



CRYPTION NETWORK

LITEPAPER

# INDEX

01

## Index

### Introduction

    Industry Background 3

    Today's Challenges & Problems 3

    Solution - Cryption Network 4

### L1 <-> L2 Cross chain interactions

    Example scenario how L1 <-> L2 data bridge is used: 4

## Cryption Network Products

    PolyDEX- L2 swap 5

    Elastic Farming 6

    Seer 8

    Cryption App 8

    Non-Custodial Portfolio Management 9

    Ether Rush 10

    DeFiStack 10

    NFTs 11

## Tokenomics

## Token Offering

## NOTICE AND DISCLAIMER

## Risks

Index

# INTRODUCTION

## Industry Background

02

Cryptocurrencies have been the top performing asset class over the last decade with its total market capitalization growing from around \$1.7 Billion in 2013 to where it stands now at \$ 1.7 Trillion (as on 21st Feb 2021). Recent months have witnessed global institutional investors – pension, hedge and endowment funds, which historically invest in diverse asset classes including stocks, commodities and real estate – invest in cryptocurrencies to diversify their investment portfolios and spread their risk.

Holding fiat currency – whether in rupees, pounds or dollars – is a big risk with looming pandemic-induced inflation, which guarantees a loss on your money each year. Similarly, when it comes to risk in the cryptocurrency space, price volatility, which is characterised by daily price shifts, is greater when compared to the majority of other investment categories. However, the asymmetric return potential of crypto is what is appealing to investors and warrants exposure (albeit small) to this modern asset class.

While the potential use cases of blockchain and cryptocurrencies are endless, decentralized finance (often called DeFi) has emerged as the most active sector in the blockchain space, with a wide range of use cases for individuals, developers, and institutions. DeFi refers to the shift from traditional/centralized financial systems to peer-to-peer systems that are unstoppable and highly secure. These systems utilize smart contracts running on blockchains, of which the most common blockchain is Ethereum.

At Cryption Network, we are building a suite of user friendly DeFi products for normal retail users .

## Today's Challenges & Problems

We believe that the Crypto & DeFi space today faces three main challenges that are preventing its mass adoption across the normal retail investor:

1. User Interface: Lack of good UI and user experience makes it quite difficult for those who are not tech savvy to move from fiat currency to cryptocurrency.
2. Complexity: There are many potential investors who want to invest in cryptocurrencies but feel overwhelmed by the complexity & the volatility of this space.
3. High Gas Fees & Scalability: The high gas fees on Ethereum have made it virtually impossible for normal users to use any products.

03

## Solution - Cryption Network

In light of these problems today, we have set out to build the Cryption Network with a goal to increase the adoption of crypto by helping the normal retail users reap the benefits of this space.

### L1 <-> L2 Cross chain interactions

Although Ethereum has opened doors for various use cases like DeFi and given a boost to widespread adoption of blockchain and Cryptocurrency, at this moment it is struggling to cope with increased traffic, network congestion and thereby high gas fees. The very fact that it costs around 50\$ to swap assets on traditional AMMs like Uniswap, majority of retail users can't fully participate, contribute and get benefitted from various DeFi derivatives. L2 solutions promise to solve this problem by increasing the scalability of the network significantly without compromising on security and decentralization.

This is the exact reason why Cryption network will launch on and heavily utilize Matic (now Polygon). Primarily, there are two ways in which Cryption network will leverage Matic:

- POS bridge for Token/Assets transfer from/to Ethereum (Including CNT)
- POS bridge for Data/Arbitrary message transfer from/to Ethereum

POS token bridge will make CNT token available across Matic and Ethereum chains. Users can easily bring their CNTs into Matic network, use CNT as required. Users can always exit from the Matic at any time, to get the equivalent amount of CNT on Ethereum.

Team is actively looking into the POS Data bridge of Matic. POCs have already been built as internal R&D projects leveraging the data bridge. Our vision is to enable users on Ethereum mainnet to use various DeFi products launched on Matic ( L2 ) abstracting all the interactions happening under the hood. This means, users can use Cryption Network products without actually having to migrate to Matic. This will give rise to various innovative ways of utilising L2 solutions.

## 04

### Example scenario how L1 <-> L2 data bridge is used:

Consider an example of Uniswap-style AMM. On Ethereum, it takes approx 50\$ to exchange tokens. Because of this, we deploy the AMM on L2 where transaction costs are negligible. There are two ways in which this L2 AMM can be used:

- a. Port your tokens on L2 using POS Token bridge, then use the AMM (Swap / Provide Liquidity and Farm), exit from the L2 and get the tokens back on Ethereum.
- b. Use the L2 AMM directly from Ethereum. This is where things get interesting. Users can provide the asset on L1, requesting a swap for the desired asset. This swap will be executed on L2. Users have an option to get the desired output token either on L2 or directly on L1. This approach truly realizes interoperability between L1 and L2.

In the first phase of the implementation, we will be launching on Ethereum (Using Matic AMM on Ethereum ), eventually covering the rest of the EVM based chains like Fantom, Optimism and many more that Matic (Polygon) will launch

### Cryption Network Products

#### PolyDEX - L2 swap

PolyDEX will be an AMM DeFi exchange with a special type of yield farming termed elastic yield farming. Elastic Farming is explained with a better description below.

#### Features:

- ✓ Elastic Farms will be created to incentivise liquidity on our exchange.
- ✓ PolyDEX will be a feeless exchange.
- ✓ A l1<->l2 Bridge will be created to bring over liquidity from ethereum on to matic.
- ✓ PolyDEX will be fast. (2 second blocktime)
- ✓ IFO (Initial Farm Offerings will be created for partner projects.
- ✓ We will use battle-tested AMM algorithms with additions to incorporate our tokenomics.
- ✓ PolyDEX is the central contract where all other Cryption Network products will be integrated.

# Elastic Farming

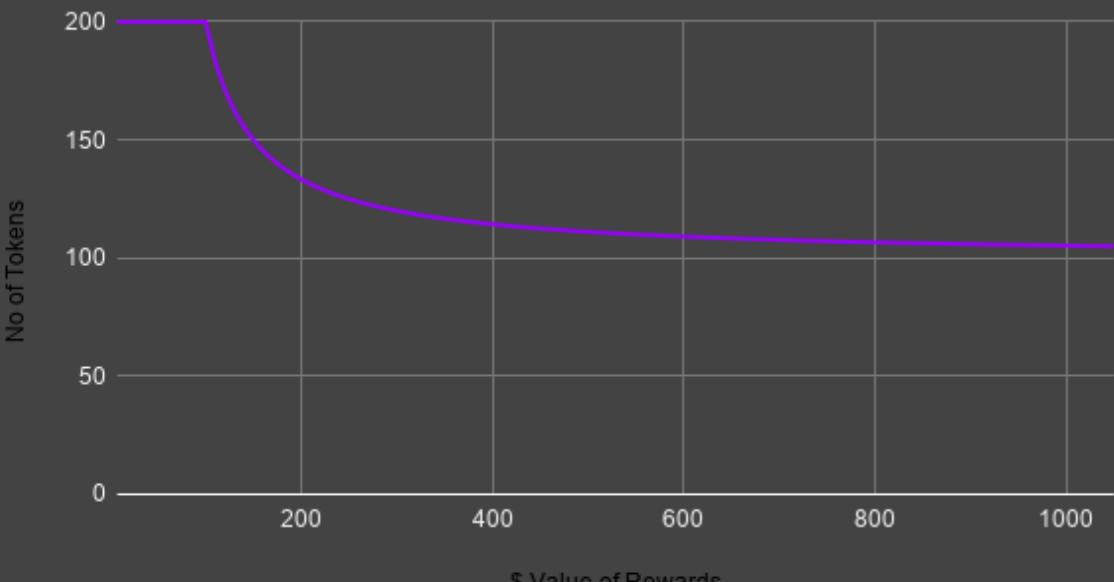
05



Elastic Farming is the concept of changing the farm token dynamically according to a given formula. There will be an increase or decrease in the farm token distribution depending on the price of the token. The amount of the farm tokens given out will increase if the token value decreases as to incentivise LPs to provide liquidity. This amount will be floor at a certain no of tokens as to not create a negative feedback loop. If the token value increases we will decrease the amount of farm tokens in such a way that the value distributed tokens will also increase. This encourages the positive feedback loop as there is less inflation if the value of CNT tokens is under x well will provide a number of tokens a day in farms.

06

## Inflation of CNT



$$\text{Value of tokens} = (Ax + B)/x$$

$$y = Ax$$

Where,

Y is the value of the rewards

X is the price of the token.

A and B are coefficients determined by the market.

If the token's value is below a certain threshold, taking 1 CNT = 0.5 for example, then we will employ a ceiling of tokens given out by the fam. This prevents a negative feedback loop of increasing the circulating supply which would further devalue the token.

07

## Seer



The Seer Prediction market will be a layer 2 solution which will allow reading and creating predictions on virtually any topic. Matic will allow us to enable high frequency trades with nominal gas fees. Other prediction markets do not allow high frequency of trades because of the high gas fees on Ethereum. An example where high -frequency trading is needed in a prediction market is a close basketball match. After every change in score the probability of a team winning changes and will be reflected in real-time as the match progresses.



We will also enable Time based farming which will incentivize Liquidity providers to keep in liquidity even after the point which they may feel they are suffering from impermanent loss.



The longer you stake your LP tokens the more CNT token you will receive along with the High-Frequency trades made during the end of the prediction market will compensate for any impermanent loss incurred.



The prediction market has a range of other features such as

✓ **Insurance** - Questions such as will swapcafe be exploited can be asked.

✓ **Binary Options on crypto and stocks** - Will bitcoin cross \$60,000 on December 31, 2021? Or Will a share of tesla be worth more than \$2,000 on December 31, 2021

✓ **Politics** - Will Donald Trump be impeached? Will Andrew Yang become the Mayor of New York?

✓ **Sports/esports:** Who will win this year's The International? Will England win their next Test Match?

✓ **Other:** Will the temperature in NYC go above 100 degrees (F) on 31st May?

## Cryption App

Seer

We will be launching the Cryption app(Android and iOS) which will act as a wallet and a dApp browser for both Ethereum and the Polygon network. The app will be focused on getting non-crypto users into using dApps. To facilitate new users we will be paying the gas fees on Polygon. Doing this will greatly improve user experience and allow users to use blockchain apps seamlessly.

We will be adding smart contract calls to tokens which have partnered with us. Our partners will be featured on our dApp browser homepage.

## Non-Custodial Portfolio Management

Fund Managers can create own portfolios and trade on swapcafe on behalf of their users.

Investing in crypto currencies and managing a portfolio requires deep knowledge about this space along with the need to stay updated on every new concept. This may quickly become a daunting task for the average users who might be better off delegating that responsibility to a professional third party fund manager or to an automated strategy.

Cryption's Non-Custodial Portfolio Management aims to make this process simple, seamless and transparent. We're building a platform for users to help them allocate their capital towards various automated strategies as well as towards different fund managers of their choosing.

1. Automated Strategies: The world of passive investing relies on automated rebalancing of its portfolio holdings based on a predetermined strategy. In line with that approach, our users would be able to choose from a wide variety of automated pre-programmed strategies such as:
  - a. Based on technical indicators such as RSI, MA crossovers, etc or
  - b. Maintaining a fixed ratio of its holdings
  - c. Market making & yield farming that track highest APYs
  - d. Yield Aggregators
2. Third Party Asset Managers: Here, the users would be able to allocate their capital towards a particular third party fund manager of their choosing. The fund managers are incentivized to be transparent and focused on performance as they compete with other fund managers for increasing their AUM and thereby increasing the fees they earn.

The active vs passive investing debate has been one of the most widely discussed topics in the world of investments. While passive investing has been gaining ground over active investing in the last few decades, active investing can still prove to be very profitable in a nascent market such as cryptocurrencies. Non-Custodial Portfolio Management provides its users an exhaustive set of options from both the passive (strategies) & active (fund managers) investing worlds.

Following are some important notes on the operations:

1. Users will receive secondary LP tokens representing their share of capital invested in any particular strategy or with a fund manager
2. 1% of total AUM across all strategies & fund managers will be charged as the management fee by the network.
3. A portion of this fee will be applied towards further development to enhance the other half value of the network.
4. Portfolio Managers are free to determine their own performance fee.

## Ether Rush

Ether Rush will be an On-Off Ramp using innovative algorithms to determine the price of the assets based on factors such as liquidity and volume of trades.

- ✓ Liquidity providers will be able to earn fees of all trades.
- ✓ Users will only have to visit the website once to do their KYC and then they can use their bank/payment app of their choice to make payments.

The Cryption team has been working on this for a long time and it's one of our most coveted products. EtherRush synergises with the vision and core values for Cryption Network. This has the potential to disrupt the Crypto landscape in India and encourage widespread adoption.

EtherRush will include an SDK for other dapp developers to easily On Off Ramp on to their system.

Etherrush POC is successfully done. We are working out the regulation and compliances needed to launch this product.

## DeFi Stack

There are a few staples that all projects need when thinking about tokenomics, liquidity and circulating supply. Many projects create their own which means projects need to allocate resources away from their central mission. By creating a service for these projects we save them time and money. We have created an easy to use frontend with emphasis on user experience so even those who are not experienced in any coding. These services will be highly customizable. Audits will also be done so that deployers and users can rest assured that it will be safe and work as intended. A few of the DeFiStack services are:

- ✓ The IVCO (Initial Vested Coin Offering) - This is a special type of ICO which prevents dumps on decentralized exchanges such as UniSwap. Once the IVCO ends the tokens will be dripped/vested to the users in a controlled manner as determined by the deployer.
- ✓ There will be multiple variants of **staking** such as APY based Staking, Shares based staking and Time based Staking.
- ✓ We will include different and more innovative types of farming such as time weighted farming. Where you get more reward tokens based on time deposited.
- ✓ **Vesting** be used to trustlessly vest tokens to the team or private sales
- ✓ **Timelock** contracts will be used so that the founders can lockup their LP tokens which will ensure rugpulls won't happen.

## NFTs

*NFT will have a huge role not just in Gaming but in membership tokens as well as DeFi.*

We will be creating Membership tokens which will allow users into the following

10

- ✓ Beta Testing
- ✓ special chat groups
- ✓ discount on fees.
- ✓ Income sharing streams.
- ✓ We would be also partnering with games where our NFT can be used as cards/players/skins.

Our products will have deep integration with the NFTs, as well as beautiful artwork.

## Tokenomics

Cryption Network is built on sound tokenomics principles to ensure sustainable growth of all of its products. The token - CNT - is a utility token built with the primary function of incentivizing people to provide liquidity onto our exchange. To enable this, we have created a system of yield farming with elastic supply, such that CNT emissions will increase as the price of the token decreases (upto a certain floor value) and emissions will reduce proportionately as the price of the token increases in order to limit inflation yet ensuring increasing rewards.

Following are some important notes on CNT tokenomics:

- ✓ Yield farming takes up the highest stake in token distribution (close to 72%)
- ✓ Token ownership comes with voting privileges to help with network's governance
- ✓ CNT will also be required for access to membership only product features such as access to special portfolio strategies, exclusive access to groups, creation of bets on Seer and governance on the protocol.

NFTs

# Token Offering

## Token Offering

**Name:** Cryption Network Token

**Symbol:** CNT

**Decimals:** 18

**Presale Price:** \$0.075

**Uniswap Listing :** \$0.125

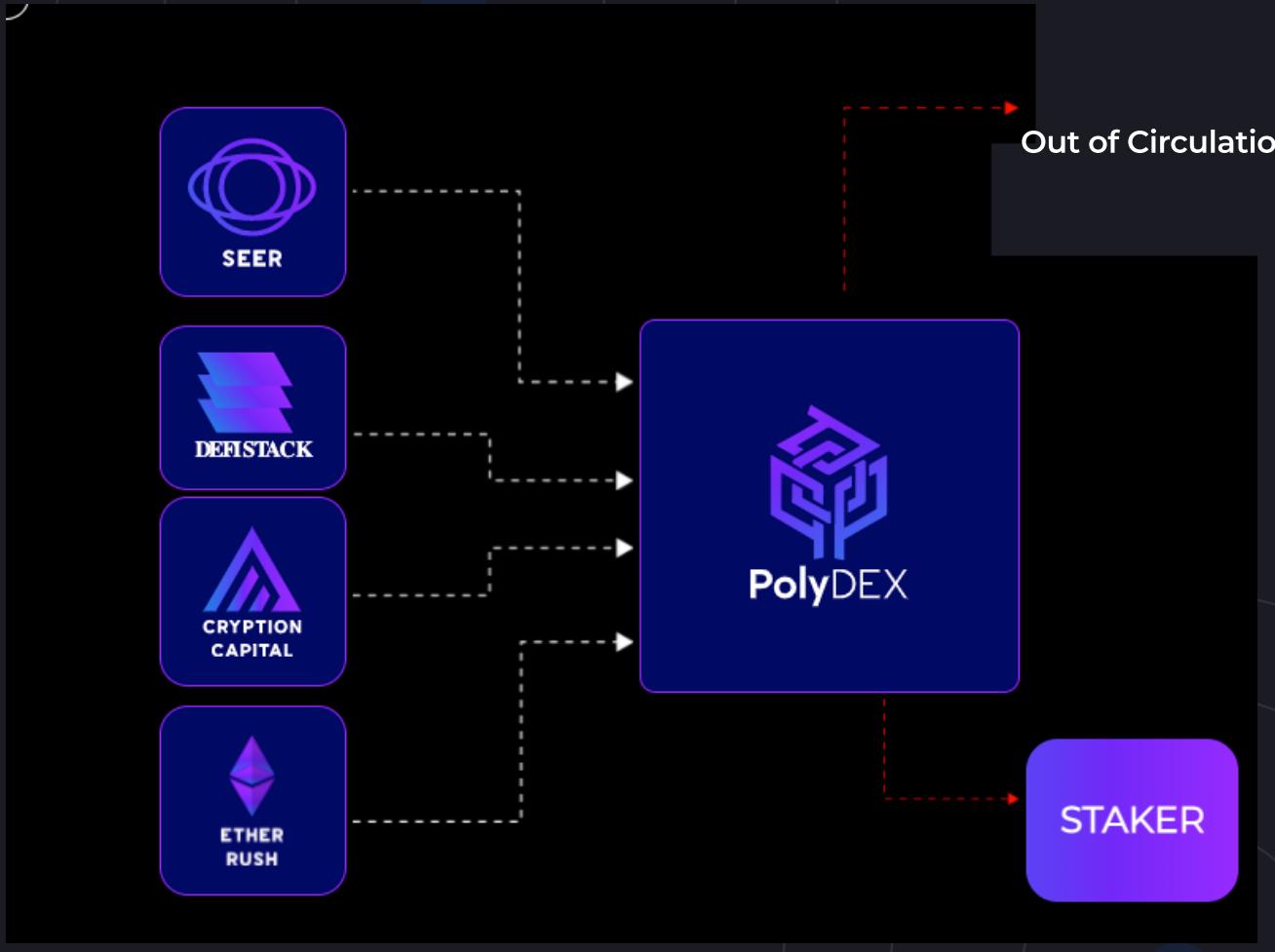
**Softcap:** \$800,000

**HardCap:** \$1,125,000

**Total Tokens:** 100 million

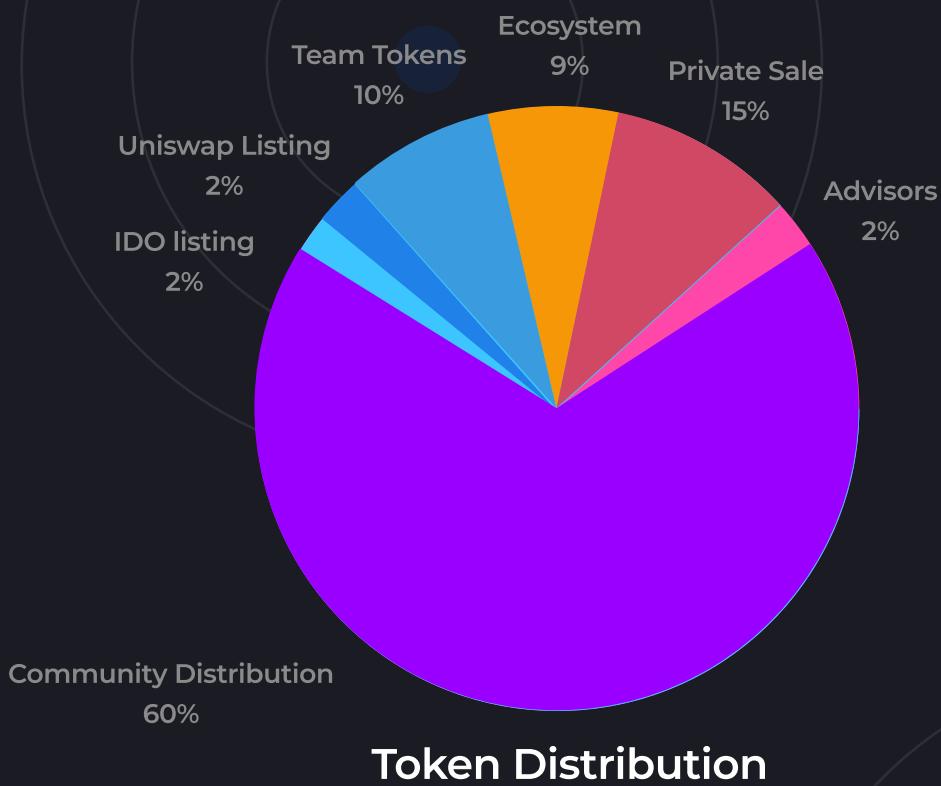
**Vesting Period:** 20% will be Unlocked at TGE. A cliff period of 3 months will be implemented. Following this the remaining tokens will be linearly vested for 6 months.

11



# Token Offering

12



## Ecosystem/Partnerships (9%)

Ecosystem/Partnerships will be given out to those who partner with Cryption Network and for listing on exchanges.

## Private Sale (15%)

Private sale is allocated to the private sales participants . The entirety of the tokens will be given out in 9 months.

## Team Tokens (10%)

Team token will be distributed to the team over 2 years.

## Advisors (2%)

Advisory tokens will be given reserved for those who will guide and metor the project to make it success.

## Uniswap/PolyDEX Listing (2%)

All these tokens will be used to provide liquidity to DEXs at the time of launch.

## Community Distribution (60%)

The vast majority of the tokens will be give out to the community for active participation in the protocol through yield farming, airdrops, or competitions.

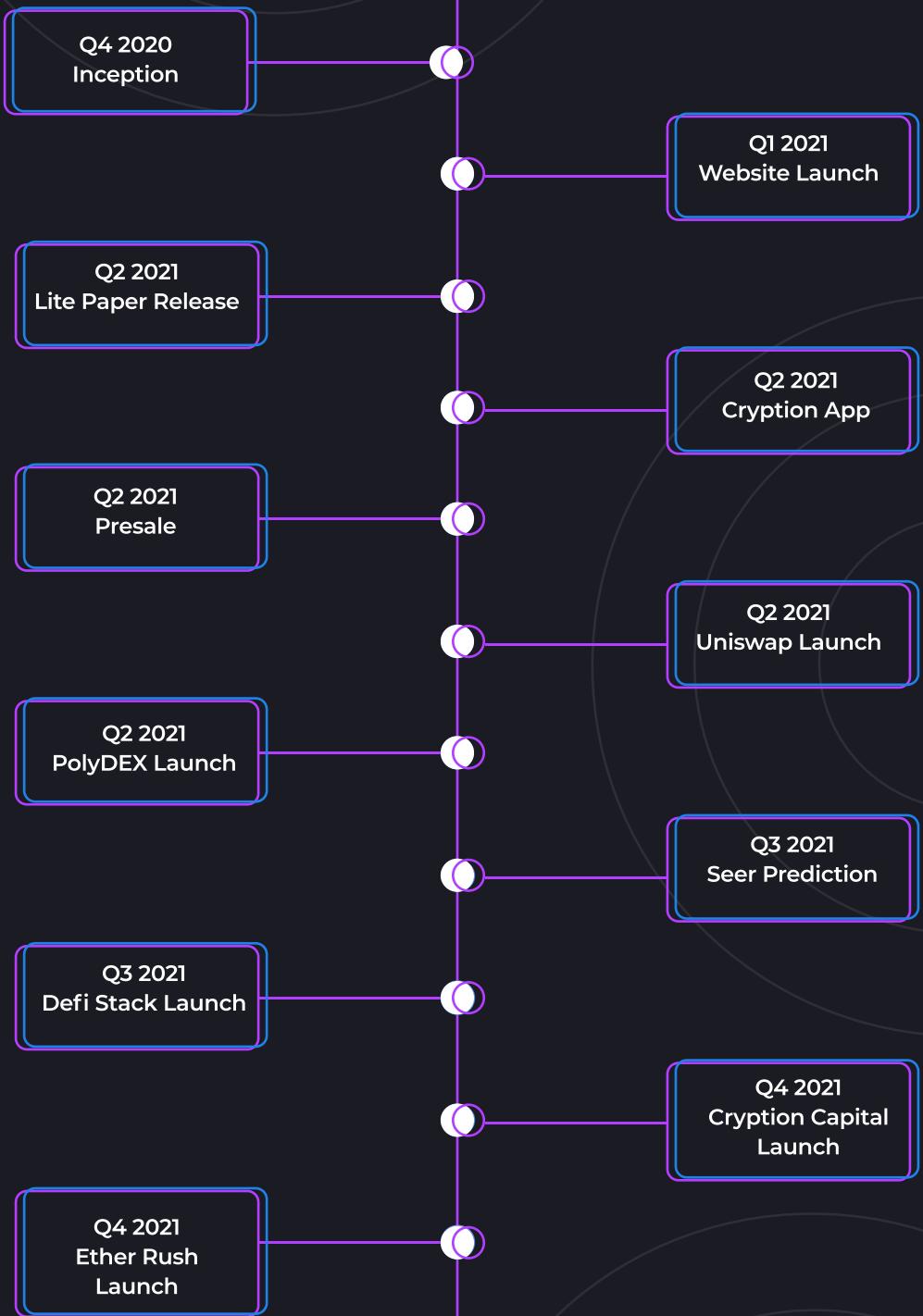
## IDO listing (2%)

We will also have an IDO listing on a reputated platform so that the public can also participate in the sale.

# ROADMAP

13

## Roadmap



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**Project purpose:** You agree that you are acquiring \$CNT to participate in Cryption Network and to obtain services on the ecosystem thereon. The Company, the Distributor and their respective affiliates would develop and contribute to the underlying source code for Cryption Network. The Company is acting solely as an arms' length third party in relation to the \$CNT distribution, and not in the capacity as a financial advisor or fiduciary of any person with regard to the distribution of \$CNT.

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- (c) you acknowledge, understand and agree that \$CNT may have no value, there is no guarantee or representation of value or liquidity for \$CNT, and \$CNT 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 \$CNT TEAM members shall be responsible for or liable for the value of \$CNT, the transferability and/or liquidity of \$CNT and/or the availability of any market for \$CNT through third parties or otherwise; and
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## Risks

You acknowledge and agree that there are numerous risks associated with purchasing \$CNT, holding \$CNT, and using \$CNT for participation in Crypton Network. In the worst scenario, this could lead to the loss of all or part of the \$CNT which had been purchased. IF YOU DECIDE TO PURCHASE \$CNT, YOU EXPRESSLY ACKNOWLEDGE, ACCEPT AND ASSUME THE FOLLOWING RISKS:

### 1. Uncertain Regulations and Enforcement Actions:

The regulatory status of \$CNT and distributed ledger technology is unclear or unsettled in many jurisdictions. The regulation of virtual currencies 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 \$CNT and/or Crypton Network. Regulatory actions could negatively impact \$CNT and/or the Crypton Network 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. After consulting with a wide range of legal advisors and continuous analysis of the development and legal structure of virtual currencies, a cautious approach will be applied towards the sale of \$CNT. Therefore, for the token sale, the sale strategy may be constantly adjusted in order to avoid relevant legal risks as much as possible.

### 2. Inadequate disclosure of information

As at the date hereof, the Crypton Network 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 the Crypton Network platform, it is not absolutely complete and may still be adjusted and updated by the \$CNT team from time to time. The \$CNT team has no ability and obligation to keep holders of \$CNT informed of every detail (including development progress and expected milestones) regarding the project to develop the \$CNT platform, hence insufficient information disclosure is inevitable and reasonable.

### 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 \$CNT and/or the Crypton Network platform and attempt to re-create similar facilities. The Crypton Network platform may be required to compete with these alternative networks, which could negatively impact \$CNT and/or the Crypton Network platform.

#### 4. Loss of Talent

The development of the Cryption Network greatly depends on the continued cooperation of the existing technical team and expert consultants, who are highly knowledgeable and experienced in their respective sectors. The loss of any member may adversely affect the Cryption Network platform or its future development. Further, stability and cohesion within the team is critical to the overall development of the Cryption Network . There is the possibility that conflict within the team and/or departure of core personnel may occur, resulting in negative influence on the project in the future.

#### 5. Failure to develop

There is the risk that the development of the Cryption Network 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 \$CNT, unforeseen technical difficulties, and shortage of development funds for activities.

#### 6. Security weaknesses

Hackers or other malicious groups or organisations may attempt to interfere with \$CNT and/or Cryption Network. 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 \$CNT and/or the Cryption Network platform, which could negatively affect \$CNT and/or the Cryption Network . 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 \$CNT and/or the Cryption Network by rendering ineffective the cryptographic consensus mechanism that underpins that blockchain protocol.

#### 7. 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 purchase, holding and use of \$CNT, including those that the Foundation 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 \$CNT team, as well as understand the overall framework, mission and vision for the Cryption Network prior to purchasing \$CNT.