

# Russia-Luxembourg: Innovation in Real Estate and Private Equity

08 May 2018

Luxembourg Chamber of Commerce

# Agenda



- ▶ Welcome of the **Chamber of Commerce** - *Jeannot Erpelding* and the **LRBC** - *Olga Huizinga*
- ▶ Innovation in private equity and real estate: *Emilie Allaert* - **Head of Operations and Projects at Luxembourg House of Financial Technology (LHoFT)**
- ▶ Innovation and digitalisation in real estate:
  - Moderator: *Lize Griffiths* - **Partner, RE Leader Deloitte Luxembourg**
  - Panelists: *El-Dar Hachaev* - **CFO UFG Capital Advisors S.à r.l.**  
*Pamela Hoerr* - **Managing Director Patrizia Real Estate**  
*Pavel Nesvedov* - **Associate Director, RE Innovation Leader EY Luxembourg**
- ▶ Security token decentralised exchanges innovation: *Alexander Tkachenko* - **founder VNX.IO - first security token decentralised exchange based in Luxembourg**
- ▶ Russian and Luxembourg contribution to private equity investments in Blockchain Technology
  - Moderator: *Franck Willaime* - **INSEAD and ILA Certified Director**
  - Panelists: *Ingrid Dubourdieu* - **Managing Partner, Fieldfisher**  
*Pierre Gerard* - **Co-Founder ScoreChain**  
*Alexander Tkachenko* - **Founder VNX.IO**  
*Emilie Allaert* - **Head of Operations - LHoFT**  
*Wim Stalmans* - **Founder and CEO of the Blockchain Academy**
- ▶ The conference is hosted by *Olga Huizinga*, **the LRBC director**
- ▶ Walking lunch

Welcome speech  
of  
*Jeannot Erpelding*  
the Chamber of Commerce  
  
and  
*Olga Huizinga*  
the LRBC

## *Jeannot Erpelding*

Director of the International Affairs, the Chamber of Commerce



- ▶ Mr. Erpelding is Director International Affairs at the Luxembourg Chamber of Commerce.
- ▶ He has a broad professional experience of more than 20 years on an international level and in different sectors like aviation, logistics and consumer electronics.
- ▶ Mr. Erpelding is Director of LRBC since 2014.

## Olga Huizinga

LRBC member of the BoD, Director, Audit Deloitte



- ▶ Olga is a board member of the Luxembourg Russia Business Chamber.
- ▶ Olga is an audit Director at Deloitte Luxembourg specialized in private equity and real estate. She has many years experience in the financial services industry in Luxembourg, the Netherlands and in Moscow. She also specialises in IFRS and AIFMD.
- ▶ She is a Réviseur d'Entreprises (Certified Public Auditor) in Luxembourg and a Qualified Chartered Accountant in the Netherlands.
- ▶ Olga is an active member of the Deloitte Russian desk.
- ▶ She has been successfully servicing various private equity and real estate clients including Russian ones.

# Innovation in Private Equity and Real Estate

*Emilie Allaert*

Head of Operations and Projects at The LHoFT Foundation  
(Luxembourg House of Financial Technology)

## Emilie Allaert

Head of Operations and Projects, The LHoFT Foundation (Luxembourg House of Financial Technology)



- ▶ Emilie is Head of Operations and Projects at The LHoFT Foundation (Luxembourg House of Financial Technology), a public/private sector initiative that drives Fintech innovation in Luxembourg.
- ▶ After working on regulatory issues as a Tax Adviser for KPMG Luxembourg, she joined the IT reorganisation team. She then worked for J.P. Morgan Asset Management, implementing cross-border Master/Feeder under UCITS IV and implementing CISA guidelines.
- ▶ She uses this extensive experience in the banking and fund industry at the LHoFT, where she now tackles some of the industry challenges with specific projects and help review the business model of the financial industry in Luxembourg by promoting innovation and innovative solutions.





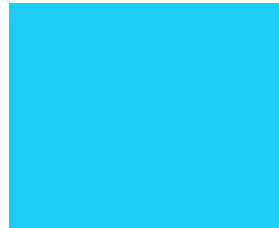
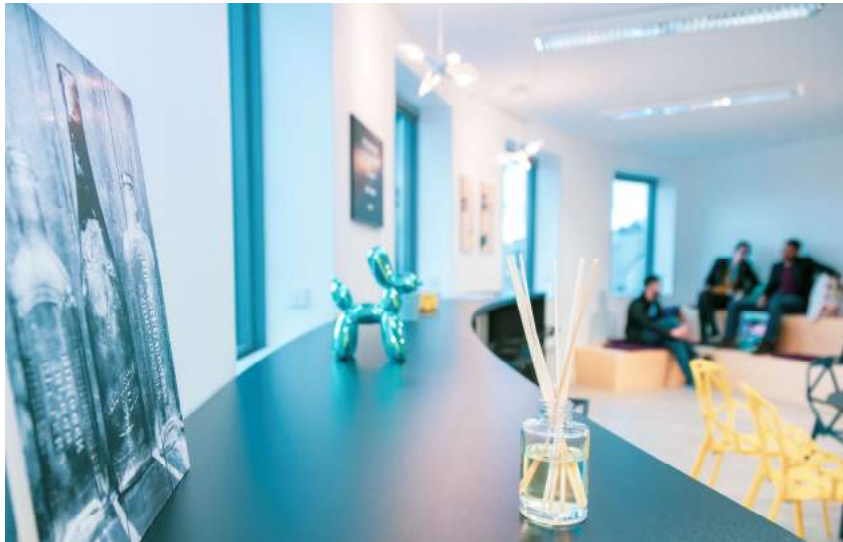
# Innovation in Private Equity and Real Estate

---

May 2018

[the  
LHoFT]  
Luxembourg House of Financial Technology





## Our Mission

The LHoFT Foundation is a public - private sector initiative that drives technology innovation for Luxembourg's Financial Services industry, connecting the domestic and international FinTech community to develop solutions that shape the world of tomorrow.



Our Leadership

# CIRCLE PARTNERS

---



Our Purpose

## KEY ACTIVITIES

---



### ECOSYST EM

**Engage with, grow and gel** the domestic Luxembourg FinTech ecosystem and extend the ecosystem internationally

**Drive innovation, collaboration, engagement, ideation and creation** within the ecosystem



### SOLUTIO NS

**Identify business pain points, inefficiencies and opportunities** in the broad industry, specific sectors and within groups of firms that can be addressed with new technologies

**Form appropriate synergy of stakeholders** from the domestic and international ecosystem to provide tangible solutions and to fulfil opportunities

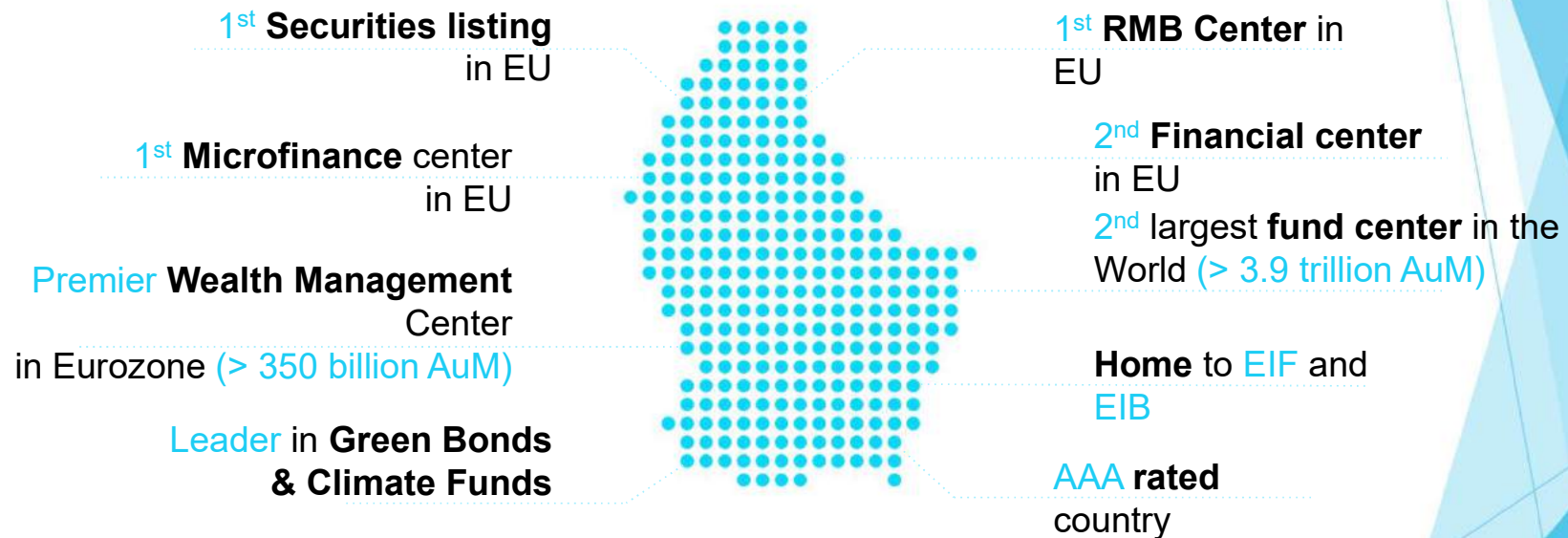


### KNOWLED GE

**Identify knowledge gaps** in the FinTech ecosystem and **deliver appropriately tailored education**, in partnership and independently

**Build awareness** within the Luxembourg community of new trends, products and solutions **enhancing engagement and decision making processes**

# Luxembourg Financial **CENTER**



clearstream

HSBC



J.P.Morgan



CREDIT SUISSE



SOCIETE GENERALE



BNP PARIBAS



NORTHERN TRUST



COMMERZBANK







# Innovation in Real Estate

---

[the  
LHoFT]  
Luxembourg House of Financial Technology

# DOMOS

---



**Luxembourg** based start-up founded in **2013**

A provider of **SOFTWARE-AS-A-SERVICE SOLUTIONS**  
provider to the alternative investment funds, serving especially those  
investing in unquoted assets such as **REAL ESTATE** and  
**PRIVATE EQUITY**.

Based on an online database, it offers solutions for:

**PORTFOLIOS**

**TRANSACTION &  
PROCESS MANAGEMENT**

**RISK  
MANAGEMENT**

**REPORTING &  
DASHBOARD**

# ELIACIN

---

**Consultancy & Investment** company founded in **Luxembourg** in **2017**

Crossing **Real Estate experience** with the most advanced trends in the **PropTech** field.

Will transform the real estate market by offering innovative solutions and changing the way the business used to be done.







## **Innovation in Private Equity**

Rise of Initial Coin Offerings

[the  
LHoFT]  
Luxembourg House of Financial Technology

# HOW DOES AN INITIAL COIN OFFERING WORK?

## ICO

### 1. IDEA

A team decides to build a decentralized app.



### 2. TEAM

The team finds team members and advisors.



### 3. WRITE

White paper authored.

#### Roadmap



### 4. FEEDBACK

Collect feedback from a select target audience.



### 5. LEGAL

Time for some legal advice.



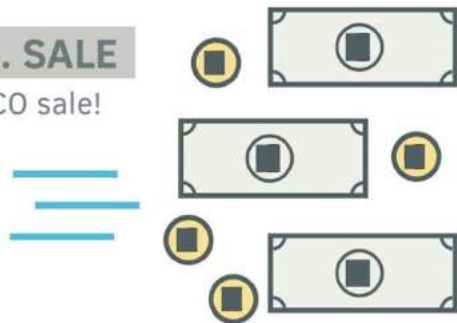
## 6. PRE-SALE

Sometimes it makes sense to have a pre-sale.



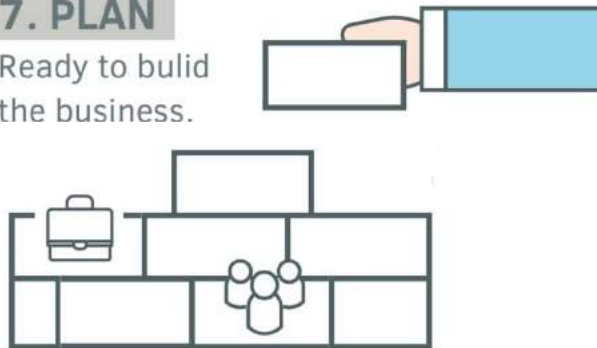
## 9. SALE

ICO sale!



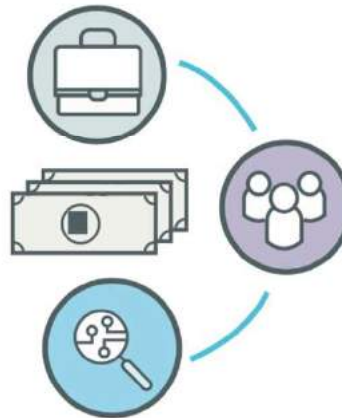
## 7. PLAN

Ready to build the business.



## 10. BUILD

Funds collected. Proceed to build out the team, technology, and business.



## 8. MARKETING

Let's market this!



## 11. LAUNCH

Product launched!





# THE IMPACT OF ICOs ON PRIVATE EQUITY

---

## THREAT OR OPPORTUNITY?

### TRANSFORMATION OF FUNDRAISING AND GROWTH OF INVESTMENTS

- ▶ Simpler, faster and more reliable
- ▶ Easier communication
- ▶ Transparency of Investment process and data

### NEED FOR NEW REGULATION

- Blockchain: A new technology yet to be regulated
- Challenge of Investor Data Privacy

### BROADER IMPACT

- ▶ Democratization of Investment: more accessible to retail investors
- ▶ Diversification of the Investor Base
- ▶ Decentralized and worldwide platform





# Trends for 2018

Uniformity, Efficiency & Transparency

[the  
LHoFT]

Luxembourg House of Financial Technology

## PRIVATE EQUITY

- Deal Execution entirely managed by Blockchain
- Enhanced efficiency by removing system redundancies
- Better investor relations
- Generalisation of Fundraising through ICO
- Exchange and Clearance of Cryptocurrency Derivatives

## HOW ARE THEY LIKELY TO EVOLVE IN 2018?



## REAL ESTATE

- ▶ Digitised Purchasing of Real Estate via Bitcoin
- ▶ Peer2Peer Asset Trading
- ▶ Transfer of Ownership
- ▶ Crowd Ownership and or Finance of Real Estate
- ▶ Rental Contracts via Blockchain
- ▶ Real Estate Data Exchange Platform
- ▶ Self-Executing Smart Buildings

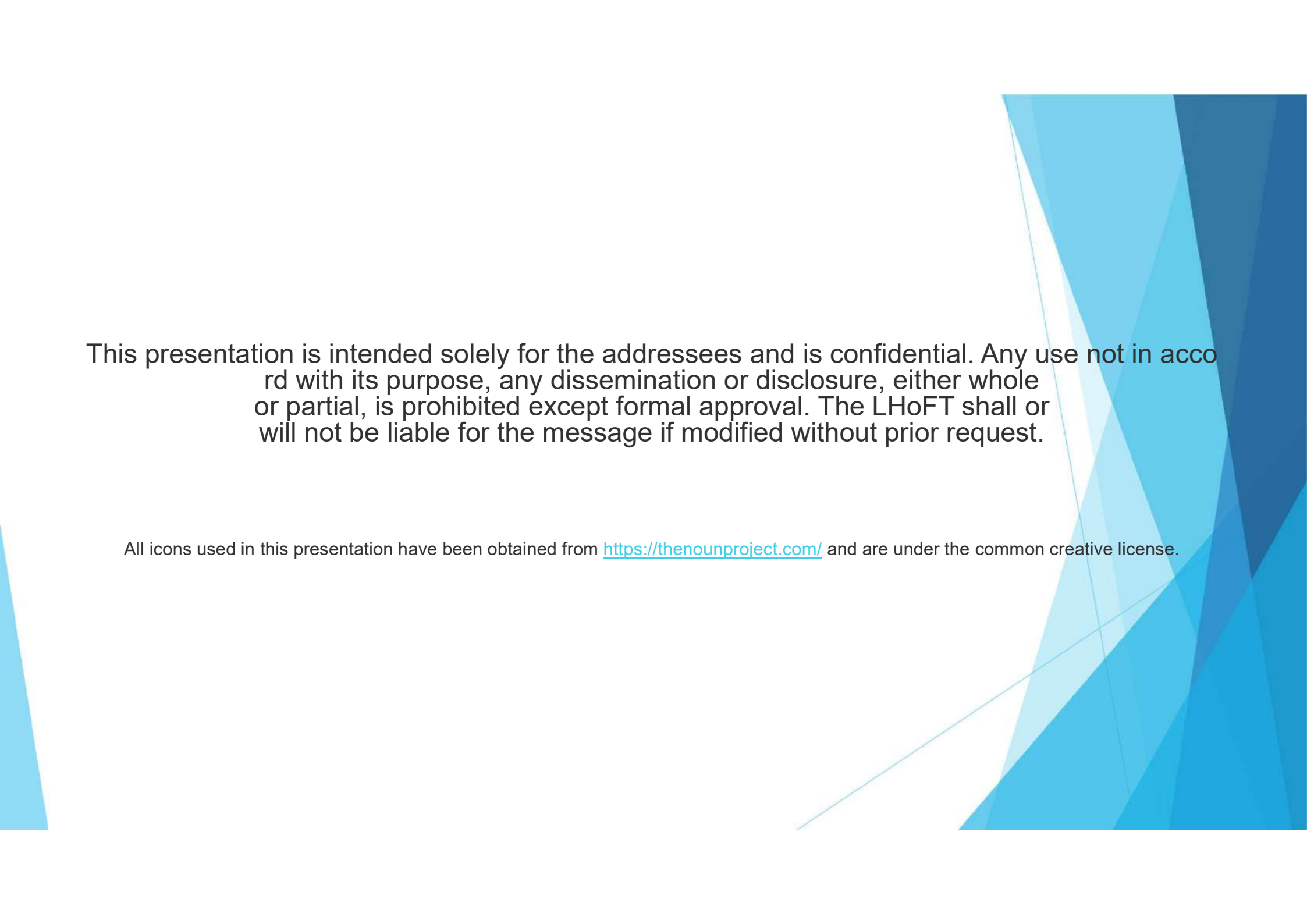


the  
[LHoFT]

Luxembourg House  
of Financial Technology





The background of the slide features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side and bottom of the slide, creating a modern, dynamic feel.

This presentation is intended solely for the addressees and is confidential. Any use not in accordance with its purpose, any dissemination or disclosure, either whole or partial, is prohibited except formal approval. The LHoFT shall or will not be liable for the message if modified without prior request.

All icons used in this presentation have been obtained from <https://thenounproject.com/> and are under the common creative license.

The LHoFT

# CONTACT US

---



Luxembourg House of Financial Technology

LHoFT Foundation

RCS: G239

9 rue du Laboratoire, L-1911 Kirchberg

(+352) 28 81 02 - 01

[info@lhoft.lu](mailto:info@lhoft.lu) | [www.lhoft.com](http://www.lhoft.com)

# Innovation and digitalisation in Real Estate

Moderator: *Lize Griffiths* - Partner, RE Leader Deloitte Luxembourg

Panelists: *El-Dar Hachaev* - CFO, UFG WM Real Estate S.a.r.l.

*Pamela Hoerr* - Managing Director Patrizia Real Estate

*Pavel Nesvedov* - Associate Director, RE Innovation Leader EY  
Luxembourg

## *Lize Griffiths*

Partner, RE Leader Deloitte Luxembourg



- ▶ Lize is an audit partner with Deloitte Luxembourg and has 20 years experience.
- ▶ She is the Real Estate Industry Leader for Deloitte Luxembourg responsible for leading the real estate practice and driving the business initiatives and developments for the industry.
- ▶ Lize is a member of various real estate associations. One of her key roles is to co-chair the ALFI working group which develop the real estate financial framework and publish the REIF best practice papers.
- ▶ She is a qualified public auditor in Luxembourg, US and South Africa.

## *El-Dar Hachaev*

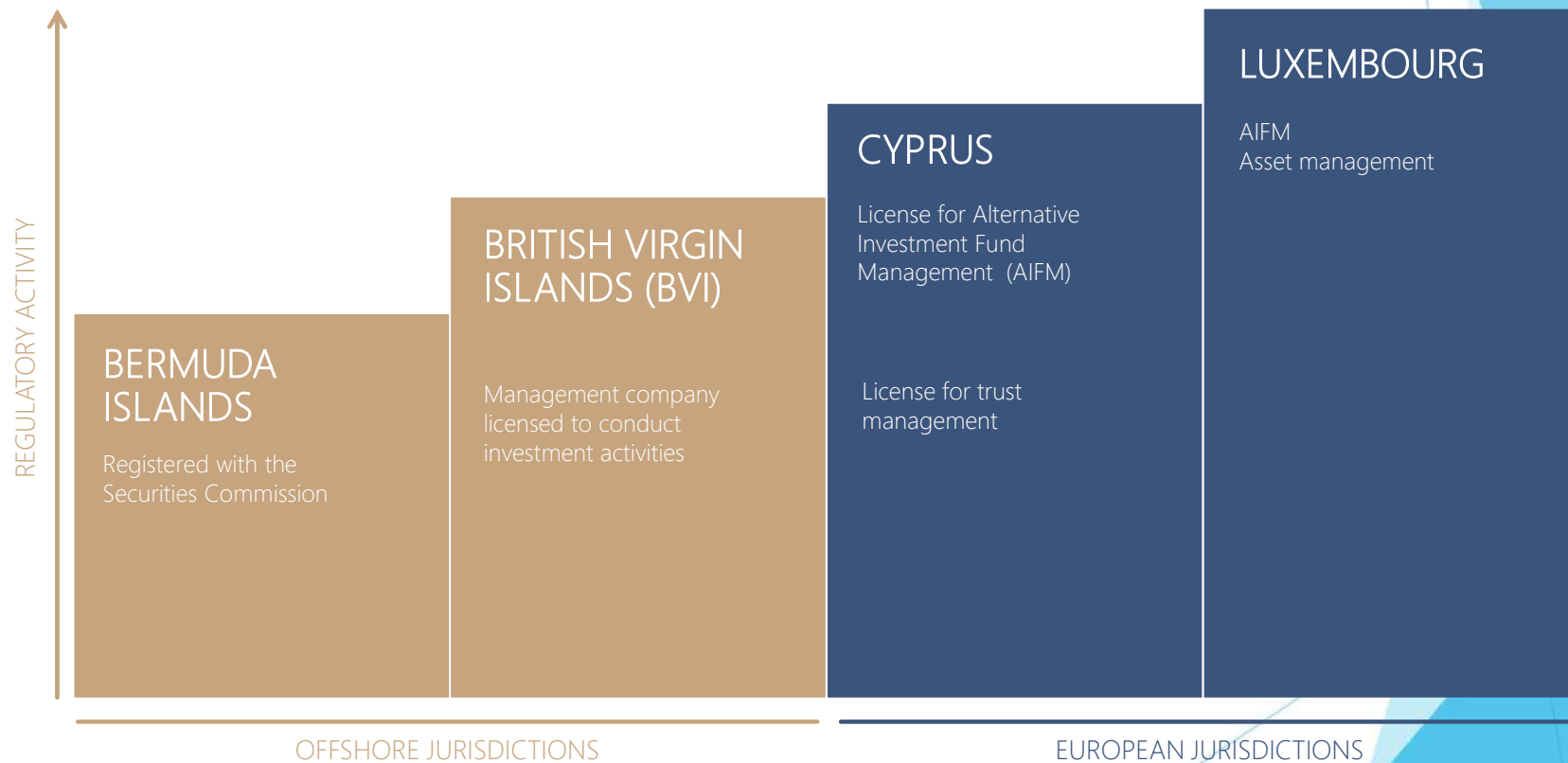
CFO, UFG WM Real Estate



- ▶ El-Dar has implemented internal banking for multinational industrial group.
- ▶ Residential real estate / Commercial real estate / Yachts
- ▶ Structures:
  - Regulated and unregulated
  - AIFM
  - Trusts
  - Holding
  - Direct ownership
- ▶ El-Dar`s scope of professional interest is property management, asset management, administration, deal and legal structuring.
- ▶ El-Dar is a licensed Real estate agent in Luxembourg since 2017.

## OUR PRESENCE

Due to our extensive geographic reach and the licenses we hold in a wide array of jurisdictions, UFG Capital delivers an impressive and comprehensive range of services regarding the management and structuring of assets.





# ASSET OVERVIEW

West Side Village  
3 buildings – 11.000m<sup>2</sup>





## *Dr. Pamela Hoerr*

Managing Director, Patrizia Real Estate



- ▶ Dr. Pamela Hoerr, MRICS, is Country Head Luxembourg and Managing Director. She is responsible for PATRIZIA's Platform Management in Luxembourg.
- ▶ From 2011 to 2016, she lead PATRIZIA's Asset Management in Germany with EUR 8bn Assets under Management covering all asset classes. Before her career at PATRIZIA, she initiated a Real Estate Opportunity Fund and built up its Asset Management.
- ▶ Dr. Hoerr also worked at Hudson Advisors and was responsible for the interim management of the largest NPL Deal with EUR 3.6bn face value. During this time, she built up a team in Munich to manage the NPLs/SPLs/PLs.
- ▶ She started her career at Ernst & Young in Real Estate consulting.
- ▶ Dr. Hoerr holds a degree in Business Administration and a PhD in Investments in Seniors' Housing from European Business School.

Manchester



Dusseldorf



Tubingen



## *Pavel Nesvedov*

Associate Director, RE Innovation Leader EY Luxembourg



- ▶ Pavel is an Associate Partner at our Luxembourg Real Estate practice focusing on real estate investment fund sector. Having 17 years of experience in audit and advisory services, he is experienced in providing audit and some non-audit services to large private and public international groups.
- ▶ He is experienced in the design and launch of operating and governance structures for PE/RE funds.
- ▶ Pavel played a significant role in the development of the real estate reporting frameworks, including application of IFRS for real estate sector and investor reporting frameworks (INREV guidelines and ALFI best practices).
- ▶ Pavel is in charge of the EY Real Estate Luxembourg IFRS technical desk. He is also part of the EY capital market group leading capital market engagements (IPO and bond offerings).

# Security token decentralised exchanges innovation

*Alexander Tkachenko*

founder VNX.IO - first security token decentralised exchange  
based in Luxembourg



## Alexander Tkachenko

Founder VNX.IO - first security token decentralised exchange based in Luxembourg



- ▶ Alexander Tkachenko, founder and CEO, VNX. Alexander is a serial entrepreneur, founder of [2be.lu](https://2be.lu) VC and crypto funds. Business angel. MBA London Business School and Columbia University.
- ▶ Alexander started his career as a journalist, then moved to advertising business - helping establish Dentsu operations in Moscow. He relocated to Luxembourg to work for TDK and in 2000 started TDK Russian operations (that became the largest market in Europe).
- ▶ Alexander also launched a USB/memory card distribution business and exited it several years ago. He helped his wife to start a multi-family office business in Luxembourg (still in existence) in 2014 - set up an early stage VC fund for customers of multi-family office. In 2017 Alexander started VNX.

# Venture Exchange\*



**\$6.1bn**

raised by “startups” in ICOs in 2017

**(\$3.3bn** in Q1'18)



In comparison, in 2017 VC funds

- invested \$160bn into startups
- and raised \$55bn for new funds

And \$180bn was raised in IPOs in 2017

*The biggest opportunity in financial markets is to bring the two worlds together:*

- opening up *Crypto* for “classic” public and private market investors
- opening up “classic” capital markets to retail and crypto investors

# Vision

- Building the world's first regulated security token marketplace
- Unlocking liquidity in the \$1tn global venture capital industry
- Providing access to venture capital to “main street” investors
- Providing a new way for funds to raise capital

Venture capital is a major driver of innovation and generates attractive returns, yet not accessible to 'main street' investors



**Complexity  
(investment and  
legal)**

Success in venture investing  
requires significant expertise



**High “entry”  
ticket**

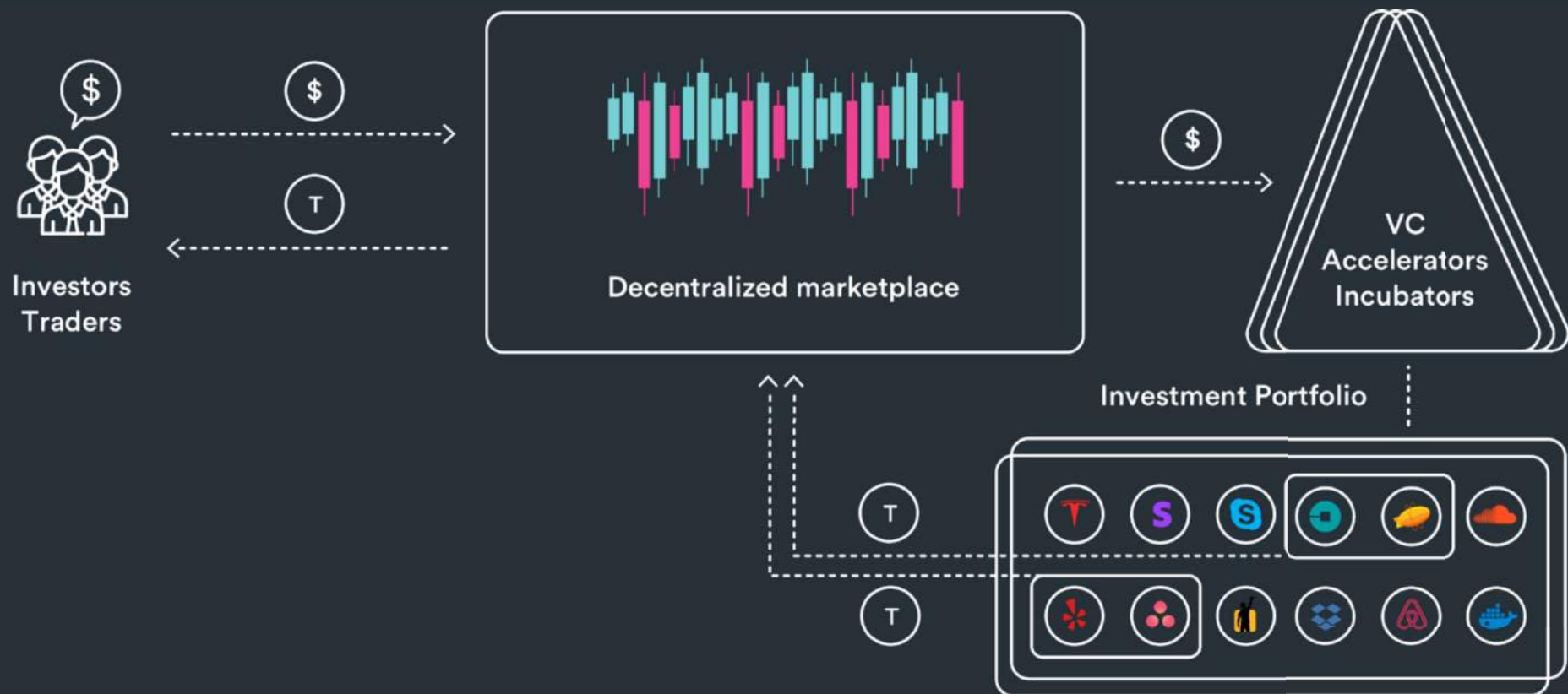
Large minimum capital  
required (\$100.000+)



**Long lock-up period  
for capital**

It takes an average of **8-10  
years** for a VC fund to  
return capital to their  
investors

By creating a regulated marketplace we are unlocking venture capital for millions of 'ordinary' investors





# Venture capitalists will be able to convert their existing investment portfolios into liquid digital assets

## **VCs (“Issuers”)**

(VC funds, incubators, accelerators)

**will be able to**

- convert their investment portfolios into **digital assets** “living” on the blockchain
- **list them on a decentralized exchange**, creating a liquid market for previously illiquid assets

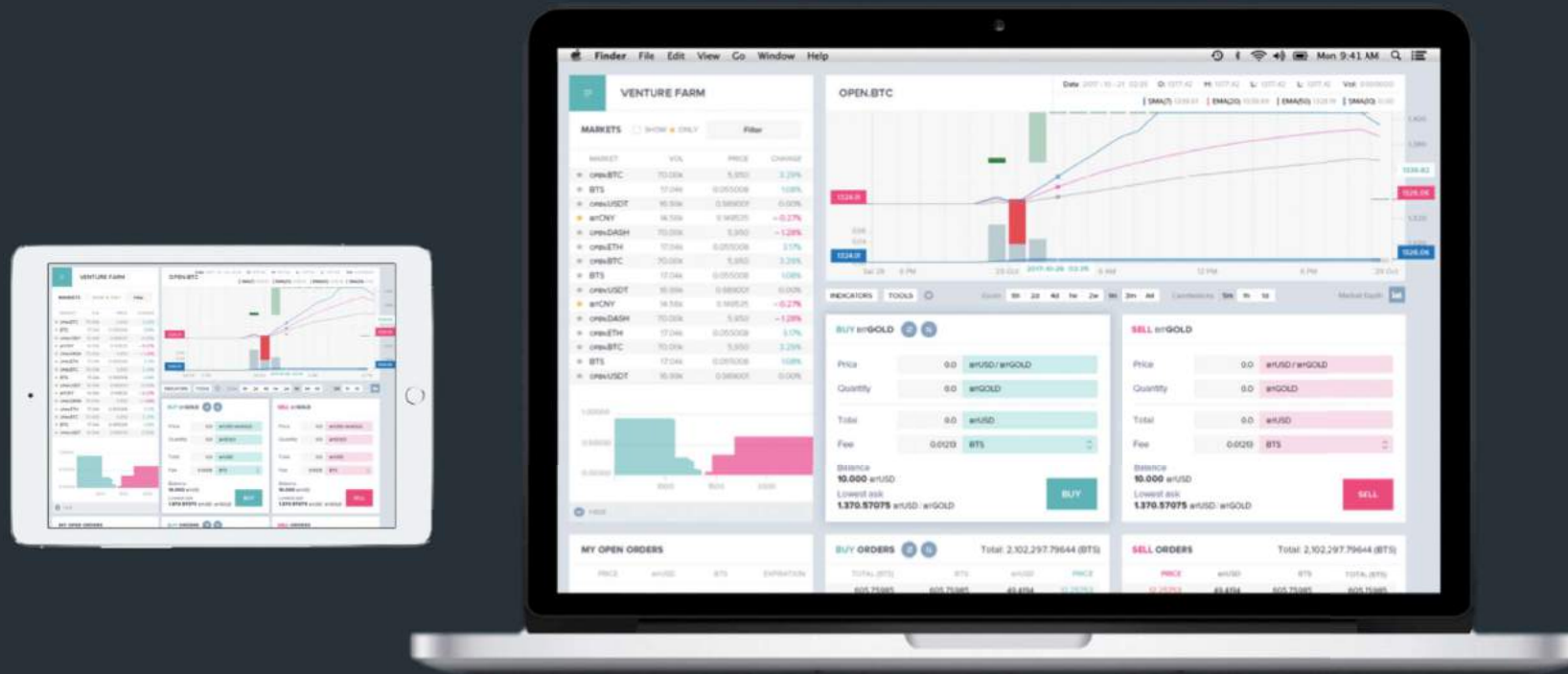
## **Investors will be able to**

(qualified crypto and classic investors)

**will be able to**

- invest into high quality digital assets linked to VC’s investment portfolios
- leverage the **expertise, experience and governance** mechanisms enforced by professional VCs (like due-diligence and board representation)

We've developed a fully functional 1<sup>st</sup> release that lays the groundwork for a robust and regulatory compliant platform



# Team



**Vladimir Khanumyan**  
Chairman

Former COO of CTC Media – the largest Russian private media company which he built from a start-up to listing on the NASDAQ  
Co-owner of the Sony Pictures Television Russia



**Dominique Valschaerts**  
Member of the Board

Former CEO of Brussels Stock Exchange, former member of executive committee of Luxembourg Stock Exchange



**Alexander Tkachenko**  
Founder/CEO

Founder of 2be.lu VC and crypto funds. Serial entrepreneur. Business angel. MBA London Business School and Columbia University.



**Anton Abashkin**  
COO

Co-founded PwC's Center for Technology and Innovation, 12+ years in consulting and M&A advisory, 8 years in VC and technology entrepreneurship



**Onenne Partsch**  
Legal\*

12+ years as independent lawyer, advising various EU institutions, including CSSF and IMF, on legal and compliance aspects. Former legal counsel at Central bank of Luxembourg.

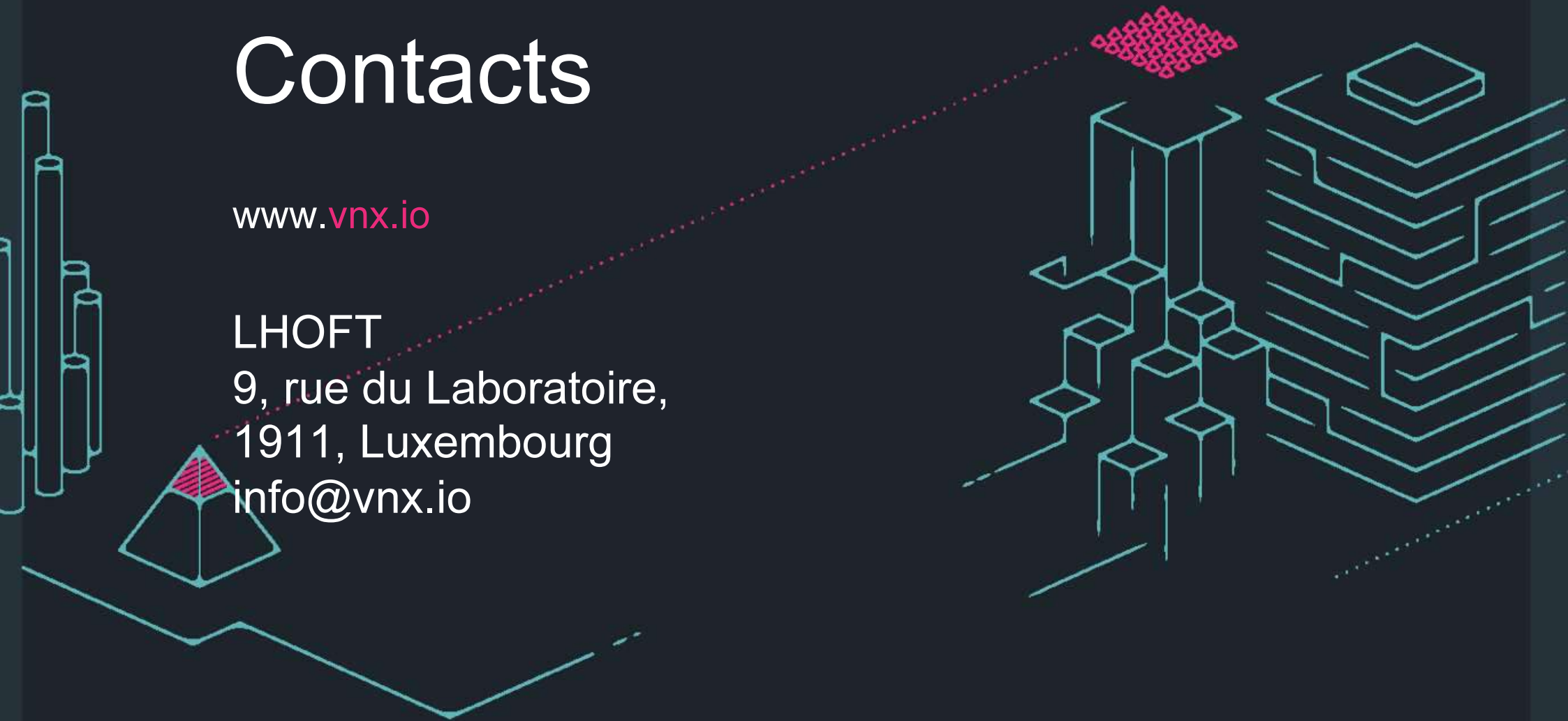
\* Lawyer registered with Luxembourg and Brussels Bars

# Contacts

[www.vnx.io](http://www.vnx.io)

LHOFT

9, rue du Laboratoire,  
1911, Luxembourg  
[info@vnx.io](mailto:info@vnx.io)



# Russian and Luxembourg contribution to private equity investments in Blockchain Technology

Moderator: *Franck A. Willaime - INSEAD and ILA Certified Director*

Panelists: *Ingrid Dubourdieu - Managing Partner, Fieldfisher*

*Pierre Gerard- CEO and coFounder ScoreChain*

*Alexander Tkachenko - Founder VNX.IO*

*Emilie Allaert - Head of Operations - LHoFT*

*Wim Stalmans - Founder and CEO of the Blockchain Academy*



# Franck A. Willaime

INSEAD & ILA Certified Independent Director



- ▶ Franck A. Willaime is an INSEAD & ILA Certified Independent Director, appointed since 2009 on boards of regulated investment funds and Tech companies.
- ▶ Franck has had over 20 years exposure to the financial markets & technology sector, with a specific focus on Fund Governance and Risk Management processes as well as data encryption.
- ▶ His professional career started with a French Bank on the floor of the Paris derivatives stock exchange.
- ▶ He has worked in New York, London, Paris and Luxembourg where he now lives. He graduated from the ISC Paris business school in 1997 and holds an MBA from the Terry College of Business, University of Georgia, USA. He is an active member of a number of industry associations including the ALFI Fintech working group, LHoFT, ALCO, ALRiM and the Institut Luxembourgeois des Administrateurs.

## *Ingrid Dubourdieu*

Managing Partner, Fieldfisher



- ▶ Ingrid advises local and international financial institutions (including management companies and financial institutions) and professional investors on all Luxembourg legal, regulatory and compliance matters.
- ▶ Ingrid is more particularly specialised in the structuring, setting-up, documentation and conduct of business of regulated and non-regulated investment funds (UCITS and AIFs - all asset classes such as capital markets, hedge funds, private equity, real estate, distressed assets, tangible assets, Fintech).
- ▶ Before joining Fieldfisher Ingrid has created the Asset Management practice of another Luxembourg law firm since April 2013.

## Pierre Gerard

CEO & coFounder ScoreChain



- ▶ Pierre Gerard started to show interest in Bitcoin and Blockchain in 2014. He first created one of the first mobile Bitcoin wallet for iOS (Yallet), and then in 2015 he co-founded Scorechain and became CEO.
- ▶ Alongside, Pierre regularly advise major accounts on digital transformation related to Blockchain and its applications since Scorechain also helps large accounts to develop Proof-of- Concept and products. Pierre was one of the leader of the Fundchain project (Luxembourg Blockchain Consortium, [fundchain.lu](http://fundchain.lu)) and work closely with major financial institutions to bring Blockchain to the financial world.
- ▶ Pierre holds a master's degree in computer science and started his career at Reuters Luxembourg within the Risk Management department for 5 years. In 2000, he started his entrepreneurial career and was one of the co-founder of Jamendo the biggest music platform under creative commons license.

## Wim Stalmans

CEO & founder of the Blockchain Academy



- ▶ After a career of 15 years in investment management, Wim Stalmans reoriented his professional activity towards Blockchain in the beginning of 2016 and created The Blockchain Academy® in the first quarter of 2017.
- ▶ Wim is the mentor for a series of introductory Blockchain courses and workshops and writes articles with a focus on the vulgarisation of critical elements in the understanding of Blockchain. He trains board of directors and corporate teams in Luxembourg and Belgium. Among his clients he counts fiduciaries, law firms and financial services companies.
- ▶ Wim has been educated at The Massachusetts Institute of Technology (MIT) and holds Master degree in Management from UCL, Belgium.

We are particularly grateful to our  
**PERE Committee**  
for the organization of this event!

<b>Olga HUIZINGA</b> Group Leader
<b>Irina Boechat</b> <i>Pan Invest</i>
<b>Lyudmyla Buzyanovska</b> <i>Intetrust</i>
<b>Timothy Fenwick</b> <i>Quantum Potes S.A.</i>
<b>Pierre Goes</b> <i>Mizuho</i>
<b>Richard Hawel</b> <i>EP Estate</i>
<b>Yana Nebolsina</b> <i>Top Home Lux</i>
<b>Pavel Nesvedov</b> <i>EY</i>
<b>Olena Rebrova</b> <i>Blackstone Group</i>
<b>Romain Viard</b> <i>Wildgen, Partners in Law</i>
<b>Franck A. Willaime</b> <i>INSEAD &amp; ILA Certified Director</i>



Thank you  
for your attention!