

Quarterly Report

to Tracer DAO

Executive Summary

Tracer's mission is to deliver new digital and real-world markets, and therefore risk management tools, into the hands of individuals and businesses. Mycelium's pursuit of this mission has led to an extremely rewarding Q2. Our main highlights of the quarter were Tracer DAO's strategic treasury diversification event, as well as a very successful period of user-testing for the Tracer Perpetual Swaps.

As the DeFi economy matures, more and more risk management opportunities will emerge. To deal with emergent risk, Tracer DAO will be offering DeFi users meaningful and easy-to-use risk management tools, and the opportunity to earn the DeFi yields that most users have come to expect.

Financial Position

Quarter Start Date: 01/05/2021	May	June	July	Quarter Total
Revenue				
DAO Earnings	\$0.00	\$0.00	\$375,000.00	\$375,000.00
TOTAL REVENUE (USD)	\$ -	\$ -	\$ 375,000.00	\$ 375,000.00

Expenses				
Wages				\$374,852.98
Business Development	\$29,930.93	\$32,435.26	\$41,089.71	
Financial Engineering	\$14,965.46	\$16,217.63	\$20,544.85	
Product Development	\$7,482.73	\$8,108.81	\$10,272.43	
Software Engineering	\$32,448.20	\$34,326.44	\$40,817.28	
Business Services	\$24,942.44	\$27,029.38	\$34,241.42	
Overheads	\$15,255.35	\$17,485.21	\$20,424.16	\$53,164.71
Operating Expenses	\$9,450.91	\$10,107.56	\$10,417.12	\$29,975.59
Other Expenses				\$10,000.00
Flex Dapps Remuneration	\$10,000.00	\$0.00	\$0.00	
TOTAL EXPENSES (USD)	\$ 144,499.68	\$ 145,736.04	\$ 177,839.03	\$ 468,074.75

Assets				
DAO TCR				215,000,000.00
Vested	20,902,777.78	26,875,000.00	32,847,222.22	
Unvested	194,097,222.22	188,125,000.00	182,152,777.78	

Liabilities				
Employee TCR				60,585,000.00
Vested	5,890,208.33	7,573,125.00	9,256,041.67	
Unvested	54,694,791.67	53,011,875.00	51,328,958.33	

Forecast Resource Allocation

	Q1 Actual	Q2 Forecast	Q2 Actual	Q3 Forecast	Q2 - Q3 Forecast Change
Resource Allocation					
Wages					
Business Development	\$51,091.39	\$52,000.00	\$102,901.38	\$130,000.00	26.33%
Financial Engineering	\$32,512.70	\$33,000.00	\$51,450.69	\$100,000.00	94.36%
Product Development	\$18,578.69	\$20,000.00	\$25,725.34	\$40,000.00	55.49%
Software Engineering	\$60,380.73	\$150,000.00	\$107,176.03	\$225,000.00	109.94%
Business Services	-	-	\$85,751.15	\$110,000.00	28.28%
Overheads	\$14,518.93	\$16,000.00	\$52,876.16	\$65,000.00	22.93%
Operating Expenses	\$19,499.96	\$20,000.00	\$29,812.90	\$40,000.00	34.17%
Other Expenses					
Flex Dapps Remuneration			\$10,000.00	\$0.00	-100.00%
TOTAL	\$196,582.40	\$291,000.00	\$465,693.65	\$710,000.00	
PER MONTH	\$65,527.47	\$97,000.00	\$155,231.22	\$236,666.67	

Key Growth Areas

109.94%

Software Development

Our Software Development team has been busy building Tracer Perpetual Swaps and Tracer Perpetual Pools, working through tests and audits and attending to DAO operations. The team has had a massive Q2. It will be an exciting Q3 with these undertakings ahead of us. And we're only just getting started.

94.36%

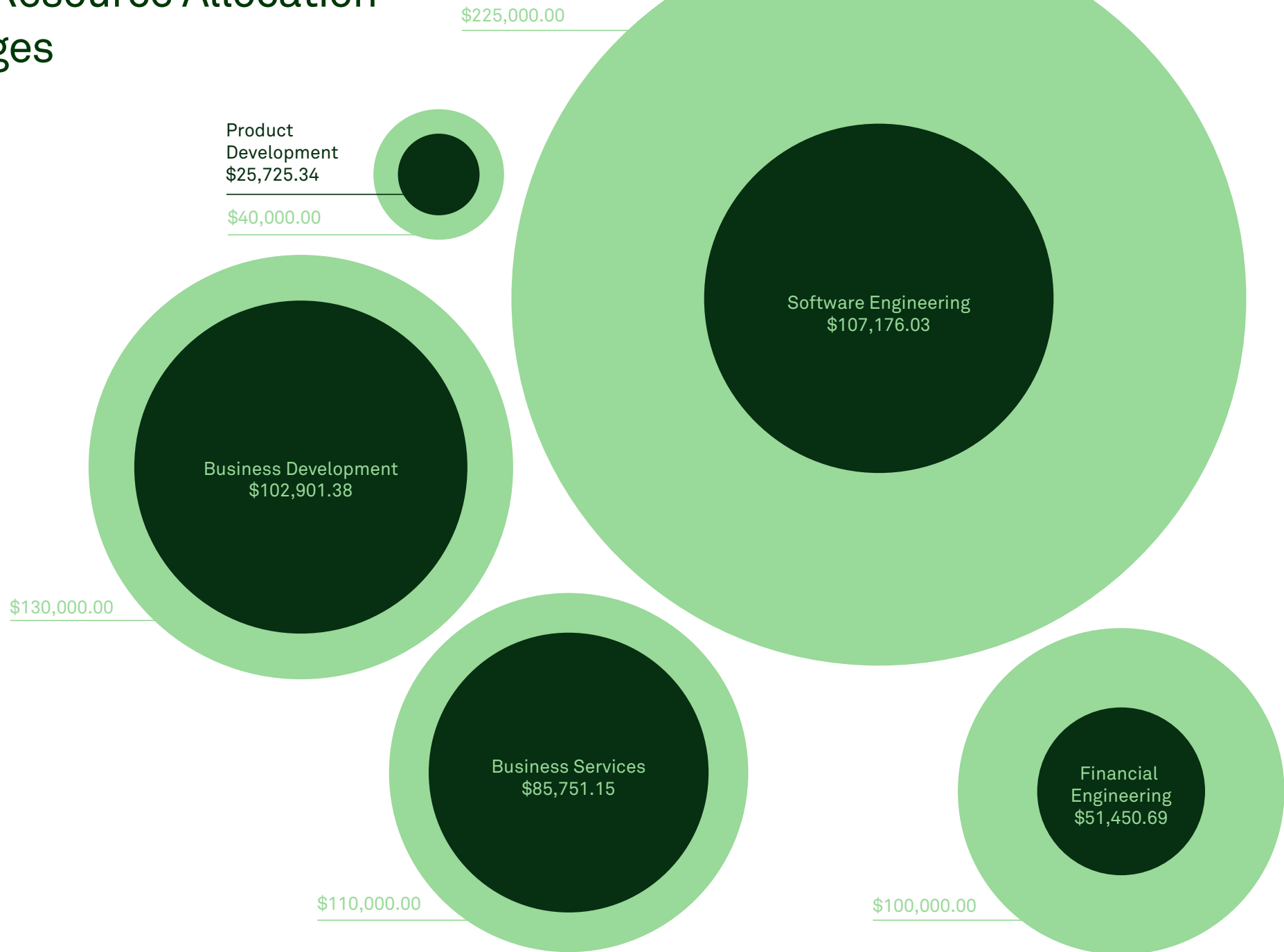
Financial Engineering

As we have been building and upgrading Tracer Pool Swaps and Tracer Perpetual Swaps, we have been relying on an expanding Financial Engineering team. As we continue to build innovative financial contracts for Tracer DAO, growing our Financial Engineering team with best-in-class talent will be of vital importance.

Join us

To accommodate growth in both of these teams, Mycelium will be hiring over the next quarter. If you are interested, view our available positions here: [Mycelium Careers](#). If you know someone who might be interested, make sure you pass on the link.

Forecast Resource Allocation Team Wages



Roadmap

Mission #1

Hiring

In July, Mycelium's remuneration as a Service Provider to Tracer DAO was increased via proposal. We are now busy hiring more specialists that will fast-track the delivery of quality Tracer contracts to market. We have also met many great advisors and contributors who have sharpened our thinking. In particular, Tracer DAO's tokenomic strategy has come a long way and the Tracer ecosystem is shaping up to have a very exciting Q3 and Q4.

Mission #2

Perpetual Pools

September and October will be remembered for Tracer DAO releasing its Perpetual Pools product into the market as a beachhead; gaining awareness in a highly competitive landscape. This might be news to some within the Tracer community, who were expecting the Perpetual Swaps rollout. Perpetual Swaps are coming. However, we anticipate that our new and innovative Perpetual Pools contract will be able to attract more attention and TVL to Tracer as its first contract to market.

We're very excited for the launch of Tracer Perpetual Pools. It's a new derivative primitive, without liquidations and margin accounts. It simulates the experience of trading a perpetual swap, without many of the complexities. You should expect to hear more about Tracer Perpetual Pools soon.

Mission #3

Scaling

In terms of mainnet deployment, if Arbitrum is not stable by mid-September, we will shift over to Polygon or another suitable environment for Tracer's contracts. This time delay has allowed us to tighten our Perpetual Swaps offering, both from UI/UX and contract perspectives. Accordingly, Tracer Perpetual Swaps will be highly competitive upon launch in the next 2 months.

Mission #4

Integrations

Once Perpetual Pools and Perpetual Swaps are launched, we will be distribution-focused: initially within the DeFi economy but also building relationships with firms outside of the DeFi zeitgeist. We will cross the chasm. Our strategy within the DeFi economy is coming together, and we have several exciting partnerships lined up that we're eager to see eventuate.

For example, we've made some great in-roads with some centralised exchanges with whom we're developing a proof of concept, in terms of them offering portals into Tracer contracts. We believe that we can integrate Tracer DAO's risk management tools and take a good share of the market initially. Once this model is proven, Tracer DAO will have a pipeline of other exchanges to work with to scale Tracer's integration efforts.

Roadmap Visual Timeline

August

1

Auditing and Testing

September

2

**Shipping
Perpetual Pools**

October

3

**Distributing
Perpetual Pools**