

# GENESIS SHARDS

Pre IDO Liquidity Build on Defi NFT Swap

LITEPAPER v0.1

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02/07/2021

(Draft is subjected to management edits)

Strictly Private & Confidential

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## **Abstract:**

NFT's have more often been about collectibles; It's time to make them multi-dimensional.

The paper introduces Genesis Shards, a decentralized ecosystem powered by Polkadot redefining NFTs as DEFI options, creating a permissionless environment of interchain liquidity for pre-IDO tokens and more.

With the use of Gen Ticket NFT wrappers, Gen swaps, NFT shards, community governance, and a multi-functional NFT exchange, the Genesis Shards ecosystem creates opportunities for partner organizations and its participants to build any type of time-locked DeFi options. Making pre-IDO tokens tradeable via NFTs is a great application for this technology, however, Genesis Shards aims to open doors to a completely new innovative suite of DeFi products in the future through its core NFT swap architecture.

## **Background:**

### **Inconsistent Pre-IDO OTC trade practices:**

OTC trades of Pre-IDO tokens are often conducted by two parties in a volatile uncertain environment where the risk of default is very high. Escrows are sometimes used with a 3rd party intermediation to mitigate risk, but that comes with a cost and yet the risk of default remains undefined. Legal documents are expensive to draft and difficult to enforce. There is no trustless and permissionless system that allows for fair and easy trading of illiquid pre-IDO tokens.

### **Community's early access to projects is often priced out:**

Great Defi projects are built on strong community backing, however quite often it is seen that the community gets the last preference in project participation. Large houses secure early access to projects while the community often pays a big premium for their part.

### **Multiple challenges faced by Defi projects:**

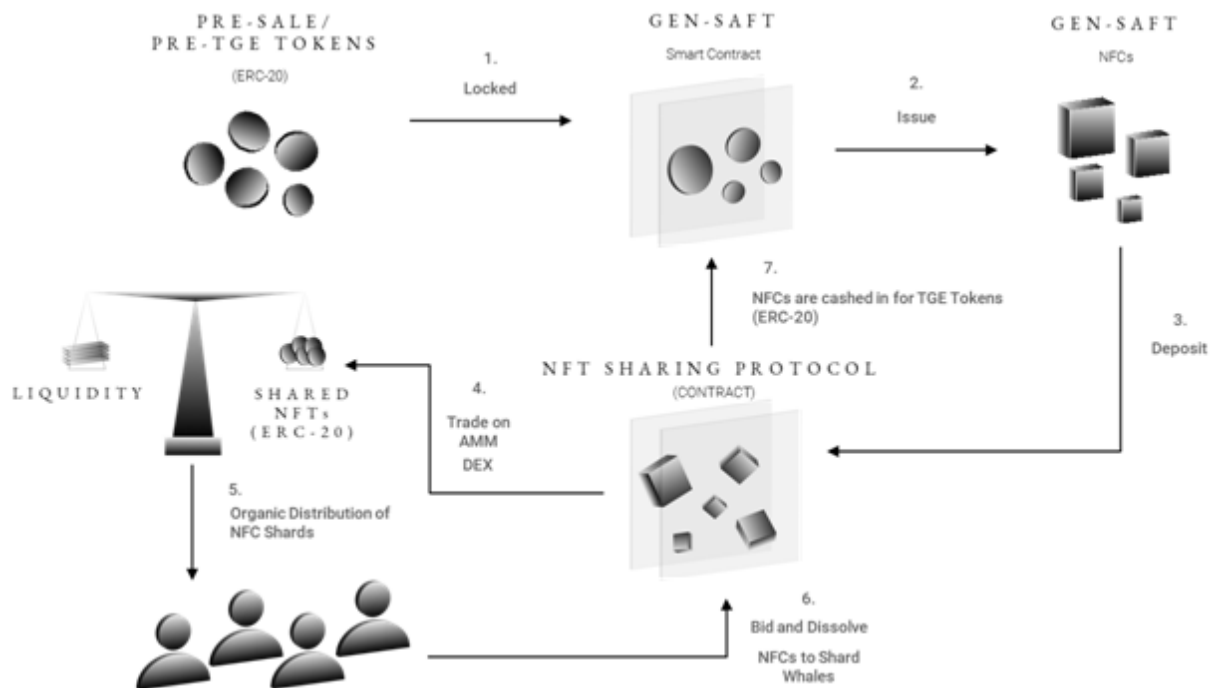
A Defi project meets several hurdles during its journey to maturity. Given the decentralized nature of business there are several aspects of exposure, community participation, price discovery, growth, partner networks, liquidity etc that needs to be brought together by the projects to scale and mature quickly. This often gets overwhelming in an industry that's growing at an exponential rate.

Genesis shards built on NFT swaps offer a one-stop environment for great projects to meet great partners and a secure NFT backed exchange interface for pre-IDO liquidity and community participation.

## Genesis Ecosystem

### Genesis Swap:

Genesis swap is a decentralized interchain swap architecture that allows swapping of NFT-wrapped baskets consisting of pre-IDO tokens, Defi indices, Genesis Access cards, Genesis tokens, Gen SAFT NFT contracts via an NFT contract engine.



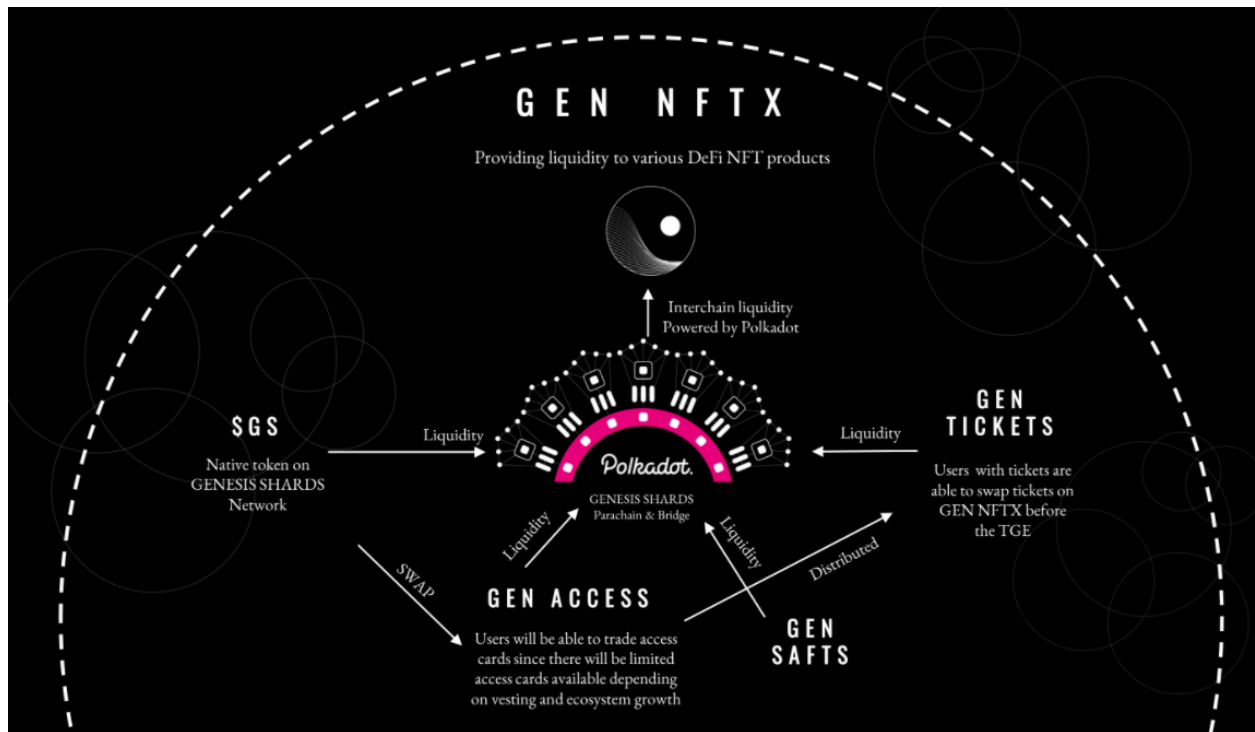
### *Swap illustration for Genesis SAFTs*

Pre-IDO tokens are wrapped into Gen SAFT (Tickets) NFT contracts and passed through NFT sharding protocol to be traded on the NFT AMM dex. The interchain swap engine enables Genesis ecosystem a shared access to pre-IDO liquidity based on Gen access rules while offering a secure user interface for OTC trades. Gen Tickets are redeemable for post-TGE (Token Generation Event) tokens once its vesting cliff period is over. The vesting period, ticket size, and cliff period are all pre-configured into the Gen Ticket smart contracts. Therefore, Gen Tickets allow for reliable price discovery of tokens with their vesting schedules priced into the equation.

### GEN NFTX

Genesis NFTX is a multifunctional fully decentralized exchange providing interchain liquidity on various NFT products and Defi option baskets. The exchange interacts with Genesis swap contracts to facilitate token and NFT exchanges by leveraging the proprietary Genesis interchain swap engine.





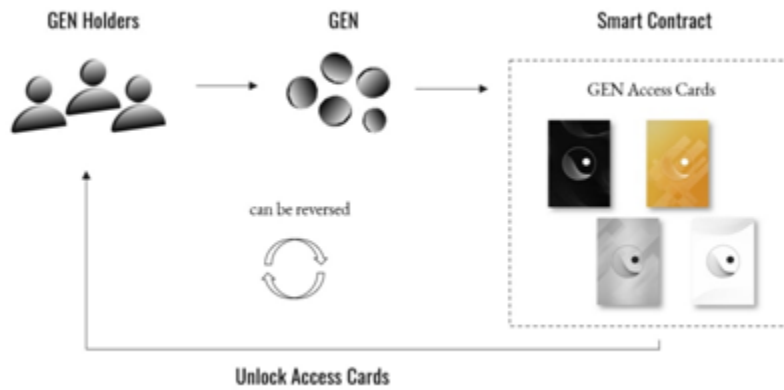
*Illustration of Genesis interchain liquidity exchange*

Genesis NFTX powered by Polkadot features interchain liquidity pools pegged to their respective market values using Genesis automated market making engine. The exchange provides liquidity to NFT baskets consisting of pre-IDO tokens, Genesis Access cards, Genesis tokens, etc.

## **GEN ACCESS**

Genesis access cards are entry passes to the Genesis ecosystem with different NFT cards granting different access rights ranging from Gen ticket size to governance influence as per Gen rule engine.

Gen Access cards locked up in the NFT smart contracts are unlocked through Gen tokens by \$Gen holders and can be reversed back into the contract engine at any point in time.

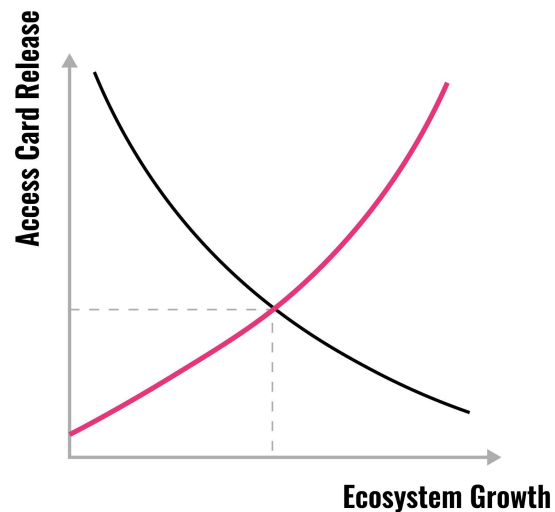


*Illustration of Genesis Access cards*

These access cards are restricted in number at different stages of ecosystem maturity, where new access NFT's are released based on the rate of ecosystem growth and circulating supply

New access card release =  $f(\text{circulating supply} * \text{Ecosystem growth})$

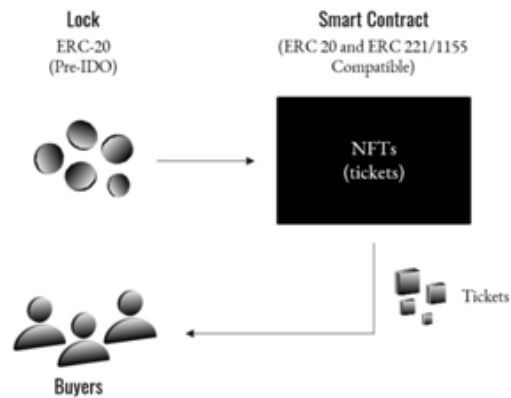
The release schedule of these Genesis Access NFTs are deflationary leading to an increase in demand with ecosystem growth



*Illustration of Genesis ecosystem growth vs Access card release schedule*

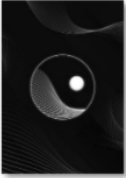



## GEN TICKETS

Gen NFT ticket contracts represent a varying amount of Pre-IDO tokens which can be traded on NFTX or later be swapped for IDO tokens at the time of token generation events. Each project that issues tickets on Genesis Shards has a unique NFT code associated with it.



*Illustration of Genesis tickets contract*

Members holding Genesis access cards get access to a specific number of Gen tickets depending on the access tier they are in with maximum tokens/ticket being reserved for black tier and the least for white.

ACCESS TIER				
TOKEN/TICKET	100	50	10	1
TICKET/GROUP	X 25	X 20	X 25	X 30

*Illustration of Genesis tickets per Access tier*

### **Genesis Shuttle:**

Genesis shuttle offers a launch pad environment to its Gen partners offering global exposure, community engagement, price discovery, growth, partner networks, liquidity, together a great incubation space for them to scale quickly in the exponentially growing Defi environment.

It also sets new standards of accountability for its partner projects creating a scalable model of vetted exposure for the community.

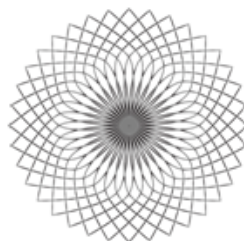


*Illustration of Genesis shuttle*

### **Genesis Governance:**

Genesis shard is a dynamic and evolving ecosystem that leverages the collective intelligence of its community to adapt to changing circumstances. Over time the network is expected to evolve based on new proposals placed and a structured process of decentralized voting on them by the stakeholders in the network.

The voting rights would depend on the access privileges of a member and each proposal would require a specific weight to pass through.



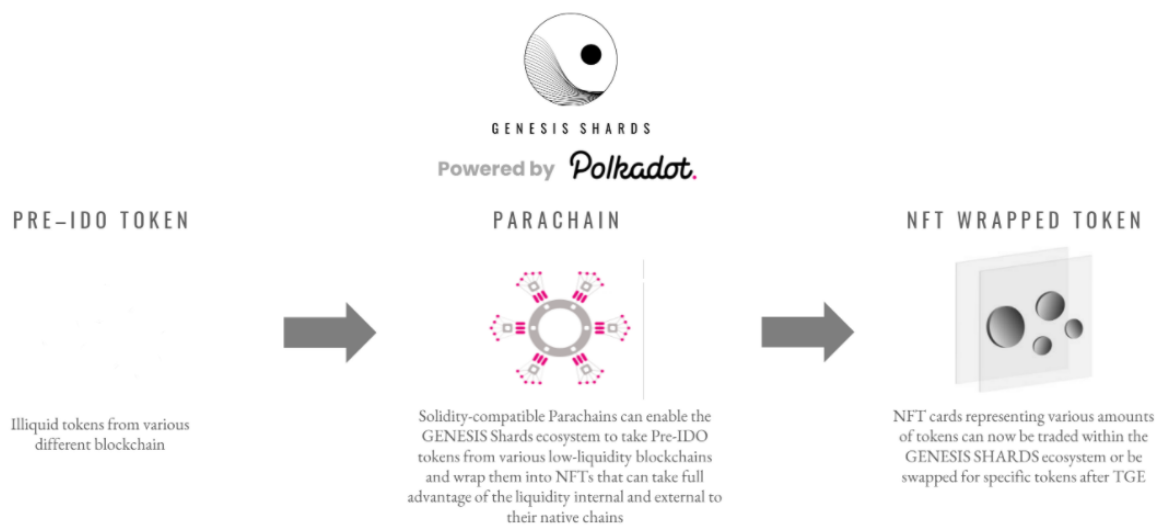
*Illustration of Genesis Governance*

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## Built on Polkadot and Moonbeam

Polkadot's layer 0 solution is an evolutionary paradigm in the field of blockchain interoperability that enables cross-blockchain transfers of any data and asset, not just tokens. Built by Gavin Wood, co-founder of Ethereum it aims to be the foundation of Web 3.0.

Genesis Shards is a Defi NFT swap architecture that intends to provide pre-IDO liquidity to tokens of multiple blockchains. While the platform has its own liquidity engine and ecosystem components, it sees a big value partnership with existing Polkadot cross chain architecture for its inter chain communication and aims to build relays on Moonbeam, an Ethereum-compatible smart contract parachain on Polkadot, for ERC-1155 tokens.



### *Illustration of Genesis - built on Polkadot and Moonbeam*

The value that Genesis Shards derive from building on Polkadot and Moonbeam:

**Cross chain liquidity:** The solidity compatible Polkadot parachains can enable Genesis Shards ecosystem to take pre-IDO tokens from various low liquidity blockchains, wrap them into Gen NFTs and be traded on Genesis enabled liquidity pools. This also allows the projects to take full advantage of the liquidity internal and external to their native chains.

**Transactional Scalability:** Polkadot's design architecture that's inherently scalable can support faster transactions on Genesis NFTX and help reduce gas fees significantly. Using a hybrid approach where applications live on both Ethereum and Moonbeam, Genesis moves portions of existing workload and state-off Ethereum Layer-1, allowing users to avoid high ethereum transaction fees.

**Decentralized Governance and Security:** Polkadot's NPoS consensus in addition to providing security, promotes decentralization. Any modifications to the network are enacted autonomously by the community. A similar decentralized community centric governance forms the core of Genesis Shards values and prevents the network from getting centralized.

### **Genesis Token**

The native \$Gen token is a transferable ERC 20 issued on the Ethereum mainnet and acts as the own native utility token of Genesis ecosystem with a total fixed supply of 208,969,354 tokens. The token gets used for Genesis Access, on Genesis NFTX and plays a significant role in Genesis network governance.

The various roles of Gen token in Genesis ecosystem:

#### **Gen Access:**

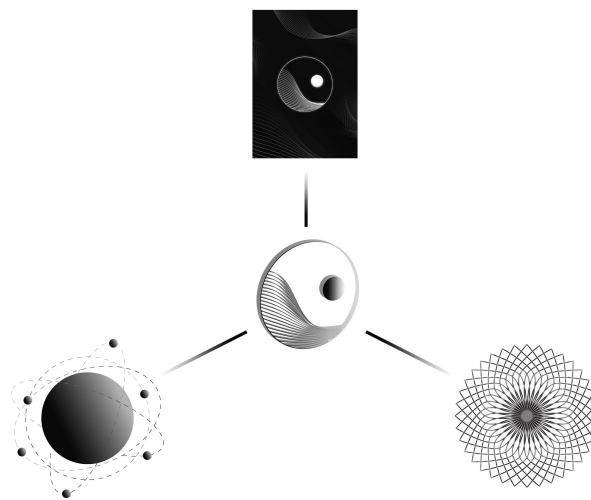
Gen Tokens are required to be swapped for Genesis Access NFTs to be a part of the Genesis network. Based on the amount of tokens held access tiers are decided enabling different access rights to its users.

#### **Gen NFTX:**

Gen token is the native token on the NFTX platform allowing users to benefit from reduction in Swap fees for tickets, access cards or gen smart contract SAFTs.

#### **Gen Governance:**

Gen tokens would provide governance rights to its members where they can vote on different decisions on various parameters of the project. The number of tokens held would be a representation of voting power within the network.



*Illustration of the usage of \$Gen tokens in Genesis ecosystem*

## Tokenomics:

Gen token allocation is as follows:

SUMMARY	
Token Name	\$GS
Total Supply	208,969,354
Total token sale	17% of Total supply
Hard cap	\$2,850,000
Seed sale	\$350,000
Strategic sale	\$950,000
Private sale	\$1,300,000
Public sale	\$250,000
Initial circulating supply	8,902,094
Launch price	0.12
Initial market cap	1,068,251
Total Diluted Market cap	25,076,322

ROUND DETAILS			
	TOKENS SOLD	PRICE	LOCK - UP
SEED SALE \$350,000	7,000,000	0.05	10% - monthly No tokens @ TGE
STRATEGIC SALE \$950,000	12,666,666	0.075	15% - monthly Skip month 3
PRIVATE SALE \$1,300,000	13,684,210	0.095	20% monthly Skip month 2
PUBLIC SALE \$250,000	2,173,913	0.12	100% @TGE

## VESTING PERIODS

### COMMUNITY

Specific to round

### TEAM

3 Month Lock  
5% per month (First 5 months)  
7.5% per month (After 5 months)

### ADVISORS

2 Month Lock  
5% per month (First 5 months)  
7.5% per month (After 5 months)

### EXCHANGES & MARKET MAKING

Unlocked at TGE

### TREASURY

1 Month Lock  
20% per quarter (Month 3)

### ECOSYSTEM & REWARDS

5% per month (1-5 months)  
25% per quarter (After 5 months)

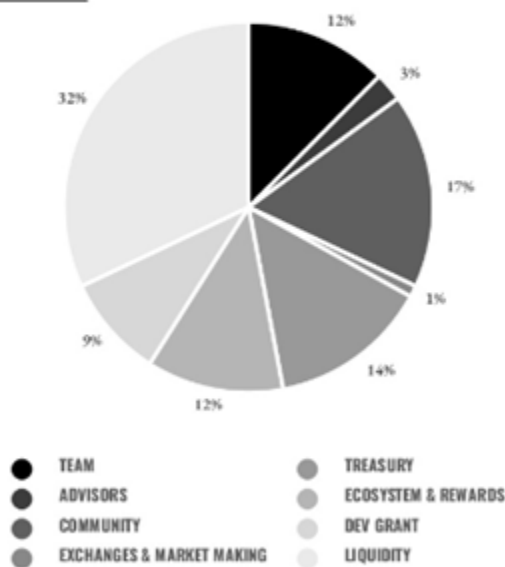
### DEV GRANT

1 Month Lock  
6.25% per month

### LIQUIDITY

1 Month Lock  
8.33% per month

## TOKEN ALLOCATION



## USE OF SALE PROCEEDS





## **RISKS**

You acknowledge and agree that there are numerous risks associated with purchasing \$Gen tokens, holding \$Gen, and using \$Gen for participation in the Genesis Shards platform. In the worst scenario, this could lead to the loss of all or part of the \$Gen tokens which had been purchased. IF YOU DECIDE TO PURCHASE \$GEN, YOU EXPRESSLY ACKNOWLEDGE, ACCEPT AND ASSUME THE FOLLOWING RISKS:

### **1. Uncertain Regulations and Enforcement Actions**

The regulatory status of \$Gen tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. The regulation of virtual currencies has become a primary target of regulation in all major countries in the world. It is impossible to predict how, when or whether regulatory agencies may apply existing regulations or create new regulations with respect to such technology and its applications, including \$Gen and/or the Genesis Shards platform. Regulatory actions could negatively impact \$Gen and/or the Genesis Shards platform in various ways. The Foundation, the Distributor (or their respective affiliates) may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. After consulting with a wide range of legal advisors and continuous analysis of the development and legal structure of virtual currencies, a cautious approach will be applied towards the sale of \$Gen tokens. Therefore, for the token sale, the sale strategy may be constantly adjusted in order to avoid relevant legal risks as much as possible.

### **2. Inadequate disclosure of information**

As at the date hereof, the Genesis Shards platform is still under development and its design concepts, consensus mechanisms, algorithms, codes, and other technical details and parameters may be constantly and frequently updated and changed. Although this litepaper contains the most current information relating to the Genesis Shards platform, it is not absolutely complete and may still be adjusted and updated by the Genesis Shards team from time to time. The Genesis Shards team has no ability and obligation to keep holders of \$Gen informed of every detail (including development progress and expected milestones) regarding the project to develop the Genesis Shards platform, hence insufficient information disclosure is inevitable and reasonable.

### **3. Competitors**

Various types of decentralised applications and networks are emerging at a rapid rate, and the industry is increasingly competitive. It is possible that alternative networks could be established that utilise the same or similar code and protocol underlying \$Gen and/or the Genesis Shards platform and attempt to re-create similar facilities. The Genesis Shards platform may be required to compete with these alternative networks, which could negatively impact \$Gen and/or the Genesis Shards platform.

4. Loss of Talent

The development of the Genesis Shards platform greatly depends on the continued cooperation of the existing technical team and expert consultants, who are highly knowledgeable and experienced in their respective sectors. The loss of any member may adversely affect the Genesis Shards platform or its future development. Further, stability and cohesion within the team is critical to the overall development of the Genesis Shards platform. There is the possibility that conflict within the team and/or departure of core personnel may occur, resulting in negative influence on the project in the future.

5. Failure to develop

There is the risk that the development of the Genesis Shards platform will not be executed or implemented as planned, for a variety of reasons, including without limitation the event of a decline in the prices of any digital asset, virtual currency or \$Gen, unforeseen technical difficulties, and shortage of development funds for activities.

6. Security weaknesses

Hackers or other malicious groups or organisations may attempt to interfere with \$Gen and/or the Genesis Shards platform in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, there is a risk that a third party or a member of the Foundation, the Distributor or their respective affiliates may intentionally or unintentionally introduce weaknesses into the core infrastructure of \$Gen and/or the Genesis Shards platform, which could negatively affect \$Gen and/or the Genesis Shards platform. Further, the future of cryptography and security innovations are highly unpredictable and advances in cryptography, or technical advances (including without limitation development of quantum computing), could present unknown risks to \$Gen and/or the Genesis Shards platform by rendering ineffective the cryptographic consensus mechanism that underpins that blockchain protocol.

7. Other risks

In addition, the potential risks briefly mentioned above are not exhaustive and there are other risks (as more particularly set out in the Terms and Conditions) associated with your purchase, holding and use of \$Gen, including those that the Company or the Distributor cannot anticipate. Such risks may further materialise as unanticipated variations or combinations of the aforementioned risks. You should conduct full due diligence on the Foundation, the Distributor, their respective affiliates, and the Genesis Shards team, as well as understand the overall framework, mission and vision for the Genesis Shards platform prior to purchasing \$Gen tokens.