

Basic Details

Project name:

Impermax Finance

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Author name and contact info (please provide a reliable point of contact for the project.):

L2 recipient address:

0xE443870ad9B4c632e4A63B3eD34cDC8546E67c8a

Which Voting Cycle are you applying for?:

Cycle 11

I confirm that I have read the landing pages for the [Builders 1](#) and [Growth Experiments 1](#) Sub-Committees and that I have determined my proposal is best suited to be reviewed by the Growth Experiments Sub-Committee: [Yes/No]:

Yes

I understand that Growth Experiments grants are subject to a “no sale rule,” as explained in [this post](#), and I have read the terms of the rule: [Yes/No]:

Yes

Project Details

What are you building?:

Impermax is a cross-chain, permissionless, decentralized lending protocol where users can participate as lenders or borrowers in isolated lending pools.

Each lending pool represents a pair of 2 tokens of a DEX. Lenders can supply tokens to any lending pool to earn passive yield without impermanent loss. Borrowers can deposit LP tokens in a lending pool to borrow tokens of the token pair. This enables borrowers to leverage their LP tokens and get even more LP tokens, allowing for leveraged yield farming and enhanced LP rewards.

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Why do you believe what you are building is going to succeed?:

For several reasons.

First and foremost, we already had good success in the last bull run - and at the present time. We are thriving and will continue to replicate that. The market has an appetite for our product as it makes possible the best of DeFi : low-risk stable APRs single sided and higher risk with triple to quadruple APRs LPs farming.

Impermax Finance could give users tools to leverage the high APRs coming from a special LP incentive mechanism built on Velodrome. Along with Velodrome's incentives, OP incentives and incentives from this proposal, Impermax can give more powerful yield farming opportunities to users. This can on-board a lot of users onto Optimism

Furthermore, we are currently building tools to enhance at a higher degree the “set & forget approach” in order to replicate InstaDapp or AAVE farming propositions (low-risk, detailed later in the proposal) for a part of our users audience, one who will serve the long term holding of OP & wider general adoption.

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We are also starting to work on UniswapV3 integration. At the present time, we only support Uniswap V2 and Uniswap V2 forks, which is a good market to deliver our 8 figures TVL goal on OP, but not enough for our ambitions. We are also in the process of polishing our UI, to make it more responsive, simpler and mainly KISS (keep it stupid simple). Mass adoption goes via simplicity and this is what drives our builders mindset.

Short term :

1. Lending aggregator deployed into our lite version - 3 months \pm ;
2. Capital efficiency upgrades & factory for stables coins upgrades - 6 months \pm ;
3. Revamping our current UI to make it more functional - 6 months \pm ;

Long term :

1. Full deployment of our licensed and audited Uniswap V3 integration - 15 months \pm

We have already had a working product for 2 years, and although we had ups and downs, the product never ceased to be used. We have been forked multiple times and we are very proud to be native and 100% author of our codebase.

How many users does your project have currently? Please include how you arrived at this estimate:

Currently, we have 2000 users \pm more or less. We suggest this number by analyzing how many single addresses are interacting with our contract. These numbers are currently uprending as we speak.

How will receiving a grant enable you to further the mission of maximizing the number of users interacting with Optimism? Please include a step-by-step flow of how you imagine this grant can lead to a greater number of user interactions with Optimism:

First of all, we have been contacted by Velodrome to collaborate, the biggest native DEX on Optimism, to deploy our leveraged farming value proposition on top of their DEX. Our product is a natural fit for DEXs, as we allow the meet of low-risk profile farmers with high-risk profile as described later in this proposal. Also, it is important to notice that projects with ambitions to maximize brand awareness are looking for differentiation factors, one of which can be the Impermax Finance value proposition. Is it important to mention that protocols will also use our supply feature to incentivize holders to "lock" their tokens, by generating yield on their tokens, instead of simply holding (with no impermanent loss) - which translates into a theoretical restricted circulating float.

We also intend to promote our OP integration to all of the other chains we are currently on, which will have the necessary incentive for matching or exceeding their current expected outcomes based on all metrics (APRs, sustainability, volume in nominal value, etc) .

In resume step-by-step :

- 1. Deploying on Velodrome - 1 month;
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- 1. Deploying strategic pairs we are currently offering in other chains - 2 months \pm ;
- Deploying strategic pairs we are currently offering in other chains - 2 months \pm ;
- 1. Promotion of these pairs - 2 to 3 months \pm ;
- Capital integration : Using our treasury to kick-start such pairs to allow farmers to directly being able to borrows;
- Capital assistance : Having our partners and project we align with "go to market" to supply some pools in order to allow borrowing & having them market the idea with us;
- Marketing : Follow-up with social media and marketing around the most interesting opportunities;
- Assistance : Being consistent and responsive on our Discord to ensure users understand risk, strategies and are being assisted if required along the way. Transparency and education are a big part of this success.

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- 1. Introduction of the migration incentive to our current partners so they can extend their token exposition to the OP ecosystem - 3 months \pm .

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We are a gateway for DeFi investors and we can expose the best of Optimism DeFi by correctly deploying our value proposition on Velodrome and pushing brand awareness.

Supply APRs for single-sided OP and no impermanent loss will favor long term OP holders. Matched with high APRs for borrowers, it's a perfect recipe to imagine a scenario where dozens of millions of TVL from other chains migrate for the long run on OP via Velodrome/Impermax partnership.

Finally, it is important to mention Impermax is a free autocompounder for DeFi users, and is mostly maximized when deployed on a low-fee chain because of the potential multiple transactions involved to deploy and unwind positions.

Tell us about the users you plan to target with this grant. Include any defining characteristics that will help you identify and target them.

As I've mentioned before, we genuinely are facing two distincts categories of users. The "low-risk" and the "high-risk" or so called Degens in the DeFi space.

The "low-risk" profile :

- Low-risk profile people tend to think they can lose their investments;
- They tend to do due diligence (more likely), prior to investing;
- They evaluate investing on a risk-reward basis, and therefore accept lower reward to preserve capital;
- They also like "set and forget" investing approach, as they want to focus on something else, or at least not have to provide active monitoring of their positions;
- This kind of investor is very sensitive to clarity, responsiveness, communication, team being doxxed, etc.

We are currently doing a pretty good job targeting them in the sense that we are public, transparent, audited, a native code and very responsive over our socials - while constantly improving our code.

We are also currently building products to fit their market needs (one of which is called a lending aggregator). I could give the OP council a preview on request, to demonstrate that it will fulfill that kind of investor audience.

The "High-risk" profile :

- They are chasing DeFi opportunities across all crypto space;
- They know how to spot the farming opportunities with the best risk/reward profile and how to use leverage to capitalize on them;
- They are very sensitive to incentives;
- They tend to be “quick to invest” and very positive toward simple UI;

It is important to underline that a part of this user base is very sophisticated and uses leverage in order to optimize the risk/reward ratio. Specifically for this segment, we are also working on polishing and improving our current UI to give additional tracking and segregations tools for position management.

Our product is a natural source of interest for both audiences. Our goal is to convert their introduction on our platform into recurring returns. That comes in being consistent in delivering products that fit market trends, and partnering with projects that also do.

In addition, we will (planned for Q2/Q3 2023) have to simplify our UI to ensure these users can easily find what they are looking for and filter per chain/tokens/products they are looking for.

We are in a virtuous circle in the sense that these users are very likely to self-market their strategy and to become natural ambassadors of our platform after a certain time of positive usage.

How would these users interact with Optimism? For how long?:

These users would use our two years old platform to take positions in LPs on Velo, mainly on the supply or borrowing side. This will be for years, as we will take the same approach we had been taking with our previous experience at Polygon and Arbitrum.

Provide us with links to any of the following for the project:

*** Demo**: <https://arbitrum.impermax.finance/>

*** Website**: <https://www.impermax.finance/>

*** Twitter**: @ImpermaxFinance

*** Discord/Discourse/Community**: [Discord](#)

*** Github**: [Impermax-Finance · GitHub](#)

*** Technical/Economic Documentation**: <https://docs.impermax.finance/>

*** Other**: [Snapshot](#)

Do you have any metrics on the project currently? (TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.):

*** Transaction since inception **: 450 000 ±

*** TVL : [Impermax Finance - DefiLlama](#) **: 6 millions total value locked

*** Pools analysis **: <https://dune.com/queries/1235427>

*** Contract deployer **: <https://debank.com/profile/0xCD9277EE36594fd8bDbE0dfCF0aFD60403e632B5>

Who are your competitors, and are they on Optimism?

: One of the main direct competitors is Tarot, they are currently on Optimism. Apart from that, indirect competitors are Alpaca Finance and Homora.

Please link to code audits (if any):

[Code Audits - Impermax Docs](#)

Team

Who are your founders?:

Simone Rigolon (<https://it.linkedin.com/in/simone-rigolon-650992119>)

Team member also include

Me (<https://www.linkedin.com/in/ibexb1337/>)

Stelios (<https://www.linkedin.com/in/stylianios-d-42aa25160/>)

We also have onboard a dev who prefers to stay anon. He is web development team lead at a tech company :

- Over 10 years of experience in full stack development of websites and apps;
- Currently the technical lead for the web team at a medium sized tech company;
- Expert in designing and developing fast, modern and user friendly apps;
- As a freelancer, has helped many clients improve their products.

What makes your team well-suited to carry out the project described in this proposal?

We build this code, we maintain the code quarters after quarters (which is energy intensive with integration) while providing key upgrades at optimizing capital efficiency and being more versatile codewise.

Is this your first Web3 project?

: Yes, but it has been two years since we have been running.

If not, what else have you built? (Share links, Github repository, or any other useful information.):

N/D

Grant Request

What is the size of the grant request?

: 250 000 OP

How do you justify the size of the grant?

: Two things.

First, we would like to give a good kick-start for a migration process of our TVL on QuickSwap (Matic) to Optimism, this will require a consistency toward incentive and bribe that will match this ambition. Furthermore, spreading this over a year makes it somewhere south of 5k OP \pm tokens per week, which meet our ambitions to go from 0 to 10 millions TVL on Optimism over the incentivisation period.

Second, we will have to target specific pairs or projects with a great cost of opportunity gap, to facilitate their token/pairs migration on Optimism, and as the old adage says : "money talks".

Impermax will integrate Uniswap V3 pools, where most of the dex trades are generated in Optimism. This Uniswap V3 integration will be legally registered and it will be exclusive to Impermax.

Impermax history is also very honest and transparent and remains unmatched among low market cap protocols. OP stakeholders will benefit from such quality of partners.

Impermax's codebase reached 300M\$ of TVL across all entities using its code at the all time high of the last bull market.

It is in OP interest to have exposure to our V3 integration for the next upcoming years.

Globally, Impermax will add value above what competitors are already offering because of our high level execution, integration with Uniswap V3 for leveraged LP tokens, our sophisticated lite version and capital efficiency upgrade (both will be legally IP registered in the US).

All of the above will make the Impermax value proposition unique in the DeFi space and hard to match.

Roadmap and Distribution Plan

Describe in discrete steps how you will successfully implement your grant plan:

How will the OP tokens be distributed? (please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving. Distribution should not include the sale of any tokens by the grantee or the use of tokens for compensation, protocol expenses, etc. See the [no sale rule here](#)):

100 % of the allocation will be for liquidity mining (via liquidity providers, suppliers & borrowers).

- 12 % over first month : Strongly encouraging the migration of key partners & deployment of key pairs;

- 88 % over the 11 remaining months, splitted in equal shares (8% per month) - monthly.

100 % of our allocations will be on incentivisation for farming (liquidity mining), at a rate of 75-80% for borrowers, and 20-25% for lenders.

We would aim at incentivising the majority of the OP granted toward OP based pairs and other strategic pairs for the Optimism ecosystem (ETH-USDC, OP-USDC, OP-ETH, IBEX-ETH, IBEX-OP, VELO-USDC, VELO-OP)

We will match our request with 2 million IBEX incentives.

Over what period of time will the tokens be distributed for each initiative?:

12 months as described above

We are aware that the council generally recommends that grants are no longer than 6 months, but we believe that a correct OP integration will take closer to a year and need to be crafted for the long term, hence the proposed time frame.

Please provide benchmark milestones for this project. These milestones should guide the Optimism community on the progress of your project throughout your work on the project. Do not use distribution of the grant itself as a milestone:

- Month 1 : 2 million TVL - with the uses of 30k OP \pm ;
- Month 3 : 2-5 million TVL - with the uses of 20k OP/month \pm ;
- Month 6 : 5-10 million TVL- with the uses of 20k OP/month \pm ;
- Month 12 : 10+ million TVL- with the uses of 20k OP/month \pm ;

We are very confident that we will offer a wide selection of single sided 5-15% steady APRs, while offering over triple digits LP's tokens APRs for the broader OP ecosystem.

First of all, partnering with Velodrome will give us exposure to a user base mainly within OP but also leverage to attract players outside of the ecosystem.

Furthermore, this grant will allow us to replicate the way we did BizDev on other chains (example onboarding Radiant, L2DAO on Arbitrum, etc) to the benefit of the OP ecosystem.

Proof of milestones / reaching targets will be sent to grants@optimism.io when fulfilled or at the latest 14 days before reaching deadline, with the subject line "[Project Name] Milestone Reporting".

We will complete benchmark milestone reporting in every scenario.

Source of TVL will be multifactorial :

- Awareness from our current users base/users;
- Capital migration from our other chains pairs to OP;
- Introduction to the migration incentive to our partners;
- Organic marketing & connection with new projects on strategic fits.

User wise, over 12-24 months, we can attract from 2000 to 5000 users that never had a single transaction on OP from different chains and make them use Optimism on a regular basis. We can initiate a great capital migration on the long term lending/borrowing side over Velodrome.

Basically, we had thousands of users who onboarded Impermax on Polygon in the last bullrun and looking at the blockchain, we can see that the vast majority of them were "new users" (defined by only weeks of usage history). The "how" is mainly defined by a robust execution of the "Source of TVL" mentioned above.

Qualitatively speaking, we can onboard notorious projects to migrate to OP via our platform or at worst, split their transaction fees to Optimism and their current chains vs the current scenario of them being completely isolated from the Optimism ecosystem.

Please define critical milestones for this project. Critical milestones are meant to show good-faith efforts to accomplish the project. Non-completion of these milestones could lead to revocation of remaining grant rewards. Do not use distribution of the grant itself as a milestone:

- Starting from the day that Impermax will launch on Optimism:
- After 30 days : 2 million TVL
- After 90 days : 4 million TVL

- After 30 days : 2 million TVL
- After 90 days : 4 million TVL
- Providing consistency and stable high APRs (5-15% APRs lend side, triple digits APRs for leveraged LP farming).

Team wallets are excluded from both rewards and any key metrics being measured in the present draft.

We will not use the team wallet to farm the incentive.

If the OP tokens are for direct distribution to users, why will incentivized users and liquidity on Optimism remain after incentives dry up?:

Users will stay after the incentives dry up, absolutely. For proof : we have been on the Polygon liquidity mining program for months and even after it was paused (it is still paused), we remained a very good pipeline of yielding for single sided lending with high single digits APRs to low double digits, as attractive for borrowing for double to triple digits APRs (in some rare case, 1000%+ APRs).

See below the spread between Impermax value proposition and AAVE

7 days average as of 4th of March 2023 - peer comparison

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It is important to notice that prior to the Quick Swap (V2) migration to concentrated liquidity model, we had 8 figures TVL on this DEX. We will replicate this with Velodrome. It is without mentioning that the Uniswap V3 concentrated liquidity model will provide higher APRs than everything we have offered to the market at the present time. OP ecosystem cannot miss the competitive edge to offer such yield to its users.

We are currently running our best numbers on all metrics combined on Arbitrum without any incentive - which speaks for itself as the proof that the users will remain after the incentives dry up.

7 days average as of 4th of March 2023 - peer comparison

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We even paused IBEX incentive for more than 8 months now, and still, we had double digits TVL gains over the last few weeks.

Incentives from OP are the kickstart of a momentum, but the operation and quality of management behind the Impermax deployment is the core parameter to determine how big the success will be but above all, how permanent it can be for OP stakeholders.

I personally have a long history of success in business, and intend to place this experience to the full success of this grant program.

Please provide any additional information that will facilitate accountability (smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.):

- 0xec1419968f6E1641138f53796c69E6c5aC16BBfD Protocol owned liquidity
- 0xd3080518e5678DC5464B7D4079d1046929985C59 Reserve manager

Optimism Relationship

Does your project solve a problem for the Optimism ecosystem? If so how?:

Yes. We make possible the large-scale adoption of a niche of "high risk" DeFi farmer mentioned above, while allowing a wider audience of long term investors to find appreciation and comfort in the Optimism ecosystem on single-sided farming

with no impermanent loss risk.

Several chains are competing for the exposure to newcomers in the crypto market and we are fulfilling a big part of the required exposure to seduce them to select OP, with our value proposition. Consequently, I can't stress enough the fact that we are builders.

To compete, survive and win the L2 wars with many contenders, OP will need proven builders, innovators and dedicated web3 developers - key differentiation factors they will find at Impermax Finance.

Why will this solution be a source of growth for the Optimism ecosystem?:

Because we will do what we said above and this will translate in new users onboarding OP, project launching their tokens on our platform, and general crypto audience being exposed to our success on Optimism via socials.

We are aiming at the top 10 TVL projects under the Optimism ecosystem. Seriously.

We are probably the most credible project capable of deploying our solution on Uniswap V3 (having it done with success on Uniswap V2) - And it will be a tremendous growth catalyst for OP.

We will reach an expansive set of OP users who are likely to use Optimism over other network with our promising value proposition. Our current history of success suggest high

likelihood to be sustainable for the OP ecosystem, specially with our highly skilled team.

Is your project Optimism Native?:

No

Confirmations

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant: [Yes/No]:

Yes

I understand that I will be expected to following the public grant reporting requirements outlined [here](#): [Yes/No]:

Yes