



Welcome to the 2023 Update from Secret Network Foundation.

We are committed to transparency and accountability, including publishing activity reports and financial snapshots each quarter. We welcome feedback on our work from our network and partners.

What we'll cover:

- A Message from our Executive Director
- Timeline of milestones
- SNF's Purpose
- SNF's Values
- Legal Update
- Financial Updates
- Growth Updates
- Ecosystem Updates
- Business Development Updates
- Big Wins, What We've Learned, and What's Ahead
- 2024 Focus



Looking Back at 2023

A Letter from the Executive Director

“...Over these past six months, I have gotten to know many of you and I have been stunned by your perseverance, loyalty, and astonishing skill. As a community, you have witnessed the longest crypto winter in blockchain history, the fall of many so-called privacy projects, and the arrests of high profile figures in the industry. Through these experiences and many others that shaped our days, weeks, and months, your shared passion was the bedrock of Secret Network. **Today and moving forward, we are focusing on positioning ourselves squarely in the data protection and confidential computing space, on spreading the word through appearances at conferences and podcasts, and on attracting new builders to our ecosystem through partnerships and hackathons...**”

- Lisa Loud, Executive Director of SNF



Summary Q3/Q4 2023

Q3

Q4

July	August	September	October	November	December
<p>Secret Network Foundation is established as an exempt foundation in the Cayman Islands</p> <p>Lisa Loud is hired as Executive Director of the Foundation.</p>	<p>Secret Ethereum is announced!</p> <p>Secret Agency headcount is cut by 70%, and is merged with SNF.</p>	<p>Network upgrade to v1.11 goes live!</p> <p>Confidential Computing Constellation is announced!</p>	<p>SCRT Labs developer roadmap is released.</p> <p>Alex/Secret Saturn joined the team!</p> <p>Megan joined the team!</p> <p>Donna joined the team!</p>	<p>Kick off to filling board member positions begins.</p> <p>Team reductions: -1</p>	<p>SNF assumes official responsibility for ecosystem's growth.</p> <p>Inflation proposal passes: Inflation lowers from 15% to 9%.</p> <p>Grants program launches!</p> <p>First SNF Office Hours held on Telegram.</p> <p>Team reductions: -1</p>
<p>Core contributors: 6 Part time/Agency: 31</p>	<p>Core contributors: 6 Part Time contributors: 10 People cost: \$68,377</p>	<p>Core contributors: 6 Part Time contributors: 10 People cost: \$63,282</p>	<p>Core contributors: 7 Part Time contributor: 13 People cost: \$69,252</p>	<p>Core contributors: 7 Part Time contributor: 12 People cost: \$68,382</p>	<p>Core contributors: 7 Part Time contributor: 12 People cost: \$69,782</p>



Our Purpose:

The Secret Network Foundation (SNF) is passionately committed to shaping the future of the Secret ecosystem, a pioneering Layer 1 blockchain developed on the robust Cosmos SDK. Collaborating closely with SCRT Labs and our diverse ecosystem projects, SNF is at the forefront of revolutionizing confidential computing. ***Our mission is to embed data privacy as a fundamental feature in every Web3 application, championing a world where personal and corporate information is safeguarded with utmost integrity.*** As we progress, we are not just developing technology; we are nurturing a movement: a movement geared towards forging a safe, secure digital future, where trust and privacy are not just ideals, but realities for all.

Foundation Values:

1. ***Innovation & Growth of Confidential Computing***: We focus on advancing confidential computing technology by innovating features as well as changing perceptions.
2. ***Confidential Data Empowerment***: Secret Network values the ability for individuals and businesses to control what they share, emphasizing confidentiality in all aspects of Web3 interactions.
3. ***Community Collaboration***: The Secret community is passionate and engaged, along with having a wealth of talent and knowledge about the network. We embrace a community where diverse ideas and perspectives are welcomed and nurtured, leading to innovative solutions and a stronger, more connected community.

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Legal

Legal Update:

Secret Network Foundation legal structure:

Secret Network Foundation was formed as a Cayman Island non-member organization on August 1, 2023. The nominee director is Otonomos, Inc. and they take direction from the supervisory team (the “Board”), which currently consists of one member of Secret Labs.

The formation documents for SNF indicate that the supervisory team or “Board” be expanded to three members, one of whom will be from Secret Labs, and the other two appointed by Secret Labs for the initial three year term. Following the initial term, these two board members shall be elected by majority vote from the community.

Legal Update:

2023 Funding:

SNF had a service contract with SFI to provide ecosystem support for the layer 1 blockchain, Secret, including marketing, business development, and ecosystem support in 2023.

SNF signed their first service contract with SFI (the organization formerly promoting the ecosystem) for the last five months of 2023 (August through December) in the value of \$500,000, plus 842,670 SCRT tokens, although some of these funds were allocated to startup expenses for SNF before the organization was created. The amount we started with for August - December was \$348,000 USD.

The Foundation also received 538,665 SCRT tokens from Secret Labs in August of 2023. All of the stablecoin was spent by December 31, 2023. We ended the year with 1,093,013 (842,670 plus 250,343) SCRT tokens.

Legal Update:

Current funding:

To fund current operations, SNF has signed a new service contract with SFI for the first half of 2024, in the amount of \$400K USDT, \$100K USD, and ~1M SCRT, all of which we have received payment for. SNF intends to create a separate contract for services in the last half of 2024. This will represent the final services contract. For tax compliance, the majority of these funds will need to be spent in 2024.

Future funding:

Future funding for SNF is undetermined, and will be discussed based on the organization's growth plan, proven successes, and reasonable expectations for traction. The most likely scenario is that the foundation will request a specific budget to accomplish specific objectives through a proposal for reinstatement of a tax mechanism.

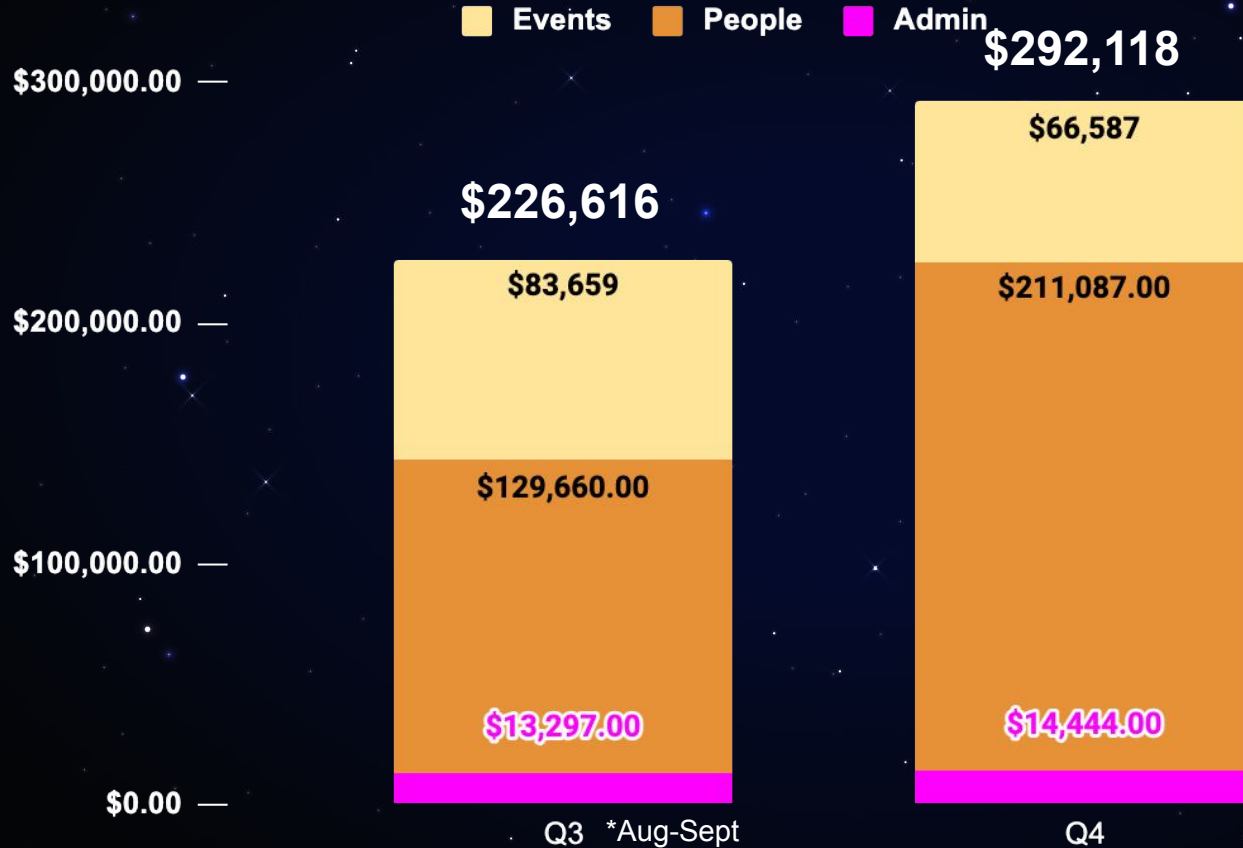
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Financials

Total Operating Costs - Q3 & Q4 2023:



POC: @jay_SCRT

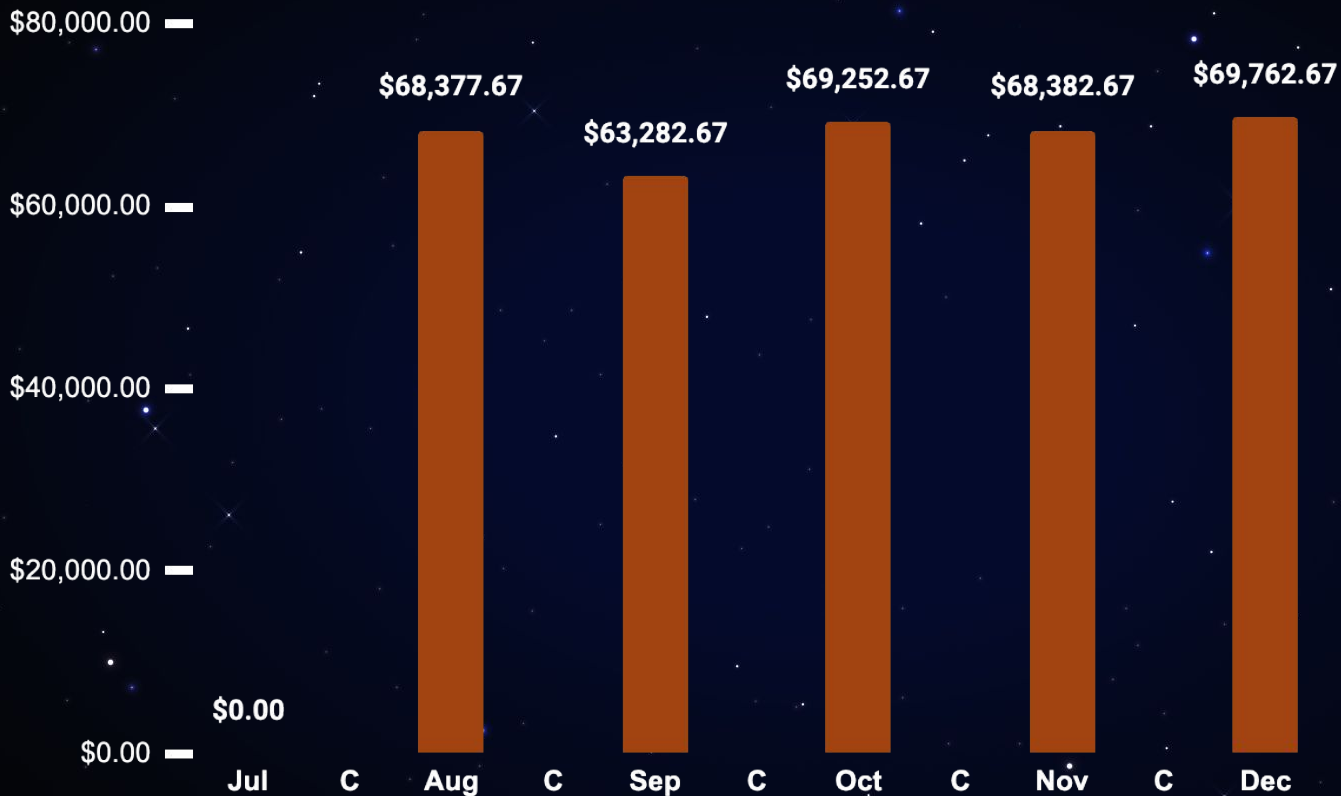


Notes:
Q3 only consisted of August and September for SNF expenses outside of one event commitment

People Costs:



POC: @cryptohmeg



Notes:

**Avg monthly:
\$68,139 (not
including July)**

**August was the first
month of official
SNF operations.**

Gen. Growth/Events Costs:



POC: @cryptohmeg



Notes:
Event spend for July included commitments made in April that were carried over to SNF

Event spend for October covered events in November

Operation costs:



POC: @cryptohmeg



Notes:

Subscriptions,
vendors, misc.

October includes
website migration
and several annual
renewals.

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Growth

Growth - Campaigns, content and outcomes:

○ **Secret VRF**

- **Success:** awareness and successful demo app (roulette)
- **Pain Point:** too niche to fully market and leverage as a driving asset

○ **Secret Ethereum**

- **Success:** excellent synergy with Eth community and positive feedback
- **Pain Point:** while supporting Shade, our Google account was banned and we reverted to a hands-on guerilla marketing approach.

○ **Events**

- **Success:** Team activation on-site, and incredible engagement. Great awareness opportunities
- **Pain Point:** “Fair” pipeline activation in-general on-site, facilitating better onboarding SOP

○ **Drip Campaign**

- **Success:** Effective guerilla tactics and use of all channels (Twitter, IG, Reddit, TG, Discord)
- **Pain Point:** inability to use Google Ads/Paid Twitter

○ **Successful announcement / activation for Lisa and Alex Z**

- **Success:** ramp up and community integration
- **Pain Point:** Transition to new Leadership while resolving existing community concerns

Other Growth accomplishments:

- ***Website migration to WP***

- Completed Week of January 15th
- Fully self-reliant for brand update, SEO, and daily activation
- Will bring on SEO expert to clean things up prior to brand update and through launch

- ***Launch of Galxe program***

- Account created OCT 2023
- First 3 Campaigns launched for community growth and engagement
- Account grown to 4,240 followers w/ 4.5k participants
- Developer community campaigns with incentives set for early Q1 2024

- ***Hubspot Activation***

- CRM migration
- Setting up BD funnel
- Integrates with mailchimp
- Assist with onboarding forms/questionnaires
- Automating databases from Monday

- ***Optimized social media strategy with @AnewbiZ at the helm!***

- Focused multi-channel / integrated strategies
- Guerilla marketing tactics - reduction of ad spends and more agile



Events



Events:

Q3

Paris:

- ETHCC Paris
- Halborn Gaming Event
- Women in Cosmos
- Osmocon
- ETH Global
- Secret Event to debut Secret VRF
- Nebular Summit

Toronto:

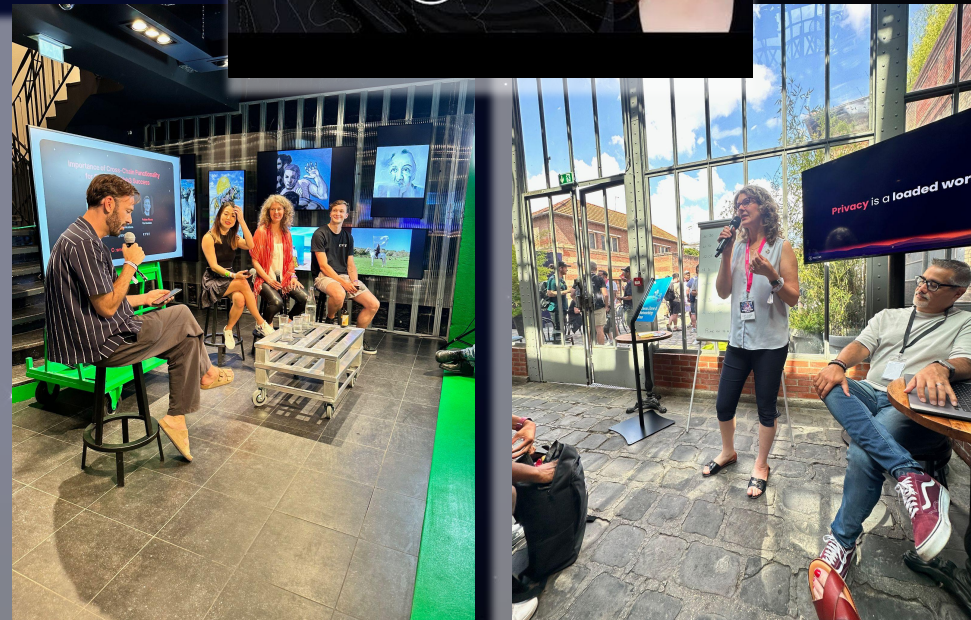
- Blockchain Futurist Conference
- Web3 North

Las Vegas:

- Breathe Convention

Rio

- Rio Blockchain Festival



Events:

Q4

Istanbul:

- Cosmoverse

Portugal

- NearCon

Milan:

- ETHMilan

Rome:

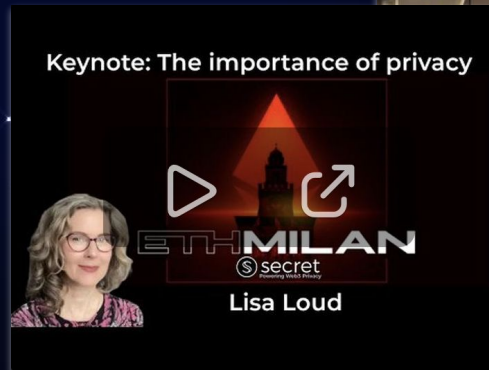
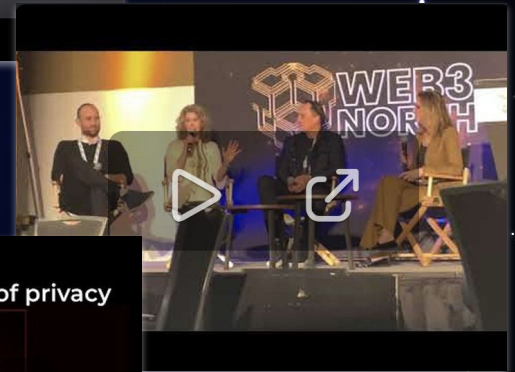
- ETHRome
- Secret Workshop/Bootcamp
- Urbe.ETH Talks

Milan:

- Web3 Security Conference
- Milan FinTech Summit

Africa:

- ETH Cameroon
- Digital Nigeria International
- Africa Blockchain Summit
- Africa Bitcoin Conference



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Ecosystem

Ecosystem advancements:

- Improved workflows with SCRT Labs, our teams are now more tightly integrated
- Contributed to Network Roadmap for 2024
- Grants Program re-launched
 - Reviewed grant submissions, met with teams, discussed milestones and development ideas, worked with SCRT labs to choose 5 teams to receive a grant
- Tokenomics Research
 - Initial reduction in inflation
 - Comparative study of before/after parameters
- Delegation Review
 - Reviewed delegation requests, provided feedback to SCRT Labs on services being provided by validators
- Developed PaaS Primitives
 - Started with initial design ideas, and built them out into functional pieces of code, for both IBC and EVM
- Updated and improved developer documentation
- Announced partnerships with Octopus (NEAR), Andromeda Protocol, Demex, Nolus
- Publicized various network updates and ecosystem launches through blogs, social media:
 - Network Upgrade v1.11, Inflation change proposal, Bridge migration
 - Serenity Shield mainnet launch, Bidshop showcase, various Shade Protocol updates, ALTER roadmap, MetaMask integrations

Ecosystem advancements (continued):



- Hosted 12 Twitter (X) Spaces with partners and Secret team members
- Provided technical support to integrations like Axelar, Squid, Skip, CoinMarketcap, CoinGecko, Ankr, Keplr, etc., and also to native Secret dApps and tools

The following have not yet been publicly announced

- Helped 4 new teams start building out their product on Secret natively
- Onboarded another 2 PaaS projects to finish their integration on mainnet in Q1
- Scoped out a set of 5 Cosmos modules of which 2 are great collaborations with impressive Cosmos teams that we will see come to mainnet in Q1/early Q2
- Initiated Wormhole integration process
- Worked with aggregators on putting Secret support on the roadmap
- Started multiple deals with projects around archive information, indexers and audit tools and hope to bring a combined package of multiple closed leads to Secret before the end of Q1



Big Wins

- ETH Rome was our most successful hackathon to date. Onboarded 5 new dev teams.
- Stronger communication line and working relationship with SCRT Labs has been established.
- Announced Privacy as a Service and Constellation
- Announced Secret Ethereum.
- Invited to Bankless Event as a keynote speaker on privacy in web3.



What We've Learned

- Ample communication and transparency with the community is prioritized.
- Vetting events better: Gateway/Nebular expensive, didn't have a good ROI. Built new criteria for event selection.
- Secret VRF Campaign had poor KPIs and ended up being ineffective. Tech wasn't ready for larger market.
- How to organize the team so people are motivated and performance is more closely monitored.



What's to Come

- Next Quarterly Update will be in April 2024
- Brand refresh - Q2
- Drip campaign(s) - Awareness and Dev onboarding
- Secret Hackathon (concluding in Denver on 3/3)
- New PaaS solutions, with marketing and bizdev campaigns to support
- New partnership announcements
- New dApp launches

2024 Focus

1. **Positioning** Secret Network most effectively within the confidential computing space as a modular blockchain as part of the **constellation** expansion
2. **Growing** our ecosystem of builders and projects through outreach and support of existing projects.
3. **Connecting** us to new relevant partnerships in the privacy and greater crypto community.
4. **Raising** more brand awareness around our positioning and partnerships.
5. **Improving** our relationship to the Secret community and increasing participation and collaboration.
6. **Organizing** the Foundation with strong communication lines and internal tools to prepare for an imminent bull run.