TOKENOMICS

PROJECT:

Venture ecosystem "Basalt Coin". The ecosystem mechanics is based on DAO token **BASALT** (emission: 1 000 000 000) and payment token **BCON** (emission: 3 000 000 000).

THE ESSENCE OF THE PROJECT:

Ecosystem of mass monetization of "green" inventions with DAO fund, lunchpad service and payment-trading system.

THE MAIN CHANNELS OF PROJECT MONETIZATION:

◆ capitalization growth of the DAO fund "BASA Fund" investing in innovative "green" technology projects and commercialization of intellectual property (inventions), capitalization growth as the value of project companies and intellectual property grows (DAO fund connects communities of inventors, experts, venture entrepreneurs, venture capitalists, corporate and end consumers of "green" technologies and products; DAO fund is managed by voting among DAO token owners);

◆ return on venture capital loans provided by DAO fund "BASA Fund" to innovative green technology projects (an alternative method of return is to convert the loans into shares of the project companies and intellectual property of the inventors);

◆ return on venture investments by DAO fund "BASA Fund" in projects aimed at tokenization of innovative "green technologies", investments are made on the service for launching blockchain projects "BASA GREEN" (Launchpad), before the launch the projects pass the acceleration program "BASA Crunch", the return is made by selling tokens of projects;

◆ the return on venture capital investments by DAO fund "BASA Fund" in real production projects based on innovative "green technologies" through participation in the organization of the production and sale of "green" products (the first products are "cold" crypto wallets and bank cards based on innovative materials from basalt);

◆ commissions from cryptocurrency swap transactions (cryptocurrency exchange) in the ecosystem's decentralized crypto exchange service "BASA SWAP" (users may use the crypto wallet "BASA CONNECT WALLET" for transactions);

◆ commissions from cryptocurrency arbitrage trading in the ecosystem's decentralized crypto exchange service "BASA SWAP" (users may use the crypto wallet "BASA CONNECT WALLET" for transactions);

◆ subscriptions to information services of the "Basalt Coin" ecosystem;

◆ sales of NFT lottery tickets ("Mystery box") with the winning of products and services of the "Basalt Coin" ecosystem, partner products and services and DAO token packages.

THE FINANCIAL MODEL OF THE PROJECT INCLUDES SEVEN MAIN BLOCKS WITH CALCULATIONS.

1. REVENUES AND SALES VOLUMES

The calculation of project revenues in the financial model assumes the innovative benefits of the project. Users have access to the products of the green technologies crowdfunding venture capital ecosystem "Basalt Coin" and the trading and payment ecosystem "BASA CONNECT".

There are following types of income from different types of user activity:

1. Revenues from venture capital loan transactions to green technologies projects (b2b project sales):

1.1. Return on venture capital loans provided in cryptocurrency to **real production projects based on "green" technologies** at "Seed" stage, with the option to convert the loan into stakes or intellectual property.

1.2. Return on venture capital loans provided in cryptocurrency to **projects of commercialization of intellectual property in the field of "green" technologies** at "Seed" stage, with the option of converting the loan into stakes or intellectual property.

1.3. Return on investment in **projects of tokenization of "green" technologies** on Launchpad service at "Seed" stage.

2. Revenues from product sales and user commissions (b2c project sales):

2.1. Subscription to "Basalt Coin" information services, subscriptions can be paid in stablecoins and DAO token BASALT (average discount for payments in BASALT is 30%):

2.1.1. 30 days subscription «DAO subscription 30» ($19,99 per month),

2.1.2. 6 months subscription «DAO subscription 180» ($14,99 per month),

2.1.3. 12 months subscription «DAO subscription 30» ($9,99 per month).

2.2. Servicing bank cards "BASA Card" made from basalt innovative materials, card issuance is free of charge for the user, floating service fee ("Float Commission") is 1% of user turnover, the commission can be paid in stablecoins and DAO token BASALT (the average discount for payments in BASALT is 30%).

2.3. Commissions for services and operations of the trading and payment ecosystem "BASA CONNECT":

2.3.1. Commission for cryptocurrency exchange operations in the decentralized exchange service "BASA SWAP": floating service commission ("Float Commission") is 1% of turnover, the commission can be paid in utility tokens BCON (the average discount for payments in BCON is 30%);

2.3.2. The commission for cryptocurrency arbitrage trading operations in the decentralized exchange service "BASA SWAP": a regular fixed commission for the connection to the arbitrage trading service is $5 per month (Fix Comission); floating commission ("Float Commission") is 2.6% of the trading turnover; commissions can be paid in stablecoins and utility tokens BCON (the average discount for payments in BCON is 30%).

2.4. Sale of "cold" crypto wallets "BASA Wallet" made from basalt innovative materials (retail price for users is $100), the product can be paid in stablecoins and DAO token BASALT (the average discount for payments in BASALT is 30%).

2.5. Sale of NFT lottery tickets ("Mystery boxes" with the winning of ecosystem products and services and DAO token packages). NFT tickets can be paid by stablecoins and DAO token BASALT (the average discount for payments in BASALT is 30%). NFT tickets give holders free access to the platform products and DAO token of the project:

2.5.1. "cold" crypto wallets "BASA Wallet",

2.5.2. bank cards "BASA Card",

2.5.3. tickets to green technology events,

2.5.4. tickets to green technology tokenization events,

2.5.5. tickets to cryptocurrency and blockchain technology events,

2.5.6. packages of DAO token BASALT allowing voting in the "Basalt Coin" project and access to token allocations for "green" technologies tokenization projects launched on the BASA GREEN Launchpad.

Note that in the b2c sales part of the project, users can pay both types of commission ("Fix Commission" and "Float Commission") when paying for services and products in 3 payment means:

a) In Stablecoins, the fees are fixed in USD or transaction-related cryptocurrency assets.

b) In DAO token BASALT – for services and products related to the green technologies crowdfunding venture capital ecosystem "Basalt Coin". Payment in BASALT is incentivized through discounts to the base sizes of service fees and product prices, the sizes of fees and prices in the Fix Commission part are fixed in USD;

c) In BCON utility tokens – for services and products related to the trading and payment ecosystem "BASA CONNECT". Payment in BCON tokens is incentivized through discounts to the base sizes of the services' tariffs, the sizes of fees and prices in the Fix Commission part are fixed in USD.

THE ESTIMATED AVERAGE DISCOUNT FOR PAYING FOR THE PROJECT'S SERVICES AND PRODUCTS IN BASALT AND BCON TOKENS IS 30%.

The tariff and product values of the crowdfunding venture capital ecosystem "Basalt coin" and the trading and payment ecosystem "BASA CONNECT" were calculated based on an analysis of the average market values of retail cryptocurrency services, on the analysis of venture capital industry practices, and on the analysis of a comfortable price level that ensures stable project development as the audience and the number of project users and customers grow. The average checks (values of income) from one user for the entire line of offered tariffs of services and product prices were calculated in accordance with the expected share of tariffs and products in the total volume of purchases by the average user of the project.

In calculating the project's income, the projected sales in financial model are based on hypotheses about the conversions of the target audience (User Acquisition, UA) into project users (CR1, users registering/ visitors) and into paying project users (CR2, users purchasing/users). Conversion forecasts are based on the hypotheses about the behavior of the target audience, which will be promoted using different marketing tools (such as Facebook, Instagram, Youtube, LinkedIn, etc.) designed to work with a wide audience of people interested in "green" technologies, venture capital, cryptocurrencies, decentralized finance and blockchain technology.

One of the important areas of work to promote the project is the organization of and participation in major international events (conferences, festivals, summits, hackathons, workshops, etc.) and partnerships with major Influencers in the field of investment, green technologies, cryptocurrencies and blockchain technology.

The development of the project involves partnerships with the following major groups of organizations:

◆ research centers in the field of "green" technologies in different countries,

◆ corporations purchasing green technologies and products in different countries,

◆ suppliers of green products in different countries,

◆ business incubators and accelerators of "green" technologies,

◆ international venture capital funds from various countries,

◆ governmental agencies responsible for supporting green technologies in various countries,

◆ financial organizations and crypto services (partner banks, crypto exchanges, farming pools, crypto processing services, etc.).

Another important tool for promoting the project are user incentive programs, in particular, the referral program, which rewards users and partner influencers for attracting an active audience to the project, both for purchasing the project services and products, and for selling BASALT to investors (see details in the "Project Costs" section).

THE ROLE OF CRYPTOCURRENCY TOKENS IN THE FORMATION OF PROJECT REVENUES.

To effectively manage the financial flows of the project, the project uses a system of 2 utility tokens:

DAO token BASALT, a means of payment and voting rights in the green technologies crowdfunding venture capital ecosystem "Basalt Coin" (hereinafter also an "investment" token or DAO token used for purposes of raising initial investment in a project and managing project development through voting);

Utility token BCON, a means of payment in the trading and payment ecosystem "BASA CONNECT".

The utility of the DAO token BASALT restricted in supply (see Section 3.1. BASALT Token Allocation Scheme) is related to the following functions:

1. Ability of BASALT to be a means of access to green technology tokenization projects (through the Whitelist mechanism on the Launchpad service "BASA GREEN") and a means of voting when making decisions on the development of the ecosystem of crowdfunding venture capital investments in green technology projects "Basalt coin":

1.1. Ownership of a large package of BASALT (from 10,000 BASALT) entitles investors to get into the Whitelist of "green" technologies tokenization projects launched on the Launchpad service "BASA GREEN", allocation rights are differentiated by tier ("Tier"):

1.1.1. Tier 1: 10 000-50 000 BASALT,

1.1.2. Tier 2: 50 000-100 000 BASALT,

1.1.3. Tier 3: over 100 000 BASALT;

1.2. Ownership of a particularly large package of BASALT (from 1,000,000 BASALT) gives investors the ability to vote on the decisions of the Project Management Company (including the operations of the venture capital DAO Fund BASA Fund), for example:

1.2.1. decisions to invest funds of BASA Fund in projects by means of venture (investment) loan agreements in the form of cryptocurrency (USDT, BTC, ETH, etc.),

1.2.2. decisions to convert BASA Fund investments into project assets under venture (investment) loan agreements,

1.2.3. decisions to sell tokens of venture projects aimed at tokenization of "green" technologies through redemption of project tokens on the Launchpad service "BASA GREEN",

1.2.4. decisions to redeem tokens from BASALT voting token holders (from 1,000,000 BASALT) as the ecosystem of crowdfunding venture capital investments in green technologies projects develops,

1.2.5. decisions to change the voting rights threshold for BASALT holders (from 1,000,000 BASALT),

1.2.6. decisions on further development of the project as a whole.

2. Ability of BASALT to be a key means of payment when paying for services and products in the ecosystem

of crowdfunding venture capital investments in green technology projects "Basalt coin", purchases in tokens are incentivized with discounts.

3. Limiting the number of BASALT in circulation by placing a package of tokens on the DeFi service "staking" (payment of rewards in BASALT), staking terms: 90, 180, 360, 540, 720 days. Staking a large package of tokens (from 100,000 BASALT) for a period of 720 days also entitles the user to receive a free "cold" crypto wallet "BASA Wallet".

4. Encouraging the provision of liquidity in the BASALT/USDT trading pair on DEX (DeFi-service "farming" with rewards in USDT stablecoins and BASALT).

5. BASALT trading on decentralized (DEX) and centralized cryptocurrency exchanges (CEX).

The utility of the payment token BCON, restricted in supply (see Section 3.2, BCON Token Allocation Scheme), is related to the following functions:

1. The ability of BCON to be a key means of payment for service fees in the trading and payment ecosystem BASA CONNECT, token purchases are incentivized with discounts.

2. Stimulation of liquidity provision in BCON/USDT trading pair on DEX (DeFi service "farming" with rewards in USDT stablecoins and BCON tokens).

3. BCON trading on decentralized (DEX) and centralized cryptocurrency exchanges (CEX).

2. PROJECT COSTS

Key recurring project costs include:

- direct marketing costs to attract users and arrange for sales;

- payment of labor of the main, marketing and administrative employees of the project;

- representation and travel expenses, expenses for events;

- expenses for IT-support of the project (servers);

- one-off running costs:

    - company registration costs,

    - costs of packaging the project concept,

    - costs of initial attraction and engagement of users within Customer Development,

    - costs of the primary advertising campaigns of the project,

    - costs of organizing token sale rounds,

- accounting and legal costs;

- office costs;

- ◆ costs of preparing design materials;

- ◆ other corporate costs.

CALCULATION OF THE DIRECT MARKETING COSTS OF THE PROJECT IS MADE WITHIN THE CALCULATION OF UNIT ECONOMICS OF THE PROJECT (UNIT ECONOMICS) AND IS BASED ON THE PARAMETERS:

a) The size of the coverage (number) of the target audience, on which the marketing efforts are made (User Acquisition, UA).

b) The amount of conversion of the target audience UA in registered users of the project (CR1, users registering/visitors).

c) The amount of conversion of registered users of the project into paying users of the project (CR2, users purchasing/users).

d) The size of the cost of attracting the audience of the project (the cost per potential user is CPC).

e) The cost of converting users into buyers (cost per user is COGS).

CPC and COGS, as well as CR1 and CR2 conversion rates, are taken as the market average for reference projects at the startup and operating business stages, which use various marketing tools (e.g., Facebook, Instagram, YouTube, LinkedIn) to promote themselves to a wide audience of people interested in "green" technologies, venture capital investment, cryptocurrency, decentralized finance and blockchain technology.

In addition to direct marketing costs, the calculation of the financial model of the project takes into account the costs of the referral program.

As part of the referral program in terms of b2c sales of services and products of the crowdfunding venture capital ecosystem "Basalt Coin" offers 3 main types of rewards to users and partners of the project:

1. Direct rewards to user for passing KYC procedure ("know your customer"), one-time reward is $5, reward is paid in DAO token BASALT at current exchange rate.

2. Referral rewards for an invited user's KYC procedure ("know your customer"), the size of a one-time rewards is $5. Rewards are paid in DAO token BASALT at the current exchange rate. Influencer partner remuneration is $10.

3. Referral rewards for BASALT placed on a staking by an invited user, the amount of rewards is 2% of funds in tokens, placed on a staking. Rewards is paid in BASALT. **Influencer partner remuneration is 4% of the amount of funds in tokens placed on staking.**

As part of the referral program in terms of b2c sales the trading and payment ecosystem "BASA CONNECT" offers 2 basic types of rewards to users and partners of the project:

1. Referral rewards for cryptocurrency exchange operations performed by an invited user in the decentralized exchange service "BASA SWAP"; the amount of rewards is 2% of the project commission. Rewards are paid in utility tokens BCON at the current exchange rate. The partner influencer rewards are 4% of the commission.

2. <u>Referral rewards for cryptocurrency arbitrage trading operations</u>, performed by an invited user in the decentralized exchange service "BASA SWAP", the amount of rewards is 2% of the project's commission. Rewards are paid in utility tokens BCON at the current exchange rate.

The partner influencer rewards are 4% of the commission.

As part of the referral program in terms of selling DAO token BASALT, investors in the project are offered one type of reward for users and project partners - <u>a referral rewards for the purchase of DAO token BASALT</u> by an invited user as part of an investment attraction campaign (token sale). The amount of rewards are 2.5% of the amount of investments (the amount of BASALT purchased).

Rewards are paid in BASALT. Partner influencer rewards are 5% of the amount of purchased.

In addition to regular operating costs, **investment costs (CAPEX)**, which accompany the implementation of the project throughout the forecast period (at the stages of packaging, development, products launch, refinement of products, research and development, sales expansion) are key to the implementation of the project:

◆ costs of development, release and refinement of core and infrastructure IT products of the project:

⬡ "BASA CONNECT WALLET", a decentralized crypto wallet (BCON WALLET),

⬡ "BASA SWAP", a decentralized cryptocurrency exchange service,

⬡ "BASA GREEN", a Launchpad service for launching green technologies tokenization projects,

⬡ "BASA Fund", a web-based infrastructure service of the DAO fund for venture capital investments in green technologies projects,

⬡ "BASA Crunch", a web service of the green technologies accelerator program;

◆ Venture loans and grants to projects aimed at commercialization of intellectual property in the field of "green" technologies at the "Seed" stage within the "BASA Fund" and projects aimed at tokenization of "green" technologies at the "Seed" stage within the Launchpad service "BASA GREEN";

◆ Venture loans and grants to real production projects based on "green" technologies at the "Seed" stage;

◆ costs of auditing smart contracts of the project;

◆ costs of technical arrangement of the Token Generation Event (TGE);

◆ costs of organizing the Public token sale;

◆ the costs of listing tokens of the project on CEX (centralized crypto-exchanges);

◆ costs of organizing token trading on CEX (token market-making);

◆ the costs of maintaining the liquidity of tokens on DEX (liquidity deposit).

The direct marketing costs of attracting users and arranging sales of the project have the greatest share in the project costs. The share of these costs increases as the audience of users and buyers of the project's services and products grows.

The largest source of investments is reinvestment of profits received in the expansion of project operations due to the implementation of the model of constant growth of the project user audience and the expansion of all related operations throughout the forecast period. The structure of external investments in the project is shown in Table 1.

Table 1 - Volume of external investments in the project

TOKEN PRICE FORECAST (TOKEN1) FOR 2023-2026	$29 605 121
INTERNAL INVESTMENTS OF THE PROJECT (PROFITS REINVESTMENTS, TOKEN BUYOUT&SALES), USD	$25 005 121
INVESTMENTS ON SEED SALE, USD	$900 000
INVESTMENTS ON PRIVATE SALE 1, USD	$2 000 000
INVESTMENTS ON PRIVATE SALE 2, USD	$700 000
INVESTMENTS ON PUBLIC SALE, USD	$1 000 000

3. PROJECT TOKEN ALLOCATION AND VESTING SCHEME.

3.1 BASALT token allocation and vesting scheme. This section of the model presents a scheme of distribution (allocation) of BASALT (Table 2, Fig. 1) by investment attracting rounds through token sale, with allocation of tokens by packages: packages of various categories of investors (Seed Sale, Private 1 sale, Private 2 sale, Public sale), packages of affiliates (team, advisors, partners, etc.) and packages of the project operating funds (liquidity, reserve fund, rewards and incentives fund, hedge fund, etc.). The allocation scheme is based on the experience of reference projects and project development tasks. In addition to the basic allocation (Fig. 1), there is a detailed allocation scheme with lock-up and vesting (release) parameters (Table 2).

3.2 BCON Utility Token Allocation and Vesting Scheme. This block of the model presents the allocation scheme (allocation) of BCON tokens (Table 3, Fig. 2) with allocation of tokens by packages: package of affiliates (team) and packages of project operating funds (user operations fund, reserve fund, rewards and incentives fund, airdrop fund for users). In forming the allocation scheme, we used the experience of reference projects and the tasks of project development. In addition to the basic allocation (Fig. 2), there is a detailed allocation scheme with lock-up and vesting (release) parameters (Table 3).

SECTIONS 4 ("TOKEN TRANSACTIONS", 5 "TOKEN VESTING SCHEME", 6 ("PRICE PRESSURE TO BUY AND SELL TOKENS")

These blocks present in-depth modeling (with MS Excel) of projected cash flows in tokens and fiat funds based on the project's business model. The forecast volume of token demand (price pressure to buy tokens) and forecast volume of token supply (price pressure to sell tokens) are calculated based on a number of hypotheses about the behavior of the target audience, project users, paying users, project investors, project affiliates and project reserves management, including reserves in tokens.

Table 2 - Scheme of allocation and vesting of DAO token BASALT

TOKEN1 ALLOCATION SCHEME				EMISSION (TOKENS) ALLOCATION SCHEME				1 000 000 000	
				TOKEN PRICE ON PUBLIC SALE (USD)				$0,1000	
DISCOUNTS	SEED 70.00%	PRIVATE 1 50.00%	PRIVATE 2 30.00%	PUBLIC 0.00%					
ROUND | TOKEN PACK	SHARE	PRICE, UDS	PACK VALUATION ON SALE, UDS	ON PUBLIC SALE, UDS	UNLOCK ON PUBLIC SALE, %	USD	CLIFF, MONTH	VESTING, MONTH	NUMBER OF RELEASES	1 RELEASE IN TOKENS
SEED	3,0%	$0,0300	$900 000	$3 000 000	5,0%	$150 000	12	1	48	593 750
PRIVATE 1	4,0%	$0,0500	$2 000 000	$4 000 000	5,0%	$200 000	12	1	48	791 667
PRIVATE 2	1,0%	$0,0700	$700 000	$1 000 000	3,0%	$30 000	12	1	48	202 083
PUBLIC SALE	1,0%	$0,1000	$1 000 000	$1 000 000	10,0%	$100 000	6	1	48	187 500
LIQUIDITY	5,0%	$0,1000		$5 000 000	100,0%	-	-	-	-	-
MARKETING & PARTNERSHIPS	5,0%	$0,1000		$5 000 000	1,0%	$50 000	18	3	20	2 475 000
REWARDS & INCENTIVES (INCL.FARMING & STAKING)	24,0%	$0,1000		$24 000 000	2,0%	$480 000	3	1	84	2 800 000
TEAM	12,0%	$0,1000		$12 000 000	2,0%	$240 000	18	3	16	7 350 000
ADVISORS	3,0%	$0,1000		$3 000 000	3,0%	$90 000	18	3	16	1 818 750
VENTURE DAO FUND (INCL. LAUNCHPAD INVESTMENTS AND DAO GRANTS)	25,0%	$0,1000		$25 000 000	0,0%	$0	3	1	84	2 976 190
RESERVE FUND	7,0%	$0,1000		$7 000 000	0,0%	$0	3	1	84	833 333
HEDGE FUND	10,0%	$0,1000		$10 000 000	0,0%	$0	3	1	84	1 190 476
TOTAL	100,0%		$4 600 000	$100 000 000		$1 340 000				

Table 3 - Scheme of allocation and vesting of Utility Token BCON.

| ROUND \| TOKEN PACK | SHARE | EMISSION (TOKENS) 3 000 000 000 | | | | | | | | |
		PRICE, UDS	PACK VALUATION ON SALE, UDS	ON TGE, UDS	UNLOCK ON TGE, %	USD	CLIFF, MONTH	VESTING, MONTH	NUMBER OF RELEASES	1 RELEASE IN TOKENS
USER OPERATIONS	30,0%	$0,0100	$9 000 000	$9 000 000	20,0%	$1 800 000	3	1	48	15 000 000
TEAM	20,0%	$0,0100	$6 000 000	$6 000 000	20,0%	$1 200 000	3	1	48	10 000 000
REWARDS & INCENTIVES (INCL. FARMING & DEVELOPMENT)	25,0%	$0,0100	$7 500 000	$7 500 000	20,0%	$1 500 000	3	1	48	12 500 000
COMMUNITY AIRDROP	5,0%	$0,0100	$1 500 000	$1 500 000	0,0%	$0	9	1	48	3 125 000
RESERVE FUND	20,0%	$0,0100	$6 000 000	$6 000 000	20,0%	$1 200 000	3	1	48	10 000 000
TOTAL	100,0%		$30 000 000	$30 000 000		$5 700 000				

BASALT - TOKEN ALLOCATION, %

PRIVATE 2
1%

PUBLIC SALE
1%

PRIVATE 1
4%

LIQUIDITY
5%

SEED
3%

MARKETING & PARTNERSHIPS
7%

HEDGE FUND
10%

REWARDS & INCENTIVES
(INCL.FARMING & STAKING)
12%

RESERVE FUND
7%

TEAM
12%

VENTURE DAO
FUND
25%

ADVISORS
3%
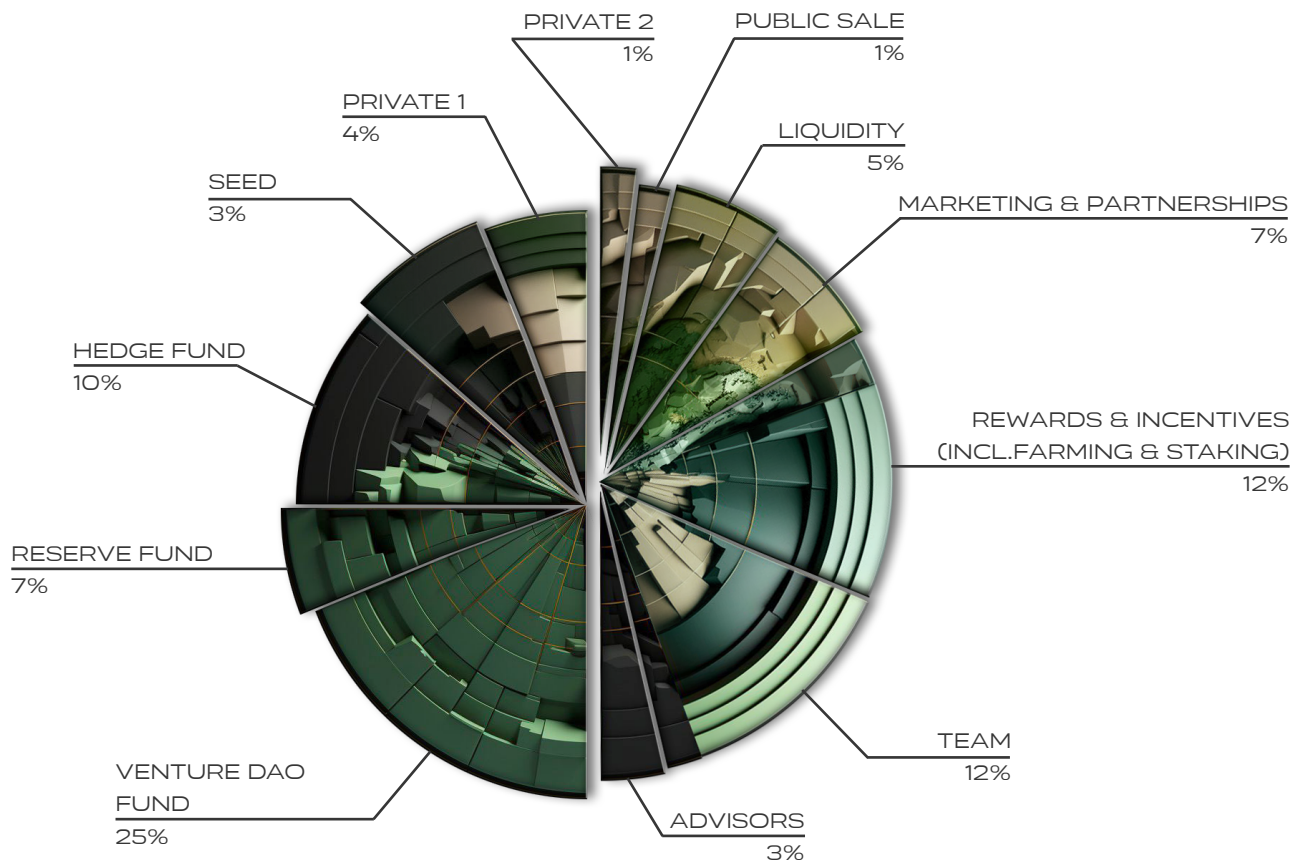
Fig. 1 - Allocation of DAO token BASALT

BCON - TOKEN ALLOCATION, %

USER OPERATIONS
30%

TEAM
20%

RESERVE FUND
20%

REWARDS & INCENTIVES
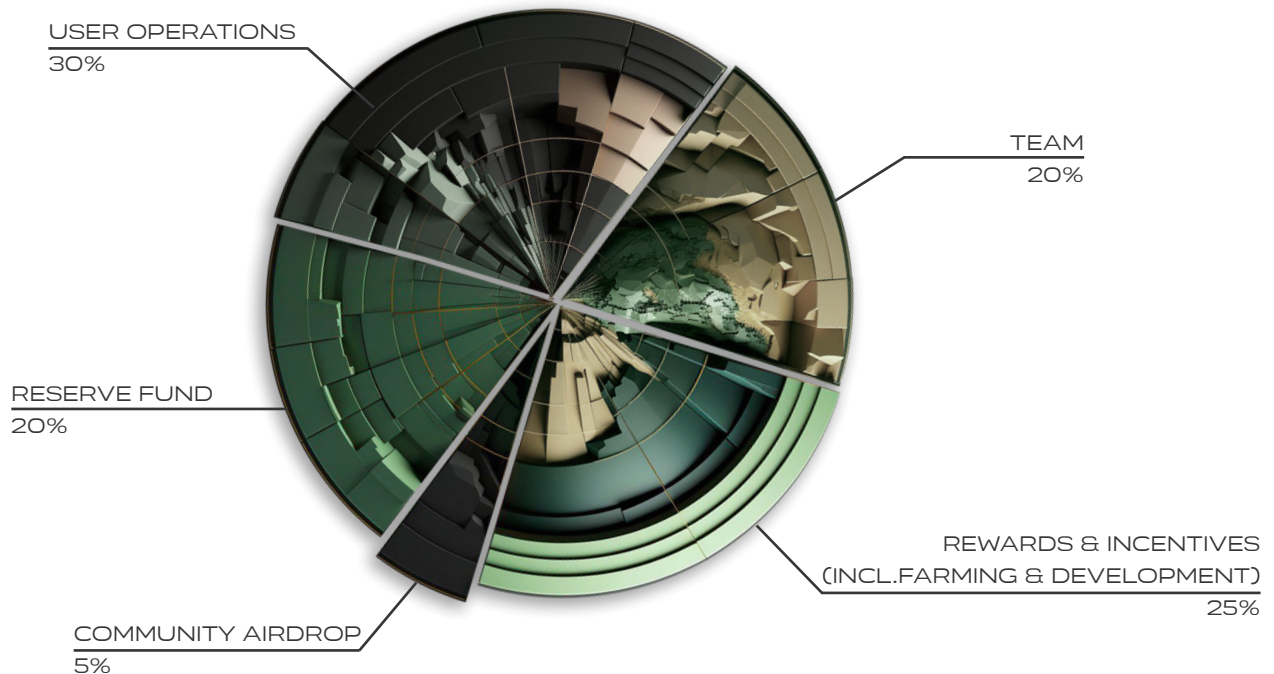(INCL.FARMING & DEVELOPMENT)
25%

COMMUNITY AIRDROP
5%

Fig. 2 – Utility Token BCON Allocation.

The reasons for the formation of demand and supply of BASALT may be:

1. The actions of project users in implementing the utility functions of BASALT (e.g., paying commissions when paying for services and buying project products, seeking voting rights in the DAO user community).

2. Unlocking (vesting) tokens from token packages (according to the extended token allocation scheme), with

a certain number of tokens being credited to the corresponding crypto wallets. The released tokens may be sold, in part or in full, by investors, users and affiliates of the project to profit from investments in BASALT or benefit from investments of other resources in the project.

3. Decentralized Finance (DeFi) token transactions by project users on staking and farming operations (maintenance of token trading liquidity on the DEX in the stablecoin/token trading pair, rewarded in stablecoins and project tokens).

4. Other token operations (selling tokens from the reserve fund, incentives fund, hedge fund or buying tokens at the expense of the project's fiat reserves, market making operations, etc.).

The reasons for the formation of demand and supply of BCON tokens may be:

1. The actions of project users when implementing the utility functions of BCON (e.g., paying commissions for cryptocurrency exchange transactions or arbitrage trading in the decentralized exchange service BASA SWAP).

2. Unlocking (vesting) tokens from token packages (according to the extended token allocation scheme), with a certain amount of tokens being credited to the corresponding crypto wallets. The released tokens could be partially or completely sold by users, the team and affiliates of the project.

3. Actions of the project users on operations with the project tokens in the field of decentralized finance (DeFi), for example, on farming operations (maintaining the liquidity of token trading on the DEX in the stablecoin/token trading pair, rewarded in stablecoins and project tokens).

4. Other token operations (selling tokens from the reserve fund, incentives fund or buying tokens at the expense of fiat reserves, market making operations, etc.).

Considering the above reasons for both tokens of the project (BASALT and BCON) we model the aggregate values of price pressure to buy (demand for tokens) and to sell tokens (supply of tokens) with the help of of MS Excel tools. As a result, through calculating the ratio between the values of supply and demand for tokens, we form a forecast of the price of DAO token BASALT and utility token BCON.

There is an excess of token demand over token supply in all forecast periods, which leads to an increase in the forecast price of both BASALT and BCON. This becomes possible due to the consistent expansion of project sales in tokens, the proposed allocation and vesting schemes for both tokens, and due to the competent management of project reserves in tokens and stablecoins.

7. PROJECT PERFORMANCE INDICATORS

This section of the project financial model summarize the main performance results of the project. Namely we calculate indicators of financial and investment analysis, such as sales revenue, operations revenue, main project costs, gross profit (EBITDA), net profit (NOPLAT), the amount of investment at various stages of project implementation, changes in the project reserves in tokens and fiat funds, the projected free ash flow (FCF), the projected net present value (NPV), the project payback period (PP), and the return on investment in tokens.

We can state that the value of the project's discounted free cash flow (DFCF) becomes steadily positive and continue to grow from the 4th quarter of 2024, as shown in Fig. 3.
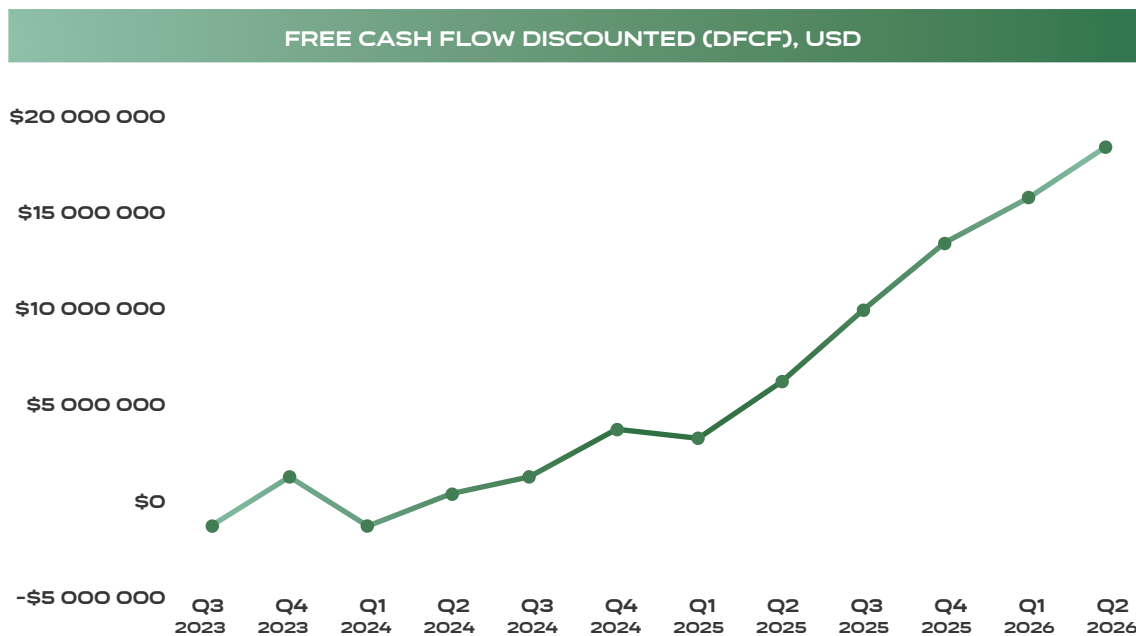
Fig. 6 - Projected Discounted Cash Flow (DFCF)

The key indicators of the investment attractiveness of the project, which is reasonable to use when promoting the project among investors, are ROI (return on investment) for investments in token packages, the project NPV (net present value) and project IRR, as well as the forecast price of DAO token BASALT and the forecast price of utility-token BCON at the end of the forecast period (Q2 2026). The key indicators are given in Tables 4, 5, 6, 7.

Considering the hypotheses about the project operations and the behavior of its target audience and users, we could predict an increase in the price of DAO token BASALT during the forecast period (2023-2026) by more than 25 times compared to the token price at the start of the Public Sale investment round. We could also predict an increase in the price of utility token BCON by more than 26 times compared to the token price at the smart contract launch (Token generation event, TGE).

Table 4 – Indicators of integral efficiency of the project.

PROJECT INVESTMENT EFFICIENCY IN 2023-2026	INDICATOR
NET PRESENT VALUE OF THE PROJECT (NPV), USD (RATE=25%)	$45 854 091
INTERNAL RATE OF RETURN (IRR), %	2016,55%
PAYBACK PERIOD (PP), QUARTERS	2
DISCOUNTED PAYBACK PERIOD (DPP), QUARTERS	2

Table 5 – Forecast of the DAO token BASALT price.

TOKEN PRICE FORECAST (BASALT) FOR 2023-2026	INDICATOR
TOKEN PRICE IN THE END OF FORECAST PERIOD (Q2, 2026), USD	$2,5502
TOKEN PRICE IN THE BEGINNING OF PROJECT (Q3, 2023), USD	$0,1000
TOKEN PRICE GROWTH. 2026/2023, %	2550,17%

Table 6 – Forecast of the utility token BCON price.

TOKEN PRICE FORECAST (BCON) FOR 2023-2026	INDICATOR
TOKEN2 PRICE IN THE END OF FORECAST PERIOD (Q2, 2026), USD	$0,2688
TOKEN2 PRICE IN THE BEGINNING OF PROJECT (Q3, 2023), USD	$0,0100
TOKEN2 PRICE GROWTH, 2026/2023, %	2688,38%

Table 7 – Returns of Investors and efficiency of reinvestments (ROI).

EFFICIENCY OF INVESTMENSTS IN 2023-2026 (CONSTANT PRICES)	INVESTMENTS, USD	POTENTIAL CASH RETURNS AFTER PUBLIC SALE (VALUE OF TOKENS AVAILABLE FOR SALE), USD	INVESTMENT RETURNS AFTER PUBLIC SALE, RETURNS/INVESTMENTS, %	CASH* RETURNS 2023-2026 (TOKENS SOLD), USD	FULL** RETURNS 2023-2026 (TOKENS SOLD AND AVAILABLE), USD	CASH* NET ROI 2023-2026 (TOKENS SOLD), %	FULL** NET ROI 2023-2026 (TOKENS SOLD AND AVAILABLE), %	SHARE OF TOKENS UNLOCKED IN 2023-2026, % OF INVESTOR PACKAGE	POTENTIAL INVESTMENT RETURNS FOR FULL UNLOCKED PACKAGE IN 2023-2026, RETURNS/INVESTMENTS, %
RETURN ON INTERNAL INVESTMENTS (ROI OF THE PLATFORM, % AND USD (NET PROFIT/PROFITS REINVESTMENTS)	$25 005 121	-	-	$51 696 421	$51 696 421	106,74%	106,74%		
RETURN ON INVESTMENTS (ROI) OF SEED INVESTORS, % AND USD	$900 000	$308 992	34,3325%	$7 776 123	$25 946 103	764,01%	2782,90%	52,50%	4462,80%
RETURN ON INVESTMENTS (ROI OF PRIVATE 1 INVESTORS, % AND USD	$2 000 000	$412 608	20,6304%	$10 383 716	$34 646 696	419,19%	1632,33%	52,58%	2681,70%
RETURN ON INVESTMENTS (ROI OF PRIVATE 2 INVESTORS, % AND USD	$700 000	$61 891	8,8416%	$2 518 747	$7 938 011	259,82%	1034,00%	45,51%	1657,82%
RETURN ON INVESTMENTS (ROI OF PUBLIC SALE INVESTORS, % AND USD	$1 000 000	$205 995	20,5995%	$2 640 924	$9 096 049	164,09%	809,60%	60,63%	1546,04%

All Net ROI are calculated for NET returns (Net returns=Returns-Investments).

*Calculation of Cash Returns considers valuation of tokens sold on unlock.

**Calculation of Full Returns considers valuation of tokens sold on unlock and valuation of remaining tokens in stock.

Table 7 shows the absolute (in money terms) and relative (in percentage terms) efficiency of investments in token investment packages at different rounds of token sale, considering returns in the form of tokens sold and tokens remaining at the disposal of investors at the end of the forecast period - for Q2 2026 ("Full** returns" are in USD, "Full** Net ROI" are in %), Net ROI is calculated for the value of net profit (return on investment minus the amount invested).

Also, Table 7 provides reference information about the value of potential returns for all categories of investors already after the Public Sale round and the proportion of investment tokens to be unlocked by the end of Q4 2025 for each token investment package. It also shows the potential return (Gross ROI) on the unlocked part of the token packages in case the investor does not intend to sell tokens as they are unlocked in the period 2023-2026.

Commentary for project investors. When choosing between the two types of investment in the project under consideration (investment in equity or investment in packages of investment tokens), it is necessary to outline the advantages and disadvantages of each method of investing in the project:

A. Investing in the project in the form of buying a package of BASALT tokens:

    a. Advantages:

        1. low entry threshold to the project, allowing a wider range of investors access to high return on investment at the start of the project;

        2. a simple, fast and liquid mechanism to enter and exit the project investments;

        3. the possibility to combine the sale of a portion of the tokens as they are vested in the open market with retaining a substantial portion of the token package to implement the utility functions of the token in the project (for example, voting on the decisions of the venture DAO fund)

        4. obtaining the first return on investment (the ability to sell tokens at a high profit) after the end of Public sale round.

    b. Disadvantages: there is no possibility to receive dividends.

B. Investing in the project in the form of the purchase of an equity share of the management company:

    a. Advantages:

        1. The possibility of receiving dividends (in the case of investing through direct purchase of a share of the management company),

        2. the possibility of selling one's equity share of the management company to a large investor (fund).

    b. Disadvantages:

        3. higher entry threshold to invest in the project;

        4. lower liquidity of investments, making quick exit from the project investment complicated;

        5. inability to receive dividends (in the case of SAFE investments).

THUS, INVESTING IN PACKAGES OF DAO TOKEN BASALT ALLOWS AN EARLIER ENTRANCE TO THE PROJECT IN THE FORM OF A MORE LIQUID INVESTMENT INSTRUMENT (TOKEN PACKAGES) WITH A HIGHER YIELD AND AN EARLIER RETURN ON INVESTMENT THANKS TO A WIDER RANGE OF USERS AND INVESTORS OF THE PROJEC

8. THE MAIN RISKS AND ADVICE FOR THE FINANCIAL MODEL OF THE PROJECT

8.1. Risks of attracting an audience. In the model a number of hypotheses concerning attraction of potential audience of the project first of all efficiency of marketing actions are used. There can be a discrepancy between the actual size of the potential audience and its forecasted size. In this regard it's necessary to perform real testing of potential project audience (Customer Development) after the project launch to specify the parameters of project unit economy (UA, CR1, CR2, CPC, COGS, etc.). To confirm the hypotheses it is necessary to conduct primary tests of the target audience of the project.

8.2. Risks of project revenues size. The model uses several hypotheses regarding the possible revenues derived from the actions of the project users. In this regard, in the future there is a need for more in-depth development of pricing mechanics (with the definition of the key products price parameters for different groups of project users), as well as refinement of the deep model of project tokenomics in conjunction with the project financial flows in accordance with the results of Customer Development after the project launch. At the same time, it is especially important to obtain feedback from potentially paying users of the project to clarify the real costs they are willing to incur to gain access to the services and products of the project, as well as the real parameters of the success of venture projects in which project funds would be invested in the form of venture (investment) loans.

8.3. Risks of DeFi operations with project tokens. The model uses certain assumptions about staking and farming by users, which could lead to excessive pricing pressure on token sales during certain periods of project development. To manage the relevant risks, it is necessary to limit the role (volume) of staking and farming in the project and to arrange for appropriate reserves and token transactions.