

**WHAT IS TOKENIZATION?**

## Bringing Real-World Assets On-Chain

Tokenization is the process of issuing a digital representation of ownership in a real-world asset using blockchain-based infrastructure. The underlying asset does not change. A loan portfolio remains a loan portfolio. A lease remains a lease. What changes is how ownership is recorded, transferred, and administered.

In traditional markets, ownership records are maintained through custodians, transfer agents, fund administrators, and manual reconciliation processes. Settlement can take days or weeks, and secondary transfers are often limited.

Tokenization digitizes the ownership layer. Fractional interests in an asset pool can be recorded on-chain, transferred digitally (subject to regulatory constraints), and administered through automated distribution logic. It is an infrastructure change rather than a new asset class



## Structural Constraints of Traditional Private Markets

Private-market investments such as specialty credit, equipment finance, and structured asset pools have historically been concentrated among institutions and ultra-high-net-worth investors. Minimum commitments are often substantial, capital is locked for extended periods, and liquidity options are limited.

These constraints are partly economic and partly structural. Administrative complexity,

manual settlement, and bespoke legal arrangements increase friction and cost. Participation has therefore remained concentrated among large allocators.

Tokenization addresses inefficiencies in recordkeeping and transfer mechanics. It does not remove investment risk or change underwriting standards.

# What Tokenization Changes

## 1. Fractionalization and Allocation Flexibility

Tokenization allows large asset pools to be divided into smaller ownership units. This enables more precise capital allocation across multiple pools rather than concentrating exposure in a single large commitment.

Potential effects include:

- Lower minimum investment sizes
- More granular position sizing
- Diversification across distinct asset pools
- Digital recordkeeping of ownership

The underlying credit profile, duration, and risk characteristics remain the primary drivers of return.

## 2. Liquidity and Settlement Mechanics

Traditional private investments typically require multi-year commitments with limited exit options.

Tokenized structures may enable secondary transfers of ownership interests, provided regulatory requirements are satisfied and counterparties exist. Because ownership is recorded digitally, settlement timelines can be shorter than in conventional private-market vehicles.

Liquidity is not guaranteed and depends on platform design and market participation. However, the infrastructure allows for greater flexibility relative to traditional private structures.

## 3. Cash Flow Administration

Many tokenized real-world assets are backed by income-producing collateral. Examples may include consumer loan portfolios, manufactured housing loans, equipment leases, aircraft leases, or income-producing real estate.

Cash flows generated by the underlying assets can be distributed according to predefined rules embedded in smart contracts or administrative systems. Distribution timing and waterfall structures are defined in offering documents and reflected programmatically in the ownership ledger.

Tokenization facilitates the administration of yield generated by real economic activity. It does not create yield independent of asset performance.

## 4. Transparency and Oversight

Tokenized platforms may operate within established regulatory frameworks. Depending on the structure, this can include SEC compliance, KYC/AML procedures, transfer restrictions, and reporting obligations.

From an investor standpoint, key considerations include:

- Quality of underwriting and servicing
- Legal enforceability of asset claims
- Regulatory compliance structure
- Custody and governance framework
- Secondary market design

Tokenization modernizes infrastructure. It does not replace due diligence.

### Forward-Looking Statements Disclaimer

This document contains "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the expected benefits of the acquisition of the engines, expectations with respect to future performance, including the expected return on invested capital, and growth of the Company; the ability of the Company to execute its plans, undertake tokenization activities and achieve future performance.

Forward-looking statements are subject to numerous risks and uncertainties, many of which are beyond the Company's control, and actual results may differ materially. These statements may be preceded by, followed by, or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "targets," "scheduled," "anticipates," "soon," "goal," "intends," or similar expressions. Forward-looking statements are not guarantees of future performance, and involve risks, uncertainties and assumptions that may cause our actual results to differ materially from the expectations that we describe in our forward-looking statements. There may be events in the future that we are not accurately able to predict, or over which we have no control.

Applicable risks and uncertainties include, among others, the performance of the Eurus Aero Token I, including anticipated yields thereof; failure to realize the anticipated benefits of the tokenization of real world assets (including the engines discussed above) and other risks associated therewith, including litigation, regulatory, and others; failure to realize the anticipated benefits of the Company's digital asset treasury strategy; previously disclosed stock repurchase program; the Company's ability to achieve profitable operations; risks relating to the Company's recent acquisitions; expectations regarding the capitalization, resources and ownership structure of the Company; the Company's digital asset treasury strategy, the digital assets held by the Company, the Company's current and anticipated yield strategies, including its participation in DeFi protocols and tokenization of real world assets; fluctuations in the market price of ETH that will impact the Company's accounting and financial reporting; government regulation of cryptocurrencies; the Company's ability to repurchase shares of common stock, the timing thereof, purchase price thereof, and the fact that repurchases may not be undertaken under the stock repurchase program; changes in securities laws or regulations; changes in business, market, financial, political and regulatory conditions; risks relating to the Company's OTC transactions, including the Company's ability to repay such facilities, covenants associated therewith and security interests associated therewith, including security interests over certain of our cash and ETH; risks relating to the Company's previously announced ATM offering, including potential downward pressure on the Company's stock price associated therewith; risks relating to the Company's operations and business, including the highly volatile nature of the price of ETH and other cryptocurrencies; the risk that the Company's stock price may be highly correlated to the price of the digital assets that it holds; risks related to increased competition in the industries in which the Company does and will operate; risks relating to significant legal, commercial, regulatory and technical uncertainty regarding digital assets generally; risks relating to the treatment of crypto assets for U.S. and foreign tax purposes, expectations with respect to future performance, growth and anticipated acquisitions; potential litigation involving the Company; global economic conditions; geopolitical events and regulatory changes; access to additional financing, and the potential lack of such financing; and the Company's ability to raise funding in the future and the terms of such funding, including dilution caused thereby, as well as those risks and uncertainties identified and those identified under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, as well as the supplemental risk factors and other information the Company has or may file with the SEC. Readers are cautioned not to place undue reliance on these statements. Investors should also be aware that under U.S. generally accepted accounting principles (GAAP), certain crypto assets must be measured at fair value, with changes recognized in net income for each reporting period. These fair value adjustments may cause significant fluctuations in the Company's balance sheet and income statement from period-to-period. In addition, for certain crypto assets, including ETH, which the Company holds, impairment charges may be required to be reported in net income if the market price of such assets (including ETH) falls below the cost basis at which those assets are carried on the balance sheet. Readers are encouraged to read the Company's filings with the SEC, available at [www.sec.gov](http://www.sec.gov), for a discussion of these and other risks and uncertainties. The forward-looking statements in this document speak only as of the date of this document, and the Company undertakes no obligation to update any forward-looking statements except as required by law. The Company's business is subject to substantial risks and uncertainties, including those referenced above. Investors, potential investors, and others should give careful consideration to these risks and uncertainties.

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Any discussion of expected terms, structures, or returns is preliminary, subject to change, and provided solely for illustrative purposes. The tokens discussed may not yet be offered, and any offering, if made, will be conducted only pursuant to definitive offering documents, which should be reviewed carefully in their entirety.

Tokenized real-world assets involve significant risks, including the risk of loss of some or all of an investment. Expected returns are not guaranteed and may differ materially from actual results. Tokenized assets may be illiquid, subject to regulatory uncertainty, dependent on the performance of underlying assets, and exposed to operational, technological, and legal risks.

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