



LEVERAGE

YOUR LP TOKENS

About

Impermax Protocol



What is Impermax?

The first defi platform that lets borrowers easily achieve **10x or higher leverage on LP tokens**

Impermax.finance is an automated crypto lending platform for users of Uniswap and other decentralized exchanges.

It provides first-of-its-kind benefits to both lenders and borrowers.

It's the first and only platform designed to use Uniswap LP tokens as collateral for automated lending. This **virtually eliminates the risk of impermanent loss** to liquidity providers.

For borrowers, Impermax is the only defi platform that can create 10x or higher leverage on borrowed positions with much lower liquidation risk.

Opportunity

The Defi Lending Market



Lending on defi platforms has grown by over 250% in the last three months alone.

Crypto investors use defi loans to borrow ERC20 tokens to hedge positions, perform arbitrage, earn yields, and manage taxes.

There is over \$11 billion USD in loans on defi lending platforms like Maker, Compound, and Aave.

These defi lending platforms are some of the highest valued projects in the crypto industry.

Impermax seeks to be the top LP token-based lending platform in defi.

Opportunity

The Defi Liquidity Providing Market

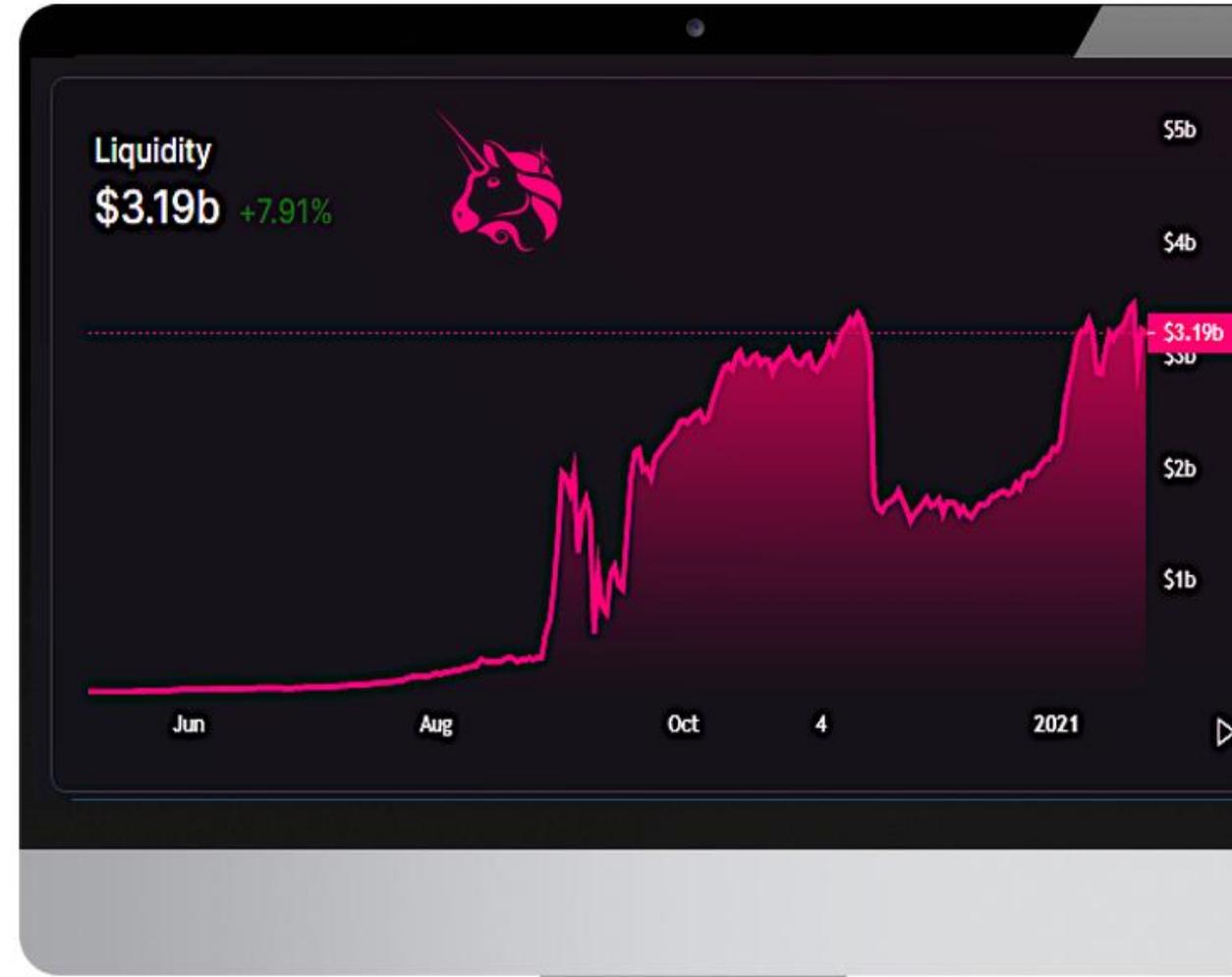
Over \$1 billion USD is traded daily on automated market making (AMM) exchanges like Uniswap.

All AMM exchanges require liquidity providers to hold locked LP tokens, on which they can earn yields.

There is **over \$7 billion locked in LP tokens on AMM exchanges**, and this amount is growing daily.

Impermax **brings together liquidity providers and borrowers** to solve problems on both sides.

Locking funds in LP tokens incurs an opportunity cost of borrowing against them. Impermax solves this.



Industry Problems

Defi Lending



Impermax offers a much higher max leverage **based on the same risk tolerance**

Leverage Your Funds With Defi Lending

PROBLEM 1: Other lending platforms require borrowers to overcollateralize, putting at risk over 300% of the amount borrowed, on average. This makes leveraged positions very risky.

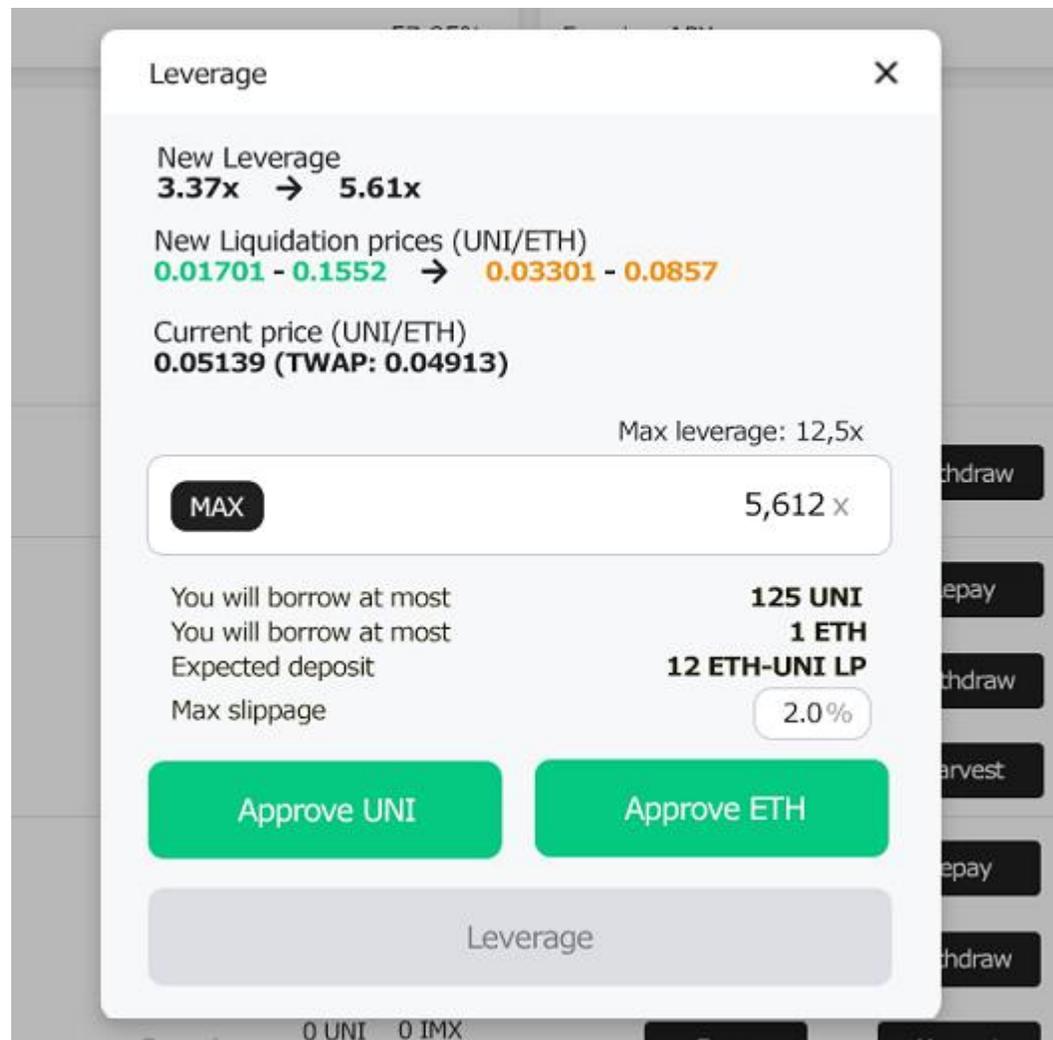
Impermax's collateralization model offers much less risk to the borrower's collateral (with no risk of default to the lender). This allows investors to achieve much higher leverage for a given risk tolerance.

Leverage is a popular feature on centralized exchanges like Binance, but is virtually unheard of in defi.

Impermax allows leverage of 10x or higher on borrowed positions.

Industry Problems

Defi Lending



How Leverage is Achieved

At a high level, **the protocol's smart contracts use borrowed funds to buy and lock more LP tokens**, which are used as collateral for a second-layer loan, which can be used as further collateral to borrow even more.

Impermax uses a single interface to make this layering process easy and largely invisible to the borrower. Under the hood it manages numerous steps in a single transaction.

Industry Problems

Defi Lending



Impermax **lowers the risk** of collateral being liquidated **by using 100% value-matched collateral**

Superior Liquidation Thresholds

PROBLEM 2: If prices drop, the borrower's collateral is at risk of liquidation.

With any collateralized defi loan there is a risk that the price of the collateral may drop below the value of the loan. When this happens, the collateral is liquidated to repay the lender. This is a major risk to the borrower.

Impermax's layered collateralization allows better liquidation thresholds than popular platforms like Maker and Compound, even on loans without leverage.

This works because Impermax loans are 100% collateralized by LP tokens that are strictly matched in value to the assets borrowed.

Industry Problems

Liquidity



Earn yield on LP tokens
**with no risk of
impermanent loss**

Solving Impermanent Loss

PROBLEM 3: Impermanent loss is a major risk factor for liquidity providers.

Impermax lets lenders offer crypto loans and earn yields on their LP tokens with no risk of impermanent loss or loan default.

Uniswap and AMMs will be naturally incentivized to support or even promote Impermax since it potentially lowers risk to their users and could result in higher LP participation overall.

In other words, Impermax creates economic efficiencies across all AMMs.

Release Planning

Supported Markets



Supported Tokens and Exchanges

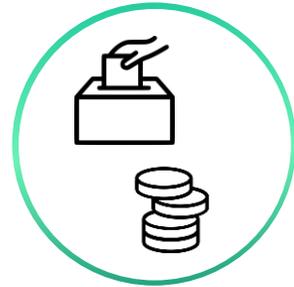
Impermax is set for an initial **release on Uniswap in early March 2021.**

Every pair on Uniswap will be supported automatically, unlocking over \$3 billion USD in LP token value on the day of launch.

Subsequent releases are planned for all major AMM platforms.

Economic Model

Tokenomics



IMX token holders control
**governance and profit
distribution**

The IMX Token

IMX is a simple fixed-supply governance token similar to Uniswap's UNI. IMX holders will have voting power on interest rates, fees, and distribution of earnings on this and all future Impermax products.

The total supply is 100,000,000 IMX.

Initial distribution will involve an airdrop to top Uniswap liquidity providers.

Economic Model

Revenue



Impermax receives up to **20% of all loan interest payments**

Revenue Model

Interest income is automatically split, with **lenders collecting at least 80% and Impermax collecting up to 20%** of each payment.

There is also a 0.1% flat borrowing fee on each loan, which is similarly split.

These fees can be adjusted by governance for further optimization.

Economic Model

Farming



Borrowers can **multiply farming yield by increasing leverage**

IMX Yield Farming – With Leverage

The tokenomics plan allocates 40% of the supply to farming rewards over 4 years.

The protocol will **distribute IMX tokens to borrowers based on the size of their loans.**

The ability to farm tokens by borrowing will attract early borrowers and increase the interest rates they are willing to pay to lenders.

The **higher the leverage, the more yield you can farm.** This can quickly increase demand for loans.

This is designed to create a day 1 feedback loop that provides stronger incentives to lenders, generates revenue, and increases the value of the IMX token.

About

People

Simone Rigolon

The Impermax Team

Technology design and development.

Simone is a computer engineer and blockchain enthusiast with experience in blockchain development, web technologies, and competitive programming.

Brian Tinsman

Economics and finance.

Brian is an economist, game theorist, and writer with 18 years of experience designing economic systems for online games and 4 years of experience in cryptoeconomics.

Resources



For more details on the how the architecture achieves these advantages, see the white paper.

Learn More About Impermax

[Impermax.finance](https://impermax.finance) website and road map

[White Paper](#)

[Github Repository](#)

Further discussion of the [lending market structure](#)