



Next generation DeFi protocol for
derivatives of real world and
crypto assets on blockchain

ISSUAA *#bebullish*

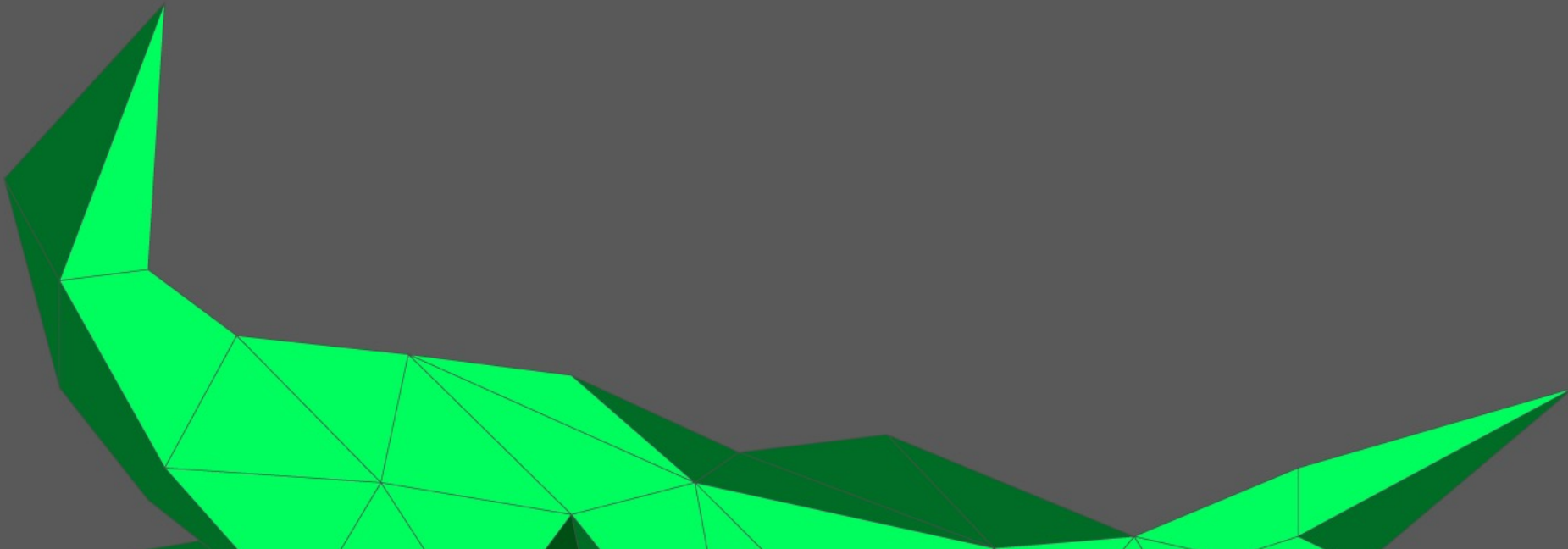
Intro, May 2022



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>> *Providing liquidity and farming the ISSUAA Protocol Token ISS is like stable coin farming @100%+ APY... <<*



AGENDA

Executive Summary

 ISSUAA Market place, USPs and competitive edge

 Tokenomics and ISS distribution

 DAO Governance and Team





ISSUAA is a highly capital efficient synthetic asset protocol allowing low risk yield farming

Executive Summary

- ISSUAA is a DeFi protocol, which allows to **create, mint and trade synthetic assets (ISSUAA assets) on the blockchain**, which mirror the price development of **real world as well as crypto assets**, such as stock indices, single stocks, commodities or crypto currencies.
- ISSUAA assets are minted in return for a **collateral payment, which is made in USD stable coins (USDC)**. The protocol automatically **issues an identical amount of long and short ISSUAA Asset tokens on the same underlying asset**. This allows for **no need to over-collateralization** as value changes in the underlying assets offset each other for the long and for the short token. ISSUAA is thus **much more capital efficient than other synthetic asset protocols** such as Synthetix or Mirror.
- Investors can earn a **0.25% fee on each trade as liquidity providers**. **On top of this, they can farm the ISSUAA Protocol Token (ISS)** of which **~66% (of up to 100m max. ISS supply) is given out over time** (weekly max. 3% of the remaining volume of the ~66%) as **rewards to ISS stakers (i. e. veISS holders), liquidity providers and users participating in governance votes** of the ISSUAA protocol.
- Given that ISSUAA has long and short tokens on each underlying asset, **investors can significantly reduce their impermanent loss risk**. **When providing liquidity in both, the long and the short LP pool of the same asset, a 50% change in the price of the underlying asset results in an impermanent loss of only c. 3%**. Price risk for LP investors is thus very low compared to other protocols.
- Moreover, the **ISS token is linked directly to the fee volume generated on the platform**. **Of each trade made on the protocol, a fee of 0.05% is charged for the ISS**. Such fees shall continuously be used to **buy back ISS tokens by the ISSUAA protocol**.
- The ISSUAA protocol **has been set-up as a DAO (Decentralized autonomous organization)** by the team of early core contributors to the protocol **with exclusive governance via voting procedures in the hands of the community of owners of the veISS**.



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ISSUAA V2 is fully developed & currently live on Polygon Mumbai testnet – ISSUAA V2 mainnet launch envisaged in Q2/2022

Screenshot Trade Section – Look & feel on: app.issuuaa.org

The screenshot shows the ISSUAA trade interface. At the top, there's a navigation bar with links: Portfolio, Easy Farm, Mint, Pool, Trade, Redeem, Governance, Docs, Blog. On the right, there's a status bar showing 'Test MATIC / USD', 'MaticTestnet', '87,382 ISS', and a wallet address '0x...'. The main content area is divided into two sections. On the left, a pink box titled 'ISSUAA LIVE on Mumbai Testnet' contains the text 'Only 2 steps to dive in:' followed by two numbered steps: 1. Connect ISSUAA with your Metamask wallet to interact with the blockchain and the ISSUAA smart contracts. 2. Get some Test-Matic and -USDC and make yourself comfortable with minting, liquidity providing, trading ISSUAA assets and farming the cash flow-linked ISSUAA Protocol Token (ISS)... On the right, the 'Buy' tab is selected. It shows a 'You are paying:' field with '1000' and 'USDC'. Below it, a 'You are buying:' field shows '1994.000000' and 'ISS'. A 'Price:' field shows 'USDC per ISS: 0.502'. At the bottom, there's a large pink 'Trade' button. The footer contains '© 2022 ISSUAA', social media icons, and a 'Legal' link.

ISSUAA

Portfolio Easy Farm Mint Pool Trade Redeem Governance Docs Blog

Test MATIC / USD MaticTestnet 87,382 ISS 0x...

ISSUAA LIVE on Mumbai Testnet

Only 2 steps to dive in:

1. Connect ISSUAA with your Metamask wallet to interact with the blockchain and the ISSUAA smart contracts.
2. Get some Test-Matic and -USDC and make yourself comfortable with minting, liquidity providing, trading ISSUAA assets and farming the cash flow-linked ISSUAA Protocol Token (ISS)...

Buy Sell

You are paying: 1000 Balance: 229,163.6496 (Max) USDC

You are buying: 1994.000000 Balance: 87,271.9307 ISS

Price: USDC per ISS: 0.502

Trade

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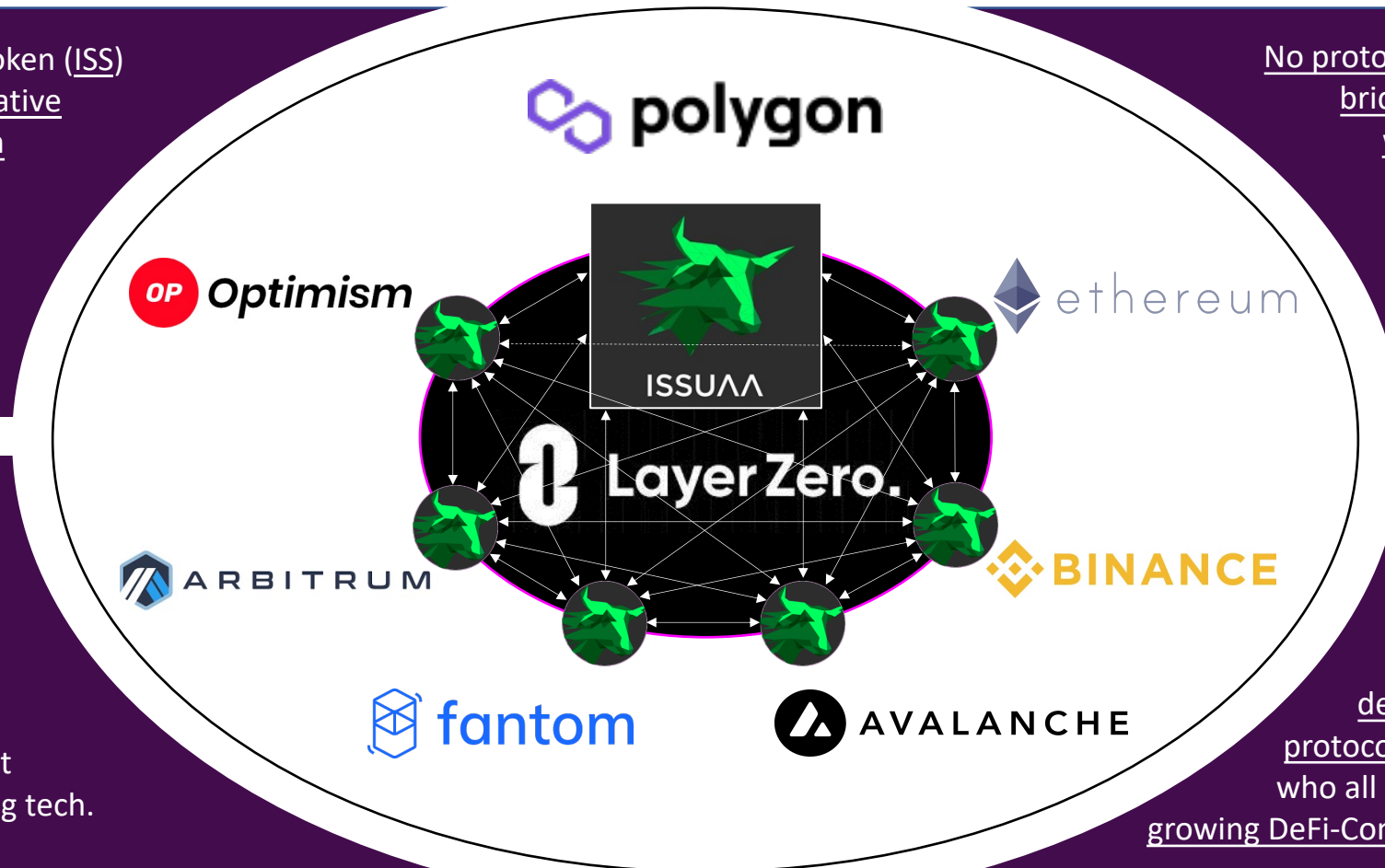


Besides upgradeable contracts (after DAO Votes only) ISSUAA V2 has multichain capability via the integration of Layer Zero Technology

\$ISS – MULTICHAIN NATIVE ON 7 TOP-DEFI-CHAINS!

The ISSUAA Protocol token (ISS) will be available as a native token on initially seven different blockchains: Polygon, Ethereum, Binance, Avalanche, Fantom, Arbitrum and Optimism.

The ISS token is freely bridgeable from any of these chains to another by using the Layer Zero protocol and its state-of-the-art point-to-point communication/bridging tech.



No protocol fee is required for the bridging process. Gas fees as well as a small relayer fee for the execution on the target chain are paid in the native token of the source chain.

Having the native ISS token on seven chains right from the start of ISSUAA V2 is an ideal basis for future full deployments of the ISSUAA protocol on more of such chains, who all comprise vibrant and fast growing DeFi-Communities and -Investors.



The ISSUAA protocol offers unique advantages to its community, investors and liquidity providers

USPs and competitive edge at a glance

Next Generation Synthetic Assets AMM Model

- First decentralized finance derivatives liquidity protocol without need for over-collateralization.
- Empowering attractive returns at comparably moderate risk for investors providing liquidity - Low risk yield farming
- Significant USPs in ISSUAA smart contracts and unique long/short asset token market model.

Capital Efficiency at Low Risk

- Every single USD stable coin to be paid in by investors/LPs for minting of assets and liquidity providing in asset pools is “working” and generating returns for investors/LPs.
- Higher capital efficiency and low risk profile compared to competitors like Synthetix and Mirror.
- No liquidation risk and almost fully mitigatable impermanent loss risk for liquidity providers.

Superior Tokenomics & Fair Launch

- Reward of active investors/LPs not only with transaction fees but especially with weekly granted ISSUAA protocol tokens (ISS) ~66 % of maximum supply!
- Early LPs and long term veISS holders will be rewarded best due to very favorable rewards scheme – fair launch.
- Cash Flow linked governance token (ISS).

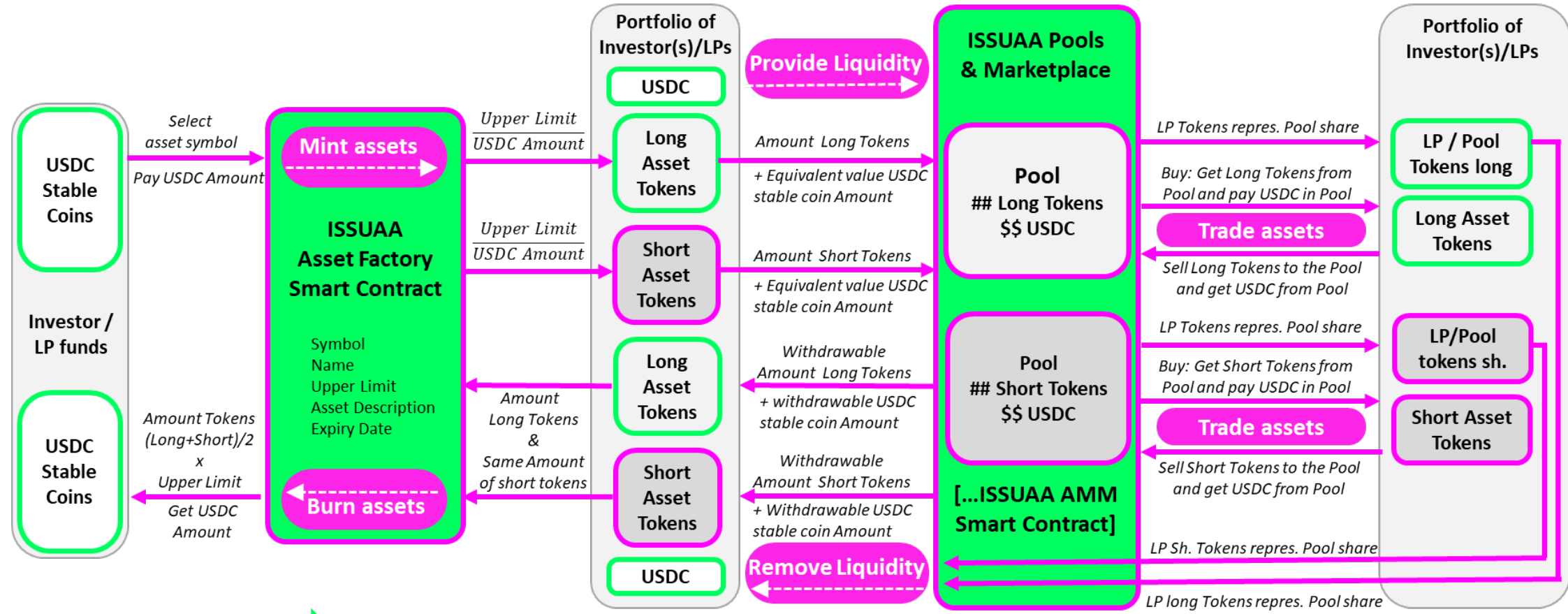
Global Access

- Barrier free access to synthetic assets like stocks, stock indices, commodities and crypto assets for everybody without the need of a bank account and KYC procedures.
- Investing, minting, providing liquidity and trading of synthetic ISSUAA assets directly on chain.



Via its unique long/short model ISSUAA avoids over-collateralization which is boosting investor returns (@No Liquidation Risk!)

Next generation long/short asset creation model and Automated Market Maker (AMM)



ISSUAA „Easy Farm“

ISSUAA offers a seamless UI-experience for long and short LP providers: “Easy Farm”



The ISSUAA protocol always remains fully solvent

ISSUAA

Example for minting and value development (Selected ISSUAA Asset: DJIA-Index)

- When the price of the Dow Jones Index is at 30k USD, a user mints DOW tokens for a total amount of 60k USD. (Any smaller invest amounts possible)
- As the upper limit for the ISSUAA DOW asset is 60k, the user will receive 1 long DOW and 1 short DOW token. Both assets are each worth 30k USD (Value of the short: $60k\text{ USD} - 30k\text{ USD}$).
- In due course, the DOW Jones index rises to 35k USD. This will result in an increase of the long token by 5k USD to 35k USD and a drop of the price of the short DOW asset from 30k to now 25k USD ($60k\text{ USD} - 35k\text{ USD}$).
- Together, the two token remain to have a value of 60k USD.
- The user can redeem their collateral of 60k at any time when paying back 1 long and 1 short token. (a fee of 2% on the amount applies, however, when the tokens are redeemed early)
- If the price of the two assets at the market do not add up to 60k, an arbitrage opportunity exists directly on chain.
- If the upper limit of 60k USD in the price of the DOW is breached and accepted by the consensus of veISS holders' governance vote, the short token will become worthless and the long token can be redeemed for 60k USD.
- After expiry, consensus will vote on the final price, at which tokens can be redeemed against USD automatically.

 DJIA_2205 (long)  shortDJIA_2205

Dow Jones Industrial Average Index

US Equity Index (30 main US stocks)

ISIN: US2605661048

Upper Limit: 60.000 USD

Your portfolio position

DJIA_2205: 1.00

shortDJIA_2205: 1.00

Upper limit breached?

Initiate Freeze voting process

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- 🕒 DAO Governance and Team



As governance token the ISSUAA Protocol Token (ISS/veISS) is distributed fairly and directly linked to the cash flows of the protocol

The ISS and veISS: Governance token with superior tokenomics

Limited max. supply of 100m ISS

- The **number of ISS tokens that will be issued is limited to a max. supply of 100m.**
- Having the max. supply of ISS tokens capped secures that the **ISS – as native governance token of the ISSUAA protocol and ISSUAA DAO – is non-inflationary.**

Fair distribution

- The **majority of ISSs (~66%) will be granted to active community members** of the ISSUAA protocol.
- **Weekly 3% of what's left from the ~66% ISS tokens are rewarded** to veISS holders, Liquidity Providers and for participating in governance votes.
- **LPs will get a yield boost** depending on their veISS holding.

Value generation by trading fees for the ISS

- Besides the **trading fees of transaction volumes of the ISSUAA trading activity which are directly attributed to liquidity providers** (0.25% of all transaction volumes)...
- **...an additional fee (0.05%) is kept for the ISS** for every trade on the ISSUAA protocol, which will be **used by the protocol to buy back ISS, even deflating ISS supply over time!**

Voting escrow veISS token model

- ISS holders can **lock their ISS for up to 4 years and receive veISS in return, the ISSUAA utility and governance token.**
- As the locking of ISS and every voting process is rewarded with ISSs, **owners of the veISS (ISS lockers) are encouraged to vote correctly** as they have strong interest in the ISS-value.
- **One veISS equals one vote in ISSUAA DAO Governance votes.**



ISSUAA veISS tokenomics align the ISS rewards of the protocol with the long-term interests of the protocol token owners

Voting escrow veISS token model – Parameters in detail

1. Locking \$ISS and minting veISS

- ISS holders can mint and receive non-transferable veISS tokens by voluntarily locking ISS tokens for up to four years.
- The ratio of veISS tokens per locked ISS token equals the duration of the chosen locked period divided by the max. duration of four years. (1 yr. lock = 25%; 2 yr. lock = 50%, ... 4 yr. Lock = 100%)
- Dynamic veISS balance: As the locking duration continues to expire, the amount of veISS tokens will be reduced as well.
- To avoid the veISS balance to be reduced over time or to even increase it, the locking period can be extended to max. four years at any time (but never reduced).
- Also, in case a user holds liquid ISS tokens or receives those as rewards later, the locked amount can also be increased if wanted (but never reduced).
- The locked ISS balance can be redeemed once the lock duration has expired.

2. Voting rights with veISS and weekly rewards claim

- Granting those ISS holders with longer locking durations more veISS and voting power shall make sure that voting rights and long-term “skin in the game” are best aligned.
- ISS Rewards must be claimed once per week. If not claimed in a time frame of one week, such ISS stay in the remaining token volume to be distributed in later weekly reward rounds. Users must claim weekly, it's a feature, not a bug!

3. Active ISS staking (locking) and LP rewards

- Weekly ISS token rewards are split between veISS token holders and LP providers.
- Rewards split depends on willingness of ISS token holders to lock their ISS long-term. The share for veISS holders equals total veISS supply div. by total ISS supply. Thus, if every ISS holder would lock his ISS for the full four years, all rewards would go exclusively to the veISS holders. If, however, nobody would lock any ISS, all rewards would go to the LPs.
- To get the full weekly rewards, veISS holders also need to participate in the voting processes. The basis for the rewards are the voting reward points a user has collected during the rewards period. (1 veISS = 1 vote = 1 rewards point). If all users would participate in every vote, rewards would thus be proportionate to a user's share of veISS tokens.
- Users that do not vote or do not vote in line with the majority in the price discovery votes, would not get any rewards, with the share of the active and honest users rising accordingly.

4. veISS as basis for boost on LP rewards

- Users without veISS tokens receive a boost factor of 1x on their rewards, while users with a high amount of veISS tokens relative to their LP position can get a boost factor of up to 2.5x.
- This boost factor is calculated on a pool-by-pool basis with the following formula:
- Boost factor = $1 + 1.5 * (\text{share of veISS} / \text{share of LP provider tokens})$

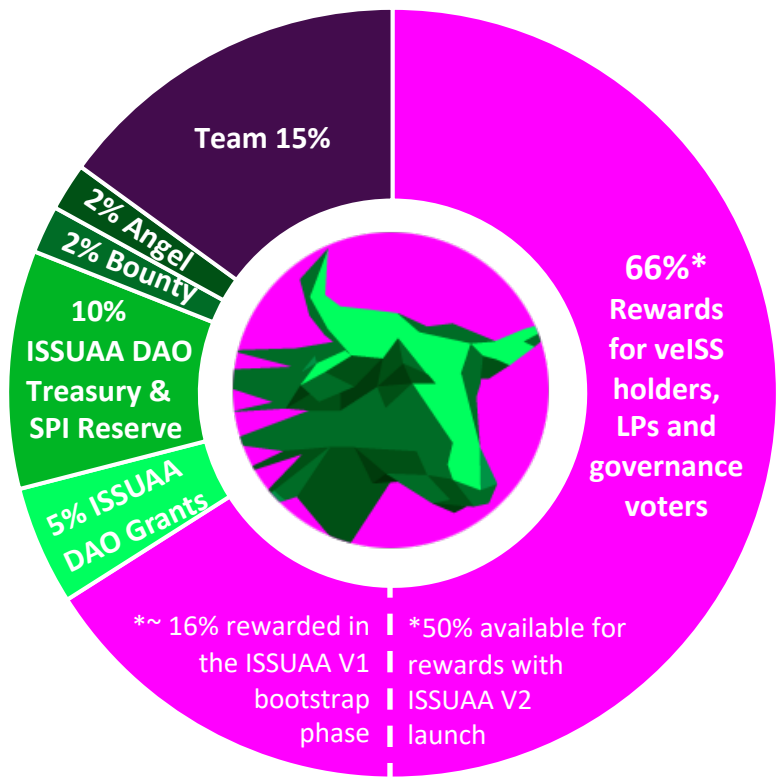


Fair launch of ISS tokens to the ISSUAA community with largest part rewarded to veISS holders, LPs & gov. voters ensures long term attractiveness

ISSUAA Protocol Token (ISS) - Envisaged distribution

DRAFT

Fair Launch of up to 100m ISS (max. supply) to the ISSUAA Community



66% Rewards: veISS hold., LPs & Gov. Voters

The largest share of ISS (~66% of max. supply; ~66m ISS) shall be rewarded weekly to veISS holders, liquidity providers (LPs) in ISSUAA pools and veISS holders participating in governance votes. ~16% thereof were rewarded during ISSUAA V1.

5% ISSUAA DAO Grants Reserve

A 5% share is reserved for additional ISSUAA DAO Grants, which can be paid out (in tranches) by majority decision (governance vote) of the ISSUAA DAO to community members providing valuable services for ISSUAA.

10% ISSUAA DAO Treasury & SPI Res.

~10 % of the ISS tokens are held by the ISSUAA DAO Treasury. Besides providing liquidity in ISS trading pools, such ISS tokens may be used by the ISSUAA DAO for future strategic partners and investors (SPI), future (bug) bounties, a. o..

2% Rewards for Testing and Bug Bounty

~2% of all ISS were rewarded to early users which helped testing, bug hunting and promoting the ISSUAA protocol before and during the mainnet launch of the ISSUAA protocol Alpha (V1) in September 2021.

2% Angel Contributors to ISSUAA DAO

~2% of all ISS tokens were granted to ISSUAA Angel DAO contributors who personally helped as early supporters and community members and who donated initial funds to the ISSUAA Treasury prior to mainnet launch.

15% Early Core Contributors Team Share

The team of early core contributors to the ISSUAA protocol and DAO is rewarded with a 15% share of all ISS tokens for their early development and ISSUAA community efforts.

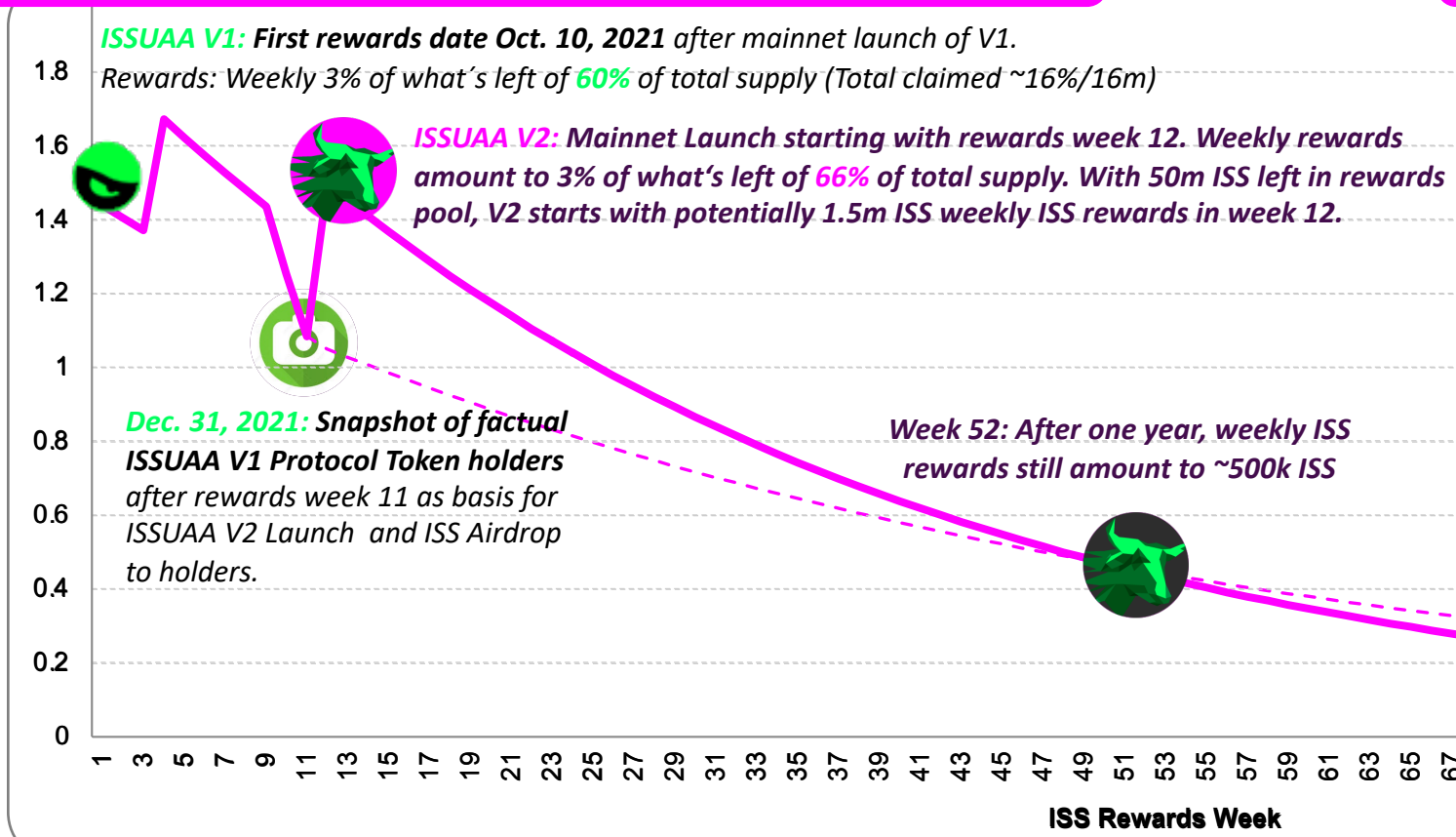


Even in a “maximum ISS rewards payout scenario” ISSUAA offers attractive rewards over a time frame of more than two years

Scenarios of weekly ISS rewards

EXEMPLARY

Newly mintable/claimable rewards ISS (in m. per week)



2 Scenarios (both starting with V2 Launch)

1. (—) **Assuming “ideal” conditions/max. rewards:**
- Every veISS holder / LP provider receives max. 2.5x boost factor and
 - All rewards are claimed each week
 - => Example Week 1 = $50m * 3% * 0.4 * 2.5 = 1.5m$
2. (- - -) **Alternative (maybe) “market typical” conditions:**
- Every veISS holder / LP provider on average only qualifies for 50% of max. boost factor (1.75x)
 - All rewards are claimed each week
 - => Example Week 1 = $50m * 3% * 0.4 * 1.75 = 1.05m$

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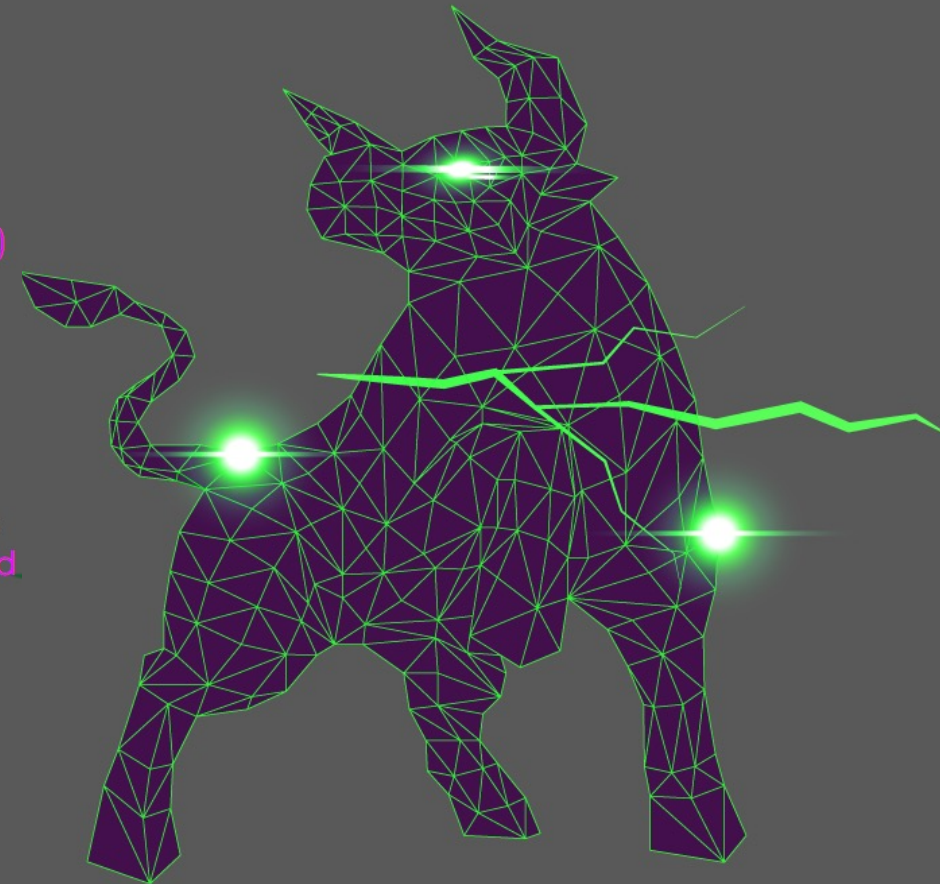
ISSUAA has been set-up as a Decentralized Autonomous Organization (DAO) by the team of early contributors

Overview

Community Governance & Team

The ISSUAA protocol has been set-up as a **DAO (Decentralized autonomous organization)** from day one by the team of early core contributors to the protocol, who comprise vast experiences and competencies in **crypto- and blockchain technology, capital markets, global asset management and derivatives**.

The team is convinced, that laying the ISSUAA protocol development and exclusive **governance via voting procedures** into the hands of the community of owners of the ISSUAA protocol token is the right way to attract and retain the necessary competencies and participation for the future development and growth of ISSUAA as **truly decentralized finance protocol**.



After the mainnet launch, ISSUAA operates as a fully decentralized DAO without any special rights for the development team

Governance functions and governance votes



Freeze- and Expiry votings for ISSUAA Assets

- **Freeze Vote:** Decide, if an ISSUAA Asset has breached the upper limit.
- **Expiry Price Vote:** Define the price of an ISSUAA asset at the end of its lifecycle.

 DJIA_2205 (long)  shortDJIA_2205

Dow Jones Industrial Average Index
US Equity Index (30 main US stocks)
ISIN: US2605661048
Upper Limit: 60.000 USD

Your portfolio position
DJIA_2205: 1.00
shortDJIA_2205: 1.00

Upper limit breached?

Initiate Freeze voting process



New ISSUAA Asset proposals & votings

- **New Asset Proposal Vote:** For the protocol to be successful in the long term, it is important that new assets can be added to the system.
- On the other hand, too many assets would likely dilute liquidity in the individual pools and badly designed and documented assets would fail to reach a proper consensus on price.
- Thus, the ISSUAA DAO has to decide on each new asset before it is added to the protocol. In order to avoid too many new suggestions, it requires a minimum staked balance of 100k ISS to propose a new asset



ISSUAA DAO Grant proposals & votings

- **DAO Grant Vote:** Supporters of the ISSUAA protocol can ask the DAO to pay them a grant of up to 100k ISS as reward for exceptional value-add they contributed or plan to contribute for the ISSUAA DAO.
- This can cover any type of activity, such as development work, marketing support or community development.
- If the DAO finds consensus, the ISS will be paid out. In total, up to 5% or 5 million ISS are available for DAO grants.



PLUS:

With the launch of ISSUAA V2, **upgrade votes** on suggested code changes will be possible - facilitating flexibility and new features of the ISSUAA protocol whilst keeping the governance in the hands of the ISSUAA DAO

The Team – Long standing experience in TradFi paired with strong leadership and DApp BUILDing experience

Team of early core contributors and early, active ISSUAA community members

Stockmaster0x, CFA



- 20 yrs+ of experience in capital markets and asset management
- Head of equity research, experience from multiple IPO, equity and debt capital markets transactions
- Active crypto and angel investor
- Passionate coder since school days
- Developer of two blockchain games
- Author of a book on blockchain

Bullseye_0x, CEFA



- Entrepreneur; 20 yrs+ experience in equity research and investment banking (IPO, M&A, VC)
- 15 years+ managing partner in a corporate finance boutique; cross industries with strong tech focus
- Equities, Derivatives, Crypto- & DeFi-specialist; multi asset class investor
- Passion for TA & Behavioral Finance

DaBone



- 20 yrs+ experience in international industrial corporations
- Leading CEO/CFO positions over many years and vast global experience
- Exceptional business development skills and network
- Active investor across asset classes and industries with a mad passion for crypto

Webdesign & Media



- Engineer in media informatics
- 15 years+ experience as web designer and CI expert
- Large agency background...
- ... paired with entrepreneurial success in own boutique consultancy

Trading & Derivatives



- MD Broker/Investment bank
- 30 years+ Sales & Trading
- European equities, ECM, derivatives

Crypto Investment Professionals



- Senior professionals of fast growing institutional crypto VC investor engaging privately for ISSUAA

Industry & Finance



- 25 years+ leading roles in CeFi industry and institutional asset management

Equities, Bonds & Derivatives



- 20 years+ fundamental and technical analysis for institutional investors at major international bank

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