

BEAT: Do Sports - Get Sponsored.



Whitepaper

The BEAT blockchain will incentivize sports, improve health and with it hopefully increases the number of heart beats every one of us can enjoy in his or her lifetime. The BEAT Blockchain will achieve this by building a bridge of trust between sportspersons and sponsors.

February 20th, 2018

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Overview

Doing Sports is a reward in and of itself, for society, for health, for you. It really should be a motivation in its own right. However, we are social beings and we do things for recognition, for competition, for rewards from our friends, our family, our employer, our insurance etc. We will call all these external motivational agents “sponsors”. Here is the plan on how to unleash their potential and change the way to do sports for the better.

Imagine a world where sponsors could reward you with goods, services, prizes or even money based on contractually agreed goals - with the ease of a fingertip.

We believe this world will be possible, if you could offer them your verified and unalterable health and activity data shared and controlled solely by you.

The good news is, two key elements of this world do already exist, the sponsors willing to sponsor you as well as fitness tracking devices recording your activities. The key element missing is the trusted bridge between the sportsperson and his sponsor: THE BEAT BLOCKCHAIN.

The BEAT Blockchain will enable the sportsperson to store his verified sports activity and health data anonymously and encrypted in the Blockchain. Only the sportsperson will have access to his data. The sportsperson can autonomously decide what data to share with whom based on a contractual agreement with future sponsors. The sponsor only gets access to the data agreed in the contract and for the sole purpose of verifying the fulfillment of the sponsoring agreement. The sponsors will appreciate such easy access to verified and unchangeable data.

This concept will require “trusted third parties” (TTP) like apps, smartwatches, fitness trackers, digital ecosystems, fitness equipment, fitness studios, trainers, etc., tracking, verifying and storing the health and activity data of the sportsperson in the BEAT Blockchain. The verifying and storing will require extensions and modifications to those systems already existing enabling the owner of the data, i.e. the sportsperson, to store his data safely in the BEAT Blockchain under his control.

Getting this BEAT Blockchain to work will allow great things to happen like:

- Any sponsor, be it parent, friend, employer or insurer, can reward their targeted sportsperson for verified sports activities with the ease of a fingertip.
- Any sponsor can create sport challenges and delegate the objective verification to the BEAT Blockchain. This can start with a simple bet between a sportsperson and a trainer moving to a worldwide challenge for training most with new sport equipment.
- The rewards stipulated in the sponsoring contract can be a contractual obligation settled outside the BEAT Ecosystem or be the transfer of BEAT Tokens, settled directly by the BEAT Ecosystem, making BEAT Tokens the reward exchange token of sports.

The initial BEAT token sale ("ITS") will finance the development of the BEAT Blockchain and the enhancement of our sport facility management software including its ecosystem. We, the issuers of the BEAT token ("BEAT Token") invite you to participate in this ITS. We are a team of 140 professionals dedicated to promoting sports. We have spent the last four years and invested tens of millions of Euros to develop one of the world's leading digital infrastructure for sports facilities



management. 3,000 German fitness studios (40% of all German fitness studios) already are using our sport facility management software already, whereas the number of fitness studios as well as our client base is growing rapidly. With the proceeds of the BEAT Token ITS we intend to finance two developments:

- Extending our digital ecosystem to support the BEAT Blockchain
(We need at least one TTP to launch the concept. Sports facilities are an excellent place to start with tracking and verifying sports activities.)
- Build the first version of the BEAT Blockchain

After its development we will release the BEAT Blockchain as open source and transfer 80 % of all existing BEAT Tokens to the BEAT Foundation, itself to be established after the ITS. It will be responsible for the further development and operation of the BEAT Blockchain developed by MySports. The BEAT Foundation will be controlled by three groups of stakeholders: the sponsors, the sportspersons and trusted third parties (TTP).

The BEAT Token can be purchased during this ITS for 1 Euro-Cent per BEAT Token. The BEAT Token can be used to pay for executing sponsoring contracts on the BEAT Blockchain. Therefore, active sponsors will have a constant demand for BEAT Tokens to fund their sponsoring activity on the BEAT Blockchain. After the ITS sponsors can purchase the BEAT Token from the BEAT Foundation for 2 Euro-Cents per BEAT Token or on the secondary market, provided that such market will develop. The price per BEAT Token to be paid to the BEAT Foundation will increase over time up to 10 cents per BEAT Token. Any Sportspersons purchasing BEAT Tokens during the ITS can use them in exchange for favors, services or goods of sponsors participating in the BEAT Blockchain and the BEAT ecosystem or trade the BEAT Token on a secondary market if such market develops.

In summary

The BEAT blockchain builds a bridge of trust between sportspersons and sponsors as well as between trusted third parties (TTP). It enables the sportsperson to control his personal data and unleashes all sponsoring energy to motivate people to exercise and do sports. All of this will be possible because a new breathtaking technology called Blockchain connects and creates the necessary trust between otherwise non-related parties.

The way of people doing sports is about to change, be part of it, join this ITS!



About us

MySports and the Loyalty Group

MySports GmbH ("MySports") will generate and sell the BEAT Tokens. It is registered in the commercial register of the local court (Amtsgericht) Hamburg under the registration number HRB 143916. MySports currently develops and runs the NoExcuse App giving sportspersons access to their fitness studio for exchanging and monitoring training plans, scheduling courses, reserving resources and interacting with any representative there. It also provides access to e-commerce offers utilizing the demand of the sportsperson for sport supply. The NoExcuse App is available as an Android or IOS app. With the proceeds of the ITS MySports will extend the functionality of the NoExcuse App to connect to the BEAT Blockchain including a wallet for managing sponsoring contracts and storing and trading BEAT Tokens. Furthermore, MySports will on its own, as well as with the support of its affiliate Magicline GmbH, develop the BEAT Blockchain to enable sport facilities to track and verify sport activities reliably, to connect existing digital sports tracking platforms and to log the verified sport activities information to the BEAT Blockchain.

Loyalty Systems GmbH is the holding company of MySports GmbH holding besides 100% of the shares in MySports GmbH as well as shares in Magicline GmbH, Eurofit24 GmbH and Bedarf.de GmbH, forming the "Loyalty Group", which together build an ecosystem for managing sport facilities.

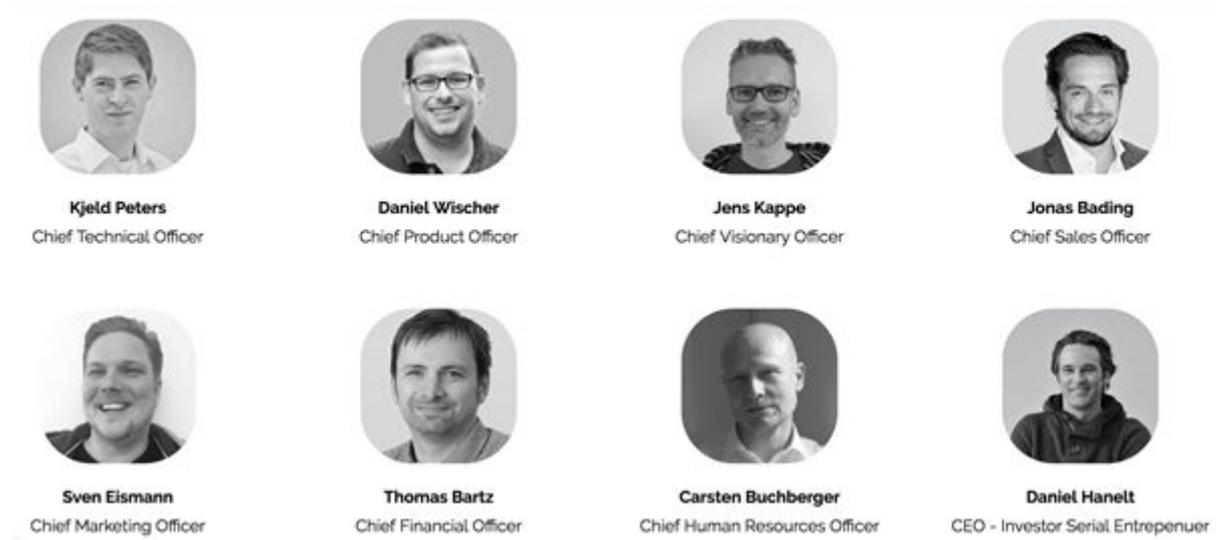
Magicline GmbH ("Magicline") develops and licenses the cloud software Magicline for managing sport facilities. It is one of the German market leaders for management software in the fitness industry with more than 3,000 fitness studios in Germany using its software. As far as such support is required, Magicline GmbH will support MySports GmbH in the development of the BEAT Blockchain, to enable sport facilities to track and verify sport activities reliably, to connect existing digital sports tracking platforms and to log the verified sport activities information. Furthermore, it will extend the functionality of the Magicline software to digitize and verify sports activities that can then be stored in the BEAT Blockchain.

Eurofit24 GmbH delivers administrative and financial services to owners and managers of sports facilities. It is an important service provider to sport facilities but without direct impact on BEAT Blockchain or the BEAT ecosystem.

Bedarf.de GmbH runs the online marketplace Bedarf.de. It bundles the aggregate demand of around 3,000 fitness studios in Germany to negotiate and help them obtain better contractual terms for their equipment and various consumable articles. Bedarf.de GmbH will extend its offering to consumers via the NoExcuse app and will support sponsors offering discounts in exchange for BEAT Tokens.



The Team



The team consists of exceptional 140 employees, 40 rockstar developers, an experienced management team, obsessively dedicated to the cause, an outstanding CEO and well connected advisors, located in the heart of Germany's second largest city, Hamburg.

Kjeld Peters started his career as an intern during the dotcom bubble. He studied computer science afterwards and never left the internet industry. Kjeld worked in multiple software development teams as an engineer and manager, responsible for all aspects of operations and engineering. He managed teams (consisting of 40+ engineers/developers) and ran platforms with millions of users and revenue. He acts as the CTO of Loyalty Group.

Daniel Wischer loves building great teams and great products. He started as a developer for individual software development and managed software projects from small to large. He founded SquareMed, the largest diabetes community platforms for managing all diabetes related data. Since the start of the development of the Magicline software he has been responsible for product management as well as building the product management team. He is excited about bringing more sport and health to the world as part of the management team of Loyalty Group.

Jens Kappe studied computer science and economics and has more than 18 years of experience in building and operating large scale distributed web-apps and e-commerce platforms with two-digit million Euro-budget responsibility. Most valuable success so far was the project leadership of an agile transformation of methodologies, development and operations within otto.de. He has followed the cryptocurrency market and developments closely since 2011.

Jonas Bading, by education banker, has with a passion for customers. His success has let him assume team and revenue responsibilities early in his career, ultimately becoming head of sales at the crowdfunded startup "Foodist" (achieving a sales increase +1500% in less than 15 month).



Sven Eismann was drawn into creating powerful campaigns, brands and networks while he was studying law and was made budget director at ddb hamburg when working for major clients like German Telekom and Siemens changing his career path. His heart “beats” passionately for the digital transformation of society ever since.

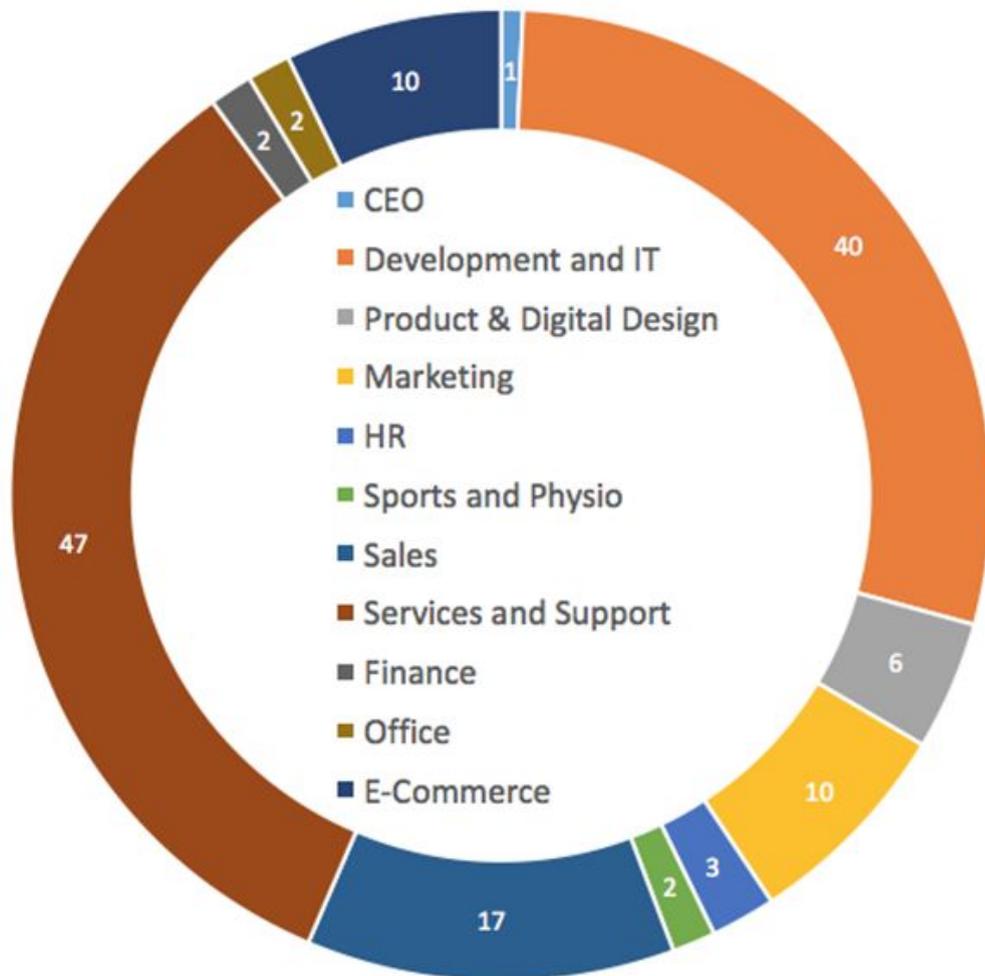
Thomas Bartz joined the group after climbing the ranks inside the leading wholesaler of swimming pools in Germany, ultimately becoming commercial director. Prior to this he graduated in economics. He is responsible for the departments Accounting, Finance and Controlling for all companies of the Loyalty Systems Group.

Carsten Buchberger has more than 22 years of experience in human resources and business development. He studied business administration and business engineering and started as a key account manager, then became part of the management of a typical startup company, founded an HR-consulting company and joined the human resources department of TESLA, sourcing and hiring top candidates for a fast-paced tech environment for one of the most innovative companies in the world. In 2015 he decided to take the once in a lifetime chance and become part of the revolution at Magicline. He is also one of the authors of the book „Campus Recruiting“.

Daniel Hanelt studied computer science and economics and founded various software development and operating companies. He is heading the group.

140 dedicated professionals, amongst them 40 Rockstar developers





Advisors

These proven experts will guide us on our way to change the way people exercise and do sports:



Christopher Obereder: Tech Entrepreneur, Investor, Crypto, ICO

As a serial entrepreneur he has built a diverse array of businesses, from gaming, social media to communications. Originally from Germany, Obereder is now busy advising and investing in startups in Silicon Valley. He is 26 years old and was selected to be one of the Forbes 30 under 30. He has built one of the largest crypto influencer networks with over 200 of the most well-known crypto influencer. As the former CMO of Trade.io he helped in raising over \$80m in their initial coin offering ("ICO").



Brian Condenanza: Seasoned ICO Advisor, Entrepreneur, Investor

Being one of most successful and influential young entrepreneurs, Brian is an early investor of Bitcoin and a passionate cryptocurrency and blockchain advocate who has amassed over 1 million followers on Twitter where he shares future promising ICOs and helps companies connect with their audience.

Alexander Haxton: Cryptocurrency advocate and blockchain consultant

Alex Haxton was an early user of Bitcoin in 2012. He began trading and investing in Bitcoin while being a cryptocurrency advocate on social media. Since then, he has become a cryptocurrency and blockchain consultant and advisor to companies seeking to embrace the blockchain and cryptocurrency sphere.

Joshuwa Roomsburg: Cryptocurrency Marketing Advisor

Josh spent 10 years working with some of the biggest athletes and celebrities to build their brands online. He now uses his experience to support the crypto industry. Within the next year he is likely to become a top 10 face in the crypto industry by working with some of the biggest projects using blockchain technology.

The BEAT Ecosystem

The BEAT Concept

The blockchain, the token to be used for consuming contractual services on the blockchain as well as the contract between a sponsor and a sportsperson is labeled with the prefix BEAT. BEAT stands for a heartbeat. Every living being on earth has approximately the same number of heart beats. Therefore, small animals with a higher number of heart beats have a shorter lifespan than large animals. The human being managed to almost double the amount of his heart beats by medical and nutritional improvements. We aim at increasing it further by motivating people to do more sports by targeted sponsoring in the BEAT Universe. It is not only the increase of a lifespan, we are aiming at, it is also the additional well-being and additional enjoyment sports can mean for each human being.

The BEAT Token

The BEAT Token is the equivalent of a ticket which gives the owner access to a certain amount of contractual service on the BEAT Blockchain. Every time a sponsor accesses data of a verified sport activity on the BEAT Blockchain as contractually agreed with a sportsperson in a BEAT Contract he pays to the BEAT Foundation and the Trusted Third Party around one BEAT token per hour of verified sports activity. As soon as the BEAT Foundation has increased the price per



BEAT Token to 3 Euro-Cents, the BEAT Token purchased in the ITS will pay for verifying and accessing about 1.5 hours of sports activities. Every increase of the price of the BEAT Token by the BEAT Foundation will proportionally increase the required number of hours of sports activity to be verified for a BEAT Token purchased in the ITS.

The final cost for the verification of sports activities will vary from the example as described above depending on the complexity of the BEAT Contract as well as the details of the personal data provided to the sponsor. The costs for the access to anonymous data in the BEAT Blockchain will be much lower than those for personalized data.

The BEAT Contract

The BEAT Contract is the agreement between a sportsperson and a sponsor on potentially three different levels

1. Duration and extent of health and activity data to which the sportsperson grants the sponsor access to.
2. Goals the sponsor and the sportsperson agreed to achieve during the term of the contract.
3. Rewards that the sponsor promises to the sportsperson for achieving the agreed goals.

Level 2 and 3 are optional and will only be offered if legally compliant, technically implementable and required by sponsors.

The reward can be defined in BEAT Tokens. In this case the fulfillment of the reward is executed by the BEAT Contract transferring the agreed on BEAT Tokens for the completed goal. The sponsor and sportsperson can also agree on a reward outside of the BEAT Blockchain.

The BEAT Blockchain

The BEAT Blockchain is hosting the activity and health data of the sportsperson, the verification of such data, keeping track of the BEAT Tokens transferred, supporting the offering of BEAT Contracts, their acceptance by the sportsperson as well as the execution of the BEAT Contracts.

The BEAT Stakeholders

The BEAT Blockchain connects three important groups of stakeholders

- The Sportsperson
- The Sponsor
- The Trusted Third Party (TTP)

We will try to engage key representatives of each of these groups in the BEAT Foundation so that they can mutually work out the best solution for all parties.

The following description of the functionality reflects the current status of the plans of MySports GmbH. MySports GmbH does not promise to realize these ideas exactly in the way as described



herein. There are many technical, legal, organizational issues as well as stakeholder requirements that may change the logic, the functionality and the set-up. .

A SPORTSPERSON is any private person doing sports. The BEAT Blockchain shall enable this person to store the activity and health data of this person anonymously in an encrypted way in the BEAT Blockchain. Every sportsperson will have an electronic wallet that contains the only available private key to decrypt and access his stored activity and health data. This means that if the encryption would fail, the data would be useless as it cannot be associated with any person. The activity and health data to be stored shall be generated by digital tracking devices, e.g. scales, wristbands, electrical resistance measuring devices or other eligible gym equipment.

The motivation of the sportsperson for storing his data in the BEAT Blockchain can be manifold

- Keep a lifelong track of his activity and health data;
- Participating in competitions;
- Make the data available to sponsors for rewards, as e.g. a reduced insurance premium or gaining other material advantages

How can a sportsperson accomplish these objectives?

- He has to track his activity and health data by digital devices capable of verification
- His activity and health data must be stored in the BEAT Blockchain
- He must connect his wallet to the BEAT Blockchain
- He has to accept sponsoring contracts offered to him in his wallet

The real-life examples for such sponsoring contracts could for example be

- The health insurance provider offers a discount for every month in which a sportsperson performs 10 hours of sports.
- The employer offers him 10 Euro extra pay up to 100 Euro a month for every hour of sports. This could also be set up to cover his fitness studio costs.
- Friends offer the sportsperson a 1,000 Euro reward if he loses 10 kg in 10 months.
- The BEAT Foundation offers a sportsperson 10 BEAT Token per hour of sport for collecting his data anonymously supporting sport and health science with it
- Gyms offering free drinks for a week to the member that exercised the most
- Sports equipment supplier could sponsor for a charitable purpose and learn more about the activity patterns of their target customers

A SPONSOR is any private, legal or political entity offering targeted rewards for reaching certain health and sport activity goals. Typical sponsors could be for example

- Employers, insurances, government authorities that want to motivate targeted sportspersons
- Sports facilities, sport associations, sport teams who want to increase participation in sports, funding and comradeship by organizing competition.
- Sport equipment suppliers
- Private persons (parents, friends) who want to motivate their loved ones.

How can a sponsor set up BEAT Contract for sponsoring?

- Sponsors have to connect their wallet to the BEAT Blockchain



- Additionally, the sponsor can set up other payment options for debiting his consumption as well as his VAT identification if required.
- He then needs to transfer BEAT Tokens to his wallet. He can use those he bought at the ITS or purchase BEAT Tokens from the BEAT Foundation or a third party.
- After that he must configure a BEAT Contract defining duration, data exchanged, goal, reward. The BEAT Contract shall be easy to understand for the sportsperson.
- The created BEAT Contract of a sponsor can be shared with as many sportsperson as the sponsor likes to support

How can a sponsor execute the contract?

- The sportsperson agrees to the terms of the contract
- The sponsor gets a view on the overall status of contract fulfilment for all agreed data
- As soon as the contract requirement have been fulfilled BEAT tokens from the wallet of the sponsor will be transferred to the BEAT Foundation and a share of it forwarded to the Trusted Third Party for each verified activity.
- As soon as the sponsor runs out of BEAT tokens, the BEAT Foundation automatically transfers the appropriate amount of BEAT tokens to the wallet of the sponsor. This is debited at the current valid BEAT token price of the BEAT Foundation.
- It is then up to the sponsor to make sure the promised reward is transferred to the sportsperson. Only if the reward is expressed in BEAT tokens the BEAT blockchain can execute the transfer itself.

A TRUSTED THIRD PARTY is any legal entity providing infrastructure to capture and verify sports activities reliably and who is willing to extend it in order to fulfill following requirements

1. Record Sport activities including duration and intensity on the BEAT blockchain and links these activities reliably to the sportsperson's wallet
2. Provide the sportsperson with a personalized electronic wallet with following functionality
 - a. 100% controlled and owned by the sportsperson
 - b. Can receive and transfer BEAT tokens, receive and approve sponsor contracts
 - c. Can decide which activity and health data can be accessed in which detail

Digitalizing is challenging because of the wide range of requirements. However, MySports is in an excellent position to provide a complete and reliable digitizing service to connect the already existing ecosystem of the Loyalty Group to the BEAT Blockchain.

The NoExcuse App developed and operated by MySports today provides a sportsperson with a personalized wallet, giving him access to his gym running on Magicline software. He can use it to transfer training plans, health and activity data captured in the gym into his personal wallet, identifying himself when entering the gym as well as make payments via bank or credit card. NoExcuse and Magicline will be extended to meet all missing requirements.

A multitude of electronic gym equipment will be able to identify the sportsperson based on his connection to the BEAT Blockchain and store his activity and health data accordingly. It is planned that Magicline and NoExcuse will cooperate with all suppliers to make this as seamless as possible.



The electronic training plan will define type, length and intensity of the planned activities in the gym. If the sportsperson does not or cannot use the gym equipment to verify his sports activities he will be able to have the trainer confirm his training. Magicline and NoExcuse will be extended to support this process as seamless as possible.

For sport facilities we assume that the digitalization will be a joint effort between facility manager, equipment provider and sport studio.

In other areas we expect that providers like "Runtastic", "FitBit", "Apple-Health", "Polar" and related will join this initiative by extending their applications to incorporate the BEAT Blockchain into their products.



The BEAT Foundation

The BEAT Foundation will be incorporated by MySports which will transfer 80% of the total number of BEAT Tokens into the foundation's wallet. My Sports will also make the code of the BEAT Blockchain open source. Furthermore, it will offer all engineers of MySports to work for the BEAT Foundation instead of MySports.

The BEAT Foundation will be controlled by 9 board members who shall be representing an equal proportion of three different stakeholders ("Stakeholders"): the sponsors, the sportsperson and the trusted third party. The process to determine the representative of each stakeholder shall be discussed and determined with the stakeholders after the start of the ITS. MySports will have one representative on that board. The purpose and the mandate of the BEAT Foundation can only be changed with an unanimous vote of all board members. The board selection committee is obliged to recruit board members from the largest representation of each stakeholder in a transparent way.

MySports will discuss with the Stakeholders the legal form and legal seat of the BEAT Foundation after the start of the ITS and incorporate the BEAT Foundation in accordance with the results of such discussions. Therefore, the name BEAT Foundation is a working title. It is not certain that we can use this name once the final legal form has been chosen.

The core purpose of the BEAT Foundation is the enhancement of the open source BEAT Blockchain and the development of the ecosystem for the digitalization of sports activities. Additionally, the BEAT Foundation will sponsor sport and associated activities like sport science and research.

The BEAT Foundation will not distribute any proceeds to its owners, founding or board members, or any other associate organization besides a fair compensation for services rendered to the BEAT Foundation.

The BEAT Foundation has a clear mandate as outlined in this document to which it is bound. The board of the foundation will develop a detailed organizational charter on who (board, CEO) may decide on which issue. The key decision-making competences of the board are

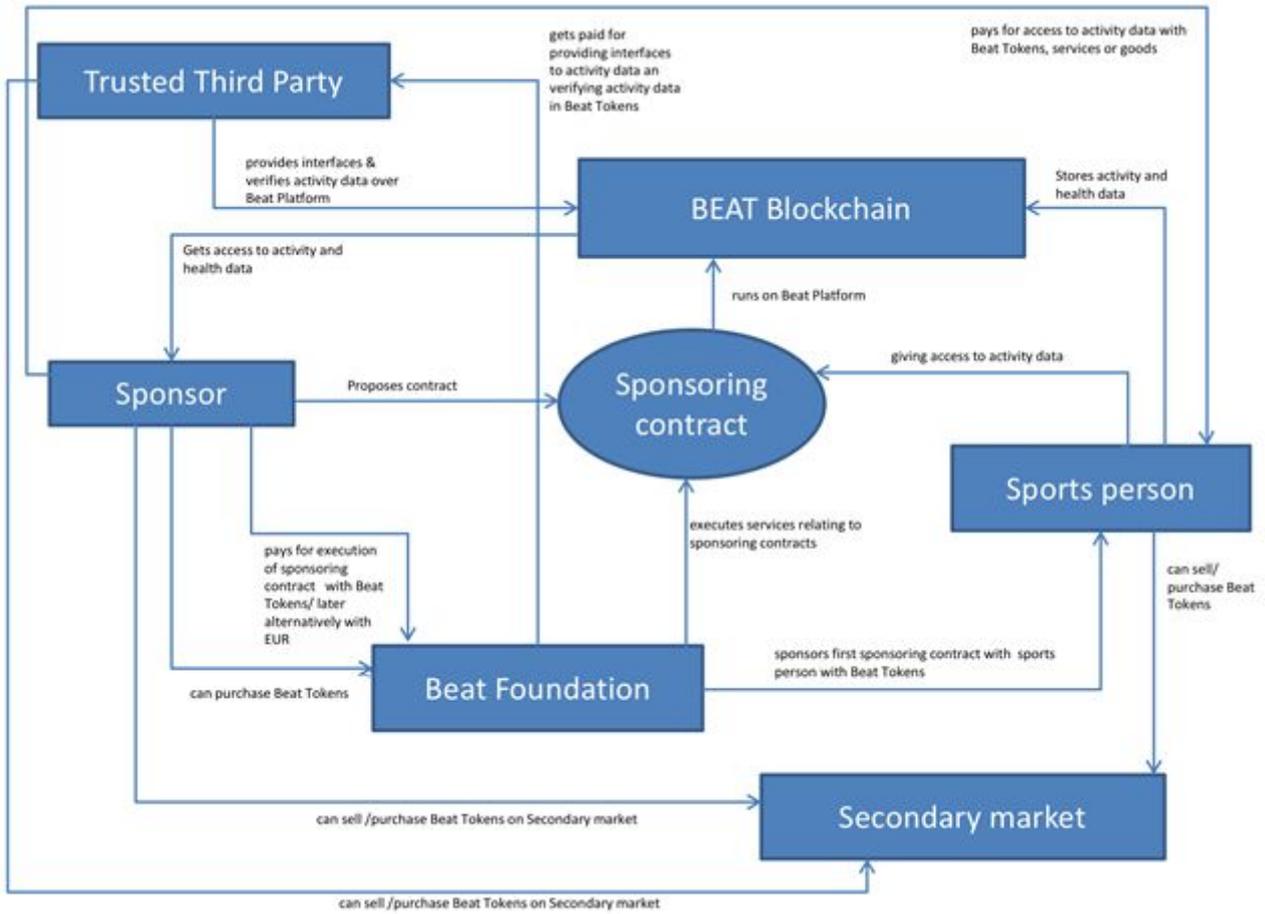
1. The funding of third party infrastructure developments
2. The recruitment and compensation of a software development team for the BEAT Blockchain and organizational and marketing staff.
3. The outsourcing of any of the required activities to third parties
4. The setting of prices for BEAT Contract services once the price of a BEAT Token has reached 10 Euro-Cents.
5. The allocation of funds for sponsoring sports and associated activities
6. The licensing of infrastructure providers to participate in and have access to the BEAT Blockchain, including their oversight.
7. The acceptance of sponsors to participate in and access the BEAT Blockchain and oversight of their activities and suitability



- Setting the priorities of the BEAT Blockchain development according to the needs of the Stakeholders.

The BEAT Foundation will receive 50% of the BEAT Tokens paid for the execution of a BEAT Contract by sponsors. It is free to sell back these BEAT Tokens to sponsors at the price of 10 Euro-Cents or more.

Overview of the BEAT Ecosystem

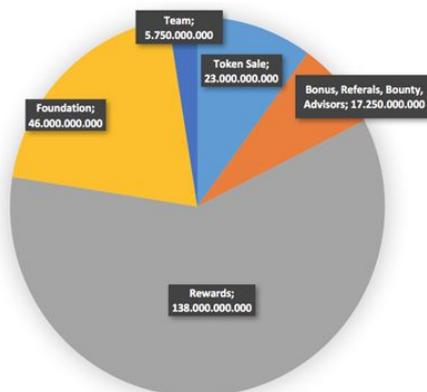


The Initial BEAT Token Sale

Economics and Allocation of the BEAT Token

The BEAT Tokens are generated by the Ethereum Smart Contract ERC20 (the "Smart Contract"). The Smart Contract is set-up by MySports. The number of BEAT Tokens is capped at 230 billion. The tokens will be generated and distributed as follows

- Up to 23 billion (10%) BEAT tokens may be sold in the ITS from January 23rd to May 15th 2018. The proceeds are going to MySports.
 - All BEAT tokens not sold remain with MySports and can be sold exclusively to sponsors after the end of the ITS.
- Up to 17.25 billion (7.5%) BEAT tokens may be used by MySports for bonus, marketing and referral programs before and during the ITS.
 - All BEAT tokens not sold remain with MySports and can be sold exclusively to sponsors after the end of the ITS.
- 5.75 billion (2.5%) BEAT Tokens are transferred to founders of MySports and team members after a lock-up period of 2 years.
- 46 billion (20%) are transferred to the BEAT Foundation after the end of the ITS. The BEAT Foundation can sell the first 5bn of the BEAT Tokens for 2 Euro-Cents or more to sponsor, the second 5bn BEAT Tokens for 3 euro-cents and each additional 5 bn BEAT Tokens for 1 and additional Euro-Cent until all 46bn. BEAT Tokens are sold. Should the BEAT Foundation run out of BEAT tokens to sell to sponsors she can charge the sponsors directly for the equivalent service volume of one BEAT token 10 cents or more.
- 138 billion (60%) BEAT Tokens can be issued by the BEAT Foundation for sponsoring sportsperson After the BEAT Blockchain has been established and is running, the BEAT Foundation will offer a first BEAT Contract to every sportsperson in the BEAT Ecosystem to reward them for doing sports. The BEAT Foundation will transfer a maximum of 5bn BEAT Tokens per year based on these BEAT Contracts. Thus, the number of BEAT Tokens each sportsperson receives will decline with the number of sportspersons participating. This sponsoring activity of BEAT Contracts by the BEAT Foundation will stop after 138bn BEAT tokens have been transferred. The sportsperson receiving the BEAT Token can use it in exchange for favors/services or goods of other sponsors participating in the BEAT Blockchain and the BEAT Ecosystem or trade the BEAT Token on a secondary market.



Initial Token Sale Bonus Structure

During the ITS that runs from January 23rd, 2018 to May 15th, 2018 all purchasers of BEAT Tokens will receive a variable amount of bonus tokens in addition to the purchased BEAT Tokens for free.

- From January 23rd, 2018 to February 20th, 2018 a 100% bonus in BEAT Tokens will be added as long as not all 2,500,000,000 BEAT Tokens have been sold.
- From February 20th, 2018 to May 15th, 2018
 - all buyers of the next 4,000,000,000 BEAT Tokens will receive a 75% bonus of BEAT Tokens.
 - The buyers of the next 7,000,000,000 BEAT Tokens will receive a 50% bonus of BEAT Tokens.
 - All buyers of the remaining amount of 9,500,000,000 BEAT Tokens will still receive a 25% bonus of BEAT Tokens.

The Generation and the Price for BEAT Tokens

The sale and generation of the BEAT Tokens will be realized over different venues:

1. A buyer may pay for BEAT Tokens sending the cryptocurrency Ether to the Smart Contract on the Ethereum platform and will receive BEAT Tokens immediately according to the Smart Contract pricing. However, he has to obtain the address of the Smart Contract to which he sends Ether. MySports will only provide this address, if the buyer complied with the KYC check. The KYC and the procedure is stipulated in more detail in the T&C.
2. A buyer may also pay in Euros for a BEAT Token transferring the Euros to our bank account and will receive the appropriate amount of BEAT Coins in his wallet. However, before the BEAT tokens are transferred to his wallet, he has to pass our KYC process. Further details of the KYC process and the process are stipulated in the T&C.

Independent from the venue a BEAT Token will cost 1 Euro Cent. The Ether sent to the smart contract will be converted to a BEAT Token according to the average actual value derived from www.cryptocompare.com. We will update this Ether price equivalent regularly (at least once a day) and publish it on the website Beat.org.

The Demand for BEAT Tokens

The demand for BEAT Tokens will result from their use in consumption, storage and rewards:

- Consumption
We expect the participants in the BEAT Ecosystem will accept BEAT Tokens as payment



for a large variety of services and goods. The following list are just some examples of what could happen. Of course no participant is required to do so except the Beat Foundation.

- Fitness Studios could f.e. accept BEAT Tokens for any consumption in their studio removing the need for cash.
 - Equipment Providers could accept BEAT Tokens as discounts or payment for their sport equipment sales.
 - The BEAT Foundation will accept BEAT Tokens to pay for the contract verification. This demand alone could amount to 30 billion BEAT Tokens per year, consuming far more BEAT Tokens than supplied. We came to this number assuming following: Each sportsperson could track around one hundred hours of sport activity in the BEAT Blockchain a year and have it verified by at least three sponsors. If we could get 300 million sportsperson in the world to do this, this would amount to 30 billion hours of verified sports activity per year. Assuming that sponsors pay one BEAT Token to verify one hour of sports activity, all sponsors would consume 30 billion BEAT Tokens.
- Storage
We expect that BEAT Tokens sold in the ITS are purchased by sports enthusiast as well as sponsors and will be held by them until they can use them in the BEAT Ecosystem and trade them for benefits.
 - Rewards
Because the BEAT Contract supports the transfer for BEAT Tokens between sportspersons and sponsor, we assume many contracts will agree on rewards to be paid in BEAT Tokens..

To simplify balancing between supply and demand of BEAT Tokens MySports will try to list the BEAT Token on various select cryptocurrency exchanges.

The Potential Rewards for Purchasing BEAT Tokens

- Idealistically
The reward is to make a (financial) commitment to help facilitate the sponsoring of sport and with it the motivation to do sports.
- Financially
The potential reward is to purchase future services at 10% of the targeted price of a BEAT Token. MySports designed the supply restriction of the BEAT Tokens carefully so that the demand would naturally exceed the availability of BEAT Tokens and thereby ensure a steady price increase. My Sports believes in this as a valid approach, because it is designed to compensate those taking the risk to buy a utility token for a service not yet existing with no right to return it, should the service never become available. However, as mentioned above, there is no guarantee this will happen.



Obvious Questions

1. Will the price for sponsoring go up, when the price for a BEAT Token raises?
Initially the price for sponsoring will increase from 1 Euro-Cent for BEAT-Tokens purchased during the initial token sale to 2 Euro-Cents purchased after the end of the initial token sale from the BEAT Foundation. After this increase there will be no further increase for sponsoring in the range between 2 Euro-Cents to 10 Euro-Cents as the sponsor will always receive a higher volume of services per BEAT Token as the price for a BEAT-Token raises from 2 Euro-Cent to 10 Euro-Cent.
Thus, the difference between the price of 1 Euro-Cent in the initial token sale and the minimum sales price of the BEAT Foundation being 2 Euro-Cents will represent a 100% price increase for the same volume of service. Later, as the BEAT Foundation will raise its sale price from 2 to 10 cent, the volume of sponsoring bought per cent will remain stable by increasing the volume of service a BEAT Token represents.
2. Why is the price of a BEAT Token capped at 10 Euro-Cents?
We tried to set the conditions of the initial token sale and the operation of the BEAT Blockchain in a way that the price of the service and the BEAT Token remain as stable as possible. At the same time, it provides the opportunity for a value increase of the BEAT Token over time in favor of people purchasing BEAT Tokens in the initial token sale. So the cap provides the stable pricing that serves all stakeholders' interests, while the increase, albeit capped, compensates initial buyers.

The Use of Initial Token Sale Proceeds

The proceeds of the ITS are in the first instance used to pay all taxes incurred by the ITS. At this stage we estimate that there will be no taxes payable for the issuance of the BEAT Tokens. However, there is no assurance for this assessment as the taxation of the creation and sale of tokens is still unclear from a legal perspective. The remaining funds are used to finance the development of the BEAT Blockchain and the ecosystem providing verified sports information to the BEAT Blockchain serving as a showcase. For this the Magicline software, managing sport facilities in combination with the MySports App NoExcuse which gives the sportsperson access to sport facilities are well positioned to track, verify and deliver the required sport activity data to the BEAT Blockchain and will therefore shall be enhanced and further developed with the proceeds of the ITS. In addition, the NoExcuse App will be improved with additional features relating to Bedarf.de GmbH offering sponsors discounts in exchange for BEAT Tokens. MySports together with its affiliate Magicline GmbH will develop the applications mentioned in this Whitepaper with the proceeds of the ITS. While MySports will keep the extensions to the sports facility software in private ownership it will release the software developed for the BEAT Blockchain as open source and let the BEAT Foundation take over the further development of the BEAT Blockchain once it is operational.

At least of 35% of the proceeds of the ITS will be dedicated to each of the two applications to be developed. The remaining funds may be used for various purposes like marketing, business development, legal costs, etc.





Milestones and Roadmap (tentative)

2014	Magiline 2.0: Start of development to digitize sport facility management Decision to replace existing market leading sports facility management software in MS-Access with a cloud solution.
2015-16	Development of the ecosystem to digitize sport facility management; Incorporation of Eurofit24 GmbH to provide financial services currently managing volume of 50 million Euro of receivables per year. Incorporation of Bedarf.de GmbH and MySports GmbH to provide a role model for e-commerce Start of the development of the app "NoExcuse" by MySports
2017	Magiline 2.0 has been developed with 140 person team working on it Magiline 2.0 is released; 3,000 customers are migrated to Magiline 2.0 which becomes a full success Release of the first version of the NoExcuse app, being part of the customer interface for people to interact with their sports providers, as e.g. fitness studios
2018:	BEAT ITS launches Publication of an enhanced version of NoExcuse
2019:	Roll-out of the BEAT Ecosystem in Germany
Starting 2020:	Roll-out of the BEAT Ecosystem to the world

The speed of realization of the roll-out of the BEAT Ecosystem will depend strongly on the success of the ITS and the funds received by the ITS.



Additional Information

Switch of Blockchain

The BEAT Token is a standard ERC-20 token that can be used by multiple wallets and trading platforms.

The BEAT Token smart contract and the crowd sale smart contract is publicly available for auditing before the launch of the ITS at the address:

<https://github.com/SportAlliance/ico-smart-contracts>

The BEAT Token will comply with the ERC-20 standard and will be freely transferable on the Ethereum blockchain. Ethereum was the natural choice for this project due to its wide adoption and industry standard for issuing custom digital assets. The compatibility with the ERC-20 standard leverages the existing infrastructure advantages of the Ethereum ecosystem, namely in terms of development tools, wallets, exchanges, and human resource expertise.

MySports will probably migrate the ERC-20 based tokens (the “Pre-existing Tokens”) to another protocol and generate replacement tokens on the new protocol (the “Replacement Tokens”) in the future.

Owners of Pre-existing Tokens will be incentivized to convert their Pre-existing Tokens to Replacement Tokens, since the practical utility of Pre-existing Tokens will likely to diminish rapidly once the Replacement Tokens are created and are in use by a significant portion of the ecosystem participants.

Wallet Setup

To see your ERC-20 based BEAT Token in your wallet just add the BEAT Token with these details:

- Token Contract Address: 0x5a37f675098a3942a8b90aee0e5e128a5ffb3d5a
- Token Symbol: BEAT
- Decimals: 18

Security

Our system is designed to take into account recent events of wallet theft and phishing during initial coin offering campaigns. This will be mitigated by converting a significant amount of the ITS to fiat currency whenever possible.

MySports will also continuously monitor for phishing sites and will alert all contributors and purchasers of the ITS through press releases and newsletters. We will communicate official information regarding wallet addresses only through email to registered members of the ITS. Our operating strategy includes periodical contact with contributors and purchasers of the BEAT Token through a mailing list and/or newsletter, in order to keep them updated on the current status of development, marketing, clients, and revenue. This strategy allows us to obtain



feedback from contributors and purchases of the BEAT Token and keep them updated with the most recent news and developments.

Press Coverage

There are various articles in the German press about development, products, services, mindset and our successes of the Loyalty Group so far:

Digital transformation:

- <http://www.bodylife.com/aktuell/detail/artikel/digitalisierung-in-der-fitnessbranche.html>

e-commerce:

- https://fitness-und-gesundheit.de/bericht_weil-personalisierung-wirkt-10966.html
- https://fitness-und-gesundheit.de/bericht_vom-onlineshop-zur-digitalen-plattform-10810.html

Marketing:

- https://fitness-und-gesundheit.de/bericht_ein-neues-club-konzept-fuer-die-branche-10958.html

FinTech:

- https://fitness-und-gesundheit.de/bericht_von-0-auf-100-millionen-euro-in-3-jahren-10720.html

Studio Management with Magicline:

- https://fitness-und-gesundheit.de/bericht_zeitenwendewas-magicline-wirklich-vorhat-10621.html
- https://fitness-und-gesundheit.de/bericht_softwareentwicklung-unter-realbedingungen-10542.html
- https://fitness-und-gesundheit.de/bericht_its-a-kind-of-magic--10375.html
- Magicline GmbH booth at Fibo 2017 fair (<https://www.fibo.com/>), the world's largest international trade show for fitness, wellness and health:
- In 2017, Magicline GmbH won the annual award of the German body LIFE Award for best market performance in the category IT/Software. This was the 17th time in a row we gained this prestigious price.



Magiclina GmbH booth at Fibo 2017 fair (<https://www.fibo.com/>), the world's largest international trade show for fitness, wellness and health



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The Partner Network of Magicline



GANTNER is the leading international manufacturer of contactless NFC access control, electronic locking and cashless payment applications for the global leisure industry. GANTNER systems can be found in fitness clubs, attraction and water parks, public pools and spas, ski resorts, commercial applications, as well as educational and healthcare institutions. Throughout the world, GANTNER counts many of the most prestigious leisure facilities among its clients

GoCardless is creating a new international payments network to rival credit and debit cards. GoCardless ambition is to break down barriers so businesses can quickly and easily take payments from anyone, anywhere in the world. GoCardless currently processes £3 billion worth of transactions for over 30,000 organizations across the UK and Europe and is growing fast.

Technogym is a world leader in the Fitness and Wellness solutions sector and has equipped more than 65,000 wellness centers and over 100,000 homes worldwide. An estimated 35 million people use Technogym products every day in over 100 countries worldwide. Technogym is present in over 100 countries worldwide. More than 35 million people regularly use their products.

Matrix Fitness is a global leader in commercial fitness products. They offer cardio, strength and group training equipment, innovative technology, and unique programming. Matrix is among the world's premier – and fastest-growing – commercial fitness brands.

InBody is the global leader in the body composition analysis industry with world class technological advancements.

Life Fitness has been dedicated to creating fitness solutions that benefit both facilities and exercisers for more than 45 years. Life Fitness mission to keep people active started with the Lifecycle exercise bike and continues with the widest range of cardio, strength and group training products in the fitness industry.



Legal Note

BEFORE PURCHASING ANY BEAT TOKENS PLEASE READ THE FOLLOWING SECTIONS AS WELL AS THE “TOKEN SALE TERMS & CONDITIONS” (“T&C”) CAREFULLY.

Any agreement between the MySports and you as a Participant in relation to any sale and purchase of BEAT Tokens (as referred to in this Whitepaper) is to be governed by and only by a separate document, the Token Sale Terms & Conditions (“T&C”), setting out the applicable terms & conditions. In the event of any inconsistencies between any of the T&Cs and this Whitepaper, the T&C shall prevail.

No part of this Whitepaper is to be reproduced or distributed without this section and the following sections entitled “Legal Nature of BEAT Tokens”, “No Offer of Securities or Registration”, “Distribution and Sales Restrictions”, “Disclaimer of Liability”, “No Representations and Warranties”, “Forward-Looking Statements”, “Market and Industry Information and No Consent of Other Persons”, “No Advice”, “No Further Information or Update”, and “Risks and Uncertainties”.

Legal Nature of BEAT Tokens

BEAT Tokens are not intended to constitute securities or any other form of capital investment product in any jurisdiction. They do not grant any rights in any company, any dividends, any payment of interest, any profit participation or any other remuneration for the provision of capital. They only represent a claim for performance of the Participant in the BEAT Blockchain which still has to be developed and put into operation as described in this Whitepaper. The services and features of the BEAT Blockchain described in this Whitepaper are subject to change in the sole discretion of the MySports.

BEAT Tokens cannot be cashed in at MySports and MySports is generally not obliged to redeem any BEAT Tokens against cash.

No Offer of Securities or Registration

This Whitepaper does not constitute a prospectus or any other form of capital investment product or offer document of any sort and is not intended to constitute an offer of securities or any other form of capital investment product or a solicitation for investment in securities or any other form of capital investment product in jurisdiction. This Whitepaper is also not intended to constitute a solicitation for investment in securities or any other form of capital investment product in any jurisdiction. This Whitepaper has not been filed with or approved by any regulatory authority in any jurisdiction. No regulatory authority has examined or approved any of the information set out in this Whitepaper, nor was such examination or approval sought. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction.



Distribution and Sales Restrictions

The publication, delivery, distribution or dissemination of this Whitepaper, a summary or other description of the terms contained in this Whitepaper or other informational documents on the White Paper may be subject to the provisions of (in particular restrictions pursuant to) the laws and regulations of jurisdictions other than those of Germany. A publication pursuant to the laws and regulations of jurisdictions other than those of Germany is not intended. MySports does not authorize that this Whitepaper, a summary or any other description of the terms contained in this Whitepaper or other informational documents on the BEAT Token sale are directly or indirectly published, distributed or circulated by third parties outside Germany, if and insofar as this is not in compliance with applicable foreign regulations, or depends on the compliance with official procedures or issuance of authorizations or any other legal requirements, and such conditions are not fulfilled.

Persons are not eligible and are not to purchase any BEAT Token if they are citizens, residents (tax or otherwise) or green card holders of the United States of America, People's Republic of China or a citizen or resident of the Republic of Singapore, Socialist Republic of Vietnam, Japan, Australia or resident of a country where American embargoes and sanctions are in force, namely Iran, North Korea, Syria, Sudan, or Cuba or any other geographic area in which the purchase of BEAT Tokens is prohibited by applicable law, decree, regulation, treaty, or administrative act.

Disclaimer of Liabilities

To the maximum extent permitted by the applicable laws, regulations and rules, MySports shall not be liable 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 out of or in connection with any acceptance of or reliance on this Whitepaper or any part thereof.

No Representations and Warranties

MySports does not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this Whitepaper. The only binding documents are the T&C.

Forward Looking Statements

This Whitepaper contains certain forward-looking statements. Forward-looking statements are statements that do not relate to historical facts and events. This applies, in particular, to statements in this Whitepaper concerning the set-up and the operation of the BEAT Blockchain, its capacities and services, as well as general economic and regulatory conditions and other factors MySports is exposed to. Forward-looking statements are based on current estimates and



assumptions of MySports made according to the best of the MySports knowledge. Such forward-looking statements are subject to risks, uncertainties and other factors that may lead to MySports actual plan to build and set up the BEAT Blockchain and the services related thereto differing materially from those explicitly or implicitly assumed or described in such forward-looking statements. The setup of the BEAT Blockchain is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate, or prediction to become inaccurate. For this reason Participants are strongly advised to read the section “Risk Factors” stipulated in the T&C, which include a more detailed description of such factors that have an impact on the realisation and set-up of the BEAT Blockchain and its operation. In consideration of the risks, uncertainties and assumptions, it is possible that the future events mentioned in this Whitepaper may not occur. Moreover, it has to be noted that the forward-looking estimates and forecasts reproduced in this Whitepaper from third-parties [1] may prove to be inaccurate. Moreover, My Sports does not assume any obligation to update any forward-looking statements or to bring these forward-looking statements into line with future events or developments.

The statements contained in this Whitepaper may include statements of future expectations and other forward-looking statements that are based on MySports current views and assumptions and involve known and unknown risks and uncertainties that could cause the setup and the operation of the BEAT Blockchain to differ materially from those expressed or implied in such statements. Some of these statements can be identified by forward-looking terms such as “aim”, “target”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “would”, “will” or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements.

Market and Industry Information and no Consent of Other Persons

This Whitepaper includes market and industry information and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. Save for MySports and its directors, executive officers and employees, no person has provided his consent to the inclusion of his name and/or other information attributed or perceived to be attributed to such person in connection therewith in this Whitepaper and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person and such persons shall not be obliged to provide any updates on the same. While MySports has taken reasonable actions to ensure that the information is extracted accurately and in its proper context, MySports has not conducted any independent review of the information extracted from third party sources, verified the accuracy or completeness of such information or ascertained the underlying economic assumptions relied upon therein. Consequently, neither MySports nor its directors, executive officers and employees acting on their behalf makes any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.



No Advice

This Whitepaper does not constitute or form part of any opinion on any advice to, or any solicitation of any offer by MySports to purchase any BEAT Token nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision. No information in this Whitepaper should be considered to be business, legal, financial or tax advice regarding the BEAT Token and the sale of the BEAT Tokens. Each potential Participant should consult its own legal, financial, tax or other professional adviser regarding the operation of the BEAT Blockchain, the BEAT Token and the sale of the BEAT Tokens.

No further Information Update

No person has been or is authorised to give any information or representation not contained in this Whitepaper in connection with the BEAT Token, the BEAT Blockchain and the sale of the BEAT Tokens and, if given, such information or representation must not be relied upon as having been authorized by or on behalf of MySports. The sale of the BEAT Tokens shall not, under any circumstances, constitute a continuing representation that there has been no change, or development reasonably likely to involve a material change in the set-up and operation of the BEAT Blockchain, the services in connection therewith or in any statement of fact or information contained in this Whitepaper since the date hereof.

Risks and Uncertainties

The purchase of BEAT Tokens is associated with significant risks and may lead to the loss of the contributed amount. There is no income, earning or return related to BEAT Token. The tradability of a BEAT Token is unclear and might be very limited. The set-up and the operation of the BEAT Blockchain are subject to risks and uncertainties. In particular, economic and political/regulatory risks may influence the BEAT Token, the BEAT Blockchain and the usage of the BEAT Token (up to the non-tradability and worthlessness). Prospective Participants of BEAT Token sale should carefully consider and evaluate all risks and uncertainties associated with the set-up and operation of the BEAT Blockchain, all information set out in this Whitepaper and in more detail in the T&Cs prior to any purchase of BEAT Tokens. If any of such risks and uncertainties materializes, the set-up, operation of the BEAT Blockchain, the services and the future use of the BEAT Tokens could be materially and adversely affected. In such cases, Participants may lose all or part of the value of the BEAT Tokens.

