

GeNFT White Paper

What is GeNFT?

GeNFT is a platform that utilizes A.I. powered stable diffusion to transform your ideas into a full mesmerizing NFT collection in minutes with layer injected image prompt generations and corresponding metadata creation.

\$GEN

The native cryptographically-secure fungible protocol token of the GeNFT platform, GEN Token (ticker symbol **\$GEN**), that powers the GeNFT platform is a transferable representation of attributed utility functions specified in the protocol/code of the GeNFT platform, and which is designed to be used solely as an interoperable utility token thereon.

\$GEN is a functional multi-utility token which will be used as the medium of exchange between participants on the GeNFT platform in a decentralized manner. The goal of introducing \$GEN is to provide a convenient and secure mode of payment and settlement between participants who interact within the ecosystem on the GeNFT platform without any intermediaries such as centralized third party entity/institution/credit. It is not, and not intended to be, a medium of exchange accepted by the public (or a section of the public) as payment for goods or services or for the discharge of a debt; nor is it designed or intended to be used by any person as payment for any goods or services whatsoever that are not exclusively provided by the issuer. \$GEN does not in any way represent any shareholding, ownership, participation, right, title, or interest in the Company, the Distributor, their respective affiliates, or any other company, enterprise or undertaking, nor will \$GEN entitle token holders to any promise of fees, dividends, revenue, profits or investment returns, and are not intended to constitute securities in the Cayman Islands, the British Virgin Islands, Singapore or any relevant jurisdiction. \$GEN may only be utilized on the GeNFT platform, and ownership of the same carries no rights, express or implied, other than the right to use \$GEN as a means to enable usage of and interaction within the GeNFT platform. The secondary market pricing of \$GEN is not dependent on the effort of the GeNFT Contributors, and there is no token functionality or scheme designed to control or manipulate such secondary pricing.

Furthermore, \$GEN provides the economic incentives which will be distributed to encourage users to exert efforts towards contribution and participation in the ecosystem on the GeNFT platform, thereby creating a mutually beneficial system where every participant is fairly compensated for its efforts. \$GEN is an integral and indispensable

part of the GeNFT platform, because without \$GEN, there would be no incentive for users to expend resources to participate in activities or provide services for the benefit of the entire ecosystem on the GeNFT platform. Given that additional \$GEN will be awarded to a user based only on its actual usage, activity and efforts made on the GeNFT platform and/or proportionate to the frequency and volume of transactions, users of the GeNFT platform and/or holders of \$GEN which did not actively participate will not receive any \$GEN incentives.

\$GEN functions like the tokens and quarters of a traditional photobooth. It is the "per-generation" token and the platform currency for creator economies and micro-transactions such as platform access subscriptions, platform access upgrades, and image model unlocks. Rewards from utilization and challenges are distributed to users in \$GEN. \$GEN is intended to be sparingly awarded only to active ecosystem participants, with the majority of tokens available to the public via the initial launch and airdrop. Subsequently, a percentage of all \$GEN tokens used in utilization would be retained in the treasury and allocated towards ecosystem growth activities. \$GEN is intended to operate on an internal circulating economy, with a deliberately high percentage of the token float released at genesis to ensure sustainability. There are no VCs or early purchasers with early stage access to the token.

For the avoidance of doubt, neither the Company nor the Distributor deals in, or is in the business of buying or selling any virtual asset or digital payment token (including \$GEN). Any sale or distribution of tokens would be performed during a restricted initial period solely for the purpose of obtaining project development funds, raising market/brand awareness, as well as community building and social engagement; this is not conducted with any element of repetitiveness or regularity which would constitute a business.

Tokenomics

- 30% Public Launch
- 25% LP
- 20% GeNFT
- 10% Airdrop GeNFT Node Holders
- 10% Development Fund
- 5% Staking Rewards

Public Launch

The initial launch will be for 30% of token supply at a \$10m fully-diluted valuation. The launch will have a \$3m hard cap.

Launch Dynamics

The launch will proceed in 2 stages: (1) The initial Whitelist sale and (2) the fully Public sale. The Whitelist sale period will be open exclusively to qualified wallets for 24 hours.

Wallets will qualify by

1. GeNFT Node validators & holders
2. Steady Stack stakers & holders
3. Neo Tokyo holders stakers & holders
4. Milady, Remilio, Pixelady & MMP/RRP holders

The whitelist will have a 20% discount to public sale. There will be a \$300k floor for price, after which price discovery begins. After the whitelist sale period ends, the public launch begins. The public launch will have a \$3m hard cap. When the public launch period ends or the cap is reached, launch participants will be able to claim their allocations. The airdrop claim will begin trading and allow staking of \$GEN to participate in ecosystem activities/features.

Launch Dynamics

- Total supply: 1,000,000 \$GEN
- 30% of the supply is sold through the public launch
- 10% of the token supply is airdropped to Node validators & holders
- 400,000 circulating \$GEN at genesis event
- Additional supply will be emitted later via rewards program for active participants, as well as vesting of locked tokens

Funds Distribution

50% of launch proceeds will go directly to deepening liquidity for \$GEN so that users may more easily acquire the token, 10% to LP rewards fund (to reward active liquidity providers), and 10% to the liquidity fund. The other 30% will be held by GeNFT for further product and business development.

Usage Rewards

Usage rewards are distributed to users in \$GEN at the end of every rewards epoch. They are distributed to users for total image generations and total platform usage. Rewards epochs for usage are every 10 days, and results for usage are filtered for organic activity, to discourage botting.

Liquidity Mining

To ensure that users receive access to \$GEN so that they may utilize these for platform services, other users would need to be incentivized to become liquidity providers and stake their digital asset pairs (e.g. USDT/\$GEN) into the decentralized market making pools to provide the necessary liquidity for transactions. As compensation for opportunity costs, these liquidity providers which help to promote adoption of the GeNFT platform by staking or including assets to liquidity pools in exchange for LP tokens would be rewarded with \$GEN (i.e. "liquidity mining" on the GeNFT platform), according to each user's relative contribution after various adjustment and correction parameters.

Vesting Schedule

Of the tokens reserved for GeNFT and the development fund 10% will be released every vesting epoch, which happens every 10 days. This will begin 1 month from the genesis date. The tokens for GeNFT will then finish vesting 200 days after 1 month from genesis.

Staking \$GEN

Staking powers the GeNFT platform. \$GEN functions as a digital loyalty membership which embeds a license granting active participants exclusive access to selected products or services, so users will be classified into different tiers based on the amount of \$GEN staked, user activity, and/or volume of transactions. The premium membership tiers would allow users to get greater access to the ecosystem features and more preferential terms, for example certain premium functionalities, exclusive products/services, priority for events, or greater or more unique transaction rewards. Through staking \$GEN and accessing exclusive content, users would be able to earn unique rewards (including \$GEN rewards) for being a valued member of the GeNFT platform.

The rewards for active users are distributed continuously from the percentage of token supply that is assigned to user participation rewards (from genesis). Rewards may be claimed at any time. Staked tokens are subject to a 14 day unbonding period. If you decide to unstake \$GEN, you will have to wait 14 days before it returns to your wallet.

Disclaimer

Terms and Conditions

Any persons sanctioned by OFAC are barred from using the GeNFT platform. By connecting to the GeNFT platform you are certifying you are not a sanctioned individual. The GeNFT platform may not be used for any form of cheating, fraudulent activity or behavior. Any individual using the GeNFT platform for purposes other than image

generations will be permanently banned. The GeNFT platform is only for adults, therefore minors below the age of 18 are not permitted to access the website or use any services on the website. GeNFT is not available in restricted regions. By accessing the app, players are certifying that they are not residents of Afghanistan, Alderney, Algeria, American Samoa, Angola, Australia, Belgium, Bosnia and Herzegovina, Cambodia, Canada, China, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Dutch Caribbean incl. Curacao and Aruba, Ecuador, Ethiopia, Finland, France, Germany, Guyana, Hong Kong, Hungary, India, Indonesia, Iran, Ireland, Italy, Iraq, Israel, Japan, Kazakhstan, Latvia, Lithuania, Laos, Malaysia, Myanmar, North Korea, The Netherlands, Panama, Papua New Guinea, Romania, Russia, Singapore, Sudan, Syria, Taiwan, Thailand, Turkey, Uganda, United Kingdom of Great Britain and Northern Ireland, Ukraine, United States of America and Territories, Vanuatu, Venezuela, Vietnam, Yemen.

Restricted Jurisdictions

According to GeNFT's terms of use:

As a condition to accessing or using the platform services, you represent and warrant to GeNFT the following:

- You must not be a resident, citizen or agent of, or incorporated in, and do not have a registered office in Afghanistan, Alderney, Algeria, American Samoa, Angola, Australia, Belgium, Bosnia and Herzegovina, Cambodia, Canada, China, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Dutch Caribbean incl. Curacao and Aruba, Ecuador, Ethiopia, Finland, France, Germany, Guyana, Hong Kong, Hungary, India, Indonesia, Iran, Ireland, Italy, Iraq, Israel, Japan, Kazakhstan, Latvia, Lithuania, Laos, Malaysia, Myanmar, North Korea, The Netherlands, Panama, Papua New Guinea, Romania, Russia, Singapore, Sudan, Syria, Taiwan, Thailand, Turkey, Uganda, United Kingdom of Great Britain and Northern Ireland, Ukraine, United States of America and Territories, Vanuatu, Venezuela, Vietnam, Yemen.
- You are not the subject of economic or trade sanctions administered or enforced by any governmental authority or otherwise designated on any list of prohibited or restricted parties (including the list maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury) (collectively, "Sanctioned Person");
- You do not intend to transact with any Restricted Person or Sanctioned Person; and
- You do not, and will not, use a VPN or any other privacy or anonymization tools or techniques to circumvent, or attempt to circumvent, any restrictions that apply to the Services.

AML (Anti-Money Laundering) Policy

- GeNFT is aware that offering services related to image generations and creator economies pose a risk for money laundering and terrorist financing. To identify, prevent, and limit the risks of money laundering and terrorist financing, GeNFT implements and consistently updates measures, processes, and internal controls into its daily operations, which consider the nature of the GeNFT clients and services carried out by GeNFT. With these measures, processes, and internal controls in place GeNFT meets all legal requirements related to measures preventing money laundering and terrorist financing, as required by applicable international legislations. GeNFT has prepared AML Policy regarding the prevention of money laundering to prove its commitment for detection, prevention, and reporting to national authorities of all attempts of using GeNFT's services for any kind of transaction which would meet the statutory definition of money laundering and/or terrorist financing, or which presents any other form of illegal financial transactions. AML Policy is modified and upgraded by changing legislation and good practice in the industry. The content of the AML Policy covers:
 - The internal organization of processes related to prevention of money laundering;
 - Due diligence process (also known as "Know your customer or KYC")
 - Money laundering risk assessment
 - Non-eligible and eligible categories of clients;
 - Enhanced due diligence measures;
 - Reporting obligations (towards competent authorities).
- To better align with AML procedures, we mandate 1x mandatory wager on all deposits, before withdrawal requests can be initiated. Failure to do so may result in restriction/denial of your funds until the requirement is met.

GeNFT Policy

GeNFT has a strict anti-money laundering policy. This is in accordance with our AML procedures outlined in our terms of service. If deposits & withdrawals are suspected of being attempts to swap coins we reserve the right to hold withdrawals until completion of one of the following procedures:

- Withdrawal is sent after full completion of account verification & KYC
- Withdrawal refunded. GeNFT will always try to ensure every matter is resolved & the above can be modified to suit specific situations.

Additional Information

Users are solely responsible for their account transactions. GeNFT does not take any responsibility for user's actions and transactions on the platform and will not entertain requests for alterations after the fact.

Protecting Minors

GeNFT only accepts users who are at least 18 years old and employs all applicable methods to prevent underage people from registering and playing on our gaming platform. The platform holds the right to request identification, and if the user is not of legal age, access to the website will be refused. However, we recognize that due to the widespread availability of the Internet, people under the age of 18 can still sign up on web3 platforms. As a result, we strongly encourage parents to work together to protect their children from free access to web3 websites. There is specialized software available to assist in this situation. For more information, please see the websites listed below.

Notice

PLEASE READ THE ENTIRETY OF THIS "NOTICE" SECTION CAREFULLY. NOTHING HEREIN CONSTITUTES LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE AND YOU ARE STRONGLY ADVISED TO CONSULT YOUR OWN LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S) BEFORE ENGAGING IN ANY ACTIVITY IN CONNECTION HEREWITH. NEITHER SANKO DEVELOPMENT DAO (THE **COMPANY**), ANY OF THE PROJECT CONTRIBUTORS (THE **GENFT CONTRIBUTORS**) WHO HAVE WORKED ON THE GENFT PLATFORM (AS DEFINED HEREIN) OR PROJECT TO DEVELOP THE GENFT PLATFORM IN ANY WAY WHATSOEVER, ANY DISTRIBUTOR AND/OR VENDOR OF \$GEN TOKENS (OR SUCH OTHER RE-NAMED OR SUCCESSOR TICKER CODE OR NAME OF SUCH TOKENS) (THE **DISTRIBUTOR**), NOR ANY SERVICE PROVIDER SHALL BE LIABLE FOR ANY KIND OF DIRECT OR INDIRECT DAMAGE OR LOSS WHATSOEVER WHICH YOU MAY SUFFER IN CONNECTION WITH ACCESSING THE PAPER, DECK OR MATERIAL RELATING TO \$GEN (THE **TOKEN DOCUMENTATION**) AVAILABLE ON THE WEBSITE AT <https://docs.genft.online> (THE **WEBSITE**, INCLUDING ANY SUB-DOMAINS THEREON) OR ANY OTHER WEBSITES OR MATERIALS PUBLISHED OR COMMUNICATED BY THE COMPANY OR ITS REPRESENTATIVES FROM TIME TO TIME.

Project purpose: You agree that you are acquiring \$GEN to participate in the GeNFT platform and to obtain services on the ecosystem thereon. The Company, the Distributor and their respective affiliates would develop and contribute to the underlying source code for the GeNFT platform. The Company is acting solely as an arms' length third

party in relation to the \$GEN distribution, and not in the capacity as a financial advisor or fiduciary of any person with regard to the distribution of \$GEN.

Nature of the Token Documentation: The Token Documentation is a conceptual paper that articulates some of the main design principles and ideas for the creation of a digital token to be known as \$GEN. The Token Documentation and the Website are intended for general informational purposes only and do not constitute a prospectus, an offer document, an offer of securities, a solicitation for investment, any offer to sell any product, item, or asset (whether digital or otherwise), or any offer to engage in business with any external individual or entity provided in said documentation. The information herein may not be exhaustive and does not imply any element of, or solicit in any way, a legally-binding or contractual relationship. There is no assurance as to the accuracy or completeness of such information and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information. Where the Token Documentation or the Website includes information that has been obtained from third party sources, the Company, the Distributor, their respective affiliates and/or the GeNFT Contributors have not independently verified the accuracy or completeness of such information. Further, you acknowledge that the project development roadmap, platform/network functionality are subject to change and that the Token Documentation or the Website may become outdated as a result; and neither the Company nor the Distributor is under any obligation to update or correct this document in connection therewith.

Validity of Token Documentation and Website: Nothing in the Token Documentation or the Website constitutes any offer by the Company, the Distributor, or the GeNFT Contributors to sell any \$GEN (as defined herein) 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. Nothing contained in the Token Documentation or the Website is or may be relied upon as a promise, representation or undertaking as to the future performance of the GeNFT platform. The agreement between the Distributor (or any third party) and you, in relation to any distribution or transfer of \$GEN, is to be governed only by the separate terms and conditions of such agreement.

The information set out in the Token Documentation and the Website is for community discussion only and is not legally binding. No person is bound to enter into any contract or binding legal commitment in relation to the acquisition of \$GEN, and no digital asset or other form of payment is to be accepted on the basis of the Token Documentation or the Website. The agreement for distribution of \$GEN and/or continued holding of \$GEN shall be governed by a separate set of Terms and Conditions or Token Distribution Agreement (as the case may be) setting out the terms of such distribution and/or continued holding of \$GEN (the Terms and Conditions), which shall be separately provided to you or made available on the Website. The Terms and Conditions must be read together with the Token Documentation. In the event of any inconsistencies

between the Terms and Conditions and the Token Documentation or the Website, the Terms and Conditions shall prevail.

Deemed Representations and Warranties: By accessing the Token Documentation or the Website (or any part thereof), you shall be deemed to represent and warrant to the Company, the Distributor, their respective affiliates, and the GeNFT Contributors as follows:

1. in any decision to acquire any \$GEN, you have not relied and shall not rely on any statement set out in the Token Documentation or the Website;
2. you shall at your own expense ensure compliance with all laws, regulatory requirements and restrictions applicable to you (as the case may be);
3. you acknowledge, understand and agree that \$GEN may have no value, there is no guarantee or representation of value or liquidity for \$GEN, and \$GEN is not an investment product nor is it intended for any speculative investment whatsoever;
4. none of the Company, the Distributor, their respective affiliates, and/or the GeNFT Contributors shall be responsible for or liable for the value of \$GEN, the transferability and/or liquidity of \$GEN and/or the availability of any market for \$GEN through third parties or otherwise; and
5. you acknowledge, understand and agree that you are not eligible to participate in the distribution of \$GEN if you are a citizen, national, resident (tax or otherwise), domiciliary and/or green card or permanent visa holder of a geographic area or country (i) where it is likely that the distribution of \$GEN would be construed as the sale of a security (howsoever named), financial service or investment product and/or (ii) where participation in token distributions is prohibited by applicable law, decree, regulation, treaty, or administrative act (including without limitation the United States of America, Canada, and the People's Republic of China); and to this effect you agree to provide all such identity verification document when requested in order for the relevant checks to be carried out.

The Company, the Distributor and the GeNFT Contributors do not and do not purport to make, and hereby disclaims, all representations, warranties or undertaking to any entity or person (including without limitation warranties as to the accuracy, completeness, timeliness, or reliability of the contents of the Token Documentation or the Website, or any other materials published by the Company or the Distributor). To the maximum extent permitted by law, the Company, the Distributor, their respective affiliates and service providers shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including, without limitation, any liability arising from default or negligence on the part of any of them, or any loss of revenue, income or profits, and loss of use or data) arising from the use of the Token Documentation or the Website, or any other materials published, or its contents

(including without limitation any errors or omissions) or otherwise arising in connection with the same. Prospective interested parties of \$GEN should carefully consider and evaluate all risks and uncertainties (including financial and legal risks and uncertainties) associated with the distribution of \$GEN, the Company, the Distributor and the GeNFT Contributors.

\$GEN Token: \$GEN are designed to be utilized, and that is the goal of the \$GEN distribution. In particular, it is highlighted that \$GEN:

1. does not have any tangible or physical manifestation, and does not have any intrinsic value (nor does any person make any representation or give any commitment as to its value);
2. is non-refundable and cannot be exchanged for cash (or its equivalent value in any other digital asset) or any payment obligation by the Company, the Distributor or any of their respective affiliates;
3. does not represent or confer on the token holder any right of any form with respect to the Company, the Distributor (or any of their respective affiliates), or their revenues or assets, including without limitation any right to receive future dividends, revenue, shares, ownership right or stake, share or security, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property or licence rights), right to receive accounts, financial statements or other financial data, the right to requisition or participate in shareholder meetings, the right to nominate a director, or other financial or legal rights or equivalent rights, or intellectual property rights or any other form of participation in or relating to the GeNFT platform, the Company, the Distributor and/or their service providers;
4. is not intended to represent any rights under a contract for differences or under any other contract the purpose or intended purpose of which is to secure a profit or avoid a loss;
5. is not intended to be a representation of money (including electronic money), payment instrument, security, commodity, bond, debt instrument, unit in a collective investment or managed investment scheme or any other kind of financial instrument or investment;
6. is not a loan to the Company, the Distributor or any of their respective affiliates, is not intended to represent a debt owed by the Company, the Distributor or any of their respective affiliates, and there is no expectation of profit nor interest payment; and
7. does not provide the token holder with any ownership or other interest in the Company, the Distributor or any of their respective affiliates.

Notwithstanding the \$GEN distribution, users have no economic or legal right over or beneficial interest in the assets of the Company, the Distributor, or any of their affiliates after the token distribution.

For the avoidance of doubt, neither the Company nor the Distributor deals in, or is in the business of buying or selling any virtual asset or digital payment token (including \$GEN). Any sale or distribution of tokens would be performed during a restricted initial period solely for the purpose of obtaining project development funds, raising market/brand awareness, as well as community building and social engagement; this is not conducted with any element of repetitiveness or regularity which would constitute a business.

To the extent a secondary market or exchange for trading \$GEN does develop, it would be run and operated wholly independently of the Company, the Distributor, the distribution of \$GEN and the GeNFT platform. Neither the Company nor the Distributor will create such secondary markets nor will either entity act as an exchange for \$GEN.

Informational purposes only: The information set out herein is only conceptual, and describes the future development goals for the GeNFT platform to be developed. In particular, the project roadmap in the Token Documentation is being shared in order to outline some of the plans of the GeNFT Contributors, and is provided solely for **INFORMATIONAL PURPOSES** and does not constitute any binding commitment.

Please do not rely on this information in deciding whether to participate in the token distribution because ultimately, the development, release, and timing of any products, features or functionality remains at the sole discretion of the Company, the Distributor or their respective affiliates, and is subject to change. Further, the Token Documentation or the Website may be amended or replaced from time to time. There are no obligations to update the Token Documentation or the Website, or to provide recipients with access to any information beyond what is provided herein.

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Cautionary Note on forward-looking statements: All statements contained herein, statements made in press releases or in any place accessible by the public and oral statements that may be made by the Company, the Distributor and/or the GeNFT Contributors, may constitute forward-looking statements (including statements regarding the intent, belief or current expectations with respect to market conditions, business strategy and plans, financial condition, specific provisions and risk management practices). You are cautioned not to place undue reliance on these forward-looking statements given that these statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results to be materially different from that described by such forward-looking statements, and no independent third party has reviewed the reasonableness of any such statements or assumptions. These

forward-looking statements are applicable only as of the date indicated in the Token Documentation, and the Company, the Distributor as well as the GeNFT Contributors expressly disclaim any responsibility (whether express or implied) to release any revisions to these forward-looking statements to reflect events after such date.

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