

V3 Staking Model

Purpose

In order for EGO rewards to become consistent and sustainable, the current model must temporarily shift to one where the rewards are not a fixed percentage, e.g. 2.5% per week. The current model promises a fixed 2.5% weekly BUSD reward without accounting for the revenue that is being generated by EGO LLC. The upgraded staking contract will rely on three key variables– the amount generated in the rewards pool by the EMTS, the price of \$EGO at the time of payout, and the total dollar value staked.

Issues that the new model will resolve:

- Inability to claim rewards when staking period has ended
- Limitations on the amount of \$EGO tokens that can be staked
- Uncertainty for sustainability during price increases

New Model

Defined Variables:

TB (Trading Bot): The total amount of funds available in the EMTS account.

P (Profits): The percentage of gains that the EMTS has accumulated for the 2-week period.

TP (Total Profit): The dollar amount of the total profits gained.

EP (EGO's Profit): The amount that is allocated to EGO after partner distributions.

RP (Rewards Pool): The total amount available in the rewards pool to be claimed.

TS (Total Staked): The total amount of the supply that is staked.

CP (Current Price): The current price of \$EGO during the bi-weekly pay out period.

DVS (Dollar Value Staked): The dollar value staked from the total supply.

Formula for Bi-Weekly Reward Distribution:

$$TB \times P = TP$$

$$TS \times CP = DVS$$

$$TP \times 30\% = EP$$

$$RP / DVS = \text{Bi-weekly \%}$$

$$EP \times 80\% = RP$$

Guided Explanation of the Formula with Example:

We will use the sample values to substitute for the aforementioned variables presented in the formula above. For that, we will need the current amount available in the EMTS trading account. We also require the percentage profit gained by the trading bot over the last two weeks.

$$TB = \$325,000$$

$$P = 11\%$$

With these two values, we can calculate the **Total Profit**.

$$\$325,000 \times 11\% = \$35,750$$

Once we have the Total Profit made from the EMTS, we will multiply that amount by 30% to calculate the percentage that belongs to EGO.

$$\$35,750 \times 30\% = \$10,725$$

We then multiply EGO's profit by 80% to calculate the total amount that will be allocated to the **Rewards Pool**. The 20% is deducted to provide for the EGO team's salary.

$$\$10,725 \times 80\% = \$8,580$$

$$\text{RP} = \$8,580$$

Once the value for the Rewards Pool is calculated, we proceed to multiply the **Total Staked** amount of the supply with the **Current Price** of \$EGO to solve for the **Dollar Value Staked**.

$$\text{TS} = 780,000,000$$

$$\text{CP} = .0011$$

$$780,000,000 \times .0011 = \$858,000$$

$$\text{DVS} = \$858,000$$

Lastly, the **Rewards Pool** value is divided by the **Dollar Value Staked** to calculate the **bi-weekly rewards percentage** that each staked holder will receive.

$$\text{RP} = \$8,580$$

$$\text{DVS} = \$858,000$$

$$\$8,580 / \$858,000 = .01 \text{ or } 1\%$$

Conclusion

In the example above, every investor will be able to stake all their EGO tokens and earn 1% of their staked DVS after the two-week period is over. Since this percentage of bi-weekly rewards is reliant upon the trading bot's performance, the bi-weekly rewards will no longer be a fixed percentage. This is a double-edged sword in the sense that some pay periods will yield a higher percentage while others might not. However, this plan allows for fairness and sustainability for all the EGO community members, including the Development Team.

The funds available within the account and the Market Cap of \$EGO must be parallel to each other for the rewards to return to a fixed percentage weekly. For the time being, this is the only option that will not only provide consistent staking rewards for all our investors, but will encourage the growth of the funds in the trading bot. We believe that this is a step in the right direction in regard to our promise of sustainable BUSD rewards. Thank you to all our community members for believing in us and continuing to support the bank of the metaverse.

