

IQONIQ FanEcosystem OU

IQONIQ TOKEN

NOVEMBER 2020



IQONIQ

BECOME ONE





Introduction

- IQONIQ designed its token with the intrinsic value of the IQONIQ platform in mind: to grant access to the fans, to the idols and to the clubs. Ensuring that beyond the scope of traditional social media channels, IQONIQ is able to engage, grow and unify a vast community of disenfranchised and dissatisfied fans
- IQONIQ intends to be a fast growing platform and as such will benefit from a token that incentivises adoption

Spur adoption and support token demand while platform gains traction

Incentivise fan engagement and support token while platform grows

Continue to incentivise fan engagement and platform growth while ensuring healthy economy



0 - 6 months

6 - 24 months

Long term



Design Goals

Given this context, IQONIQ is seeking to design a token economy that enhances the platform's core value proposition of enabling clubs to reward fans for their loyalty by achieving the following goals:

1

Align incentives between stakeholders

- All stakeholders should be individually incentivised to act for the good of the platform
- The token should incentivise maximum engagement of fans on the platform, and for them to want IQONIQ to succeed overall. By designing the token so that they benefit from the overall growth of the platform, incentives can be aligned with IQQ holders and the IQONIQ team

2

Reduce velocity

- One common problem with token models is high-velocity – where turnover of holders is high as there is little incentive to hold them. This problem has afflicted most medium-of-exchange tokens, effectively acting as an increase in circulating supply
- In order to reduce turnover the IQONIQ token design should encourage holding

3

Is not a barrier to user experience

- IQQ should be designed in such a way that users do not need to interact directly with the blockchain unless they choose to, and all the complexity is abstracted behind a well designed UI
- Additionally the experience of fans who do not hold IQQ should not be interfered with

4

Capture member utility value

- Link the value of user contribution and network effects of the platform to the token in a way that doesn't represent a dividend or passive cash flow but that is crystallised in the form of user benefits and experiences

5

Promote loyalty to IQONIQ

- A successful token design should amplify network effects around the project, leading to a competitive moat. Specifically the token should incentivise fans to remain on the IQONIQ platform rather than leaving for a competitor.



IQONIQ token benefits: Rewards

The IQONIQ token entitles holders to be part of defined tiers on the platform. This incentivizes fans to increase their spend, and to hold more tokens, in order to receive a greater share of the reward.

How it works

- 1** 10% of aggregate fee revenues paid by individual users are set aside to a reward pool which is distributed back as platform rewards, on a monthly basis, to the users as a function of their own economic activity, and adjusted depending on the size of the reward pool.
- 2** Distribution of rewards are based on a fan's spend on the platform, the size of the reward pool, and their tier. See page Appendix 1 for full description of the reward pool formula.
- 3** The fan's tier is set by the number of tokens they've held through the month. Fans holding at least 5,000 IQQ tokens will be in the top tier and have a reward limit up to 30% of their platform spend subject to the size of the reward pool. See page 9 for tier definition.
- 4** Fans can decide whether to receive their rewards in credit for goods and services or have it converted to more IQQ tokens.

How it helps our design goals

- 1** Fans are incentivised not only to **hold IQQ** but also to remain **active spenders** on the platform.
- 2** Fans who hold IQQ will be more loyal to the IQONIQ platform and less likely to leave for competing platforms, thereby forming a **competitive moat** around the project.
- 3** A fan's share of the usage rewards will be made available on the IQONIQ platform, with no need to use wallets or exchanges unless they wish to, thereby **not acting as a barrier to smooth user experience**.
- 4** If the IQONIQ platform grows, it is also possible for it to offer more rewards to the fans and token holders depending on their tiers



IQONIQ token benefits: Multiplier on loyalty points, discount on membership and rewards

Token holders will earn more loyalty points proportional to the number of tokens they hold, and receive membership at up to a 100% discount in recognition of their support for the platform.

How it works

- 1** Loyalty points are earned by fans as they make purchases or engage with the platform.
- 2** The number of loyalty points received will be multiplied by a factor of up to 100% according to the number of tokens held (see page 9).
- 3** Additionally premium membership, which entitles users to a membership card and other benefits (see [this link](#) for more info) will be discounted by up to 100% depending on the number of tokens held (see page 9).

How it helps our design goals

- 1** Fans who want the benefits of premium membership are incentivised to **buy and hold IQQ** in order to reduce or eliminate their monthly cost. If a fan expects to want premium membership for the foreseeable future it would make economic sense to acquire enough IQQ tokens that it becomes free.
- 2** The token incentivises fans to become active on the platform in order to be eligible for their rewards, the token then **further incentivises them to contribute to the platform** by increasing the number of loyalty points they earn.
- 3** If the IQONIQ platform grows, the attractiveness of the loyalty points and premium memberships should increase and the IQQ token will become an important tool to further increase fan loyalty



IQONIQ token benefits: High value rewards for the top holders

The top holders of IQQ can have exclusive unique access to high value rewards on IQONIQ's platform, thereby incentivising the purchase of tokens on the market at a premium price.

How it works

- 1** IQONIQ may periodically make certain very exclusive rewards available only to those who hold large amounts.
- 2** High value on-off rewards may include items like: dinner with the team, executive box access and meeting idols.
- 3** Exclusive rewards would be exogenous to the reward pool and made accessible at the discretion of IQONIQ.

How it helps our design goals

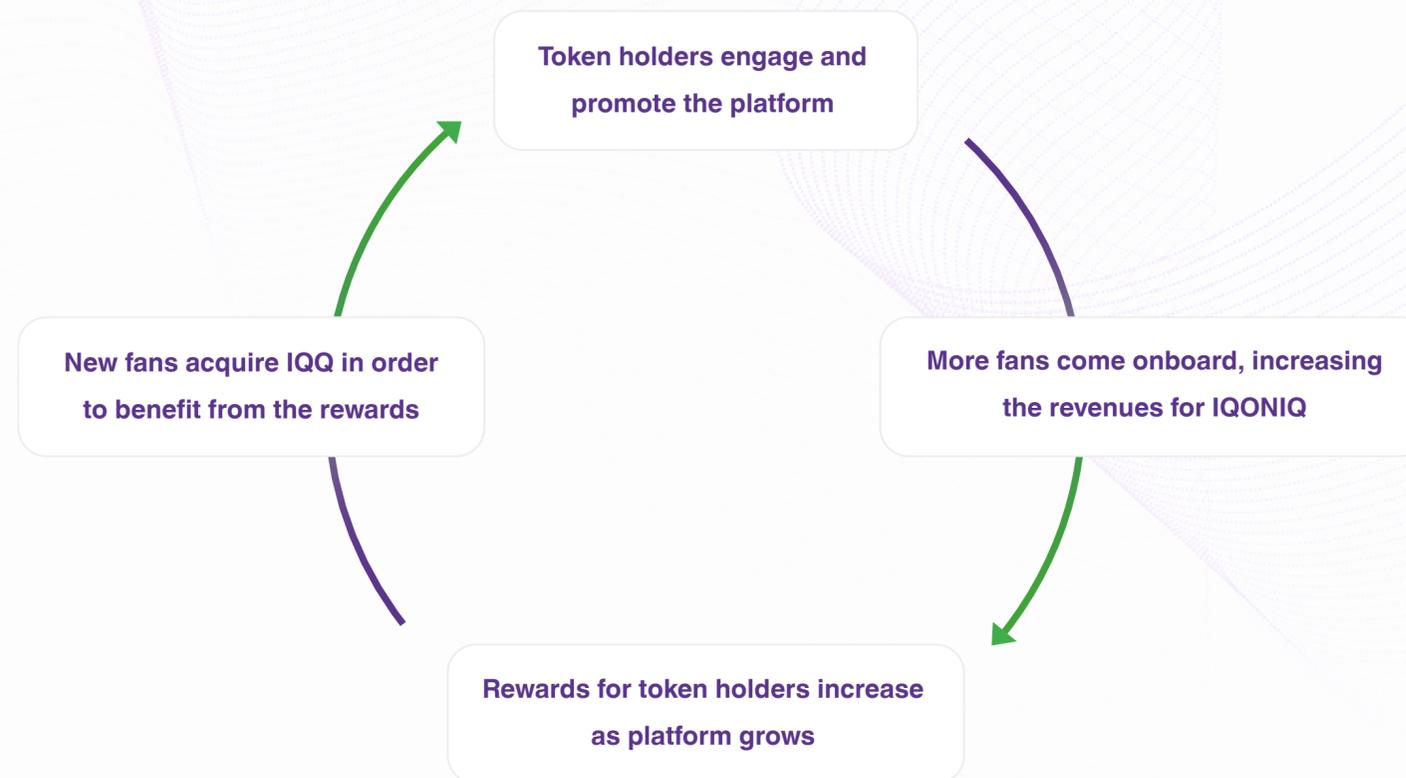
- 1** Serves as a reason to hold IQQ even when the fan holds more than is required to meet the maximum tier. In doing so, **velocity is reduced**.
- 2** The possibility of exclusive rewards would help drive demand for the token on the open market, with the potential of achieving strong valuation support for the token.
- 3** Exclusive rewards could serve as a balance sheet management tool for IQONIQ. The platform's ability to make exclusive rewards accessible could, as appropriate, realise value against the reward pool held on balance sheet.



Other IQONIQ token benefits

Aside from the core mechanics described on previous pages, IQONIQ would seek to add value to the token in whatever way possible. Below are some example benefits holders may receive.

Network effects fuel growth



Other Benefits

- Medium of exchange between all user-created loyalty programs
- Priority access to tickets for matches, shows and events
- The chance to participate in 'ask the star' conversations with an idol
- Specially produced video and exclusive content
- Access to a club's new kit several days before it is released to the general public
- VIP access to sports grounds



IQONIQ token tiers

In order to make the model easier to understand for non-technical fans, the token holders will be grouped into tiers with fixed benefits for each tier

	Tier 1	Tier 2	Tier 3	Tier 4
Tokens Held	100 - 1000	1.001 - 2.000	2.001 - 5.000	5.001+
Receive	<ul style="list-style-type: none"> Premium Membership 25% Discount 25% bonus loyalty points for the following month Up to 15% rewards on platform spend* 	<ul style="list-style-type: none"> Premium Membership 50% Discount 50% bonus loyalty points for the following month Up to 20% rewards on platform spend* 	<ul style="list-style-type: none"> Premium Membership 75% Discount 75% bonus loyalty points for the following month Up to 25% rewards on platform spend* 	<ul style="list-style-type: none"> Free premium membership 100% bonus loyalty points for the following month Up to 30% rewards on platform spend*
Chance to Win	<ul style="list-style-type: none"> Jerseys Official Game Balls from the IQONIQ partners 	<ul style="list-style-type: none"> Signed official Jerseys from the IQONIQ partners Signed official Game Balls from the IQONIQ partners General admission tickets from the IQONIQ partners 	<ul style="list-style-type: none"> Signed official Jerseys from the IQONIQ partners Signed official Game Balls from the IQONIQ partners VIP ticket from the IQONIQ partners Final four ticket EuroLeague 	<ul style="list-style-type: none"> Signed official Jerseys from the IQONIQ partners Signed official Game Balls from the IQONIQ partners VIP ticket from the IQONIQ partners Final four ticket EuroLeague Monaco Formula 1 VIP Tickets EU Semi-Finals & Finals Football match VIP tickets Exclusive VIP benefits and VIP experiences

*Subject to holding the IQQ token for the entire month. IQONIQ is putting 10% of revenues into a reward pool which is utilized to award discounts and other platform rewards. The maximum size of the rewards in any given month is subject to the size of the reward pool.

See Appendix 1 for complete specification.

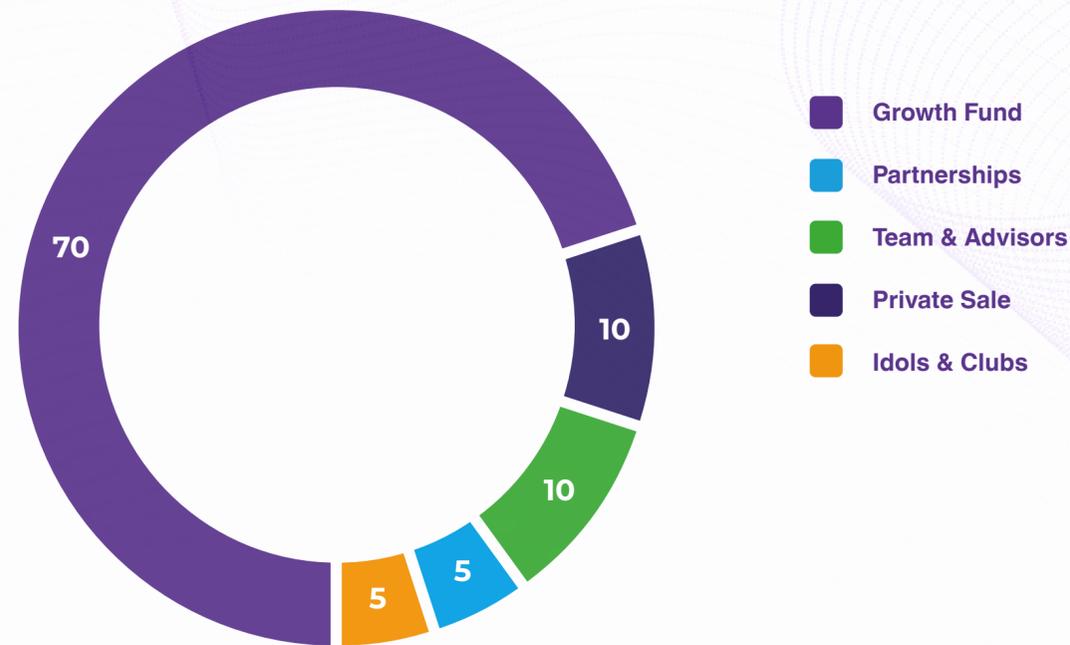


Token and fund distribution

The token distribution and allocation of raised funds are heavily weighted towards building a successful platform, with most of the tokens distributed to contributors and all of the funds used to kickstart platform growth

Token distribution

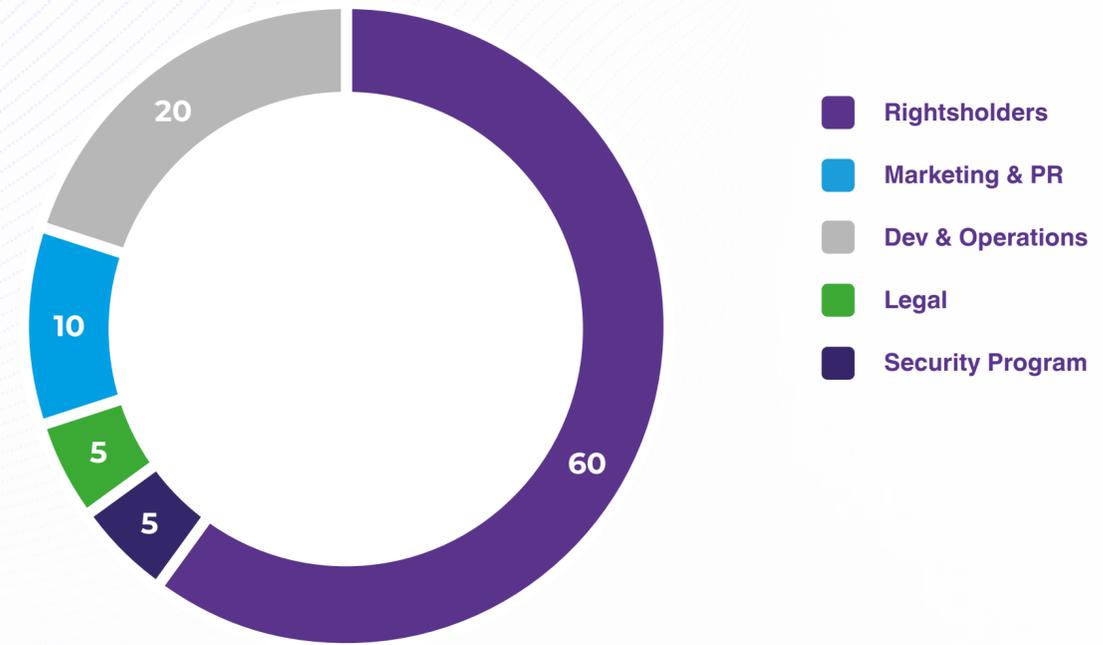
Percentage of total supply



70% of total token supply is reserved for the contributors.

Allocation of funds

Percentage of funds raised





Lockup periods

In order to prevent an oversupply of the token while the IQONIQ platform is growing, tokens should be initially locked and released over a period of several months according to the table below

	Total Allocation	Circulating at platform launch	Circulating 2 months post launch
Private Sale	250,000,000	25,000,000	50,000,000
Growth Fund	1,750,000,000	25,000,000	The growth fund will release tokens to the public, over time, in line with the growth of the IQONIQ platform and in tranches low enough to support the value accrual of IQQ. The proceeds from token release will be reinvested into the platform for the benefit of the IQONIQ ecosystem
Partnerships	125,000,000	0	Subject to vesting and minimum 6-month lock-up
Idols & Clubs	125,000,000	0	Subject to vesting and minimum 6-month lock-up
Team & Advisors	250,000,000	0	Subject to vesting and minimum 6-month lock-up



Appendix 1: formulas and implementation specifics of rewards mechanism

A “staked token reward pool” will be created and funded by a percentage of individual user fees.

The reward pool is then distributed to users in proportion to the number of tokens they individually have staked and their individual level of platform spend.

[RP] = Reward Pool. A portion of IQONIQ’s fee revenue contributed by each individual user to discounts in a given month.

[R] = Reward Rate. A percentage of individual fees that IQONIQ is contributing to RP. Subject to change but a minimum of 10%.

[Cr] = IQONIQ’s aggregate user fees in a given month.

[Si] = Individual user spend on platform.

[TS] = Token Supply. The number of tokens that participate in the distribution of rewards, weighted pro rata.

[TMi] = Number of tokens an individual has held in the period, weighted pro rata.

[CpTn] = Maximum reward per token by user tier.

[Sn] = Aggregate spend by all users by user tier.

[RF] = Reduction factor to reduce discounts by in case RP is insufficient.

[MiC] = Discount enjoyed by an individual consumer.

The maximum reward pool for a given month is IQONIQ’s monthly aggregate user fees * 10%

[DP] = $R * Cr$

Whether the users of a tier can enjoy the full percentage discount is determined by the reduction factor, which is based on the aggregate spend of the users in all tiers relative to the rewards available in the reward pool.

[RF] = $\min(RP, \text{sum}(S1 * CpT1, S2 * CpT2, S3 * CpT3, S4 * CpT4))$

Thus the amount of rewards a user receives is given as the following, where CpTn is the tier they qualify for given the number of tokens they held through the month.

[MiC] = $(Si * CpTn) * RF$



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