



# district0x

## Quarterly Report Q2 2021

October 4th, 2021

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# 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

## **district0x**

Efforts were put towards housekeeping and progress across district0x projects. We updated infrastructure across the board. This included updating our nginx configurations to improve security and reconfiguring our AWS registry to enable a setting to refresh docker image security automatically. Additionally QA instances were moved from US West servers to European ones to be more central to our devs. We also automated a bunch of our manual configurations which has assisted in faster and easier spin-ups.

Progress has been made in DevOps, specifically Continuous Integration strategies for our Javascript and Clojure libraries. We will be verifying our github and increasing accessibility for developers as well. This will coincide with our launch of Gitcoin tribe for future bounty campaigns and potentially new district proposals.

## **Ethlance**

This quarter saw Ethlance make many big steps in Ethlance's development roadmap. First EVM updates and other missed nuances reinforced the foundation to build on. Exploration of ZK-Sync rollup was given a lot of focus. This is being utilized for primary transaction routes such as invoicing so that they can be achieved in a scalable, efficient manner. This will eventually extend to a full stack application.

Other updates were also completed towards complete connection of the front and backend, including dialing in the Create Job and Job Details pages. A decision was also made to depreciate bounties support after compatibility for L2 solutions showed this as an eventuality.

## **Name Bazaar**

Various updates were made in anticipation of mainnet launch. This started in the quarter with a QA instance being established and debugged. There was an overloading loop tanking the server. This required investigation with our external development partner but was able to be ironed out and a stable instance was successfully launched for testing. We then received a new batch of code from Vacuum Labs that required some finessing to implement but was accomplished and now Name Bazaar is about to launch on mainnet.

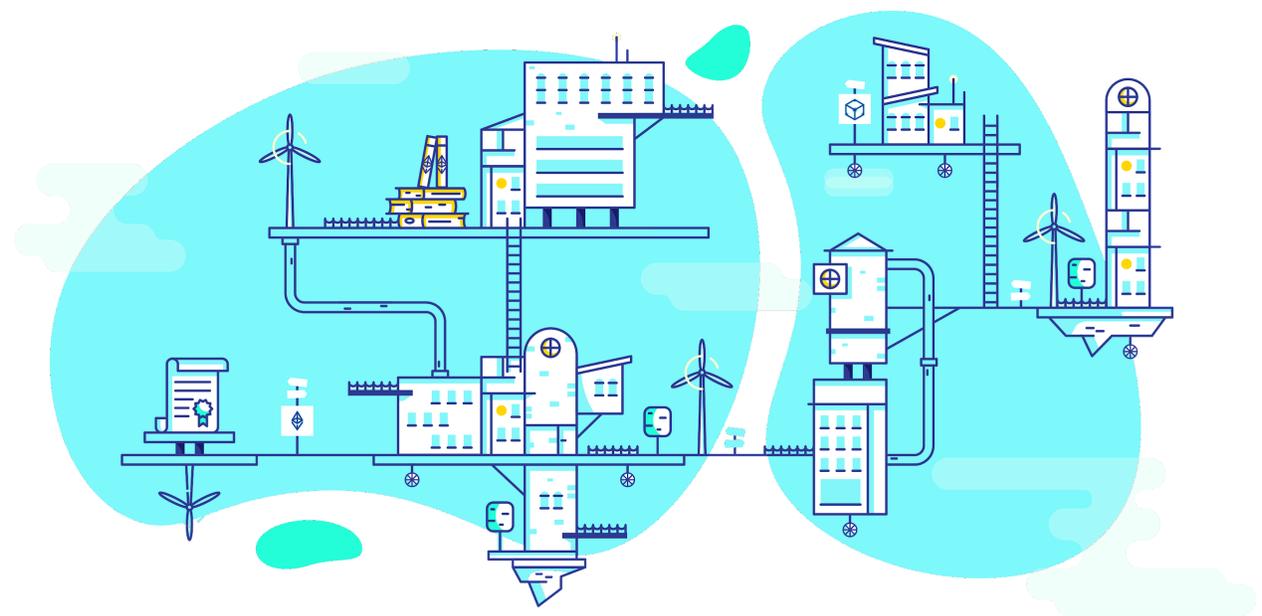
## **Meme Factory**

Due to high gas prices, temporarily committed to re-launching Meme Factory on an Ethereum testnet (Ropsten) to allow artists and collectors to continue to expand their collections without fees. We expect to offer a bridge to bring this new work back onto the mainnet.

## Hegex

Progress has been continuing at a steady rate. Work has proceeded on both the backend and frontend to achieve faster loading times and a more intuitive, pleasing UI. A new development environment was launched on Ganache that allows us to operate an end-to-end wrapping and swapping experience in a local dev environment sans gas fees. We also finished setup of an Ox relay node.

Functions were also added to improve usability for users. This includes tools to check liquidity before submitting orders that would otherwise fail and cause erroneous gas fees. Other UI tools and safety checks of that nature were also explored and implemented. The quarter ended with a mainnet launch but we had to briefly pull it down due to a couple small issues and will redeploy in the coming weeks.



# Community

During Q2 the community charged forward in a huge way with our new Ambassador program dubbed the 'Community Stewards'. They have started editing clips from the live stream, taking on bounties, new moderator roles, making quests for Gitcoin, helped with our Gitcoin hackathon, and more.

This quarter we also onboarded our new Marketing Lead, Henri Mahal. Henri formerly co-founded a [creative marketing agency](#) based in Berlin. Henri helped us launch community events, and helped us significantly grow the community and our social media presence.

With the help of our new team members and additions to the community, we hosted community contests, community game nights, events in VR, and launched social token experiments for the live stream. We also saw some of the first community submitted blog content and contests that helped shape the community this quarter. We couldn't be happier with the community lead initiatives this quarter and can't wait to see what the next quarters yield.

## **Community-Led Initiatives**

We'd like to highlight member Kyle Crusoe who hosted a contest for Meme Factory that resulted in a huge influx of artists, Twitch streamers, and content creators. Our community members Rasuki and Kyle jumped on the initiative to create content for Gitcoin badges and NFTs.

Community member, [Anniceris](#), published an article on the [Web3 Marketplace Revolution](#). This quarter the community also helped build an archive of stream clips that range from educational, entertaining, and promotional. Huge shout out to our community members Kyle Crusoe, Rasuki, RobBoss, Anniceris and Root for taking the lead on all this.

Lastly, we launched the community moderator roles in Discord. All Core community members now have the ability to warn other people for breaking the community rules. Our Community Steward role can now soft ban, mute, and moderate freely, and our full mod role can perma-ban people. This was a very exciting and productive quarter for the district0x community and we can't thank you all enough.

## **Stream Tide**

Stream tide designs have been finalized with the community getting a first hand look at what it takes to build their own district from the ground up. Be sure to check out the stream as Brady documents the journey from start to finish. This will be an invaluable resource for anyone who is serious about their own District proposal.

### **Meme Factory**

We had a significant uptick in activity in Meme Factory this quarter. New memes, challenges, and social media activity have continued to charge forward. If you want to see the action on Meme Factory in real time, be sure to follow the [Meme Factory bot on Twitter](#).

### **The District Registry**

We kicked off the Gitcoin hackathon as one of the lead sponsors for Gitcoin Grants Round 10, which we covered in this [spotlight article](#). Hackathon participants built features for each of our live districts and even added a Snapshot integration for the District Registry.

### **The Live Stream**

We began the ideation of multiple stream tokens to conduct a number of social experiments on stream, we launched a few different tokens that have no use case or value beyond the educational review we conducted of each platform. While these may be used for a number of different social experiments, we may discontinue the use of the tokens we launch at any time.

To move forward with these token experiments, we launched the [token design contest](#) for our upcoming dive into Tryroll. We aren't offering any guarantee that these tokens will be used for anything beyond minting them and doing social experiments on stream/Discord for educational purposes. Please don't buy them and don't respond to anyone claiming the tokens will be sold or used beyond these experiments. Earn them, play with them, give them to others who are new to crypto and enjoy the immersive educational experience we are offering to the community.

## **Marketing**

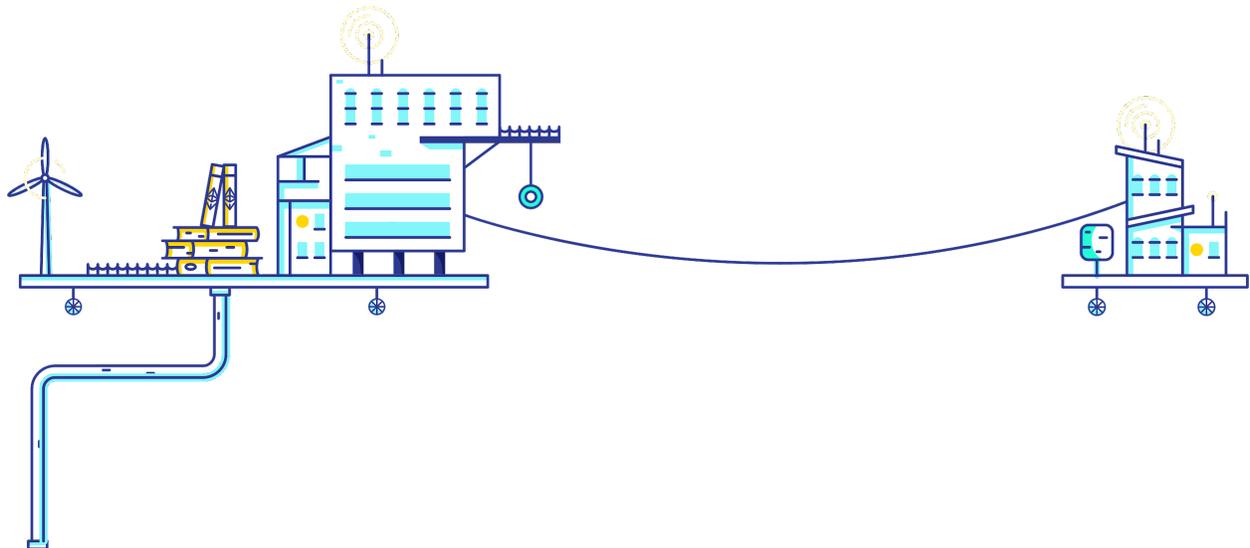
During Quarter 2 2021, we launched a comprehensive Marketing Assessment by setting up a number of new Analytic tools and running the numbers on all platforms against each other. In doing so we were able to formulate an informed strategy based on the data aggregation and identification.

We set up new Google Analytics IDs to follow all company websites and profiles, launched a new Semrush SEO audit and campaign and evaluated the data based on engagement and growth. We also established new profiles on a number of platforms, including Facebook, Instagram, LinkedIn, Subsocial, Hackernoon, Publish0x, and others to broaden our reach horizontally. We created the [onboarding.district0x.io](#) link portal to have a central place for all profiles.

The goal of the audits was first and foremost understanding the current position in the market so we could fine tune and optimize any future marketing efforts. This includes identifying key market channels, its hashtags and engagement methods, other communities we could integrate for cross community growth and engagement, as well as identifying Influencers and trends we could follow and engage with.

From there we were in a position to review our cross platform posting schedule, produce more coherent content, participate in key events and target a well defined demographic over their preferred channels. We strengthened that by using AI tools (lately.ai) to automate what we could, and thus amplify posting frequency, and ultimately awareness. In discord, we prioritized retention of present users so that new users would feel more connected to our community and products once they land in our community for the first time.

In addition, we relaunched our Weekly Newsletters and relaunched Mailchimp email campaigning with comprehensive monthly community emails to the existing userbase, with a new focus on well defined selling points, refreshed design assets and new edge: the metaverse. Finally, we were able to define a content feedback loop which adjusts our marketing strategy based on the results in real time.



# Financials

## Balance Sheet

### ASSETS

CURRENT ASSETS*	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>BTC</b>	\$1,875,120	\$1,769,149	\$2,285,054	\$2,058,789	\$5,364,711	\$9,407,015	\$6,051,812
<b>ETH</b>	\$1,284,686	\$1,331,305	\$1,841,778	\$2,920,962	\$5,933,181	\$9,579,150	\$15,548,913
<b>DNT</b>	\$988,061	\$712,277	\$1,097,042	\$1,642,458	\$8,676,106	\$52,468,200	\$23,868,000
<b>GRT</b>	\$0	\$0	\$0	\$2,000,000	\$24,000,000	\$114,666,667	\$36,200,000
<b>KEEP</b>	\$83	\$64	\$82	\$1,279,688	\$312,500	\$485,417	\$214,388
<b>Stable Coin</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$1,964,296
<b>Prepaid Expenses</b>		\$252,000	\$238,000	\$119,000	\$0	\$324,000	\$216,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$4,147,949</b>	<b>\$4,084,795</b>	<b>\$5,461,956</b>	<b>\$10,020,896</b>	<b>\$44,286,498</b>	<b>\$186,930,449</b>	<b>\$84,063,409</b>

### LIABILITIES

CURRENT LIABILITIES	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Short-Term Debt</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$0</b>						

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

## Income Statement

INCOME	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cost of Goods Sold</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GROSS PROFIT</b>	<b>\$0</b>						

EXPENSES	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Contractor Wage</b>	\$192,000	\$276,000	\$180,333	\$140,250	\$119,582	\$578,445	\$244,955
<b>Technology and Development</b>	\$9,042	\$4,762	\$10,034	\$572	\$5,823	\$44,649	\$31,690
<b>Marketing and Sales</b>	\$0	\$0	\$0	\$0	\$2,125	\$0	\$86,128
<b>General and Administrative</b>	\$40,483	\$29,727	\$29,449	\$28,981	\$30,254	\$22,994	\$69,767
<b>Other</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	<b>\$241,524</b>	<b>\$310,489</b>	<b>\$219,816</b>	<b>\$169,804</b>	<b>\$157,785</b>	<b>\$646,088</b>	<b>\$432,540</b>
<b>OPERATING PROFIT</b>	<b>-\$241,524</b>	<b>-\$310,489</b>	<b>-\$219,816</b>	<b>-\$169,804</b>	<b>-\$157,785</b>	<b>-\$646,088</b>	<b>-\$432,540</b>

# Summary

This quarter was filled with solid progress across all projects. Name Bazaar and Meme Factory are closest to mainnet launch and large steps were accomplished that made the launches of these projects feel in grasp. All the other projects had strong backend infrastructure improvements. The steps taken this quarter felt substantial in terms of futureproofing. Our community took big steps as well with the creation of our Ambassador program and activation of the community manager role in Discord. We are excited about the momentum this quarter and will continue to build on it moving forward.

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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](#)