Providence Labs Research & Analysis

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Introduction

This document serves as a strategic blueprint for Providence. This document has been revised to improve readability since its initial creation. Collective research has an initial specific focus on identifying and capitalising on untapped opportunities within less developed blockchain ecosystems, which led to the ideation and development of Providence. Our team held a fundamental belief that despite the exponential growth of DeFi, the distribution of DeFi applications across different blockchain ecosystems remained uneven, leaving significant room for expansion and development across underserved ecosystems.

Initially, our objective was to meticulously analyse the cryptocurrency market and the varied present blockchain ecosystems in order to pinpoint those that are ripe for DeFi innovation yet are currently underserved. By drawing insights from existing, successful DeFi projects, our initial aim was to 'clone' and adapt existing protocols, tailoring them to meet the specific needs and characteristics of target ecosystems. We believed that such an approach would result in an ideation with a grounded formation, creating an evolutionary rather than revolutionary product. Ultimately, the result of such research is Providence.

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Sectors

Within the initial research of the protocol we will list a range of elements which comprise that of a DeFi ecosystem. This is so that we can effectively evaluate ecosystems across the DeFi space, allowing us to find potential market gaps which we can fill, while ensuring that we do not venture down an oversaturated or shrinking DeFi market sector.

Foundational DeFi Blocks

To begin with, in the bullet points below we have listed the core foundation DeFi blocks of DeFi ecosystems.

- DEXs
- Bridges
- Wallets
- Derivatives
- Lending Platforms
- Synthetic Assets

- Insurance Protocols
- Stablecoins (Algorithmic)
- AMMs
- Yield Farming

DeFi Enhancement

In the bullet points below are the additional DeFi ecosystem elements which often leverage the core blocks of the DeFi ecosystem:

- Prediction Markets
- Payment Protocols
- Cross-chain Protocols
- Asset Management Platforms
- NFT Platforms
- Index Funds
- Flash Loans / Arbitrage
- Token Wrapping Mechanisms
- Lotteries
- Savings Protocols
- Portfolio Rebalancing Tool
- DeFi Aggregators
- Decentralised Margin Trading
- Decentralised Fund Management
- IDO Platform
- DeFi Dashboards / Wallet Dashboard
- Fractionalisation Platforms
- Automated Loan Management
- Yield Optimizers
- SocialFi
- Algorithmic Trading Bots
- Risk Optimizers

DeFi Landscape

The initial segment of our document was to embark on a thorough evaluation of the DeFi landscape's current state. This examination was not only pivotal not only for validating the DeFi sector as an appropriate field for Providence, but also for identifying potential opportunities within the space. By analysing the current market size through utilising

various growth metrics, we uncovered promising chains and ecosystems which exhibit are currently within their growth phase. This segment therefore set the stage for our strategic entry into the DeFi market.

Current Market Size

At time of writing, the total DeFi market capitalization stands at $83bn USD [1]. This is down approximately -53% from the ATH of $178bn USD although up approximately +170% from the start of Q1 2023.

Figure (1) = Current Total DeFi TVL

At present, the DeFi market capitalization (*all major DeFi tokens circulating supply * price*) makes up 4.65% of the total crypto asset market capitalization of $1.785tn USD [2]. This is a sizable percentage of the cryptocurrency market. However, it does not truly display the influence or size of DeFi due to tokens of such protocols not accurately reflecting the value due to poor correlation between token performance and protocol growth. Thus, we must evaluate the TVL landscape to identify the current pecking order, followed by specific growth metrics to attest the suitability of DeFi and potential chains which we could build upon.

Chain TVL Prominence Overview

From the figure below we can see the percentage of TVL held across various blockchains of DeFi ecosystems. The TVL of chains is currently dominated by Ethereum at 59.6% [3]. The current market TVL% is displayed in figure (2) below.

Chain	**TVL%**
Ethereum	59.6%
Tron	12.56%
BSC	5.25%
Arbitrum	4.14%
Solana	2.76%
Bitcoin	1.37%
Avalanche	1.3%
Polygon	1.29%
Optimism	1.22%
Sui	0.84%
Others	9.67%

Figure (2) = Chain TVL Dominance

Growth

This section of our analysis delves into the Total Value Locked (TVL) growth across various sectors within the DeFi landscape, aiming to discern areas ripe for innovation and investment. Through a detailed growth screener, we will pinpoint sectors with the most potential for our ventures, simultaneously identifying and eliminating those exhibiting minimal or negative growth. This process is pivotal in refining our focus and ensuring our focus is directed toward the most promising opportunities. Subsequently, our exploration extends to examining TVL growth across different blockchain ecosystems. This analysis is designed to understand the flow of capital, enabling us to distinguish and disregard blockchains that are stagnating or declining in value. This meticulous approach is essential for our strategic positioning, guiding us towards high-growth areas and away from underperforming markets.

TVL Sector Growth

In the charts below is the TVL within all major chains for specific market sectors. All data is derived from reference [4].

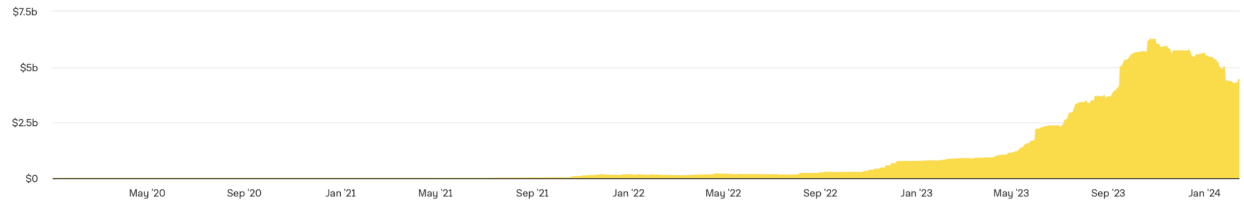


Figure (3) - RWAs (DeFi Enhancement)

Figure (4) - Indexes (DeFi Enhancement)

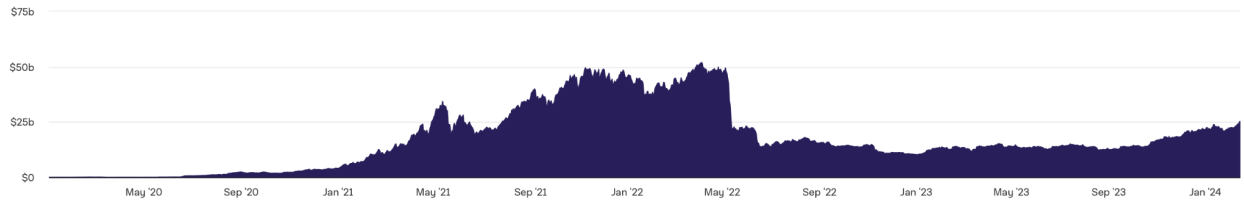


Figure (5) - Lending (DeFi Foundational)

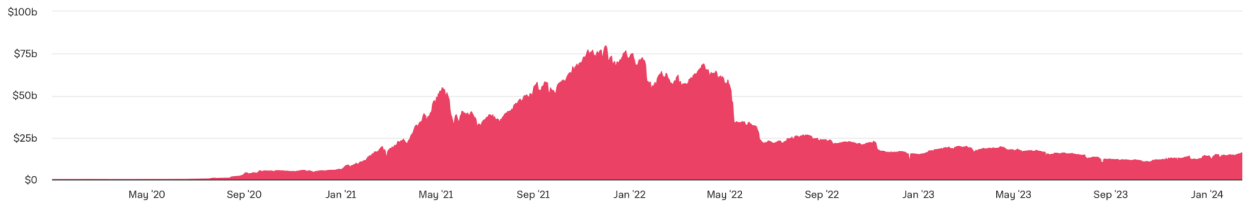


Figure (6) - DEXs (DeFi Foundational)

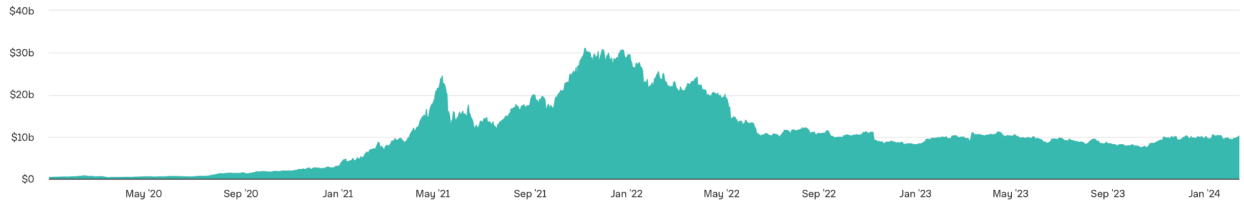


Figure (7) - Collateralized Debt (DeFi Foundational)

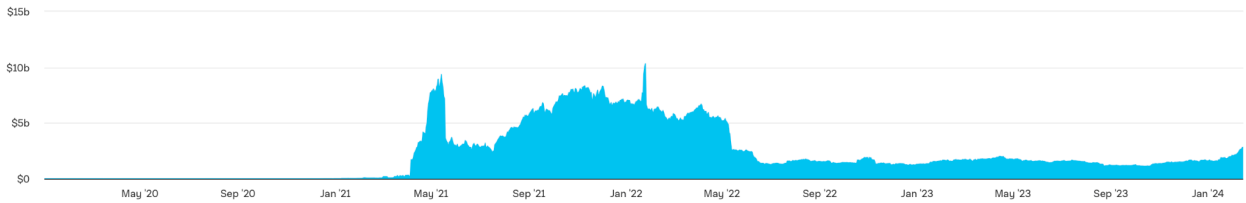


Figure (8) - Yield (DeFi Foundational)

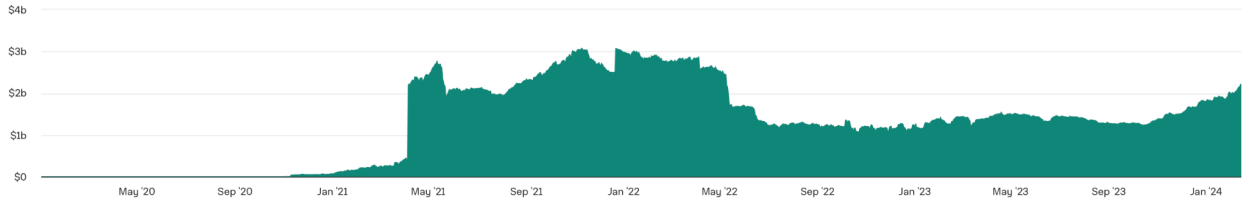


Figure (9) - Derivatives (DeFi Foundational)

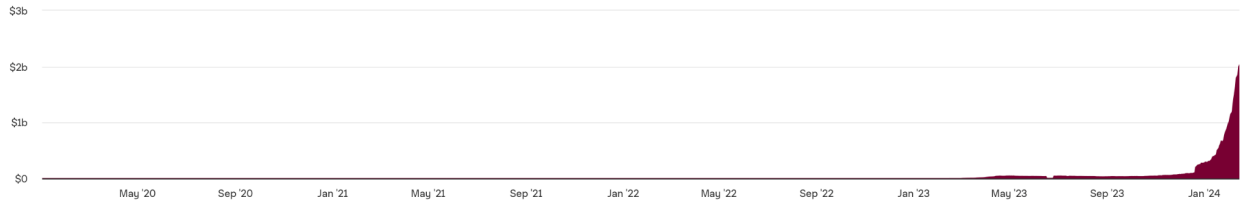


Figure (10) - Liquid Restaking (DeFi Enhancement)

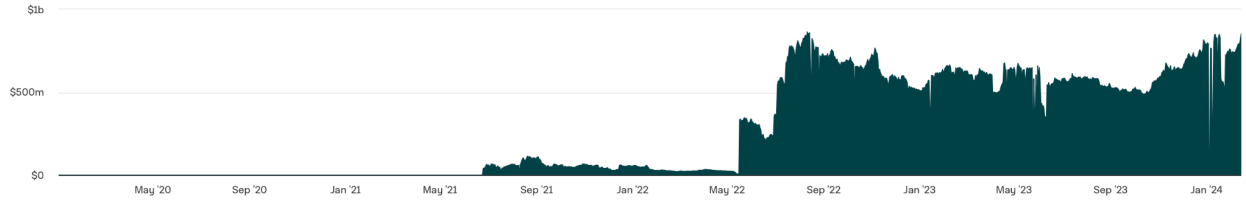


Figure (11) - IDO (DeFi Enhancement)

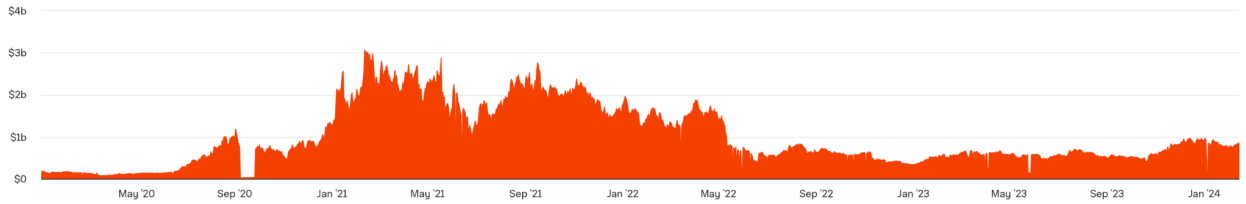


Figure (12) - Synthetics (DeFi Foundational)

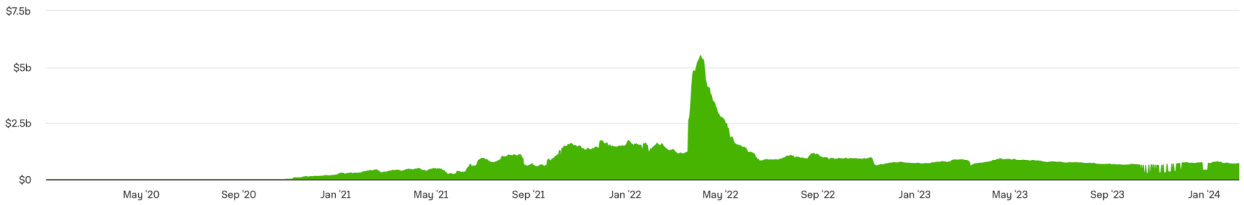


Figure (13) - Cross-chain (DeFi Enhancement)

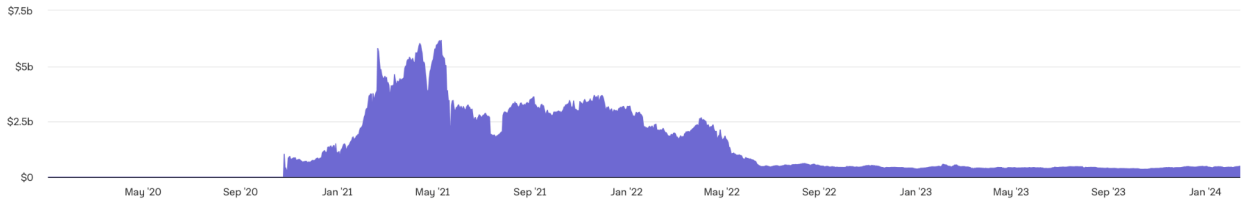


Figure (14) - Yield-Aggregator (DeFi Enhancement)

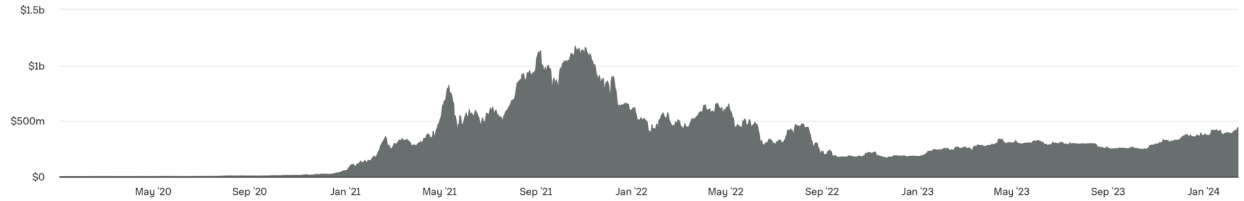


Figure (15) - Privacy (DeFi Enhancement)

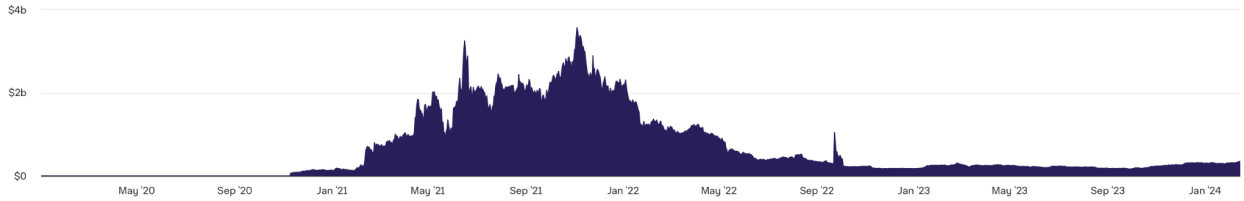


Figure (16) - Payments (DeFi Enhancement)

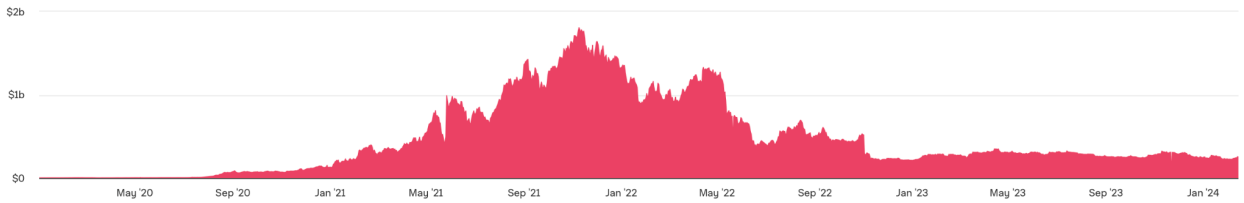
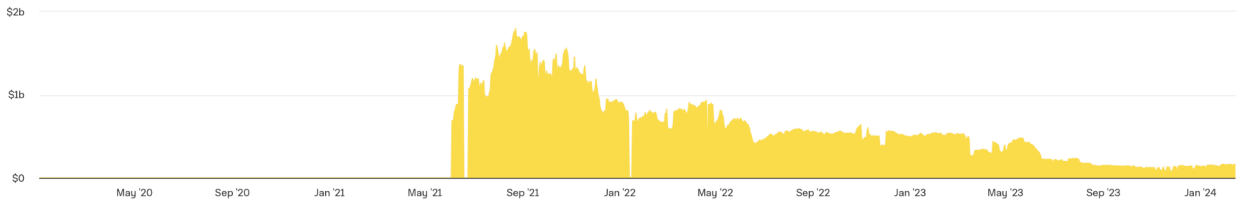


Figure (17) - Insurance (DeFi Foundational)



Leveraged Farming (18) - (DeFi Enhancement)

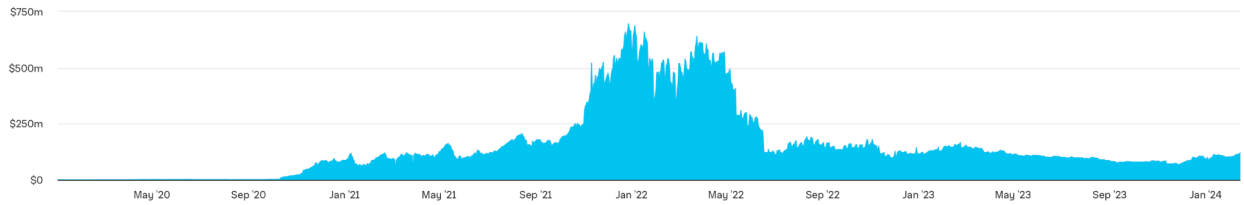


Figure (19) - Options - (DeFi Enhancement)

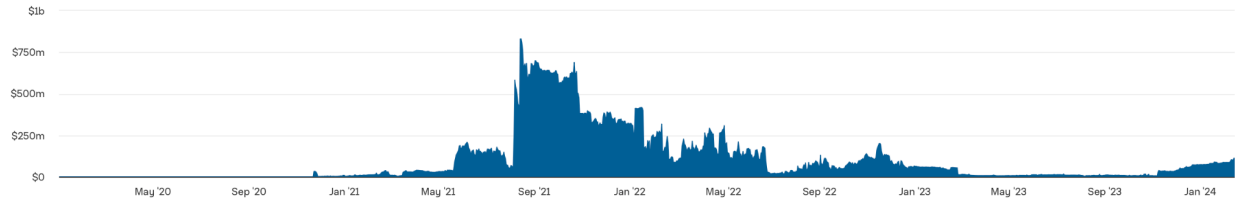


Figure (20) - Uncollateralized Lending (DeFi Enhancement)

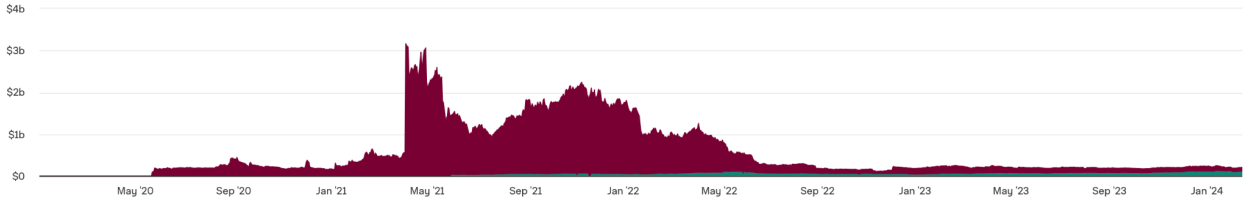


Figure (21) - Algo and Decentralised Stablecoins (DeFi Foundational)

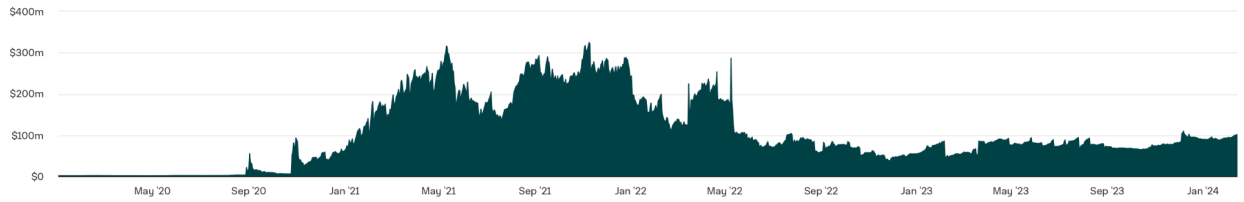


Figure (22) - Services (DeFi Enhancement)

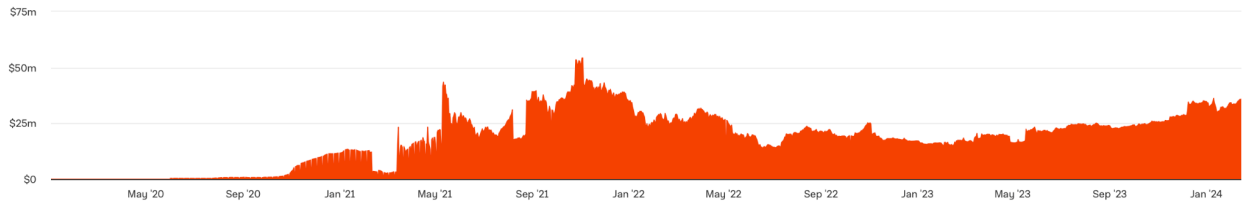


Figure (23) - Prediction Market (DeFi Enhancement)

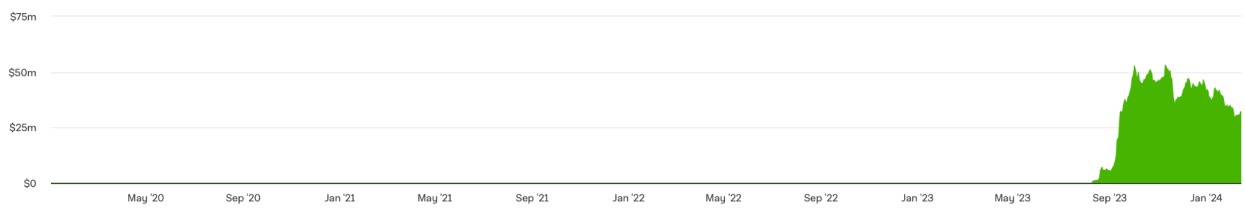


Figure (24) - Social Finance (DeFi Enhancement)

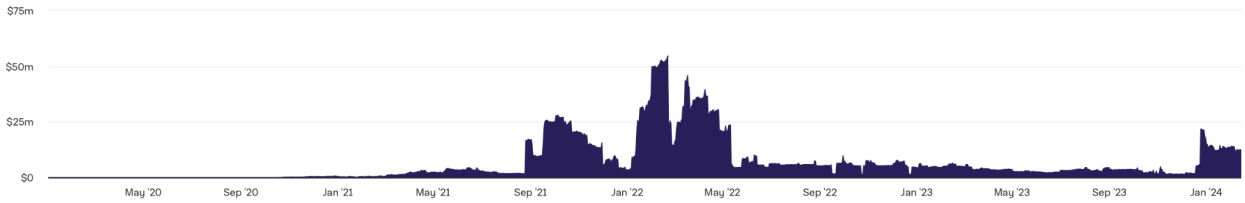


Figure (25) - RWA Lending (DeFi Enhancement)

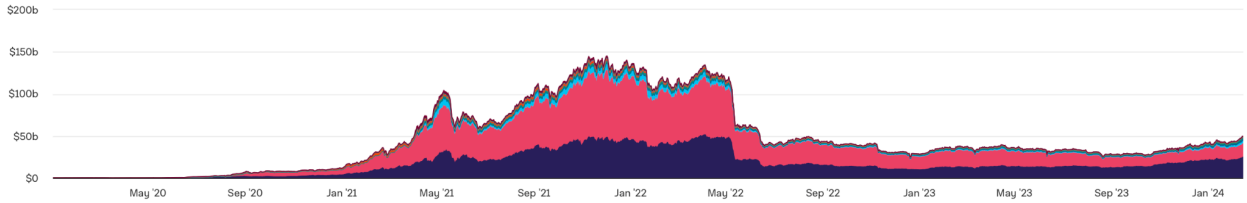


Figure (26) - Foundational DeFi Growth

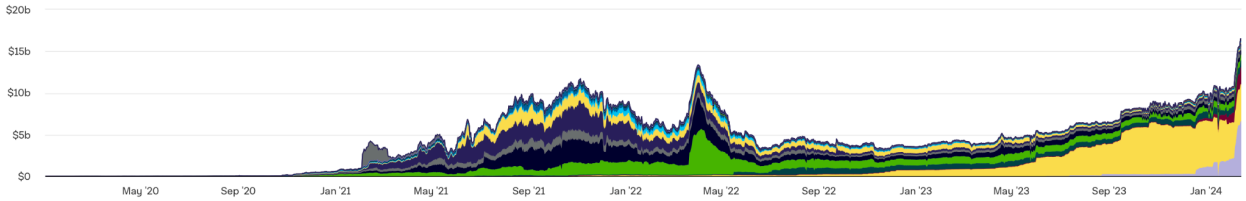


Figure (27) - Enhancement DeFi Growth

From the figures above we can see that sectors of the DeFi market are having drastic performance swings. The DeFi market as a whole is performing well, verifying our creation of Providence as a DeFi protocol.

Growth Screener

Figure (28) below displays the growth of segments above categorising them, enabling removal of negative growth sectors.

Segment	**Growth Rate**	**Foundational (F) or Enhancement (E)**	**Note**
RWA	Exponential Positive Growth	E	Major uptick since 2022.

Indexes	Stagnation	E	Little to no growth since 2022.
Lending	Minor Positive Growth	F	N/A
DEXs	Negative Growth	F	Significant drop off in usage since 2022
Collateralized Debt	Stagnation	E	N/A
Yield	Minor Positive Growth	F	Great growth since the start of the year after a stagnation period.
Derivatives	Positive Growth	E	Almost at ATHs for TVL.
Liquid Restaking	Exponential Positive Growth	E	Fastest growth sector.
IDO	Positive Growth	E	Stagnant since 2022 although close to ATHs (has done well since late 2023).
Synthetics	Minor Positive Growth	F	Has had some growth since 2022 although nowhere near ATHs.
Cross-chain	Stagnation	E	N/A
Yield-Aggregator	Negative Growth	E	Fallen off a cliff since the last bullrun.
Privacy	Positive Growth	E	Has done well since late 2022.
Payments	Negative Growth	E	Fallen off a cliff since the last bullrun.
Insurance	Negative Growth	F	Fallen off a cliff since the last bullrun.

Leveraged Farming	Exponential Negative Growth	E	Sector is almost dead.
Options	Stagnation	E	No growth since late 2022.
Uncollateralized Lending	N/A	E	Hard to read between lines with this sector.
Algo & Decentralised Stablecoins	Exponential Negative Growth	F	Sector is almost dead. Move towards centralised stablecoins.
Services	Stagnation	E	No growth since late 2022.
Prediction Market	Positive Growth	E	Almost at ATHs.
Social Finance	N/A	E	New concept, no reliable growth pattern yet.
RWA Lending	Positive Growth	E	Has risen with the rise of RWAs (rate is lower).
Foundational DeFi	Stagnation	F	Same levels as late 2022.
Enhancement DeFi	Exponential Positive Growth	E	Is currently at ATHs.

Figure (28) - Growth Screener

From the screener above we can conclude that the following sectors will not be further evaluated:

- DEXs.
- Yield-Aggregator.
- Payments.
- Insurance.
- Leveraged Farming.
- Algo & Decentralised Stablecoins.

This is due to the negative growth of such sectors.

Chain TVL Growth

In the figures below we will evaluate the growth of chain TVL across various blockchains. As stated earlier this will help us to understand the capital flow across individual DeFi ecosystems.

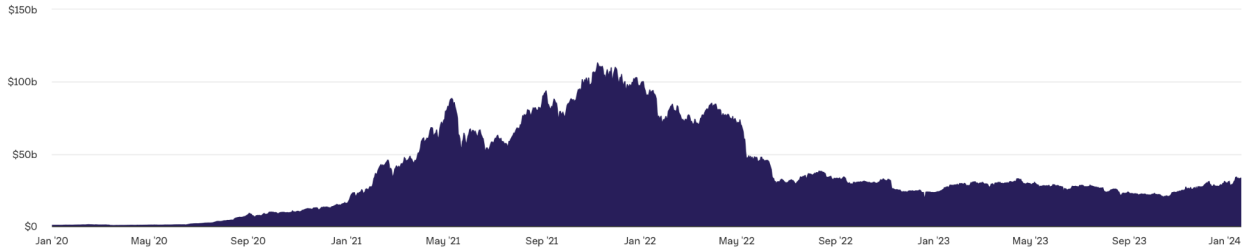


Figure (29) - Ethereum TVL

Figure (30) - TRON TVL

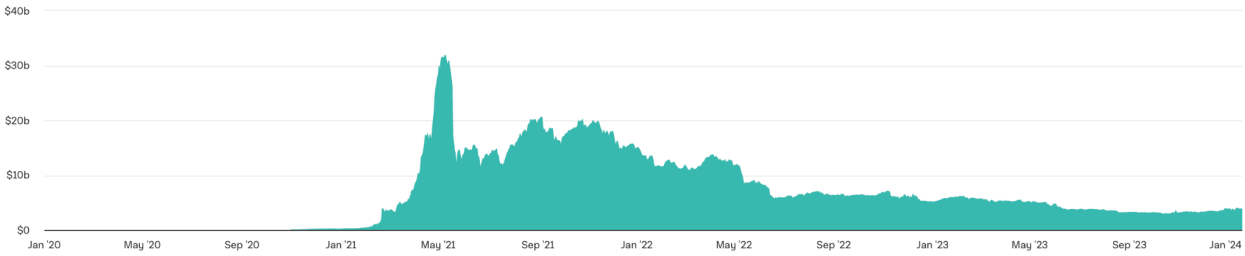


Figure (31) - BSC TVL

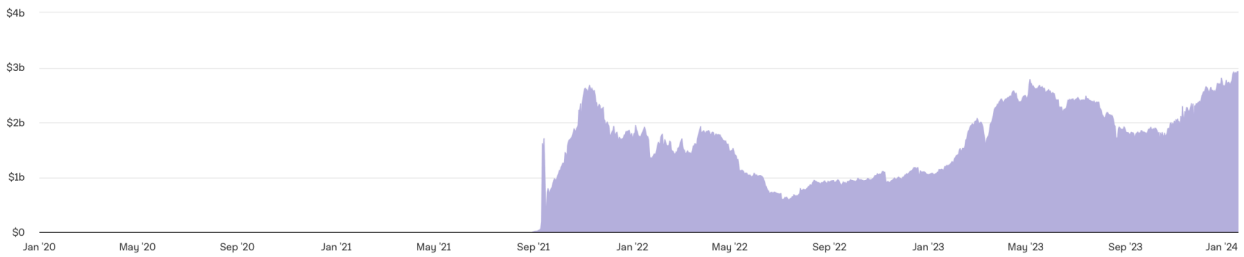


Figure (32) - Arbitrum TVL

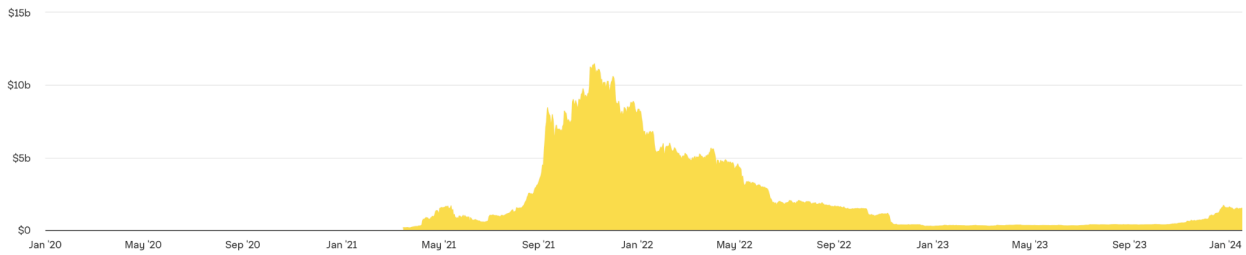


Figure (33) - Solana TVL

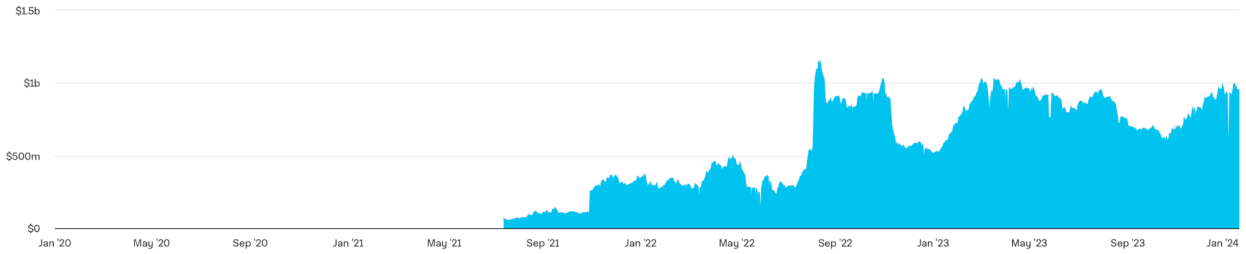


Figure (34) - Optimism TVL

Figure (35) - Polygon TVL

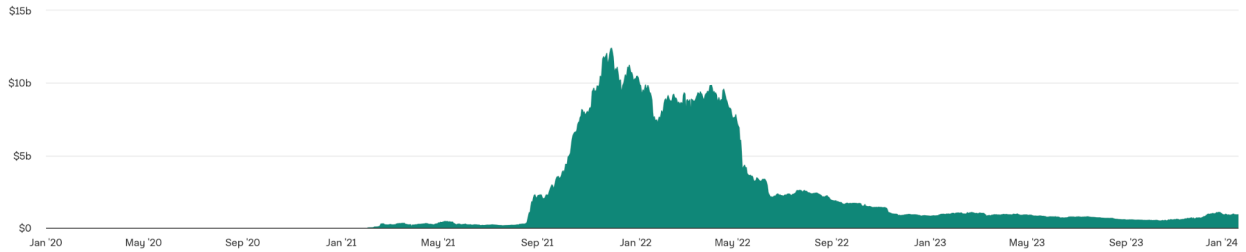


Figure (36) - Avalanche TVL

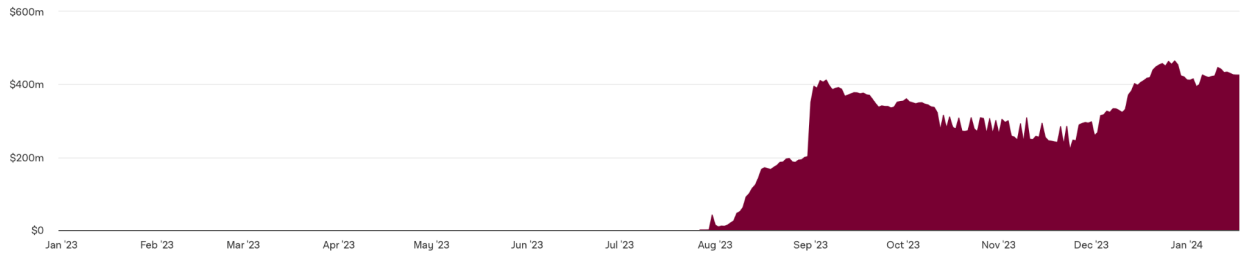


Figure (37) - Base TVL

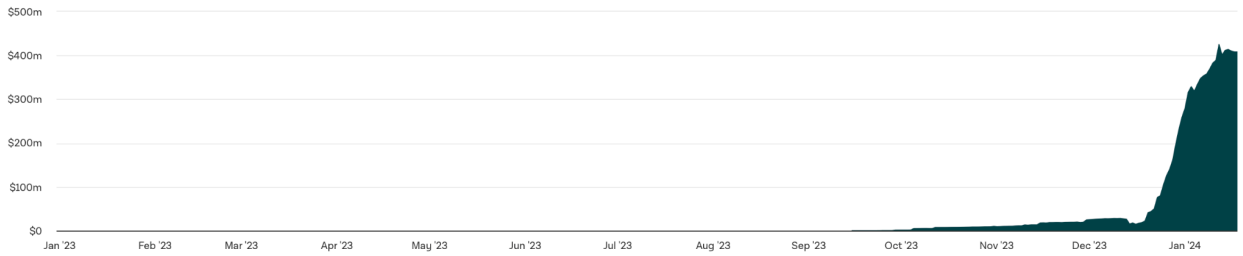


Figure (38) - Manta TVL

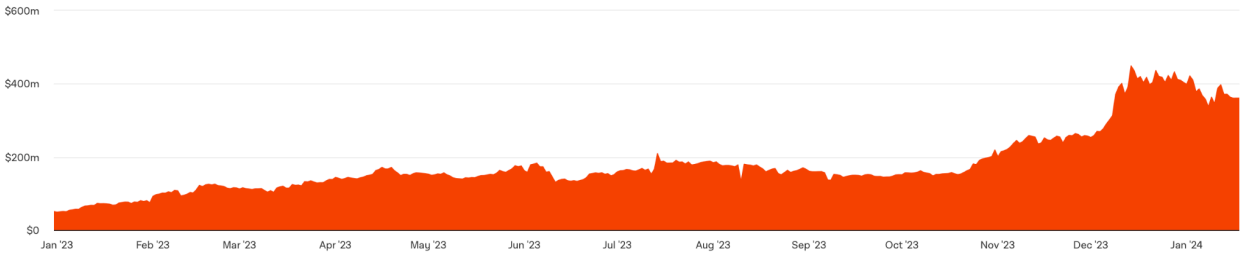


Figure (39) - Cardano TVL

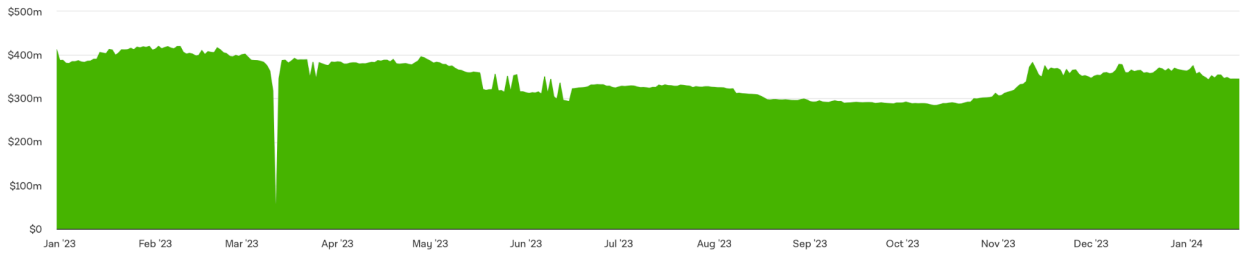


Figure (40) - Cronos TVL

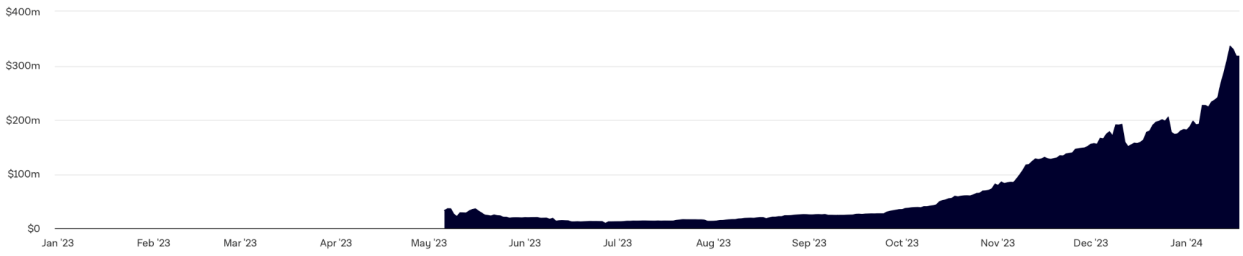


Figure (41) - SUI TVL

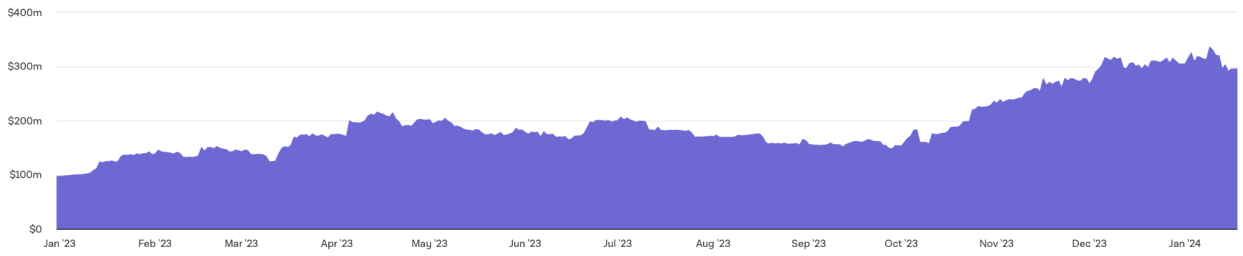


Figure (42) - Bitcoin TVL

Growth Screener

In figure (43), with the table below we can see the overall growth of each chain compared.

Chain	Growth	TVL (bn USD)
Ethereum	Stagnant	42.32 (1)
Tron	Positive Growth	8.941 (2)
BSC	Negative Growth	3.726 (3)
Arbitrum	Positive Growth	2.942 (4)
Solana	Exponential Negative Growth (*Recent Minor Uptick*)	1.958 (5)
Optimism	Minor Positive Growth	0.85931 (9)
Polygon	Negative Growth	0.91739 (8)
Avalanche	Exponential Negative Growth (*Recent Minor Uptick*)	0.92025 (7)
Base TVL	Positive Growth	0.42219 (13)
Manta	Exponential Positive Growth	0.52069 (12)
Cardano	Positive Growth	0.38673 (14)
Cronos	Stagnant	0.34994 (15)
SUI	Exponential Positive Growth	0.60276 (10)
Bitcoin	Positive Growth	1.145 (6)

Figure (43) - Growth Screener

From the screener above we can conclude that the following blockchains will not be further evaluated:

- BSC
- Solana

- Polygon
- Avalanche
- Cronos*

This is due to the negative growth of such sectors.

**Additional reasonings due to technical implementation complications initially understood by the team.*

Growth Conclusion

From the comprehensive analysis conducted, we've effectively identified and excluded various market sectors and blockchain ecosystems that do not align with our growth objectives. This filtration process ensures that Providence is strategically positioned within markets and chains that exhibit robust growth.

This segment of our evaluation has been particularly revealing, uncovering unexpected trends such as the extent of the significant downturn in Solana and Avalanche's performance, alongside the downturn in DEXs.

Number of Registered Protocols

In Figure 44 presented below, we examine the number of DeFi protocols operating on various blockchain chains, providing a clear picture of ecosystem saturation. Understanding saturation is important, as opting to build on a less crowded chain could significantly enhance our chances of receiving native ecosystem support, both technically and financially. Moreover, a chain with fewer competing protocols offers a better opportunity to engage and captivate the chain's native audience, potentially benefiting from increased social media exposure and collaborative ventures.

Chain	**Number of Protocols**
Ethereum	x>970
Tron	29
BSC	693
Arbitrum	542
Solana	127

Optimism	213
Polygon	518
Avalanche	358
Base TVL	216
Manta	38
Cardano	14
Cronos	33
SUI	25
Bitcoin	6

Figure (44) - Registered Protocols Per Chain

From the data above we can see that SUI, Cronos, Cardano, Manta, and Tron all have low saturation. However, others with higher saturation such as Ethereum will be disqualified due to this factor. Although, should all high growth and low saturation chains be disqualified, then we will circle back to known quantities such as Ethereum.

Protocol Type

Figure (45) displays the protocol type of each blockchain. This is simply to provide context to the reader in question.

Chain	**Protocol Type**
Ethereum	L1
Tron	L1
BSC	L1
Arbitrum	L2
Solana	L1
Optimism	L2
Polygon	L2
Avalanche	L1

Base TVL	L2
Manta	L2
Cardano	L1
Cronos	L1
SUI	L1
Bitcoin	L1

Figure (45) - Protocol Type

Blockchain Native Protocols Analysis

In this section, we will conduct a detailed examination of the ecosystems surrounding Tron, Arbitrum, Base, Manta, and SUI. Our analysis aims to dissect both successful and unsuccessful DApp or protocol implementations across these blockchains, while also spotlighting unexplored areas or gaps within each ecosystem. The goal is to uncover high-growth markets which have yet to be implemented on high-growth chains. This will then act as the first fundamental building block for Providence.

Tron

Successful Implementations

In the figure below are successful protocol implementations on Tron. To be included on this list the protocol in question must have a minimum TVL of $25m USD.

Protocol	**TVL (bn USD)**	**Number of Chains**	**Type**
JustLend	6.944	1	Lending
JustStables	1.489	1	Collateralized Debt
stUSDT	1.293	2	RWAs
SUN	0.50595	1	DEX

Figure (46) - Successful Protocols on Tron

Tron has a high TVL locked within the chain. However, the capital within the DeFi ecosystem is not well spread and is locked within just a few protocols as demonstrated above.

Failed Implementations

Below is a list of failed implementations across the Tron ecosystem. In order to be qualified for this, the protocol had to have a minimum TVL x<$5m USD (*no protocols had a TVL $5m USD < x > $25m USD*).

Protocol	**TVL (m USD)**	**Type**	**Number of Chains**
UniFi	2.1	Staking Pools	2
NEOPIN Staking	0.684	Staking Pools	2
SocialSwap	0.669	DEXs	1
TronNRG	0.667	DEXs	1
JustMoney	0.505	DEXs	1
Uswap	0.345	DEXs	1
Intercroneswap	0.248	DEXs	3
Symbiosis	0.243	Cross Chain	24
zkBob	0.054	Privacy	3
STRX Finance	0.012	Liquid Staking	1
Garble.Money	0.001	Privacy	1
Flatcoin DEX	N/A	Farming	1
OneSwap	N/A	DEXs	4
RAIDSHIFT	N/A	DEXs	1
Luminous Finance	N/A	DEXs	1

Figure (47) - Unsuccessful DeFi Implementations on Tron

Non-Discovery Areas

This segment evaluates the areas of Tron which have not been targeted / have no presence. It should be noted that a deep dive into previously mentioned protocols has not been conducted. Thus, they may cover some of the elements below.

Foundational

- Derivatives
- Lending Platforms
- Synthetic Assets
- Insurance Protocols

Enhancement

- Prediction Markets
- Payment Protocols
- Asset Management Platforms
- Index Funds
- Flash Loans / Arbitrage
- Token Wrapping Mechanisms
- Lotteries
- Savings Protocols
- Portfolio Rebalancing Tool
- DeFi Aggregators
- Decentralised Margin Trading
- Decentralised Fund Management
- IDO Platform
- DeFi Dashboards / Wallet Dashboard
- Fractionalisation Platforms
- Automated Loan Management
- Yield Optimizers
- Algorithmic Trading Bots
- Risk Optimizers

Conclusion

We can determine that there are clear gaps within the Tron ecosystem. Furthermore, there are the success cases to deem that Tron could be a preliminary suitable chain to build on.

Arbitrum

Successful Implementations

In the figure below are successful protocol implementations of Arbitrum. Upon conducting analysis, it was clear that there are a wide range of successful implementations. Thus, the table below ends after $47m USD.

Protocol	**TVL (m USD)**	**Type**	**Number of Chains**
GMX	575.24	Derivatives	2
AAVE V3	363.18	Lending	12
Uniswap V3	269.85	DEXs	13
Pendle	234.81	Yield	5
Hyperliquid	162.21	Derivatives	1
Balancer V2	157.72	DEXs	7
Radiant	141.81	Lending	3
Camelot	132.03	DEXs	1
Curve DEX	131.00	DEXs	13
Magpie Ecosystem	121.37	Yield	4
Solv Protocol	94.4	Asset Management	5
Silo Finance	78.68	Lending	2
Compound V3	65.74	Lending	4
Aura	57.86	Yield	6
Vertex Protocol	50.23	Derivatives	1
Synapse	49.41	Cross Chain	18
Sushi	49.03	DEXs	32
Beefy	48.85	Yield Aggregator	25
MUX Protocol	48.75	Derivatives	5
Stargate	47.26	Cross Chain	13

Figure (48) = Successful Arbitrum Implementations

Successful Attempted Implementations

The table below includes implementations x>$25m USD (*some of which are not included in the table above*).

- Derivatives.
- Lending.
- DEXs.
- Yield.
- Asset Management.
- Cross Chain.
- Yield Aggregation.
- Farming.
- Collateralized Debt.
- Liquidity Management.
- Services.
- Leveraged Farming.
- Launchpad.

Low Success

- Options.
- Prediction Markets.
- Options.
- Derivatives.
- Synthetics.

Attempted - Failed

- Insurance.
- Indexes.
- Options Vault.
- RWA.
- Algorithmic Stables.
- Social Fi (x<$50k TVL).

Non-Discovery Areas

Due to the scale of Arbitrum, it is safe to assume that all DeFi sectors have been attempted. It is just a question of whether or not they have been executed effectively (*e.g. ineffective Social Fi implementation*).

Base

Successful Implementations

In the figure below are successful protocol implementations on Base. To be included on this list the protocol must have a minimum TVL of $10m USD.

Protocol	**TVL (m USD)**	**Type**	**Number of Chains**
Aerodrome	150.95	DEXs	1
Compound V3	43.92	Lending	4
Seamless Protocol	31.07	Lending	1
Friend.Tech	29.93	SoFi	1
Uniswap V3	29.6	DEXs	13
Moonwell	21.54	Lending	2
Extra Finance	15.41	Lending	2
Stargate	12.69	Cross Chain	13
Beefy	11.77	Yield Aggregator	25
AAVE V3	10.86	Lending	12
Overnight Finance	10.04	CDP	7

Figure (49) = Successful Base Implementations

Low Success

- DEXs
- CDP
- Cross Chain
- Derivatives
- Yield
- Indexes
- Yield Aggregation

- Lending
- Liquidity Management
- RWAs

Conclusion

There have been numerous unsuccessful projects on Base, with only 66 / 194 having x>$100k TVL. This is a negative consideration towards base and will result in current disqualification.

Manta

In the figure below are successful protocol implementations on Manta. To be included on this list the protocol must have a minimum TVL of $5m USD.

Successful Implementations

Protocol	**TVL (m USD)**	**Type**	**Number of Chains**
LayerBank	400.19	Lending	3
Shoebill V2	61.7	Lending	3
ZeroLend	29.01	Lending	2
Quickswap V3	17.84	DEXs	4
ApertureSwap	7.88	DEXs	1
iZiSwap	5.72	DEXs	18

Figure (50) = Successful Manta Implementations

Attempted x<$5m

- Liquidity management
- Derivatives
- Liquid staking
- Liquid staking
- Cross chain
- Lending
- CDP
- Options

- Yield
- DEX aggregation
- Services

Missing

- Synthetic Assets
- Insurance Protocols
- Stablecoins (Algorithmic)
- AMMs
- Yield Farming
- Prediction Markets
- Payment Protocols
- Asset Management Platforms
- NFT Platforms
- Index Funds
- Flash Loans / Arbitrage
- Token Wrapping Mechanisms
- Lotteries
- Savings Protocols
- Portfolio Rebalancing Tool
- Decentralised Fund Management
- IDO Platform
- DeFi Dashboards / Wallet Dashboard
- Fractionalisation Platforms
- Automated Loan Management
- Yield Optimizers
- Algorithmic Trading Bots
- Risk Optimizers
- SocialFi

Conclusion

From the information above we can see that Manta meets all of our requirements at the current stage of writing.

SUI

Successful Implementations

In the figure below are successful protocol implementations on SUI. To be included on this list the protocol must have a minimum TVL of $5m USD.

Protocol	TVL (m USD)	Type	Number of Chains
Scallop Lend	142.66	Lending	1
NAVI Protocol	132.62	N/A	1
Cetus	96.02	DEXs	2
Aftermath Finance	68.67	N/A	1
KriyaDEX	55.85	DEXs	1
FlowX Finance	49.79	DEXs	1
DeepBook	25.29	DEXs	1
Turbos	23.57	DEXs	1
Haedal Protocol	18.18	Liquid Staking	1
Bluefin	12.6	Derivatives	2
Bucket Protocol	10.09	CDP	1
Omni BTC	7.48	Lending	8

Figure (51) = Successful Arbitrum Implementations

Attempted x<$1.5m

- Yield Aggregator
- Synthetics
- Yield

Missing

- Prediction Markets
- Payment Protocols
- Asset Management Platforms
- NFT Platforms
- Index Funds
- Lotteries
- Savings Protocols

- Portfolio Rebalancing Tool
- DeFi Aggregators
- Decentralised Margin Trading
- Decentralised Fund Management
- IDO Platform
- DeFi Dashboards / Wallet Dashboard
- Fractionalisation Platforms
- Yield Optimizers
- SocialFi
- Algorithmic Trading Bots
- Risk Optimizers
- RWA

Conclusion

From the information above we can see that SUI meets all of our requirements at the current stage of writing.

Conclusion

From this section we can determine that we would not build out on Base. Furthermore, we would not look to build on Arbitrum due to confirmed saturation. Furthermore, Arbiturm is a known quantity in a similar case to Etheruem. Arbitrum will remain an option should neither SUI or Manta fill future requirements, of which we will be going forwards with due to significant opportunities present.

Identified Initial Key Opportunities Screener

In the figure below is an opportunities screener for the attempted implementation of protocols across various chains.

KEY:

- Successful = W
- Unattempted = X
- Failed = Y
- Data Not Evaluated = N/A

Growth Area	SUI	Manta	Tron

RWA	X	X	W
Lending	W	W	W
Yield	Y	X	Y
Derivatives	W	Y	X
Liquid Restaking	X	Y	X
IDO	X	X	X
Synthetics	Y	X	X
Privacy	X	X	Y
Prediction Market	X	X	X
RWA Lending	X	X	X
Social Finance	X	X	X

Figure (52) = Opportunities Screener

From the table above we can determine that there are various sectors which we could evaluate with those being IDO platforms, prediction markets, RWA lending, and SocialFi. Prior to further analysis, it should be noted that we will not be progressing with RWA lending. This is due to poor market infrastructure for this area and a high degree of unknowns within this sector (new market sector).

Gap Checking

This section will check the screener above to ensure that the market segment opportunities evaluated are present. This segment is deeper analysis beyond the initial market screener and should segments be found to be present; they will be subsequently disqualified, leading to a fundamental change on what Providence is.

IDO Platforms

This first segment we will evaluate is the presence of IDO platforms. Gap checking will occur firstly with SUI, followed by Manta then Tron.

SUI

SUIPad

- Widely used and popular IDO platform.
    - Website = https://www.suipad.xyz/ido/upcoming.
    - Followers (Twitter) = 138.8k.
    - Market Cap (token) = $8.28m USD.

Manta

N/A

- No current IDO / native launchpad. However, projects connected to the network are exploring / expected to release a launchpad in 2024 e.g. Bakery Swap.

Tron

TronPad

- Small scale launchpad. Does not seem particularly usable / many IDOs conducted.
    - Website = https://tronpad.network/
    - Followers = 1,000
    - Marketcap = $1.92m USD

Conclusion

There are existing IDO platforms on all of the evaluated blockchains. Furthermore, coupled by our team is not best suited to building an IDO / launchpad platform in comparison to alternate opportunities; Providence being an IDO platform has been disqualified.

Prediction Markets

Next we will evaluate the presence of prediction markets. Such an area has a degree of ambiguity as a DEX could be considered to facilitate the prediction of price action. However, for this segment we will evaluate the presence of protocols specifically identifying as prediction markets, such as Augur.

SUI

There are no prediction markets on the SUI blockchain and none could be found currently in development.

Manta

There are no prediction markets on the Manta blockchain and none could be found currently in development.

Tron

There are no prediction markets on the Tron blockchain and none could be found currently in development.

Conclusion

There are no prediction market protocols currently in place across any of the evaluated blockchains. Thus, this is a clear area of opportunity which we will evaluate further.

Social Finance

Finally, we will evaluate the presence of SocialFi projects.

SUI

There are no social finance applications on the SUI blockchain and none could be found currently in development.

Manta

There are a range of social finance applications on Manta such as:

- Dappback
    - Rewards for discovering new brands.
- GoSleep
    - Rewards for sleeping…
- Instap

    - Make friends, earn crypto (and NFTs).
- TalenTale
    - Fans and friends etc.
- MoonFit
    - Social fitness app.
- ReadON
    - ReadFi.

Tron

There is one identified social finance application on Tron called ScoreMilk.

Conclusion

There are various SocialFi applications, particularly on Manta. It is a relatively crowded space which has been deeply explored. Upon evaluation and discussion of opportunities identified, coupled with team members being deeply sceptical of the long-term outlook for the SocialFi sector; SocialFi has been disqualified.

Gap Checking Conclusion

The route in which Providence will centre itself around is prediction markets. This is a high growth market, with a lack of direct competitors on evaluated chains. Furthermore, the team is confident that we can build an effective prediction market of sorts.

Technical Requirements

This section will review the technical requirements of evaluated protocols. This is to ensure that we can build a prediction market on the chain in question, evaluating elements such as coding language and oracle integration.

Code Language Requirements

This section will evaluate the coding languages requirements of each evaluated protocol. In order to create Providence, we firstly require the blockchain in question to be solidity compatible.

Protocol	Native Coding Language	EVM Compatible	Suitable?
SUI	MOVE (rust centric)	No	No
Manta	Solidity	Yes	Yes
Tron	Solidity	Yes	Yes

Figure (53) - Code Language Requirements of Protocols

From the table above, we can determine that SUI is not a suitable protocol for Providence, disqualifying the chain. This leaves Tron and Mantra as our targeted chains.

Chainlink AnyAPI

As a part of our core technical structure, Providence was looking to utilise Chainlinks AnyAPI (CAA). However, the CAA was only compatible with a small number, of which are displayed below:

- Ethereum
  - Mainnet
  - Sepolia Testnet
- Polygon
  - Mainnet
  - Mumbai Testnet
- Avalanche
  - Avalanche Mainnet
  - Fuji Testnet
- Arbitrum
  - Arbitrum Mainnet
  - Sepolia Testnet

Therefore, due to this occurrence we explored additional oracles to maintain the utilisation of a high growth protocol, rather than falling back on Ethereum or Arbitrum. From this, we explored various Web3.0 data / oracle providers displayed below. Within this, we have included the reasons for or against utilising such oracles:

- Covalent
  - API data only available off-chain through python, javascript etc.
- DIA
  - Native oracle builder is only in beta therefore bringing associated risks.

- Tellor
    - Offers similar products to Chainlink AnyAPI. Furthermore, it offers more chains (including Manta) and meets tech specifications as discussed with the team.
- UMA
    - Misleading language language for oracle provision rather than logic - incites protocol design issues.

From this, we found that Tellor had the best alternative solution which worked with the following chains:

- Ethereum
- Polygon
- Gnosis Chain
- Optimism
- Arbitrum
- Filecoin

Therefore, when we combine the offerings from Chainlink and Tellor we are left with the following chains:

- Ethereum
- Avalanche
- Arbitrum
- Polygon
- Gnosis Chain
- Optimism
- Arbitrum
- Filecoin

From this we can determine that Tron is no longer a possibility due to our oracle requirements. This leaves Manta, Arbitrum and Ethereum as chains suitable for building our protocol on. Due to previously mentioned factors, Providence is therefore a prediction market which will be built on Manta.

Technical Benefits of Protocols

In this section, we will explain the benefits of different protocols and why utilising such protocols will provide clear benefits for stakeholders.

Manta

Manta's privacy-by-default is highly useful to our product as it eliminates a large attack vector for front-running (and similar techniques) that may not be clear from testing and launch since it is a novel protocol. It would also allow us to build markets which could obscure the amount of deposits and the fact that a certain account has taken a position, while still offering a provably fair pricing and exchange rate for outcome tokens. A prediction market has many users, just like traders, who would often prefer not to disclose the position they have taken, as it may negatively impact their upside. Furthermore, using Manta they would not need to maintain 'alt-wallets' or split transactions up, wasting gas, decreasing user costs.

Arbitrum

Arbitrum's low gas and fast transactions align well with our USP of instant settlement compared to competing prediction markets without sacrificing the security and robustness, as well as user trust, of Ethereum. The extensive developer tooling and interoperability also simplifies our development process.

Ethereum

Ethereum is by far the largest and best known smart contract platform, with the largest and most established development ecosystem. The vast TVL and proven track-record of robustness and reliability reassures users, as well as being the easiest chain to interact with for dApp users.

Conclusion

Overall, Manta and our two back-up chains will provide a positive experience for Providence stakeholders.

Implementations

This segment will evaluate each of the competitors to Providence within the prediction market space. Furthermore, there will be a focus on our present main primary competitor. From this, we will gauge a better understanding of market sectors we can operate in,

failures which we can learn from, and other critical points to developing an effective prediction market.

Competitors

From research conducted, the following platforms have been identified as primary competitors. Descriptions are from reference [7]:

- Polymarket
    - Polymarket is an information markets platform, where you can bet on the highly-debated topics and earn for being right. Politics focused.
    - Area
        - Politics centric.
- Augur
    - Augur is a decentralised oracle and peer to peer protocol for prediction markets.
        - N/A - cannot access due to IP restrictions. Furthermore, protocol is now deemed defunct.
- Omen.eth
    - Omen uses the Gnosis conditional token framework to give anyone the ability to create a prediction market - be it in the realm of crypto, sports, politics, entertainment, etc.
        - Cannot find protocol. Socials have not been active for two years. Some sort of merge with Gnosis seems apparent, although little detail is found.
- PlotX
    - PlotX is a cross-chain prediction market protocol that enables crypto traders to make crypto-asset price predictions in hourly, daily & weekly time frames.
        - Price prediction centric.

Conclusion

Polymarket has been identified as our primary competitor. Thus, Polymarket will be analysed to the greatest extent. Meanwhile, Augur will be analysed to dissect what mistakes the protocol made / why it is inactive so that we can learn from their mistakes due to the protocol's significant fall from grace.

Polymarket

Polymarket is a political centric decentralised prediction market based on Polygon. To begin our analysis on Polymarket, we will start by analysing the company's structure.

Structure

Blockratize Inc is a US centred firm with headquarters in NYC. They operate the Polymarket firm. Within the company itself, the employee structure is as follows:

- Ethan S
    - BD
        - Strategy Lead (NYC based)
- Christian Kuroki
    - Tech
        - Senior Blockchain Engineer
- Dylan Golow
    - Tech
        - Engineering
- Shayne Coplan
    - Leadership
        - CEO
- Liam Kovatch
    - Management
        - Head of Engineering
- Harry Jones
    - Leadership
        - Director
- Niraek Jain-Sharma
    - Management
        - Head of Data
- Ezra Brodey
    - Management
        - Head of Markets

There is little to no data / information on Blockratize other than from SEC proceedings.

Fundraising

Polymarket closed a $4m USD funding round led by Polychain capital in October 2020 [5]. Additional disclosed investors are as follows:

- Naval Ravikant (AngelList CEO).
- Balaji Srinivasan (ex-Coinbase CTO).
- Meltem Demirors (Coinshares CSO).
- General Catalyst
- Blockchain Coinvestors

The company has only conducted a singular funding round.

Regulatory Pushback

Polymarket was charged by the SEC and CFTC in 2022 for operating an unregistered facility for the online trading of event-based binary options. Due to the binary nature of Polymarket it came under 'swaps'. They failed to obtain or register under various acts. Polymarket decided to work with the SEC in cooperation, this resulted in a reduced civil monetary penalty. In 2022 Polymarket paid a $1.4m USD fine for the operation of unregulated swaps [6]. Something important to note here is that it was seen as a more regulation of online gaming and gambling rather than DeFi. They took issue with the gambling / GameFi element of Polymarket.

It should be noted that the SEC have not taken aim at Augur, the first prediction market to enter Web3.0. Thus, a significant amount of Polymarket issues can be derived from their operational, registration, and company activity conducts.

DeFi

The SEC wants to expand its definition of securities to include DeFi. Protocols such as Orca and MakerDAO have restricted US users. This is relevant because they want DeFi to centralise and become regulated under existing framework, move offshore, or shut down. From the information on Polymarket and future DeFi 'regulation' sources we can derive the following:

- Ensure that users are correctly informed on investment options / ensure that we are as informative as possible about the assets themselves, risks involved etc.
- Make the protocol as decentralised as possible. Where it is not decentralised, we will inform users how.
- Leave no room for ambiguity how the protocol functions and investments / financials within the protocol.

Statistics

Average monthly volume since the inception of Polymarket is $9.31m USD p/m. In the figure below we can see the Polymarket monthly volume. After a quiet 2022, there has been a major uptick in volume.

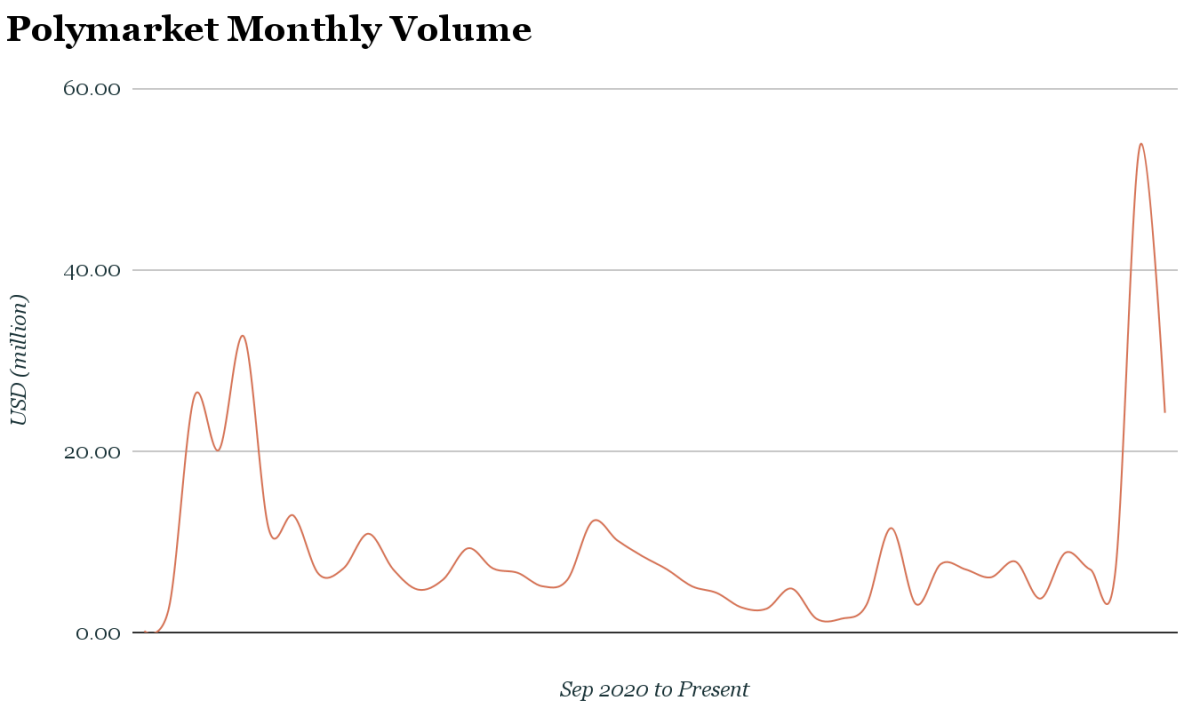


Figure (54) = Polymarket Monthly Volume

This is also somewhat true when evaluating the monthly active traders on Polymarket as well.

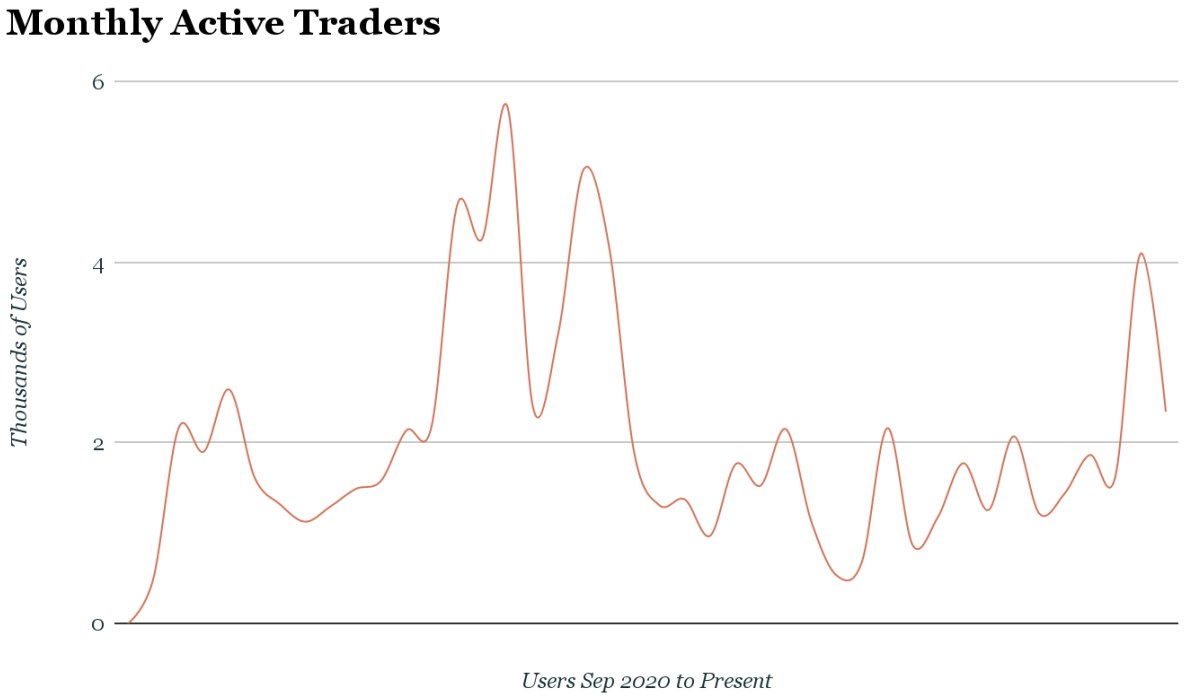


Figure (55) = Polymarket Monthly Volume

The correlation between the two figures above stands at +0.355. Showing that new users directly correlates to increased monthly volume. However, this is not as direct as expected, suggesting that the spending habits of Polymarket users has changed. We believe that this can be put down to fluctuating market conditions and drastic changes in users disposable income.

Liquidity Dispersion

In the table below is the liquidity dispersion across the protocol to better understand what the focus is of Polymarket and their target audience.

Name	**Sector**	**Bet (USD million)**
Presidential Election Winner 2024	Politics	56.16
Democratic Nominee 2024	Politics	9.15
Republican Nominee 2024	Politics	6.51
Democratic Nominee 2024	Politics	4.32

Presidential Election Popular Vote Winner 2024	Politics	3.96
Will Joe Biden be President of the US on…?	Politics	3.26
Republican VP Nominee	Politics	2.61
Fed Rate Cut by…?	Politics	2.34
Trump Margin of Victory in South Carolina Primary?	Politics	1.48
Trump and Biden Both Win Nomination	Politics	1.47
Ethereum ETF Approved by May 31st	Crypto	1.13
BTC ATH by 31st March	Crypto	0.87
Will Biden Drop Out of Presidential Race?	Politics	0.77
Republican Nominee 2024	Politics	0.74
South Carolina Republican Primary Winner	Politics	0.61
Electoral College Margin of Victory in the 2024 Presidential Election	Politics	0.60
Will Nikki Haley Drop Out Before the South Carolina Primary?	Politics	0.33
Tether Insolvent in 2024?	Crypto	0.33

Figure (56) - Open Interest

From the figure above and two below we can see that Polymarket can be confirmed as a political centric (*particularly the US*) prediction market. This further explains the regulatory pushback as a substantial prediction market for politics could be deemed a threat to US national political security.

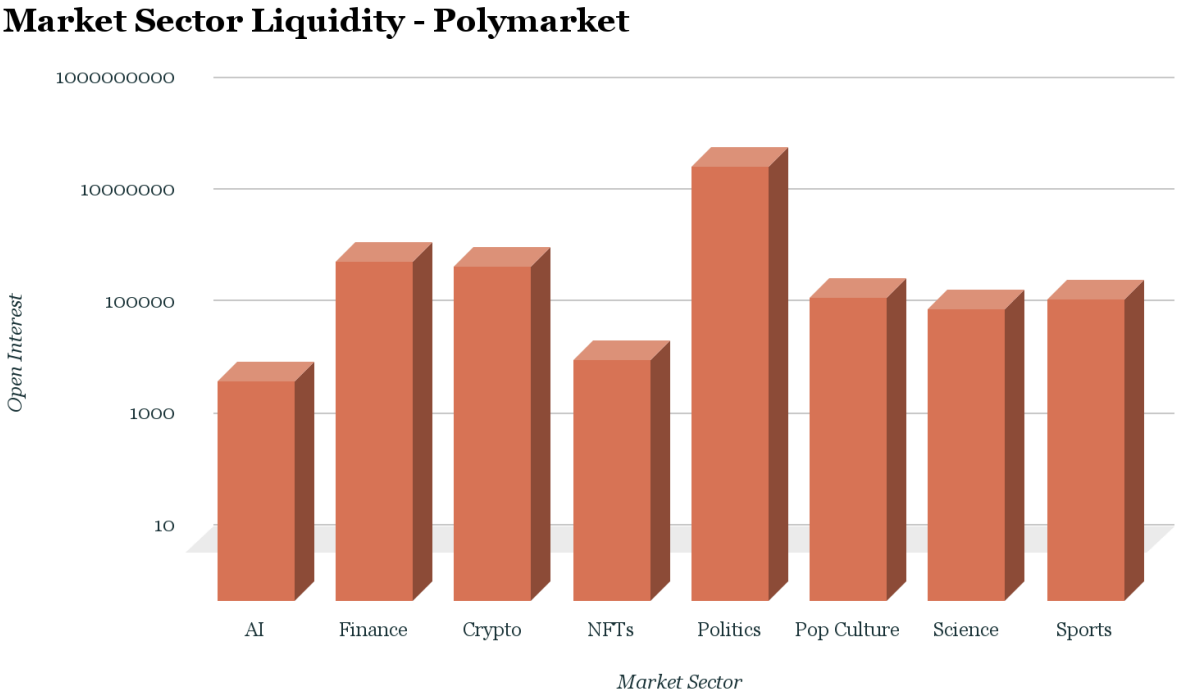


Figure (57) - Open Interest by Market Sector

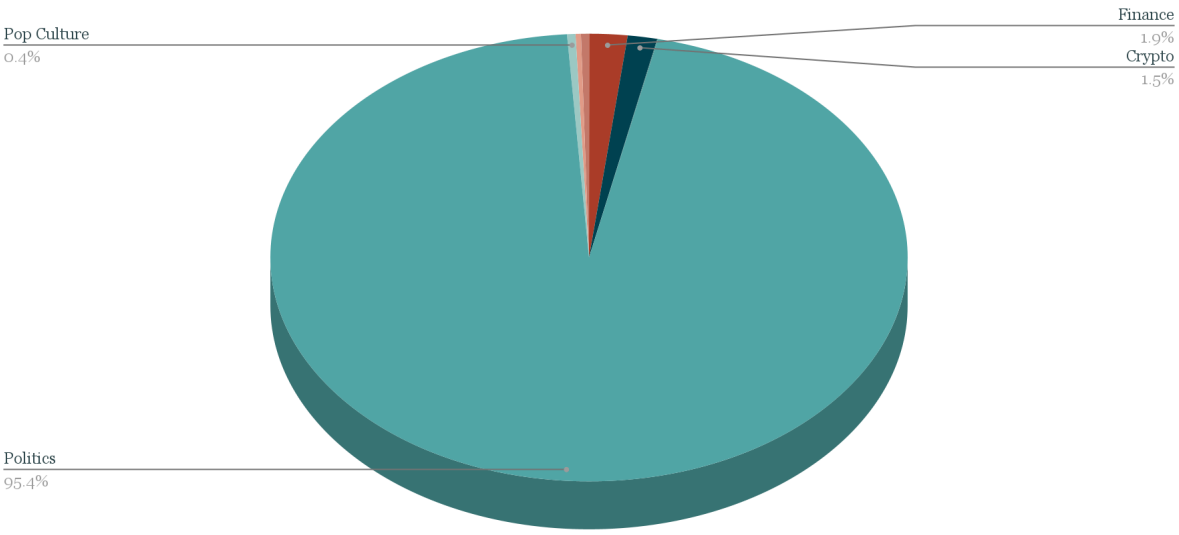


Figure (58) - Open Interest by Market Sector (Percentage)

Technology

This segment will evaluate the technological factors which underpin Polymarket as well as implemented mandates such as fees.

Wallets

Users leverage Metamask wallets for the platform. They can directly deposit from CEXs into Polymarket.

Fees

Market participants are charged a 2% fee on each transaction. This is an additional transaction on-top of network fees. No other fees are attained across Polymarket market.

Not Truly Decentralised

Polymarket is not available globally. In a similar sense to 'decentralised protocols' such as Orca, they have restricted access in particular markets such as the U.S and the UK. The protocol is currently viewed only for the UK and U.S. Additional countries where Polymarket is currently unavailable could not be found. However, it is suspected that IP addresses have been blocked in regions such as China, Brunei, Kazakhstan, Morocco etc.

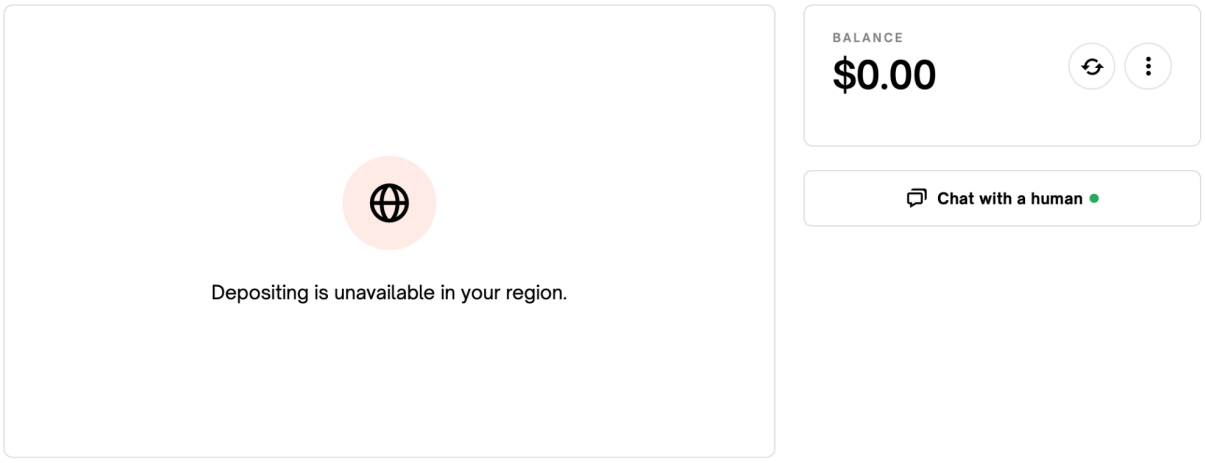


Figure (59) - Polymarket Unavailable in the UK

Liquidity Details

Polymarket utilises an orderbook style system displayed below.

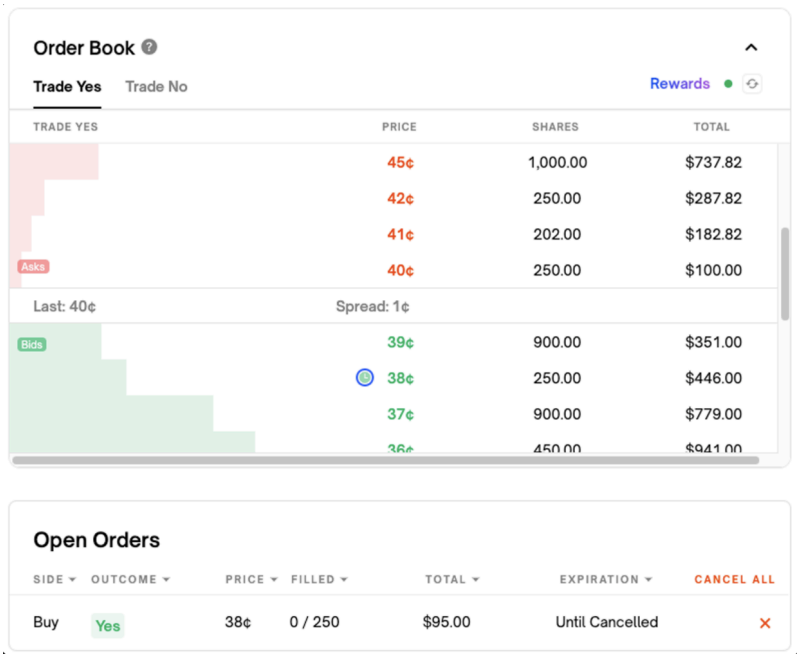


Figure (60) - CEX Order Book Model

Polymarket leverages DeFi centric tech for liquidity provision. Polymarket uses an algorithmic based AMM to price the premiums for each binary option contract based on the relative demand for each position. Users provide the liquidity for the protocol as well as institutional market makers. Users are incentivised by block reward calculations, earning their share of total protocol fees. Polymarket then conducts 'fee rebates' so that users can earn rewards proportionate to fees they pay when trading. Furthermore, they conduct a merit-based system where traders earn more rewards according to the more they trade and provide liquidity. Users can then claim their rewards via the Polymarket interface or on-chain.

Users

There is little data where Polymarket users are based. However, the Google Trends had the following information displayed below in regards to web search interest.

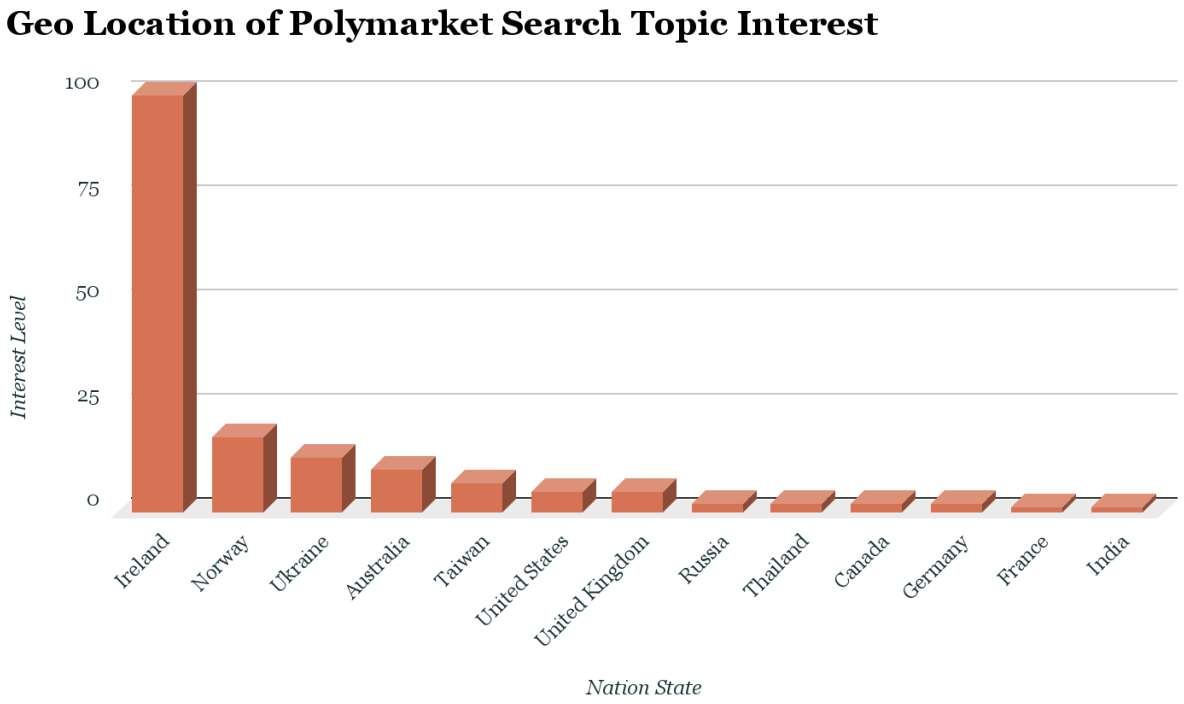


Figure (61) - Geo Location of Polymarket Search Interest

When looking at the geo-location statistics above, it seems highly unlikely that this is the genuine location of Polymarkets user base. More likely is that Ireland is the primary VPN location due to Ireland not restricting internet usage. Users have been forced to use VPNs due to regulatory rulings banning US users.

Messaging

Polymarket positions itself primarily as a political prediction site. They state that users should participate by betting on their beliefs and that Polymarket is the "future of news".

Social Media (Twitter)

At time of writing, Polymarket has 43.4k followers. In their bio they state that users can 'bet on politics, news, culture, and tech'. Placing politics first as well as linking their 'unbiased 2024 election forecasts' market again confirms their focus on politics.

From Polymarket posts, there is a clear emphasis on betting, portraying a gambling protocol rather than that of an informed prediction marketplace. For example, in the post below there is a clear lack of user information regarding the market in question and could

be deemed to encourage gambling from users. We believe that elements such as this must have been a primary driver for regulators to clamp down on Polymarket.

Figure (62) - Polymarket Twitter Posting

Half-way Roundup

From what we have so far evaluated we can determine that we have scoped Providence down to the following:

- It will be within the prediction market sector.
- It will be built on Manta with Ethereum, or Arbitrum as the back-up chains.
- We will focus the protocol on DeFi utilising logic smart contract binary options around DeFi metrics for investing rather than gambling elements such as 'Who will be the UK PM in 2024'.
- There is a clear market gap (at this stage) for a DeFi centric prediction market.

Therefore, the next logical stage is to explore potential metrics for the prediction market. To understand metrics work from a technical standpoint, where the market gaps for metrics are, how much interest there is in such metrics etc.

Product Potential Metrics

This section will firstly list a range of potential metrics which we could deploy. These have been discussed and screened by the team for what could potentially be deployed. After this, we will analyse such metrics in-depth. Metrics below in italics will be evaluated further:

DeFi Metrics

- Financial Metrics
    - *Total Cryptocurrency Market Capitalization*
    - *Total DeFi Market Capitalization*
    - *Total Value Locked (TVL)*
    - Transaction Volume
    - *Protocol Revenue (cumulative)*
    - Token Price
    - *Market Capitalization (other protocols)*
    - Price/Earnings Ratio
    - Yield Rates
    - *Liquidity Pool Size (open-interest)*
    - *Lending Demand (specific protocol)*
    - Fee Revenue
    - Staking Rewards
    - Loan Origination Volume
    - Loan Repayment Rate
    - Collateralization Ratio
    - Liquidation Volume
    - Impermanent Loss
    - Slippage Rates
    - Arbitrage Opportunities
    - Flash Loan Volume

- Performance and Efficiency Metrics
    - Transaction Throughput
    - Gas Costs
    - Block Utilisation
    - Transaction Success Rate
    - Smart Contract Call Success Rate
    - Network Latency
    - Layer 2 Scaling Solutions Adoption Rate
- Risk and Security Metrics
    - Collateral Liquidation Thresholds
- Governance and Participation Metrics
    - Proposal Submission Count

    - Voting Participation Rate
    - Delegated Voting Power
    - Governance Token Distribution
    - DAO Treasury Size
- Liquidity and Market Depth Metrics
    - Depth of Order Book
    - Average Order Size
    - Liquidity Provider (LP) Rewards Distributed
    - Volume/TVL Ratio
    - Stablecoin Supply and Demand
    - Cross-Protocol Liquidity Provision
- Adoption and Growth Metrics
    - *Protocol Adoption Rate (cumulative new wallets)*
    - *Cross-Chain Activity Volume (bridge usage)*
- Decentralisation Metrics
    - Node Distribution
    - Validator Diversity
    - *On-Chain Governance Participation*
    - Protocol Upgrade Frequency
    - Distribution of Liquidity Providers
- Market Dynamics
    - *Borrowing Demand (specific protocol)*
    - Repay Rate
    - Margin Call Frequency
    - Derivative Contract Volume
    - Options Contract Volume
- Platform Specific
    - DEX Trading Pairs
    - Yield Farming Strategies
    - Liquidity Migration
    - AMM Pool Count
    - Staking Contract Count
- Innovation and Growth
    - Protocol Version Upgrades
    - Feature Adoption Rate
    - Cross-Chain Bridges Usage
    - Layer-2 Adoption Metrics
- Technical Performance
    - Contract Call Failures
    - Oracles Update Frequency
    - API Request Success Rate
- Risk Management

    - Hedge Effectiveness
    - Leverage Ratios
- Liquidity Analysis
    - Liquidity Pool Volatility
    - Pool Utilisation Rate
- Financial Derivatives Metrics
    - Synthetic Asset Exposure
    - Perpetual Swap Funding Rates
- Tokenomics
    - *Token Velocity*
    - Token Burn Rate
    - Token Minting Rate
- Yield Generation
    - Yield Farming Efficiency
    - APY Consistency
- Trading and Investment
    - Slippage Over Time
    - Profit and Loss (P&L) Tracking
- Protocol Performance
    - Upgrade Downtime
    - Smart Contract Execution Time
- User Engagement
    - Repeat Interaction Rate

From the highlights above we can determine that we will be evaluating a handful of metrics as many of them are not suitable for a prediction market from initial screening and intuition. However, upon discussions as a team, we feel that it is worthwhile evaluating NFT metrics and the NFT market itself. This is due to a range of factors such as the lack of NFT predictive markets, team connections within the sector, social presence, and more.

NFT Metrics

In the bullet points below are the range of NFT metrics. These will not be evaluated yet as the NFT vs DeFi market analysis and screening will be conducted first.

- Financial Metrics
    - Total NFT Market Capitalization
    - Floor Price
    - Average Sale Price
    - Total Volume Traded
    - Number of Sales

    - Market Cap
    - Liquidity
    - Bid-Ask Spread
    - Whale Transactions
    - Royalties Generated
    - New Listings
    - Minting Costs
    - Secondary Market Premium
    - Sell-Through Rate
    - Drop Success Rate
    - Price Correlation with Cryptocurrency
    - Price Variation
    - Price Percentiles
    - Historical Price Trends
    - ROI
    - Price to Earnings (P/E) Ratio for Utility NFTs
    - Cross-Marketplace Arbitrage Opportunities
    - NFT Burn Rate
    - Time on Market
    - Gas Fees for Transactions
    - Transaction Failures
    - Bid Withdrawals
- Ownership and Social Metrics
    - Unique Owners
    - Ownership Distribution
    - Active Wallets
    - Time to Sell
    - Auction Participation Rate
    - Recurring Buyers
    - Top Collector Holdings
    - Collector Diversity Index
    - NFT Interaction Events
- Technical and Operational Metrics
    - Rarity Scores
    - Collection Growth Rate
    - Smart Contract Interactions
    - Metadata Updates
    - Metadata Completeness and Standardization
    - Cross-Chain Activity
    - Upgrade and Modification Frequency
    - Smart Contract Upgrade Events
    - Utility Activation Rate

    - Multi-Chain Migration Patterns
    - Emission Rate of Tokenized Rewards
    - Decentralised Finance (DeFi) Integration Depth
    - Historical Rarity Shifts
    - NFT Minting Velocity
- Market Dynamics and Risk Metrics
    - Inter-Collection Liquidity Flow
    - Hold Time
    - Collateral Liquidation Rate
    - NFT-Backed Loan Default Rates
    - Inflation Rate of NFT Assets
    - Virtual Land Utilisation Rates

Conclusion

Prior to a decision on metrics for Providence, an evaluation of NFT or DeFi metrics route will be conducted. However, there is a clear sway towards financial metrics over other metrics when screening the DeFi market.

DeFi or NFT Metrics - Evaluation

From the research which we conducted, we decided to go with the DeFi metrics route. The reasonings for this are presented across this section with a wide range of research and analysis conducted. Furthermore, we concluded that we could not do both sectors due to the importance of a clear focal point, differentiating target audience, messaging, and more.

DeFi vs NFTs

Google Trends

This section will evaluate how much each market is when searched on Google. This will help us to understand the search popularity of each sector as well as gain a deeper understanding of our potential target market.

Generalised Topic Analysis

In the figure below we can see the topic analysis between ‘Defi’ and ‘Non-fungible token’ for the worldwide audience. We can determine here that the results are inconclusive as intuitively we know there is not such a sizable gap in interest between the markets; there is a flaw with the search term ‘Defi’.

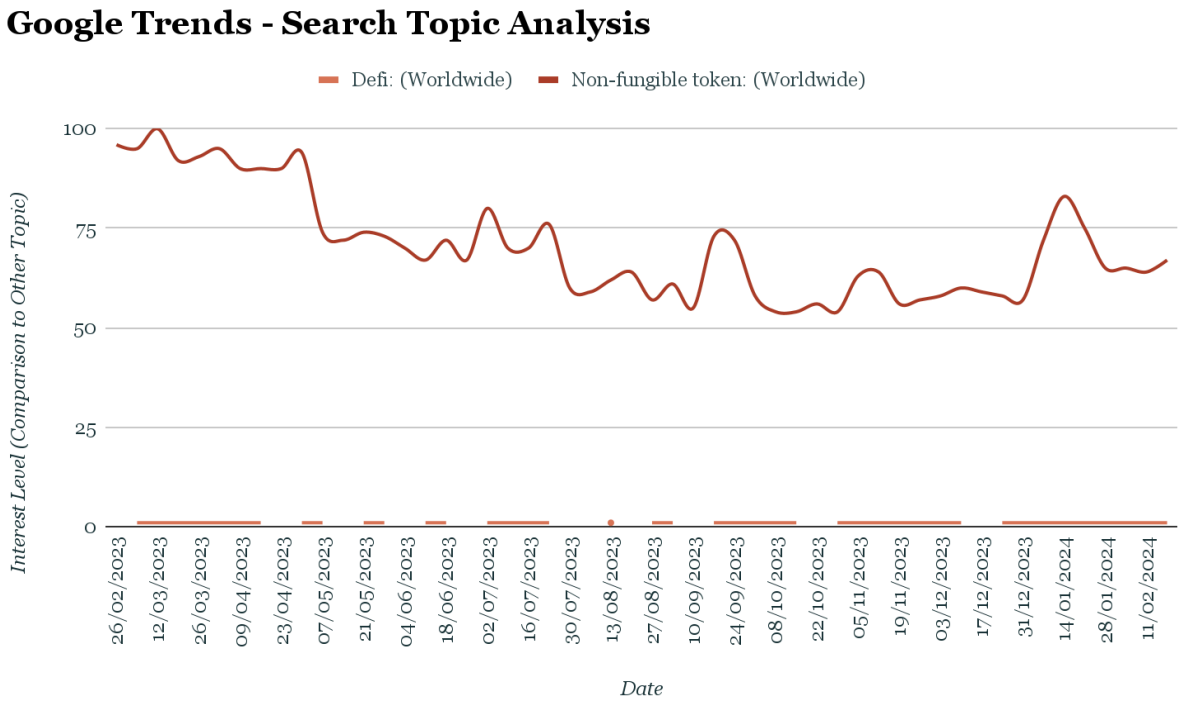


Figure (63) - Google Trends Search Topic Analysis

However, when we revise the search term to ‘DeFi’ in the figure below; we can see that the term NFT has significantly more popularity than DeFi. However, it should be noted that the popularity of the term NFT has dipped significantly. The initial striking reason because of this can be placed down to extremely poor NFT market conditions. However, this assumption will need to be verified with on-chain data and market data.

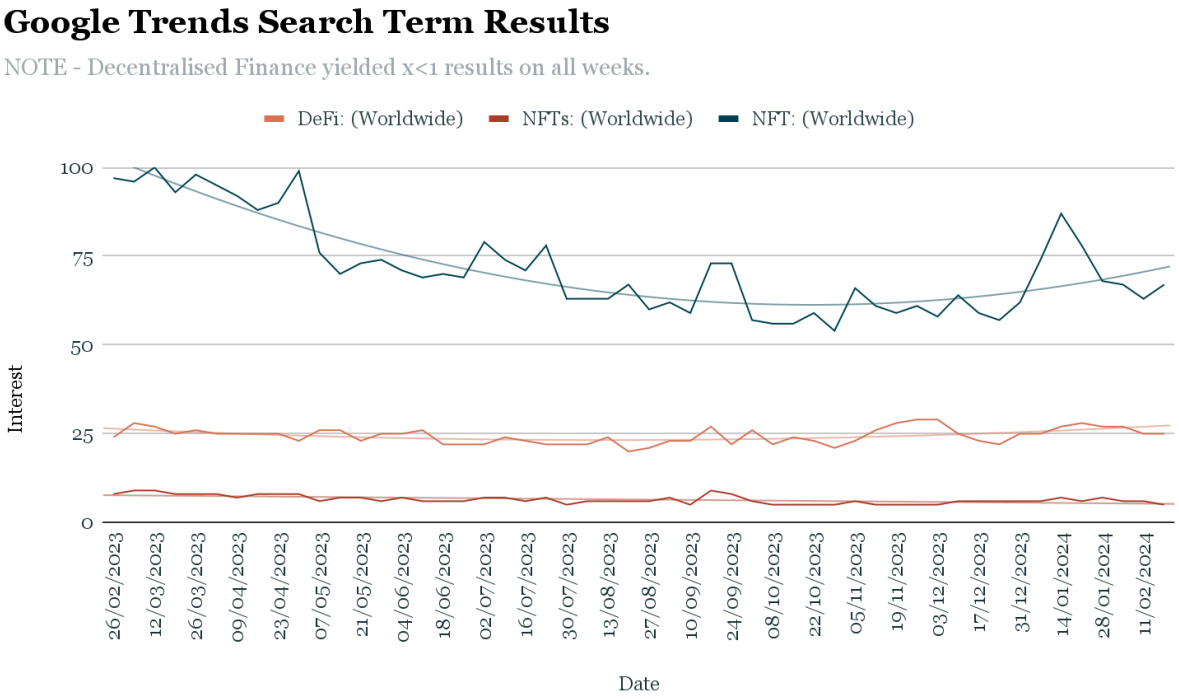


Figure (64) - Google Trends Search Term Results

Upon analysing regional interest, we can see that there is a wide mix of how nation states favour DeFi over NFTs. From this, we can see that NFTs are favoured in South America, while DeFi is slightly favoured in Asia.

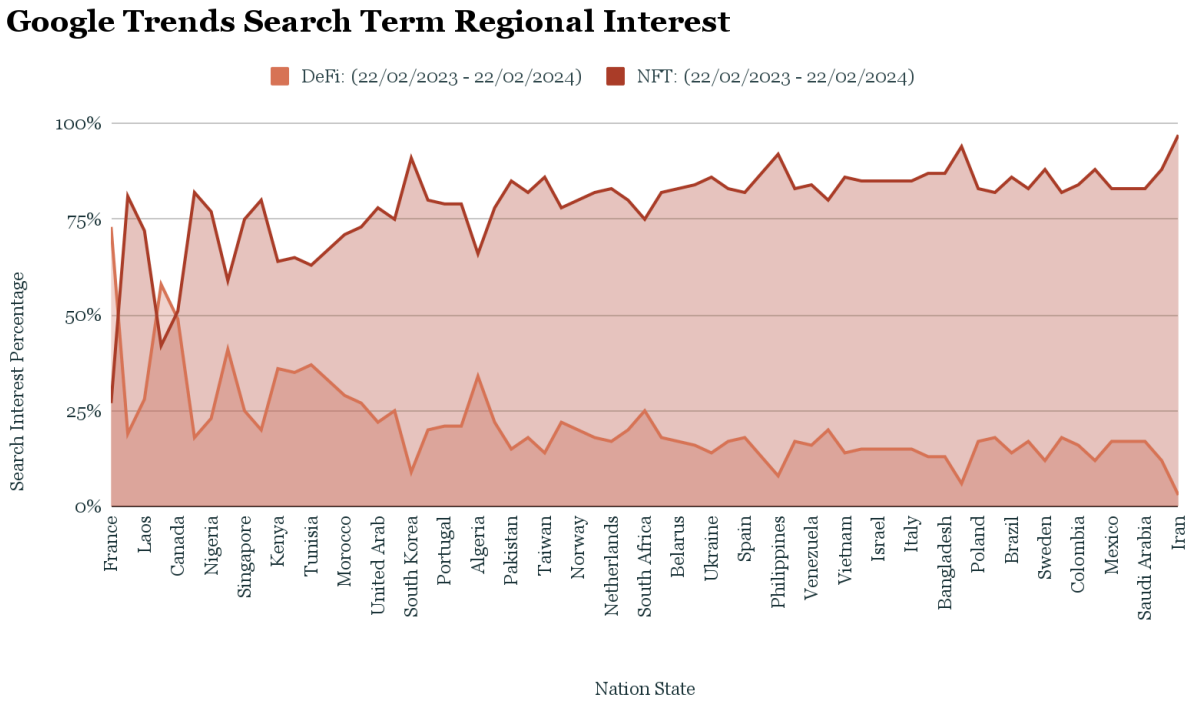


Figure (65) - Google Trends Search Term Regional Interest

From the generalised search trends above, we can see that NFTs clearly have a greater number of searches in comparison to DeFi.

Specific Projects Data

It is important for us to analyse the search term popularity of specific projects. This is due to NFTs being viewed as a separate market to crypto despite underlying technology parallels, while DeFi is viewed as a core market segment of crypto. Thus, in the figure below we can see the Google search trends for core projects of these ecosystems.

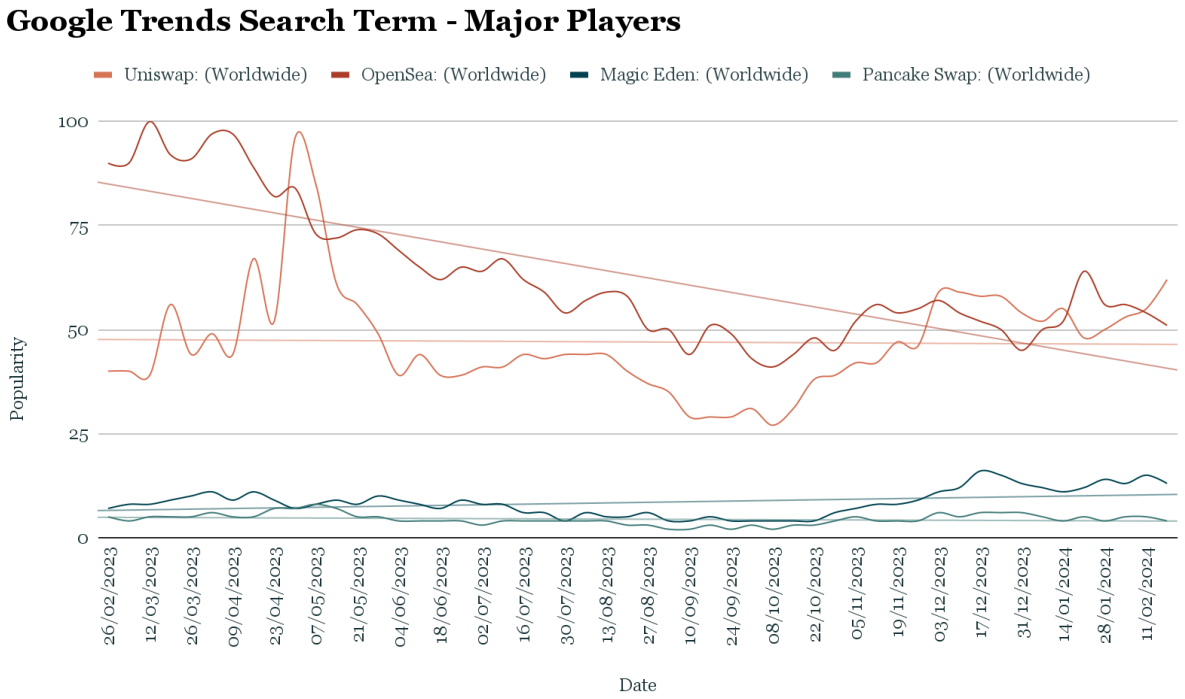


Figure (66) - Google Trends Search Term - Major Players

In the figure above we can see that the gap between DeFi and NFT protocols is closer than that of the market search terms. Furthermore, Uniswap has overtaken OpenSea as the leading protocol from this evaluation. Overall, the search terms portray a relatively even picture between the DeFi and NFT protocols.

Google Trends Conclusion

From the data above, it is clear that from a search engine standpoint NFTs have greater interest in general than that of DeFi. However, the search terms of individual projects are even. Next we will explore website performance to gain a further understanding of how many users are visiting these protocols. This is important as it helps us understand userbase size, subsequently assisting in determining market size potential.

Website Performance

OpenSea

- Monthly visits
    - 13.35m

- Device distribution
    - Desktop
        - 48.51%
    - Mobile web
        - 51.49%
- Popular nation visits
    - USA
        - 13.91%
    - Vietnam
        - 11.53%
    - Japan
        - 4.43%
    - Slovakia
        - 3.40%
    - UK
        - 2.98%
- Social traffic
    - Displayed in figure below.

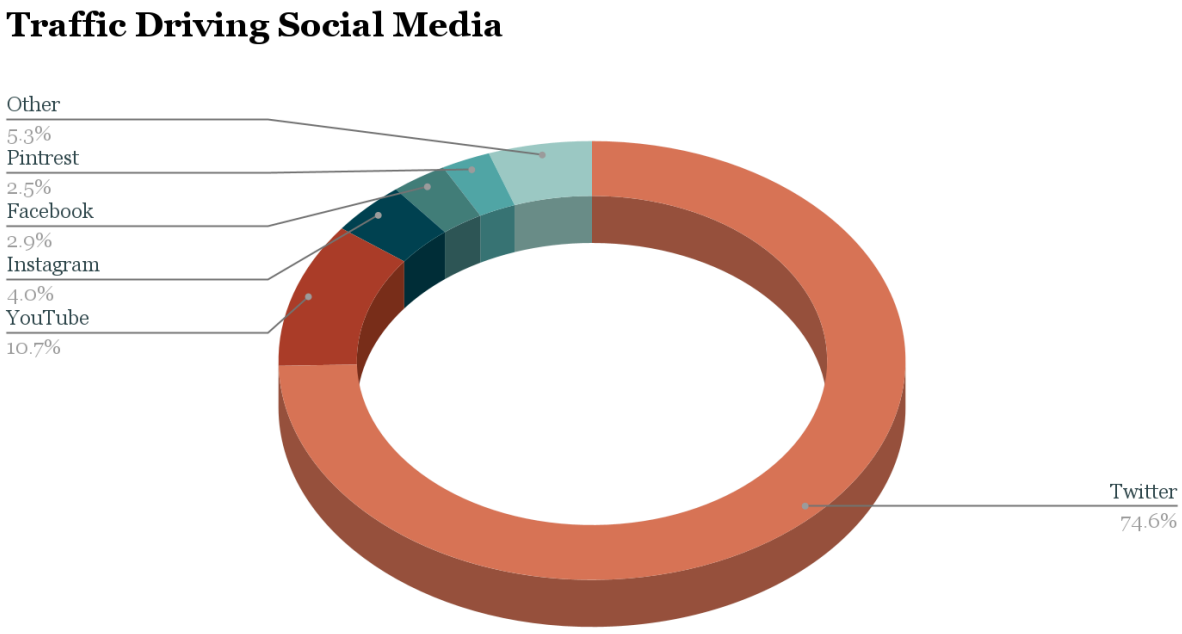


Figure (67) - Social Traffic Driving Towards OpenSea Website

From the figures and data above there is a clear reliance on Twitter for traffic towards the OpenSea site. This acts as a potential single-point of failure risk for website traffic should

Twitter deploy significant changes to their application. When looking at the website performance, OpenSea has a significant number of people viewing the site, with a relatively even split between phones and desktop utilisation. The high usage of phones compounds our understanding that NFTs continue to be used by a low-informed general Web3.0 audience and those who may not have access to a suitable desktop. This conclusion can be drawn as serious and higher net-worth investors typically have extensive desktop setups to make informed trades in comparison to low-informed NFT purchases over phones.

Uniswap

- Monthly visits
    - 5.926m
- Device distribution
    - Desktop
        - 63.63%
    - Mobile web
        - 36.37%
- Popular nation visits
    - USA
        - 18.37%
    - UK
        - 5.19%
    - Vietnam
        - 4.36%
    - Canada
        - 4.10%
    - Turkey
        - 3.47%
- Social traffic
    - Displayed in figure (x) below.

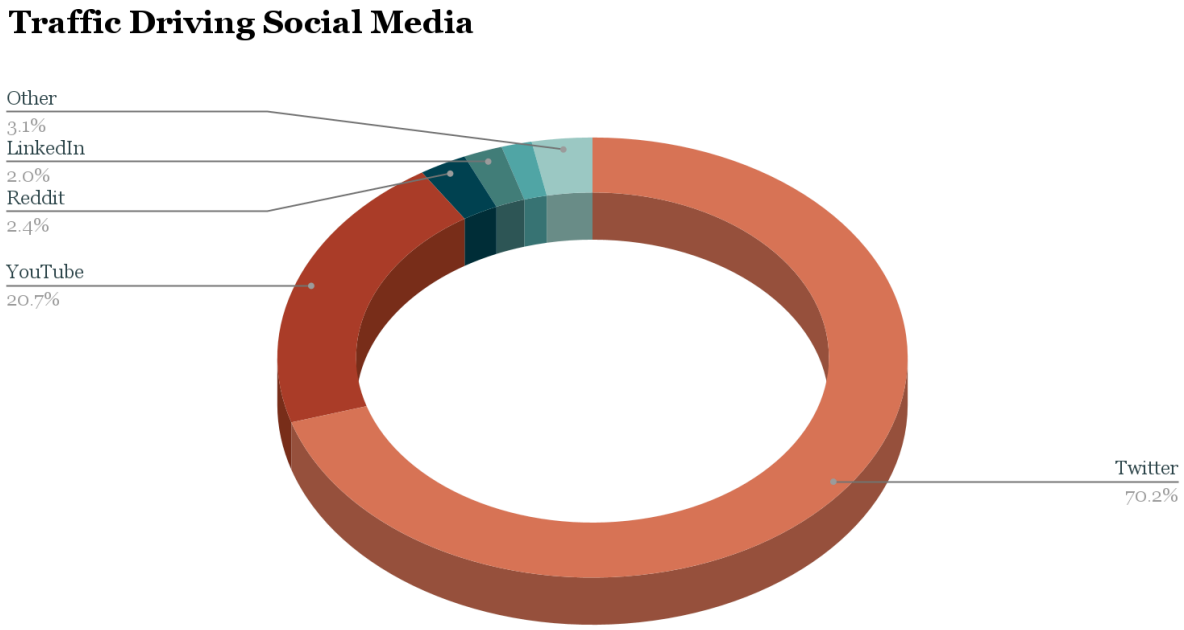


Figure (68) - Social Traffic Driving Towards Uniswap Website

The figures for Uniswap show some similarities to OpenSea. Firstly, there is still a heavy reliance on Twitter for social media driven traffic. However, this is slightly more diverse due to the YouTube content. Furthermore, there is a clear direction towards more serious and informed investors compared to OpenSea. This can be seen by the social redirection from LinkedIn as well as the clear favouritism of desktop utilisation instead of mobile phones. This is important due to the nature of our Providence as we want to have informed investors rather than 'gamblers' due to Polymarket shortfalls. This is due to various factors such as regulation, user loyalty, and positive RGE activity. However, the monthly visits are significantly down in comparison to OpenSea, which suggests a smaller user base.

Websites Conclusion

From the data above we can see that traffic towards the website of OpenSea is significantly greater than that of Uniswap. Furthermore, we have seen geographical patterns, particularly that of the importance of the US market for both sites. Although, it should be noted that a high number of cryptocurrency users do utilise VPNs, which renders this conclusion difficult to decipher. Additionally, we have seen the hype reliance for driving website traffic from the social site Twitter (X). This compounds our understanding of the criticality for an exceptional company Twitter. Finally, we can determine from evaluating

the sites that OpenSea captures the general crypto user in comparison to Uniswap which captures the more serious and confined investors within the Web3.0 space.

On-Chain Metrics

Now it is critical that we evaluate the performance of these metrics for both markets. So far, there is a slight sway towards DeFi due to the audience factors as well as the rising popularity in search trends for DeFi protocols in comparison to those within NFTs. However, we are very far from a clear conclusion. However, if one market's performance and outlook is significantly better than the other, this will have a significant sway in our decision.

Upon evaluating the on-chain metrics for NFT weekly traders, we can see that there has been an approximate 80% drop since Feb 2022. This is extremely concerning for the market. Furthermore, this negative trajectory displays no sign of picking up. This drop has seen NFT weekly traders from eleven different NFT exchanges fall to approximately 50,000 weekly traders.

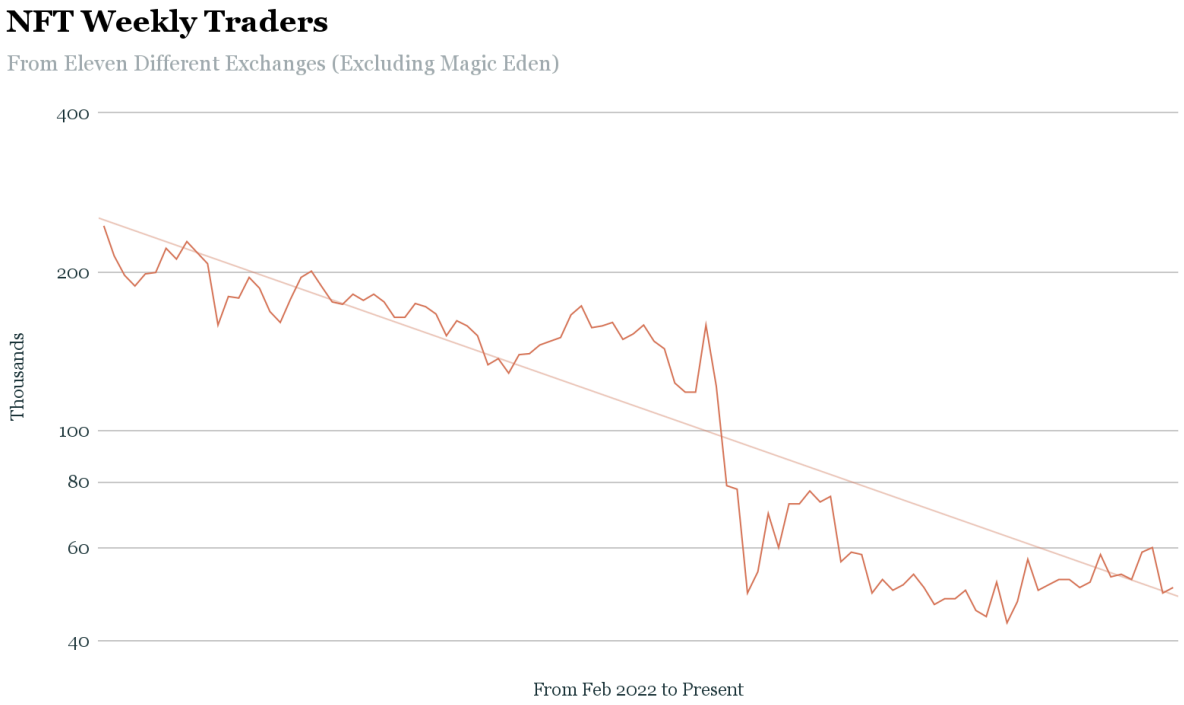


Figure (69) - NFT Weekly Traders

Furthermore, this negative trend above remains consistent when looking at the NFT weekly trades with little sign of positive progression.

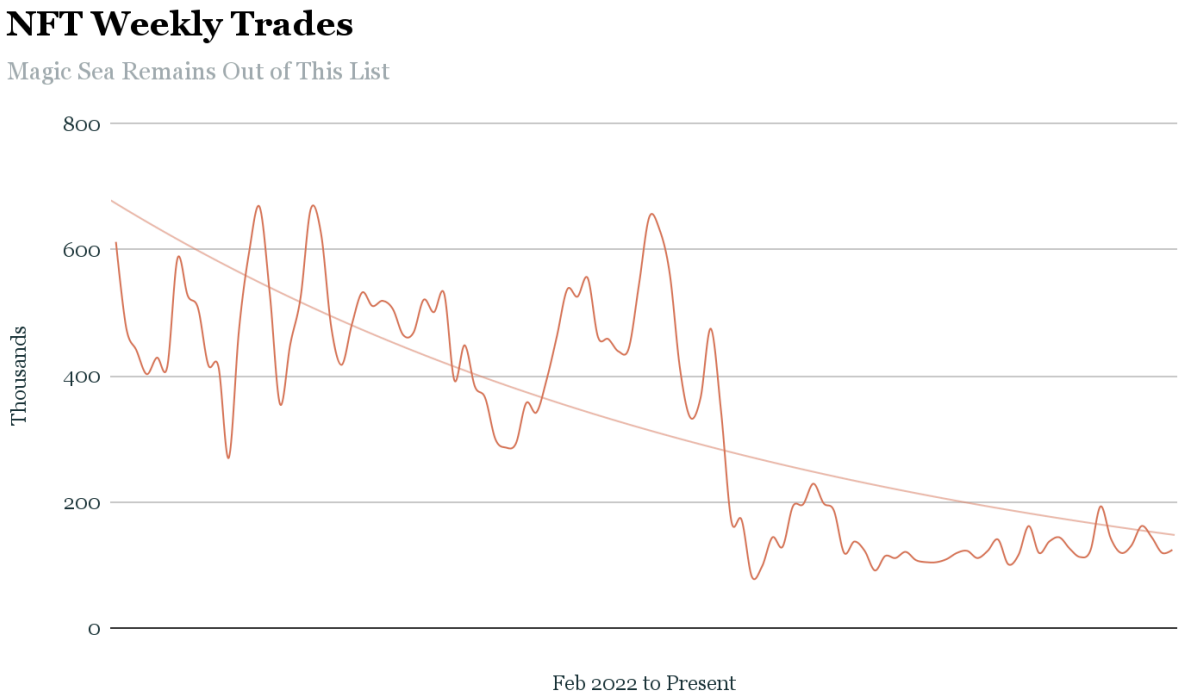


Figure (70) - NFT Weekly Trades

However, when we look at the daily volume since October, it has picked up, increasing over +300% since October 2023.

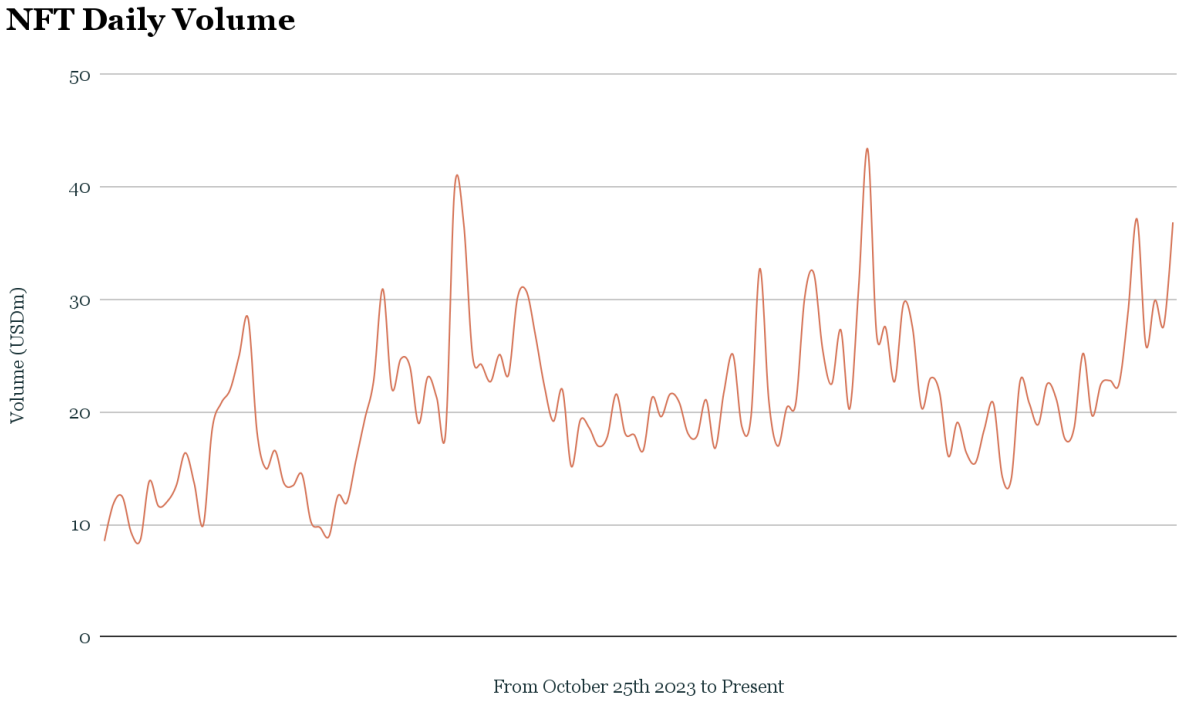


Figure (71) - NFT Daily Volume

From a culmination of the data figures above, this suggests that only core NFT users remain within the market. Furthermore, it also suggests that NFT daily volume is centric to larger projects as those are performing well (floor price) while the majority of the NFT market is down x>85%. However, when looking at NFT volume by chain, we can see that the recent uptick in demand has been driven by Ordinals, not the 'traditional JPEG NFT market'. Since the Ordinals sector has seen a retraction (displayed in the figure below), so has the overall NFT on-chain volume, returning to April 2023 levels despite the wide cryptocurrency market's bullish run.

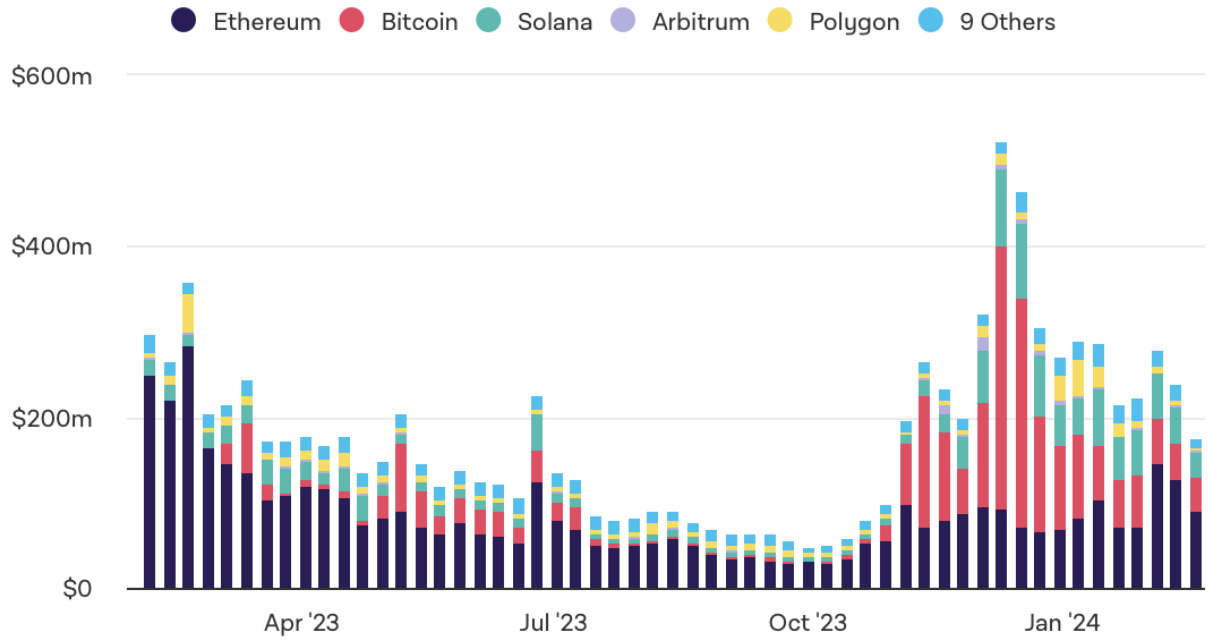


Figure (72) - NFT Volume by Chain

When we compare the NFT volume to the daily DeFi volume during the same period displayed in the figure below, there are clear differences. Upon comparing the numerical volume, we can see that the DeFi daily volume stands at $3.75bn USD compared to only $37.5m USD for NFTs, as displayed below.

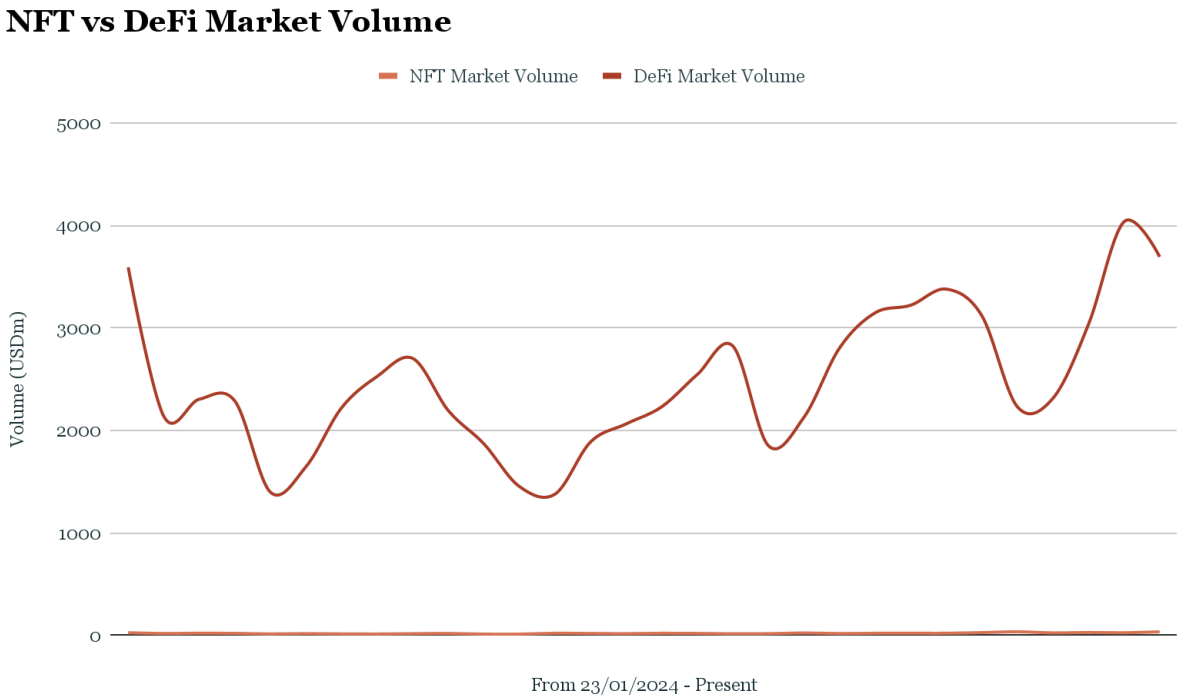


Figure (73) - NFT vs DeFi Market Volume

This is a major downside for the NFT market as this combined with high site visitages rates propels a clear message of a lack of interest in the assets themselves.

Upon evaluation of the market capitalisation of the NFT projects in comparison to the tokens of DeFi protocols themselves, we can see that between the two figures below, again DeFi dwarfs NFT projects market capitalisations, further supporting the argument towards DeFi metrics.

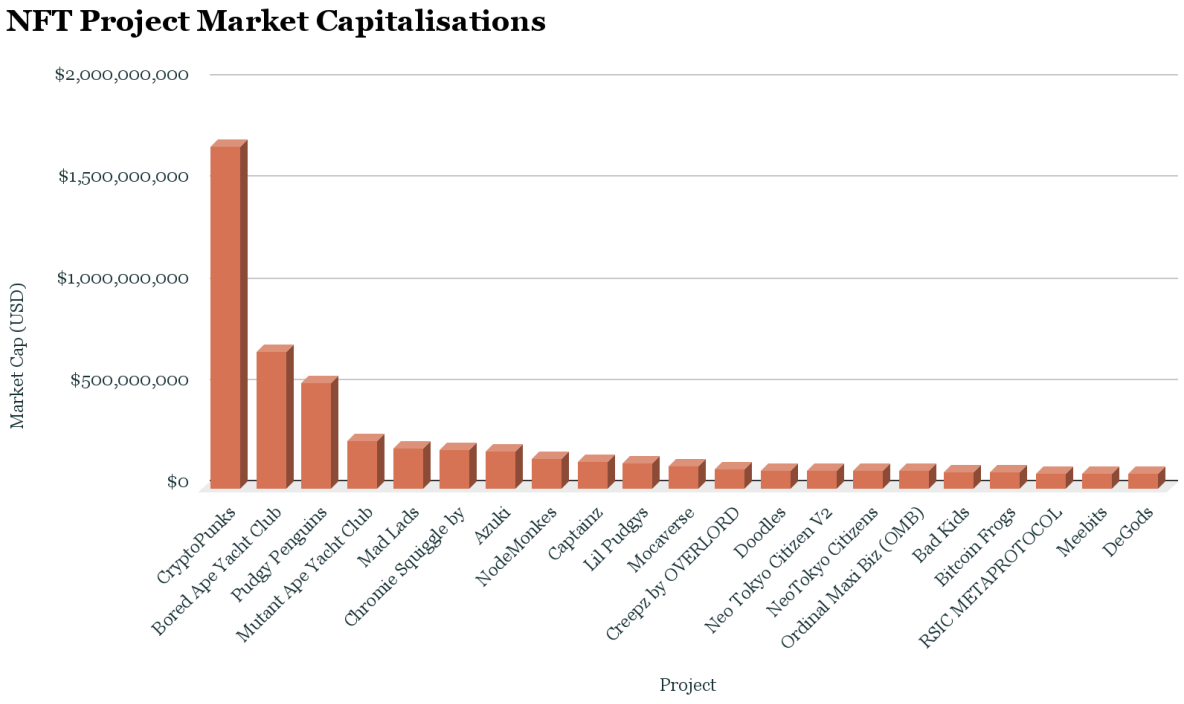


Figure (74) - NFT Project Market Capitalisations

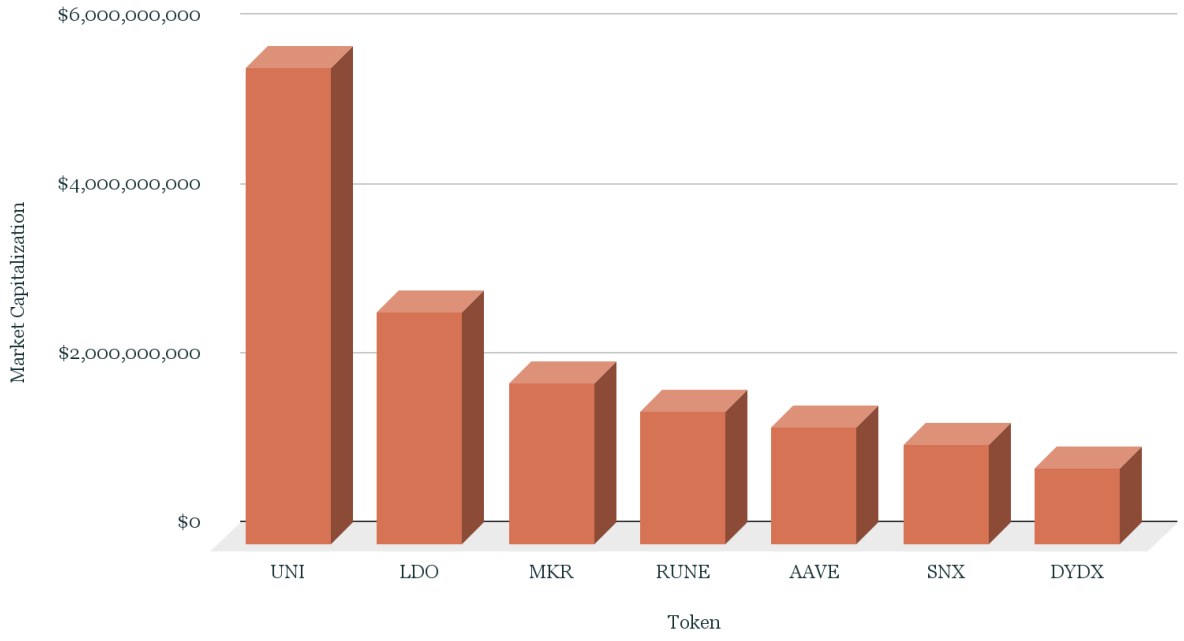


Figure (75) - DeFi Protocol Token Market Capitalisations

With the on-chain metrics for DeFi annihilating NFTs, we subsequently need to explore the success of existing NFT / DeFi combination products. If they have seen significant volume within the DeFi space; NFT metrics should not yet be excluded.

Upon looking at the NFT lending and NFT marketplace figures it is clear that there is DeFi centric interest with NFT products. NFT lending and NFT marketplace TVL figures are extremely close to ATHs. The reason why this is the case needs to be evaluated further.

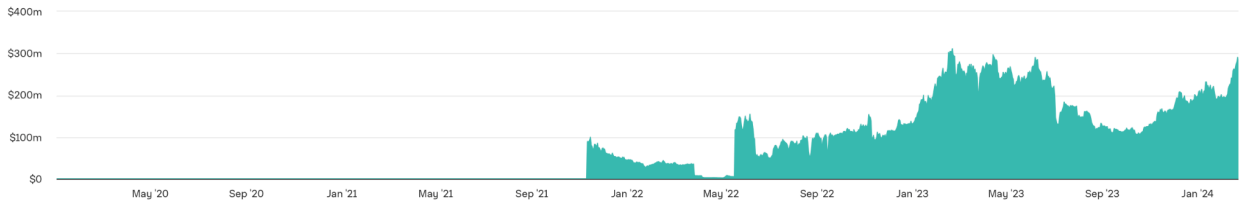


Figure (76) - NFT Lending

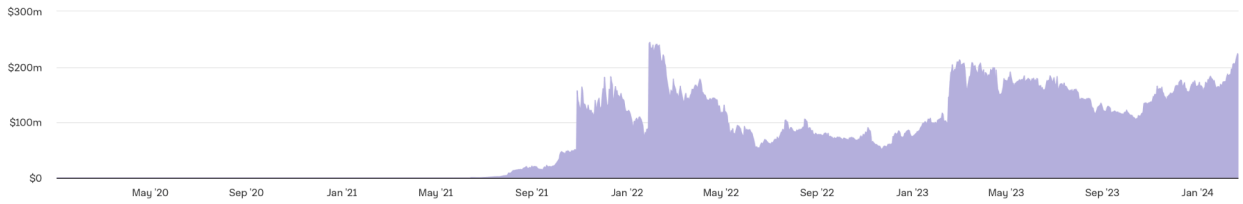


Figure (77) - NFT Marketplace

Upon evaluating the projects in each of these sectors, we can see that Blur has made significant progress, leading the way for market segment growth, as displayed in the figures below.

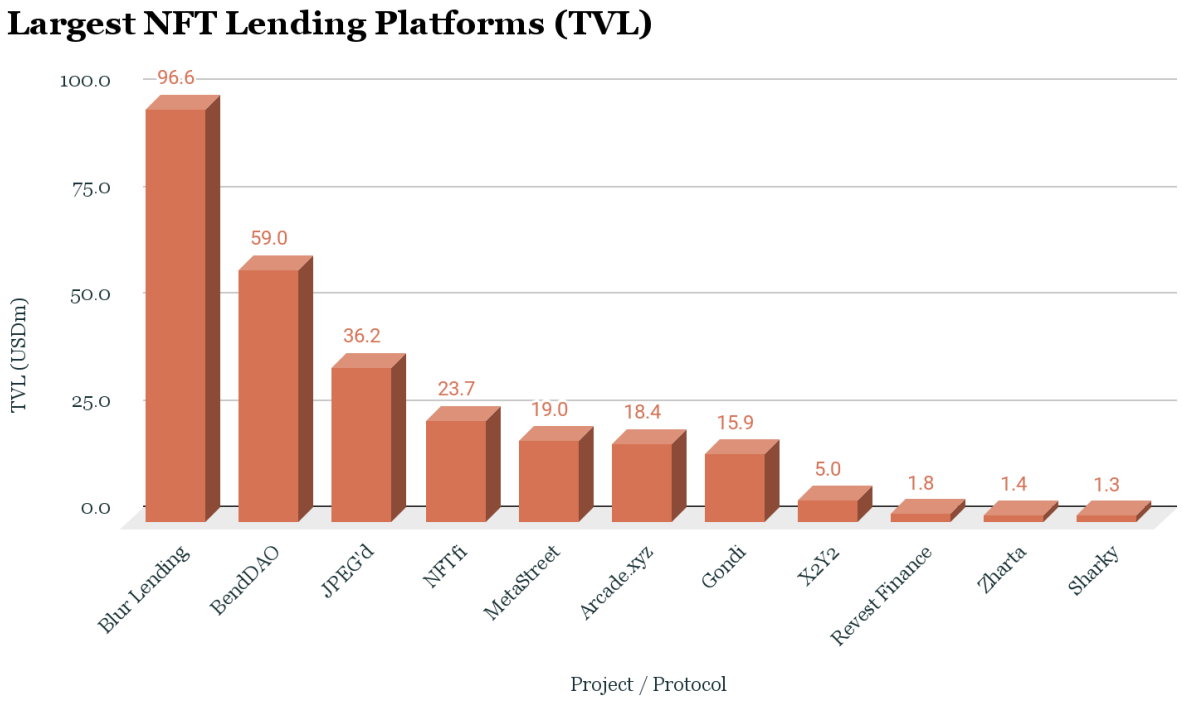


Figure (78) - Largest NFT Lending Platforms (TVL)

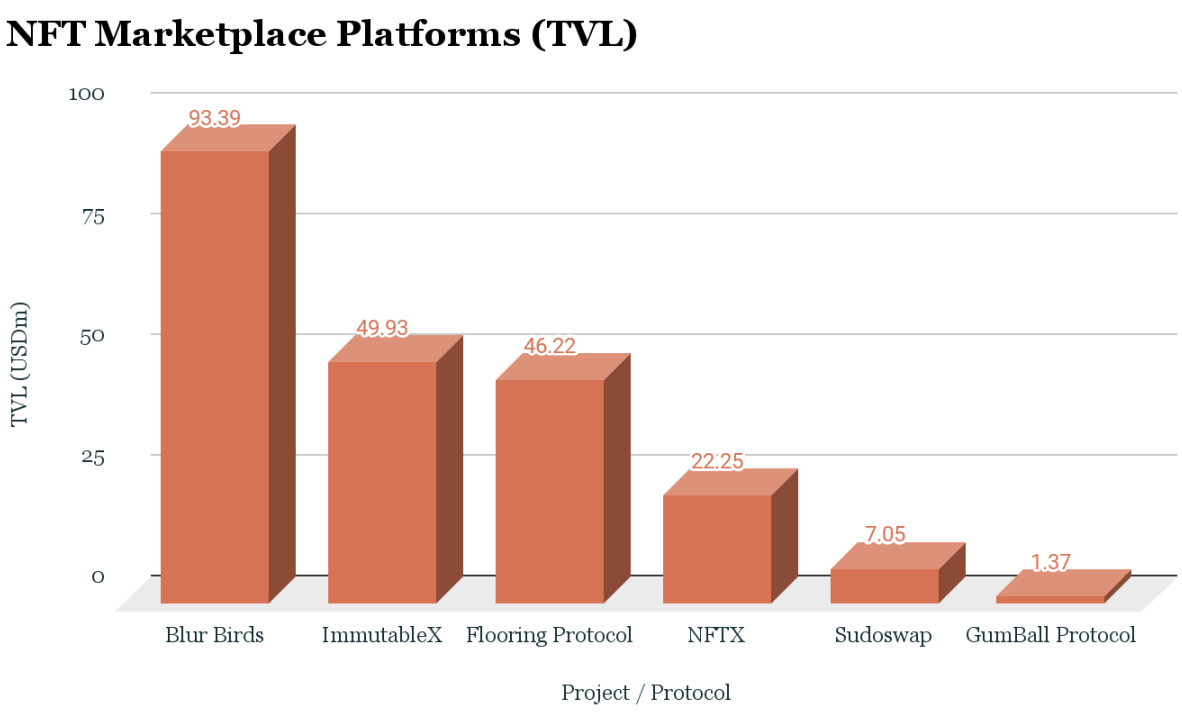


Figure (79) - NFT Marketplace Platforms (TVL)

Upon analysing Blur further through leveraging third-party and native protocol data, the reason for the protocols uptick in volume is due to their airdrop offering. The airdrop is earned through bidding, listing, and lending NFTs on the protocol; encouraging an increase in volume. This has been highly successful for the protocol so far. The question is, is there genuine interest in this market? Or is the success being driven by a substantial airdrop.

As a team we have reservations surrounding the Blur project itself. From anonymous founders to issues within their native protocol Blast (such as their multi-sig wallet process, one-way bridge, lack of technical documentation, anonymous founder, and falling out with their lead VC publicly), we do not believe that Blur will be a long standing project within the Web3.0 space; rather that this is a phase. Furthermore, if the underlying assets of the protocol itself are performing extremely poorly, it is unsustainable for the DeFi / NFT centric protocols to continue to rise.

Conclusion

The underlying assets of the NFT DeFi market (NFTs) have performed horrifically. As the underlying asset has this performance, it begs the question as to whether the secondary markets built on-top of this will continue their positive performance. We are of the opinion that we need further time until Blur have completed their airdrop to see whether users will continue to use the platform / if the market will continue to expand. If it does, we will consider adding NFTs metrics into our protocol, if it aligns with the standing of Providence at such a time. However, prior to that we will not be utilising NFT metrics. Furthermore the DeFi market clearly favours a wide range of factors such as our skillset. Thus, we will be proceeding with DeFi metrics. Which metrics we will look to use will be evaluated in greater detail later on in this document. Later analysis occurs as we need to understand our target audience to a greater depth in order to gauge which metrics they would be most interested in.

Target Audience User Profile

As touched on above, we need to evaluate our target audience user profile. This is important from a product development standpoint so that we can tailor our product to meet their specific needs and preferences, encouraging platform utilisation, for our marketing needs, and additional factors. Furthermore, effective identification is also required for additional factors such as resource allocation advantages, competitive positioning, and brand positioning.

Demographic

The first sector for evaluation is demographics. This is the first element of the target audience profiling followed by psychographic and then finally needs and preferences.

Age

When looking at the demographic figures below, there is a clear sizable market for millennials and Gen-Z within the DeFi sector.

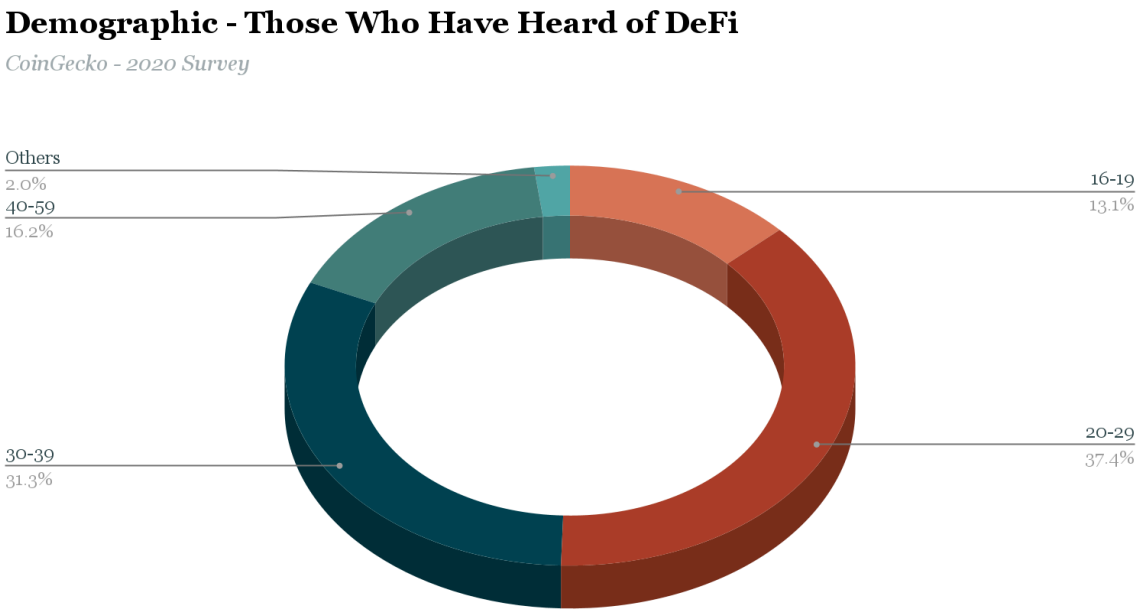


Figure (80) - Demographic of Those Who Have Heard of DeFi

When evaluating the adoption rates, it paints a similar story; as displayed below.

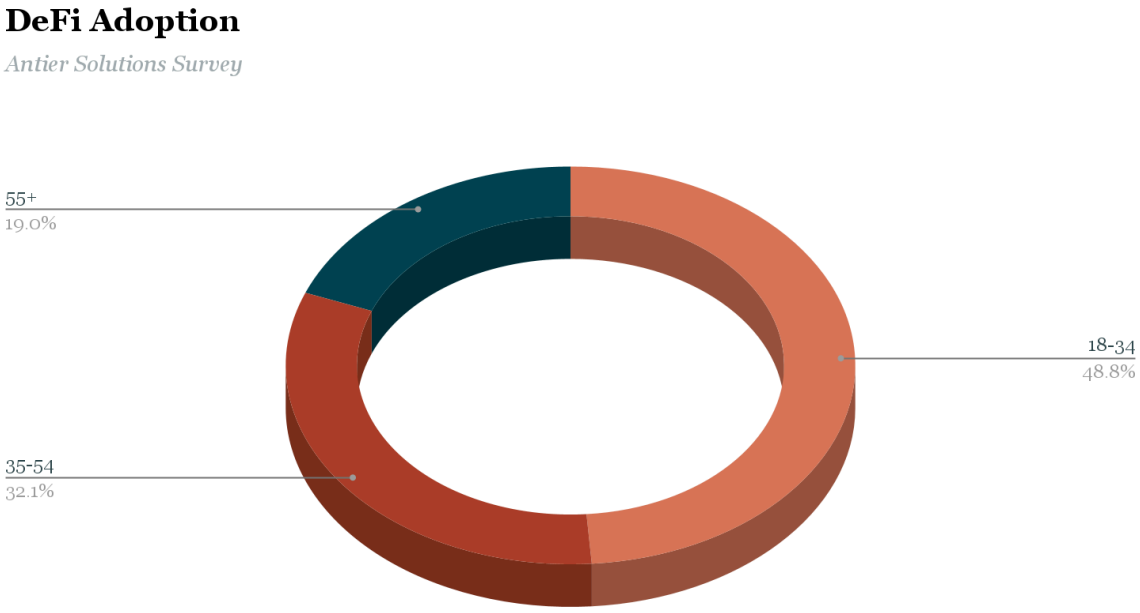


Figure (81) - DeFi Adoption Rates

Finally, we also have confirmation that this is the case with a survey of DEX.Blue users from 2020. This found that the average age of participants was 31.93 years old with the vast majority of users falling between the ages of 22 and 40.

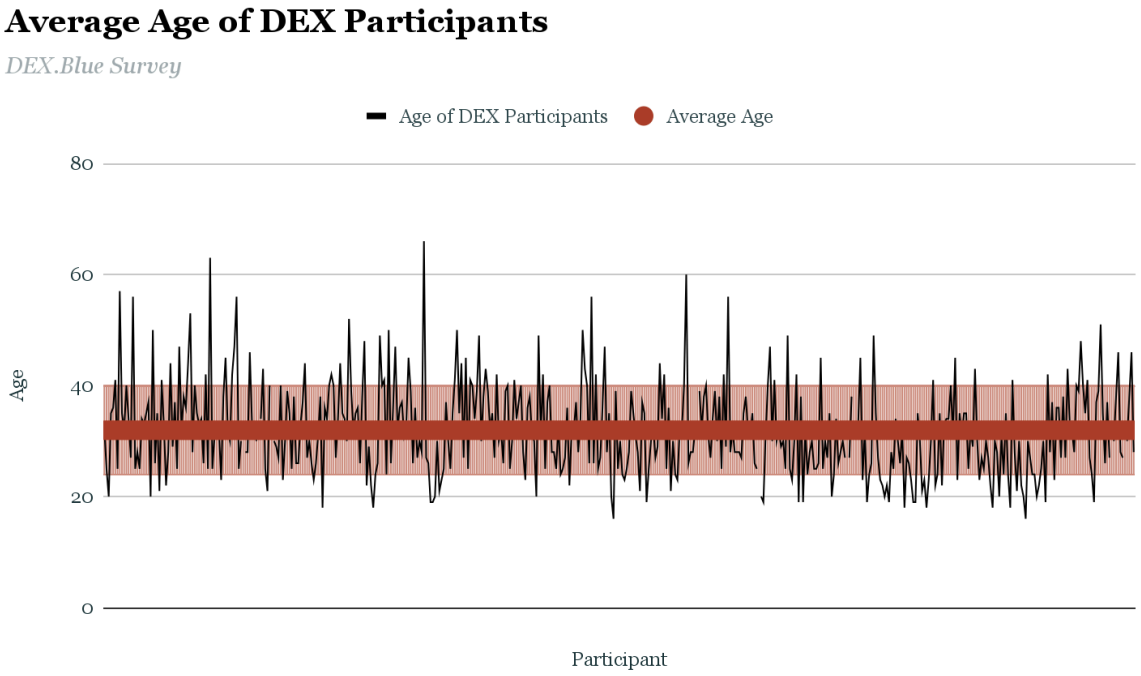


Figure (82) - Average Age of DEX Participants

Upon age evaluation of the figure above we now have a clear age target range of 22 to 40 years old.

Gender

Unsurprisingly the majority of DeFi users are males, as displayed below. This matches our intuition and experience from historical operations within the DeFi market.

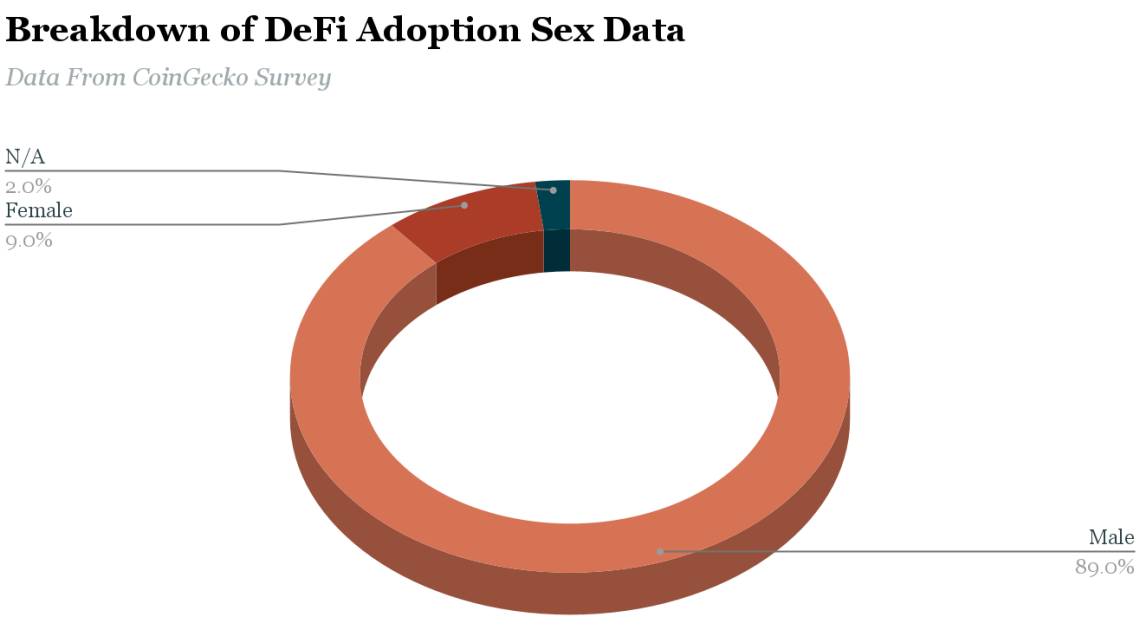


Figure (83) - Breakdown of DeFI Adoption Sex Data

Upon further researching this data, a research paper by Lennart Ante had the percentage of men at 77%. This confirms the domination of DeFi by males. Furthermore, Uniswap has a split of 74.74% male. However, upon further analysis, the gap between men and women is falling, although again it remains male dominated.

Income Level

In the figure below we can see that the largest yearly earnings segment of x>$100k USD has the highest adoption rate for DeFi usage. It should be noted that the average DeFi salary globally is $56.77k p/y so most employees would fall into this category rather than x>$100k USD.

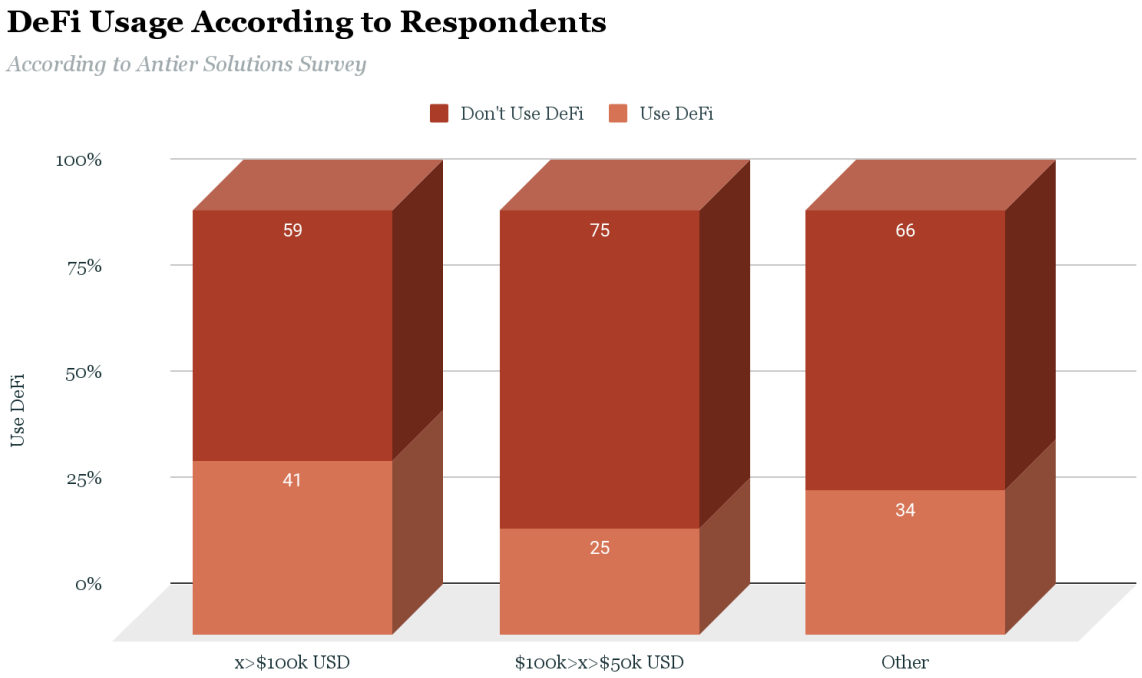


Figure (84) - DeFi Useage According to Salary

In the figures below, upon analysing the salaries of UK citizens and the amount of cryptocurrency which they invest, there is a general correlation of the more they earn the more they invest into crypto assets. However, as we head further up the earnings, the 'unknown' amount increases, which suggests that they may invest more although don't wish to disclose / have not disclosed their holdings to the survey. From a team perspective, we were all unanimous in deciding that we would not disclose the amount of cryptocurrencies which we own to such a survey.

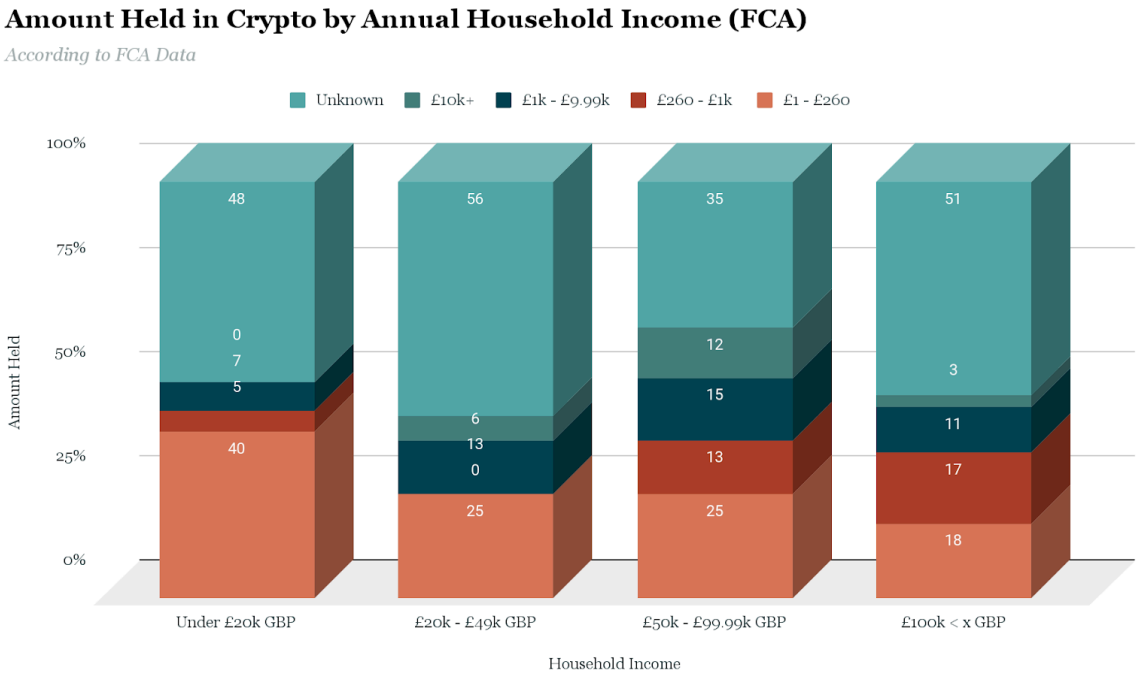


Figure (85) - Amount Held in Crypto by Annual Household Income

In the figure below we can see that US figures correlate with our current findings.

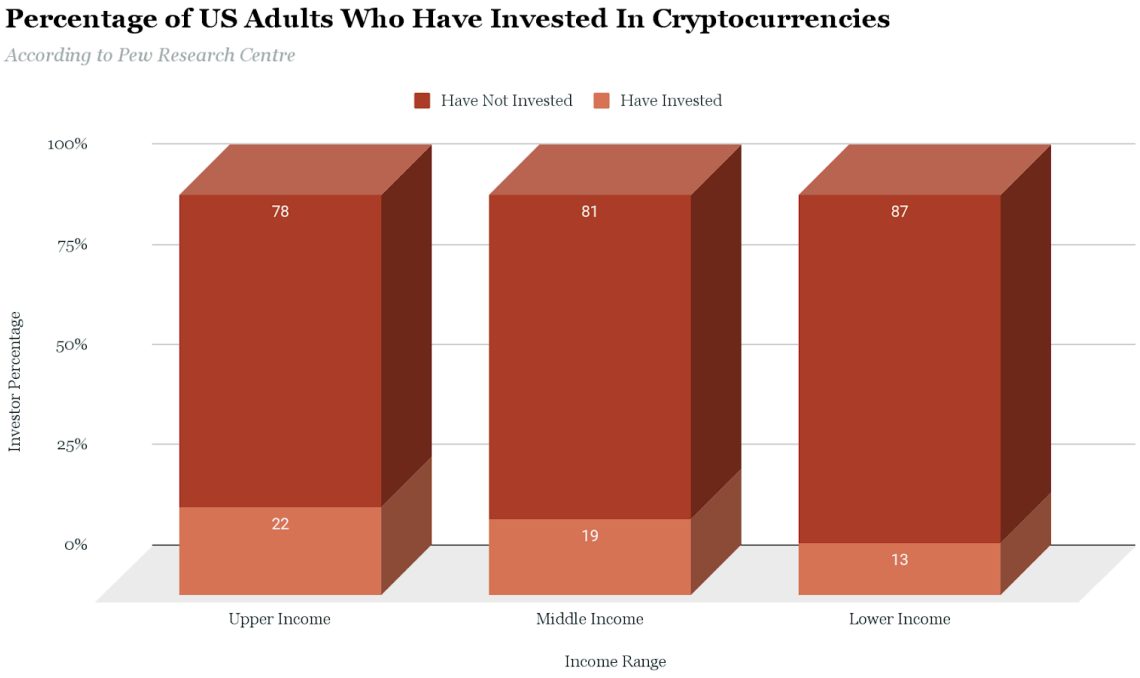


Figure (86) - Percentage of US Adults Who Have Invested in Cryptocurrencies

Figures displayed demonstrate that Providence should be targeting higher income individuals within the cryptocurrency space, rather than lower income individuals.

Education

Understanding the education levels of our target audience is important as this will affect how we explain and portray Providence. Fundamentally, finding the education level for DeFi users specifically is difficult. However, the Lennart Ante research paper found that having a university degree is the most prevalent education level, with 34% of cryptocurrency investors holding a degree.

Research from Gemini suggests that there is no longer strong evidence which shows that crypto investors have an advanced or university degree. Currently 50.1% of investors have no advanced or university degree as displayed in the figure below. Although, it should be noted that having a degree is still the most prevalent level of education.

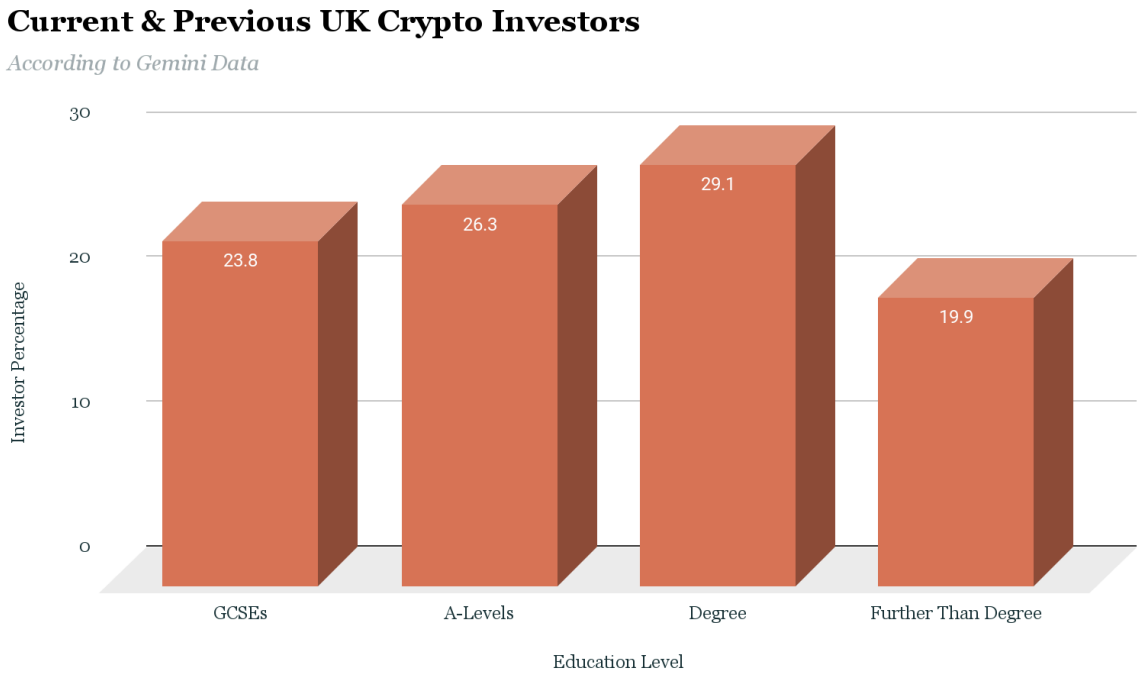


Figure (87) - Current & Previous UK Crypto Investors

However, considering our current research regarding our investor base, it is a relatively safe assumption that they will have a higher level of education. This is further reflected in the occupation segment below.

Occupation

From the figure below we can see that the majority of users are involved within the technology space followed by business and finance. The remaining jobs are a minority.

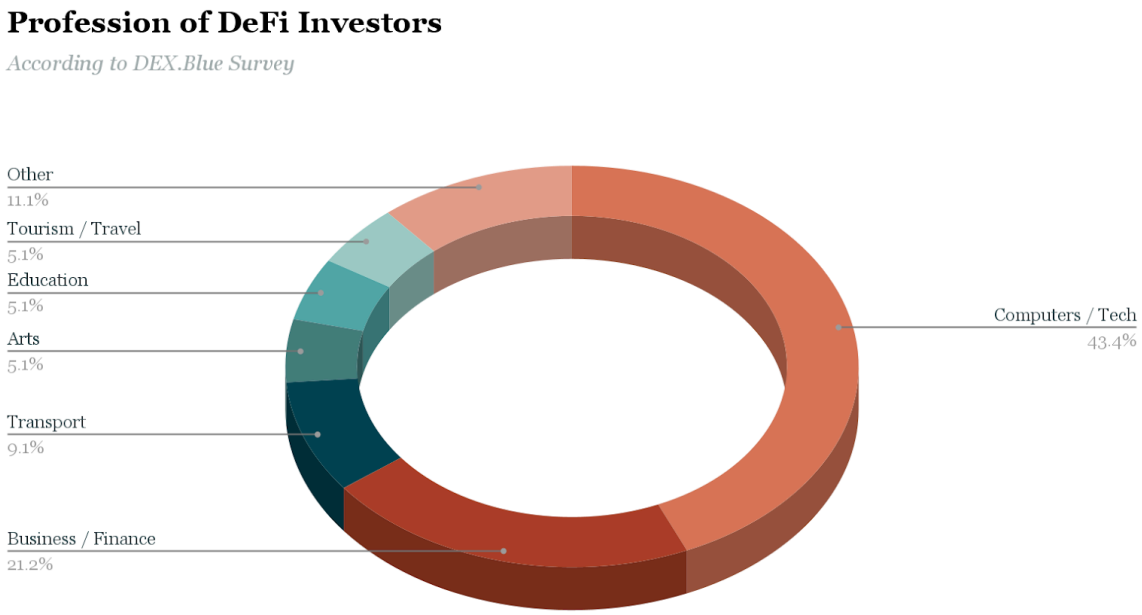


Figure (88) - Profession of DeFi Investors

These are jobs which require degrees, professional certification, or a high degree of specialist knowledge. This combined with aforementioned research means that they are likely to have a good understanding of the blockchain space.

Geographic

When looking geographically, there is a clear outlook towards Asia, particularly eastern Asia for the search term ‘decentralized finance’. Secondly, there is a fair amount of interest from Europe. However, it should be noted that St Helena was third on the search list. This

was excluded as it is a VPN haven. Thus, these results provide a positive guideline, although should not be treated as biblical.

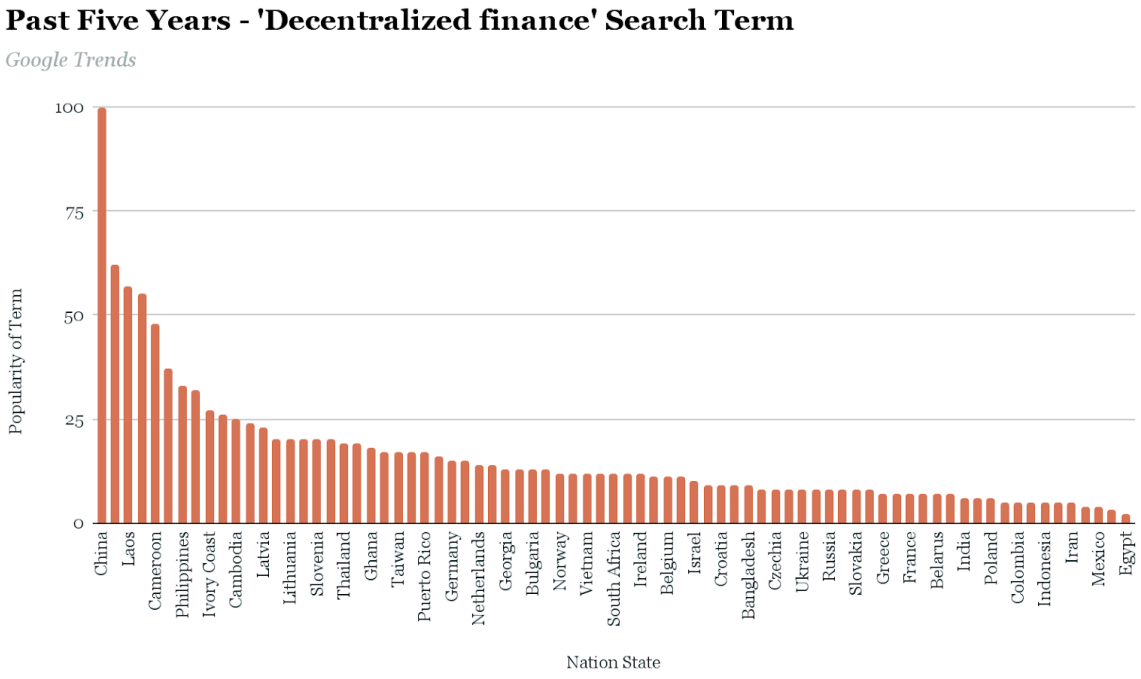


Figure (89) - Past Five Years - 'Decentralized finance' Search Term.

When looking at the interest by cities for the search term 'Uniswap' there is the most interest from Asia (particularly China), followed by Europe and the USA.

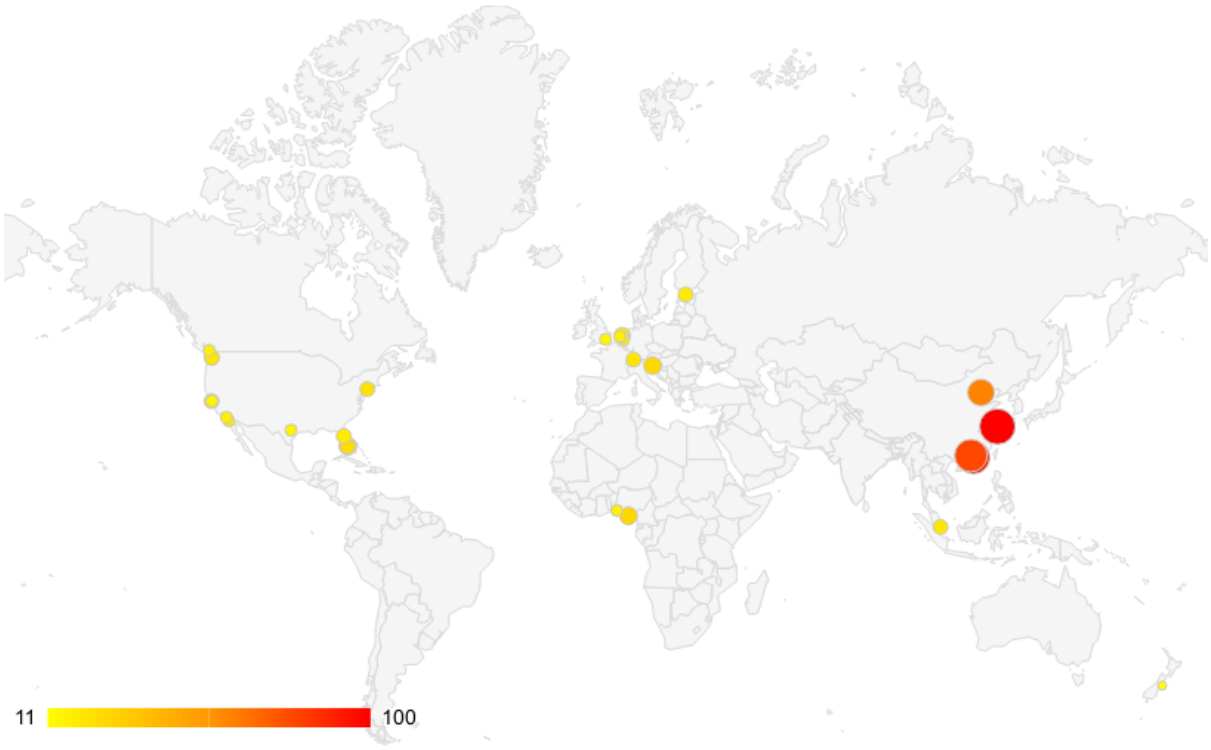


Figure (90) - 'Uniswap' Search Term Location

This is relevant to Providence due to psychographics and product. This is demonstrated with Uniswap supporting multiple languages such as Chinese (Mandarin). This is due to the moderate / low English language usage across China, as shown below.

City	Uniswap Interest	Level (350-700 scale)	Proficiency	Country Rank (x/13)
Shanghai	100	512	Moderate	2
Shenzhen	92	499	Low	6
Guangzhou	79	475	Low	11
Beijing	62	514	Moderate	1

Figure (91) - Chinese English Language Proficiency in Major Uniswap Cities (China).

Therefore, as Chinese investors make up a large portion of DeFi investment (and Web3.0 as a whole) and are of clear relevance to Providence. From this research we can determine we will need to have our site available in multiple languages.

Psychographic

This segment of the analysis will evaluate the psychographic of our demographic. This is critical to understand as it will affect how we market our product alongside product design elements e.g. UI format. Firstly we will evaluate the interests of our users.

Interests (Uniswap)

Users within Uniswap have the browsing habits for sectors displayed below.

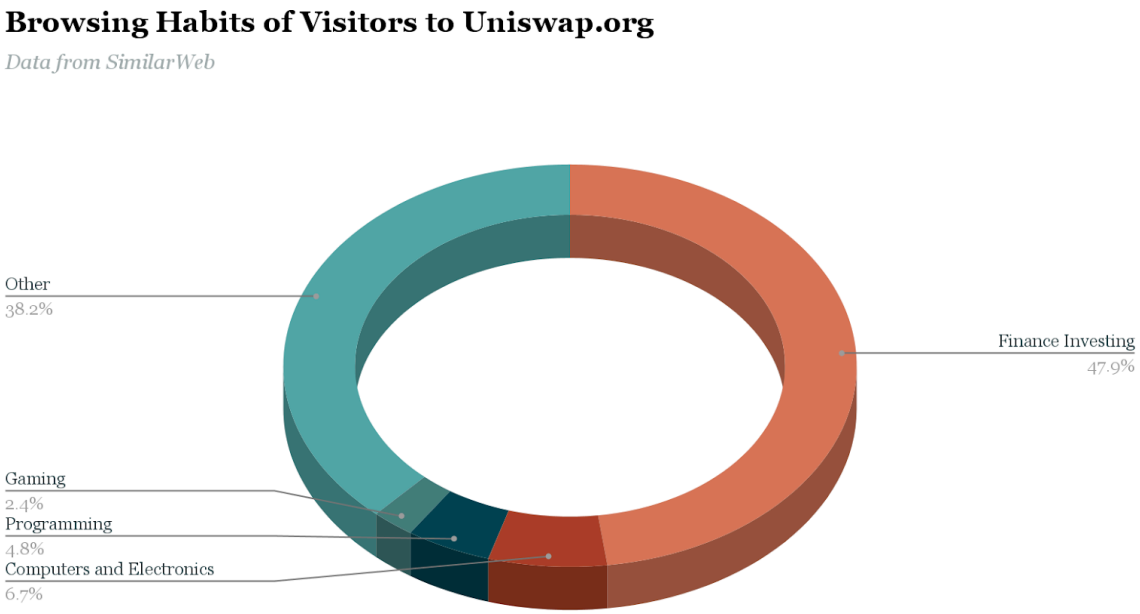


Figure (92) - Browsing Habits of Visitors to Uniswap

The above data is positive for Providence as it suggests that users of Uniswap are actively looking at other financial opportunities across the financial sector, increasing their likelihood of finding and being open to utilising Providence. From their interest, the following topics are the five most popular:

- Finance Investing
    - Stock
    - Charts
    - Financial News

    - Bitcoin
    - Stock Market
- Tech
    - Apple
    - Technology News
    - Technology
    - Community
    - Tools
- Programming
    - Programming
    - Software
    - Github
    - Windows
    - Google
- Gaming
    - Video Games
    - Games
    - PC Games
    - Computer Games
    - Steam

Upon evaluating the 10 most visited secondary sites, this confirms the above:

1. Etherscan
2. DEXtools
3. DEXscreener
4. Binance
5. Bscscan
6. Coinmarketcap
7. Arbiscan
8. DeFi Llama
9. Galxe
10. Geckoterminal

Evaluating the 'interests' segment above, we can see that the users of Uniswap have a serious attitude towards their investments. This is due to strong utilisation of blockchain scanners such as Etherscan and analytical tools such as DeFi Llama. Furthermore, this is important as we can link the website of Providence into platforms to drive traffic, assisting with protocol discovery.

Attitude & Values

Evaluating the attitudes and values of our target audience will enable us to understand how to tailor our messaging and communication, influence how we drive product development, as well as position ourselves within the market. We will evaluate the values and attitudes of our target audience from geographic research conducted.

Chinese Individuals in Large Financial Cities

- Meritocracy and Competition
    - A strong belief in meritocracy, where success comes from hard work and education. The competitive education system and job market in cities like Shanghai and Beijing reinforce this.
- Entrepreneurial Spirit
    - High regard for entrepreneurship and innovation, especially in the tech and finance sectors. This is evident in the rapid growth of startups and tech giants in China.
- Adoption of Technology
    - Very comfortable with technology and digital payments, compounded by their utilisation of the digital Yuan.
- Investment and Wealth Accumulation
    - A strong focus on wealth accumulation and investment. Also involved in additional sectors away from cryptocurrencies such as stocks and real estate.
- Education and Status
    - High value placed on education and career status, with a degree often seen as a baseline for success.

East/West Coast Americans in Large Financial Cities

- Capitalism and Individualism
    - Strong belief in capitalism and individual achievement.
- Tech-Savviness
    - Openness to new technologies like blockchain, AI, and EVs. The tech culture of the West Coast (Silicon Valley) and the financial prowess of the East Coast (Wall Street) heavily influence these attitudes.
- Entrepreneurial and Risk-Taking
    - High propensity for risk-taking, especially in investments and career moves. This is reflected in the startup culture in particular.
- Education and Networking

    - Education is highly valued, but so are networking and connections. Success is often attributed to a combination of formal education, professional networking, and being in the right place at the right time.

Commonalities & Conclusion

Below we can see the psychographic attitude and values commonalities between our two core user groups.

- Innovation and Early Adoption
    - Both groups show a keen interest in innovation and are typically early adopters of new technologies.
- Professional Ambition
    - High levels of professional ambition, with careers in business, finance, or tech seen as prestigious.
- Active Investment
    - Active participation in both TradFi and alternative investments, reflecting a broader trend of financial diversification and a belief in capital markets.

Lifestyle

Understanding the lifestyle of our core user group will majorly assist in building a community of users, help us communicate with them effectively, while also building a perception of trust and reliability. In the figure below is the lifestyle of our target audience.

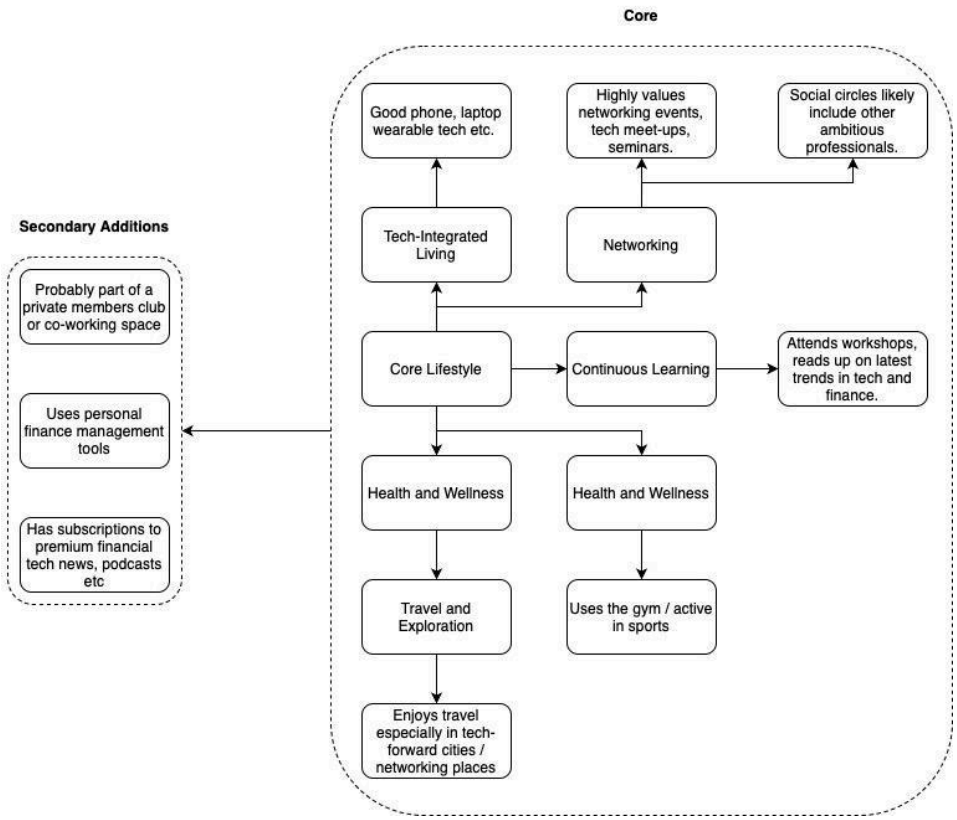


Figure (93) - Lifestyle of Target Audience

Summary

Our target audience is as follows. Our target audience are forward-thinking, ambitious professionals aged 22-40, deeply immersed in the worlds of technology and finance, actively investing in both traditional and crypto markets, and living a tech-savvy, health-conscious lifestyle in a major financial city on the US East or West coast, or China's East coast. Within the evaluated segments above, we have gained a core understanding of our target users.

Needs And Preferences

This section of the document will analyse what our target audience will come to expect from Providence in regards to how they wish to be informed / educated, how they want to use the platform, and their risk tolerance towards our products.

Market Data / General Data

In regards to overarching data which target audience will search for (inside or outside Providence) they require the following:

- Price and Market Cap Data
    - Real-time and historical data for our native token.
    - Solution
        - List token on CoinMarketCap and CoinGecko.
- On-chain Metrics
    - Providence transaction volumes, protocol TVL, active addresses, hash rate, and network value to transactions (NVT) ratio etc.
        - Integrate into sites such as dune.xyz and DeFi Llama.
- Analyst Reports and Ratings
    - Expert opinions, forecasts, and investment ratings.
        - Working with PR agencies / media agencies and leveraging contacts to have pieces written on our protocol.
- Financial Statements
    - Cash-flow statement of company / DAO (note - we'd have to do this in such a way that it does not impact our security).
        - Giving quarterly updates to our protocol users informing them of our financial metrics and protocol health; how we are going to resolve potential issues etc.
- Regulatory News
    - Information on new regulations, policy changes, or government interventions that could impact markets.
        - Informing users of regulatory news which may affect the protocol or them directly (with source of information).

It is critical that we inform our target audience to the best of our ability. Through providing them with the relevant Providence data from the above, we create a base information layer.

Data Within Providence

In the bullet points below we can see the data which our target audience will expect from our protocol:

- Market Liquidity and Depth
- Odds and Predictions Data
- User Activity and Participation Rates / Overall Protocol Engagement
- Smart Contract Audits and Security Measures

    - Information on security audits, bug bounties, and measures taken to secure the protocol against attacks.
- Governance and Decision-making Processes
    - Details on how decisions are made within the protocol, including changes to the protocol rules, fees, and the distribution of profits.
- Fee Structure and Rewards
    - Information on transaction fees, staking rewards, and any other incentives for participants.
- Economic Indicators
    - Interest rates and inflation rates of native token - simple tokenomic transparency.
- Regulatory Compliance
    - Information on how the protocol complies with regulatory requirements, especially concerning prediction markets and financial instruments.

Platform Preferences

Understanding the platform preference of our target users will allow us to optimise elements such as our UX and increase our engagement. Therefore we have started by analysing mobile vs desktop usage.

Mobile vs Desktop

In the figure below are the mobile vs desktop usage of various DeFi protocols. From this figure we can see that the vast majority of protocols have more prominent usage of desktop in comparison to mobile. Furthermore, the platform with the lowest usage (PancakeSwap) of desktop targets a different target audience to us in the form of lower level retail DeFi users). From this data as well as previous conclusions this helps us determine that we should not prioritise a mobile application. However, our site should be optimised for mobile usage due to a minority of mobile users being large enough to warrant so.

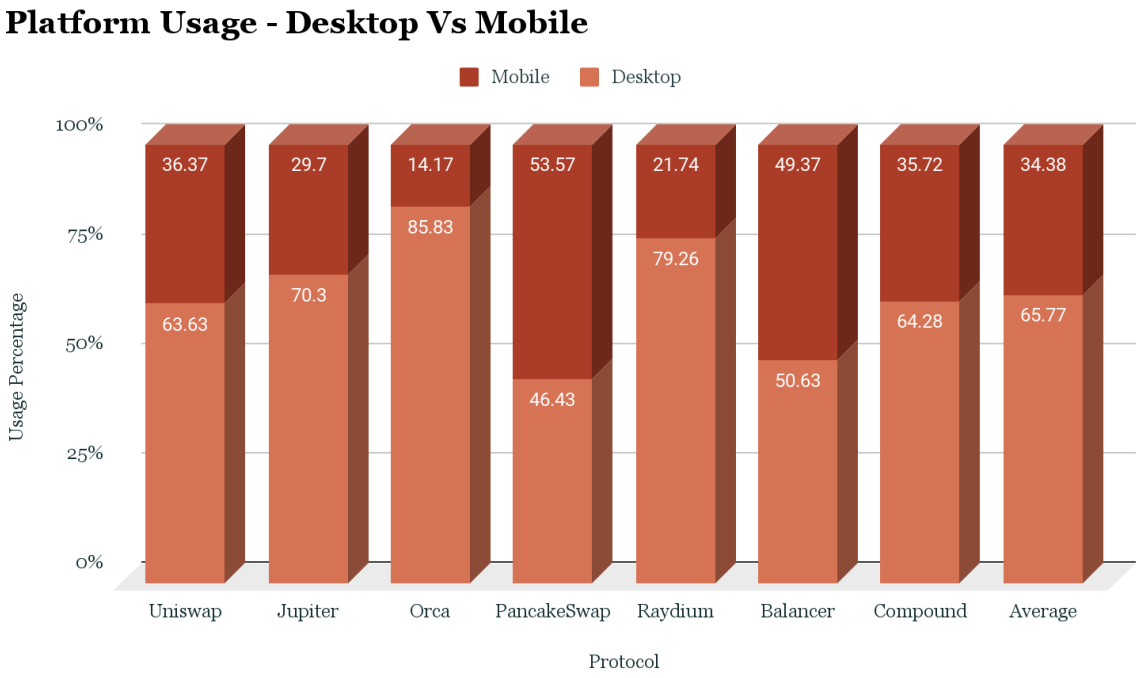


Figure (94) - Platform Usage of Desktop Vs Mobile

Level of Interaction

DeFi protocols typically have a high rate of interaction as most users click on various internal links and read more into posts and pages across the sites, as displayed by the bounce rate figures below.

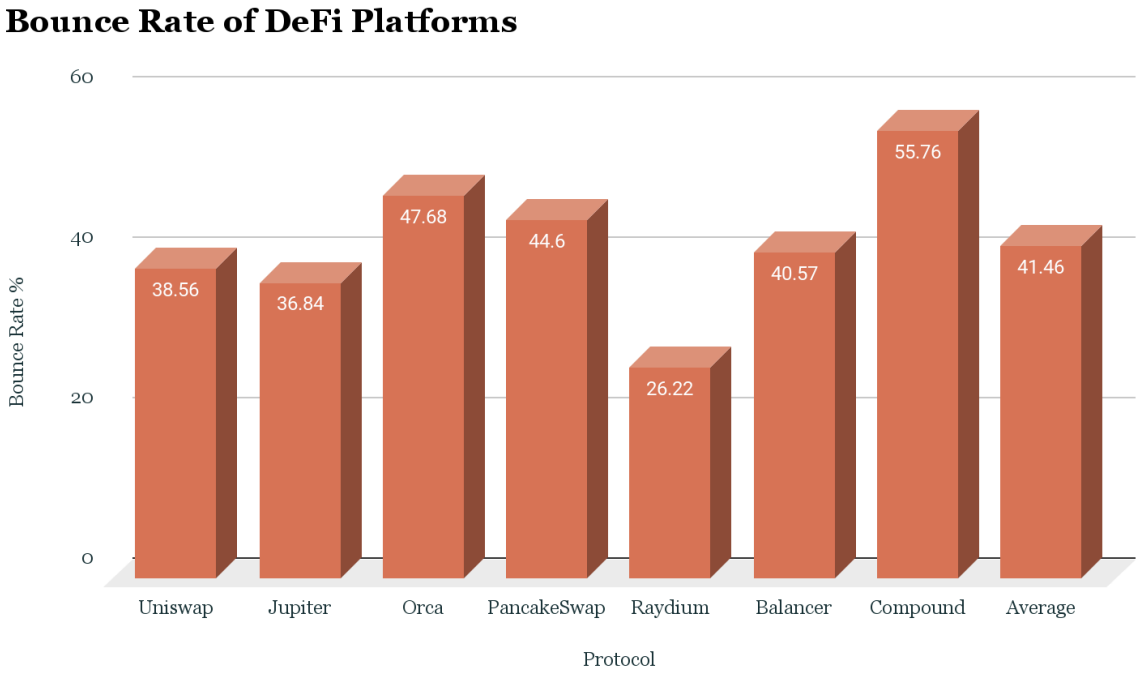


Figure (95) - Bounce Rate of DeFi Protocols

This high level of interaction is also confirmed by the average pages per visit.

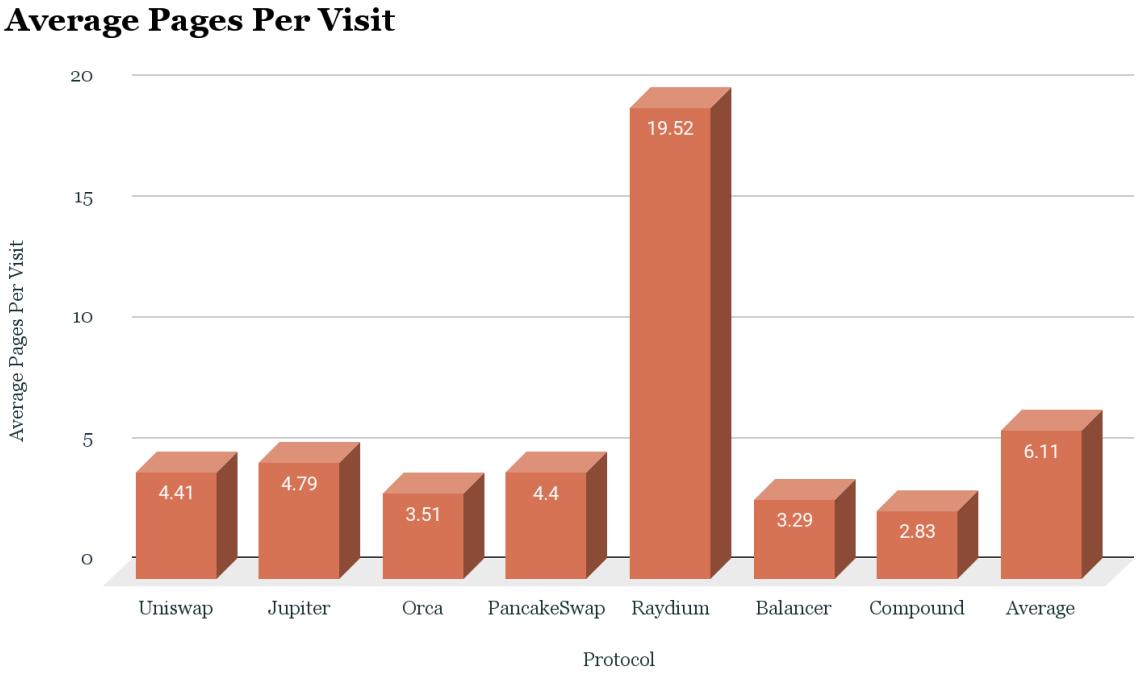


Figure (96) - Average Pages Per Visit

Between the average pages per visit and bounce rate there is a minor positive correlation of 0.407. Subsequently, the protocols with higher usage of desktop, the more pages the individual in question visits. From this we can determine that our users are likely to be spending a large amount of time on our site compared to typical engagement rates. Therefore, ensuring that the Providence site is easy on the eye (e.g. dark theme) is of high importance.

Risk Tolerance

Finally, we will analyse the risk tolerance of our target market. This links back to factors such as which metric selection. In figure (x) below we can see the distribution of DeFi user savings. From this we can see that the majority of users have more than 50% of their total savings in crypto. This highlights an extremely high risk tolerance (compared to most investors).

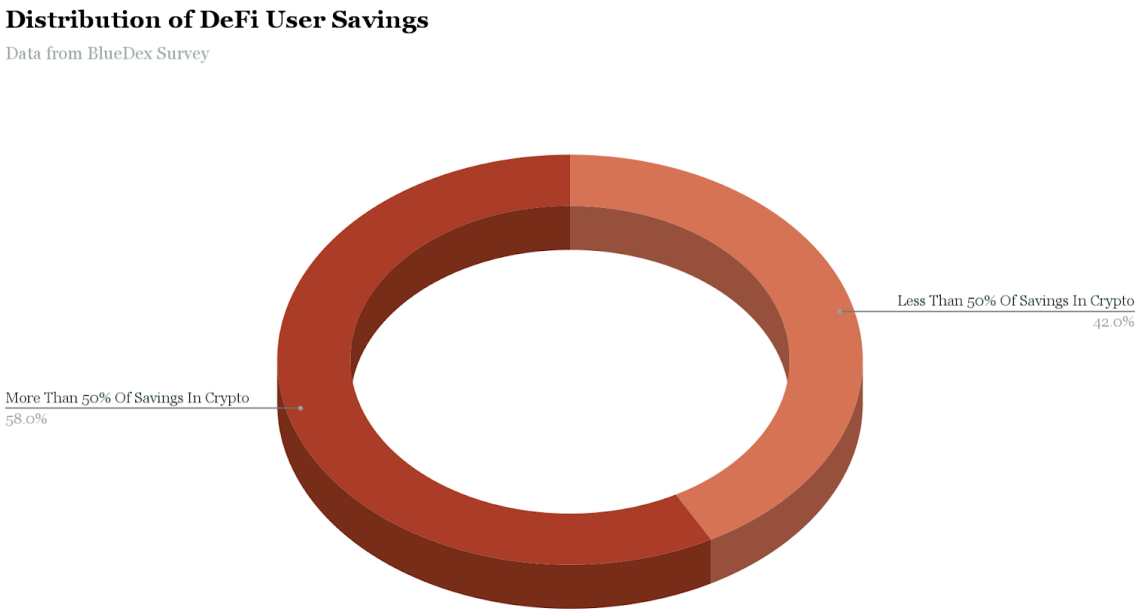


Figure (97) - Distribution of DeFi User Savings

However, we expect DeFi users to implement stablecoins into their portfolios in order to reduce perceived risk. This is either through liquidity pools or DCA activities via holding

stablecoins. This increases the difficulty of deriving the exact risk tolerance of our target base. However, we can derive the following:

- Due to our operating market, the individual will be comfortable with risk due to extreme Web3.0 price volatility.
- With lots of our audience having a career in tech or finance, the rapid technological changes and risk associated with that contributes to an above average risk tolerance.
- Wanting to be within an early adoption industry again correlates with higher risk tolerance.
- Due to our target audience having a diverse portfolio across financial markets (stocks and forex as well), they are unlikely to use Web3.0 as their 'anti-risk' portfolio element. This means that this is their highest risk element of their portfolio.
- Younger individuals tend to have a higher risk tolerance than older demographics. This is due to a longer investment horizon and higher earning potential over time, allowing for recovery from potential losses.
- Middle to upper-class individuals have more disposable income to allocate towards higher-risk investments, further indicating a potential for higher risk tolerance.

From this we have determined that our target audience will have a high risk tolerance, although not a degenerate level of risk tolerance as their investments must be backed by logical reasoning, as touched on earlier. Therefore our metrics offered must reflect this.

Additional Target Audience Research Found

While researching our target market, we found the following additional information:

- Our target audience believes that there is a huge opportunity for DeFi founders to educate the public / our target audience on our DeFi offerings. It is clear that the wider the awareness is raised, the faster we can claim market dominance.
    - This points to the need for us to clearly educate our users in an innovative way. The majority of protocols simply use complicated technical documentation. While we will include this, we must explore new avenues for education.
- Stablecoins are critical for our target audience for them to meet their risk profiling and gain effective exposure to the market.
    - Thus, we need to implement stablecoins into our protocol for the 'prediction' mechanism.
- Our target audience believes that the most prominent thing holding DeFi back is marketing and education, again pointing towards the first bullet point highlighted.

Thus, this needs to again be a clear focus for us. Furthermore, we need to do so with less ‘crypto speak’ and ensure that the protocol can be understood by those who also invest in TradFi.

- UX, security and liquidity concerns are also important to address.

Conclusion

This section highlighted our target audience's key expectations from Providence, emphasising the need for transparent data access, user-friendly design, and suitable product risk levels. Insights confirm a desktop preference, the importance of stablecoins within the protocol, and a demand for clear, innovative educational content to drive understanding and adoption.

Popularity of Metrics

The first element of our metric evaluation will consist of the data availability as well as popularity and relevance of such metrics.

Availability

After technical discussions and considerations, we will be initially focusing on metrics with data available on trusted sources such as DeFi Llama. We will not be initially abstracting blockchain data and conducting native calculations ourselves. Thus, we will be firstly eliminating metrics which are not available on DeFi Llama (those available on CoinGecko will be considered).

Metric	**Found on DeFi Llama**	**Cannot be Found on DeFi Llama**	**Note**
Total Cryptocurrency Market Capitalization		X	Can be found on CoinGecko
Total DeFi Market Capitalization		X	Can be found on CoinGecko

Total DeFi TVL	X		N/A
Protocol TVL (protocols)	X		N/A
Protocol Revenue (cumulative)	X		N/A
Market Capitalization (protocols)	X		N/A
Liquidity Pool Size		X	N/A
Protocol Adoption Rate (cumulative new wallets)		X	N/A
Cumulative Fees	X		N/A
On-Chain Governance Participation	X		N/A
Borrowing Demand (specific protocol)	X		N/A
Token Velocity		X	N/A

Figure (98) - Evaluated Metrics

From the disqualification screener above, we will be eliminating the following metrics:

- Token velocity.
- Protocol adoption rate.
- Liquidity pool size.

This means that the following potential Providence metrics remain:

- Borrowing / lending demand.
- On-chain governance participation.
- Protocol revenue.
- TVL.
- Market capitalization.

- Cumulative fees.

Search Trends

Next we will evaluate the search trend data. Those which are not searched prominently will be eliminated as it displays a lack of interest from our target audience.

Google Search Trend Popularity (1/2)

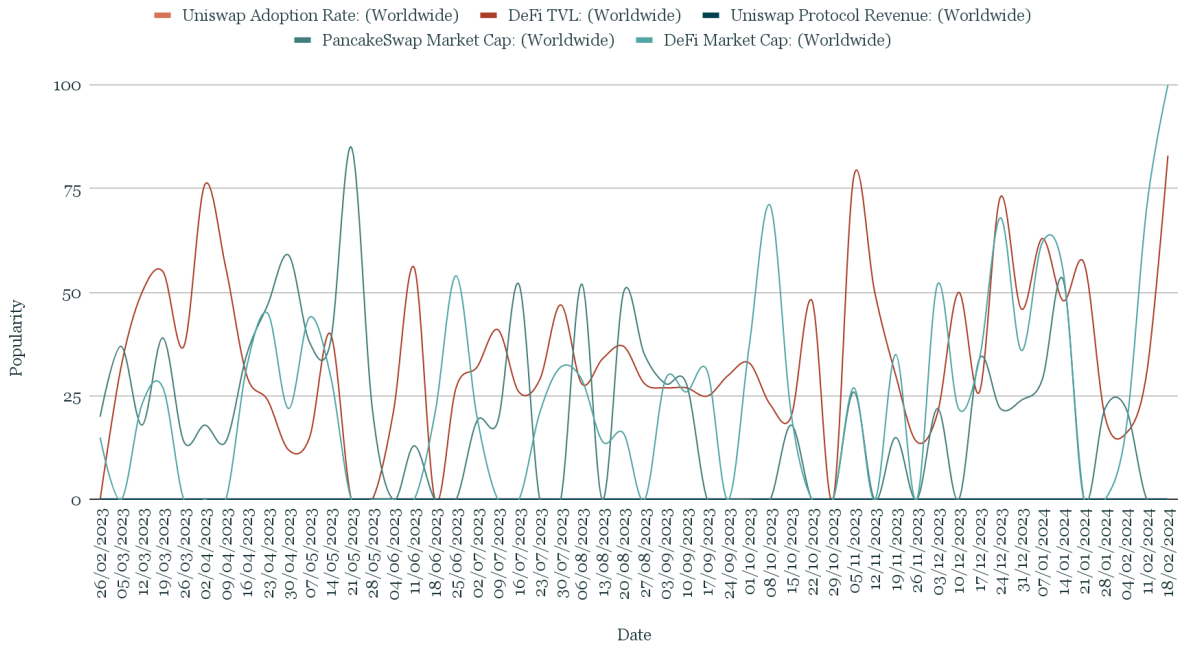


Figure (99) - Google Search Trend Popularity (Set 1)

Google Search Trend Popularity (2/2)

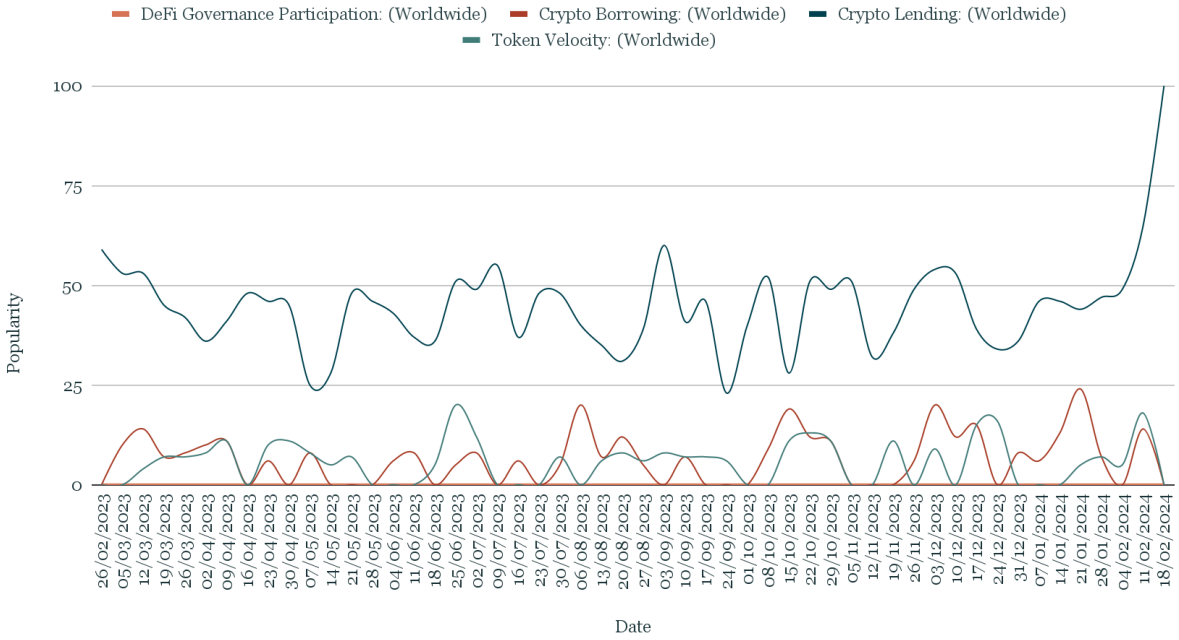


Figure (100) Google Search Trend Popularity (Set 2)

Average Popularity / Interest

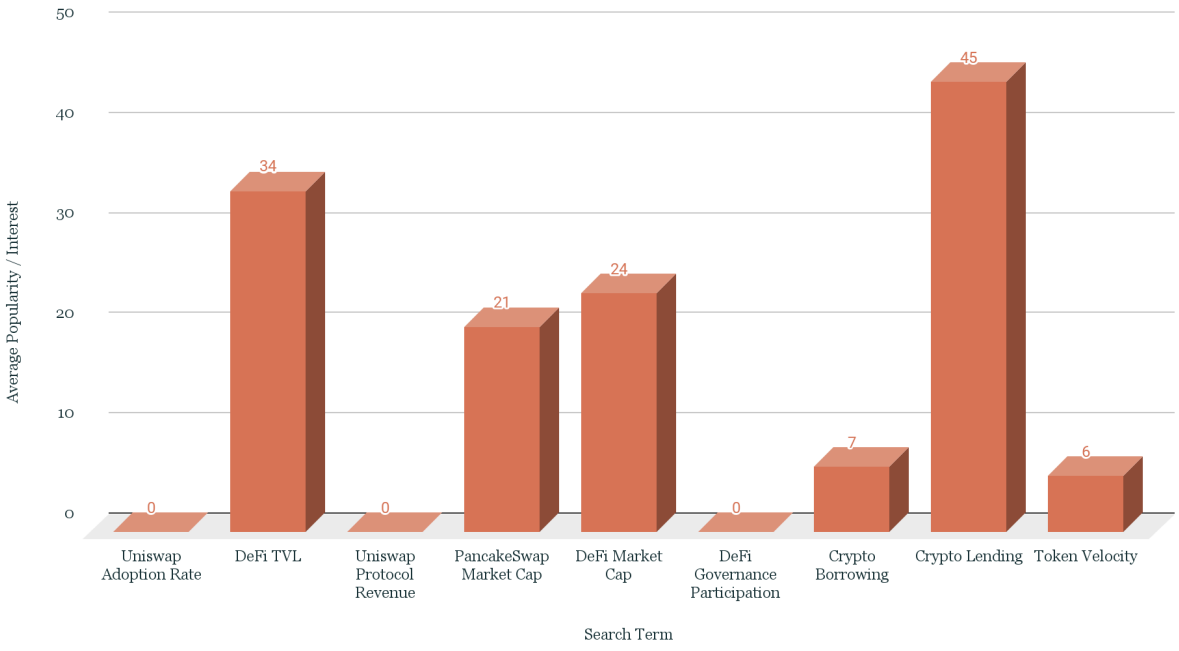


Figure (101) - Average Popularity / Interest

From the figure above, we can derive that the following segments will not be evaluated further due to a lack of interest:

- Governance Participation
- Adoption Rate
- Protocol Revenue

Despite not being displayed above, protocol fees were researched. It was concluded that there is interest in this area from our target audience. This leaves the following remaining metrics:

- Borrowing / lending demand.
- TVL.
- Market capitalization.
- Cumulative fees.

These indicators will now have their volatility rates analysed. It is essential that the volatility of such metrics align with risk perception of our target audience. Furthermore, the volatility of such metrics does not deem them uninvestable.

Volatility of Indicators (Protocols)

TVL

In the figures below, the TVL volatility levels of Aave and Uniswap. These protocols have been selected as they are within the selection process for metric basis.

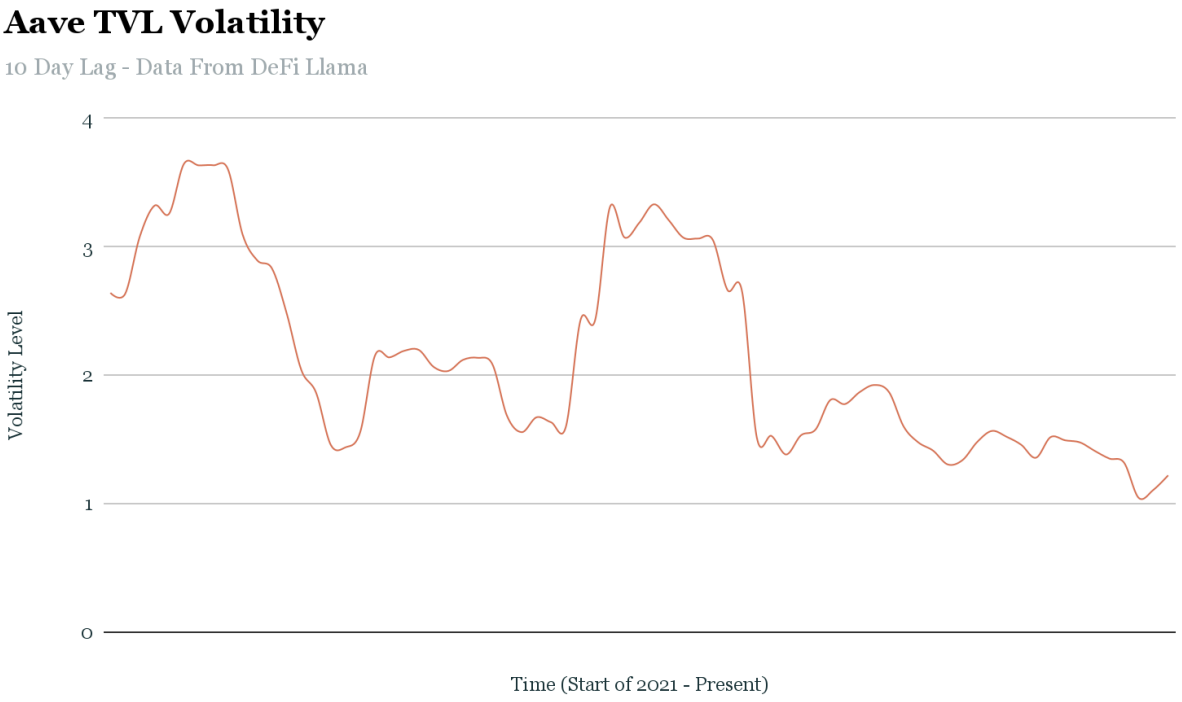


Figure (102) - Aave TVL Volatility

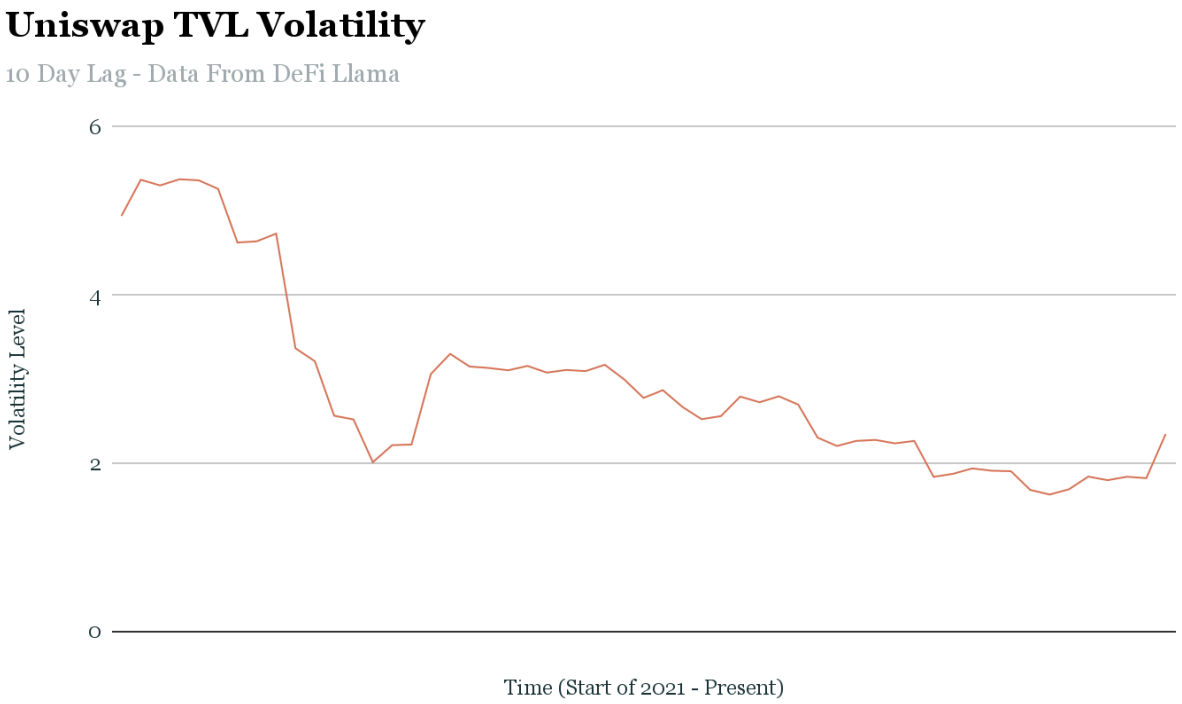


Figure (103) - Uniswap TVL Volatility

Market Capitalization

Again, the market capitalization levels of Uniswap and Aave have been analysed. This is in order to standardise the analysis process.

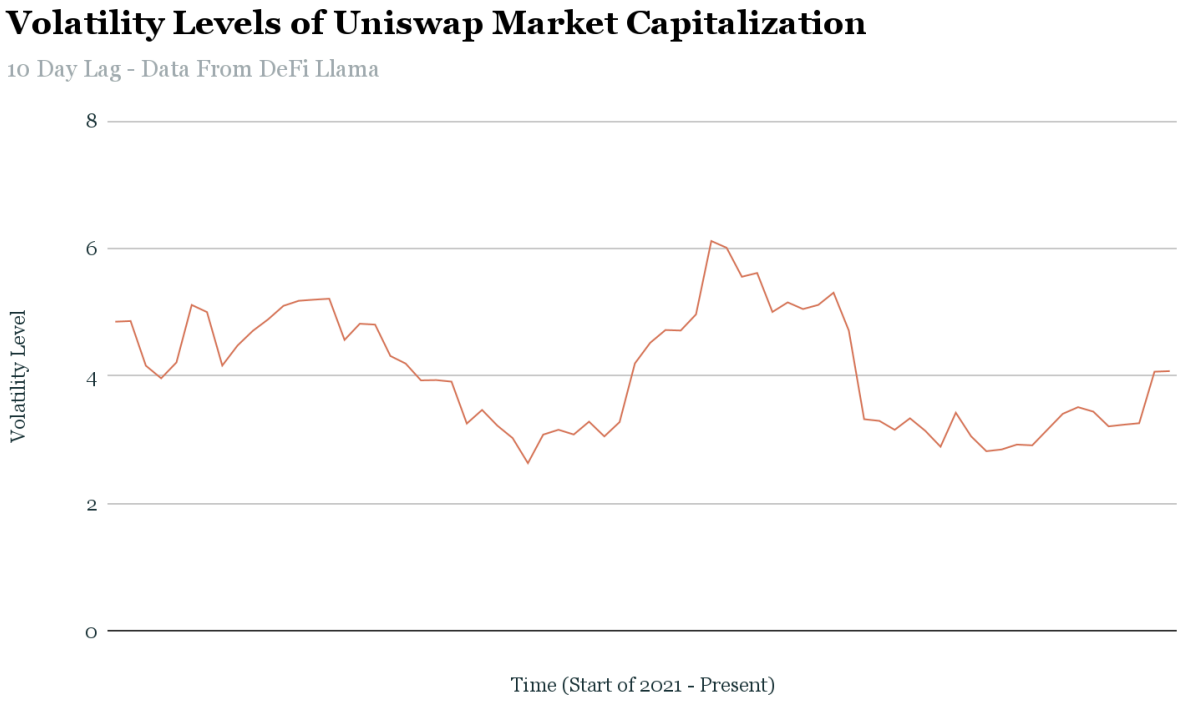


Figure (104) - Volatility Levels of Aave Market Capitalization

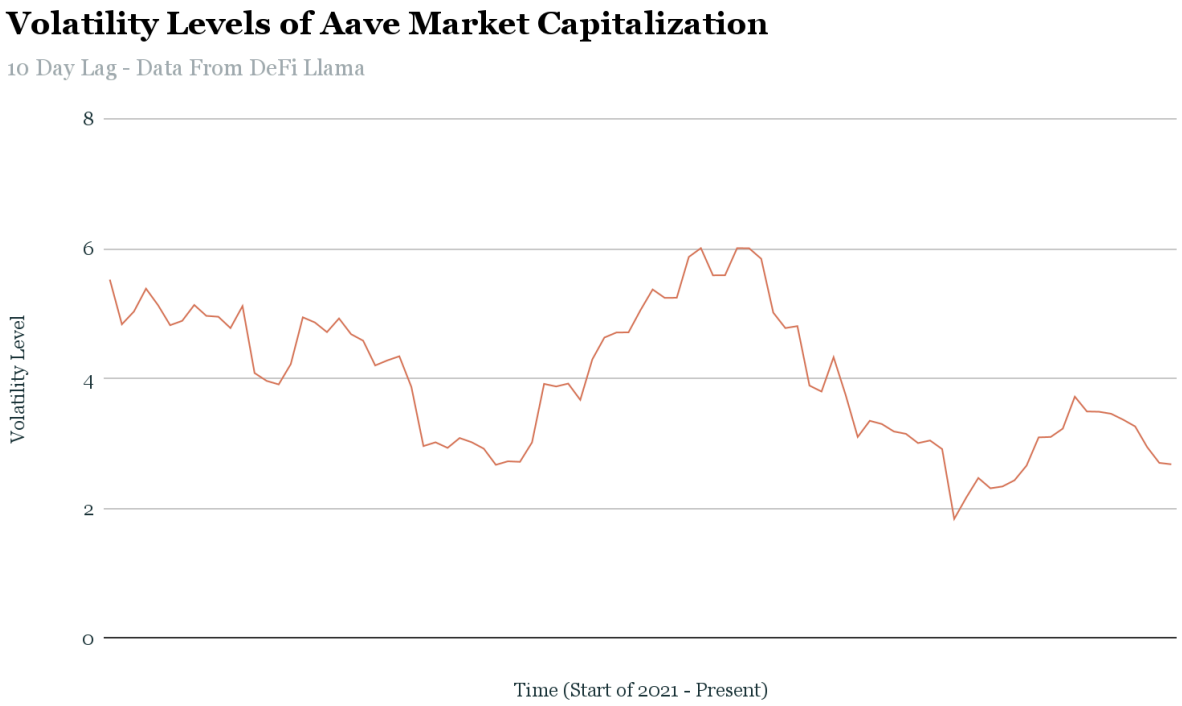


Figure (105) - Volatility Levels of Aave Market Capitalization

Fees

Thirdly, the cumulative fees for Uniswap and Aave have been analysed.

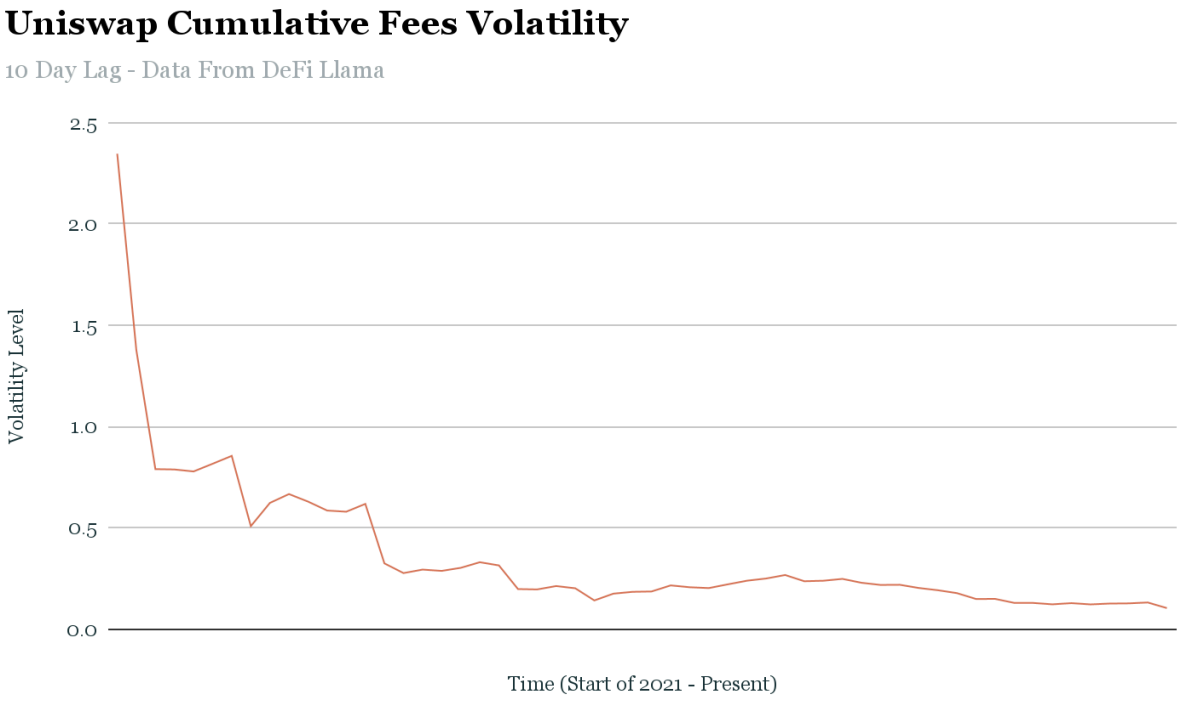


Figure (106) - Uniswap Cumulative Fees Volatility

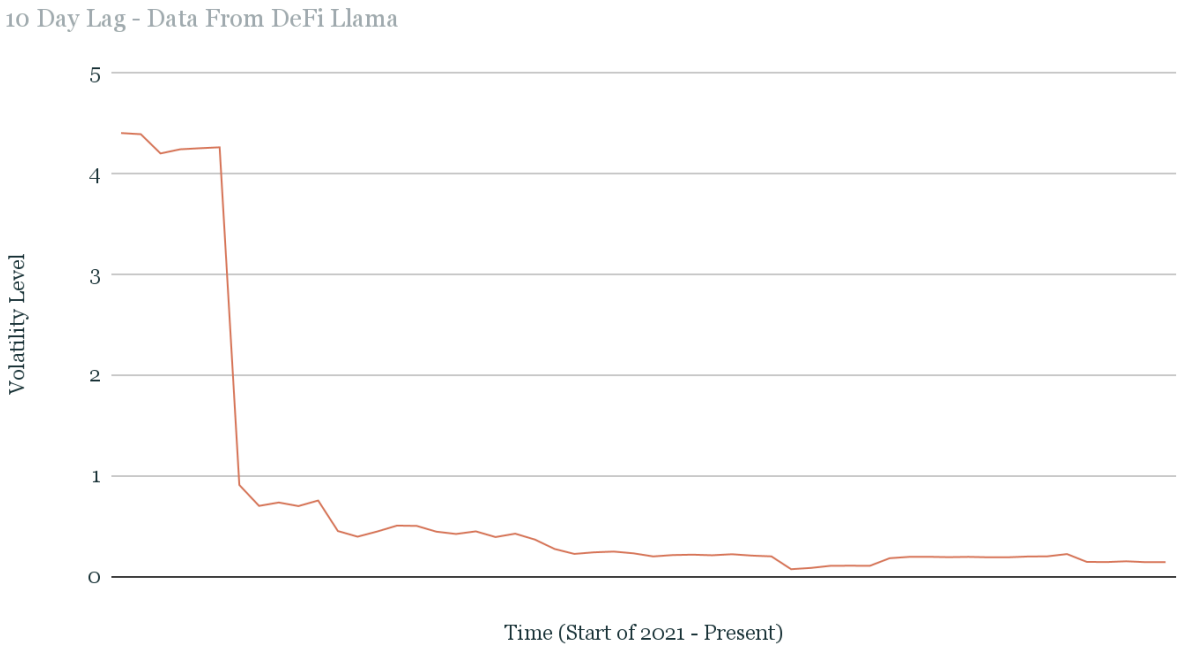


Figure (107) - Aave Cumulative Fees Volatility

Borrowing Demand

Finally, we have analysed the borrowing demand from Aave and Compound. Compound replaced Uniswap as borrowing is not possible on Uniswap.

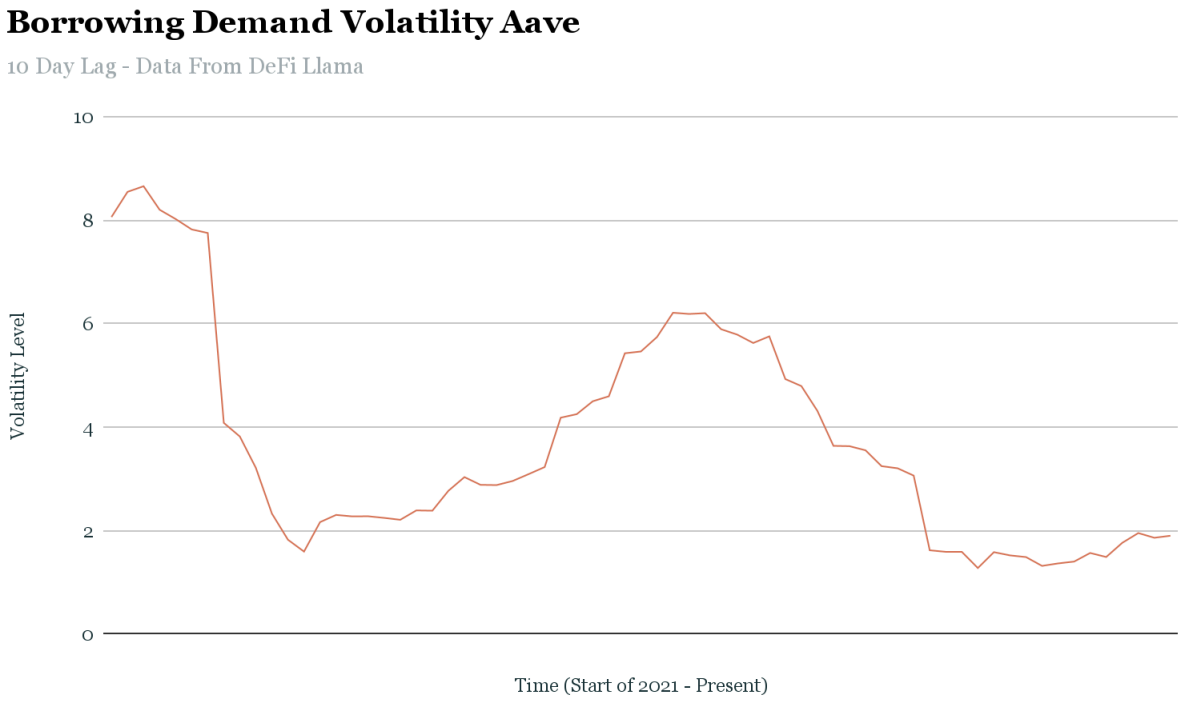


Figure (108) - Borrowing Demand Volatility Aave

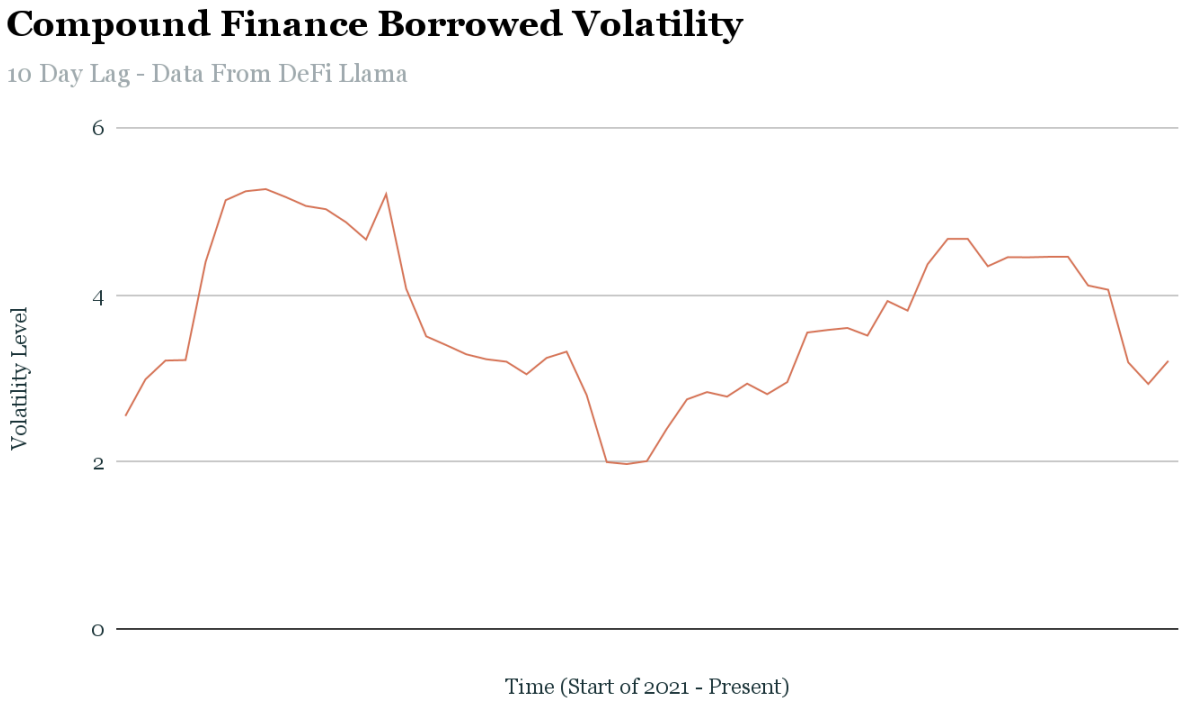


Figure (109) - Borrowing Demand Volatility Compound

Average Volatility

When looking at the average volatility levels of the metrics above, there is a clear outlier with that being the cumulative fees.

Segment	Average Volatility	Metric Average
Aave TVL Volatility	2.124594064	2.517742826
Uniswap TVL Volatility	2.910891589	2.517742826
Uniswap Market Cap Volatility	4.078482468	4.045845153
Aave Market Cap Volatility	4.013207838	4.045845153
Uniswap Cumulative Fees Volatility	0.3675452595	0.554028604
Aave Cumulative Fees Volatility	0.7405119485	0.554028604

Aave Borrowing Demand Volatility	3.711061621	3.669989767
Compound Borrowing Demand Volatility	3.694913841	3.669989767

Figure (110) - Average Volatility of Each Metric

With each of these segments in mind, we will eliminate cumulative fees as the metric is not volatile enough for our target market. With the remaining indicators, they are volatile enough to provide the necessary risk:reward while not too volatile to the point where the metrics become unpredictable.

Metrics Conclusion

In conclusion, according to aforementioned research factors including technical, target audience, social, popularity, risk, and volatility; we will use the following metrics:

- TVL
- Market capitalization
- Borrowing / Lending rates

Upon having decided upon the lending rates, we must now come to a decision as to which protocols such metrics will be centred around.

Protocol Metric Research

This section will evaluate the different types of DeFi protocols and which protocols our target market would be most interested in when associated with our metrics. Within this section we will firstly evaluate the TVL size.

TVL

Rankings & Screener

The figure below displays the largest protocols by TVL. This is important as they are increasingly likely to be utilised by our target audience, have the most consistent data feeds, do not have excessive volatility, and are the least likely to suffer a successful exploit.

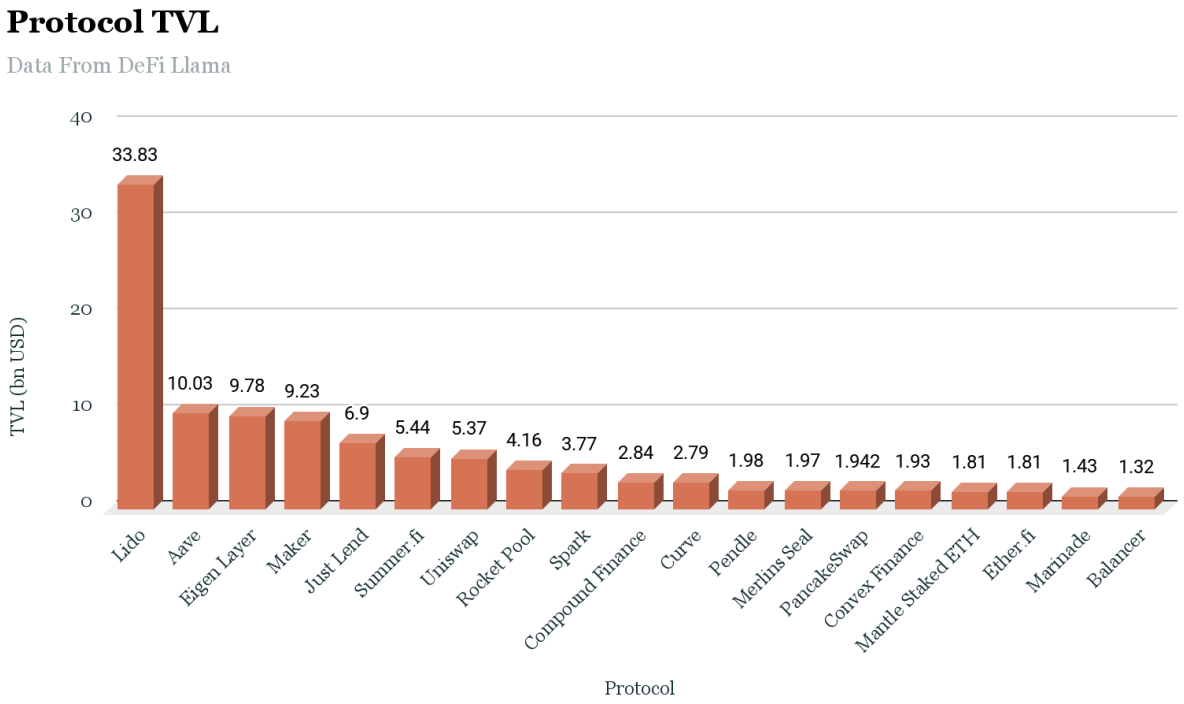


Figure (111) - Largest Protocols by TVL

Providence will not be utilising any protocols with a present TVL x<$1bn USD. All of the above protocols meet this criteria.

In the table below is the TVL trajectory and data reliability of the protocols in the figure above.

Protocol	**TVL Trajectory**	**Reliable Data Outlook (based on historic availability and consistency)**
Lido	Exponential Growth	Y
Aave	Positive Growth	Y
Eigen Layer	Exponential Growth	N
Maker	Stagnation	Y
JustLend	Positive Growth	Y
Summer.fi	Minor Positive Growth	Y

Uniswap	Positive Growth	Y
Rocket Pool	Exponential Growth	Y
Spark	Exponential Growth	Y
Compound Finance	Stagnation	Y
Curve Finance	Negative Growth	N
Pendle	Exponential Growth	Y
Merlin's Seal	Positive Growth	N
Pancake Swap	Stagnation	Y
Convex Finance	Minor Negative Growth	Y
Mantle Staked ETH	Positive Growth	N
Ether.fi	Exponential Growth	Y
Marinade Finance	N/A	N/A
Balancer	Positive Growth	Y

Figure (112) - Protocol TVL Trajectory and Data Reliability

From the figure above we can determine that we will not take the following protocols further:

- Mantle Staked ETH
- Convex Finance
- Merlin's Seal
- Curve Finance
- Eigen Layer
- Marinade Finance

This is due to either a negative TVL trajectory as we ultimately do not want to have poor historical performing protocols for initial availability or due to unreliable data. This leaves the following protocols for further analysis:

- Lido
- Aave
- Maker
- JustLend
- Summer.fi

- Uniswap
- Rocket Pool
- Spark
- Compound Finance
- Pendle
- Pancake Swap
- Ether.Fi
- Balancer

Hackings / Exploits

This segment will evaluate the security of protocols. Should protocols have suffered significant or regular exploits, they will be excluded. This is because we want to protect our end users in an attempt to prevent outcomes being derived from malicious actors:

- Lido
    - Disputes over token contract flaws. However, no successful hacks or exploits.
- Aave
    - $287,000 in ETH exploited from farm in Aug 2023.
- Maker
    - No hack or exploit found.
- JustLend
    - No hack or exploit found.
- Summer.fi
    - Oasis performed a nine-figure hack on their own contract after a court order.
- Uniswap
    - No hack or exploit found.
- RocketPool
    - No hack or exploit found.
- Spark
    - No hack or exploit found.
- Compound Finance
    - $22m USD drained in 2021 from hack of contract.
- Pendle
    - No hack or exploit found.
- PancakeSwap
    - DNS was exploited although not the protocol itself.
- Ether.fi
    - No hack or exploit found.
- Balancer
    - Has suffered multiple exploits / hacks.

In order to protect our users and our brand, we will therefore remove the following protocols from consideration:

- Summer.fi
    - Oasis performed a nine-figure hack on their own contract after a court order.
- Compound Finance
    - $22m USD drained in 2021 from hack of contract.
- Balancer
    - Has suffered multiple exploits / hacks.

Aave has not been removed due to the nature of its exploit. Thus, we are now left with the following protocols:

- Lido
    - Liquid staking
- Aave
    - Lending
- Maker
    - Stablecoins
- JustLend
    - Lending
- Uniswap
    - DEX
- RocketPool
    - Liquid staking
- Spark
    - Lending
- Pendle
    - Yield
- PancakeSwap
    - DEX
- Ether.fi
    - Liquid staking

Conclusion

For the initial metrics of Providence we will provisionally have the following:

- Lido
    - TVL
    - Marketcap
- Aave
    - TVL
    - Borrowing Rates
- Uniswap
    - TVL
    - Marketcap
- Pancakeswap
    - TVL
    - Marketcap
- Total DeFi
    - TVL
    - Marketcap

This may be subject to change prior to V1.0 launch.

The reasoning for including such protocols varies. These have been selected by our team after lengthy discussions supported by data, personal market knowledge. We believe that through utilising such metrics, it will ultimately provide alternate investment vehicles with significant variation. Furthermore, the primary reason for not adding all protocols to start off with is in order to prevent segregation of liquidity and reduce the technical burden on our team.

Risk Analysis

This section of the document will conduct a risk analysis. This is critical to ensure that we do not make the mistakes of fallen competitors such as Augur as well as guide us around unique risks for Providence. In the bullet points below are the primary risks which will be evaluated for mitigation:

- Regulatory Risk
    - Changes in laws or regulations impacting the operations of Providence.
- Technical Risks
    - Technicalities of our protocol which if unsolved could result in financial loss for stakeholders.
- Stablecoin Selection
    - Ensuring that we select a suitable stablecoin for protocol deposits.

Regulatory Risks & Company Structure

Company Structure

The Providence team do not want to found the protocol within the UK, Italy, or Ukraine. This is due to the poor regulatory space of founders nation states. Thus, we have curated a small list of potential countries which we could further evaluate in the future for our official company founding:

- Malta
    - Malta has been proactive in creating a regulatory framework which encourages blockchain and cryptocurrency businesses.
- Estonia
    - Estonia has a reputation for being digitally advanced and has implemented a relatively friendly regulatory framework for cryptocurrency businesses, including clear guidelines for operations.
- Switzerland
    - Switzerland offers a supportive environment for crypto companies, with progressive regulations and a favourable tax regime.
- Singapore
    - Singapore is recognized for its clear and relatively friendly regulatory stance on crypto businesses.
- Cayman Islands
    - Has a tax-neutral environment as well as positive cryptocurrency regulations.
- Vanuatu
    - Offers a low-regulation environment for crypto exchanges and blockchain businesses.
- Seychelles
    - Has a tax-neutral environment as well as positive cryptocurrency regulations.

The reasoning for research into the list above was to uncover whether the founding of Providence could result in the non-founding of the protocol or force a drastic change in course of action. However, upon evaluation we can see that there are a range of possibilities. Furthermore, there are numerous other nation states which were not scanned. Thus, there is not a major founding risk. However, should we found in the UK, Italy, or Ukraine we would subject ourselves to unnecessary risk.

CEX Geography

CEXs are the category of crypto asset entities which have been regulated the most stringently. By looking at the location of major exchanges, we can deeper understand which registration / operational locations may be best suited to Providence. Exchanges which have been striked through have had their registration location deemed unsuitable.

Exchange	**Registration**	**Target User Geography**	**Head Office**
Binance	Malta	Worldwide	Head Office = Cayman Islands Europe = Paris USA = San Francisco Asia = Singapore
~~Coinbase~~	~~USA~~	~~USA~~	~~San Francisco~~
OKX	Seychelles	Japan & Europe	Victoria (Seychelles)
Bitfinex	Virgin Islands	Eastern Europe & East Asia	Taipei
Bybit	Virgin Islands	Russia, Korea, & Ukraine	Dubai
Gate.io	Cayman Islands	Morocco, Russia, India, and Venezuela	George Town (Cayman Islands)
Crypto.com	Singapore	USA, UK, Australia, Canada	Singapore
BitGet	Singapore	Korea and Russia	Singapore
~~Upbit~~	~~South Korea~~	~~Korea only~~	~~Seoul~~
MEXC	Singapore	Worldwide	Singapore
Huobi (HTX)	Seychelles	Russia	Beijing

Figure (113) - CEX Operations

From the research conducted on the company structure, we in-short have two options. Option one involves Providence setting up in an established 'regulatory friendly', pro-crypto entity such as Singapore or Switzerland. Option two is to be founded in a nation with little to no cryptocurrency regulation such as the Seychelles, Virgin Islands, or Cayman Islands.

Conclusion

Setting up our company in the correct jurisdiction will be one of the primary elements of help / assistance which we will look to leverage from those who fund Providence. Should

such entities be unable to assist, subsequently a greater proportion of capital raised will be required for legal deployment.

Typical Markets Banning Crypto / DeFi

The list below underscores potential jurisdictions which will take issue with our product. It is essential that due to this, we do not actively promote the utilisation of Providence within these nation states / areas:

- Afghanistan
- Burma
- Burundi
- Crimea
- Cuba
- Democratic Republic of Congo
- Iran
- Iraq
- Ivory Coast
- Libya
- Mali
- Morocco
- North Korea
- Palestine
- Somalia
- Sudan
- Syrian Arab Republic
- Yemen
- Zimbabwe
- United States and all US Territories (such as American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and US Virgin Islands).

From the list above, the clear standout is the U.S as they are a portion of our target market. Therefore, we need to analyse the U.S regulatory market with a specific focus on how our competitors have fallen in order to protect Providence and our stakeholders.

Competitor Regulatory Difficulties

Below is a list of our competitors and their relationships with U.S regulators.

Augur

Augur came into difficulties with the CTFC (commodity futures trading commission (U.S)). This is because Augur technically falls under the category of binary options, which is regulated by the CFTC. However, the company did not face any monetary penalties.

Intrade

Intrade was a pre-blockchain prediction market which was forced to ban U.S users due to the CTFC. The company was the leading prediction market for the 2008 and 2012 election cycles. They closed their trading platform in early 2013.

Polymarket

Polymarket came into difficulties with the CTFC being forced to pay a $1.4m USD civil monetary penalty and must wind down all markets on their site which do not comply with CEA and CFTC regulations.

Relevant Regulatory Information

Below is analysis of the current regulations within three majorly relevant markets with those being the USA, China, and the UK.

USA

CTFC

- Binary Markets
    - It is illegal for entities to solicit, accept offers, offer to or enter into commodity options transactions (for example, foreign currencies, metals such as gold and silver, and agricultural products such as wheat or corn) with U.S. citizens, unless those options transactions are conducted on a designated contract market, an exempt board of trade, or a bona fide foreign board of trade, or are conducted with U.S. customers who have a net worth that exceeds $5 million.
- Prohibited Conducts
    - Fraud, including fraudulent solicitation, concealment and misappropriation.
    - False statements to the CFTC.
    - Price manipulation.
    - Use of a manipulative or deceptive device.
    - Misappropriation of material, confidential, non-public information.
    - Disruptive trading practices, including disregard of orderly execution during the
      closing period and spoofing.
    - Fraudulent trade allocation.
    - Trade-practice violations (trading ahead, prearranged trading, bucketing, trading at other than bona-fide prices, wash sales, and position limits).
    - False reporting.
    - Undercapitalization.
    - Failure to segregate customer funds.
    - Registration violations.

- Failure to maintain or produce required records.
- Failure to make required reports.
- Registrant's failure to supervise.
- Failure to comply with business conduct standards; and illegal off-exchange activity.

Overall, the CTFC will be a major roadblock should we look to pursue the U.S audience. We will need to ensure that we navigate them effectively. Although, it should be noted that the majority of U.S DeFi users utilise VPNs.

China

China is generally a restrictive entity when it comes to DeFi trading. They have banned DOMESTIC ICOs since 2017 with this ban extending to trading cryptocurrencies operating within China. Binance for example cannot be accessed (via website) in China (due to the Great Firewall of China). However, their app can be used and freely accessed. Binary options would be subjected to financial scrutiny. Although, provided that DeFi Startup is not founded in China, it is highly likely that our target audience will find a way to utilise us due to their experience with the Great Firewall of China, which ultimately lands on the user rather than the company itself. Furthermore, Chinese citizens are extremely used to navigating the firewall.

UK

FCA

The FCA has firmly banned binary options. Thus, founding the company in the UK is not possible. Furthermore, we cannot promote our company in the UK or encourage those within the UK to utilise DeFi Startup. Additionally, this may have roadblocks when it comes to raising capital within the UK.

Conclusion

Binary options trading is banned from being set up in numerous countries across the globe. However, lots of nations still enable users to trade them. Furthermore, the primary scrutiny from our competitors (particularly across the U.S) is from their markets surrounding politics, rather than financial. *It should be noted that there has also been financial area scrutiny.*

Fundamentally, what we offer there is a grey area with DeFi regulations, crypto asset regulations, and traditional financial regulations. The current best course of action due to the decentralised nature of our project is do the following:

- Found Providence within a low regulatory or encouraging regulatory nation state.

- Do not ban IP addresses from these nation states.
- Do not actively promote our services within these nation states.
- Be as transparent as possible with our services and inform users as best possible.
- Utilise legal help specialising in DeFi.
- State that we are not a regulated entity etc.
- Leverage capital raising partners help for founding of company.

Stablecoin Selection

Within this segment of the risk analysis we will evaluate which stablecoin we should utilise for customer deposits. This is critical as utilising a poor stablecoin places our stakeholders at risk, which can be avoided by effective diligence on our part. Thus, we are undertaking such analysis.

Categories

In figure (x) below we can see the current market share of the three primary categorisations of stablecoins.

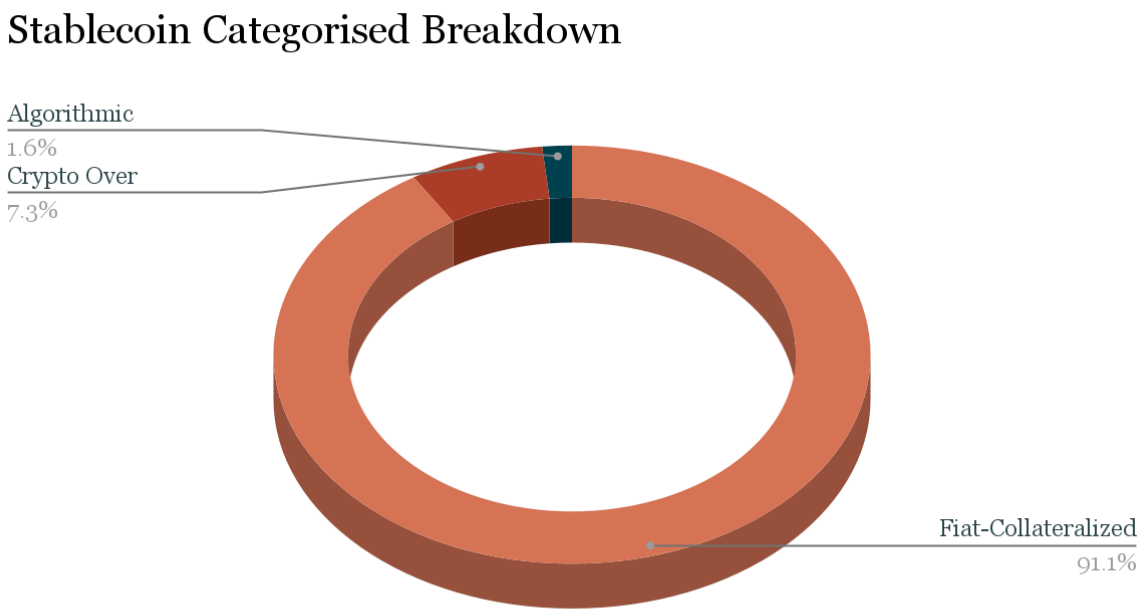


Figure (114) - Market Share of Stablecoin Breakdown

From the figure above we can see fiat-collateralised coins continue to hold a market monopoly over alternate stablecoin mechanisms. Furthermore, upon evaluating additional historical data it is clear that the current trend shows no signs of altering. Thus, due to low usage of such stablecoins (algorithmic and crypto over collateralised), we will only be evaluating fiat-collateralised stablecoins (USDT and USDC).

Historical Stability & Performance

In the figures below are the historical prices of USDC and USDT. This is important as we want to deploy a stablecoin which is stable, to reduce the risk for the end user where possible (risk without potential financial gain).

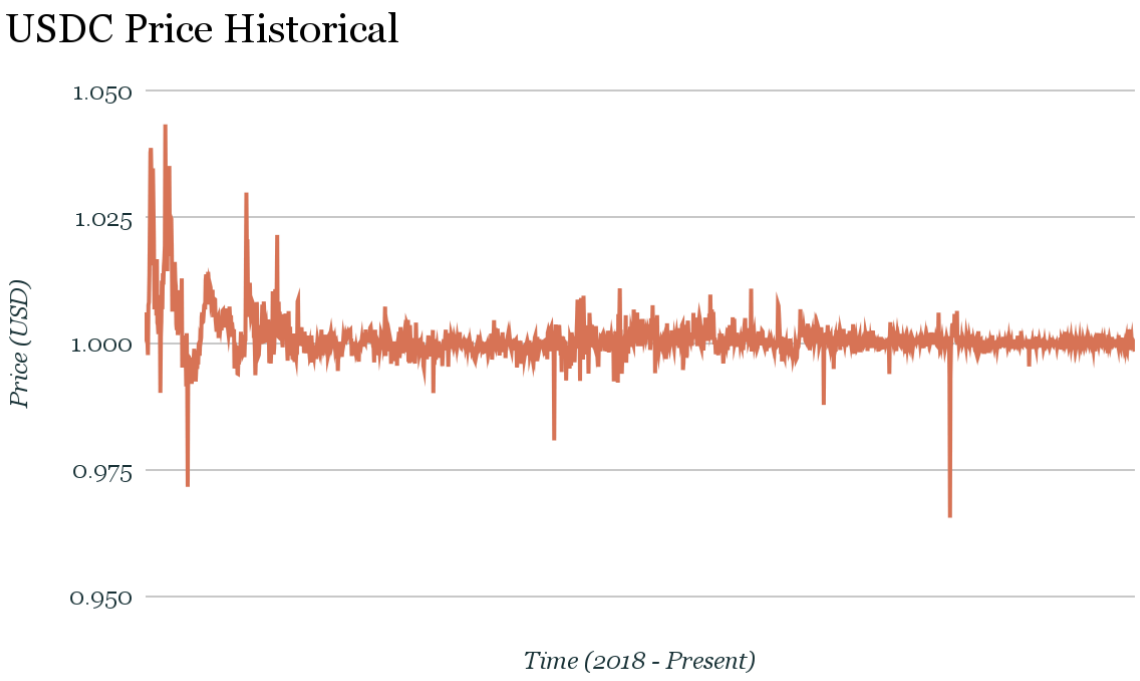


Figure (115) - USDC Price Historical

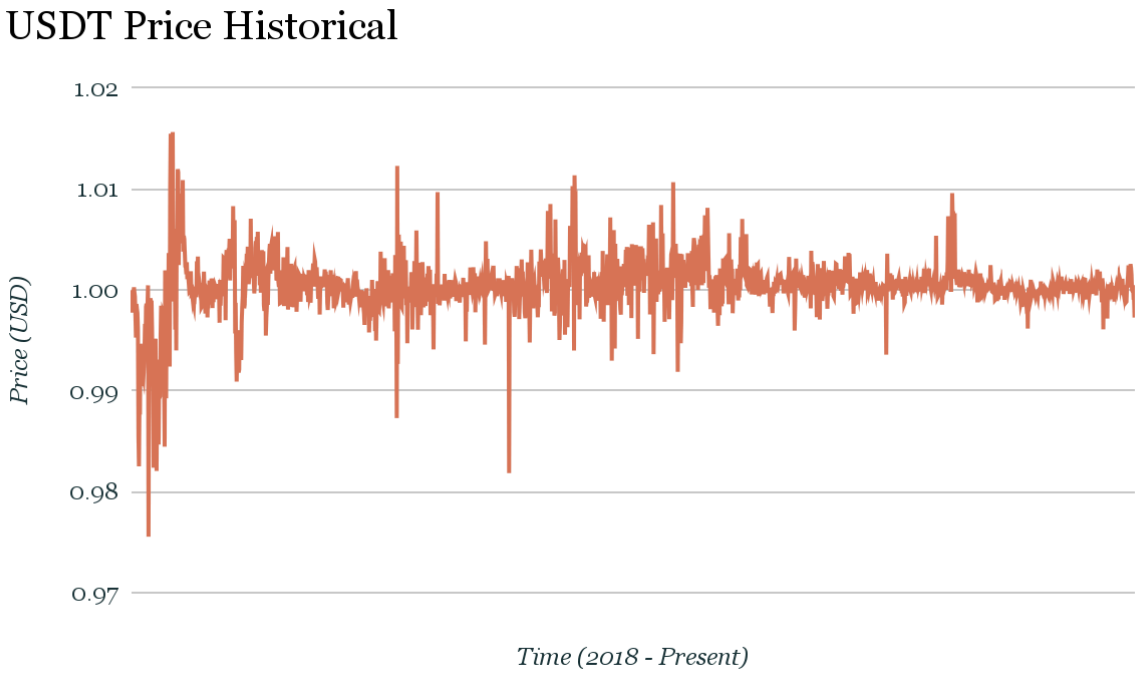


Figure (116) - USDT Price Historical

From the historical price data we can calculate the average volatility of both assets. This is displayed in figure (x) below.

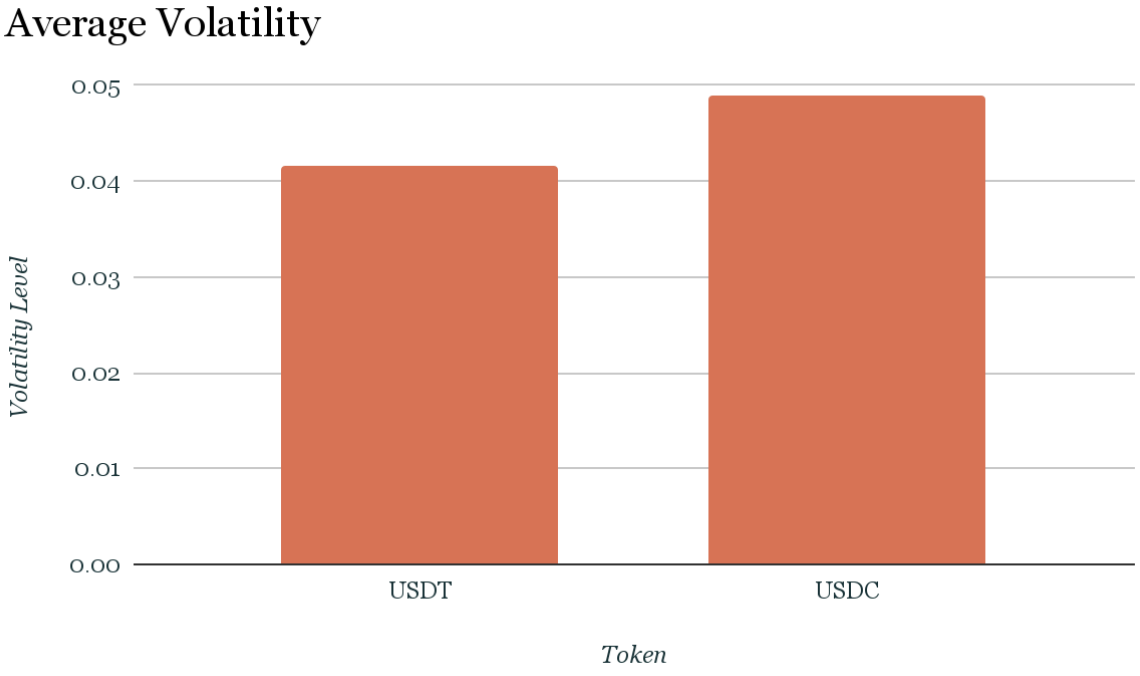


Figure (117) - Average Volatility of USDT and USDC

From the figure above we can see that USDC is slightly more volatile than USDT. However, on the whole both assets are highly stable. Thus, from a volatility standpoint there is little to take away, although USDT is slightly superior in this aspect.

Issuer Credibility / Negligent Business Practices

This segment will evaluate the risk posed to our end user through negligent business practices.

USDT / Tether

Tether was ordered to pay a $41m USD monetary penalty to the CFTC. This is due to them making untrue or misleading statements and the omission of various material. This was in 2021. The case found that Tether misrepresented customers from 2016 to 2019, failing to maintain sufficient USD reserves and that such reserves were not fully backed the majority of the time, only 27.6% of the time. Furthermore, such reserves were not audited.

USDC / Circle

Circle has no indication of major negligent business practices from research conducted as demonstrated with USDT above.

Conclusion

From this segment it is clear that USDT poses exceptionally higher risk to the end user from this standpoint in comparison to USDC.

Adoption and Recognition

This segment will briefly evaluate the adoption rate of both stablecoins, within both the wider market and DeFi. It is important that we utilise a stablecoin with clear adoption, as we do not want this to hinder Providence.

Marketwide

In the figures below are the market capitalisation of USDC and USDT.

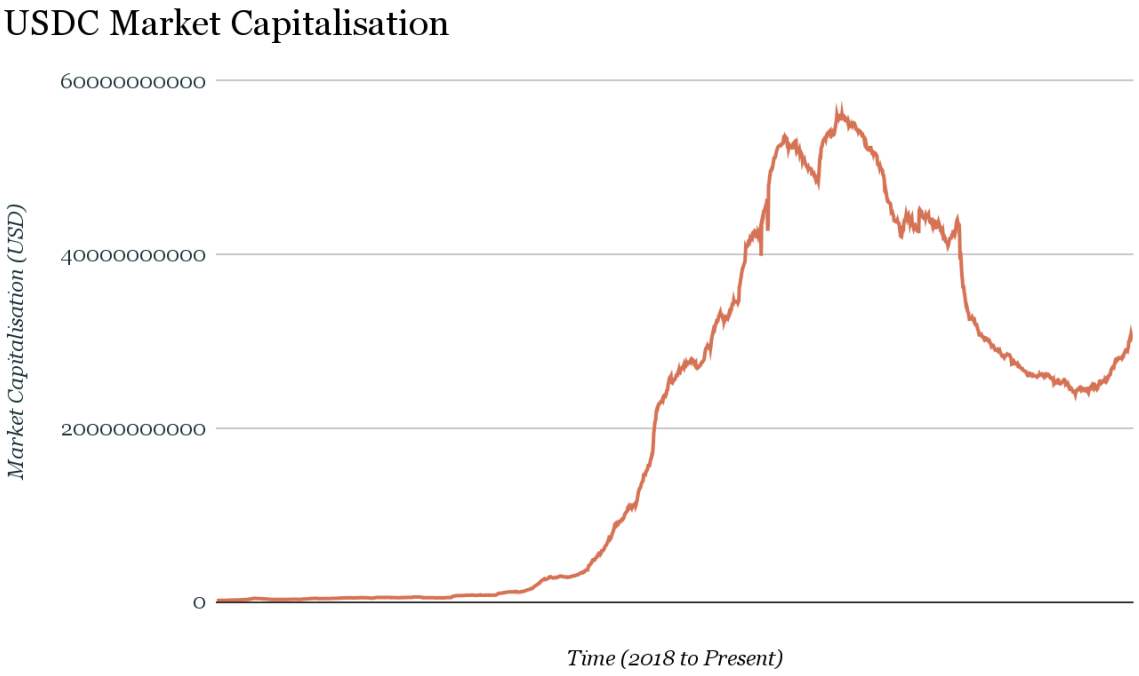


Figure (118) - USDC Market Capitalisation

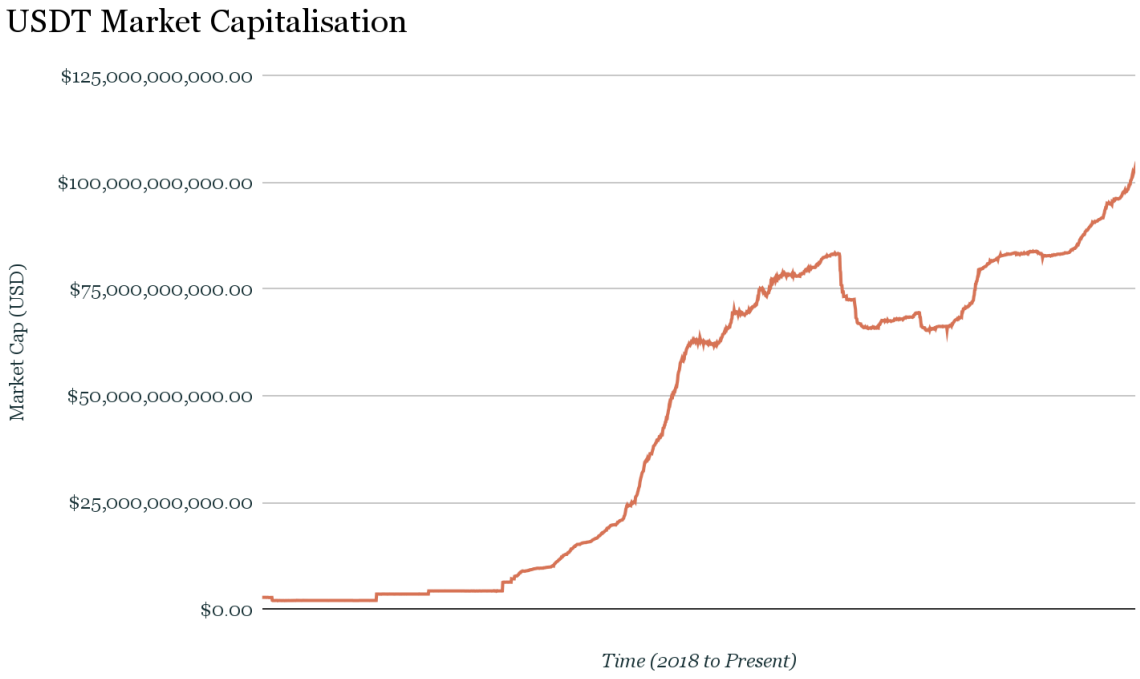


Figure (119) - USDT Market Capitalisation

From the figures above we can see that USDT is clearly ahead of USDC and has a superior trajectory across the general market. However, both assets have a market capitalisation of over $30bn USD meaning that they are both highly liquid.

DeFi

Ethereum centric protocols are more likely to use USDC over USDT. This is particularly true for larger protocols such as Uniswap and Aave. This is due to the majority (60%) of USDT tokens being on Tronix, which has a small DeFi ecosystem.

Conclusion

USDT may have a larger market capitalization although it is used primarily by CEXs rather than within the DeFi ecosystem for a variety of reasons. When these two factors are coupled together, the spread is relatively even for relevant usage of such tokens.

Manta Usage

This segment will evaluate the usage of bridged USDT and USDC across the Mantra ecosystem.

USDT

In the figure below we can see the daily USDT volume across Manta. From this we can see that there is a stable trajectory with an average volume of approximately $60k USD.

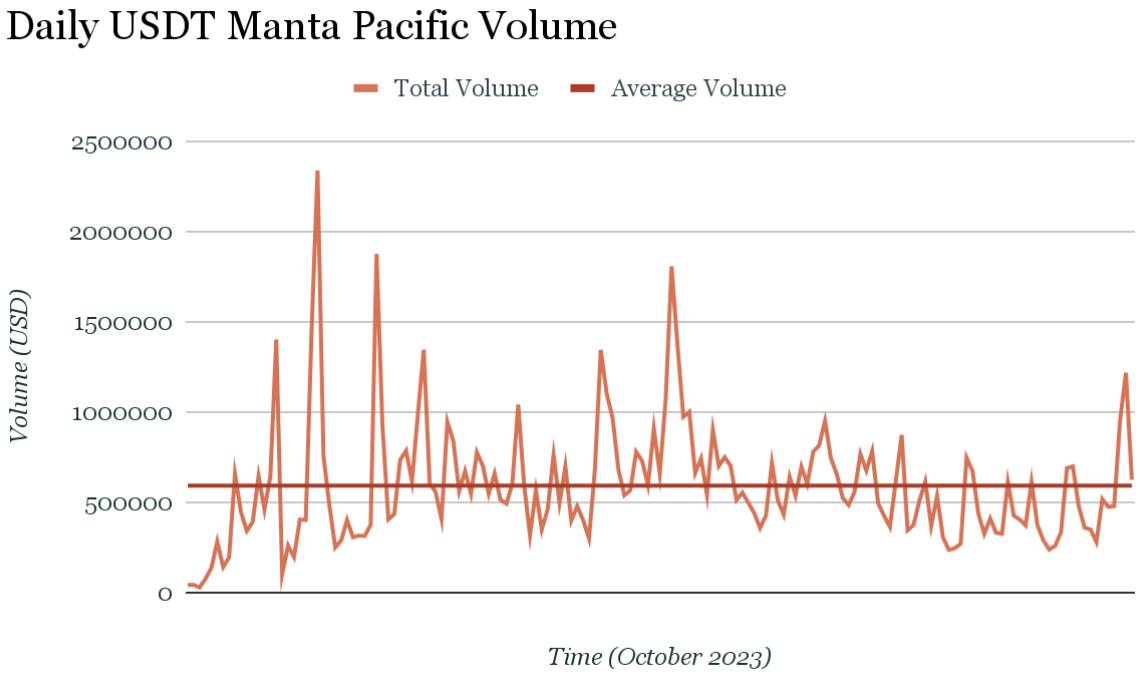


Figure (120) - Daily USDT Manta Pacific Volume

USDC

When evaluating the daily volume for USDC on Manta, we can see that it is at approximately $150k USD, almost triple that of USDT with a clear upwards trajectory.

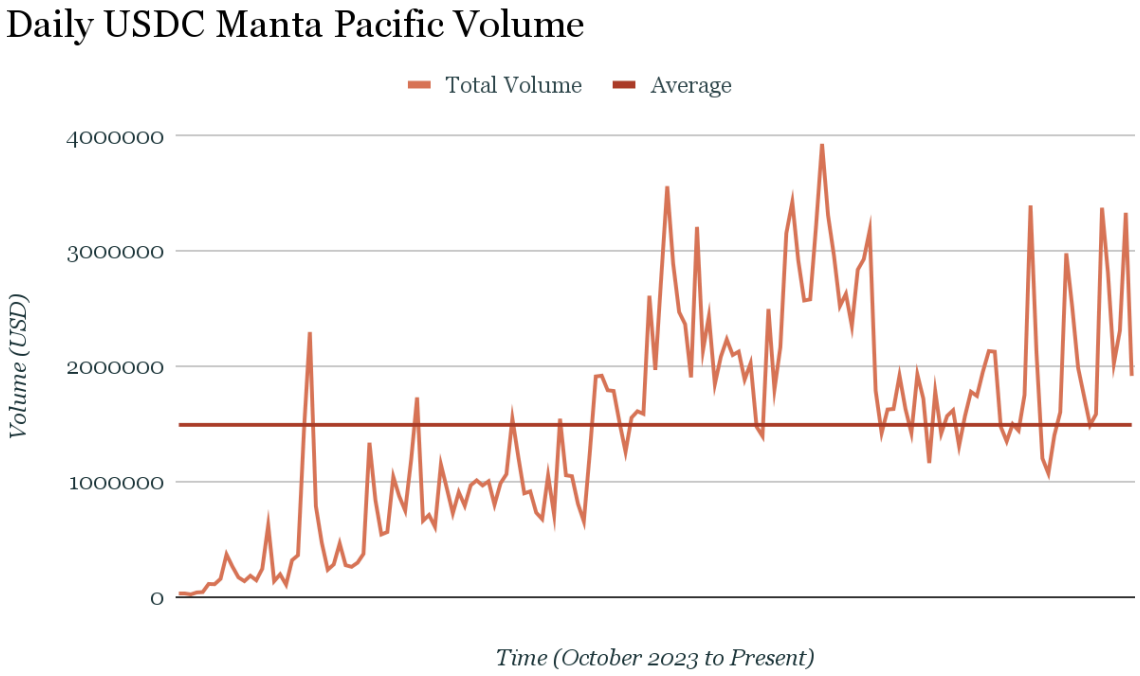


Figure (121) - USDC Daily Volume

Furthermore, upon block explorer evaluation, it is clear that USDC is favoured by Manta users.

- USDC
  - Max supply
    - 8,554,488.402
  - Holders
    - 41.3k
- USDT
  - Max supply
    - 5,169,703.696
  - Holders
    - 27.6k

Conclusion

From the data above we can see that USDC is clearly favoured over USDT. Furthermore, it has a positive trajectory of volume, which USDT does not.

User Experience

This element will evaluate how easy USDT and USDC are to access and whether there are any blockers which are preventing either from flourishing.

Accessibility

Both USDT and USDT are available via the following link for bridging - https://pacific-bridge.manta.network/.

Wallets

Both assets are available via Metamask, Coin98, Clover etc.

Conclusion

From an accessibility perspective we can see that both assets are as accessible as each other within the Manta ecosystem. Users simply prefer USDC. Providence will utilise USDC for deposits into pools within Providence for clear reasons discussed throughout the analysis.

Technical Risks

Avoidance of Augur V1's Failures

Providence will need to address key issues faced by Augur V1, notably its manual dispute resolution process, lengthy settlement times, and the challenge of invalid outcomes that could be exploited to scam users. Unlike Augur V1, our platform will look to utilise smart contracts for automatic outcome settlements directly on-chain, eliminating manual disputes and reducing settlement time to effectively instantaneous. This approach will not only streamline the process but also minimise the potential for bias or manipulation, ensuring outcomes are based solely on verifiable data.

Market expiry, the point of closure and settlement, is expressed by blocktime (unix time). There is no possibility for ambiguous or misleading markets as the market is described by the metrics and logic provided on set up rather than text provided by the user. The metrics available are initially provided by the deploying team and subsequently through governance. This eliminates the possibility of a user setting up a market that relies on data they can manipulate.

General Technical Risks

Code Vulnerabilities

All smart contracts managing funds, including all protocols are exposed to code vulnerabilities that risk disabling the protocol or losing funds. To mitigate this, we will need to use at least two rigorous audits by reputable firms, like ConsenSys and CertiK.

Protocol Design Flaws

Design oversights represent another risk, where unforeseen flaws in the protocol's design could be exploited; we aim to identify and avoid such weaknesses. In order to prevent this, we will work with reputable auditors who will independently evaluate our design and architecture with a bug bounty program available upon release.

Centralisation Risk

Utilising Tellor (which allows data retrieval from any API endpoint) introduces a centralisation risk due to its reliance on external, centralised, data sources (e.g. CoinGecko). While Tellor has proven itself highly resistant to manipulation, and we can be highly confident that their oracle will provide the correct data (as reported by the source), the reliance on centralised sources is at odds with the decentralised ethos of DeFi and poses risks related to data manipulation or source reliability.

To mitigate these risks in the short term, our strategy involves selecting only established and trustworthy data sources, from companies or foundations whose revenue model depends on truthfulness and reliability; hence our evaluation of metrics with data only available on DeFi Llama or CoinGecko previously in this document. This approach minimises exposure to manipulated or inaccurate data, ensuring that market outcomes are based on reliable metrics, while also benefiting from the aggregation and real-time advantages of centralised services for ease-of-development. Additionally there are a number of metrics (such as major crypto prices) that are already available totally decentralised which we will seek to incorporate where possible.

For the long-term vision, we plan to transition towards developing purely on-chain oracles. These oracles will derive metrics directly from blockchain data, such as total value locked (TVL) in lending protocols, without depending on external sources. This shift will significantly reduce centralisation risks, aligning the project more closely with DeFi's decentralised principles and providing a more robust, tamper-resistant data retrieval mechanism for market settlements.

Branding

This section of our paper outlines the branding identity of Providence as a culmination from our research and analysis conducted. Within this we detail our core purpose, values, mission, and vision. These elements collectively define the essence of Providence and will guide our future actions, distinguishing us from our competitors and alternate protocols within the DeFi ecosystem. By articulating these foundational aspects, we have aligned our team and stakeholders under a unified strategic direction, founded upon intense foundational analysis of the DeFi ecosystem.

Brand Identity

Core Purpose and Ambition

1. What we aim to solve
    a. The only way investors can gain exposure to a particular DeFi protocol is via the native token of such protocol e.g. UNI for Uniswap. This is fundamentally flawed due to tokenomic limitations and design flaws. Thus, we want to provide users the ability to have the ability to invest into DeFi protocols through relevant metrics such as TVL, borrowing and lending figures, and market capitalization; enabling investment into protocols without being subjected to the core flaws of such tokens.
2. What our primary purpose is
    a. The primary purpose of Providence is to enable users to invest into DeFi protocols through a variety of alternative metrics, creating a new meaning to investing across Web3.0.
3. What long-term impact we want to achieve
    a. Our long-term impact is that we want Providence to be the go-to place for investing into DeFi protocols - rather than utilising broken tokenomic systems, creating a new investment class for DeFi. Ultimately, this could be expanded to additional market sectors beyond DeFi such as GameFi and NFTs.

Core Values and Beliefs

We hold the following core values and beliefs for Providence:

- Decentralisation
    - Shifting away from centralised control, allowing for more democratic and equitable access to financial services.
- Transparency

    - Ensuring complete transparency with our products while making sure that they are openly verifiable, fostering trust and security among users.
- Innovation
    - Creating innovative financial products which improve upon existing financial investment systems within Web3.0.

Mission Statement

Our mission is to redefine what it means to invest in DeFi. Through our platform, individuals can invest into clear performance-based outcome-driven metrics, we will shift DeFi investment away from the limitations of tokens to foster a transparent and innovative investment landscape.

Vision Statement

Our vision is to become the leading DeFi prediction market in Web3.0 by redefining the landscape of DeFi investment by shifting the focus from traditional tokenomics to a new class of investment that is based on the actual performance and value of DeFi protocols, making us the go-to destination for those seeking to invest intelligently.

Market Positioning

This segment will analyse where Providence sits in comparison to our competitors.

Competitive Landscape

Protocol	**TVL / Open Interest (mUSD)**	**About**	**Why a Competitor?**	**Primary, Secondary, Tertiary, None**
Polymarket	9.51	Prediction market primarily for political predictions.	Could easily focus on what Providence do and have significant capital and community.	Primary
Azuro	8.93	Infrastructure and liquidity	Azuro could choose to build	Primary

		layer for on-chain predictions.	their own on-chain prediction market.	
Gnosis	7.03	N/A	N/A	None
Lumi Finance	3.17	AMM with dynamic and 'sustainable' yield.	Have the necessary infrastructure to build a prediction market.	Tertiary
WINR Protocol	3.07	Infrastructure layer for gambling protocols.	Have a clear developer network with protocols built on WINR. Should someone choose to build a prediction market away from gambling, this entity would become a direct competitor.	Secondary
Augur	2.72	Decentralised, trustless, and community governed prediction market.	Are a full prediction market with deep crypto roots. If the project is rebooted, it would be our main competitor.	Primary
Thales	1.26	Price prediction market.	Should they choose to move towards and deploy our metrics, they would be stealing our future market	Primary

			share. They have all the necessary infrastructure and are close to being focused on our niche.	
PredictIt	N/A	Web2.0 prediction platform for political predictions.	Could shift towards our sector and deploy within Web3.0.	Secondary
Projection Finance	N/A	Enables users to project their investment strategies and test different scenarios. Primarily for lending and borrowing protocols.	Could move towards projections of our outcomes but still would be to a degree an alternate market.	None
Better Fan	N/A	Prediction market for football and other sports betting.	Could shift towards our target market / product.	Secondary
DexWin	N/A	Prediction market for football and other sports betting.	Could shift towards our target market / product.	Secondary
Wingman	N/A	Prediction market for flight delay betting.	Could shift towards our target market / product.	Secondary

Figure (122) - Competitive Landscape

Competitor Positioning

In the figure below we can see the positioning of our primary competitors.

Figure (123) - Competitor Positioning

The image above draws the following conclusions:

- Augur and Polymarket as competitors do not have the focus on a specific industry or market in the same sense that we do.
- Thales is the only primary competitor which we have that is specifically focusing on our sector.

UVP

Providence addresses the critical gap in DeFi investments caused by the limitations of tokenomics, offering an innovative solution that allows investors to directly engage with the intrinsic value of DeFi protocols. By leveraging indisputable metrics such as TVL, market capitalization, and borrowing/lending rates; we enable a transparent and direct investment mechanism free from the distortions of token inflation and non-critical token designs.

Distinctively, Providence ensures transparency through smart contracts, with results verifiable on a public ledger, and broadens investment opportunities into untapped sectors. We prioritise investor education and provide detailed insights into our financial products, enhancing investment decisions. Furthermore, our multilingual support makes these novel investment avenues accessible to a diverse global audience, fostering a more informed and direct connection to the growth of DeFi protocols.

In short, Providence is the clear evolution of DeFi investments by aligning investor returns with protocol performance, supported by transparency, education, and global accessibility.

Contact

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