



district0x

Quarterly Report Q2 2023

July 3rd, 2023

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Mission, Vision, and Values

In our first ever 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

After encountering some minor problems in production on Meme Factory, we have identified the cause of the issue: we hit some requests rate limits in Alchemy, the web3 provider we use for Polygon, causing the smart contract events to hang. We've pushed a change in the smart-contract library to do exponential backoff if it hits rate limits again. We've also implemented minimal modifications to make Meme Factory work with more recent versions of the libraries without having to port everything to shadow-cljs.

Name Bazaar

Name Bazaar was stable throughout Q2. Marketing and community efforts are ongoing.

StreamTide

This quarter we've made considerable progress on the implementation of StreamTide. We've started working on "rounds" management, so that admins can start a new round, fill up the matching pool and distribute the matching pool based on donations using the quadratic funding formula.

Main updates included adding accounts verifications, incl. Twitter and Discord account verification (still pending checking user roles on our server), adding wallet verification, enabling us to check if an account has a certain balance on different blockchains (ETH, Matic, ...), as well as minor improvement to the re-frame-web3-fx library so that it can send transactions calling the "receive" fallback function of a contract. Further, we implemented contracts migrations to deploy contracts using truffle, and implemented a syncer to fill up our database based on blockchain events, for which we added unit test. We've integrated the contract events with the server-side implementation. While doing that we've identified some improvements for the contract to make future integrations easier and more robust.

Then we implemented functionality to allow accepting or denying multiple grants at once and made improvements on Authentication: we introduced OTP (One-Time Password) for login (this prevents impersonation in case of stolen tokens), and added expire time to the JWT Token used to keep "sessions".

Finally we had some minor smart contract fixes and UI polishments.

We're now working on implementing the quadratic funding formula, modified to allow assigning weights to the patrons based on the account verifications they fulfilled. We're also implementing UI for the admins to easily manage and visualize the distribution of the fundings.

Ethlance

This quarter we launched EthlanceGPT, an AI bot in our [d0x Discord](#) for posting, listing, and interacting with job offers. The Ethlance website will be functional in the near future as well, but this will give a more conversational UX. It's a proof of concept that needs more testing, and you can help us test - contact us in discord.

The bot is an easy to use Discord bot that helps you find and hire talented freelancers for your projects. You can search for professionals by their skillset or location. Once found, you can start negotiations with them and agree on terms of payment and delivery timelines. All payments are made securely through Ethereum blockchain technology so there's no need to worry about fraud or scams!

This quarter our developers also focused on implementing new features for employers and job seekers, such as inviting candidates to job offers and show invoices, as well as optimizing the relevant UX — like disabling forms for already invited jobs. We also started implementing candidate search, including relevant filters for employers to find suitable candidates.

Furthermore, we have developed a set of helper functions for Ethlance to interact with different token contracts that automatically get ABI (to initialize a Web3.Contract), regardless whether it's a Proxy contract or direct deployment of ERC(20/721/1155). This should be useful in the future if developers want to programmatically interact with the contracts.

The latest updates include debugging and implementing Job Contract page messaging functionality — to fetch & show sent messages and update the forms on send, implementing 'inviting candidates' on Profile page (incl. contract calls), optimizing the Show Invoices section (show content, amounts, relative timestamps...), feedback on Job page (candidate, employer, arbiter), and updating chat log on Job Contract page.

We also implemented automatic sign-in popup on account changes, while documenting main workflows of different users (candidate/ employer/ arbiters/ sign-up/ create job/ propose/ invoice/ disputes).

We are now removing the legacy graphql querying in Ethlance to replace and use `district.ui.graphql` everywhere. Next we will implement the My Activity page for candidates, employers and arbiters. This will enable an overview of all activity of contracts (proposals, pending, active, finished, canceled).

Additionally, our developers executed various implementations on Ethlance, considerably improving the dApp and getting it ready for beta-testing, including UI features and invoice workflows, as well Arbitrer and Dispute filters for easier UX.

That should conclude the implementation of all the currently existing pages covering the following functionalities:

- Registration & login
- Job creation & search
- Inviting & accepting candidates
- Creating & accepting proposals
- Messaging between participants (employer, candidate, arbiter)
- Invoice creation & payment
- Dispute creation & resolution

Next steps for Ethlance include testing, integrating with L2, fixing any errors found, and preparing for beta testing deployment.

Aqua Prime (Minimum Viable Metaverse)

We are excited to introduce Aqua Prime this quarter, a game that makes it easy to experience web3 and crypto in a fun and low-barrier way.

Aqua Prime is a minimum viable metaverse that merges [Discord](#), [Twitch](#), and Web3, offering players an immersive, story-driven game that introduces them to the world of cryptocurrency and decentralized apps.

Aqua Prime is an open-source game that allows players to take control of newly sentient NFTs that have just discovered they're part of a low-effort rug-pull scam project called "Tide Pool Platypus." Trapped in a virtual world created by a Twitch streamer named

[Brady McKenna](#), the NFTs must fend off the memes that are corrupting their world by creating their own memes to fight back.

The game has a satirical edge, poking fun at the crypto industry's jargon and culture. Players can experience Aqua Prime in two ways. They can join Twitch and participate in the game as game masters, initiating boss battles using channel points. They can also join Discord and engage with the game's content using AI-generated boss fights, leveling, and an economy bot that gives players who own various NFTs ownership over the game's economy and income opportunities. The game has a TTRPG-inspired format that encourages role-playing, and players can earn rewards for nominating others for the best role-play.

The game's Web3 aspect comes into play when players link their MetaMask wallet to Discord, unlocking special roles that give them new income opportunities and features in the game. Players can earn the TIDE token through gameplay, and NFTs can also be earned, giving players ownership over the economy in various ways.

Aqua Prime is a proof-of-concept game that shows what's possible with Web3 and AI. The game offers a fun, safe, and lighthearted way to introduce the crypto-curious to Web3, and in a low-barrier way acts as an onboarding portal, so people can use the Dapps we build at district0x, and it gives creative ways to establish a wallet simply by playing a game. It pushes the boundaries of Web3 AI for storytelling and the meta aspect of connecting everything together. At district0x, we believe in "Earn it, don't buy it.!"

We're dedicated to building a community that rewards engagement, creativity, and hard work. Aqua Prime is just one example of how we're making that happen. We're using a mix of no-code solutions, open-source tools, hosted bots like [Mee6](#), [Start.it](#), [Collabland](#) and others, and our own tools to create a game that's accessible to everyone.

We've built Aqua Prime on a public [Replit](#)-hosted instance of the bot, which means it can be freely forked by anyone. You can check out the code here:

<https://replit.com/@StreamTide/Aqua-Prime-or-GPT3-Testing#index.js>.

We encourage everyone to contribute to the development of Aqua Prime. Anyone can add features, integrate their own favorite NFTs, and even earn bounties for contributing to the code.

Some players have already earned NFTs and become "owners" of the in-game Meme Factory and its in-game store. New players can also earn NFTs by joining the chat and

using their creativity to negotiate with NPCs and game characters. One of our community members, [GraspOnCrypto](#), held an NPC captive with a ransom and talked them out of a Meme Factory Medallion NFT, which gave them part-ownership over all in-game sales from the Meme Factory. Others have earned the 'License to steal NFT' and joined the thieves guild giving them access to the criminal side of the game economy.

Gameplay

Players assume the roles of various NFTs in the game world and defend themselves from corrupting memes using popular AI-enabled memes. The game is primarily played in Discord, where players interact with AI bots and engage in role-playing activities. The integration with Twitch adds an optional interactive element, allowing viewers to act as pseudo Game Masters alongside the streamer, using Twitch Channel Points and engagement to influence the game world. However, the game is fully playable in Discord without this feature.

In Aqua Prime, players' actions and decisions shape the narrative, creating a unique blend of role-playing and strategy. The game is loosely based on tabletop role-playing games (TTRPGs) such as Dungeons & Dragons, but with simplified mechanics. It features a virtual economy, NFT rewards, avatars, roles, achievements, and NFT-based keys to unlock various in-game features. Players can own planets and stores, earning passive in-game income. NFT-based roles provide access to salaries and income opportunities. The game also incorporates AI-based narrative and storytelling triggered and governed by Twitch viewers. Players can discover magical items that unlock hidden quests, features, Web3 rewards, and more. The game includes a dice system for randomization in encounters and role-play situations.

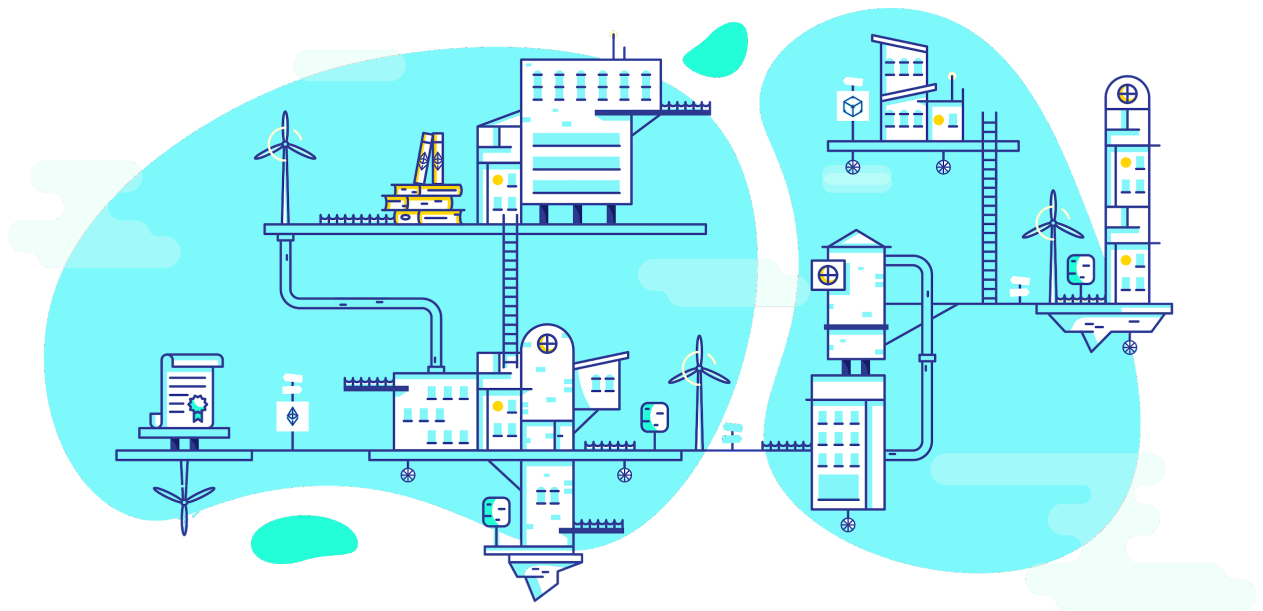
Future Plans

In addition to Aqua Prime, we have a dedicated team of developers working on several exciting projects, including the new crowdfunding and grants tool Stream Tide, which will help creators fund their projects and connect with their audience. And finally, we are continuing the development of Meme Factory, an online platform that will allow users to create and share meme NFTs with others.

We have a talented team of developers working hard on each of these projects, and we are always open to feedback and suggestions from our users. Thank you for your continued support, and we look forward to sharing more updates with you in the future.

Disclaimer: Aqua Prime's story generation utilizes AI, which may provide untrue or misleading content. Players should take this into consideration when interacting with the game's story and characters. We carefully curate our community and contributors, and prioritize user security and safety to prevent any harmful experiences. However, since the content is generated, players should remain aware of this fact.

We will continue to build out Aqua Prime and reward our most engaged community members with [StreamTide](#) & [Meme Factory](#) NFTs, memberships, and other perks, so stay tuned!



Marketing

We are thrilled to present the highlights of our second quarter progress for the year 2023. Our marketing endeavors in Q2 proved to be highly fruitful, as we established deeper connections with our community and witnessed a surge in new users for our products. Despite enduring a bear market downtrend for several months, we continue on our mission to onboard and educate people, developing the gameplay of Aqua Prime, the Minimum Viable Metaverse, which has gotten significant marketing focus during this quarter.

Key Highlights include Aqua Prime with its captivating gameplay and innovative features, which have generated significant marketing focus, attracting attention from the crypto-curious and enthusiasts alike, as well as our revamped d0x Discord server, with AI-powered moderation and gameplay features, has led to improved community engagement and retention.

Additionally, the recognition of engagement and creativity through TIDE token rewards and unique NFTs has fostered a passionate and dedicated player community, we've garnered enthusiastic participation and were able to create an inclusive environment that invites contributions from all corners of the community.

We also attended key industry events, including ETH Prague and EthCC 6 in Paris, grew our community by over 30%, and maintained a steady amount of content on our socials including educational videos, 3 new spotlight articles, 3 monthly updates, and 11 new DappStream episodes!

In the past three months, we've been all about making our community feel awesome and improving our server setup. With Brady McKenna leading the charge, we totally transformed our d0x Discord server. We spiced it up with cool AI-powered stuff for better moderation and gameplay. Now, it's a way more fun and user-friendly place for newbies and our die-hard fans!

The most thrilling accomplishment of this quarter was the continued development of Aqua Prime, the revolutionary TTRPG-inspired game that acts as a gateway to the world of web3 and cryptocurrency. Aqua Prime seamlessly combines Discord, Twitch, and Web3, providing players with an immersive and story-driven experience. We firmly believe in recognizing engagement, creativity, and hard work, and Aqua Prime embodies this philosophy. Players have the opportunity to earn the TIDE token through gameplay,

and various NFTs are also available as rewards, granting ownership over the game's economy and offering unique gameplay benefits.

As we move forward, we are excited to announce the completion of the art for the upcoming Platypus NFT collection. We are gearing up for the public mint, turning this process into a community-driven endeavor and ensuring that the community has a significant say in its development, which will also increase the amount of attention on, and usage of, the game.

The second quarter of 2023 has been marked by remarkable strides, as we continue to pursue our mission of onboarding and educating individuals through Aqua Prime. With a focus on community engagement, innovative gameplay, and collaborative development, we look forward to building a vibrant community that embraces the values of engagement, creativity, and inclusivity. We will continue to build out Aqua Prime and reward our most engaged community members with StreamTide & Meme Factory NFTs, memberships, and other perks.

As we forge ahead, we encourage everyone to stay actively engaged on our Discord channel and keep an eye on our social media platforms to witness the community's decisive role in the minting process. We eagerly anticipate the exciting developments that lie ahead in the coming quarter for the district0x community!

If you are interested in learning more about our products and services, please visit our website or contact us. We would love to hear from you!

Financials

Balance Sheet

Assets

CURRENT ASSETS*	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
BTC	\$5,249,401	\$7,569,958	\$7,569,958	\$3,121,106	\$2,672,180	\$4,601,703	\$4,901,954
ETH	\$21,536,215	\$10,441,495	\$10,441,495	\$3,296,337	\$3,702,943	\$5,523,605	\$5,964,630
DNT	\$24,174,000	\$15,030,000	\$15,030,000	\$8,190,000	\$3,330,000	\$5,454,000	\$4,824,000
GRT	\$44,460,000	\$31,306,667	\$31,306,667	\$6,153,333	\$3,780,000	\$9,440,000	\$7,026,667
KEEP	\$630,115	\$630,115	\$630,115	\$157,952	\$64,486	\$166,172	\$94,568
Stable Coin	\$1,964,296	\$4,551,702	\$4,551,702	\$5,217,109	\$5,217,109	\$5,217,109	\$4,786,629
Prepaid Expenses	\$0	\$432,000	\$324,000	\$0	\$0	\$0	\$0
TOTAL CURRENT ASSETS	\$98,014,026	\$69,961,937	\$69,853,937	\$26,135,838	\$18,766,719	\$30,402,590	\$27,624,615

LIABILITIES

CURRENT LIABILITIES	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
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 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
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 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Contractor Wage	\$578,445	\$286,075	\$345,500	\$374,300	\$374,300	\$440,700	\$430,480
Technology and Development	\$31,691	\$4,843	\$1,647	\$3,122	\$17,687	\$4,395	\$5,379
Marketing and Sales	\$86,128	\$0	\$0	\$0	\$0	\$5,373	\$0
General and Administrative	\$69,767	\$24,388	\$21,861	\$47,345	\$22,648	\$9,683	\$68,535
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$766,031	\$315,306	\$369,008	\$424,767	\$414,635	\$460,151	\$504,394
OPERATING PROFIT	-\$766,031	-\$315,306	-\$369,008	-\$424,767	-\$414,635	-\$460,151	-\$504,394

Summary

We are excited about the progress we have made on all fronts and look forward to their development in the second half of the year. Momentum on Aqua Prime has also begun and the future is looking promising across all our dapps. We are optimistic in the future of blockchain and will continue to build towards it.

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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
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