

Web3eco economy paper

The economic framework of Web3eco is built around two key elements: the \$ECO token and the Trees NFTs. \$ECO token is a yield bearing asset that accumulates free cash flows from the sales of carbon credits generated by all Web3eco plantations.

On the other hand, owners of Trees NFTs have the opportunity to gain profits from the sale of Trees linked to their NFT. The document provides a more comprehensive explanation of the economic system of Web3eco.

\$ECO Token

The \$ECO token represents the distribution of rewards to each user, acting as a yield bearing asset. With a capped total supply of **100,000,000** tokens, the \$ECO token maintains rarity and helps preserve its value. The allocation of this fixed supply is broken down as follows:

- Seed and strategic rounds: represent tokens that are distributed between early investors
- Public Round: The public allocation involves distributing tokens to \$ECO token investors via launchpads.
- Team: A portion of tokens is earmarked for the committed Web3eco team and advisors, serving as an incentive for their ongoing dedication and participation.
- NFT Staking Pool: This segment is reserved for tokens used in NFT staking.
- Liquidity: A specific portion of the token supply is allocated to increase market liquidity, aiding in smoother trading operations of \$ECO.
- Marketing Fund: This part of the allocation is dedicated to strategic marketing efforts, aimed at increasing visibility of the \$ECO token.

\$ECO Emission

Web3Eco has adopted an innovative token allocation strategy that deviates from the conventional linear vesting approach, opting instead to base token distribution on milestones in development of Web3eco business. A key aspect of \$ECO emission is backing of all circulating tokens by the Web3eco business development milestones, providing a solid value basis for the token holders.

The monthly number of \$ECO tokens distributed to Trees NFTs stakers is calculated by dividing the growth of the total number of NFT Trees this month by a growth of fundamental valuation of Web3eco this month. The fundamental valuation considers not

just the quantity of Trees, but also various business development milestones, leading to a gradual decrease in the number of tokens issued over time. A total of **23% \$ECO** tokens have been allocated for NFT Staking, highlighting the system's adaptability and potential for expansion. For more comprehensive details about the emission of \$ECO tokens, please refer to the "NFT Staking" section of this document.

Reward system

The \$ECO token primarily functions as a means for users to receive a portion of the revenues generated by Web3eco from all its plantations, excluding the profits made from the sale of harvested trees. The distribution is conducted by increasing the Treasury assets which are backing each \$ECO token in circulation.

In addition to its role as a reward indicator, Web3eco intends to make the \$ECO token available on both Centralized and Decentralized Exchanges (CEX & DEX). This move aims to increase the token's accessibility and liquidity, offering users additional avenues for trading and making use of their \$ECO tokens. Such a strategy not only enhances the utility of the token but also helps in nurturing a vibrant and liquid trading environment.

\$ECO staking and burning

Every month, users who have staked their \$ECO tokens become eligible for the token buyback from Web3Eco at the current token fair price. Fair price is calculated by dividing current treasury assets by the number of tokens minted to circulation. Staking duration defines the amount of tokens eligible for the buyback. Staking periods are fixed and begin from 3 months taking up to 5 years staking period.

Example: Suppose, that user has stacked 1000 \$ECO tokens at the project launch for 3 years. At that point, the token fair price is \$0.05 per token. After a 3 year period 80% of user tokens will be eligible for the buyback at the current fair price of \$4.32 per token. So Web3Eco will buyback 800 tokens at fair price and user will receive \$3456

Web3eco introduces a deflationary mechanism into its economy through the burning of \$ECO tokens. This process is represented by the buyback mechanism whenever the user's stake becomes eligible for the buyback tokens and when this right is executed, bought back tokens are burned and the user receives the funds for the number of tokens burned at their fair price.

Therefore, the combination of these two components, along with the decreasing emission of \$ECO, ensures a deflationary aspect of the \$ECO economy, which is expected to lead to an increase in the value of \$ECO over time.

Trees NFTs

In the Web3eco ecosystem, Trees NFTs are thoughtfully designed to allocate rights to their holders for a share of the revenue from the sale of trees in a specific batch. For instance, possessing a Trees NFT linked to the 2028 batch grants the owner a portion of the profits from trees sold in that year. Each Trees NFT, comprising 10 trees, provides a substantial stake to its holder. Once these NFTs are issued, they become liquid, tradable assets within the Web3eco internal marketplace, enhancing their potential for value appreciation and investment flexibility. Additionally, Trees NFTs can be **staked in exchange for \$ECO rewards**. This important mechanism of \$ECO emission is described further in the “Staking” block.

Trees NFTs in the Web3eco framework represent an innovative convergence of environmental conservation and blockchain technology. They create a tangible ecological impact by tying digital assets to real-world forestry outcomes.

Internal Marketplace

The Web3eco platform features an extensive NFT Marketplace, complete with a detailed order book and a built-in peer-to-peer (P2P) exchange system. This design permits users to engage in direct buying and selling of NFT packages within the community, creating a dynamic and participatory trading space and enabling users to conduct transactions using fiat currency without the crypto uptake for users.

Example

Suppose User 1 purchases a 2028 Batch Trees NFT package and later decides to sell it on the Web3eco NFT marketplace. User 2 can buy this package using USDT, demonstrating the liquidity and transferability of these NFTs. This feature facilitates active participation in secondary market transactions, promoting a dynamic trading ecosystem on the platform.

Additionally, in a future-oriented scenario, investors in the Batch 2028 Trees NFTs will receive their profits at the end of 2028. This payout will be derived from trees planted in 2023, matured over five years, and subsequently cut and sold in 2028. This long-term investment model not only underscores the sustainable approach of the Web3eco ecosystem but also provides a clear timeline for returns, aligning environmental goals with financial incentives for investors.

Trees NFTs Staking

Web3eco introduces a novel NFT staking system, aimed at promoting the holding of Trees NFTs. This mechanism allows users to stake their Trees NFTs in exchange for rewards in \$ECO tokens, thereby enhancing their portion of the operational revenue allocation.

The staking mechanism for Trees NFTs adopts a similar approach to the \$ECO token Staking” system described earlier. However, in this case, rewards for staking Trees NFTs are allocated in \$ECO tokens.

The total number of \$ECO allocated for staking Trees NFTs monthly is calculated using the following formula:

$$R_{ECO}^t = R_{ECO}^{t-1} \cdot \frac{\Delta_{NFTs}}{\Delta_{Valuation}}$$

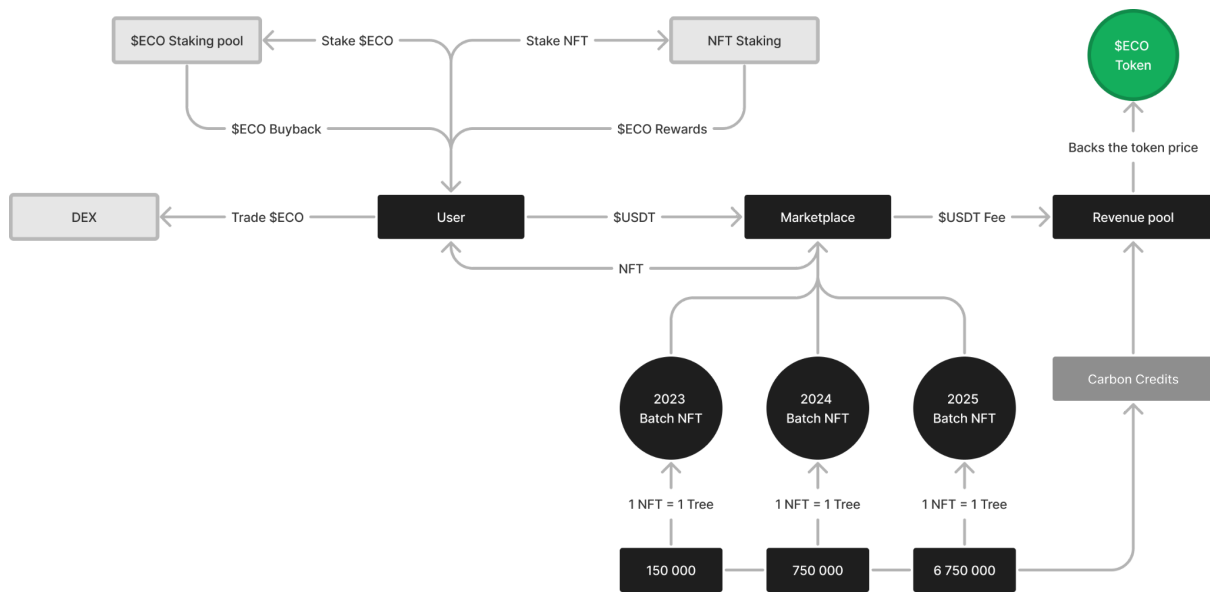
R_{ECO}^t - the number of \$ECO allocated for rewards at period t

R_{ECO}^{t-1} - the number of \$ECO allocated for rewards at period t-1

Δ_{NFTs} - percentage change in total number of issued Trees NFTs from all Batches

$\Delta_{Valuation}$ - percentage change in fundamental Web3eco valuation

Economy flow



Investment Mechanism

Investors have the opportunity to finance Web3eco plantations both prior to and subsequent to the listing of the \$ECO token. In return for their investment, investors receive Trees NFTs that signify a stake in the proceeds from the sale of trees harvested in the Batch they have invested in. To obtain \$ECO, investors are required to stake their NFT Trees.

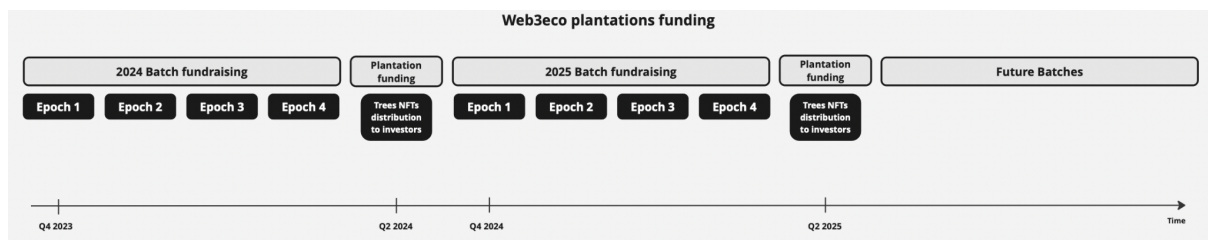
Funding rounds structure

The Web3eco project grows through a series of funding stages called "Batches". Each Batch is a focused effort to participate in funding of a new, separate tree plantation. This fundraising approach is key to driving the project's growth and expansion.

Within each Batch, there are smaller, distinct segments known as "Epochs." These Epochs represent separate sales or investment opportunities tied to different intervals or events within the larger Batch. Each Epoch is essentially a subset of the overarching Batch.

Upon completion of a Batch – after all Epochs have been successfully financed – Web3eco aggregates the capital raised from investors to proceed with the planting of the trees at the designated plantation. As a return on investment, those who contributed

receive Trees NFTs at the end of the last epoch of the Batch they invested in according to the cliff and vesting schedule set by Web3eco prior to each Batch.



Funding algorithm

According to an investment algorithm, Investors who contribute X USD to the Web3eco plantations will receive in return:

- A number of Trees NFTs, proportional to the X USD investment, based on **minting cost of an ongoing Epoch**.

Example

In an illustrative scenario for the whitepaper, let's consider an investor who opts to invest \$100,000. The investment conditions are as follows:

- The price for each Trees NFT in an ongoing Epoch is set at \$60.

Under these stipulated term, the investor's \$100,000 investment would be reciprocated with the following assets:

- Trees NFTs: The investor would also obtain 1667 Trees NFTs. This number is derived by dividing the investment amount by the price per NFT ($\$100,000 / \60).