

A night photograph of a tennis stadium. In the foreground, a player in white is captured mid-swing on a blue court. The stadium is packed with spectators. In the background, a city skyline with several illuminated skyscrapers is visible under a dark sky.

tokenizing celebrities.

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1. ACE Project Overview

1.1. Abstract. Fifteen Reasons to Support.

- 1 This is the first project to tokenize people, specifically celebrities.
- 2 It starts with tennis and football verticals. At later stages, it will **utilize a shared infrastructure** and launch the **new verticals** (poker, basketball, hockey; cinema actors, models, musicians). The football GOAL token sale is conducted simultaneously; please see the football white paper here.

1 We start with 2 sports most popular globally,



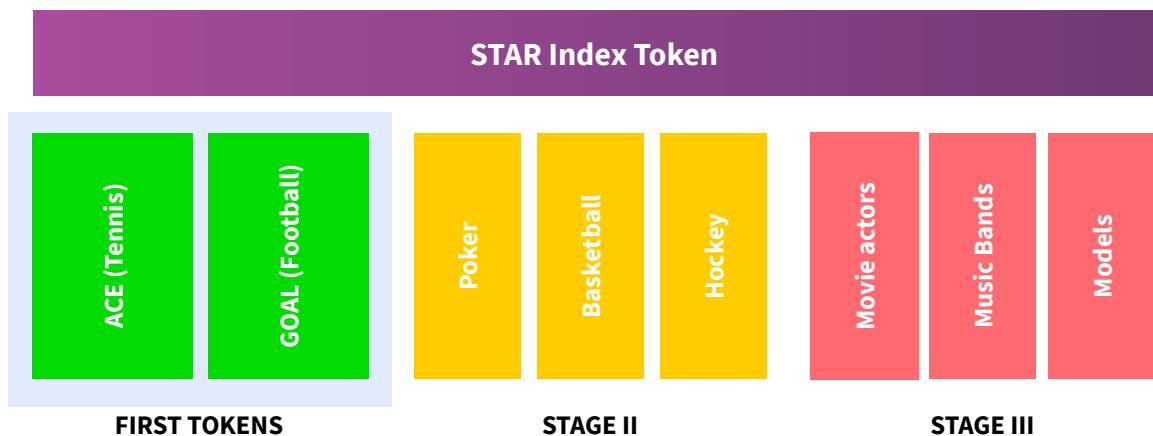
2 then we add other sports verticals,



3 and move beyond sports to celebrities (actors, models, music groups).

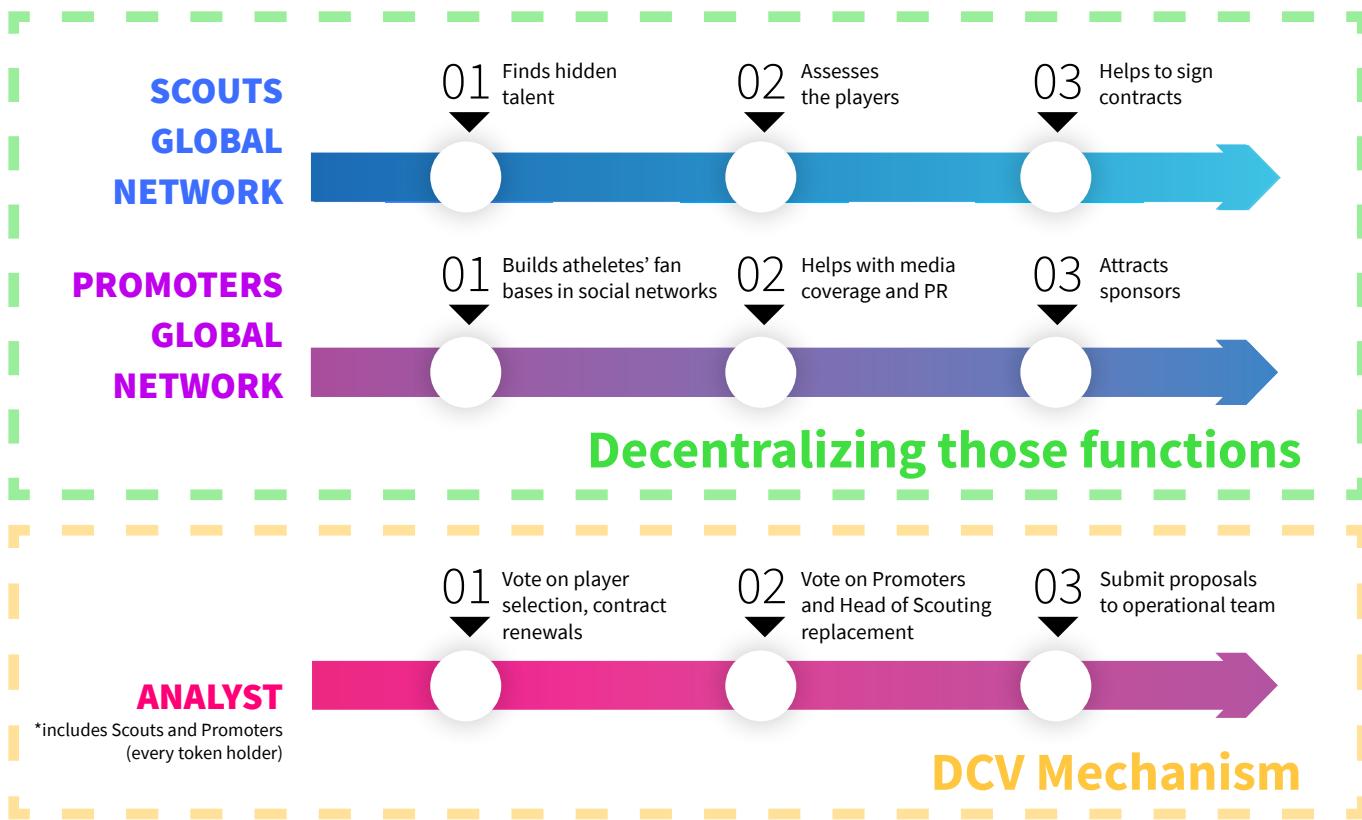


- 3 This project will allow **swapping** sport-specific **tokens** (ACE for tennis, GOAL for football, and others later) for the general STAR index token, so early supporters will get a priority seat in the launching verticals.



- 4 ACE **provides funding and promotion** resources to young aspiring tennis players at the critical junior age, so they don't drop out of professional sports. This significantly increases their chances for success. Additionally ACE **offers representation and promotion** to the established (pro) tennis players, that are already attractive for sponsors but were overlooked by traditional agencies.
- 5 When successful, women and men tennis stars **earn prize money** (less than \$1 million for 400th ranked player, \$60+ million for a top-5 player) and accumulate celebrity status, sign sponsorship deals (which are roughly 5-10X times larger than the prize money earned over the player's career).
- 6 ACE **decentralizes the talent sourcing** process to ensure a high-quality flow of candidates. Unlike traditional agencies with limited number of in-house scouts, ACE will create a Global Scouts Network, encouraging scouts with well-balanced stimuli to bring the most talented players to the ACE platform.
- 7 ACE **decentralizes the talent promotion** process to attract more advertising contracts to the PRO players. ACE will create a Global Promoters Network and use the stimuli for talent promotion (up to 10% of the contract) which will provide a good flow of sponsorship deals to the players.

- 8 ACE uses the **Decentralized Community Voting (DCV)** mechanism for making **particular operational** decisions. A smart crowd that relies on analytical reports will make better decisions than would a biased sports agent relying on his gut feeling.



- 9 ACE is based on a **proven business model** of the talent management agency (TMA). Thus, the project risks are in execution, not in the technical barriers or lack of product-market fit.
- 10 ACE has assembled a top-notch **advisory board** which will bring both tennis and business experience to stimulate project growth:
- Anastasia Myskina – No. 2 in WTA ranking and Roland Garros champion.
 - Sergey Demekhine – coach of Vera Zvonareva (No. 2 in WTA).
 - Maya Kurilova – ex-Operational Director at Octagon, 11 years of experience in tennis talent management.
 - Elena Masolova – serial entrepreneur with 3 exits, founder at Groupon Russia (0 to \$15M in monthly revenue in 450 days), Pixonic, Eduson and AddVenture Fund.
 - Ksenia Chabanenko – ex-VP Communications & Biz Dev at Mail.ru Group (\$8.9 billion market cap).
 - Irina Shashkina – ex-CMO at Groupon Russia, ex-COO at Rambler&Co (\$0.6bn market cap).
 - Alex Stratilatov – co-founder and managing partner at JAMI, top 5 Russian digital agency.
- 11 ACE has already proven its business concept. We have **signed the first contract** with an established **PRO player** - Veronika Kudermetova, winner of 19 international tournaments (No. 66 in WTA ranking in doubles, top 200 in singles).
- We are close to signing the first advertising deal for Veronika.
- 12 ACE aspires to introduce **1 billion tennis fans** to the blockchain world. Top-20 players have 172 million active fans. We put special emphasis on global PR and marketing among the non-geeky tennis fans. The message ‘be part of the next Federers’ success and get exclusive offers from this star’ should resonate with them.

- 13 ACE targets a **giant and fast-growing market**. Top 50 sports talent management agencies have over \$40 billion of contracts under management which is greater than the market capitalization of such companies¹ as Nippon Steel, Tata Motors, Hyundai Heavy Industries, or the GDPs of countries like Serbia (EU), Bahrain, Cyprus (EU). Sports industry is booming now – total prize money in Grand Slam Championships has dramatically increased 4X during last 15 years. The project disrupts the huge incumbents' business and shares the created value among the community members.
- 14 ACE is a **global** project looking for players and sponsors worldwide (this means higher market size, higher diversity, and less dependency on local regulations).
- 15 Finally, and most importantly, ACE **product tokens** offer token holders **unmatched value** (exclusive communication with stars, one-on-one training, VIP tickets and books, business endorsements well below market price, etc.)

Blockchain allows previously impossible ways to collectively support athletes, to decentralize key processes (scouting and promotion) which lowers the costs dramatically and shifts most of the created value to the community.

This paper studies the ways of tokenizing tennis players.

¹ <http://fortune.com/global500/list>

OUR ACHIEVEMENTS

We help top-100 stars to find advertisers

Agency looks for advertisers for 4 outstanding tennis players from top-100.



Advisory board of tennis stars helps the players

Advisory board is led by **Anastasia Myskina**, No.2 in WTA and **Maya Kurilova** (former Director of Operations at Octagon Russia).



We financially support rising stars

Veronika Kudermetova (19 WTA & ITF titles) signed an agreement with an agency



\$82,000

Projected revenue stream from endorsement deals in September-October. Previously the team members built up sales departments of 500 reps and they know the process



250,000 fans know us



TRIBUNA

We partner with sports media: the largest **Manchester United** fan community in the world and **Tribuna Digital** (250,000 users of our special project, MAU: 10 mln) and other media.



50,000+ in engaged community

Fans are willing to exchange tokens for exclusive offerings from the stars. The video about TokenStars has reached over 50,000 views across all social media.

Our media partners:



Manchester United



UEFA CL



Juventus



Barcelona



Tribuna
Digital



Arsenal



Scores
& Video



Kixx

1.2. Token Sale Overview

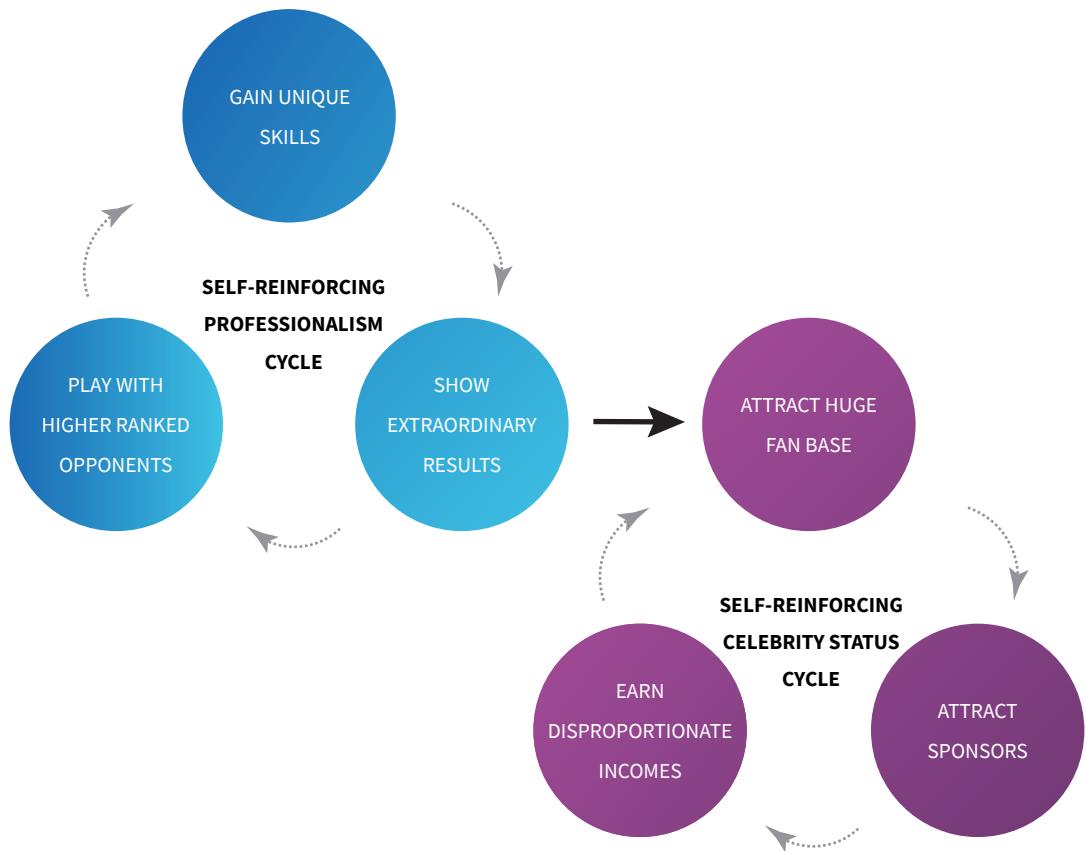
Target token sale amount:	\$7,500,000
Min token sale amount (soft cap):	\$750,000
Max number of sold tokens (Cap):	99,000,000
Max number of created tokens (Cap):	165,000,000
Sales geography	ACE tokens are not being offered or distributed to, as well as can not be resold or otherwise alienated by their holders to, citizens of, natural and legal persons, having their habitual residence, location or their seat of incorporation (i) in the United States of America (including its states and the District of Columbia), Puerto Rico, Virgin Islands of the United States, any other possessions of the United States of America, or (ii) in the country or territory where transactions with digital tokens are prohibited or in any manner restricted by applicable laws or regulations.
Token price at Token Sale:	0.0001 BTC
Token distribution:	For every 60 tokens sold, 20 additional tokens will be created and retained for the team, partners and advisors, and 20 additional tokens will be created and retained for the community. The undistributed tokens (difference between maximum number of created tokens and actually distributed) will not be created.
Web site:	http://tokenstars.com/ace/
Payment methods:	Bitcoin (BTC), Ethereum (ETH)
Presale start date:	August 01, 2017, 12:00 PM PDT
Presale end date:	September 09, 2017, 12:00 PM PDT
Minimum purchase volume during the presale:	10,000 ACE tokens
Maximum purchase volume during the presale:	No cap
Sales start date:	September 10, 2017, 12:00 PM PDT
Sales end date:	October 31, 2017, 12:00 PM PDT (or sooner if the cap amount is reached)
Minimum purchase volume per sale:	100 ACE tokens
Maximum purchase volume per sale:	No cap
Initial Token Distribution Date:	November 7, 2017, 12:00PM PDT (or sooner if the cap amount is reached)

1.3. Introduction into Tokenizing Sports Professionals and Celebrities

Sport professionals and celebrities in general can be viewed as assets.

Over the course of their careers, athletes improve their skills, gain unique professional abilities, and start playing against higher skilled professionals which improves their skills even more. We call this the ‘self-reinforcing professionalism cycle’.

At the same time, extraordinary results attract fans – which make the athletes of interest to the sponsors – who pay disproportionately high money for the image of the now-popular athletes – who start leading celebrity lifestyles, and attract even more fans. This is the ‘self-reinforcing celebrity status cycle’.

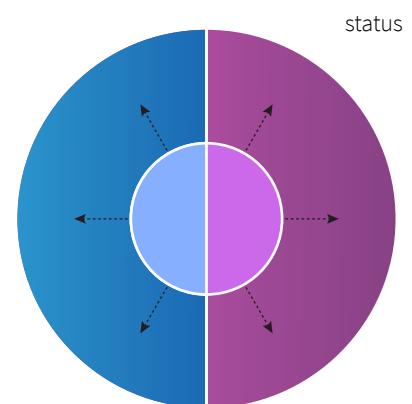


What happens over the course of a few years is that in a very sudden ‘from rags to riches’ manner, the athlete has dramatically increased their own value (both in skills and celebrity status).

ATHLETE'S VALUE GROWTH

After athletes become professionally successful and famous, there is a lot they can give in return to early supporters:

- a share of earned income (in one form or another, directly or indirectly)
- endorsements for supporters' business entities and non-profit causes (via commercials or social media posts) well below the market price
- training time (one-on-one or in group, in person or in the form of online lessons)
- communication with fans (via video chats, text chats, offline group exclusive meetings, selfies, etc.)
- signed merchandize, books
- tickets to events, etc.



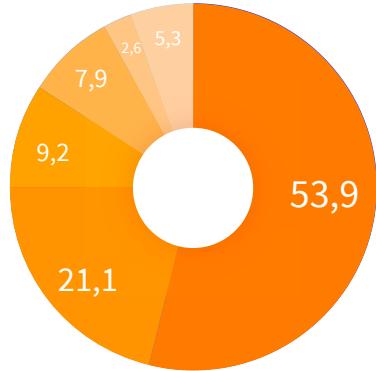


2. Young Tennis Players Need Funding

2.1. Costs Breakdown

From the age of 8 to the age of 18, before young players first start earning prize money at the tournaments, they need to spend significant amounts of money:

- to travel to tournaments (and receive ranking points)
- to study at a professional tennis academy
- to train with a professional coach and a full-time hitting partner
- to rent the courts
- to buy equipment
- to buy advanced medical insurance, etc.



Lack of funding is a typical problem which almost all current stars face as juniors.

2.2. Costs Estimation

The estimation of training costs «for a junior is about \$100,000 a year. That comes from [is partially covered by federations, income that comes from small clothing and racquet contracts]² and agencies, like IMG, CAA, or Octagon (see Section 4).

2.3. Case Studies of Sharapova, Safin, Bahrami



Case 1. As a kid, the Iranian tennis player Mansour Bahrami³ could not afford to buy a tennis racquet. He played **with a frying pan** until the age of 10. He trained in an emptied swimming pool at night because he couldn't pay for lessons on a court. Bahrami was lucky to be noticed by the person who became his coach, and he became a professional player and a finalist of the prestigious Roland Garros Grand Slam tournament.



Case 2. The Russian player Marat Safin was turned down by the IMG agency at age 14 and, like many, had to find a sponsor in a hard, time-consuming and humiliating process. Israeli businessman Bruce Rappaport knew only a little about tennis, but agreed to cover Safin's costs. The player went on to become the 1st in ATP rankings, won the Davis Cup twice, won 17 tournaments, including two Grand Slam titles, and was admitted to the Tennis Hall of Fame. He has earned \$14.3 million in prize money.



Case 3. At age 9 Maria Sharapova left Sochi and came uninvited to the Nick Bollettieri Academy in Florida. She was accepted, but her father had to work as a dishwasher in the US to pay the bills. Maria has won five Grand Slam titles (Wimbledon at age 17), an Olympic Games silver medal, 39 tournaments; she has reached the 1st ranking of the WTA. She has earned \$36.5 million in prize money and \$285 million⁴ in sponsorship deals.

² http://www.sportspromedia.com/quick_fire_questions/how_to.....be_an_img_tennis_agent_part_i

³ https://en.wikipedia.org/wiki/Mansour_Bahrami

⁴ <https://www.forbes.com/sites/kurtbadenhausen/2016/03/08/how-maria-sharapova-earned-285-mill-during-her-tennis-career/#4b3521b778e2>

2.4. Current Sources of Funding

These are the current funding options for young and up-and-coming players:

- Parents' money
- Loans from friends and donors (as traditional bank loans are hard to obtain)
- Grants from Talent Management Agencies like IMG
- National tennis federation grants, which are usually small



3. Successful Tennis Players Earn Millions

3.1. Income Breakdown

Tennis stars' income includes:

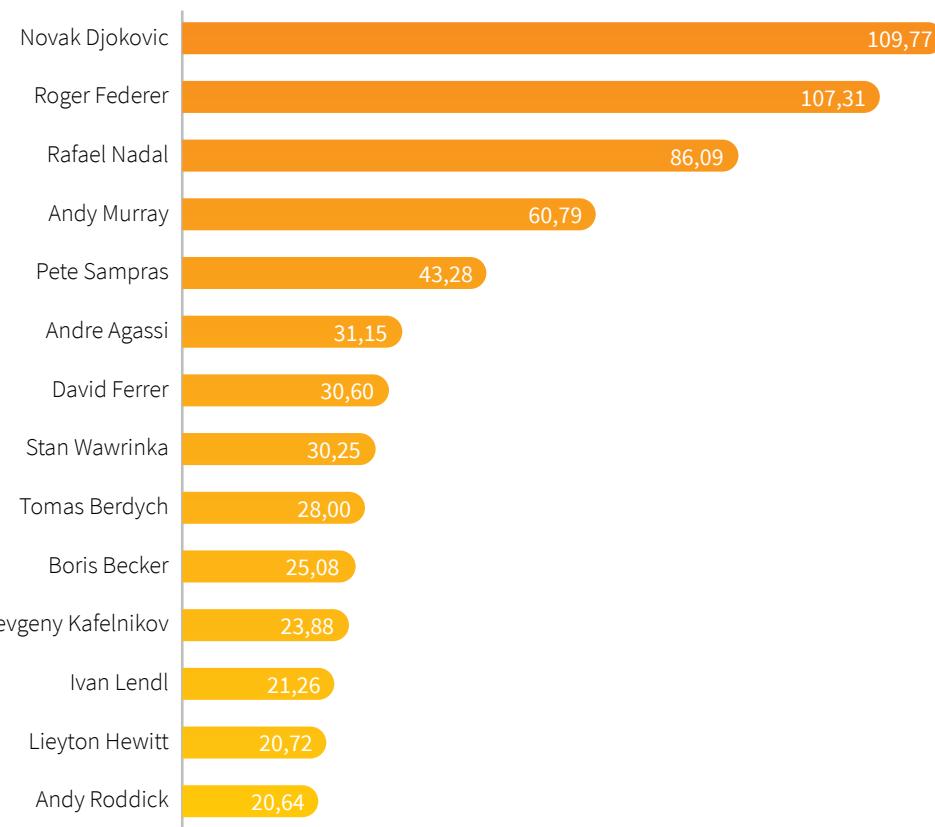
- prize money from the tournaments
- sponsorship contracts with equipment and apparel producers (Quiaodan, Yonex, Uniqlo, Head, Wilson, Babolat, Adidas, Nike etc.)
- general advertising contracts (Evian, Lotto, Mercedes, Porsche, Tag Heuer etc.)
- appearance fees (less prestigious tournaments pay stars for mere participation)
- licensing their image and name (to games, clothing lines, perfumes)
- exhibition fees

3.2. Prize Money

Players' career prize income differs depending on their 'league'.

- A superstar can be expected to earn north of \$60 million in prize money alone over the course of their career. Roger Federer earned \$104 million⁵ in prize money over his career. Serena Williams earned \$84.4 million⁶.
- A player with 1-5 tournament victories usually earns \$5-9 million. French Sebastien Grosjean (4 titles) earned \$8.1 million⁷, and Australian Kevin Anderson (3 titles) earned \$7.8 million⁸.
- A low-ranked player isn't likely to earn more than \$1 million, e.g. Chinese Yifan Xu (433 rank) has earned \$0.98M⁹.

Prize Money over the Course of Prominent Players' Careers, in \$ million¹⁰



Those amounts are pretax and include agencies' and coaches' commissions.

⁵<http://www.atpworldtour.com/en/players/roger-federer/f324/overview>

⁶<http://www.wtatennis.com/players/player/230234/title/Serena-Williams>

⁷<http://www.atpworldtour.com/en/players/sebastien-grosjean/g379/overview>

⁸<http://www.atpworldtour.com/en/players/kevin-anderson/a678/overview>

⁹<http://www.wtatennis.com/players/player/312280/title/yifan-xu-0>

¹⁰<https://www.statista.com/statistics/277002/tennis-players-worldwide-by-career-prize-money-earnings/>

3.3. Sponsorship and Advertising (Endorsements)

3.3.1. Case Studies of Kei Nishikori and Li Na



Case 1. The Japanese tennis star Kei Nishikori has sponsorship contracts with Uniqlo (\$50 million), Wilson, and Adidas, and has advertising contracts with CupNoodle, Tag Heuer, Weider Supplements, Jaccs, Nissin, EA Games, Air Weave, WOWOW, and others. An estimate of Kei Nishikori endorsements' earnings was provided by Forbes. Forbes stated that Nishikori earned \$30¹¹ million in 2016 (with additional prize money of \$3.6 million this year which suggests a rough 1X to 10X ratio for prize money compared to much larger sponsorship deals).



Case 2. Chinese tennis star Li Na (a career-high No. 2 ranking in the world, and two-time Grand Slam winner) had multiple contracts with Nike, Babolat, Mercedes-Benz, Visa, Rolex, SpiderTech, Crown resorts, Samsung, Haagen-Daas and a bunch of Chinese advertisers – Taikang Insurance, Kun Lun Water, Yili Group etc.

She earned an estimated \$18 million¹² in endorsements in 2014. Li Na commands a total of \$60 million in personal net worth, which includes prize money of 16.7 million¹³.

3.3.2. Typical Sponsorship Deals

Not all data is available publicly, but, usually, the higher-ranked the player, the more money brands are willing to pay:

- US star Serena Williams has a 5-year, \$55 million contract with Nike
- British Andy Murray has a 4-year, \$21 million deal with Under Armour
- Swiss star Roger Federer has a \$100 million, 10-year deal with Nike

The endorsements' estimates for the year 2016 are provided by Forbes¹⁴:

¹¹ <https://www.forbes.com/profile/kei-nishikori/>

¹² <https://www.forbes.com/profile/li-na/>

¹³ <http://www.wtatennis.com/players/player/120330/title/Na-Li>

¹⁴ <https://www.forbes.com/athletes/list/#tab:overall>

- Roger Federer earned \$54 million that year alone (with an additional \$6 million in prize money, again showing the 1X to 10X ratio)
- Serbian star Novak Djokovic earned \$28 million (with an additional \$9.6 million in prize money)

3.4. Appearance Fees

Less prestigious tournaments cannot offer lots of ranking points for a victory, and so have to pay the stars simply for their appearance. Karl Budge, the director of the Heineken Open (New Zealand), says, “Player prize money has gone up incredibly over the last five years. Two years ago, I didn’t have to pay three of the players who were in the top 30. Now, if I want anyone in the top 30, I’ve got to pay them¹⁵”.

- 19-year-old rising German star (currently 20th in ATP ranking) Alex Zverev declined to participate in the Stuttgart tournament in 2017 as the offered fee was too small.
- Roger Federer is reported to have received \$1 million for his appearance at an Istanbul tournament.
- Novak Djokovic is reported to have received \$1 million from a Dubai tournament.

3.5. Exhibition Fees

Roger Federer and Andre Agassi played a match on a helipad to promote the ‘Burj al Arab’ hotel in Dubai. The exact compensation is unknown.

Retired tennis stars often play in exhibition tournaments for \$50-250K fees.



¹⁵ <http://www.stuff.co.nz/sport/opinion/65231157/Reason-Tennis-stars-like-Federer-Nadal-and-Djokovic-only-care-about-cash-not-fans>



4. Traditional Sports Agencies

4.1. Agencies Act as Headhunters, Investors and PR Providers

Presently, the funding problem of rising stars is usually solved by agencies. They sign 13- to 15-year-old tennis players, finance them, and sometimes even run academies (IMG bought the famous Nick Bollettieri Academy). After the player starts climbing the ATP or WTA rankings, the agencies help with advertising deals, and take a 20% cut from the revenues (with priority rights to first cover incurred costs).



IMG signed Japanese Kei Nishikori at age 14 (career-high No.4 in ATP rankings, bronze Olympic medalist); at 19 he won the first ATP tournament.



Spanish player Garbine Muguruza was signed by IMG at 14 and won her first WTA tournament at 19, earning \$11 million in prize money so far (she's 23 now).

4.2. Sport Agencies Are Huge Multibillion Businesses

Top-10 talent management agencies have \$25.3 billion¹⁶ in contracts under management, \$1.19 billion in yearly commissions and 3,731 years of contracts signed.

The industry is so large that it is bigger than the GDPs of Serbia (EU), Bahrain, Brunei, Latvia (EU), Cyprus (EU), Malta (EU), Jamaica, Côte d'Ivoire, Bolivia, and some other nations.

The agency leader is the tennis talent representation and sports marketing company WME-IMG, which has a \$5.5 billion market capitalization¹⁷.

In the ACE model, this huge value is shared among the community (scouts, promoters, and token holders).

Agency	Rank	Agency Commission, \$M	Contracts Amount Managed, \$M	Contract years
Creative Artists Agency	1	290.6	7,900	1128
Excel Sports Management	2	149.6	3,100	264
Boras Corp	3	132.3	2,200	62
Wasserman Media Group	4	115.7	2,300	529
Octagon	5	104.9	2,400	401
Independent Sports & Entertainment	6	104.7	2,200	407
Mondial Sports Management	7	101.9	1,000	309
Gestifute International	8	72.7	727	190
Newport Sports Management	9	58.4	1,500	318
ACES	10	55.4	1000	123
Legacy Agency	11	49.5	801	107
WME-IMG (sports division)	12	42.8	271	
...				
Team8 (by Roger Federer)	35	13.1	74.3	—
...				
77 management (by Andy Murray)	47	3.2	20	—

¹⁶ <https://www.forbes.com/sports-agencies/list/#tab:overall>

¹⁷ Their business is not limited to tennis, it includes golf, models etc.

4.3. Many Athletes Are Disappointed by the Current State of Affairs

IMG is practically a monopoly in tennis. They can dictate terms (from the tournaments a player participates in to the organization of his or her training schedule). They turn down players from smaller countries (as the domestic market is small and there are few opportunities for advertising). And, they make mistakes in their selection process.

Roger Federer left IMG and started his own agency, Team8¹⁸. He has signed several top-10 players, including Bulgarian star Grigor Dimitrov and Argentine star Juan Martin Del Potro.

Andy Murray left Lagardere and set up a management agency “77” (name of which is inspired by the 77-year wait for a British men’s singles champion at Wimbledon, that Andy brought to an end in 2013).

As a reason for creating his own agency Murray stated that “it will allow him more freedom in decision-making and the chance to become more involved in his business affairs”.¹⁹

One of the most remarkable conflicts between an agency and a player was Ivan Lendl’s case, the winner of seven Grand Slam tournaments and undisputable No.1 in the ATP ranking. Ivan was dissatisfied with the work of agency, cause at the top of his career he experienced lack of attention from his agents. Later Lendl accused Proserv of exploiting his image for ‘packaging’ with other players at less favorable terms.

Later Lendl left Proserv and started his own agency²⁰.

ACE will collaborate with established pro players: ~20% of both top 300 in rankings (ATP and WTA) are overlooked by traditional agencies, so we can offer them our Network’s advertising capacities and expertise.

Even elite players are open to changing agents and ACE will consider this possibility after initial launch.

¹⁸ <http://www.nytimes.com/2013/12/12/sports/tennis/federer-and-his-agent-start-their-own-firm-representing-athletes.html>

¹⁹ <https://www.theguardian.com/sport/2013/sep/11/andy-murray-77-simon-fuller>

²⁰ <http://www.austlii.edu.au/journals/ANZSportsLawJl/2006/6.pdf>



5. Corporate Structure and ACE Tokens

5.1. Overview of ACE Project Corporate Structure

The ACE tokens are created by **TokenStars Group Limited, BVI (“Company”)**, a business company incorporated in the British Virgin Islands with the company number 1953160. Main purpose of Company is to organize and conduct a process of ACE tokens sale in order to arrange financing of ACE Project.

The ACE platform will be developed and operated principally by Company's affiliate, **TokenStars Group Limited, Cyprus**, a business company incorporated in Cyprus. This company will develop the ACE platform and foster a community around the ACE platform.

5.2. Overview of ACE Tokens

5.2.1. What are ACE Tokens

The ACE tokens are software with cryptographic elements that are sold out as a utility appliance for the ACE platform. The ACE tokens are based on the Ethereum protocol and conform to the widely-used ERC20 standard.

The ACE tokens have their functional utility only within the ACE platform and their creation is conditioned by the need to develop an internal economy in the ACE ecosystem that will establish transparent and fair relations among the ACE community.

The ACE tokens are intended to be used by their holders only for its designated purposes. Number of such purposes may be increased over time, including, but not limited to, by means of adding new services and features available in exchange for the ACE tokens.

The ACE tokens are intended for experts in dealing with cryptographic tokens and blockchain-based software systems.

5.2.2. Use of ACE Tokens

Means to use and interact with the ACE platform. The ACE tokens carry backbone functions of the ACE platform. The full functionality of the ACE platform is available only for ACE token holders. We plan to place the ACE tokens on cryptographic token exchanges, giving an opportunity to openly buy them (to residents of countries where the purchase of tokens does not violate local laws). A user seeking to enter the ACE platform will have to buy the ACE tokens at the such exchanges. Conversely, the ACE tokens could be sold at an exchange if their holder would like to exit the ACE ecosystem.

However, legislation on the circulation of securities in certain countries, such as the United States of America and Singapore, may prohibit the sale of the ACE tokens to the residents of those countries. When buying the ACE tokens, the purchaser should be aware of the restrictions on their subsequent sale and thereby obliges to follow our instructions and/or those of the exchange when he/she resells them to other users.

Form of expression of ACE community opinion. The ACE platform will provide ACE token holders with the opportunity to express their opinion regarding the particular operational issues of the ACE agency's business through the decentralized community voting (DCV) mechanism, which is in more detail described in section 7.1 of this White Paper.

These decisions, expressed through DCV mechanism, will serve as the advisory guidelines for the ACE agency's management. The agency's management team and executives will consistently admit the results of ACE community voting to their consideration.

Form of settlement. The ACE tokens will be used as a form of settlement in the transactions conducted within the ACE platform. In particular, ACE tokens holders may be able to use their ACE tokens to purchase services and

products to be offered within the ACE platform, as it specified in Section 7.2 of this White Paper.

Means to power ACE platform's compensation system. The ACE platform builds well-balanced motivation system that encourages its agents, specifically Scouts, Promoters and Advertisers, to perform their functions better thereby increasing the effectiveness of the entire ACE ecosystem and its benefits to the ACE community. To be motivated to use the ACE platform further, its agents may receive compensation for their active participation in ACE ecosystem, as described in Sections 6.2 and 6.3 of this White Paper. Compensation will be paid in the ACE tokens, that allows the agents to participate in the growth of ACE ecosystem.

5.2.3. What do ACE Tokens Not Represent

ACE tokens are not securities in any jurisdiction. This White Paper does not constitute a prospectus or offer document of any sort, is not intended to constitute an offer of securities or a solicitation for investment, does not pertain in any way to an initial public offering or a share/equity offering, and does not pertain in any way to an offering of securities in any jurisdiction. The ACE tokens are not intended to be marketed, offered for sale, purchased, sold, or traded in any jurisdiction where they are prohibited by applicable laws or require further registration with any applicable governmental authorities.

ACE tokens do not represent a loan to Company. The ACE tokens neither debt instrument or bonds of any kind nor any other form of loan advanced to Company. Acquisition of the ACE tokens, whether through the Token Sale or otherwise, does not grant to token holders any right of claim on Company's financial or any other assets.

ACE tokens don't grant participation in Company or its assets. The ACE tokens do not provide token holders with any ownership or other interest in Company. Acquisition of the ACE tokens does not present an exchange of cryptocurrencies for any form of shares in Company or Company's assets, including intellectual property. Token holders are not entitled to any guaranteed form of dividends, revenue distributions, and voting rights.

ACE tokens are non-refundable. Company is not obliged to provide token holders with a refund related to the ACE tokens for any reason, and token holders will not receive money or other compensation in lieu of the refund. No promises of future performance or value are or will be made in respect to the ACE tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the ACE tokens will hold any particular value.

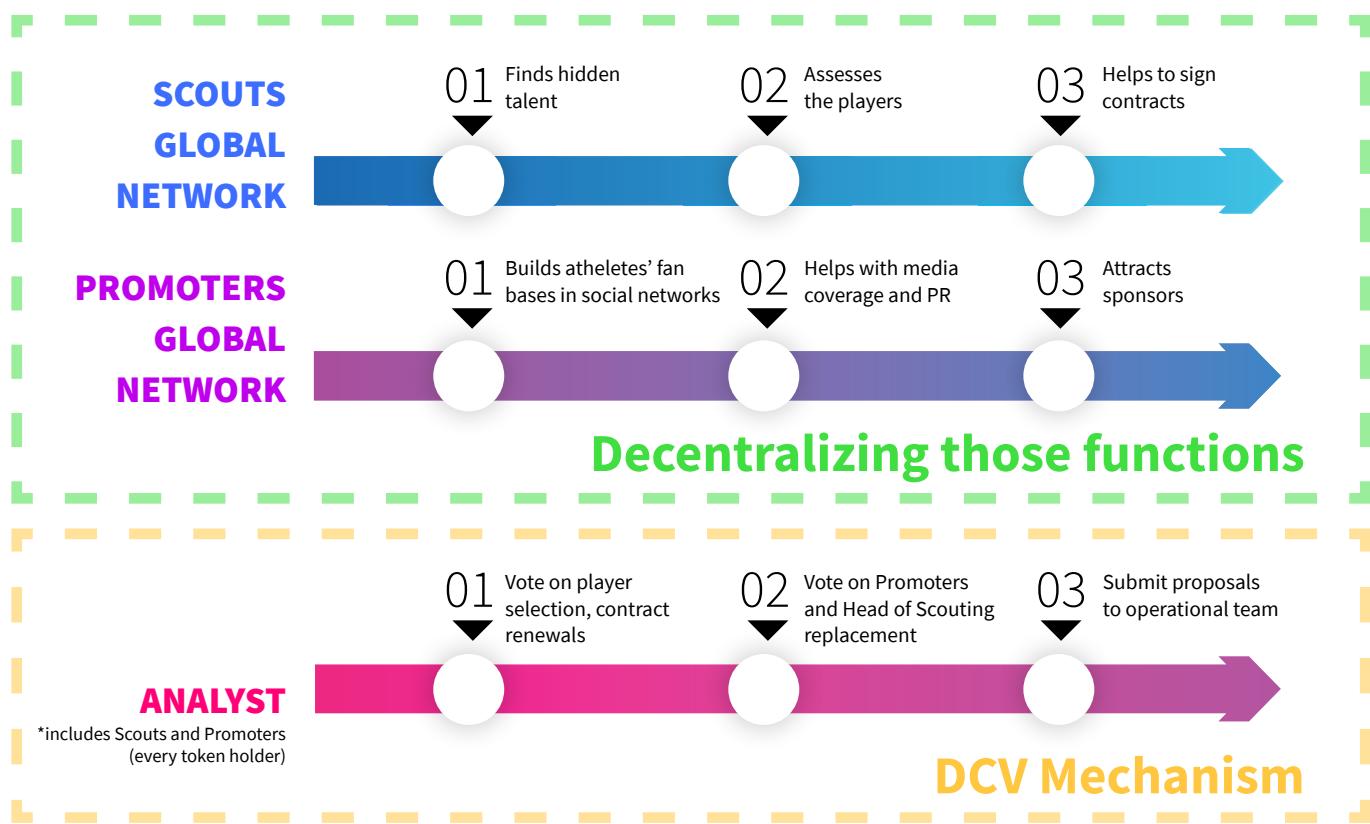


6. ACE Model

6.1. Three Roles in the Community: Scouts, Promoters and Analysts

Token holders may have three roles:

- Scouts
- Promoters
- Analysts (all token holders)



All of them participate in decision making through DCV mechanism (see Section 6.1).

6.2. Disrupting the Talent Scouting Process

6.2.1. Scouting by Full-time Pros Has Disadvantages

«We have around 60 people in the IMG Tennis team, and they all have connections. I know everyone in the Japanese Tennis Federation who knew about [Nishikori].» This Rolodex relationship building approach has certain advantages for scouting. But:

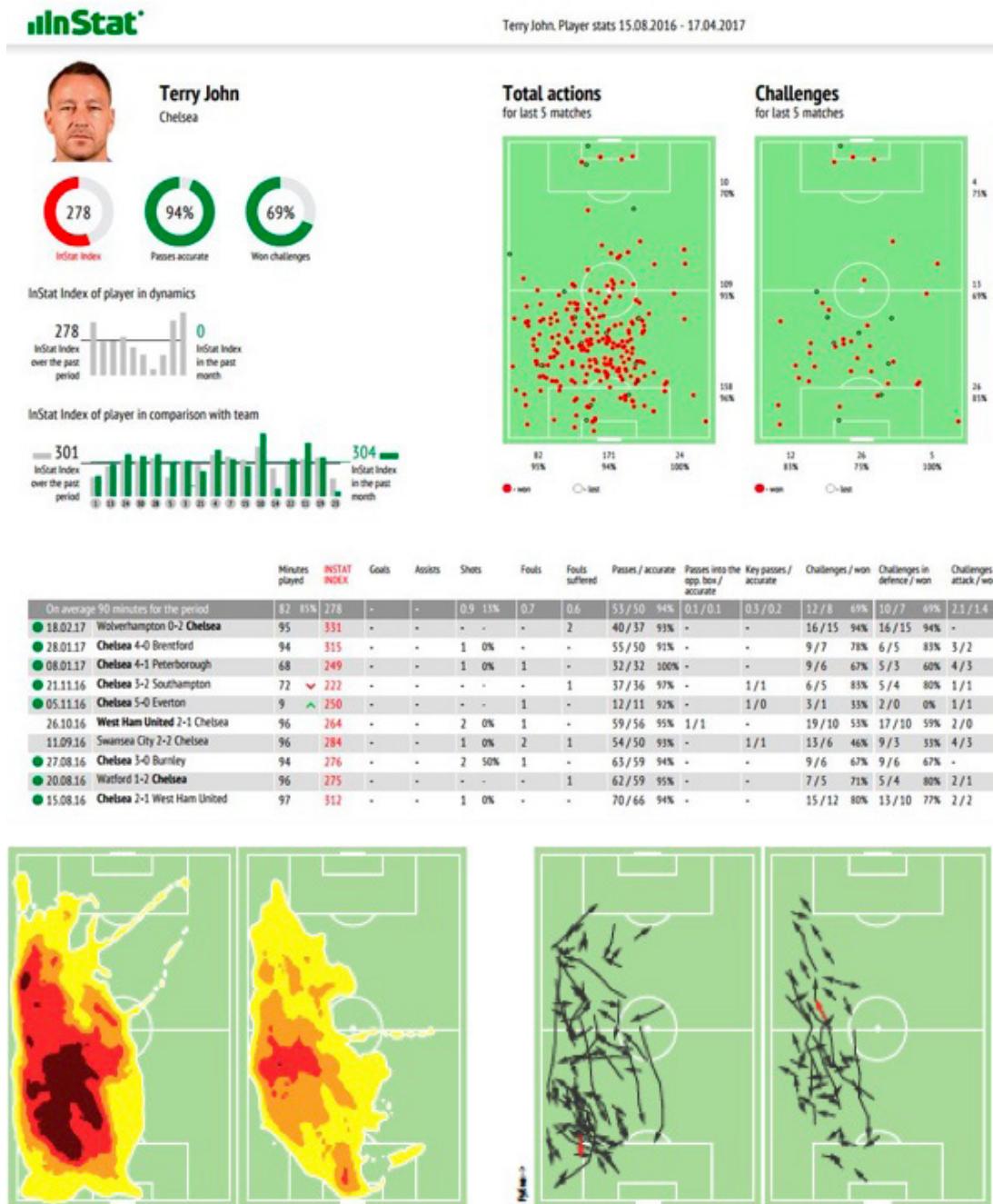
- it is expensive (60 full-time salaried employees amount to roughly \$4 million in costs per year, excluding travel), IMG is a monster, and smaller agencies can't afford so many employees
- it is difficult to scale (agents neglect traditionally non-tennis countries like India or Brazil)
- it is subjective (based on the gut feeling of an expert, who never managed to become a pro player himself)
- it is open to corruption (including so called 'kick-backs' when part of the contract amount is paid back to the scout in exchange for his favorable review of the candidate)

6.2.2. Scouting Should Rely on Number-Crunching Instead of on Someone's Gut Feeling

Many sports organizations have changed their approach to scouting dramatically and have become numbers-driven. Managers now believe that success is predictable and it can be quantified. This analytical approach and its influence on baseball is shown in the movie 'Moneyball'²¹.

In football, scouts and managers rely on the InStat system²². This data analytics company has 1300 clients from Barcelona to Chelsea FC who closely follow second-tier leagues and notice new rising stars early on.

A sample of InStat reports²³:



Unfortunately, tennis has not gone through this transformation yet. We intend to change this (see 5.2.4.)

²¹ <http://www.imdb.com/title/tt1210166/>

²² <http://www.instatfootball.com/>

²³ <http://www.instatfootball.com/products/>

6.2.3. Case Studies of Rafael Nadal and Jelena Ostapenko



Case 1. When Spanish player Rafael Nadal was eight years old, he won a regional championship for players under 12, defeating boys who were three years older.

By the time he turned 12, he had won both Spanish and European titles in his age group. His uncle was a retired pro tennis player and a coach. He was a left-handed player which often confused opponents, with a unique **topspin shot rotating up to 5000 rpm**.²⁴ He was born on clay courts (tickle). You could see his discipline in training and his energy level on court (Vamos!)



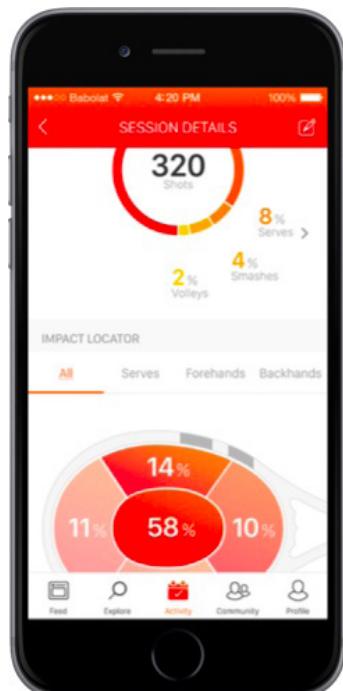
Case 2. 19-year-old Latvian player Jelena Ostapenko hits forehand on average at 76 miles per hour - harder than many leading male players (e.g. Andy Murray). Such forehand speed is a rare skill and a good indicator of future success. No wonder she won the French Open in 2017.

6.2.4. ACE Scouting Model

Old-fashioned scouting process should be replaced with a decentralized approach. We believe that the **Global Scouting Network** of 600 part-time analysts spread globally and properly motivated financially will be more efficient than the full-time 60 employees focused on making friends with local Tennis Federations' presidents.

With the help of ACE tutorials, the Scouts will:

- Crunch data (local kids' and juniors' rankings, and local tournament results) and determine potential 'targets'
- Reach out to players, parents, coaches, and tennis club owners in local social networks
- Submit applications via the ACE website to our full-time scouts
- Hold assessment sessions at players' locations (no need for expensive 2-week travel to a global HQ, like IMG does)
- Use the most modern **connected equipment** during assessments, for example, the Babolat **smart racquet** which gathers a variety of data during the game (serve speed, shots hit map, rally time, etc.)
- Use a unique internal players' assessment checklist (50+ parameters ranging from the strictly technical side to the players' psychotype or their parents' involvement). This will allow for development of a standardized process and legitimate player comparisons



²⁴ RPM is rotations per minute. For comparison, Pete Sampras and Andre Agassi had 1800 rpm, Roger Federer has 2500 rpm.

- Submit players' assessment reports to the ACE community for their professional assessment through DCV mechanism(see Section 6.1)

6.2.5. Scout Compensation

Scouts should receive significant amounts of money for successful recommendations in order to be motivated. It is important to note that Scouts will receive Scout compensation only for their work performed through the ACE platform, as it is described in the table below. No compensation shall be paid if Scouts do not perform any of the respective actions.

In many of our target countries a typical salary for a tennis coach is around \$1,000 per month (or less), so our offer of \$10,000+ is almost a yearly salary. The higher the token price grows, the larger the stimulus will be, and the more and better candidates will be introduced to us.

Scout Action	Scout Compensation ²⁵	Comment
Submitting the initial players' application to ACE.	100 ACE tokens or \$100 (paid in ACE), whichever is larger (but no more than \$120)	With fraud protection mechanisms, penalties for fake submissions, limits for total submissions.
Application is approved and the player is invited to an assessment.	900 ACE tokens or \$900 (paid in ACE), whichever is larger (but no more than \$1080)	
Assisting with the players' assessment offline, submitting assessment checklist to ACE.	500 ACE tokens or \$500 (paid in ACE), whichever is larger (but no more than \$600)	
Player is selected and signs the contract.	8,500 ACE tokens or \$8,500 (paid in ACE), whichever is larger (but no more than \$12,750)	
TOTAL	10,000 ACE tokens or \$10,000 (paid in ACE), whichever is larger (but no more than \$14,550)	

The bonus can be split among several people. Players' parents or coaches are also eligible for compensation. We see no problems with this, as it stimulates the incoming flow of candidates. And it is only fair that the first coach will participate in his or her players' successes.

6.3. Disrupting the Talent Promotion Process

6.3.1. Bounty Programs

Promoters will manage the players' fan pages in social networks, regularly updating them with high quality content about the player to grow the fan base. Promoters may be removed if the ACE community is not satisfied with the results.

Promoters may act as Public Relations Representatives (using press kits produced by ACE) and may pitch players to the local press.

²⁵Hereinafter in the whitepaper: for simplicity the compensation amounts in tokens are calculated at the exchange rate of 1ACE = 1\$. Actual compensation amounts in tokens will be affirmed closer to the token sale event.

Promoters may attract advertisers (using pitch decks produced by ACE). The bonus program for any advertiser who signed the contract is 10% of the first contract and 2% of all the following deals.

6.3.2. Promoter Compensation

Promoters shall receive significant remuneration for their duties to be motivated. It is important to note that Promoters will receive Promoter compensation only for their work performed through the ACE platform, as it is described in the table below. No compensation shall be paid if Promoters do not perform any of the respective actions.

Promoters' Action	Promoter Compensation	Comment
Managing 1 fan account in 1 language in 1 social network	100 ACE tokens or \$100 (paid in ACE), whichever is larger (but no more than \$120) per month	Maximum 500 ACE per 1 person.
Updating ACE newsfeed, per 1 language	300 ACE tokens or \$300 (paid in ACE), whichever is larger (but no more than \$360) per month	Maximum 1500 ACE per 1 person.
Pitching local media and securing unique publications	100 ACE tokens or \$100 (paid in ACE), whichever is larger (but no more than \$120) per 1 publication	
Referring a potential advertiser who passes initial screening	200 ACE tokens or \$200 (paid in ACE), whichever is larger (but no more than \$240)	
Referring a potential advertiser who signs a contract	10% of this first contract, 2% of all future contracts of this advertiser with all ACE players	Excluding local taxes

Vacancies will be posted on our website. Current token holders have priority over other job candidates.

6.3.3. Network Effects in Attracting Advertisers

In the same as traditional agencies we will have a small inside team responsible for attracting sponsors. They will pitch brands and advertising agencies. There are positive network effects which allow the presentation of many potential players at the same time.

Our sales team will be 100% focused on tennis players, as opposed to IMG sales reps who pitch all of the 1000+ athletes and models, with tennis comprising only around 7% of the whole business.

6.4. ACE Talent Agency Compensation

ACE agency adheres to the standard commission rate of 20% of the players' net prize money (excluding local taxes) and 20-25% sponsorships' revenue (in case the sponsor is brought by a promoter the latter receives 10% commission of the first contract and 2% of all the following deals).

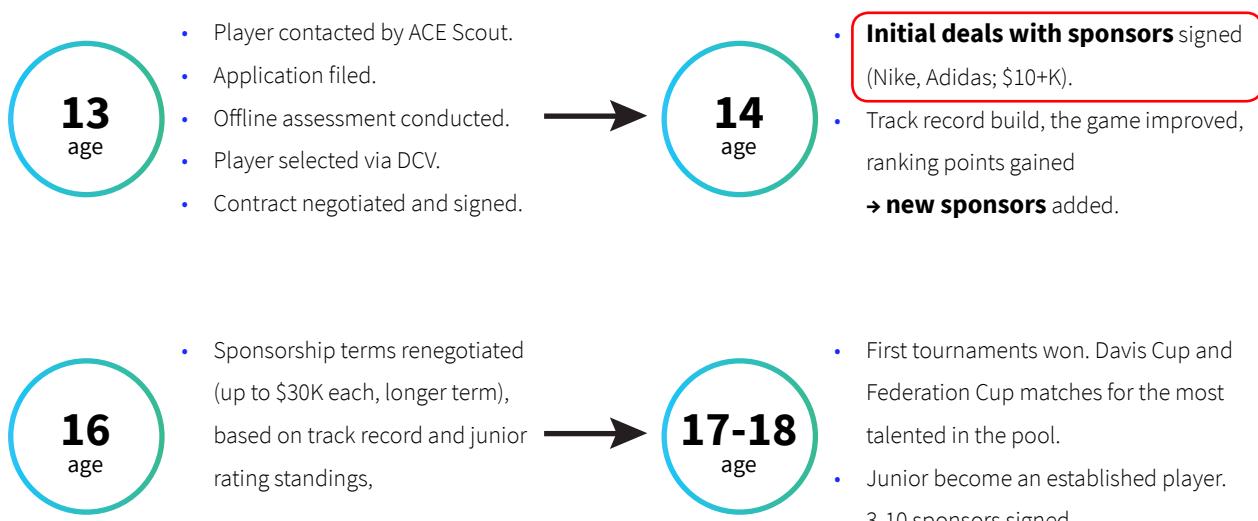
Before ACE agency's initial funding is paid back it has a priority right for revenue proceeds (up to 75% of the prize money and sponsorship revenue).

If a contract expires or is terminated for whatever reason (by ACE agency, by player) then the agency still has accumulated receivables and the player is expected to pay his debt (except the cases when the player decides to retire from sports for medical reasons).

It is **obligatory for sponsors and players to pay the ACE agency fees and commissions in tokens**, so the sponsors and players will have to buy tokens in the market. The higher the ACE agency revenue – the more tokens are supposed to be bought in the market.

6.5. Timeline for the Player and the Agency

We expect to sign the players at 13-14 years of age, and to sign their first sponsorship deals at 14. Usually, these are relatively small, like \$10-30K for every sponsor per player per year. Exceptions do sometimes happen, of course, like the \$36K yearly stipend for Maria Sharapova at age 9.



ACE plans to sign contracts with established tennis players (top 200 in ATP and WTA rankings) who were overlooked by agencies. These athletes earn sufficient amount of prize money to cover their tennis-related expenses, so ACE won't have to cover their training, travel and other costs. Established players are already attractive for advertisers and brands and have marketing potential to accumulate sponsorship deals for \$250-400K per year.

ACE has already signed the first contract with an established PRO player - Veronika Kudermetova, winner of 19 international tournaments (No. 66 in WTA ranking in doubles, top 200 in singles). We're close to signing first advertising contracts for Veronika (expected in September, 2017).

- Contracts with experienced pro players signed.
- Advertising deals and image contracts with brands signed (cars, consumer goods, electronics).

6.6. First Players' Cohort Expected Composition

The rough estimate is to sign:

- 2 to 3 in the 13-14 age group, 1 to 3 at the ages of 15-16 (when their existing 2-year contracts expire and many players and parents are disappointed by agencies)
- 50% boys, 50% girls (although the prize money in men's tournaments is higher, women tennis players are more often chosen by brands as models for commercials)
- From 1/3 and up to 1/2 of the cohort from outside traditional tennis countries

We will specifically target traditionally non-tennis countries with large domestic market (Japan, China, India, Brazil etc.) because even with relatively modest results such a player will be considered **a star for life** in his home country, like Guga Kuerten from Brazil.

The domestic country market size is an important criterion. "If there is a young talent from Croatia, he had better be good, because if he's number 50 in the world we are not going to be able to do our job. But If he is from Japan, or India or China, he **can** be number 50 in the world; this is a totally different story²⁶".

²⁶ http://www.sportspromedia.com/quick_fire_questions/how_to....._be_an_img_tennis_agent_part_i



7. Use of Tokens

Besides Promoters and Scouts compensation, ACE tokens will have a wide use in the ACE ecosystem, specifically in implementation of decentralized governance and getting access to multiple services provided by ACE.

7.1. Decentralized Community Voting (DCV) Mechanism

The community will have a significant influence over managing the ACE agency, participating in decision-making process in respect of particular operational decisions. Through the ACE platform, each holder of ACE tokens will have the opportunity to voice its opinion in respect of the following issues:

Issue	Quorum required	Votes needed
Signing a new player (based on Head of scouting report)	20%+1	50%+1
Players' contract renewal (after 2 years expiration, allows to reallocate resources to the best performing athletes)	20%+1	50%+1
Contract termination (in an unlikely case of a doping scandal or player misconduct)	20%+1	2/3 majority
Renewing the contract or replacing Head of Scouting (after expiration of the 1-year term)	20%+1	50%+1
Replacing an underperforming Promoter	20%+1	50%+1
Suggesting any proposal to the operating team	1%+1	10%

Basic rules for voting via DCV:

- Information on upcoming voting will be made available for the ACE token holders at least 48 hours in advance (published on the website, sent via email, or communicated to them otherwise).
- Each ACE token holder will have the opportunity to voice his/her opinion within 48 hours after the start of respective voting procedure.
- If the ACE token holder does not voice his/her opinion by the end of this period, then his /her opinion will not be taken into account by ACE agency.
- One token equals one vote.

7.2. Token Economics

Apart from Scouts and Promoters compensation (see Section s 6.2 and 6.3), ACE product tokens currently allow 18 other use-cases:

Product Token Use	Price ²⁷	Comment
Use the Platform as a Scout or Promoter		
1 Submit a player application as a Scout	1 ACE	Low bar to register. Penalties for fraud.
2 Submit a sponsorship opportunity as a Promoter	1 ACE	Low bar to register.
Buy Advertising as a Sponsor or Token Holder		

²⁷ Prices for services may vary between different tennis players.

Product Token Use	Price²⁷	Comment
3 Pay sponsorship fees as a sponsor, advertiser	Contract size (player's fee paid in ACE tokens or \$, on player's discretion; ACE agency fees must be paid in ACE tokens)	See projections in the Financial model Section
4 Get endorsements for token holders' business entities or non-profit causes (via social media posts)	500 ACE or \$500 (on player's discretion)	If the post meets social network rules and is approved by the player (they might ban alcohol, tobacco, gambling, etc.)
5 Get endorsements for token holders' business entities or non-profit causes (via photo advertisement and a personal quote)	1,500 ACE or \$1,500 (on player's discretion)	If the ad is approved by the player (they might ban alcohol, tobacco, gambling etc.) Photo session of 3 hours maximum duration, organized at players' preferred location or travel costs shall be covered separately. Production costs not included.
6 Get endorsements for token holders' business entities or non-profit causes (via video advertisement)	3,000 ACE or \$3,000 (on player's discretion)	If the ad is approved by the player (they might ban alcohol, tobacco, gambling etc.) Video session of 4 hours maximum duration, organized at players' preferred location or travel costs shall be covered separately. Production costs not included.
Get Exclusive Training		
7 Get one-on-one tennis training lesson (1 hour)	200 ACE or \$200 (on player's discretion)	Maximum 20 hours per player per year, travel and equipment costs not covered, subject to players' travel schedule and availability
8 Get group tennis training lesson (1 hour)	300 ACE or \$300 (on player's discretion) (for all participants)	Maximum 6 people in a group, 20 hours per player per year, travel and equipment costs not covered, subject to players' travel schedule and availability
9 Get access to online tennis training lessons	10 ACE	Mostly used for marketing purposes, to introduce new fans to the platform (low bar to register)
Exclusively Communicate with the Player		
10 Talk via group video chats (30 minutes)	20 ACE	Marketing purposes. Subject to players' availability
11 Talk via individual video chat (15 minutes)	120 ACE	Subject to players' availability
12 Talk via group text chat (30 minutes)	10 ACE	Marketing purposes. Subject to players' availability
13 Talk via individual text chat (15 minutes)	80 ACE	Subject to players' availability

Product Token Use	Price²⁷	Comment
14 Visit an offline group exclusive meeting	10 ACE	Marketing purposes. Maximum 20 per player per year, 30-60 minute meetings, closed invitation list, selfies included, travel costs not covered, subject to players' travel schedule.
Get Exclusive Offers (Merchandise, Tickets, etc.)		
15 Get autographed merchandise	10 ACE per item	Delivery costs not included
16 Get an autographed players' book	10 ACE per item	Delivery costs not included
17 Get a ticket to the player's matches	10 ACE	Subject to availability, travel costs not covered
18 Get 1 pass to the training sessions as an observer	10 ACE	Subject to the tournaments' policy and players' availability. Travel costs not covered.

Other use-cases will be announced on the website.

All revenue paid in tokens or fiat currency will be split between the player and the agency like any other revenue in the standard proportion according to the agreement

It is **obligatory for sponsors to pay the ACE agency fees in tokens**, so the sponsors will have to buy tokens in the market. The higher the ACE agency revenue – the more tokens are supposed to be bought in the market.

The players are eligible to choose the method of payment for the most types of sponsorship and endorsement contracts (from advertisers and sponsors). However, we will suggest them to choose 'mixed' payments (both in ACE tokens and \$): this will allow them to cover their spending with fiat currency and receive additional value from the ecosystem by accepting ACE tokens (or converting their income in tokens).

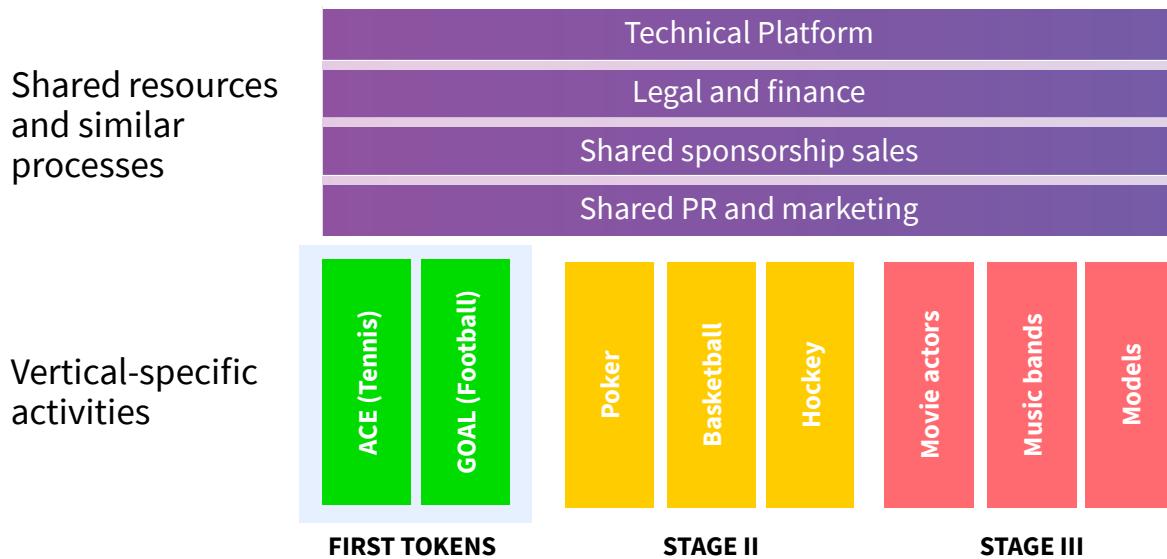
ACE tokens don't give their holders any equity rights nor do they guarantee a share in the companies' profits or players' income. The profits will not be used for direct payment to token holders.



8. Vision and Plans

8.1. Becoming a Full-Cycle TMA

Our vision is to become a full-cycle talent management agency with decentralized talent scouting and decentralized talent promotion processes.



There are lots of synergies between divisions in many processes, such as sharing advertising resources, and every new vertical is easier to launch.

8.2. Scaling Horizontally, Vertically and In-depth

We start with tennis and football (see football white paper here) as they are the most obvious play. But we plan to expand horizontally into other kinds of sports, to expand in depth (adding older established professional players) and expand vertically (adding other talent management areas, like actors and models).

Over time we will add

1. more sports verticals
2. established stars in existing verticals
3. non-sports-related talent management verticals



8.3. Criteria for Choosing the First Verticals

We have analyzed 9 parameters:

- Total number of fans worldwide
- Level of players' compensation (salary and sponsorship combined), correlated with how 'commercialized' the sport is (e.g. a Norwegian biathlete and five-time Olympic gold medalist Ole Einar Bjørndalen is estimated to have a wealth of \$415,000²⁸. This is less than a mediocre junior hockey player is paid per year).
- Ceilings for agents' commissions, e.g., golf and the NFL have a 3% maximum, NHL (4%), NBA (4%), MLB (5%), and FIFA (10%)

²⁸ <http://www.newsday.com/business/income-wealth-of-some-famous-norwegians-1.1541941>

- Agent regulation (licenses required, etc.)
- Competition between agencies (e.g. the US markets for baseball, NFL, NHL, and basketball are overcrowded) probability of athletes' success (e.g. in boxing or Formula-1 very few athletes manage to climb the ladder vs. in poker thousands can participate in tournaments)
- Total number of athletes in the upper league (only 20 drivers in Formula-1)
- Capital requirements for the early years of training
- Degree of the sport's openness to outsiders (e.g. sumo seems to be closed for newcomers outside Japan)

Based on our analysis, we have chosen tennis and football (soccer) as the two most promising fields.

8.4. Technology and Business Roadmap

We start with tennis and football (see football white paper here) as they are the most obvious play. But we plan to expand horizontally into other kinds of sports, to expand in depth (adding older established professional players) and expand vertically (adding other talent management areas, like actors and models).

	Part 1 2016-Q2-2017 (DONE)	Q3-2017	Q4-2017
Technology	1. Designed the interfaces.	1. Develop smart-contract. 2. Release website beta.	1. Create tokens. 2. Release platform beta. 3. Release DCV voting mechanism v1. 4. Release Players' application submission.
Marketing	1. Started negotiating partnership agreements with 3 sports media.	1. Global PR activities targeted at young players and their coaches.	1. (continues) Global PR activities targeted at young players and their coaches.
Scouting	1. Conducted 50+ customer discovery interviews with coaches, retired players, aspiring players and their parents. 2. Determined 2 potential 'target' players.	1. Sign first PRO player (Done!) 2. Start internal scouting activities.	1. Empower Scouts with tools and information. 2. Hold first junior players' assessment sessions.
Operations	1. Built the core team (Dev, Scouting, Marketing). 2. Conducted 3 job interviews with sports' agencies employees to better understand their business	1. Assemble tennis advisory board (Done!) 2. Assemble business advisory board (Done!) 3. Produce tutorials for the Scouts.	1. Produce tutorials for Promoters. 2. Finalize typical agreement with the player. 3. Sign first sponsorship deal with brand
	Part 2 Q1-2018	Q2-2018	Q3-2018-Q2-2019
Technology	1. Release DCV voting mechanism v2. 2. Release Scouts' activity personal dashboard. 3. Release Promoters' activity personal dashboard. 4. Automate certain tasks in players' scouting analytics (crawlers, etc.).	1. Release website News feed for ACE players. 2. Release Users' analytics dashboard with ACE KPIs. 3. (continues) Automate certain tasks in players' scouting analytics (crawlers, etc.).	1. Improve voting mechanism. 2. Automate certain tasks in social media promotion functionality. 3. Add video-chatting.
Marketing	1. (continues) Global PR activities targeted at young players and their coaches.	1. Global PR activities targeted at sponsors.	1. (continues) Global PR activities targeted at sponsors.
Scouting	1. (continue) Hold players' assessment sessions.	1. Finalize the first cohort selection.	1. Monitor performance, adjust assessment criteria, prepare internal reports for contracts' renewal.
Operations	1. Produce advertising pitch decks for Promoters. 2. Produce PR media kits for Promoters.	1. Empower Promoters with tools and information. 2. Build small agile internal advertising sales department.	1. (continues) Build small agile internal advertising sales department. 2. Sign sponsorship deals (brought by Promoter).

8.5. Business KPIs and Public Performance Reporting

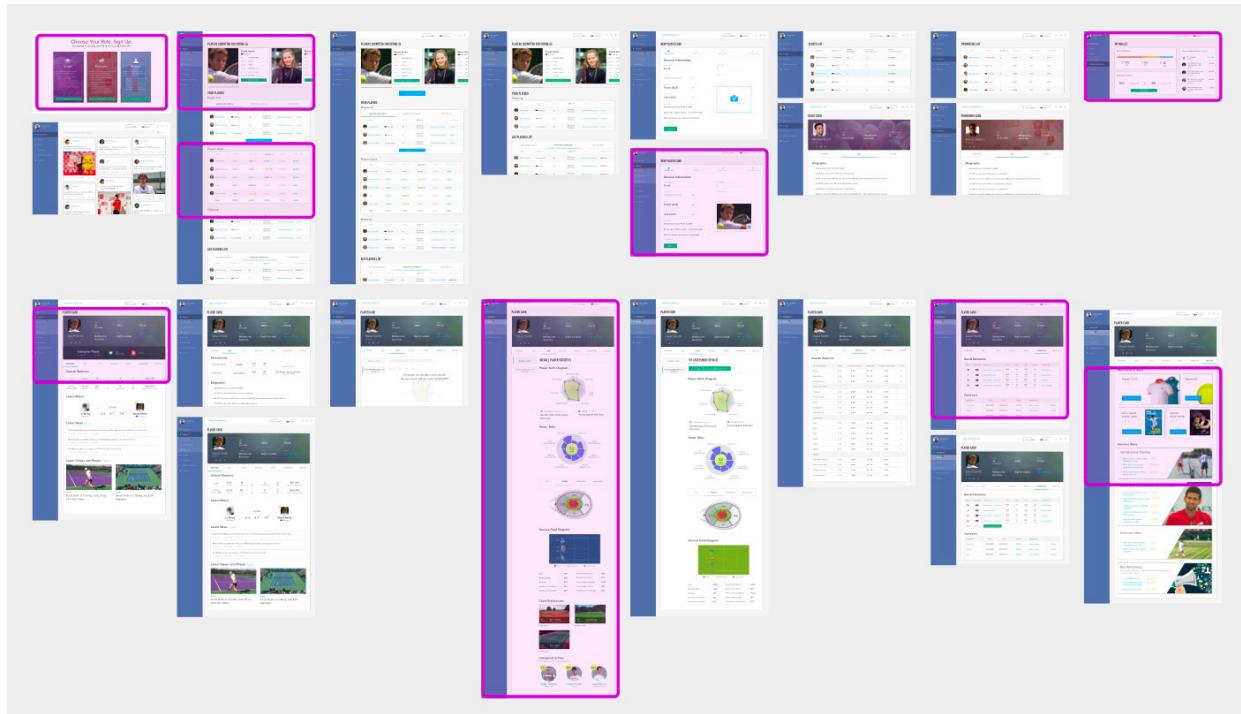
We know from our previous successful startups that you can only manage what you can measure. We also know that openness about the progress, problems and achievements has never hurt any startup. That is why we will monitor and disclose monthly to the community the following key performance indicators:

The Scouts' funnel	New & Total	applications filled	applications accepted	applications held	players signed	
The Promoters' funnel	New & Total	social network entries made	likes/views for those entries	applications held		
The Advertising funnel	New & Total	applications filled	applications accepted	sponsors signed	sponsors money earned	
Players' progress	New & Total	junior rankings				

The more outside pressure is put on our team to deliver – the better.

8.6. User Interfaces

We have diagrammed and designed dozens of platform interfaces for ACE scouts, promoters and analysts. Please find selected ones below.



Choose Your Role. Sign Up.

Just spend 5 minutes and 0\$ to start using TokenStar.

The image shows three separate mobile application screens side-by-side, each representing a different role:

- Scout:** Features a binocular icon and the word "Scout". Description: "Scouts shall look for potential players and assess them." Tasks:
 - Submit the initial players' application to ACE
 - Use most modern connected equipment during assessments
 - Submit players' assessment reports to the ACE community for voteCall-to-action: "SELECT ROLE".
- Promoter:** Features a megaphone icon and the word "Promoter". Description: "Promoters shall manage the players' fan pages in social networks: regularly update them with high quality content about the player, grow the fan base." Tasks:
 - Managing fan accounts in social networks
 - Updating newsfeed
 - Pitching local media and securing unique publications
 - Referring a potential advertiserCall-to-action: "SELECT ROLE".
- Analyst:** Features a person icon and the word "Analyst". Description: "Analysts shall look at scouts' reports and other data and vote for the players." Tasks:
 - Signing a new player (based on Head of scouting report)
 - Players' contract renewal
 - Contract termination
 - Renewing the contract or replacing Head of ScoutingCall-to-action: "SELECT ROLE".

Scouts analyze lots of data.

The screenshot displays the TokenStar mobile application interface, specifically the "Players" section for a user named Alexander (SCOUT).

Sidebar Navigation:

- News Feed
- Players (2) (highlighted)
- Vote List (2)
- Your Players
- ACE List
- Scouts
- Promoters
- Wallet and Services
- Log out

Players List:

YOUR PLAYERS

Players List

WAITING FOR VOTE (3)		ACCEPTED PLAYERS (2)		DECLINED (10)	
NAME	COUNTRY	AGE	GAMES	SCOUT	TIME TO VOTE
David Smith	Australia	16	64 games (52-12 w-l)	Alexander Gonzalez	1h 13m
Maria Sharapova	Russia	16	64 games (52-12 w-l)	Alexander Gonzalez	1h 13m
Micaela Franco	Argentina	16	64 games (52-12 w-l)	Alexander Gonzalez	1h 13m

Players' Status:

NAME	SUBMITTED	APPROVED	ASSESSED	SIGNED	TOTAL INCOME
David Smith	2 ACE ✓	18 ACE ✓	10 ACE ✓	170 ACE	30 ACE
Maria Sharapova	2 ACE ✓	18 ACE ✓	10 ACE ✘	170 ACE	20 ACE
Micaela Franco	2 ACE ✓	18 ACE ✓	10 ACE ✘	170 ACE	20 ACE

Scouts write a report and submit Players for vote.

The screenshot shows the 'NEW PLAYER CARD' form. On the left is a sidebar with a user profile picture of Alexander SCOUT and links for News Feed, Players (with 2 notifications), Vote List (with 2 notifications), Your Players, ACE List, Scouts, Promoters, Wallet and Services, and Log out.

The main form has tabs for GENERAL INFO, PLAYER INFO, PARENTS INFO, and ADDITIONAL INFO. The GENERAL INFO tab is active, showing fields for FIRST NAME (David), LAST NAME (empty), COUNTRY (Choose country), CITY/Location (empty), SPORT (Tennis (ACE)), and DATE OF BIRTH (03/14/2001). Below these are BIOGRAPHY and two text input fields with red 'X' close buttons. A green '+ Add Line' button is visible. An 'UPLOAD PHOTO' section contains a placeholder photo of a tennis player and a camera icon. A note says 'You can change the photo. Drag or browse a new photo'. A large green 'NEXT' button is at the bottom.

Promoters manage social media accounts and look for advertising deals.

The screenshot shows the Promoter dashboard for 'Australia'. The sidebar is identical to the Scout's sidebar. The main area has tabs for OVERVIEW, BIO, STATS, WIN/LOSS, RANKS, PROMOTION (which is selected and highlighted in blue), and SERVICES.

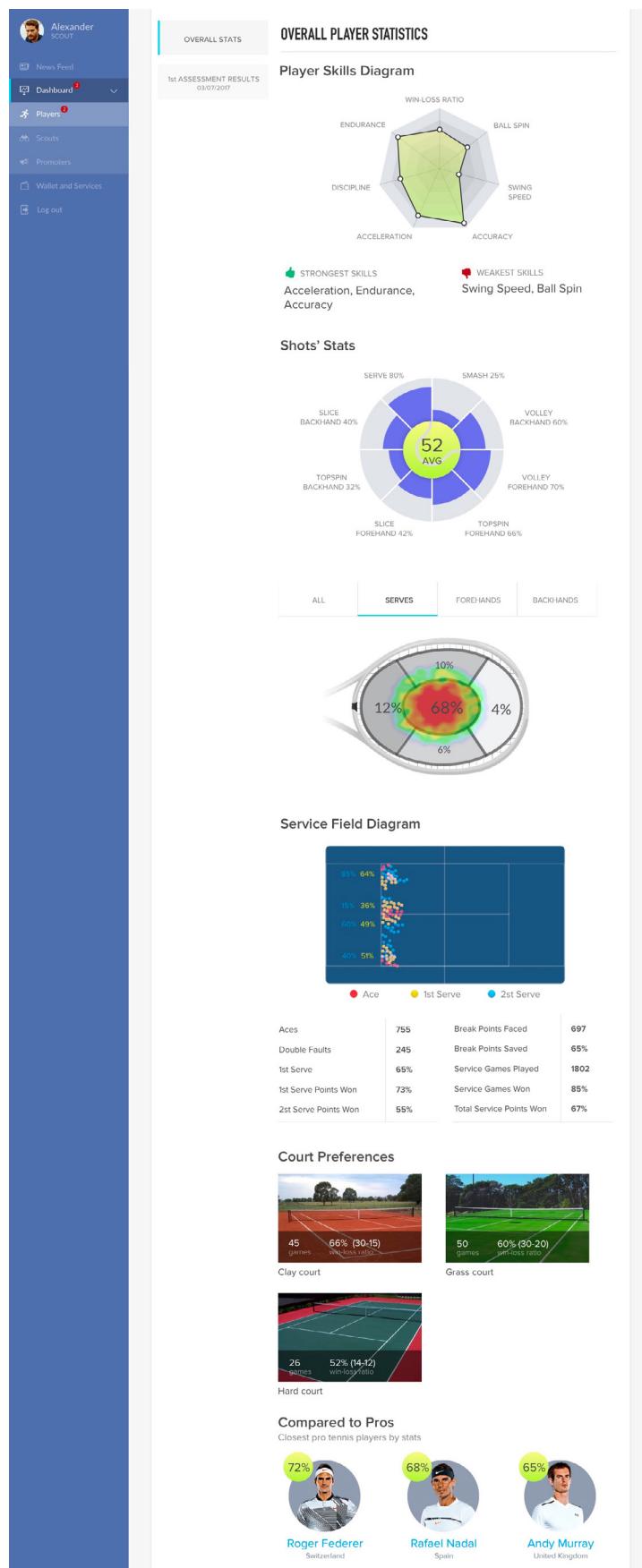
The PROMOTION tab displays a table for 'Social Networks' with columns for SOCIAL, LANGUAGE, NAME (link), SUBS, POSTS, LIKES, SHARES, and PROMOTER. It lists four entries:

SOCIAL	LANGUAGE	NAME (link)	SUBS	POSTS	LIKES	SHARES	PROMOTER
		David Smith – Junior Star	1,034 +98	34 +2	3,011 +321	123 +24	Daniel Adams
		David Smith Fans	1,034 +34	34 +2	3,011 +321	123 +24	Daniel Adams
		David Smith – Junior Star	1,034 -100	34 +2	3,011 +321	123 +24	Li Wang
		David Smith – Junior Star	1,034 -100	34 +2	3,011 +321	123 +24	Kevin Schmidt

The SERVICES tab displays a table for 'Contracts' with columns for COMPANY, START, END, MONEY, PROMOTER, and Details. It lists one entry:

COMPANY	START	END	MONEY	PROMOTER	Details
Coca Cola	01/08/2017	01/08/2022	\$10,340	Daniel Adams	Details

Analysts study the Players' stats.



Analysts vote for the Player.

The screenshot shows a mobile application interface for managing players. On the left is a sidebar with a user profile picture of Alexander SCOUT and a list of navigation items: News Feed, Players (with 2 notifications), Vote List (with 2 notifications), Your Players, ACE List, Scouts, Promoters, Wallet and Services, and Log out. The main content area is titled "PLAYER CARD" and features a large photo of a young male player. Below the photo, David Smith's details are listed: AGE 16 (03/14/2001), PLACE Melbourne, Australia, TYPE Right-handed, and SCOUT Michael Lewis. Social media icons for Facebook, Instagram, Twitter, and LinkedIn are present. A "Voting for Player" section indicates 1h 12m remaining to vote, with "SIGN THE PLAYER" and "REJECT" buttons. Below this are tabs for OVERVIEW, BIO, STATS, WIN/LOSS, RANKS, PROMOTION, and SERVICES.

Everyone spends their tokens on training, tickets, exclusive deals for the Players.

The screenshot shows a mobile application interface for managing players. On the left is a sidebar with a user profile picture of Alexander SCOUT and a list of navigation items: News Feed, Players (with 2 notifications), Vote List (with 2 notifications), Your Players, ACE List, Scouts, Promoters, Wallet and Services, and Log out. The main content area is titled "Merchandise Store" and displays two items: "Signed T-shirt" (1 ACE) with a "VIEW CATALOG" button, and "Signed ball" (1 ACE) with a "SHOP NOW" button. Below this is the "Services Store" section, which includes "Get Exclusive Training" (with three options: Get access to online tennis training lessons, Get one-on-one tennis training lesson (1 hour), and Get group tennis training lesson (1 hour)), "Exclusively Communicate with the Player" (with five options: Talk via group video chats (30 minutes), Talk via individual video chat (15 minutes), Talk via group text chat (30 minutes), Talk via individual text chat (15 minutes), and Visit an offline group exclusive meeting), and "Exclusive Offers" (with a small image of a tennis court). A large photo of Novak Djokovic is visible on the right side of the screen.

Everyone spends their tokens on training, tickets, exclusive deals for the Players.

The screenshot shows the 'MY WALLET' section of the Tennis (ACE) app. At the top, there's a navigation bar with a user profile picture of Alexander SCOUT, and options to 'CHOOSE SPORT' (Tennis (ACE)) and 'CHOOSE LANGUAGE' (English). Below the navigation is a header 'MY WALLET'. The main area is divided into three sections: 'Current Balance', 'Exchange Tokens', and 'Recent Transactions'.

Current Balance: Shows three token types: STAR (100), ACE (53), and GOAL (45).

Exchange Tokens: Allows users to exchange tokens between STAR and ACE. It shows 100 STAR being exchanged for 86 ACE. A green 'SEND MONEY' button is at the bottom.

Recent Transactions: A list of recent activity:

- Funds Added (13/02/17) - 45 STAR
- David Smith: talk via individual video chat... (10/02/17) - 10 ACE
- David Smith: get one-on-one tennis training... (05/02/17) - 20 ACE
- Michaela Franco: get one-on-one tennis training... (02/02/17) - 20 ACE
- Maria Sharapova: get access to online tennis... (01/02/17) - 1 ACE



9. Team & Advisors

9.1. Team



Pavel Stukolov, CEO

- Investment professional, ex-M&A and Strategy director for media business in JSFC Sistema with total valuation of assets exceeding \$95 million.
- Pavel closed deals worth of \$250 million in venture investments, M&A and debt fundraising.



Irina Shashkina, CMO

- ex-CMO at Groupon Russia (operations in 53 cities).
- ex-Biz Dev Executive at Rambler&Co (\$0.6bn market cap).
- ex-CEO at LinguaLeo.



Evgeniy Potapov, CTO

- 10 years of experience as the Founder & CEO at IT Summa, a 60-employee DevOps company with offices in Russia and San Francisco, CA.
- IT Summa provides a full package of DevOps support and infrastructure management services around the world. The client list of IT Summa includes more than 300 companies.



Madina Hooke, Head of sponsorships

- ex-COO at Visual DNA, Former Regional Director at Groupon Russia.
- ex-Commercial Director at Gruppo Mall (Spain) Russia.
- Started career with travel agency which successfully sold in 2007. Lived and worked in Spain and Belgium for several years.



Anton Vdovin, Scouting Analyst

- MSc in International Business from HULT International Business School.
- Anton is a winner of math's and chemistry student city and national championships.
- As a junior, he played tennis at regional tournaments, was awarded an official sports' grade in tennis.



Irina Soshinskaya, Localizations Manager

- Ex-GM and head of localization of Evernote Russia (over 200M users worldwide, website localised to 23 languages).
- Earlier – GM at startups in decorative commercial lightning and real estate.



Mikhailius Derkach, Design Advisor

- Ex Art-Director of LeoBurnett Moscow, Member of Art Directors Club Russia. Has been awarded two Cannes Lions.
- Founder of ProExpedition Adventures' Journal. Took part in digital projects that gained recognition in Russia and around the world at numerous marketing and advertising festivals. Designer and usability specialist.
- The Author of many advertising works in the renowned campaigns for the companies: Google, Samsung, McDonald's, Lego, P&G, Coca-Cola, Gazprom, Mercedes-Benz, Mitsubishi-Motors, Jeep, Fiat, JTI, Philip Morris, SunInBev, Danone, Oriflame, Citibank, Nestle, WWF, S7 Airlines.



Dmitry Rodichev, Developer

- +10y experienced full stack software developer and architect. Designs HA/FT solutions for web.
- Experience in software security, pentesting, DDoS and hacking mitigation. Love databases, analytics and networks. Blockchain early adopter.



Timur Gavrilov, Head of Product

- Ex-Product Director at Lingualeo (17 mln users, TOP-5 worldwide), product manager at ABBYY, product and R&D manager at Flocktory (sold by Qiwi for 800M rur), and regional director at Groupon.
- Has been working in IT since 2011. Huge expertise in product strategy.

9.2. Tennis Advisors



Anastasia Myskina, Tennis Advisor

- No. 2 in WTA ranking.
- Roland Garros champion (Grand Slam tournament), the winner of 2 Federation Cups and 21 international tournaments.
- Current Russian Federation Cup team captain, Vice-president of the Russian Tennis Federation.



Sergey Demekhine, Coaching & Scouting Advisor

- Tennis coach with 8 years of experience, retired ATP tennis player.
- Vera Zvonareva's head coach in 2010-2011 (#2 in WTA rankings, raising from #22 in the beginning of coaching) - Wimbledon & US Open 2010 singles finalist, Australian Open 2011 semifinalist.
- A-level GPTCA certification holder (Global Professional Tennis Coach Association).



Maya Kurilova, Talent Management Advisor

- Former Director of Operations, Octagon Russia (Top 3 global TMA) with 11 years of experience in talent management.
- Marketing Manager at Kremlin Cup.
- Agent of Elena Dementieva (Olympic Gold medalist, No. 3 in WTA), Ekaterina Makarova (Top 5 WTA Doubles, Champion of Wimbledon, Roland Garros, US Open). Represented Svetlana Kuznetsova (No.2 in WTA, Champion of Roland Garros, US Open, Australian Open), Mikhail Youzhny (Davis Cup winner, No.8 in ATP) and Maria Kirilenko (No.5 WTA Doubles).

9.3. Business Advisors



Elena Masolova, Investor

- Serial entrepreneur with 3 exits, founder at Groupon Russia (0 to \$15M in monthly revenue in 450 days), Pixonic, Eduson and AddVenture Fund.
- Elena was named among Top-30 internet entrepreneurs by Forbes, 30 under 30 with Alex Ovechkin. Featured in WSJ, BusinessWeek, Forbes, RBC, Channel 1.
- Prizewinner at amateur tennis tournaments as a junior, a life-long tennis fan.



Ksenia Chabanenko, Marketing & PR Advisor

- Ex-VP Communications & BizDev at Mail.ru Group and My.com (LSE: MAIL, \$8.9 billion market cap).
- Founder of an award-winning A-TAK communication agency working with IT startups and companies to achieve their business goals by PR, digital, and events force.
- Author of the first book about Twitter, every sentence in which was no more than 140 characters.



Alexander Stratilatov, Advertising & Brand Partnerships Advisor

- JAMI co-founder and managing partner (top 5 Russian digital agency, winner of international awards: Tagline, Silver Mercury, NeForum)
- Alexander personally led agency's key accounts: Samsung, Coca-Cola, Sprite, Powerade, VW.



Eugeny Kuznetsov, Advertising & Brand Partnerships Advisor

- User Acquisition & Retention expert.
- Investor and CMBO (Chief Business Model Officer) at Welltory.
- Founded WIM – CRM agency with clients including S7 Airlines, UTair, M.Video, and Philip Morris.



10. Financial Model

10.1. The Model

We modeled expected players' income over the course of the career for four types of players: superstar (top-5 player), top-50 player, top-200 player and an unsuccessful player who had to stop their career early.

revenue \ player's model	14	15	16	17	18	19	20	21	22
PRIZE MONEY									
superstar (top-5)	-	-	-	50 000	300 000	500 000	1 000 000	1 500 000	2 000 000
top-50 player	-	-	-	20 000	120 000	200 000	400 000	600 000	800 000
top-200 player	-	-	-	-	23 077	38 462	76 923	115 385	121 154
unsuccessful player	-	-	-	-	-	-	-	-	-
SPONSORSHIPS									
superstar (top-5)	10 000	20 000	50 000	100 000	500 000	1 000 000	3 000 000	4 500 000	6 000 000
top-50 player	10 000	20 000	50 000	40 000	200 000	400 000	1 200 000	1 800 000	2 400 000
top-200 player	10 000	10 000	20 000	30 000	38 462	76 923	230 769	346 154	363 462
unsuccessful player	5 000	-	-	-	-	-	-	-	-

revenue \ player's model	23	24	25	26	27	28	29	30	TOTAL
PRIZE MONEY									
superstar (top-5)	3 000 000	3 500 000	6 000 000	6 500 000	8 000 000	5 000 000	4 000 000	2 000 000	43 350 000
top-50 player	1 200 000	1 400 000	2 400 000	2 600 000	3 200 000	2 000 000	1 600 000	800 000	17 340 000
top-200 player	127 212	133 572	140 251	147 263	117 811	94 248	75 399	60 319	1 271 075
unsuccessful player	-	-	-	-	-	-	-	-	-
SPONSORSHIPS									
superstar (top-5)	7 000 000	8 300 000	12 000 000	14 750 000	12 000 000	7 500 000	6 000 000	2 000 000	84 730 000
top-50 player	2 800 000	3 320 000	4 800 000	5 900 000	4 800 000	3 000 000	2 400 000	800 000	33 940 000
top-200 player	381 635	400 716	420 752	441 790	353 432	282 745	226 196	180 957	3 813 993
unsuccessful player	-	-	-	-	-	-	-	-	5 000

Then we looked at pessimistic, realistic, and optimistic cohorts' compositions for 30 junior players and 10-20 professional players.

	Pessimistic	Realistic	Optimistic
Junior Cohort	30	30	30
Superstar (top-5)	0	0	0
Top-50 player	1	2	3
Top-200 player	9	15	17
Unsuccessful player	20	13	13
Pro Cohort	10	15	20

Assumptions in the model:

- 30 junior players (if the token sale raises \$15,000,000. For the different amount, the model adjusts proportionally).
- 10-20 established pro players (with sponsorship promotion contracts)
- We have not included superstars in any of the scenarios.
- We've projected the minimum \$5,000 earning for players below 200th ranking. In reality, it is possible to repay the agency costs for any player above a 500 ranking.
- The average sports athlete career usually begins slowing down at the age of 26, and often ends at 30 years of age. Although this is statistically unusual, some athletes continue playing and improving even after these ages limits. For example, both Serena Williams and Roger Federer are 36 and more successful than ever.
- Sponsorship earnings are 2X the prize money (in reality it's closer to 5X).

The model:

PESSIMISTIC CASE		players' age	14	15	16	17	18	19	20	21	22
Junior cohort	30		-	-	-	-	-	-	-	-	-
superstar (top-5)	0		-	-	-	-	-	-	-	-	-
top-50 player	1		10 000	20 000	50 000	60 000	320 000	600 000	1 600 000	2 400 000	3 200 000
top-200 player	9		90 000	90 000	180 000	270 000	553 846	1 038 462	2 769 231	4 153 846	4 361 538
unsuccessful player	20		100 000	-	-	-	-	-	-	-	-
Junior cohort players' revenue			200 000	110 000	230 000	330 000	873 846	1 638 462	4 369 231	6 553 846	7 561 538
Pro cohort	10		-	-	-	-	-	-	-	-	-
Pro cohort players' revenue			2 078 438	2 523 817	2 969 196	2 969 196	2 969 196	2 969 196	2 969 196	2 969 196	2 969 196
ACE revenue			565 688	587 263	766 339	841 339	1 249 224	1 822 685	3 870 762	5 509 224	4 455 176
ACE revenue (Junior)			150 000	82 500	172 500	247 500	655 385	1 228 846	3 276 923	4 915 385	3 861 337
ACE revenue (Pro)			415 688	504 763	593 839	593 839	593 839	593 839	593 839	593 839	593 839
ACE accumulated AR			565 688	1 152 951	1 919 290	2 760 629	4 009 853	5 832 539	9 703 301	15 212 525	19 667 701

Accumulated revenue
exceeds ICO amount

(continued)		players' age	23	24	25	26	27	28	29	30	TOTAL
Junior cohort	30		-	-	-	-	-	-	-	-	-
superstar (top-5)	0		-	-	-	-	-	-	-	-	-
top-50 player	1		4 000 000	4 720 000	7 200 000	8 500 000	8 000 000	5 000 000	4 000 000	1 600 000	51 280 000
top-200 player	9		4 579 615	4 808 596	5 049 026	5 301 477	4 241 182	3 392 945	2 714 356	2 171 485	45 765 607
unsuccessful player	20		-	-	-	-	-	-	-	-	100 000
Junior cohort players' revenue			8 579 615	9 528 596	12 249 026	13 801 477	12 241 182	8 392 945	6 714 356	3 771 485	97 145 607
Pro cohort	10		-	-	-	-	-	-	-	-	-
Pro cohort players' revenue			2 969 196	2 969 196	2 969 196	2 969 196	2 969 196	2 969 196	2 969 196	2 969 196	49 140 202
ACE revenue			2 535 056	2 499 559	3 043 644	3 354 135	3 042 076	2 272 428	1 936 711	1 348 136	-
ACE revenue (Junior)			1 941 217	1 905 719	2 449 805	2 760 295	2 448 236	1 678 589	1 342 871	754 297	29 871 405
ACE revenue (Pro)			593 839	593 839	593 839	593 839	593 839	593 839	593 839	593 839	9 828 040
ACE accumulated AR			22 202 757	24 702 316	27 745 960	31 100 095	34 142 170	36 414 599	38 351 309	39 699 446	39 699 446

Accumulated revenue
exceeds ICO amount

REALISTIC CASE		players' age	14	15	16	17	18	19	20	21	22
Junior cohort	30		-	-	-	-	-	-	-	-	-
superstar (top-5)	0		-	-	-	-	-	-	-	-	-
top-50 player	2		20 000	40 000	100 000	120 000	640 000	1 200 000	3 200 000	4 800 000	6 400 000
top-200 player	15		150 000	150 000	300 000	450 000	923 077	1 730 769	4 615 385	6 923 077	7 269 231
unsuccessful player	13		65 000	-	-	-	-	-	-	-	-
Junior cohort players' revenue			235 000	190 000	400 000	570 000	1 563 077	2 930 769	7 815 385	11 723 077	13 669 231
Pro cohort	15		-	-	-	-	-	-	-	-	-
Pro cohort players' revenue			3 117 656	3 785 725	4 453 795	4 453 795	4 453 795	4 453 795	4 453 795	4 453 795	4 453 795
ACE revenue			799 781	899 645	1 190 759	1 318 259	2 063 067	3 088 836	6 752 297	5 832 379	3 624 605
ACE revenue (Junior)			176 250	142 500	300 000	427 500	1 172 308	2 198 077	5 861 538	4 941 620	2 733 846
ACE revenue (Pro)			623 531	757 145	890 759	890 759	890 759	890 759	890 759	890 759	890 759
ACE accumulated AR			799 781	1 699 426	2 890 185	4 208 444	6 271 511	9 360 347	16 112 644	21 945 023	25 569 628

Accumulated revenue
exceeds ICO amount

(continued)		players' age	23	24	25	26	27	28	29	30	TOTAL
Junior cohort	30		-	-	-	-	-	-	-	-	-
superstar (top-5)	0		-	-	-	-	-	-	-	-	-
top-50 player	2		8 000 000	9 440 000	14 400 000	17 000 000	16 000 000	10 000 000	8 000 000	3 200 000	102 560 000
top-200 player	15		7 632 692	8 014 327	8 415 043	8 835 795	7 068 636	5 654 909	4 523 927	3 619 142	76 276 011
unsuccessful player	13		-	-	-	-	-	-	-	-	65 000
Junior cohort players' revenue			15 632 692	17 454 327	22 815 043	25 835 795	23 068 636	15 654 909	12 523 927	6 819 142	178 901 011
Pro cohort	15		-	-	-	-	-	-	-	-	-
Pro cohort players' revenue			4 453 795	4 453 795	4 453 795	4 453 795	4 453 795	4 453 795	4 453 795	4 453 795	73 710 302
ACE revenue			4 017 297	4 381 624	5 453 768	6 057 918	5 504 486	4 021 741	3 395 544	2 254 587	-
ACE revenue (Junior)			3 126 538	3 490 865	4 563 009	5 167 159	4 613 727	3 130 982	2 504 785	1 363 828	45 914 534
ACE revenue (Pro)			890 759	890 759	890 759	890 759	890 759	890 759	890 759	890 759	14 742 060
ACE accumulated AR			29 586 926	33 968 550	39 422 318	45 480 236	50 984 722	55 006 463	58 402 007	60 656 594	60 656 594

Accumulated revenue
exceeds ICO amount

OPTIMISTIC CASE		players' age	14	15	16	17	18	19	20	21	22
Junior cohort	30		-	-	-	-	-	-	-	-	-
superstar (top-5)	0		-	-	-	-	-	-	-	-	-
top-50 player	3		30 000	60 000	150 000	180 000	960 000	1 800 000	4 800 000	7 200 000	9 600 000
top-200 player	17		170 000	170 000	340 000	510 000	1 046 154	1 961 538	5 230 769	7 846 154	8 238 462
unsuccessful player	10		50 000	-	-	-	-	-	-	-	-
Junior cohort revenue			250 000	230 000	490 000	690 000	2 006 154	3 761 538	10 030 769	15 046 154	17 838 462
Pro cohort	20		-	-	-	-	-	-	-	-	-
Pro cohort revenue			4 156 875	5 047 634	5 938 393	5 938 393	5 938 393	5 938 393	5 938 393	5 938 393	5 938 393
ACE revenue			1 018 875	1 182 027	1 555 179	1 705 179	2 692 294	4 008 832	8 379 909	5 427 259	4 755 371
ACE revenue (Junior)			187 500	172 500	367 500	517 500	1 504 615	2 821 154	7 192 231	4 239 581	3 567 692
ACE revenue (Pro)			831 375	1 009 527	1 187 679	1 187 679	1 187 679	1 187 679	1 187 679	1 187 679	1 187 679
ACE accumulated AR			1 018 875	2 200 902	3 756 080	5 461 259	8 153 553	12 162 385	20 542 295	25 969 554	30 724 925

Accumulated revenue
exceeds ICO amount

(continued)		players' age	23	24	25	26	27	28	29	30	TOTAL
Junior cohort	30		-	-	-	-	-	-	-	-	-
superstar (top-5)	0		-	-	-	-	-	-	-	-	-
top-50 player	3		12 000 000	14 160 000	21 600 000	25 500 000	24 000 000	15 000 000	12 000 000	4 800 000	153 840 000
top-200 player	17		8 650 385	9 082 904	9 537 049	10 013 901	8 011 121	6 408 897	5 127 118	4 101 694	86 446 146
unsuccessful player	10		-	-	-	-	-	-	-	-	50 000
Junior cohort revenue			20 650 385	23 242 904	31 137 049	35 513 901	32 011 121	21 408 897	17 127 118	8 901 694	240 336 146
Pro cohort	20		-	-	-	-	-	-	-	-	-
Pro cohort revenue			5 938 393	5 938 393	5 938 393	5 938 393	5 938 393	5 938 393	5 938 393	5 938 393	98 280 403
ACE revenue			5 317 756	5 836 259	7 415 088	8 290 459	7 589 903	5 469 458	4 613 102	2 968 017	-
ACE revenue (Junior)			4 130 077	4 648 581	6 227 410	7 102 780	6 402 224	4 281 779	3 425 424	1 780 339	58 568 887
ACE revenue (Pro)			1 187 679	1 187 679							

Major conclusions:

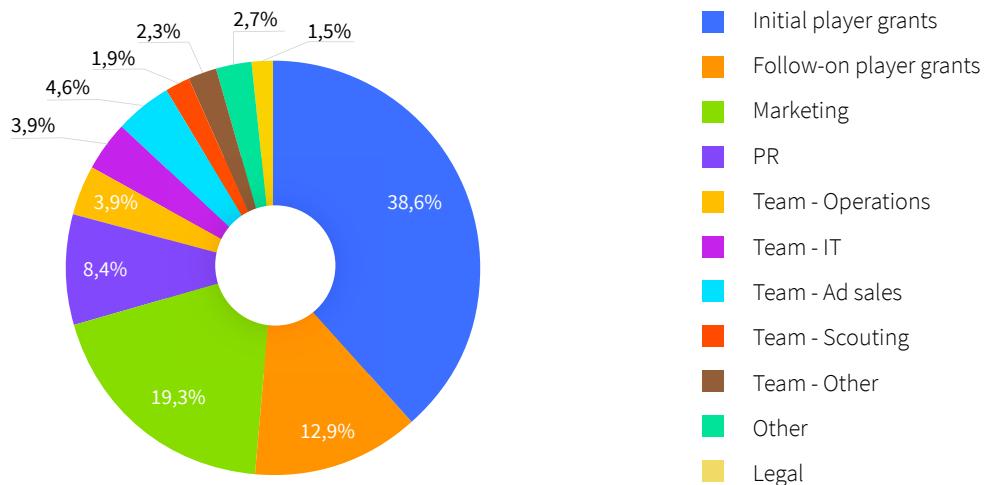
- Every cohort (even the pessimistic type) pays off the initial costs when the players reach age between 19 and 21.
- The projected agency revenue from cohorts is \$39.7 million, \$60.6 million and \$78.2 million. It is roughly 30% comprised of prize money and 70% comprised of advertising money (which will be paid in tokens).
- Income from 'promo-only' contracts with established players will stabilize agency revenues in the first years, while inflows from youth cohorts will scale the business.

10.2. Intended Use of Funds

Depending on the results of the token sale we might manage to **sign several PRO players (who are in an active phase of earning income and who have already accumulated celebrity status)**. We might also manage to sign a full-time coach and open a small academy for ACE juniors (thus dramatically lowering the funds needed for their training).

	\$7,5M	\$15M	\$30M	MOONSHOT
Number of players	10+ juniors	30 juniors & 10-20 PROs	60 juniors & 30 PROs (incl. 2-3 Stars)	60 juniors & 30 PROs (incl. 4-7 Stars)
Hire full-times coaches			yes	yes
Open a small Academy for ACE juniors				Yes, cost estimated at \$2M per year
Build Internal Photo & Video Production for Promotion			yes	yes
Number of Full-times Sponsorships Sales Reps	1	2+	2+ & sign 10+ local agencies as resellers	2+ & sign 20+ local agencies as resellers

For the scenario of \$7.5 million in funds raised, 52% will be spent on grants, 28% of PR & marketing among non-blockchain audiences of tennis fans, and 16.6% on the team (IT, ad sales, scouting, and operations).



- Initial player grants (38.6%) – basic spending on junior players: tennis academies, coaching, travel, equipment,

etc.

- Follow-on player grants (12.9%) – additional funding to the most prospective junior players.
- Marketing (19.3%) – ACE platform promotion to acquire scouts, promoters, new users and PRO players.
- PR (8.4%) – ACE events and tournaments, PR-agency partnerships
- Operational team (3.9%) – executive and operational management salaries, incl. taxes.
- IT team (3.9%) – coders and tech platform developers' salaries, incl. taxes.
- Ad Sales team (4.6%) – salaries to sponsorship sales representatives (in-house), incl. taxes.
- Scouting team (1.9%): Head of scouting and in-house / external coaches' salaries and fees, incl. taxes.
- Other costs (2.7%): accounting and audit, travel, rent.
- Legal (1.5%): blockchain legal consulting, players' contract drafting.

10.3. Selected Risks

- Revenues are unevenly distributed between players. Any player unable to climb above 500th ranking would probably not pay back ACE funding. We mitigate this risk by gathering cohorts of players.
- Various national regulation risks exist. For example, the Chinese Tennis Federation takes a 65% cut²⁹ from players' revenues. However, it is possible to renegotiate these terms, like Li Na did in 2008.

²⁹ <http://edition.cnn.com/2011/SPORT/tennis/06/03/china.li.na/>



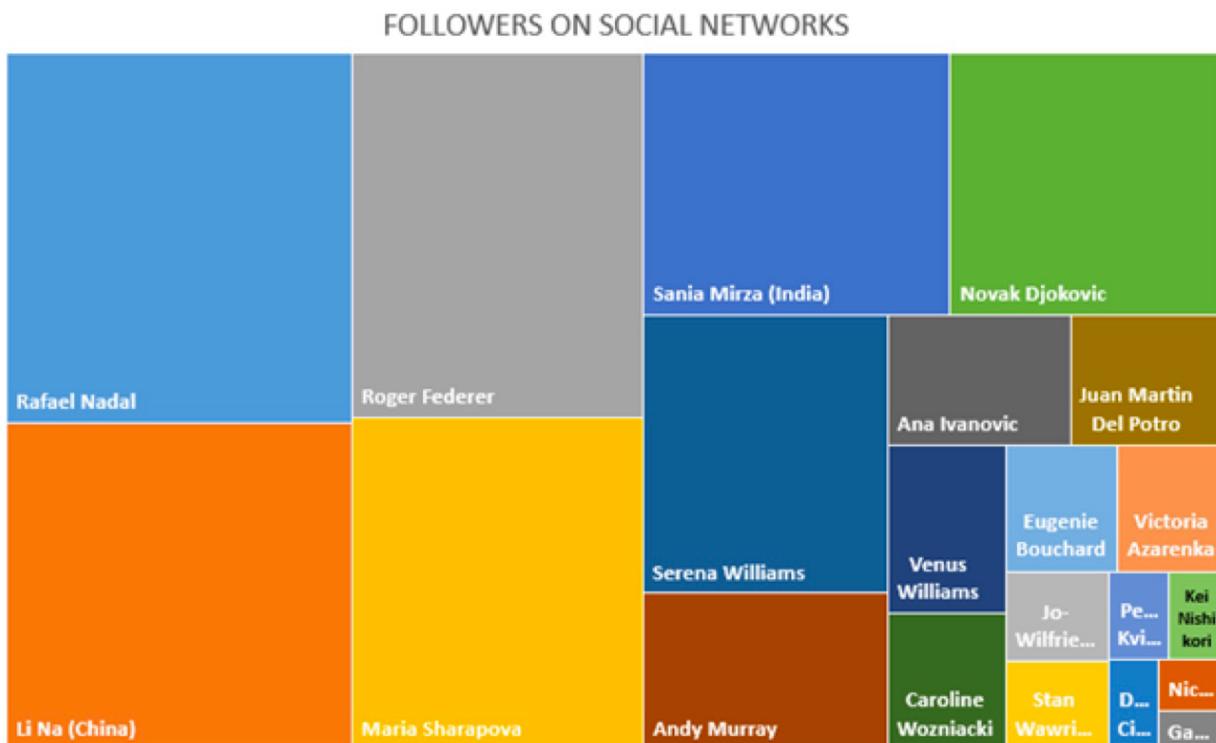
11. Attracting Audience Outside of the Blockchain World

11.1. Top-20 Players Have 172+ Million Active Fans Worldwide

We put special emphasis on promoting the project to the non-blockchain community. There are 1 billion tennis fans worldwide. We believe it is high time for the blockchain community to start influencing the real world more actively, directly, in day-to-day interactions. We also believe we should introduce the general public to the concepts of cryptocurrencies, crowdfunding, decentralization, and collective operational decision-making via DCVs.

One of our target markets is China. Tennis has exploded there. The country now has around 15 million tennis players; 116 million Chinese watched Li Na win the French Open. That kind of exposure is crucial to tennis, and it never would have happened without Li³⁰. There are 11 Chinese players who are in the top-200 in the WTA³¹.

Top-10 tennis players have a total of 172 million followers in social networks. Rafael Nadal has 25.9 million³² fans on Facebook, Instagram and Twitter. Li Na's 2nd place with 23 million followers and Sania Mirza (1st ranked pair tennis player) proves huge growing interest to tennis in **China and India**.



11.2. PR and Marketing to Non-Blockchain Audience Plans

In order to promote ACE and its players, our community will:

- regularly update the players' social media with high quality photos, videos, and posts (with the help of Promoters)
- pitch our stories to online and paper tennis and sports presses
- seek media partnerships with the sports press
- create press kits and publication plans for the players
- do all the other traditional PR work (target press and journalist lists, pitching, press tours etc.)
- organize professional photo shoots and video shoots for the players
- help the players organize video chats and text chats

³⁰ <http://bleacherreport.com/articles/1936141-li-na-gaining-street-as-chinese-megastar-with-2014-australian-open-title>

³¹ As of June 2017.

³² <https://www.forbes.com/sites/kurtbadenhausen/2016/09/09/novak-djokovic-and-serena-williams-are-tennis-biggest-social-media-stars/>

- selectively and with small budgets promote the highest engaging posts on social networks to grow the active subscribers (no fake users, we're only looking for a high-quality engaged audience because advertisers are looking for this as well).

The goal is to reach the top-20 by the number of subscribers for at least 1 of the players in a 2-year time span since signing the player (that means 500,000+ subscribers – high, but doable).

12. Next steps

- 1 Contact us to ask a question at ask@tokenstars.com
- 2 Visit the website <http://tokenstars.com/ace/> to participate in the token sale
- 3 Have a look at our football project GOAL (these two token sales are happening simultaneously and independently)

13. Disclaimer

The information set forth in this White Paper may not be exhaustive and does not imply any elements of a contractual relationship. The content of this White Paper is not binding for Company and is subject to change in line with ongoing research and development of the Platform. This White Paper does not constitute an investment, legal, tax, regulatory, financial, accounting or other advice, and this White Paper is not intended to provide the sole basis for any evaluation of a transaction on acquiring of the ACE tokens. Prior to acquiring the ACE tokens, a prospective purchaser should consult with his/her own legal, investment, tax, accounting, and other advisors to determine the potential benefits, burdens, and other consequences of such transaction.

Nothing in this White Paper shall be deemed to constitute a prospectus of any sort or a solicitation for investment, nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction. This document is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction which prohibit or in any manner restrict transactions in respect of, or with use of, digital tokens.

Certain statements, estimates and financial information contained in this White Paper constitute forward-looking statements or information. Such forward-looking statements or information involve known and unknown risks and uncertainties which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements or information.

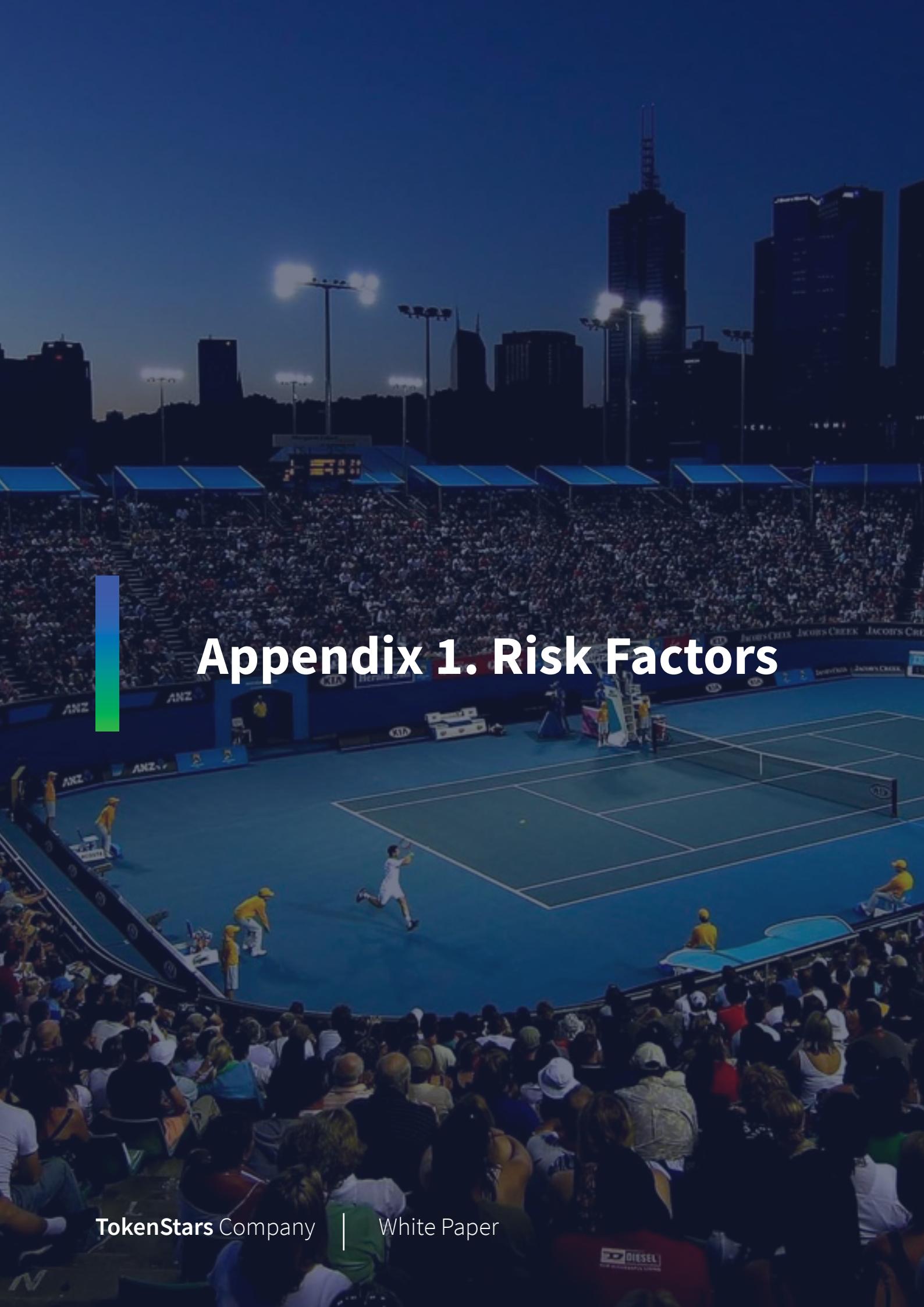
ACE tokens are not being offered or distributed to, as well as can not be resold or otherwise alienated by their holders to, citizens of, natural and legal persons, having their habitual residence, location or their seat of incorporation (i) in the United States of America (including its states and the District of Columbia), Puerto Rico, Virgin Islands of the United States, any other possessions of the United States of America, or (ii) in the country or territory where transactions with digital tokens are prohibited or in any manner restricted by applicable laws or regulations. If such restricted person purchases ACE tokens, such restricted person has done so on an unlawful, unauthorized and fraudulent basis and in this regard shall bear negative consequences.

Company neither offer or distribute the ACE tokens nor carry on a business (activity) in any regulated activity in Singapore, in People's Republic of China or in other countries and territories where transactions in respect of, or with use of, digital tokens fall under the restrictive regulations or require from Company to be registered or licensed with any applicable governmental authorities.

Each purchaser of the ACE tokens is reminded that this White Paper has been presented to him/her on the basis that he/she is a person into whose attention the document may be lawfully presented in accordance with the laws of the purchaser's jurisdiction. It is the responsibility of each potential purchaser of the ACE tokens to determine if

the purchaser can legally purchase the ACE tokens in the purchaser's jurisdiction and whether the purchaser can then resell the ACE tokens to another purchaser in any given jurisdiction.

This English language White Paper is the primary official source of information about the ACE project. The information contained herein may from time to time be translated into other languages. In the course of such translation some of the information contained herein may be lost, corrupted, or misrepresented. The accuracy of such alternative communications cannot be guaranteed. In the event of any conflicts or inconsistencies between such translations, this official English language White Paper, the provisions of this English language original document shall prevail.



Appendix 1. Risk Factors

An acquisition of the ACE tokens involves a high degree of risk. Each potential purchaser of ACE tokens should carefully consider the following information about these risks before he decides to buy the ACE tokens. If any of the following risks actually occurs, the ACE platform and the value of the ACE tokens could be materially adversely affected.

Risks and uncertainties described below in this White Paper may not be the only ones token holders face. Additional risks and uncertainties may also materially adversely affect on the ACE Platform or the value of the ACE tokens.

1. RISKS CONNECTED TO THE VALUE OF ACE TOKENS

1.1. No Rights, Functionality or Features

The Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features on the ACE platform. Company Parties do not guarantee and are not representing in any way to Buyer that the Tokens have any rights, uses, purpose, attributes, functionalities or features.

1.2. Lack of Development of Market for ACE tokens

Because there has been no prior public trading market for the Tokens, the Token sale may not result in an active or liquid market for the Tokens, and their price may be highly volatile. Even if the Tokens are tradable in a secondary market, in practice, there may not be enough active buyers and sellers or the bid-ask spreads may be too wide. The Token holders may not be able to exit their token holdings easily. In the worst-case scenario where no secondary market develops, a Token holder may not be able to liquidate his/her token holdings at all. The exchanges or platforms that facilitate secondary trading of the Tokens may not be regulated by the applicable laws.

1.3. Risks Relating to Highly Speculative Traded Price

The valuation of digital tokens in a secondary market is usually not transparent, and highly speculative. The Tokens do not hold any ownership rights to Company's assets and, therefore, are not backed by any tangible asset. Traded price of the Tokens can fluctuate greatly within a short period of time. There is a high risk that a Token holder could lose his/her entire contribution amount. In the worst-case scenario, the Tokens could be rendered worthless.

1.4. ACE Tokens May Have No Value

The ACE tokens may have no value and there is no guarantee or representation of liquidity for the ACE tokens. Company is not and shall not be responsible for or liable for the market value of the ACE tokens, the transferability and/or liquidity of the ACE tokens and/or the availability of any market for the ACE tokens through third parties or otherwise.

1.5. Tokens are Non-Refundable

Company is not obliged to provide the Token holders with a refund related to the Tokens for any reason, and the Token holders will not receive money or other compensation in lieu of the refund. No promises of future performance or price are or will be made in respect to the Tokens, including no promise of inherent value, no

promise of continuing payments, and no guarantee that the Tokens will hold any particular value. Therefore, the recovery of spent resources may be impossible or may be subject to foreign laws or regulations, which may not be the same as the private law of the Token holder.

2. BLOCKCHAIN AND SOFTWARE RISKS

2.1. Blockchain Delay Risk

On the Bitcoin and Ethereum blockchains, timing of block production is determined by proof of work so block production can occur at random times. For example, the Cryptocurrency transferred in the final seconds of a distribution period during the Token Presale or the Token Sale may not get included for that period. Buyer acknowledges and understands that the Bitcoin or Ethereum blockchain may not include the Buyer's transaction at the time Buyer expects and Buyer may not receive the Tokens in this regard.

2.2. Blockchain Congestion Risk

The Bitcoin and Ethereum blockchains are prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the respective network in an attempt to gain an advantage in purchasing cryptographic tokens. Buyer acknowledges and understands that Bitcoin or Ethereum block producers may not include Buyer's transaction when Buyer wants or Buyer's transaction may not be included at all.

2.3. Risk of Software Weaknesses

The concept of token smart contract which creates the mechanism of creation and distribution of the ACE Tokens ("Token Smart Contract"), the underlying software application and software platform (i.e. the Ethereum blockchain) are still in an early development stage and unproven. There is no representation and warranty that the process for creating the ACE tokens will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of the cryptocurrency and/or the ACE tokens.

2.4. Risk of New Technology

The Platform, the Tokens and all of the matters set forth in this White Paper are new and untested. The Platform and the Tokens might not be capable of completion, creation, implementation or adoption. It is possible that no blockchain utilizing the Platform will be ever launched. Buyer of Tokens should not rely on the Platform, the Token Smart Contract or the ability to receive tokens associated with the Platform in the future. Even if the Platform is completed, implemented and adopted, it might not function as intended, and any Tokens may not have functionality that is desirable or valuable. Also, technology is changing rapidly, so the Platform and the Tokens may become outdated.

3. SECURITY RISKS

3.1. Risk of Loss of Private Keys

The Tokens purchased by Buyer may be held by Buyer in Buyer's digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private keys associated with such Buyer's digital wallet or vault storing the Tokens will result in loss of such Tokens, access to Buyer's Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such private keys, including by gaining access to login credentials of a hosted wallet or vault service the buyer uses, may be able to misappropriate the Buyer's Tokens. Company Parties are not responsible for any such losses.

3.2. Lack of ACE Token Security

The Tokens may be subject to expropriation and/or theft. Hackers or other malicious groups or organizations may attempt to interfere with the Token Smart Contract or the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses which may negatively affect the Tokens or result in the loss of Tokens, the loss of ability to access or control the Tokens. In the event of such a software bug or weakness, there may be no remedy and holders of the Tokens are not guaranteed any remedy, refund or compensation.

3.3. Risk of Ethereum Mining Attacks

The blockchain used for the Token Smart Contract is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the Token Smart Contract, expected proper execution and sequencing of the Token transactions, and expected proper execution and sequencing of contract computations.

3.4. Failure to Map a Public Key to Buyer's Account

Failure of buyer of the ACE tokens to map a public key to such buyer's account may result in third parties being unable to recognize buyer's ACE token balance on the Ethereum blockchain when and if they configure the initial balances of a new blockchain based upon the ACE platform.

3.5. Risk of Incompatible Wallet Service

The wallet or wallet service provider used for the acquisition and storage of the ACE tokens has to be technically compatible with the ACE tokens. The failure to assure this may have the result that buyer of the ACE tokens will not gain access to his ACE tokens.

4. RISKS RELATING TO ACE PLATFORM DEVELOPMENT

4.1. Risk Related to Reliance on Third Parties

Even if completed, the Platform will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, all of which might have a material adverse effect on the Platform.

4.2. Dependence of ACE Platform on Senior Management Team

The ability of the ACE project team which is responsible for maintaining competitive position of the Platform is dependent to a large degree on the services of a respective senior management team. The loss or diminution in the services of members of respective senior management team or an inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the Platform. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this situation seriously affects the ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the Platform.

4.3. Dependence of ACE Platform on Various Factors

The development of the Platform may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key personnel.

4.4. Lack of Interest to the ACE Platform

Even if the Platform is finished and adopted and launched, the ongoing success of the Platform relies on the interest and participation of third parties like developers. There can be no assurance or guarantee that there will be sufficient interest or participation in the Platform.

4.5. Changes to the ACE Platform

The Platform is still under development and may undergo significant changes over time. Although Company Parties intend for the Platform to have the features and specifications set forth in this White Paper, changes to such features and specifications can be made for any number of reasons, any of which may mean that the Platform does not meet expectations of buyer of the Tokens.

4.6. Risk associated with Other Applications

The Platform may give rise to other, alternative projects, promoted by unaffiliated third parties, under which the Token will have no intrinsic value.

4.7. Risk of an Unfavorable Fluctuation of Cryptocurrency Value

The proceeds of the sale of the Tokens will be denominated in cryptocurrency, and may be converted into other cryptographic and fiat currencies. If the value of cryptocurrencies fluctuates unfavorably during or after the Token Presale or the Token Sale, Company Parties may not be able to fund development, or may not be able to develop or maintain the Platform in the manner that it intended.

5. RISKS ARISING IN COURSE OF COMPANY PARTIES' BUSINESS

5.1. Risk of Conflicts of Interest

Any Company Party may be engaged in transactions with related parties, including respective majority shareholder, companies controlled by him or in which he owns an interest, and other affiliates, and may continue to do so in the future. Conflicts of interest may arise between any Company Party's affiliates and respective Company Party, potentially resulting in the conclusion of transactions on terms not determined by market forces.

5.2. Risks Related to Invalidation of Company Parties Transactions

Company Parties have taken a variety of actions relating to its business that, if successfully challenged for not complying with applicable legal requirements, could be invalidated or could result in the imposition of liabilities on respective Company Party. Since applicable legislation may subject to many different interpretations, respective Company Party may not be able to successfully defend any challenge brought against such transactions, and the invalidation of any such transactions or imposition of any such liability may, individually or in the aggregate, have a material adverse effect on the Platform.

5.3. Risk Arising from Emerging Markets

Company Parties or some of them may operate on emerging markets. Emerging markets are subject to greater risks than more developed markets, including significant legal, economic and political risks. Emerging markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Emerging economies are subject to rapid change and that the information set out in this White Paper may become outdated relatively quickly.

6. GOVERNMENTAL RISKS

6.1. Uncertain Regulatory Framework

The regulatory status of cryptographic tokens, digital assets, and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact the Tokens in various ways, including, for example, through a determination that the tokens are regulated financial instruments that require registration. Company may cease the distribution of the tokens, the development of the Platform or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.

6.2. Failure to Obtain, Maintain or Renew Licenses and Permits

Although as of the date of starting of the Token Presale there are no statutory requirements obliging Company of the Tokens to receive any licenses and permits necessary for carrying out of its activity, there is the risk that such statutory requirements may be adopted in the future and may relate to any of Company Parties. In this case, Company Parties' business will depend on the continuing validity of such licenses and permits and its compliance with their terms. Regulatory authorities will exercise considerable discretion in the timing of license issuance and renewal and the monitoring of licensees' compliance with license terms. Requirements which may be imposed by these authorities and which may require any of Company Party to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor our operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities, may be costly and time-consuming and may result in delays in the commencement or continuation of operation of the Platform. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licenses any Company Party may need may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict any Company Party's ability to conduct its operations or to do so profitably.

6.3. Risk of Government Action

The industry in which Company Parties operate is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of Company Parties and/or pursue enforcement actions against them. All of this may subject Company Parties to judgments, settlements, fines or penalties, or cause Company Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Company Parties' reputation or lead to higher operational costs, which may, in turn, have a material adverse effect on the Tokens and/or the development of the Platform.

6.4. Risk of Burdensomeness of Applicable Laws, Regulations and Standards

Failure to comply with existing laws and regulations or the findings of government inspections or increased governmental regulation of Company Parties operations, could result in substantial additional compliance costs or various sanctions, which could materially adversely affect Company Parties business and the Platform. Company Parties operations and properties are subject to regulation by various government entities and agencies, in connection with ongoing compliance with existing laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards. Respective authorities have the right to, and frequently do, conduct periodic inspections of any Company Party's operations and properties throughout the year. Any such future inspections may conclude that any Company Party has violated laws, decrees or regulations, and it may be unable to refute such conclusions or remedy the violations. Any Company Party's failure to comply with existing laws and regulations or the findings of government inspections may result in the imposition of fines or penalties or more severe sanctions or in requirements that respective Company Party cease certain of its business activities, or in criminal and administrative penalties applicable to respective officers. Any such decisions, requirements or sanctions, or any increase in governmental regulation of our operations, could increase Company Parties costs and materially adversely affect Company Parties business and the Platform.

6.5. Unlawful or Arbitrary Government Action

Governmental authorities may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary a law or influenced by political or commercial considerations. Moreover, the government also has the power in certain circumstances, by regulation or government act, to interfere with the performance of, nullify or terminate contracts. Unlawful, selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding the Token Sale as pretexts for court claims and other demands to invalidate or to void any related transaction, often for political purposes. In this environment, Company Parties competitors may receive preferential treatment from the government, potentially giving them a competitive advantage over Company Parties.