



THE FIRST LEVERAGED
SPORTS BETTING EXCHANGE

EVOLU^{TION}

Revolutionizing Sport Betting

The First Leveraged SBEX

LEVR revolutionizes sports betting by introducing the world's first Leveraged Sports Book Exchange (SBEX), merging the exhilaration of sports betting with the sophisticated strategy of a decentralized options exchange. While traditional web3 sportsbooks focus on minimal improvements like slightly lower fees and enhanced transparency, they often lack significant innovation and suffer from low liquidity across numerous markets. LEVR transforms this landscape by enabling up to 5x leverage on bets, unlocking new possibilities for bettors. This pioneering approach not only amplifies betting power but also enriches the experience with unique features such as:

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| 1 Liquid In-game Exchange Market

| 2 Oracle-Driven Liquidation Engine

| 3 Hybrid Fee Structure that reduces VIG

| 4 Pooled Liquidity House Vault

LEVR redefines sports betting

... by offering unparalleled odds, elevating the platform's profitability, and most importantly, introduces an exhilarating leveraged betting experience. For seasoned sports bettors, LEVR provides the opportunity to amplify your bets using leverage, ensuring larger stakes at more favorable odds.

Perpetual traders will find a refreshing variety in the markets and unique return structures within each game, moving beyond traditional win-lose bets to explore a multitude of betting elements. LEVR is not just about betting on outcomes; it's about experiencing the game in an entirely new dimension.



An Introduction to LEVR's Betting Markets

For newcomers, LEVR unveils a dynamic world beyond just picking the winner or loser of a game. Traditionally, sports betting starts with the moneyline bet, focusing on the game's outcome. The landscape is diverse, featuring bets like Over-Under (predicting if total points exceed a set limit) and Point Spread (handicap bets balancing odds between favorites and underdogs).

While LEVR initially offers moneyline bets, our roadmap includes expanding to over-under and point-spread bets. What sets us apart is **how we enrich these traditional bets with our unique leverage system**, transforming each game into a multi-faceted betting experience.

TRADITIONAL BET TYPES



Tokenized Betting Decoded

Each “type of bet” represents a “market” that LEVR can tokenize. Token prices correlate with the odds of winning in an in-game market, where:



Tokenized Bet Position

LEVR transforms all odds into token prices, valued between \$0 and \$1, that represent a user's bet. At the end of the game, each token corresponding to the winning side of a bet can be redeemed for 1 \$USDC, while the losing side's token is worthless.

LEVR incorporates trading mechanisms commonly seen in perpetual protocols, yet its tokenized bets function similarly to short-term binary options:

Binary Options Structure

In this model, winning outcomes yield a full predetermined value (\$1 per token), while losing outcomes render the tokens valueless (\$0).

Each bet has a distinct winning and losing price.

Short-Term Nature

Contrasting with perpetuals, options have a confined upside, limited downside, and a set expiration. LEVR's betting tokens fluctuate in value only during pre-game or live-game markets.

The conclusion of the game marks the expiration of the option, with all betting tokens assigned a value of either \$0 or \$1. Prices don't run forever.

Binary Token Value

The value of your tokens will be either \$1 or \$0 at the end of each game. But it's what happens in the middle that is most important. LEVR's live-game market is its capacity to offer profit opportunities from the price variations that take place throughout the game. You can play both sides and profit. We'll break down how this works in the live-game market section.

The magic of LEVR's live-game market is that it allows you to profit from all the price fluctuations in between. You can play both sides and profit.

Pre-Game Market Overview

Unlike perpetual trading, sports betting markets are divided into Pre-Game Markets and Live-Game Markets. LEVR's Pre-game Market is structured around several core principles, ensuring a streamlined and predictable betting process:

Focus on Token Purchases

During this phase, bettors are limited to purchasing tokens only as leveraged positions. Selling tokens is not an option in the pre-game market.

Inherent Leverage in LEVR Tokens

Each LEVR token represents a bet and inherently carries a leverage factor, ranging from 2x to 5x.

Staggered Token Emissions

The pre-game market is characterized by the complete release of all relevant game tokens. However, the emission of pre-game tokens is staggered over several phases within the pre-game market period referred to as "epochs". Each epoch represents a different pricing period in odds during the pre-game market.

Real-Time Token Price Adjustment

In tandem with the staggered emission process, LEVR utilizes oracles to continuously assimilate pregame odds from major sportsbooks, dynamically updating the prices of pre-game tokens. Once a token is purchased, its price remains constant for the holder.

Counterparty AMM Framework

This phase operates under a Counterparty AMM Model, with the MVP Vault acting as the counterparty to all bets.

No Liquidations

Liquidations only occur during live-game markets and are based on the live-game odds feed.

Maximum Duration:

24 hours

LEVR Pre-Game Markets are designed to open 24 hours before the live game starts. Pre-game Markets may open later given a few caveats that will be outlined below.

At the outset, LEVR will focus on moneyline markets, which are predicated on the simple outcome of team wins and losses. In a moneyline pre-game market, bettors buy into positional markets based on their assessment of which team is likely to win.

The Pre-Game Market Window

Pre-game markets open a maximum of 24 hours before the game starts to give bettors an ample time window to participate in the pregame betting market. However, a pre-game market may open closer to the start of its corresponding live-game market (<24 hours) given a few caveats:

1. Lack of Price Feed Consensus

LEVR's pre-game odds require a minimum aggregation from the three largest sportsbooks per betting market to minimize oracle manipulation, akin to how PerpDEXs aggregate price feeds from multiple CEXs for a single trading asset. The pre-game market will not open until this minimum price aggregation threshold is met.

2. Insufficient Bet Volume

LEVR pre-game markets require sufficient off-chain pre-game bet volume to open. Once this betting interest threshold is met in traditional sportsbooks, LEVR will open its pregame markets.

3. Multiple Games in 24-Hour Window

If a team is playing two games within a 24-hour window, the pregame market of the second game may only be initiated after the first game has concluded. There can only ever be one LEVR betting line open per team at any given time. This delivers the most precise odds for the pregame markets, reflecting the outcome of the most recent game.

Fair market creation

In the pre-game market, LEVR's protocol ensures balanced betting opportunities. If odds for a particular market are heavily skewed towards one side*, the protocol may not create a market for it. This measure maintains a fair and engaging betting environment, preventing markets with excessively one-sided odds.

*For Beta testing only the system is limited to a min/max of 20/80 favorable odds.

THERE ARE TWO PRICING MECHANISMS FOR LEVR'S PRE-GAME MARKETS.

Initial Token Price

The Initial Price of a token, upon minting, is based on an aggregated set of real-time pre-game odds provided by [TheRundown](#). In determining the initial token price for each market, LEVR employs a specific formula that converts the given betting odds into token prices. This formula is grounded in the fundamental principles of betting odds and market dynamics. Simply put, it translates the probability implied by the odds into a corresponding token price, providing a clear and intuitive starting point for each bet. This direct translation ensures that the initial token prices are both fair and reflective of the actual betting landscape.

The LEVR protocol sets a value between 0 and 1 for odds using the formula below.

$$p^H = \frac{N}{1 + O_H} \quad p^V = \frac{N}{1 + O_V}$$

O= Opening Odds / N = normalized protocol vig

\$0.8	
\$0.2	

\$0.80 | Highest price a token can be minted for
\$0.20 | Lowest price a token can be minted for

These token prices are subject to slight fluctuation and adjustment during the pre-game markets, as influenced by supply and demand dynamics. Given that tokens are emitted at different stages throughout the pre-game market, **prices for the same token can fluctuate to reflect the changing off-chain pre-game odds**.

Once you buy a token, that specific price is locked for you. You may buy the same token for a different price later at other stages of the pre-game market.

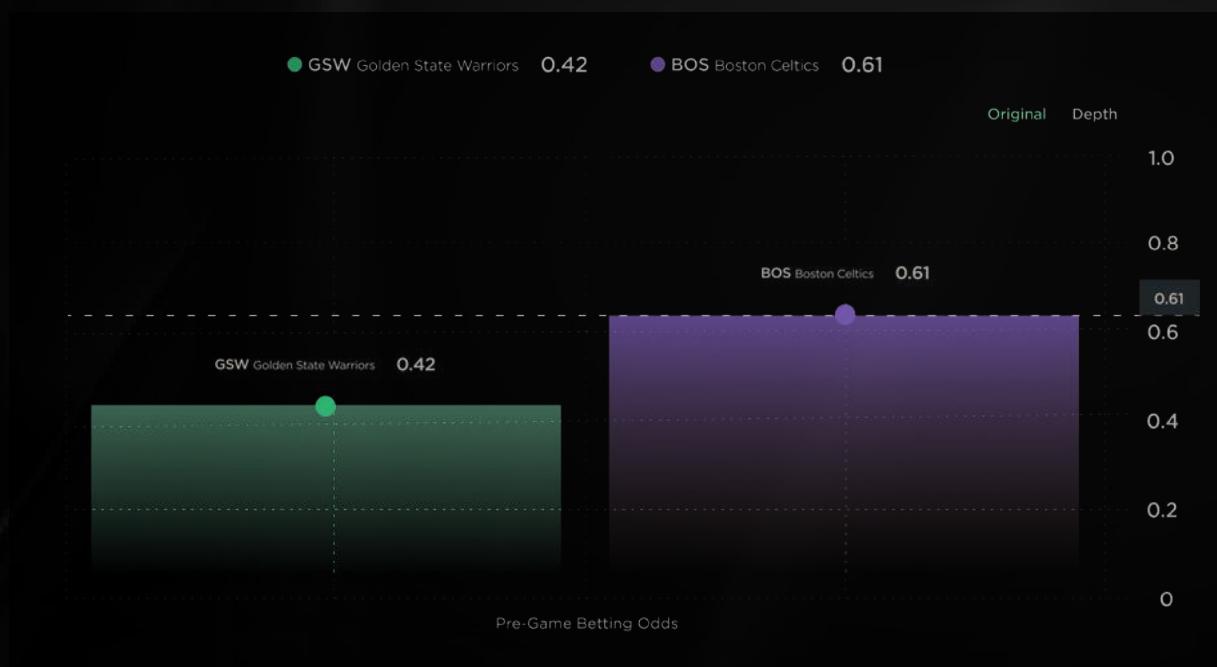
Adjusted Token Price

If more people bet on one team, the token representing that team generally will increase in price. This is because increased demand for the token indicates higher confidence in that team's victory, leading to a higher valuation of the token in the market.

In LEVR's pre-game markets, each market operates under a default cap, ensuring well-balanced trading activities. When the initial liquidity that was injected into both sides is fully exhausted on one side, the AMM market temporarily halts, creating a pause for subsequent action. At this juncture, liquidity becomes limited to the side that still possesses available liquidity until the next epoch. During this epoch, the price oracle intervenes, injecting additional liquidity into both sides of the market at the prevailing rates. The market then finds its equilibrium as users take up opposing positions, allowing the AMM to facilitate potentially limitless volume within the confines of balance parameters. This innovative mechanism ensures the AMM can manage significant volume, simultaneously regulating market dynamics and upholding the principles of fair play.

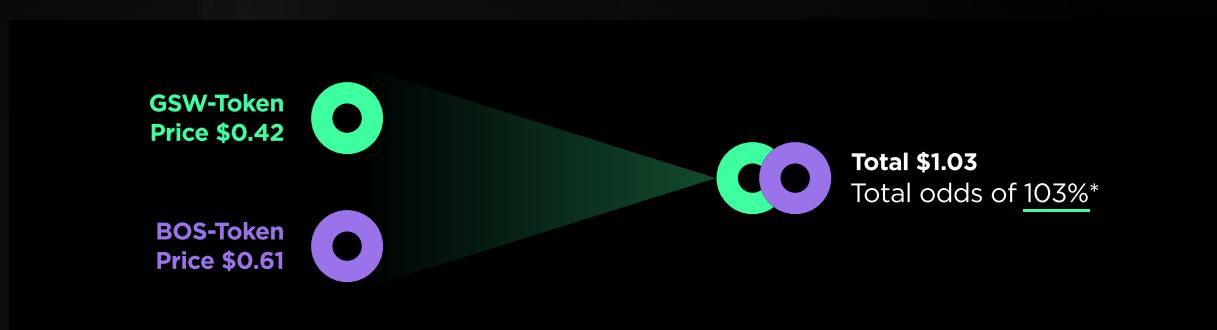
Betting Odds Represented as Token Prices

Pre-Game Betting Odds



Referencing the game above:

The \$GSW token is priced at \$0.42, the \$BOS token is priced at \$0.61. Combined, they total \$1.03, which represents total odds of 103%.



This pricing model, where the total of betting token prices surpasses \$1 (or 100% odds), is fundamental **to ensure that the aggregate amount collected from bettors is more than the total payout for wins**.

* Any percentage exceeding total odds of 100% represents the vig from the odds aggregator. Levr's long-term objective is to progressively eliminate vig through a variety of fees. Our system constantly endeavors to bring the total odds towards a 100% equilibrium.

These token prices also roughly represent each team's chances of winning based on the odds aggregated by the sports data oracle and processed using the LEVR pricing formula.

- **Lower Price > Reduced Winning Probability**

GSW Token - The initial lower valuation of \$0.42 indicates their underdog status that parallels a lower predicted chance of winning. A lower token price signifies reduced winning probabilities.

- **Higher Risk > Higher Rewards**

The ownership of GSW tokens carries a higher risk of expiring at \$0 should the Warriors lose, but also offers a higher return potential of approximately 150% (a \$0.58 profit per token) if they win.

- **Limit Risk > Limit Upside**

BOS Token - The initial higher valuation of \$0.61, offers a slightly more modest return of \$0.39 per token, or about 66% per token. After all, the Celtics have a far greater predicted chance of winning. This limits risk, but also limits upside.

These valuations are subject to market fluctuations based on real-time supply and demand, yet they consistently reflect the inherent risk-reward calculation: higher risks associated with lower probabilities of success potentially lead to greater rewards that are multiplied with leverage.

The token prices on the previous page represent the following betting odds:

Token Prices as American Odds

- As the underdogs, the GSW bet odds would be +138.
- As the favorites, the BOS bet odds would be -164.

Token Prices as Decimal / European Odds

- As the underdogs, the GSW bet odds would be 2.38.
- As the favorites, the BOS bet odds would be 1.61.

MORE PROFIT OR LIMITED RISK?



GSW-Token
Price ~\$0.4

Higher Risk
~40% Probability

Higher Reward
\$0.6 Profit



BOS-Token
Price ~\$0.6

Lower Risk
~60% Probability

Lower Reward
\$0.4 Profit

\$1

The MVP Vault

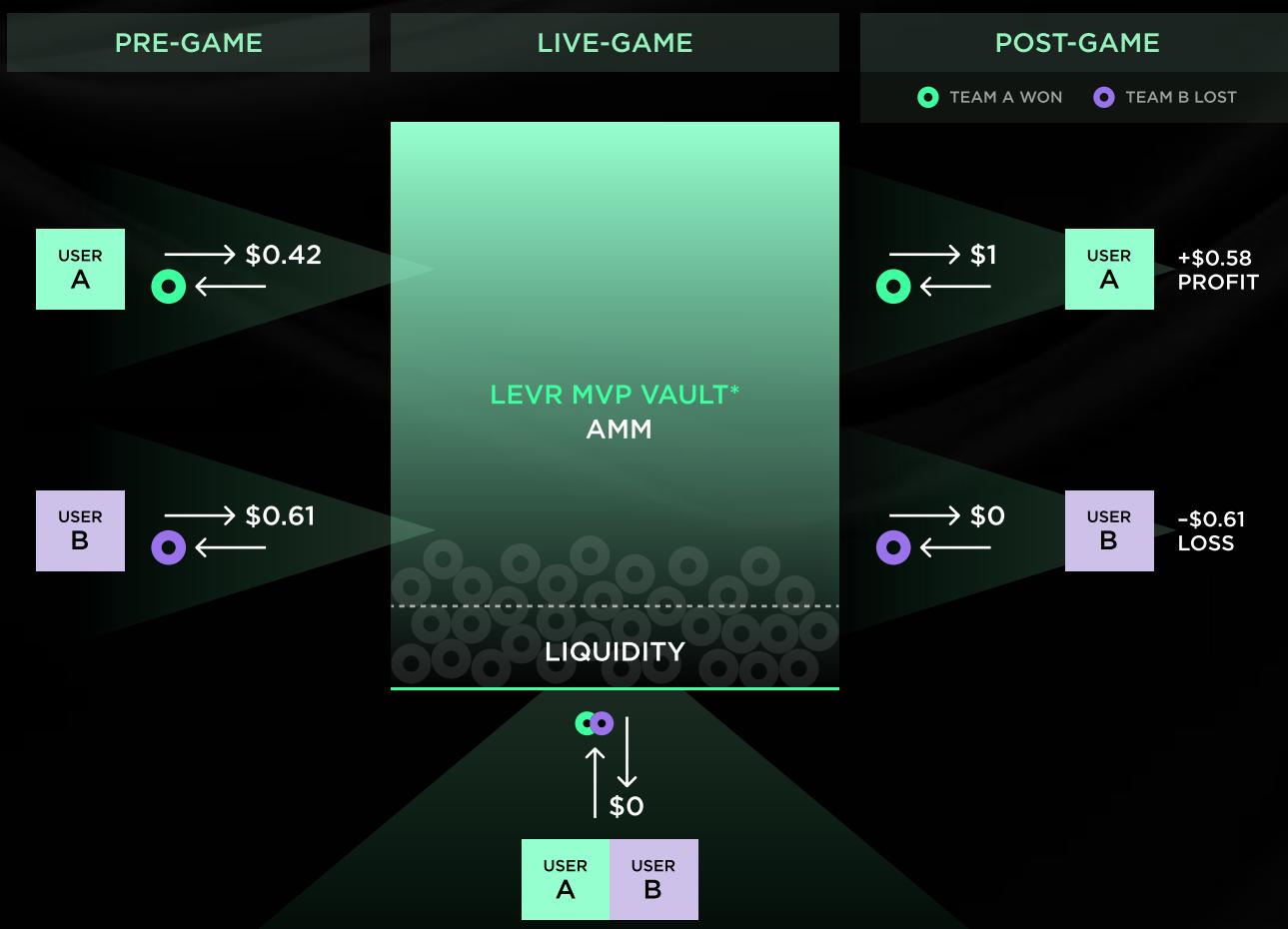
Counterparty AMM Model and Redemptions

LEVR incorporates a Counterparty Vault for its Pre-Game and Post-Game (redemption) Markets. Functioning similarly to GMX's GLP Pool and the gDAI Vault of Gains Network, the LEVR's MVP Vault acts as the proxy counterparty in all pre-game betting scenarios and post-game redemptions:

- **WIN:** If a bettor wins, they redeem their winning tokens from LEVR for \$1 (1 USDC) each.
- **LOSE:** If a bettor loses, their losing tokens expire at \$0, and LEVR keeps the bettor's collateral as profit.
- **Liquidation:** If a bettor gets their leverage position liquidated, LEVR similarly retains the bettor's collateral as profit.

Similar to the binary options framework, winning bettors will always have their tokens valued at \$1, while losing bettors will always have their tokens priced at \$0 at the end of each game.

The collateral that remains in the MVP Vault after each game ensures sufficient liquidity for redemptions as well as protocol health.



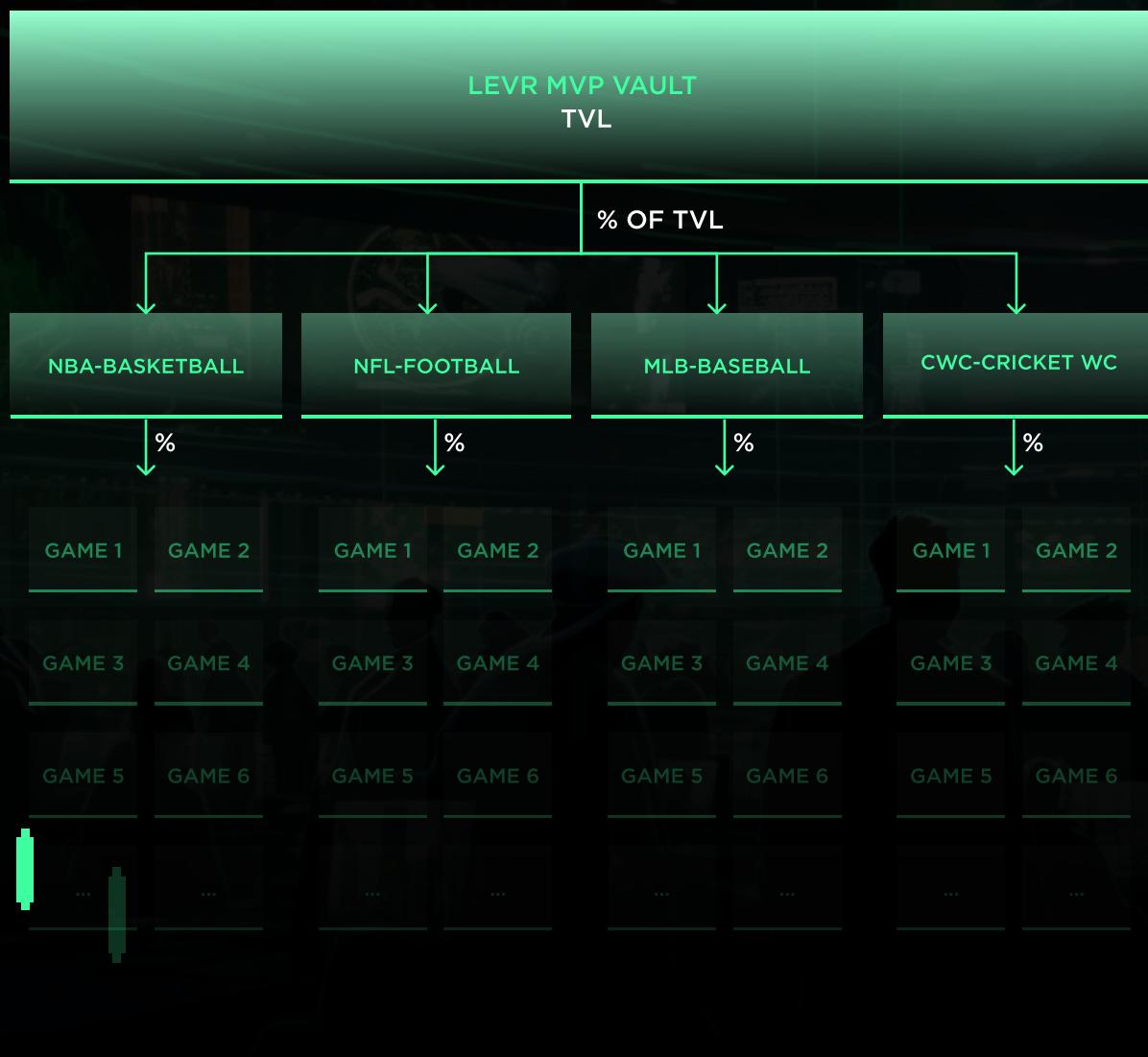
* In fact only a portion of the full MVP vault is used as liquidity for every game to reduce risks

Game-Specific Vault Allocation

For every game, a unique market contract is established, setting aside a standardized amount of the MVP Vault's TVL as "risk capital" or initial liquidity for that particular game. **This risk capital, is limited to a small percentage of TVL per game during beta test on NBA markets and is designated for use only in the game it is allocated to.** Unlike traditional counterparty pool models, the MVP Vault is uniquely structured to avoid full exposure to risk in any single game.

LEVR facilitates leveraged betting exclusively through its market contracts and never directly through the MVP Vault. These contracts extend additional margin to bettors, enabling them to amplify their position sizes.

In practice, if a bettor opts for a \$1,000 position at 5x leverage, it is the market contract that provides the additional \$4,000 in margin with a health factor based liquidation constraint managed by the LEVR liquidation engine, using data supplied by therundown.io oracle that determines pre-game pricing and game finality. At \$0.50 pricing a user in the above scenario would be liquidated at \$0.415 positional pricing in-game or once their supplied collateral was depleted, less borrow fees due to the protocol.



Live-Game Market Overview

The live-game market in LEVR presents a contrast to the pre-game market, characterized by the following features:

Fully Liquid, Tokenized Positions

Tokens that represent leveraged bets, created in the pre-game market, are fully tradable during the live game.

Dynamic Price Fluctuations

Unlike the relatively static pre-game market, the live-game market experiences significant price movements. Token prices vary considerably to reflect the changing odds during a live game.

Health Factor per Position

Considering the leverage inherent in all tokens, a health factor becomes crucial for managing positions. Liquidation is triggered when this health factor turns negative.

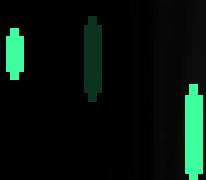
Requirement for Full Cash Transactions

Since in-game creation of leverage positions and borrowing from the MVP Pool are not options during the first beta test, all transactions in the live game market require full cash payments.

Peer-to-Peer Trading Mechanism

The platform facilitates in-game trading through an order book model, optimizing transaction speeds for buying and selling live-game positions among bettors.

Dynamically trade live game action against the market to maximize winning side exposure. Capitalize on new unique and engaging bet strategies through LEVR'd positions.

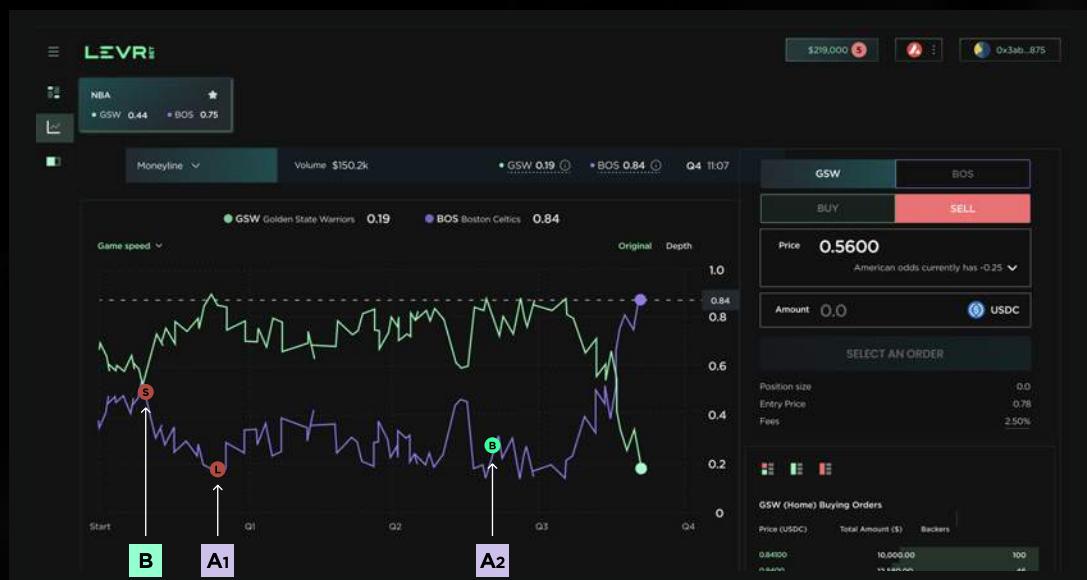




Game-Specific Vault Allocation

Dual Price Charts with Game Specific Timeframes

Reflecting the inverse correlation of odds for each token, two opposing price charts represent each game token. The horizontal axis of the chart is marked with time units pertinent to the specific game, such as quarters, offering a tailored view different from standard time frames like hours or minutes.



Active live-game trading

USER A

- A1** Holding BOS tokens from the pre-game market with 5x leverage got liquidated during price drop from \$0.5 to \$0.2.
- A2** Strategic move: repurchasing BOS tokens at \$0.2 in Q3 -> profitable ride to victory.

USER B

- B** Capitalized on the initial price surge of BOS tokens to \$0.5 at the game's start, by selling into the order book at this price.

The unpredictable and exhilarating nature of games necessitates active live-game trading, especially during game-changing moments.

This is why LEVR has implemented an order book for its live-game markets, capitalizing on the necessary speed and high throughput for efficient peer-to-peer trading. The rapid transaction capabilities of Order Books are a distinct advantage over conventional sportsbooks, enabling bettors to manage their positions in real-time, whether to avoid liquidation or to secure profits.

To tie both markets together, LEVR meticulously orchestrates its pregame market to limit the protocol's exposure to a predetermined threshold (exceeding 0.5% of MVP Vault TVL). With the commencement of the live-game market, bettors can engage in PvP trading via the in-game order book without subjecting the protocol to additional risk.

Health-Factor Based Liquidations

When bettors engage in leveraged betting, they effectively wager more than their available funds by borrowing margin from the MVP Vault, posing a risk to LEVR's financial reserves. To address this, LEVR utilizes a health factor-based liquidation model with tighter liquidation stops.

Liquidations on LEVR occur when a bettor's health factor falls below 15% instead of the standard 0%. Essentially, bettors must ensure that the value of their collateral remains above 15% of the value of their leveraged position, including any outstanding positional fees owed to the protocol.

This requires bettors to ensure their collateral value remains at a minimum of 15% of their leveraged bet's value. The liquidation engine uses in-game token pricing generated by the LEVR implied pricing scheme and oracle feed used in the pregame market. Liquidations only occur in-game.

If a bettor buys a position pregame with tokens valued at \$0.50, using 5x leverage, LEVR will set their in-game liquidation price at \$0.415, in contrast to the standard liquidation price of \$0.40, reflecting the elevated health factor requirement of 15%.



Our innovative health factor-based liquidation model not only safeguards your capital but also empowers you to actively manage your risk. Bet wisely, leverage strategically.

Hybrid Fee Structure

LEVR introduces a refined fee structure, distinct from the standard sports betting VIGs which typically range between 5% and 10%. Initially, LEVR will implement a more modest range of 0% – 3%.

This approach is part of a broader strategy where LEVR is not solely dependent on vig for profitability. Instead, it incorporates specific trading fees that effectively complement the vig in terms of revenue generation and risk management.

SPORTS BETTING VIG

STANDARD
5 – 10%

LEVR
0 – 3%

Vig Reimagined

Vig is not directly tied to winning or losing bets but is rather a way for the bookmaker to ensure a profit regardless of the outcome, which is usually in the form of a 5% – 10% increase in the price of buying a bet. Like a traditional sportsbook, LEVR still sets odds that are slightly different from the true odds. This discrepancy between true odds and juiced odds (true odds + vig) is significantly lower on LEVR at 0% – 3%, without adding additional drawdown risk to the platform.

Borrow Fee

This fee is calculated based on the bet's duration, the amount borrowed, and a set rate. If a bettor bets for a short time during a basketball game, the borrow fee is only applied for that period. The Borrow Fee progressively increases with time, thus escalating the cost for positions held over an extended period. The borrow fee rate at 5x leverage is calculated to 10% of position size, spread evenly across the entire duration of the in-game time. The calculation of the borrow fee is confined to actual in-game minutes, excluding any commercial breaks, timeouts, or delays.

BORROW FREE CALCULATION (10% / TOTAL MINUTES)

NBA	48 min	10%/48 = 0.121 /min
Soccer	90 min	10%/90 = 0.11 /min
Game Duration		

1% Transaction Fee

Applied to both buyers and sellers in the live-game market, this fee is fixed at 1% of the position size applied to the buyer and to the seller. Both parties pay their respective 1% transaction fees.

Conclusion: A New Era in Sports Betting

LEVR is set to revolutionize the sports betting landscape by introducing an unprecedented feature set of leveraged bets, improved odds, and in-game PVP orderbook-based exchange.

Designed to appeal to both crypto traders and sports betting fans, LEVR integrates the top features of sports betting and on-chain perpetual trading, delivering an unmatched DeFi experience that is a first in both sectors.



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