



# Valorem: DeFi options

#### THE PROBLEM

DeFi options protocols are broken. They lack flexibility and portability across the spectrum of ERC20 tokens and EVMs.





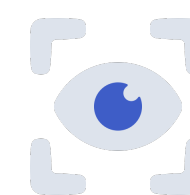
## Inefficient markets

Current protocols feature baked-in automatic pricing models subject to adverse selection with suboptimal price discovery.



## Restricted optionality

The opinionated design and lack of flexibility in existing DeFi options protocols prevents them being used for hedging strategies on any ERC20 token.



## Price oracle dependencies

Many options protocols depend on external price oracles which limits their use cases and portability, while introducing protocol risk.



#### INTRODUCING VALOREM

The first protocol that enables users to write permissionless physically settled options, on any ERC20 token.





DeFi options grew by more than 8,000% in the last 18 months, reaching \$ 830M TVL.



In TradFi, derivatives trading volume exceeds spot trading volume. In DeFi, that is not the case yet...



Currently, onchain derivatives make up a tiny percentage of spot trading volume.

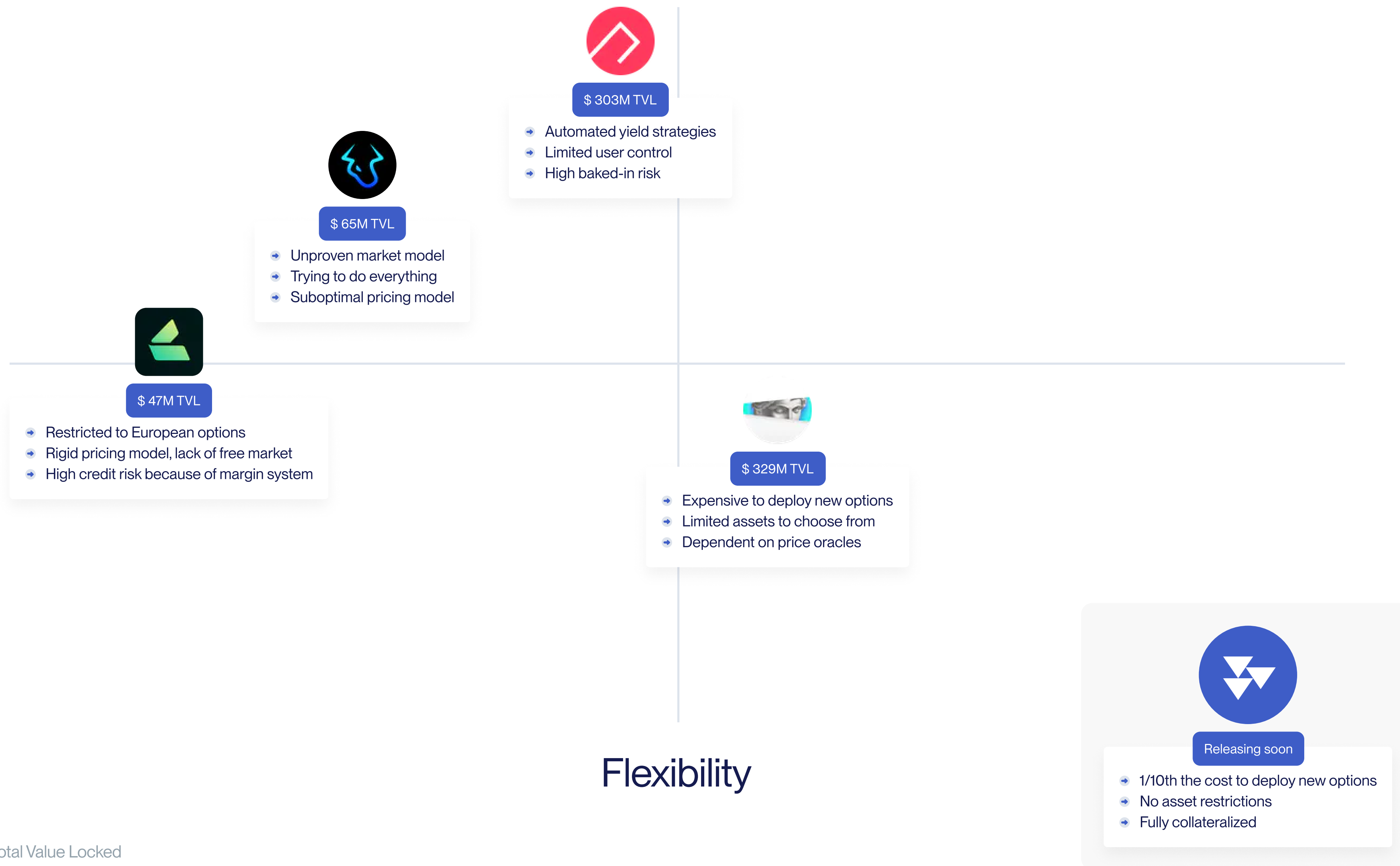
**\$ 1 trillion** onchain spot trading volume

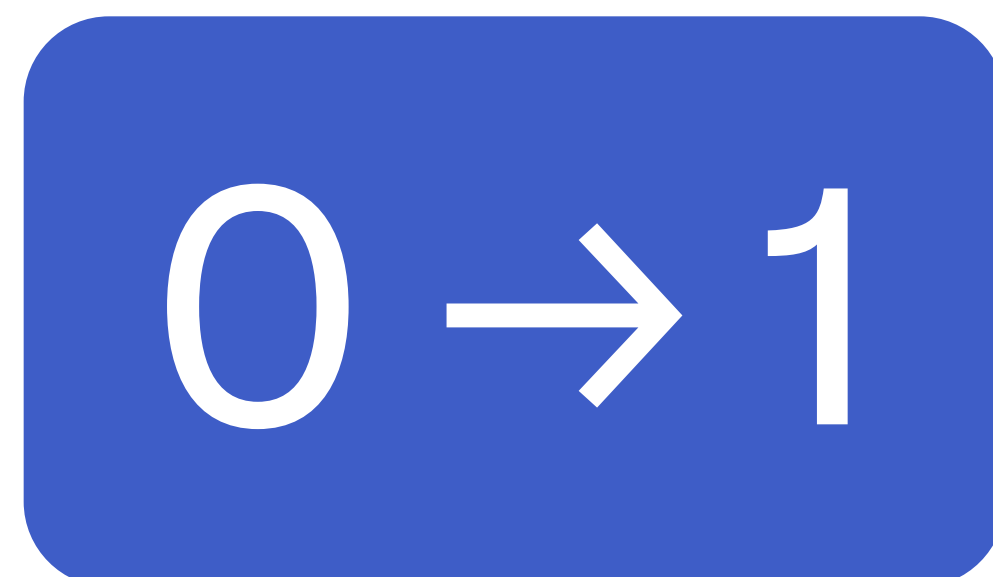
**\$ 6 billion** onchain notational volume

**\$ 100 million** onchain derivatives trading volume



# Baked-in risk



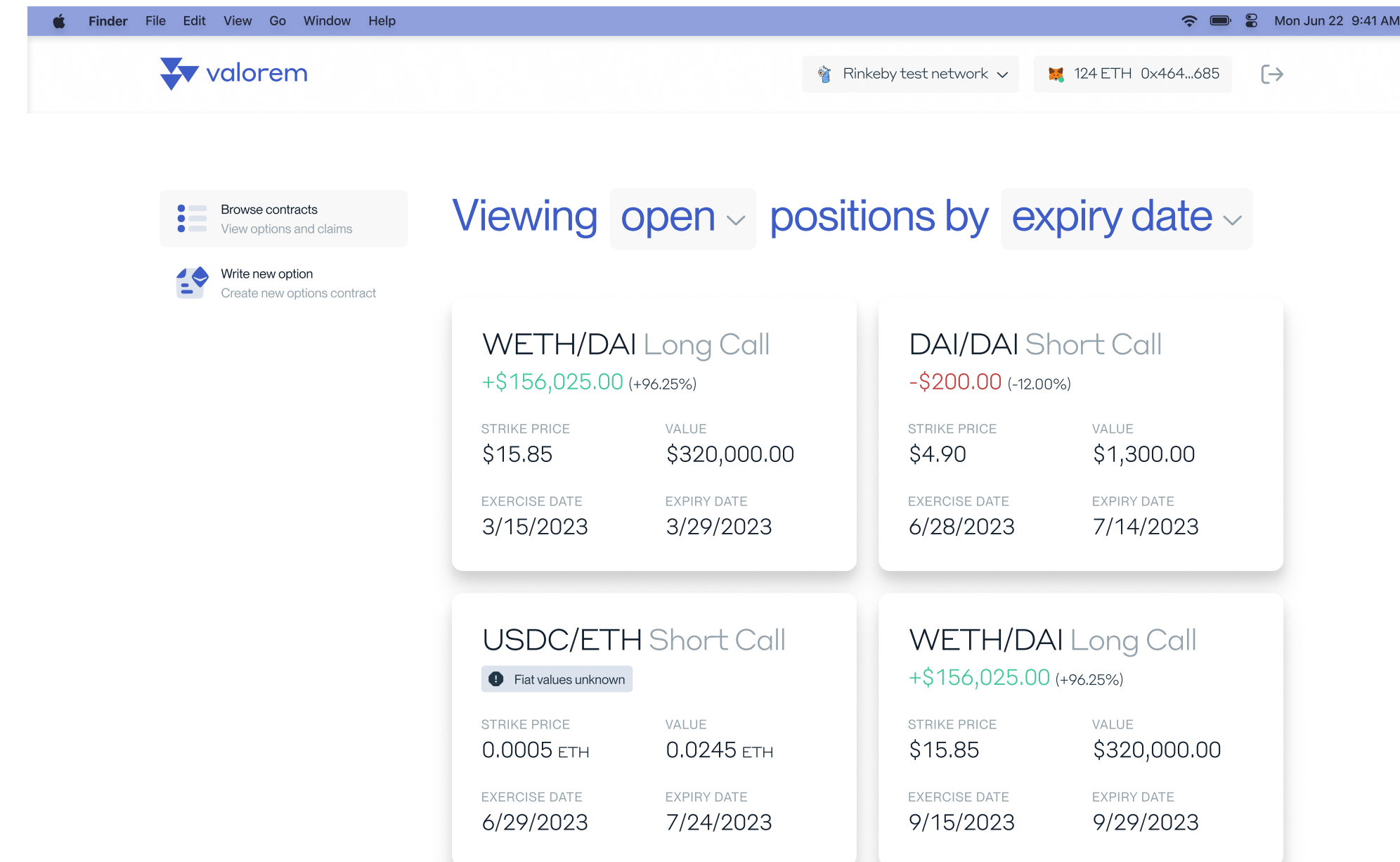


Valorem offers greater flexibility and less risk than any other options protocol. This opens up new use cases which Valorem will capture.



## WHERE WE'RE AT NOW

We're in beta on Görli, and will launch our options settlement layer, now in audit with Zellic, to production in Q1.



Q1 2023

## Settlement

Valorem Options will launch with documentation, user interface and ability for users to write, hold and transfer options positions.

Q2 2023

## Trading

Valorem has developed a DEX with order book, RFQ, and OTC capabilities. We will integrate this with the option settlement layer to enable peer-to-peer options trading.

## Contributor token options

We will build partnerships with protocols to use Valorem Contributor Token Options to incentivize protocol contributors throughout DeFi. This will build a diverse income for the protocol from writing and exercise fees.



## Oracles and ecosystem

Valorem will build oracles and other ecosystem enhancements to increase adoption of Valorem Options and thus trading volume.

Q3 2023 AND BEYOND

## Structured products

Valorem will build and integrate structured products to increase notional volume and revenue.

Q2 2023

## Margin

Valorem will develop a margin system for Valorem Options which will increase capital efficiency for users.





## HOW VALOREM MAKES MONEY

## Protocol revenue

- ➔ 5 basis points on volume

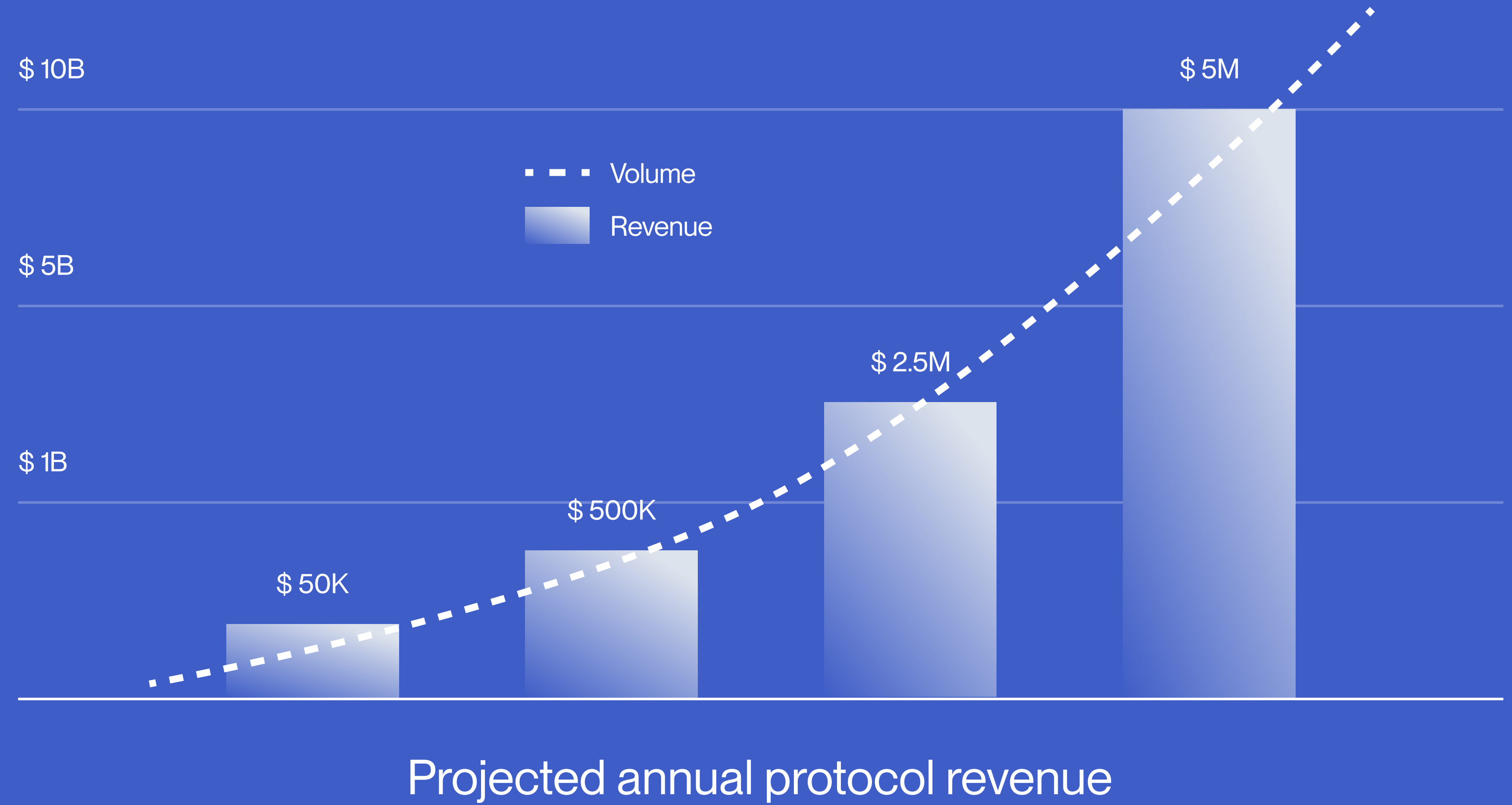
## Structured product revenue

- ➔ 2% management fee<sup>1</sup>
- ➔ 10% performance fee<sup>2</sup>

<sup>1,2</sup> 2%/10% is the industry standard fee structure (e.g. Yearn Finance)



Projected  
notional  
volume





Alcibiades

PROTOCOL CREATOR

Ex Bloomberg and DE Shaw developer; now MEV Searcher and Smart Contract Developer, building better DeFi Options.



Neodaoist

PROTOCOL ENGINEER

Building open financial systems with a focus on smart contract testing, security and usability.



Flip

PROTOCOL ENGINEER

Ex-Azure distributed systems engineer, building completely transparent and permissionless financial systems.



Tom Howard

CRYPTO OPTIONS SME

As co-founder of Power Trade and Partner at Taureon Capital, Tom is a veteran of the crypto options space.



Thogard

FINANCIAL PRODUCT DESIGN

Co-Founder of BPCR: an on-chain MEV team. Currently building L2 infra and advising on exchange protocols. Ex TradFi.



Bandit.eth

PROTOCOL ADVISOR

Smart contract engineer at Alongside Finance. Founder of Kodex Labs and MEV Searcher.



# Let's build.

valorem.xyz   info@valorem.xyz