

Project name

: Thales

Author name and contact info

(please provide a reliable point of contact for the project): padzank, can be contacted through Telegram ([@padzank](#)) or Discord ([@padzank#2734](#))

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant

: Yes

I understand that I will be expected to following the public grant reporting requirements outlined [here](#)

: Yes

L2 recipient address

: 0x489863b61C625a15C74FB4C21486baCb4A3937AB

Which Voting Cycle are you applying for?

: Cycle 10

Which sub-committee should review your proposal? (Builders Grants, Growth Experiment Grants)

: Growth Experiment Grants

Project description

(please explain how your project works): Thales is a protocol that allows for creation and participation in novel on-chain automated parimutuel markets around the available on-chain data feeds in the likes of Crypto Prices, Commodities, Sports Outcomes etc. To support on-demand liquidity for this type of markets, Thales developed a novel custom AMM specialized in this type of binary outcome markets that successfully mitigates the downfalls of other CFMM liquidity solutions.

Launched in early 2021 as a spinoff of Synthetix Binary Options suite, Thales has since grown to support multiple successful derivative products on top of its core architecture which is pioneering as the only viable liquidity solution for these types of markets. Major catalyst for Thales' exponential growth was deployment on the Optimism Network from mainnet. This allowed Thales to flourish in a cheap and fast environment, deploy more complex products and solutions all while keeping the security and openness of the Ethereum network.

As one of the first projects to deploy on Optimism, Thales was also among the projects awarded the Phase 0 Optimism Grant worth 900,000 OP tokens. This specific grant was in major use in incentivizing Thales Markets product usage and bootstrapping THALES/ETH pair on-chain liquidity. The goal was to bring new users to Thales suite of products and subsequently the Optimism network itself, and also to increase THALES token liquidity on DEX-es and subsequently increase the overall Optimism network TVL as well.

This program was proven to be highly successful for both parties and it brought in an average ~6x increase in stable Average Daily Volume, ~5x increase in Average Daily Users (~114 average daily users past 30 days), \$3M of stable sticky on-chain TVL for THALES token pairs across DEX-es and expansion of product suite to Ranged Markets, Thales Vaults, Referral Program, Overtime Sports AMM and Commodities Support.

As Thales Protocol Phase 0 allocation has finally run its course after ~8 months, efficiency of the incentives to attract sticky users during a long timeframe make a strong case for success of Optimism's grants experimentation. With additional OP+THALES incentives on driving Trading Volume, users are subsequently experiencing added benefits on their winning positions and "consolation prizes" on their losing positions, creating a welcoming trading atmosphere. Volume and usage based rewards act as rebates to users against all conservative pricings, negating its effects from the User Experience while the Protocol itself seamlessly works towards optimizing liquidity usage, algorithmic pricings and new features. With further revamping the program into major key growth points, Thales Protocol hopes to continue the increase in growth metrics with the same success rate and thus turn heads of even more new users to the protocol and to the Optimism network itself.

Website

: <https://thalesmarket.io/>

Twitter

: <https://twitter.com/thalesmarket>

Discord/Discourse/Community:

Thales

Other relevant links

(including any demos): <https://docs.thalesmarket.io/>

Additional team member info

(please link): Tech lead - Danijel Thales#0627 / [@DanThales](#)

Marketing Lead - dmonkey Thales#8677 / [@spartanmonkey](#)

Please link to any previous projects the team has meaningfully contributed to

: <https://overtimemarkets.xyz>

Relevant usage metrics

(TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.): ~\$20M of Buy Volume across products** (stable ~6x increase in Average Daily Volume prior to program)

~224 Unique Addresses per day

27,775 Executed User Positions**

+500% Increase in total THALES/ETH on-chain liquidity

1,000 user txns per day

Competitors, peers, or similar projects

(please link): None that we are aware of.

Is/will this project be open sourced?:

Yes

Optimism native?

: No

Date of deployment/expected deployment on Optimism

: 12/22/2021

What is the problem statement this proposal hopes to solve for the Optimism ecosystem?:

To acquire a wider demographic of regular users and increase adoption of the network, the Ecosystem needs to also adopt and nourish easy-to-understand and simple derivative products which Thales represents. Simplicity of Thales positions and easy to grasp profit/loss estimations can contribute significantly to inviting non-advanced users to the Optimism network as well.

How does your proposal offer a value proposition solving the above problem?

: With offering incentives/rewards for usage and thus creating a welcoming trading environment for all Thales product users, discovery of Thales product suite will greatly benefit and more eyes will be drawn to the Optimism network itself. With the adoption of Thales products comes the increased adoption of the Optimism network itself.

Why will this solution be a source of growth for the Optimism ecosystem?

: Tokenized Usage Incentives and Liquidity Bootstrapping proved to be sustainable and viable, as proven by Thales expenditure of Phase 0 grant received well over 8 months ago. By adopting a streamlined targeted emission schedule perfected over the previous 8 month period, this potential grant will be maximally and efficiently utilized into increasing active daily users of Optimism and increasing the overall on-chain liquidity via THALES token pairs.

Has your project previously applied for an OP grant?

: Thales received Phase 0 grant of 900,000 OP approximately 8-9 months ago.

Number of OP tokens requested

: 250,000 OP

Did the project apply for or receive OP tokens through the Foundation Partner Fund?

: No

If OP tokens were requested from the Foundation Partner Fund, what was the amount?

: N/A

How much will your project match in co-incentives?

(not required but recommended, when applicable): Project with match co-incentives with THALES tokens to a certain degree that will be determined by the governance structure.

How will the OP tokens be distributed?

(please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving.): Usage Incentives 100,000 OP

- Direct pro rata emissions for Volume Drivers across Thales products on a round based system and targeted campaigns.

Gamified Staking 60,000 OP

- Additional Usage-based bonus rewards for Thales stakers that are also actively driving volume across products. Aligning THALES token with the usage of the products creates a positive feedback loop with leveraged effect of adoption.

THALES token on-chain liquidity bootstrap incentives 60,000 OP

- Conservative direct emissions as LP rewards for THALES token liquidity providers until the protocol incrementally builds a strong POL position in the background.

Sub-grants/Builders/Marketing 30,000 OP

- Incentivize additional third party builders to consider expanding on top of the Thales protocol

Over what period of time will the tokens be distributed for each initiative?

Shorter timelines are preferable to longer timelines. Shorter timelines (on the order of weeks) allow teams to quickly demonstrate achievement of milestones, better facilitating additional grants via subsequent proposals: Usage Incentives - 3 - 4 months of active biweekly distributions

Gamified Staking - Estimated 3 - 4 months of weekly distributions

THALES pairs LP rewards - 3 months of LP reward emissions

Sub-grants - No time estimation as it's solely dependent on the amount of third party builder interests.

Please clearly define the milestones you expect to achieve in order to receive milestone based installments. Please consider how each milestone relates to incentivizing sustainable usage and liquidity on Optimism. Progress towards each milestone must be trackable:

Usage Incentives - Reach \$30M of Total Volume across all products by end of distribution.

Gamified Staking - Reach 3,000 total stakers and 20% of active stakers.

THALES pairs LP rewards - Keep a stable >\$2M on-chain liquidity for the duration of emissions.

Why will incentivized users and liquidity on Optimism remain after incentives dry up?

: After a successful emission program from Phase 0 grant, unique daily users, volume and THALES token on-chain liquidity remained high even with incentives diminishing compared to emissions 8 months ago. This is caused by organic growth initially bootstrapped by the presence of OP+THALES subsidies. We intend to continue this trend.

Please provide any additional information that will facilitate accountability

(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.):

contracts.thalesmarket.io

Confirm you have read and agree to the Eligibility Restrictions

([here](#)): I have read the Eligibility Restrictions and agree to abide by their conditions

