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Token Economics



The **ICO will commence in June 2022** and end in **October 2022 (120 days duration)**.

Out of a total fixed offering of 420 million POXO, more than one third of the tokens (33.5%) will be offered to the public during the ICO campaign. Bonuses will also be distributed to subscribers.

The TGE (Token Generation Event) contract **has been audited and certified by CertiK**.

The objectives formulated for fundraising are as follows:

- **Soft Cap:** this is the minimum amount that is required to be raised in order for the Sparkso project to be completed¹ . This fundraising target will permit the development and implementation of the Marketplace's base and the Generation One dApps.
- **Middle Cap:** this level of investment will secure three outcomes; enable the development of Generation Two projects, ensure this happens ahead of schedule and also support the POXO price on the exchanges (full application of the anti-dump policy, described below).
- **Hard Cap:** this level of success would offer the possibility to introduce our plans for Metaverse and AI integration into our Generation One dApps.



¹ Should for any reason the Soft Cap not be reached, the funds collected would be returned to the subscribers.



Token Generation Event

Total Token Supply	420,000,000
Total ICO Issuance	160,860,000
Token Sales (without Bonus & Referral)	140,700,000
In %	33.5 %
Bonus & Referral	20,160,000
Soft Cap	€2,000,000
Middle Cap	€4,500,000
Hard Cap	€10,000,000
Audit of the Contract	Verified by CertiK (May 2022)
Token Completion Timeframe	120 Days
Token Launch Completion	When either the maximum number of POXO have been distributed or by the sale completion date
Issuer of POXO Tokens	SPARKSO
Currencies Accepted	MATIC, Stablecoin, Fiat²



² Fiat via NFT purchase.



The POXO Token

POXO is a multi-utility token issued in accordance with the European regulatory framework.

Token Name	SPARKSO
Ticker Name	POXO
Technology / Network	ERC-20 / Polygon
Total Supply	420,000,000
Type of Supply	Fixed
Token Features	Multi-Utility Token



Conditions of the Subscription

The ICO campaign is structured in **four rounds** that will differ in price, bonus, cliff, and vesting conditions.

The **cliff** is the length of time, from the day before the listing³, during which all tokens due to a beneficiary remain locked up and, therefore, un-distributable. At the end of this period, the tokens are either fully or partially paid up.

In the second case (partial release), the remaining tokens due are distributed in several sequences and according to a precise cadence (linear, degressive, etc.); this is called **vesting**.

Cliff and vesting are mechanisms for controlling the rate at which tokens flow through the market, with a view to limiting the impact of selling pressure that typically occurs with each listing of a new token.

Thus, we apply here cliff and vesting modalities in order to support the stability of the POXO token's price at the end of its listing.



³ However, in order to allow sufficient time for subscribers to collect their tokens, the date of the start of the cliff will be positioned a few days before the day before the listing.



ICO Rounds	Number of Tokens for Sale	Awards	Cliff	Vesting			Bonus	Referral	Duration of the ICO	Entrance Ticket
				1st Token Distribution	Duration	Frequency				
Round 1	14,070,000	€ 0.04	/	80 %	4 Months	30 Days	20 %	5 %	120 Days	€ 200 Mini
Of which : first 500 subscribers			/	80 %	4 Months	30 Days	30 %			€ 500 Mini
Round 2	35,175,000	€ 0.06	/	20 %	8 Months	30 Days	15 %	5 %		€ 200 Mini
Round 3	42,210,000	€ 0.08	/	10 %	12 Months	30 Days	10 %	5 %		€ 200 Mini
Round 4	49,245,000	€ 0.09	30 Days	10 %	12 Months	30 Days	/	5 %		€ 200 Mini



How to Participate

1. **Sparkso subscription interface (www.sparkso.io):** Exchange MATIC for POXO in a totally decentralised framework, by connecting your personal wallet (MetaMask, Trust Wallet, etc.). **[Recommended Option⁴]**
3. **Centralized exchange (Binance, KuCoin, Kraken, etc.):** Buy POXO tokens by transferring **stablecoins** to an address specified on the Sparkso subscription area.
5. **NFT:** To acquire NFTs issued by Sparkso on the OpenSea platform, as part of the "**Sparkso Goodies**" collection.

The collection is a limited edition and consists of 5,000 pieces, valued between €100 and €5,000, which are tiered (Silver, Gold, Platinum, Diamond). Holders are then offered the following possibilities:

- Use in the Sparkso marketplace⁵ (access to dApps, participation in competitions, etc.)
- Held as collectibles (value indexed to the future success of Sparkso)
- Exchange for POXO tokens

	Silver	Gold	Platinum	Diamond
Number of Pieces	4,000	850	120	30
Price per Unit	€ 100	€500	€ 1,000	€5,000

In addition, the sale of this collection makes it possible to subscribe in **fiat currency**, as it is possible to pay by **credit card** on OpenSea.

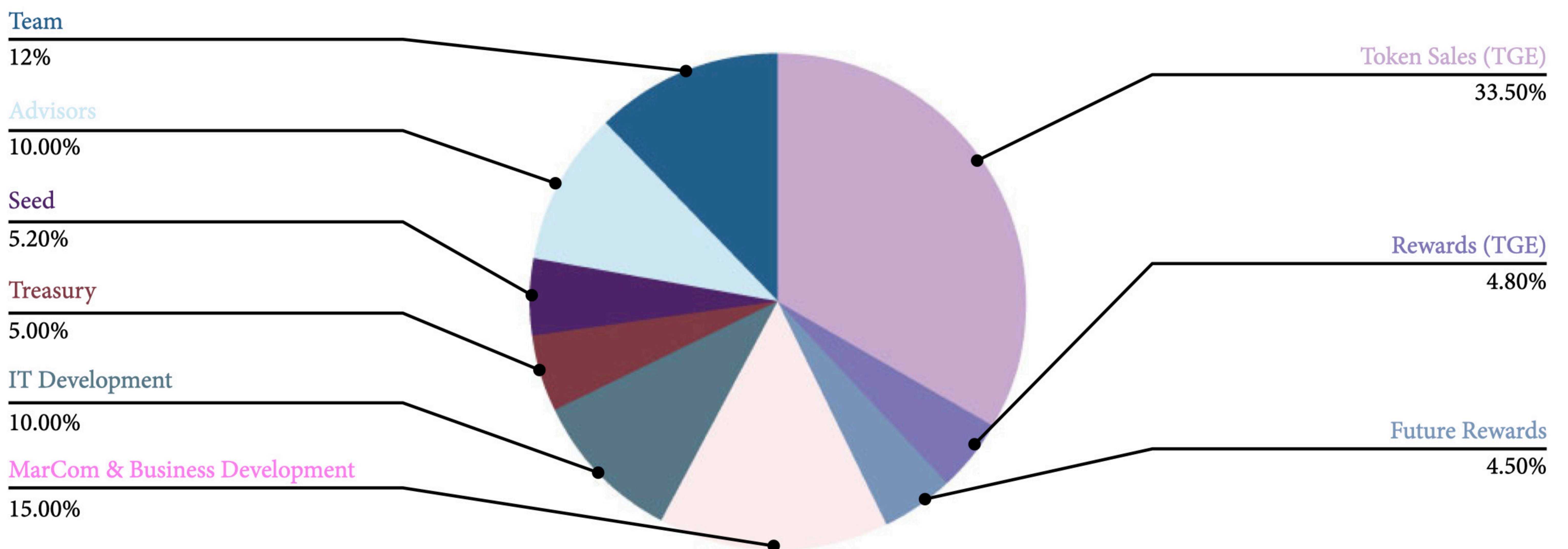
⁴ The MATIC/POXO swap is managed automatically by the ICO's smart contract. The latter meets the requirements of decentralisation and security perfectly. This totally decentralised subscription method is therefore strongly favoured.

⁵ In this case, the valuation of the NFT in the marketplace depends on the subscription round and is therefore based on that of the POXO token, knowing that the latter increases from €0.04 in Round 1 to €0.09 in Round 4. For example, an NFT of €100 acquired during the first round of the ICO gives its holder a purchasing power in the marketplace of : $100 \times (0.09/0.04) = €225$.





Token Allocation





Token sales (TGE)

33.5% of the total token offering (140,700,000 POXO) will be distributed to the public in return for their strategic support in financing the Sparkso project. Depending on the round of subscriptions, the tokens will be available immediately in full or in part, and then distributed linearly on a monthly basis over a specific period (see cliff and vesting terms, above).

Rewards (TGE)

4.8% of the total supply of tokens (20,160,000 POXO) will be allocated to bonuses and referral benefits linked to POXO purchases during the ICO.

Future rewards

4.5% of the total supply of tokens (18,900,000 POXO) will be used to support the Help-to-Earn incentive mechanism (see White Paper) and, more generally, to enhance community engagement in a sustainable way.

MarCom & Business Development

15% of the total token supply (63,000,000 POXO) will be allocated to marketing, communication and business development. Marketing and communication will be funded on an ongoing basis, while business development specialist will receive **20%** of their remuneration immediately, with the rest allocated linearly over **12 months**.

IT Development

10% of the total token offering (42,000,000 POXO) will be allocated to the Developers' Fund, to support short and long-term IT development of the Sparkso ecosystem. **20%** of the tokens will be unlocked directly after the ICO. The remaining tokens will be released progressively over the following **24 months**, as needed.

Treasury

5% of the total token offering (21,000,000 POXO) will constitute the minimum cash reserve to ensure the liquidity of POXO, particularly in the context of the listing. Depending on future needs associated with the liquidity pools, this reserve could be replenished from the MarCom & Business Development section and/or with unsold tokens from the Seed section.



Seed

A maximum of 5.2% of the total token offering (21,840,000 POXO) will be distributed to investors who have contributed seed money to Sparkso. 30% of these tokens will be unlocked at listing. As the overall amount of seed money raised has been limited to €300,000 (see anti-whale policy, below), it is expected that some of these tokens will not be sold and will be added to the cash reserve.

Advisors

10% of the total token offer (42,000,000 POXO) will be allocated to Sparkso advisors to remunerate them for their contribution in terms of mentoring and consulting, as well as their involvement in promoting and bringing business to the ecosystem. 20% of the tokens will be distributed at the beginning of the collaboration and the rest will be vested linearly over 12 months.

Team

A remuneration representing 12% of the total token offer (63,400,000 POXO) will be allocated to the core team in charge of the Sparkso project. These tokens will be subject to an 18-month cliff, before being released at a rate of 40%. The remaining 60% will be released linearly over the following 30 months.



Anti-Dump Strategy

In order to support the price of the POXO token, particularly following the first listing where there can typically be strong selling pressure, an anti-dump strategy has been defined to complement the cliff and vesting mechanisms.

This strategy will be based mainly on the following axes:

Liquidity overlay (safety cushion):

In addition to the initial liquidity provided during the decentralised listing, an adjustment surcharge may be injected into the liquidity pool in order to remove any imbalances between supply and demand from time to time, and thus maintain the price of the POXO at an acceptable level, with a target floor of €0.08 (i.e. a depreciation of 11.11% in relation to the closing price of the ICO).

The implementation of this approach is conditional on the achievement of the Middle Cap objective and concerns only the post-listing period, accompanying the POXO price stabilisation process.

Anti-whale policy (seed money):

In order to prevent excessive unitary sales orders, which could have a sudden and erratic impact on the POXO price, an anti-whale policy has been implemented for the various token rounds and private sales.

Thus, institutional and private seed-money investments have been capped at €60,000 and will, for some, be subject to a conservative vesting schedule. In addition, the overall amount of seed money raised has been limited to €300,000.

Anti-concentration policy (TGE):

In the same spirit as the anti-whale policy, a subscription cap for the TGE has been introduced for the 4 rounds of the ICO, in order to avoid too much concentration of investments, i.e. a minority of subscribers holding the majority (or at least a disproportionate share) of the tokens sold. This ceiling is raised to €15,000.

Together with the anti-whale policy, this position towards large investors will encourage a dilutionary effect which will mechanically limit the scope of speculative movements and thus maintain a positive signal within the market.

**Token burn:**

The POXO token's total supply is capped at 420 million units, with the aim of limiting inflationary pressures. This cap prevents token dilution over time, which would otherwise lead to downward price pressure.

It is a possibility that not all the POXO offered for sale in the ICO (TGE) will be sold to subscribers. Evidently, the Hard Cap would not be reached, and this would result in the Sparkso team indirectly holding the unsold units.

In order to confirm Sparkso's commitment to the community and the project, Sparkso would offer token holders the opportunity to vote on a token burn (of the unsold tokens). If agreed, it would reduce the quantity of tokens in circulation and similarly reduce the total supply of POXO; which would mechanically contribute to supporting the price of POXO in the medium and long term.

However, a possible token burn cannot take place in Sparkso's Generation One, as the growth process of the marketplace and the achievement of a certain critical size in the future (Generation Two) must be taken into consideration. In other words, the more dApps there are in the marketplace, the greater the demand for tokens, hence the need to maintain the overall supply of tokens in the first instance.

It should be noted that, if necessary, the burn process would be modelled in a linear fashion, in order to avoid any significant increase in the price of POXO, which would then encourage massive selling movements, or even other opportunistic behaviour (particularly speculative). The objective behind this linearity is to consolidate the price level over time and not to provoke a one-off increase in the price to allow holders to take short-term profits.



Example of Subscription

Assuming the ICO starts on 16 June 2022, it would end on 14 October 2022, i.e. after 120 days. It will consist of 4 subscription rounds.

Let's take the example of Sara who participates in the ICO during the second round (which is exempt from cliffs but has a monthly vesting period of 8 months).

Sara subscribes for 3,000 MATIC. At this stage, the price of the POXO token is €0.06. In this example we assume that Sara does not have a referral link.

How many POXO would Sara get?

If 1 MATIC is worth €0.50, Sara will receive 25,000 POXO $(3,000 \times 0.50) / 0.06$. In addition, she will receive a 15% bonus, which is an extra 3,750 POXO.

When and how often will Sara receive her POXO?

If we assume the listing of POXO is scheduled for 10 November 2022 and that the starting point of the cliff and vesting is 5 November, the countdown for the distribution of POXO commences on 4 November 2022 at 23:59 GMT+2.

As Sara is not subject to a cliff period, Sara will start receiving her POXO on November 5, 2022. Of the 25,000 POXO she is entitled to, she will receive 20%, i.e. 5,000 POXO.

Since the vesting period is 8 months, the remaining 20,000 POXO will then be paid to her every 30 days during this period on a straight-line basis. Sara will therefore receive 2,500 POXO on each of the following dates: December 5, 2022, January 4, 2023, February 3, 2023, March 5, 2023, April 4, 2023, May 4, 2023, June 3, 2023, July 3, 2023.

What would have happened if Sara had participated in the ICO in Round 1?

At this stage, the price of the token would have been €0.04. In this example it is assumed she was not one of the first 500 subscribers to POXO and therefore benefits from a 20% bonus as opposed to a 30% bonus.

For 3,000 MATIC, Sara would have received 37,500 POXO, and would have received them in full by 5 November 2022.

In addition, Sara would have received a 20% bonus, i.e. 7,500 POXO.