

End-of-Year
Transparency
Report

Mina Foundation


December 2021

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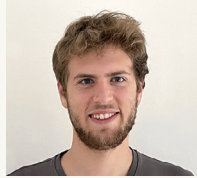
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The Mina Protocol—the world’s lightest blockchain—is powered by participants. The Mina Foundation—a public benefits corporation responsible for stewarding the Mina protocol—is committed to providing transparency to the community regarding, among other things, its token activities, operations, holdings and protocol developments. This annual report covers a period between February 2021, when the Mina Foundation was first launched, to December 1, 2021.

Starting from the calendar year of 2022, the Mina Foundation will issue quarterly reports that highlight certain key information, including token activities and other updates relating to the Mina ecosystem.



When we set out to build Mina, the dream was to build a protocol capable of delivering on the core promises of crypto to enable true decentralization and user ownership.



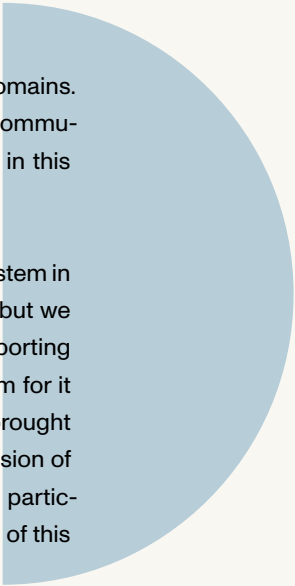
A letter ————— to the Mina community

EVAN SHAPIRO // CEO // MINA FOUNDATION

Crypto is still in its very early stages. But it's starting to become clear that it will remake how we transact, compute, work, and coordinate. The success of protocols will be driven by people and communities, by their decisions of which protocols to work and collaborate on. This sets the stage for competition between protocols on technology, organizational capacity, and values.

We think Mina has a lot of potential in each of these domains. Between its technical architecture, ecosystem and community values, it sits on a strong foundation for success in this future landscape.

We established Mina Foundation to support the ecosystem in achieving these goals. There is much to accomplish, but we intend to be a steady force for building structures, supporting participants and providing resources to the ecosystem for it to reach its potential. It's early days—the foundation brought on its staff just 4 months ago—but we're driven by a vision of the future that can achieve greater alignment with its participants, and we're excited to embark on this next stage of this project—building Mina out, together.



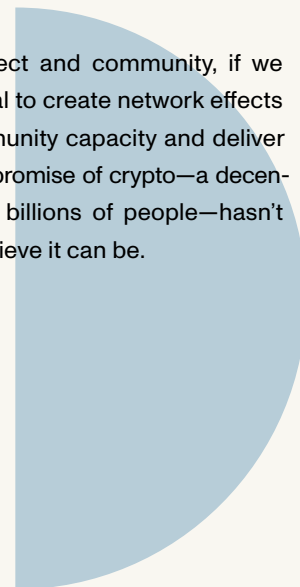
Building a decentralized future together.

Participation in a protocol isn't just about technical decentralization—though that is critical and a huge advantage of Mina—it's about the ability to give participants control and achieve network effects. We believe we can accomplish more, much faster, through a decentralized structure than a centrally controlled one.

Mina's light blockchain greatly lowers the barrier to participating in the protocol, which will allow anyone, with any device, to run a fully verifying node with minimal computational cost and low information thresholds—22 kb.

This provides a strong level of decentralization but also provides the means through which a broad community of participants can have real, material control over the underlying chain, and can align their incentives with the success of the protocol.

Besides decentralizing the project and community, if we build this right, it has the potential to create network effects around organizational and community capacity and deliver exponential growth. The original promise of crypto—a decentralized movement that includes billions of people—hasn't yet been fully realized, but we believe it can be.



The revolution of zero knowledge

In order for Mina to succeed, its technical capabilities have to remain cutting edge. Mina has a strong foundation here as well. Besides its easy verification, Mina is at the frontier of zero-knowledge proofs (ZKPs). These have numerous benefits not just for verification, but also for building applications that are publicly verifiable while providing user privacy, and for building with scale—three of the biggest technology challenges of the next decade.

Mina's Snapps will allow any developer to build with zero-knowledge proofs, unlocking user privacy, verification, and the handling of sensitive data for Mina and Mina-connected blockchains.

In the long term, we see Mina providing both Snapps and user-accessible verification, at scale. To build towards this long term vision, Mina Foundation will prioritize the advancement of protocol development on metrics such as throughput, finality and block time.

Long term view

We think crypto will be transformational to the way we work and interact with the world. But this will take time, on the time scale it took to fully realize Web 1.0 and Web 2.0. Given the stakes, we want to try to get it right. Building a healthy community and the right technical architecture takes time, and there are no shortcuts.

Crypto holds the fascinating tension of being simultaneously very long term and futurist, while also being cyclical in terms of public interest and hype.

At Mina Foundation, we will strive relentlessly towards serving the long-term value of the project and building the capacity for the protocol and ecosystem to serve its participants and users.



We want to thank everyone that's joined us on this journey so far, and we look forward to continuing to build together in 2022 and beyond.

Evan Shapiro

Overview—

Mandate & Mission

The Mina Foundation serves the social and technical ecosystem surrounding Mina, the world's lightest open-source layer one blockchain protocol.

The Mina Foundation exists to serve and empower the expanding ecosystem of partners, contributors, and community members as they contribute to a thriving shared future. Tangibly, these are the four pillars that the Mina ecosystem can count on the Mina Foundation for:

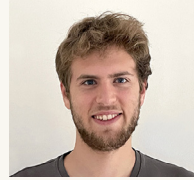
Allocating resources
strategically and equitably

Ensuring network health
and security

Supporting participants on
their path, including creating
an environment for members
to collaborate

Championing Mina
in the wider world

Together with partners and community members, the Mina Foundation is building a future, powered by participants.



Evan Shapiro

CEO
Mina Foundation

Josh Cincinnati

FORMER
EXECUTIVE DIRECTOR
Zcash Foundation



Jill Carlson

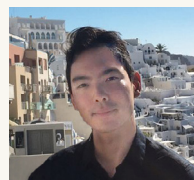
PRINCIPAL
Slow Ventures



Tess Rinearson

CRYPTO
ENGINEERING LEAD
Twitter

The Mina Foundation is governed by the Mina Foundation Board of Directors. **The Board is currently comprised of the following five members:**



Joon Kim

GENERAL COUNSEL
AND DIRECTOR
Mina Foundation

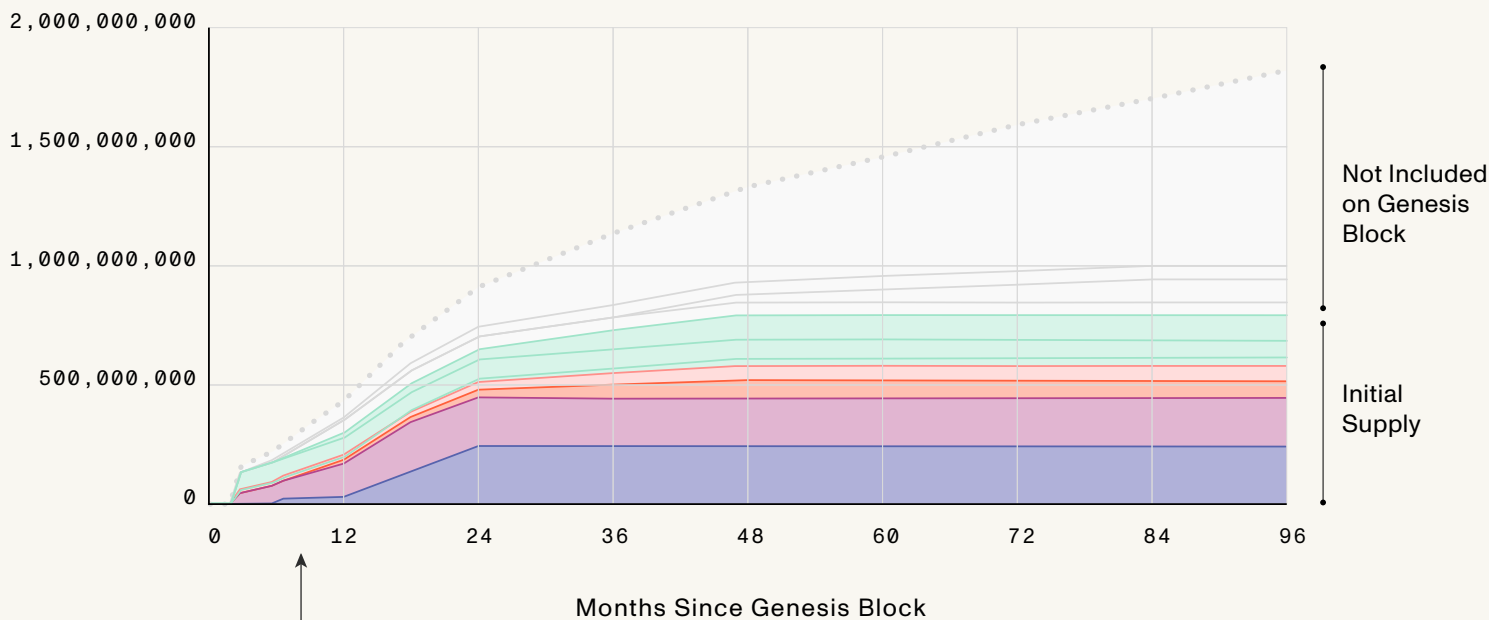
State of the Token Supply—

As of 22 November 2021, the circulating supply of Mina stands at

300,730,782

tokens

CIRCULATING SUPPLY

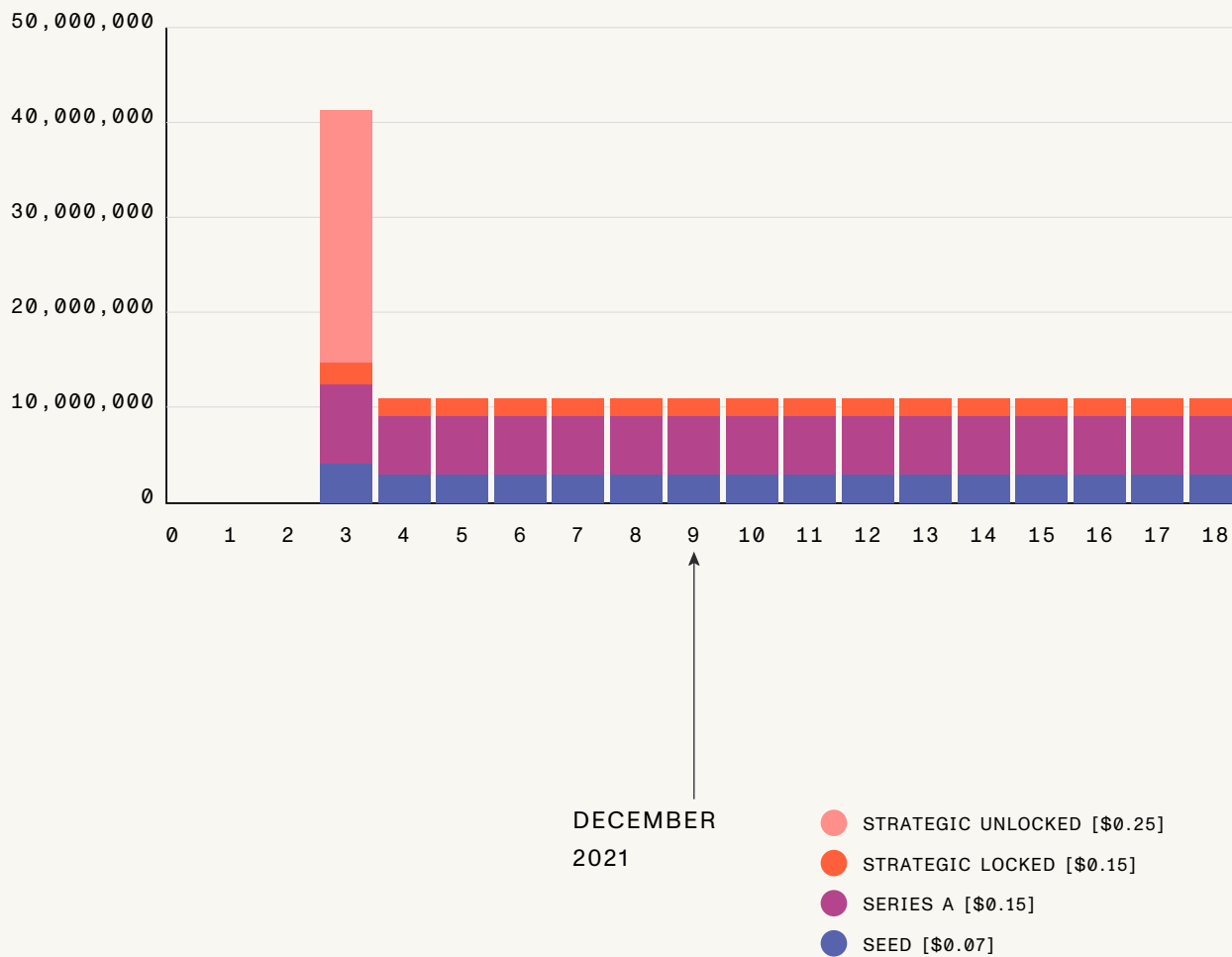


DECEMBER
2021

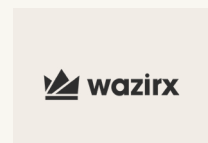
- BLOCK REWARDS
- SNARK MINING
- POST-MAINNET GENESIS
- SUPERCHARGED REWARDS
- PROJECT GRANTS
- COMMUNITY
- PRE-MAINNET GENESIS
- MINA FOUNDATION ENDOWMENT
- O(1) LABS ENDOWMENT
- BACKERS
- CORE CONTRIBUTORS

The chart below includes the unlock schedule for Backers. For more information, please see [Mina's token distribution blog](#).

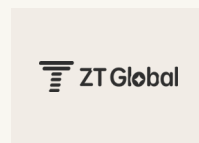
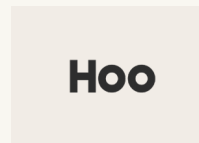
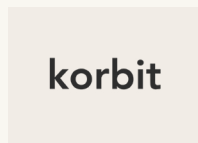
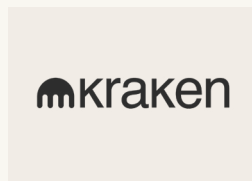
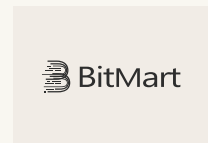
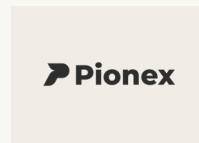
BACKER UNLOCK SCHEDULE



Unofficial
exchange listings



Official
exchange listings



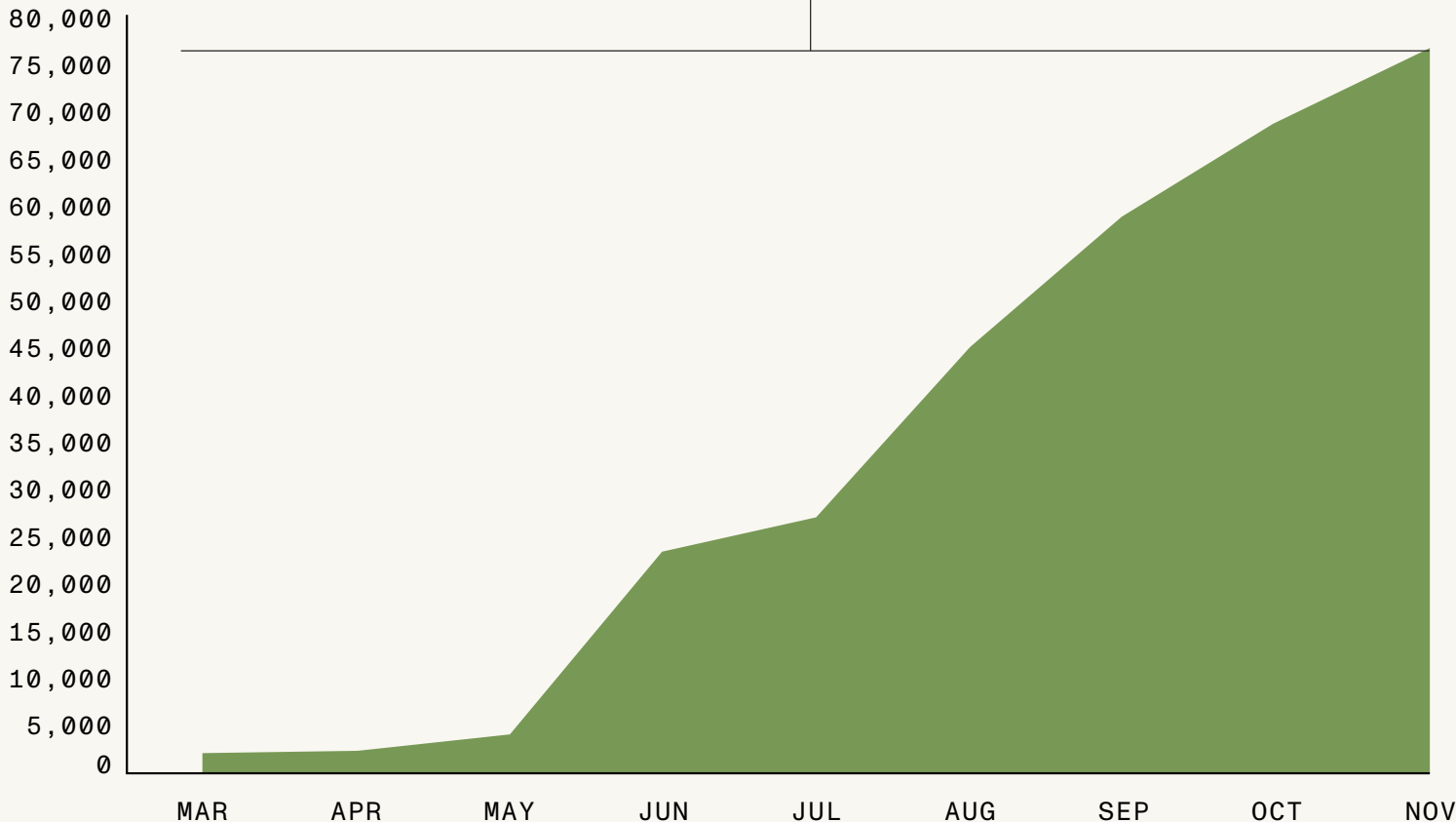
Mina Platform Metrics—



There are currently 75,604 unique accounts on the Mina ledger.

75,604

ACCOUNT GROWTH BY MONTH SINCE MAINNET LAUNCH IN MARCH 2021



Decentralization is an important metric for any blockchain. Mina Protocol incentives allow each participant, or node, to play an important role in maintaining the blockchain.

Delegation

The pie chart shows the distribution of blocks which were produced by the top 100 Block Producers during a recent epoch.



It currently takes an average of

**40—60
minutes**

to sync a node on Mina

Node synchronization time

This represents a very low barrier of entry for participation in transaction and block validation on Mina. In addition to this, participation is fully permissionless.

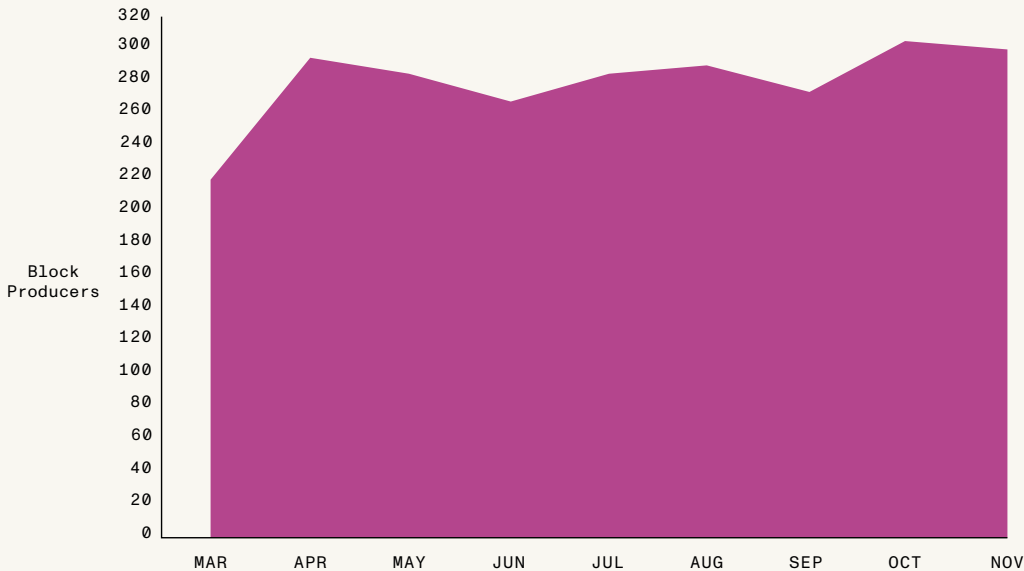
Unique participants in token sale

The Mina Token Sale on CoinList in April 2021 added more than 40,000 new token holders to the Mina community.

40,000+

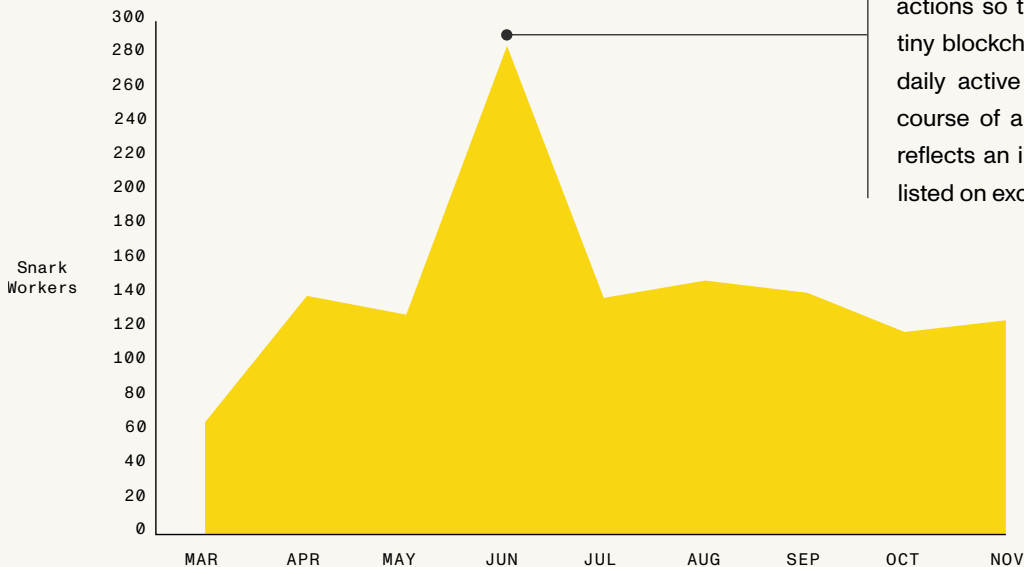
Block Production

Block Producers are those participants who produce blocks in the network and create SNARK proofs of the blockchain alongside any blocks they create. The chart shows daily active block producers over the course of a month.



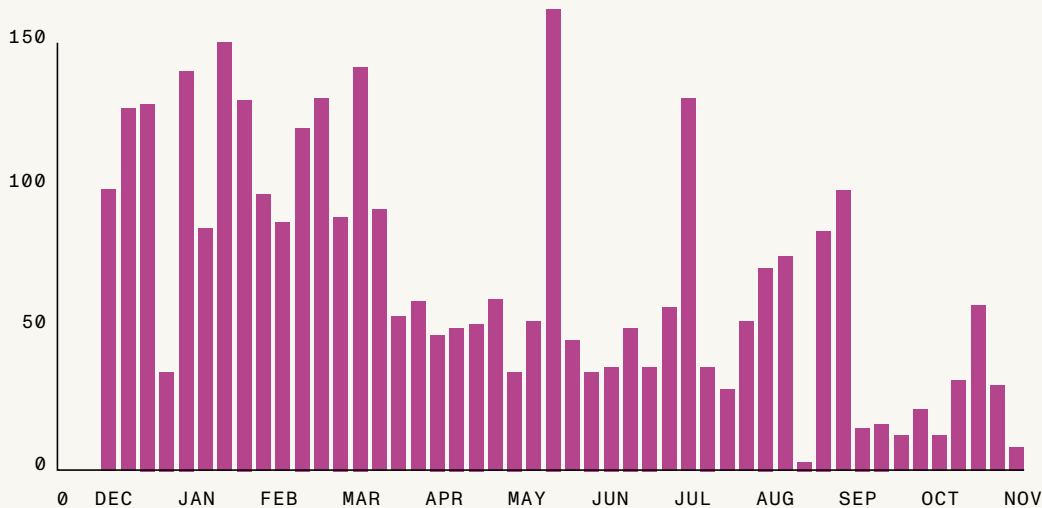
SNARK Proving

SNARK workers create [zk-SNARK proofs](#) of transactions to compress the transactions so they can be folded into the tiny blockchain proof. The chart shows daily active SNARK workers over the course of a month. The spike in June reflects an influx of users as Mina was listed on exchanges for the first time.



Protocol Development

There are a total of 3,306 commits to the Mina Github repositories in the last 12 months with 57 unique contributors.



3,306

COMMITTS TO MINA GITHUB

12

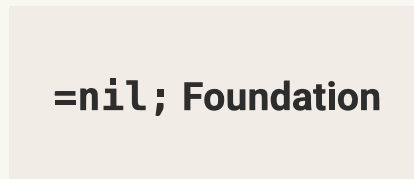
MONTHS

57

UNIQUE CONTRIBUTORS

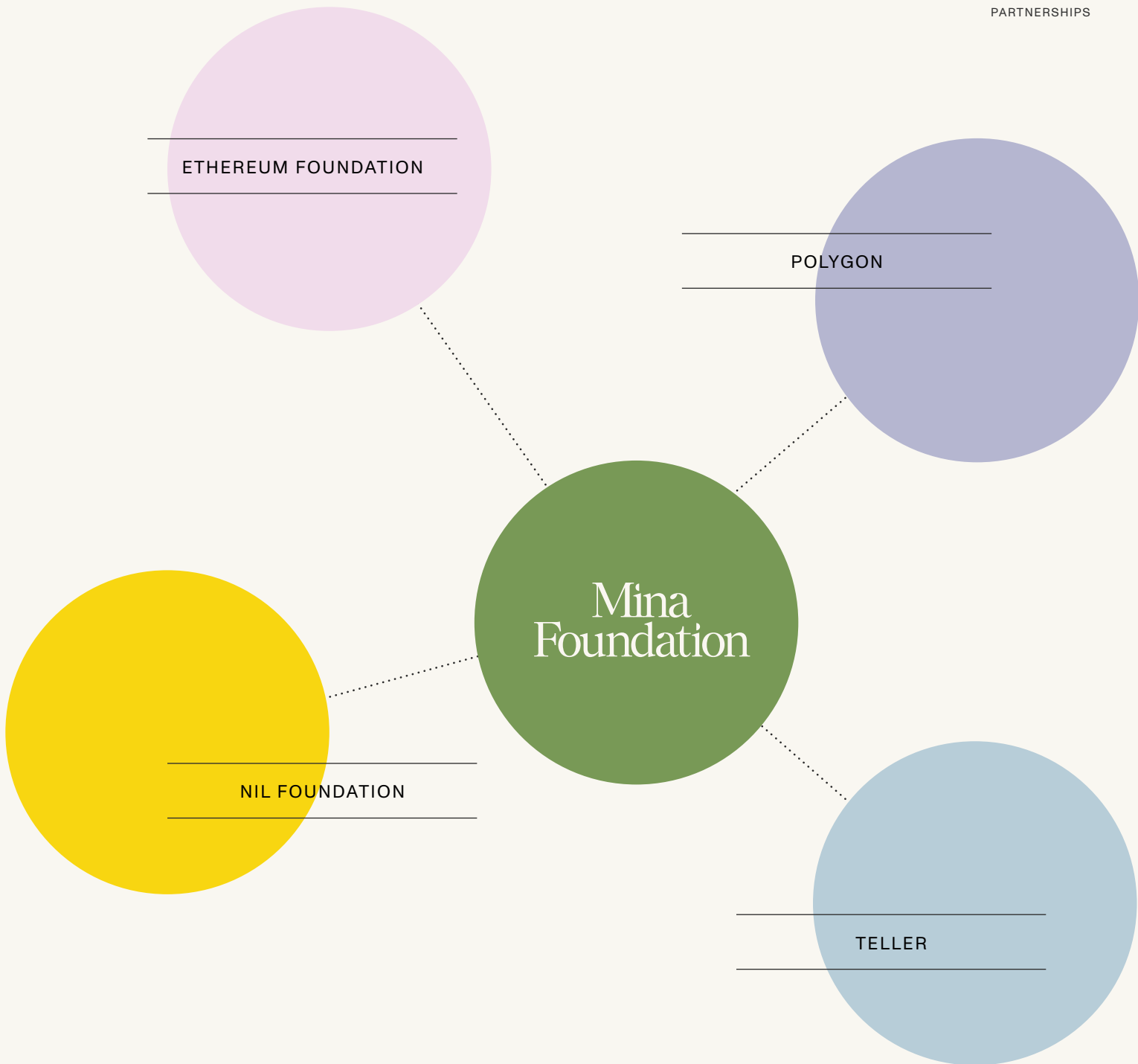
New Development Partners

signed on in 2021



Partnerships and Grants—





Partnerships & Integrations
(See the last page of this report for a full list of ecosystem partners)

Grants

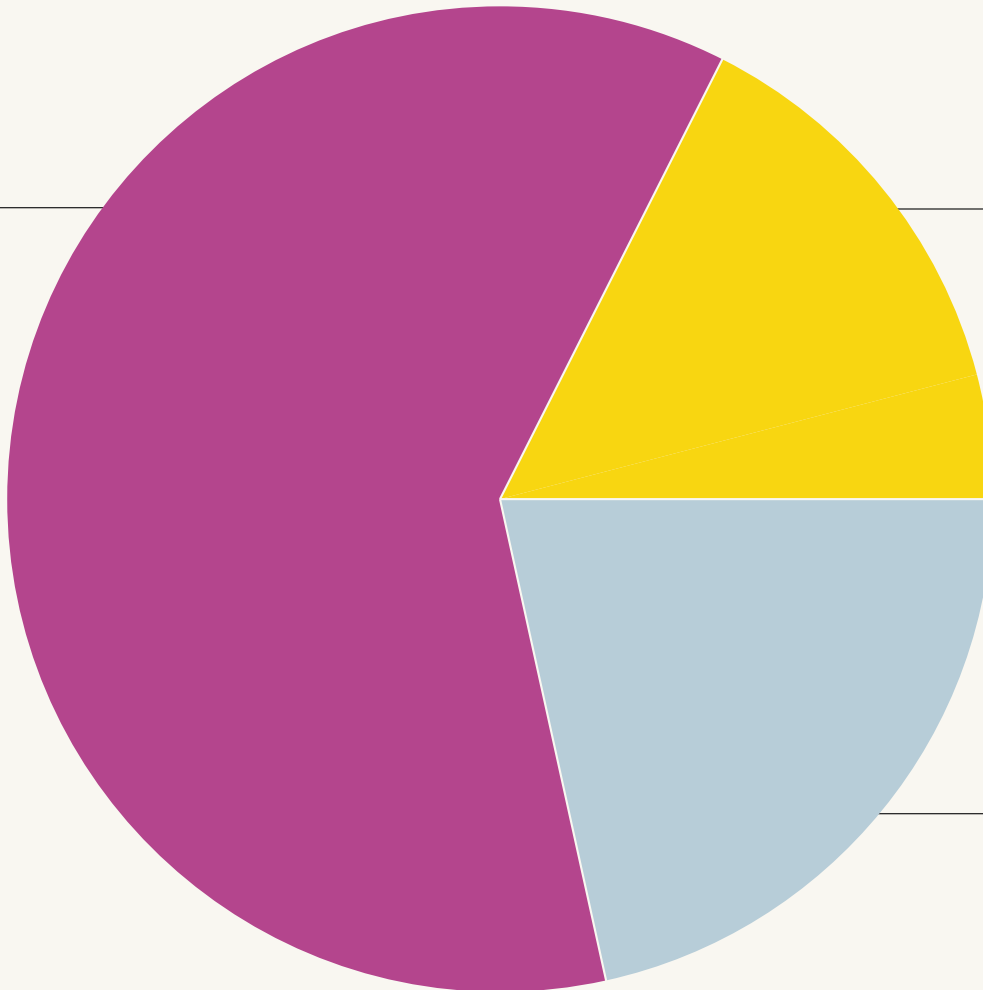
The Mina Foundation has distributed almost 2.4 million MINA tokens to its community members, who have made significant contributions to Mina's ecosystem, helped out other members in the community, and were thus selected to receive token grants. Grantees hailed from over 35 countries and come from a variety of backgrounds, ranging from hobbyists to those who are involved in blockchain in a professional manner.

These members helped with testing the protocol, creating content, assisting users, organizing events, building tooling, and making other contributions that helped the project and the community get to where it is today.

61.1%

Hobbyist

Devote a significant amount of my free time to projects, but not professional



17.4%

Exploratory

Exploring the industry, but don't spend a significant amount of time

21.5%

Professional

Work full-time, or have my own business in the industry

Some notable grant programs administered by the Mina Foundation this year

Genesis Founding Members (GFMs)

The Genesis Program was intended to identify Mina participants to help strengthen Mina's protocol and network for mainnet and beyond. Unlike other third-generation protocols offering 1% or less in token distributions to their communities, Mina set aside up to 6.6% of tokens for Genesis Founding Members as a commitment to Mina's decentralization. By mainnet launch in March 2021, there were over 600 GFMs onboarded. GFMs continue to participate today by staking or delegating their Mina tokens to support network stability and the overall protocol.

>600

GFMS ONBOARDED BY MAINNET 2021

Prism Contributing Members (PCMs)

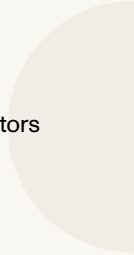
In April 2021, more than 2.3 million Mina tokens were awarded to community members who had made significant contributions to Mina's ecosystem, but were yet to receive a token grant. Of the over 400 Prism Contributing Members onboarded, about 75% built alongside the core team when the project was still in its early stages, and made significant contributions during the early testnets, while about 25% were participants on the community leaderboard who supported community growth and bolstered Mina's online recognition.

>400

PCMS ONBOARDED

In Q3 of this year, the Mina Foundation awarded community grants to those who made high impact contributions, including building resources, improving on tools, creating dedicated communities, and more. Some highlights include:


[Mina Node Monitor](#)
for Mina node operators




[Staketab's Block Explorer](#)
and [Validator's Dashboard](#)
for Mina



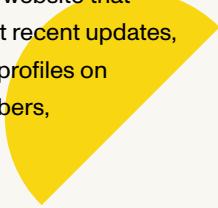
[Mina Pool Payout Scripts](#)
for Mina block producers to send
payouts to their delegators



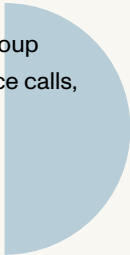
[Mina \(Better\) Uptime Leaderboard](#)
for participants in Mina's delegation
program



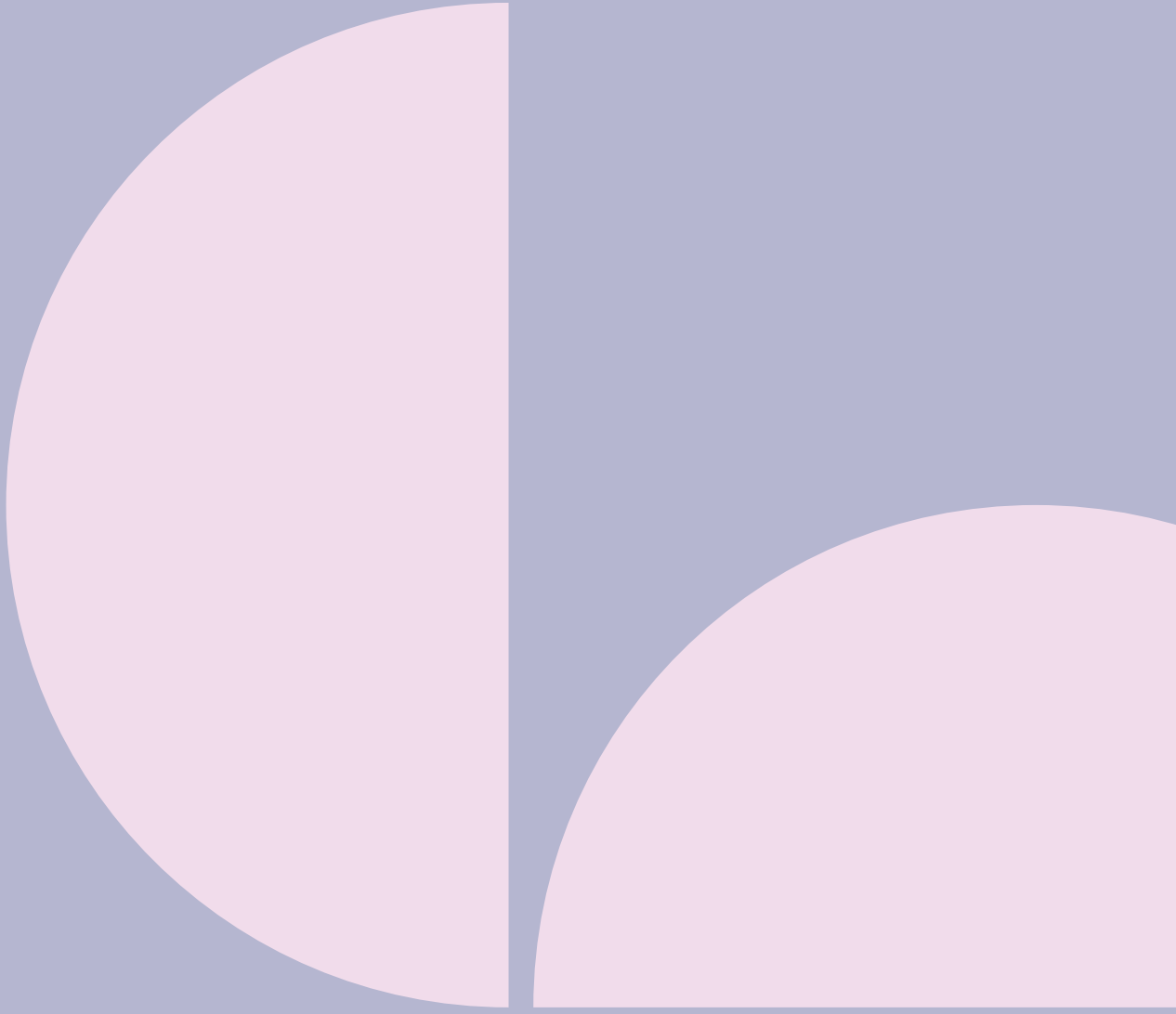
[MinaCrypto.com](#)
a community-led website that
contains the most recent updates,
a tools directory, profiles on
community members,
and much more



[MinaProtocolCommunity](#)
a community-led Telegram group
where members organize voice calls,
podcasts, quizzes, and more



Community—

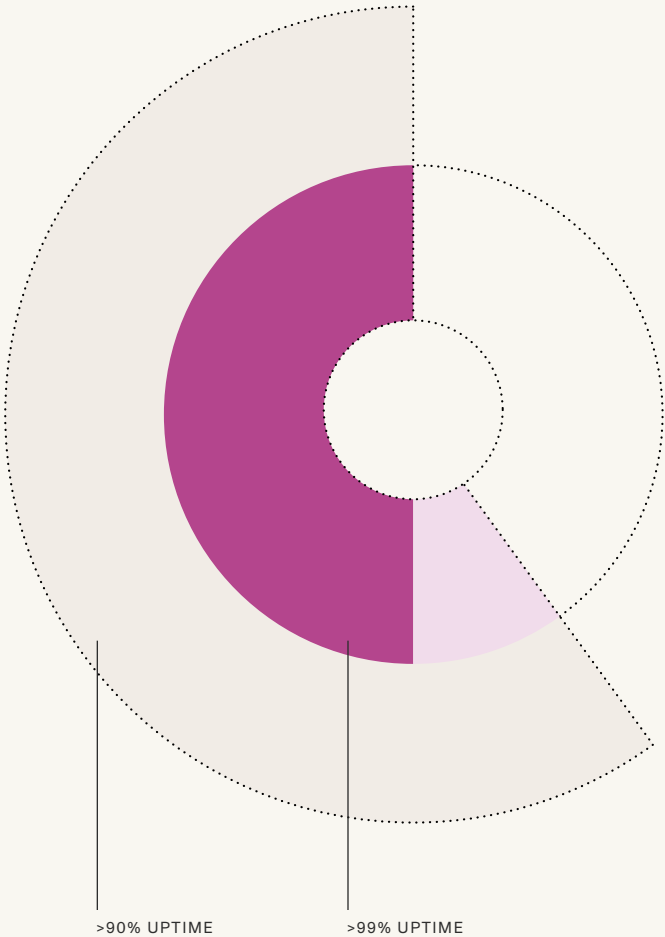


These are some notable community engagements and statistics since the Mina Foundation's inception.

Foundation Delegation Program

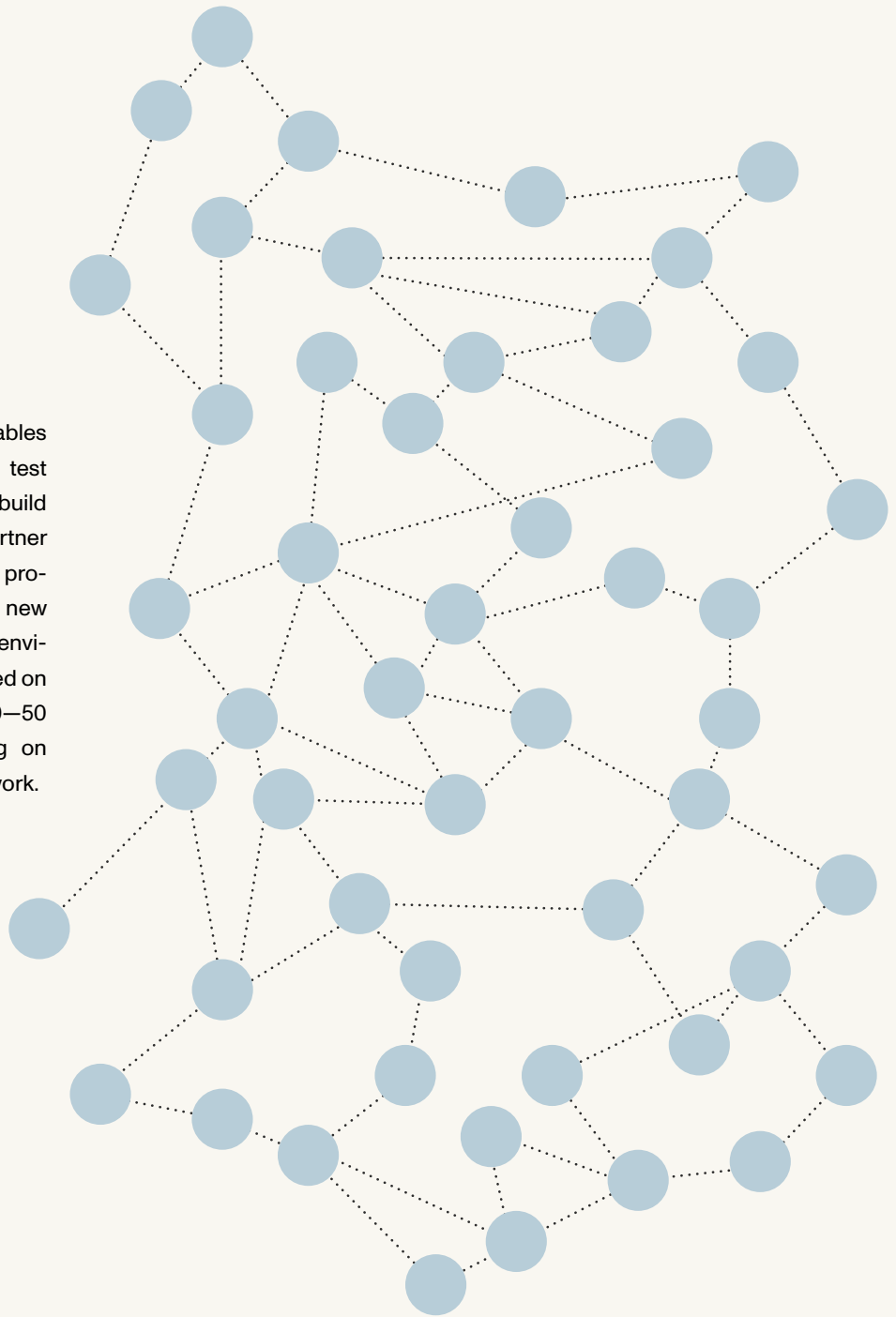
Ever since the mainnet launch in March 2021, the Mina Foundation has delegated Mina tokens in accordance with [Mina Foundation's Delegation Program](#). To date, over 180 members have cumulatively earned block rewards of over 650,000 Mina tokens through the Mina Foundation Delegation Program.

Over 400 members are competing on the [uptime tracker](#), with over 300 of them achieving an uptime of >90%.



DevNet

Devnet is a test network that enables the community to play with Mina, test features of the protocol, and build scripts/tools. Mina's ecosystem partner O(1) Labs, who is working on core protocol improvements, is also testing new builds with the community in this environment before these are introduced on the mainnet. Currently, around 40–50 community members are staking on DevNet and powering the test network.





Mina Ecosystem Updates

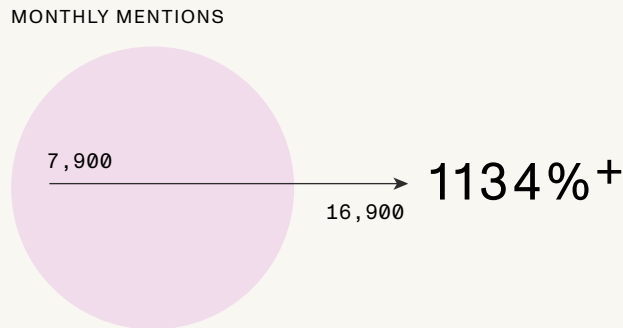
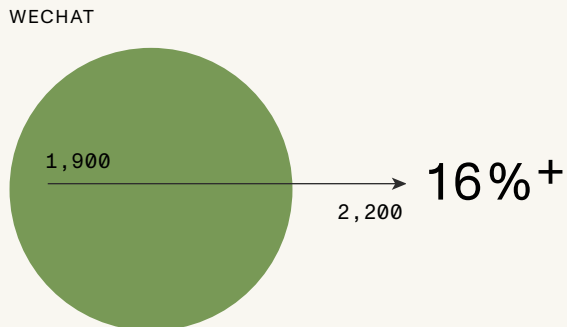
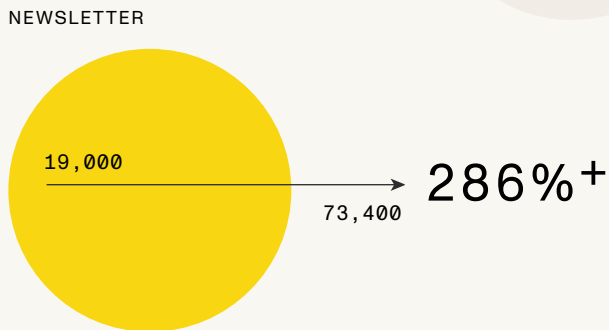
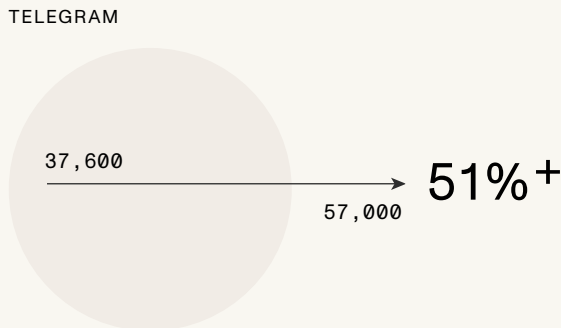
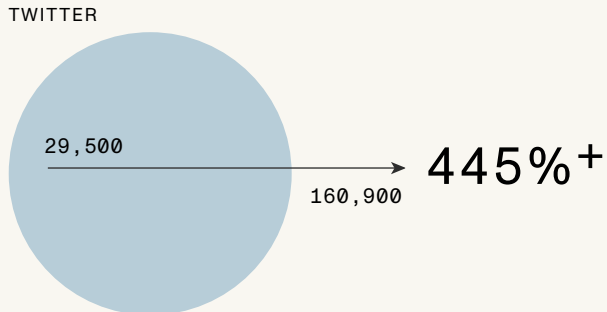
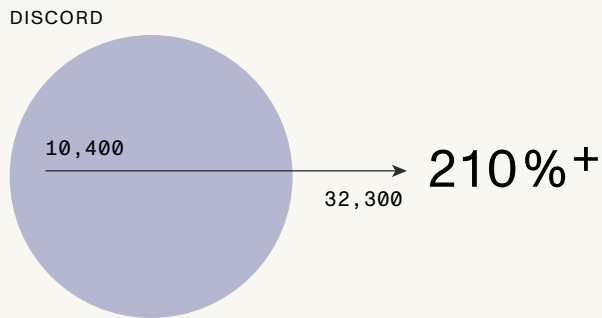
From July to September, six Mina Ecosystem Update sessions were held where ecosystem partners and community members shared updates on their Mina-related projects. Presenters included O(1) Labs, ChainSafe, BeaconChain, BitCat, Mina Community Development group, MinaCrypto.com, Mina Explorer, Olton, OnTab, StakeTab, StakingPower, Towerstake, WeStake, and Zero Knowledge Validator.



MinaResearch

MinaResearch is a forum where participants in Mina's ecosystem—including the Mina Foundation, ecosystem partners, and community members—can discuss ideas and proposals for protocol improvements. Eleven MinaResearch Founding Members were onboarded who helped the launch of MinaResearch. The forum enables broad participation in topics that are relevant to Mina's next hard forks.

Mina has also seen significant growth in its online communities and marketing channels from February through December 2021:



*including new Telegram channel for Chinese community



The Mina community and its members are the core of Mina's global, decentralized network.

There are also currently 16 language channels on [Mina's Discord server](#). There are also a growing number of community-led groups in different languages and for different regional communities on Telegram and Twitter, as well as Meetup groups in select regions. To see a non-exhaustive list, [see this blog post](#).

Financial Summary—

As of November 19, 2021,
the Mina Foundation held the
following asset balances in
its treasury

FOUNDATION TREASURY

59,000,000

MINA

\$13,000,000

USD

14,500,000

USDC

300,000

USDT


FOUNDATION GRANTS

110,800,000

MINA

\$16,000,000

USD



The Mina Foundation set a goal for 2021 of rebalancing its assets to meet a projected four-year operating budget for its current scope of operations.

As such, a portion of block rewards that the Mina Foundation has earned as part of delegating its treasury were converted to USD in order to, among other things, meet such a budget. The budget includes expenses such as marketing, community, design, business development, business operations, and legal & regulatory.



Protocol development grants:

The Mina Foundation has issued grants to the following ecosystem partners: O(1) Labs, Chainsafe, Nil Foundation, Tweag, and others.



US Tax for block rewards:

At present time, block rewards received by U.S. taxpayers are likely taxed as income at the time they are able to be claimed on the network. The amount of taxable income is dictated by the value of the rewards at the time they are able to be claimed.

To meet these requirements, the Mina Foundation sold, in August and September, 3,000,000 tokens from block rewards accrued to the treasury, and 3,750,000 tokens from block rewards accrued to project grants. Sales occurred at an average sale price of \$4.35 per token, for a total of \$29,400,000.

3,000,000

TOKENS FROM TREASURY BLOCK REWARDS

3,750,000

TOKENS FROM PROJECT GRANTS BLOCK REWARDS






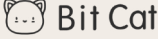










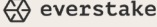








\$4.35

AVERAGE SALE PRICE PER TOKEN








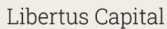
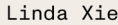





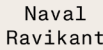



















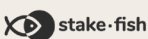











\$29,400,000

TOTAL SALES

Investors and
Ecosystem Participants

 8BTC	 ACCOMPLICE	 Alternity	Andrew Keys	 Ankr	 Bison Trails
 Bit Cat		BIXIN Ventures	BLOCKCHANGE	 ChainSafe	Charlie Noyes
 CHORUS	COINPOST	 COLLABORATIVE Fund	De Spread	coinbase Ventures	 CURIOUS ENDEAVORS
 DACM DIGITAL ASSET CAPITAL MANAGEMENT	 Dekrypt Capital	 Dragonfly Capital	DSRV	 Dystopia Labs	 ethereum
Ed Roman	Elad Gil	ELECTRIC+CAPITAL	 everstake	EVOLVE VC	FENBUSHI CAPITAL
Figment	 Finoa	Fred Ehrsam	 GAUNTLET	GENERAL CATALYST	 GENESIS ^{LAB}
 HASKEY Capital	 hashQuark	IMPERIO PARTNERS	 InfStones	 IO5G Ventures	 iqlusion

Investors and
Ecosystem Participants

Mina Foundation