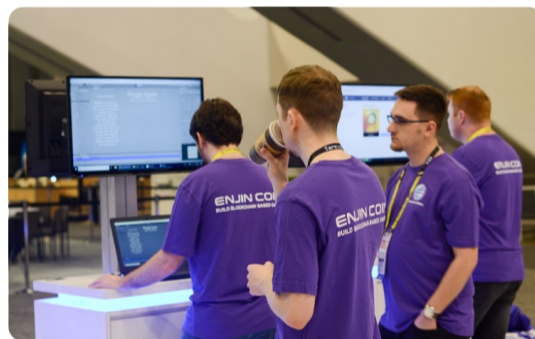


Company

Enjin was founded in 2009 by Maxim Blagov and Witek Radomski. Over the next decade, they organically grew their first product, the Enjin Network, to over 20 million gamers worldwide.

In 2017, the company hosted a successful ICO of Enjin Coin (ENJ), and began pioneering a vision for non-fungible tokens (NFTs). Establishing itself as a world-class blockchain developer, Enjin began building a holistic ecosystem of user-first products that anyone can use to easily develop, trade, monetize, and market with blockchain and NFTs.



The Enjin Platform, Wallet, Marketplace, Explorer, and Beam comprise this integrated blockchain ecosystem, and provide the tools and solutions developers and businesses need to tokenize digital assets and integrate them into software.

Pioneering creators, developers, and companies like Microsoft (Azure Heroes), Samsung (Samsung Blockchain Keystore), and BMW (Vantage), have integrated Enjin's products and services.

As of July 2021, over 800 million ENJ is owned by over 125,000 individuals worldwide (not including exchanges), with a market cap of \$1.5 billion.

ENJ recently made headlines after being approved by Japan's financial regulators and listed on CoinCheck in January 2021, making it the first gaming token approved for use in Japan under the JVCEA.

Non-Fungible Tokens

Blockchain tokens can be sorted into two distinct types of assets: fungible and non-fungible.

Fungible tokens are identical and replaceable by another identical token; they are mutually interchangeable. They can represent anything from cryptocurrencies like Bitcoin and coins used in a video game to tokenized versions of real-world assets like crude oil or gold.

Non-fungible tokens (NFTs) are unique, and thus not interchangeable.

A digital art piece that you created, an ownership certificate of a car, or a character in a game are examples of non-fungible assets—they are unique and not directly interchangeable.

Enjin kickstarted the NFT revolution on Ethereum, creating the next-gen ERC-1155 token standard, and implementing it alongside a unique token infusion mechanism that now powers billions of digital assets on the blockchain.

Since their emergence in late 2017, NFTs have seen explosive growth while evolving technologically and earning a passionate user-base:

- In 2017, the NFT industry market cap was measured at just over \$30 million.
- 2018 was notably a down year for the blockchain industry as a whole, but the NFT market cap rose by 480%, weighing in at \$180 million.
- In 2019 the market cap rose again, ending the year at roughly \$220 million.
- NFT transactions tripled in 2020, reaching more than \$250 million in total.
- In just the first two months of 2021, NFT trading volume topped \$342 million, surpassing the volume of the entire last year.

NFTs have rapidly gained popularity among companies, artists, celebrities, and influencers as a way to digitize their brands, with early 2021 seeing over 630,000 distinct Ethereum wallets that have created NFTs.

"You can sell anything digital using NFT. Virtual Mavs gear, sneakers, art, pictures, videos, experiences, anything our imagination can come up with."

—Mark Cuban on NFTs

Companies like Microsoft and Binance are seeing the growing opportunities with NFTs, and are now using Enjin's blockchain products to engage and reward their users with branded NFTs, building their communities and driving demand.

Powered by Enjin

The Enjin ecosystem powers everything from leading blockchain games to corporate engagement campaigns, and enables millions of individuals across the world to safely manage and store their digital assets.

Initial wave of adoption, and one of the most exciting use-cases of our technology originated in the gaming industry; in 2018, Enjin made headlines by announcing the world's first gaming multiverse. Today, there's over 40 game developers utilizing our platform to create everything from next-gen fantasy RPGs to post-apocalyptic sci-fi games.

Forged in gaming, Enjin's blockchain ecosystem has also attracted attention from some of the world's leading brands.

Microsoft and Enjin teamed up in 2020 to create Azure Heroes, a user engagement project that made the distribution and acquisition of tokens something that anyone, regardless of experience with blockchain, could participate in.

From concept to production, Enjin developed a complete NFT project, including original badger designs that were used across Microsoft's token collection, swag and merchandise, resulting in over 32,000 Azure Heroes badge NFTs created, and distributed to over 6,400 Azure community members across the globe.

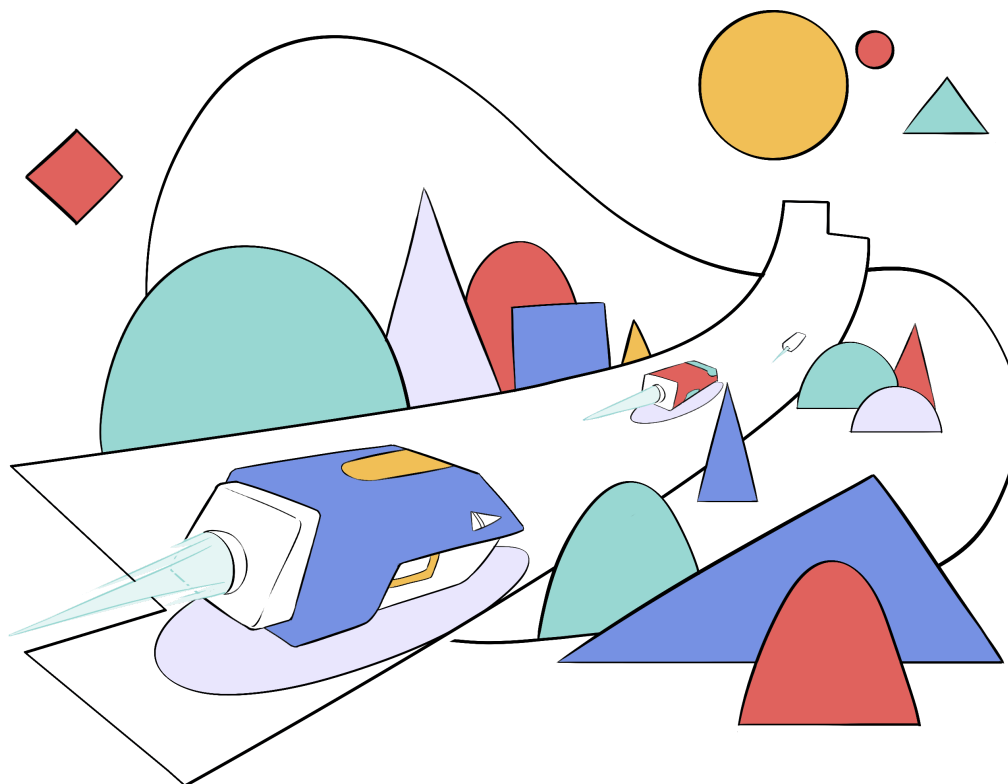
Our products have been used to power over 1,300 blockchain marketing campaigns, gamifying online engagement for blockchain industry companies like Binance, CoinMarketCap, OKEx, SwissBorg, Kyber Network, Changelly, CoinGecko, and more.

The Future of NFTs

The adoption of non-fungible tokens among individuals and companies across the world is growing at an increasing, thrilling pace.

While we already live in a blockchain-enabled world, utilizing NFTs has historically been difficult due to cost barriers, disorganized ecosystems, poor user experience and technical limitations.

Enjin's vision is to build a scalable, cross-chain token network that would make creating, using and trading NFTs far more accessible, affordable and faster, thereby significantly increasing the volume of trade and adoption.



This would enable NFTs to be utilized by virtually any industry, potentially unlocking trillions of dollars in currently illiquid and unique real-world and digital assets.

We call this network Efinity.

Introduction

Enjin is developing Efinity, a next-generation blockchain for digital assets, built on Polkadot.

Businesses and developers seriously need a platform that can deliver a modern, mainstream and developer-friendly NFT experience. Since the release of Ethereum, there have been attempts to build infrastructure and tokenization around this general-purpose computing blockchain, but there's an ever-growing thirst for a better solution.

Creators are forced to work with crippling fees, inflexible smart contracts and disjointed interoperability. Adoption of today's NFTs is still limited to die-hard crypto enthusiasts.

The blockchains that non-fungible tokens live on give actual users no incentives (other than the prices rising), because miners are given the full share of generated tokens. Prices rise, infrastructure companies create silos and paywalls, and it becomes difficult to make real progress in this industry - unless we can unify the community and think a bit differently.

Efinity is built to solve these problems.

Fees

Blockchains like Ethereum have become expensive. The average user might pay \$7+ to move a single token.

Efinity's purpose is to be an NFT highway, not a general computing blockchain. Token creation, transfers and purchases are the network's priority.

Transaction fees on Efinity are designed to stay in the background, and allow users to experience their favorite collectibles without worrying about how the network operates.

Incentives

Ethereum and Bitcoin reward miners with coins for securing the chain, but there aren't similar incentives in the NFT industry to fuel growth and development.

Efinity compensates network participants with the EFI token:

- Collator Nodes who run the network.
- Users who govern the direction of the network.
- Buyers and sellers who facilitate price discovery.
- Developers who propose projects built on Efinity are eligible for grants from the Community Pool.
- Early adopters and creators increase their token value with bonding curves and liquidity.

Network Effects

Fragmented blockchains and marketplaces result in walled gardens that compete for liquidity and hurt the growing digital metaverse.

Efinity will be a hub for all fungible and non-fungible tokens. The Paratoken standard accepts tokens from any other chain, including the popular ERC-721, ERC-1155, and ERC-20 standards.

The network that solves the challenge of facilitating the pricing and exchange of NFTs will naturally gain traction, because it will create network effects by attracting increasing volumes of transactions.

Tokens don't need to be listed for sale or even exist on the network to receive a bid. In fact, users can be compensated for initiating Bid Orders or Ask Orders (as described in the Marketplace section below) and stimulating network usage by initiating transactions

which may be completed by other users. This mechanism will naturally attract buyers and sellers to join the network and create network effects by incentivizing users to initiate transactions. This functionality is intended to be further developed by third party apps that facilitate transfers within other platforms such as games or that function as NFT marketplaces.

Efinity Parachain

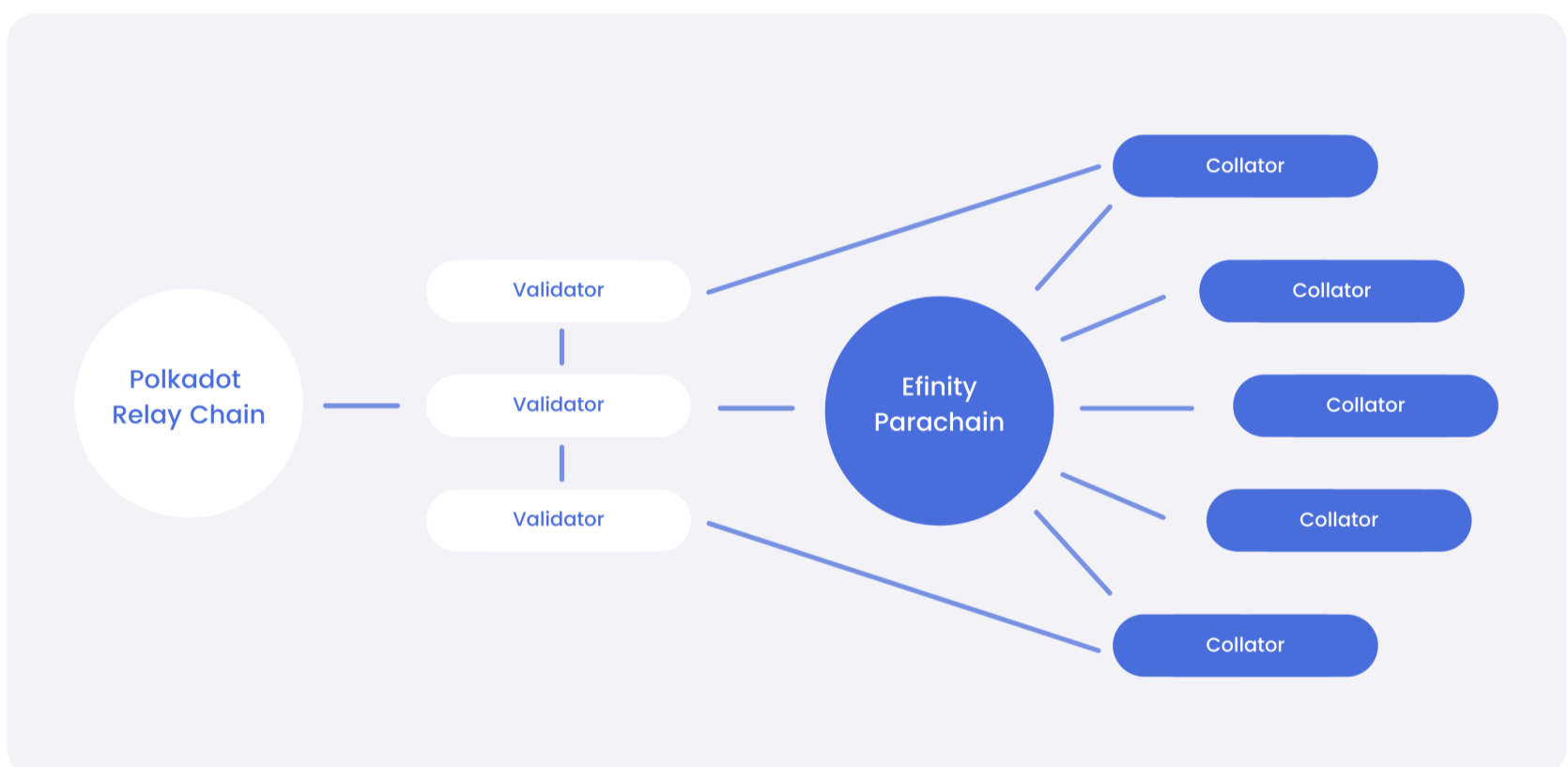
Polkadot

Polkadot is a blockchain framework that enables a completely decentralized internet of parachains where users are in control of their identity and data

The Polkadot network is designed to operate two types of blockchains:

- **Relay Chain:** The core of Polkadot, responsible for the network's shared security, consensus and cross-chain interoperability.
- **Parachains:** Sovereign blockchains that use the relay chain's computing resources to confirm that transactions are secure and accurate.

Enjin is working in collaboration with the web3 foundation and building Efinity on Polkadot. The Efinity blockchain is a **parachain** that uses Polkadot Relay Chain validators for its consensus, which allows Efinity to have an independent economic framework, data, and state.



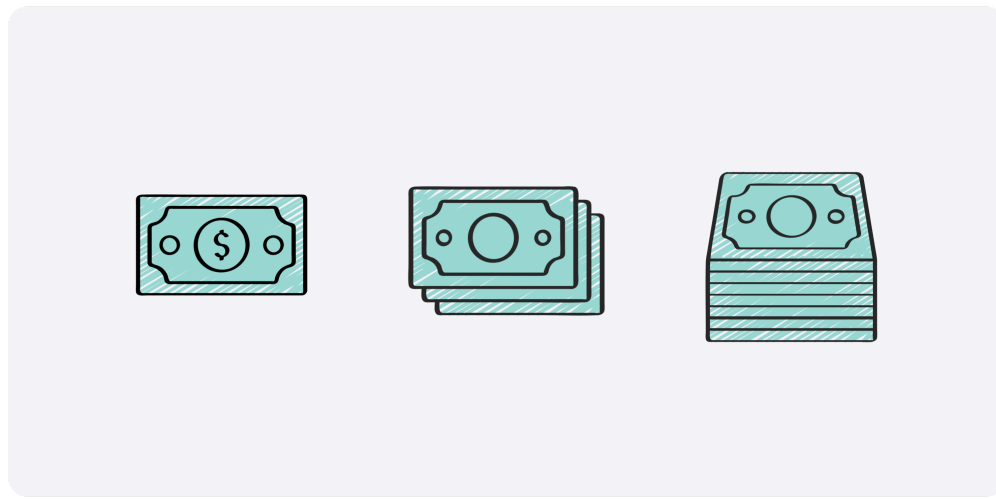
Efinity's collator nodes are responsible for transactions on the Efinity parachain, and the network pays out EFI to participants. Security, however, is handled by Polkadot's Relay Chain validators, which means that end-users of Efinity are not burdened with paying for validation.

Enjin's Ethereum-based platform will continue to be developed, and cross-chain bridges will connect both networks for full compatibility with the entire Ethereum ecosystem.

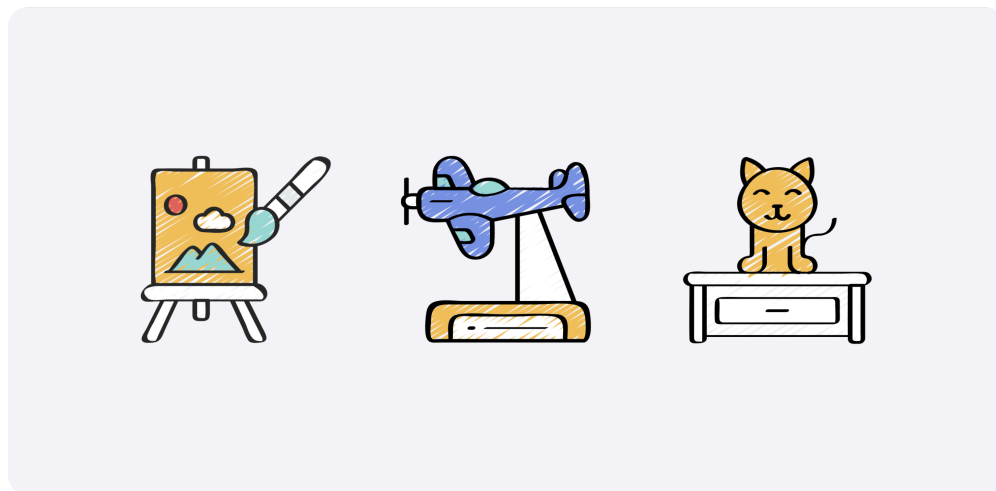
Token standard

Enjin is developing a token standard called **Paratokens** for Polkadot. The standard will be compatible with parachains, parathreads and smart contracts, so it's interoperable with the entire Polkadot and Kusama ecosystem.

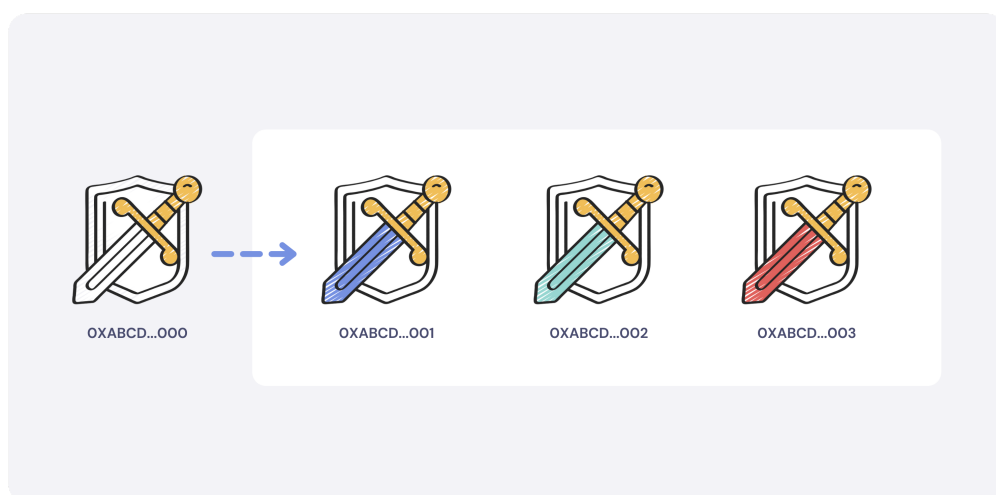
Fungible tokens are stackable, have a quantity and optional decimal places. An example of a fungible token is a twenty dollar bill – each bill is worth the same amount as another twenty dollar bill.



Non-fungible tokens are not interchangeable; each token has its own unique identifier. Examples of NFTs are original art, gaming characters and pets, numbered collectibles, and more.



Grouped NFTs are non-fungible tokens that are a part of a family, and share the same Base ID.



For example, an armory full of swords are all recognizable as an Iron Sword, but each sword may have its own quality level, brand, and an individual history.

One person may value a specific sword because it was once owned by a great warrior. For another person, the “kind” of token may be more relevant to them, if its utility is equivalent.

Scalability

Efinity will process up to 700-1,000 transactions per second based on current benchmarks; in comparison, the Ethereum network currently runs at around 15 TPS). Optimizations to the Efinity and Polkadot runtime code may lead to future increases in TPS.

Transactions are confirmed in 6 seconds, which permits fast response times needed for mainstream applications.

Open Development Platform

Efinity allows developers to write and deploy contracts using Ink!, a universal smart contract framework that is compatible across all Polkadot-based chains. Contracts can be written in Rust, a popular programming language.

Paratokens on Efinity may move between parachains on Polkadot and Kusama using Direct XCMP (Cross-Chain Message Passing). This opens possibilities for development and extension by the entire Polkadot ecosystem.

Developers can also write code to extend a paratoken’s functionality. Tokens can be hooked to a smart contract for transfers, mints or other transactions.

Tokens

Efinity Token (EFI)

Efinity Token (EFI) will be the main utility Paratoken deployed on the network.

Transaction fees are priced and distributed based on the transaction type. Transfers, bridges, Bid Orders and Ask Orders (as described in the Marketplace section below), and smart contracts will all be priced according to their processing requirements and benefits to the network.

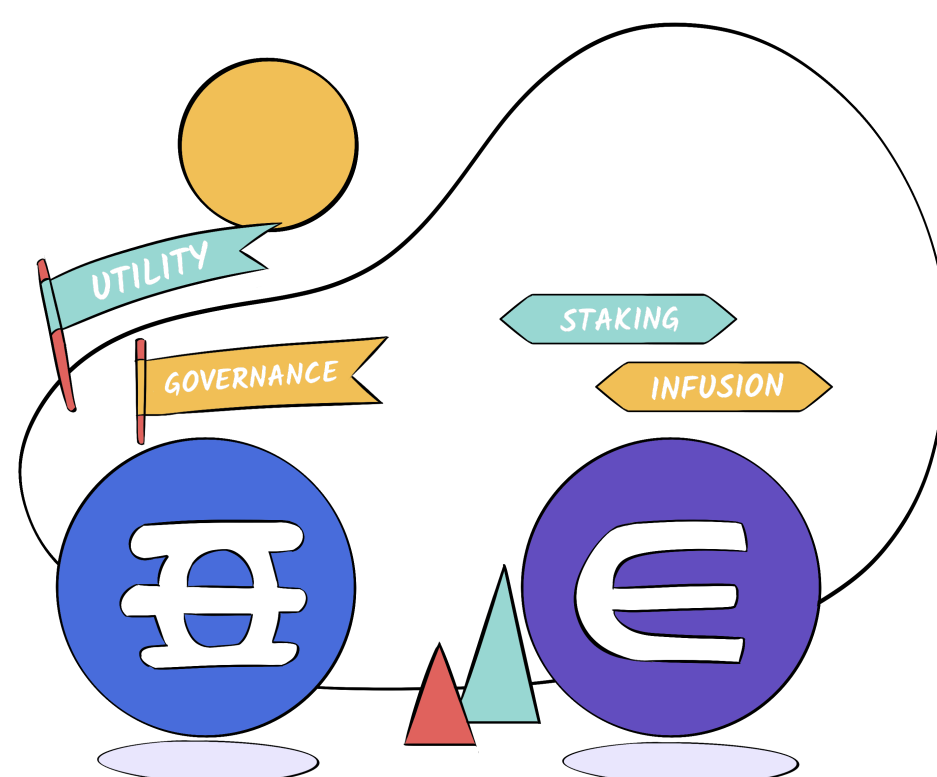
Orders and trades on-chain are charged a transaction fee (approximately 2.5%) that is distributed to EFI pools on the network. Developers can also charge additional fees to profit from transactions conducted by third party apps and smart contracts using Efinity.

Every asset on Efinity can be exchanged for any other NFT or other digital token that is bridged onto the network. For example, an imported coin such as ETH can be exchanged for a non-fungible token, since both are interoperable Paratokens. This functionality facilitates development of third party apps using Efinity to transfer NFTs to other blockchains, from blockchain-based games on other networks to NFT marketplaces and exchange platforms.

All tokens on Efinity can be traded for others using decentralized mechanisms on-chain.

Every EFI holder will be able to submit and vote on governance proposals directly in their wallet, and help steer the future of the Efinity network.

15% of the total supply of EFI is reserved to automatically compensate collators and pools for their valuable work on the network, particularly maintenance of the network, processing of transactions and development of new modules and projects to expand the network. This portion will gradually unlock over a number of years until the full token supply is reached.



Enjin Coin (ENJ)

Enjin Coin (ENJ) is the original utility token for minting and infusion that was released to the Ethereum community in 2017. ENJ is currently held by over 100,000 wallets, and ENJ (including NFTs containing ENJ) will be used for **infusion** and **nomination of collators** on Efinity.

By being an integral part of the Efinity network, ENJ is receiving significant additional utility and importance. Enjin Coin can be moved between Ethereum and Efinity using our cross-chain bridge.

Collator Nomination

The nomination of Efinity collator nodes will be provided by users who vote on and select the best performing collator nodes. The collators with the most votes will be allowed to process network transactions and be compensated with EFI from the collator pool. Nominators will be required to stake or deposit ENJ (which may include ENJ infused in ENJ-minted NFTs). ENJ holders represent a diversified, distributed community who are existing stakeholders in the development of NFTs, a community that is not dominated by any large holder of ENJ. A nominator will, in turn, be compensated for their oversight and nominators will receive a portion of the EFI compensation received by the active collator node voted for by the nominator.. This model ensures that the most reliable and competitive collators are selected by the community.

Infused ENJ contained inside minted NFTs, and Discrete Accounts that hold such assets may also be used for the nomination of collators.

ENJ staked by a user for nomination is still eligible for use in marketplace and other applications, as this ENJ still exists on the address created by that user on Efinity. ENJ is automatically unstaked if it's transferred or melted.

Minting

Enjin was the world's first platform to offer token infusion at a fixed bonding cost per token.

Infusion on Efinity will include an additional update: **Bonding curves** allow minting costs to increase with every new unit minted.

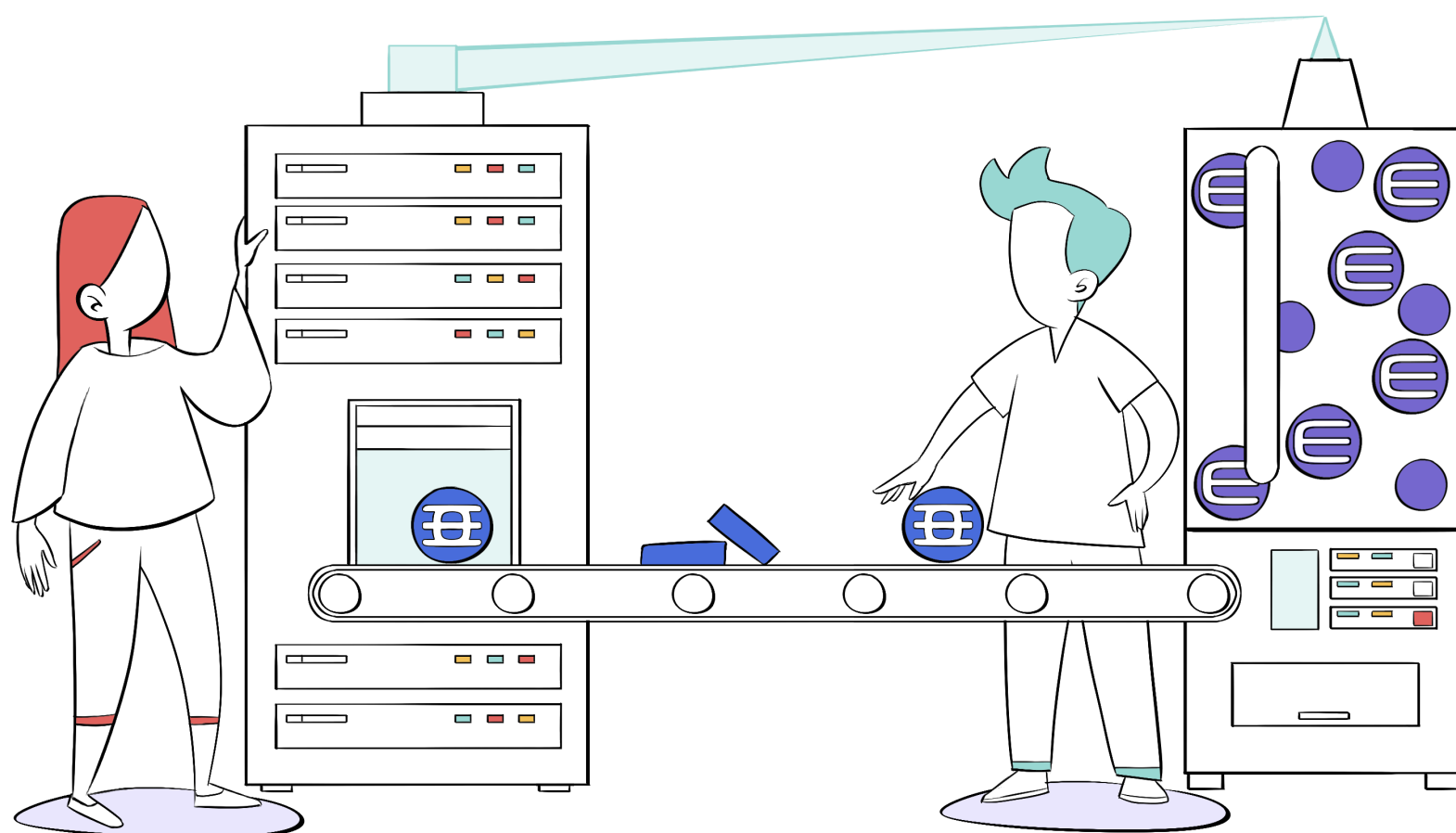
A discrete account can be given permission to mint and distribute tokens, allowing for infinitely flexible minting without code required.

By applying a bonding curve, the general public could even be allowed to mint, paying an increasing base cost for each token. Supply would be kept in check depending on current minting cost and the demand for the token.

Collators

The Efinity Network will require 10 active collator nodes and optional backup nodes that maintain a full copy of the chain data and state.

Each collator node receives equal compensation from the Collator Pool. Node operators may reserve a percentage of fees as income. The collator's income is visible to all stakers and may influence which collator they will choose to stake towards.



Proposed collators will be required to stake ENJ to create a node, and will not receive EFI or any compensation from the network arising from this staked ENJ (although a collator node that becomes active will receive EFI from the Collator Pool as compensation for network maintenance services).

Collators will not collect fees when they are not providing service. This provides an incentive for users to switch their stake to a more reliable collator if their existing collator remains offline. Certain organizations may choose to run a full Efinity collator node for local access to chain data. These nodes can elect to be "backup" collators by staking some ENJ to their own accounts.

If an active collator slot opens due to an existing node going offline, the backup collator with the next-highest staked ENJ will automatically start collating and will begin to be compensated every block for providing the on-demand service.

Pools

Collator Pool: Distributed to active Collator Nodes and to users that nominate these collator nodes. Each active collator receives an equal share of EFI every block.

Community Pool: The Community Pool allows the Efinity community to grant EFI to projects that benefit the ecosystem and facilitate initial development by subsidizing the project's transactions on Efinity.

Price Discovery Pool: The price discovery process encourages users to place Bid Orders (as described in the Marketplace section below). Top bids for each Paratoken will receive EFI from the Price Discovery Pool as compensation until their order is filled or beaten by a higher bid. This functionality facilitates development of third party apps using Efinity to transfer NFTs to other blockchains, from blockchain-based games on other networks to NFT marketplaces and exchange platforms.

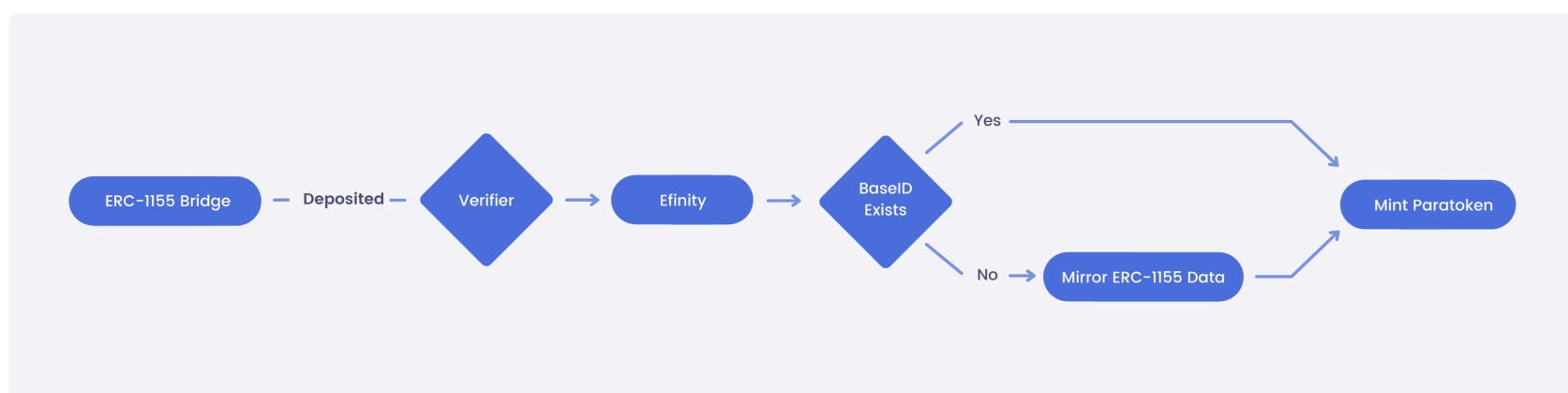
Fuel Tank Pool: The Fuel Tank pool provides a replenishing source of EFI that may only be used for paying transaction fees.

Cross-Chain Bridge

Tokens created on other chains (for example, ERC-20, ERC-721, and ERC-1155 on Ethereum) can be imported to Efinity using a bridge.

Ethereum Bridge

Snowfork is building an open-source bridge design between Ethereum and Polkadot. The bridge is compatible with ERC-20 tokens, and Enjin will contribute support for an ERC-1155 bridge.



Because the Enjin Ecosystem has its roots in Ethereum, Paratokens will be backward-compatible with ERC-1155 - including tokens created on Efinity. Certain features developed for Efinity will be backported to Ethereum, but we expect that most users will prefer to leave their tokens on Efinity because of its next-generation usability and speed.

Synchronizing Parameters

There are certain cases where tokens could lose consistency between their source blockchain and the Efinity parachain. For example, an Enjin ERC-1155 token might be moved to Efinity and then be made "non-transferable" by its creator on Ethereum.

The bridge module will update and freeze parameters as needed to synchronize with the source chain.

Extensibility

Development of new bridge modules by the open-source community can be incentivized using the Community Pool and the Ecosystem Fund. Bridges may be added to the Verifier through governance referendums so that Efinity may support future blockchains.

Marketplace

Efinity will provide buyers and sellers with a robust suite of tools for creating and filling orders for any token. This functionality facilitates development of third party apps using Efinity to transfer NFTs to other blockchains, from blockchain-based games on other networks to NFT marketplaces and exchange platforms.

The diagram illustrates an order book with two columns: Buyers and Sellers. Each order is represented by a user icon, a price in EFI, and the item being traded.

Category	User	Price (EFI)	Item	Quantity
Buyers	Person 1	Ask: 520	Any Sword	x5
	Person 2	Ask: 400	Sword #25	x5
Sellers	Person 3	Bid: 250	Any Sword	x5
	Person 4	Bid: 240	Sword #25	x5

Ask Orders can be placed by an owner to sell tokens they own. Placing the order will bind the token to the owner's account until the order is filled or cancelled.

"I want to sell my rare sword #25 for 400 EFI"

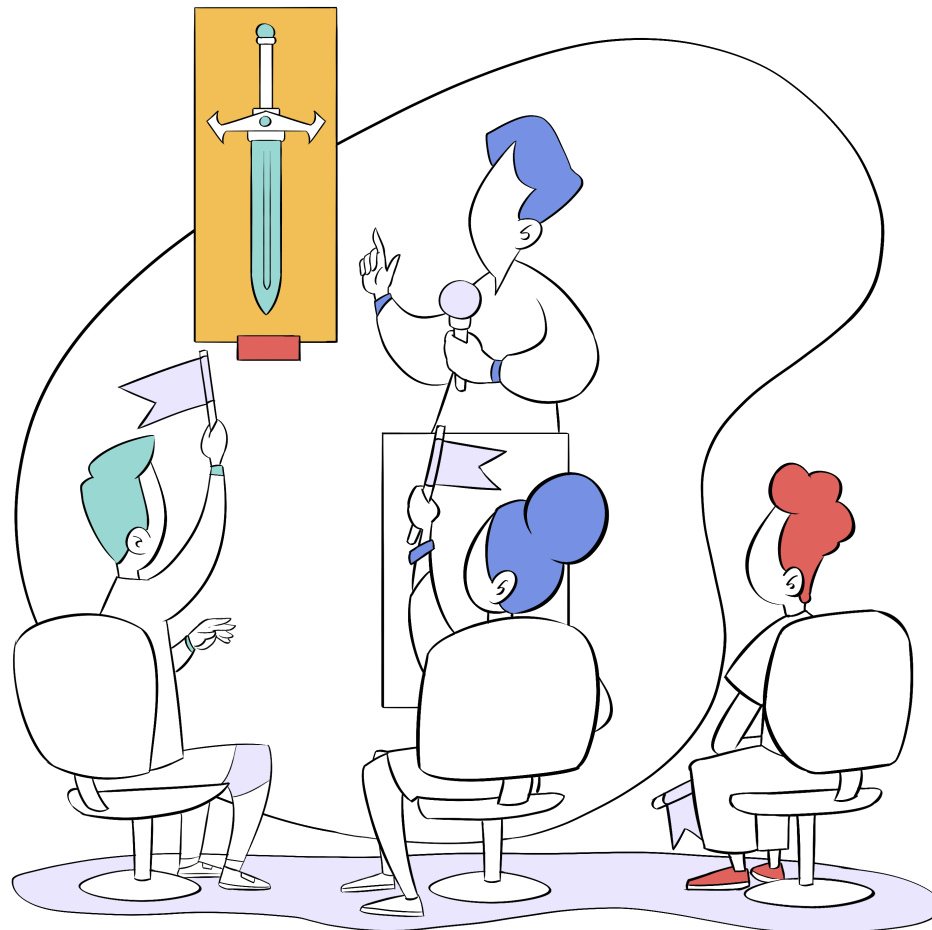
Bid Orders can be placed on a token ID, or a base ID (which includes all token IDs of the same type).

"I'm offering 250 EFI to purchase any sword"

Tokens don't need to be listed for sale (or even exist on the network) to receive a bid. In fact, users are encouraged to maintain the highest bid on any token.

Price Discovery

The highest active bid on any Base ID and/or Token ID establishes the best known current price for each fungible or non-fungible token. This price discovery functionality facilitates development of third party apps using Efinity to transfer NFTs to other blockchains, from blockchain-based games on other networks to NFT marketplaces and exchange platforms.



To incentivize price discovery, the highest (un-filled) bid on any token receives a share of fees and earns weight in the Price Discovery Pool over time for any transactions involving that token.

Features

Transactions

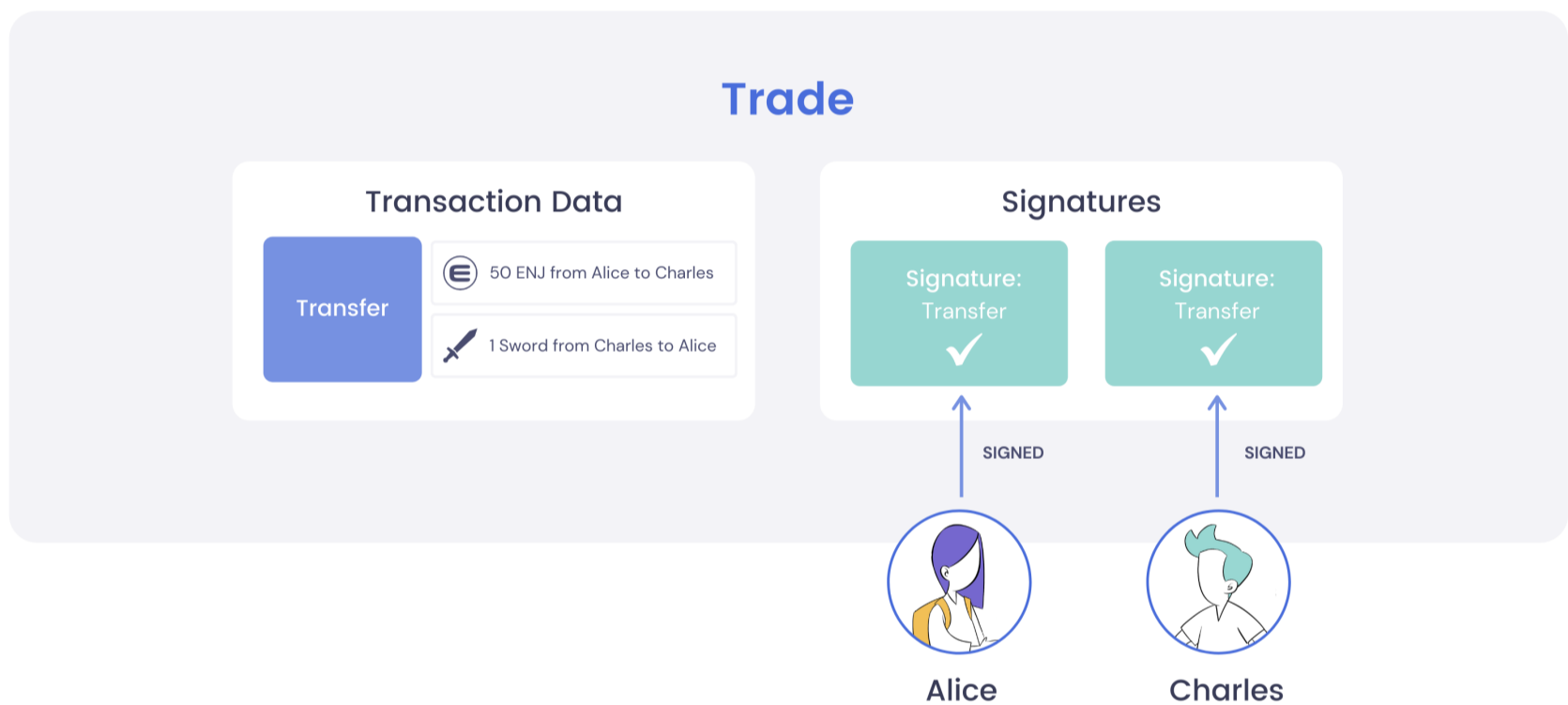
Every transaction sent to the network must include one or more signatures from a valid key pair.

Multiple signatures allow for multi-transfers, trades, minting, and crafting where more than one wallet or token is involved in the transaction. With discrete accounts, more than one signature may be required to control the account. In governance, multiple owners of a discrete account can approve a vote together.

Transfers

Transfers of Paratokens can be simple or complex, including the ability to include multiple senders and recipients.

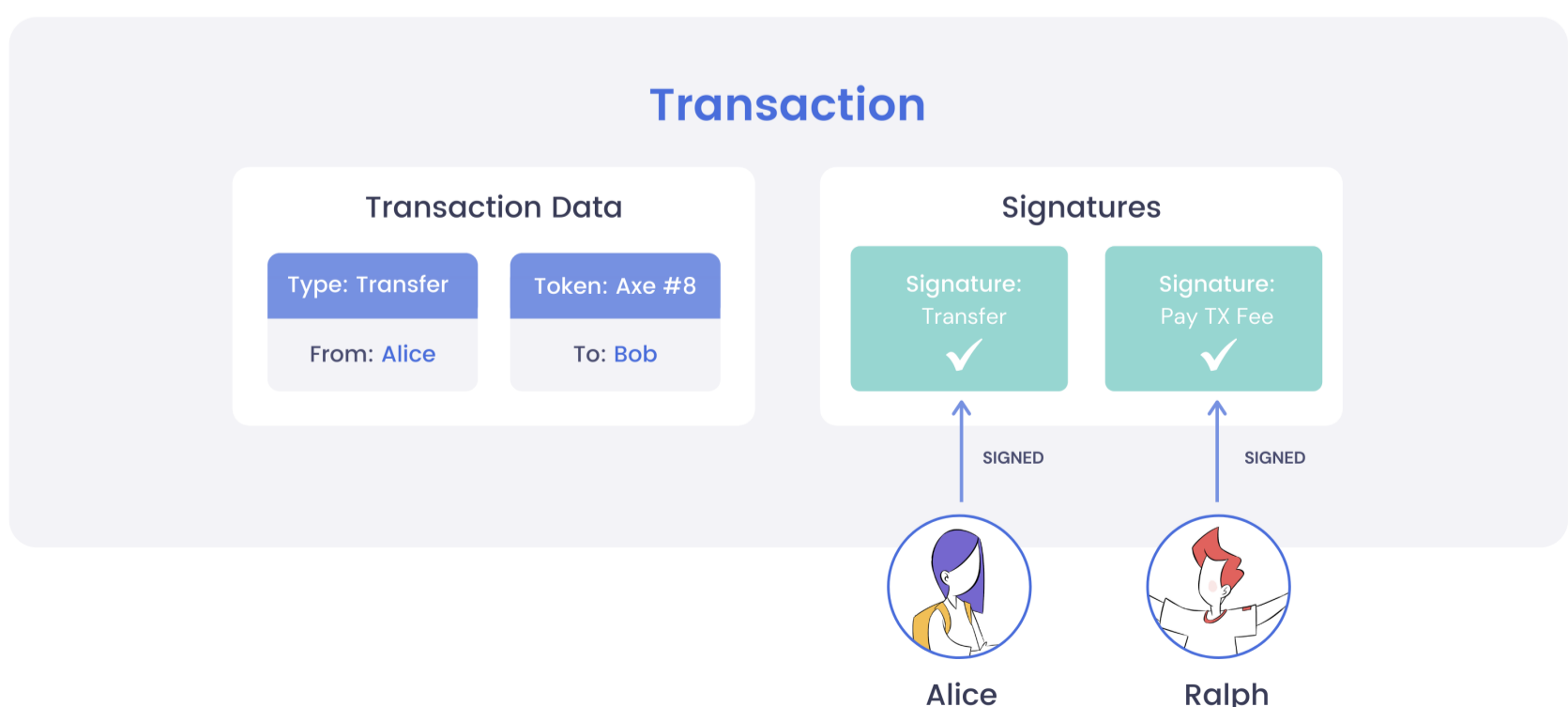
To perform a trade, two or more accounts could sign a transfer transaction.



Transaction Fee Delegation

A transaction can include a fee payer signature, which allows someone else to sign responsibility for fees before broadcasting.

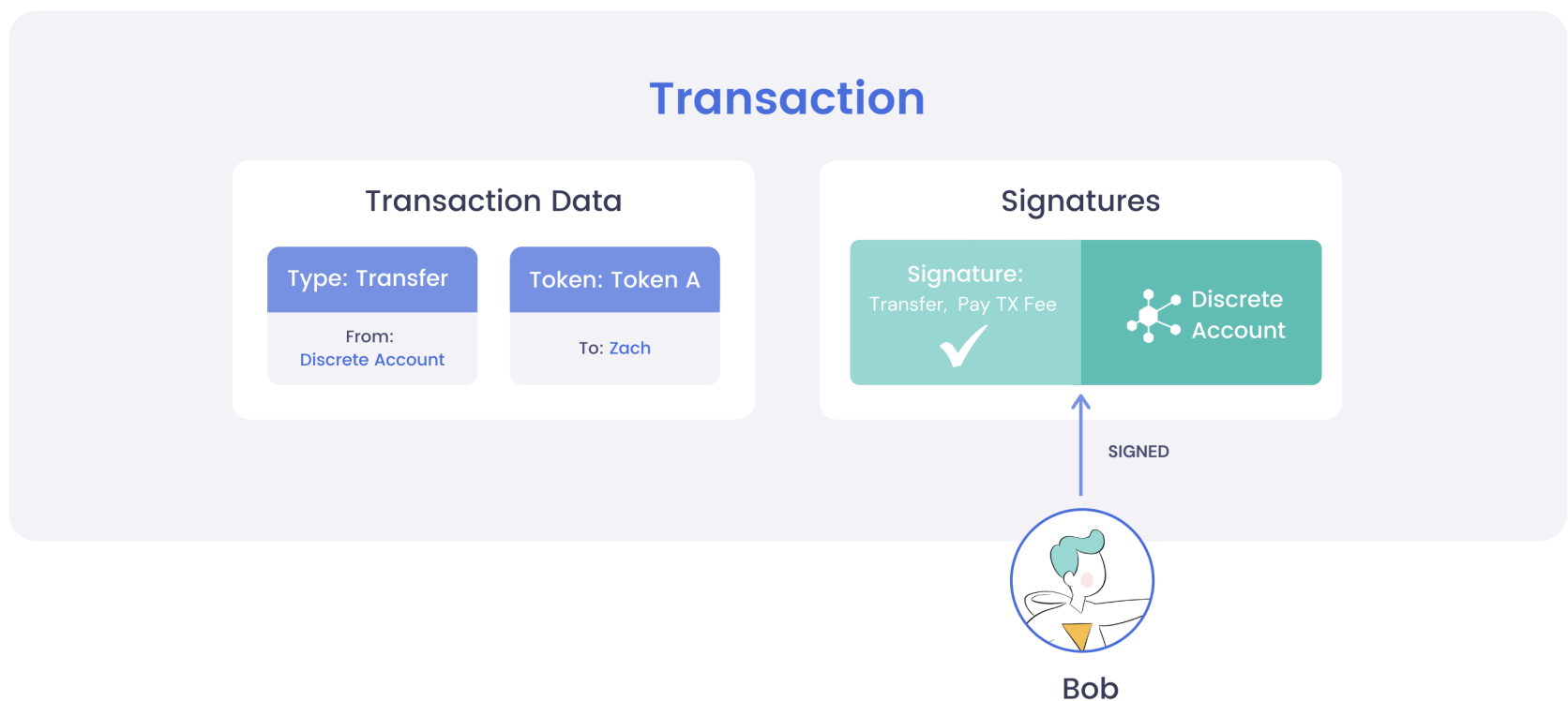
This is hugely beneficial for companies and creators who want to subsidize transaction costs for their users.



Discrete Accounts

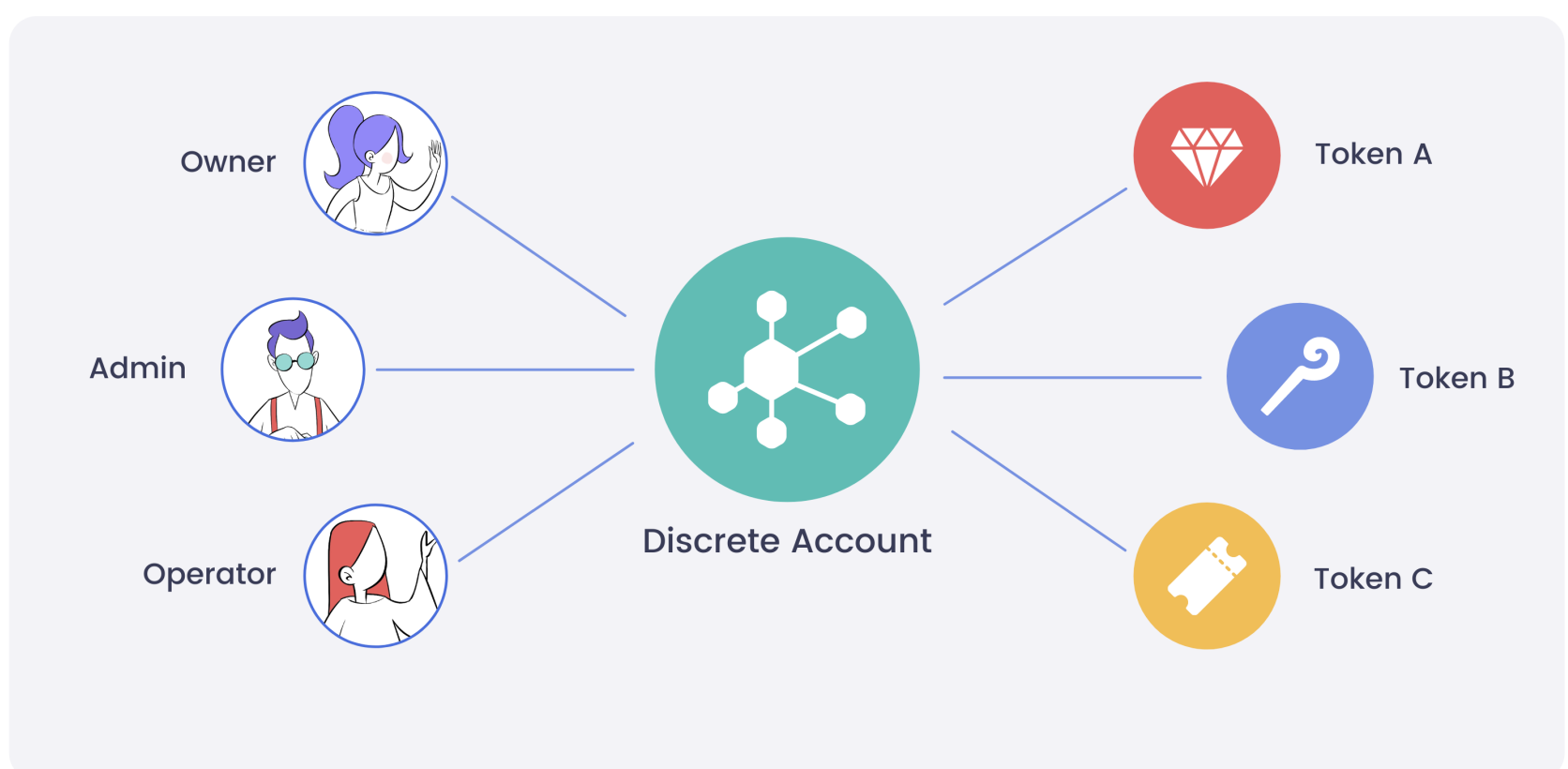
Discrete Accounts are unique addresses that can be created and operated on the parachain. They do not have an associated private key.

A discrete account's address can be used in any transaction, if that transaction is also signed by a wallet that is allowed to use the discrete account.



A discrete account can be configured with various permissions and roles:

- Owners
- Can set operators, owners and admins
- Admins
- Can set operators
- Operators
- Can sign for transactions



More than one signature may be required per role if multisig security is needed; for example, these accounts can be used by a company's stakeholders to securely manage its assets.

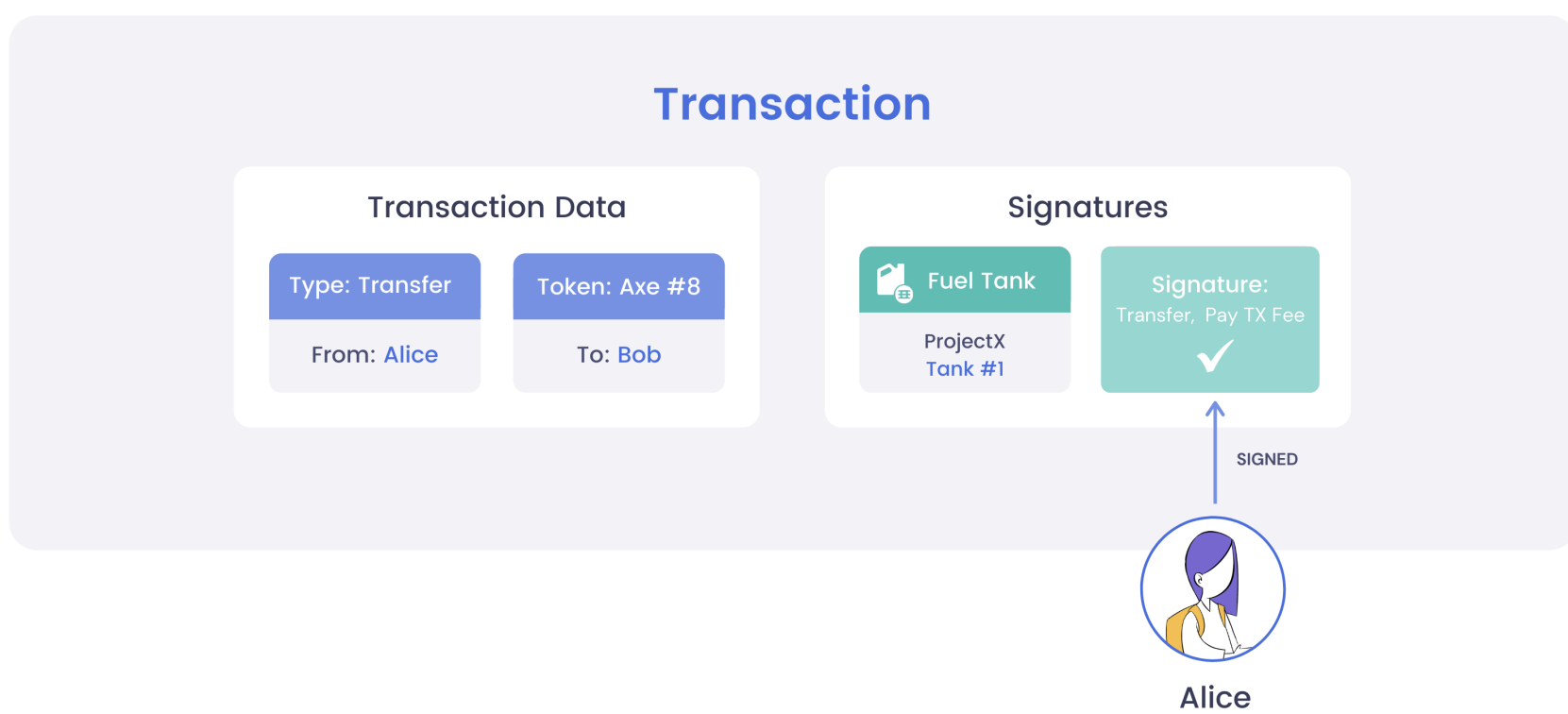
Fuel Tanks

Fuel Tanks are special discrete accounts that are used purely for transaction fees. Developers can choose to subsidize costs for their customers by depositing EFI tokens to a Fuel Tank they control. EFI tokens deposited to a Fuel Tank cannot be withdrawn.

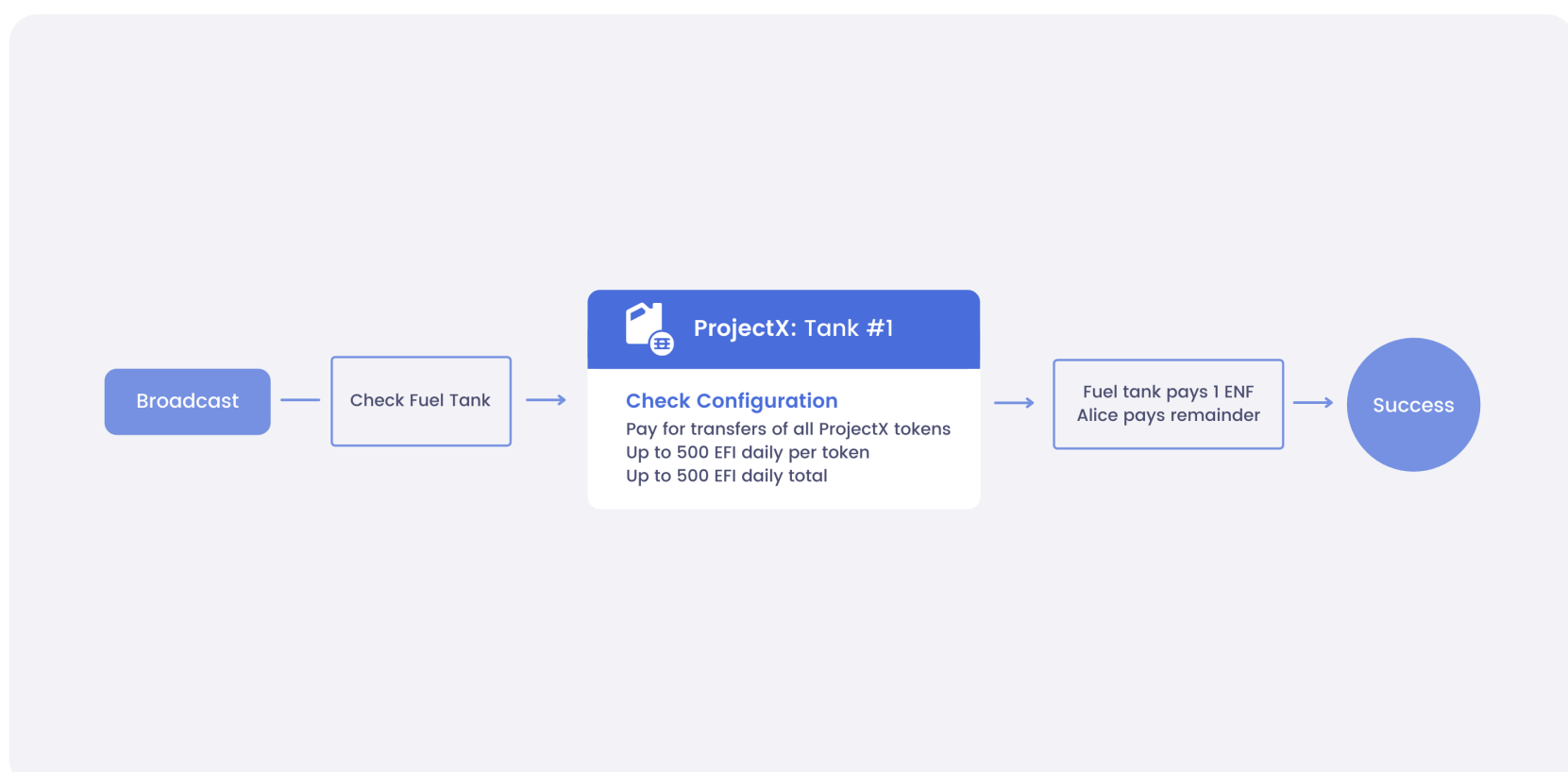


A fuel tank can whitelist specific tokens, tags, transaction types or users that will be permitted to use it.

The fuel tank's ID may be specified in any transaction. The chosen fuel tank will cover transaction costs if its requirements are met. Any remaining costs will be paid by the Fee Payer.



A fuel tank can be configured with owners, admins and operators who may tap into it for transaction fees.



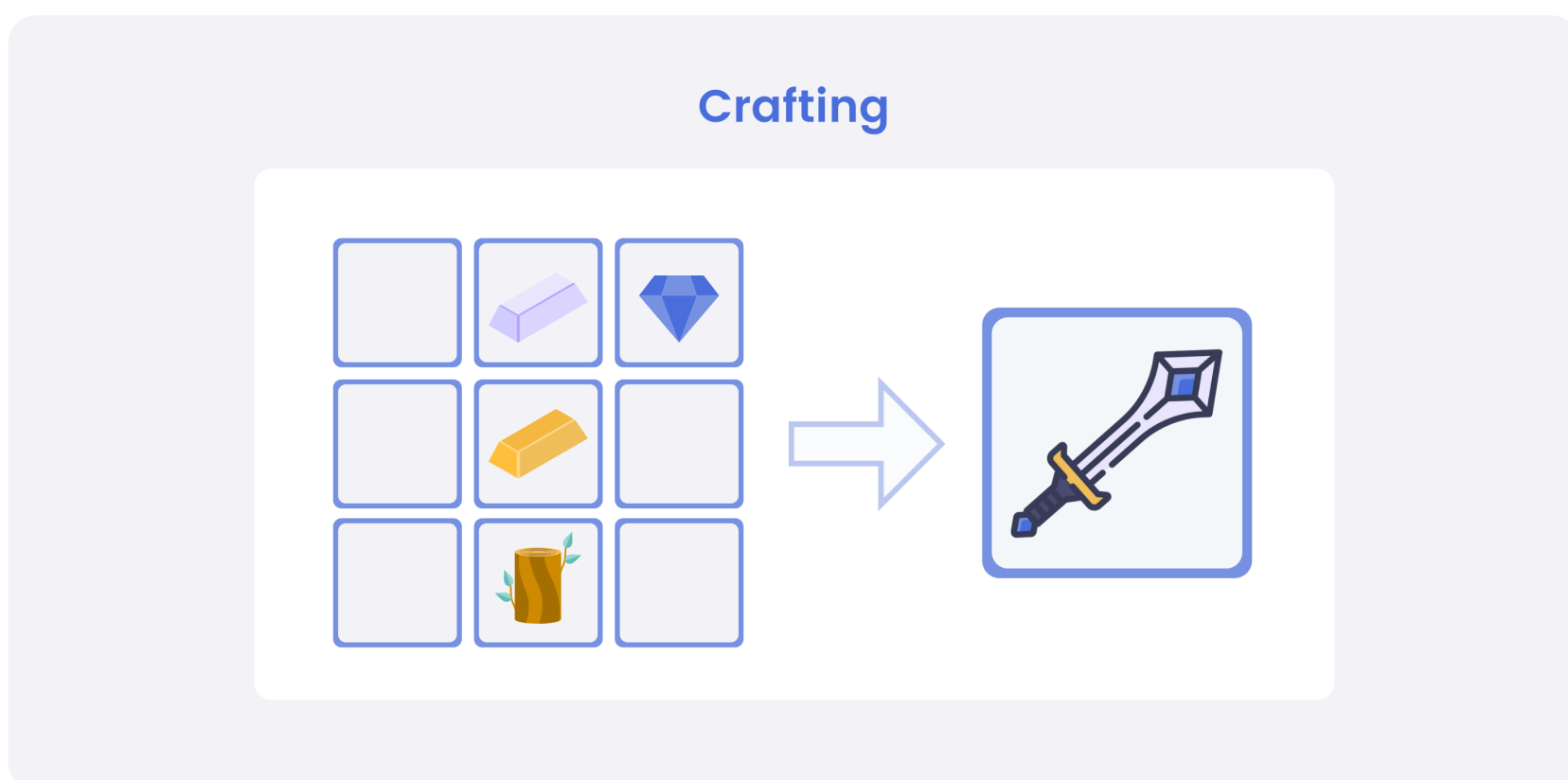
Scopes are added to a fuel tank to fine-tune its permissions for specific operators, tokens, time limits and value limits.

Crafting

Crafting allows existing tokens to be modified, or new tokens to be created by using a **Recipe**.

A recipe is a signed message that is generated completely off-chain. Anyone who has a copy of the recipe will be able to execute it on Efinity. The system is useful for gamifying

collectibles with minimal effort. Redemption of multiple “common” tokens for a rare token is easy to achieve and may allow for some simple game mechanics.



A recipe may require ownership of certain tokens (for example, a hammer and an anvil), and it can be coded to perform a number of actions: minting, burning, melting or transferring.

The recipe creator may limit the number of times a recipe can be used, or even blacklist a recipe ID directly.

Tags

Tags can be used to group related tokens (for example, covering transaction fees for an entire game’s token collection).

Efinity Swap

Efinity Swap is an automated conversion function which further facilitates exchanges of Paratokens by allowing automatic conversion of Paratokens into other Paratokens without friction, in order to complete existing Bid Orders and Ask Orders involving other Paratokens. Existing Bid and Ask orders are used to facilitate these swaps.

Paratokens that meet a minimum threshold of Bids and Ask orders are enabled by the chain for these automatic swaps.

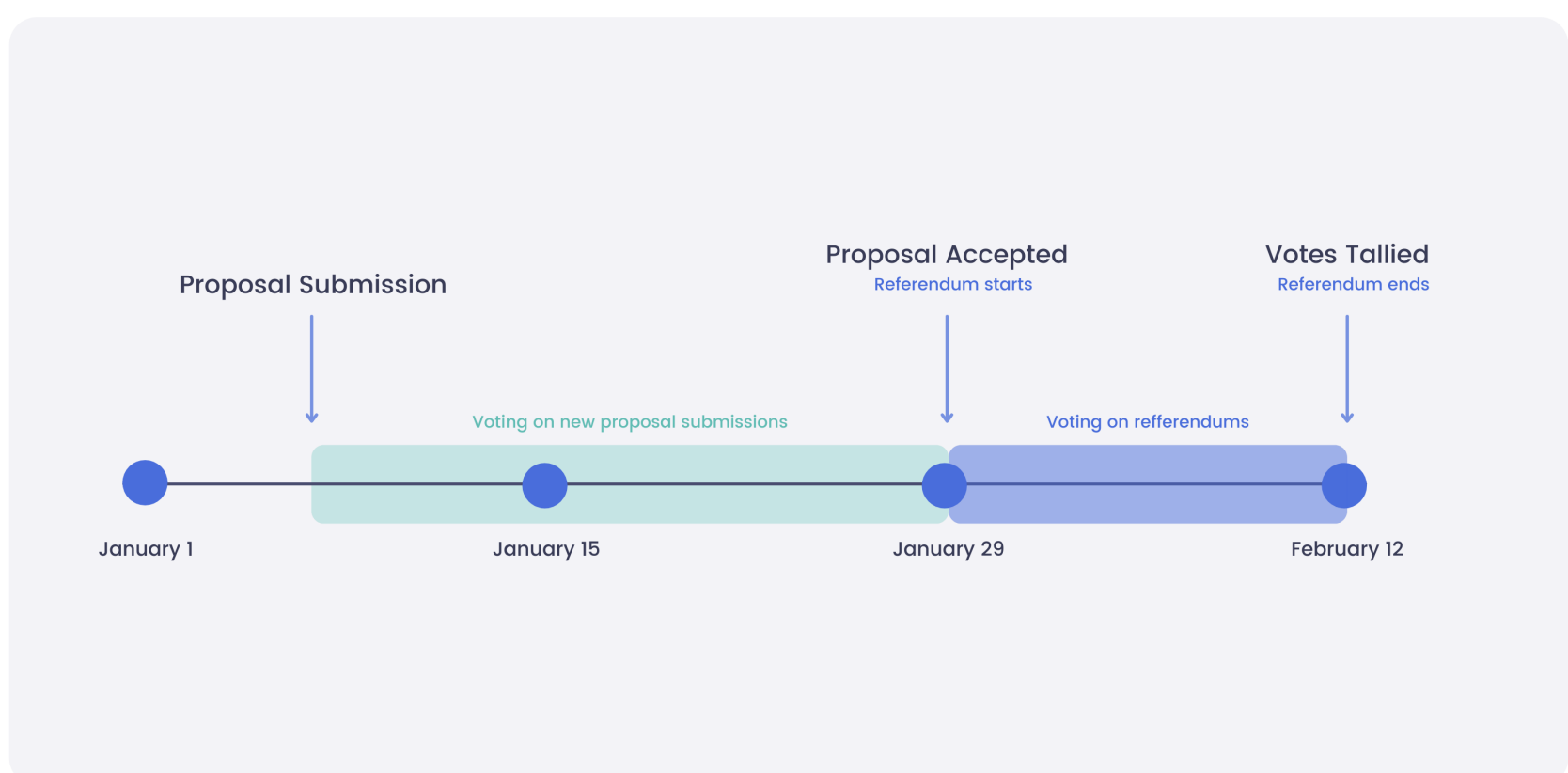
Governance

The Efinity parachain uses decentralized governance. Anyone may submit a proposal, and EFI holders have the opportunity to vote on proposals and referendums.

Governance Period

Every 2 weeks, votes on *proposals* and active *referendums* will be evaluated by the blockchain governance module.

This allows for a minimum of 2 weeks to review proposal submissions followed by 2 weeks of voting.



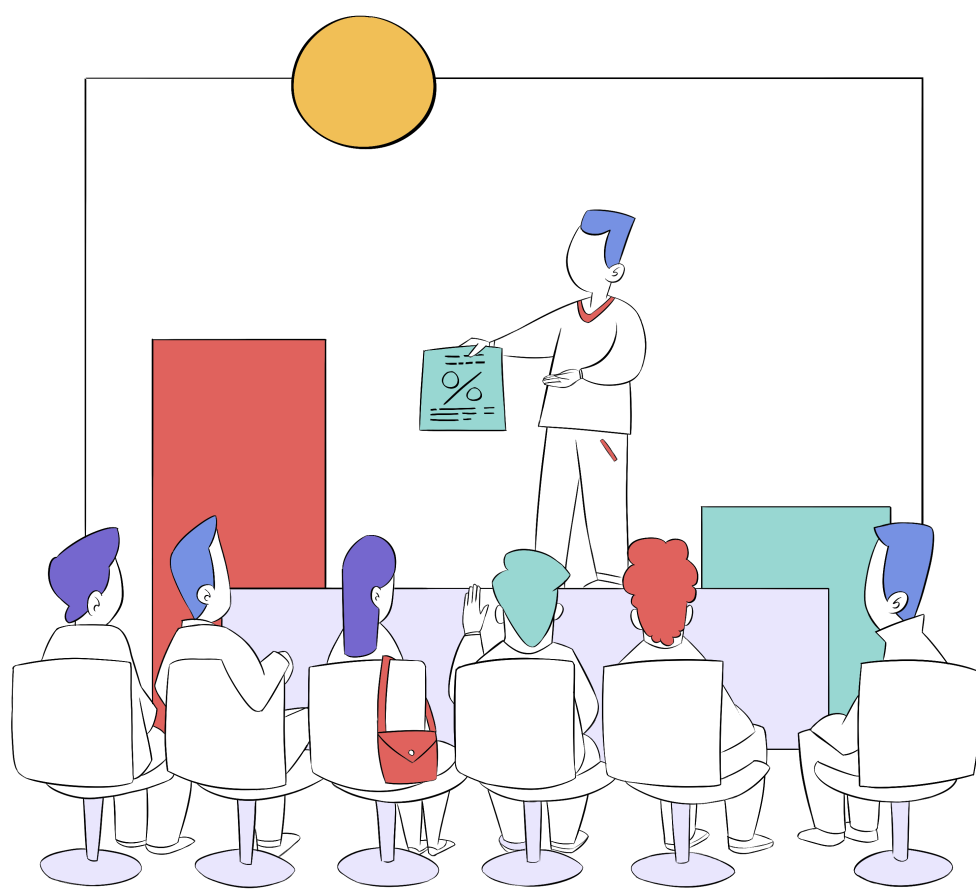
Votes on existing proposals will either succeed and be incorporated into the chain, or be rejected. An exact tie-vote will be considered negative/failed.

Submitting a Proposal

Each proposal must conform to the *Efinity Governance Proposal Standard* and must be submitted to the blockchain using a *Proposal Submission* transaction.

The proposal submitter must bond a minimum of 100,000 EFI to their submission, and the bond may be increased by anyone until votes are tallied. Bonded tokens will be unlocked after four (4) governance periods.

A maximum of 5 proposals can be approved for referendum at any time. Larger bonds will receive priority for referendum. Bonded tokens may not be used to vote.



We encourage posting the submission on the Efinity Proposals Github along with a detailed description and argument to garner support and discussion from the Enjin community before submitting the proposal.

Anyone with the minimum threshold of EFI can use their wallet to enter the proposal ID and submit a “Yea” or “Nay” vote.

Proposal Submission Requirements

- Must conform to the *Efinity Governance Proposal Standard*
- At least one full governance period must pass before the proposal is accepted (or rejected) for a referendum.
- Proposals must pass a minimum threshold of positive votes (>2% of circulating EFI).
- The proposal submission must receive at least 50% positive votes to pass.
- A minimum of 100,000 EFI must be bonded to the submission.

Voting on Referendums

When a proposal is accepted, a referendum period begins. Eligible wallets will be able to view all accepted proposals during the referendum and place their votes. A small minimum threshold of EFI will be required to place a vote.

Each EFI token is counted as a vote, so 2 accounts voting with 50,000 EFI are equal to 1 account voting with 100,000 EFI.



No EFI staking is required for voting, but all votes are counted during the final referendum block. Each token can only be applied to a single referendum during the tally.

For example:

Alice has 100,000 tokens. She may choose to vote on Proposal A with 40,000 tokens, and Proposal B with 60,000 tokens. She won't have any tokens left to place a vote for Proposal C unless she decreases her previous votes.

Tokens applied to votes remain liquid. If a user spends a portion of their tokens, their votes will be reduced automatically across all proposals.

Types of Governance

Governance proposals can take a few forms:

Privileged functions allow changes to privileged state functions, including transaction fees, marketplace fees, or changing minimum or maximum thresholds and limits.

Code updates involve updates to pallets or the entire code of the parachain.

Priority Referendum

If an emergency change or hotfix needs to be deployed, the community can enact a priority referendum that requires a large bond of at least 1,000,000 EFI. The priority referendum voting process will begin immediately and allows for a custom voting time period – this can be as low as 72 hours at maximum bond price.

The entire Bonded EFI amount for a Priority Referendum will be lost and distributed to EFI holders if the referendum does not pass.

Roadmap

Phase 1

- EFI Token launch
- Jumpnet with ERC-1155 and ERC-20 bridge
- Early Adoption Staking
- Private Sale
- Public Sale
- Paratoken Standard

Phase 2

- Discrete Accounts
- EFI Network Fees & Pools
- Collator Node Staking
- Multisig Transactions
- Polkadot Bridge
- Fuel Tanks

Phase 3

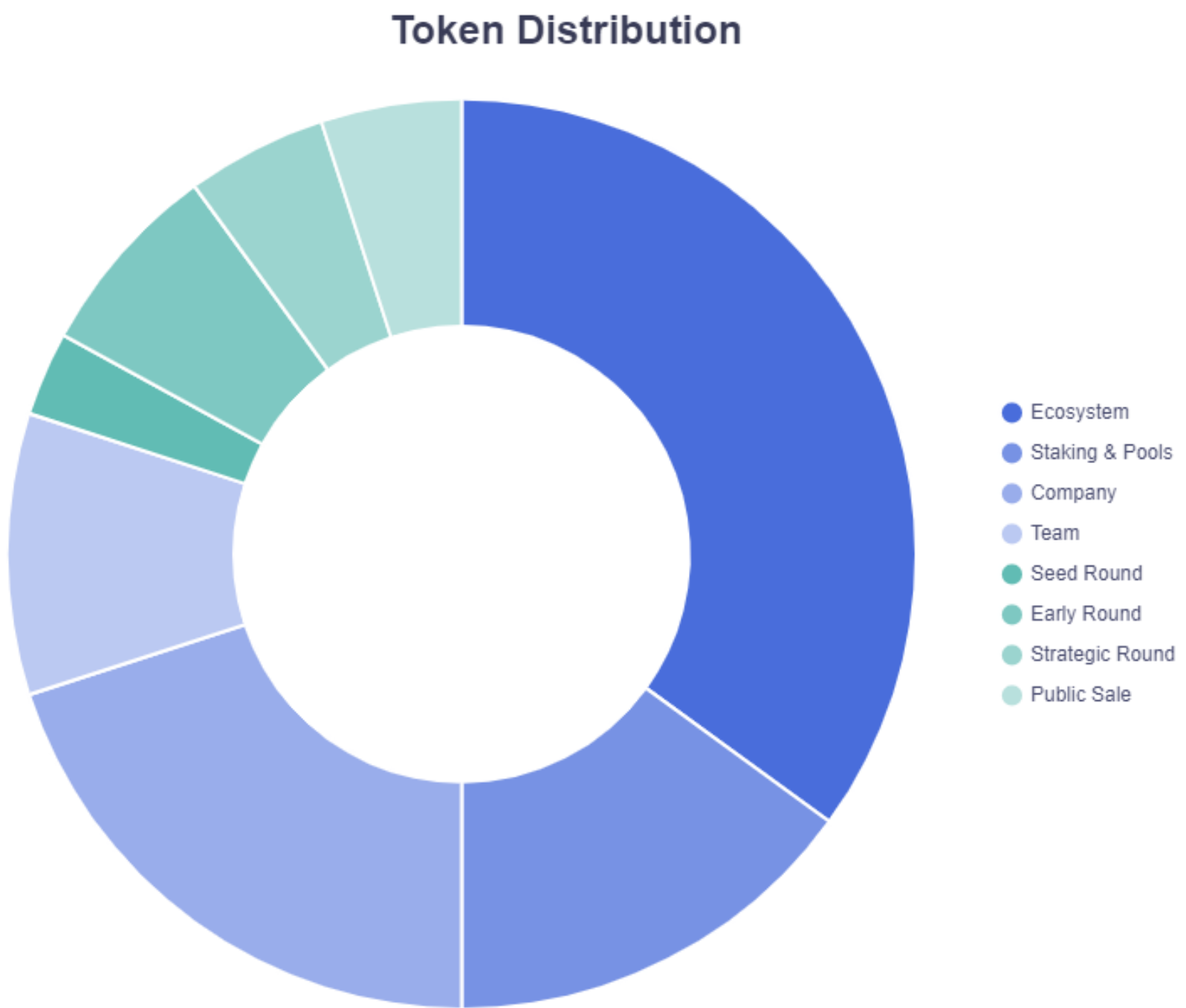
- On-chain Marketplace
- Crafting
- Governance
- Treasury Pool
- Smart Contracts

Distribution

EFI was offered to the public through a CoinList sale in June 2021. A private sale was held in February–May 2021 for strategic and institutional partners.

Total Supply

The total supply of EFI is 2,000,000,000 tokens.



Staking & Pools

15% of the total supply is reserved for nominator staking and pools. These tokens are provided as rewards for running the parachain during the first 8–10 years.

Public Sale

A Public Sale took place in June 2021 through CoinList.

Terms

5% of total supply (100M EFI)

Maximum USD \$500 limit per person

Price per token: USD \$0.20

Valued at USD \$400M fully diluted market cap

Public Raise Amount: USD \$20M

Private Sale

The Private Sale consisted of 300,000,000 EFI, divided into three rounds:

Seed Round

3% of total supply

60M EFI at USD \$0.05

Valued at USD \$100M fully diluted market cap

USD \$3M raise

Early Round

7% of total supply

140M EFI at USD \$0.06

Valued at USD \$120M fully diluted market cap

USD \$8.4M raise

Strategic Round

5% of total supply

100M EFI at USD \$0.075

Valued at USD \$150M fully diluted market cap

USD \$7.5M raise

Private Sale Raise: USD \$18.9M

Ecosystem

The Ecosystem Fund will be directed toward strategic growth and powering the Polkadot parachain. This fund will be used for key partnerships and growth opportunities.

Release Schedule

Private Sale

The private sale release schedule is as follows:

- **Month 3** (Aug 4, 2021): 10%
- **Month 6** (Nov 4, 2021): 15%
- **Month 9** (Feb 4, 2022): 15%
- **Month 12** (May 4, 2022): 15%
- **Month 15** (Aug 4, 2022): 15%
- **Month 18** (Nov 4, 2022): 15%
- **Month 21** (Feb 4, 2023): 15%

Public Sale

Linear vesting until 100% unlocked at the end of vesting period.

- **Total vesting period:** 9 months
- **Vesting begins:** August 4, 2021 (40 days after Public Sale closing date)

Company

Monthly vesting over 5 years with milestone accelerations.

Team

3 years vesting after 1 year cliff.

Ecosystem

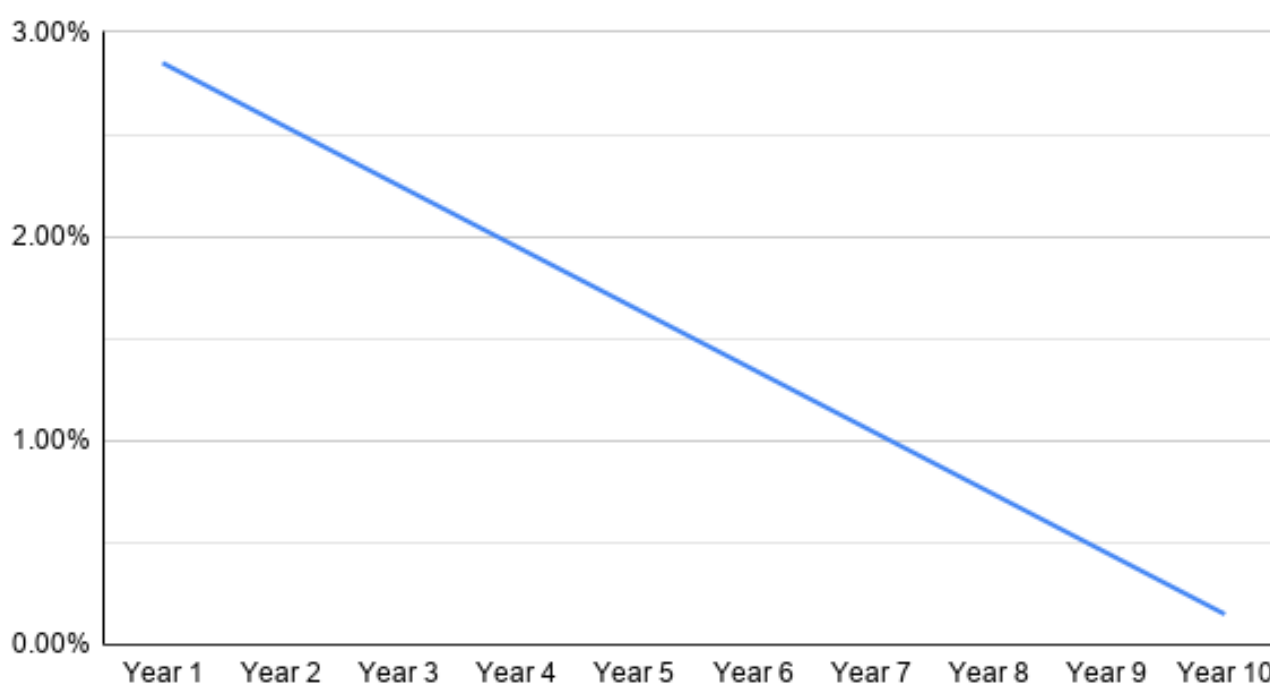
3% to the decentralized Treasury Pool on genesis.

The remainder is unlocked monthly to the Ecosystem fund over 3 years.

Staking & Pools

15% of the total EFI supply will be reserved for distribution to EFI pools as a **Block Reward**. The supply will be fully distributed after 8-10 years:

EFI released to pools annually

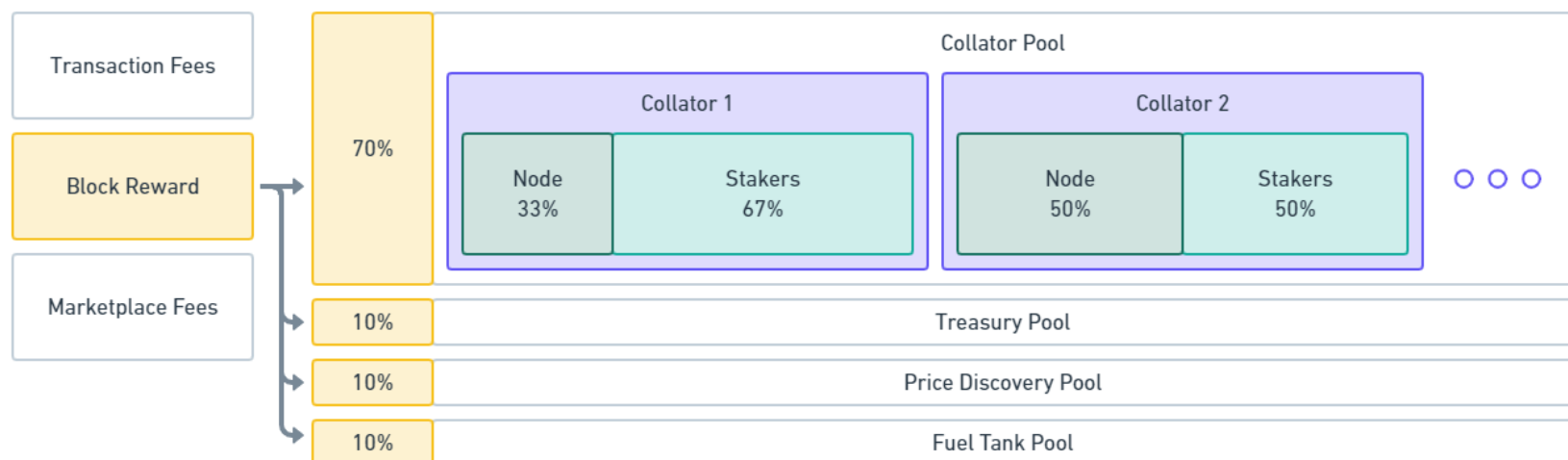


Approximate release amounts per year:

- **Year 1:** 2.85%
- **Year 2:** 2.55%
- **Year 3:** 2.25%
- **Year 4:** 1.95%
- **Year 5:** 1.65%
- **Year 6:** 1.35%
- **Year 7:** 1.05%
- **Year 8:** 0.75%
- **Year 9:** 0.45%
- **Year 10:** 0.15%

This will provide an incentive to early users and developers who create value during the initial adoption period. As revenue from Transaction Fees and Marketplace Fees increases, this will eventually surpass the block rewards.

Block rewards will be distributed among the four pools regularly, and the percentage allocated to each pool can be adjusted by the community through governance.



Utility

Transaction Fees

Efinity Token (EFI) is used for all transaction fee payments on the Efinity network.

Transaction fees are **priced** and **distributed** based on the type of transaction. Examples of some common transaction fee distributions:

Transfers & Bid/Ask Orders

- Collator Pool
- Community Pool
- Price Discovery Pool
- Fuel Tank Pool

Bridges

- Collator Pool
- Community Pool
- Fuel Tank Pool

Smart Contracts

- Collator Pool
- Community Pool

The fees for each transaction type are based on storage and processing requirements and may be adjusted through governance.

Governance

Participating in the governance process may provide users with an opportunity to earn a small rebate for their vote in EFI tokens to encourage community participation.

Marketplace Orders

An account placing bid orders will be required to stake, at minimum, the number of tokens required for their largest order. Bid orders can be placed on other items, and they will reuse the same staked tokens.

This staking mechanism allows other users to complete transactions initiated by existing Bid Orders and facilitates the development of third party apps for exchanges of NFTs and marketplaces.

Network Transaction Fees

Any filled orders will deduct a 2.5% fee that is distributed to the four pools:

- Collator Pool
- Community Pool
- Price Discovery Pool
- Fuel Tank Pool

Fees that would normally go to a centralized network operator will instead be claimed by the nodes and participants of Efinity.

By offering a robust collection of tools for creating decentralized marketplaces, and by supporting any blockchain and token standard, we believe that Efinity can capture a significant portion of NFT transaction volumes.

The marketplace network fee amount may be updated through on-chain governance.

Developer Fees

Developers who mint NFTs may set an optional fee for marketplace orders (2.5% is recommended). This can be set to a maximum fee of 25%.

An optional Transfer Fee also allows the developer to monetize direct trades and transfers. For example, this functionality enables a digital artist who mints artwork into NFTs to charge a Transfer Fee for subsequent transfers of these NFTs.

Accounts

Discrete accounts can be created on-chain by paying a transaction fee or staking EFI tokens. When tokens are staked to create an account, the initial cost is higher but all tokens will be usable for transaction fees by the account until the stake period ends.

Fuel Tanks

EFI tokens can be staked to a fuel tank for a fixed period of time. By staking, users have the opportunity to reduce fees for all transactions that the fuel tank processes during the staking time. Progressive savings up to 50% are achieved by larger amounts staked and a longer stake time.

Un-staking tokens before the end of the staking period will deduct any savings on transactions made during the stake period.

JumpNet

The Enjin JumpNet blockchain allows users to execute transactions for free. In order to offer this, JumpNet imposes a series of limits against each address on the network.

By holding EFI on JumpNet (referred to as "JEFI"), users will be able to increase their JumpNet transaction limits. For every 100 JEFI* a user holds on JumpNet, their limits will be doubled (up to designated limits).

EFI Pools

Collator Pool

The Collator Pool is distributed to active Collator Nodes. Each active collator is distributed an equal share of EFI every block.

Collator pool tokens are divided into a portion for the node and a portion for stakers. Collator nodes will need to spend approximately \$1000 per month on sufficient hardware and networking, and will need to adjust their EFI earnings to be sufficiently compensated for their operational costs.

Community Pool

The Community Pool allows the Efinity community to distribute EFI to projects that benefit the ecosystem.

Using the governance process, the community may propose and vote on grants that transfer EFI to the chosen project. Grants are vested using the Scheduler module and subsequent governance may also reverse a treasury grant.

The Community pool will start off with 2.5% of EFI tokens and will be replenished with 10% of the EFI transferred to pools by the network thereafter.

Price Discovery Pool

The price discovery process is designed to create unprecedented network effects for NFT transactions. Bid orders that facilitate price discovery of NFTs will receive EFI tokens from this pool (and fees related to the token) until the order is filled or beaten by a higher bid.

This creates an incentive for users to price every asset and initiate transactions on the network. As long as the top bid remains valid, the offering party will be compensated for this service.

This dynamic encourages people to discover the current base price for non-fungible tokens (that are otherwise very difficult to price), based on the Ask Orders and Bid Orders on the network. This price discovery functionality is expected to be further developed by third party apps and interfaces.

Fuel Tank Pool

The Fuel Tank pool provides a replenishing source of EFI that may only be used for paying transaction fees.

Fuel tanks will slowly increase their access to a share of this pool by performing non-smart-contract transactions over a period of time.

Since fuel tanks cannot be withdrawn from, the pool is solely used for subsidizing transaction fees for active projects.