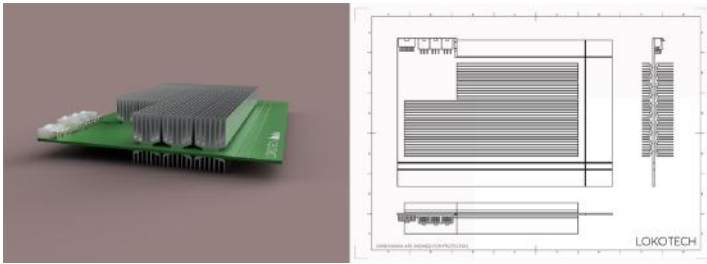# LOKOTECH

ASIC HARDWARE MANUFACTURER

Pitch Deck

- Lokotech is a Norwegian technology company that develops ASICs for the cryptocurrency mining industry.

- We have developed a powerful new Scrypt ASIC, which can be brought to market in 6-8 months, upon funding.

- All significant tech risks has been mitigated and all necessary partnerships, both up-stream and down-steam, are established.

- Lokotech's conservative base case is 15.000 units sold with full year profits before taxes around 26.3M USD.

Problem & Opportunity

1. Profitability is currently in low-cycle for cryptocurrency mining.

2. Price of power has been stable but the mining profitable has been declining.

3. There are few profitable miners on the market with 5M miners that will need to be upgraded soon.

Lokotech's will have the most profitable miner on the market!

Lokotech's Scrypt Miners

BullDozer Bare Bones
Upgradeable hash boards
Delivered in packs of 3 or 4 boards,
Approx. 4.12 or 5.49 Gh/s
1300w or 1750w
Reduce and Reuse

BullDozer
Approx. 4.12 Gh/s
1300w

BullDozer Enterprise
Approx. 16.48 Gh/s
5200w

Benchmarking

Lokotech - BullDozer

Power Consumption

1300w

Hashrate

4.12 Gh/s

Performance Proxy
Gh/s/W

3.17x

Innosilicon - A6+

Power Consumption

2100w

Hashrate

2.2 Gh/s

Bitmain - L5

Power Consumption

1473w

Hashrate

1.425 Gh/s

Fusion Silicon - X6
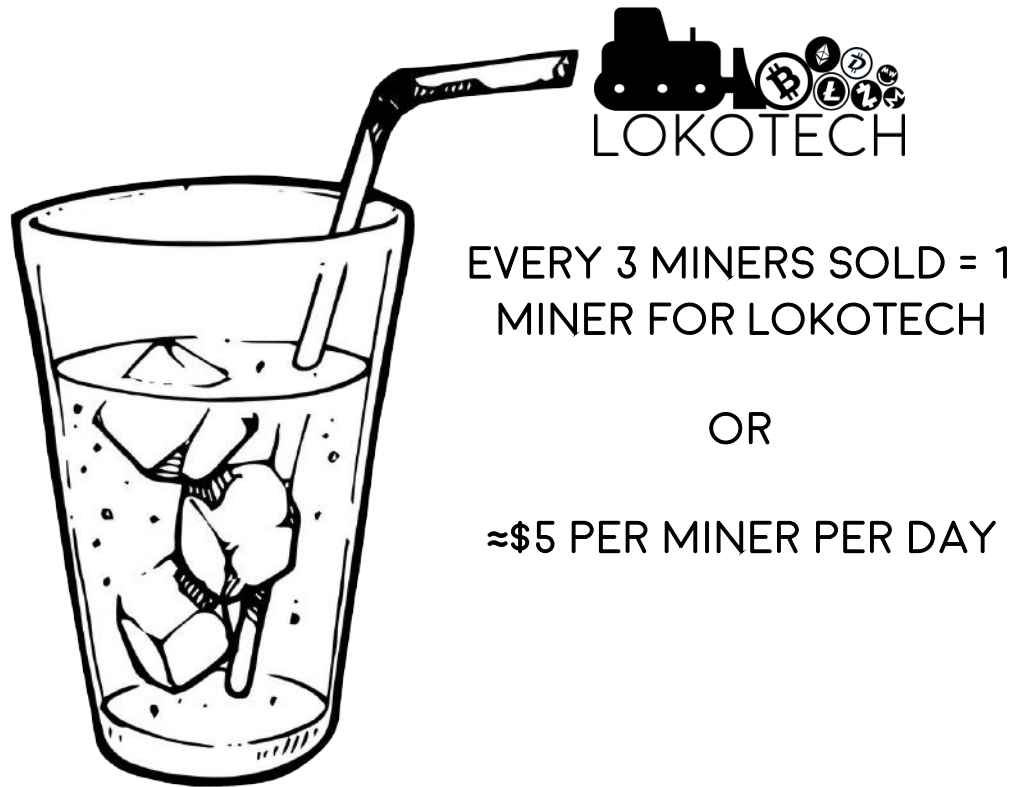
Power Consumption

1073w

Hashrate

0.860 Gh/s

Actual Hashrate
6.5 Gh/s @ 1300w
2.38 Gh/s goes directly to Lokotech via "Service Fee"

Service Fee = Daily Recurring Revenue

LOKOTECH

EVERY 3 MINERS SOLD = 1
MINER FOR LOKOTECH

OR

≈$5 PER MINER PER DAY

Benefits for Lokotech (**Investors**)

1. No Hardware Investment
2. No Expensive Power Bills
3. No Infrastructure Cost
4. No Real-Estate Cost
5. Steady cash flow for R&D to expand our portfolio
6. Fends off competition by having reserve hashrate to release to clients

Benefits for the Customer (**Miners**)

1. Reduces Fulfillment Risk
2. Protects the clients from 51%-attacks
3. Increases lifetime profitability of the hardware
4. Secures Prosperity & Level of Service
5. First in line customer status for our next ASICs
6. Limited amount of miners to avoid cannibalization
7. Active investment efforts to increase use cases and further efforts to bring crypto payments mainstream

Timeline Upon Funding

Commit to porting over the ASIC design to 8nm LPP, hash board and control development, and firmware.

Design for the hash board, controller, and firmware is complete

Manufacture and package ASIC from Samsung

Contact buyers and take first payment.

Update clients on batch 1 progress.

Market batch 2 and 3

Month 1	Month 2	Month 3	Month 4-5	Month 6	Month 7-8	Shipped out by Keytouch*

Rent office space and bring on early hires.

Continue sales efforts for pre-orders

Continue the dialog with Keytouch and finalize worldwide supply chain.

ASIC is production ready and pilot run to produce showcase miners for marketing purposes.

ASICs delivered to Keytouch for production and shipping to end user.
Collect balances for batch 1 and start marketing batch 2.

*Keytouch will manufacture, test, pack, and ship to the end user.
This combined with presales will enable us to maintain a lean operation with no warehousing risk.

Strategic Partners

Tier 1 ASIC Designer – Lokotech owns the GDSII file but not the 40+ patents that were used by the designer.

System Integration, Firmware and On-Board Encryption

8nm LPP ASIC MPW/Pilot run and Chip Production

Value Chain Management Support, Manufacturing, Assembly, Logistics

Website Development and Maintenance

3ʳᵈ Party Verified

by

a part of

15B Market Cap
&
Top 5 in the world for
IT & Business Consulting

Review of Salsa20/8 Simulation Report

Background
Lokotech has used a third-party company to perform a comparison between their suggested implementation of the Salsa20/80 hash function and an older version of the same function. This document is an evaluation of the work and findings presented in their report.

Findings
Received document:

- Lokotech Simulation Report 20191115

The report describes the assumptions and background for the simulations as well as their findings.

Simulations of Lokotech's Verilog design was compared to simulations of an existing Verilog design of the Salsa20/8 hash function. The same test data sets were used for simulating both implementations. Power simulations were based on synthesized versions of the two designs.

The performance numbers for speed and efficiency are impacted by assumptions, simplifications and the quality of the simulation models. However, the report underlines measures taken to reduce the impact of inaccurate models:

- Much effort that has been put into making the two design cases comparable.
- The same SRAM memory design was used for both simulations
- The results are presented as a ratio relative to the old architecture.

The report states that further efficiency improvements can be obtained by using a low-power library. This is a credible statement but will most likely not benefit the new function more than the old implementation.

Conclusion
The report indicates that the relative differences between the cases is presented correctly. Thus, it is fair to state that the results presented in the reports gives a good indication of the expected benefits of the updated hash function.

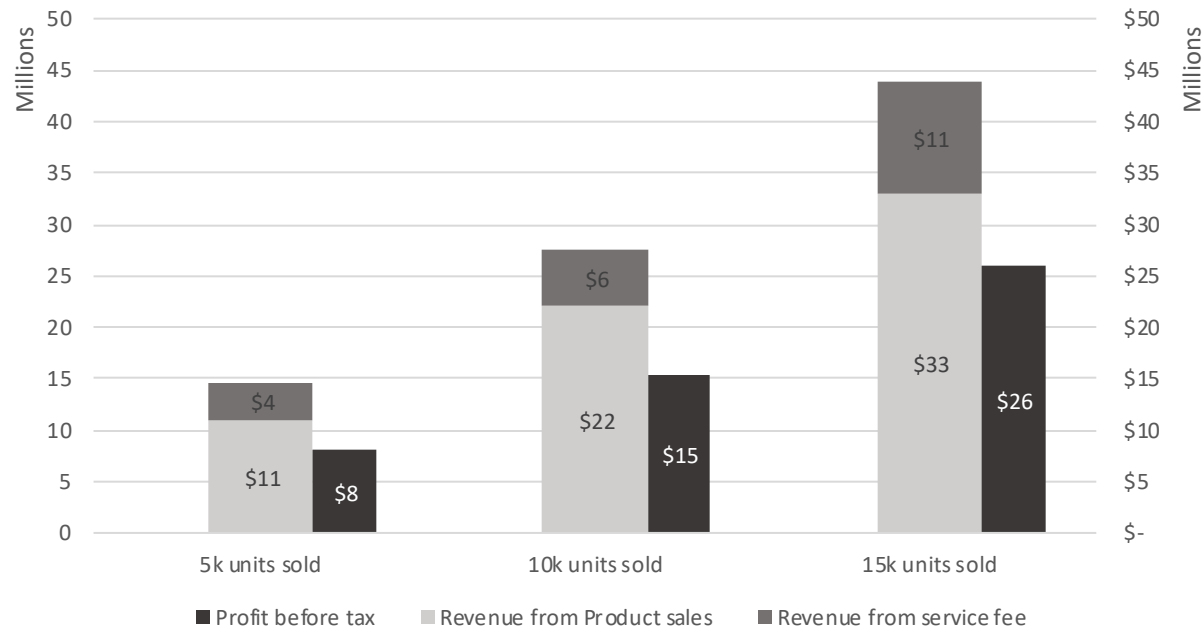# The Team

Ola Stene-Johansen
Co-Founder & CFO
20%

Christian Rustad
Co-Founder CEO
60%

Ben Miklozek
Co-Founder & COO
20%

Proforma Financials

Revenue and Profit, 5k, 10k and 15k Units Sold

60k units sold	Full year 1	Full year 2
Revenue from products sales	$ 88 500 000	$ 25 500 000
Revenue from service fee	$ 11 301 160	$ 66 630 619
COGS, Capex and Opex	$ 51 634 792	$ 17 815 350
Profit/loss before taxes	$ 48 166 369	$ 74 315 269

Internal expectations are between 100k to 200k units sold in the first 2 years

Lokotech's Outlook after Delivering the Scrypt ASIC

SHA-256 ASIC – 40% completed

Market potential for selling a powerful new SHA-256 miner

is absolutely monstrous!

Financing

Lokotech is seeking 3.5M USD in a hybrid equity model. Offering 1/3rd of the investment as equity and 2/3rd of the investment as a convertible note.

The convertible is designed to value the company at audited book figures; 1x accumulated 2 years EBITDA.

Hybrid equity model reduces valuation risk, reduces cryptocurrency exposure stemming from the service fee, and secures investors a fair stake based on actual performance.

Why Invest into Lokotech?

1. Huge market opportunity with no real profitable Scrypt ASICs

2. One-of-a-kind business model that allows us to sell a product and receive daily residuals from each unit sold at no additional cost

3. With the BTC halving the market is seeking more efficient hardware

4. Dedicated team that is ready to bring this to fruition

Thank you for your time and consideration!

Ben Miklozek
bm@lokotech.no