

Utilities & Infrastructure

Highlight: Phantasma

Phantasma is a one-stop shop for NFTs, gaming, and decentralized applications founded by Sergio Flores, who is also a long-time blockchain developer for the City of Zion. The rest of Phantasma's team consists of blockchain development engineers veterans who have been involved with different projects in the past, such as NEO.

Funded by Signal Ventures, 100&100 Venture Capital, and MW Partners along with other individual investors and VCs, Phantasma aims to introduce gamers, artists, and beginners to the world of blockchain technology. The development team has plans to make this technology as easy as possible to use in order to increase accessibility and mainstream adoption.

Aside from being fast, secure, and scalable, it is also very flexible allowing users to integrate and interoperate with other blockchains. The dual token and staking system it utilizes is very innovative in

the industry opening up a wide variety of use cases across many sectors including video games, data management, communications, eCommerce, and media. While the **social sentiment leans positive**, there are mixed reviews with concerns around an absent development team that is already fully vested, increasing competition with better systems, and the low value of their primary SOUL token relative to other projects.

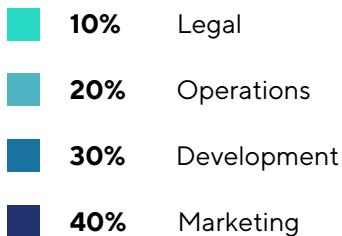
According to their whitepaper, one of the project's key aims is to establish a system of decentralized applications that puts the power in the hands of users. Its innovative community-driven governance system eliminates the need for forks and allows for a clear development path. Ultimately they are counting on their community-friendly approach for both developers and users alike and smart tokenomics systems that have high utility to drive long-term value and adoption.

Tokenomics

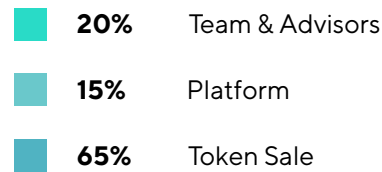
Phantasma successfully raised \$9,650,000 in May 2018 in the ICO of its SOUL governance token with a 65% unlocked Total Supply of 100,000,000 tokens and has since increased in value 6x. Of the remaining 35% allocation, 20% has been designated for the Team & Advisors with the Team vested over 36 months (6-month cliff) and Advisors vest over 10 months (2-month cliff). This unique vesting schedule strongly favors the private and public investors who are backed with 100% realization of their stake immediately and incentivizes long-term development support from the core team and advisors. The vesting schedule or lack thereof for the remaining 15% allocated to the Platform has not been specified.



Projected Use of Contributions



Token Distribution



Lock-up period

The smart contract will have a lock-up period (also known as vesting period) for each type of address tier. Any party with vested tokens can unlock their tokens after the vesting period was reached, by calling `UnlockTokens` via smart contract.

Team tokens will be locked with a tiered vesting period as following :

- Cliff of 6 months
- Vesting of 3 years, with 10% unlocked every 3 months, for a total of 30 months

Advisor tokens will be locked with a tiered vesting period as following :

- Cliff of 2 months
- Vesting of 12 months, with 10% unlocked every month, for a total of 10 months

For the addresses belonging to presale contributors and strategic partnerships the following rules apply :

- 100% of base (non-bonus) tokens will be released and transferable immediately after token sale
- Bonus tokens will have a vesting period of 90 days, vesting linearly for roughly 3 months, with a third of bonus tokens released every month

For the addresses belonging to public sale contributors, their token share will be split into a single part, and lock-up period will be the following :

- 100% of tokens will be released and transferable immediately after token sale



Dual Token Economy

They have taken a **unique and somewhat complex** dual token approach by launching with a majority of unlocked Total Supply. Rather than utilizing a token vesting schedule for their entire Total Supply to ensure a gradual usage ramp and to avoid token dumps, the Phantasma team believes they have struck on a better and more effective token economy model based on separating their governance token (\$SOUL) and their fuel token (\$KCAL). By focusing on driving high utility value for NFTs, Gaming, and dApps instead of sophisticated lockups and vesting schedules for their investors, they anticipate being able to directly stimulate strong demand and steady growth.

Importantly, they have structured their dual token system and pioneering token economic model so that governance tokens must be staked to earn fuel tokens intrinsically linking the value of both tokens together. This negates the admitted potential inflationary risks from their fuel token (\$KCAL) devaluing the governance token (\$SOUL) through its theoretical infinite supply.

Key Concepts

Phantasma Chain

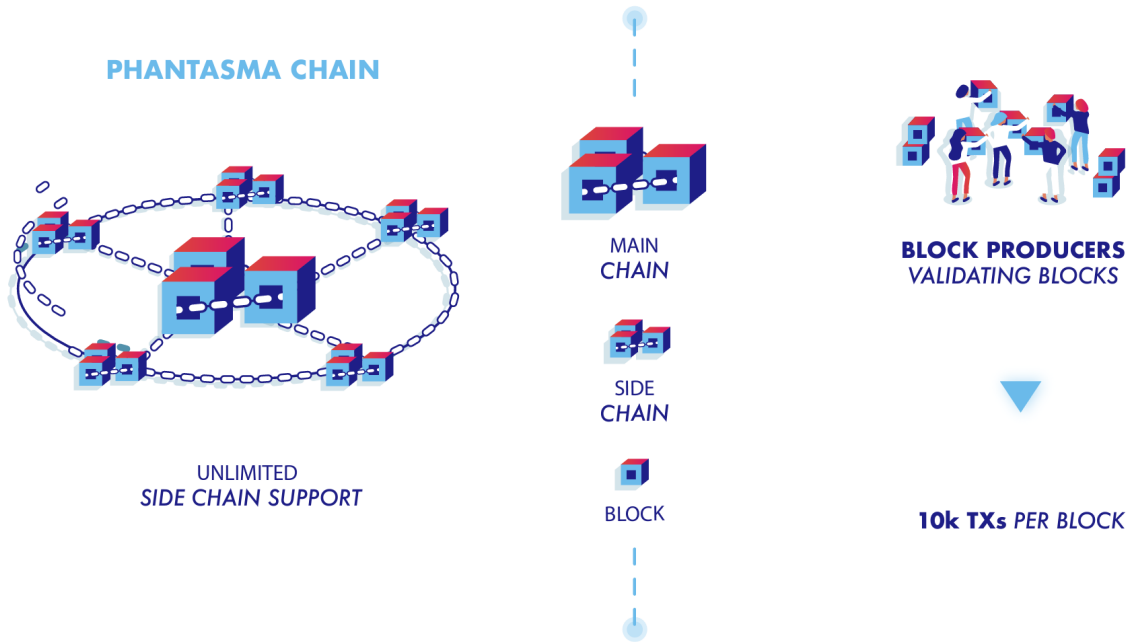
The Phantasma chain allows for the deployment of an infinite number of side chains. Each decentralized application (dApp) on Phantasma Chain can operate independently from all other side chains, eliminating the probability that a single dApp can bring the entire network to a grind if it is spammed.

The Blockchain

Currently, the Phantasma blockchain can validate up to 10,000 transactions on each block. This capacity applies to the main chain and every side chain, which implies that each side chain will achieve the same maximum transactions per second (TPS) independently of the main chain and all other side chains.

Because of this, Phantasma Chain's maximum total TPS is equal to the number of side chains and the main chain multiplied by the maximum TPS of each chain. Infinite side chains and the inter-chain technology used by Phantasma in its network enable developers to build revolutionary dApps with its supported languages such as C#, Java, Solidity, and Python. However, Phantasma plans to add more additional programming languages in the future.





Features

- Layer-1 blockchain** – is powered by its governance token \$SOUL and yielding \$KCAL that is used as the token that powers the network. Phantasma is run as a decentralized autonomous organization or DAO. The blockchain has an incredibly efficient energy consumption rate, using the average of 5 American households' power consumption annually vs Eth 3.3 million households' worth of energy usage per year. It's also certified carbon negative and has teamed up with Save Planet Earth to achieve this milestone.
- Governance Token** – \$SOUL is the project's governance token, with a maximum supply of 94 million tokens. The token enables users and developers to use network resources and provides them with a democratic way to choose the network validators by participating in the on-chain voting process of the blockchain. The platform also implemented inflation on its governance token to sustain the Phantasma Chain ecosystem's development for years to come. The built-in 3% inflation is intended to improve the quality of the ecosystem and incentivize developers to create dApps on Phantasma Chain through continual incentive payments. Eligible Soul Masters such as Block Producers (network validators), Phantom Force (developer community) and various ecosystem incentive programs will each receive 1% of the annual inflation plus 125,000 \$SOUL each month.
- Dual Token mechanism** – Phantasma Blockchain is one of the few projects that use a dual token system, \$SOUL, and \$KCAL. \$KCAL, alternatively referred to as Phantasma Energy, is the project's official token for paying transaction fees. When users stake \$SOUL, users will automatically receive \$KCAL. After claiming their generated Phantasma Energy, the staked \$SOUL will be locked in a special wallet for 24 hours. Users then will be able to transfer it back to their wallets or continue staking it for more Energy. Users who stake more than 50,000 \$SOUL will earn the title of Soul Masters and earn extra incentives from a pool



of 125,000 \$SOUL each month. Every 90 days, starting from the time of Phantasma's Genesis block, Soul Masters who stake a minimum of 50,000 \$SOUL continuously will receive a CROWN NFT. This NFT contains a portion of the ecosystem's total \$KCAL fees for the last 90 days and 20% of the ecosystem incentive allocation, evenly distributed to all qualifying wallets.

- **Integrated name service** – serves as a solution to the public address system, enabling tokens to be sent to a username instead of a string of numbers and letters that make up wallet addresses and includes the same feature set as the popular Ethereum Name Service (ENS).
- **Consensus Mechanism** – the blockchain is based on the Proof-of-Stake (PoS) mechanism, which requires users to hold a stake to become validators or Block Producers (BPs). Transaction fees are distributed among BPs as a reward for their contributions. As with every PoS blockchain, a rotating scheduling scheme decides the active BPs. Active BPs are rewarded at a rate of 75% of the inflated \$SOUL tokens and 25% of the transaction fees generated. Meanwhile, standby BPs receive 25% of the inflated \$SOUL tokens.
- **There is a heavy focus on dApps** that utilize all the technology that Phantasma brings to its blockchain. Although this technology is in its early stages, the infrastructure is built out and awaiting adoption. It is presently being used for their cross-chain NFT marketplace, play/pay to earn games, wallets, DeFi solutions, and Pavilion, which is a game hub that integrates steam game titles onto the blockchain enabling true ownership of in-game items in a proper decentralized user-controlled fashion.
- **Decentralized storage solutions (DSS)** are accessible by staking \$SOUL on the network. This technology will be used to incorporate decentralized communications for media, social networking, email, and messaging and will provide a hub for the dApps to host their platforms without the concerns of centralized control over their content being shut down for whatever reason.
- **Oracle Systems**, including Blockchain Interoperability Oracle, Price Oracle, and third-party Oracle Systems. These address the need for verifiable and quality data and stability with price arbitrage and TX communication across multiple chains. eCommerce infrastructure addresses cost, transparency, and quality issues utilizing emerging blockchain technology.
- **Two types of wallets** – Poltergeist Wallet and dApp. Both run on the user's computer and use a single private key across all chains. The Ecto Wallet, Chromium extension browser wallet, is ideal for that Metamask style. Both wallets are hardware wallet compatible (e.g. Ledger or Trezor) for added security.

Phantasma Smart NFTs

Developers can build digital assets for their products using Phantasma Chain Smart NFT technology. Likewise, users can trade these items with one another. These NFTs trade on open marketplaces and have a variety of high-end features. Additionally, Phantasma has its own NFT marketplace. Users can trade both Phantasma blockchain-based and off-chain-based NFTs. According to the developers, one of the blockchain's goals is to become the go-to blockchain for NFT innovators and traders. This innovative technology is one of the elements that has piqued the interest of other project teams, with of the Smart NFT features including the following:



Programmable

Phantasma Smart NFTs are developed using the novel approach of dividing NFT information into ROM and RAM. The ROM data on the Smart NFT is immutable and cannot be altered after it is created. Here, developers and artists may save the fundamental aspects of their work without fear of it being tampered with or altered in any manner. The Smart NFT's RAM provides developers with a breakthrough new layer of trustless programmability, allowing NFTs to change over time without jeopardizing the trust between creators and users.

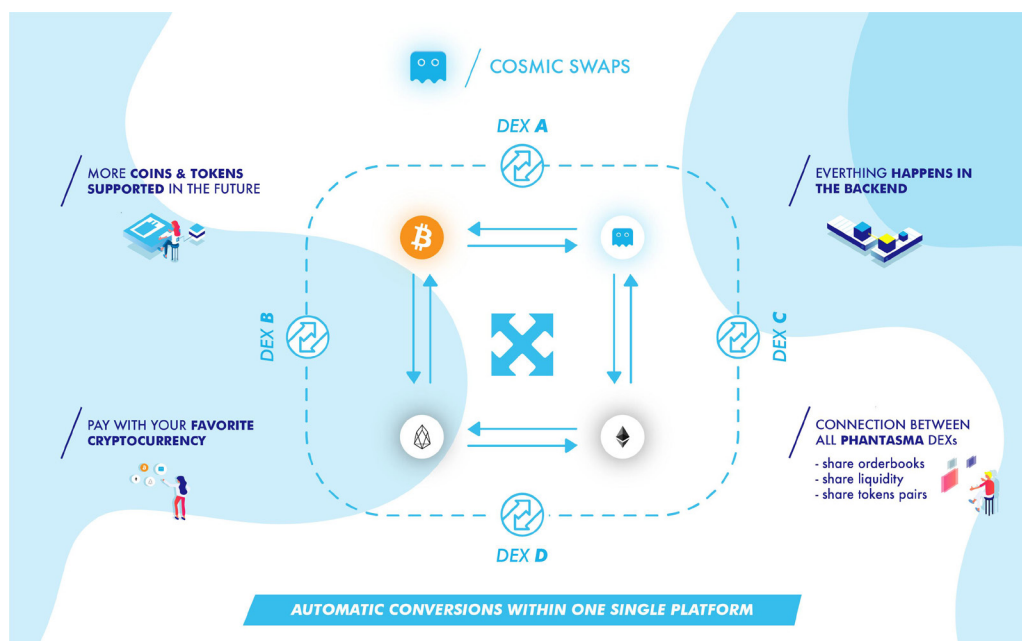
Multilayered

The Phantasma Smart NFT could include any number of NFTs. For example, GOATi uses this technology in their real-time strategy racer 22 Racing Series, where each hypercar can race at speeds of up to 1000 kmph in-game, with in-built 20-30 unique NFT car parts within the game. Also within the game, the cars can be disassembled into their component parts, combined, and rebuilt into a hypercar NFT. This is very revolutionary and unheard of in the NFT space.

Multi-Infusion and Nesting

The Phantasma chain provides for the infusion of assets into NFTs to provide them with a baseline value. There are no limits on what can be done with this feature. For example, infusing a certain amount of \$SOUL, \$KCAL, \$BNB, and \$ADA into the same NFT. Additionally, you may infuse one NFT into another NFT, enabling the creation of loot boxes and a plethora of other use cases.

Cosmic Swaps



Source: <https://twitter.com/phantasmachain/status/1113874087200415744>



Phantasma allows anyone to connect to and use its decentralized exchange protocol's liquidity pool. This makes it easy for people to swap tokens and coins. Phantasma also has an open-source interface that makes it easy to use the exchange. This way, users can avoid paying gas fees when swapping tokens.

For example: A is looking for X and B is looking for Y. A has Y and B has X, so they swap between them at minimal costs, because the tokens have never left the chain. Basically, cosmic swaps are swaps that happen between two tokens that both exist on the Phantasma blockchain. Essentially users can readily swap between Phantasma tokens such as \$SOUL and \$KCAL.

This framework is based on a unique structure of on-chain built-in features that allow specific wallet addresses to store a balance of 2 separate tokens. The price of each token is decided by their overall ratio to one another at the moment of purchase. Users may then tap into this address to trade one of their excess tokens for the required token, immediately depleting the first token's balance and boosting the second's. By creating a price mechanism based on the ratio of the balances in a specific cosmic swap address, any potential arbitrage opportunities arising from the price differential between the tokens in this system and those on unconnected third-party exchanges will fade away over time. The market will constantly readjust to the tokens' equilibrium price level across all token exchange providers. Developers may create their exchange front-end and marketing, while the back-end is directly connected to Phantasma, enabling the exchanges to share liquidity, orders, and pairings.

The \$SOUL Token

\$SOUL is a Phantasma network's native and governance token. It was introduced in 2019 and has seen a lot of growth since then. The CoinMarketCap database indicates that there is a circulating supply of 103,158,489 coins and a market capitalization of \$327,182,298. The tokens are listed on popular cryptocurrency exchanges such as KuCoin, Gate.io, Uniswap (V3), BKEX, and PancakeSwap (V2).

Conclusion

Phantasma is one of the industry's top networks, enabling developers and users to enjoy the full benefits of blockchain technology. The customized network intends to integrate developers into the full scope of blockchain applications. Despite the current bearish trend in cryptocurrency prices, \$SOUL has maintained a steadily increasing trajectory. As a result, numerous observers believe the token has a bright future. With interoperability expected to be a prominent subject in the crypto world in 2022, projects that have already started focusing on it will likely dominate their competitors. This will encourage cryptocurrency users to grow accustomed to dealing across multiple networks.



OUR OPINION // PHANTASMA

The team at Phantasma is truly looking to move the boundaries in terms of NFT-gaming infrastructure capabilities and provide a low-code environment for new NFT-game developers. The team is focused on delivering capabilities to the market first and foremost and so have not built up an extensive partnership portfolio as yet.

Not only have the team taken dynamic NFT and smart contract capabilities to a new level but they have also incorporated several useful on-chain mechanisms that will help developers to both facilitate trades and incorporate Phantasma services into their products. They stand out as the foremost game utility provider for smart NFTs.

Token Symbol: **SOUL** | Chain: **ETH,BSC** | Exchange: **KuCoin, Gate.io, Pancakeswap, Uniswap V2, Hotbit** |

