

lilAI Tokenomics

How to Access lilAI Services & Tools

CRYP2NOVA

The $LILAI token lives at the heart of all lilAI services, and act as the vehicle for any consumer of lilAI products. This document outlines how $LILAI tokens can be used to obtain access to lilAI services via several methods, as well outline how $LILAI tokens can be used to participate in several lilAI incentives, such as staking & governance voting.

Revision 1.2

23rd November 2023

www.lilAI.co

Archived copy · cryp2nova.com

lilAI Services

lilAI offers several services to both businesses and consumers, all of which require interaction with $LILAI tokens via the available engagement methods:

lilAI Anti-Spam Bot

lilAI's revolutionary Anti-Spam provides projects with peace of mind when it comes to keeping social media channels clean and on-topic. Using machine learning and data driven analytics to remove new spam & scams within seconds, protecting community members and maintain a project focused conversation.

lilAI Community Sentiment Signals

lilAI's Anti-Spam comes with community level sentiment built in, allowing projects to observe how the community is moving in terms of sentiment towards the project, the industry and general vibe. This is a key tool in helping projects observe how their community react to events like news, delays, market changes and social events.

lilAI AI Community Managers

lilAI's AI Community Managers will provide a fully automated chat assistant, existing in a project chat as its own entity. Each project is given a dedicated community manager which is trained on project specific information, news and any developments that project owners wish to add. Community managers are also connected to all popular web-based news sources, as well as having direct access to blockchain specific data to help answer questions and concerns of the community.

CRYP2NOVA

lilAI On-Demand Services

lilAI offers several on-demand services which any consumer has access to, such as lilAI Bluebird, lilAI Data Oracle and several in-progress tools which users will be able to utilise over time.

Future Developments

lilAI is constantly developing new tools and building on existing tools to improve functionality, reliability, and speed. Head over to lilAI's website (www.lilAI.co) to see what services are currently on offer.

Archived copy · cryp2nova.com

The $LILAI Token

The $LILAI token was fair launched on the Arbitrum blockchain in March 2023, with a maximum supply of one billion (1B) tokens. No more $LILAI tokens can ever be minted, and the supply of $LILAI will gradually drop as service demand grows.

The circulating supply of $LILAI at the token launch is six hundred million (600M). The circulating supply will grow over time due to various factors, such as team expansion, marketing spends and use of treasury funds to fund new ventures and opportunities.

The lilAI team have access to the following three (3) wallets:

Treasury - 15% of total supply:

Address: 0xeef2d4e9a73e690a555ac4799c67772ec07eb95b

The intention of our treasury will be for services such as Market Making, Exchange Listing Fees and Infrastructure. The decision to deploy Treasury holdings will be based on a full team decision and where possible will advise the community of its deployment.

Team - 15% of total supply:

Address: 0xb5f0cd7e5519715c3c9393617c0b7f03f8e11345

These tokens have been allocated for the purpose of attracting and incentivising new talent to the company and scaling up the team in the future. The company also reserves the right to institute milestone incentives and required targets built into a linear vesting process. This helps to generate desire and motivation to achieve company goals.

Marketing - 10% of total supply:

Address: 0x394044246aedddf2132996e3b6f84964dfcc31ef

The purpose of these tokens is not to be sold to pay for marketing. They are normally used to supplement a financial payment and thus allow lilAI to negotiate favourable deal terms. They are also utilized in airdrops, call-to-action marketing campaigns, as well as co-marketing initiatives with strategic projects and partners.

Archived copy · cryp2nova.com

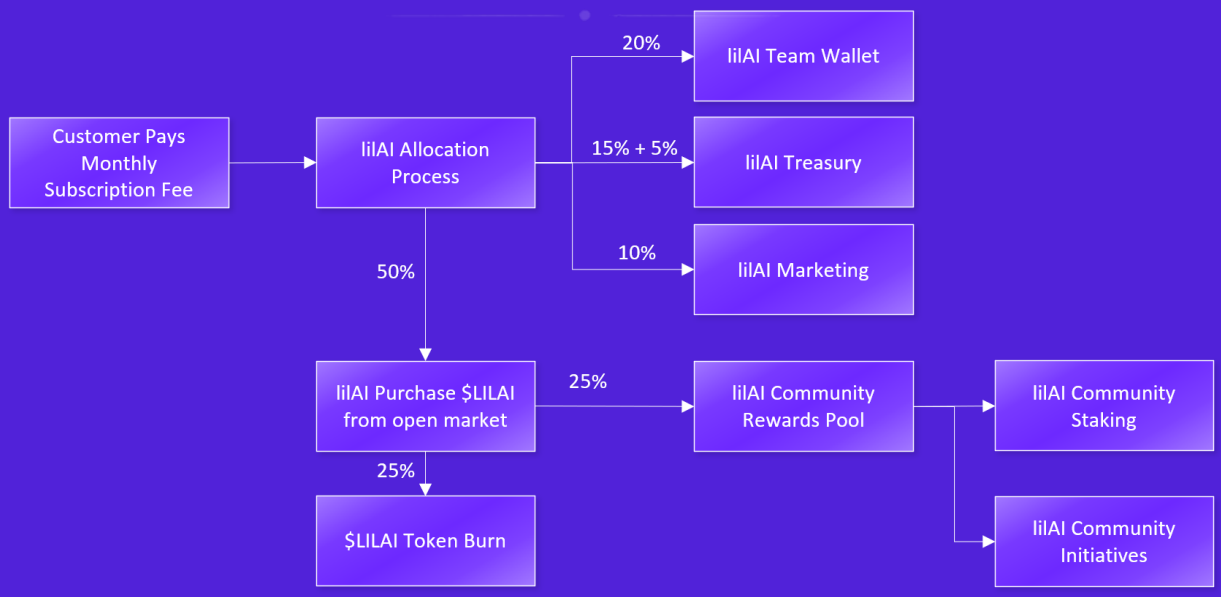
Tokenomics Model: Subscriptions

For maximum accessibility, it is essential that projects can have choice when signing up to use lilAI products. As such, some lilAI services can be accessed via a stable coin subscription or one-off stablecoin payment. These access methods provide several key advantages the project, customers and token holders:

1. Increases the $LILAI economy, via permanent buy pressure created by regular in-flow of new funds, which in-turn, provides a non-inflationary mechanism for community rewards from real world revenue.
2. Bolsters lilAI treasury, reducing the need for token sell-offs to fund new ventures, protecting $LILAI holders.
3. Covers project running costs and wages, removing the need for regular team unlocks that dilute token value.
4. Provides projects the option to efficiently utilise their own reserves as they need to, rather than hold potentially volatile crypto assets, or commit to a large one-time purchase of $LILAI tokens.
5. Allows non-web3 projects to access lilAI services easier, without the need to become involved with cryptocurrency beyond predictable and simple stable coins.

Projects choosing to use a subscription model will benefit from a regular, predictable fee which they can rely on to manage their project finances. Projects utilising this method will be reminded through our telegram and discord-based services when subscription fees are due and will be required to pay for the next month's services in advance to avoid disruption. This ensures services are always paid for, and the $LILAI economy is protected.

CRYP2NOVA



Archived copy · cryp2nova.com

Subscription fee allocation:

Subscription fees are allocated to various aspects of the lilAI ecosystem, including areas that directly benefit $LILAI token holders. These allocations allow lilAI to maintain company operations without impacting token holders via selling of $LILAI to pay for operations. Quite simply, subscriptions bring sustained value to $LILAI while supporting lilAI.

Below is a brief breakdown of how subscription fees are disseminated:

50% Operational Expenditure:

- 20% - Human Resources (i.e. team wages, legal services)
- 15% - Infrastructure Running Costs (i.e. web services, data providers)
- 10% - Project Marketing, Advertising and Special Events
- 5% - Treasury Fortification

The above breakdown of operational expenditure is a guide based on current knowledge. lilAI may adjust expenditure as required to suit project needs.

50% $LILAI Token Value Contribution:

- 25% - Community staking rewards (once infrastructure is implemented)
- 25% - Token Buy-Back-and-Burn

A portion of every subscription will be used to purchase $LILAI from the open market. These tokens will be used to provide rewards for $LILAI holders, both directly through a burning mechanism, which intends to gradually reduce the $LILAI on the open market, supporting token price, and via various staking initiatives once infrastructure becomes available. Until said staking infrastructure becomes available, $LILAI tokens intended for staking will be either burnt to further support token price or held in a designated community rewards pool to be later rewarded to $LILAI token holders.

Token buybacks will always account for the remaining 50% of subscription fees and will be rewarded to $LILAI holders via staking, burning or other initiatives.

The split between burning and community rewards may alter over time to best bring value to $LILAI as a whole i.e. if there is sufficient funds to increase the token value for everyone, this may be more beneficial than staking rewards for those in the platform, vice versa, we may wish to reward token stakers by offering them a larger percentage of $LILAI, or maintain a certain staking %APY if possible.

Any changes to any burning or staking rewards will be communicated prior to the event.

Archived copy · cryp2nova.com

Tokenomics Model: Buy to Lock (Or spend)

Buy and lock provides projects with the option to access lilAI services in the classic fashion, using the utility provided by $LILAI tokens to grant full access to the desired services, simply by holding and locking an agreed amount of $LILAI tokens.

Buy to Lock Services:

Services like Anti-Spam and AI Community Managers will require locking of an agreed amount of $LILAI tokens (unless paying via subscription). The agreed amount is directly linked to the equivalent FIAT value at time of locking. The locking period is not defined, and projects are able to use lilAI services from as little as one calendar month.

Buy to lock requires projects to commit to a monthly service fee deduction, which provides lilAI with management fees which power the development of new products and support operational expenditure. The current monthly service fee equates to 2% of the locked tokens, which follow a linear reduction over time i.e. after 50 calendar months, the locked tokens will all be paid in service fee deductions. After those 50 calendar months, the project will be required to purchase and lock an agreed amount of $LILAI tokens once more.

A key benefit of Buy to Lock is the freedom for projects to take advantage of an ever-growing ecosystem that lilAI is building. Projects have the option, at any point, unlock their tokens and move around as required. Projects will need to understand that this will have an immediate effect on their ability to use the lilAI service(s) that they originally locked tokens to use, however they will be able to begin a new token lock at a new agreed token amount.

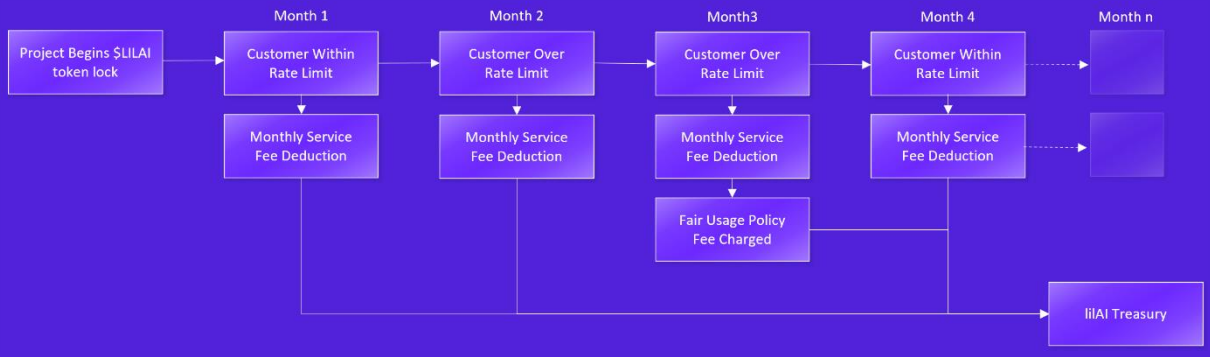
Fair Usage Policy:

lilAI operates a fair usage policy for projects that wish to utilise the Buy to Lock mechanism. Regardless of project size, a rate limit on processed messages is put in place to ensure all lilAI users benefit from optimal service performance.

Current Rate Limit: 60,000 messages/updates per calendar month

If a project exceeds their fair usage policy, lilAI reserves the right to charge any excess messages/updates at an agreed price, which is deductible 2 calendar months after the rate limit was exceeded, allowing projects to 'catch up' and avoid fees for a one-off busy period. Consistently exceeding the rate limit will incur a fee.

Cost in $LILAI tokens per 1,000 messages/updates above FUP: $1.00 + admin fee



Archived copy · cryp2nova.com

Buy to Spend Services:

Services such as lilAI Bluebird and lilAI Data Oracle are examples of on-demand services which are accessible by consumers and businesses, simply by spending $LILAI tokens directly into the lilAI service. These services offer full visibility on their associated $LILAI cost prior to any usage, to allow service users to have full control over their usage spend.

All on-demand payments, service fees and fair usage charges will be paid directly into the lilAI treasury to support operational expenditure & bolster lilAI treasury.

$LILAI Token Governance

Future plans for $LILAI include governance features where the tokens may be used as a tool to participate in voting. Anyone wishing to engage in voting will need to hold a minimum amount of $LILAI tokens to gain access to the voting platform. $LILAI itself does not represent a 'vote' or 'voting share'. Instead, each wallet with the minimum $LILAI holding is eligible for one vote.

Voting will be focused on several key areas:

Project Direction & Development Pipeline:

lilAI will regularly have several avenues to pursue, and we want token holders to be able to join us on this journey of innovation. $LILAI token holders who choose to participate in voting can vote for the project direction they wish us to take, by selecting future developments from a short list curated by lilAI. To enable fair and transparent voting, $LILAI holders who participate in project direction votes will be given the opportunity to see several non-disclosed technologies, and as such, may be required to provide a proof of stake (PoS) commitment, ensuring they keep lilAI developments protected.

CRYP2NOVA

Continuation / Discontinuation of lilAI Services:

$LILAI token holders who choose to participate in voting can help us focus on products which best meet the needs of consumers, including proposals to discontinue services which $LILAI token holders feel no longer suit the project vision, or have diverged from their original purpose. $LILAI token holders may also vote for reviews of certain processes which lilAI use to assess product performance, to ensure lilAI remains focused on our customers best needs.

Advisors & Strategic Persons:

$LILAI token holders who wish to participate in voting may be given the opportunity to vote on which advisors are selected to support lilAI, including the option to not take on any advisors all together. As this voting mechanism exposes $LILAI holders to key business information, holders may be required to provide a proof of stake (PoS) commitment, ensuring they keep lilAI business strategy protected.

Archived copy · cryp2nova.com

Team Token Unlock Schedule

All lilAI team members have an equal allocation of $LILAI tokens, who's unlocks are tied to specific project milestones. Simply put, lilAI team members do not get token unlocks without $LILAI succeeding in the marketplace.

The lilAI team have all seen how pre-defined, time based unlocks have damaged communities, and believe that tying any team unlocks with specific project milestones means we all succeed together.

Specifics about the milestones will remain secret to avoid potential manipulation around those key points, but all unlocks will be fully visible on the blockchain ledger once they occur.

The team wallet has a maximum of one hundred and fifty million (150M) $LILAI tokens, which is to be shared among all current and future lilAI team members. A large portion of this fund is also ear-marked for key advisor and specialist roles, which will help take lilAI to new heights.

New Team Member Hires:

All new team members will agree to an amount of $LILAI tokens that they are eligible for, linked specifically to the next project milestone(s). New hires will not be retrospectively rewarded for prior project success, though may be offered some $LILAI tokens as a 'golden handshake' when joining the lilAI team.

Advisors:

Advisors, particularly those with key knowledge and connections may be compensated with $LILAI tokens for their services. Advisors will be subject to the same token unlock schedule as team members, ensuring their compensation is directly linked to the success of lilAI as a project. Like new hires, advisors will not be eligible for retrospective unlocks, though may be offered some $LILAI as a 'golden handshake' when joining as an advisor.

Archived copy · cryp2nova.com

Frequently Asked Questions

Q: Why does the $LILAI token exist? Couldn't projects simply pay in stable coin?

A: Projects can indeed pay in stable coins, which is encouraged if it enables projects to use lilAI services. lilAI wants our products to be available to everyone, and allowing several methods of payment for subscriptions enables that.

The $LILAI token was created as the primary vehicle to access lilAI services and was fair launched to ensure $LILAI remains a community driven token.

Q: Why was $LILAI launched on the Arbitrum blockchain?

A: The Arbitrum blockchain offers several key advantages. Low network fees ensure the token can be obtained, moved, and locked without projects or consumers incurring heavy network fee losses. Arbitrum will also, over time, benefit from cross chain swaps, as well as integration into all major exchanges, making the launch on Arbitrum a prime choice for $LILAI users and holders.

Q: When will the community staking become available?

A: Community staking requires infrastructure that provides $LILAI token holders security, ensuring their staked tokens remain locked and fully in their control. lilAI takes security seriously and will not take unnecessary risks with holder tokens.

The community rewards pool will be used as a storage location until staking and other initiatives become available, and will be paid out linearly, over a designated period that provides a competitive APY for token stakers.

lilAI will be looking for several opportunities for staking via centralised exchanges once the $LILAI token becomes available on them. We will also pursue a decentralised platform, to make staking rewards accessible to all $LILAI holders.

Q: When will governance become available?

A: Like staking, governance requires high levels of security to protect $LILAI token holders from potential attacks. lilAI will be building this infrastructure over time, and will not risk $LILAI token holders security, so will have our governance platform fully audited by several industry leading auditors. All audits will be fully visible on the lilAI website for review by anyone wishing to use the lilAI governance platform.

For any further questions, please head to our telegram channel, or email lilAI directly:

https://t.me/LilAICommunity

contact@lilai.co

Archived copy · cryp2nova.com

Disclaimer

IF YOU HAVE ANY DOUBTS AS TO WHAT ACTIONS YOU SHOULD TAKE, WE RECOMMEND THAT YOU CONSULT WITH YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S). No part of this Whitepaper is to be reproduced, distributed or disseminated without including this section.

The sole purpose of this Whitepaper is to present tokens to potential token holders. The information is provided for INFORMATION PURPOSES only.

It may not be exhaustive and doesn't imply any elements of a contractual relationship or obligations. Despite the fact that we make every effort to ensure the accuracy, up to date and relevance of any material in this Whitepaper, this document and materials contained herein are not professional advice and in no way constitutes the provision of professional advice of any kind.

Further, Project reserves the right to modify or update this Whitepaper and information contained herein, at any moment and without notice. To the maximum extent permitted by any applicable laws, regulations and rules, Project doesn't guarantee and doesn't accept legal responsibility of any nature, for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising from or related to the accuracy, reliability, relevance or completeness of any material contained in this Whitepaper.

Further, Project does not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity, person, or authority, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this Whitepaper. You should contact relevant independent professional advisors before relying or making any commitments or transactions based on the material published in this Whitepaper.

You don't have the right and shouldn't buy tokens if you are a citizen or resident (tax or otherwise) of any country or territory where transactions with digital tokens and/or digital currencies are prohibited or in any other manner restricted by applicable laws. ("Person" is generally defined as a natural person residing in the relevant state or any entity organized or incorporated under the laws of the relevant state). Purchased tokens cannot be offered or distributed as well as cannot be resold or otherwise alienated by their holders to mentioned persons. It is your sole responsibility to establish, by consulting (if necessary) your legal, tax, accounting or other professional advisors, what requirements and limitations, if any, apply to your particular jurisdiction, and ensure that you have observed and complied with all restrictions, at your own expense and without liability to Project.

Tokens LILAI are not and will not be intended to constitute securities, digital currency, commodity, or any other kind of financial instrument and have not been registered under relevant securities regulations, including the securities laws of any jurisdiction in which a potential token holder is a resident.

This Whitepaper is not a prospectus or a proposal, and its purpose is not to serve as a securities offer or request for investments in the form of securities in any jurisdiction. However, in spite of the above, legislation of certain jurisdictions may, now or in future, recognize LILAI tokens as securities.

Project does not accept any liability for such recognition and\or any legal and other consequences of such recognition for potential owners of LILAI tokens, nor provide any opinions or advice regarding the acquisition, sale or other operations with LILAI tokens, and the fact of the provision of this Whitepaper doesn't form the basis or should not be relied upon in matters related to the conclusion of contracts or acceptance investment decisions.

Archived copy · cryp2nova.com