

CRYPTOCURRENCY PROJECT SUPPORT SYSTEM

Tokenomics Paper



Introduction

The current Tokenomics paper presents the token economy model of the **Cryptocurrency project support system**, where the ALMOD token is used as payment for the system service.

The following document presents specific Project tokenomics information, such as ALMOD token distribution, financing attracting plans, rewards structure, project services, and also in-depth modelling realized using a multi-objective algebraic approach to establish a forecasted performance of the project over a medium and long timeframe under conservative conditions and based on a set of justified assumption.

The Algebraic modelling approach for ALMOD tokenomic analysis was implemented using the Insertion Modeling System IMS, which is a special software based on the theory of the agents and environments interactions. This theory and software are the intellectual property of the project's authors.

The model was used to create a projected scenario, the charts of which can be seen in the last section of the document, including conservative values for parameters such as the price of tokens, the distribution of ALMOD tokens between users, team members, investors and cryptocurrency exchange, the marketing plan for the development of the service, etc.

The modelling results demonstrate the equilibrium of the token's life cycle and the initial parameters of tokenomics, which were determined using algebraic modelling.

This model corresponds to the initial decision regarding tokenization and the functionality of the "Cryptocurrency project support system" and may be revised and supplemented in the future when any changes that affect the circulation of tokens in the system are added.



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Service Description

This token economy model was built based on functional requirements and initial data on the movement and distribution of "Cryptocurrency project support system" tokens.

The system is a SAAS service for crypto projects of any size and complexity created remotely.

The Cryptocurrency project support system includes the following services:

- 1) The Tokenomics Constructor is a user-friendly interface that works together with an algebraic server and provides the creation and verification of an algebraic project token economy model with the automatic generation of a modelling report, the possibility of using ready-made model templates, and the setting of initial tokenomics parameters (due to backward algebraic modelling) that lead to the desired result (for example, reaching the predicted value of the token).
- 2) The possibility of smart contracts' automatic generation according to the developed tokenomics model (Solidity, Rust).
- 3) Support for developing smart contracts (Solidity, Rust): algebraic modelling, testing, formal verification of vulnerabilities, and analysis of cyber-attack resistance.
- 4) Support for the launch of a crypto project and real-time data monitoring - review of sales data, changes in the token price at the current moment, prediction of the development of the contract action scenario using AI and algebraic modelling based on exchange data about other cryptocurrencies and similar projects, and provision of advice on corrective actions to investors and project owners as necessary.

All services require payment for their use in project tokens - ALMOD tokens - previously placed on a decentralized exchange.

It is also planned to include the staking service. This will enable platform users to receive additional rewards in project tokens and use the tokens to pay for services or receive profit from sales.

Token Distribution

It is planned the creation and placing on the exchange 200,000 tokens at an initial cost of \$0.25, which is \$50,000 in fiat.

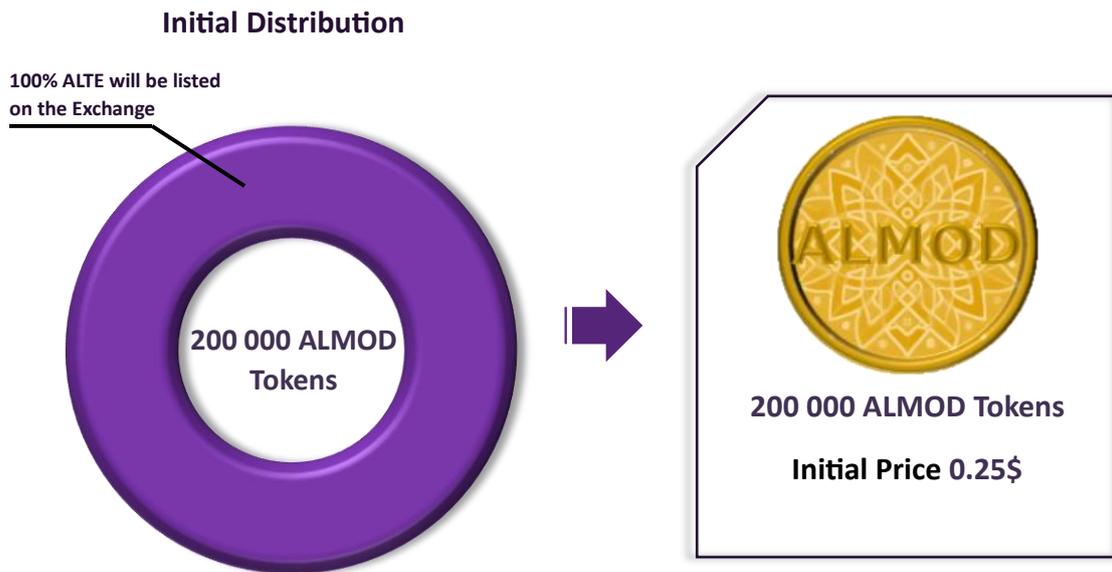


Fig.1. Initial token distribution

The team and investors do not receive tokens during the initial distribution but receive a reward in platform tokens after the start of the service as a percentage of the tokens received as payment for the platform services (we will call these tokens "Income").

We consider the following "Income" distribution plan:

- 1) To return the invested funds, 20% of the tokens from the received "Income" will be transferred to investors monthly (according to the share they bought)¹ during the first two years after the service started. Starting from the 25th month, investors will receive 20% of tokens from the platform's profit².
- 2) 50% of tokens from the received "Income" will be allocated and sold on the exchange within the first two years of the project's start to obtain additional funds for exclusively service-development purposes.
- 3) 10% of tokens from the platform's profit will be transferred monthly to the team/owners of the platform starting from the 25th month of service operation.

¹ At the expense of investors, it is considered attracting \$1,000,000 for the development of the service, estimated as 20% of the share of the business. This share will be sold as an NFT, which is 100% of this share. Accordingly, token accrual will be carried out according to the percentage distribution of NFTs among investors.

² Under the platform's profit, we consider the balance from "Income" after allocating part of the funds for operating expenses (marketing expenses, supporting and developing the service, etc.)

- 4) 20% of tokens from the received "Income" will be sold on the exchange to meet the needs of marketing activities during the first two years of service operation.
- 5) Starting from the 25th month of service operation, 10% to 15% of the received "Income" will be sold on the exchange to ensure marketing activities and support and expand the service's functionality. After the service development is completed, 10% of the fiat earned from the sold tokens will be kept in the platform's fiat account to maintain the liquidity pool, etc.
- 6) To maintain the liquidity pool, some tokens from the received "Income" will be sent to the platform pool (5% during the first two years of service operation and 20% after that).
- 7) 5% of tokens from the received "Income" will be distributed to the Staking Rewards pool to reward participants of the staking service.

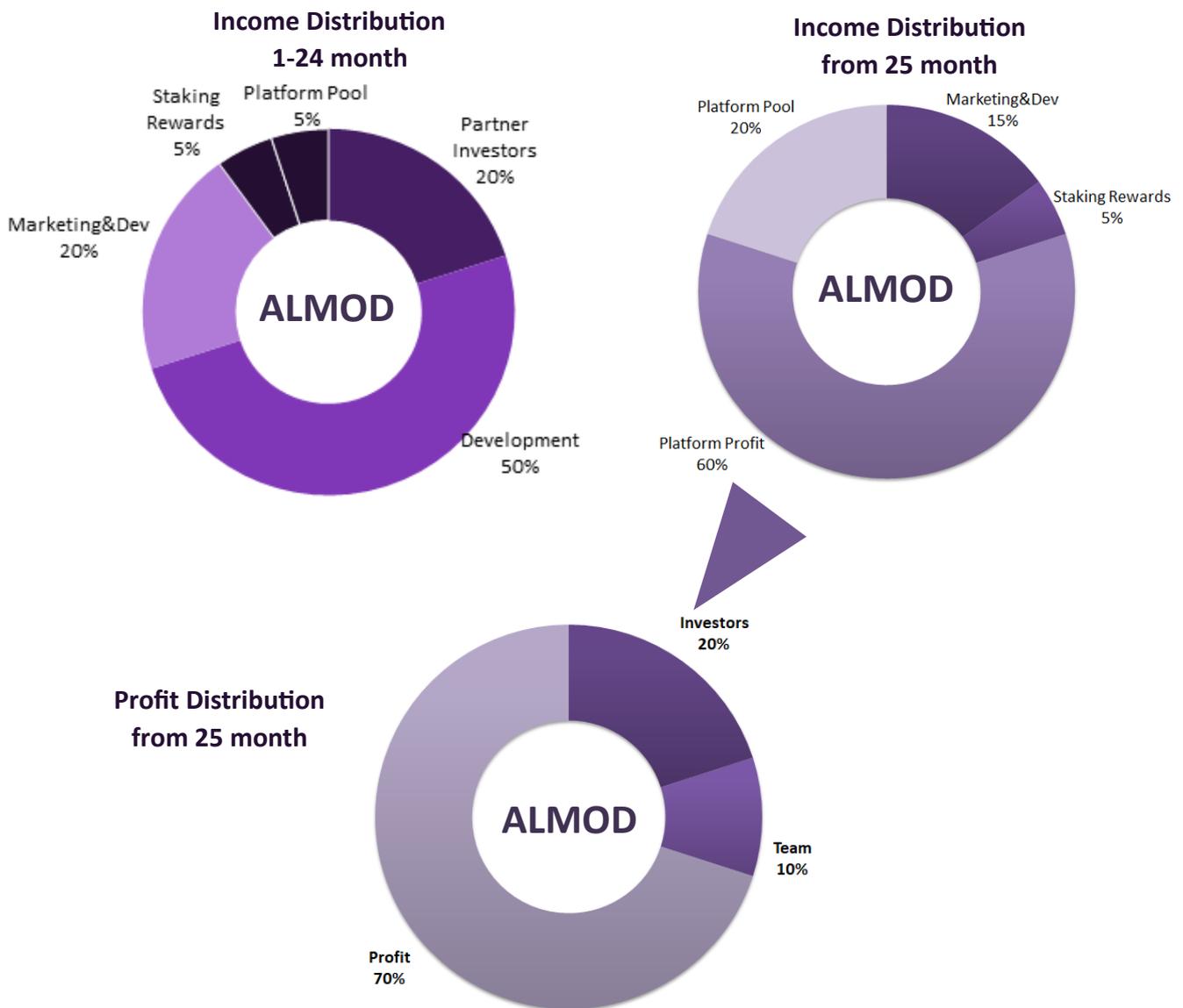


Fig.2. Distribution of received "Income" - tokens received by the platform for the provided services

Estimated costs

- Software product development: \$58,000/month (the first four months before the start of the service and 24 months from the launch of the platform) and \$17,400/month (from the 25th month).
- Marketing: \$ 14,800/month (the entire period).
- Equipment rental: \$ 2230/month.
- Scientific research: \$ 9,800/month (first four months before the start of the service and 24 months from the launch of the platform), \$ 2,940/month (from the 25th month).

Accordingly, to calculate the profit, we consider that from the 25th month of service operation, about \$37,370 will be deducted monthly for operating expenses.

Expected indicators of buying tokens on the exchange to pay for platform services

According to the average indicators of the increasing demand for the use of the Cryptocurrency project support system, the sale of platform tokens on the exchange is expected in the amount:

- from \$10,000 in the first month to \$90,000 per month during the first two years of service operation ;
- from \$90,000 to \$180,000 per month over the next two years.

In particular, it is assumed that tokens will be purchased for participation in Staking according to the following plan:

- from \$500 in the first month to \$4,000 per month during the first two years of the service
- from \$4,000 to \$10,000 per month over the next two years

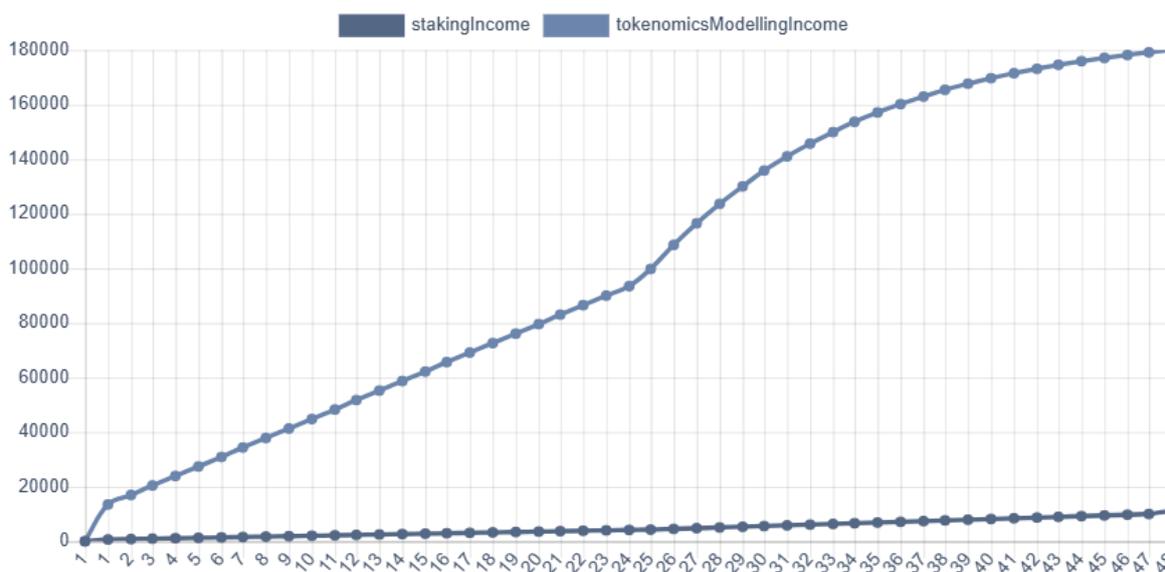


Fig.3. Planned sales of platform tokens on the exchange (in USD)



In the case of the high demand for the use of the crypto project support service, the sale of platform tokens on the exchange is expected in the amount of:

- from \$15,000 in the first month to \$200,000 per month during the first two years of service operation ;
- from \$200,000 to \$300,000 per month over the next two years.

In particular, it is assumed that tokens will be purchased for participation in Staking according to the following plan:

- from \$500 in the first month to \$10,000 per month during the first two years of the service
- from \$10,000 to \$15,000 per month over the next two years



Staking service

All platform users can participate in Staking, in particular, it also can be team members and investors.

The Staking service will be launched in the first month of the platform's operation.

Staking rewards will be distributed according to the following formula::

$$\textit{stakingReward} = \textit{userStakeShare} * \textit{StakingRewardsPoolToken},$$

where *stakingReward* - defines the number of tokens that the user will receive as a reward for staking, *userStakeShare* - is an indicator that determines the user's share in the staking pool, *StakingRewardsPoolToken* - is the number of tokens in the reward pool at the time of distribution.

That is, tokens from the Staking Rewards Pool will be distributed among staking participants every month according to their share in the pool.

The reward is credited to the user's personal wallet.

Tokens can be withdrawn from staking during the entire operation of this service.

The platform does not impose time limits on the duration of holding tokens in the staking pool.

MODEL DESCRIPTION

Based on the requirements for the circulation of tokens in the system, the following list and the main roles of the subjects of the tokenomics model between which the movement of tokens takes place are determined:

Main agents (stakeholders)

Investors

- **Partner investors** - buy the share of the business by fiat (as an NFT).
 - • Receive 20% of tokens from the profit of the service, according to the purchased share.
 - • Can use platform services (Cryptocurrency project support system, staking).
 - • Can sell and buy platform tokens on the exchange.

Service consumers (Users)

- • Buy tokens on the exchange to pay for services.
- • Buy tokens for staking service.
- • Pay tokens to the platform for the services provided.
- • Sell tokens on the exchange.

Traders

- • Buy tokens for staking service.
- • Buy and sell tokens on the exchange (Speculate on the value of the token).

Platform Owners

- • Receive tokens to the platform for providing the services.
- • Part of the tokens are sold on the exchange to ensure further development and support of the service and marketing activities. To control the distribution of tokens and their circulation in the system, a number of pools/safes have been created, which will be discussed in detail in the following subsection of the document.
- • Receive 5% tokens from the service's profit, according to the share of the company's co-founder, starting from the second year of service operation.



Pools

To ensure quality management of the movement and distribution of tokens on the platform, relevant Pools/Safes and rules for the distribution and circulation of tokens between the considered agents and pools have been considered.

Platform Pool

A pool in which some of the tokens received for platform services and some of the fiat received from the sale of tokens will be placed.

These tokens are used for sale on the exchange to ensure further development and support of the service, marketing activities, replenishment of other platform pools (if necessary), and regulation of the availability of tokens on the exchange (if necessary).

Staking Rewards Pool

The pool from which rewards are distributed to users of the staking service.

The Staking Rewards Pool is replenished with the percentage of tokens received on the platform as payment for services by users. This percentage is 5% of "Income".

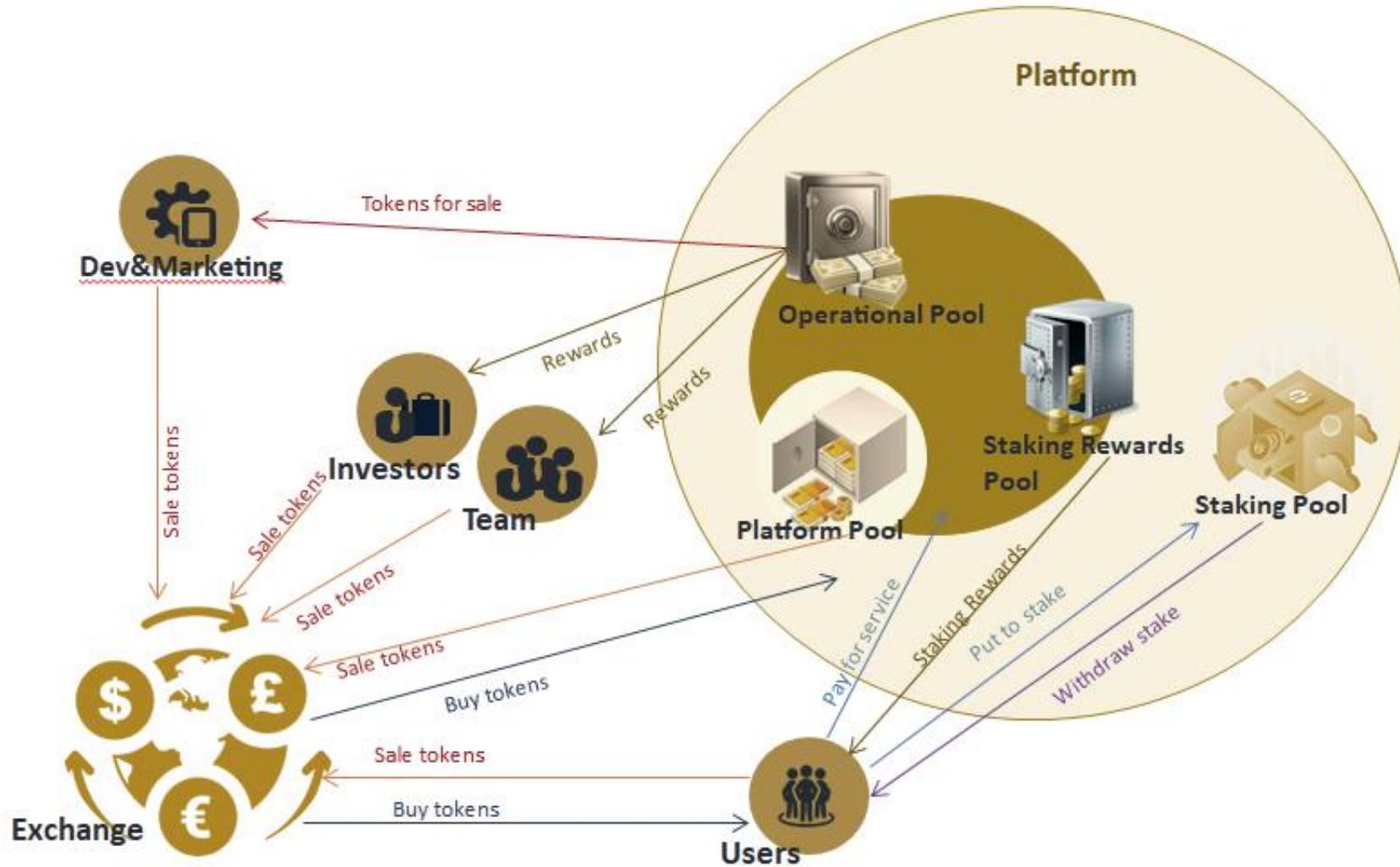
Operational Pool

The pool into which part of the tokens received as payment for the platform's services, intended for the reward of Investor-partners and Service Owners, is received.

Staking Pool

The pool in which the tokens of users of the Staking service are stored.

Fig.4. General scheme of movement of tokens on the platform



Modelling results

Initial data

The initial data for the modelling was determined according to the data described above, such as the token's price, the number of tokens and fiat in the liquidity pool on the exchange, the planned schedule and volumes of income, and the distribution schemes of tokens and rewards.

In addition, modelling for various strategies of user interest in selling tokens, holding, indicators of holding tokens on staking, etc., are considered.

The Tokenomics paper presents two models:

<p style="text-align: center;">Model 1</p> <p>The coefficients of sales and withdrawal of tokens from staking, which are close to the actual predicted actions of users, based on the average indicators of the development of demand for the use of the service (Fig.3), were considered.</p>	<p style="text-align: center;">Model 2</p> <p>The coefficients of sales and withdrawal of tokens from staking, which are close to the actual predicted actions of users, based on the high indicators of the development of demand for the use of the service (Fig.11), were considered.</p>
<p>Percentage of monthly withdrawal of tokens from staking (Unstaking Factor)</p> <p>users.unstakingFactor = 60% traders.unstakingFactor = 60%</p> <p>Percentage of tokens sold by agents after receiving them in their own wallet (Token Sale Factor): partnerInvestor.saleFactor = 20% team.saleFactor == 20% users.saleFactor == 10% traders.saleFactor == 60%</p> <p>Percentage of tokens sold to raise funds for service development and marketing (Token Sale Factor): development.saleFactor == 100% marketing.saleFactor == 100%</p>	<p>Percentage of monthly withdrawal of tokens from staking (Unstaking Factor)</p> <p>users.unstakingFactor = 60% traders.unstakingFactor = 60%</p> <p>Percentage of tokens sold by agents after receiving them in their own wallet (Token Sale Factor): partnerInvestor.saleFactor = 20% team.saleFactor == 20% users.saleFactor == 10% traders.saleFactor == 60%</p> <p>Percentage of tokens sold to raise funds for service development and marketing (Token Sale Factor): development.saleFactor == 100% marketing.saleFactor == 100%</p>

Model 1

According to the modelling results, based on the initial data set for Model 1, as of the 26th month (the end of the service development period), the cost of one token reaches \$11.22, and as of the 48th month from the start of the service, it is \$222. The rapid growth of the token's price since the 26th month is caused by a decrease in the volume of sales of tokens for the development of the service and an increase in the volume of sales of tokens to users.

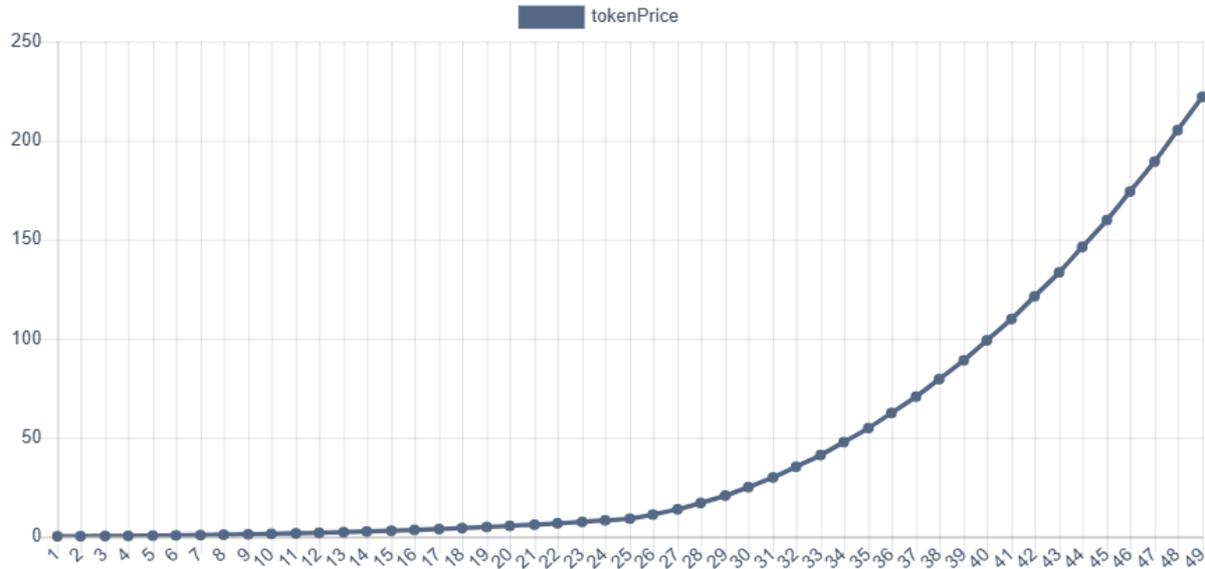


Fig.8. The curve of changes in the value of the token during the 48 months of the project's life

The fiat received by investors from the sale of received tokens is \$909,818, and the fiat for the development and development of the service (including additional operating costs and replenishment of the platform pool for liquidity control) are \$1,045,649.

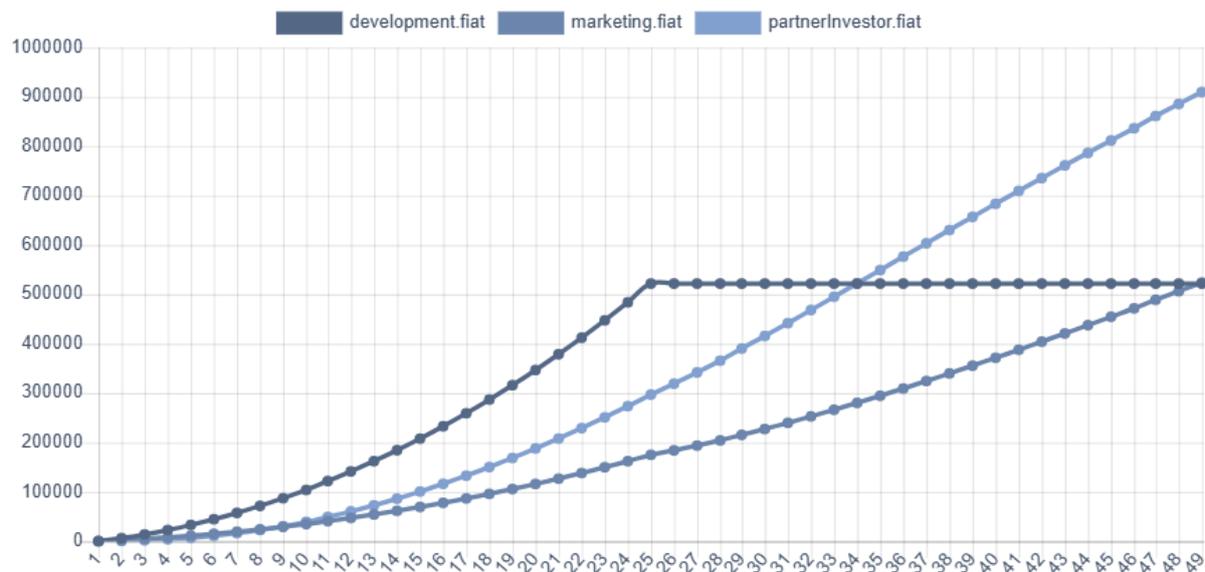


Fig.9. The amount of fiat received from the sale of tokens on the exchange

The change in the number of tokens and fiat on the exchange is shown in Figure 10.

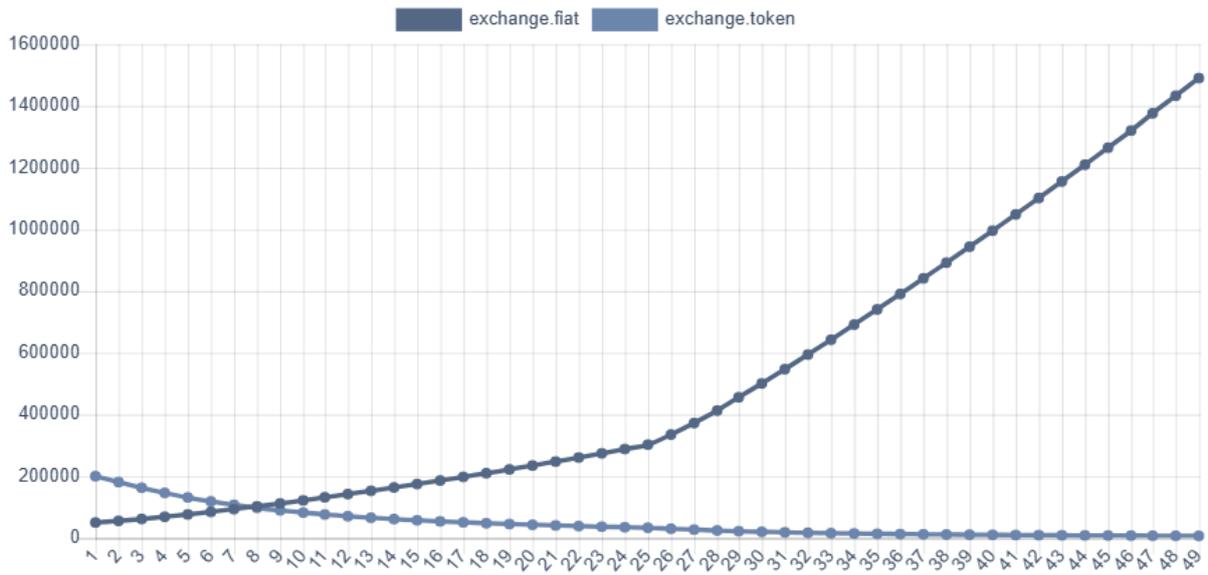


Fig.10. Chart of changes in the number of tokens and fiat on the exchange

Model 2

As mentioned above, this modelling was carried out using a positive forecasted marketing plan (with high indicators of the demand for the service), according to which the purchase of tokens on the exchange to pay for project services takes place by the chart shown in Figure 11.

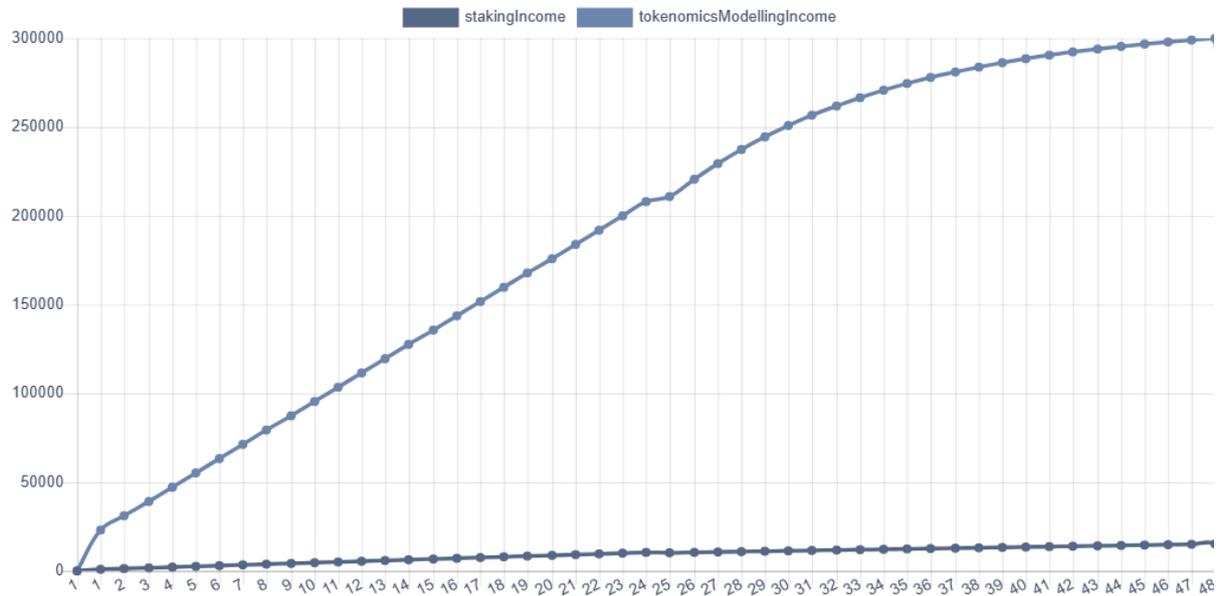


Fig.11. Planned sales of platform tokens on the exchange (in USD)

Considering the increase in the number of tokens bought on the exchange almost doubled, we see a corresponding increase in the token's value (Fig. 12).

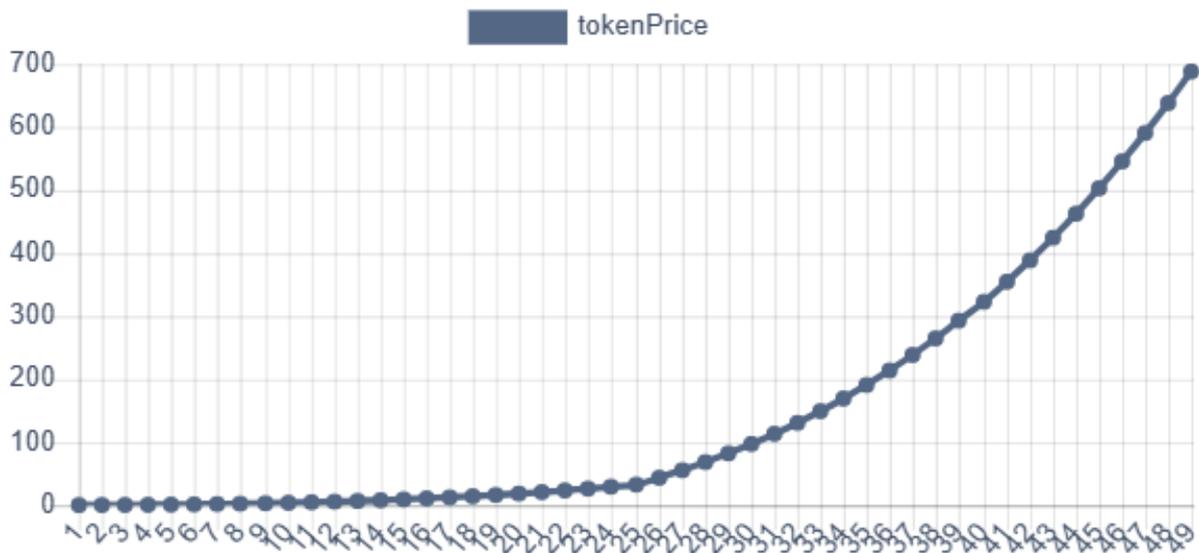


Fig.12. The curve of changes in the value of the token during the 48 months of the project's life

At the same time, the return to investors of the funds invested in developing the service is achieved within 30 months of the project's life. From the second year, profiting begins according to the share invested in the project (Fig. 13).

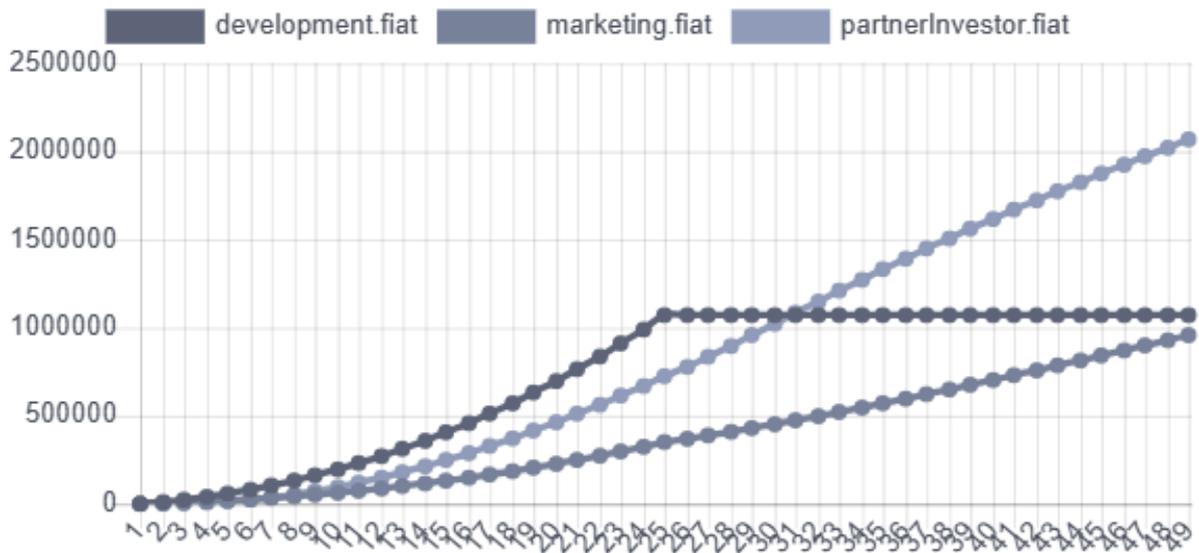


Fig.13. The amount of fiat received from the sale of tokens on the exchange

The change in the number of tokens and fiat on the exchange is shown in Figure 14.

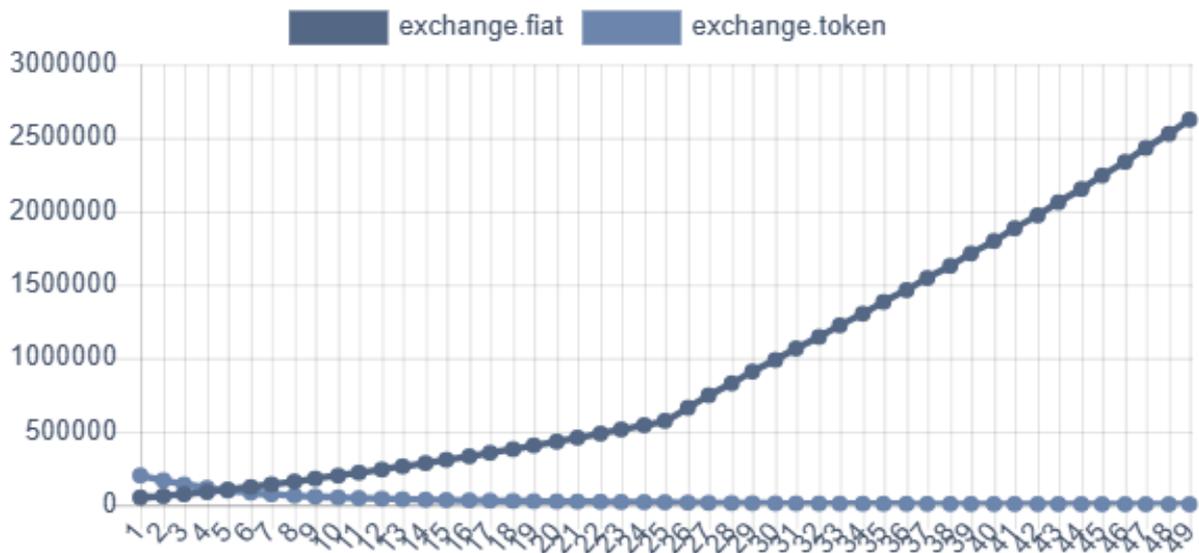


Fig.14. Chart of changes in the number of tokens and fiat on the exchange