



SOLA-X

DeFi 2.0 cross-chain exchange on Solana.

Whitepaper v.1.0 SOLAX-X Limited

Hello

Welcome to our official whitepaper. In this document, you will get to know the functions of our platform, how to use our bridge, execute swaps or provide liquidity. You are also going to learn how our token fuels our ecosystem, how you can stake our token, or participate in our token sale.

On top of that, you will get to know our vision and philosophy and why we are doing all of that.

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a. Glossary

Swap: A trade from token A to token B on a DEX.

Transaction (Tx): Transfer of a coin or token between two wallets.

Decentralized Exchange (DEX): Blockchain-based exchange protocol.

Decentralized Finance (DeFi): Financial products or functions on the blockchain.

Cross-Chain: Interoperability between two relatively independent blockchains.

Bridge: Bridges provide token transfer capabilities across independent blockchains.

Liquidity Pool (LP): A liquidity pool is a collection of funds locked in a smart contract.

Dynamic/flexible Liquidity Pools: Liquidity pool with flexible assets weights different than 50/50, e.g.: 20/80 and dynamic pricings.

Single-Sided Liquidity Mining: Provision of liquidity for only one side of the pool, instead of both sides.

Smart Liquidity Routing: A DeFi 2.0 liquidity providing feature developed by SOLA-X.

Annual Percentage Yield (APY): Is the rate you can earn on an account in one year (incl. compound).

Slippage: Is the price difference between a cryptocurrency quote price and paid cost.

Staking: A crypto-asset performing tasks within a network or protocol and getting returns.

Total Value locked (TVL): Represents the number of assets that are staked in a specific protocol.

Fully diluted Valuation (FDV): The valuation of a token or

protocol considering all existing tokens.

Impermanent Loss: A loss that occurs when tokens are in a liquidity pool and the ratio of the tokens in the liquidity pool becomes uneven.

Automated Market Maker (AMM): An automated market maker is a protocol mechanism that relies on a mathematical formula to price assets.

SPL Tokens: SPL tokens are fungible tokens on the Solana Blockchain.

b. Background

Latest DeFi Developments

In terms of products and user acceptance, DeFi is now witnessing exponential expansion. In a decentralized, highly accessible, and trustless way, a wide array of financial products have been deployed on multiple blockchains. By 2021, the total value locked in DeFi has increased to \$53.18 billion, up from \$1.08 billion the previous year. During the same period, the total value locked on the Ethereum blockchain has been risen 771%. Uniswap, a decentralized exchange on the Ethereum blockchain, is one of the most well-known and widely used DeFi protocols on the Ethereum blockchain with a fully diluted market capitalization of 17.8 billion USD (as of Dec. 30st 2021).

On the other hand, since summer 2021, we are seeing more and more projects coming up with new protocols, which are called DeFi 2.0 protocols. The main target of these platforms is to handle liquidity more smartly and efficiently, compared to the previous DeFi 1.0 protocols.

Current Challenges within the DeFi Space

As most DeFi protocols are based on the Ethereum blockchain, the protocols themselves are facing the same issues as the Ethereum blockchain. This results in massive scaling issues like \$3.8 transaction costs and a maximum of 70 transactions per second (as of Dec. 30st 2021). There are a lot of solutions out there to solve these issues. Some of them are layer two solutions e.g. Polygon and others are layer one solutions like independent blockchains like Solana, while the interoperability between those layers is secured through token bridges. Even if there are different solutions, which provide interoperability between those different layers and blockchains, the ecosystem is still lacking in terms of the total number and availability of bridges.

Other current challenges of DeFi protocols are issues related to the automated market maker mechanisms, which were introduced by DeFi 1.0 protocols. Due to their mechanics, those protocols

struggle to provide liquidity to certain pools over a long-term period, which has a bad influence on the behavior of the pools and results in a decrease of provided liquidity. On top of that, the topic of impermanent loss is a buzzword in the DeFi space, which we have heard more often.

Our Vision for Decentralized Exchanges

Taking into account the current challenges within the DeFi space. We at SOLA-X believe that, there will be a lot of different blockchains coexisting and connected to each other to seamlessly transfer any kind of asset between those blockchains in the future. In order to link different blockchains and ecosystems, we not only need token bridges, we also need token bridges integrated into decentralized exchanges, which provide instant liquidity for those wrapped assets. Besides the instant liquidity, another huge benefit of connecting the token bridge directly to a platform is that the usability and user experience increase dramatically as the user does not have to interact with two completely different tools. By increasing usability, modern decentralized exchanges also help the whole ecosystem to make a huge step further towards mass adoption, as usability belongs to one of the oldest bottlenecks while interacting with the blockchain.

Besides connecting different blockchains and ecosystems to each other, we believe that decentralized exchanges should make tremendous progress towards DeFi 2.0 and provide liquidity there, where it is needed the most and can be used the most efficiently while providing long-term liquidity instead of short term liquidity. Another benefit of switching towards DeFi 2.0 and eliminating the disadvantages of DeFi 1.0 is that impermanent loss can be drastically eliminated or completely reduced.

c. Our Platform in a Nutshell

SOLA-X is a cross-chain DeFi 2.0 swap protocol with a built-in token bridge.

The main asset-focus of SOLA-X is on wrapped assets from the biggest ecosystems like Ethereum, Polygon, or Binance Smart Chain.

As for the token bridge, SOLA-X implements the Wormhole bridge directly into the platform protocol and provides instant liquidity for those assets. In terms of DeFi 2.0, SOLA-X enables single-side liquidity mining, which means that a liquidity provider only needs to provide one of two assets from a liquidity pool. By implementing this feature, we also enable a function, which we call “Smart Liquidity Routing”. Smart Liquidity Routing means that a liquidity provider or a holder of an asset can open the SOLA-X app and get directly recommendations for the highest APYs for his asset. By enabling that, we ensure that the most illiquid markets get higher liquidity without increasing the risk of impermanent loss. Another part of our DeFi 2.0. liquidity pools are flexible and variable pool parameters, like the trading fees, which can be chosen by the pool initiator.

More about the Wormhole Token Bridge

<https://docs.wormholenetwork.com/wormhole>

d. Why SOLA-X?

As of January 2022, there are currently only seven live DeFi projects built on Solana. However, these projects have limited capabilities in the following functions:

- Limited cross-chain functionalities;
- No flexible and dynamic liquidity pools;
- No single side staking options;
- Non-variable trading fees.

SOLA-X manages to provide the solution to existing issues of those competitors. As SOLA-X has a clear focus in implementing the Wormhole token bridge and a DeFi 2.0 automated market maker protocol.

Besides solving the above-mentioned issues, SOLA-X offers high-speed swap execution at low slippage and of course low transaction fees.

Having a look at the business part - SOLA-X does not charge any fees as a platform itself, instead, 100% of the trading fees are distributed towards liquidity providers (80%) or \$SAX token (which is our native token) stakers (20%). We make sure that SOLA-X is a project by the community for the community.

e. Why we use Solana

Everybody knows that the Ethereum main net proof-of-work consensus has major design flaws. It is slow, hard to scale, and has high transaction fees. Solana was chosen as the underlying blockchain to fix these problems because it enables high-frequency smart contract execution, which is one of the main use-cases for decentralized exchange protocols. With the ability to provide an incredible 50,000 transactions per second, this permissionless, high-performance blockchain based on a proof-of-history consensus enables low-cost and high-speed transactions as well as no high gas fees. By using Solana, the SOLA-X platform offers almost none fees to provide liquidity to a liquidity pool and harvest the rewards. SOLA-X is widely anticipated to integrate deep on-chain liquidity for earning and trading with different crypto assets. As a core DeFi building block, SOLA-X can easily be integrated into any Solana-based protocol or app.

Carbon Neutrality

We as a modern blockchain technology company also take into account our environmental responsibility. It was even easier to take the decision to build on top of the Solana blockchain:

The Solana network is designed to be a high-performance blockchain. These design decisions also mean the network is incredibly energy efficient. In this first of many reviews of the impact of the Solana ecosystem, the Solana Foundation can report that a transaction on Solana takes less energy than two Google searches and 24 times less energy than charging your phone. As part of its initiative to minimize Solana's already-low environmental impact, the Solana Foundation is pleased to announce the Solana blockchain has achieved carbon neutrality for 2021. The Solana Foundation will be funding a process called refrigerant destruction, which Green America lists as one of the highest-impact ways to reduce carbon emissions. The Foundation is supporting this process to offset the carbon footprint of the Solana network for the entirety of 2021. "We're dedicated to keeping the Solana ecosystem as environmentally friendly as possible," says Dan Albert, Executive Director of the Solana Foundation. "Our carbon neutrality initiatives, paired with Solana's high-performance, energy-efficient design, means the community can build a sustainable web3 future for many years to come." Solana, the world's most performant blockchain, is already extremely energy efficient. The most recent analysis from the Solana Foundation estimates that a single Solana transaction uses only 1,939 Joules, which is less than the amount of energy required to complete two Google Searches. That is the equivalent of leaving an LED light bulb on (36,000J per hour) for a little more than 3 minutes, or running your refrigerator (810,000J per hour) for about 11 seconds. It is also notably much less energy than transactions on other common blockchains, such as an eth2 transaction (126,000J), an Ethereum transaction (777,600,000J), or a bitcoin transaction (7,412,400,000J). The announcement comes alongside its partnership with Watershed, a company dedicated to helping companies cut carbon emissions. The Solana Foundation will be funding the permanent destruction of CFC and HFC refrigerants greenhouse gasses 10,000 times as potent as CO2. The project creates jobs and has an immediate impact on averting greenhouse gas emissions. The Solana Foundation will continue to act as a watchdog on the ecosystem's environmental impact. It

has pledged to keep the Solana network infrastructure carbon neutral through 2022 and beyond, and will continue to show transparency with regular reports on energy usage. Learn more about Solana's energy impact.

Excerpt is taken from:

<https://solana.com/news/solana-foundation-carbon-neutral-2021>

Our Platform

Important Note: Please be aware that our platform is currently under development and contents and technical specification of this chapter may be subject to change.

a. Getting Started

In order to get started, a user only needs to connect a Solana wallet like e.g. Phantom or Solflare to our platform. If a user is interacting with the integrated token bridge, he also needs to connect a wallet of that respective blockchain, where the token bridge directs towards. Besides connecting a wallet, there is no additional input from the user needed and he can directly interact with all functions of our platform like trading, providing liquidity, creating liquidity pools, or staking.

Common Solana Wallets

- Phantom Wallet: <https://docs.phantom.app>
- Solflare: <https://docs.solflare.com>

Common Multi-Chain Wallets

- Trust Wallet:
<https://community.trustwallet.com/c/helpcenter/8>
- Metamask: <https://docs.metamask.io/guide>

All Wallets, we are supporting: Phantom, Slope, Solflare, Torus, Ledger, Sollet, SolletExtension

b. Swaps

On our platform, users can securely swap different SPL or SPL wrapped crypto assets with extremely low slippage against each other. Due to our liquidity pool and automated market maker design, users can execute swaps instantly with deep on-chain liquidity. From the perspective of the user, our swap interface comes with the main structure and functions, which you might already know from similar platforms, while we keep it as simple and intuitive as possible. In order to execute a swap, a user only needs to select the input and output currencies and the respective amount of the input currency, he wants to swap. In the advanced settings, the user can set his maximum slippage tolerance and also manually add custom tokens via their address.

c. Liquidity Pools

We designed our liquidity pools in a way that liquidity providers are generously incentivized for contributing liquidity towards our pools. No matter which type of pool, liquidity providers always earn 80% of the fees generated by each pool. These rewards are distributed every 24 hours towards the liquidity providers.

In order to create outstanding liquidity pools with DeFi 2.0 characteristics, we implemented the following functions:

Dynamic/flexible Liquidity Pools

When a liquidity pool is created, the token balances can be flexible and do not stick to the typical 50/50 weighting. Instead, our pools also work with a weighting of e.g. 95/5.

The swap fee of the pool can be dynamically adjusted by the pool creator, depending on the liquidity and trading volume of the pool. For example, a pool creator can choose a higher price during the launch of the pool, when the liquidity and trading volume are low in order to attract more liquidity providers. Once the pool developed a healthy and steady volume and there is enough

liquidity, the fees can be reduced. The range of the possible fees is between 0.10% and 2.00% per swap.

Single-Sided Liquidity Mining

As our liquidity pool weightings are flexible by their design, we also enable single-sided liquidity mining. Single-sided liquidity mining means, that a user can provide liquidity for only one side of the pool, using only one asset. For example, if there is a pool of Solana (\$SOL) and SOLA-X (\$SAX) and the pool contains 80% \$SOL and 20% \$SAX measured in the respective USD value, a user can contribute only \$SAX tokens towards that pool. In that case, the rewards that the user will earn for staking \$SAX are higher compared to staking \$SOL as there is less \$SAX staked and therefore the portion of the liquidity provider fee is higher. This liquidity pool design eliminates the risks of impermanent loss for the user/staker and contributes towards more stable liquidity pool weightings due to economic incentives (higher fees).

Smart Liquidity Routing

Smart liquidity routing is a platform feature we are implementing, which is built on top of our single-sided liquidity mining feature. Thanks to single-sided liquidity mining, we are able to create staking pools with the most commonly used assets like \$SOL, \$SAX, \$USCD, \$BTC, \$ETH, \$MATIC, \$BSC, where users can stake their native or wrapped assets. These staked assets are distributed towards different liquidity pools (always towards one side of the pool), where they are needed the most in order to provide single-sided liquidity and where they are on top of that generating the highest fees. Those collected fees are then re-distributed towards the staking pools and the individual stakers. This feature is the easiest way for users to interact with liquidity pools, as the pool selection happens automatically and always guarantees the highest and most efficient APRs. The fees are distributed every 24 hours. Thanks to this feature, we will be able to open the DeFi and DEX staking world for users who are new in this area as this feature is very easy and convenient to use

and eliminates the very difficult to handle effects of impermanent loss, which occurs on all traditional swap protocols.

Read more about the pools, we were inspired by

- <https://docs.projectserum.com>
- <https://docs.balancer.fi>
- <https://docs.bancor.network/developer-quick-start/adding-single-side-liquidity>
- <https://docs.monox.finance>

d. Bridge

For our token bridge, we are not going to reinvent the wheel. One of the best and well known token bridges on Solana is Wormhole. The Wormhole bridge currently connects the Solana ecosystem to famous ecosystems.

Core Functions of the Wormhole Bridge

- A token bridge that allows users to seamlessly bridge wrapped assets between supported chains.
- An NFT bridge that allows ERC721 and SPL NFTs to be transferred between Ethereum, Binance Smart Chain, Polygon, Avalanche, Oasis, and Solana.

We want to start our platform with the Wormhole bridge, as it covers most of the important ecosystems. Taking this already existing solution into account, we are going to implement the core functions and smart contracts of the Wormhole bridge into our platform, so that users can seamlessly interact with the bridge and get direct liquidity for their wrapped assets.

Find out more about the Wormhole Bridge

<https://docs.wormholenetwork.com/wormhole>

e. \$SAX Staking Pool

In order to reward our community, we are going to enable \$SAX staking within our native staking pools. To join our staking pools, the user only needs to choose the amount of \$SAX tokens he wants to stake and confirm the transaction. The staking rewards will be automatically distributed every 24 hours towards the wallet of the user.

The main income source of our staking pools are our liquidity pools, as 20% of the fees generated by all liquidity pools get automatically distributed towards our \$SAX staking pool.

Let's do some math:

After 12 months, we want to reach a daily trading volume of \$50 million. If the average swap turns out to be 0.25%, the **annual staking rewards** are:

$$\$50,000,000 \times 0.25\% \times 20\% \times 365 = \mathbf{\$9,125,000}$$

The same equation after 24 months with a daily trading volume of \$200 million looks similar:

$$\$200,000,000 \times 0.25\% \times 20\% \times 365 = \mathbf{\$36,500,000}$$

If we take these theoretical numbers, and expect 100% of our \$SAX tokens to be staked with our initial fully diluted valuation of \$25,000,000,

the theoretical APR would be: 36.5% or 146%.

a. General Information

Initial Price	\$0,050
Fundraising Goal	\$4.500.000
Max. Token Supply	500.000.000
Initial Marketcap.	\$780.000
Initial Token Supply	15.600.000
Initial Token Supply %	3,12%
Fully diluted Marketcap.	\$25.000.000
\$SAX Token Address	tbd

b. Token Utilities

Staking Pool Rewards				
20% of all trading fees will be distributed towards various \$SAX staking pools.				
Trading Discounts for \$SAX Stakers				
Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
>4,000 \$SAX	>8,000 \$SAX	>16,000 \$SAX	>32,000 \$SAX	>64,000 \$SAX
4%	8%	16%	32%	64%

c. Tokenomics

Allocation	%	Token Amount	USD Value	Release at TGE	Cliff (months)	Linear Vesting (months)
Private Sale	20	100.000.000	\$3.500.000	0,0%	6	8
Public Sale	4	20.000.000	\$1.000.000	20,0%	3	4
Team & Advisors	18	90.000.000	\$4.500.000	0.0%	6	16*
Platform Development	7	35.000.000	\$1.750.000	4,0%	3	24*
Marketing & Airdrops	4	20.000.000	\$1.000.000	4,0%	-	24*
Ecosystem Development	22	110.000.000	\$5.500.000	4,0%	-	24*
Reserve	10	50.000.000	\$2.500.000	4,0%	3	24*
Liquidity	15	75.000.000	\$3.750.000	4,0%	3	24*

d. Token Sale Roadmap

Stage	Private Sale	IDO
Dates	March - June 2022	June 2022
Token Price	\$0.035	\$0.05
Discount	30%	0%
Fundraising Goal	\$3.500.000	\$1,000,000

Accepted Currencies during Private and Pre-Sale: USDC, BUSD, USDT, BTC, ETH, SOL, BNB

a. Our Philosophy

We strongly believe that in the future, there will be no dominating layer one or layer two solutions. We think that multiple solutions will coexist, while each has its own unique benefits and use-case. Therefore it's more important than ever before to make those blockchains and their different assets interoperable by offering a cross-chain wrapped assets exchange on Solana, which is the best blockchain for trading applications in terms of scalability/speed and costs. While being part of the DeFi ecosystem, we want to contribute towards the further development of this ecosystem and want to make the interaction with our protocol more user-friendly through implementing DeFi 2.0. features.

b. Team

Who We are

We are a group of anonymous blockchain enthusiasts. Each of our team members has been involved in the blockchain industry for more than at least a minimum of 5 years, holding various positions in blockchain startups or consulting companies.

Join us

We are actively searching for people to join us on our mission to build a leading cross-chain DeFi 2.0 DEX on Solana. If you are interested in joining us, feel free to message us via: hello@solax.app

c. Roadmap

Q4 2021

- Beginning of Swaps, Liquidity Pools and Bridge MVP Development
- White Paper v1.0 Creation
- Creation of Website
- Setup of Social Media Channels

Q1 2022

- Public Website Launch
- Start of Marketing Initiatives
- MVP Beta Testing
- Platform Security and Smart Contract Audits
- Seed Token Sale
- Public Token Sale and IDO Preparation

Q2 2022

- Closing of public IDO Round
- Official Platform Launch with Swaps, Liquidity Pools and Bridge to BTC, ETH and BSC
- Adding Token Sale Liquidity to various Pools
- Entering exponential User Growth

H2 2022

- Reaching Target 1: 50 million USD 24h trading volume
- Further Team Expansion
- Adding Order Books and Limit & Stop Loss Order
- Adding Lending Protocol
- Adding more Token Utilities

d. Fees

As our platform and especially our liquidity pools are designed to be as flexible as possible, the initiator of each liquidity pool is able to choose a) the initial liquidity pool swap fee at the liquidity pool

creation and will be b) able to adjust the fees later, when the liquidity pool is older and has attracted the first liquidity and trading volume. The fees, which can be set by the liquidity pool initiator, range between 0.10% and 2.00% per swap.

Fee Split

Depending on the initiator of the liquidity pool, the trading fee can be set between 0.10% and 2.00%. No matter how high the fee is, we always distribute 80% of the fees towards the liquidity miners and 20% of the pool towards our \$SAX staking pools.

e. Legal Disclaimer

The information provided in this pitch deck does not constitute investment advice, financial advice, trading advice, or advice of any kind. The SOLA-X team does not recommend that any cryptocurrency should be bought, sold, or held by you, unless you conduct your own research. Do conduct your own due diligence and consult your financial advisor before making any investment decisions. By purchasing \$SAX tokens, you agree that you are not purchasing a security or investment and you agree to hold the team harmless, and not liable, for any losses or taxes you may incur. You also agree that the team is presenting the token «as is» and is not required to provide any support or services. The \$SAX token is an experimental utility token and not a digital currency, the team strongly recommends that United States persons do not purchase. Always make sure that you are in compliance with your local laws and regulations before you make any purchase. SOLA-X is not a registered broker, analyst, or investment advisor. We do not accept any liability for any loss or damage whatsoever caused in reliance upon such information or services.

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