Introducing
DXdao's Token Buyback Program

April [DATE], 2021 -- After receiving feedback from the community, DXdao is announcing that an on-chain proposal has been passed for a repurchase program of its DXD token. DXdao may repurchase up to $1 million in ETH of currently outstanding DXD tokens. The Buyback will take place over a period of six (6) months through on-chain open market purchases that utilize a smart contract relayer to place orders on Ethereum mainnet and xDai.

All repurchases will be initiated by a relayer contract that DXdao can interact with through proposals passed with a multi-call scheme. The relayer ensures an accurate price and protects against manipulation by setting initial upper and lower bounds at proposal submission. The relayer then uses a time-weighted average price (TWAP) from Swapr and Uniswap, which serves as an oracle for the repurchase price when the trade is executed. Specifically, orders will be placed at 2.5% of the TWAP price taken from Uniswap or Swapr.

No more than 25% of average daily trading volume (ADTV) of DXD will be repurchased on any given day during the Buyback. For example, if there is an ADTV of 140K DXD on decentralized markets DXdao would repurchase $35K DXD in a single day.[1]

The Buyback is intended to return value to DXD token holders at a time when the DXdao community is confident in our current product development efforts and budget. At recent market price levels, the Buyback is an excellent opportunity to

[1] See DXD ADTV.

repurchase 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 the Buyback and also continue with planned product expansions for 2021 because of DXdao's overall strong financial position.

The actual timing, number, and value of DXD tokens repurchased under the Buyback will depend on a number of factors, including price, general business and market conditions, and alternative investment opportunities. The Buyback does not obligate DXdao to repurchase any specific number of DXD tokens in any period, and it may be expanded, modified, or discontinued at any time with a passing on-chain proposal.

DXdao will discontinue the Buyback at any time that the circulating supply[2] of DXD equals or exceeds the on-chain DXdao treasury holding of ETH, stablecoins, and Swapr LP tokens, referred to as "book value". Book value does not include DXD or DXdao product tokens.

The DXdao treasury is located on mainnet, xDai, and may include any other future authorized base. Coingecko will be used to determine the price of DXD, ETH, and the assets held in Swapr LP tokens. Outstanding liabilities will be reported on a quarterly basis. Payment for DXD tokens repurchased under the Buyback will be funded using DXdao's on-chain treasury.

Token Holder Documents (Attached):

1. Financial Statements
2. DXD Buyback Technical Explainer
3. Risk Factors
4. DXdao Governance Structure

[2] Circulating supply is the total supply of DXD ERC-20 token minus (-) DXD held in the DXdao treasury and in any DXD vesting contract.