

Economy setup for Equilibrium

Token function. The Equilibrium token (EQ) will serve as the main utility token of the Equilibrium blockchain which in turn will be a parachain in the Polkadot network. As such the EQ token will have several features:

- **Staking opportunities**
EQ holders receive rewards on their tokens staked in governance, lending, and market making pools
- **Bailout and collateral liquidity**
EQ tokens can be locked in bailout pools to secure loans and earn yield or used as collateral to take out loans
- **Platform currency**
Users pay transaction fees for transacting on Equilibrium parachain and product fees in EQ
- **Governance token**
EQ holders have a say in system changes

EQ sales. EQ tokens will be made available to investors on following occasions:

- During the NUT -> EQ token swap (complete)
- As a reward during the private equity funding round of the network (complete)
- During Crowdloans (complete)
- During a public sale.

Initial token supply and token allocations

Total token supply of EQ tokens is 12 billion tokens. Equilibrium intends to distribute these tokens the following way

Allocation	Percentage	Description
Parachain Auction Rewards	20%	Incentivize DOT holders to vote for Equilibrium in parachain slot auctions.
Institutional Investors	5%	Allocation for strategic investors
NUT/EQ token swap	25%	Allocation for NUT token holders who migrated from EOS blockchain
Liquidity farming	10%	Allocation to incentivize users to bring and keep liquidity inside Equilibrium
Team	15%	Team allocation with 2 year vesting period
Treasury	25%	Treasury allocation for future funding and acting as insurance of last resort.

EQ token allocation

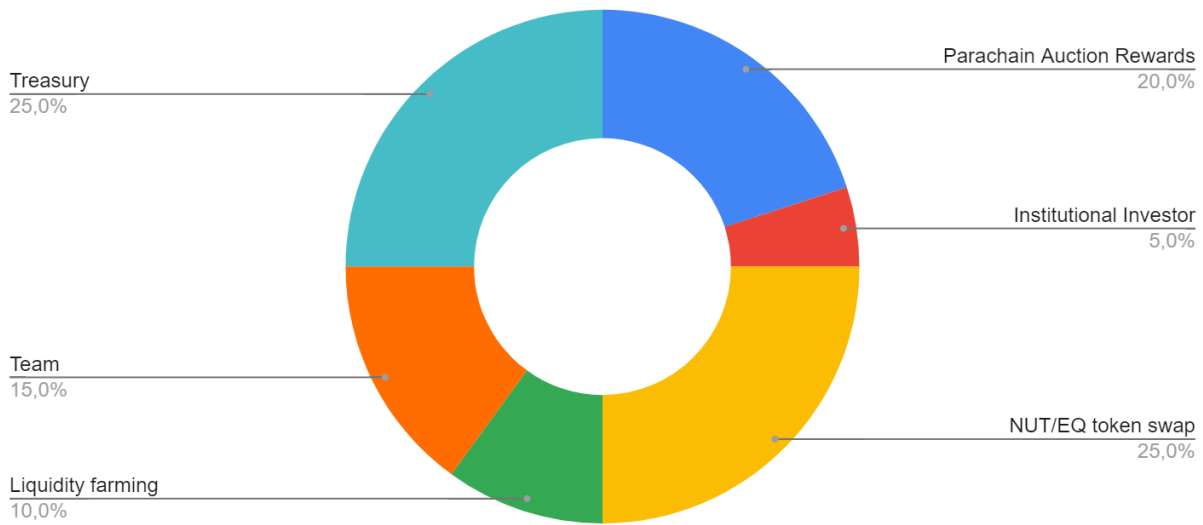


Fig.1: Total token allocation.

Further clarifications

- Parachain auction rewards will be vested linearly over the course parachain lease period (~2 years) with 10% of entire allocation available immediately upon the parachain launch
- Liquidity farming rewards will be distributed evenly over the course of 4 years
- Team allocation is vested linearly over the course of 2 years with 10% of the allocation available immediately after launch.
- NUT/EQ token swap participants and Investors who took part in the Lockdrop (locked EQ tokens to get Genshiro tokens in Kusama) will have their tokens locked for 3 month from the launch date of the parachain, while remaining amounts will be vested linearly over the course of 10 months.

EQ circulating supply projections

Given token allocations described above and the mechanics related to rewarding users for parachain slot auctions, as well as liquidity farming reward distributions, we may gauge the expected number of EQ tokens in circulation over a period of 2 years (8 quarters):

Expected EQ token circulation (BN tokens)

