\$CUDDLE

TOKENOMICS

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Introduction

In this report, we will break down the **\$CUDDLE tokenomics** to educate and inform potential investors. Before delving into it, we recommend taking a few moments to familiarize yourself with tokenomics and gain an understanding of what it entails:

- **Tokenomics** (short for "Token Economics"): is the set of elements (*token metrics, token economy, and market sentiment*) that give value to a crypto or token and from which investors obtain information,
- **Token allocation:** quantity (%) of tokens allocated for the investors, team, reward, development, etc.
- Token distribution mechanisms: method by which the token is distributed in the market (fair launch, token sale, airdrop, staking, and/or vesting schedules)
- Token emission: tokens minted through smart contracts (tokens/block)
- Cliff: period of time that must pass before the release of the tokens
- **Vesting period:** a lockup mechanism used to reduce the selling pressure in the early stages and prevent large quantities of tokens from being sold
- Token Generation Event (TGE): The act of generating the tokens on the Blockchain
 Market Capitalization (Market Cap): Listing Price * Tokens Unlocked at TGE
- Fully Diluted Valuation (FDV): Token Supply * Sale Price
- Max Supply: number of tokens that will ever exist

Token Economy

ABOUT OUR ECONOMY

The \$CUDDLE economy is mostly focused on rewarding gamers and token holders via smart contracts, such as staking, in-game rewards for completing tasks, NFT Holders, etc. As the project is community and brand-driven we decided to keep the focus on the metrics in incentivizing behaviors that promote adoption and the increase of community members by promoting social engagement and fun gamified game-to-blockchain solutions.

Buybacks & Burns (B&Bs)

5% of the \$CUDDLE deposited into the Smart contract to convert to PP will be burned in a decentralized manner. Additionally, we introduced a manual mechanism to refill tokens and ETH into the liquidity every month to facilitate trading and increase pool ownership.

Token Utility And Use-Cases

LIST OF PLOOSHY POINTS (PP) USE-CASES

- Used as the in-game currency
 - purchase in-game assets
- Used to convert for \$CUDDLE

LIST OF TOKEN UTILITIES

- · Convert for PP via the in-game Currency Exchanger
 - provides gamers with the option of earning on-chain tokens that can be sold for ETH
- Onboard new users in the game

WHAT CAN RELEVANT ECONOMY PARTICIPANTS DO WITH THE TOKEN?

Users:

- who have performed social quests to collect Zealy Points and converted them to
 PP
- who bought The Plooshies NFTs
- who will play the game and buy lands (NFTs) when made available for sale

NFT Holders:

 trusted community members will be able to collect PP in-game by holding the NFT based on our distribution mechanism

• Token Sale Investors:

- Short-term speculators who will buy the token during the token sale

Token Holders:

- mid-term investors who will either buy the token during the token sale and hold it or will purchase the token after TGE and hold it to:
 - → Convert for PP
 - Speculate on the token price action
 - → Stake the token

Token Stakeholders:

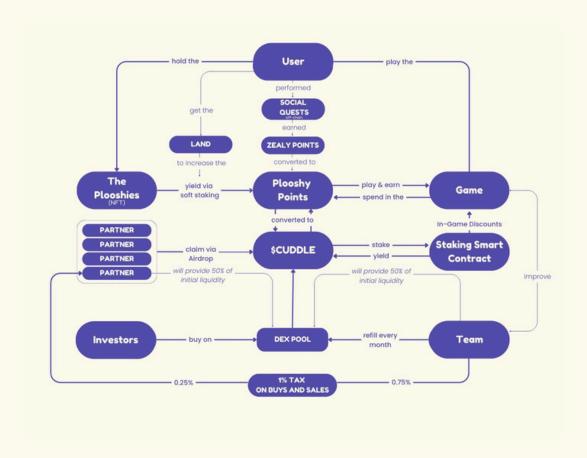
- long-term speculators who will buy and stake the token for a long period of time

Token Ecosystem (Flow Chart)

The token economy, therefore its flow, is designed to be simple with the main focus being the in-game token to incentivize the engagement with the game rather than the token profitability if traded for ETH or stables. Users and community members were involved early in the project by completing social quests and receiving rewards in Zealy Points. NFT holders will additionally benefit from soft-staking, while all PP holders will be able to spend these points in-game or exchange for \$CUDDLE. These economic participants are incentivized to stay engaged with the platform and the game through the token, which will circulate based on user needs.

For example, if someone needs PP but lacks the necessary NFTs for yield, they can purchase \$CUDDLE (on the DEX pool) and convert it to PP to acquire in-game assets, thereby increasing token demand. Partners are integrated into the ecosystem by claiming their monthly airdrop, which can transition them into token holders, stakeholders, NFT holders, or gamers for more direct involvement with our ecosystem. The

flowchart below illustrates the token's movement among the economy participants, the game, and the token smart contracts.



Token Metrics

RELEVANT METRICS:



Token Allocation And Vesting Schedule

	TOKEN ALLOCATION		TOKEN SALE STRUCTURE & VALUATION			TGE			VESTING SCHEDULE (MONTHS)		
	Percentage	Tokens	Sale Price	Total Raised	FDV	Unlock	Token Unlocked	Market Cap	Cliff	Unlock	Vesting Period
Play-and-Earn	30.0%	300,000,000				0.0%	0	0	0	Not linear	60
Token Staking	20.0%	200,000,000				0.0%	0	0	0	2.1024%	48
Team	9.0%	90,000,000				0.0%	0	0	6	3.3333%	30
Mrk & Dev	10.0%	100,000,000				10.0%	10,000,000	\$160,000	0	2.5000%	36
Airdrop	10.0%	100,000,000				4.0%	4,000,000	\$64,000	0	4.0000%	24
Seed Round	8.0%	80,000,000	\$0.0040	\$320,000	\$4,000,000	10.0%	8,000,000	\$128,000	2	9.0000%	10
Private Round	5.0%	50,000,000	\$0.0080	\$400,000	\$8,000,000	25.0%	12,500,000	\$200,000	0	12.5000%	6
Public Round	3.0%	30,000,000	\$0.0130	\$390,000	\$13,000,000	50.0%	15,000,000	\$240,000	0	25.0000%	2
Liquidity	5.0%	50,000,000				40.0%	20,000,000	\$320,000	0	30.0000%	2
TOTAL	100.0%	1,000,000,000		\$1,110,000			69,500,000	\$1,112,000			

1.PLAY-AND-EARN

30% of the total supply, not linear distribution over 60 months. This allocation, almost 1/3rd of the entire supply, is allocated to reward gamers. The rewards will be minted from the smart contract and distributed to gamers daily. The reward will start from 6 million tokens per month for the first 12 months and reduce by 500,000 tokens every 12 months, issuing tokens every year as follows:

Year/Tier	Token per Year	Token per Day
1	72,000,000	197,260.2739726030
2	66,000,000	180,821.9178082190
3	60,000,000	164,383.5616438360
4	54,000,000	147,945.2054794520
5	48,000,000	131,506.8493150680
Total	300,000,000	

Rewarding Distribution

The rewards will be distributed to gamers and NFT holders who collect PP in the game or by holding the NFT. The distribution of rewards will follow these steps:

- Users wishing to convert their PP from the game to \$CUDDLE must deposit the desired amount of PP into the in-game "Currency Exchanger".
 - When depositing PP, users must choose a wallet they wish to whitelist for claiming or pre-import it for all future deposits.
 - Upon deposit (or even before), users will know their "claimable power" (allocation in %) from the \$CUDDLE pool (197,260.273972603 \$CUDDLE minted daily).
 - Users can adjust their allocation by depositing or withdrawing PP from the Currency Exchanger.
 - The list of users, along with their identity, username, and wallet address, will remain private until the snapshot is taken.
- A snapshot of the total PP and each user's individual deposits will be taken at a specific time each day. During this snapshot period, users cannot deposit PP into the pool.
 - Following the snapshot, users can claim their \$CUDDLE allocation into their wallet at any time. If a user chooses not to claim the \$CUDDLE, it will remain in the smart contract as each user will have a fixed amount of claimable \$CUDDLE.

For example, if a user owns 12.549% (claimable power) of the pool, he can claim 24754.1917808 \$CUDDLE (197,260.273972603 \$CUDDLE * 12.549%), which can only be claimed by his address. There are no penalties or burns in this process.

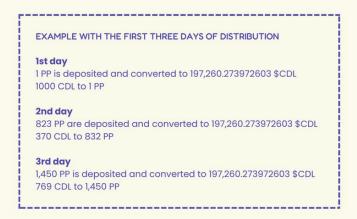
- A new pool will be created for new deposits and will remain open until the next snapshot.

Therefore, the exchange rate between PP and \$CUDDLE will be determined by the number of PP deposited into the Currency Exchanger.

On the other side (\$CUDDLE to PP):

• \$CUDDLE holders who wish to convert their \$CUDDLE to PP must deposit their \$CUDDLE into a smart contract. During the snapshot, the total amount of PP will be equivalent to the PP deposited by gamers for converting to \$CUDDLE in the Currency Exchanger.

- The claimable power will be based on the amount of \$CUDDLE each holder has deposited (as shown in the previous example).
- _ Holders can make multiple deposits into the Smart Contract to increase their claimable power, but they are not permitted to withdraw from it.



This option offers an arbitrage opportunity to the users which can be leveraged to make profits on a day-to-day basis by converting PP to \$CUDDLE and vice versa.

2.TOKEN STAKING

20% of the total supply, 1.971% linear vesting over ~48 months.

This allocation is allocated to reward LP stakeholders. The rewards will be minted from the smart contract as follows:

		TOTAL MONTHS	MAXIMUM SC					
Per second	Per minute	Hourly	Daily	*Monthly	*Yearly	TOTAL MONTHS	EMISSION	
1.60	96	5,760	138,240	4,204,805	50,457,655	47.56464	200,000,000	

*Approximately (as this does not take into account Feb 29th)

The Smart Contract (SC) mints 1.6 tokens per second over ~48 months until the Maximum SC Emission has been minted.

The rewards will be fairly distributed among stakeholders based on the amount of tokens staked and the staking plan (1, 3, 6, or 12 months). Each staking plan is a smart contract that will mint a fixed amount of tokens per second for the stakeholders to claim.

SC Rules:

- The 1-month staking plan will mint 0.048 tokens/second
- The 3-month staking plan will mint 0.176 tokens/second
- The 6-month staking plan will mint 0.416 tokens/second
- The 12-month staking plan will mint 0.960 tokens/second.
- The reward claim will be performed every hour.
- If the stakeholder does not claim, the reward will accumulate.

APY Simulation (at listing price) If there are only 10 million tokens staked in the smart contracts (\$160,000 worth of tokens at listing price - which is equal to ~30% of the tokens unlocked at TGE to token sale investors):

SC Period (Months)	Tokens Locked	TVL	Allocation (Weight)	Tokens per second	Total Tokens	*Token per year	APR	APY/daily
1	1,500,000	\$750,000	3%	0.0480	6,000,000	1,513,728	201.83%	0.55%
3	3,000,000	\$1,500,000	11%	0.1760	22,000,000	5,550,336	370.02%	1.01%
6	5,500,000	\$2,750,000	26%	0.4160	52,000,000	13,118,976	477.05%	1.31%
12	9,000,000	\$4,500,000	60%	0.9600	120,000,000	30,274,560	672.77%	1.84%
Total	10,000,000	5,000,000	100%	1.60	80,000,000	20,183,040		

^{*}Approximately (as we calculated considering the average number of days in one month: 30.437 days)

3.TEAM

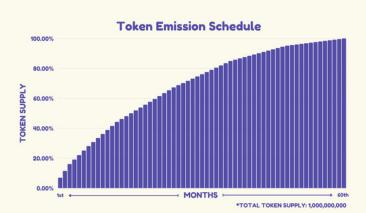
9% of the total supply, NO unlock at TGE, 6-month cliff, and 36-month vesting (2.33% per month).

This allocation will be used to incentivize the team members and employees/contractors.

4.MARKETING & DEVELOPMENT

10% of the total supply, 10% unlock at TGE, NO cliff, and 36-month vesting (2.5% per month).

These funds will be allocated to development efforts, marketing, social media giveaways, and bounties to increase social media engagement and adoption of the platform and game. The long vesting schedule will guarantee constant funds available to the team for these efforts.



5.AIRDROP

10% of the total supply, 4% unlock at TGE, NO cliff, and 24-month vesting (4% per month). This allocation will be used to reward community partners. Hereby, we are going for a long vesting so that we make sure our community partners and their members won't just dump

the token and jump to the next airdrop but rather come and collect tokens every month increasing the chances of converting them to gamers or token stakeholders.

6.LIQUIDITY ALLOCATION

5% of the total supply, 40% unlock at TGE, and 2-month vesting (30% per month). A total of 20 million tokens and \$320,000 worth of the second pair (e.g., WETH) will be deployed to initialize the pool. The token price at listing thereby is determined by the following formula: \$320,000 /20,000,000 = \$0.016.

Token Emission

To achieve long-term sustainability, we've chosen a mid-term emission period of a little more than 5 years. Throughout this period, our Play-and-earn smart contract will continue minting tokens until the very last day. This approach ensures that gamers are constantly incentivized to participate in the gaming activities.

At TGE, 6.95% of the token supply will be unlocked, allowing users to stake and trade once the liquidity pool is deployed. The highest token emission occurs between months 3 and 6, accounting for 3.02% of the total supply. The initial month's emission consists of

4.55% of the token supply. Following this, there will

be a slight decrease in emissions. At the end of the first year, 44.25% of the token supply will be issued in the market. By the end of the second year, an additional 23.05% will be issued, bringing the total supply in circulation to 67.29%. Afterward, the yearly emissions will gradually decrease as follows:

TOKEN EMISSION	DISTRIBUTION	MECHANISM	,	MANAGEMENT			TOKEN SALE		LIQUIDITY	EMISSION ((MONTH)	SUPPLY INTO CIRULATION
Months	Play-and-Earn	Token Staking	Team	Mrk & Dev	Airdrop	Seed Round	Frishie Routeuland	12,500,000.00		Tokens	Percentage	Monthly
TGE	0	0	0	10,000,000.00	4,000,000.00	8,000,000.00	15,000,000.00		20,000,000.00	69,500,000.00	6.95%	6.95%
1	6.000.000.00	4,204,804.61		2,500,000.00	4,000,000.00		6,250,000.00 7,	500,000.00	15,000,000.00	45,454,804.60	4.55%	11.50%
2	6.000.000.00	4,204,804.61		2,500,000.00	4,000,000.00		6,250,000.00 7,	500,000.00	15,000,000.00	45,454,804.60	4.55%	16.04%
3	6,000,000.00	4,204,804.61		2,500,000.00	4,000,000.00	7,200,000.00	6,250,000.00			30,154,804.60	3.02%	19.06%
4	6.000.000.00	4,204,804.61		2,500,000.00	4,000,000.00	7.200.000.00	6,250,000.00			30,154,804.60	3.02%	22.07%
5	6,000,000.00	4,204,804.61		2,500,000.00	4,000,000.00	7,200,000.00	6,250,000.00			30,154,804.60	3.02%	25.09%
6	6.000.000.00	4,204,804.61		2,500,000.00	4,000,000.00	7.200.000.00	6,250,000.00			30,154,804.60	3.02%	28.10%
7	6,000,000.00	4,204,804.61	3.000.000.00	2,500,000.00	4,000,000.00	7,200,000.00		_		26,904,804.60	2.69%	30.79%
8	6,000,000.00	4,204,804.61	3 000 000 00	2,500,000.00	4,000,000.00	7.200.000.00				26,904,804.60	2.69%	33.48%
9	6.000.000.00	4,204,804.61	3.000.000.00	2,500,000.00	4,000,000.00	7,200,000.00				26,904,804.60	2.69%	36.17%
10	6,000,000.00	4,204,804.61	3.000.000.00	2,500,000.00	4,000,000.00	7.200.000.00				26,904,804.60	2.69%	38.86%
11	6.000.000.00	4,204,804.61	3,000,000.00	2,500,000.00	4,000,000.00	7,200,000.00				26,904,804.60	2.69%	41.56%
12	6,000,000.00	4,204,804.61	3.000,000.00	2,500,000.00	4,000,000.00	7,200,000.00				26,904,804.60	2.69%	44.25%
13	5.500.000.00	4,204,804.61	3,000,000.00	2,500,000.00	4,000,000.00	7,200,000.00	.l			19,204,804.60	1,92%	46.17%
14	5,500,000.00	4,204,804.61	3.000,000.00	2,500,000.00	4,000,000.00					19,204,804.60	1.92%	48.09%
15	5.500,000.00	4,204,804.61	3,000,000.00	2,500,000.00	4,000,000.00					19,204,804.60	1.92%	50.01%
16	5.500,000.00	4,204,804.61	3.000,000.00	2,500,000.00	4,000,000.00					19,204,804.60	1.92%	51.93%
17	5,500,000.00	4,204,804.61	.,,	2,500,000.00	4,000,000.00					19,204,804.60	1.92%	53.85%
18 19	5,500,000.00	4,204,804.61 4,204,804.61	3,000,000.00	2,500,000.00 2.500.000.00	4,000,000.00 4,000,000.00					19,204,804.60 19,204.804.60	1.92%	55.77% 57.69%
19 20	5,500,000.00	4,204,804.61	.,,	2,500,000.00	4,000,000.00					19,204,804.60	1.92%	57.69%
20	5,500,000.00	4,204,804.61 4.204.804.61	3,000,000.00	2,500,000.00	4,000,000.00					19,204,804.60	1.92%	61.53%
21	5,500,000.00	4,204,804.61	3,000,000.00	2,500,000.00	4,000,000.00					19,204,804.60	1.92%	63.45%
23	.,,	4,204,804.61	3,000,000.00	2,500,000.00	4,000,000.00					19,204,804.60	1.92%	65.37%
24	5,500,000.00	4 204 804 61	3,000,000.00	2 500 000 00	4,000,000.00					19 204 804 60	1.92%	67.29%
25	5,500,000.00	4,204,804.61	3,000,000.00	2 500 000 00	4,000,000.00					14 704 804 60	1.47%	68 76%
26	5,500,000.00	4:204:804:61	3,000,000.00	2:500:000:00						14:704:804:60	1:47%	70.23%
27	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	71.70%
28	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	73.17%
29	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	74.64%
30	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	76.11%
31	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	77.58%
32	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	79.06%
33	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	80.53%
34	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	82.00%
35	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	83.47%
36	5,000,000.00	4,204,804.61	3,000,000.00	2,500,000.00						14,704,804.60	1.47%	84.94%
37	5,000,000.00	4,204,804.61	3,000,000.00							8,704,804.60	0.87%	85.81%
38	5,000,000.00	4,204,804.61	3,000,000.00							8,704,804.60	0.87%	86.68%
39	4,500,000:00	4,204,804.61								8,704,804.60	0.87%	87.55%
40	4,500,000.00	4,204,804.61								8,704,804.60	0.87%	88.42%
41	4,500,000.00	4,204,804.61								8,704,804.60	0.87%	89.29%
42	4,500,000.00	4,204,804.61								8,704,804.60	0.87%	90.16%
43	4,500,000.00	4,204,804.61								8,704,804.60	0.87%	91.03%
44	4,500,000.00	4,204,804.61								8,704,804.60	0.87%	91.90%
45	4,500,000.00	4,204,804.61								8,704,804.60	0.87%	92.77%
46	4,500,000.00	4,204,804.61								8,704,804.60	0.87%	93.64%
47	4,500,000.00	4,204,804.61								8,704,804.60	0.87%	94.51%
48 49	4,500,000.00	2,374,183.40								6,874,183.40 4,000,000,00	0.69%	95.20% 95.60%
49 50	4,500,000.00									4,000,000.00	0.40%	95.60%
51	4,500,000.00									4,000,000.00	0.40%	96.40%
52	4,000,000:00									4.000.000.00	0.40%	96.80%
52	4,000,000.00									4,000,000.00	0.40%	96.80%
54	4,000,000.00									4,000,000.00	0.40%	97.60%
55	4,000,000.00									4,000,000.00	0.40%	98.00%
56	4,000,000.00									4,000,000.00	0.40%	98.40%
57	4,000,000.00									4,000,000.00	0.40%	98.80%
58	4,000,000.00									4,000,000.00	0.40%	99.20%
59	4,000,000.00									4,000,000.00	0.40%	99.60%
60	4,000,000.00									4,000,000.00	0.40%	100.00%
	4,000,000.00											
	4,000,000.00											
	4,000,000.00											
TOTAL	300,000,000	200,000,000	90,000,000	100,000,000	100,000,000	80,000,000	50,000,000	30,000,000	50,000,000	1,000,000,000		

3rd year: 17.65% 4th year: 10.26% 5th year: 4.80%

This emission reduction, coupled with increasing demand for the token, is expected to raise its price if demand increases linearly with the emission.

The maximum supply of 1 billion tokens will never be reached due to the introduction of an automatic burning mechanism within the economy.

Fundraising

	Phase 1: SEED ROUND	Phase 2: PRIVATE ROUND	Phase 3: PUBLIC ROUND		
WHO?	Friends & Business Partners	Plooshy Holders & Partner Communities	web3		
HOW?	1:1 Calls & IRL Meetings	Spaces & Video Marketing	SocialFi Platform & Launchpads		
DISCOUNT	75%	50%	23%		
SUPPLY	8% of the Distribution Supply	5% of the Distribution Supply	3% of the Distribution Supply		
TOTAL	\$320,000**	\$400,000**	\$390,000**		

PHASE 1: SEED ROUND

Token price: \$0.004 (\$4M FDV)

8% of the total supply, 10% unlock at TGE, 2-month cliff, and 10-month vesting (9% per month).

This round will be raised with investors and business partners through 1:1 Calls and IRL meetings to...

PHASE 2: PRIVATE ROUND

Token price: \$0.008 (\$6M FDV)

5% of the total supply, 25% unlock at TGE, NO cliff, and 6-month vesting (12.5% per month).

This round will be raised with our community partners' members via WhitelistL spots and Plooshy NFT holders.

PHASE 3: PUBLIC ROUND

Token price: \$0.013 (\$13M FDV)

3% of the total supply, 50% unlock at TGE, NO cliff, and 2-month vesting (25% per month).

This round will be sold to the public to attract more liquidity and potential gamers in the game via the marketing campaign performed to raise these funds.

Conclusion

In conclusion, the \$CUDDLE tokenomics have been meticulously crafted to support a sustainable and engaging ecosystem for gamers, investors, and community members. Our token economy is designed to incentivize participation, reward loyalty, and promote long-term growth and stability. By implementing mechanisms such as buybacks and burns, staking, and well-structured vesting schedules, we aim to maintain a balanced token supply while encouraging active engagement within our platform.

The diverse use cases for Plooshy Points (PP) and \$CUDDLE tokens, including in-game transactions, staking, and conversion opportunities, provide multiple pathways for users to derive value and contribute to the ecosystem. Our focus on community-driven growth, coupled with strategic token allocation, ensures that both early adopters and long-term stakeholders benefit from their involvement.

As we move forward, our commitment to transparency, continuous development, and community engagement will remain paramount. We believe that the \$CUDDLE economy will not only foster a vibrant gaming environment but also create a robust foundation for future innovations and expansions. We invite you to join us on this exciting journey and become a part of the \$CUDDLE community, where gaming meets blockchain in a truly rewarding way.