



Mystical Masks Ventures

Business Overview and Projections

Exploring the New Market

Prior to joining Web3 and developing Mystical Masks, we made sure to analyze all market conditions. Realizing it was a new expanding market with several opportunities not yet explored, we decided to create Mystical Masks, the first NFT Fundraiser in the Solana Ecosystem.

Web3 growth and Market Opportunities

In the past few years Web3 had a massive growth never seen before. The “Electric Capital 2021 Developer Report”, pointed that in 2021 we had the highest number of developers in history joining new Web3 projects. Along with that, 2021 registered the highest number of active developers who joined Web3, with over 34,000 new developers committed to new projects in this area. Analyzing the Web3 user base, it comes to attention that 2021 broke plenty of records, reaching 3.5 Million ETH Addresses Interacting with Defi Protocols, more than 20,000 unique wallets that bought or sold NFTs, almost 12.5 Million Monthly Active Users on Metamask and more than 2.1 million active users on Phantom Wallet. The whole Web3 market is growing fast and along with that several new opportunities are coming up, especially in a brand-new ecosystem that has endless possibilities.

Solana Ecosystem and NFTs Growth

In the past few months Solana experienced another massive growth. Besides the huge run up in \$SOL price, their network experienced all-time highs in transaction per second and number of interactions on the blockchain. With all this volume going into the network, Solana NFTs started to gain more recognition, and many new investors and developers started to design their own projects.

In the last quarter of 2021, Solana closed the year with a 20 million dollar Total Quarterly Revenue, a 273.6% growth in relation to Q3 2021. Their Daily Unique Fee Payer broke records in mid January (Q1 2021) reaching up to 280,000 and averaging more than 160 million transactions daily. Apart from all these increasing numbers, Total Value Locked (TVL) in Solana experienced a major growth in the past year, with a 1318% growth from Q2 2021 until Q1 2022. The Network ended the quarter with a 7.8 billion USD TVL.

Following this general ecosystem run up, Solana NFTs didn't stand behind. New NFTs experienced exponential growth through January and have since stabilized, averaging 55,000 new NFTs per day. As a matter of fact, newly minted NFTs reached 85% of the minted amount during 2021, and Metaplex reached 2,000 NFTs being minted per hour in February.

New market, New opportunities

A growing market with new users joining daily is the perfect setting for business development opportunities, possibilitating each entrepreneur to flourish new ideas or projects that found a demand and are in need to be created for an specific growing market.

That is exactly why Mystical Masks was created. Envisioning that Web3 was growing fast and still a maturing market, we decided to develop and translate things that proved to work in similar markets to be scalable and profitable in this new economy.

Mystical Masks Business Overview

Certainly, bringing a unique utility to a market in its early stages comes with a lot of difficulties and uncertainties. But, on this session we will break down the entire market in which Mystical Masks is developing its business, presenting the existing opportunities, and clarifying every single detail of our operations and statistics.

What is Mystical Masks?

Mystical Masks is specialized in Solana NFT projects development and growth. It was built by a team of Economists, Marketing Experts, Twitter Experts, and Developers. Mystical Masks connects web2 projects and its unique utilities with the web3. It was ultimately designed to assist and maximize growth of new companies seeking to leverage and scale their business in the Solana Ecosystem. Moreover, by creating a new funding system to connect big web3 investors directly to new businesses, Mystical Masks allows new companies to fund and launch their projects with all the due support.

Figure 1: Value of venture capital investments in United States (in billions):

Source: Statista

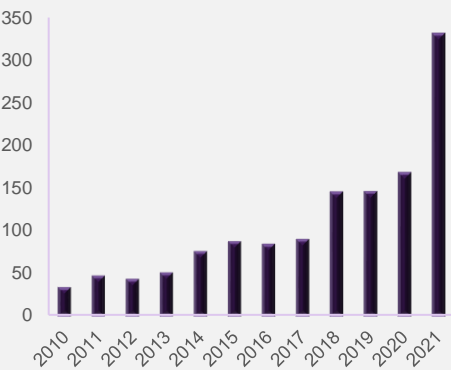
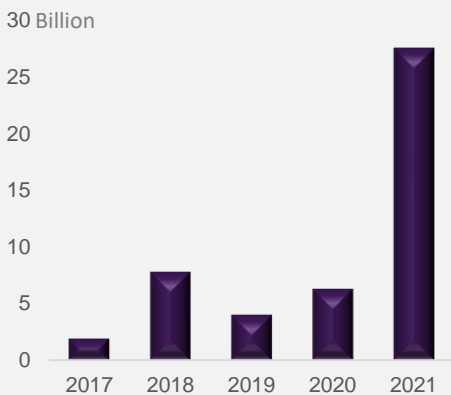


Figure 2: Global Venture Capital Investment in Web3 Companies:



Mystical Masks provides new businesses and projects with an easy and exclusive fundraise through SHOs. It's our responsibility to bring new Investors and create a fundraise structure, making easier for startups to begging their development. Therefore, Mystical Masks is the first ever Solana Incubator to give public access to venture capital on NFTs startups while bringing a new source of business leverage to the Ecosystem.

Fundraiser by its meaning is "a person whose job or task is to seek financial support for a charity, institution, or other enterprise." Translating that into the NFT world in Solana, Mystical Masks will be the company responsible to connect true investors with their partnered startups. Through Private and Public Rounds, all partnered projects will have an easy and fast way to raise capital and develop their ideas with Mystical Masks support.

Web2 Venture Capital Market Analysis

Despite the Venture Capital (VC) market being genuinely immature and early on NFTs, specially in Solana, it has a massive growing potential. For perspective, we all know VC is one of the principal forms of private equity (PE) financing in Web2, which is heavily used to endow and fund startups, and early-stage companies that have been deemed to have a high growth perspective.

In 2021, the value of venture capital investments in the United States set a new recorded to approximately 330 billion USD, nearly twice as much 2020 (Figure 1).

Venture Capital on Web3

Almost every Web2 investor have had contact with VC and Private Equity or at least heard about it. On Web3 it doesn't get much different, VCs have been betting big on crypto startups in 2021, investing around \$30 billion globally (figure 2). The average day in 2021 saw blockchain-related startups and companies raise \$20 million.

DAO Maker is one of the biggest Venture Capital Fundraisers on the Web3, and since 2021 they have conducted a series of Strong Holder Offerings, raising a total of more than \$29 million for companies with a combined market capitalization of over \$2 billion.

Currently, DAO Maker is focused only on ETH token sale offerings, crossing \$32 million in revenue from all their Strong Holder Offerings and other products just in 2021.

Even though Web3 Venture Capital Landscape is growing fast and breaking records, this scenario still vastly underexplored in Solana Blockchain. On this perspective, there is not a single business, company, or project that does Venture Capital for NFT startups in the Solana Ecosystem.

Why Solana NFT's Market still behind?

Solana's NFT trading Volume hit \$2.35 billion dollar in early June and is experiencing major growth every day, however, Solana's NFT market is still unprofessional and immature. In the market current state, there is a lack of real utility projects and real-world companies that are building things to add true value to the Ecosystem. Comparing NFTs market with Cryptocurrencies, it is visible that Crypto nowadays is far ahead of NFTs in levels of Market Maturity and Size. The main reason behind this disparity is the insecurity and risks involved in creating and building big projects in a new Market.

Creating and developing big projects with big ambitions and great ideas takes a lot of time, money, and effort. As Solana's NFT market is still in its early stages, the risks of such an investments are overly high.

Mystical Masks revolutionizing Solana NFTs

In order to make Solana's NFT market more professional, true builders with great ideas in mind, who are seeking to develop something of significant value in the long run, will need to join the market. Nonetheless, to develop a real business, a lot of money and time must be invested towards that idea. For this purpose, Mystical Masks is building the First ever Solana's Fundraiser that gives access to Venture Capital for NFTs Startups, helping them to develop their unique ideas and revolutionize the whole ecosystem.

Companies partnered with Mystical Masks Ventures will be able to raise capital through Private and Public investment rounds in different Fund Levels. Through these fundings, new businesses will have the money necessary to power their development, granting an accelerated growth rate and have higher market exposure. To ensure all partnered companies have their growth maximized and can scale up their operations to the next level, Mystical Masks Ventures will offer all the support necessary during the development, such as, Marketing Strategies and Plan, Specialized Developers Team, Networking and Exclusive Partnerships, Branding, Creative Lead, Relationship Management and others.

Currently, Mystical Masks is the only company running a Venture Capital business in Solana NFTs, and that gives us a huge market advantage. This lead allows us to select only top-notch startups with the best utilities and ideas to be developed, as well as to build a solid base of projects under Mystical Masks Ventures. With that head start, all demand generated in the market will be distribute towards our business, causing us to have multiple Revenue Streams and more growth potential.

Mystical Masks Ventures

Operations

Considering the current state of the Solana Market, already presented in this session, Mystical Masks Ventures will be joining a market with a high suppressed demand, in which various projects are seeking to create and develop a big business in Solana, but lack the exact expertise to do so, and most important, the funds to build it, different from Mystical Masks partners.

In the first two months of operation after our mint, to be specific, in August and September of 2022, we will be starting the process of the first Fundraises. To select the projects that we are going to partner use some filters such as, utility, total to fundraise, business valuation, founder previous experience, and others, will be used. Every startup partnered project will have to KYC through a Third Party and are subject to many other doxing processes.

During this first two months we will look to partner with 2 different projects. In our operations we will look more into quality than quantity in concern of the projects we take to fundraise and to help develop. Sometimes, being more selective and spending more time and effort in each project we partner with can lead us to a brighter future in the long run. By making sure the projects we launch are successful, despite from generating more overall Revenue over the time, we will increase the "power" of Mystical Masks Ventures Business.

The main goal we look forth to construct in our Fundraiser is to our brand, alone, have the power to dictate the results of some projects we partner with. It will be a long and hard way to build that image, but it depends exclusively in how we manage the startups we selected to work with. In order to make that a reality, we will be positioning as a premium incubator and fundraiser, focusing only in partnering with promising projects that could boost our Revenue.

Why actually build a Business and not a Cashgrab?

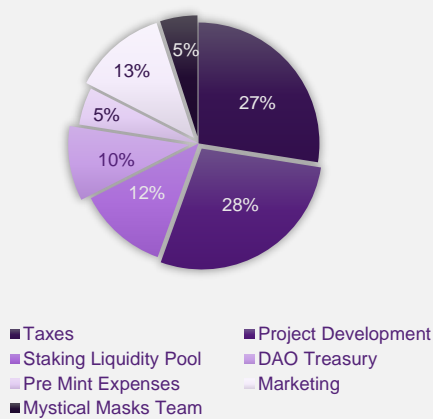
Leaving the ethic and moral side apart, why is launching a big project just to Cashgrab a waste of money, time, and economically stupid for the founders?

To make it clear and to point out how much money projects owners lose by launching cashgrabs, we will use simple economic principles. To start with, it's commonly known that growing a business and getting public visibility is the hardest part, otherwise, any person could be a businessman. In sum, once you have market visibility, you will always have some demand for the product you are selling, the bigger your visibility, the bigger will be your demand.

With a big project in your hands and enough visibility to have the perfect demand for your product, you have numerous ways to potentialize and maximize your profits on that business. Sometimes, it may seems that just launching a NFT project and making a couple millions of mint without spending any money into the project is the more profitable, as there is little to no costs involved. But in reality, that is the most mediocre way to waste money potential. Merely launching a NFT collection, leaving the holders, and not continuing to develop a business is the same as having a big company, with a lot of investors, that has grown and got market visibility, and it's right before its best time, you abandon it mid way shutting down the business.

Instead of just cashgrabbing, once you have a big NFT project with enough hype to sell out, the best way to potentialize profits and generate more revenue is by creating a sustainable business, generating even more income in the long run. Launching NFT projects is the perfect way to raise to capital to be invested into developing a sustainable business, with potency to generate true value and maximize revenue. For these reasons, using mint funds to develop a smart and economically sustainable project, instead of cashgrabbing, will potentialize everyone's earnings, including the founder team and the community that invested into the project.

Figure 3: Mint funds Allocation:



Taxes: Total amount being paid to the government in our Country (27.5%)

Project Development: This includes every cost involved in developing the project, most of it will be directed to pay the rest of the development still left on Staking, Raffles and Auctions, Internal Marketplace, and most important Mystical Masks Investment System, which is the most expensive on the list. This amount doesn't consider future additions and developments to the project if needed as it will be fully used on this short-term development costs. (28%)

Staking LP: This is the amount we will add to our token LP in the first few days. Our business will have its own way to fill the Liquidity Pool with the money we generate from our services, more about that can be read on our Whitepaper. (12%)

DAO Treasure: The total amount reserved to build Mystical Masks DAO Treasury. This will be used to buy NFTs for the DAO, host some Giveaways of NFTs, SOL and others. Besides that, it can be used in any emergency needs. (Our economy system already has a way to fill the DAO Treasure Funds over time with the revenue we get from our services, read whitepaper to learn more). (10%)

Pre-Mint Expenses: This money will be used to cover all the expenses we had up to now, such as, art, website design, project development, lawyers' team, accountant team, marketing and all other costs we had. (5%)

Marketing & Branding: Money we will use to grow our project and gain more visibility. This will include any future marketing expenses (including acquisition of a third-party marketing company services if needed) and costs related to the design and production of our merch and events (if possible). (10%)

Team: Amount to be distributed along Mystical Masks team, this includes profits that will be taken by Co-Founders and Advisors as well as expenses with Moderation Team. (5%)

Creating Mystical Masks Ventures will allow us to have a real-world asset on our hands, a company with value to be bought and sold. Our NFT collection is a tool used to acquire investors, who will also have the possibility to profit with us and benefit from the success of our business, besides helping us to potentialize our growth by providing the necessary funds.

Mint funds Allocation

This is how we will use the funds raised with our NFT Collection in order to potentialize the growth of Mystical Masks Ventures (figure 3).

Our collection is composed by 4444 NFTs each one being sold for 2,5 \$SOL, which will lead us to 11.110 total mint revenue. This way, we are following our contingency plan, changing the way we allocate our mint funds in order to be able to develop the process Development. With this new prices, we made the forward changes:

Changed Team from 10% to 5% of Total Revenue.

Changed Staking LP from 15% to 12% of Total Revenue.

Increased Project Development total amount from 20% to 28% of Total Revenue.

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With this new changes Mystical Masks Ventures will still be able to have the main project running in the same amount of time and the first Revenue acquired from all successful fundraises will be reinvested into the business in order to cover the funds that we wasn't able to raise.

Right now, we plan to use 100% of all profits from the fundraises raised on the first 3 months of operation to invest more into our Venture in order to potentialize our growth.