Alchemy Toys - Whitepaper

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Vitaly & Roman Semko

BackupDev UG (haftungsbeschränkt)

Arthur-Hoffmann-Str. 90

04275, Leipzig

Germany

Overview

The present document is a short introduction to the decentralized project "Alchemy Toys" and the related tokens, which form a starting point of a whole ecosystem of "collect & play" fair games in the blockchain space based around collectible NFTs with an underlying value.

The authors are experienced software developers and businessmen, who have a successful software enterprise for over a decade in Germany and who are known for successful endeavours in the crypto-space.

Introduction

NFT + MMPOG + DeFi = Alchemy Toys

The blockchain technology certainly provides a myriad of potential solutions to serious real-world problems. Serious problems are not the focus of this project, though. It is also not the scope of the project to invent yet another clever DeFi mechanism used to juggle with yet another set of tokens and yields. No.

Our Value Proposition is different. We know that, apart from the serious stuff, people like to collect unique things and to play games. Feel special by having something unique on hands and by inventing clever game strategies, different from the rest.

We want to give people a **unique multi-player game experience** combined of:

1. Collectible unique Non-Fungible Tokens **(NFTs) with real underlying value**
2. A decentralized **fair game** based on self-adjusting smart-contracts, where the **players win and not "the house"**.

The player experience should be open and versatile, where each user can invent and apply his/her own individual collection-, playing-, trading- and stacking-strategies. And earn/win

direct and real rewards on their own terms, without any nonsense. Without any interference nor centralized intermediaries and other third-parties.

Issues of Collect & Play

The starting point of the project is the fact that people like to:

1. collect and speculate on unique stuff (this explains the NFT collectibles hype), and
2. play games (game industry hits new records every year).

However:

- Almost all collectible **NFTs are basically worthless** (apart from the artistic value and their scarcity)
- Games that involve value exchange and a central entity usually mean that **"the house always wins and the players always lose**" in the long-term
- **Guilt: adult players often feel like wasting time** (and money) after indulging in a few hours of careless play

Wouldn't it be great if we could offer a collecting and gaming experience that tackles all those issues? Smart contracts on a performant network give us the necessary tools.

Have Fun That Pays Off

Alchemy Toys and the corresponding tokens:

- ERC20-token (GAT)
- ERC721-tokens (TOYs)

are a starting point of a whole set of games around collectible NFTs that are backed by real value. Currently the user interface consists of launch-ready two DApps:

1. https://alchemy.toys (the game)
2. https://minted.vodka (an NFT marketplace)

Users mint and collect unique TOY NFTs that maintain and even expand their tangible underlying value over time. Each TOY is backed by the value locked in the game's treasury (smart contracts). To play the game certain actions require the user to lock the network's currency tokens (BNB) in the game's smart contract. At the same time, through clever strategies the player can unlock more tokens from the treasury (thus winning more) by burning a part of the collected tokens. Whereas the age of the tokens plays a big role.

Thus, **every unique NFT token (minted by the player) maintains and expands its value through the underlying game treasury**.

Our company launches the game as a set of smart contracts in a decentralized network. The company does not keep any GATs nor has any other substantial influence over the future of Alchemy Toys gameplay. **There is no central entity anymore in control. No "house" that wins. Only players win**. The players decide the course of the gameplay and the future of the project.

As it has been mentioned: the winners of a game epoch have a chance to unlock substantially more tokens that they locked until that point in the game. On top of that they can use acquired GATs to earn further rewards and also trade rare, old and thus valuable tokens. Therefore apart from being a highly addictive and fun game, **Alchemy Toys can be a way to earn significant amounts of additional currency tokens** (BNB on the Binance Smart Chain).

Furthermore, the players that have not won in an epoch, maintain their TOYs for the next epoch and have a better starting position to win it. **As long as you hold the TOYs, their value should only increase over time and throughout gameplay**.

It is also noteworthy that all game economics are centered around the network's base currency token (BNB of the Binance Smart Chain). There is no additional risk through an intermediary altcoin or any pressure to sell in order to take profit.

The idea is: when there are real rewards for the players, there is no reason to feel guilty about having hours of fun!

The Game

The game is very similar to the **classic alchemy game - you collect token "cards" (TOYs) and "melt" them into new ones**. A collection of all token types gives you a key to the treasury. When a single game (=epoch) is won by a player, the next one starts. For the new epoch you keep the cards that you have not used in the last one.

The game is turn based. A player can make a limited amount of turns per cycle. A cycle usually goes for 8 hours. When one or several players win the game, a new epoch is started for all players.

There are four different actions that the player can do with a turn.

1. Worship: gives the user randomly 3 unique TOYs (NFT minting)
2. Melt: destroys 2 TOYs to give the user 1-2 unique TOYs of a higher value
3. Sacrifice: burn a TOY to get closer to winning the game treasury
4. Proclamation: a small service to proclaim a winner, that is rewarded with 1% of the treasury (can only be done once in an epoch by the quickest player)

Apart from the turn actions the NFTs can be traded freely on any ERC721-compliant marketplace. Our company also launches a decentralized NFT Marketplace called "Minted Vodka" that can be used to trade TOYs, but also other NFTs. It is noteworthy that **most fees collected by the trading platform flow into the game treasury of Alchemy Toys**, thus **increasing the value of all TOYs and incentivizing the gameplay**.

When one or several winners are found, a new game epoch starts where all the achievements (especially TOYs) are maintained, giving the non-winning players a head start for the next epoch. Before that the game treasury is paid out:

- **15% remains in the pot to incentivize the next game epoch**
- 1% goes to the player who proclaimed the winners
- **64% are distributed to the winners** (proportionally to how old the sacrificed TOYs of each winner were)
- **20% go proportionally to the players who stacked GATs** at the game's temple.

All fees and payouts are locked/unlocked in the network's currency: BNB.

Please read more about the details of the gameplay on : https://alchemy.toys

The Game Economics

The underlying core of the game is **financial stability and perpetual growth through a delicate system of automatic incentives and adjustments**. **All fees are locked 100% into the game treasury** . Whereas all fees and payouts are settled in the network's ("Binance Smart Chain") base currency (BNB), the game itself has two different token types:

1. TOY NFTs (ERC721) and
2. GATs (Game Ace Tokens - ERC20)

TOYs

Every token symbolizes a piece of the treasury reward. Once you collect and sacrifice all 127 tokens, a big chunk of the treasury is paid out to you in base currency (BNB). **Every**

token has thus an intrinsic guarantee of a future payout. Certain player actions ("worship", "melt") mint new unique TOYs on the go: expanding the treasury.

The payouts are direct in BNB, therefore there is **no pressure to sell the NFTs for economic rewards**.

When a player fails to win in an epoch, he still maintains his collection and has a better position to win in the next epoch. Sooner or later: **every token minted will be used for winning an epoch** .

New unique Toy NFTs are minted during two game actions ("worship" and "melt"). The corresponding fees (minus network fees) are **locked 100% to the temple's treasury, thus new minting does not dilute the token's value**.

Tokens are also irreversibly destroyed when used (during "melt" and "sacrifice" actions), **increasing the intrinsic value of remaining tokens**.

Older tokens give a player a competitive advantage when the winner's share of the treasury is determined. This incentivizes TOYs collection and trade. A corresponding market is provided, but other markets can be used, too (TOYs are ERC721-compliant).

Collected toys bring intrinsic values into future games :

- Upcoming games are planned that use these tokens, too.
- Some special tokens (like the Godhood token of the winner) will give further privileges in future games.

GATs

If you are a poor alchemist, you can still play the game on a higher level! Become a shaman by stacking your GATs at the temple. **20% of the treasury of every epoch is distributed proportionally to the shamans**. But you can also stack in other upcoming DApps of the ecosystem - for example the NFT Marketplace !

GATs are pre-mined and limited to a total supply of 1,000,000 tokens that the company distributes completely to the players.

GATs give you a way to participate in the financial dynamics of Alchemy Toys and earn rewards parallel to the alchemic gameplay. Furthermore you can use them as a payment method at the NFT Marketplace to prevent trading fees.

The payouts are direct, in the currency token (BNB). As with TOYs NFTs, **there is no pressure to sell the GATs to be able to profit economically, making the system's financial dynamics more stable**.

In Alchemy Toys you are required to stack your GAT for at least one full game epoch before you become eligible for rewards. The game rewards the stacked GAT-owners proportionally

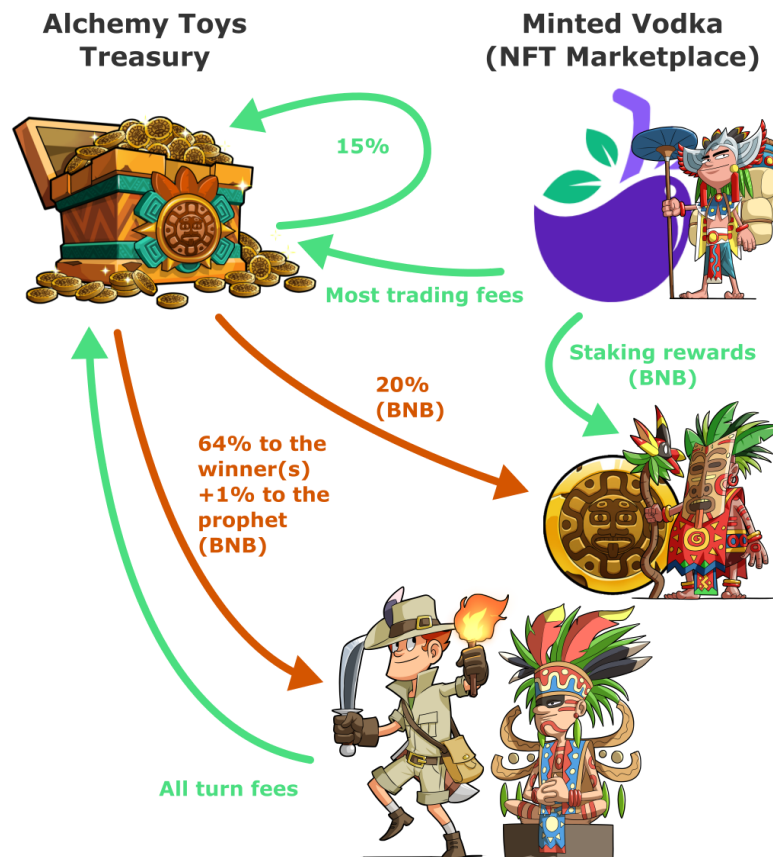to the stack's size. This approach **hinders pump&dump dynamics and gives the system more stability** .

Treasury Balance

Alchemy Toys ensures financial stability and growth, especially in the most critical time: between the game epochs.

Between the epochs the game treasury drops because of the payouts. Even then - **the system is designed to ensure economic stability and create the necessary conditions for a continuous growth**.

The treasury will continue to grow:

- 15% remain as an incentive for the next game epoch
- Players who have not won, but hold TOYs, have an interest to continue playing to win in the current epoch. All turn fees go into the treasury.
- The shamans, who stack GATs, are required to lock their tokens for at least one full epoch. This prevents pump&dump.
- Most fees gathered on our NFT Marketplace flow into the treasury.

Alchemy Toys Treasury

Minted Vodka (NFT Marketplace)

15%

Most trading fees

Staking rewards (BNB)

20% (BNB)

64% to the winner(s) +1% to the prophet (BNB)

All turn fees

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Bearish pressure creates a strong bullish response. For example, some possible scenarios:

- Many shamans unlock their GATs (in order to sell them) → the ROI is increased for the remaining stackers → GAT's value increased!
- Traders dump many TOYs on the market → winning an epoch becomes more probable → demand for TOYs increased.

NFT Trading

A dedicated NFT Marketplace is provided to players to facilitate trade. You can also use other platforms or trade other NFTs on Minted Vodka as well.

Minted Vodka is created as a flexible NFT Marketplace. You can sell any ERC721-compliant NFT here. You are also able to swap NFTs. In the near future a proper minting will be provided. The trading comes with a flat trading fee.

Minted Vodka has a special relationship with Alchemy Toys. **Most fees gathered for trading flow automatically into the game's treasury !**

This adds interesting dynamics to the game, if you also consider further factors like:

- TOYs gain value with time.
- TOYs have an intrinsic collectible value.
- TOYs value also follows game epoch cycles.
- TOYs are irreversibly destroyed in different game actions.
- Turn fees can fluctuate depending on the market cycles.
- TOYs will be used in other upcoming games.

... we get **a myriad of possibilities for speculation and unique lucrative trading strategies** !

Please read more about game economics at https://alchemy.toys

The Currency Tokens and Distribution

GAT are a Currency Token, not a Security Token. From the legal opinion:

[...]

In use, the Alchemy Toys platform provides two types of tokens, including NFTs and GAT tokens for stacking. Specifically, GAT, from the platform's perspective, is similar to a "software license" for the game, that unlocks special ability and increased rewards from the game.

The GAT tokens have been pre-minted by the developer team of the company and will be sold in their entirety to the players. Operationally, the GATs are aimed at providing special ability to the players wherein these tokens can be locked into the game's contract and can provide the player with higher reward when the player wins the game. In use, there does exist the possibility of participation to some extent in the rewards from other winners.

The Toy NFTs and GAT are supported by a user's "utility of membership" of their usage of the Alchemy Toys platform, but not in their legal entity. More specifically, the value of each of these tokens will depend upon multiple factors, including the quantity of tokens, participation by the users / players, wherein with the increase in participation of the user/player in the game by using these tokens, the valuation of the token may increase. Also, an irreversible destruction of the tokens in different game actions can increase the intrinsic value of the remaining tokens in the treasury, thus increasing their valuation. In addition, the incentives provided by using such tokens may pique the interest of the player/user, thus increasing their participation in the game that further escalates the value of these tokens. Lastly, holding the amount of token by the user in the treasury can maximize their net return, and the tokens may become more valuable with time.

Accordingly, the users, as holders of Toy NFTs and GAT may experience a rise in the value of the tokens that is commensurate with a rise in the participation by different users, individually and / or collectively as part of the Alchemy Toys platform. Consequently, the Toy NFTs and GAT values are fully outside the control of external third-party influences, external actors or external events in its entirety. Therefore, due to the fact that Alchemy Toys is an online virtual platform, the Toy NFTs and GAT could be considered as a utility token or a "membership benefit". The Toy NFTs and GAT are aimed at providing a tool for availing the benefits of the Alchemy Toys platform.

In other words, Toy NFTs and GAT tokens may be treated as an internal accounting unit of the Alchemy Toys platform based on blockchain technology, which users can exchange for products and services as per the offerings of the company.

On the Alchemy Toys platform, there are several scenarios of using the Toy NFTs and GAT. It depends on the tokenholder's choice. Particularly, the GAT tokens provide the players with a right to participate in their winnings, whereas the Toy NFT token is a collectible. However, if any user collects all of the Toy NFTs and destroys them, the user may obtain a share of the treasury that holds all of the fees paid in by the users / players. All scenarios of the Toy NFTs and GAT are strictly ordered and implemented with various blockchain solutions. There are no other scenarios that are considered as technically feasible. None of the scenarios of utilizing the token has the signs of securities rights realizing. The Toy NFTs and GAT have their own value (utility) regardless of the company's assets. Such a digital instrument is not part of any of the Company's assets.

[...]

Full legal opinion regarding these Currency Tokens are provided on the website or upon request.

Distribution

There is a maximal total supply of 1,000,000 pre-minted GAT.

- 5% direct purchase by the founders
- 10% purchased and reserved/locked by the founders until 10.Nov.2021
- 10% reserved for soft-launch as a private sale with a highly reduced progressive pricing model.
- 5% Marketing / Airdrops
- 50% reserved for a main sale on Alchemy Toys exchange
- 20% reserved fo a later sale (on an exchange, liquidity pool, OTC, etc.)

The company does not keep any GAT tokens nor has any other influence on the dynamics of the gameplay and its economics once the smart contracts are deployed on the Mainnet.

Roadmap and Current State

The game has been already tested by hundreds of players on a testnet. We have deployed it on the BSC Mainnet on 13th May 2021. NFT Marketplace will follow in June 2021.

The Future Ecosystem

Further games are planned as part of a whole **collect & play fair game ecosystem**. The idea is that some of the TOYs and GATs will be usable in those games, too! Giving the user special privileges and abilities. Further details will be disclosed soon!