

CropperFinance



Litepaper

July 8, 2021

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- (a) in any decision to acquire any \$CRP, you shall not rely on any statement set out in the Whitepaper or the Website;
- (b) you will and shall at your own expense ensure compliance with all laws, regulatory requirements and restrictions applicable to you (as the case may be);

- (c) you acknowledge, understand and agree that \$CRP may have no value, there is no guarantee or representation of value or liquidity for \$CRP, and \$CRP is not an investment product nor is it intended for any speculative investment whatsoever;
- (d) none of the Company, the Distributor, their respective affiliates, and/or the CropperFinance team members shall be responsible for or liable for the value of \$CRP, the transferability and/or liquidity of \$CRP and/or the availability of any market for \$CRP through third parties or otherwise; and
- (e) you acknowledge, understand and agree that you are not eligible to participate in the distribution of \$CRP if you are a citizen, national, resident (tax or otherwise), domiciliary and/or green card holder of a geographic area or country (i) where it is likely that the distribution of \$CRP would be construed as the sale of a security (howsoever named), financial service or investment product and/or (ii) where participation in token distributions is prohibited by applicable law, decree, regulation, treaty, or administrative act (including without limitation the United States of America and the People's Republic of China); and to this effect you agree to provide all such identity verification document when requested in order for the relevant checks to be carried out.

The Company, the Distributor and the CropperFinance team do not and do not purport to make, and hereby disclaims, all representations, warranties or undertaking to any entity or person (including without limitation warranties as to the accuracy, completeness, timeliness, or reliability of the contents of the Whitepaper or the Website, or any other materials published by the Company or the Distributor). To the maximum extent permitted by law, the Company, the Distributor, their respective affiliates and service providers shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including, without limitation, any liability arising from default or negligence on the part of any of them, or any loss of revenue, income or profits, and loss of use or data) arising from the use of the Whitepaper or the Website, or any other materials published, or its contents (including without limitation any errors or omissions) or otherwise arising in connection with the same. Prospective acquirors of \$CRP should carefully consider and evaluate all risks and uncertainties (including financial and legal risks and uncertainties) associated with the distribution of \$CRP, the Company, the Distributor and the CropperFinance team.

Informational purposes only: The information set out herein is only conceptual, and describes the future development goals for CropperFinance to be developed. In particular, the project roadmap in the Whitepaper is being shared in order to outline some of the plans of the CropperFinance team, and is provided solely for **INFORMATIONAL PURPOSES** and does not constitute any binding commitment. Please do not rely on this information in deciding whether to participate in the token distribution because ultimately, the development, release, and timing of any products, features or functionality remains at the sole discretion of the Company, the Distributor or their respective affiliates, and is subject to change. Further, the Whitepaper or the Website may be amended or replaced from time to time. There are no obligations to update the Whitepaper or the Website, or to provide recipients with access to any information beyond what is provided herein.

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Abstract

This paper lays out some fundamental information on CropperFinance, an automated market maker (AMM) on the Solana blockchain. CropperFinance's mission is to become a platform that allows any project on Solana to launch a liquidity pool and reward their holders with native token incentives.

1. Current Gaps

The Solana blockchain and its ecosystem is rapidly evolving, yet is still quite challenging for new, promising projects to set up incentivised liquidity pools. We at CropperFinance aim to fill this gap and be the first AMM that is flexible enough for permissionless listings of liquidity for new tokens and their incentivisation. Ultimately, we want to enable projects to launch their incentivised liquidity pools with custom emission schedules directly using our proprietary platform and become the go-to solution within the Solana ecosystem.

2. CropperFinance

CropperFinance is built on the Solana blockchain, which enables low-cost, high-speed transactions. Solana is based on Proof of History (PoH), a technology that makes it possible to handle 65,000 transactions per second with 400 millisecond block times. PoH and the network speed of Solana are the perfect foundation for CropperFinance and its ambitious future.

Our platform will have the following functionality:

2.1 Order Book

CropperFinance AMM will leverage the Serum decentralized exchange (DEX), an on-chain order book. The order book displays the available 'bids' and 'asks' provided by market participants. This provides valuable information about potential support and resistance levels and gives users the ability to understand the demand of buyers and sellers at specific price levels.

2.2. Liquidity Pools

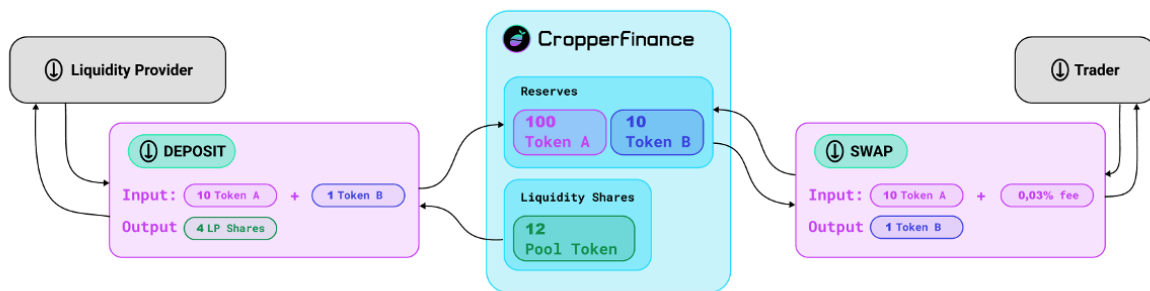
CropperFinance will host any token that wants to launch a liquidity pool in SPL-token/USDC, SPL-token/CRP, or SPL-token/SOL. These liquidity pools will enable users to easily swap between the given tokens.

The Token Swap Program enables seamless trading of tokens without a centralized limit order book. The program's principles are mathematically defined by the following formula, to calculate the prices of all executed trades:

$$x + y = k$$

Where x and y are the respective reserves of two assets X and Y and k is a constant. The price curve aims to mimic normal market dynamics: for example, as traders buy a lot of one token type, the value of the other token types increases.

Depositors in pools provide liquidity for token pairs. This liquidity enables trade execution at the spot price. In exchange for their liquidity, depositors receive liquidity pool (LP) tokens, representing their pro-rata share of the pool. During each trade, a program withholds a portion of the input token as a fee (0.25%). That fee increases the value of pool tokens by being stored in the pool and attributable to LPs.



It is important to reiterate that a liquidity pool simply comprises an autonomous smart contract deployed on the relevant blockchain network, operated directly by users calling functions on it (which allows them to interact with other users in a peer-to-peer manner), with no further control by or interaction with the original entity which had deployed the smart contract. Swapping tokens is calling "swap" on a pool contract instance, while providing liquidity is calling "deposit".

2.3 Liquidity pool incentives

CropperFinance's main attribute is incentivised liquidity pools. The mission is to help all new projects within the Solana network set up liquidity pools. Incentivised liquidity pools have gained popularity in the last couple of months, and we believe that it will become even more sought after, with an even brighter outlook for the future where it should become an essential part of any project.

On the CropperFinance platform, all Solana projects and their tokens will be able to create a liquidity pool. Once a liquidity pool is created, the project that created the pool will be able to launch its own liquidity pools where its token holders will be able to access and contribute to liquidity.

The creator of the liquidity pool will be able to choose:

- The token pair (SPL-token/USDC, SPL-token/CRP, or SPL-token/SOL)
- The supply released through liquidity mining
- The weekly emission reduction
- The type of liquidity pool (locked or not)

(Note: that all the rewards from locked liquidity pools are unlocked)

All projects which want to create a new incentivised liquidity pool will be charged a fee in \$CRP. \$CRP token pairs will be exempt from this charge and the locked liquidity pools will get additional \$CRP incentives.

2.4 Fees on CropperFinance

CropperFinance will charge fees:

- 0.1% of harvesting fees
- Liquidity pool creation fees to pay in \$CRP (the amount is not determined yet)

All fees collected by CropperFinance will be redistributed until the max supply of \$CRP reaches 100,000,000 as follows:

- Liquidity provider and active contributor incentives: 50%
- Treasury (maintenance and development): 10%

After the maximum supply (100,000,000) is reached, fees will be redistributed as follows:

- Liquidity provider and active contributor incentives: 80%
- Treasury (maintenance and development): 20%

3. CRP token

3.1 Utility

The native digital cryptographically-secured fungible token of CropperFinance (ticker symbol \$CRP) is a transferable representation of attributed utility functions specified in the protocol/code of CropperFinance, and which is designed to be used solely as an interoperable utility token on the platform.

\$CRP is a non-refundable functional utility token which will be used as the medium of exchange between participants on CropperFinance in a decentralised manner. The goal of introducing \$CRP is to provide a convenient and secure mode of payment and settlement between participants who interact within the ecosystem on CropperFinance, and it is not, and not intended to be, a medium of exchange accepted by the public (or a section of the public) as payment for goods or services or for the discharge of a debt; nor is it designed or intended to be used by any person as payment for any goods or services whatsoever that are not exclusively provided by the issuer. \$CRP does not in any way represent any shareholding, participation, right, title, or interest in the Company, the Distributor, their respective affiliates, or any other company, enterprise or undertaking, nor will \$CRP entitle token holders to any promise of fees, dividends, revenue, profits or investment returns, and are not intended to constitute securities in Singapore or any relevant jurisdiction. \$CRP may only be utilised on CropperFinance, and ownership of \$CRP carries no rights, express or implied, other than the right to use \$CRP as a means to enable usage of and interaction within CropperFinance.

\$CRP also provides the economic incentives which will be distributed to encourage users to contribute to and participate in the ecosystem on CropperFinance, thereby creating a mutually beneficial system where every participant is fairly compensated for its efforts. \$CRP is an integral and indispensable part of CropperFinance, because without \$CRP, there would be no incentive for users to expend resources to participate in activities or provide services for the benefit of the entire ecosystem on CropperFinance. Given that additional \$CRP will be awarded to a user based only on its actual usage, activity and contribution on CropperFinance and/or proportionate to the frequency and volume of transactions, users of

CropperFinance and/or holders of \$CRP which did not actively participate will not receive any \$CRP incentives.

In particular:

1. Liquidity: CropperFinance itself is simply a blockchain protocol which, by design, does not offer any resources for utilisation, so in order for the protocol to perform its core function, users would need to be incentivised to play the role of liquidity providers and stake their digital assets into the decentralised market making pools to provide the necessary liquidity for transactions. As compensation for opportunity costs, these liquidity providers which help to promote adoption of CropperFinance by staking or including assets to liquidity pools in exchange for LP tokens would be rewarded with \$CRP (i.e. liquidity "mining" on CropperFinance), according to each user's relative contribution after various adjustment and correction parameters.
2. Create new liquidity pools: To create a new liquidity pool, projects will need to pay a predetermined fee in \$CRP (the amount is not determined yet).
3. As a unit of account, \$CRP may itself be added as liquidity to SPL-token/CRP liquidity pools.

It is highlighted that \$CRP: (a) does not have any tangible or physical manifestation, and does not have any intrinsic value (nor does any person make any representation or give any commitment as to its value); (b) is non-refundable and cannot be exchanged for cash (or its equivalent value in any other digital asset) or any payment obligation by the Company, the Distributor or any of their respective affiliates; (c) does not represent or confer on the token holder any right of any form with respect to the Company, the Distributor (or any of their respective affiliates), or its revenues or assets, including without limitation any right to receive future dividends, revenue, shares, ownership right or stake, share or security, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property or licence rights), right to receive accounts, financial statements or other financial data, the right to requisition or participate in shareholder meetings, the right to nominate a director, or other financial or legal rights or equivalent rights, or intellectual property rights or any other form of participation in or relating to CropperFinance, the Company, the Distributor and/or their service providers; (d) is not intended to represent any rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss; (e) is not intended to be a representation of money (including electronic money), security, commodity, bond, debt instrument, unit in a collective investment scheme or any other kind of financial instrument or investment; (f) is not a loan to the Company, the Distributor or any of their respective affiliates, is not intended to represent a debt owed by the Company, the Distributor or any of their respective affiliates, and there is no expectation of profit; and (g) does not provide the token holder with any ownership or other interest in the Company, the Distributor or any of their respective affiliates.

Notwithstanding the \$CRP distribution, users have no economic or legal right over or beneficial interest in the assets of the Company, the Distributor, or any of their affiliates after the token distribution.

3.2 Token Distribution

Tokenomics Summary		
Ecosystem and Community	295,000,000	59%

Team	100,000,000	20%
Treasury	50,000,000	10%
Seed fundraising	36,000,000	7.2%
Liquidity	10,000,000	2%
Airdrops	4,000,000	0.8%
Advisors	5,000,000	1%
Total	500,000,000	100%

Lastly, 50% of the community and ecosystem allocation will go to liquidity mining rewards for locked and unlocked CRP/USDC liquidity pools with a weekly emission reduction of 1%. The team tokens are locked for 6 months and then progressively unlocked over the course of 4 years with 2.1% unlocked each month. The advisor's tokens will be unlocked over 2 years with 25% unlocked every 120 days.

4. Risks

CropperFinance is currently in the initial development stages and there are a variety of unforeseeable risks. You acknowledge and agree that there are numerous risks associated with acquiring \$CRP, holding \$CRP, and using \$CRP for participation in CropperFinance. In the worst scenario, this could lead to the loss of all or part of \$CRP held. **IF YOU DECIDE TO ACQUIRE \$CRP OR PARTICIPATE IN CROPPERFINANCE, YOU EXPRESSLY ACKNOWLEDGE, ACCEPT AND ASSUME THE FOLLOWING RISKS:**

4.1 Uncertain Regulations and Enforcement Actions

The regulatory status of CropperFinance, \$CRP and distributed ledger technology is unclear or unsettled in many jurisdictions. The regulation of digital assets has become a primary target of regulation in all major countries in the world. It is impossible to predict how, when or whether regulatory agencies may apply existing regulations or create new regulations with respect to such technology and its applications, including \$CRP and/or CropperFinance. Regulatory actions could negatively impact \$CRP and/or CropperFinance in various ways. The Company, the Distributor (or their respective affiliates) may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

4.2 Inadequate disclosure of information

As at the date hereof, CropperFinance is still under development and its design concepts, consensus mechanisms, algorithms, codes, and other technical details and parameters may be constantly and frequently updated and changed. Although this whitepaper contains the most current information relating to CropperFinance, it is not absolutely complete and may still be adjusted and updated by the CropperFinance team from time to time. The CropperFinance team has neither the ability nor obligation to

keep holders of \$CRP informed of every detail (including development progress and expected milestones) regarding the project to develop CropperFinance, hence insufficient information disclosure is inevitable and reasonable.

4.3 Competitors

Various types of decentralised applications and networks are emerging at a rapid rate, and the industry is increasingly competitive. It is possible that alternative networks could be established that utilise the same or similar code and protocol underlying \$CRP and/or CropperFinance and attempt to re-create similar facilities. CropperFinance may be required to compete with these alternative networks, which could negatively impact \$CRP and/or CropperFinance.

4.4 Failure to develop

There is the risk that the development of CropperFinance will not be executed or implemented as planned, for a variety of reasons, including without limitation the event of a decline in the prices of any digital asset, virtual currency or \$CRP, unforeseen technical difficulties, and shortage of development funds for activities.

4.5 Security weaknesses

Hackers or other malicious groups or organisations may attempt to interfere with \$CRP and/or CropperFinance in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, there is a risk that a third party or a member of the Company, the Distributor or their respective affiliates may intentionally or unintentionally introduce weaknesses into the core infrastructure of \$CRP and/or CropperFinance, which could negatively affect \$CRP and/or CropperFinance. Further, the future of cryptography and security innovations are highly unpredictable and advances in cryptography, or technical advances (including without limitation development of quantum computing), could present unknown risks to \$CRP and/or CropperFinance by rendering ineffective the cryptographic consensus mechanism that underpins that blockchain protocol.

4.6 Other risks

In addition, the potential risks briefly mentioned above are not exhaustive and there are other risks (as more particularly set out in the Terms and Conditions) associated with your participation in CropperFinance, as well as acquisition of, holding and use of \$CRP, including those that the Company or the Distributor cannot anticipate. Such risks may further materialise as unanticipated variations or combinations of the aforementioned risks. You should conduct full due diligence on the Company, the Distributor, their respective affiliates, and the CropperFinance team, as well as understand the overall framework, mission and vision for CropperFinance prior to participating in the same and/or acquiring \$CRP.