Quarterly Report
Q4 2021

February 9th, 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

Name Bazaar
Name Bazaar is on the eve of a wider launch with a more public campaign:

- We've had VacuumLabs investigate the use of Wyvern Protocol on Name Bazaar, since we've recognized that without fee-free listings, we will not be competitive with the wider marketplace landscape. As such, we've secured commitments from developers to help build out this feature set, and we will be holding off on Name Bazaar relaunch until this is done.
- We have had an audit done and completed on the Name Bazaar smart contract suite — this has been uploaded to our discord for now and will be provided in a future launch blog post for Name Bazaar.
- We've continued to battle-test and harden the Name Bazaar servers, investigating an issue that seems to be preventing restarts when the servers hiccup.
- We are continuing to solicit any early listing of names we can find from the wider community. If you would like incentive or assistance with doing so, reach out to us at hello@district0x.io

Meme Factory
As mentioned last time, we are working on porting Meme Factory to Polygon:
- We've implemented a rudimentary UI to bridge DANK and NFTs to Polygon and back again. As mentioned above, this requires a bit of an upgrade of our solidity libraries, and is still in progress.
- We made some design concessions and realized by far the most effective way to move forward is to launch the Polygon app as a parallel application, with a complete empty registry and its own parameter set. Users will always be able to migrate polygon memes back to mainnet, and mainnet memes already minted will exist indefinitely.
- We also were unable to use Oracalize on polygon or find an equivalent replacement, and so we've had to nix the faucet and will be looking into different solutions for DANK distribution for new users.
- Testnet instances were deployed to Görli and Mumbai, allowing us to effectively test bridging contracts in a QA environment as well as approach the total app functionality on Polygon.
- We built a new component to check whether users are on the right chain/RPC based on their browser wallet.
- We solved an issue with Infura not supporting our websocket selection for Polygon
- We've fixed several small issues that crept up during QA testing routines

- In the meantime, we've also been building out a UI for our NFT and token bridge between Polygon and ETH mainnet, as well as continuing to investigate more robust solutions for a DANK faucet on Polygon that doesn't rely on Oracalize.

d0xINFRA

Several key d0xINFRA changes have been made, in addition to the ongoing projects of upgrading our Web3 libraries:

- We have begun to upgrade our Solidity version from v0.4 to v0.8 in order to service an upcoming port to the Polygon network for Meme Factory.
- We are continuing to make progress with our Web3 1.0 upgrade. We've cleared out many deprecated functions, and are currently working on completing the browser test and adding asynchronous functions, checking and fixing all existing functions.
- We completed a root certificate upgrade for LetsEncrypt, and have continued to monitor our recent nginx upgrades for issues.
- In preparation for Streamtide's CI, and given some issue with Clojars deployment via CircleCI, we've begun experimenting with a migration to GithubCI. This is an unrestricted service, so we can have more jobs, concurrent jobs, more runners and just more flexibility in general. We will run this in parallel with CircleCI for the next while to confirm it's working as expected.
- We've been tackling a larger project of rebuilding our nginx configuration, as well as reforming our AWS container methodology.

Ethlance

Ethlance continues to march along towards a final refreshed implementation dubbed "Ethlance 2.0":

- We implemented adding and withdrawing funds from the job contracts. There are several complex outcomes here we had to carefully think about and test.
- We also implemented better error checking and tests around rejected transactions.
- We built out tooling and final touches on Ethlance before sending it out for review. This included a pull request to improve the district server contracts in order to surface more errors and get more robust logging.
- Meanwhile, started on the integration between contracts and backend. This included several pages, finishing most recently with the new job page.
- We got tests running on our new CI setup.
- We briefly looked into the new ZKsync EVM updates, but ultimately don't have a clear path forward there.

- We took an opportunity to improve the codebase flow from a high level that's a bit of a middle ground solution between our old philosophy and our new one.
- We rooted out some unexpected problems with our GraphQL queries not properly propagating through our backend. This work continues this week. We finalized withdrawal restrictions when the freelancer hasn't contributed or when there is an unresolved dispute. We are nearing the end of full functionality here and will begin implementing the UI soon.

Stream Tide

Stream Tide development kicked off in full swing this past cycle:

- We've finalized scoping, design, and wireframing for all features.
- We initialized work on Javascript and the UI, finishing the web3 integration into the UI parts.
- We struggled to deploy contracts to Ropstein due to an error with the RPC, but have since cleared this up.
- Smart contracts have been prepared in their near entirety.
- We completed the UI implementation for the leaderboard page, the profile panel page including user art, and some backend work involving those two pages.
- We put together the admin page, an essential tool for QA testing.
- We updated an important python script to fetch event results from IPFS. This required a redeployment to mainnet to continue testing.
- Once we had this script working with our API regent, we had some troubles on certain related to tests and had to reach out to external vendors for advice.
- We improved many minor parts of the front-end, including better gas estimates and better pricing on transactions.
- We created a new repo to push all of these updates to.
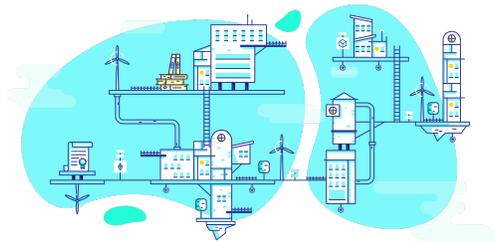
Community

Stream Tide has begun to take shape, the community has been given a new Snapshot integration for the district Registry, shaking things up and shaping the registry for the upcoming governance trends of 2022. We also sourced more material for the upcoming relaunch of Meme Factory and look forward to sharing some fun and engaging ideas that will be deployed in the coming quarters. The Stream loyalty story received a long awaited relaunch so stream participants can soon redeem their points for various rewards. Our latest team addition Cosmo has also begun tons of community outreach for the upcoming Meme Factory launch as well as content creation for other districts. Stay tuned for 2022 to see what we have been working on!

Community-Led Initiatives
In Q4 we moved forward with our community created content initiative and several blog posts were published from our Community Steward [GraspOnCrypto](#) who also began minting Poap tokens for the stream and our blog. Be sure to keep an eye out for his Poap announcements and easter eggs if you want to collect these badges!

We also finalized the structure for the new Stream token TIDE. TIDE is a social token launched in partnership with Tryroll.com. The token is meant to be a gas free crypto experience to onboard anyone who watches our Dapp Digest Twitch stream. The token was retroactively airdropped to all stream participants to build the early stages of a "Twitch based DAO". If you have stream points, you can redeem them in the [stream loyalty store](#). To learn more about this token, drop by the [Roll landing page](#) for TIDE or drop by [Twitch to earn TIDE](#) during an upcoming stream.

Stream Tide
Stream tide and the tide token governance has begun to take shape and a [vault of community created NFTs](#) and other metaverse NFTs have begun to be added to the vault that will be the foundation of the Stream Tide grant pool. The current Sessions Media proposal in the District Registry is set to be replaced by a multi sig controlled account that will be the main governance portal for Stream Tide. Now that Snapshot is live in the District Registry, expect to see polls for the community to participate in. Final designs have been completed and Smart contract work has also begun to take shape after community feedback on stream. We look forward to doing more artist outreach for the coming year!

Meme Factory
Meme Factory swag was created and will be distributed during the upcoming launch of Meme Factory on the Polygon network. Much of the community requests to migrate to a cheaper chain are being fulfilled in the coming quarter and we can't wait to ramp up more of the contests and events that will be the only way to get ahold of some of our rare swag and other goodies. Stay tuned for the 2022 launch.

The District Registry
Now that Snapshot has been deployed to the District Registry, many of the older proposals have been challenged or converted over to Snapshot to allow the community to participate in upcoming polls without having to pay gas to do so. The community has begun challenging and moving DNT from older proposals in preparation for a more user friendly experience with the district registry governance.

The Live Stream
We have continued to donate all stream revenue to Gitcoin grants and even discussed what this will look like when we launch Stream Tide. We have allowed the stream to direct and decide what Gitcoin grants we donate to for the past several quarters and this will continue to move forward in a more formal manner with our in house Quadradic funding dApp Stream Tide. We plan to continue expanding this initiative in the coming quarters so drop by stream to learn more!

We expanded the rewards in our Web3 loyalty store to include the TIDE token redemption, as well as more Web3 game keys. This will continue to be our go-to onboarding solutions for people new to crypto and the district0x project. Especially now that we will be experimenting with a "Twitch based DAO".
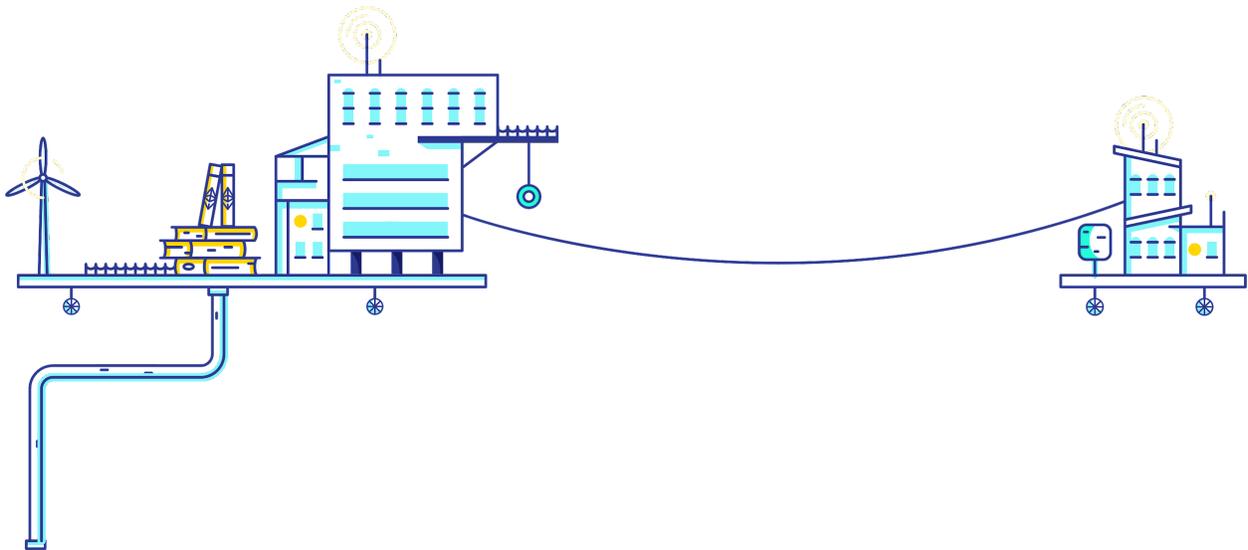
Marketing

Unfortunately, regulatory uncertainty has delayed the launch of our latest district, Hegex, leading us to turn our full attention to the NFT space and the next platform we have been building in stealth: Stream Tide. On the marketing front we had been preparing for that quite intensively for Hegex, we joined the hegic and DeFi options trading communities and getting ready to launch our hegex NFT series, but unfortunately that never materialized.

In September we attended 'EthCC 4 Week Paris' and synced with the ETH community fro the first time after the 2021 bullrun. We chronicled our ventures in a blog post, sharing our journey from event to event, meeting with the leading figures from the ethereum ecosystem, and leaking alpha about what is being talked about at the heart of the community, what some of the newest projects are and where trends seem to be heading.

Meanwhile we kept up good engagement from the community with several new blog posts written by our leading contributors on the most important topics and developments in web3: The Spotlight Series.

Brady had the honor of welcoming two very special guests on the DappStream Podcast, one being Kent Baron - Head of R&D at @ShapeShift_io and the founder of @EthereumDenver; as well as @matthewchaim, founder of @ElektraDAO & @songcamp_, two projects at the intersection of NFTs and music.

In anticipation of the new Name Bazaar App in Q4, we are commissioned and developed a 3D NFT collection and a 3D animation which we hoped to drop in Q1, 2022 but was delayed due to technical challenges encountered by our devs and the apps being delayed yet again. Rising NFT star from Berlin 'Gluck' created 3D assets for the collection, which is now scheduled to launch in Q2 2022. Stay tuned on this.

In Q4, we also started digging deeper into interoperability, with the relaunch of MemeFactory on Polygon around the corner. We launched research into cross-chain, cross-ecosystem marketing to define how to best integrate with the Polygon Community. Consequently, we published Spotlight articles examining the integration with Knit Finance, an insured asset wrapping protocol for cross-chain $DNT

From the community stewards, GraspOnCrypto has made a phenomenal series on Web3, covering game-changing protocols such as ENS (Ethereum Name Service), POAP (Proof of Attendance Protocol) and EPNS (Ethereum Push Notification Service).

Financials

Balance Sheet

ASSETS

CURRENT ASSETS*	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
BTC	$2,285,054	$2,058,789	$5,364,711	$9,407,015	$6,051,812	$8,616,798	$5,249,401
ETH	$1,841,778	$2,920,962	$5,933,181	$9,579,150	$15,548,913	$18,828,977	$21,536,215
DNT	$1,097,042	$1,642,458	$8,676,106	$52,468,200	$23,868,000	$27,864,000	$24,174,000
GRT	$0	$2,000,000	$24,000,000	$114,666,667	$36,200,000	$47,166,667	$44,460,000
KEEP	$82	$1,279,688	$312,500	$485,417	$214,388	$340,733	$630,115
Stable Coin	$0	$0	$0	$0	$1,964,296	$1,964,296	$1,964,296
Prepaid Expenses	$238,000	$119,000	$0	$324,000	$216,000	$132,000	$0
TOTAL CURRENT ASSETS	$5,461,956	$10,020,896	$44,286,498	$186,930,449	$84,063,409	$104,913,471	$98,014,026

LIABILITIES

CURRENT LIABILITIES	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
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	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
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	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Contractor Wage	$180,333	$140,250	$119,582	$578,445	$244,955	$235,100	$262,890
Technology and Development	$10,034	$572	$5,823	$44,649	$31,690	$33,304	$10,921
Marketing and Sales	$0	$0	$2,125	$0	$86,128	$21,290	$123,041
General and Administrative	$29,449	$28,981	$30,254	$22,994	$69,767	$35,574	$45,087
Other	$0	$0	$0	$0	$0	$0	$0
TOTAL EXPENSES	$219,816	$169,804	$157,785	$646,088	$432,540	$325,268	$441,939
OPERATING PROFIT	-$219,816	-$169,804	-$157,785	-$646,088	-$432,540	-$325,268	-$441,939

Summary

We continued our momentum from last quarter and all projects had significant progress. Ethlance, Meme Factory, and Name Bazaar are all on the eve of new public releases which we are excited to share. Our continued development of d0xINFRA alongside updating those products have further strengthened our core offerings as well. Our community has been strengthened through Stream Tide as well and are optimistic about our development in 2022.

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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
- Follow us on Twitter, Facebook and Instagram