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STO: Ideal for Repayment of Crowdfunding or Bonds

A STO (Security Token Offering) is an ideal possibility to repay expiring crowd or bond loans. The implementation is simple and at the same time it opens the door to further growth capital, according to IR CONSULT, specialist for capital market financing since 1994.

In recent years, some companies have used crowdfunding or even corporate loans to finance their growth. Many have had great success with it. However, these financing options are **finite**, i. e. the associated loan must be repaid after 2 to 5 years. There are various possibilities for this: a repayment from the cash flow, a new crowd or bond financing or an issue of tokens via an STO.

STOs also have other significant advantages: With an STO, crypto tokens are generated and sold to investors worldwide. This enables the issuing company to realize its further growth plans. As security tokens are securities, the token buyers can also receive a share of the profits or interest and often also benefit if the company is sold. An additional big advantage is that the companies that have already had a crowd or bond financing have already prepared a securities prospectus or business plan. They thus meet the requirements for an STO. And for crowd companies in particular, the maximum amount of an issue of € 8 million and the limiting German regulations are no longer applicable: an STO can be offered worldwide and also supports the operational business.

At the same time, tokens are not shares, i. e. the token owner (usually) does not receive any direct shares in the company or voting rights. There is therefore no dilution of the old owners with capital measures, and the company nevertheless receives the required growth capital. A win-win situation par excellence. And after a few years of company growth and value appreciation, an **IPO** can be an ideal exit for token owners. Thanks to an early and comprehensive planning IR CONSULT supports all individual financing steps and thus accelerates the realization.

PRESS RELEASE

About IR CONSULT:

The founder, Alexander Vollet, holds a degree in industrial and business engineering and worked for 8 years as an equity analyst at Deutsche Bank, UBS and SEB-Bank. He holds the DVFA award as "Investment Analyst" and the bdvb certification as "Independent Management Consultant". 25 years ago, he founded IR CONSULT (www.ir-consult.de) as a specialist management consultancy for IPOs and fundamental investor relations. The highly experienced IRC team has realized almost 100 IPOs to date and has managed more than 100 investor relations mandates.

Since 2017, we also support ICO/STO candidates to successfully implement their STO (www.sto-ico.de). IRC has established its own international cooperation network, which is very helpful in the realization of capital measures. All in all, we improve the realization chances of capital market transactions and accelerate the decision-making process for investors.

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