

## **Proposal for Token Buyback Program**

### **Updated DXD Holder Presentation Attached Below**

**April [DATE], 2021** -- After receiving feedback from the community, DXdao is announcing that an on-chain proposal will be made for a repurchase program of its DXD token. DXdao may repurchase up to \$1 million in ETH of currently outstanding DXD tokens, over a period of six (6) months, through on-chain open market purchases utilizing a smart contract relayer to place orders on Gnosis protocol.

All repurchases will be initiated by an on-chain relayer contract that DXdao can interact with through a proposals passed through a multi-call scheme.

- This relayer ensures an accurate price by setting initial upper and lower bounds at proposal submission and then using a time-weighted average price (TWAP) from Swapr and Uniswap to serve as an oracle for the repurchase price when the trade is executed.
- Orders will be placed 2.5% of the TWAP price taken on Uniswap or Swapr. At proposal submission, upper and lower bands can be instituted to protect against manipulation.
- No more than 25% of average daily trading volume (ADTV) of DXD will be repurchased on any given day during the token buyback program. The initial daily purchase limit will be \$35k, based on an average daily volume of \$140k (see On-Chain DXD Volume).

This token repurchase program is intended to return value to DXD token holders at a time where the DXdao community is confident in our current product development efforts and budget. At recent market price levels, the token repurchase program is an excellent opportunity to buy DXD at a significant discount to its intrinsic value and is an attractive investment to support DXdao's planned Swapr incentive program, along with other initiatives. DXdao can comfortably execute this token buyback program and also continue with our product expansions planned for 2021 because of our overall strong financial position.

DXdao is committed to the buyback program as long as the book value of its treasury (excluding DXD) is larger than the circulating supply of DXD. For clarification, this includes ETH, stablecoins and Swapr LP tokens in the mainnet or xDai treasury and any other authorized base. It does not include DXD or DXdao product tokens. Circulating supply is the total supply of [DXD ERC-20](#) token minus DXD held by DXdao and any DXD in a vesting contract. CoinGecko should be used to determine the price of DXD, ETH and the assets in Swapr LP tokens can be priced on CoinGecko. Outstanding liabilities should be reported on a quarterly basis.

The actual timing, number, and value of DXD tokens repurchased under the token buyback program will depend on a number of factors, including price, general business and market conditions, and alternative investment opportunities. The token buyback program does not

obligate DXdao to repurchase any specific number of DXD tokens in any period, and may be expanded, modified, or discontinued at any time with a passing on-chain proposal. DXdao will discontinue the token buyback program at any time that the circulating supply of DXD equals or exceeds the on-chain DXdao treasury holding of ETH and other stablecoins, referred to as book value. Payment for DXD tokens repurchased under the program will be funded using DXdao's on-chain treasury.

## Token Holder Presentation (Attachments):

### DXdao consolidated Balance Sheet

Assets		31-Mar-21	
	# of tokens	\$\$ value	
Ethereum mainnet			
Stablecoins	2,067,667	\$2,067,667	
ETH	18,386	\$35,209,190	
DXD	28,000	\$8,680,000	
Other tokens		\$346,206	
ENS names		\$10,000	
Ethereum mainnet treasury total assets		\$46,313,063	
xDai base			
Stablecoins	450,315	\$450,315	
ETH	212	\$405,980	
DXD			
Other tokens		\$45,182	
ENS names			
xDai base total assets		\$901,477	
Buyback reserve			
Stablecoins		129,983.00	
ETH	2,499.54	\$4,786,619	
DXD	16.99	\$5,267	
Buyback reserve total assets		4,921,869.00	
Total assets		\$52,136,409	
<b>Total assets (net DXD and buyback reserve)</b>		<b>\$38,534,540</b>	
Liabilities			
	# of tokens	\$\$ value	
Current liabilities			
Accounts payable		\$139,000	
Deferred worker DXD payments	702	\$217,465	
Other liabilities		\$129,983	
Legal fund		\$500,000	
Total liabilities		\$986,448	
Net assets		\$51,149,961	
<b>Net assets (excluding DXD and buyback reserve)</b>		<b>\$37,895,540</b>	

1. Financial Statements
2. Risk Factors
3. DXdao Governance Structure