

FIRST MONETIZATION PROTOCOL FOR THE ONLINE GAMING INDUSTRY

- Get paid for your gaming skills in every game
- Game-based smart contracts for matchmaking, streaming and activity
- Disrupting online gaming via contract-judged games

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Abstract

Flux is a comprehensive global gaming platform that combines all stakeholders in the gaming industry's ecosystem where players, developers, traders, and the gaming community can transform their time and needs into money using a new gaming token, the Flux Token. It is simultaneously a platform for competitive gaming, a marketplace for games, an online streaming platform, and a marketplace for trading in-game items.

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Introduction

Collectively, the gaming industry has over 2.3 billion users who generate a growing revenue stream and immense value for entrepreneurs, game developers, and other related companies. The gaming segment alone generates over $105 billion annually. The number of transactions that occur on gaming platforms is growing exponentially, but the industry is beginning to show problems.

One of the major problems is a lack of liquidity in the ecosystem. Gamers spend hours to improve their competitive skills and win rates, collect rare items, buy certain cosmetic skins, and improve their characters. However, when gamers want to exchange any of these items, they have to rely on centralized payment systems that most external marketplaces provide. Meanwhile game developers potential earnings are reduced by an average of 30% by popular markets and publishers.

Flux offers a system that will allow those players to get rewards for matchmaking competitions, trading items on the marketplace, and even crowdfunding their own ideas inside the platform. Contributors and developers will be provided a certain commission from each game as well.

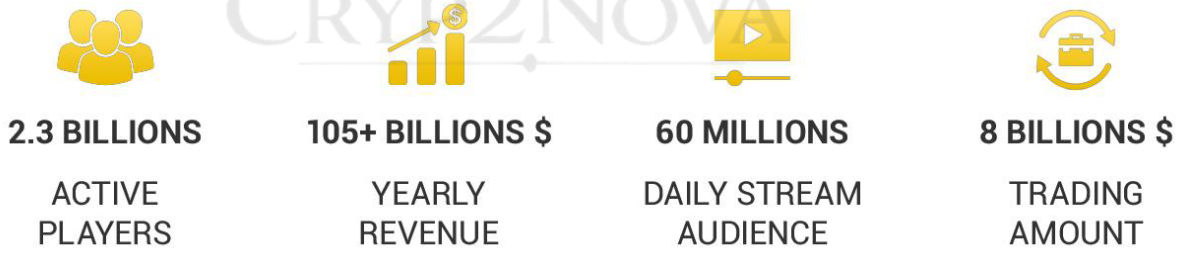
With the help of blockchain technology, the entire gaming economy will become more transparent and automated, thereby making the platform a good extension for the existing industry and helping integrate cryptocurrency into real world businesses.

Flux's vision is to cover the global market in the gaming space and create a full ecosystem which will benefit all of its users and stakeholders.

Market Overview

Gaming

The gaming industry is one of the biggest and most promising markets in the economy.



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Based on the latest research, the industry has about 2.3 billion active players right now with an average of $108.9 billion of annual revenue.[1] Approximately 700 million (31%) of this audience plays games competitively.

A big portion of matchmaking services are currently focusing on eSports (400 million). However, there are over 380 million competitive game players outside of the eSports segment who use mobile devices and desktop computers. These players are currently not using any existing matchmaking platforms.

For example here is the audience list of TOP non-eSports competitive PC games for 2017:

Game	Engaged Users
Paladins	16 million
Destiny	30 million
Smite	20 million
Battlefield 1	19 million
Paragon	1 million
Battlerite	600 thousand
Total	**104.6 million**

Trading

The global trading market in the gaming industry surpassed $7 billion in 2017 with the number of transactions and trades processed exceeding several hundred billion.

Steam, the largest, centralized trading platform in the world, sells roughly 370 billion games annually.[2] The market is big and is continuing to expand month by month.

Streaming

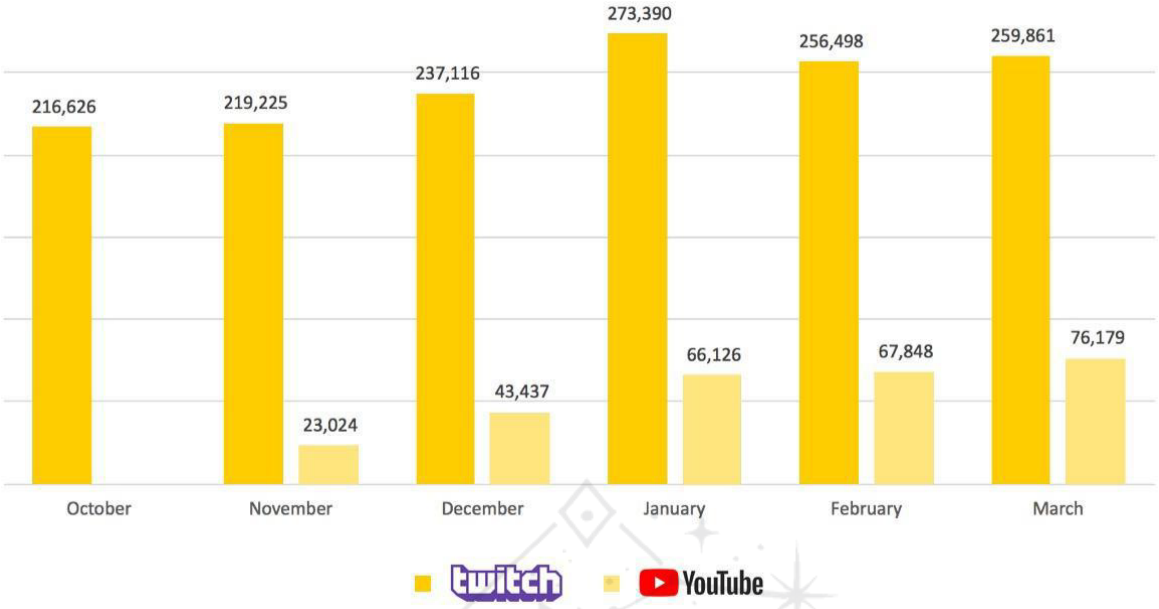
The streaming industry is one of the most undervalued segments of the gaming industry. A StreamLabs livestreaming report shows that streaming is quickly gaining popularity amongst gamers and non-gamers alike.

Monthly Active Streamers

[1] https://newzoo.com/insights/articles/the-global-games-market-will-reach-108-9-billion-in-2017-with-mobile-taking-42/

[2] https://www.cnbc.com/2017/02/15/digital-games-market-to-see-salesworth-100-billion-this-year-research.html

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Twitch has already become an appealing concept for talented video bloggers. The vlogging segment has also grown dramatically in 2017 alone with more than 3 million active subscribers. YouTube Live is growing even faster with Monthly Active Streamers increasing by 330% for YouTube Live versus just 19% for Twitch in the past 5 months. This is primarily due to the fact that YouTube Live is still a fledgling enterprise as compared to Twitch, but the key takeaway is that despite YouTube Live's growth, Twitch has retained its streamer base. This implies that despite competition, there is still room in the industry for more platforms to participate.

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The FLUX Platform

The Flux Platform unites virtually every segment of the gaming industry. Everybody can earn rewards Flux Tokens and can easily exchange those tokens on the open market.



The Flux ecosystem is built around the various gaming segments in the industry. Players can compete against each other and earn Flux Tokens through the Matchmaking Platform. With those tokens and any in-game items they own, gamers are then free to trade and purchase items in the Flux Trading Platform and Store.

Game creators are able to raise money to develop their games through the Flux Crowdfunding platform and then sell their games through the Flux Developer Market.

Finally, gamers can also broadcast their play sessions using the Flux Streaming Platform and integration with Twitch so that the platform gains more attention and a larger audience while the gamer receives rewards.

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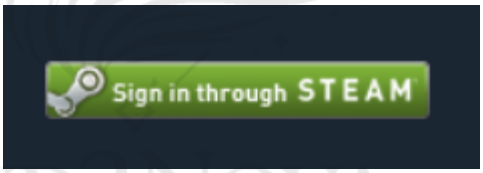
This complete ecosystem is built using a system of multiple smart contracts so that all described actions are processed transparently and fairly.

Matchmaking platform

As there is no working solution that allows a player to legally earn real money by playing competitive online games, paid matchmaking is the main feature of the Flux platform.

The ideology of Flux's service lies in the convenience and simplicity of actions for each user. For carrying out a paid matchmaking game on the FLUX platform, a user needs to perform the following actions (this example follows the alpha version of Flux with CS: GO from its official distributor, Steam):

1. Registration on FLUX. Flux has migrated all registration functionality, as well as bound existing user accounts, to the web version. Binding a user implies that the user already has a valid account specific to each game vendor/distributor. To bind with Steam, users of FLUX simply click on "Sign in through STEAM".

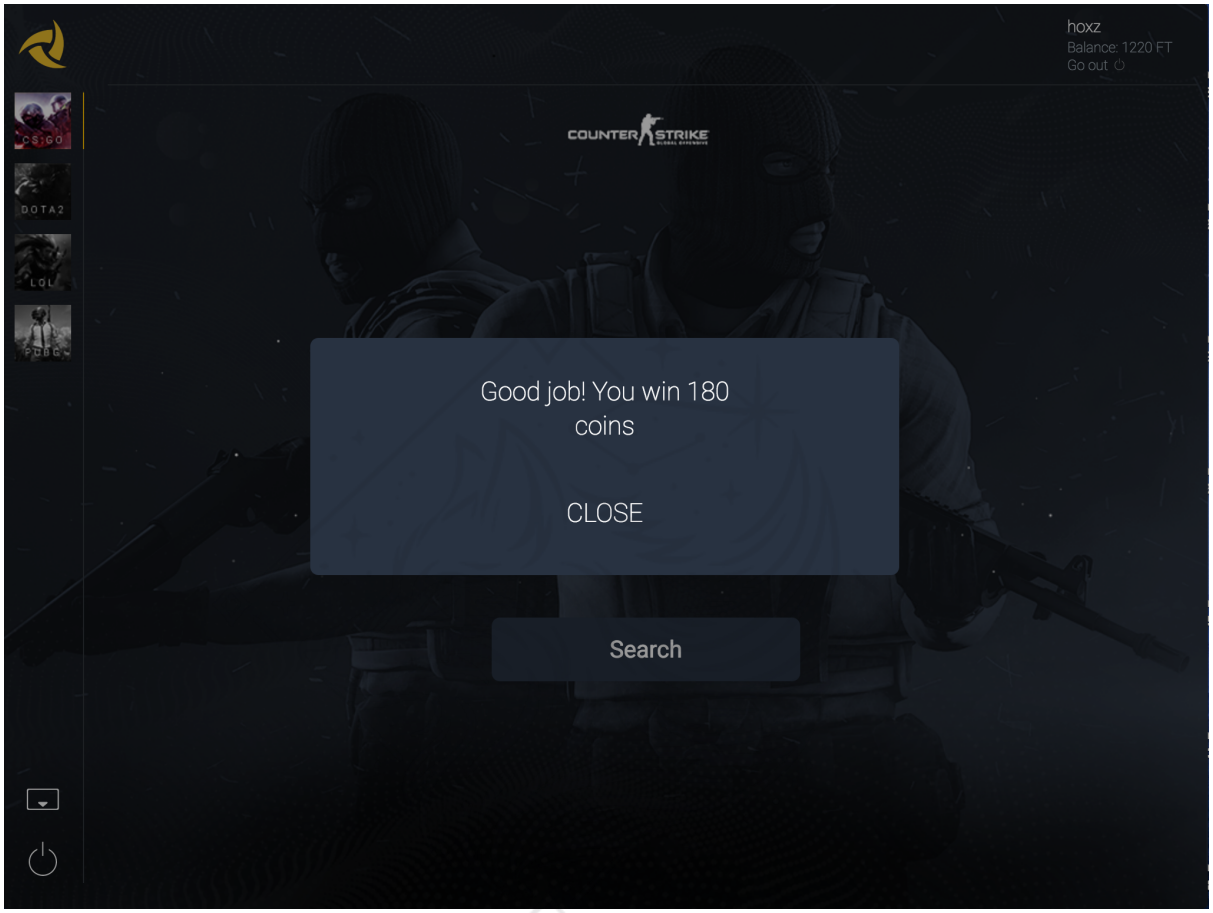
   After that, the user is redirected to the official Steam site, where after confirming his intentions, the user's account is attached bound to Flux.

2. After downloading and installing Flux, the user logs in and is ready to carry out paid matchmaking.

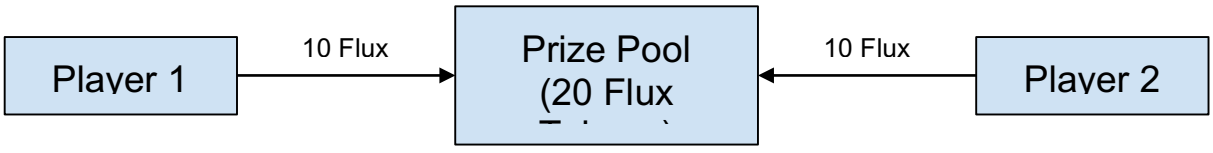
   With just one click, the user can start searching for a match in CS: GO and start placing bets using dummy coins. Once an opponent is found, FLUX starts the Steam client and places the player along with the opponent on a dedicated server (see Screenshots in the Product MVP and Alpha section).

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At the end of the match, Flux closes the game client, which displays a message confirming the user's win or loss and the corresponding balance change.



The conditional scheme of work for processing paid matchmaking:



Each player enters 10 Flux tokens and competes in a match. The winner is entitled to the entire Prize Pool (20 Flux tokens).
The winner pays out an additional commission fee to Flux (the amount varies from player to player and

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A gamer can use BTC, ETH, LTC, USD, EUR, or Visa/MasterCard payments in order to top up his account with Flux Tokens which can then be used within the Matchmaking Platform. The same process is used when the gamer wants to convert Flux Tokens to any other currency, thereby providing a way for a gamer to earn real money through the platform.

Advantages for the gamer:

- the ability to earn real money, using gaming skills;
- mobile game support;
- big library of games;
- user-friendly interface;
- achievements and daily tasks;
- regular and custom tournaments;
- ability to develop the gamer's account;
- supportive gaming community;
- knowledge that every transaction is safe due to the decentralized system;
- data privacy for all users.

The Flux Platform will be available for Windows, MacOS, Linux, Windows Phone, iOS, Android platforms. Top online games are supported for PC and mobile devices, as well as uploaded into the Flux Market.

Flux has already connected Counter-Strike: Global Offensive (CS:GO) and Bang for mobile devices.

Streaming & Community Platform

For active gamers, the fragmentation of gaming services is an obvious problem. In one service, users look through content, in another, users create content, in the next, users play games, and in the fourth, users trade items. Since Flux's goal is not to make another niche product, but to create a full ecosystem, working with the community to create high-quality functionality is one of the priorities of the Flux team.

Therefore, Flux has focused on building a functional platform that will meet the requirements of any type of user involved in the game industry - from the gamer and the trader to the game developer and streamer.

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Since FLUX will unite all users by binding their accounts from different gaming platforms, members of the FLUX community will be able to exchange information and content with all users, view users' accounts with detailed statistics, and even create their own content.

FLUX is confident that it will allow the gaming community to unite in one platform and receive the best user experience using FLUX. It is important to note that Flux is not competing with existing gaming projects, but working with them under one platform.

The streaming service allows users to view and host streams. Flux is developing ready-made streaming platforms with open APIs. Thus, users of FLUX can view video content directly from the client interface, something most popular streaming services allow users to do.

Live broadcasting has a large and growing audience and Flux is planning to leverage that trend for its full potential. The community of fellow streamers, gamers, and viewers are encouraged to participate in discussions, write posts, and share relevant content. Gamers will be given the opportunity to vote on games that they would like to see added to the Flux platform. The results of the voting process will help shape the direction of the platform as gamers will have an opportunity to reach Flux and vendors to get the games they want to play.

The platform is designed to incentivize community members in order to create a thriving and constantly evolving gaming environment. Incentives will take various forms and may include custom user names, custom signatures in forums, or even discounted or free games and in-game items.

Every person who livestreams a particular game or a tournament will earn certain rewards. Streamers could receive donations from Twitch and Flux simultaneously. Moreover, they will receive payouts with Flux Tokens for a fixed amount of viewers.

Advantages for streamers:

- Every 3,000 viewers on stream equates to a 10 Flux Token reward for the streamer;
- donations in Flux Tokens are available;
- Twitch nickname containing “Flux” lowers player’s rake fee for 1% and unlocks participation in weekly “Flux Angels” tournament with guaranteed prize pool.

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Flux allows every person to earn rewards based on the number of viewers on popular live broadcasting platforms while a gamer's livestream is available both on Flux and Twitch.

Developer Market

The Flux Market is a marketplace for developers which is geared towards the monetization of competitive games. The platforms takes no commissions for downloads or in-game purchases made via mobile applications for such games.

In this case, Flux helps developers to increase a demand for their games and to earn additional profits while also giving them the ability to distribute games without paying a commission.

Every developer will have the ability to upload a game and receive commission from every matchmaking session. As soon as the game has been uploaded and verified by Flux, it automatically appears in the list of available Flux games.

Flux will provide game developers with an open source API to upload a game to the Flux platform automatically. The API will provide advanced functionality that will not only integrate the game within the Flux platform, but also provide the developer with results the game produces. The game will undergo an automated vetting process based on a pre-defined ruleset to see if it is accepted on the platform before it is released on the market.

Advantages for developers:

- easy registration process for opening accounts;
- quick verification of games;
- revenue from each game session;
- 0% commission for each game transaction for competitive games;
- 2% commission for each game transaction for non-competitive games;
- continuous support from the Flux team;
- rapid audience growth due to tournaments organized by the Flux team.

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Trading Platform & Store

The Flux ecosystem will have its own trading platform where every participant can trade items that are available in the Flux Store. Each purchase will be processed immediately by Flux and the product or service will be credited to the gamer's account instantly.

Virtual assets that could be traded in Flux:

- in-game items;
- digital skins;
- in-game currencies;
- digital game packages;
- and more.

There are no commissions for trading virtual goods for other virtual goods in Flux. There is, however, a 2% commission for buying and selling virtual goods. The Flux Store commissions are described in the terms of the Developer Market.

Advantages for gamers and traders:

- possibility to buy and sell skins and other in-game items using Flux tokens;
- possibility to trade skins and other in-game items using Flux tokens.

As a further advantage, gamers will have the opportunity to create custom skins in the Steam workshop and use a Flux gamer vote for accepting that certain skin. In case of acceptance, 20% of sales go to voters, 60% go to the skin creator, and 20% goes to Flux.

Crowdfunding Platform

With Flux, a gamer will have the unique ability to describe his own project and get funding from the community. In this way, fundraisers receive an opportunity to create games they have envisioned and participants receive an opportunity to get paid a portion of matchmaking fee. Participants may also receive other benefits such as pre-order bonuses and VIP packages in the games they back.

Game pre-sales will be mostly targeted for small and medium game creators who need a certain amount of funds to bootstrap their projects. Flux Token

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distribution to game creators will be securely and transparently controlled by the Flux platform alongside pre-sale purchases.

For example, a game creator has a goal of $10,000 to create game proof of concept in a month, $20,000 to create the minimum viable product in two months, and $50,000 for the first beta version in five months. The Flux platform uses smart contracts with predefined amounts, limits, and fund release requirements which allow the game creator to withdraw Flux Tokens according to that specific ruleset. Participants have the ability to collectively withdraw from a smart contract at any stage if game creators break the terms set forth.

Gamer Features

While it is clear that there are multiple economic benefits for gamers and developers alike, Flux has also put great emphasis on adding features which are designed to reward gamers for playing games within the Flux platform. While these features also provide some economic benefits, they have been deliberately tailored to encourage competitive gameplay and to build a strong community of like-minded gamers.

Achievements, Tasks, and Quests

A carefully designed system of achievements and tasks for each game allows the gamer to receive additional income by performing a specific set of tasks during a play session. For instance, in the game Air Hockey with a $10 prize pool, Player 1 scores a winning point 1 second before the end of the game. In such scenario, he may receive a reward of $3 paid out in Flux Tokens.

Achievements can be earned in 3 quests during 24 hours. If a player doesn't complete the quests of the day, he will be able to participate in 3 new quests the next day.

Leagues

The more wins a player has, the higher the level of his account. Upon reaching a certain level, the player is eligible to play in the big leagues. Each league is characterized by access to special tournaments and a reduced commission rate for each game.

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When a player reaches Win Level 150 and his win rate is at least 25%, he is automatically moved up from the Bronze to the Silver league.

League Names	Bronze	Silver	Gold	Platinum	Diamond	Star
Win Level Needed	-	50	150	300	600	1000
Rake Fee	7%	6.5%	6%	5%	4%	3%
Mandatory Win Rate for League	-	15%	25%	35%	45%	65%

Referral System

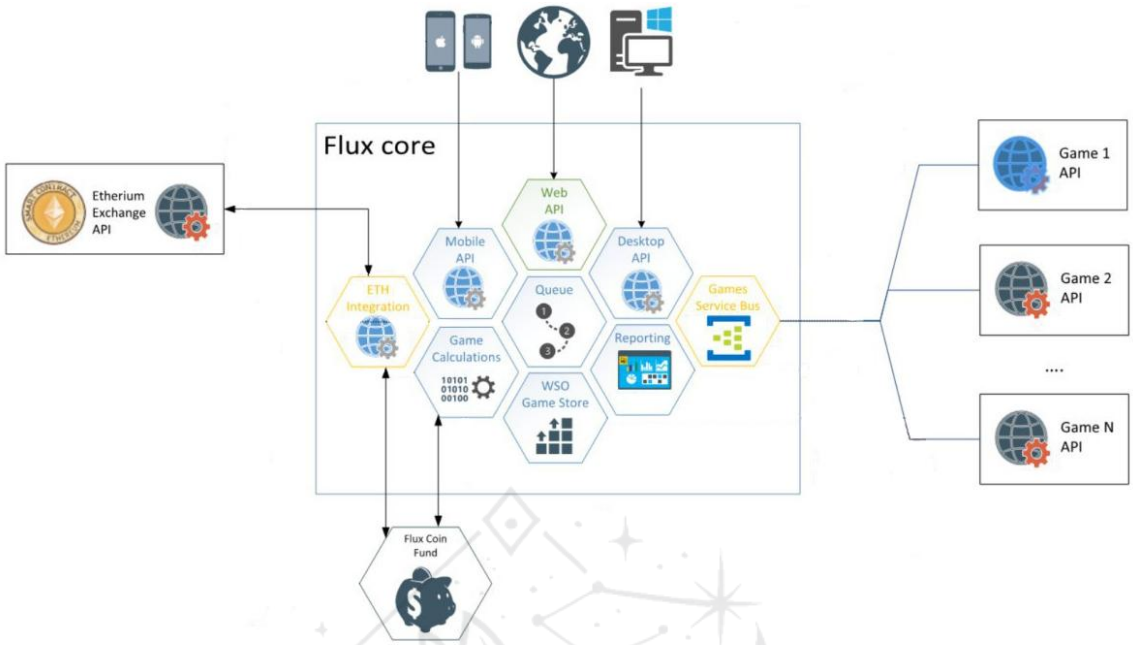
Flux presents a referral system where players can invite others to join the service and receive a percentage from all of their gaming sessions.

The referral system has a limit of 10 levels of players. Earnings at each level are derived from Flux commissions which themselves derived from each gaming session.

Product

Product Architecture
The Flux service is under development on a microservice, cloud-native platform. Thus, from a technical point of view, the service is as autonomous as possible and infinitely scalable.

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The core part of the service consists of microservices (web, desktop, and mobile APIs are primary services on this list). Flux has specially designed each of these parts as a microservice as the platform will grow fast in multiple directions and Flux needs to make the services organized and as autonomous as they can be.

In the core, there is also a unique game service, “Evolution Bus”, which allows the platform to connect new games using their external APIs. The service is a smart Bus which is learning and getting smarter as its use increases over time. In this way, Flux guarantees unlimited scalability of the platform as it can connect gaming platforms and games using any of the platform’s services.

Because all currency exchange processes are processed outside the system, Flux will cooperate with currency exchanges using their external APIs. For example, Flux is exploring a relationship with Bancor to act as a liquidity provider for Flux Tokens. This will allow gamers to seamlessly convert tokens into and out of Flux Tokens, thereby providing a “cash-in” and “cash-out” solution.

There is also an event calculator in the core, as well as a reporting system and game store service. These are able to cooperate with other services. The non-relational database is not a part of the Flux core, but it is in the cloud and is important as it provides unique keys for every user.

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Through this design, every game vendor connected to the system becomes a part of Flux ecosystem and allows the platform to be decentralized by transmitting data in the blockchain.

Flux Nodes

Stable operations of all gaming systems are important in order to process game data streams and have them verified. In addition to the centralized server processors (which were used in the MVP test phase), Flux plans to integrate masternodes for its network. Users will have the opportunity to become node holders if they hold a required number of Flux Tokens in their wallets.

This is vital for the development of Flux in the future. While the platform is reliant on the Ethereum blockchain, the long-term vision for the platform involves Flux developing its own blockchain solution. This will allow Flux to have lower transaction costs and avoid the bottlenecks that are inherent in using the Ethereum network. By having a proprietary blockchain solution, Flux has more control over the development of its ecosystem.

Technical details about the operation of such nodes are given in the Appendix.

Product MVP and Alpha

The MVP and alpha of the platform includes:

- desktop application for Windows, MacOS and Linux;
- mobile application for Android, iOS and Windows Phone;
- games market;
- web version.

A desktop application is a part of Flux and allows gamers to find opponents in competitive games such as “Counter Strike: Global Offensive”.

Flux uses SteamIDs for launch, tracking of results, and also to receive valid information about the gamer.

MVP and Alpha Statistics

During the MVP playtest, Flux noted the following ecosystem statistics:
Mobile and desktop users - 2,289

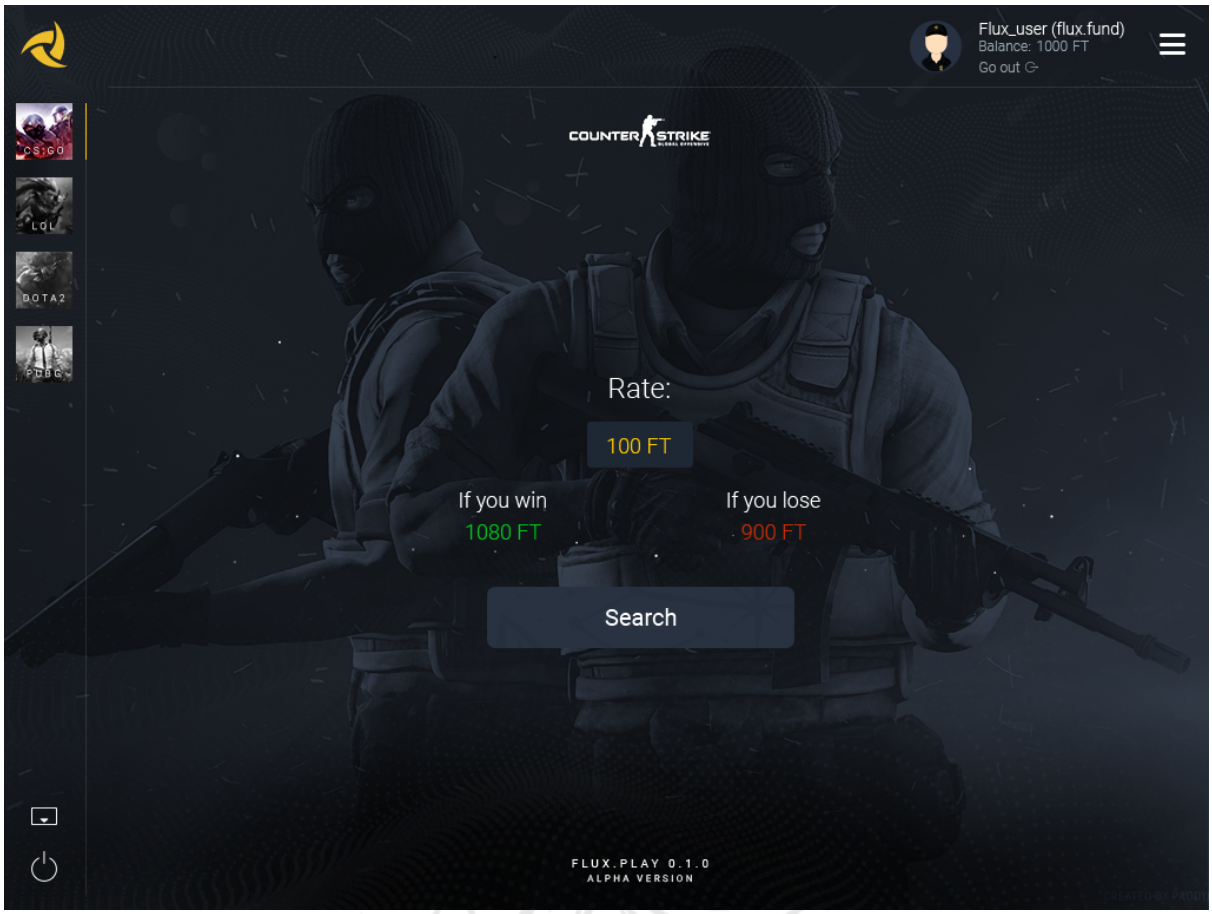
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Total matches and games played - 12,722

For the Alpha test, which is currently live, Flux has noted the following ecosystem statistics in the first five days:
Mobile and desktop users - 1,792
Total matches and games played - 702



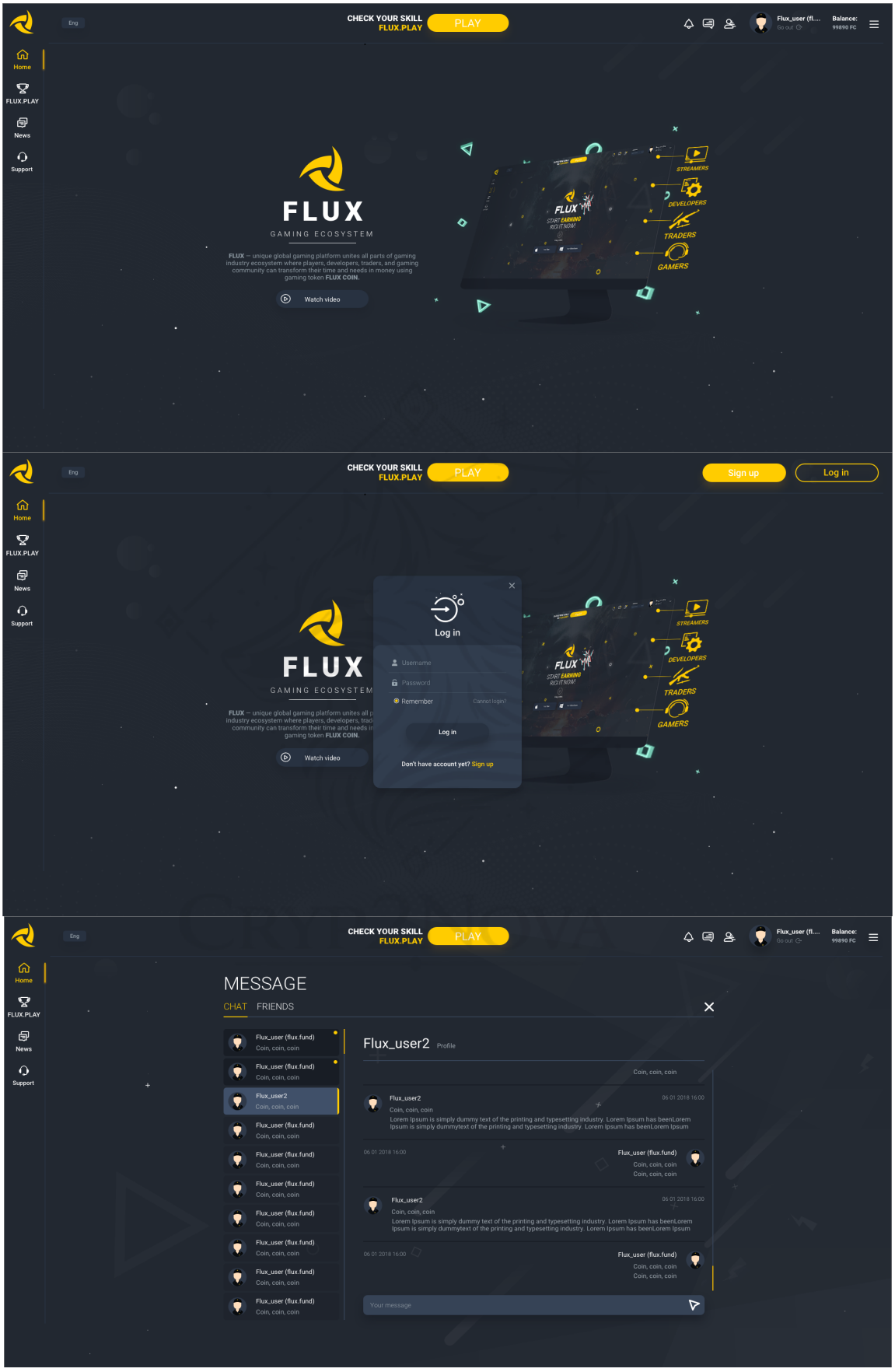
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The web version of the platform consists of the Flux website which allows gamers to register and manage their personal dashboards to download the mobile and desktop clients. It also contains a news feed.

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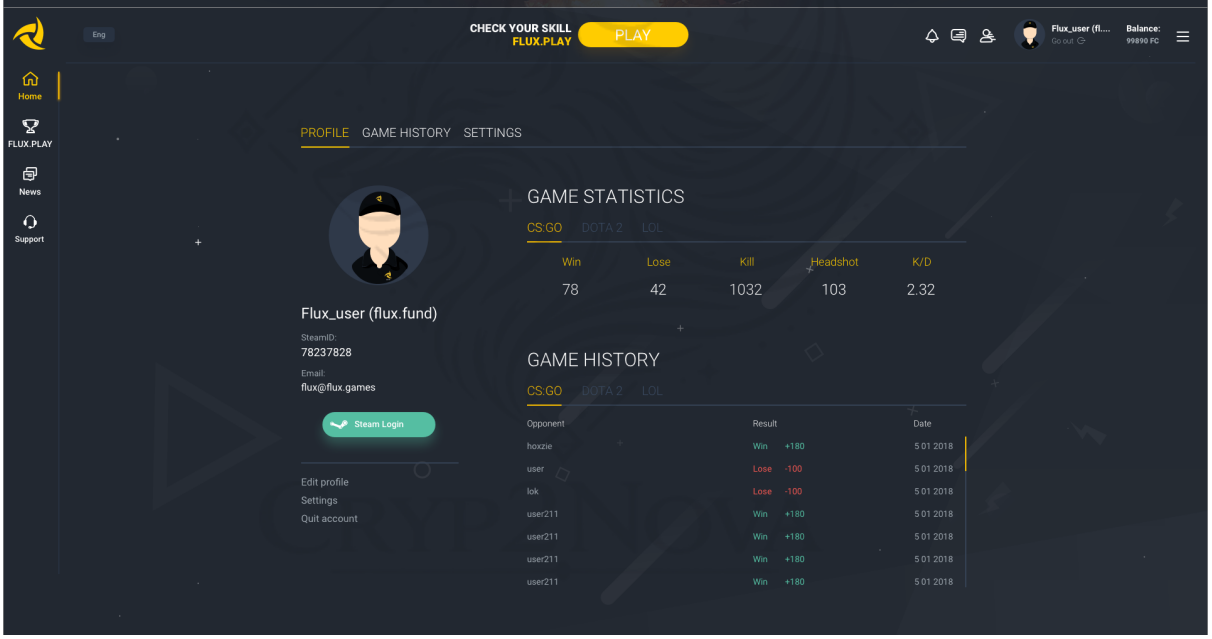
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Flux Whitepaper

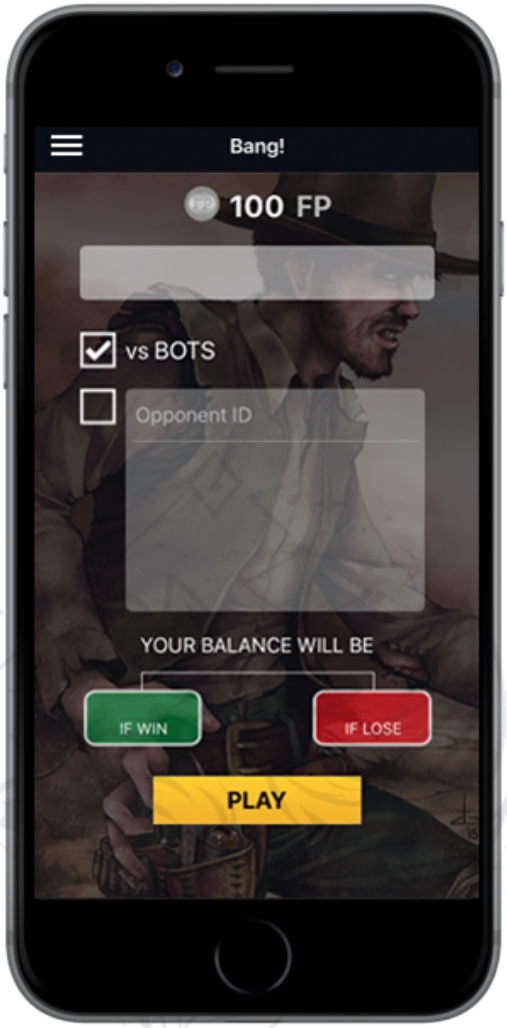
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The mobile application allows gamers to find an opponent in the game “Bang” and use paid matchmaking system on matches using dummy currency. The mobile app also has a news feed.

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The developer market is a platform where game developers can add their games which will be available for matchmaking in the platform. Users can then download those games and play with others.

The winner of each match is rewarded with money, which comes from the two players, less the commission fee.

Prototype in Bounty Campaign

After the official release of the Flux MVP at the end of October 2018, Flux will launch a Gaming Bounty. 1% of all Flux Tokens will be distributed among MVP users according to this formula:
((User Gaming Flux Amount)/(Total Issued Flux Tokens for Gaming Bounty)) x 1% of all Flux Tokens = Reward for User

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To receive a reward, a gamer should play at least 5 matches of CS:GO or 30 matches of Bang with a real opponent and provide us with a scan of the gamer's personal ID.

Development Roadmap

Flux has undergone significant development since its inception in 2016 and is currently undergoing a closed beta to test basic gaming functionality. Additional testing is required to stress test scalability and ensure stable operations with a greater number of players.

Date	**Activity**
Summer 2016	Flux Games is created and initial team is formed.
November 2016	Development of the first iteration of the Flux Platform's demo is completed.
May 2017	First design iteration for the architecture of the production version completed.
July 2017	Development of the MVP completed.
September 2017	Testing period for the MVP completed.
August 2017	Development of the mobile client started.
November 2017	Release of the MVP.
April 2018	Release of the Flux PC client.
Q3 2018	Release of the mobile client and launch of the Trade and Developer Market Platforms.
Q2 2019	Launch of the Streaming and Crowdfunding Platforms.
2020	Focus shifts to expanding and growing scalability of the Flux Ecosystem.

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Flux Tokens

Flux Games is raising funds through an Initial Coin Offering (ICO) to support the development of the Flux Ecosystem and to deliver a suite of gaming services that caters to all stakeholders within the gaming industry. In its ICO, Flux Games is issuing Flux Tokens (FLUX), an ERC20-compliant token.

ICO Structure

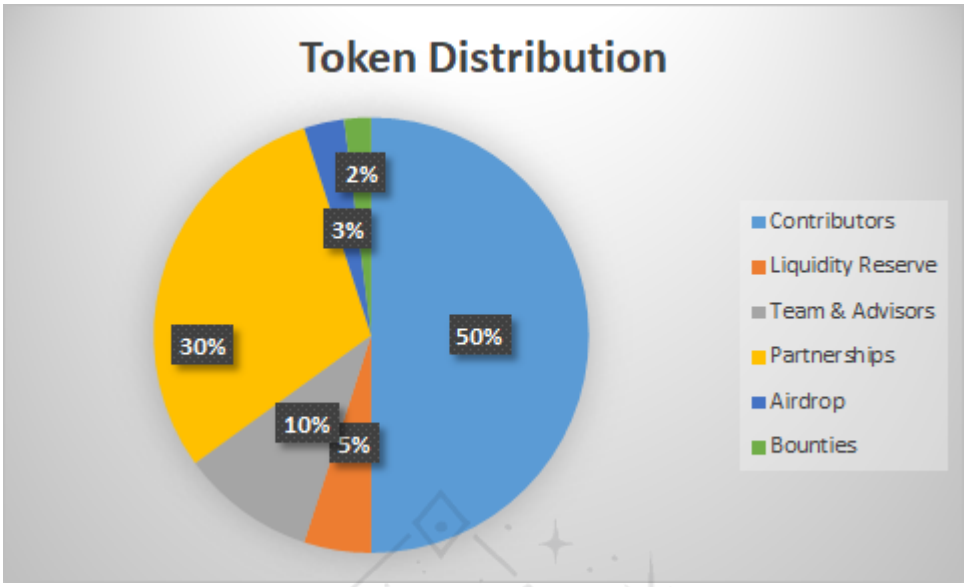
Token Name	Flux Token
Token Symbol	FLUX
Token Supply*	100,000,000 FLUX (One Hundred Million only)
Adjustable Supply?	No. Tokens are 100% pre-mined. Any unsold tokens will be added to the reserve
Initial Rate	USD 0.50 per FLUX (Fifty US Cents)
Minimum Raise	USD 1.5 Million (One Million Five Hundred Thousand US Dollars). If minimum raise isn't achieved, all collected funds will be returned to participants.
Target Raise	USD 20 Million (Twenty Million US Dollars only)
Token Distribution	
Contributors	50 000 000 (50%)
Management Team & Advisors	10 000 000 (10%)
Bounty	2 000 000 (2%)
Partnerships	30 000 000 (30%)
Airdrop	3 000 000 (3%)

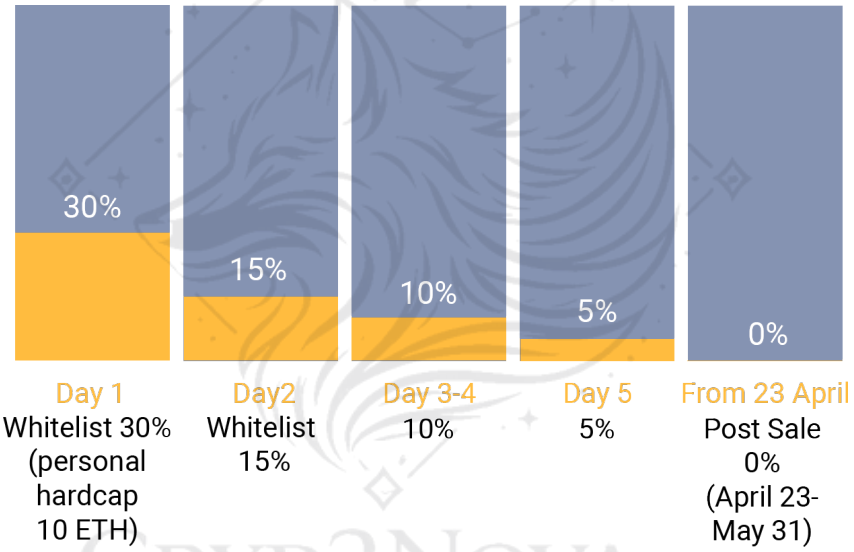
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Liquidity Reserve	5 000 000 (5%)
Vesting Period for Founders	1 Year
Bonus Structure	
Whitelist** April 17	30%
Whitelist** April 18	15%
April 19-20	10%
April 21-22	5%
From April 23	0%
Date Crowdsale Begins	17 April 2018
Date Crowdsale Ends	31 th May 2018
Currencies/Payments Accepted During ICO	ETH, BTC, USDT, DASH, ETC, LTC, ZEC, BNB, KCS, Visa, MasterCard, USD, EUR

* Flux has already pre-issued 250 million tokens. However, because the funding target has decreased from the inception of this project, the management team has decided to burn 150 million tokens immediately once the ICO is completed. Therefore, total token supply will remain at 100 million Flux Tokens.
** The whitelist bonus is only available to participants who register for the Flux Whitelist prior to 17 April.

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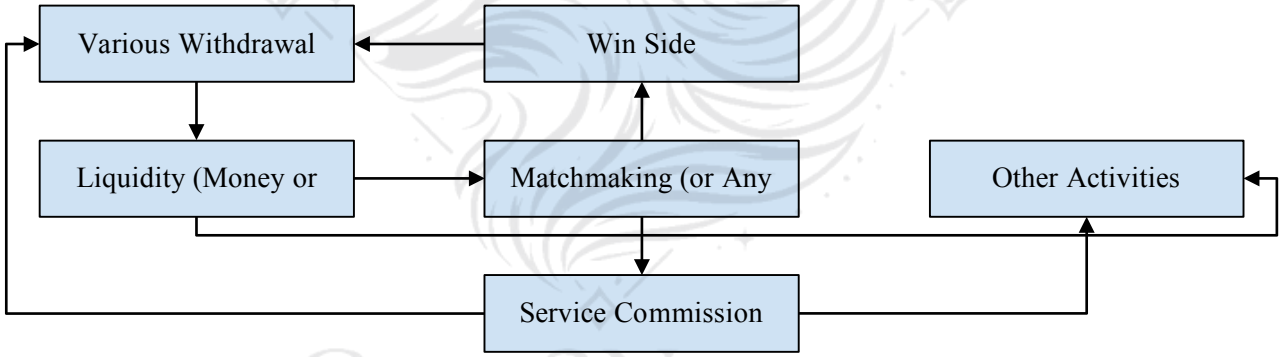
Token Roles

Flux Tokens are a purely an “in-app” token and can be thought of as virtual currency as is seen in other popular gaming platforms such as UPlay. Flux Tokens are used as a medium of exchange and a store of value within the Flux platform. All deposits in paid matchmaking, item trades, item purchases, game purchases, crowdfunding efforts, and streaming donations are conducted using Flux Tokens. Because the platform is self-contained, involves every gaming stakeholder, and because the tokens can be used for a myriad of purposes within the platform, the tokens have real-world value for gamers and developers alike.

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For users who want to convert Flux Tokens to fiat currency and vice versa, Flux has created a peer-to-peer exchange where users are free to buy and sell Flux Tokens from within the Flux community. Furthermore, Flux has partnered with MoxyOne to allow Flux Token holders spend their tokens for everyday purchases outside of the Flux platform.

The first flows of liquidity (money) into the system will be implemented for participation in matchmaking transactions and other similar gaming activities built on the infrastructure of the system. A basic scheme is presented below. At the initial stage, liquidity is sent to matchmaking transactions, from where the funds are deposited to the winner and the platform collects the appropriate commission. These funds are partially circulating within Flux (to be used for other services and products) and are partially withdrawn from the system through the mechanisms of selling on an exchange, through the P2P exchange, and others.



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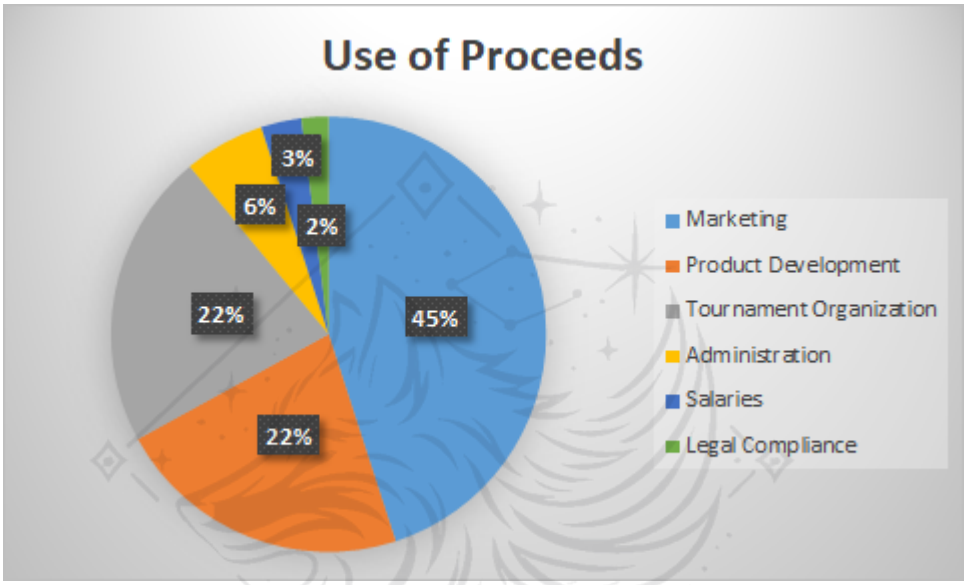
Use of Funds Raised

In order to complete the development of the Flux Platform, Flux is raising $20 million. The funds will be used for:

Use	**Amount**
Marketing	45%
Product Development	22%

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Tournament Organization	22%
Administration & Operations	6%
Salaries	3%
Legal Compliance	2%



Milestones

MVP Milestone - $1.5 million

With the MVP Milestone achieved, Flux has created the Minimum Viable Product. The MVP version of Flux includes a basic mobile and desktop application where users are able to play “Bang!” and “Counter-Strike: Global Offensive”, use paid matchmaking on gameplay matches, the first iteration of the mobile user interface, and the first iteration of the web interface for the user’s personal dashboard.

Minimum Milestone - $3 million

With the Minimum Milestone, Flux will complete development the platform’s backend. development of the Flux platform. This means that the platform’s database, desktop/mobile/web APIs, Ethereum compatibility, the Evolution Bus,

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the queuing system, and the reporting engine will be built and integrated into the platform's backend.

Limited Milestone - $8.5 million

With the Limited Milestone, Flux can complete the frontend of the platform and integrate it with the backend to create a fully functional gaming platform. Frontend development includes the mobile (Android and iOS) and desktop applications, the website design, and the Flux token liquidity fund.

Median Milestone - $13 million

With the Median Milestone, Flux can not only complete development of the Flux platform, but will also begin expanding its games library. Flux will reach out to potential partners and game developers and advertise the platform.

Advanced Milestone - $20 million

With the Advanced Milestone, Flux will begin increasing its visibility and more quickly ramp up user acquisition. The extra funding will be spent exclusively on user acquisition efforts through advertising the platform and user tournaments hosted by the platform.

Business Model

The Flux Platform generates commission revenue from each one of its five unique platforms.

On the Matchmaking Platform, Flux takes a fee on deposits in paid matchmaking placed by gamers. On the Streaming Platform, Flux takes a fee on donations made to streamers. In the Developer Market, Flux takes a commission from developers on games sold through the platform. In the Trading Platform and Store, Flux charges a fee on items purchased (but not on items traded for other items). For the Crowdfunding Platform, Flux takes a commission on any money raised by developers from the crowdfunding community.

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Platform	Matchmaking Platform	Streaming Platform	Developer Market	Trading Platform & Store	Crowdfunding Platform
Source of Fee	Paid Matchmaking	Streaming Donations	Game Sales	Item Trades & Purchases	Funding Raised
Typical Rate	1-7%	1-5%	0%	2-5%	10%

Financial Statements

With a raise of $3 million, Flux anticipates that it can attract 50,000 connected gamers who are active. This number is expected to grow to 250,000 gamers by the end of the third year.

Minimum milestone - $3m cap

$'000s	2018	2019	2020
Revenue	**$ 0.2**	**$ 0.9**	**$ 2.9**
Sales and marketing	$ (0.8)	$ (1.1)	$ (2.0)
R&D and support	$ (1.2)	$ (0.2)	$ (0.2)
General and Admin	$ (0.4)	$ (0.4)	$ (0.5)
Total costs	*$ (2.4)*	*$ (1.7)*	*$ (2.7)*
Operating profit	**$ (2.2)**	**$ (0.8)**	**$ 0.3**

If Flux is able to reach its target raise of $20 million, Flux's managers believe that the platform can be even more financially viable from the first year. The extra funds can be used not only to ensure the complete development of the Flux platform within the proposed timeline, but also to greatly expand the platform's visibility by increasing the marketing budget. Despite greater losses in the first two years, the increased marketing budget will allow Flux to have a much larger gaming base with 2.5 million players by the third year.

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Advanced milestone - $15-20m cap			
$k	2018	2019	2020
Revenue	**$ 2.1**	**$ 25.4**	**$ 57.1**
Sales and marketing	$ (3.6)	$ (33.6)	$ (52.1)
R&D and support	$ (4.8)	$ (1.0)	$ (1.0)
General and Admin	$ (0.7)	$ (0.8)	$ (0.8)
Total costs	*$ (9.2)*	*$ (35.3)*	*$ (53.8)*
Operating profit	**$ (7.1)**	**$ (9.8)**	**$ 3.3**

Go To Market Strategy

Having analyzed the current status of the industry, market, and competitors, Flux has developed its marketing strategy by analysing the strength of its ecosystem. This process has helped Flux to create a strategy that highlights its advantages and benefits for gamers and developers alike. The ecosystem address not only the problems that users face today, but the problems they will continue to face in the future.

Flux will create momentum through critical mass and brand recognition. Flux will participate in a wide array of “standard” online advertising practices for its gaming ecosystem. These practices include purchasing advertising banners on popular websites of our target customers, creating an online community in various forums, chat applications and blogs such as Reddit, Telegram, and Medium, and providing beta access to gaming websites and prominent industry stalwarts.

Advertising through online channels, especially on gaming websites, is likely to provide the greatest conversion rate for Flux. Key messages to our various users include:

- Play. Win. Earn. - for gamers
- Develop your game and sell it for no fees! - for developers
- Turn your in-game items into cash! - for item traders
- Help finance game development for perks! - for crowdfunding investors and gamers

Flux will also focus on non-standard promotional campaigns such as hosting tournaments, hiring celebrity spokespeople, and sponsoring well-known players, YouTubers, and Twitch streamers. At least 75% of the platform’s marketing budget is focused purely on increasing brand awareness and user acquisition.

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For games, Flux will also offer promotional pricing and huge discounts for developers to promote and publish their games through Flux's Developer Market. This will provide much needed gaming content for our increasing player base.

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Team

Management Team



Alexandr Sushko
CEO & Co-founder

Alexandr is the creator of the first concept for Flux. With more than 7 years of management and business development experience and strong communicative skills, Alexandr has gathered a highly professional team from different companies and industries.



Dmitry Lut
CTO & Co-founder

Dmitry has more than 5 years of experience in server-side development and building service architecture. Since 2015, Dmitry has also been extensively involved in blockchain development 2015.



Dmitry Sigov
Co-founder

Dmitry has more than 8 years of experience in the IT industry as a sales and business development manager. He has a strong focus on mobile applications and games. Previously, Dmitry has worked at Infopulse, AdCash, and ZEO Alliance where he has been responsible for several multi-million mobile game downloads.



Jan Keil
CMO

Jan is currently a Vice President of Marketing at Infopulse Ukraine and has more than 17 years of experience in business development, marketing, and software development. Jan is fully engaged in all Flux processes.



Elena Sikan
CFO

Elena is a project partner at Safir Law & Finance and runs several international companies. She is an experienced business optimization expert.



Andrian Chestnykh
Blockchain Architect

Andrian has been involved with blockchain software architecture since 2012. Currently, he is involved in several blockchain-based projects as the Lead blockchain developer and architect.

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Eugene Shabalkin
Product Manager

Eugene has 5 years of experience in digital marketing and has been involved in several cryptocurrency project. He is focused on creating advertising campaigns for companies as a product manager and marketing consultant.



Bogdan Tanygin
Business Analyst

With more than 11 years of management experience and strong technical competence, Dr Bogdan Tanygin is a head for new technologies R&D, commercial PoC, and MVP development in a wide array of technological and industrial domains.



Mary Prohorova
PR & Community

Mary is a CEO and owner of an infrastructure and IT solutions company that also provides technical and user support. She is a member of the Hi-Tech Office under the Cabinet of Ministers of Ukraine on the organization of legislative and legal framework for the development of start-ups and the development of the digital economy.



Grigoriy Grudiy
Project Manager

With more than 9 years in web application development and 3 years of experience in project management and mentoring, Grigoriy is a skilled software engineer and team leader. Grigoriy is well versed in application architecture and contributes to the Flux project as a project manager.



Dmitry Dimenko
Brand Manager

Dmitry is an experienced project manager with a demonstrated history of working in the marketing and advertising industry. He is skilled in Marketing Management, Digital Strategy, Advertising, and Integrated Marketing. Dmitry is a project management professional with a Master's Degree focused in Economic Cybernetics from the National Aviation University.

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Advisory Board



Nazar Polyvka
Legal Consultant

Nazar is a Partner at AXON Partners. He is fully involved in the Flux team and provides legal support alongside AXON.



Dmitry Lekhno
Game Developer

With more than 16 years of experience in game development, Dmitry is known for being one of the lead game developers of the well-known game, S.T.A.L.K.E.R, and is a co-founder of several gaming projects.



Jacob Brubaker
Consultant

Jacob has more than 9 years of business consulting experience in the US and several countries around the world. Has worked on several multi-million dollar projects and is currently a creative consultant for OnSetGames.



Olexii Matiiasevych
Smart Contracts Engineer

Olexii is a blockchain developer, Ethereum architect, and smart contracts engineer at Ambisafe Inc, a leading blockchain-focused advisory firm.



Sergeii Latansky
Investor Relations

Sergeii has experience in managing ICO projects as an Investor Relations Manager and as an ICO expert.



Alex Bolbirer
Business Development

Alex has been developing and supporting new technologies related to the transfer of information for the past 20 years. Alex is CEO of SinceTV UK, a next-gen interactive 2nd-screen TV Platform.

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Piotr Orlinski
Business Development

Since 2013, Piotr has been working as a CEO with the MCSI Group. Piotr is a Partner/Representative for major companies like HP, IBM, and Microsoft. Piotr has participated in several eSports fund raisers and is now an official EU representative of the innovative eSports platform.



Alexander Lysikov
Project Manager

Alexander is a Technical Project Manager at Ambisafe Inc. and will be providing management advice and oversight to Flux.



Vasily Sumanov
Economic Advisor

Vasily is an economist, a trader, and an ex-miner who was introduced to crypto in late 2013. His passion is money circulation theory and the digital economy. Vasily is a startup expert at Icobench.com and is highly ranked. He has advised a number of ICOs that have raised more than $26 million in total.



Denis Grodetskiy
Crowdsale Advisor

Denis has tremendous experience in a wide variety of senior and executive roles, after having worked for several state-owned enterprises. In 2016, Denis joined to the blockchain industry where he put his substantial experience to good use to help projects build their business model and develop their strategies.



Nathan Christian
Blockchain Technology Advisor

Nathan is a technical expert in blockchain-based accounting and financial applications. He has been in this space for 5 years and has worked on more than 35 ICOs and complex blockchain projects. Nathan is rated the #6 expert worldwide on ICObench and is rated #2 by "People of Blockchain" Worldwide.

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Corporate Partners

infopulse

infopulse
IT Partners

Infopulse has 1,600 engineers already working for the company. This will ensure there are no issues with staffing for Flux's development.

Ambisafe

Ambisafe
Blockchain Partners

SaaS-provider. Secure, scalable, user friendly solution with crypto, wire transfer, and credit card payments integration.

Innovations Development Lab

Innovations Development Lab
Software Development Partners

Technical partners, provide services for testing, product quality control

Provectus

Provectus
AI & Data Engineering Consultants

Expert analysis of all blockchain and decentralized solutions.

AXON partners

Axon Partners
Legal Advisors

Legal support of the project at all stages.

remme

Remme
Security Consultants

Using a technical solution from REMME, we will make the authentication process as secure as possible.

bionic UNIVERSITY

Bionic University
IT Training Partners

Bionic University provided their services to improve the quality of mobile products of FLUX, as well as testing at all stages of development.

MoxyOne

MoxyOne
Cryptocurrency Payment Partners

With the help of MoxyOne, FLUX will be able to organize convenient processing on debit cards.

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Appendix

Master Nodes

The decentralized stand-alone Flux system allows a node holder to become part of the Flux gaming ecosystem, to participate in the crowd-hosting platform, to vote for projects for funding, and to receive remuneration in the form of part of the commission from the project that was financed.

Thus, the more shareholders and more projects they support, the more rewards they receive. This means that the stakeholders are interested in the quality and number of projects that they have supported, which will allow the crowd-hosting platform to evolve and scale. The priority projects will be games with a competitive element available for paid matchmaking because they will most often involve transactions and, hence, reward node holders.

Node holders participate in the commissions of paid matchmaking from all games connected to Flux except for games launched through FLUX Crowdfunding. In this case, only those who supported the project participate in the division of commission and the profit potential is much higher. Each node holder has a "portfolio of commissions" - a list of those games in which he participates.

Installation of a masternode:

1. The user downloads the installation package to their device and starts the installation process.
2. The node holder must hold 5,000 FLUX in a wallet connected to a smart contract in order to configure the node.
3. The transfer transaction of 5,000 FLUX is generated for one of the public verified contracts in the Ethereum network that are audited by existing node holders. A unique key is also generated to confirm that a particular node belongs to a specific wallet. The user must start the transaction from a wallet that supports FLUX.
4. The wallet and account balances are then validated.
5. The user copies the address for a zero transaction from the node configuration and runs it from his wallet with FLUX, transferring 5,000

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tokens into a smart contract and also sending a unique key.
6. As soon as 51% of node holders validate this transaction, confirming the correspondence of the number of tokens and the coincidence of the unique generated key, the user becomes a node holder.

Crowdfunding Scenario

1. A game developer submits a project application to the Crowdfunding Platform. The developer specifies the necessary amount of FLUX for the creation of the project, payment periods, and milestones in the development of the project.
2. Flux automatically validates the application (according to an internal ruleset) and also creates a standardized smart contract with a unique address. The smart contract prescribes the maximum number of tokens that can be sent to the contract and the terms of the following rounds of voting.
3. The project appears in the list of available games for funding on the Crowdfunding Platform and a list of addresses of contracts (projects) available for voting is formed.
4. The project that receives the most votes receives a payment from the nominees to the address of the smart project contract (game) and the funds are unlocked according to the roadmap project.
5. If the project fulfilled or failed to fulfill the first KPI, node holders vote to extend funding. If more than 50% of the holders vote for continuation of financing, the following amount is released in the smart contract. If not, then all funds in the smart contract are distributed among the holders in proportion to the amount of the contribution to the project.
6. For each game launched through crowdfunding, a smart contract is generated that sends a portion of the commission from game sales and paid matchmaking to those holders who participated in the financing of the game.

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The purpose of this whitepaper is to present Impulselab OÜ (that is, the Flux Platform) to potential contributors. The information set forth herein may not be exhaustive and in no way constitutes a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential contributors so they can determine whether to undertake a thorough analysis of the company with the intent of contributing.

Impulselab is incorporated in Estonia and is the official entity which is developing and owns the Flux Platform. Flux’s objective is to become a gaming technology company.

Nothing in this whitepaper is deemed to constitute a prospectus of any sort or a solicitation for contribution, nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction. This document is not composed in accordance with, and is not subject to, the laws or regulations of any jurisdiction, which are designed to protect contributors.

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This English language whitepaper is the primary and official source of information about the Flux Platform. The information contained herein may, from time to time, be translated into other languages or used for written or verbal communications with existing and prospective customers, partners, and

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General Data Protection Regulation (GDPR)

The General Data Protection Regulation (GDPR) was adopted by the European Parliament and the Council of the European Union on 27 April, 2016 and becomes enforceable from 25 May, 2018. The regulation is intended to strengthen protection standards for all individuals residing within the European Union.

The primary objective of the GDPR is to provide EU residents with control over how their personal data is handled by third parties, be it government or corporations. Each EU member state will create a Supervisory Authority (SA) that regulates the actions of the state and the corporations that are based there. Issues pertaining to retention times of personal data, the right to erasure, the pseudonymization of identities, and more are all covered by the GDPR.

The GDPR applies to European data controllers and processors. Flux will be both a data controller and a data processor because all user transactions and analytics will be conducted internally. Flux will appoint a compliance officer and a data protection officer to create specific internal guidelines in order to comply not only with the GDPR, but the data protection regulations of other countries as well.

Risk Factors

This whitepaper is for informative purposes only. Any and all representations herein should not be completely relied on. Flux makes no representations or warranties and disclaims all liabilities arising from any information stated in this whitepaper. In particular, the financial projections, development roadmap, and overall feature set are subject to change and Flux is not bound to any representations of the future performance and returns of the company. The actual results may differ materially from those set out in the Business Model and Development Roadmap.

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There are numerous risks, both internal and external, to consider when thinking about contributing in Flux. External factors are outside the control of Flux and its advisors and can affect both the value of your contribution and, subsequently, the anticipated income the contribution might generate. These factors include, but are not limited to, interest rates, inflation, government policies, taxation and other regulatory actions, global market volatility, and economic conditions around the world. External risk factors cannot be eliminated. Participants should be aware that certain risks always remain. All participants should be familiar with this whitepaper to minimize the risks associated with contributing in Flux, which are described below:

Regulatory Risks

Blockchain technology, including the issuance of securities based on blockchain technology, may be a new concept in some jurisdictions, which may then apply existing laws or introduce new regulations that affect applications based on blockchain. Such regulations may conflict with Flux's current business model.

This may result in substantial modifications, for example, the termination, the loss of tokens, and the suspension or termination of all related functions.

Cryptocurrencies, cryptographic tokens, and blockchain based software systems have been the subject of regulatory scrutiny by various regulatory bodies in numerous jurisdictions. The Flux Ecosystem and its tokens could be impacted by one or more regulatory inquiries or regulatory actions, which could impede or limit the ability of Flux to develop the ecosystem.

Dependence on Computer Infrastructure

Only parties having significant experience with, or an understanding of, the use and intricacies of cryptocurrencies, cryptographic tokens, and blockchain based software systems should contribute to Flux.

While Flux will provide general guidelines in relation to the use and storage of digital assets, you should have a functional understanding of storage and transmission mechanisms associated with cryptocurrencies, cryptographic tokens, and blockchain based software systems.

Flux relies on third party service providers for network services such as cloud hosting, DNS services, domain registrars, and SSL services. The loss of

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connectivity or access to these providers may adversely affect the Company's ability to provide our core services. In addition to network services, the Company also relies on third parties such as Apple and Google to successfully advertise and distribute the Company's application. If hardware or software changes frequently, the Company's services may not be fully capable of working as intended.

In spite of Flux's network security measures, hackers or other groups or organisations may attempt to steal tokens and other digital assets. As with other cryptocurrencies, cryptographic tokens, and blockchain based software systems, the blockchain used for Flux's network is susceptible to mining attacks, including, but not limited to, double spend attacks, majority mining power attacks, "selfish mining" attacks, and race condition attacks. Any successful attack presents a risk to Flux's existence, expected proper execution and sequencing of transactions, and expected proper execution and sequencing of contract computations.

Operational Limitations

It is possible that Flux will not be used by a large number of individuals, businesses and other organisations and that there will be limited public interest in the creation and development of its functionalities. Such a lack of interest could impact the development of Flux and the viability of the company. Flux cannot predict the success of these development efforts.

Flux is currently under development and may undergo significant changes before public release. Any expectations regarding the form and functionality of Flux may not be met upon its release for any number of reasons, including a change in the design and implementation plans and execution of the implementation of Flux.

While Flux will make best efforts to complete the Flux Ecosystem, it is possible that an official, completed version of the platform may not be released and there may never be an operational Flux platform.

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Blockchain Limitations

Cryptography is a rapidly developing field with advances in code breaking and technical advances which could present a risk to Flux and potentially result in the theft or loss of tokens and your digital assets. To the extent possible, Flux intends to update the protocols underlying the Flux Blockchain to account for any advances in cryptography and to incorporate additional security measures, but it cannot predict the future of cryptography or the success of any future security updates.

Smart contract technology is still in its early stages and its use is experimental. This may create operational, technological, regulatory, reputational, and financial risks.

Although audits conducted by independent third parties increase the level of security, reliability, and accuracy, audits cannot serve as any form of warranty, including any expressed or implied warranty that Flux's Smart Contract system is fit for purpose or has no flaws, vulnerabilities, or issues that may cause technical problems or the complete loss of tokens.

Taxes

Token holders may be required to pay taxes associated with the transactions contemplated herein, whether in the US or their home countries. It is the sole responsibility of users to comply with the tax laws of the US and any other applicable jurisdiction.

Flux makes no representations concerning the tax implications of contributing to Flux, making donations to Flux, or receiving and holding tokens or any digital assets. Participants bear the sole responsibility for determining or assessing the tax implications of their participation in Flux, donations to Flux, or receiving and holding tokens and digital assets in all respects and in any relevant jurisdiction.

Force Majeure Events

The Ecosystem's performance may be interrupted, suspended or delayed due to a force majeure event.

Force majeure is defined as events that cannot be prevented by Flux. These events include, as examples, acts of nature, wars, armed conflicts, and mass

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civil disorders, industrial action, epidemics, lockouts, slowdowns, prolonged shortages, or other failures in power or communication services, acts of municipal, state, or federal governmental agencies, and other events that have arisen since this whitepaper was published.

Disclosure of Information

Personal information received from contributors to the tokensale, the number of tokens or digital assets owned, wallet addresses, and any other relevant information may be disclosed to law enforcement, government officials, and other third parties if required by law, subpoena, or a court order. Flux is at no time liable for such information disclosure.

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