

Program Information

- [Thales](#)
- [Phase 0 Proposal](#) Aug 7, 2022
- [Phase 1 Proposal](#) Nov 4, 2022
- [Optimism Voting Cycle #1](#) June 9, 2022
- [Vote Snapshot 1](#) (June 10-23, 2022)

The votes for passing proposals in the early stage were batched for one time covering all the backlog of proposals on Snapshot.

- [Fund Transfer](#) from Optimism to Thales Recipient July 8, 2022

Key Takeaways

- The grant was put to excellent use by the Thales team & has demonstrated its effectiveness through their active governing members and development team.
- Support and endorse these indigenous projects to foster and facilitate the expansion of the ecosystem.
- Thales allocation of grants into Referral Bonus, Gamified Protocol Rewards & Liquidity Rewards is aptly picked for the growth of its protocol.

Distribution & Program Overview

Thales has received 900,000 OP from the Phase 0 proposal and had mentioned in the proposal to use 495,000 OP for product usage, 315,000 OP for LP Rewards & 90,000 OP for Builders & Incentives to bring new users. Thales's team acted on this quickly by passing various TIPs as follows:-

[Information of how OP tokens will be distributed](#) 27-07-2022

[Thales Referral program Announcement](#) 07-06-2022

[TIP-53](#) 135,000 OP (10 weeks min) & 210,000 THALES (approx) 26-05-22

[TIP-54](#) 20,000 OP for referral 1% fee Referrals Contract 26-05-22

[TIP-55](#) 315,000 OP (20 weeks) & 900,000 THALES THALES/WETH liquidity providers 27-05-22

[TIP-56](#) 200,000 OP (14 weeks) (28,000 OP & 50,000 THALES/week) & 350,000 THALES Trading Incentives 02-06-22

[TIP-81](#) 16,000 OP (4 weeks) & 16,000 THALES (Overtime OP incentive) 29-8-22

[TIP-83](#) 10,000 OP (out of 40,000 OP) Exotic Markets 30-08-22

[TIP-94](#) Modification of fund allocation in TIP-56 04-10-22

[TIP-96](#) Modification of fee rebate in TIP-81 11-10-22

[TIP-97](#) 15,000 OP addition to Trading Incentives (TIP-56) 17-10-22

[TIP-104](#) 16,000 OP (4k/week for 1 month, THALES/ETH Pool on Arrakis) 18-11-22

[TIP-113](#) 40,000 OP (5k/week for 2 month) Add on to TIP-104 14-12-22

[TIP-122](#) 12,000 OP (3k/week for 1 month) Add on to TIP-113 08-02-23 Draft

[TIP-131](#) 36,000 OP (3k/week until further evaluation) Add on to TIP-122 06-03-22 Draft

[TIP-146](#) Referral Mechanism to "sticky until overridden" Modifies TIP-56 Draft

[TIP-147](#) 10,000 OP (2.5k/week) Modification of TIP-131 08-06-2023 Draft

[TIP-159](#) 725/week Update Velodrome THALES/USDC pool incentives 01-08-23 Draft

The above TIPs also include the allocation of funds from future grants received by the Thales team.

As all these grants are initially distributed from the Thales Recipient address into multiple addresses including contracts, multi-sigs and EOAs it was difficult to pinpoint exactly which proposal is meant for Phase 0 grant and future grants. But the total OP spent seems to be in full of all the grants received.

For this report, we have decided to consider the distribution of OP as in the figure below, as it made the most sense in the evaluation.

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In the above figure, the TIPs are tried to link with the purpose mentioned in the original proposal.

The contract addresses used for distributing the rewards mentioned in TIPs are not explicitly mentioned anywhere but we looked into all the outgoing transactions from the Thales Recipient Address.

To add the context,

Total Inflow into Thales Recipient address = \$1,571,090

Total Outflow from Thales Recipient address = \$1,471,709

The difference is available in the Thales Recipient address.

This Inflow comes from [16 different addresses](#) including OP Foundation that has transferred \$1.3mn in total out of which 900k for Phase 0 & Outflow goes to [14 different addresses](#).

We have dropped those outgoing transactions that are of smaller value & have concluded tracking the following four contracts based on our understanding. This can be considered as an extrapolation of the entire 900k being distributed.

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Total Value Locked

TVL has grown significantly since THALES applied for grants. At the time of writing proposal(25th May 2022) it was Defillama TVL (at snapshot): \$256,168 & as of 24th September: \$1.27mn(Optimism)

The THALES project's operational objectives do not necessitate an exceptionally high Total Value Locked (TVL), and we should not use this metric to assess the project's performance. However, if we were to consider it, the project would rank positively on the scale.

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Daily Transactions

Daily Transactions for using Thales products saw an initial spike around August 2022 & further around February 2023. The initial spike is the time OP rewards are launched for THALES product usage and overall protocol volume.

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Source:- [Dune](#) Fork from [leifu](#)

Daily Transacting Addresses

The following bar chart shows the monthly transacting addresses with THALES AMM

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Daily Unique addresses can be found in the following bar graph which shows more returning users.

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Protocol-Specific Metrics

Protocol-specific metrics are beautifully presented by [leifu](#).

To learn about THALES offerings check this [doc](#).

The overall volume of THALES AMM has increased significantly which allows most positions to be liquid for users. The unique model of staking into vaults makes THALES always available for users interested in this market.

Reward Claimer Analysis

For all the contracts that are tracked for TIP 53, 55 & 56, there are 5453 unique addresses that have benefitted from the rewards. These unique addresses are derived from all the transactions done via the disperse app and reward-claimed functions used by the user.

More information can be checked on the [Dune Dashboard

](https://dune.com/abhishek0097/op-rewards-thales-protocol).

Due to the inherent characteristics of THALES' product offerings, there is a noticeable level of user retention, making THALES an appealing destination for implementing various reward mechanisms.

[Top 5 Rewards](#) Claims from two of the four contracts.

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[Top 5 Rewards](#) Claims from another one contract

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Analysis

The product is amazing and ready for mass adoption, onboarding is super easy & well-explained. I have personally used it just for making this report and can't stop going back to it, though I haven't been lucky yet.

The dedication of the team can be seen while going through their documentation, preserving their past work, governance being active & the UI.

It is evident from the distribution that all the grant provided has been used for timely utilization majorly into things that were promised to the Optimism community.

Overtime Market's focus can really disrupt the traditional sports betting industry.

Thales referrals program & other rewards were directly transferred to the beneficiaries without them having to claim. It should have definitely saved a lot of phishing attacks and a great user experience.

Recommendations

- Any project aiming to introduce a fresh and innovative idea can undoubtedly draw valuable lessons from Thales' work, particularly in terms of effectively utilizing grants.
- Effective marketing efforts for Thales can also increase awareness among potential users, positioning it as a top-choice product within its niche.
- Drawing in developers to engage in experimentation and establishing connections with various projects in a backward manner.
- TIPs can also mention the contract addresses and the manner in which the grants will be disbursed for better transparency.

Closing Remarks

Bear markets can pose significant challenges for projects, especially when the market predominantly comprises crypto-native users who may already be facing losses. In such situations, the grants awarded to these projects can play a crucial role in preserving their attractiveness, sustainability, and potential for substantial future impact.

Sources

- [OP Analytics Repo](#)
- [Dune](#)
- [Defillama](#)
- [Thales](#)
- [THALES TIP's](#)
- [Referral Announcement](#)