

Strategy Sub-Council Minutes – May 24, 2023

Council Attendees: Animositas, Scrubadubdad, Nijafe, Vetemor, Nick

Guest Attendees: Danny (Illuvium)

- 1) Runway and finance overview – Guest Visit by Danny
 - a. Monthly burn report review – \$1.25M per month estimate moving forward
 - b. Capital Raise imminent - \$10M in ILV token sales to Framework
 - c. Runway to extend from 11 months to ~20 months
 - d. Marketing costs for launch will be volatile from now until launch
 - e. USDC, USDT, and bank account holdings review
- 2) Headcount and org structure of Illuvium Labs
 - a. High level transparency requested from sub-council
 - b. Interest in sharing from team to community to give more context for oversight/strategy
 - c. Illuvium Labs legal and org structure explanation and discussion
- 3) Illuvitars alpha (time sensitive request from Marketing)
 - a. Team recommendation to reduce to 1.5x, 2x, or 3x price for alphas vs. non-alphas
 - i. Strategy sub-council is leaning towards 1.5x or 2x
 - ii. Narrative for change is that marketing for alpha Wave 1 at 5x is that this was the very first wave overall (OG premium)
 - iii. Lack of non-alpha accessories in alpha D1sks impact is smaller at a lower multiple for alpha vs. non-alpha
 - b. Value proposition of alphas vs. non-alphas
 - i. Sheen or overlay idea proposed by team as key concept
 - ii. Treatment of visual enhancements to alpha Illuvitars in Illuvidex can be prioritized
 - iii. No additional points or utility planned for alphas
 - iv. Collector's edition value proposition
 - c. Leaderboard rewards will draw players to non-alphas, risk of cannibalizing sales
 - d. Consider total quantity of alphas offered (mega/standard) - recommendation to drop number of alpha standards
 - e. Critical to ensure 'sell-out' in very challenging market environment
 - f. Recommendation for marketing team - Evaluate Wave 1 vs. Wave 2 compared to other projects and sales drop-offs as well as Wave 1 sales for Illuvitars specifically
- 4) Proposal for one of our sub-council to link with each other as lead point of contact (marketing, gaming, community)
 - a. Marketing rep from Strategy - Nijafe primary / Vet backup
 - b. Gaming rep from Strategy - Vet primary / Nijafe backup
 - c. Community rep from Strategy - Scruba primary / Nick backup
 - d. IMC rep from Strategy - Ani primary / Scruba backup