22 December 2021

Dear Investors & Stakeholders,

There have been A LOT of new developments since our last update. “A lot” is an understatement.

There are major changes coming to Maya Protocol. We will start with some potentially bad news to some of you: we will launch until Q2 2022. This is due to strategic reasons and not to community, marketing or technical ones. Let us explain. The crypto bull market is soon coming to an end in Q1 2022 and the downturn of Maya’s liquidity would devalue and give an impression to the market of the depressing price of Cacao and unstable/unexciting growth potential. If we launch in Q2 instead, after the market has had its downfall, Cacao will seem to always grow and increase in value, with an attractive exponential growth that will attract new investors, LPs and Nodes all over the world. We took this hard decision thanks to very serious and trustworthy advice by a main contributor to Thorchain.

It is important to note that the Q2 launch might be pushed earlier or later to Q1 or Q3 2022 if the crypto market outlook is more favorable for launch then. We could decide to launch mainnet in December or January, but it is a conscious decision not to. We will use the time before launch for mainly 2 things: Maya Awareness (hyping our launch and what we represent) and Maya Improvements (Update functionalities of Thorchain’s roadmap and adding more functionalities beyond their roadmap, namely Fair Launch, PoL liquidity conversion for LPs to Nodes, StableCoins and StablePools, among others).

Now to the two best news:

a. We have achieved a stable “Stage Net”, a Maya blockchain capable of swapping real BTC and real Cacao, adding liquidity and all related functionalities. You can try it out today at our UI: app.mayaprotocol.com, or directly by using transaction memos: https://docs.mayaprotocol.org/developers/transaction-memos
    i. You can see the current Vault status here: https://mayanode.mayachain.info/mayachain/vaults/tikal
    ii. You can see the current Node status here: https://mayanode.mayachain.info/mayachain/nodes
    iii. This StageNet will progressively support more chains and literally embodies the real chain, simply with less liquidity to have a low Cacao price.
b. Strategic Funds & DAO’s have shown great interest in working with us and furthering our community, our goals and our mission to provide a Cross-chain DEX for LATAM. Their main holdback to the above has been a very key point: one of the most respected individuals in the Thor Community had to give his some sort of go ahead to them for our project. Achieving this was a difficult challenge, but as of 21st of December, we have come to a model both parties are happy to work with. To have the aforementioned

Thorchain contributor on board though, we had to make many changes to our launch model, emission schedule and future outlook, which we will outline below.

Major changes.

1. **Date of launch.** This point has already been outlined in the introductory paragraph. We plan to launch in the middle of May, but are willing to wait until July 31st, 2022 if it will be favorable for the community.
2. **Liquidity Auction.** With the new model, all Cacao will be emitted on launch, instead of using our previously designed Cacao Emission Schedule. Also, there will be no Cacao allocation to investors, the team and the founders. Instead, the launch will work as follows:
    a. Launch Maya's StageNet in December 2021 that readily and successfully supports BTC, BNB (and BEP2 tokens), ETH (**without** ERC20 tokens, since we will delete the Router) and CACAO, and during the following months add UST and Luna, Rune and StableCoin & StablePool functionalities using a multi-chain approach. Solana can also be added if its Yax Bridge is ready (the Bifröst equivalent in Maya).
    b. Launch Maya mainnet chain with 6 genesis nodes and $0 bond each. *These nodes will be doxxed for pseudo-trust. This way, Maya does not control the majority of nodes at any point in time, helping with community trust and support.
    c. 33M of $CACAO will be minted for Liquidity Providers of 5 pools -> CACAO:BTC; CACAO:BUSD; CACAO:UST; CACAO:ETH and CACAO:RUNE. These 33M $CACAO will be distributed according to point (d.)
    d. A period of 30 days will be set for a Liquidity Auction. Anyone can add BTC, BUSD, UST, ETH and RUNE directly to the existing pools asymetrically (with no swaps and no ability to withdraw liquidity during that period, only Add liquidity) for a pro-rata share of the 33M $CACAO, which will be distributed accordingly at the end of the 30-day period.
    e. In parallel, during the 30 days from point (d.), any LP can register itself as a standby node. There will be no block rewards during these first 30 days.
    f. At the 30 day mark, the 12 largest LPs that have also registered for point (e.) have all their liquidity converted to protocol owned liquidity (PoL) and their nodes are churned in. These nodes are due 1,000,000 CACAO each, which they will start vesting on point (h.). There are now 18 nodes: 6 from genesis with no bond and 12 from the newly added anonymous nodes without any bond either.
    g. The process of churning begins. Every 3 days, the largest LP registered for node is selected and churned in. 1 genesis node is churned out every 3 churn cycles. There will be no block rewards to nodes during this second 60-day period. All block rewards for nodes during this period will automatically buy liquidity from Pools pro-rata for PoL during this time. After 54 days, Maya will have 30 anonymous nodes and no genesis nodes.

h. At this point, Nodes start earning both block rewards AND their 1,000,000 CACAO vested back to their node for 10 months through periodic vesting of 100,000 CACAO per month.
i. A 10% dev fund from Block Rewards pays out to the genesis nodes in equivalent amounts for 5 years according to an DEV FUND ALLOCATION that will be outlined below. This comes out of the revenue of the system, since genesis nodes, teams and investors do not receive any $CACAO allocation at genesis. This "cashflow" compensation is the sole compensation creators of Maya will ever get. This means the Maya team will only get compensated if the protocol adds value by being useful as a DEX. In other words, for every 1 CACAO Maya team receives from system income, the community (Nodes + LPs) will earn 9 CACAO. After the 5 years are over, this compensation will automatically stop.
j. New nodes keep entering as in point (f.) until there are 67 active nodes that will eventually have received the complimentary 67,000,000 CACAO. At this point (111 days after point h.), Ixmu Keys (equivalent to THORChain's Mimir) held by all genesis nodes will set minimumBondAmount to 600,000 Cacao (down from 1,000,000 Cacao). Ixmu Keys will be immediately destroyed thereafter.
    i. At this point:
        1. 100,000,000 CACAO are distributed fairly to nodes and LPs; 33m is in pools and 67m in nodes, right at the optimal incentive pendulum. This will be the maximum CACAO supply.
        2. 60-80% liquidity will be protocol-owned, and this number will increase when exchange volume is stabilized (LPs will withdraw to take profits over time, PoL will never).
        3. Any LP and Node can enter or exit. Nodes by churning and LPs by withdraw/add liquidity. Aspiring new Nodes must acquire $CACAO$f$ from pools.
        4. $CACAO will be a deeply liquid and valuable asset.
        5. The Protocol is completely owned by the community and already significantly decentralised.
        6. Maya can continue scaling to up to 250 nodes if the security demand exists (this will require further reduction to minimumBondAmount through Maya Improvement Proposals - MIPs)
k. Ten months after point (h.), the last of the 67 nodes will have vested its last $CACAO and no new $CACAO will ever be minted or distributed.

3. **Dev Fund Allocation.** There will be no genesis CACAO allocated to the team and investors. Instead, we will get a percentage of the system revenues, reflecting accurately the value we are adding to the Crypto community with a viable DEX. The Allocation will be as follows:
    a. Team
        i. 10% to Nuclea Solutions for continued operations, coordination and design.

ii. 10% to the Founders.
iii. 15% to our Developers, whose relentless commitment has brought us to where we are and will bring us to where we want to be at launch.
iv. 15% to our Advisors, who have done outstanding work through 2021 and will keep doing so through 2022.

b. Investors

i. 4% to Seed Investors, pro rate to their contributions.
ii. 16% to Series A Investors, pro rate to their contributions. This will be capped at $750,000 USD of which at least $250,000 USD is expected to be invested between a few strategic Funds & DAO's. This money will be used to operate through Q2, 2022 until launch. This means the previous $700,000 USD invested by private Mexican investors will be cut in roughly one third. Some investors might not agree to this model (and withdraw their investment) and some might decide to decrease their investment. If needed, new investors will be sourced. We will be in contact with you for your contributions to be settled in January 2022.

c. **Strategic**

i. 5% to Thorstarter, for their key strategic role they have performed and will keep performing through 2022. Also, it is likely that there will be no more IDO due to the Liquidity Auction, so this is our way (aside from inviting them to Series A) to thank them for their involvement and amazing job, and their incentive to publicize Maya through launch and after launch.
ii. 25% to be allocated.

4. Other changes.

a. There will be no Airdrop or IDO, the liquidity auction replaces both.
b. We will re-record the Press Release.
c. We will have to change all our marketing materials and social media communication to reflect these changes.
d. We will have to write to any person who reached out asking us for launch details whom we gave outdated information, explaining the new model.
e. This document will replace the "Emission Schedule" resource of our website.

BLACK. Additional to this, we will be crowdsourcing a new and exciting protocol called BLACK, which will likely launch in 2023. It is another THORChain based blockchain but for Privacy Coins. You can find more information in its public gitlab here: https://gitlab.com/blackprotocol, as well as its Concept here:
https://drive.google.com/file/d/1UxMvnZY8a4_C9VM_-zhSlFtuvT7Gy-ke/view?usp=sharing

StableCoins & StablePools. We have a multi-chain model to implement StableCoins and StablePools. More details will come at the beginning of Q2 2022 and will be able to be tested out in the StageNet at that time. It will require constantly calculating the median of between BUSD, UST and the price of USC at Aztec (the chain hosting StablePools) by measuring its

ratio between USC-BTC pool on Aztec and CACAO-BTC pool on Maya. We cannot share more details at this time.

Dev Team. The Core Dev Team will be grown from 6 developers to 12 before January 31st to reflect this new outlook and model, and to achieve our goals in a timely manner.

Community. These extra months will be spent growing the community, information available for Maya, social media and social channels, awareness through crypto influencers in LATAM among other things, so that at launch we have a strongly rooted community to support us. With the model as it is now (Team & Investors getting paid a share of system income for 5 years), it is in our best interest to launch as late as possible to have the strongest possible community for the start of the count (and lowest BTC Market Cap), without pushing it too far as to lose the market, the opportunity or bore the community.

This will be a lot to swallow. We will convene a meeting in the following days to discuss details and answer all questions you may have. We are very excited for what is coming and would like to thank everyone involved for their contributions, advising us through this endeavour and sticking with us throughout the year. Thank you very, very much.

Sincerely,

Maya Team