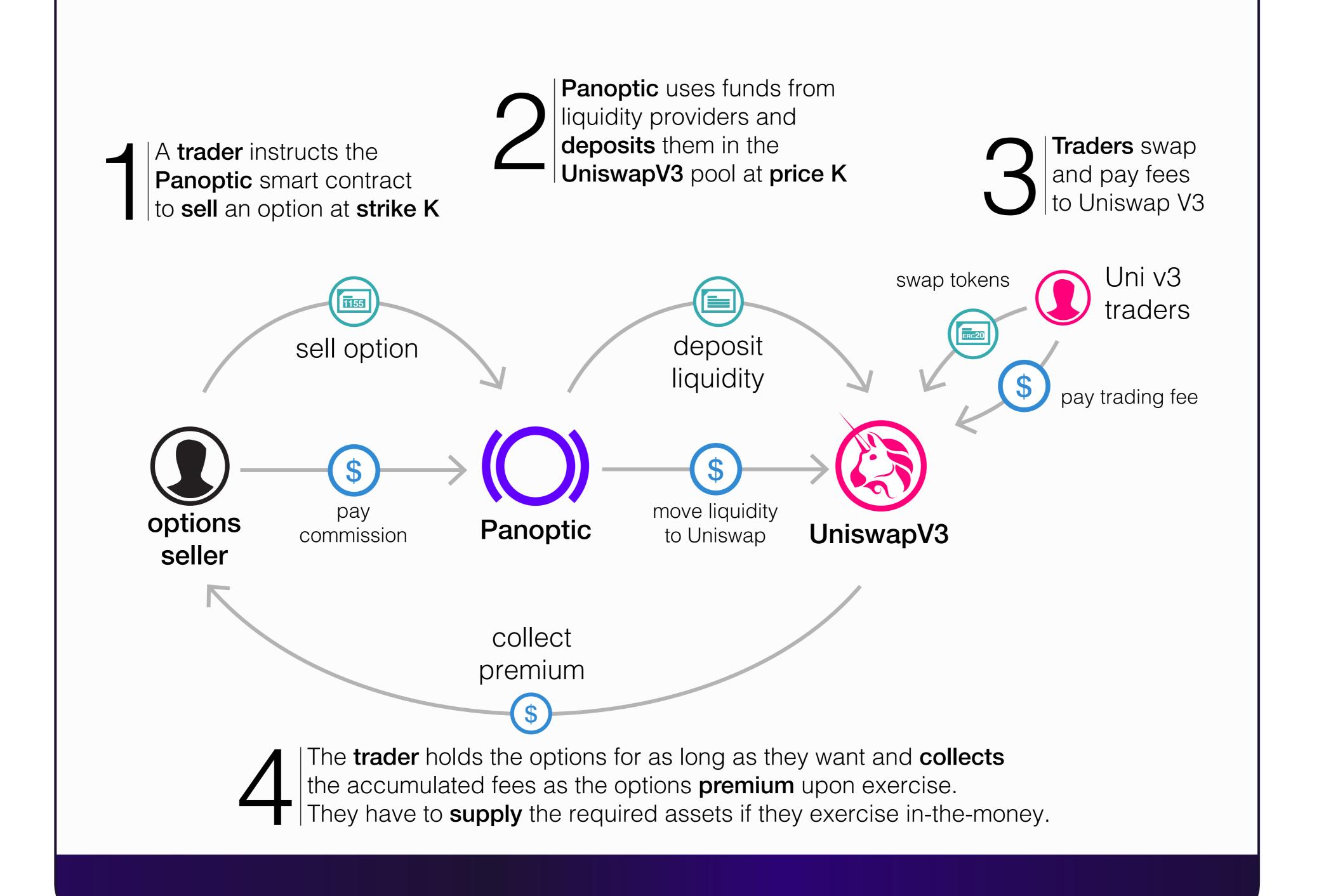
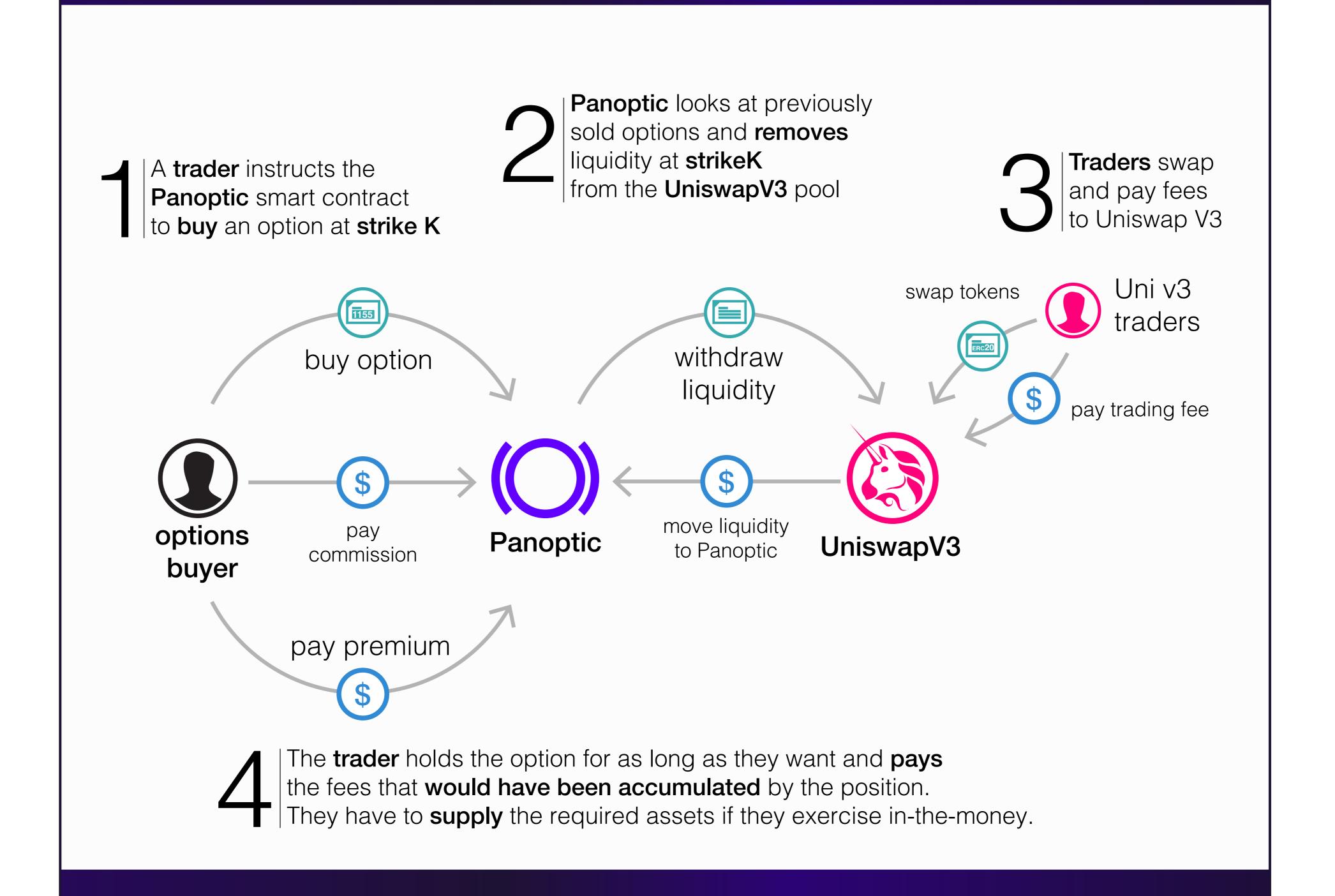
(C) How selling options works

Traders interact with the Panoptic protocol to create options. The Panoptic protocol deploys liquidity to the UniswapV3 pool to create short options



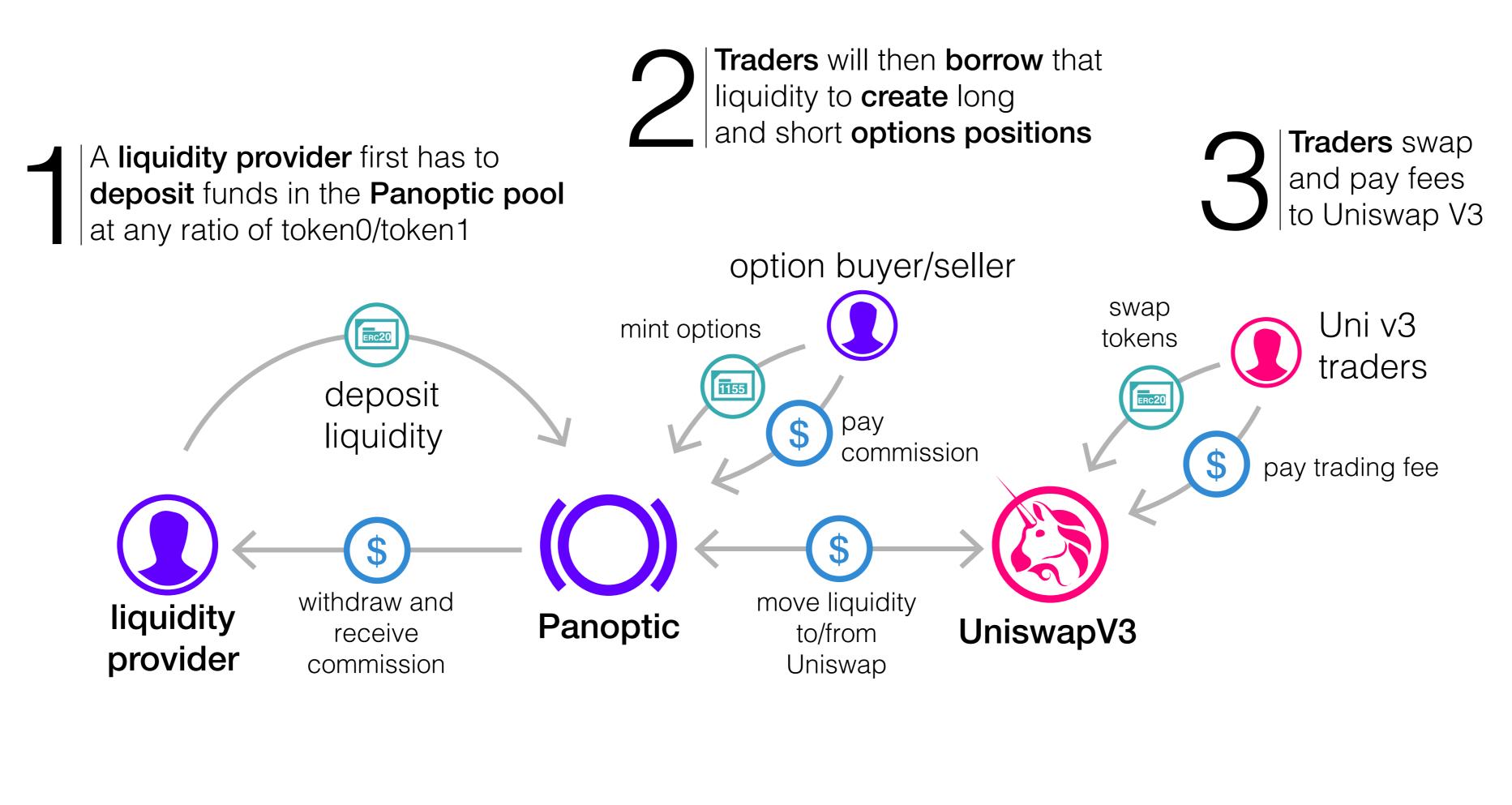
<a>O How buying options works

Traders interact with the Panoptic protocol to create options. The Panoptic protocol removes liquidity from the UniswapV3 pool to create long options



(C) How providing liquidity works

Liquidity Providers (LPs) deposit funds in Panoptic to be lent to option sellers for a commission fee. LPs also receive a share of the premium paid by buyers.



Liquidity Providers benefit by collecting a commission fee based on the notional value of all options traded. They also receive a spread on the premium paid by option buyers. They may incur a loss if liquidators do not liquidate distressed accounts in time.