

Black&White paper

\$Badger origins

Badger is the first SPL22 hybrid minted on bozo HYBRID launchpad, that made it to DEXes. Bozo HYBRID successfully pioneered the whole hybrid DeFi space. Now we're joining forces to bring even more utility and use-cases to hybrid DeFi. We are 100% community driven through our public mint and therefore have a well distributed initial launch.

How does NFTxTOKEN hybrid mechanism work?

Until now, there were almost zero use cases for NFTs apart from ultra speculative gambling. JPEGs of ugly rocks were worth millions of dollars...until they weren't. This pump and dump nature is what attracts retail investors, but also what hurts them the most. The same goes for speculative tokens without any utility. They come and go. Badger as a hybrid finally utilizes the strong and symbiotic relationship between token and NFT, allowing for arbitrage between the two markets.

Fractionalization of the NFT

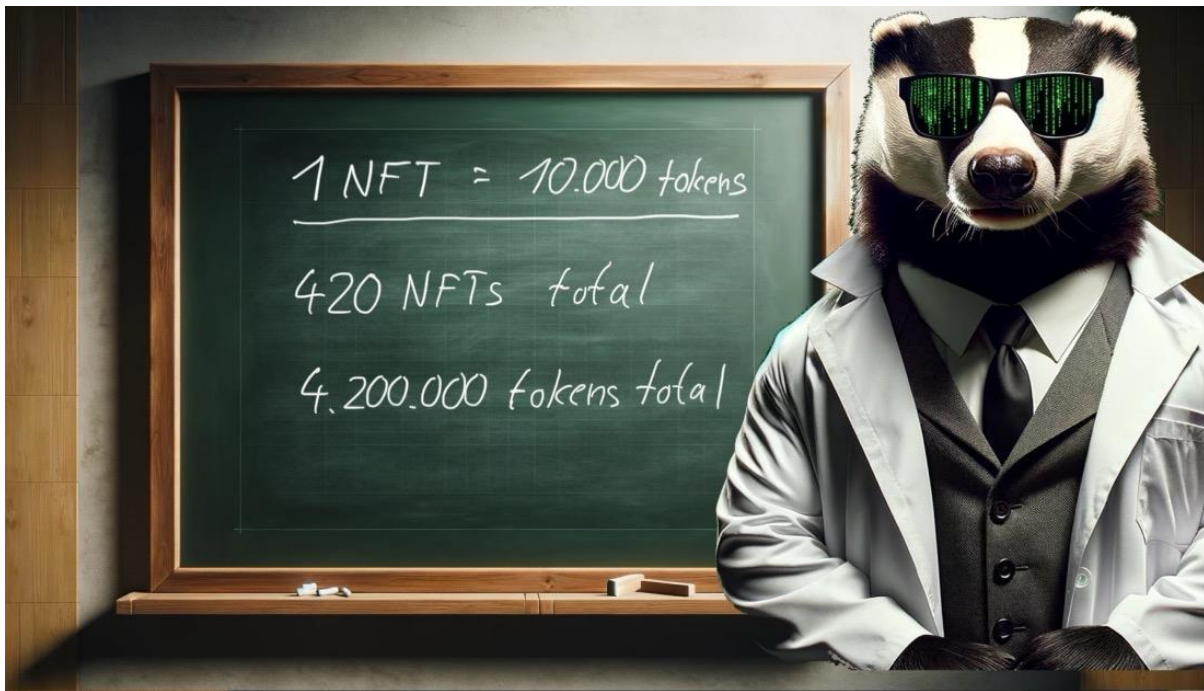
Imagine you wanted to buy 1 BAYC (Bored Apes Yacht Club - one of the most successful NFT collection of all time) when it cost \$1000. You felt this is going to be a homerun but you don't have the full \$1000 for 1 whole NFT, that means you are sidelined, watching your homerun rip through millions of dollars in valuation... without you. Now imagine if, at that time, you could simply buy a fraction on 1 NFT exposing yourself to the price action of that NFT. How? That's where Hybrid tokens shine with their NFTxTOKEN mechanism. You can simply buy the tokens as a corresponding fraction of the NFT.

Fractionalization and (partly) taking profits

Imagine you bought a \$Badger NFT, and now its value has increased tenfold from what you paid. You decide you want to take some profits out, maybe just your initial investment, and let the rest keep growing without risking anything. Well, now you can do that. You can swap your single NFT for 10,000 \$Badger tokens using a bridge. Then, you can sell 1,000 \$Badger tokens on the open market, taking back your initial investment while still keeping 9,000 \$Badger tokens for potential future gains. This kind of flexibility wasn't possible before. You were either all in or all out, which often led to people holding onto their NFTs for too long and missing out on unrealized profits. But not anymore.

Now, let's talk about the utility of the tokens. Each token is fully backed by NFTs. Think of it like a bank: the NFTs are the gold bricks locked away in the vault, while the tokens are the currency you can use. And here's the kicker: you can always swap between the two at a ratio of 1 NFT to 10,000 tokens. As NFTs become rarer and more valuable over time, they act as a sort of upward pressure or price magnet for the tokens, adding to their potential value and causing price appreciation.

\$Badger tokenomics



There's a limited supply of 420 Badger NFTs and 4.200.000 \$Badger tokens.

Thus 1 Badger NFT = 10.000 \$Badger tokens.

This is programmed into the smart contract and impossible to change as the contract of Badger is renounced. You can always swap 1 Badger NFT into 10.000 \$Badger tokens for free and instantaneously, and vice versa on the <https://bozo.finance/bridge/Badger>

Price dynamics of NFTxToken mechanism

Badger NFTs have limited (and very low) supply. While demand for these NFTs is increasing, the price naturally goes up through the standard supply versus demand mechanics. Because 1 NFT = 10.000 \$Badger tokens, the price of both always finds equilibrium, so that the \$ value of 1 NFT stays the same as \$ value of 10.000 \$Badger tokens. They're 1:1. When a premium on either side presents itself for any reason, arbitrageurs quickly get involved, take the profits by arbitraging the price difference and move it back to precisely 1:1. This is an on-going, never-ending process of arbitrage with lots of opportunities for profit. Finally, fully liquid NFTs and fully backed tokens

Deflationary feedback loop

This is where \$Badger's hybrid mechanism gets really interesting. Let's break it down: say you sold 1000 \$Badger tokens on the open market. Now, imagine that 5 different buyers bought those tokens from you. What happens next is key: the tokens are now spread out among more people, making it harder for any one trader to gather enough tokens to own a full NFT.

This means that NFTs become even rarer and harder to come by. And when something is rarer, its value tends to go up. So, in this scenario, the price of the NFT should increase. This encourages the

NFT holder to sell some tokens and take profits. As they sell, the tokens are spread out even more, making the remaining NFTs even scarcer and more valuable. And the cycle continues.

The biggest utility and use-case of Badger hybrid

Win-win tokenomics and deflationary mechanism are big part of our project, but it's built-in over-the-counter (OTC) desk with 0% slippage is every whale's dream! Imagine you're a whale. You want to exit your position worth millions of \$\$\$\$. Liquidity pool on open market is not that deep and selling on the open market would reduce your profits due to slippage.

There are not enough buyers with enough volume to counteract your big sell order, causing the price of the tokens to drop dramatically. You, being the whale in this example, push the price of the asset down. By the time you sell your last token, the price is significantly lower, than when you sold your first token for. This is called *slippage* and cuts into your profits.

But you know what? NFTs have no slippage! You can take all your \$Badger tokens, bridge them into NFTs in a matter of seconds on one of the available bridges, we recommend the Bozo Hybrid bridge: <https://bozo.finance/bridge> and sell those NFTs on one of the NFT platforms like Sniper or Tensor resulting in *zero slippage*. This is what makes hybrids so attractive for bigger players, moving more capital in. You can think of it as trustless, permissionless, and decentralized OTC (Over The Counter) market. This was unheard of before.

Being whale-friendly while making all of it accessible for anyone through fractionalization is a big step forward in DeFi. Even the smallest investor can participate with the very same price exposure and conditions as the biggest whale. Whales can move in and out without slippage, which is very attractive place to be for them. Win-win tokenomics.

Badger is 100% community driven

Badger operates as a fully community-driven project, emphasizing fairness and transparency:

- All 420 NFTs were freely minted during a fair launch, ensuring equal access for everyone.
- Unlike many projects, Badger had no venture capitalists, no paid influencers, no marketing and no insiders involved to suddenly sell off tokens, safeguarding against market manipulation and sudden price drops
- We are focused organic community growth and price appreciation, no pump and dumps
- A significant portion of the initial liquidity was permanently burned ([proof](#)), demonstrating Badger's team commitment to preventing rug pulls and ensuring the integrity of its \$Badger token.
- Token trading on the platform is devoid of buy/sell taxes or fees, minimizing barriers and maximizing accessibility.
- Additionally, NFT sales do not incur any royalties, further reducing friction and fostering a genuinely equitable marketplace.
- Badger's ethos revolves around creating a frictionless experience, prioritizing the needs and interests of its community members above all else.

Why is Hybrid DeFi the future?

Hybrid DeFi represents a breakthrough in addressing long-standing issues within the crypto industry. Badger stands as a leader in driving innovation within this evolving landscape. The numerous advantages offered by Hybrid DeFi make it challenging to revert to single-sided NFTs or tokens. However, it's worth noting that we're still in the experimental stage of this transformational journey.

Badger's future plans and vision?

Our mission is to redefine the Hybrid DeFi landscape, focusing on authenticity, fairness, and pioneering innovation. We aspire to establish ourselves as a leading "Hybrid" platform on Solana, enabling users and holders to engage in arbitrage. By nurturing a transparent and efficient ecosystem, we enable everyone to participate in and benefit from the true value of decentralized finance. We firmly believe that Hybrid DeFi on Solana holds the key to the future, and we're committed to championing this innovative narrative.

Lastly, we're dedicated to developing solutions that benefit the entire crypto community, with a particular focus on enhancing the experience for the hybrid community on Solana. More to come on that part, as we do not want to give away our plans too early!

Unleashing the Future of Hybrid Finance with Badger.