ENVELOP

DAO ENVELOP

Full report #00

15 October 2021

ENVELOP

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General information on DAO

Introduction

DAO ENVELOP (NIFTSY) was established in 2020. In 2021, it was rebranded and the name ENVELOP was assigned to DAO itself and NIFTSY to the token and its ticker.

DAO consists of four correlated elements: Protocol, Oracle, Index and Token. The Protocol provides, through cross- & on-chain mechanics, any level of wNFTs (wrapped NFTs). Oracle provides a set of scoring and anti-fraud solutions based on the analysis of static and dynamic values by wNFT. The index, on the other hand, tokenizes with wNFT any niche, industry, market.

Below is the DAO report for the period from 15 May 2021, when the first funds were raised, till 15 October 2021, when the first planned DAO report took place.

Objectives of the report

The purpose of this report is to reveal to the community the implementation of the principles of openness, anonymity, decentralisation in DAO ENVELOP as well as the utilitarian application of the NIFTSY token. In doing so, the report can be used to get full information about what happened (past) as well as what is happening (present) and will happen (future) with DAO ENVELOP in the near future.

Disclaimers

The NIFTSY token is purely utilitarian and so you can see that we describe as many of the cases as possible where it has been used and implemented, as well as plans for future implementations. At the same time, nothing in this report is financial and/or other similar information, as it is understood in the classic world of financial reporting: rather, it is a summary of the work done for DAO participants and external observers.

Finally, you should be aware that we work exclusively on open source solutions. Therefore, we cannot restrict access to them other than by direct vote of the DAO participants. Hence - a number of actions from legal, organizational and most importantly - technical point of view can be made only after the fact: when certain events occur, significant facts are discovered and/or some time coordinates are reached.

You should also always keep in mind the main DAO disclaimers: docs.envelop.is/key-documents/white-paper/disclaimers, because without their acceptance you will not be able to participate in the DAO, nor will you be able to receive full information from the DAO.

SuperDAO report

From the perspective of the DAO product architecture, ENVELOP is a super-DAO which includes several micro-DAOs: Protocol, Oracle, Index, and all micro-DAOs in the implementation of cases. The following will describe the achievements for each of the elements shown in the diagram:
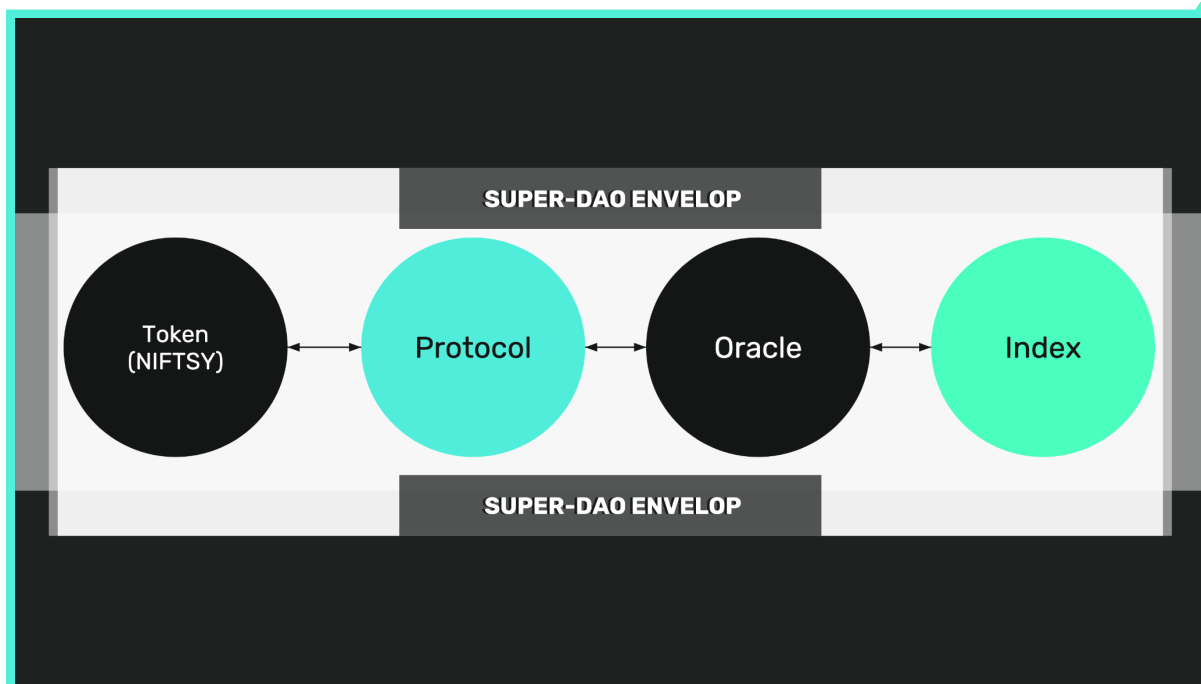
Protocol

By 15.10.2021, the Protocol has been implemented in the following networks: Ethereum, BSC, Polygon. Data on smart contracts can be found at: https://docs.envelop.is/tech/smart-contracts/deployment-addresses.
In addition, the Protocol is implemented in the following cases:

- https://nftstars.app/ - a dedicated marketplace;
- https://capscoin.io/ - gaming platform;
- https://lympo.io/lmt/ - minting platform;
- https://oortdigital.com/ - gameFi & meta-universes;
- https://ttk.gg/ - gaming platform;
- https://blocsport.one/ - tokenization of sports;
- https://purefi.io/ - defi;
- https://picipo.io/ - specialised marketplace;
- https://artwallet.co/ - NFT wallet;
- https://scaleswap.io/ - lunchpad.

It is important to note that the Protocol is used as stand alone (without the obligatory application of the Token), but also in combination with other elements of superDAO. If you want to participate in the implementation of the Protocol in these projects via Token - write to us in the official groups: https://t.me/envelop_rus & https://t.me/envelop_en.

Oracle

Oracle is currently under development, but we have already done a lot for its coming birth in 2021:
Created a catalogue of NFT projects, through which we developed a classification of non-interchangeable tokens;
Described the main elements of the architecture of this part of superDAO (see the selection from the blog below);

Conducted Oracle market research for the year 2021: planned publication date 15.11.2021.

Index

Firstly, we have done a full market study of the Index from 1900 to 2021: the planned publication date is 30.11.2021. Secondly, we have described the key elements of the Index architecture (see the selection from the blog below).

Token

The token is the main linking element of superDAO:
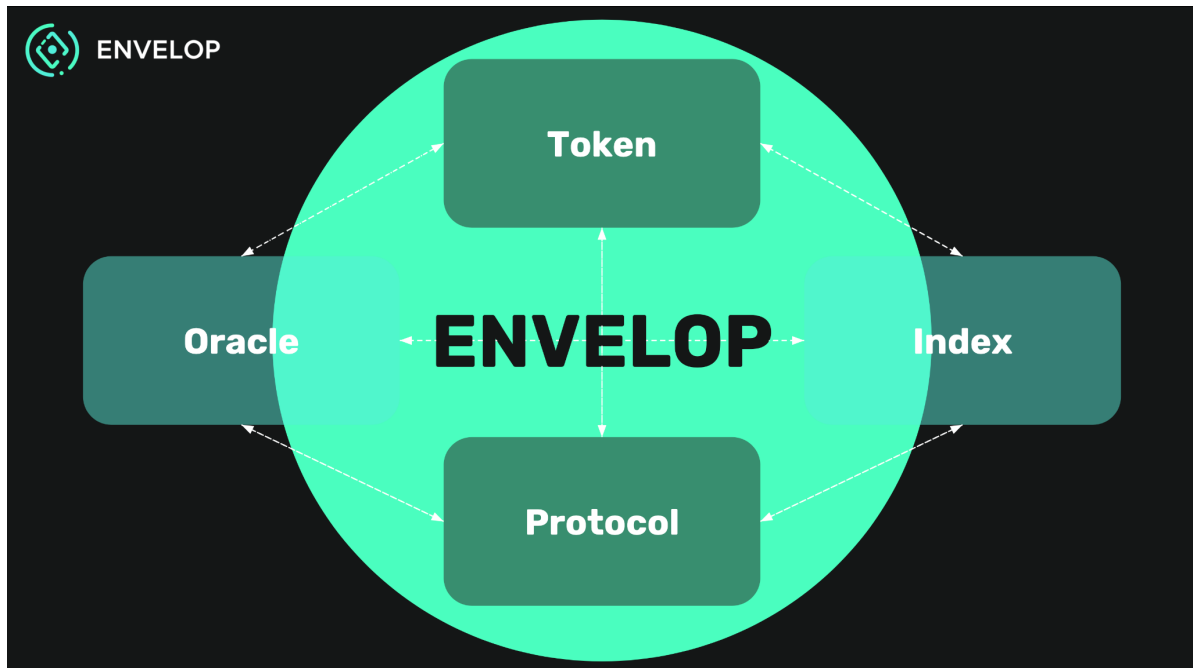
The total issue of NIFTSY is **500,000,000** tokens. It is worth keeping in mind that this number is not shared across different (DRS: decentralised and/or distributed networks like blockchains or DAGs), meaning that once we issue 500M tokens in Ethereum we will not issue as many tokens in BSC, Polygon, Solana, WAX, Flow or elsewhere.

The order of issuance in any DRS other than Ethereum is as follows:
1. If we want to issue 1,000,000 NIFTSY on BSC, for example, we send an equivalent number of tokens (1M) to the Ecosystem Fund in Ethereum and thereby freeze them.
2. Then we unfreeze 1,000,000 from the total possible issue on BSC (it is also 500M) and release them to the market.
3. Thus, the total circulation maximum in Ethereum can reach NIFTSY 499,000,000 and in BSC 1,000,000.

If we want to further emit the desired number of NIFTSY tokens in Polygon (Matic), let's say, then we will again send the tokens in Ethereum to freeze, let's say for 1M. Then there will be 498M NIFTSY in Ethereum, 1M in BSC and 1M in Polygon.

Freezing in this case can be done within each of the participating DRSs - not necessarily in Ethereum.

Why did we choose this approach? First, because the main function of the token is collateral: with any other approach, the value of the collateral could be devalued by

inflation within the new DRS (issuing all 500M would simply dilute the value). Secondly, our cross-chain mechanics work along the same lines, so it made sense to apply it to our first case.

Next, we will disclose Token circulation and its utilitarian application for today - as of 15.10.21[1].

NIFTSY Circulation

	Ethereum	BSC	Polygon
Max emission	500 000 000	500 000 000	500 000 000
Max circulation in all DDS[2] total	**500 000 000**		
Min circulation	0	0	0
Circulation during the IDO period[3]	52 500 000	до 10 000 000	до 10 000 000
Circulation 2 months after IDO	109 000 000	до 50 000 000	до 50 000 000

As of IDO day, the tokens are distributed as follows:
1. ETH-net:
    a. 9,000,000 seed-contributors;
    b. 13,500,000 contributors of rounds "A" and "B";
    c. 2,666,667 Gate.io;
    d. 1,666,667 ZB;
    e. 833,333 AEX;
    f. 333,444 liquidity pools;
2. Polygon:
    a. 4,710,309 ScaleSwap (from bridge);
3. BSC:
    a. 750 000 for wNFT & preIDO.

The issuance of NIFTSY is based on simple criteria:

First, the smart token contract was audited: 14.07.2021 - https://www.certik.org/projects/niftsy.

Then a general deploat (launch) of the token smart contract on the Ethereum core network (mainnet) was done : 16.07.2021 - https://etherscan.io/token/0x7728cd70b3dD86210e2bd321437F448231B81733: for 500,000,000 tokens.

Thereafter, 130,679,234 were frozen, based on the acquisitions of the initial rounds (see below).

The distribution of NIFTSY by round is as follows:

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[1] The date of publication may differ from the date of the report.
[2] Decentralised and/or distributed systems.
[3] Subject to change at the discretion of the DAO.

Description	Percentage of the total supply	-Vesting (months from IDO)
Team	10%	2, 4, 7, 10, 13, 16
Advisers	2%	2, 4, 7, 10, 13, 16
F&F	4%	2, 4, 7, 10, 13, 16
Seed	18%	0, 2, 4, 7, 10, 13, 16
Private "A"	20%	0, 2, 4, 7, 10, 13, 16
Private "B"	7%	0, 2, 4, 7, 10, 13, 16
Public (IDO)	1%	No vesting
Partnerships	5%	4, 7, 10, 16
Marketing	2.5%	2, 4, 7, 10, 13, 16, 19, 21, 24
Bounty	1.5%	2, 4, 7, 10, 13, 16, 19, 21, 24
Pools (max)	10%	0, 2
Ecosystem DAO (max)	18%	4, 7, 10, 13, 16
Reserve	1%	2

Next, let's look at all the token distribution articles in order.

All of our editors are not just faces on the website, but have been active participants in DAO since the first seconds of its creation. In particular, through them we carried out the initial distribution of tokens, found the first cases, etc.

To date, our enablers are:

1. Innmind, a team from Switzerland and Spain, which has been involved in fundraising for several years. The representatives are Nelly Orlova and Pavel Dibin.
2. Menaskop - a crypto-enthusiast, it-entrepreneur, working in the crypto-sphere since 2011, author of several books on Web 3.0, tokenization and other topics.
- iBer Group is a company that has been developing and auditing smart contracts since 2014. Representatives are Maxim Sizykh (CTO ENVELOP) and Alexander Agadzhanov (QA, product manager DAO ENVELOP).
- Nooor is a blockchain association with several dozen working blockchain projects. The representative is Vigen Arashunyan (Armenia).
- Evgeny Romanenko (aka cryptoMC) is a well-known YT-blogger, economist and enthusiast. Author of the book on tokenization in Web 3.0.
- Uvecon.VC (Hong Kong) - venture studio and consulting company focused on tech startup development in Hong Kong and SEA and investor relations. The representative is Ivan Ivanov, Director.

It is also worth noting that DAO ENVELOP has set a strict limit on the number of advisers at the pre-IDO stage. The total share[4] for advisers is: **10,000,000 NIFTSY (2%)**.

The team has been allocated 10% as the initial stage of development is entirely dependent on the funders. The total share of the team is: **50,000,000 NIFTSY (10%)**.

As for the F&F (friends and family) round, the initial costs of developing smart contracts and dApp (decentralised application), server rentals, market analysis including castdev, etc. were on them, so DAO ENVELOP decided to allocate 4% tokens with gradual release from month 2 to 16 inclusively in a separate round. The F&F share is: **20,000,000 NIFTSY (4%)**.

Seed round has included the following participants[5] in the DAO ENVELOP:

- 0xfBa68B7D4F94Df4870b1e66dfC1299061eEdd98B
- 0xD4F5e81C6d2f3154e1C2fbfd2444241F5133fa35
- 0x6d2d6226e404449dc93CAB76c4b2734c3e7F302B
- 0xD70e42A2AbD1b7dA6B838f987eB4e14597e0AaB4
- 0xbFC94A95d4448C802E848C68fdD2FC0fEE4a876E
- 0x79f24BeAf0e90d5c4e2ad529A1FeE62783D9C5BA
- 0x235769337138FbD5D3B2fCf42196Cf39A85D1Db6
- 0xcE0D229d6dD09C2C92947294884CB9596bf42735

Total - 8 participants (not counting re-entries). Total maximum number of tokens: **90,000,000 NIFTSY (18%)**. As of today, distributed out of them (with the indicated block stages): 86,234,789. The balance of the Seed round is: 3,765,211 NIFTSY.

Round "A" in turn gave us the following contestants:

- 0x0AF047741FD3324F8115645e292Ac321e4cc9D19
- 0x1DD7363B9135eDF2cA948f1a1Cb731042C512c95
- 0x09c036979139458862775aBc1CA44BCc1b80c8a8
- 0x8888888888E9997E64793849389a8Faf5E8e547C
- 0x4bAC0d3f161BB9A16E484D9e18F7d296F0db551f
- 0x17ec047622C000Df03599026A3B39871EC9384DB
- 0x93774B153f8514D26f22Af5059015E645fd12640
- 0x4a5BB1c9347A0d4F7e06a29239162f03647d9232
- 0x92BFaA1C1418B145b9f6F2326cF4751d956d9Ae6

Total, including re-entries, is **14 participants** (excluding re-entries). Total maximum number of A-round tokens: **100,000,000 NIFTSY (20%)**. To date, 97,916,668 of them have been distributed (with the indicated blocking stages). The balance of round "A" is: 2,083,332 NIFTSY.

Round "B" gave DAO ENVELOP the following participants:

- 0x4a5BB1c9347A0d4F7e06a29239162f03647d9232
- 0x0998eac7cfB3936ed1452b858715DadB83aac59b
- 0x61Bf3334fB3a64D1da537eDa1aA535fa50503F0A
- 0xa47d50314131c9f71B8D76155cb1b05C14F6746D

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[4] Hereinafter, unless otherwise expressly stated, the total maximum share of the total issue after all unlocks is meant.

[5] It should be understood that the same participant is allowed to enter different rounds based on their own project support strategy, so we do not specify the wallets of existing DAO participants when re-entering.

Total maximum number of tokens of round "B": **35,000,000 NIFTSY (7%**). To date distributed of these (with the indicated blocking stages): 16,833,334. The balance of round "B" is: **18,166,666 NIFTSY**.

A separate preIDO round was allocated, which consisted of two stages: a) offers from the market; b) offers on the <u>White List</u>, which was closed on <u>10.10.2021</u>. The number of participants and their accounts will be announced **in the next report** – after agreement with DAO ENVELOP. The total number of tokens for this, ad hoc, preIDO round was: **4,840,810 NIFTSY**. This part was highlighted from the Marketing & Bounty article, as it is the one that involves the development of the DAO ENVELOP ecosystem.

To date, the following contributors have been approved:

- 0x228F16fe9D31e486f8D071cf103C55dE389eD5a2
- 0x30C4eCe8cca3f4E0aE552C66A655d67a3344C181
- 0xeeAACd6E21E296A1Aa739Fd2B1eddC77F764D7Cd
- 0x50b9d114b93280086f010e4fb732e5956800120b
- 0xf85ceccfe2112e88be58162c43f5ec959672ab54
- 0x3966546BE95559bebc2bAE5eE6eb5FDd5bD175F3
- 0x05717559F79C1446344590ECA181166d94b539aF
- 0xDDbbbad873C8f98ed071081515a8eA7Ac5E1c214
- 0x56E081C780a8C9cFec4B27e3FeDd099Fa8AcCAA1
- 0x1379b79CDb0157E72e798221b6b8A0ee1a608166
- 0xfb52458c3efba0326794c7370eb055c935abfec9
- 0xae5B57764E6f3A75fa8B39b6861b2263e47A450D
- 0x7a6CbD7A4562021FBdc0aC328c6C572Fd703087a
- 0x87b675e9219a3b870df51449268b8c8c2241bf0c
- 0xF3eeD51e11AEE5D8c161e97DcbbF17030803F8c1
- 0x93a332B534B368bDbD6C1D2Ef8C5ccCc7Dd9114b
- 0x8796a5Df0fab45a7726CB8cD8dDF3D0122185dF9
- 0x2DA4bc64b83dCCF302D12743F3580cc72Ed05126
- 0x67f393E6736904487fAe5A197aDCc904c21e07Bf
- 0xC1F50b998D64a3A7C22890B81dc4a9F32B34a185
- 0xdb01F2e7d8F0d84771c187C85569363EDb704668
- 0xf1011216260E5A23f21CbdfF7aE800f1668d049A

Circulation on IDO

Thus, by IDO, the circulation of NIFTSY (in max section) would be:

- Seed round: only 10%, or 1.8% of the total issuance, will be available out of 18% of the total issuance;
- Round "A": out of 20%, also 10% or 2% will be available;
- Round "B": out of 7.00% will be available 10%, or 0.7% at the time of the iDO;
- IDO: of 1% of the total issue, all 100% will go public immediately, but it is still 1%;
- Liquidity pools include 10% of the total issue and up to 50%, i.e. up to 5% of the total issue, will be unlocked at the IDO. But these funds will go to DeFi/DEX platforms to create trading pairs, so are not themselves a separate circulation item.

The general pattern of circulation of tokens from different rounds by the time NIFTSY is initially placed is as follows:


| Seed | Round A | Round B | IDO |
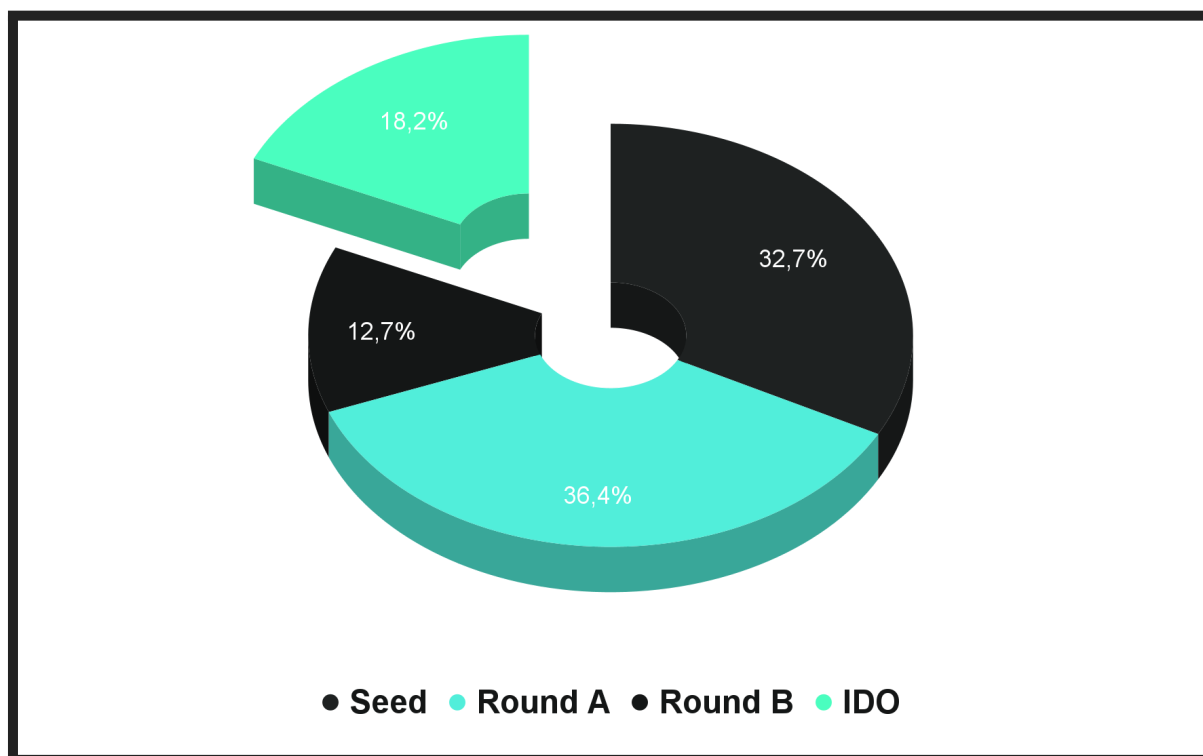
At the time of the IDO, 52,500,000 NIFTSY would thus be available, representing 10.50% of the total issue.

Estimated circulation 2 months after IDO

Could look (as a maximum approximation) as follows:
- Seed round: out of 18% another 10% will become available, i.e. also 1.8% of the total issue, as at IDO.
- Round "A": 10% of the 20% are available again, which is 2% of the total issue.
- Round "B": another 10% will be unlocked from the 7%, which amounts to 0.7% plus of the total issue.
- Liquidity pool: is 10% and another 50% can be unblocked, i.e. 5% of the total issue.
- F&F: their unlocking begins at the same period. This portion of the tokens is: 4% of the total issue and only 5% of them can be unlocked, i.e. 0.2% of the total issue.
- Team: out of 10% of the total issue only 5% can be unlocked for the given period, which is 0.5% of the total issue.
- Editors: at 2% of the total issue they receive 5% of the possible unfreezing, i.e. 0.1% of the total issue at the peak.
- Reserve Fund: is 1.00% of the total issue and will be 100% available after reaching the stage in question.
- The first unblocking stage (IDO) thus covers 10.50% of the total issue.

The scheme of possible circulation by stage and section of token allocation in max approximation could be as follows (taking into account tokens unlocked at IDO (1st part of unlocking)):
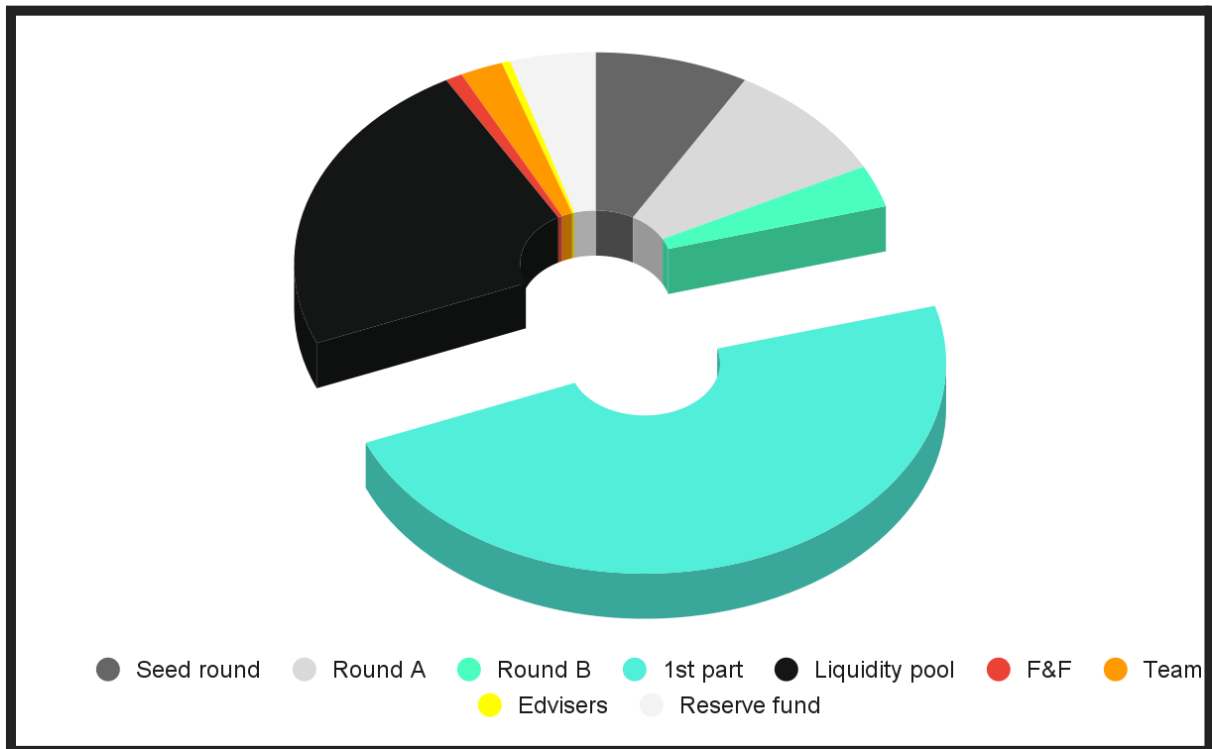
We see that the issuance by unlocks and rounds is about the same, which was the goal of our tokenomics: to avoid the speculative component of the secondary market as much as possible (although we cannot rule it out) and to achieve participant parity through a uniform secondary issuance through the "lock - unlock" process. In particular, for the second month only 109,000,000 tokens, or 21.80%, i.e. less than ¼ of all tokens issued, will be available at most.

Below is the full schedule from month 0 (IDO) to month 24:
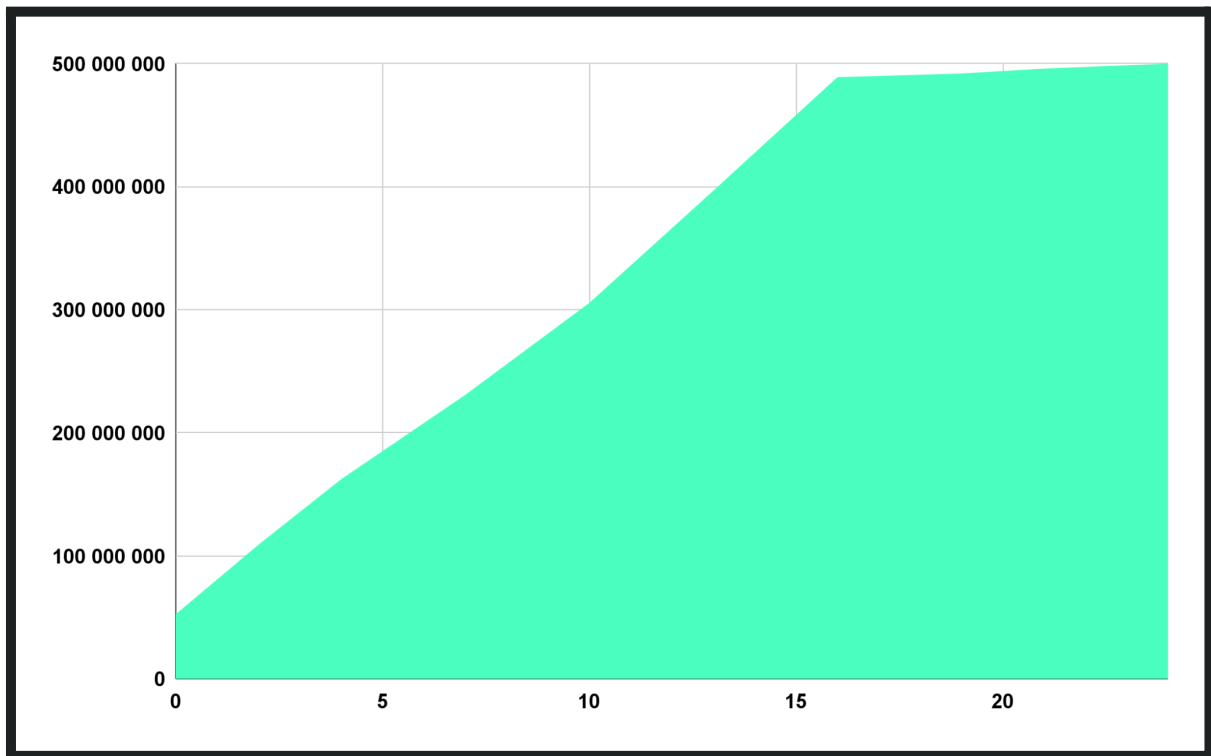
Foundations and other contributors

NIFTSY tokens[6] are currently held by:

- Funds:
    - Waterdrip Capital[7]
    - YBB Foundation[8]
    - Carbon Blue
    - Autonomy Capital
    - Damo Labs
    - LD Capital[9]
    - Lancer Capital
    - AU21
    - Magnus Capital
    - X21 Digital
    - MVST:MG
    - CryptoRoundtable (CRT)
    - EncryptClub
    - Cypher Ventures
    - Zenwin Capital
    - Moonrock Capital
    - Darkpool Ventures
    - InnMind
- Exchanges and Launchpads:

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[6] Be sure to check out the disclaimers:
https://docs.envelop.is/key-documents/white-paper/disclaimers as NIFTSY tokens are purely utilitarian and we only accept support from DAO contributors.
[7] See e.g. http://www.waterdrip.io (see Portfolio - subsection NFT).
[8] See, for example, http://www.ybb.io/ (see Portfolio section).
[9] See, for example, https://ldcap.com (see Portfolio - NFT subsection).

- ScaleSwap:https://clck.ru/YHrMY
- Gate: https://www.gate.io/en/article/23076
- ZB: https://www.zb.com/en/message/1058
- AEX: https://www.aex.com/
- ENVELOP: https://app.envelop.is/launchpad#/

All other contributors will be listed on ido.evnelop.is: after the development and adoption of the DAO of this subdomain.

Roadmap

Achievements

From May to October 2021, DAO ENVELOP participants were able to achieve the following important results:

1. **A grant from the Rarible system**, after which the service also added its own Protocol (actually an API) for NFT development.
2. **Participation in the Binance hackathon** and entering the TOP 10 projects: this was actually how MVP was developed.
3. **Grant from Polygon**: implementation of the first Protocol implementation on Polygon in September 2021 (see above).
4. **Our DAO has been presented** at many conferences and meetups.
5. **Separately, publications in various media** are worth mentioning:
   a. https://bitkan.com/ksite/blog/128106
   b. https://page.om.qq.com/page/OVdRfDKDvlCOmYxc7I_84kxQ0
   c. https://bihu.com/article/1895801156
   d. https://www.chainnews.com/articles/848536614186.htm
   e. https://hub.forklog.com/meta-analiz-rynka-nft-proekty-problemy-perspektivy
   f. https://www.cryptonewsz.com/niftsy-an-nft-venture-credits-1m-in-revenue-profits
   g. https://www.odaily.com/newsflash/261405
   h. https://www.odaily.com/post/5173304
6. **Information on IDO can also be found** on various resources:
   a. https://coinmarketcap.com/currencies/envelop/
   b. https://cryptorank.io/ru/ico/envelop
   c. https://coincodex.com/crypto/envelop/
   d. https://icodrops.com/envelop/
   e. https://icomarks.com/ico/envelop
   f. https://icoholder.com/en/envelop-1003982
   g. https://foundico.com/ico/envelop.html
7. **The current social media** community is:
   a. Twitter: 13,800
   b. Telegram: 17 313
   c. YouTube: 1370

Thus, even before IDO, you can test the utility functions of the NIFTSY token, importantly - in different EVM blockchains. In addition, you can already be part of one of the micro-DAOs today, based on which the DAO ENVELOP Protocol/Oracle will be implemented in a project: DeFi, GameFi, Game, Marketplace, etc.

Plans

Below are our plans until 30.12.2021. The first thing to understand is that the development roadmap includes several directions at once, i.e. it has to be perceived volumetrically:

- **The first area** of development is the implementation of the Protocol in new networks. To date, Avalanche, WAX & Zilliqa are under development. Solana, Polkadot, Cosmos and Flow are next in line.
- **The second direction** is the superDAO elements themselves: the Protocol in full functionality, and the alpha version of Oracle.
- **The third direction** is standards implementation: the main focus so far is on ERC-1155 and its integration with ERC-721.
- **The fourth direction** is cases and dApps. These are all described above. Of the important decentralised applications, perhaps the telegram-bot, which should be available before the end of the year, and the fact that the first version of a protocol-capable web application, the protocol usage tool, is available. The second version of the web application will be available in October.

A detailed layout of the roadmap is shown in the diagram:
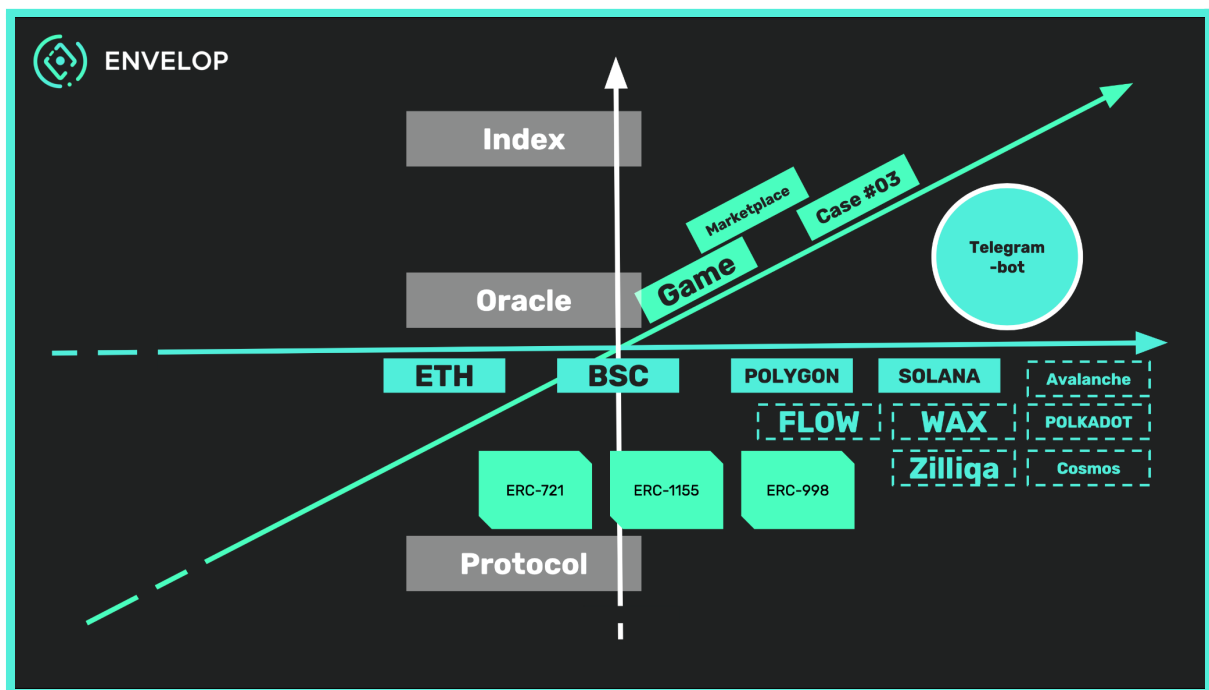
Useful links

In this section, we will provide links to support the facts stated above as well as to disclose selected aspects of DAO ENVELOP:

- Official DAO website: https://envelop.is
- Documentation: https://docs.envelop.is
- Blog: https://envelop.medium.com
- Twitter: https://twitter.com/envelop_project
- Telegram: https://t.me/envelop
- YouTube: https://www.youtube.com/c/ENVELOP/

If you want to dive deeper into the architecture of DAO ENVELOP, you can consistently explore envelop.medium.com.