asset management, with a majority actively testing or investing in the area.

Tokenization adoption curve



The tokenization adoption curve shows that tokenization is already establishing itself as a trend to stay.

Investors are particularly interested in income-generating, asset-backed digital assets. Tokenized real estate fits that bill perfectly: it typically offers regular income (via rent or interest) and is collateralized by a physical asset.

In a world of yield-hunting, a token that pays, say, 5% yield from rental income and is backed by a property can be very attractive – it blends the line between traditional yield investments and digital assets. We see parallel interest in other yield-bearing RWAs like tokenized government bonds or tokenized invoices, but real estate stands out for its familiarity and inflation-hedging nature.

63% of investors said they would consider investing in tokenized real estate even without voting rights, as long as it meant lower minimums and access.

This implies that many investors prioritize economic exposure (income and price appreciation) over control, if it allows them to participate in high-quality assets that were previously out-of-reach. It also suggests trust that the legal structure will protect their interests even if they don't have a direct say in management (similar to how REIT shareholders trust professional managers).

Issues & Challenges for the Real Estate Sector & Investors

Issue — High Barriers to Entry for Commercial Real Estate Investment

Commercial real estate (CRE) investment has long been dominated by institutional players because it typically demands large capital commitments. Entry points often require hundreds of thousands or even millions of euros or dollars, effectively shutting out smaller investors and retail participants. Beyond capital requirements, investors must navigate complex legal frameworks, intensive due diligence procedures, and high transactional fees.

These factors combine to create an exclusionary environment where only a small segment of the market can access high-quality commercial real estate assets.

Issue — High Complexity of Selecting High-Yielding Real Estate Investments

Another barrier in real estate investing is the high level of expertise required to identify profitable opportunities. Assessing property value, rental potential, market conditions, legal and tax implications, and risk factors demands substantial experience and deep local knowledge. Even sophisticated investors can struggle to predict yields accurately, while novice investors often lack the tools and insight necessary to make sound investment choices.

This complexity creates a steep learning curve, leaving many investors exposed to suboptimal returns or hidden risks.

Issue — Liquidity Constraints

A fundamental challenge of commercial real estate is its illiquidity. Unlike financial securities such as stocks or bonds, which can be bought and sold in seconds, real estate transactions are cumbersome, often taking several months to complete. These deals involve multiple intermediaries and significant costs, including broker fees, legal expenses, and taxes. Even vehicles like real estate investment trusts (REITs), which aim to improve liquidity, offer only partial solutions and are subject to the volatility and constraints of public markets.

As a result, investors face long lock-in periods and have limited flexibility to adjust their exposure in response to market changes.

Issue — Geographic and Regulatory Fragmentation

Investing in real estate across borders introduces additional layers of complexity. Each country operates within its own legal and regulatory framework, with different tax regimes, compliance requirements, and property ownership laws. These inconsistencies create substantial barriers for investors aiming to build diversified, international portfolios.

Without sophisticated legal and administrative support, many potential investors are deterred by the sheer difficulty of navigating cross-border investments.

Issue — Cumbersome Profit Distribution and Administrative Overheads

Another persistent challenge in traditional real estate investment is the inefficiency of profit distribution and administrative management. Income streams—whether from rent or dividends—are typically dispersed manually, often with delays and minimal transparency. The administrative burden grows exponentially with the number of investors involved, leading to increased overhead costs and the risk of errors in profit allocation. Tax reporting and compliance requirements add further complexity, particularly for investors who hold stakes in multiple properties or jurisdictions.

Issue — Unexplored Potential of Blockchain for Real Estate

Despite the recognized advantages of blockchain technology—such as transparency, automation, and decentralization—its full potential remains largely untapped in the real estate sector. The market still lacks scalable, proven frameworks that harness blockchain's capabilities to transform property investment and management comprehensively. This gap signifies a missed opportunity to drive innovation, enhance investor protections, and modernize an industry ripe for digital disruption.

The DomusX Project — an Introduction

DomusX is a blockchain-based commercial real estate project that provides investors with access to a professionally managed portfolio of German commercial properties. The project utilizes a Security Token Offering (STO) framework, issuing the DMSX security token on Ethereum through the ERC-1400 standard. The token represents profit participation rights, granting investors a contractual entitlement to a share of the net profits generated by the underlying properties.

Capital is raised by issuing security tokens, and the proceeds are allocated to acquire and enhance three strategically selected properties—a retail / office building, a logistics center and an industrial hall, all located at prime locations in Germany. The renovations are aimed at increasing the value of the properties and maximizing the potential rent income. Additionally, investors will share in the potential upside if the properties are sold, thereby combining stable income with the prospect of large capital gains.

By integrating blockchain technology with traditional real estate investing, DomusX introduces a new level of transparency, efficiency, and accessibility. Investors benefit from regular dividends from real estate without the administrative burdens of direct property management, while the ERC-1400 tokens ensure full regulatory compliance and seamless profit distribution. The STO will fund the acquisition and value enhancement of the three properties, targeting significant improvements in both rental yield and overall asset value. All properties have been selected for their solid fundamentals and capacity for improvement through active asset management. The investment strategy aims to unlock their full potential, providing token holders with enhanced income streams and long-term value growth.

DomusX’ goal is to create a security token that lowers the entry barriers to real estate investments for everyone while maximizing potential returns from the asset class.

Problems & Solutions at a Glance

Issue — High Barriers to Entry for Commercial Real Estate Investment

Solution — Lowering Barriers to Entry for Commercial Real Estate Investment

DomusX democratizes access to premium commercial real estate by utilizing a blockchain-based Security Token Offering (STO) model. Through tokenization of profit participation rights, the project allows investors to participate with relatively low capital outlay—far below the traditional thresholds of direct real estate investment. Investors can gain exposure to high-quality commercial assets without the need for large lump-sum investments, making the market accessible to a broader investor base, including retail participants. This model removes the exclusivity traditionally associated with commercial real estate.

Issue — High Complexity of Selecting High-Yielding Real Estate Investments

Solution — Simplifying Investment Selection and Management

The DomusX project is designed to remove complexity from the investment process. The project team, consisting of experienced real estate professionals, takes on the burden of asset selection, due diligence, and active property management. Investors are not required to perform their own assessments of property value or market dynamics; instead, they benefit from a curated portfolio of thoroughly vetted assets. By investing in DomusX, token holders delegate operational and strategic responsibilities to seasoned experts, thereby mitigating the risks associated with individual investment decisions.

Issue — Liquidity Constraints

Solution — Enhancing Liquidity through Tokenization

One of the transformative aspects of DomusX is its introduction of greater liquidity into a traditionally illiquid asset class. The project's ERC-1400 security tokens can be traded on compliant secondary markets, enabling investors to buy and sell their token holdings more flexibly than traditional real estate ownership allows. This feature provides a significant improvement over the long lock-up periods of conventional property investments, giving investors enhanced flexibility to manage their capital.

Issue — Geographic and Regulatory Fragmentation

Solution — Overcoming Geographic and Regulatory Fragmentation

DomusX is structured within a legally compliant international framework, ensuring that all legal and regulatory standards are met. The profit participation rights embedded in the tokens are crafted to provide clear contractual entitlements while maintaining compliance with domestic and EU financial regulations. This well-defined legal structure simplifies cross-border investment, allowing international investors to participate confidently without needing to navigate complex foreign property laws independently.

Issue — Cumbersome Profit Distribution and Administrative Overheads

Solution — Auditable ownership via blockchain

To address the inefficiencies of traditional profit distribution, DomusX integrates a blockchain infrastructure that ensures transparent record-keeping and auditable share of tokens of each DMSX holder. This reduces administrative overhead and minimizes errors, ensuring that investors receive their fair share of profits in a timely and transparent manner.

Issue — Unexplored Potential of Blockchain for Real Estate

Solution — Unlocking Blockchain's Potential for Real Estate

DomusX is at the forefront of innovation by implementing blockchain technology not merely as a payment or record-keeping tool but as a foundational infrastructure for its investment model. By leveraging the ERC-1400 standard, the project embeds compliance, investor protections, and automated functionality directly into its token architecture. This approach modernizes the commercial real estate investment process, offering investors a secure, transparent, and efficient platform that harnesses blockchain's full potential to solve long-standing industry challenges. Through DomusX, blockchain is not an add-on but a core enabler of a new, more accessible, and trustworthy way to invest in real estate.

The DomusX Ecosystem & Business Model

The major building blocks of the DomusX ecosystem include:

- The properties — the three underlying real estate assets and their initial acquisition;
- Asset management — the business plan for renovating, optimizing and leasing / renting out the properties to maximize their returns;
- Distribution of profits via the DMSX token - how token holders are rewarded from the rental income and exit proceeds (if they should occur).

The Properties (Underlying Real Estate Assets)

The initial portfolio comprises three German properties with value-add potential that the project will acquire and renovate with the funds raised via the STO. Note that in case the planned properties are not available at the time of their acquisition, DomusX will select alternative properties with similar characteristics and expected returns, as well as included acquisition and renovation costs.

Property 1 — Retail / Office Building in Bavaria

A 4,490 m² commercial building (built 2000) anchored by retail tenants and an on-site parking deck (55 spaces) located in a Bavarian regional town (between Coburg, Bamberg, Bayreuth, Schweinfurt). It is currently leased at ~€4.44/m² (≈€239k/year). The property requires renovation (roof/park deck; ~€350k estimate) and re-leasing of space freed by a past tenant. After repairs and replacing the old lease, projected net rent is ≈€404k/year (assuming €7.50/m² on 4,490 m²). Acquisition plus capex cost is ~€3.51M (purchase €2.90M + improvements), yielding an estimated annual yield of ~3.7% now and an estimated yield of ~11.5% after renovation. In other words, the asset can potentially triple its yield through active asset management.

Property 2 — Saxony Logistics Center

A logistics/warehouse complex on ~54,300 m² land, including ~20,000 m² building, 12 km from the nearest Autobahn with excellent transport links. Purchase price is €7.0M. Currently the tenant rents generate ~€417.5k/year (net yield ~6.0%). Through lease-up and rent adjustments, pro-forma rent could reach ~€867.4k/year (yield ~12.4%). This facility's strategic location and upgraded capacity offer clear upside as logistics demand grows.

Property 3 — NRW Industrial Hall

A large hall complex in North Rhine-Westphalia (between Dortmund, Bochum, Essen, Wuppertal), on ~60,000 m² lot with ~34,500 m² building. Only

~3,000 m² is currently rented (€166k/year, yield ~1.8%); the remaining ~31,500 m² is vacant. Management plans to rehabilitate the site with heavy repairs and modernization and re-lease at market rent (assumed €4.00/m²), targeting ~€1,500k/year (yield ~16%). Total outlay (purchase + renovation) is ~€9.4M, reflecting the turn-around nature of the deal.

Asset management

Asset management is a critical building block of the ecosystem, as the real estate assets' performance directly drives investor returns. Once DomusX completes the STO and acquires the properties, the real work of property asset management begins. The project's asset management team will execute the value-add strategies outlined for each property to maximize rental income and overall value. This involves several activities:

Renovation & Repairs
Immediately after acquisition, the team will address known physical issues. For Property 1 (Bavarian retail/office), this means fixing the parking deck structural damage (with the ~€350k allocated) and any other maintenance deferred by the previous owners. Such improvements not only preserve the asset's integrity but also make it more attractive to potential new tenants. Renovations will also include aesthetic upgrades or space reconfigurations to suit target tenants (for example, partitioning or combining retail units as needed, updating interior finishes for office areas, improving energy efficiency, etc.).

For Property 2 (logistics center), the needed renovations are minor (since it's a more modern warehouse, though we will evaluate if any infrastructure upgrades or expansions could increase its appeal, e.g. adding loading docks or improved yard space). Ensuring the properties are in excellent condition is the first step to achieving higher occupancy and rent.

For Property 3 – NRW Industrial Hall - the renovation and repair costs are already included in the purchase price. We will modernize the hall completely so it's up to the highest standards on the German market in accordance with buyers' demands.

Tenant Acquisition & Lease-Up
The most important asset management task is to increase occupancy and rental rates.

For the Bavarian commercial building, we have already identified several potential companies that will be interested in becoming long-term customers: supermarket chains like Rewe, Edeka, as well as several gym chains have expressed interest. Because the building was built in 2000, it has a good layout for modern retail. By implementing the right tenant mix, the property's income can be boosted significantly.

For the logistics center in Saxony, our asset managers will focus on filling any empty warehouse space at all times. They will reach out to logistics companies, manufacturers, or distributors in need of regional warehouse space, emphasizing the property's large 54,300 m² plot and decent access to the highway. Inducements like a period of discounted rent or fit-out budgets to quickly lease up the space will be part of our acquisition strategy. Additionally, for existing tenants whose leases are below market, the managers will plan for renegotiation as leases come up for renewal, aiming to incrementally bring rents closer to the projected €4+ per m².

Rental Optimization & Operations
Beyond simply signing tenants, asset management will ensure ongoing operational efficiency to maximize net income. This includes optimizing service contracts (security, cleaning, maintenance) to control costs, implementing cost-saving improvements (like energy-efficient lighting/heating in the logistics center to reduce utilities expenses), and streamlining property management. The goal is to reduce inefficiencies or conflicts of interest that may have kept rents low.

Our fresh property management approach will involve new local partners and using technology (smart building management systems) to monitor and maintain the facilities. Our team will also ensure regulatory compliance and insurance for the properties, mitigating risks like fire, environmental issues, or legal liabilities that could impact income.

Essentially, we will focus on increasing net operating income (NOI) year over year. This will also include exploring ancillary revenue: for the retail property, leasing out the parking deck to generate parking income or adding advertising billboards on site; for the logistics property, renting open land for truck parking or solar panel installation for extra income. All such optimizations will contribute to higher profits available for token holders.

Monitoring and Reporting
As part of asset management, we will continuously monitor the financial performance of each property and provide regular updates. Because this is a tokenized investment, our investors will expect timely data on occupancy, rental collections, and any material changes. We will provide quarterly reports showing income statements for each property and progress on leasing. This information flow is important to maintain investor confidence.

In summary, the Asset Management component is about executing the value creation plan for the real estate and maximizing the profit potential. For investors, the asset management efforts will be visible through rising rental income (and hence larger distributions) and growing property valuations over time. Our asset management strategy will also add an element of downside protection – by actively managing, we can react to market changes promptly (e.g. if a tenant vacates unexpectedly, we will actively seek a replacement) rather than passively collecting rent. This proactive approach increases the likelihood that the projected returns are actually realized.

Effective asset management that generates the profits which are then passed on to token holders is a key component of the DomusX ecosystem. A strong team of experienced real estate professionals will align traditional property management expertise with the innovative STO funding model.

Distribution of Profits

Token holders are entitled to 30% of the net profit generated by the DomusX project at the end of each financial year. The project generates returns through two channels:

Ongoing rental income
Rental proceeds flow to a special account, covering expenses, reserves, and fees; 30% of the remaining net income is then distributed to token holders. Distributions will be in proportion to each holder's token stake in the total supply of tokens at the record date. Because tokens can change hands on the blockchain, a snapshot of the entitlements at each distribution date will be recorded prior to the dividend payout.

Capital gains at exit
Exit refers to the sale of any of the properties. Importantly, as a profit-participation instrument, tokens carry rights to both income and liquidation proceeds. That is, on property sale or refinancing events, the excess sale proceeds above debt and reserves are paid to holders pro-rata.

Confidential Asset Disclosure and NDA-Gated Due Diligence

DomusX is built around the acquisition and optimization of specific commercial real estate assets. At the same time, real estate transactions are highly competitive, and premature disclosure of sensitive information can negatively impact negotiations, pricing, tenant discussions, and overall execution. DomusX therefore applies a structured disclosure approach that balances investor transparency with the practical confidentiality requirements of sourcing and closing attractive deals.

This section explains how DomusX manages property disclosure in a way that remains credible for investors, supports professional due diligence, and protects the project's negotiating position.

Why DomusX Limits Full Public Disclosure
In traditional private-market real estate, it is common practice to restrict full asset-level disclosures until investors are properly onboarded. Full address-level disclosure can expose negotiation dynamics with sellers and brokers, signal pricing boundaries, and invite competing buyers to disrupt the acquisition process. It can also create reputational and operational risks if tenants, local stakeholders, or service providers interpret the investment strategy prematurely. For properties with active leasing and repositioning plans, disclosing tenant mixes and lease terms publicly can weaken negotiating leverage in upcoming renewals.

For these reasons, DomusX uses a disclosure model that shares sufficient information publicly to evaluate the investment thesis, while reserving sensitive, deal-specific documentation for qualified investors under controlled access.

Two-Tier Disclosure Model
DomusX implements a two-tier disclosure process designed for investor-grade clarity:

White Paper Disclosure (Public Layer)
The white paper provides high-level, investor-relevant information that allows readers to understand the asset strategy without exposing sensitive transaction data. This includes asset class and use type (e.g., logistics, retail/service, office), region-level location identifiers, indicative acquisition and renovation budgets, current and targeted operating metrics, and the core value-add levers driving the return profile. This level of disclosure is intended to support informed investment consideration while maintaining operational discretion.

NDA-Gated Data Room (Investor Due Diligence Layer)
Qualified investors who have completed the required onboarding process will receive access to a dedicated data room under confidentiality terms. This layer is designed to deliver the depth expected in professional real estate underwriting. It may include address-level identifiers, site plans, technical due diligence, tenant schedules, lease documents, capex plans, renovation

scopes, appraisal or broker opinions where available, environmental or compliance documentation, and other transaction materials needed for detailed assessment.

This structure allows DomusX to maintain both credibility and confidentiality: investors can review rigorous documentation, while the project protects sensitive details from broad public distribution.

Investor Onboarding and Access Criteria

DomusX's approach to gated disclosure is aligned with regulatory expectations for a security-token-based offering. Access to the confidential diligence layer is intended for specific verified investors who have completed KYC/AML and any other required onboarding procedures and meet other criteria. This ensures that sensitive information is shared responsibly, and it helps protect both investor privacy and project integrity.

Importantly, the purpose of gating is not to reduce transparency - it is to ensure that high-value deal information is disclosed at the right time, to the right audience, under appropriate confidentiality protections.

Maintaining Credibility While Protecting Negotiations

DomusX recognizes that investors require enough detail to judge whether an opportunity is credible. For this reason, the public disclosure layer is designed to provide meaningful metrics and rationale rather than generic descriptions.

Investors should be able to understand:

- The strategic intent behind each acquisition
- Why the asset class and region were chosen
- What operational improvements are planned
- What performance uplift is targeted.

DomusX will also communicate key assumptions, risk factors, and the timeline for stabilization in a clear and investor-friendly way.

Meanwhile, the NDA-gated layer ensures that investors who seek deeper verification can validate the underlying numbers and documentation. This approach mirrors standard practice in professional real estate capital raising, where serious investors review detailed materials through a controlled data room process before committing capital.

Summary

DomusX uses a disciplined disclosure model to balance marketing effectiveness with investor credibility and execution protection. Public materials communicate the strategy, economics, and investment rationale at a level sufficient for informed evaluation. Detailed, address-level information and full underwriting documentation are provided through an NDA-gated data room for verified investors. This two-tier approach supports serious due diligence, preserves negotiating leverage, and protects the project's ability to close attractive real estate transactions - while maintaining the transparency standards expected by professional investors.

Cost & Profitability Estimations

Disclaimer: The following chapter presents numbers and estimates purely for illustrative purposes. The DomusX project does not guarantee any of the following estimates.

In the following chapter we will provide an estimated cost and profitability estimation for the acquisition, renovation, renting out and potential exit (sale) of the three properties.

The current vs. targeted yields per asset are:

- Bavarian Retail/Office – Current yield **3.7%** > Target yield **11.5%;**

- Saxony Logistics – Current yield **6.0%** > Target yield **12.4%;**
- NRW Industrial – Current yield **1.8%** > Target yield **16%.**

These translate to a **blended portfolio yield rising from ~4% to ~14%** upon optimization (gross of expenses). Even accounting for ~20–25% operating costs, net yields are expected in the low double-digits.

Property	Location	Purchase Price (€)	Additional Investment (€)	Total Cost (€)	Current Rent (p.a.) (€)	Target Rent (p.a.) (€)	Current Yield	Projected Yield
Retail/ Office	Bavaria	2,9M	600,000	3M	108,000	404,100	~3.7%	~11.5%
Logistics	Saxony	7M	0	7M	417,513	867,447	~6.0%	~12.4%
Industrial	NRW	9,4M	Included	9,4M	166,140	1,500,000	~1.8%	~16.0%

10-Year Rental Income Projection

The properties are expected to reach stabilized rental income within 2–3 years following acquisition and renovation. Assuming stabilization and consistent occupancy, the combined annual rental income is projected at approximately €2.77 million per year. Over 10 years, this would result in:

- **Total Gross Rental Income (10 years):** ~€27.7 million;
- **Estimated Net Profit (after expenses, taxes, etc.):** ~70% of gross → ~€19.4 million;
- **Investor Share (30% of net):** ~€5.8 million distributed to token holders over 10 years.

Capital Gain Scenario (Exit)

Though an exit (sale of the properties) is not guaranteed, for illustrative purposes, we include this scenario. Based on the average real estate price growth of approx. 4% p.a. (reflecting recent trends in Bavaria, Saxony, and NRW over the past two years), we project the following capital gains after 10 years:

Property	Estimated Value after 10 Years (€)	Original Cost (€)	Capital Gain (€)
Bavaria	~5,200,000	3,510,000	~1,690,000
Saxony	~10,300,000	7,000,000	~3,300,000
NRW	~13,800,000	9,400,000	~4,400,000
Total	**~29,300,000**	**19,910,000**	**~9,390,000**

- **Total Estimated Net Profit (sale):** ~€9.39 million;
- **Investor Share (30% of net):** ~€2.82 million distributed to token holders upon sale.

Combined Estimate (Rental + Capital Gains)

If the project achieves its operational and exit goals:

- **Total Net Profit (10 years):** ~€19.4 million (rental) + ~€9.39 million (capital gain) = ~€28.8 million;
- **Investor Share (30%):** ~€8.64 million total.

For an investor holding 1% of the total tokens in circulation, this equates to €86,400 total profit over 10 years (€8,640/year on average), split between rental income and capital gain.

Competitive Landscape and Differentiation

DomusX operates at the intersection of two established markets - commercial real estate investing and regulated digital securities. Investors evaluating DomusX typically compare it against a set of alternatives that range from traditional real estate exposure (direct ownership, private deals, funds) to newer digital asset structures (crowdfunding and tokenized offerings). This section outlines the relevant competitive landscape and clarifies where DomusX is positioned, including the attributes that differentiate the DMSX security token proposition.

The Competitive Set: What Investors Typically Compare DomusX Against

Direct Commercial Real Estate Ownership
Buying a property outright can provide full control and direct exposure to rental income and value appreciation. However, it typically requires significant capital, local market expertise, time-intensive due diligence, and ongoing operational management. Liquidity is structurally limited, and portfolio diversification is difficult for most private investors.

Private Real Estate Syndications and Club Deals
Syndications can provide access to professionally managed deals with attractive return profiles, especially for value-add strategies. However, these structures often involve high minimum tickets, limited transparency between reporting cycles, multi-year lock-ups, and investor onboarding that is not designed for flexible secondary transfers.

Listed Real Estate (REITs and Public Real Estate Equities)
Listed REITs offer convenience and liquidity through public markets. That said, investors are exposed to broader equity market volatility, correlation during risk-off periods, and less direct linkage to a specific asset-level business plan. Investors also accept portfolio and management decisions

made at the corporate level, with limited visibility into individual assets compared to single-purpose vehicles.

Real Estate Crowdfunding Platforms
Crowdfunding has lowered minimum investments but often introduces fragmentation across platforms, inconsistent quality of underwriting, and limited secondary liquidity. Many structures are closer to platform-mediated private placements than true transferable securities, and investor rights, reporting standards, and exit mechanics vary widely by provider.

Other Tokenized Real Estate / Digital Asset Offerings
The tokenization market includes a wide spectrum—ranging from unregulated “utility token” concepts to regulated security tokens. Many projects emphasize tradability or fractionalization as a headline feature, but investors ultimately care about (i) enforceable rights, (ii) asset-level performance, (iii) compliant transferability, and (iv) institutional-grade execution. DomusX positions itself explicitly in the regulated security token category and emphasizes disciplined real-world execution over speculative token narratives.

Comparison Snapshot: DomusX Versus Common Alternatives

Criterion	Direct CRE Ownership	Syndications / Club Deals	Listed REITs	Crowdfunding	DomusX (DMSX Security Token)
Typical minimum investment	High	Medium–High	Low	Low–Medium	Low (STO-based)
Asset management load on investor	High	Low	Low	Low	Low (professional execution)
Transparency into holdings	Medium	Medium	Low–Medium	Medium	High (on-chain ownership + off-chain reporting)
Liquidity profile	Low	Low	High (market hours)	Low	Improved pathway vs private deals
Regulatory posture	Traditional	Traditional	Highly regulated	Varies	Security-token compliant structure
Exposure to value-add upside	High	High	Medium	Medium–High	High (value-add strategy + profit participation)
Diversification within one investment	Low	Low–Medium	High	Low–Medium	High (multi-asset portfolio approach)

DomusX Differentiation

Investor-aligned economics through profit participation
The DMSX token is structured to provide token holders with participation in project performance via a clearly defined share of net profits. This framing is familiar to real estate investors - returns are driven by asset-level operating outcomes and value creation rather than speculative token demand.

Institutional-style value creation applied to under-optimized assets
DomusX is built around a practical real estate thesis: acquire assets with identifiable improvement levers, implement upgrades and leasing optimization, and convert operational improvements into higher cash flow and stronger valuations over time. The differentiation is not “crypto-first”; it is execution-first, supported by a digital security infrastructure.

A regulated digital security structure rather than an informal participation model

In contrast to many market offerings that rely on platform terms or non-transferable participation certificates, DomusX is designed around a security-token issuance model. This improves legal clarity around investor rights, onboarding, and transfer restrictions - an essential distinction for investor-grade capital.

Transparent ownership infrastructure and improved operational efficiency
DomusX uses blockchain-based tokenization to maintain a transparent record of token holdings and transfers. While real estate performance remains off-chain, the ownership layer and investor ledger are auditable and tamper-resistant, improving operational integrity compared to manual cap tables and fragmented investor administration.

Phased acquisition strategy reduces execution risk and supports capital discipline
Rather than forcing a “one-shot” acquisition plan, DomusX is designed to scale as funding and operational performance allow. This staged approach enables earlier deployment into priority assets while retaining the option to expand the portfolio as capital and income generation increase - supporting disciplined capital allocation and reducing pressure to compromise on deal quality.

A clear positioning between traditional real estate and liquid public markets
DomusX is intended for investors who want exposure closer to private-market real estate economics (asset-level cash flows and value-add upside) without taking on the full friction of direct ownership. At the same time, it offers a more structured pathway to transferability than many conventional private vehicles - while remaining explicit that secondary liquidity depends on compliant processes and available venues.

DomusX differentiates itself by combining three components that rarely appear together in a single proposition: (i) a value-add commercial real estate strategy, (ii) a regulated security-token format and (iii) a phased deployment model designed for capital discipline. The result is an investor-oriented structure focused on real-world performance, with a modernized ownership and administration layer that improves transparency and scalability - without relying on speculative token narratives.

Risk Mitigation and Contingency Planning

DomusX is structured as a real-asset investment project with a clear operational plan - acquire, upgrade, stabilize, and operate income-producing commercial properties. While the strategy targets predictable value creation through active asset management, the project is exposed to execution and market risks that can affect timing, cash flows, and returns. This section outlines the primary “what if” scenarios investors typically assess in commercial real estate projects and the practical mitigation approach DomusX applies to reduce downside risk and preserve operational continuity. The intent is not to suggest that risks can be eliminated, but to demonstrate preparedness, governance discipline, and decision frameworks that protect investor interests.

Acquisition and Closing Risks

A key early-stage risk is that one or more targeted acquisitions may not close as planned. This can occur due to seller withdrawal, adverse findings in technical or legal due diligence, financing or documentation delays, or changing market conditions that impact pricing. DomusX mitigates this risk through structured due diligence gates, clear acquisition criteria, and a phased acquisition roadmap. Capital deployment is designed to be conditional on successful closing and pre-defined quality thresholds. If a transaction cannot be completed under acceptable conditions, the project can delay the acquisition, renegotiate terms, or reallocate focus to the next available acquisition phase rather than committing capital into a suboptimal deal. This contingency approach is aligned with disciplined capital preservation: the project’s primary objective is to deploy funds only when an acquisition meets the investment rationale and risk profile outlined in the offering documentation.

Renovation, Capex, and Schedule Overruns

Value-add strategies depend on renovation and improvement works being delivered on time and within budget. Potential disruptions include contractor capacity constraints, unexpected structural issues, permitting delays, supply chain volatility, and cost inflation. DomusX's mitigation focuses on front-loaded technical assessments and conservative budgeting with explicit buffers, coupled with milestone-based project management. Where feasible, works are structured into modular scopes that allow prioritization of the most return-accretive measures first (e.g., repairs that enable leasing, compliance upgrades, or tenant readiness). If a cost overrun occurs, the project can adjust phasing of non-critical upgrades, renegotiate scopes, or extend timelines while maintaining safe and compliant operation of the assets. The overarching principle is to protect the core income engine of the property - its ability to attract and retain tenants.

Leasing Underperformance and Vacancy Risk

The largest operational lever in commercial real estate is occupancy and the rental level achieved. A key scenario is that vacancy reduction or rent uplift takes longer than projected due to local demand shifts, tenant hesitation, or competitive supply. DomusX mitigates this through active leasing management, diversified tenant targeting, and adaptable leasing strategies. If lease-up is slower than expected, the project can adjust pricing, offer targeted incentives (e.g., fit-out contributions, stepped rents), reconfigure spaces, or broaden the target tenant profile to stabilize occupancy. The project's phased nature also provides flexibility: stabilization of earlier properties can proceed while later acquisitions are delayed, avoiding the compounding risk of simultaneously executing multiple lease-ups without sufficient capital or operational bandwidth.

Tenant Credit Events and Rent Collection Disruptions

Tenant default, delayed payment, or insolvency can temporarily reduce distributable profits and increase administrative load. DomusX mitigates this through standard commercial landlord protections and operational preparedness. These typically include security deposits or guarantees where customary, clear enforcement of lease covenants, and proactive tenant relationship management to identify stress signals early. In the event of a tenant failure, the project prioritizes rapid remediation - either through replacement leasing, interim uses, or restructuring of space to broaden demand. On the investor level, the project's diversification across multiple assets and tenant profiles is intended to reduce dependence on any single cash flow source. While no structure fully removes tenant risk, the key mitigation is speed of response and leasing capability to restore income.

Market Downturn, Cap Rate Expansion, and Valuation Risk

A macroeconomic downturn can reduce leasing demand, raise vacancies, or increase market capitalization rates, which can lower property valuations even if income is stable. This is particularly relevant to any potential exit scenario: even a well-executed value-add strategy can face unfavorable sale markets. DomusX addresses this by maintaining an operating-first mindset: the project is primarily designed to produce recurring income through stabilized leases and professional property operations. If the sale market is unattractive, a rational decision is to continue operating the assets and prioritize income distributions rather than forcing a sale at suboptimal pricing. This flexibility is central to downside protection because it reduces reliance on a specific exit timing. DomusX frames property sale as a potential optionality rather than a guaranteed event, allowing the project to adapt to market cycles.

Liquidity Constraints in Secondary Markets

Although security tokens can support improved transferability relative to traditional private structures, liquidity is not guaranteed and depends on compliant market venues, investor demand, and transfer processes. A key "what if" scenario is a limited secondary market in early years, resulting in fewer opportunities for investors to exit positions before a property sale or maturity event. DomusX addresses this by setting realistic expectations and focusing on fundamentals that support liquidity over time: consistent reporting, credible operating performance, and clear compliance workflows for transfers among eligible investors. The project's approach is to treat secondary liquidity as an additional pathway, not the primary mechanism of return. The return thesis remains rooted in rental cash flows and value creation.

Reporting Gaps and Operational Transparency

A common investor concern in private real estate is the risk of limited transparency - especially when performance deviates from plan. DomusX mitigates this through a structured reporting mindset aligned with investor-grade expectations. Regular operational updates, property-level performance indicators (such as occupancy, rental income progression, and major capex milestones), and clear narrative explanations of deviations are critical for maintaining trust. When adverse events occur, the project's objective is to disclose promptly, explain impacts, and outline the corrective action plan and revised expectations.

Commercial real estate investing is inherently exposed to execution, tenant, market, and regulatory risks. DomusX addresses these risks through disciplined acquisition gates, staged deployment, proactive asset management, and operational flexibility - particularly the ability to prioritize income generation and long-term value preservation over forced exits. The project's contingency philosophy is designed to protect investor outcomes in both base-case and adverse environments by maintaining decision optionality, focusing on cash flow resilience, and ensuring transparent communication throughout the investment lifecycle.

Project Development Stages

The DomusX project is structured as a flexible, phased investment model that adapts according to the actual funds raised during the Security Token Offering (STO). With a total funding target of EUR 20 million aimed at acquiring and optimizing three carefully selected German commercial real estate assets, the project is designed to proceed in stages. This approach ensures that investor capital is deployed prudently, and each stage is delivering tangible progress and returns even if the full funding target is not reached immediately.

Phase 1: Acquisition of the First Property

In the initial phase, DomusX will focus on acquiring Property A, the cheapest asset within the portfolio—a retail/office building in Bavaria. This asset is selected for its lower acquisition cost and immediate potential for value creation through renovations and lease optimization. The early acquisition and improvement of this property will allow the project to begin generating rental income relatively quickly, ensuring prompt profit-sharing for token holders.

Funding Goal
Approximately EUR 3.51 million (including purchase price and renovation costs).

Estimated Completion Timeline
6 to 9 months after the STO.

Phase 2: Acquisition of the Second Property

Property B, a logistics and industrial center located in Saxony, represents a mid-tier investment in terms of cost and offers excellent rental income potential, adding valuable diversification to the portfolio. Following acquisition, the focus will be on increasing occupancy, optimizing leases, and enhancing operational performance to maximize returns.

Funding Goal

Approximately EUR 7.0 million (including acquisition and anticipated improvement costs).

Estimated Completion Timeline

9 to 12 months after the STO or after Phase 2 funding is secured.

Phase 3: Acquisition of the Third Property

The final phase involves the acquisition of Property C, the largest and most capital-intensive asset—a retail/service center that completes the DomusX portfolio. This acquisition is contingent upon achieving the full funding goal or accumulating sufficient reinvested profits from earlier phases. As with the other properties, Property C will undergo targeted renovations and active asset management to drive rental income and long-term value growth.

Funding Goal

Approximately EUR 9.5 million (inclusive of purchase and necessary renovation costs).

Estimated Completion Timeline

12 to 15 months after the STO or following Phase 3 funding

Each stage is designed to be operationally independent, meaning that even if the full EUR 20 million is not immediately raised, the project can begin generating value from earlier acquisitions. This phased strategy ensures responsible capital management and provides a clear pathway to incremental portfolio expansion and investor returns. However, if the full amount of 20 million EUR is raised at the STO, then all properties will be acquired in parallel, essentially initiating all three phases at the same time.

The DMSX Security Token

The DMSX token is the official security token of the DomusX project, built on the Ethereum blockchain utilizing the ERC-1400 standard. The primary aim of the token is to facilitate capital raising for the acquisition, renovation, and optimization of the identified commercial real estate assets. In return, DMSX token holders receive legally backed profit participation rights that provide exposure to the project's financial success.

Profit Participation Framework

Holders of the DMSX token are entitled to 30% of the net profits generated by the project. These profits are categorized into two main streams:

Recurring Rental Income
Token holders receive a share of the net rental profits generated from the properties, distributed at regular intervals.

Capital Gains from Property Sale (Exit)
Should the properties be sold, token holders are entitled to their proportional share of the net proceeds. While property sales are not guaranteed or planned in the near term, they represent a significant potential upside.

No Fractional Ownership
While DMSX provides profit participation rights, it does not confer fractional ownership of the physical assets. Investors benefit from income and capital gains without the complexities of direct property ownership.

Blockchain Technology: ERC-1400 Standard

DomusX selected the Ethereum blockchain due to its unparalleled compliance, security, and flexibility. ERC-1400 is purpose-built for security tokens, enabling full alignment with legal and regulatory requirements.

1. **Compliance and Legal Assurance**
   ERC-1400 integrates compliance tools directly into the smart contract, ensuring that only KYC- and AML-verified investors can hold or trade tokens. This means that every transaction remains within a compliant framework, safeguarding the project and its investors from regulatory breaches.

2. **Transparency and Trust**
   By leveraging Ethereum's public ledger, DMSX tokens provide full transparency. Every issuance, transfer, and distribution is permanently recorded on-chain, allowing investors to independently verify all token-related activities. This immutable record enhances trust and offers clarity seldom found in traditional real estate investments.

3. **Integration with the Ethereum Ecosystem**
   The DMSX token is fully compatible with the Ethereum ecosystem, which ensures broad access to wallets, exchanges, and compliant secondary market platforms. This interoperability not only enhances potential liquidity for investors but also positions DMSX within a robust global framework of digital asset infrastructure.

4. **Security and Network Reliability**
   Ethereum is one of the most secure and well-established blockchain platforms. ERC-1400 benefits from Ethereum's battle-tested security, providing a solid foundation for the DMSX token. This ensures resilience against hacks, fraud, and operational failures.

5. **Upgradeability and Long-Term Viability**
   ERC-1400 supports upgrade mechanisms that allow DomusX to adapt its token infrastructure as regulatory landscapes evolve or new technological advancements arise. This future-proofing ensures the DMSX token remains a reliable investment vehicle throughout its lifecycle.

Investor-Centric Tokenomics

The DMSX token is the core investment instrument of DomusX. It is designed as a regulated security token that provides token holders with defined economic participation in the project, while maintaining an efficient governance and operating structure. The tokenomics framework described here focuses on the practical investor experience that DomusX will deliver: how investors are engaged, how participation can be enhanced through off-chain benefits, how alignment is maintained over time, and how investor-grade reporting is ensured throughout the project lifecycle.

Token Holder Benefits and Tiered Engagement Model

Profit participation is the primary economic feature of DMSX. However, DomusX intends to complement the financial participation with an investor engagement layer that increases the overall value proposition for long-term holders. These benefits are designed as off-chain privileges and services that can be implemented through the investor portal and DomusX's operating policies, thereby strengthening investor loyalty, community, and transparency.

A practical mechanism to achieve this is a tiered investor program based on DMSX holdings. Under such a model, token holders can qualify for different tiers that unlock additional access and investor services. These tiers are intended to reward long-term commitment and larger participation.

DomusX will structure tiers along the lines of participation thresholds (Entry / Core / Partner / Institutional tiers), with benefits scaling in depth rather than in legal rights. Benefits include priority access to information, enhanced investor communication, and opportunities to participate earlier in future initiatives - subject to compliance and availability. The tiers are designed to make the investor experience more personal and valuable, while keeping the investment structure clean and understandable.

Early access to future deals and expansions
If DomusX launches additional projects or expands the portfolio beyond the initial scope, higher-tier token holders will receive early viewing access to deal materials, priority time windows for participation, or structured pre-briefings. This is particularly relevant in real estate, where attractive deals can be capacity-constrained and time-sensitive.

Exclusive investor briefings and events
DomusX will host private investor updates for tier-qualified holders, such as quarterly executive briefings, invite-only webinars with market experts, or in-person investor events. These formats improve understanding of the portfolio and deepen investor trust by increasing access to the team behind execution.

Enhanced transparency access
While all token holders will receive standard reporting, higher tiers will receive expanded data-room access, additional asset-level detail (where confidentiality allows), or deeper explanations of leasing strategy, renovation milestones, and operational performance drivers.

Priority support and relationship management
Larger holders will receive dedicated investor relations support, faster response times for inquiries, or a designated contact point for administrative and reporting questions. This is a common feature in institutional-grade investment offerings and improves professionalism at scale.

This tier model is deliberately positioned as a value-added engagement layer rather than a “utility token” concept. DMSX remains a security token, and any perks are designed to stay compatible with regulatory expectations by avoiding promises of additional financial returns beyond the defined profit participation.

Tier	Eligibility (DMSX Holding)	Intended Investor Profile	Key Benefits
Tier 1 — Base	Any verified token holder	Entry / retail investors	Standard quarterly reporting, investor newsletter updates, access to investor portal and core documents
Tier 2 — Core	≥ 10.000 DMSX	Long-term private investors	Priority access to webinars/Q&A sessions, expanded operational updates, faster investor support response times
Tier 3 — Premium	≥ 50.000 DMSX	HNW / family office segment	Invite-only market briefings, enhanced data-room access (where permissible), early preview of future deal materials
Tier 4 — Strategic	≥ 100.000 DMSX	Institutional / strategic holders	Private management calls, first access to exclusive investor events, priority allocation windows for future offerings

Investor Engagement

Beyond tier benefits, DomusX will maintain a consistent investor relations program across the full investor base. Token holders can expect regular written updates and milestone communications covering acquisition progress, renovation steps, leasing developments, and portfolio performance. DomusX will also provide scheduled investor briefings in accessible formats, such as webinars or Q&A calls, to explain performance and strategic priorities in a transparent way.

DomusX will also maintain an investor portal that consolidates updates, reporting documents, and key project information in one place. The objective is to reduce the administrative friction typical of private real estate investments and to ensure that investors can monitor progress without relying on irregular or fragmented communications.

Governance Roadmap

The DMSX token does not offer voting rights in company operations, maintaining a streamlined governance structure managed by DomusX' professional team.

At the same time, DomusX recognizes that long-term investors value alignment and structured input channels. DomusX therefore intends to implement an off-chain governance roadmap that strengthens communication and alignment without implying token-holder control rights or requiring changes to the token contract.

This will include non-binding investor sentiment checks on major strategic topics, such as considerations around a potential exit timing, reinvestment versus distribution preferences, and major operational pivots. These inputs are not binding but provide management with structured insight into investor preferences.

At a later stage of the project development, DomusX will also establish an investor advisory format - such as an advisory council or periodic consultation group composed of experienced token holders - to improve accountability and communication quality, while leaving formal governance with management as required for effective execution.

Reporting and Transparency Commitments

DomusX aims to apply investor-grade reporting standards, recognizing that transparency is one of the strongest drivers of confidence, secondary market demand, and long-term investor retention. Reporting will follow a regular cadence (e.g., quarterly updates), supplemented by ad hoc disclosures when material events occur.

Reporting will include both portfolio-level and property-level metrics, such as occupancy levels, leasing activity, realized rental income progression, renovation milestones, and deviations from planned timelines or cost assumptions. Formats will be consistent over time so that investors can track progress and trends clearly.

DomusX will also provide standardized token-related reporting to improve clarity for secondary market participants, including total supply, circulating supply, and treasury holdings where applicable.

Supply Discipline and Value-Linked Upside

The total supply of DMSX tokens is capped and issued only once during the STO (Security Token Offering) phase. No additional tokens will be minted afterward, ensuring a transparent and predictable token economy.

In token markets, “scarcity” is often used as a marketing slogan. DomusX takes a more conservative approach: scarcity is communicated through transparent supply discipline and an explicit link between token economics and real-world project performance. The objective is not to imply guaranteed appreciation, but to show - in a measurable way - how a fixed token supply interacts with a growing profit pool and, optionally, increasing asset values over time.

Fixed Supply and One-Time Issuance
DMSX is issued once through the Security Token Offering (STO). Following completion of the STO, DomusX does not plan additional primary sale phases. New investors can only acquire DMSX through secondary markets - either from existing token holders or via exchange-based trading once listings are in place.

This design creates a clear and understandable supply framework for investors: the token supply is not inflationary, and it does not expand based on discretionary issuance decisions after the STO. In practical terms, once the STO concludes, the available supply in the market is limited to what existing holders are willing to sell.

Scarcity Should Be Measured Against the Addressable Capital Base
A credible scarcity narrative is not based on “limited tokens” alone; it is based on the relationship between token supply and the potential investor demand for regulated, income-linked real estate exposure. Commercial real estate is a multi-trillion-euro global asset class, and institutional allocation to real assets has increased over the last decade as investors seek inflation resilience and predictable cash flows. DomusX does not claim to “tokenize the entire market,” but the addressable investor base for regulated real-asset securities

is meaningfully larger than the capital raised for a single project.

The implication is straightforward: DMSX represents a fixed participation unit in a defined real estate profit pool. If investor demand increases while supply remains fixed, market pricing may reflect that imbalance - subject to prevailing market conditions, risk appetite, and available liquidity.

A Practical Scarcity Lens: Profit Pool Per Token
For investors, the most meaningful “scarcity” metric is not token count; it is the profit pool per token. DMSX holders participate in a defined percentage of the project’s net profits. If operating performance improves (through higher occupancy, rental uplifts, and rent indexation over time), the profit pool can grow. With a fixed number of tokens outstanding, growth in net profits mechanically increases the amount of profit attributable per token.
This is the most defensible way to communicate scarcity because it is grounded in real cash-flow drivers rather than speculative narratives.

A simple framework:

- Token supply: fixed after STO
- Investor participation: fixed profit share percentage
- Profit pool: variable, driven by rental income growth and operational efficiency
- Profit per token: increases if the profit pool grows while supply stays constant

Scarcity and NAV: Linking Token Value to Real Asset Outcomes
A second credible scarcity lens is the relationship between token pricing and the project’s underlying economics. DMSX is not a utility token with demand driven primarily by speculative network effects. It is designed to be valued by investors using familiar frameworks, such as expected future distributions and risk-adjusted return requirements.

Investors should be aware of the NAV-style sensitivity that shows how changes in underlying asset value (e.g., cap rates and stabilized income) may affect the project's valuation:

- Asset values may rise or fall based on market conditions.
- Exit events are optional and not guaranteed.
- Cap rate shifts can reduce value even when income rises.

Supply Policy Transparency
Scarcity narratives can be undermined if investors fear token supply "overhang" (e.g., large reserves that may be sold later). DomusX therefore benefits from explicitly disclosing the token supply, the distribution at STO close, and the treatment of any token holdings retained by the issuer or treasury. Transparent reporting of circulating supply and treasury holdings reduces uncertainty and supports more stable secondary market pricing.

Secondary Market Strategy and Liquidity Approach

Liquidity is one of the most frequently discussed benefits of tokenized securities, yet it is also one of the most misunderstood. In commercial real estate, liquidity is structurally limited because the underlying assets are illiquid: properties are acquired and sold through lengthy, high-friction transactions. The DMSX security token can improve transferability at the ownership layer, but it does not eliminate the real-world constraints of the asset class. DomusX therefore positions liquidity as a credible, compliance-driven pathway - not a guaranteed feature - and sets expectations accordingly.

Liquidity in Context: What DMSX Can and Cannot Do

The DMSX token represents a regulated security with profit participation rights linked to the economic performance of the project. This creates a framework where investors may be able to transfer their exposure to another eligible investor without waiting for an underlying property sale. However, token transferability is not equivalent to instantaneous liquidity. Real liquidity requires active demand from qualified buyers, compliant settlement processes, and access to appropriate secondary venues. Moreover, security tokens operate within regulatory constraints that are intentionally stricter than those applied to unregulated crypto assets.

DomusX's objective is to make secondary transfers more practical and structured than in traditional private real estate holdings, while remaining transparent that liquidity depends on market conditions and compliant infrastructure.

The Liquidity Pathway: How Secondary Transfers Are Intended to Work

DomusX approaches liquidity through a structured pathway that mirrors how private securities are typically transferred, but with the efficiency advantages of token-based settlement.

A typical secondary transfer process is expected to follow these steps:

1. A selling token holder identifies a prospective buyer (either directly, via intermediaries, or through a compliant venue such as an exchange).
2. The transfer is executed, with ownership updated on-chain through token transfer settlement.
3. After settlement, economic rights - profit participation and any future proceeds - follow the token to the new holder.

This process is designed to reduce administrative overhead compared to traditional paper-based assignments, while maintaining the controls required for regulated securities.

Venue Strategy: Realistic Access to Secondary Markets

A credible liquidity strategy requires more than stating that a token can be traded. In practice, security tokens tend to trade through one or more of the following channels:

OTC Transfers
Over-the-counter (OTC) transactions between two eligible parties are often the most practical early-stage liquidity route for security tokens. These transfers can occur without needing immediate exchange listing.

Regulated or Permissioned Digital Asset Venues
Where available, security tokens may be admitted to regulated or permissioned secondary trading venues that support compliant settlement. These venues typically require specific legal, technical, and onboarding processes. DomusX's approach is to pursue such access where commercially and legally appropriate.

Broker/Intermediary-Supported Secondary Transactions
In some structures, broker-assisted matching between sellers and eligible buyers can improve market depth, particularly where investors value assistance in pricing, due diligence materials, and settlement coordination.

DomusX frames these as potential channels rather than promises, because venue availability and listing decisions depend on external parties, market conditions, and regulatory requirements that are not fully controlled by the issuer.

What DomusX Will Do to Support Liquidity

DomusX's liquidity strategy is structured around a clear sequence: the DMSX token is issued via a single Security Token Offering (STO), and once the STO is concluded, DomusX will pursue secondary market accessibility by arranging listings on exchanges. After this point, there are no additional sale phases planned. Investors can only acquire DMSX either directly from existing token holders (peer-to-peer transfers) or via exchange-based secondary trading.

DomusX will complete all investor onboarding and eligibility verification during the STO subscription process. Once the STO has closed and tokens have been distributed, subsequent transfers between token holders are intended to occur without additional eligibility checks by DomusX. In practice, this means that the compliance-intensive step is concentrated at issuance rather than repeated at each transfer, with the goal of reducing friction for secondary trading and supporting smoother market activity.

To support liquidity after issuance, DomusX will focus on three practical levers. First, the project will work to enable exchange access as early as reasonably achievable after the STO, as exchange availability is a central driver of liquidity, price discovery, and trading volume. While exchange admission depends on external listing processes and market conditions, DomusX's intent is to actively pursue secondary market venues that can facilitate ongoing trading and visibility for the token.

Second, DomusX will support market confidence through consistent, investor-grade reporting. Secondary demand is driven by the ability of buyers to evaluate performance. DomusX will therefore provide regular updates on property-level operations, occupancy and leasing progress, rental income development, and material events that may influence expected profit participation. In real estate-backed securities, transparent operating performance is one of the most important contributors to sustainable trading demand and fair pricing.

Third, DomusX will maintain clear communication on the token's economics and project progression so that the market can form informed expectations. In a tokenized security context, liquidity is not only a function of trading access, but also of the quality and credibility of information available to prospective buyers. By maintaining disciplined disclosure and clear investor communications, DomusX aims to reduce uncertainty, tighten bid-ask spreads, and strengthen secondary market participation over time.
This approach is designed to make DMSX tradable in a practical way after issuance, while keeping the fundraising structure straightforward: one STO, followed by secondary market acquisition only through holders and exchanges.

Token Sale

DMSX will have a limited maximum supply, which will ensure that investor dilution is not possible by minting additional tokens.

The DomusX Security Token Offering (STO) will have a total funding goal of 20 million EUR. The STO has the goal of securing the funding required to acquire the properties, renovate them and cover all asset management expenditures.

Any unsold tokens on the first two sale phases transfer to the next one. At the end of the sale, all unsold tokens from all phases are saved and can be sold on exchanges by the DomusX team.

The token sale will offer discounts for early investors who participate at the first rounds.

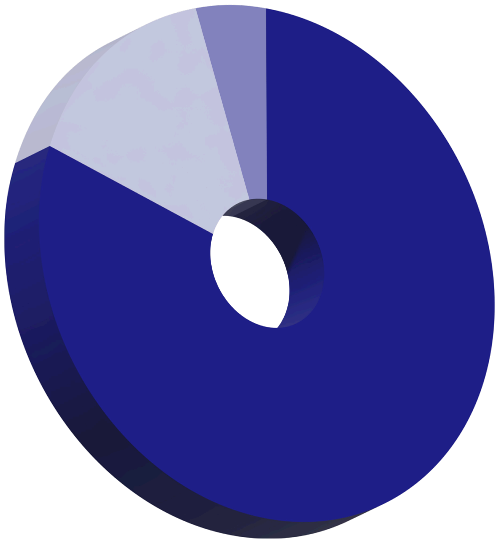
General terms

Token name	DMSX
Total supply	27.256.945 DMSX
Total for sale	21.805.556 DMSX (80% of the initial supply)
Flat currencies accepted	EUR
Cryptocurrencies accepted	Bitcoin (BTC), Ether (ETH)
Hard cap	20.000.000 EUR

Private sale	Pre sale	Main sale	
01.01.2026 - 28.02.2026	01.03.2026 - 30.04.2026	01.05.2026 - 30.06.2026	Dates
6.250.000 DMSX	5,555,556 DMSX	10.000.000 DMSX	Hard cap in DMSX
5.000.000 €	5.000.000 €	10.000.000 €	Hard cap in $
0,80 € (20% discount)	0,90 € (10% discount)	1,00 €	Price

Token distribution

The token supply of DMSX will be distributed as follows:



Crowdsale — 80%

Four fifths of the total token supply will be sold via the crowdsale. The distribution of funds raised via the crowdsale is presented on the next page.

Team — 15%

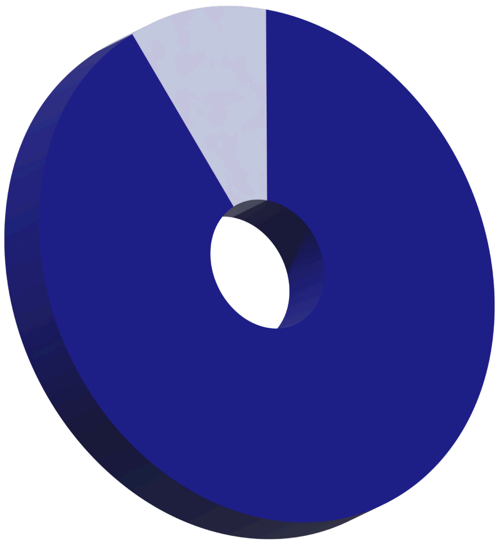
The team of the DomusX project will keep only 15% of the total token distribution. This offers a higher degree of security for investors, as the team will have insignificant power over the token price due to the low allocation.

Liquidity — 5%

This reserve will serve for providing liquidity for token listings on exchanges. If necessary, additional tokens from the team pool will be used to provide additional liquidity.

Funds distribution

The funds raised through the crowdsale will be used as following:



Property acquisition, renovation and asset management — 90%

The majority of the funds we acquire will go towards financing everything related to the acquisition, renovation and asset management of the real estate assets in the DomusX portfolio.

Operational and legal — 10%

We will reserve one tenth of the whole funding to secure a reserve for unforeseen operational expenditures that might arise during the project development. Included in these costs will be also any legal costs incurred during the project development.

Roadmap

Timeline	Milestones
June 2025	• Official white paper and one pager release • STO company incorporation • Technical development (STO Website, Investor dashboard, Smart Contract) • Smart contract audit • Marketing preparation, pitch deck creation • Sourcing a list of potential private investors (VCs, private investors, family investment offices)
November 2025	• Start approaching private investors / companies
December 2025	• Start of the community building and marketing
January 2026	• Start of the private sale
March 2026	• Start of the pre sale
May 2026	• Start of the main sale
Q3 2026	• Conclusion of the main sale Listing on exchanges
Q4 2026	• Property acquisition (depending on the project's development phases and funding acquired) Start of renovation
Q1 2027	• End of renovations Renting out the properties and first revenue streams
Q1 2028	• First dividend payout to investors

Team

Heiko Vogel
CEO

Advisory Board

Dimitri Haußmann

Blockchain advisor

- Founder of one of the leading agencies for blockchain development in D-A-CH
- Over ten successful ICOs and STOs with a total funding of >$450M
- Vast experience in the technical development of complex projects
- Active on the cryptocurrency / blockchain markets for over 5 years.

Martin Slavchev

Strategy advisor

- Strategy advisor and project manager for over 10 successful STOs
- Extensive experience in blockchain and cryptocurrency concepts such as ICOs, STOs,
- DeFi, NFTs, Metaverse and dApps
- Passionate cryptocurrency trader and enthusiast with deep understanding of cryptocurrency and blockchain markets.

Risks & Concerns

Risks of cyber attack

Hackers are focused on finding and exploiting potential weaknesses. Attacks also extend to the open source algorithms of smart contracts running on blockchains, which is why we must consider the risk of attempted hacking at any given time.

Risks of fluctuating gains

We warn you that we do not guarantee that the project will achieve the same returns stated in this white paper.

Risks of delayed operational process

We work with multiple partners that we have a longstanding partnership with. We have our internal risk assessment department, plus each project is controlled by court-certified surveyors in the purchase phase. However, we cannot guarantee that we will not have to look for additional partners, which might slow down the operational cycle. Unforeseen circumstances surround the properties such as abnormal costs of the materials used, issues with the land or natural disasters might impair the profitability of the company.

Regulatory risks of blockchain industry

Governments of many countries are still in the process of studying blockchain technology, and some countries impose restrictions (for example, the United States, China, South Korea). New laws that might come into force in the future could significantly affect the activities of blockchain projects, including DomusX. We warn you that such laws can significantly limit and even stop the project activity, we are not responsible for the negative consequences associated with the possible regulation of the industry in the future.

Risk of not being listed on exchanges

We do not guarantee that there will be an opportunity to exchange DMSX on exchanges. The decision ultimately resides within the exchange and whether they are willing to list DMSX or not.