





**PUT YOUR MONEY
WHERE YOUR
MOUTH IS**

abstract

We all have that one particular friend with that annoying habit of talking too much. Whom usually, when the time comes, proves himself wrong, so make him put his money where his mouth is!

WEBET aims to develop a global marketplace for betting and trading where anyone can get a taste of the profit, whatever the subject that suits the user.

This platform provides information about events that will happen in the future by encouraging experts to share their opinions. It will be running an open-source smart contract on the ethereum blockchain, so it's completely decentralized.

Our company will never hold any user funds at any time, we'll just provide the marketplace.



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1.idea

WEBET was born out of a crypto trader's need to disprove a handful of arguments you can find all over the internet these days. After discussing this problem with some common friends in many brainstorming sessions, we understood that knowledge needs to have its own value. The idea started to build on itself, and the premise was to create a marketplace focused on three central values:

- › **Fair**, Webet will never participate in the marketplace, so it never has neither the ability nor the will to influence it.
- › **Transparent**, Webet will be running smart contracts on the Ethereum blockchain, meaning transactions are public, and all the remaining code will be available for anyone to audit.
- › **Free**, Webet will be open for any users to share their opinions on the marketplace, without any fees or subscriptions.

After laying the groundwork for market development, Webet's mission is to create a global marketplace where everyone can demonstrate their know-how on their field and interests. However, we plan to start with small niches, cryptocurrencies, making our way into all the financial markets, and in the end, expand into all the different areas.





2. OVERVIEW



2.1 marketplace

In this chapter, we will provide further information on the main targeted markets for Webet's predictions.

2.1.1. Betting and gambling

The global online gambling market is anticipated to be valued at more than 92.9 billion U.S. dollars in 2023. The market's current size is almost 59 billion U.S. dollars, which is forecasted to double its value in the upcoming years (S. Lock, 2020).

Online gambling consists of playing casino games, poker, and sports betting via the internet. Due to the advancement of technology available (for example, smartphones and apps), the high trust of gamblers paying online, and the increasing digitization, the online gambling market is seeing growth in many regions. (S.Lock,2020). The global gambling market is expected to reach revenues of over \$525 billion by 2023, growing at a CAGR of approximately 4% during 2017-2023. The growing popularity of esports betting will boost revenues and help vendors gain a larger gambling market size over the next few years(Arizton,2018).





2.1.2. FOREX market

According to the Bank for International Settlements, trading in the global foreign-exchange market has jumped to the highest-ever level at \$6.6 trillion a day. The average daily trading in April was up 29% from \$5.1 trillion in the same month in 2016, as BIS reported Monday in a triennial survey on the industry. The growth of FX derivatives trading, primarily swaps, outpaced the spot market and now accounts for almost half of global FX turnover(Anooja Debnath and Susanne Barton,2019).

2.1.3. Stock market

The total value of global equity trading worldwide was 32.5 trillion U.S. dollars in the first quarter of 2020. The annualized return on equities in the United States from 2000 to 2019 amounted to four percent, while U.S. bonds registered a return of 4.9 percent in the same period (Statista Research Department,2020)



2.2 prediction markets

With the beginning of the informational era, prediction markets are being acknowledged as the most efficient data science innovation in the latest years. Although not very familiar to the general public, they're already being used in academic communities and some industries, showing promising results, especially in decision making.

Prediction markets size is estimated to grow from USD 7.2 billion in 2020 to USD 21.5 billion by 2025, at a Compound Annual Growth Rate (CAGR) of 24.5% during the forecast period. Various factors such as the growing focus on digital transformation, rise adoption of big data and AI and ML technologies, increasing focus on remote monitoring in support of the COVID-19 pandemic, and the need to forecast possible future financial scenarios to answer specific business questions are expected to drive the adoption of the predictive analytics market.(MarketsandMarkets,2020)

Unlike traditional financial markets, prediction markets focus on events that will happen in the future, like: "Will Bitcoin's value increase more than Ethereum's in the next month? ". So, as long as an individual believes they have superior knowledge about the event in question, they have an incentive to purchase shares. Moreover, if the individual does not have expertise in the subject, they feel discouraged into participating since they are more likely to lose their money. Therefore, prediction markets aggregate expert opinions in a fast, accurate, and cheap way.



2.3 problem description

2.3.1. misinformation and fake news

We are currently living in the information era where data about any kind of subject can be easily found everywhere. At the same time, this principle applies to everyone wanting to share their opinion. However, the data available is subjected to biases by the entity sharing it, both individuals and the media.

Social media plays a massive part in people's lifestyles, and its influence has been growing exponentially. However, the available data given by most of these platforms are mostly used to engage people through misleading titles, combined with users that won't pay attention to the full text or do their own research, which generates a colossal disinformation crisis.

Webet aims to be the answer to this problem by rewarding people with deep knowledge on the subject to share their opinions. If malicious sources of disinformation try to corrupt our prediction markets, they will lose their money to the informed user.



2.3.2. financial predictions

If you are a trader, you've probably come across multiple groups such as Twitter, Facebook, among others, on the subject. One thing that most likely grinds your gears is the amount of discussion due to divergent opinions. See an example; John says that Amazon will rise in value at least 10% by 2021, while Bob defends that Bitcoin is a better investment because it will increase 30% in the same period, bringing endless discussions that will never be settled.

A real example happened at the Reason conference when two speakers Erik Voorhees, CEO of a highly reputed crypto company, tried to bet with Peter Schiff, a Gold guru, that Bitcoin would eventually surpass the fiat currency market cap. They could only settle this argument with a gentleman's handshake and hope for the other part to stay true to his own words.

Webet offers a very innovative way to solve all these endless discussions, and on top of that, you can win some good money while settling arguments.



2.3.3. betting

Nowadays, online gambling platforms are the market makers, controlling the odds. You are playing against the house instead of playing against other players. Bookmakers need to be profitable, so the odds have to be on their side. Consequently, they take huge fees of your bets. Adding the high taxes most of them have to pay to the government, it is just a complete lose-lose scenario for the users who will pay the taxes in the end.

Even if you manage to be pretty good or maybe extremely lucky, these centralized with few control platforms are recently being accused by their own workers of tracking and blocking users' accounts who can regularly win (Danyal Hussain,2020). With centralized bookmakers, you will continue to have problems that may be avoided by a decentralized platform built on blockchain. Starting with a maximum amount you can bet, unfair cashout systems caused by the lack of a free market or your funds frozen by the government. Centralized operations are often hacking victims because they are trusted to store vast amounts of funds or sensitive data that paints a target for malicious actors.

Lastly, these dubious businesses often show some moves that are not the most correct. More specifically, allowing the creation of new accounts, money input, and platform use from countries where they are illegal, just to block their profits if there is an attempt to withdraw funds.

A black and white photograph showing a close-up of two people's hands shaking over a desk. On the desk, there are some papers and a smartphone. The background is slightly blurred.

3.OFFERED SOLUTION

3.1 core values



As previously mentioned, **Webet** aims to develop a **fair** marketplace for predictions where anyone can create or join bets/markets that will ultimately develop into an extremely efficient forecasting platform.

Having all of the vital functions performed in a smart contract uses the Ethereum blockchain security, making traditional hacks infeasible. Peer to Peer ("P2P") and Peer to Contract (P2C) decentralization allows betting-based competition without reliance on payment processors, reduces operational, regulatory burdens, and protects against organizational corruption such as fraud and embezzlement.

Furthermore, the platform will be completely **transparent**, allowing anyone to audit it. **Webet** will not hold funds or participate in the marketplace, allows a **free** market without any limits or fees, and values your privacy, KYC (Know your customer is not required). Users can even create bets with people that are not registered on the platform.



3.2 market types

WeBet will allow three simple market types. Each type will be further explained in the subchapters below.

3.2.1. head to head

WeBet's simplest bet 1v1, also known as head-to-head, will be an excellent fit for a blank in the world today where people in social media just say whatever they want and hope that repeating it makes it real.

Moreover, the human being loves being right. Everyone has already bet with a friend or family member on a particular subject (politics, sports, stocks, among others). That is very common, and with WeBet's platform, you can show that you mean it.

3.2.2. multiplayer

Secondly, we will have the multiplayer bets that can suppress the need for a high-capital bettor that wants to bet big bucks, allowing multiple users to join his bet on the opposite side to ensure he gets matched for the total of his capital.

Moreover, these bets can fulfill users' need to create their own betting house inside the platform, allowing them to bet many other users with fixed odds on their bets.



3.2.3. prediction markets

In prediction markets, the odds/shares will be dynamic according to each outcome's money invested.

Imagine that Peter Schiff, the Gold guru, creates a market saying that the gold will increase more than the Bitcoin in the next month. From the moment he places that bet, a new market, Gold vs. Bitcoin, is created. For a whole month, people will be able to buy and sell shares on each side of the possible outcome(winning or losing money) until the prediction's due date comes.

People who invested in the winning side will collect their profits depending on the price they bought their shares. You can also use webet prediction markets for hedging and arbitrage. If you enter the market at the right time, you might be able to always profit. Since you're playing directly against other users, many unique opportunities to hedge will be possible.

3.2.4. non-indexed

Finally, and as a unique feature inserted in the 1vs1 bets, another system that will be implemented is friendly or non-indexed bets.

The user will be able to bet on any kind of subject. You can bet with your friend if it's going to rain tomorrow, who will be the next president, who drinks a beer faster, literally anything. The outcome is decided by 1 or 3 "judges", chosen by the bet creators. These bets will be private since those users' trusted parties will settle the result.

3.3 user experience



Another great advantage of **Webet**'s marketplace, which has been a significant concern to us, is the quality of the UX (User Experience). Having two distinct layouts allows a good fit for both the experienced users with more advanced parameters and the first-time user who wants to make some fast and straightforward bets.

Moreover, **Webet**, like any other marketplace, will require a significant amount of users to provide the liquidity to match the ratio offer/demand of its users. To facilitate the users' onboarding, we've focused on creating a super fast and straightforward registration process into the platform and accessible input of funds.

You do not need to have cryptocurrency or even own a crypto wallet. The deposits can be made with a traditional debit/credit card directly to a new wallet created by a third-party platform and only accessible by you.



3.4 technical implementation

Webet will be running on the ethereum blockchain. However, since the Ethereum network fees are getting higher every day, even with the launch of 2.0 and sharding, the first layer isn't ready for full scalability. **Webet** solution will pass by integrating PoS bridge as a second layer like Matic to ensure the network fees and transaction time stays as low as possible and cause no impact on players' bets.

Although multiplayer and head-to-head bets work only as peer to peer, an automated market maker (AMM) will be implemented for the prediction markets, consequently entering the category of peer to contract. An AMM is a decentralized exchange that relies on a mathematical formula to price assets fairly. The algorithm that will be implemented derives from Robin Hanson's logarithmic market scoring rule (LMSR). Since Logarithmic versions have cost and modularity advantages (Robert Hanson, 2003). The new concept peer to contract surges since users will be betting/predicting inside a liquidity pool, so all their positions will be matched using the liquidity pool smart contract.

For this algorithm to work, liquidity providers are needed. So, besides predicting and betting, webet will offer you a new way to earn more money completely risk-free. Being a liquidity provider, you will be paid an extra fee for supporting the prediction pool, similar to the model used on today's DeFi.

3.5 result settlement



Placing a bet with another party entails two critical functions. The first is to hold funds from the time that a bet is made until it is settled. The second is settlement in favor of the winner. Holding funds is the easier part through time locking a smart contract, but the latter used to be a problem. Any automated system needs to have a robust and agreed resulting system that is immune to human or system error. For smart contracts to craft agreements beyond those that pertain to data found on the blockchain, they require off-chain data in an on-chain format. The difficulty in connecting outside information sources to blockchain smart contracts in a language that they both understand is one of the main limitations in how widely smart contracts are used. To solve the previous issue, **Chainlink** comes into play. It is an oracle, a software known as 'middleware' that acts as an intermediary, translating data from the real world to smart contracts on the blockchain and back again in a decentralized way. (Cryptopedia Staff, 2021)

For the non-indexed bets, we cannot use Chainlink's oracle, so there is another solution. The users betting will pick 1 or 3 judges to decide on the bet's outcome. These judges will be rewarded with WEBT tokens if both users agree on the result, or else judges won't be rewarded. With this method, we impel judges to be fair and also to participate in the bet.



4. COMPETITIVE LANDSCAPE

4.1 against centralized betting platforms



Webet doesn't even recognize these centralized businesses as competition. *For more info on the subject, please check chapter 2.2.2*

4.2. against other decentralized betting platforms

Webet stands out from the competition on some well-defined points:

Entering the market strategy

Our competition lacked the vision to focus on a small niche and then grow from it. This strategy has proved to bring many benefits. Instead, they wanted to enter all markets simultaneously and lost focus on who they're targeting and the product itself. Being able to consolidate in one market segment facilitates marketing by having users with the same interests, allowing us to benefit from their referrals inside their communities.

Result Settlement

Competitors either have a centralized solution or a decentralized but too complicated and time-consuming oracle. Webet will be both fast and decentralized.



Markets creation

In new markets creation, we've identified two opposite approaches in which we don't review ourselves. They either control the creation of new markets or do not control at all, having multiple duplicated markets, which creates unwanted divisions on the users. Webet believes the best approach is to let the users create the markets they want while merging duplicate ones.

UX & UI - Again, in our competitors' products, we see a big difference in this topic. One has too many technical details making the user experience so confusing that it turns into a small nightmare. On the other hand, we have competitors where the experience is simple, but the interface is raw and makes the product seem a little dubious. Webet believes that a good ratio between UX & UI is necessary and nonexistent in the market.

Webet builds a product that focuses not only on people in the crypto world but also on the newcomers' first cryptocurrencies experience. To do that, we facilitate their access accepting deposits with debit and credit cards, and reward users with WEBT tokens that have multiple uses in the platform.

Our mission is to spread blockchain decentralized technology throughout the globe.

Some of our competition: Augur, Polymarket, Omen



5. TOKEN REWARD STRUCTURE



Webet has its own token **WEBT**, and a considerable percentage of the token will be distributed to the users through won bets, referrals, or providing liquidity to prediction market pools. It's the fairest model of distribution since tokens will only be given to the product's consumers.

5.1. winning bet reward

Dynamic token reward values for Head to Head and Multiplayer

BET range		token reward
\$10	\$99	2,00%
\$100	\$999	1,50%
\$1 000	\$9 999	1,20%
\$10 000	\$99 999	1,00%
\$100 000	\$999 999	0,50%
\$1 000 000		0,10%

Until the token is entirely distributed, a small percentage of the user's winnings will be paid in WEBT tokens. A user who wins a 1vs1 bet with the value of 100\$ will receive 98.5\$ in USDC and 1.5\$ in WEBT tokens. The reward percentage changes according to the value of the bet won.

After our token supply ends, the reward finishes and users will be paid 100% on USDC. The amount of tokens rewarded can be consulted in the table.



BET range		token reward
\$10	\$99	2,00%
\$100	\$999	1,50%
\$1 000	\$9 999	0,80%
\$10 000	\$99 999	0,50%
\$100 000	\$999 999	0,10%
\$1 000 000	\$9 999 999	0,10%
\$10 000 000	\$29 999 999	0,10%
\$30 000 000	\$89 999 999	0,10%
\$90 000 000	\$199 999 999	0,09%
\$200 000 000	\$399 999 999	0,08%
\$400 000 000	\$799 999 999	0,06%
\$800 000 000	\$1 599 999 999	0,05%
\$1 600 000 000	\$2 999 999 999	0,04%
\$3 000 000 000	∞	0,03%

Dynamic token reward

In a prediction market, the token rewards are measured in terms of the user's cumulative volume in that month. You can enter and leave the same market multiple times, which means your reward will keep decreasing for a fair distribution. In other words, the more you bet higher the percentage of USDC you receive and the lower the percentage of **WEBT** you receive.

5.2 referral system



For the Referral System, every user will have his referral link, making it possible for them to get rewarded for every *verified user they bring to Webet prediction markets. A user can invite other people to participate in the platform. The first five times, the invited user gains a token reward by winning a bet that fee will be equally paid to the user that invited him.

*Verified user: It's a user who makes a bet or multiple bets that total at least 20\$ and registers at Webet platform.

5.3. liquidity providers

Working with AMM brings the need of having liquidity providers to create the market's liquidity. These users will be able to stake their USDC or WEBT tokens in the prediction market pools. However, the percentage gained when staking with WEBT will be higher than USDC. Liquidity providers are compensated by a percentage of all the trades on the markets they provide liquidity. Moreover, they can always increase their supply or withdraw their liquidity at any time.

5.4. judge rewards

As explained in chapter 3.2.4, Non-Indexed bets will rely on judges to settle the result, mostly because the results can't be controlled by someone unknown to the users betting. In these cases, the winning bet reward explained in chapter 5.1 will be paid to the judges.



6.TOKEN ECONOMICS



6.1. token utility

Webet token(WBET) will offer you different utilities inside the platform.

These utilities can be divided into three categories:

- 1. Liquidity Pools** - WEBT tokens can be used on liquidity pools (for more information, please check chapter 5.3);
- 2. Statistics** - Buy cured statistics about any market on the platform to help you predict with more accuracy;
- 3. Ornamental** - Addons, stickers, emojis for the chat, amongst other premium features, mostly using NFTs;
- 4. Governance** - The community opinion is of great importance, so the token owners/users will be heard on the platform decisions

6.2. token distribution and supply

Webet will create 1.000.000.000 WEBT (ERC20) tokens, and this will be the maximum supply. Our goal is to make the token distribution as spread as possible to avoid "big whales" manipulating the market. Webet company-allocated tokens will be time-locked to assure our users that they will never be massively dumped.



The token will be distributed following the parameters below.

Won Bet Reward system

For a fair token distribution, 45% of all the tokens can only be acquired through the won bet reward system, described in chapter 5.1. This system will be open to small alterations at the time of implementation since we have to consider the token price, and that variable is too hard to estimate. However, we can assure the allocation will always be 45% of all the supply. This system will ensure every user using the platform will have some WEBT tokens even though they never directly bought them. We believe this is a great incentive to introduce cryptocurrencies in fiat-only bettors who will be rewarded WEBT tokens to experiment with them.

Referral System

For the referrals, it will be allocated 5% of the token pool. For more information on the subject, please check chapter 5.2

ICO

There's no minimum amount to be raised since we already have a core team capable of developing this project's roots. However, we will have a hard cap of 150 million (15% of all tokens) or 15 million dollars issued at the ICO. Each wallet can only buy a maximum of 1.000.000 Webet tokens. The ICO token value will be listed at 0.1\$ per token priced at BTC or ETH exchange rate at the ICO. Uniswap will also offer a possibility to use other tokens for users who don't want to spend ETH or BTC. The tokens that aren't sold at the ICO will be burned to deflate the token, and consequently, following market fundamentals help raise its value.

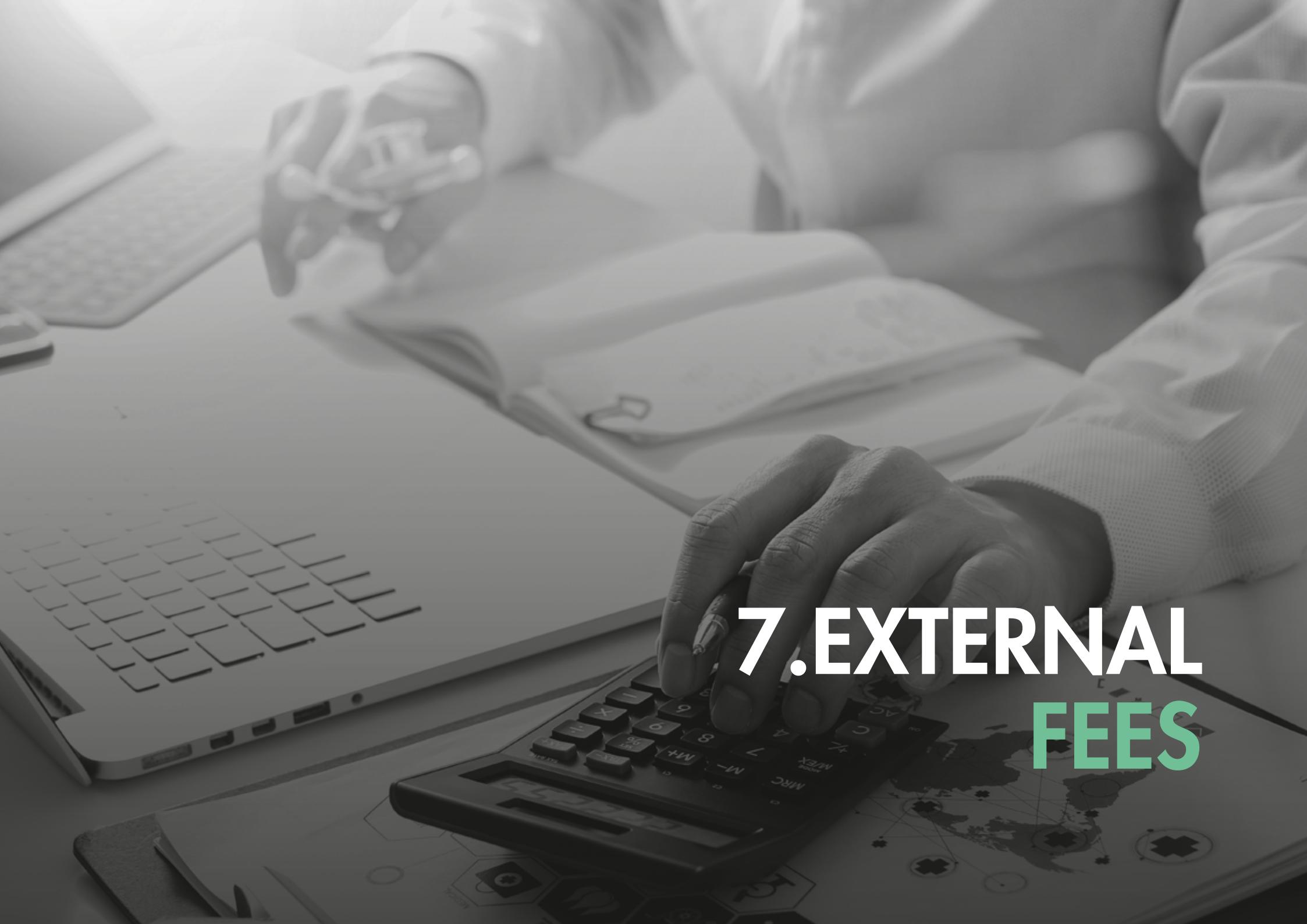


We will seek to have the token listed in as many exchanges as possible, but it will depend on the ICO's obtained value. The tokens that aren't sold at the ICO will be burned to deflate the token, and consequently, following market fundamentals help raise its value. We will seek to have the token listed in as many exchanges as possible, but it will depend on the ICO's obtained value.

Webet Fund - Regarding the allocated company funds corresponding to 15% of the pool, they will be deposited in a Multisig wallet and only transferable if all the co-founders sign the transaction. It will be used for growth, development, marketing, awareness, partnerships, and exchange listings.

Team Fund - This Fund is to reward the team working at Webet and all the advisors. These funds are time-locked, so every employee commits to the project, the funds allocated are 10%.

Liquidity Fund - To provide funds for Uniswap and other exchanges liquidity, we will allocate 10%.



7. EXTERNAL FEES



As previously mentioned, **Webet** will take no fees from the use of the platform. However, the platform has incorporated entities that do take a fee.

Ethereum Network Fees Can be found in deposits and withdrawals paid in gas to the ethereum miners.

Third-party fees Purchase of USDC for people that want to enter the platform with fiat currency.

Liquidity Providers These users will receive a fee for facilitating other users' bets on the pooled markets.

Market creators Market creators will receive a fee depending on the volume generated.



8. CORE TEAM



Henrique Capelas (Co-Founder) - Trader, Crypto Investor

Academic background in systems and networks engineering at Faculdade de Ciências do Porto. Into cryptocurrency since 2014, focused on finding the best crypto projects, managed small investment groups, ICO consultant.

Alexandre Capelas (Co-Founder) - Software Developer

Academic background in Software Engineering at UTAD, multiple internships in software development. Into cryptocurrency since 2015, assembling numerous miners.

Francisco Pinto (Co-Founder) - Process Engineer, Project Manager

Academic background in Mechanical Engineering from Faculdade de Engenharia da Universidade do Porto(FEUP), with experience in international company managing projects, processes, and cross-functional teams.

Inês Varandas - Big Data Engineer

Academic background in Electrical and Computers Engineering from Faculdade de Engenharia da Universidade do Porto (FEUP), with experience in an international company managing the data infrastructure, integrations, and implementations.



José Brito - Software Developer

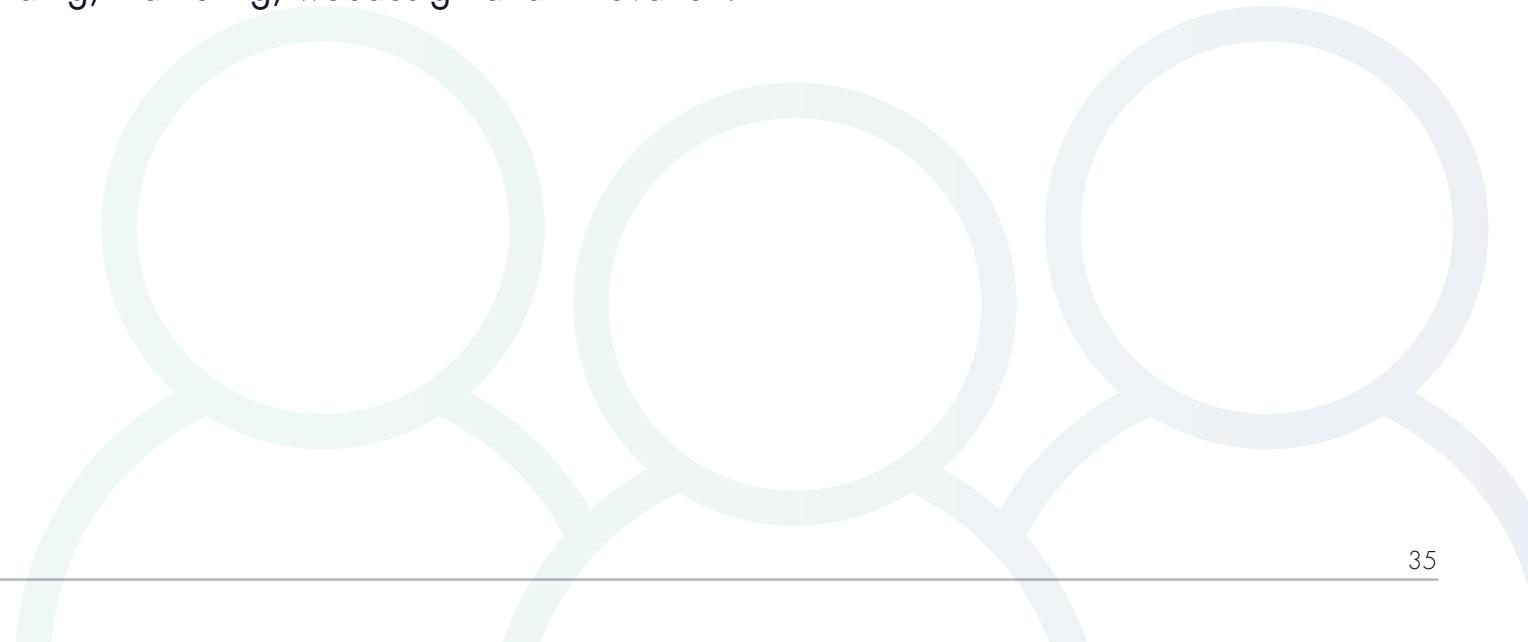
Academic background in Software Engineering at UTAD, with several years of experience in both academic and industrial projects

Miguel Oliveira - Digital Media Manager

Academic background in Communication Sciences at Catholic University, with ten years of experience in digital media, project, and team management.

Eduarda Ferreira - Marketing Manager

Academic background in Marketing at Minho University and Product Design at IPVC, with 9+ years of experience in digital strategy focused on branding, marketing, webdesign and innovation.



A black and white photograph showing a stack of numerous papers or documents. The papers are held together by several white, tapered sticks or straws. The stack is positioned on the left side of the frame, receding towards the center. The background is a solid, dark gray.

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ILLS

KNOWLEDGE

ABILITY

webet
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