

Strudel. Finance

The first one-way, trustless bridge
linking Bitcoin to Ethereum



PITCH DECK V 1.0

Problem



A significant custodial risk is introduced by centralized services such as wBTC or renBTC → multisig of few signers that hold an ever-growing share of the total BTC supply.

Trust-minimized approaches like tBTC are not capital-efficient, as additional capital has to be provided on the Ethereum side.



Centralized Bitcoin bridges expose the Ethereum ecosystem to systemic risk. Projects like REN and WBTC lock BTC in insecure multisig setups and raise concerns of total value collapse.

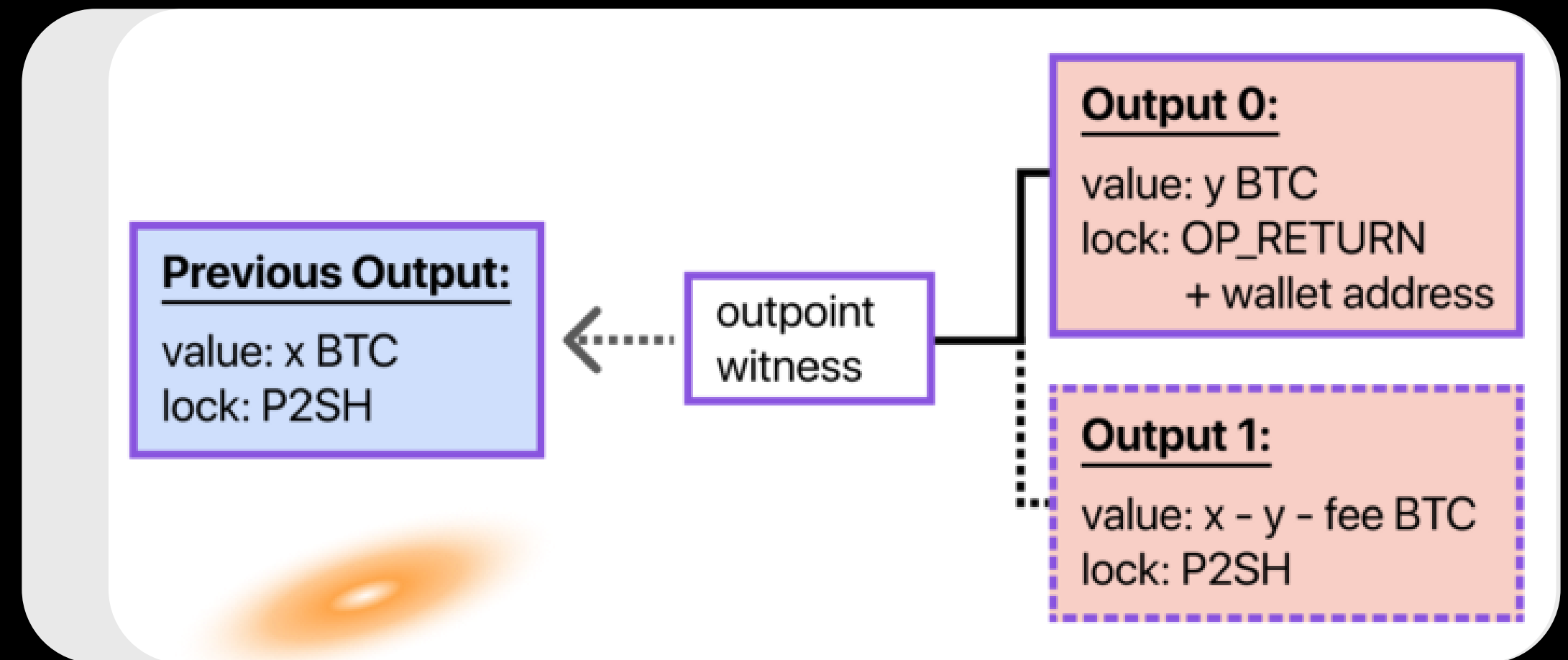
The supply of tokenized Bitcoin on Ethereum relayed through centralized, trusted bridges now tops \$1.58B. While the demand for Bitcoin in DeFi is expected to grow, a better solution without custodial risk for bridging is needed.

Solution

P1WP: Perpetual One Way Peg

vBTC is minted in 1:1 relationship to BTC burned

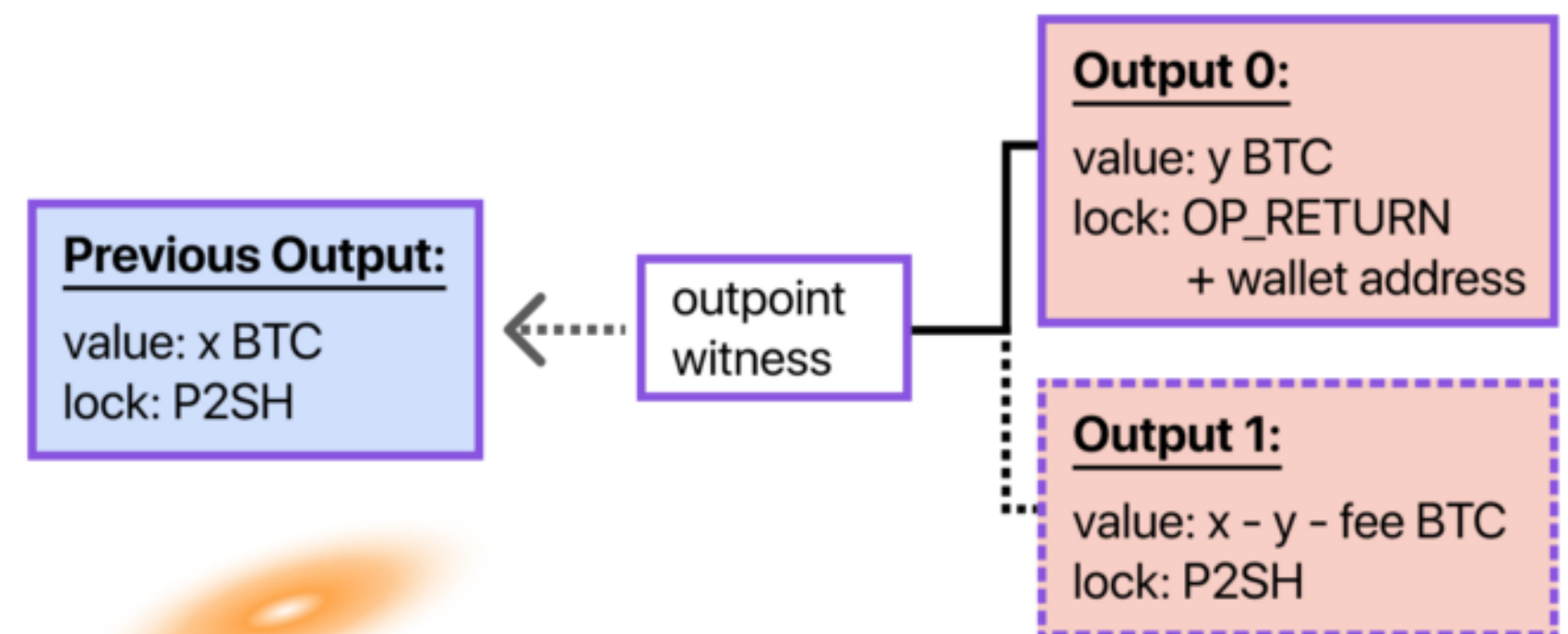
Seigniorage auctions use the supply elasticity of the governance token \$TRDL to help the peg of vBTC



How it works.

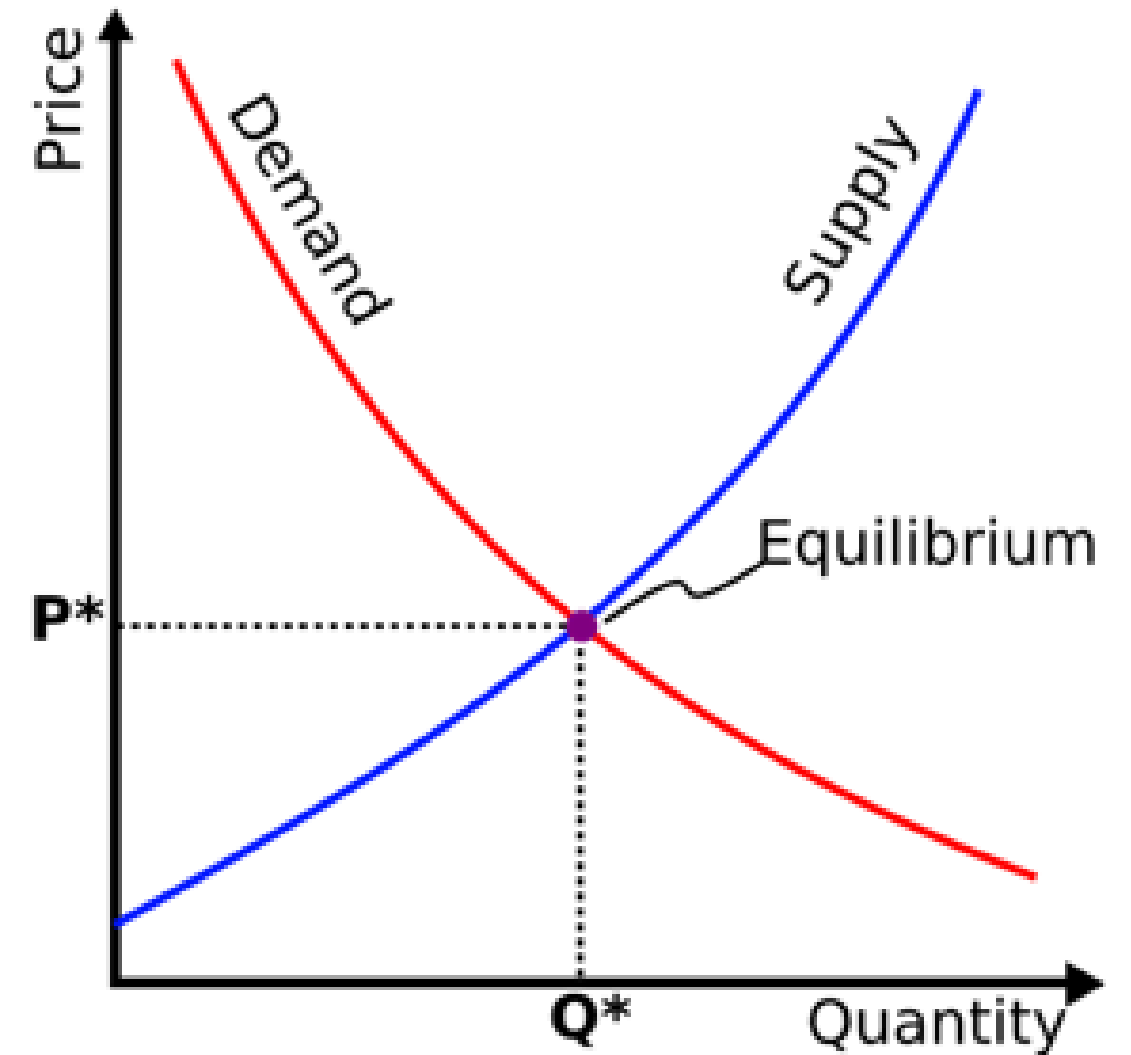
- Strudel Bridge Design
- When BTC is requested to be transferred using the Strudel Dapp, a transaction output with the transfer amount and the receiving Ethereum wallet address is created. This output is handed to the user's Bitcoin wallet through the QR code. When a user signs a transfer the resulting transaction might look something like this.

Notice the OP_RETURN in the first output, OP_RETURN is a Bitcoin-script opcode used to mark a transaction output as invalid, permanently removing the amount from its supply.



vBTC pegging system

- Because it is not a two-way bridge, there is no arbitrage opportunity to hold the peg in both directions.
- We, therefore, contract the supply if the supply of vBTC exceeds the demand in DeFi.
- With the help of on-chain price oracles and perpetual dutch auctions, vBTC are bought up or auctioned off to the market.



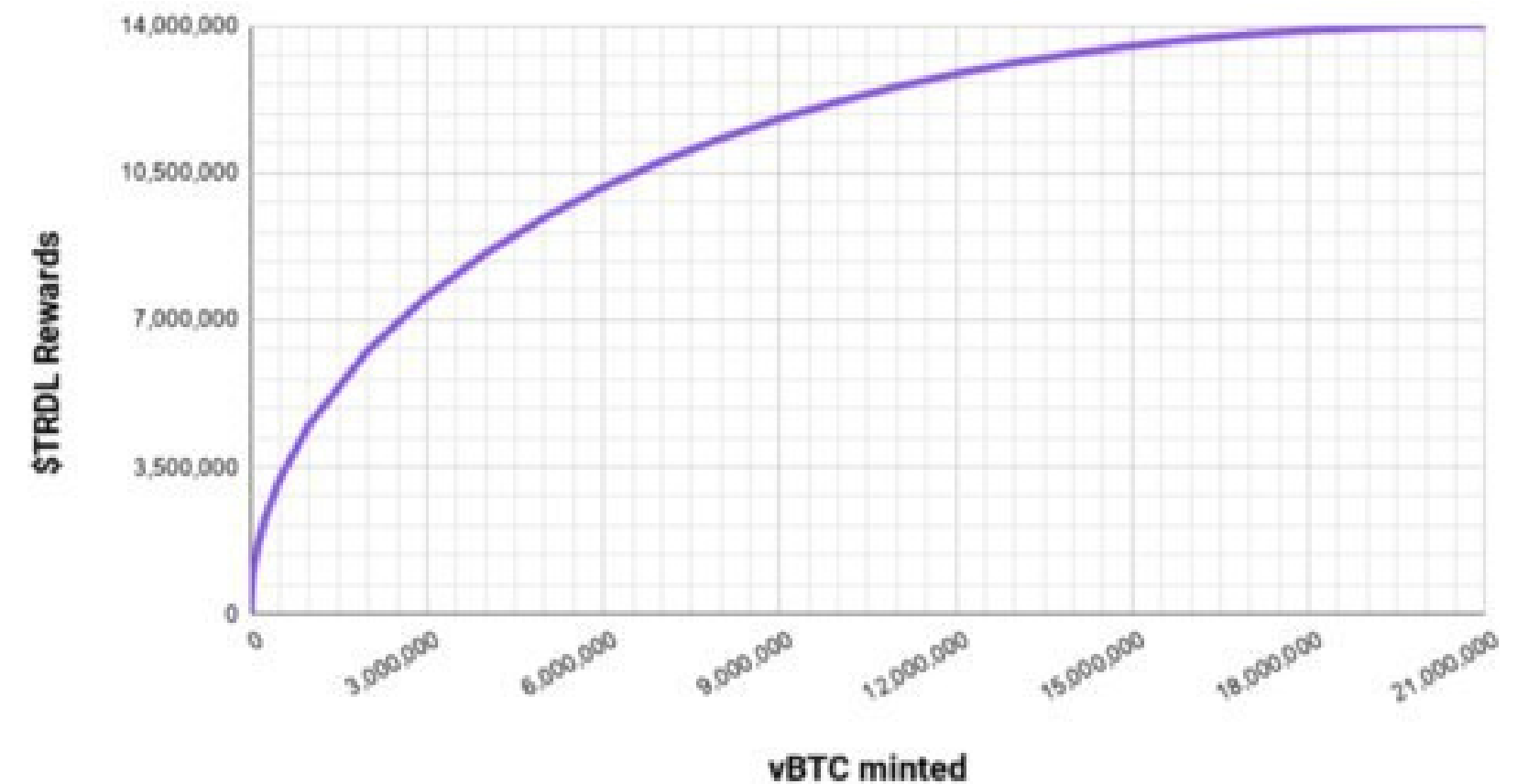
\$TRDL TOKEN

\$TRDL (/ˈstruːdəl/) is the governance and reward token for the Strudel Protocol. It is created on 3 separate occasions:

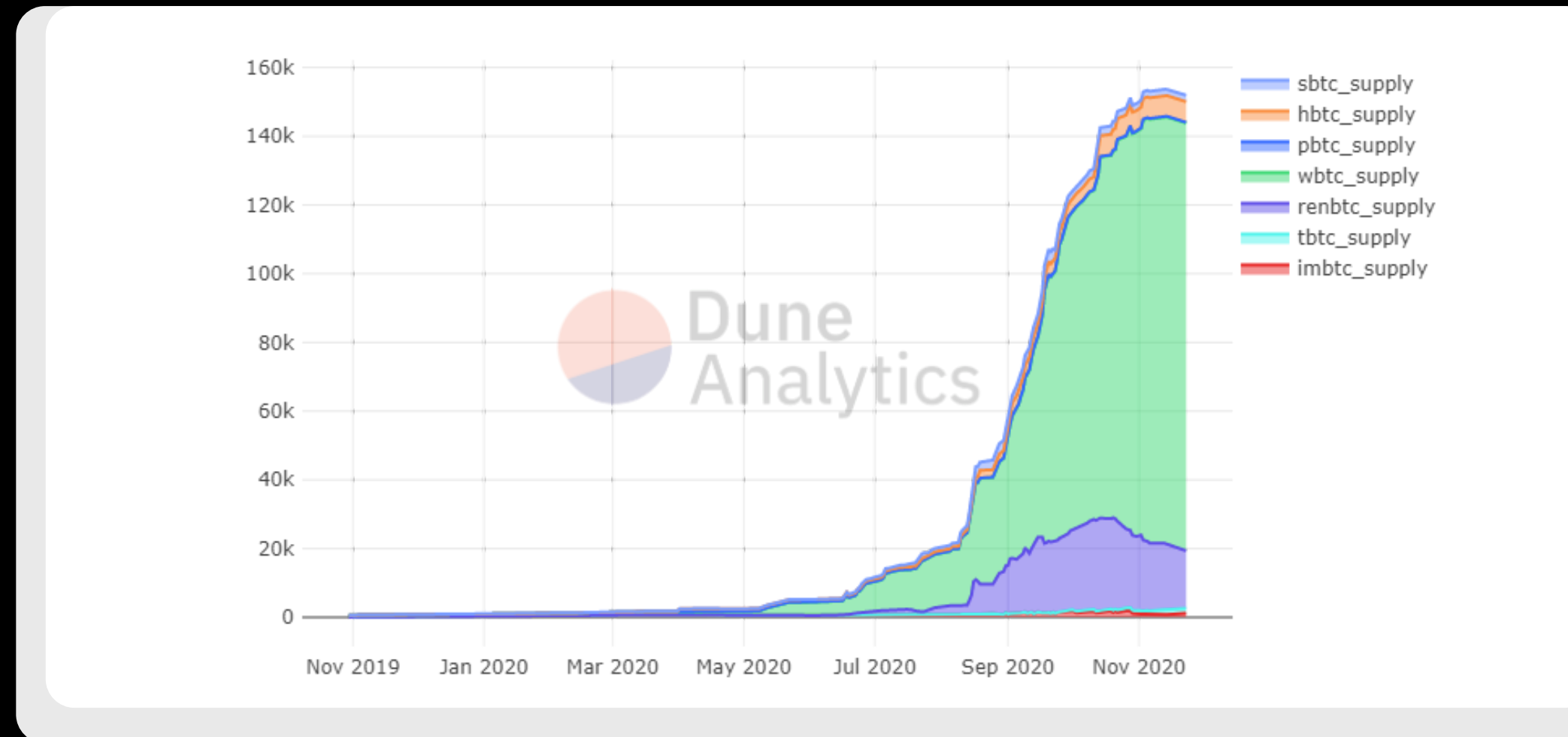
When a user crosses BTC over the bridge, \$TRDLs are minted alongside vBTC. Early users receive an exponential reward as depicted in the graph.

- \$TRDL rewards are distributed per block to liquidity providers of various terra-farming pools
- \$TRDL is minted for dutch auctions to stabilize vBTC demand.

vBTC minted vs \$TRDL Rewards



Total Addressable Market



What Percent of BTC's Total Supply is in DeFi?

Altogether, the total quantity of Bitcoin locked in DeFi represents merely 0.47% of the total Bitcoin supply. This is in contrast to the 5% of all Ether locked in the DeFi space.

Competition

Tokenising Bitcoins in the form of Wrapped Bitcoin (WBTC) constitute the majority of the increase, with over 56,000 BTC this year alone.

Next is Ren's Virtual Machine (RenVM) with over 21,000 tokenized Bitcoins. It grew from June's 5,800 BTC to September's 27,000 BTC.

Lastly, the Ethereum's competitive smart-contract network, the Lightning Network, is barely tagging along with just 1.2% of Bitcoins (about 1,060) invested, accounting for only a 0.02% increase in September



Market Cap.
\$1'131,272.00



Market Cap.
\$1'58 Billion

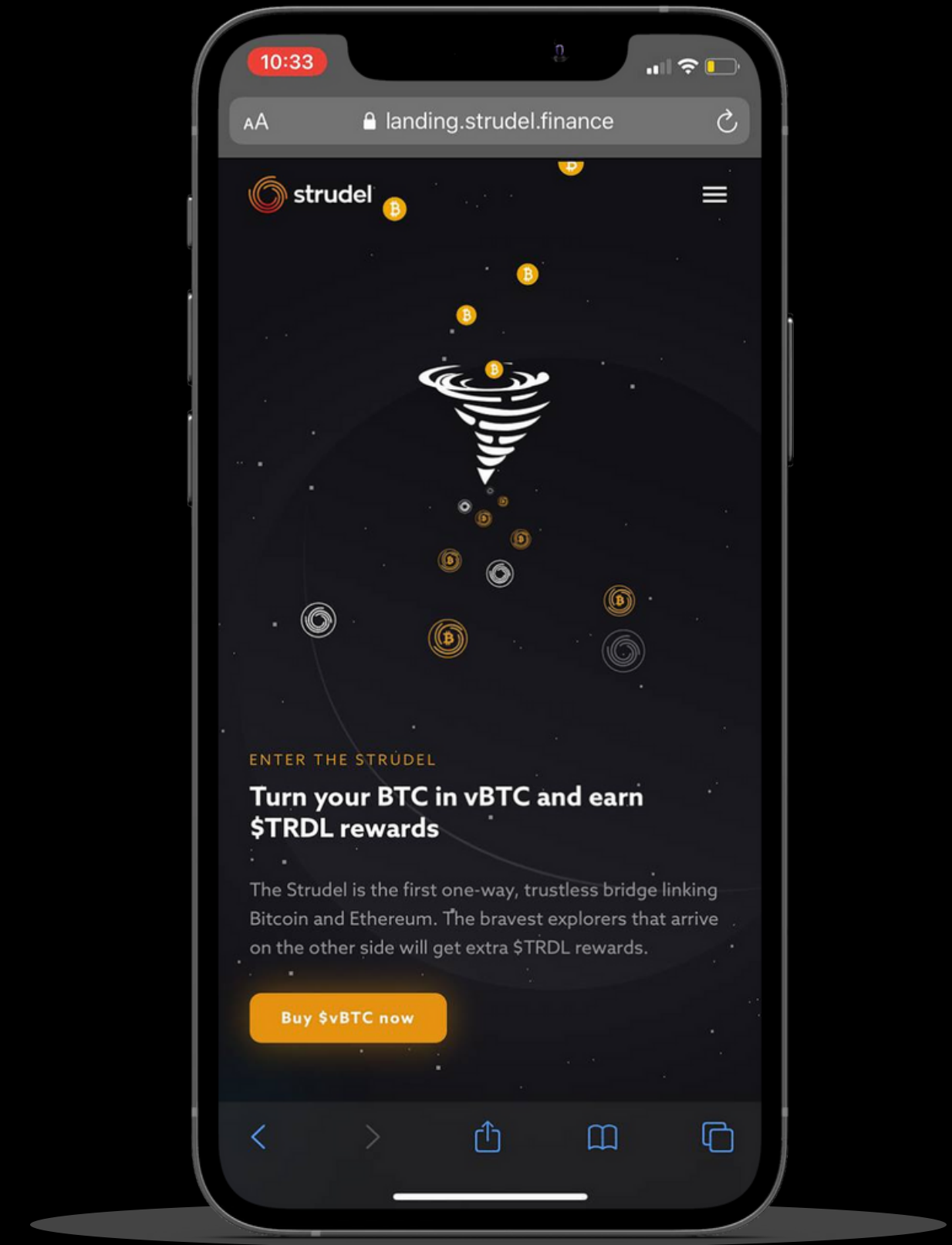
Key Differences

Advantages of Strudel Finance:

- Completely and forever trustless
- ERC-20 compatible, flash loan up to 21m BTC
- Community governed

Disadvantages of Strudel Finance:

- Irreversible wrapper
- Counter party risk replaced with market risk
- Peg has yet to be consistently achieved



Roadmap

1. Remove systemic risk

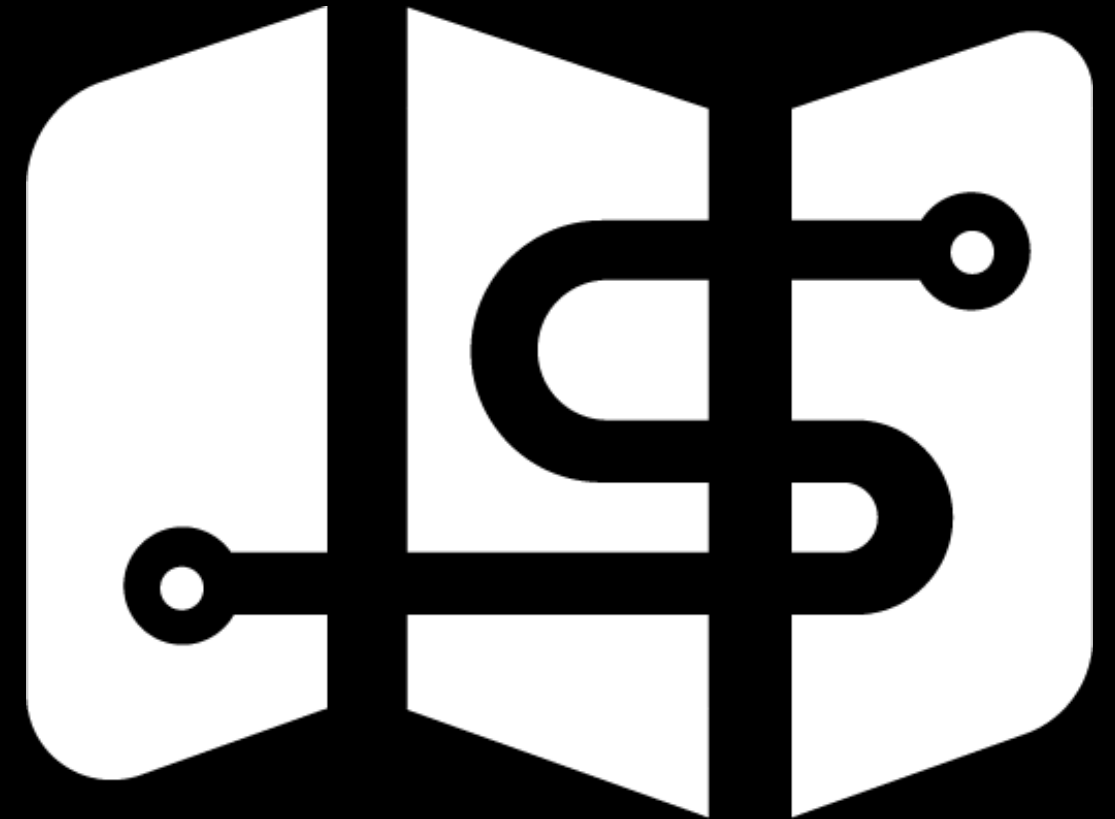
- Issue BTC in DeFi without custodial risk ✓
- Stabilize the peg using seigniorage shares  

2. Scale the ecosystem

- Create a stable-coin exchange for BTC 
- Position exchange as the market leader through leveraged liquidity (pull in Compound, Cream, and BentoBox supply) 

3. Expand

- Use seigniorage shares to issue USD stablecoin
- Repeat 2.
- Profit 



The Team



Keno

- Founder of Strudel.finance
- Smart contract and frontend developer
- Core dev at Sushiswap
- Advisor



Johann

- 2020 founder of Strudel.finance
- 2019 launch of Plasma Chain @ LeapDao.org
- Smart contract developer in the Ethereum ecosystem since 2015



Emilio

- Co- Founder of VAStone Media
- Co-Founder of Nerd Labs
- Advisor / PR



Xavier Vera

- Co- Founder of VAStone Media
- Co-Founder of Nerd Labs
- Chief Operations Officer



Carlos Vera

- Founder of Nerd Labs
- Lead dev
- @ataxia1

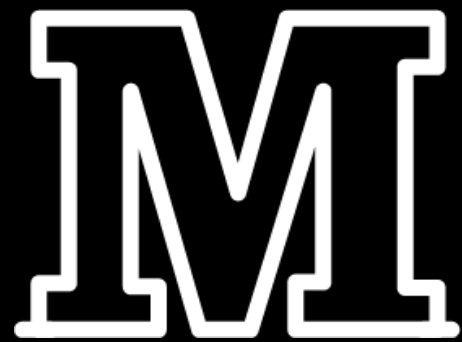
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