

IBAX Economic Model

Version 1.2

Issued by IBAX Foundation, Singapore

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Coin Distribution

In order to ensure long-term commitment, coin holding, and liquidity improvement by the key interested parties, the **2.1 billion IBXC** coins issued at the network launch will unlock automatically according to the unlock schedule. When implemented, the schedule will be automatically carried out by IBAX Network through programming and smart contracts to ensure there is no human intervention.

The coins of IBAX Network will be divided into the following 6 categories, see the figure below:

Distribution Details:

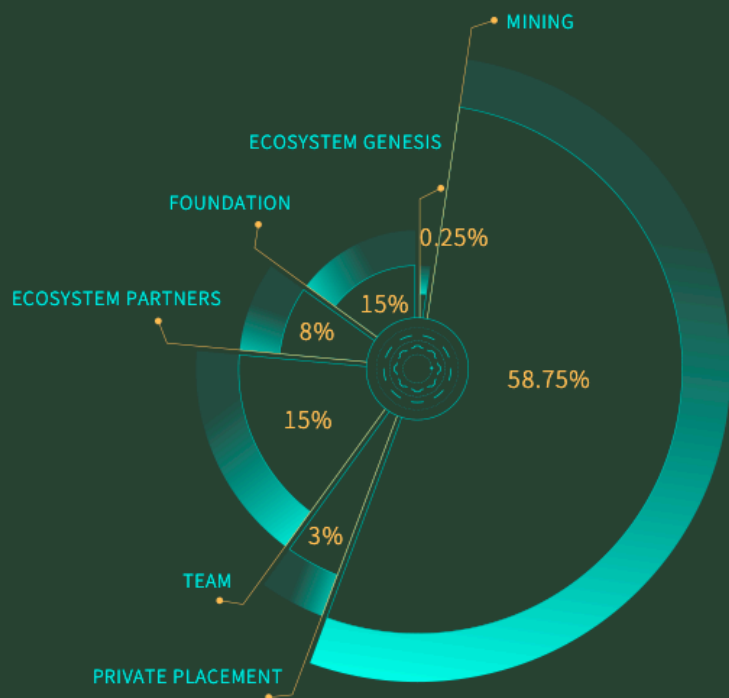
- Private placement: 3% of the initial supply, unlocks over 3 years. At launch of the IBAX mainnet, 1/3 is unlocked. The rest is unlocked over 2 years.
- Foundation: 15%, unlocks over 4 years. When mining starts on IBAX mainnet, during calculation of the first block, 1/4 is unlocked instantly. Next unlocks happen on the last day of each year. On the last day of year 4, the release of coins is completed. *(Purpose: support of long-term network governance, commercial partners, academic research and expansion, network growth, etc.)*
- Ecosystem partners: 8%. Releases completely at the launch of IBAX mainnet but is locked in the Ecosystem address. Linear release according to the needs of partner projects. *(Purpose: exploration of blockchain performance and prospects for applications, support of engineering, ecosystem developers, etc.)*

- Team: 15%, unlocks over 5 and a half years. Starting from 6 months after the IBAX mainnet launch, releases linearly every month. *(Purpose: support of partnerships, expansion of the team, basic expenses, etc.)*
- Mining: 59%. 0.25% is unlocked in the genesis block for the network launch and initial basic promotion of the ecosystem. *(Purpose: rewards to participants who support the continuous development of the blockchain network, short-term and long-term storage, and the operating contract environment, etc.)*

The idea of IBAX is to build a metaverse connecting the real and virtual worlds through an actually decentralized blockchain network. Therefore, mining in IBAX is divided into the real-world (hardware) mining and the metaverse mining.

Excluding the 0.25% launch fee in the genesis block, 58.75% of coins are reserved for mining, 40% for mining by real-world service nodes Mint Nodes and 18.75% for the metaverse NFT Mining.

Real-world mining is the normal hardware mining. Most importantly, it serves and stores data for applications in the IBAX ecosystem. It ensures the ability of IBAX Network to provide stable global services. By reserving 40% of coins to reward high-performance servers, IBAX attracts Mint Nodes and ensures long-term and stable node services for the network.



Thanks to the encrypted and globally distributed network, application partners can ensure that their on-chain apps have no downtime, while users from all over the world can use network services from the nearest server. In Q1 2023, IBAX will enable the open selection mechanism where servers that meet the performance requirements will be selected to provide the IBAX Network users with safe, confidential, stable, and high-performance services.

The innovation of the IBAX blockchain network is creation of the metaverse world. It is committed to mapping the real society to the metaverse world beyond the real-world nodes and space constraints. To maintain the long-term development of the metaverse, IBAX needs a network where a huge number of creators build a metaverse together. Therefore, 18.75% of all coins is reserved to reward creators of outstanding NFTs for the metaverse. An address of each creator may only own up to 10 NFTs. **Each NFT has the Power of 1 to 100.** The higher this value, the higher the possibility to get the metaverse rewards.

There are three ways to get NFTs:

- I. New accounts can get a one-time metaverse bonus. Users who deposit coins to the account and lock them for staking for 1 month instantly get one freshly minted metaverse NFT.
- II. Users can fuse two NFTs in their account into one new NFT. The resulting Power of the new NFT may be either greater or smaller than the sum of Power values of the two original NFTs.
- III. Users can go to a decentralized NFT trading platform to buy NFTs with a high Power value fused by other users and transfer them to their account. The launch of IBAX mainnet will enable the reward mechanism for NFT creators. Its aim is to promote the metaverse development and reach the mature metaverse world as quickly as possible.

Rules:

- Users can create an account in IBAX Network free of charge. Each account gets one NFT of 1.00 Power.
- Users who stake 10,000 IBXC for 30 days can join IBXC mining using the NFT of 1.00 Power within these 30 days.
- After 30 days of staking, the initial NFT of 1.00 Power can be transferred/ exchanged (i.e., it becomes a free NFT).
- Two free NFTs can be fused on IBAX Network according to the fusing rules to create a new free NFT with a different Power value.
- One account can own up to 10 NFTs.

Compliance Work and Documents

The Compliant IBAX Issuance Platform

For successful completion of this coin sale, IBAX Foundation has drafted the *"Simple Agreement for Future Tokens" (SAFT)* - issued by *Nishimura & Asahi (Singapore) LLP* - and will perform the sale through a crowdfunding platform. This coin sale will include two parts:

- I. The part for advisors and IBAX Foundation.
- II. The part for the community and early supporters.

For details, please refer to the crowdfunding platform and the guide on investment in IBAX coins.

IBAX will refer to the *"Simple Agreement for Future Tokens"* and issue coins that comply with the presale conditions. You can know more about coin issuance and mining in our **Products Section**, **Technical Documents**, and **Important Disclosures**.

A coin is an encrypted asset. Most coins are sold directly to the public. When the respective coin network does not exist yet, some coins are sold in IOU presales. Such sales may not comply with the securities laws in jurisdictions of certain regions. This is the reason why investors from some countries are prohibited to participate in some coin sales. Some projects only choose qualified investors. Securities laws may or may not apply to cryptocurrency coins. Please refer to comprehensive cryptocurrency regulations with a securities framework.

After thorough studying of legal documents and careful analysis of the development pattern of cryptocurrencies, we arrived at the conclusion that we must be cautious with the coin sale, because there are many projects in the market that actually sell securities. Therefore, in line with the core long-term interests of the IBAX Network and out of caution, our coin sale must comply with securities regulations of the SEC (refer to our PPM). Otherwise, if the project's actions violate laws, the project may be terminated.

IBAX Network and Coins Q&A

What is the total supply?

The total supply of the IBAX Network coins is 2.1 billion. Like Bitcoin, IBAX coins are released through years of mining and hard work. We deem investment valuation a very difficult issue. In our opinion, it is either a wrong or an unimportant matter. It is an important part of the early stages of the network. However, judging from an individual investor's point of view in one time point cannot be accurate. Our hope for technology is to bring confidence rather than just market cap numbers.

How big is the coin sale?

IBAX Network puts 3% of the coin supply on the coin sale, i.e., 63,000,000 coins.

What is the release schedule?

IBAX coins will be released according to the schedule provided in this document. In case of a necessary delay, we will notify our investors as soon as possible. Please see the above infographics for the schedule.

Are the obtained coins safe?

The coin sale happens as an auction; therefore, you don't have to worry about the private key and keeping it safe. When we issue the coins, a contract sends them to the blockchain. In order to receive them, a user needs to sign the transaction with their private key. Ahead of the mainnet launch, we will do our best to communicate with popular cryptocurrency wallets and exchanges to add the support of IBAX.

About the inner (implicit) value of the network

Currently, it is very hard to estimate a cryptocurrency and its network comprehensively. IBAX is not an exception. The generally accepted method in the market is calculation of the market value of the circulating supply (i.e., the last price of one coin is multiplied by the whole circulating supply). Obviously, this method is flawed in many ways, since it cannot accurately express the potential value of the network and the value of volatile assets. At the same time, IBAX Network and its assets correlate with each other, and their value increases along with the technological improvements. Therefore, we ask not to use the above method or any other method to evaluate IBAX Network, as one cannot estimate the resulting bias.

How do users get the coins?

All coins from the private sale will be distributed to users after the mainnet launch. Certain restrictions will be imposed; and users will be able to release the coins after meeting the contract requirements. Participants of the private sale by default agree to the contents of the Agreement. The maximum term of gradual asset release is 3 years after the network launch.

What is the minimum and maximum limit for an individual investor, if any?

The minimum threshold for an individual investor is USD 100. We haven't set a hard cap.

** For other questions related to the economic model and network development, please visit our official website ibax.io or send a detailed inquiry by email to support@ibax.io*

This document introduced IBAX Network, its coin sale, and the economic aspects of the two. Any updates to it will be published on the agent platform that manages the IBAX coin sale. Disclaimer: This document includes many forward-looking statements. Due to the nature of the project's development, some of them involve risks and uncertainty. Investors must read it carefully.