

# Q International Foundation

## Transparency Report – August 2024

### Introduction

This report, published by Q International Foundation (in the following also: “Foundation”), is intended to provide participants in the Q ecosystem transparency over Q International Foundation’s role related to the Q Protocol. The target audience of this report is current and future Q token holders, as well as other stakeholders and interested parties who wish to understand the role of Q International Foundation in the Q ecosystem and assess the possible impact of its past and future actions on the Q Protocol.

For clarification, this report is published on a voluntary basis. It is neither a financial report, nor is it based on any other specific legal or regulatory requirements. Furthermore, this report does not provide a comprehensive overview of the activities related to the Q Protocol. Q is a decentralized protocol that anyone can use and interact with permissionlessly. Naturally, Q International Foundation can only provide transparency in relation to its own activities. To learn more about the Q Protocol, we recommend visiting the project website<sup>1</sup>, which provides links to a number of Q ecosystem resources, and interacting with other Q community members.

### About Q International Foundation

Q International Foundation is a regulated non-profit foundation based in the Principality of Liechtenstein. It was established on 11 August 2020 and is registered in the commercial register of Liechtenstein under FL-0002.641.873-5.

The purpose of Q International Foundation is the promotion, (further) development and maintenance of open decentralized technologies, applications and organizational units as well as the development of new fields of application and implementation possibilities in these areas. The focus is particularly, but not exclusively, on promoting the development of the Q Protocol. The aim is furthermore to

- actively promote science, research, development as well as the exchange between the actors active in the area of the aforementioned technologies (open decentralized software architectures) (e.g. organization and sponsoring or financing of

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<sup>1</sup> <https://q.org>

- conferences and events, support of public educational institutions and other non-profit organizations);
- promote open-source projects in the field of decentralized technologies.

In line with its purpose, Q International Foundation has initiated the Q Protocol. Q is a new type of protocol that enables the decentralized enforcement of subjective rules. Q's unique governance system combines the benefits of a public, open and decentralized ledger with the versatility, transparency and predictability of enforceable private contracts. By allowing applications building with Q to go "beyond code-is-law", the protocol enables a wide variety of novel use cases that could not previously be implemented in a decentralized way.

According to Liechtenstein law, as a regulated non-profit foundation, Q International Foundation cannot engage in operating activities. All operating activities are therefore conducted by its wholly owned subsidiary Q Development AG, a for-profit company based in Liechtenstein which was founded on 3 September 2020.

As a non-profit foundation, Q International AG has no owner. There is no outside equity participation or similar arrangements in Q International Foundation or Q Development AG. Q International Foundation is funded by donations and sales of Q tokens.

The basics of the Q Protocol as well as the role of the Q International Foundation have been described in Section 4.7 of the Q White Paper<sup>2</sup>.

## Q Protocol and Q Tokens

Q International Foundation is the initiator of the Q Protocol. As such, it is also the initial issuer of Q tokens.

Q tokens are the native asset of the Q blockchain. The Q Protocol and Q tokens have the following basic properties:

- Mainnet launch: 23 March 2022, 15:25:07 UTC
- Chain ID: 35441
- Block time: 5 seconds
- Supply at genesis: 1,000,000,000.00 tokens
- Inflation: 1.5 Q tokens per block
- Inflation rate p.a.: ~0.95% (initially – declining over time)
- Ticker: QGOV

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<sup>2</sup> [https://q.org/files/Q\\_Whitepaper\\_v1.0.pdf](https://q.org/files/Q_Whitepaper_v1.0.pdf)

Q tokens are fully fungible, and tokens held or issued by Q International Foundation do not have any special rights or properties.

## **Q International Foundation's Involvement in Q Protocol Governance**

The governance of the Q Protocol is defined in the Q Constitution<sup>3</sup>.

Q International Foundation has no special role or privileges in the protocol's governance.

Via its holdings of Q tokens, Q International Foundation can participate in Q's governance as a regular token holder. Due to its significant holdings of Q tokens (which will diminish over time), it does so transparently and with restraint. The principles of Q International's Foundation's governance participation are described in its Voting Policy, which is publicly available on its website:

<https://q.foundation/files/publications/Q%20International%20Foundation%20Voting%20Policy.pdf>

For all governance votes in which Q International Foundation has participated, the Foundation has published its decision and the rationale behind it. The respective announcements have been made publicly available on the Foundation's blog:

[https://medium.com/@Q\\_Foundation](https://medium.com/@Q_Foundation)

Upon inception of the Q Protocol, Q International Foundation operated the first three validator nodes as well as the first three root nodes in the Q Protocol. As more validator nodes and root nodes have joined Q, all of those have been fully decommissioned. Since then, Q International Foundation has not actively participated and does not actively participate in the Q Protocol other than via Q token holder votes as described above.

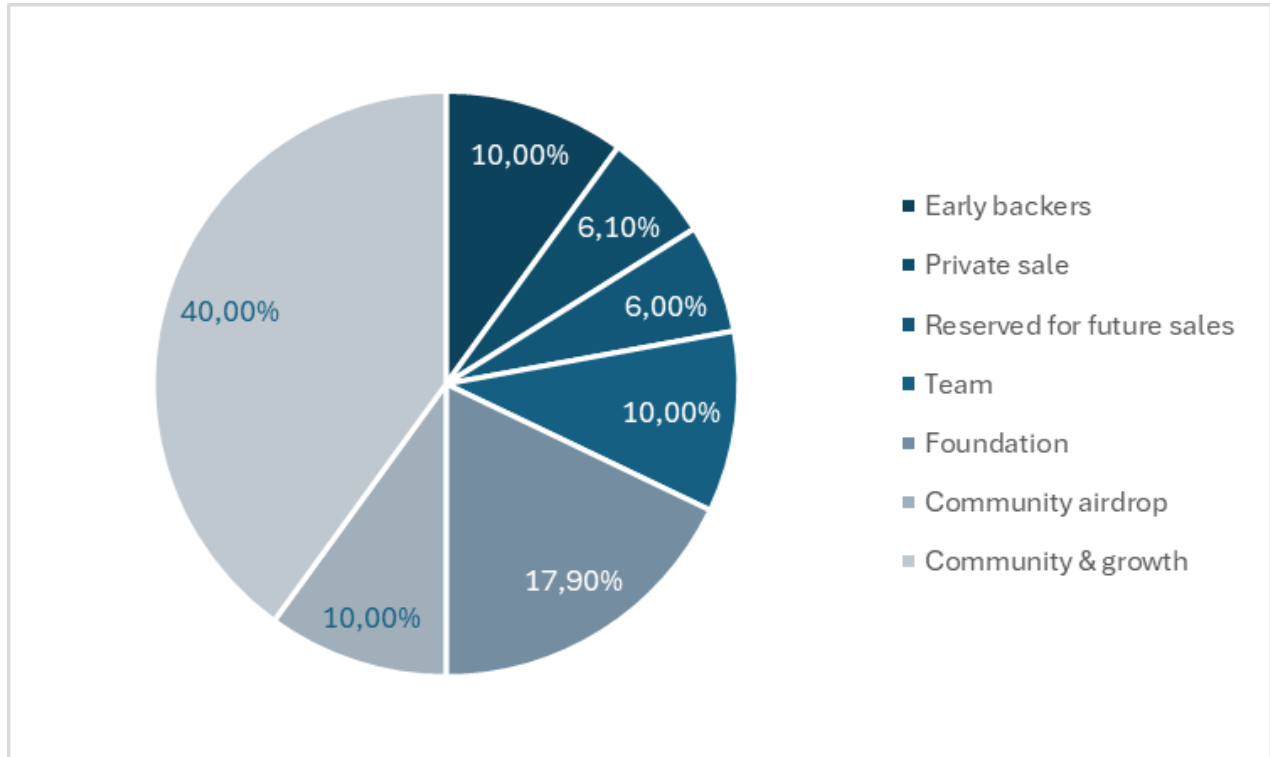
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<sup>3</sup> <https://q.org/constitution>

## Q Token Distribution

As the initiator of the Q Protocol, Q International Foundation has initially held 100% of Q tokens at genesis on 23 March 2022.

The following chart shows the subsequent allocation of Q tokens:

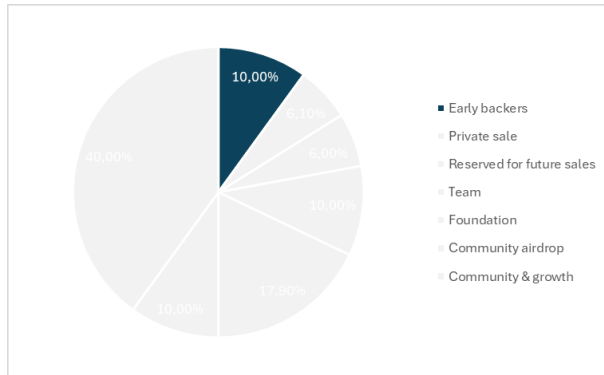


Details related to the various allocations are described in the following. Locking and vesting conditions are enforced contractually, and – where it is practicable and adds security – via smart contracts that time-lock the respective tokens. Where locking / vesting conditions are purely contractual, compliance is monitored by Q International Foundation.

References to current values are based on data as of 12 August 2024.

Please note that numbers may exhibit small rounding differences.

### Early backers



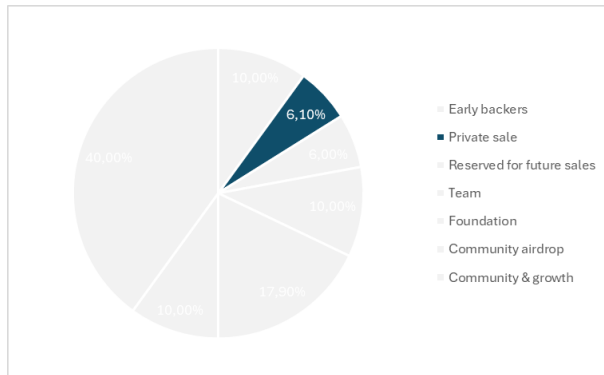
Early backers are private supporters of Q who purchased rights for future Q tokens before mainnet launch. These purchases took place in three stages:

The first stage (“pre-seed”) amounts to 5% of the initial supply and took place between 2019 and 2020. These tokens have initially been locked, with a linear unlock period from 23 March 2024 to 23 March 2026.

The second stage (“seed”) amounts to 4% of the initial supply and took place in January 2021. These tokens have initially been locked, with a linear unlock period from 23 March 2024 to 23 March 2026.

The third stage (“bridge”) amounts to 1% of the initial supply and took place in June 2021. These tokens have initially been locked and were fully unlocked on 23 March 2023.

### Private sale

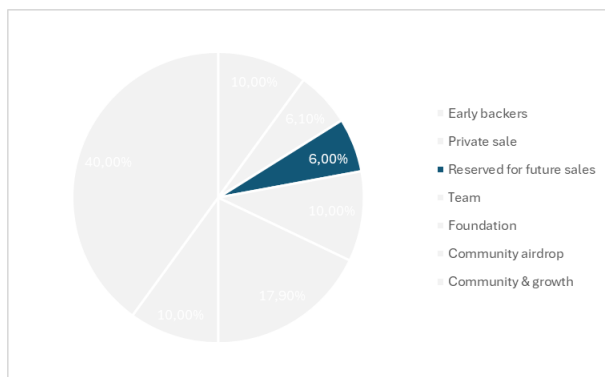


Tokens allocated to the Private sale category were sold via rights for future tokens before mainnet launch in early 2022.

Parties who purchased Q tokens in this category include specialized investors with a long-term interest in Q, including operators of validator and root nodes on Q.

Q tokens in the Private sale allocation have initially been locked, with a linear unlock period from 23 March 2024 to 23 September 2025.

### Reserved for future sales



Beyond the Q tokens sold to early backers and private sale participants, another 6% has been reserved for future sales.

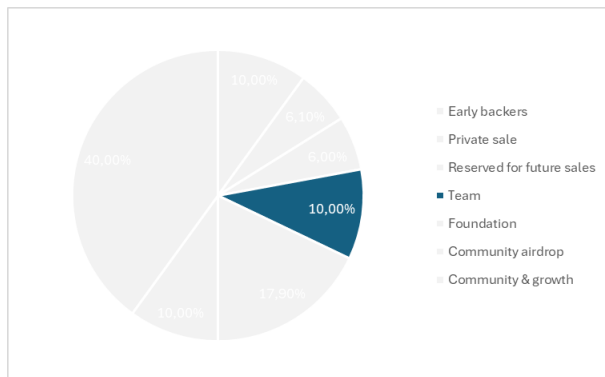
In July 2024, 0.12% of the initial supply of Q tokens was sold to the public by a launchpad.

Another 0.68% of the initial Q token supply has been privately sold to various buyers, mainly existing Q token holders, including

private sale investors and validators who run nodes on the Q blockchain. These token sales have been executed with customary locking conditions. A part of those sold Q tokens (0.54% of the initial Q token supply) has not yet been transferred to the buyers and is currently held on Q International Foundation wallets.

5.20% of the initial Q token supply within this allocation is still available and can be sold at the discretion of Q International Foundation.

### Team



10% of the initial Q token supply has been reserved for a “Team” allocation, whereby early contributors who have supported the development of the Q Protocol have been rewarded with Q tokens.

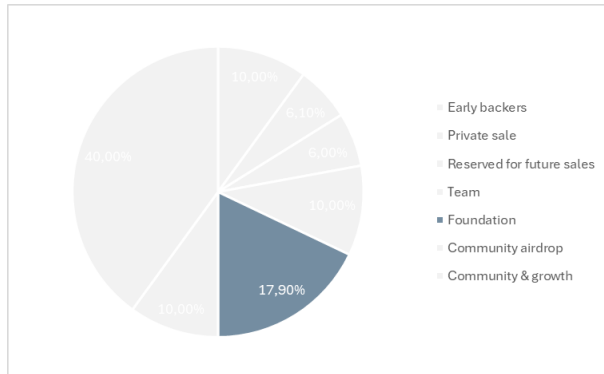
Of this, the 8.30% has been allocated to early team members who have already supported the Q Protocol before mainnet launch. This

part of the Team allocation is subject to vesting/locking conditions, with a linear unlock beginning on 1 January 2025 and ending on 31 December 2025.

0.90% of the initial Q token supply has been allocated to contributors after mainnet launch. These allocations are subject to customary vesting/locking conditions, with starting dates and durations depending on when the allocations were made.

0.80% of the initial supply of Q tokens is still available and can be allocated to contributors to Q at the discretion of Q International Foundation.

### Foundation



17.90% of the initial Q token supply has been allocated to Q International Foundation.

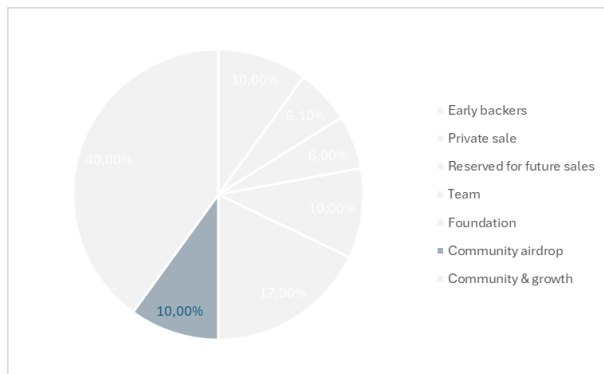
These funds can be used at the discretion of the Foundation.

The focus of the Foundation allocation has so far been on spending related to the development of the Q Protocol and adjacent infrastructure. This spending can be done by

the Foundation directly or indirectly by its subsidiary Q Development AG.

Currently, 1.93% of the initial Q token supply has been already spent, while 15.97% is still available for future spending. In the future, we expect more indirect spending, e.g. via grants. This is in line with the Foundation's goal to foster the further decentralization of the Q ecosystem.

### Community airdrop



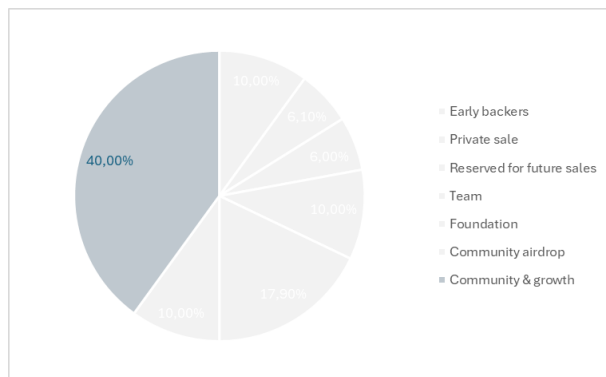
10% of the initial Q token supply has been reserved for airdrops to the wider Q community.

On 10 July 2024, Season 1 of the Q Community Airdrop with an allocation of 5% of the initial Q token supply has been announced.

Claiming of the Season 1 airdrop has started on 22 July 2024 and is open until 16 September 2024. As of 12 August 2024, 10.7 million Q tokens (representing 1.07% of the initial Q token supply) have been claimed. Unclaimed tokens will be used by Q International Foundation for future airdrop seasons or other community and growth activities. Claimed tokens up to 1,000 per address are unlocked, tokens exceeding 1,000 per address are subject to locking (with 1 month cliff with 3 months linear unlock).

Season 2 and 3 of the Q Community Airdrop have not yet been announced.

## Community & growth



In addition to the community airdrop allocation, 40% of the initial Q token supply has been allocated to further community and growth activities.

Up until 12 August 2024, 0.38% of the initial Q token supply has been spent, while 39.62% is still available.

Spending within this category so far has been mainly for activities rewarding early users and ecosystem participants of Q.

Spending in this category is currently administered by Q International Foundation, with the focus being on allocating Q tokens to activities that promote the growth of the Q ecosystem. If – in the future – it turns out that Q tokens in this category are not required for the growth of the Q protocol, Q International Foundation may elect to burn a part of Q tokens within this category.



## Overview Q International Foundation Q Token Holdings

For transparency we provide an overview of accounts with Q tokens that are controlled by Q International Foundation:

Category	Address	Balance as of 12.08.2024	% of initial supply
Reserved for future sales	0xCaef7c9d1BFCA1EAB42862a69cB17ff65A1Cbe6F	57.405.046	5,74%
Team	0x8B81bc1639933e536e8b8D5428382A6E6324f94b	8.000.000	0,80%
Foundation			
Wallet 1	0xC5106533a5cE6DD9C618cFbd77AA142b2e1436CB <i>in vault</i>	101.364.582 35.504.518	10,14% 3,55%
Wallet 2	0xacA858De4cA70CDF27a06EEed95B62D2570878E21	22.599.705	2,26%
Wallet 3	0x5bB5c6f57134D8C2F8EE3D2529c8fd9d4EAF9e3a	199.241	0,02%
		159.668.046	15,97%
Community & growth (including community airdrop)			
Wallet 1	0x19671Cf8B58d29b303Df459178171825538e5547	220.570	0,02%
Wallet 2	0xE988d24079a971CEcaEb7927a348C070F5B36c27	10.149.861	1,01%
Wallet 3	0xBF44FF9635cACb1aB2FC7c86073F212e90Ba6D3D <i>in vault</i>	1 109.999.999	0,00% 11,00%
Wallet 4	0xDC7b85DdAb149eB955F9090a163A82AC94605e64 <i>in vault</i>	1 109.999.999	0,00% 11,00%
Wallet 5	0xE2306af0914284e39Cf40fd4c1F600cf9ba7560E <i>in vault</i>	2 79.999.995	0,00% 8,00%
Wallet 6	0x440789d6D947445F93F963c0ffD6e887385C29bd <i>in vault</i>	1 19.999.999	0,00% 2,00%
Wallet 7	0x63c1a917185a752F2528Aa252bA1B40473F18E1B <i>in vault</i>	1 9.999.999	0,00% 1,00%
Wallet 8	0x30dd1f0e3AC2D761dcB164c433E522A9633f7A4F <i>in vault</i>	2 79.999.995	0,00% 8,00%
Wallet 9	0xF77A163175E939e006B73B6573c15c506f8dee91 <i>in vault</i>	1 19.999.999	0,00% 2,00%
Wallet 10	0x0948F714011A5e9AB0cA87AB00741bB8F677cAF7 <i>in vault</i>	1 9.999.999	0,00% 1,00%
Airdrop claiming contract	0xAfDe807C55E3715Ab6EEB8f6E17cf08807ACA9f	35.251.555	3,53%
		485.621.980	48,56%

### How to verify balances:

Current balances can be verified via the Q blockchain explorer on [explorer.q.org](https://explorer.q.org).

For balances that are labeled "in vault", look up the address on the block explorer and search for transfers labeled "depositOnBehalfOf"; alternatively, go to <https://hq.q.org/time-locks/vesting-account> and enter address in field "Time Lock Address"

Please note that labelling of wallets is for information purposes only and may change in the future.

## Q Token Circulating Supply

Q International Foundation provides information on the total supply and the circulating supply of Q tokens.

This information can be accessed via the following APIs:

Current Q Token (QGOV) total supply: <https://bms.q.org/total-supply-raw>

Current Q Token (QGOV) circulating supply: <https://bms.q.org/circulating-supply-raw>

Total supply is the total number of Q in existence, which equals the initial supply of 1,000,000,000 Q tokens plus accumulated inflation.

Circulating supply is determined in line with the guidelines provided by coinmarketcap<sup>4</sup>. The guidelines provided by coinmarketcap leave a certain scope of discretion which needs to be interpreted. We therefore provide details of what constitutes circulating supply:

- Tokens allocated to Early backers and Private sale participants are non-circulating as long as they are technically or contractually locked. Once they are unlocked, they are considered circulating.
- Tokens allocated to Team are considered non-circulating as long as they are held in the wallet of the team members, even after they are vested / unlocked. Once they are vested / unlocked and transferred to another wallet, they are considered circulating. This is in line with the coinmarketcap definition which considers team tokens typically to be non-circulating irrespective of their vesting / locking status.
- Tokens that are reserved for future sales are considered non-circulating before they are sold. Once sold, they are considered non-circulating as long as they are technically or contractually locked. Once they are unlocked, they are considered circulating.
- Tokens allocated to Q International Foundation are considered non-circulating as long as they are held by the Q International Foundation or its subsidiary Q Development AG. Once they are spent and transferred to the wallets of the recipients, they are considered circulating.
- Tokens allocated to the Community airdrop are considered circulating only if and when they are claimed and transferred to the wallets of airdrop recipients. Tokens that are unclaimed, even if they have been transferred to the claiming contract, are considered non-circulating.

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<sup>4</sup> <https://support.coinmarketcap.com/hc/en-us/articles/360043396252-Supply-Circulating-Total-Max#:~:text=Circulating%20Supply%20is%20the%20best,for%20determining%20the%20market%20capitalization>

- Tokens allocated to Community and Growth are considered non-circulating as long as they are held by the Q International Foundation or its subsidiary Q Development AG. Once they are spent and transferred to the wallets of the respective recipients, they are considered circulating.
- Protocol inflation, which is distributed in line with the Q Constitution, can be freely used by its recipients and is hence considered circulating.

## **Contact Information and Disclaimer**

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