The (in)famous IWO

Modular is excited to announce the launch of our initial wallet offering (**IWO**), a SoTA type of token sale that allows investors to buy our tokens directly through our mobile wallet. As the first self-custodial to offer an **IWO**, we are pushing the innovation frontier forward in the crypto space and setting a new standard for token sales.

The **IWO** process is quite straight-forward: If your entry is near initial price (Pi), you will get more **MOD** tokens at a lower price. As tiers keep increasing on a constant *tierMultiplier* (fronteering every *tierStepMultiplier*), the **MOD** price will increase according to P formula. In that sense, the first **IWO** buyers will get the best price rate of the **MOD** token, and late buyers will likely get initialPoolPrice. For clarification:

$$P = \Big((\text{tier} + 1) \cdot tierMultiplier \Big) \cdot P_i$$

In which every tier is given by:

$$tier = \frac{income}{tierStepMultiplier}$$

On the other hand, with income Δi, the amount of **MOD** tokens minted per tier is going to be:
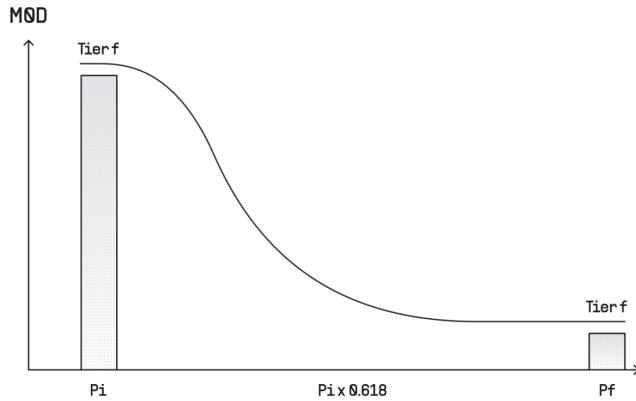
$$MOD = \frac{\Delta i}{(0,05 + tier \cdot 0,05)}$$

For programmatic purposes, we need to reduce this algebraic expression to a decimal-less formula, so:

$$MOD(0,05 + tier \cdot 0,05)) = \Delta i$$
$$0,05 \cdot MOD + 0,05 \cdot tier \cdot MOD = \Delta i$$
$$20\Big(0,05 \cdot MOD + 0,05 \cdot tier \cdot MOD\Big) = 20 \cdot \Delta i$$
$$MOD + tier \cdot MOD = 20 \cdot \Delta i$$
$$MOD(1 + tier) = 20 \cdot \Delta i$$

Hence,

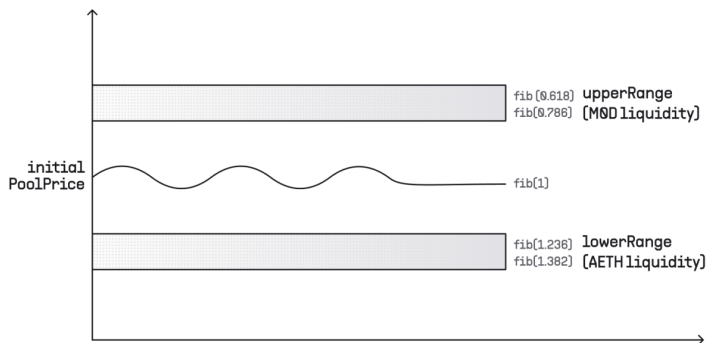$$MOD = \frac{20 \cdot \Delta i}{1 + tier}$$

MOD

Tier f

Pi   Pi x 0.618   Pf

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MOD/wETH LP

For sustaining price stability, we have decided to use **UNI-v3**, shaping up both upper and lower ranges accordingly to the IWO outcome.

Approximately 20 % of the raised **wETH** will be directly deposited to the **MOD/wETH** LP. As the pool is going to be built based on range orders, we will balance both upper and lower liquidity ranges using Fibonacci Retracements, in that way, the liquidity orderflow will be:

fib(0.618) upperRange
fib(0.786) [MOD liquidity]

initial
PoolPrice

fib[1]

fib(1.236) lowerRange
fib(1.382) [AETH liquidity]

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The initial pool price will be given by:

$$P_{pool} = 0,618 \cdot Pf$$

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Regardless **UNI-v3** ranges are self-sustained, we have decided to build a **Plunge Protection Treasury** on the upper-range liquidity band. In that sense, for every potential buy pressure trigger on the higher **MOD** sell order, a fixed-wETH amount swapped for **MOD** is going to be sent to the Plunge Protection Treasury wallet to counterbalance the lower-range liquidity thickness.