



DROPS

Decentralized Yieldcoin

August 2024

Executive Summary



Mission

Apply decentralized finance principles to provide users with liquidity and yield.



Brief

Bridge TradFi and DeFi by tokenizing yield-generating RWAs on-chain - enhancing accessibility, transparency, and counterparty protection.



Raising USD 10M via SAFE.

Challenges

Limited Yield



Limited collateral yield passed to holders.

Stables on the market have high fees, wide spreads & limited fiat ramps.

Collateral Risks



Counterparty vulnerability risks from centralized management & issuance practices.

Unverifiable off-chain reserves & opaque collateral management.

Regulatory Ambiguity



Regulatory challenges to collateral yield distribution.

Obstacles & restrictions to stablecoin transactions across jurisdictions.

Solution

Trustless Yield



100% yield distributed to holders autonomously.

Trustless yield distribution using rebasing mechanism.

Distributed Collateral



Trustless minting & redemptions from distributed collateral pool - no centralized issuer.

Real-time proof-of-collateral and valuation with 100% tokenized RWA data onchain.

Decentralized Structure

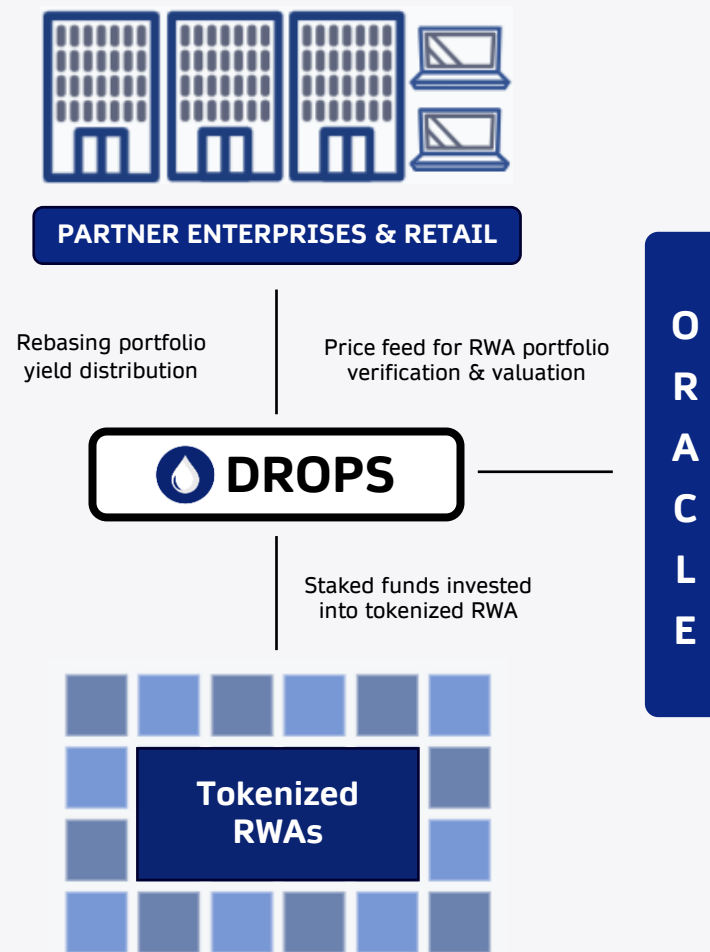


Unrestricted distribution as DROPS token is a bilateral loan contract.

Segregated asset holding SPVs & DROPS risk administrator to limit asset exposure.

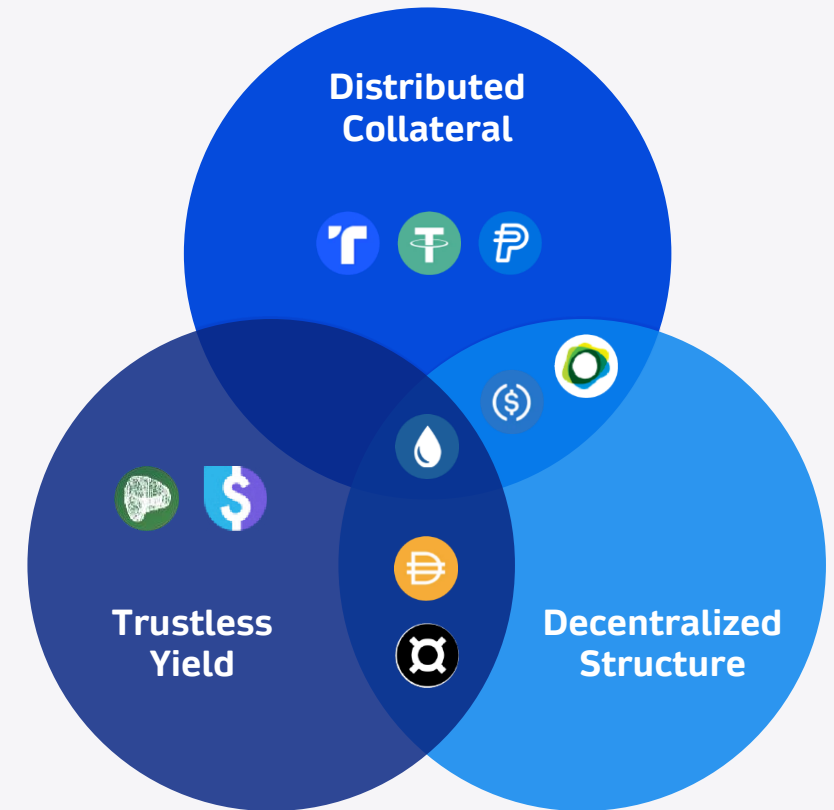
Protocol Overview

Step	User Functionality	Technical Implementation
Issuance & redemptions	<p>Stake non-yielding assets for DROPS to earn returns.</p> <p>Redeem DROPS to receive tokenized RWAs or stables.</p>	<ul style="list-style-type: none">• Decentralized collateral pool as legal issuer.• Minting & burning via trustless contracts.• Mint DROPS by staking whitelisted assets.• Redeem collateral by burning DROPS.• Investment into tokenized RWA.
Value distribution & rebasing	<p>Full distribution of collateral portfolio yield.</p>	<ul style="list-style-type: none">• Rebasing of liquid staking token.• Resets total DROPS supply to match new TVL represented by collateral assets.• User's balance is function of TVL & automatically updated to show accrued yield.
Collateral verification & valuations	<p>Constant live feeds for price verifications.</p>	<ul style="list-style-type: none">• Oracle price feed done via ChainLink.• Whitelisted tokenized RWAs allowing 24/7 verification & valuation.

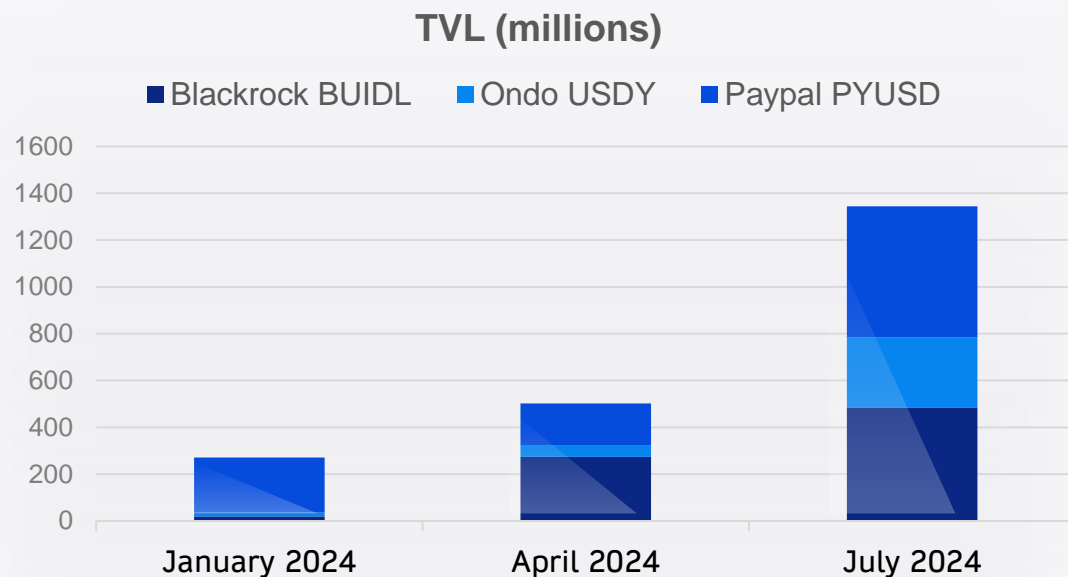


Competitive Analysis

	DROPS	USDL	USDC	USDT
Trustless yield distribution	+++	+	-	-
100% yield to holders	+++	++	-	-
Decentralized reserve management	+++	-	-	-
Transparent reserve performance	+++	++	+	-
Safeguarded against securities laws	+++	++	+	+
Decentralized corporate structure	+++	-	-	-



Market Opportunity



> DeFi market size

- USD 22B ➔ 81B in 2024 [3.7x in 4 Yrs]

> Tokenized RWA trends

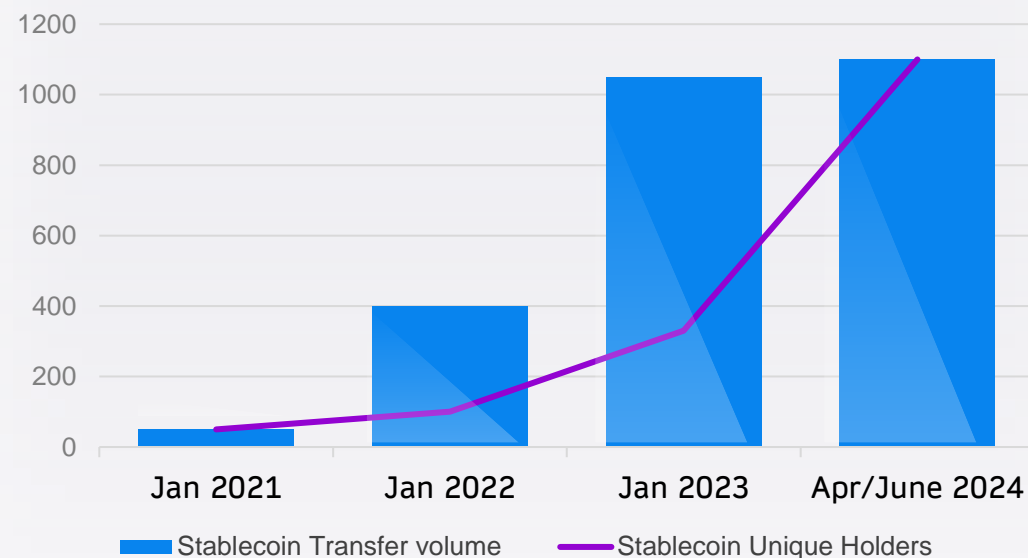
- USD 6.6B live FDV
- 77% CAGR

> Stablecoin TVL trends

- USD 162B in 2024
- 37.5% CAGR

> Stablecoin Mth Volume

- USD 70B ➔ 1.33T in 2024 [18.6X in 4 Yrs]



Business Model

REVENUE MODEL



- Dynamic fee on total TVL.
- Minted & rewarded to DROPS administrator.



- Fee set at 1bp of TVL.
- Fee adjusted against TVL daily yield.

Revenue

ARR
USD ~**36M** per USD **1B** of TVL.

Costs

Salaries, regulatory,
oracles & security audits.

Profits

Retained treasury, R&D,
& dividends.

Roadmap



Growth Strategy

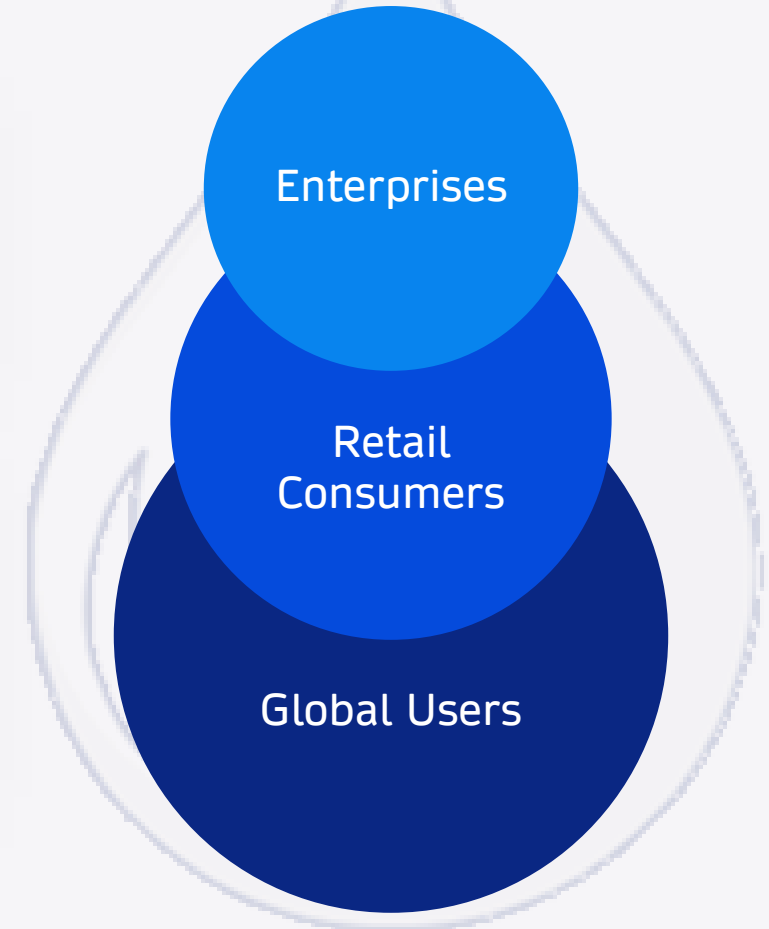
Enterprise adoption (CEX & DAOs)

- Yield on working capital and treasury.
- Enhanced liquidity & accessibility.
- Robust & seamless cross-border transactions.

In-house RWA tokenization

- Build in-house tokenization for RWA products.
- Assets to mint DROPS for onboarding.
- Tokenized assets will have enhanced clarity & yield transparency.

B2B2C Growth Model



Our Team



**Julien
Beaujolin**
CEO



**Michael
Rey**
COO



**Fang
Zhang**
Partnerships



**Anton
Golub**
Marketing



**Abhinav
Reddy**
Technology



**Achuth
Krishna**
Finance



**70+ years of combined
experience in financial markets**

**15+ years of combined
experience in technology**

**5+ successful companies
managed by the team**



DROPS

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