

MiFi Protocol & MiFi Token

Light Paper

Summary

MiFi is a ground-breaking mining finance protocol that extracts the hidden value from the entire chain of crypto asset mining and market moves. The MiFi protocol engages in mining a basket of PoW cryptocurrencies, i.e., Bitcoin and selected Altcoins, that our algorithm identifies as the best setups at any given time. A portfolio rebalancing strategy powered by the protocol converts the diversified mined coins into Bitcoin. This strategy translates into a unique proposition that combines mining with a Dollar Cost Average strategy for Bitcoin. It creates a long-term value outlook supported by strategically executed tactics to accumulate crypto wealth. The MiFi token is an access token directly linked to the MiFi protocol, allowing users to benefit from the protocol dynamics without friction.

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Why Bitcoin?

MiFi protocol delivers the rewards in BTC only. The BTC reward is generated directly from BTC mining and Altcoin- to-BTC conversion.

Although we support the progress and the various crypto experiments taking place across the crypto space, we believe BTC to be the hardest and most reliable form of currency ever created. In fact, its unique features in terms of decentralization, market cap, and safety of the protocol made it our only choice as a store of value and medium of exchange.

The Solutions of MiFi Protocol

The technical complexity, high investment in mining hardware, and operational costs make mining a high barrier to entry for non-professional and retail investors. Even cloud mining cannot be an attractive value proposition, as cloud mining is static and does not catch the opportunities offered by Web3.

The MiFi protocol enhances mining, by building a dynamic mining strategy accessible to everyone. Thanks to a user-friendly Dapp, the MiFi protocol wants to provide a pathway into mining without entry barriers.

The MiFi protocol can count on three main pillars:

1. Cost-efficient mining
2. Smart portfolio rebalancing
3. DeFi layer

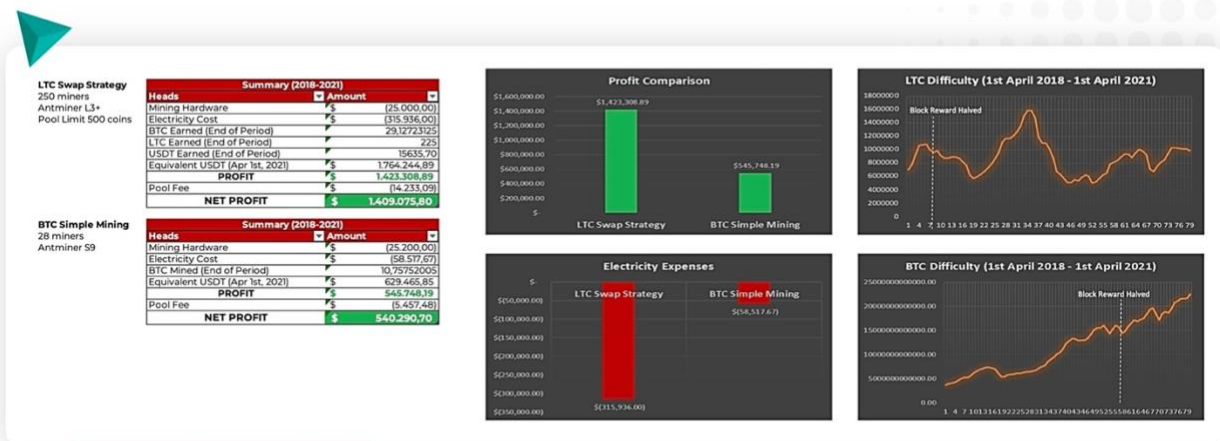
1. Cost-efficient mining

Our team has deep knowledge and connections across the mining industry. Thanks to this wide experience, we strive to always strike the best deals both in terms of mining machines, electricity and hosting, therefore maximizing the returns. Likewise, given the extreme variability of the mining equipment's prices, by applying a profit-focused purchasing strategy for mining devices, we gain and hedge over the market since the very beginning of a cryptocurrency lifecycle.

2. Smart portfolio rebalancing

The MiFi protocol is designed to mine a basket of PoW cryptocurrencies (Bitcoin and selected Altcoins) and to periodically convert Altcoins to Bitcoin (BTC). This strategy is generated through a profitability study which proved that Altcoin mining and conversion in BTC outperformed simple BTC mining by 3x.

Profitability Study



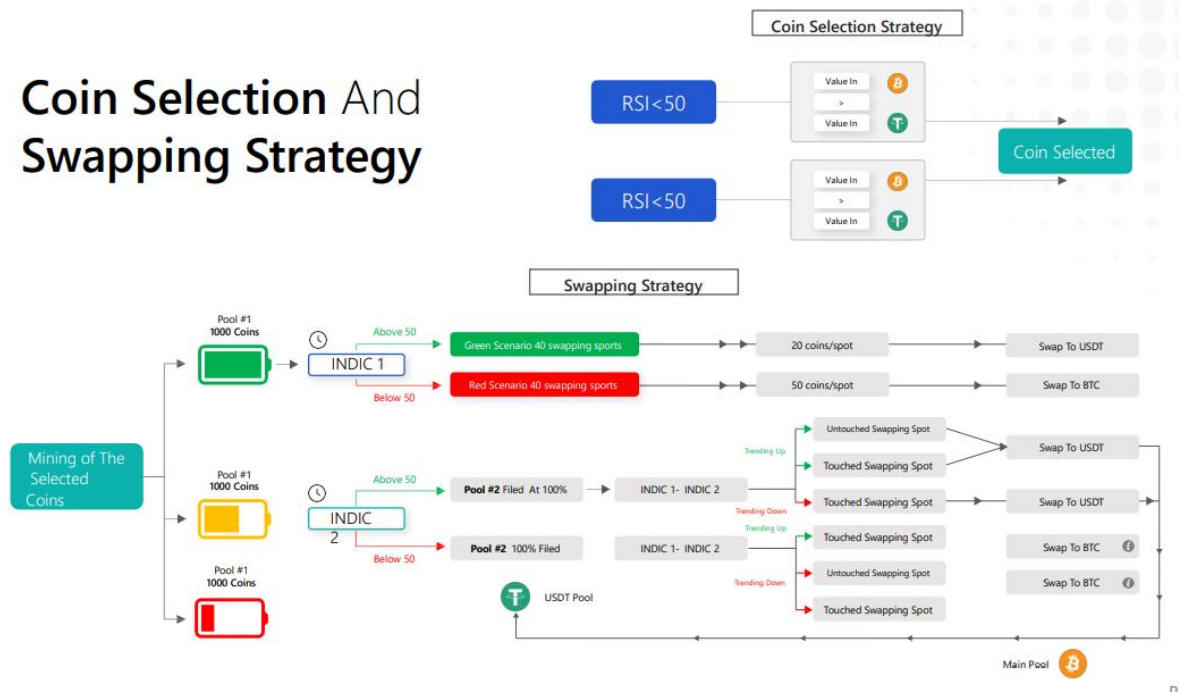
Takeaway

Despite a higher electricity cost and an early block reward, our LTC swapping strategy has overperformed the simple Bitcoin mining by 3x while generating a ROI of 56x.

Mining Altcoins is more capital efficient and their mining device's price is lower and more stable than those needed for mining BTC. This mining diversification gives the MiFi protocol a hedge when BTC price drops to a mining break-even point.

MiFi applies a data-proofed methodology for Altcoin selection and swap; the coins mined are included in pools composed of a predefined number of cryptocurrencies; once the pool is filled, the swapping happens based on a certain index which determines the conversion rate of the cryptocurrencies in BTC or USDT.

Coin Selection And Swapping Strategy



3. DeFi Layer

The MiFi protocol will launch its native token as a vehicle to participate in the protocol and to develop further integration with other DeFi protocols. A dedicated Dapp will work as a front-end to interact with the protocol with a frictionless user experience

MIFI token

Why a token?

The MiFi token aims to be the gateway for accessing the enhanced mining represented by the MiFi protocol. The token helps to fractionalize the entry ticket in the crypto mining and cancel all the complexity and technical barriers that prevent access to this industry. Moreover, the MiFi token let you automatically benefit from the smart portfolio rebalancing layer without a single click.

MiFi: a protocol represented by a token

The features of the MiFi token are strictly related to the MiFi protocol: the release of the MiFi token is linked to the hash power and the MiFi tokens in circulations determine the increase of the hash power of the protocol (i.e., the more tokens in circulation, the more mining machines are running in the MiFi protocol). This makes the MiFi protocol and the MiFi token interconnected through a system of aligned incentives.

A token backed by real assets

MiFi token is backed by the mining machines running the MiFi protocol. The token issuer has a direct claim over the mining machines used for the MiFi protocol, giving the token an actual value, easily measurable by the market value of the mining machines deployed to run the MiFi protocol.

MiFi Tokenomics

MiFi token is the native token of MiFi protocol. We are identifying the most suitable blockchain to issue the MiFi token.

The total supply of MiFi token is set in 210 million, that is 10 times the total supply of Bitcoin.

Token allocation:

Allocation	%	Token amount
Public	80.0%	168,000,000
Team	8.0%	16,800,000
Strategic investors	5.0%	10,500,000
Ecosystem development	5.5%	11,550,000
Public token sale	1.5%	3,150,000

Token release schedule

The MiFi token will be released in multiple batches.

The number of tokens released into circulation goes hand in hand with the protocol's mining capacity. The token release will decrease progressively and inversely proportional to the increase of the BTC hash power. As the minting of MiFi tokens brings additional hashing power to the MiFi protocol, the actual value of the MiFi token will increase together with the increase of the market share of the MiFi protocol within the whole mining market.

While the MiFi protocol will constantly continue to expand its mining facilities, the token's maximum supply is capped at 210 million. This means an infinite uptrend value increase for the MiFi token even after all MiFi tokens enter into circulation.

Before launch, 3,150,000 (1.5% of total supply) tokens will be allocated for the public token sale. After the launch, MiFi tokens will gradually enter into circulation according our mining capacity's expansion rate.

The team's token allocation has a 2-year vesting period. The vesting period starts from the protocol launch date with a lock-up for 12 months.

Strategic investors' token allocation will be vested with an agreed schedule.

Special reward conditions will be provided for early adopters.

Token features

MiFi token is a utility token that gives access to the value extracted by the MiFi protocol. Token holders have the opportunity to stake the MiFi tokens on the Dapp to receive the rewards in BTC directly on their BTC wallet. In order to build a community interested in the long run of the project, the Dapp will encode a fidelity incentive for keeping the token, so stakers will benefit from higher rewards if the token is staked for longer periods. In addition, the MiFi token allows its holders to participate in the governance of the MiFi protocol and vote on specific topics progressively released, thus establishing the first web community on smart mining.

In a second phase, the MiFi token will be the instrument for building the integration of the MiFi protocol with other DeFi protocols.

Reward Accrual Mechanism

As the MiFi protocol engages in mining a basket of PoW cryptocurrencies, there are two sources of value creation:

- Mining of BTC and Altcoins
- Altcoin-to-BTC swap

The protocol's trading desk adjusts the best swap strategy to maximise returns. The swapping strategy translates into a Dollar Cost Average strategy (DCA) for BTC. The DCA frequency is always higher than the reward distribution frequency so that in each payout, stakers receive all the accrued BTC from BTC mining pools and those converted from Altcoins.

The reward distribution frequency will be started monthly and is planned to occur on weekly or daily basis after the initial phase. BTC reward is distributed to each staked token according to the following formula:

$$(BTC\ mined + BTC\ converted\ from\ Altcoins) \div total\ tokens\ in\ staking$$

Stakers receive rewards based on their number of tokens in staking.

The reward distribution mechanism gives each MIFI token an intrinsic value, which is represented by the BTC mined and converted from Altcoins. Each token's intrinsic value is

$$(BTC\ mined + BTC\ converted\ from\ Altcoins) \div token's\ circulating\ supply$$

This parameter will be dynamic and ever-changing.

Incentivise long-term staking

MIFI protocol's mining revenue share of the mined coins is 80% to token stakers and 20% to the protocol treasury. The funds in the protocol treasury are re-invested in business operations.

For incentivising long-term staking, the protocol concedes part of its revenue share (80%) and gives them to the stakers as an extra reward. The incentivised rewards start at least 6-month staking and increase the additional share as the staking period grows:

- 6 - months: stakers get 85% of the revenue share
- 12 - months: stakers get 90%
- 18 – months: stakers get 95%
- 24 – months and more: stakers get 100%

When stakers lock the tokens for long-term staking, they will receive all the periodic rewards based on their revenue share allocation until the expiry date of staking.

Token issuance and listing

The team is identifying the most suitable blockchain to issue the MiFi token. The MiFi token may be issued in more than one blockchain in the future. In any case, the token's total supply as well as all its features and incentives shall apply regardless of the chain used.

The first issuance of the MiFi token can be provided through a private sale for the 1,5% of the total supply. Following this phase, a launchpad offer is planned for non-institutional actors.

Then, the MiFi token will be listed on decentralized exchanges (DEX) at the same time the Dapp is launched. It will be subsequently listed on centralized exchanges (CEX).

Wallet matching

The rewards will be distributed in BTC to token stakers in BTC wallets on the BTC blockchain. Token stakers are responsible to connect to the Dapp with their wallet which contains the MiFi tokens, and register their BTC wallet address. The protocol will match the two-wallet address and distribute rewards to the corresponding BTC wallet.

