Quarterly Report
Q2 2022

July 11th, 2022

Contents:

Mission, Vision, and Values

In our first quarterly report we shared our mission, vision, and values statement to serve as a guiding light throughout our growth and development as an organization. We will continue to highlight these at the beginning of every report to keep our ultimate goals fresh in mind.

Our Mission

Decentralize the ownership structures of the world's marketplaces.

Our Vision

Deploy a platform for the creation and operation of communal marketplaces as decentralized entities, build network effects around the platform via a suite of ancillary services and by fostering a third-party developer ecosystem, and leverage these network effects to supplant privately controlled marketplaces with districts that allow for open participation in the governance of markets.
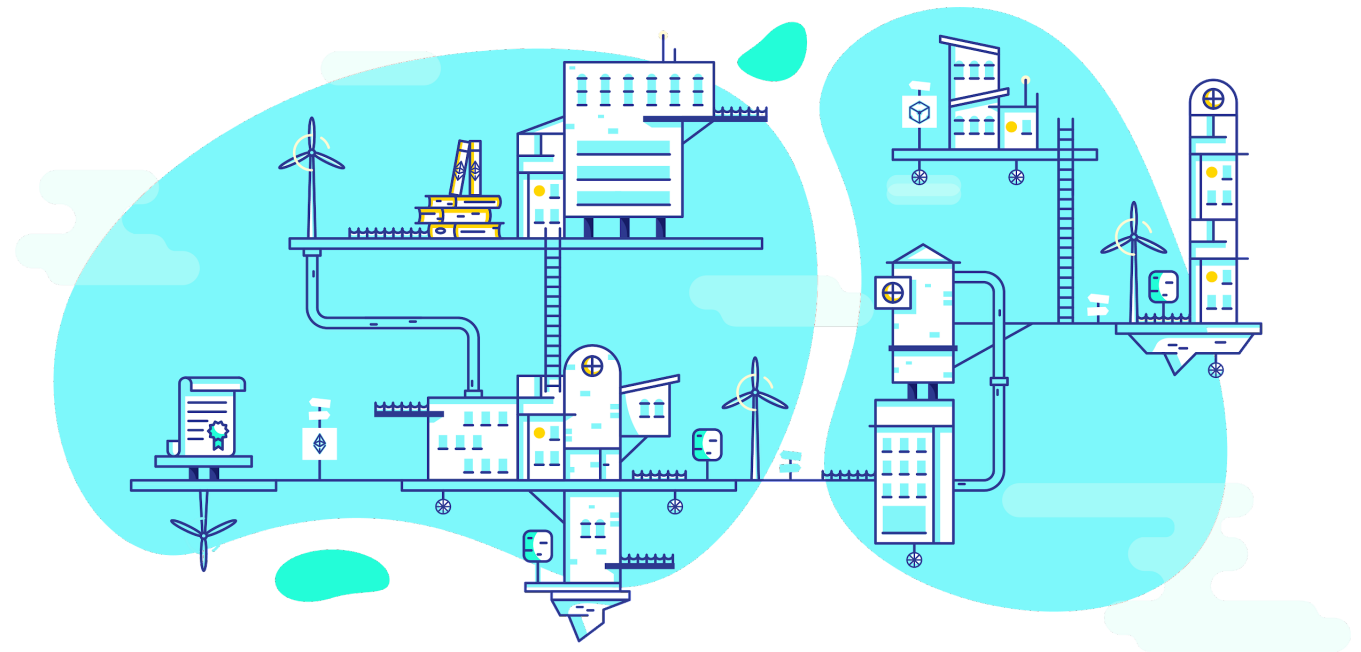
Our Values

1. **Transparency** - Open and honest communication provides each person the opportunity to contribute in the most meaningful way.
2. **Autonomy** - We supply the tools and information to do the job, but trust one another to get that job done.
3. **Inclusion** - We welcome participation from all colors and creeds, across all borders and nationalities. We are empowered by the diversity of our ideas because competition breeds strength.
4. **Decentralization** - We seek the path of broadest consensus, and work to align motivations through incentives, not instigation.

Product

Meme Factory has launched on the Polygon PoS network. The release is the first step in the company's plan to conquer the cross-chain memosphere. We are now working on fixing bugs and adding new features to the platform alongside working on a proper DAO structure for the platform. We are continually working on improvements to Meme Factory and are encouraging users to report bugs and request new features. We also announced the launch of the DANK DAO, a community-led secret society for meme enthusiasts.

We've also updated our web3 libraries and managed to migrate most of our projects from the old QA environment to a new QA cluster. The only project which remains on the old QA environment is Meme Factory, the reason being not to interrupt the new version's testing.

This quarter we are also happy to announce we've hired two additional developers, Daniel and Krzysztof, to accelerate StreamTide and Name Bazaar development.

Community

With Meme Factory live on Polygon this quarter, we started some of the first community-submitted contests and a community lead initiative called the 'DANK DAO.' We fulfilled a number of feature requests and bugs reported by the community as well. We published more [spotlight content](#) for the blog. Additionally, activity on Meme Factory picked up this quarter. We started publishing contests on [Mirror](#) and went live with the DANK faucet with a new Discord redemption option. We hosted a couple more interviews on stream that focused on education in crypto.
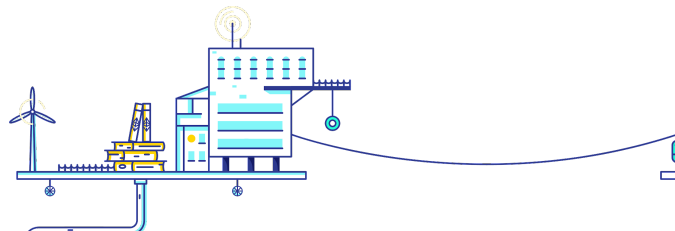
The DANK DAO

When joining the DANK DAO, community members can propose new challenges and obtain rewards for completing them. Completing challenges gives EXP points that indicate their dankness level and push them to the top of the [DANK DAO leaderboard](#). In the future, those with the most points will be eligible for various rewards and community lead surprises, so we recommend completing a few tasks as the community continues to shape things.

Live Stream

We continued to expand the experimentation of what it means to have a "Twitch-based DAO." To highlight how we are doing this, we started using stream revenue to buy memes on Meme Factory while letting the audience choose what to buy (among other decisions). This allowed the community to decide what Memes we buy and how the streaming revenue is utilized beyond our historic grant contributions.

This quarter also focused on more educational content and interviews with the organizations leading the charge within the Web3 ecosystem. Most notably, we had the pleasure of interviewing Jessica Levesque from the [Crypto Consortium](#). The Crypto Consortium is a Canadian-based non-profit organization providing certifications to professionals to assert their crypto knowledge. Recipients gain comprehensive knowledge in disciplines ranging from basic cryptography to blockchain development. For those who missed the episode, you can now rewatch it here: https://www.youtube.com/watch?v=sa3n0fNdTWs

Marketing

In Q2 StreamTide took center stage in our dapp development. With some new hires and increasing research into Quadratic Funding mechanisms, the dev team made promising progress on StreamTide. For marketing this means strategy development: market research to understand the target audience and defining a brand identity and campaign strategy. Based on our existing community's dynamics we identified key elements to focus on prior to the launch as well as in the early stages of V1:

> - TIDE token airdrop
> - StreamTide Official launch campaign
> - StreamTide Record Store launch

For the launch of StreamTide we commissioned a series of NFTs from Berlin-based 3D artist Glück, to host a community competition when the V1 of StreamTide goes online.
Besides, we started analyzing the DAO landscape to identify partner DAOs that could be leveraged to bootstrap more users to StreamTide and get the word out about the public goods web3 Twitch competitor. In the long term, marketing goals for StreamTide include sponsoring ETHDenver and creating a StreamTide Spotify Playlist and record store.

In May, we also started the second Meme Factory meme competition themed around Pepe the frog, with stable activity, consistent submissions and new users joining weekly. This was further promoted and supported by the DappStream community, and DANK token holders' posts on social media. Additionally, activity on Meme Factory picked up this quarter as went live with the DANK faucet and a new Discord redemption option.

Later in June, we decided to visit two of the biggest IRL crypto conferences: Consensus in Austin,TX, and NFT NYC in New York, to mingle with fellow NFT collectors, speak to industry leaders in the NFT space, visit galleries and generally get a better sense of where the industry is at and what's next.

On social media, activity was stable and increasing although the beginning of the crypto winter of 2022 put a dent in our efforts to keep the community engagement high. In discord, we have had steady engagement as well, with new joiners every week. The DappStream has also had continuous engagement and the Clips series has reached over 100 clips on the district0x Youtube channel.

On our blog, the centerpiece of our content, we published more [spotlight content](), including "Web3 Social Networks - the next big thing in Crypto" - explaining how the social networks of the future will start featuring payment solutions and distribution logic that will effectively turn them

into employment-protocols-, as well as articles about "The Rise of Generative Art" and "The Future of DAO tooling".

Finally, we are making more progress on Ethlance again, so the main goal of Q3 will be to define a marketing strategy around the relaunch of Ethlance 2.0 - something that will require a review of the current state of the gig economy run on crypto. With the global macro backdrop looking gloomy and industry leaders such as Coinbase laying off staff in high numbers, Ethlance 2.0 should easily find market fit - providing a solution for freelancers to be employed more easily and reenter the crypto economy.

During this quarter, with the entire market tanking to up to 70%, the climate has been apprehensive and more restrained than over the last year, which resulted in a net decrease of engagement and excitement for web3 applications. It is interesting however to note that once again the cycle weeds out the scams and 'cleans' the ecosystem of bad actors, overhyped ponzi projects and cash grabs. Once again we realize that only true innovation stands the test of time and cryptos aggressive volatility. District0x is now perfectly positioned to build out its application with helpful new features to claim more market share and a stronger position in the web3 space - and we will prepare our marketing department perfectly to make the most out of the next bull market, both in user acquisition and app engagement.

Financials

Balance Sheet

Assets

CURRENT ASSETS*	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
BTC	$5,364,711	$9,407,015	$6,051,812	$8,616,798	$5,249,401	$7,569,958	$3,283,140
ETH	$5,933,181	$9,579,150	$15,548,913	$18,828,977	$21,536,215	$10,441,495	$3,380,934
DNT	$8,676,106	$52,468,200	$23,868,000	$27,864,000	$24,174,000	$15,030,000	$8,370,000
GRT	$24,000,000	$114,666,667	$36,200,000	$47,166,667	$44,460,000	$31,306,667	$6,226,667
KEEP	$312,500	$485,417	$214,388	$340,733	$630,115	$630,115	$156,003
Stable Coin	$0	$0	$1,964,296	$1,964,296	$1,964,296	$4,551,702	$4,551,702
Prepaid Expenses	$0	$432,000	$324,000	$108,000	$0	$432,000	$324,000
TOTAL CURRENT ASSETS	$44,286,498	$187,038,449	$84,171,409	$104,889,471	$98,014,026	$69,961,937	$26,292,446

LIABILITIES

CURRENT LIABILITIES	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Short-Term Debt	$0	$0	$0	$0	$0	$0	$0
TOTAL CURRENT LIABILITIES	$0	$0	$0	$0	$0	$0	$0

*Based on USD values taken from Etherscan or Coinbase on the first
day of the following quarter.

Income Statement

INCOME	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Revenues	$0	$0	$0	$0	$0	$0	$0
Cost of Goods Sold	$0	$0	$0	$0	$0	$0	$0
GROSS PROFIT	$0	$0	$0	$0	$0	$0	$0

EXPENSES	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Contractor Wage	$276,000	$180,333	$140,250	$119,582	$578,445	$286,075	$321,000
Technology and Development	$4,762	$10,034	$572	$5,823	$31,691	$4,843	$1,647
Marketing and Sales	$0	$0	$0	$2,125	$86,128	$0	$0
General and Administrative	$29,727	$29,449	$28,981	$30,254	$69,767	$24,388	$21,861
Other	$0	$0	$0	$0	$0	$0	$0
TOTAL EXPENSES	$310,489	$219,816	$169,804	$157,785	$766,031	$315,306	$344,508
OPERATING PROFIT	-$310,489	-$219,816	-$169,804	-$157,785	-$766,031	-$315,306	-$344,508

Summary

We had some good growth this quarter that we can celebrate. Launching Meme Factory on Polygon feels timely even though it's been a long time coming. The very welcomed addition of two new developers should speed up our other projects. Looking forward to seeing this progress continue in this direction next quarter.

Joe Urgo
joe@district0x.io

Learn More

For more information about the district0x network,

- Head to our Onboarding Terminal for all links at a glance
- Check out our Education Portal for all things #web3
- Join the official Discord server or Telegram channel
- Watch our YouTube intro video and live stream on Twitch.tv
- Subscribe to email updates or to our Subreddit forum
- Follow us on Twitter, Facebook and Instagram