

Rating
6/10 ☆



Snapshot	
Ticker	CRA
Current Price:	\$2.24 (on 11/22)
Market Cap:	~\$159 million
Circulating Supply:	~65 million
Token Type:	ARC-20
Sector:	Gaming

Executive Summary

Crypto gaming (and, by extension, the metaverse) has been a hot topic over the last couple of months, and for good reason. Crypto gaming's "play to earn" mechanics have the potential to unlock new design patterns for games, draw in a larger userbase than DeFi, and fundamentally change the way games are built. Plus, the "data layer" provided by the blockchain allows games and in-game assets to be interoperable with each other; your reputation, inventory, and tokens could all be carried over to other games, sold, or displayed in a virtual trophy case.

For example, Axie Infinity is one game that has found success. Axie has accumulated a market cap (for its token, AXS) of over \$8.5 billion¹, spawned "scholarship programs" where players can lend out their in-game assets to others for a share of the profits renters earn, and even allowed many players in the places like the Philippines to earn more from the game than they would from their "real job".

Avalanche (AVAX) is another token that has been rising quickly recently. Avalanche is a public blockchain that now plays host to over \$12 billion of assets², and that's where Crabada comes into play. **Crabada is a play to earn**

game, released under a month ago, built on the Avalanche blockchain. Players collect and use hermit crab NFTs to play and earn CRA, the Crabada governance token, and TUS, another token that is used as an in-game currency. Crabada also shares some similarities with Axie Infinity, which we'll discuss later.

Tokenomics

Before we take a deeper look into the game, it is important to understand the tokenomics. After all, these tokens are what you would actually invest in or earn from playing. As mentioned earlier, there are two tokens in the Crabada ecosystem: CRA and TUS. CRA is the Crabada governance token, and TUS is an in-game currency token.

CRA can be obtained through a decentralized exchange (DEX), staking, or by playing the game. You actually can't stake it quite yet, but - if it works anything like AXS staking - you'll earn rewards from marketplace fees, tavern fees, and breeding fees, all of which will be explained later on. CRA was sold at \$0.018 during the token distribution events, which took place just a couple of weeks ago. Only about **6.5%** of the entire future supply is in circulation right now.

TUS stands for "treasure under the sea", and it can be obtained through a DEX or by playing the game. It trades at \$0.208 and was initially released on the Trader Joe DEX at a price of \$0.002. Both CRA and TUS are used and earned in different aspects of the game, and we'll go over that later.

The token we are focusing on in this report is CRA. Why? Because that's the token that, as the governance token, will likely appreciate most. TUS is an in-game currency just like Axie's SLP token, and these usually do not see much (or any) price appreciation over time. AXS, comparatively, has seen a lot of price appreciation. How closely do AXS tokenomics



Figure 1: CRA (left) vs AXS (right) Distributions^{3,4}

resemble CRA? See **Figure 1**.

We can see that the tokenomics take a similar approach, but with some trade-offs. CRA reserved a larger percentage of tokens for play to earn and the ecosystem fund, while AXS reserved more for staking rewards and the public sale. Note that users who participated in CRA's public sale (community bootstrap event) were also distributed additional tokens that could be redeemed for a crab to use in-game, creating the initial supply of 5,640 crabs.

Keep in mind that the advisors, team, ecosystem fund, and private sale for both projects have some lock-up periods. AXS has already undergone some large unlocks and, like CRA, has a relatively small amount of the supply unlocked (23.93%). Overall, the tokenomics are pretty similar.

Now, similar tokenomics do not directly indicate anything about similar future price movements, but it's good to know that the CRA tokenomics are based on a model that has been shown to work. One last note: Crabada has been airdropping AVAX to players to incentivize early users (see [here](#)). Just an interesting, somewhat-tokenomic related fact.

Game Mechanics

"Welcome to the world of Crabada. Rediscover the prosperous ancient Hermit-Crab Kingdom once ruled by

Crustaco, King of the Crabada. Recruit loyal followers to your cause. Harvest precious resources from mines, and breed new warriors for your army. Loot enemies or humble miners unaware, claiming your rightful share of their riches." -Crabada website

Crabada is a new game, so only the first part of it has been released yet: the idle games. In this section, we'll dive into how the game works and show some images to give you an idea of what it looks like. If all you really care about is earning potential, you could skim it.

In order to play Crabada, you need at least 3 crabs. TUS is used to purchase crabs, and the floor price (cheapest) crab you can get is currently around \$2,500 worth of TUS. Later on, when we go over how new crabs are created, this price will make more sense, but for now the only way to participate without shelling out (pun intended) \$7,500 for crabs is to just buy and hold CRA. A small amount of AVAX is also needed to pay for gas, since the game and token are on the Avalanche blockchain.

Like I mentioned earlier, the game is currently in the "idle game" phase. This is just the first of three major game types to expect from Crabada, the other two being player vs player battles (PvP) and farming missions (PvE). There will also be more plans discussed in the "Future" section next.

Let's quickly go over the in-game reward

schedule. The important thing to note is that, since the idle game phase is just phase one, only 60 million CRA will be given out as in-game rewards over the next few months. The PvP and PvE games will each feature twice as much (120 million) CRA tokens as rewards for players. Players only earn CRA while that phase is “active” (for instance, when PvP goes live, idle game players will no longer earn CRA), but you always earn TUS no matter what.

Now on to the fun parts. The current idle game phase features three basic ways to play: mining, looting, and defending. Once you have a team of three crabs, you can participate in any of them. I’ll describe how the games work here, and we’ll get deeper into earning potential later.

Mining involves sending your team of three crabs to an empty mine (the game features many). You don’t actually have to do anything once you send them off, hence the “idle” game phase. The crabs mine for **4 hours** to earn CRA and TUS, though some crabs can speed that up a bit. A successful mining expedition earns you 3.75 CRA and 303.75 TUS, currently worth about **\$72 at current prices**. A failed mining expedition earns you 1.3125 CRA and 106.3125 TUS, worth about \$25 at current prices.

How can you fail a mining expedition? By being looted. **Looting** involves attacking teams that have started mining within the last 30 mins-1.5 hours, depending on the skills of the mining team’s crabs. Looting takes **between 1 and 2.5 hours**, and a successful loot will steal 65% of the mining team’s rewards. No matter what, looters earn 0.3 CRA and 24.3 TUS (~\$6), but successful looters earn that 65% reward for a total of 2.4375 CRA and 197.4375 TUS (~\$47). Crabs that loot have a 1-hour cooldown until they can be used again.

The team that wins is the team with the best combined stats, which are calculated as “total health + defense + attack”. Each crab has these

stats, and we’ll discuss them a bit more later.

The last aspect of the idle game is **defending**. Mining parties that are being attacked can call in up to two additional crabs to help them, and attackers can match the number of crabs the mining team calls.

If you don’t have more crabs to call in, you can pay a fee in TUS to rent one that has been deposited in the tavern. Players who are not using their crabs can put them in the tavern for rent (only for defends) to earn more TUS. Crabs that defend have a 30-minute cooldown if they’re yours, or a 2-hour cooldown if they come from the tavern. Currently, it’s not really worth it, earnings-wise, to put crabs in the tavern unless you’re going to be away from your computer for a long time.

Another topic to mention, especially because it is closely related to the price of crabs, is **breeding**. To create new crabs, you can breed two that you own. However, this costs a fee. Crabs can be bred up to 5 times, and each time it costs more.

Breed No. #	TUS (1 Crab)	TUS (Pair of Crabs)	CRA
1	4,250	8,500	105
2	8,500	17,000	105
3	12,750	25,500	105
4	38,250	76,500	105
5	76,500	153,000	105

Figure 2: Crab breeding prices

As you can see, even the cheapest breeding you could possibly do (two “virgin” crabs) costs about \$4,100 right now. Unless the team changes the breeding costs at some point, the cheapest crabs probably won’t get much cheaper. In terms of how breeding actually works: breeding results in an egg NFT that hatches into crab after 5 days, and the makeup of the new crab is determined by the parent crabs’ attributes plus some randomness. Part of that randomness involves a 0.07% chance to get legendary crab parts, as seen in **Figure 3**.

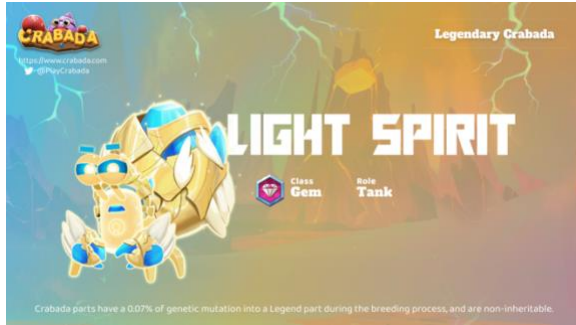


Figure 3: A legendary crab⁵

On to crab stats. There's a lot to go over here and I don't want to bore you with every detail, so I'll gloss over the topics and use pictures to make it more enjoyable.

Each crab is born a member of one faction (see **Figure 4**), which give certain strengths and weaknesses, stat-wise. These stat boosts are all factions matter for right now.



Figure 4: Factions

There are also 8 classes of crabs, and each class has 8 breed types in it for a total of 64 breed types. These classes determine the base stats of the crab. See **Figure 5** for an example of one crab breed type from each class.

Each Crabada also has six body parts (specific breed types allow for specific parts) which give



Figure 5: Crabs from different classes

additional boosts to the crab's stats.

When PvP and PvE come out, classes and factions and all that will matter more, but for now it's really just about looks and health, defense, and attack stats.

Future

With Crabada still being such a young game, it's important to understand where it's headed. Crabada does have a strong roadmap already laid out (see **Figure 6** on the next page).

Two things stood out to me most on this roadmap: the PvP game (see [here](#) for a sneak peak) and the L2 / private chain. The PvP game stands out just because I think it could bring more players into the game, and the private chain stands out because Axie did the *exact same thing*, and for good reason. Axie was forced to move to their own chain (Ronin) because of high gas fees on Ethereum, and Crabada is looking to get away from rising gas fees on Avalanche. This would be a great thing for the game if they are able to accomplish it soon.

Cross-platform (likely mobile) play, land ownership (via NFTs), and ranks are some other interesting things I noticed on the roadmap.

Earning potential

Let's go over what matters the most (most likely) if you're playing a game like this: earning potential. I'm going to assume here that you've bought three crabs for \$10,000 total, which means they are likely middle-of-the-pack skill-



Figure 6: Crabada roadmap

wise, so maybe they'll win 50% of their battles. If you had better crabs, some of this analysis would obviously change. I'm also going to do all of this math using the current token prices, assuming you sell tokens for cash immediately, so it's going to be inaccurate. If this game *were* to be the next Axie, this would be like calculating your earnings when AXS was about \$3.50 based on the current CRA market cap (AXS now trades at over \$130). You could also hold the CRA tokens you earn if you believed they'd go up.

Let's say you only did mining missions, and you fought off attackers enough to win 50% of the time (you realistically may win less...but let's assume here). You also are able to mine, say, four times a day. Assuming these things, you'd earn 10.125 CRA and 820.125 TUS per day, bringing your earnings to about \$193 per day.

Now let's say, instead of mining, you looted all day. You still win 50% of the time and, since looting is faster, you're able to loot 10x per day. You'd earn 15.1875 CRA and 1230.1875 TUS, bringing your earnings to about \$289 per day. Obviously, this is the better choice right now, though it requires more interaction.

At \$289 per day, it'd take you just over a month to earn back your initial investment. However,

some caveats: **in addition to keeping in mind token price changes, how many times you play per day, how good your crabs are, how much gas fees costs, and how long you hold onto your reward tokens, you must consider the potential price increase of your crabs themselves, potential breeding costs (if you choose to do it), and the fact that future game modes have even more CRA to reward you.** It's impossible to predict exactly how much you'd earn over time, but at least this gives you a rough idea of how to think about things.

Team Summary

Crabada has four co-founders. For the sake of brevity, I'll just attach their descriptions found in the Crabada white paper (see **Figure 7**).

Oxtender (Co-Founder) | [Twitter](#)

Oxtender is responsible for business operations at Crabada. He has worked in product management roles across digital exchange and cloud backup products, with more than 4 years experience working on blockchain products. Previously, he ran a tech consulting business.

Jay (Co-Founder)

Jay is responsible for product design at Crabada. His latest stint was at Binance as a product designer with multiple years of experiences under his belt in UX/UI and product development.

Fuji (Co-Founder) | [Twitter](#)

Fuji is responsible for blockchain engineering at Crabada. He has been working in blockchain space since 2016 for various duties such as smart contract implementation and Ethereum customization. He designed and implemented the very first backend system of a leading crypto wallet.

NH (Co-Founder)

NH is responsible for backend development at Crabada. He has 10+ years of experience in backend development and has 4 years of experience working on several crypto projects at Infinity Blockchain Labs.

Figure 7: The Crabada founders

Another notable team member is their marketing lead known as Shinigummy, who has over 12 years of experience in advertising and marketing across global agencies and design studios. He has also been a creative lead for marketing and UX/UI at a digital exchange.

The team has shown themselves to be very community-oriented, answering questions in the Discord and even refunding players when an issue came up (see [here](#)).

Also, they had their smart contracts audited⁶ by Verichains, a firm that has audited Axie Infinity and Kyber Network. I wasn't able to find too much information about this firm's reputation, but at least Crabada was officially audited. Something notable, though, is that several contracts, such as the game and marketplace contracts, are not verified on the Avalanche block explorer, meaning you cannot see the source code. This is not an immediate cause for concern, but seeing Crabada verify their contracts would be a positive thing. Axie's are all verified.

Risks

The three big risks I see with this project are as follows: adoption risk, bot takeovers, and execution risk.

The largest risk here is obviously adoption. For the game to truly succeed and the token price to go up, there needs to be more demand to play the game and more eyes on it. The positive thing is that it resembles Axie in many ways, which many would view as a good sign, and that it is built on Avalanche, which is currently a trending ecosystem. However, the barrier to entry for the actual game is high right now (the \$2500 minimum price for a crab) and the game itself is currently just an idle game. This is an important one to watch.

The second risk to look at is bots taking over the game itself and the marketplace. Axie has had

its own issues with bots, and it has clarified in the terms of service that this is not acceptable in most cases. However, truly preventing bots from being used to play the game without human intervention (especially an idle game, where all you need to do is trigger it every so often!) or from trading in the marketplace is very tough. This is up to the team to decide how to handle; currently, bots are already used in both the game itself (for looting, especially) and in the marketplace. Devs are working to prevent this as much as possible.

The final risk is execution risk. If Crabada is not able to roll out new games (like PvP), a new chain (especially if Avalanche gas fees rise quickly), and other new features, it will fall behind and possibly fail. For this one, one of the best things you can do is stay up to date in the Discord. The team is active in there and will likely keep the community informed on progress.

In my opinion, even aside from adoption, the most *pressing* concern is the Avalanche gas fees. At current levels, it sometimes has cost players almost as much money in gas as it costs them to play a round of the game, meaning that profits are cut into majorly and more people decide to leave the game. I've seen users in the Discord earn \$23 from mining, but gas fees rose briefly causing them to pay \$18 to claim their rewards. Avalanche is working on this, but a private chain will likely be needed in the future. In the meantime, to attract more people to the game, fees need to fall.

Rating Summary

I had a tough time rating this one. I think the medium-term (say, 6 months to a year) potential is there for this to behave like Axie (maybe not *as* successful, but even a good fraction of the success would be huge), but the gas fee issues mentioned in the above paragraph make me nervous in the short-term. Here at UpNow, we try not to rate things on too

short a time horizon, but for a game like Crabada I think it is warranted. The only way that players can realistically earn decent money from the game right now, due to token prices and the rewards for idle games, would be if gas prices are low. Avalanche will need to fix this, or Crabada will need to speed up their private chain development.

Even if that happens, over the next couple years, Crabada will have to compete with other, larger crypto games like Illuvium and Star Atlas. I think that Crabada, especially if they can capture a large audience in the short-term, has the roadmap to be able to maintain a good userbase during the competitive times, but this just goes to show how important it is for them to find initial success over the next 3-6 months ([here's](#) a good thread related to this subject). I'll also note that only about 6.5% of the supply is outstanding so far, which makes it even more important to find adoption so that demand will outpace supply growth (Axie succeeded here).

I've rated CRA a 6/10 due to the risk involved, but I will be keeping a close eye on Avalanche gas prices, development progress on Crabada's private chain, and the progress on the PvP game in order to see if things start moving in the right or wrong direction. The potential is there, but only if fees can allow for growth in adoption that would, likely, result in price growth.

Last note: Another reason this was tough to rank is because of how cool the crabs look, in my opinion.

How to Buy

You can buy CRA on Trader Joe, a decentralized exchange on Avalanche. The best way to do this is to buy AVAX on a centralized exchange like Coinbase, add the Avalanche network to a MetaMask wallet, transfer the AVAX to MetaMask, and swap it for CRA on Trader Joe.

For more information on how to do these things, visit our tutorials section.

Citations

- ¹ <https://www.coingecko.com/en/coins/axie-infinity>
- ² <https://defillama.com/chains>
- ³ <https://docs.crabada.com/>
- ⁴ <https://whitepaper.axieinfinity.com/>
- ⁵ <https://docs.crabada.com/game-guide/crabadex/legendary-crabada>
- ⁶ <https://github.com/verichains/public-audit-reports/blob/main/Verichains%20Public%20Audit%20Report%20-%20Crabada%20Game%20-%20v1.1.pdf>

Links

Website: <https://www.crabada.com/>

CoinGecko Listing:

<https://www.coingecko.com/en/coins/crabada>

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