

The Open Foundation Report

Continuing down the path of accountability and transparency, the Open Foundation (the “Foundation”) has released its Q3 2020 report for the Open Application Network (“The OAN”) community to view. This report will serve the purpose of providing insight into the internal operations, metrics, and strategies of the Foundation.

September 30, 2020

Spending

The following section outlines the Foundation’s fiat, cryptocurrency, and Aion spending during the three months ending September 30, 2020. The Foundation has reported the below figures on an accrual basis to provide readers with information about the timing of its expenses.

Expense Summary

* Excluding Aion

Highlighted in Figure 1 are the Foundation’s operating activities.

Operating activities include the core activities incurred to steward the ongoing development of The OAN.

Figure 1 Fiat and Cryptocurrency Spending Summary (Excluding Aion) \$USD	2020 Q1	2020 Q2	July	Aug	Sept	2020 Q3
Product & Engineering	\$837,970	\$758,367	\$252,703	\$274,820	\$221,700	\$749,223
Marketing & Growth	500,813	515,900	79,963	89,955	78,640	248,558
General & Administrative	562,675	530,523	260,511	199,539	193,921	653,971
Total Expense (\$USD)	\$1,901,458	\$1,804,790	\$593,177	\$564,314	\$494,261	\$1,651,752

General & Administrative expenses were 23% higher than the prior quarter. Increased spending was a result of professional fees related to organizational restructuring.

Of the total compensation spending in Q3 2020, approximately 66% was engineering and technical related.

Note about Moves Financial

Starting September 1, 2020, the Foundation and Moves Financial Inc. (“Moves”) entered into a multi-year services agreement. This agreement entails a recurring monthly expense for the Foundation, which has been allocated to the three corresponding accounts in Figure 1. This expense is consistent with prior quarterly spending on all activities related to supporting The OAN protocol, with the continuing goal to optimize return on spend.

The Foundation has engaged Moves to provide the following services:

- Design, develop, test and implement protocol changes agreed with The OAN;
- Provide support to The OAN 24 hours a day, 7 days per week;
- Maintain adequate back-up material that will enable the regeneration of protocol and other data;
- Manage liquidity (exchanges, market makers, wallets);
- Manage community, including maintaining relationships with miners, stakers and crypto-asset trading platforms;

- Manage bounty program;
- Manage The Open Foundation Report and compliance;
- Any other services reasonably requested by The OAN such as marketing, finance, HR, legal and similar shared services; and
- Provide staff to assist with the foregoing.

As stated in our recent Q3 AMA (transcript here), Moves evolved from our strategy to solve a real problem for a real customer in a way that consumes The OAN and Aion. The only way to build Moves would be with a structure that allowed us to capitalize the business and apply for financial services licensing with regulators in various countries, which was not possible for the Foundation.

We are excited to continue solving platform problems and creating a more financially equitable world through this transaction with Moves. For more information, see our blogs “Building Ownership in the Gig Economy” and “Launching Moves Crypto.”

The Foundation will continue to report its spending on The OAN as in prior reports.

Aion Expense Summary

The adjacent table (Figure 2) highlights spending over the three-month period ending September 30, 2020.

Amounts are denominated in Aion and are described further below.

Figure 2 Aion Expense Summary	2020	2020				2020
Aion	Q1	Q2	July	Aug	Sept	Q3
Grants & Bounties	669,839	-	331,250	-	-	331,250
Long-term Employee Incentives		2,760,798	36,404	150,725	50,725	237,854
Ecosystem & Technical	498,598	1,061,792	384,719	384,719	391,819	1,161,257
Marketing	2,249,310	92,511	92,824	118,186	155,675	366,685
Total Expense	3,417,747	3,915,101	845,197	653,630	598,219	2,097,046

Total Aion spending in Q3 2020 decreased by 46% from the prior quarter due to fewer Long-term Employee Incentives.

Financial Position

Figure 3 highlights the Foundation fiat, current assets, and cryptocurrency holdings (including Aion) as of September 30, 2020.

The balances noted in Figure 3 are as of September 30, 2020 and differs as of the date of this Report due to fluctuations in cryptocurrency prices and operating spend.

Figure 3 Fiat, Current Assets and Cryptocurrency (Excluding Aion)	\$USD
Fiat & Current Assets	\$5,563,283
Cryptocurrency	\$2,184,817
Total	\$7,748,100

Aion Holdings	Units
Liquid Aion	98,789,220
Locked Aion	14,602,445
Total	113,391,665

Net investments, loans, and accruals transacted with network partners in Q3 totaled 43,083 Aion.

Included in the Fiat & Current Assets account are items such as cash, prepaid expenses, and current receivables.

Total circulating Aion as of September 30, 2020 was 468,393,032. The Private Token Release Schedule, as described in the Aion Foundation Report published on November 30, 2018, will continue to distribute Aion on a monthly basis until November 2020.



Notice to Readers:

- Information contained in this Report is given as of September 30, 2020 except as otherwise noted.
- This Report is for information purposes only and does not constitute an offer to sell, or a solicitation of an offer to buy, any Aion coins.
- Readers should not construe the contents of this Report as financial or investment advice and should not rely upon this Report for the purposes of buying, selling or holding Aion coins or for any other purpose.
- This Report may include predictions, estimates or other information that might be considered forward-looking. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements. The Foundation does not undertake, and specifically declines, any obligation to update such information or statements or to publicly announce the results of any revisions to any such information or statements.
- All figures in this Report are denominated in U.S. Dollars unless otherwise stated