

ISSUAA

Novel DeFi Protocol for derivatives of real world, crypto,
and virtually any asset on blockchain

Intro, December 2023

#bebullish



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>> *Providing liquidity and farming the ISSUAA Protocol Token ISS is like stable coin farming @superior APYs...* <<

>> *Long/short tradability of virtually any asset on chain* <<

>> *Long/short twin token system always secures protocol funding - no liquidation risk for LPs* <<

>> *veISS Staking/farming system and superior tokenomics with the cash flow linked \$ISS protocol token* <<

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 - Mainnet launch on Scroll

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 up to **~90% (of up to 100m max. ISS supply)** is given out over time 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 continually 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.**



ISSUAA V2 is live on Scroll – multi-chain via LayerZero to follow

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

The screenshot shows the ISSUAA Trade interface. On the left is a sidebar with navigation links: DASHBOARD, PORTFOLIO, MINT, POOL, TRADE, REDEEM, GOVERNANCE, and BLOG. Below these are buttons for 'Scroll' (highlighted in green) and '1,037,803 ISS'. Further down are 'SOCIALS' and 'LEGAL' links, and a copyright notice '© ISSUAA 2023'. The main area is titled 'TRADE' and features a 'Buy' and 'Sell' toggle. The 'Pay' section shows a balance of 212.9115 (Max) and a value of 212.91148799 USDC. The 'Receive' section shows a balance of 37,803.1773 and a value of 7900.929180 ISS. A 'Trade' button is at the bottom. Below the button, it states: 'Minimum to receive: 7,821.919888', 'Price impact: 1.02%', and 'Liquidity Provider Trading Fee: 0.64 USDC'. A wallet address '0xD8...0735' is visible in the top right corner.

ISSUAA LIVE on Scroll

Only 2 steps to dive in:

1. Connect ISSUAA with your wallet to interact with the blockchain and the ISSUAA smart contracts.
2. Trade ETH against ISS or ISSUAA asset tokens.



ISSUAA V2 will launch on Scroll

Reasons for ISSUAA to launch on Scroll

- **Low fees:** Scroll transactions are significantly **cheaper** than Ethereum mainnet transactions. This means users will be able to trade, farm and participate in onchain governance without having to pay high gas fees.
- **Fast transactions:** Scroll transactions are processed much **faster** than Ethereum mainnet transactions. This means that users will be able to trade tokenized assets quickly and easily.
- **Enhanced security:** Scroll uses zero-knowledge proofs to achieve **scalability without sacrificing security**. This means that users can be confident that their assets are safe on Scroll.
- **Growing community:** Scroll is a **rapidly growing platform with a large and active community**. This means that users of ISSUAA on Scroll will be able to participate in a vibrant and growing ecosystem.
- **Strong backers:** More than **\$50m in funding** allows for long term development **of Scroll**.
- **Optional Bonus feature: Airdrop opportunity benefits users and protocol growth**

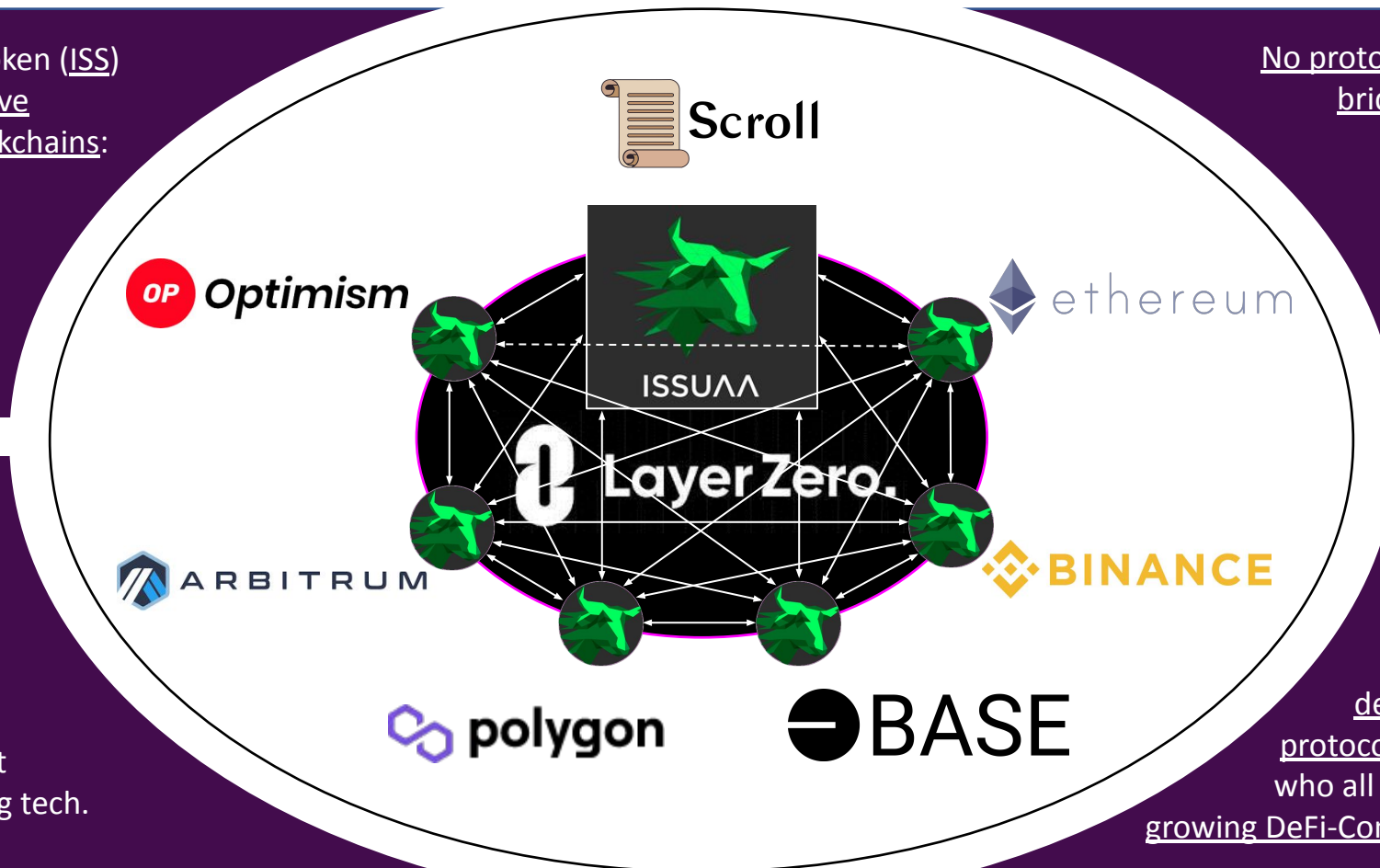


ISSUAA V2 has multi-chain capability via the integration of LayerZero Technology

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

The ISSUAA Protocol token (ISS) is available as a native token on different blockchains: Scroll, Ethereum, Binance, Avalanche, Polygon, Arbitrum and Optimism, a. o.

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.

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- 🕒 **ISSUAA Market place, USPs and competitive edge**
- 🕒 Tokenomics and ISS distribution
- 🕒 DAO Governance and Team



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 gen one protocols like Synthetix or 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) (not yet active)
- LPs and long term veISS holders will be rewarded best due to very favorable rewards scheme.
- Cash Flow linked governance token (ISS).

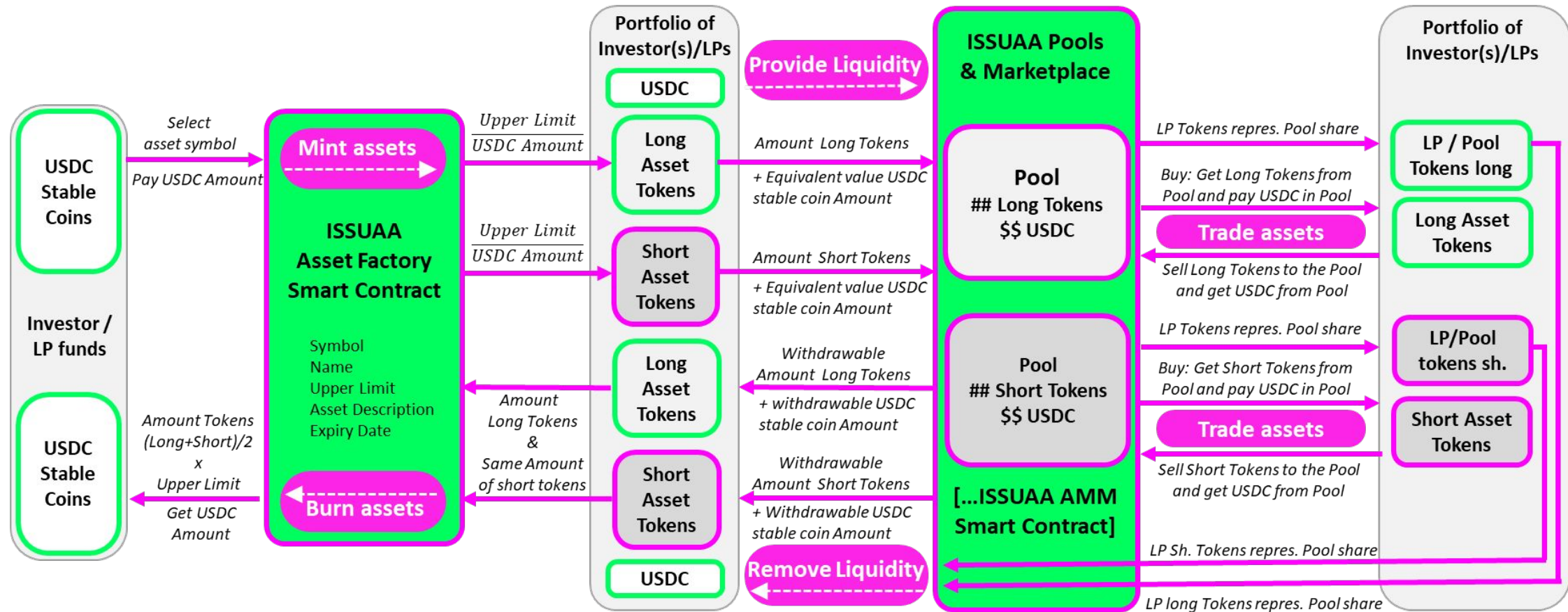
Global Access

- 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)





The ISSUAA protocol always remains fully solvent

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 velSS 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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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 (70% - 95%) will be granted to active community members** of the ISSUAA protocol.
- **LP rewards** will guarantee an attractive yield while adjusting with protocol TVL.
- **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.**



V1 token holders can convert their tokens into veISS and choose the lock-up horizon

- **IPT - Governance token of ISSUAA V1:** During V1, the IPT was the original governance token.
- **Snapshot and IDT airdrop:** At the end of ISSUAA V1, a snapshot of all all liquid and staked ISS tokens was taken. Holders will be airdropped an equal amount of IDT (“ISSUAA Distribution Token”) tokens.
- **Conversion of IDT to ISS:** IDT tokens act as an intermediate step in the migration process towards ISS and veISS - the new (and final) governance token of ISSUAA V2.
- **IDT to ISS ratio depends on your lock period:** All ISS tokens that go to existing token holders will be locked. Users can choose to lock for 1,2,3 or 4 years. Only those that lock for full four years will receive a ratio of 1 IDT to 1 ISS. Users that lock for 3 years receive a ratio of 3 / 4, 2 years 2 / 4 and 1 year 1 / 4. The unused tokens will go back into the treasury and can be used for any DAO purposes needed.
- **veISS ratio:** Your veISS balance depends on your lock time as well. This ratio comes on top of the above mentioned conversion ratio. This means that people that lock for four years will receive a ratio of IDT to veISS of 1/1, while users locking for only 1 year will only receive a ratio 1 / 16
- **Early contributors:** The early contributors, which held 15% of the fully diluted tokens will lock their tokens in accordance with the rest of the community but at least for two years.
- **This conversion process ensures that the early users who are committed to the long term success of ISSUAA will remain fully on board, while those that want to exit early get their holdings diluted.**

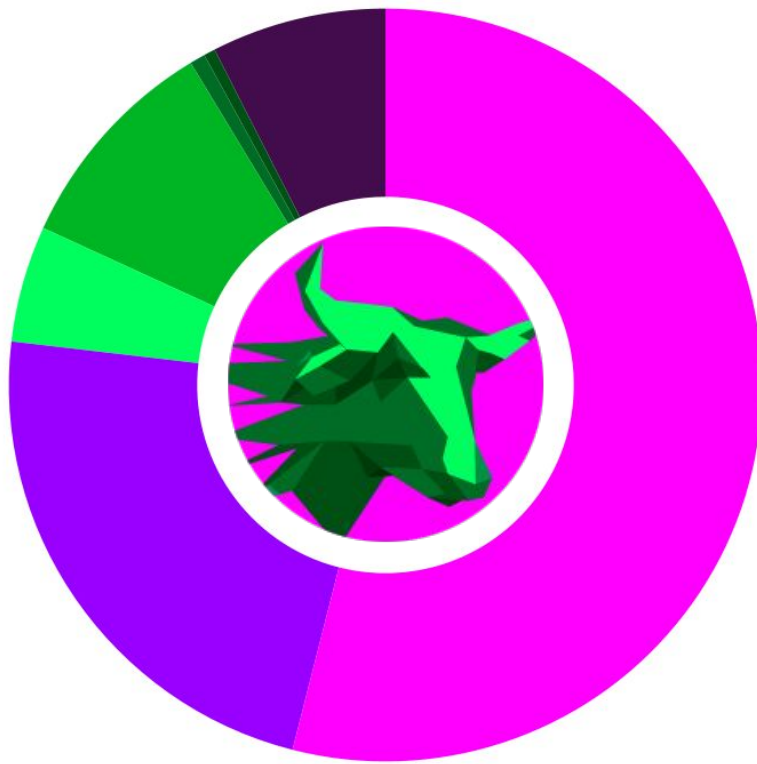


Fair launch of ISS tokens to the ISSUAA community with largest part rewarded to veISS holders, LPs & gov. voters ensures long term attractivity

ISSUAA Protocol Token (ISS) - Envisaged distribution

Status @ V2 Launch

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



54% Rewards: veISS hold., LPs & Gov. Voters

The largest share of ISS (~54% of max. supply) shall be rewarded to veISS holders, liquidity providers in ISSUAA pools and veISS holders participating in DAO governance votes. Until regular rewards of V2 are not rewarded, these tokens are held by the ISSUAA DAO Treasury.

0-23% IDT Reserve

Up to 23% of ISS will be returned to the ISSUAA DAO depending on the average lock period token holders choose when converting to ISS.

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 Reserve

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

<1% Rewards for Testing and Bug Bounty

~2% of all ISSUAA V1 protocol tokens 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.

<1% Angel Contributors to ISSUAA DAO

~2% of all ISSUAA V1 protocol 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.

7.5% Early Core Contributors Team Share

The team of early core contributors to the ISSUAA protocol and DAO was rewarded with a 15% share of all ISSUAA V1 protocol tokens for their early development and ISSUAA community efforts. Team committed to lock for at least 2 years, hence resulting in min. 7.5% of ISS token holding after conversion.



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.

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.

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!

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 = $1 + 1.5 * (\text{share of veISS} / \text{share of LP provider tokens})$

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

Overview

ISSUAA COMMUNITY DAO GOVERNANCE

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 a truly decentralized finance protocol.





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 BUIDLing experience

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

stockmaster0x, CFA - Tech lead



- 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

bullseye0x, CEFA - BD lead



- 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

Dan - Marketing & Tech



- Founder of a mobile marketing agency
- Full stack developer with a special focus on game development and AI
- Full time crypto expert for more than 3 years

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

"Shabby"



- Crypto influencer with > 20k followers

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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Thank you for your attention

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