



simple | immediate | unified

Presentation ID2S

Thiebald Cremers
Director, Legal and Regulatory Affairs, SETL France



Table of contents

1. Presentation of the NowCP – ID2S project
2. The SETL.io blockchain



1. Presentation of NowCP – ID2S project



ID2S runs a fully operational & permissioned DLT operated by SETL, connected to T2S, allowing cash settlement in central bank money, to which securities are credited in compliance with the existing legal and regulatory environment.



NowCP and ID2S

NowCP

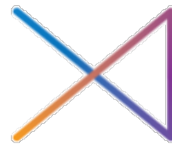
- **NowCP** is an electronic trading platform where primary and secondary market activity on NEU CP can be performed by issuers and investors
- The financing bid of issuers (banks, corporates, supranational or local and territorial authorities) will meet the funding offers of the investors (asset management companies, institutional investors, corporate investors)
- **NowCP has applied for a MTF status** (to be delivered by ACPR after consultation of the AMF)
- NowCP will allow **to trade on an immediate, simple and transparent way**



NEU CP

ID2S

- **ID2S is an Issuer CSD, designed for NEU CP**
- **ID2S will provide the three core CSD services:** notary service, central maintenance service and settlement service
- For the settlement service, **ID2S relies on T2S**
- **ID2S will also provide for simple ancillary services, adapted to NEU CP** (coupon payment, etc.)

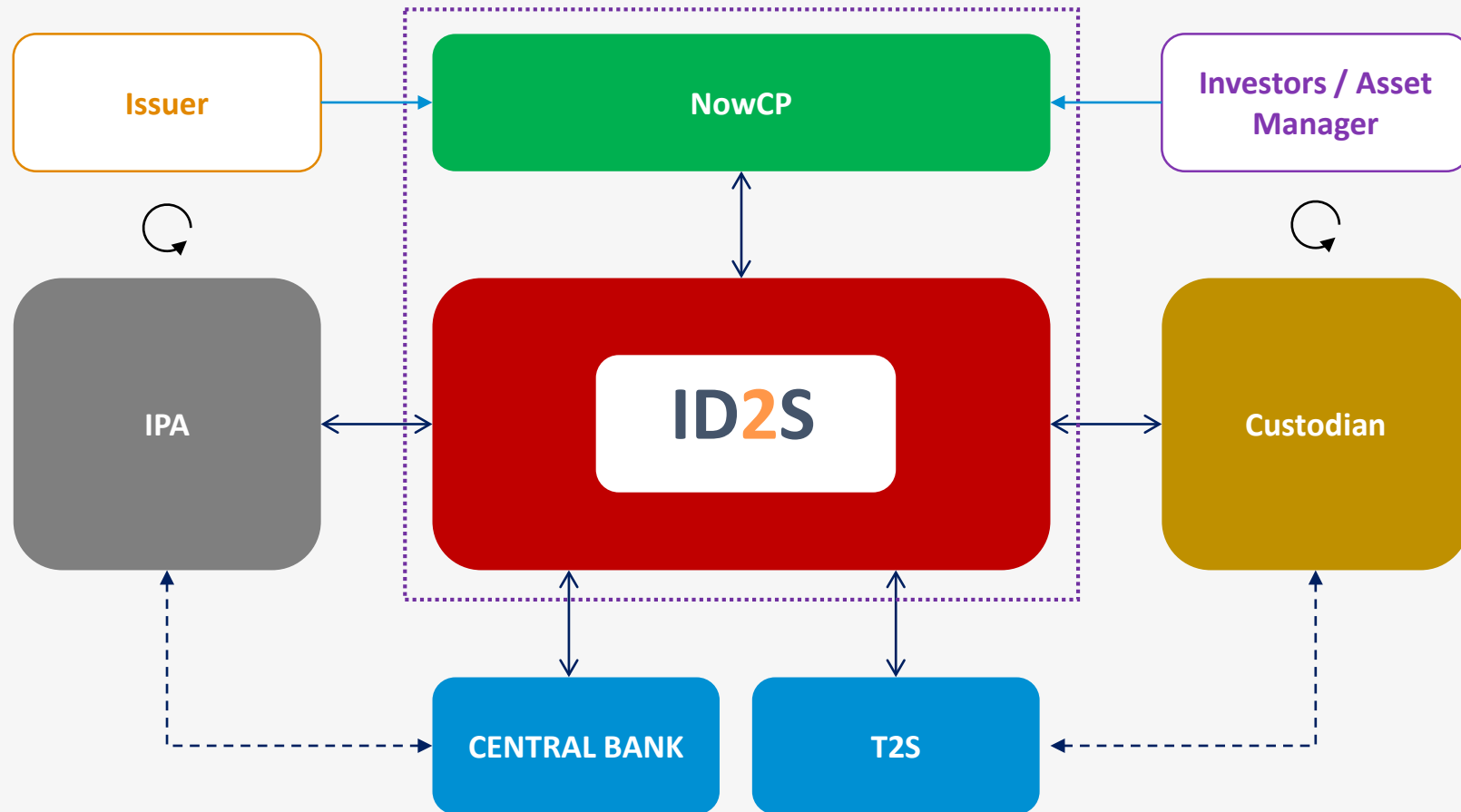


ID2S

- **ID2S** was formed by combining the expertise of a major corporate Orange S.A and SETL, a provider of transactional services based on blockchain technology
- This partnership reflects the **two groups' shared vision of trade and post trade market** responding to the new challenges facing the industry and allowing them to serve the investors more effectively



Trading and settlement: one stop shop

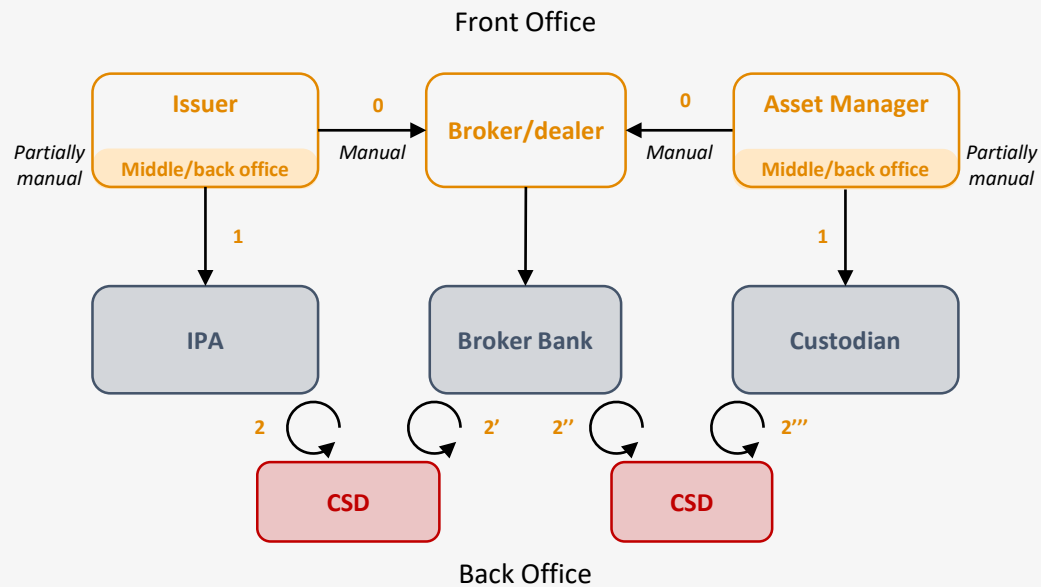


ID2S will change the current environment



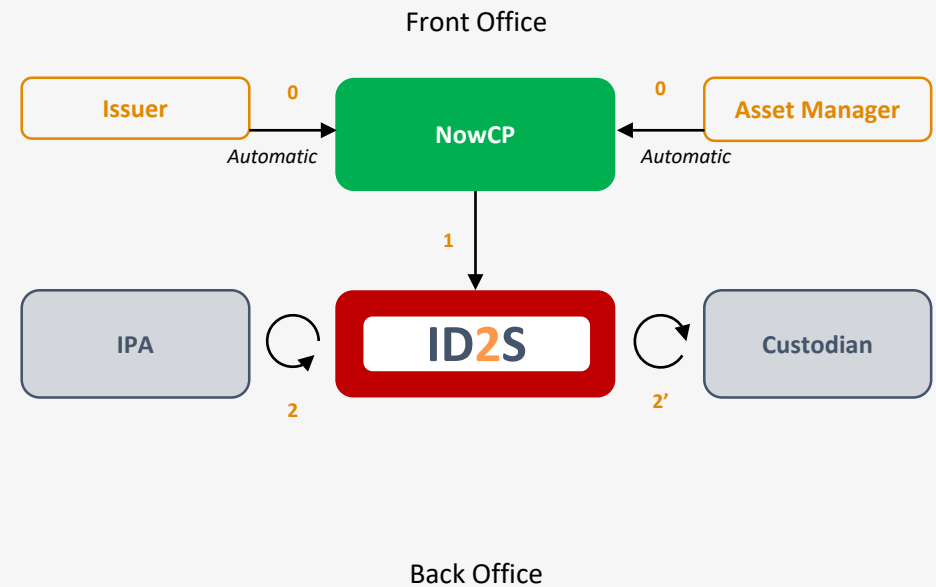
Today

There is currently no CSD for commercial paper in the market...



ID2S Market

The ID2S CSD will sit at the heart of the post-trade ecosystem. It creates a transparent market by linking issuers and investors directly



- Reduction in settlement timeframes (from T+2 to T+0)
- Cost reductions
- Enhanced market transparency



Benefits to the market & market participation

Benefits to the Market

- Trading and Delivery versus Payment settlement reduced from two days to near-real time
- Cost reduction for market participants
- Enhanced transparency across the market with full audit trail and integrity
- Opportunity to leverage blockchain technology to run books and records / registry services

Market Participation

- SETL has partnered with Orange for the delivery of this project
- Orange has received strong interest from market participants (issuers & investors) representing a critical mass on the French market
- Together with NowCP, ID2S & SETL are onboarding the main players on the French custody market



ID2S Client GUI – Main Features

A GUI Developed exclusively by SETL to meet CSD Participants requests



ID2S GUI



Securities Account Management

Run queries and produce reports on their CSD security accounts



Capture and Monitor Settlement Instructions

Settlement Functions Instructions – Request operations



Corporate Actions

Get Corporate action data related to their accounts



Billing

Get billing details on their accounts



Reports

Generate customised reports



2. The SETL.io blockchain



Why SETL's Blockchain

ID2S runs a fully operational & permissioned DLT operated by SETL, connected to T2S, allowing cash settlement in central bank money, to which securities are credited in compliance with the existing legal and regulatory environment.

✓ Regulatory safe and legally certain

- The SETL Blockchain integrates perfectly in the existing FMIs and market participant systems.
- No use of tokens representing underlying securities or coins representing cash elsewhere
- Connected T2S
- Settlement in Central Bank Money
- Fully authorized CSD, compliant with all existing applicable regulations and legislation

✓ Integrity

- The storage of data that is linked cryptographically and in a consistent way supports greater transaction integrity
- Transactions can be proven cryptographically without disclosing transaction details, thus maintaining privacy

✓ Authentication

- Participant authentication can be integrated at the point when events / transactions are submitted to the system

✓ Autonomous Maintenance

- Blockchain can run autonomously on an ongoing basis



SETL's Technology

SETL's proprietary blockchain technology has the following features

Speed & Scale

SETL's blockchain processes an amount of transactions / second that fit capital markets

Security

The solution is only built by SETL's certified developers, who undergo a secure coding course

Permissioned

Only implemented in private, permissioned and managed environments with integrated KYC capabilities

Interoperability

Fully interoperable with market standards (e.g. ISO) with real-world assets recorded on the chain



More about SETL

Financial Services Focus



SETL is focused on building solutions for Capital Markets and Asset Management

Awards

“The most promising disruptive project in finance” Awarded to IZNES, 2018

“Fintech 25”, Awarded to SETL, 2018

“The most innovative project” Awarded to IZNES, 2018



Regulatory Success



ISO 27001 certified



ID2S CSDR Licence



Global Reach

SETL is taking its product offering global



SETL

Building Financial Market Infrastructures that challenge existing business models

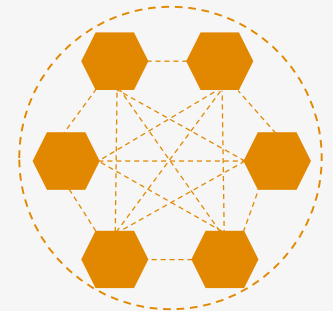
Technology

The fastest enterprise-grade blockchain in the world

30,000 tps across 100 million accounts

Low energy consumption

Entirely proprietary technology



Live Products

IZNES

A Pan-European Funds platform

ID2S

A European regulated Issuer CSD

Market Support



Key strategic support from External Shareholders



This document is issued by SETL Development Limited, trading as SETL (“SETL”), having its registered office at Charles Russell Speechlys, 5 Fleet Place, London, England, EC4M 7RD, registered with the United Kingdom's Companies House under n° 09704844. The liability of its members is limited. This document is directed exclusively to Eligible Counterparties and Professional Clients. It is not directed at Retail Clients.

This document is for information purposes only and is not, and should not be construed as, an offer or a commitment by SETL or any of its affiliates to enter into a transaction. This document does not constitute investment advice and nor is any information provided intended to offer sufficient information such that it should be relied upon for the purposes of making a decision in relation to whether to enter into any contractual obligation. The information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice. As this information does not take account of your objectives, financial situation or needs, we recommend that you consider the appropriateness of the information having regard to your specific circumstances, and obtain financial, legal and taxation advice before making any investment decision. Market and technical conditions may change without notice and no guarantee is offered by SETL in respect of the information provided herein and cannot therefore be relied upon.

Furthermore, where relevant, information only illustrates hypothetical performance under the related assumptions. Actual results will vary from such hypothetical performance and the variations may be material. As such, no assurance can be given as to the accuracy, appropriateness or completeness of the information or opinions contained herein in any particular context; or as to whether the information and the assumptions upon which it is based reflect present market and technical conditions or future performances.

The information and opinions contained in this document have been compiled or arrived at from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. To the extent permitted by law, neither SETL, nor other legal entities in the group to which it belongs accept any liability whatsoever for any direct or consequential loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

In addition, the information is preliminary and will be superseded in its entirety by any information made available to you after the date hereof (if any), as well as by any subsequent legally binding document. No person has been authorised to give any information or to make any representation other than those to be contained in this document. The designation and terms of the technology described in this document are preliminary and subject to change prior to any membership. Prospective members are referred to the subsequent legally binding document that is preliminarily discussed in this document for final designation and terms of any service described in the information prior to committing to purchase any such service or membership.

This document may not be reproduced, distributed or published, in whole or in part, for any purpose, except with the prior written consent of SETL. By accepting this document you agree to be bound by the foregoing restrictions.

© SETL, Registered office at Charles Russell Speechlys, 5 Fleet Place, London, England, EC4M 7RD