

PRESS RELEASE

SWIAT enables financial institutions to issue crypto fund units on the blockchain

- **With technological support for the issuance of crypto fund units, SWIAT reaches the next milestone on its way to an open decentralised financial market infrastructure**
- **With the help of SWIAT software, financial institutions can now issue crypto fund units in a regulated environment**
- **For 2024, SWIAT plans to also enable delivery versus payment**

Frankfurt am Main, 23 January 2024 – SWIAT GmbH ("SWIAT"), a FinTech specialising in the development of blockchain software for an open, decentralised financial market infrastructure, has reached another milestone in its still young company history: Deka Investment, one of Germany's largest fund providers, has issued shares in the crypto special fund A-Deka-BlockchainEINS on SWIAT's blockchain for the first time. First processes in the fund life cycle, such as share certificate processing or fund closure, are to be trialled on the blockchain. DekaBank is acting as depository for the transaction. Following the digital bearer bond and the digital registered bond, SWIAT has thus brought another type of security to market maturity on the blockchain. Digital registered bonds ("Sparkassenbrief") have been used by selected savings banks since May 2023.

In the case of crypto funds, the fund's share certificates are digitised ("tokenised") using blockchain technology. SWIAT provides users of the SWIAT blockchain such as DekaBank in its role as custodian with a blockchain solution that complies with capital market law, compliance and regulatory aspects. In addition, there are potential long-term cost savings for users because fewer intermediaries are involved.

With the issue of tokenised fund units, SWIAT has taken the next step on the path towards a decentralised financial infrastructure. The FinTech specialising in the development of blockchain software has set itself the goal of working with global financial institutions to establish an international settlement standard for the issuance of digital assets. The blockchain-

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based software solutions developed by SWIAT are scalable, resilient and interoperable.

In 2024, SWIAT wants to bring more partners onto the blockchain to realise the full potential of the ecosystem, which offers solutions for a wide range of applications in the securities business, including real-time settlement and collateral management. For example, the digital issuance of shares in mutual funds via the SWIAT platform is conceivable in the future, as is the issuance of e-shares. The German government has already created the regulatory framework for electronic shares with the Future Financing Act.

Moreover, SWIAT together with partners is currently a participant in the European Central Bank's Toolbox Experiment ("New Technologies for Wholesale Settlement"). As part of the experiment, the participants will test in 2024 how financial transactions recorded on blockchain platforms can be settled in central bank money. SWIAT's strategic goal is for institutional investors to be able to initiate real-time delivery versus payment transactions via the SWIAT blockchain in addition to securities transactions. SWIAT's software solutions reduce counterparty risks and banks' internal coordination requirements.

Dr Timo Reinschmidt, Co-CEO and CCO of SWIAT, said: "With the crypto fund units issued, we have brought the next product to live operation on the SWIAT blockchain after the digital bearer bond and the digital registered bond. But that's not all: in 2024, we will connect further partners and solutions to our ecosystem and thus take another major step towards our strategic goal of establishing an international settlement standard for the issuance of digital assets across all asset classes together with global financial institutions."

Thomas Schneider, COO of Deka Investment, added: "The launch of our first special fund with crypto fund units is an important step in our exploration of blockchain technology in the specific use case of the fund business. We want to permeate the process steps along the entire product value chain – from the launch to fund events to fund closure – to be able to launch further funds on the blockchain in the future if there is sufficient demand. SWIAT provides us with the technological basis for this with the appropriate blockchain infrastructure."

The declared goal of SWIAT is to create a single global standard for the processing of blockchain-based securities on the SWIAT platform. A key feature of the SWIAT blockchain ecosystem is that capital market law,

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compliance and regulatory aspects are taken into account in the conception phase, thereby offering security and compatibility with regulatory requirements.

SWIAT forecasts digital assets to grow in importance globally in the coming years as tokenisation increases. In Europe, SWIAT estimates that an open decentralised financial market will grow more than 60 percent per year (CAGR) to more than €3 trillion by 2030.

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About SWIAT

SWIAT is a 2022 founded Frankfurt-based FinTech that develops blockchain-software for an open decentralised financial market infrastructure. As a settlement network, the blockchain-based transaction platform is available to banks and financial institutions and enables them to issue regulated digital assets. As an open platform and international network, SWIAT aims to become a settlement standard in this area. SWIAT shareholders are DekaBank, LBBW, Standard Chartered and the fintech Comyno.

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