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Whitepaper

Whitepaper

Block Street: A Proposal for a Unified Liquidity Layer in On-Chain Capital Markets

Block Street: A Proposal for a Unified Liquidity Layer in On-Chain Capital Markets

The Block Street Team

1 Executive Summary and Market Context

The digital asset landscape is undergoing a systemic evolution, with tokenized securities emerging as a foundational component for a new class of financial primitives. The current market, while exhibiting substantial growth, is characterized by significant structural deficiencies. Current data reveals a Total Value Locked (TVL) of over $370 million and a Monthly Volume exceeding $270 million (per CoinGecko, rwa.xyz), demonstrating a clear demand for on-chain capital markets. However, these markets are plagued by fragmentation, operational inefficiencies, and inadequate risk management protocols, which collectively impede the full realization of their potential.

Block Street proposes a technical solution to these challenges: an integrated liquidity layer designed to provide the foundational infrastructure for the secure, efficient, and scalable deployment of on-chain capital markets. This document outlines our architectural framework, technical implementation, and strategic approach to address the existing market inefficiencies and positions Block Street as the definitive solution for the tokenized securities ecosystem.

2 Problem Diagnosis

Despite growing demand, tokenized securities markets are severely constrained by structural gaps that prevent them from achieving full capital-market utility:

2.1 Liquidity Fragmentation and Market Inefficiency

The Real-World Asset (RWA) tokenization market has reached a meaningful scale, surpassing $25 billion in on-chain value by mid-2025, with tokenized equities alone sustaining approximately $800

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million in average monthly transaction volume since June 2025. This growth validates both underlying demand and asset velocity; however, the market remains structurally constrained. Tokenized equity markets are still fragmented across issuers, chains, and execution venues, with tokenized U.S. stocks representing only ~$370 million in aggregate market capitalization, a negligible fraction of their TradFi counterparts. Liquidity is shallow, bid-ask spreads are wide, and price dislocations from underlying NAV persist. The dominant reliance on passive AMM-based microstructure and siloed issuer liquidity introduces a systemic "fragmentation tax"—manifesting as high execution costs, unreliable fills, and unpredictable inventory risk. Without unified liquidity pools or institutional-grade execution and risk controls, even modest trade sizes incur disproportionate slippage, rendering current market conditions insufficient for sustained institutional participation despite headline growth.

Our post-June 2025 market analysis confirms the restrictive metrics that deter large-scale institutional participation. The median tracking error (Price − NAV/NAV) ranges from 0.6-0.9%, imposing high inventory risk and necessitating wide spreads to compensate for price divergence. The basis tail spread at the 95th percentile reaches 1.2-1.8%, indicating persistent, exploitable price dislocations across tokenized issuers. Depth concentration shows approximately 70% of liquidity concentrated in fewer than 3 venues, resulting in crippling fragmentation with slippage exceeding 40 basis points and low fill ratios for institutional clip sizes. The median spread in AMM benchmarks sits at 15-18 basis points, as static AMM pricing cannot accommodate tight, risk-managed quoting.

2.2 Operational and Risk Inefficiencies

Many DeFi protocols rely solely on-chain auction mechanisms for collateral liquidation—vulnerable to network congestion, oracle inaccuracies, or rapid price swings. These methods are not only slow but can cascade into bad-debt spiral during volatile markets. Real-world analogs show that layered, interoperable risk infrastructure is critical, yet largely absent in current tokenized markets.

2.3 Lack of Standardized Risk Framework & Interoperability

Tokenized assets suffer from inconsistent custodial models (e.g., whitelisted addresses, SPV structures), regulatory variance, and fragmented execution venues. The RWA space is estimated at $26B+ on-chain, but remains largely illiquid, with low transfer activity and few active trades per token —evidence of capital immobilization despite blockchain's theoretical promise. Moreover, industry voices highlight that fragmented liquidity, especially across chains or issuance platforms, is a key bottleneck (analogous to fragmented bond markets in TradFi before central clearing houses) - a structural barrier preventing scale.

3 Our Experience and Vision

The Block Street team possesses a unique blend of expertise derived from Wall Street risk management, scaled fintech product development, and crypto engineering. This combination of experience provides a significant competitive advantage in navigating the complexities of building a compliant and technologically sound on-chain capital market.

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We come from the privileged world of institutional finance, where efficient clearing, deep liquidity, and sophisticated risk systems are taken for granted — and we saw firsthand the power these rails give to those already inside the system. At the same time, we've also lived in DeFi, where finance should be open and inclusive, yet tokenized markets remain fragmented, fragile, and underpowered. Block Street was born at this intersection: we know how Wall Street wins, we believe DeFi should share those advantages, and we see digital and on-chain technology as the catalyst to finally close that gap. Our mission is to bring the fairness, efficiency, and scale of institutional markets into an open, programmable layer that everyone can access — building the equity backbone of tomorrow's financial system.

4 The Block Street Solution: Unified Liquidity Layer Architectural Framework

The Block Street unified liquidity layer is engineered as a multi-tiered architecture, designed to transform static tokenized assets into dynamic, programmable financial primitives. This framework systematically addresses the core issues of fragmentation, inefficiency, and lack of interoperability.

The Foundation: The Unified Liquidity Pool — This foundational layer serves as the core "plumbing" of the protocol. It functions as a centralized aggregator of liquidity, consolidating on-chain and off-chain sources into a single, cohesive pool. This architecture is purpose-built for seamless protocol integration, enabling a shared, deep liquidity environment for all participants. By establishing a unified foundation, Block Street mitigates market fragmentation and enhances price discovery, providing the necessary infrastructure to handle the scale and demands of institutional capital.

A Better Risk Management Layer: The Hybrid Liquidity Engine — This proprietary layer constitutes our core innovation in risk mitigation. It is a sophisticated, two-phase Liquidity protocol that fuses traditional finance (TradFi) risk management principles with the automated, transparent nature of DeFi. By initiating private, off-chain auctions and providing a public, on-chain fallback, this engine maintains stability even during periods of extreme volatility. Its primary objective is to maintain collateral health and prevent the accumulation of bad debt, thereby enabling the protocol to safely offer higher Loan-to-Value (LTV) ratios than competitors.

The Application Layer: Advanced Trading Strategies — Built atop the foundational and risk management layers, this layer provides an advanced toolkit for sophisticated market strategies. It is designed to be accessible to both institutional and retail users, enabling a range of complex operations such as basis trading, yield optimization, and delta-neutral strategies. This layer transforms the underlying liquidity and risk management capabilities into practical, capital-efficient tools, creating an environment that supports a new class of financial engineering on-chain.

The Ecosystem: Programmable DeFi Integration — This final layer is designed for maximum interoperability and composability. It exposes our core functionality as programmable primitives, enabling seamless integration with other DeFi protocols. Through this layer, developers can build novel applications that leverage Block Street's deep liquidity and robust risk management. The

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primary function of this layer is to facilitate programmable yield generation, allowing tokenized assets to be utilized for productive purposes across the broader DeFi ecosystem, thereby unlocking their full potential as financial primitives.

5 Block Street End Interfaces

The Block Street architectural stack underpins both Everst and Aqua, two vertically integrated systems built atop the Unified Liquidity Layer. While Everst focuses on on-chain leverage and capital efficiency for tokenized stocks, Aqua extends liquidity interoperability across ecosystems, completing the infrastructure loop from execution to settlement.

5.1 Block Street Aqua: Cross-Protocol Liquidity Network

Aqua is Block Street's cross-chain and cross-protocol liquidity routing system — the "plumbing" that powers real-time execution and settlement across multiple DeFi ecosystems. It serves as the connective tissue between Block Street's Unified Liquidity Layer and external tokenized asset issuers, exchanges, and protocols.

Key Functions:

- **Unified Liquidity Routing:** Aqua aggregates fragmented liquidity across EVM and non-EVM chains (e.g., Ethereum, BNB, Base) into a unified routing layer, ensuring best execution and minimal slippage.
- **Cross-Protocol Collateralization:** Enables assets locked on one protocol to be represented and borrowed against on another, via composable wrapped positions.
- **Dynamic Risk Netting:** Synchronizes risk metrics across issuers, brokers, and custodians, enabling near-real-time solvency checks for on-chain leveraged products.
- **Institutional-Grade API Layer:** Provides broker-dealers, MM desks, and custodians with plug-and-play access to Block Street's liquidity pools through RFQ and WebSocket endpoints.

Aqua is chain-agnostic, composable, and designed for liquidity abstraction—a necessary foundation to make tokenized assets trade as fluidly as traditional equities. Its integration with Everst forms a vertically cohesive capital market stack: Aqua handles the flow, Everst drives the leverage.

5.1.1 Aqua Early Win: Institutional Execution & Alpha Validation Layer

As of Q1 2026, Aqua has demonstrated significant performance metrics that validate its market approach. Cumulative transaction volume has surpassed $241M+, with institutional market share exceeding 65%+, underscoring the scalability and institutional readiness of the model.

Four Pillars of Alpha Extraction:

Aqua's validated approach leverages advanced hybrid financial engineering to systematically address all market deficiencies, transforming execution quality and maximizing capital efficiency.

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	Aqua's Tested Approach (June 2025 – Q1 2026 Data)	Delta Impact
1	**Aggregation = Depth x Speed** — Aqua's RFQ layer merges multiple issuers into a synthetic consolidated book, raising effective inside-50 bps depth by +42% and reducing median spread from 18 bps to 9 bps.	Spread Compression
2	**NAV Anchoring = Lower Risk** — Using real-time equity ETF feeds (e.g., Pyth), Aqua dynamically adjusts quotes, reducing median tracking error from 0.9% to 0.5% and dropping adverse-selection losses by ~35% vs. static AMMs.	Risk Reduction
3	**Cross-Issuer Routing = Alpha Extraction** — Normalized APIs identify persistent 0.6-1.0% basis gaps (post-cost), executing hedge legs within 22-28s—a >4x speed-up vs. manual/single-chain routing.	Alpha Capture
4	**Hybrid Off-/On-Chain Settlement** — Signed EIP-712 quotes settle on-chain with millisecond-level off-chain price computation, eliminating MEV risk.	MEV Protection

Comparative Performance Uplift: Aqua vs. AMM Baseline

Lever	Without Aqua (AMM/Single Venue)	With Aqua RFQ Infra	Delta Impact
Median Spread	18 bps	9 bps	-50% Spread Compression
Effective Depth (<= 50 bps)	$120k / side	$170k / side	+42% Fill Probability Increase
Arb Cycle Time	90–120 s	22–28 s	4x Faster Capture Rate
Annualized ROE ($3M Inv.)	20-25%	55-65% (MM) / 65-105% (Arb)	2x-3x Higher Capital Efficiency

5.1.2 Performance Validation and Institutional Readiness

Model-Verified Profitability (ROE and PnL)

The simulated performance over the period since launch (June 2025 – Q1 2026) validates the structural alpha generated by the Aqua system. The improvement is driven by the elimination of frictional costs (gas, slippage, IL) and the superior velocity enabled by low-latency routing.

Mode	Gross Spread/Basis	Turns/Day	Annual Gross PnL ($3M Inv.)	Annualized ROE
AMM Baseline	18 bps (Net ~9 bps)	1.0	$0.68M	~23%
Aqua RFQ MM	9 bps (Net ~8.5 bps)	1.4	$1.68M	55-65%
Aqua Systematic Arb	0.62% Basis x 5 cycles/day	~5.0	$1.9-3.2M	65-105%

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The MM Mode success is driven by tighter quotes and higher fill probability, while the Systematic Arb PnL is directly tied to the superior 22-28 second cycle time, allowing for maximized inventory utilization across transient 1.2-1.8% basis windows. As of Q1 2026, Aqua's cumulative transaction volume has surpassed $241M+, with institutional transactions accounting for over 65% of total market activity. This growing institutional participation rate validates Aqua's positioning as the preferred execution venue for professional liquidity providers, with network effects compounding as more market participants integrate through standardized APIs.

5.1.3 Capital Allocation & Risk Management

Capital Allocation & Risk-Adjusted Returns (RoRWA)

Aqua prioritizes predictable PnL by actively managing inventory risk. The observed 44% reduction in median Tracking Error (from 0.9% to 0.5%) significantly lowers the Value-at-Risk (VaR) profile of the trading book, ensuring stable Mark-to-Market PnL and enabling superior Return on Risk-Weighted Assets (RoRWA) modeling. This refined risk profile is the fundamental requirement that permits higher leverage and scaling of the arbitrage inventory.

Guaranteed Execution & MEV Protection

The hybrid off-chain RFQ model, leveraging EIP-712 digital signatures, provides two critical institutional safeguards:

- **Guaranteed Price:** Quotes are fixed and signed off-chain, eliminating the unpredictable slippage and market impact inherent in open-mempool AMM trading.
- **MEV Mitigation:** By keeping the transaction intent private, the EIP-712 protocol shields the order flow from front-running, sandwich attacks, and other forms of Maximal Extractable Value (MEV) exploitation. This ensures that the high gross returns are reliably converted into net realized profit.

Operational Resilience and Fixed Infrastructure Advantage

Maintaining the 22-28 second latency edge requires a robust, purpose-built infrastructure. The off-chain price computation significantly reduces variable gas costs while demanding a fixed investment in low-latency network peering and institutional oracle feeds (e.g., Pyth). This fixed infrastructure investment is recognized as the necessary foundation for the superior execution quality, ensuring the technological advantage is sustained and defensible against competitors.

5.2 Block Street Everst: Engineering the Future of On-Chain Finance

Block Street Everst is the flagship leverage and liquidity protocol within the Block Street ecosystem, functioning as the first institutional-grade product layer on the Unified Liquidity Layer. It bridges tokenized real-world equities (e.g., TSLA, NVDA) with crypto-native capital flows, enabling users to borrow, hedge, and yield-farm against tokenized stocks.

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Unlike legacy DeFi lending platforms, Everst integrates off-chain broker-dealer networks and on-chain liquidity pools via our proprietary Hybrid Liquidity Engine. This dual system enables:

- **Low-latency execution:** Through private RFQ matching with market makers.
- **Collateral efficiency:** Dynamic LTV adjustment according to market volatility.
- **Capital reusability:** Borrowed assets can be re-deposited into yield-bearing pools or used across DeFi protocols via composable token standards.

Everst aims to become the liquidity benchmark for tokenized stocks, ensuring institutional-grade stability while maintaining decentralized access.

In its initial testnet phase, Everst attracted over 700,000 wallets, validating retail and institutional appetite for cross-asset leverage on tokenized stocks.

6 Architectural Framework: A Multi-Layered Approach

6.1 Engineering the Future of On-Chain Finance

Block Street's engineering philosophy is centered on building a robust, secure, and scalable protocol that meets the stringent demands of institutional finance while maintaining the decentralized ethos of the on-chain world. This multi-layer system is designed for security, scalability, and seamless integration with the broader DeFi ecosystem.

The Compliant Counterparty Layer — As the foundational layer, this acts as the base for our entire system. It is designed to serve as a compliant counterparty framework, providing the necessary infrastructure to integrate with multiple issuers, brokers, and liquidators across various on-chain and off-chain venues. This layer is crucial for providing a secure and regulated entry point for institutional capital.

Interoperability and Composability — This layer focuses on enabling seamless interoperability between different token standards. Its core functionality is to represent positions as transferable tokens, which unlocks new possibilities for cross-protocol use. This ensures that a user's position within Block Street is not a static liability but a dynamic, programmable asset that can be used as collateral or traded across the DeFi ecosystem.

The Trading & Execution Engine — This layer represents the core execution environment for capital within the protocol. It is engineered with a focus on both security and operational efficiency. The engine's design incorporates rigorous, multi-stage audits and formal verification to secure our liquidity pools against exploits and vulnerabilities. Furthermore, it leverages sophisticated liquidity routing mechanisms, including Request for Quote (RFQ) routing, which directs large-volume trades to a network of pre-approved off-chain market makers. This specialized routing is critical for minimizing slippage and optimizing execution for experienced and advanced participants, ensuring that high-value trades are executed at institutional-grade efficiency.

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The Hybrid Liquidity Engine — This layer incorporates our proprietary Hybrid Liquidity Engine, which provides a dynamic Loan-to-Value (LTV) linkage. The engine's architecture allows for a more flexible and robust risk management framework. By providing both private, off-chain and public, on-chain liquidation mechanisms, it enables greater capital efficiency and token composability without compromising stability. (See details in 6.2)

The Utility and Interface Integration Layer — This is the central application layer where the core financial primitives of the protocol are exposed. It provides the core borrowing, lending, and leverage modules necessary for seamless integration with external applications, exchange wallets, and partners. This layer aggregates the capabilities of the lower layers to deliver a powerful and efficient financial toolkit and represents the full integration of the Block Street protocol with the wider DeFi ecosystem. It is the culmination of the lower layers' functionality, providing a secure, scalable, and fully programmable system that can be leveraged by other protocols and applications to facilitate new forms of on-chain financial engineering.

6.2 The Core Advantage: Hybrid Liquidity Engine

The Hybrid Liquidity Engine is a technical solution to the systemic risks of inefficient liquidity. The protocol initiates a private, off-chain auction with pre-qualified institutional partners (e.g., market makers) upon a collateral health threshold breach. If the position is not fully liquidated via private auction, a public, on-chain auction is triggered as a final recourse. This dual-mechanism approach yields several critical outcomes:

- **Elimination of Bad Debt:** The rapid and efficient liquidity process mitigates the risk of protocol insolvency.
- **Increased Capital Efficiency:** The reliability of the engine enables the protocol to safely offer higher Loan-to-Value (LTV) ratios than competitors.
- **Liquidity Sourcing:** The protocol's ability to access both on-chain and off-chain liquidity ensures resilience during periods of extreme market volatility.

7 Business Model and Projections

Block Street's business model is designed around monetizing structural inefficiencies in tokenized capital markets while building recurring, infrastructure-level revenue streams that scale with market adoption. The protocol generates revenue across execution, financing, and infrastructure layers, with early validation already demonstrated through Aqua's production deployment.

Interest Rate Spread: The differential between borrowing and lending rates via Everst. Everst generates recurring revenue through the spread between borrowing and lending rates on tokenized equities and structured RWA collateral. By combining off-chain institutional liquidity with on-chain composability via the Hybrid Liquidity Engine, Everst can safely support higher capital efficiency than traditional DeFi lending models, enabling competitive rates while preserving protocol margins.

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Systematic Arbitrage (Aqua): Aqua captures alpha through basis gaps (0.6-1.0%) across tokenized issuers. Current modeling suggests an Annualized ROE of 65-105% for Systematic Arb modes. Aqua monetizes fragmented tokenized equity markets by capturing persistent 0.6–1.0% basis gaps across issuers through RFQ-based execution and cross-venue routing. In production, Aqua operates both market-making and systematic arbitrage strategies, with modeled annualized ROE of ~65–105% for systematic arbitrage modes under conservative turnover assumptions. As of the most recent period, Aqua has reached approximately $200,000 in monthly protocol revenue, scaling steadily alongside market volume growth and institutional participation. This revenue is driven by execution fees, spread capture, and routing efficiency rather than speculative leverage, providing a defensible and repeatable income base.

Supplementary Revenue Streams: These include liquidity and settlement rebates, structured products, derivatives offerings (projected for 2026+), and API licensing.

- **Liquidity & Settlement Rebates:** Fees earned through routing and settlement optimization across partner venues and issuers.
- **Structured Products & Yield Strategies:** Packaged basis, carry, and delta-neutral products built on top of Everst and Aqua liquidity.
- **Derivatives & Advanced Risk Products (2026+):** Options, structured credit, and volatility products referencing tokenized RWAs.
- **Institutional API & Infrastructure Licensing:** Paid access to RFQ endpoints, routing APIs, and risk-synchronized execution for brokers, market makers, and custodians.

Based on current traction, $118M in blended monthly volume achieved, and assuming continued growth in tokenized equity issuance and institutional adoption, Block Street projects total monthly volume scaling toward $800 million by the end of 2026, representing approximately 65% share within targeted tokenized equity and RWA liquidity corridors. As execution quality improves and additional asset classes onboard, revenue is expected to scale non-linearly relative to volume due to increased turnover, routing density, and capital reuse.

8 Roadmap

Our market strategy is founded on cultivating key strategic partnerships to facilitate adoption and foster network effects. Our collaborative ecosystem includes a diverse group of industry leaders and protocols. Block Street's roadmap is structured to progressively evolve from execution infrastructure into a full-stack liquidity and risk backbone for tokenized capital markets. Each phase builds on validated production systems rather than speculative feature expansion.

8.1 2026: Liquidity Foundation & Asset Expansion

Phase 1 — Institutional Liquidity Network (Q1 2026)

- Scale Aqua as the default RFQ and routing layer for tokenized equities across major issuers and chains

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- Expand institutional API access for market makers, broker-dealers, and custodians
- Standardize cross-issuer execution, pricing, and settlement primitives
- Deepen liquidity density and reduce fragmentation across existing equity tokens

Phase 2 — Multi-Asset RWA Support (Q2–Q3 2026)

- Extend Everst and Aqua support to pre-IPO equities, private credit, ABS, and MBS-style RWAs
- Introduce asset-specific risk parameters and liquidation profiles within the Hybrid Liquidity Engine
- Enable structured carry, basis, and yield strategies across heterogeneous RWAs
- Begin packaging institutional-grade yield products built on verified underlying assets

Phase 3 — RWA Trading Venue Preparation (Q4 2026)

- Lay the groundwork for a high-quality, compliance-aware trading venue dedicated to verifiable RWAs
- Focus on execution quality, settlement certainty, and risk transparency rather than retail speculation
- Position Block Street as neutral infrastructure rather than an issuer or exchange

8.2 2027: Market Deepening & Institutionalization

- Expand derivatives coverage (options, structured credit, volatility overlays) on tokenized RWAs
- Launch risk-netted cross-margin frameworks across Everst and Aqua
- Support secondary liquidity for long-duration RWAs (private credit, structured products)
- Increase institutional balance-sheet participation via improved capital efficiency and execution certainty

8.3 2027+: Global RWA Liquidity Backbone

- Establish Block Street as a cross-jurisdictional liquidity and risk coordination layer for tokenized capital markets
- Support sovereign, quasi-sovereign, and large-scale real-asset tokenization programs
- Enable programmable, composable capital markets where RWAs trade with TradFi-grade liquidity, transparency, and efficiency
- Transition governance and parameter control progressively toward decentralized, stakeholder-driven oversight

9 Tokenomics

The BSB token serves as the native utility token of the Block Street ecosystem, allocated to support protocol growth, incentivize participation, and ensure long-term alignment across liquidity providers, institutional partners, developers, and users.

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BSB will be deployed on Ethereum and BNB Chain, enabling seamless participation across Block Street's cross-chain liquidity infrastructure. The total supply of BSB is fixed at 1,000,000,000 tokens, with allocations structured to balance ecosystem expansion, decentralization, and operational sustainability. At TGE, 20.775% of the total supply (207,750,000) BSB tokens are expected to be initially in circulation, with the remaining tokens released gradually according to vesting schedules.

The BSB token allocation and vesting schedule are structured as follows:

Allocation	Percentage	Vesting
Community & User Incentives	22.10%	3.125% unlocked at TGE, 5-year vesting
Ecosystem Partners	20.60%	2% unlocked at TGE, 5-year linear vesting
Exchanges & Marketing	10.65%	100% unlocked at TGE
Treasury	5.65%	6-month cliff, 5-year linear vesting
Team & Advisors	17.30%	12-month cliff, 5-year linear vesting
Core Investors	15.70%	12-month cliff, 4-year linear vesting
Strategic Investors	3.00%	12-month cliff, 4-year linear vesting
Liquidity	5.00%	100% unlocked at TGE

Community & User Incentives (22.10%): Allocated to early retail users, testnet participants, and community supporters. This allocation supports airdrops, liquidity mining, trading rewards, staking incentives, and other user engagement programs designed to reward active participation and strengthen protocol liquidity.

Ecosystem Partners (20.60%): Allocated to institutional partners, liquidity providers, developers, and integration partners supporting Block Street's liquidity infrastructure. This allocation supports cross-chain deployments, liquidity provisioning, protocol integrations, and ecosystem expansion initiatives aligned with long-term network growth.

Exchanges & Marketing (10.65%): Allocated to support exchange listings, market expansion, trading campaigns, and user acquisition initiatives.

Treasury (5.65%): Allocated to support protocol sustainability, including development, security audits, operational expenses, ecosystem grants, and strategic initiatives. Treasury management will progressively transition to decentralized governance.

Team & Advisors (17.30%): Allocated to founders, core contributors, employees, and advisors to ensure long-term alignment and continued protocol development.

Core Investors (15.70%): Allocated to seed and private round investors who provided funding for protocol development, infrastructure, audits, regulatory setup, and global expansion.

Strategic Investors (3.00%): Allocated to future strategic partners and institutional participants contributing to ecosystem growth, liquidity expansion, and long-term network development.

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Liquidity (5.00%): Allocated to provide liquidity across centralized and decentralized exchanges, support market-making operations, and ensure efficient price discovery and stable token circulation.

10 Token Allocation and Utility

The native cryptographically-secure fungible protocol token of Block Street (ticker symbol BSB) is a transferable representation of attributed utility functions specified in the protocol/code of Block Street, and which is designed to be used solely as an interoperable utility token thereon.

Block Street's token supply is allocated to ensure a community-first ecosystem and long-term development. **Key Token Utilities:** The Block Street token is designed as a multi-utility infrastructure token:

- **Governance:** Token holders can vote on protocol upgrades, new asset listings, fee parameters, and other key decisions, steering Block Street's evolution.
- **Membership tiers:** Active traders and participants holding tokens enjoy reduced trading fees. Staked token holders can also qualify to participate in exclusive activities for premium membership tiers, aligning incentives between the platform and its users.
- **Ecosystem Participation:** The token acts as a gateway to Block Street's ecosystem – from accessing premium features to qualifying for community initiatives (such as governance committees, staking programs, and exclusive pools). Our token serves as relationship-building tools — aligning major ecosystem participants with Block Street's long-term success by giving them a direct stake in the protocol. Tokens distributed through this program will often carry vesting conditions or performance milestones to ensure continued engagement and contribution.
- **Reward active participation:** Users who provide liquidity, trade tokenized assets, or interact with Block Street-powered applications will earn BSB as incentives. This mechanism not only drives adoption but also deepens the protocol's liquidity.

10.1 Token Utilities and Use Cases

The BSB token is not just a static asset; it has multiple utilities that make it the lifeblood of the Block Street ecosystem. By imbuing BSB with clear use cases, Block Street ensures demand for the token is driven by platform usage and growth, not mere speculation.

BSB is a functional multi-utility token which will be used as the medium of exchange between participants on Block Street in a decentralised manner. The goal of introducing BSB is to provide a convenient and secure mode of payment and settlement between participants who interact within the ecosystem on Block Street without any intermediaries such as centralised third party entity/institution/credit. It is not, and not intended to be, a medium of exchange accepted by the public (or a section of the public) as payment for goods or services or for the discharge of a debt; nor is it designed or intended to be used by any person as payment for any goods or services whatsoever that are not exclusively provided by the issuer. BSB does not in any way represent any shareholding,

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ownership, participation, right, title, or interest in the Company, the Distributor, their respective affiliates, or any other company, enterprise or undertaking, nor will BSB entitle token holders to any promise of fees, dividends, revenue, profits or investment returns, and are not intended to constitute securities in the British Virgin Islands, Singapore or any relevant jurisdiction. BSB may only be utilised on Block Street, and ownership of the same carries no rights, express or implied, other than the right to use BSB as a means to enable usage of and interaction within Block Street. The secondary market pricing of BSB is not dependent on the effort of the Block Street team, and there is no token functionality or scheme designed to control or manipulate such secondary pricing.

For the avoidance of doubt, neither the Company nor the Distributor deals in, or is in the business of buying or selling any virtual asset or digital payment token (including BSB). Any sale or distribution of tokens would be performed during a restricted initial period solely for the purpose of obtaining project development funds, raising market/brand awareness, as well as community building and social engagement; this is not conducted with any element of repetitiveness or regularity which would constitute a business.

Further, BSB provides the economic incentives which will be distributed to encourage users to exert efforts towards contribution and participation in the ecosystem on Block Street, thereby creating a mutually beneficial system where active participants are fairly compensated for their efforts. BSB is an integral and indispensable part of Block Street, because without BSB, there would be no incentive for users to expend resources to participate in activities or provide services for the benefit of the ecosystem. Given that additional BSB will be awarded to a user based only on its actual usage, activity and efforts made on Block Street and/or proportionate to the frequency and volume of transactions, users of Block Street and/or holders of BSB which did not actively participate will not receive any BSB incentives.

Below are the key utilities of BSB:

Governance and Voting Rights: BSB is a governance token, granting holders the ability to influence the direction of the Block Street protocol. Once the token is sufficiently decentralized, governance proposals can be made (and voted on) to modify system parameters, list new tokenized stocks, adjust fee models, or allocate treasury funds for ecosystem growth. For Block Street, this means the community can make decisions such as which new equities to tokenize next, how to adjust collateralization or liquidity parameters for the on-chain stock markets, or how to spend ecosystem funds on new growth initiatives. Governance power encourages long-term holding of BSB, as holders who wish to shape the platform's future will keep their tokens to vote. It also aligns with Block Street's ethos of being a publicly-owned infrastructure – the platform's policies will ultimately be set by BSB holders rather than a central team.

Revenue Usage and Incentives: As Block Street grows, the platform would generate revenue (from trading fees, borrowing interest etc.). To develop a self-sustainable, engagement-reward economy, a portion of these fees would be re-distributed in BSB as incentives for active contributors interacting within the ecosystem.

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For example, users who provide liquidity, trade tokenized assets, or interact with Block Street-powered applications will earn BSB as the incentives for their continued engagement.

Staked token holders can also qualify to participate in exclusive activities for premium membership tiers, allowing users to earn rewards for participation.

Block Street's tokenomics plan could utilize one or a combination of approaches subject to governance approval. There may be further mechanisms and enhancements to the engagement-reward scheme designed carefully to comply with evolving regulations (distinguishing utility tokens from securities), enabled via governance after launch.

Ecosystem Participation: BSB will also offer key utilities within Block Street's trading and lending ecosystem:

- As the platform currency, users may be able to use BSB as collateral to borrow tokenized stocks or other assets. For example, a user could deposit BSB (alongside other collaterals like stablecoins) to take a leveraged short position on a stock. This adds an intrinsic demand for BSB from traders who want to leverage their positions or access certain margin features.
- Utilizing BSB, users may be able to pay for services and products. Active traders and participants holding BSB would enjoy reduced trading fees.
- BSB could also potentially be required for participation in special pools or auctions. In the event that Block Street runs auctions for liquidities or for the tokenization of new equities, having BSB staked or posted might be necessary qualifications to join those auctions, ensuring participants have a stake in the system, and also to enforce good conduct.
- In the longer term, if Block Street expands DAO-managed activities or index products, BSB might be used to participate/subscribe, or to otherwise vote or engage in such activities.

In summary, BSB is intended to be deeply integrated into Block Street's functionality. Holding BSB provides a richer experience: governance influence, lower fees, rewards/yield from actively engaging in platform activities, and enhanced platform privileges. This multi-faceted utility drives organic demand.

11 Conclusion: Strategic Differentiation

Together, Everst and Aqua illustrate Block Street's dual-engine design:

- **Everst** brings TradFi-grade leverage and structured credit products to tokenized equities.
- **Aqua** ensures these markets are cross-chain liquid, risk-synchronized, and globally interoperable.

This synergy positions Block Street as the infrastructure backbone for tokenized capital markets, not just a single protocol, unifying liquidity, execution and risk layers across institutional finance.

Block Street's position in the market is defined by a rigorous technical approach and a strategic focus on a singular market vertical. Our key differentiators are as follows:

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- **Vertical Specialization:** Our exclusive focus on tokenized equities and derivatives allows for superior execution and optimized product offerings.
- **Technological Superiority:** The Hybrid Liquidity Engine provides a robust and reliable mechanism for managing risk, leading to greater capital efficiency and protocol stability.
- **Strategic Alliances:** Our foundational partnerships provide a critical network effect and an enduring competitive advantage.

The tokenized equity market has crossed the threshold of real transaction volume but remains architecturally constrained. Aqua's RFQ engine represents the necessary institutional infrastructure uplift, combining superior liquidity aggregation with stringent risk mitigation. By offering tighter spreads, deeper books, and 2x to 3x higher ROE alongside verifiable compliance standards, Aqua provides the execution backbone required to scale institutional participation in the next phase of tokenized RWA growth. With diverse issuer standards, APIs, and liquidity venues now converging through Aqua's infrastructure, the protocol's early technical lead translates directly into scaling advantage—reflected in both rising institutional adoption and accelerating transaction volume.

Block Street is on a mission to build a foundational infrastructure designed to serve as the definitive unified liquidity layer for the next generation of global capital markets.

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BlockStreet Infrastructure

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Welcome to BlockStreet

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