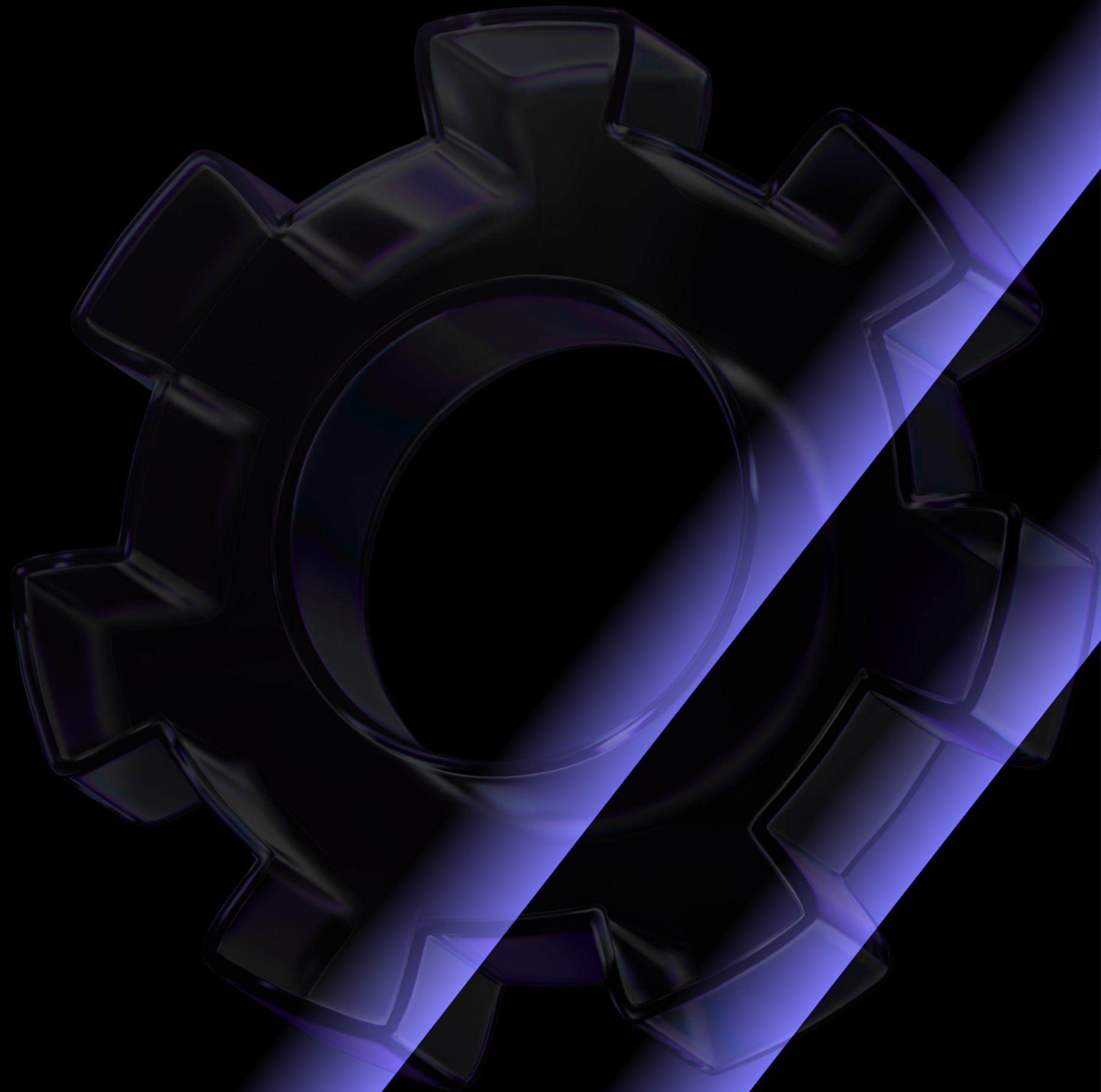
dYdX

Ecosystem Semi Annual Report H1 2025



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Executive Summary

H1 2025 in Brief

The first half of 2025 marked a period of accelerated traction for the dYdX ecosystem. Key developments included the launch of dYdX Surge, a $20M trading competition, the rollout of the Kaito Yapper Leaderboard, and major product upgrades - most notably a redesigned iOS app and the protocol's first Buyback Program. In parallel, the Foundation published a MiCA-aligned legal whitepaper and executed a strategic transition of go-to-market functions to a dYdX Trading subsidiary.

Looking ahead, dYdX is focused on scaling onchain trader activity through an expanded Surge program, next-gen trading competition infrastructure, and continued investments in governance, tooling, and DAO enablement.

About dYdX

As DeFi's pro trading platform, dYdX empowers traders with innovative features and early market access, driven by its mission to let you Trade Anything.

$316B
Trading Volume

$56.2M
Protocol Fees

226
Total Markets Available
See Markets Here

$45.3M
Staking Rewards Distributed

68.6K
Total DYDX Token Holders
Visit dYdX

256 (60 in H1 2025)
Governance Proposals
View Proposals

*Statistics since launch of the dYdX Chain

A Message From Foundation Leadership

The first half of 2025 marked a period of meaningful progress for the dYdX Foundation. From the launch of the Buyback Program to the debut of the Kaito Leaderboard and the kickoff of the Surge Program, momentum and energy continue to build across the Community. We also saw encouraging developments in staking, governance, and treasury management, reinforcing the Foundation's ability to execute with clarity and ambition.

I'm continually inspired by the talent and dedication within the Foundation and the broader ecosystem. In that spirit, I'm pleased to welcome Julian La Picque to the Council. As Group CFO at Chiliz, Julian brings a wealth of financial and operational expertise that will be instrumental as we scale our impact across the dYdX Ecosystem.

Here's to building on this strong foundation in the months ahead.

Markus Spillmann

dYdX Foundation Council President

H1 2025 Achievements

DYDX Buyback Program

Launched via governance, the Buyback program allocates 25% of net protocol fees to buy back DYDX on the open market - aligning long-term value between the protocol and its stakeholders.

New Trading Competition Infrastructure

Funded by dYdX Grants, this tooling enables communities, affiliates, and KOLs to launch and manage trading competitions independently.

New iOS App Introduced

A reimagined iOS App designed to onboard the next wave of traders to DeFi perps on dYdX.

dYdX Surge ($20M Trading Competition)

One of the largest onchain trading competitions ever - dYdX Surge spans 9 seasons with up to $20M in rewards.

Kaito Yapper Leaderboard

dYdX's first major SocialFi initiative, rewarding community engagement and content creation with monthly prizes to top contributors.

DYDX Token

DYDX: Powering 'Trade Anything'

The DYDX token powers the dYdX ecosystem and supports three core functions: (1) Staking: with a median APR of 8.8% in H1 2025, over $3.3M in protocol fees were distributed to more than 17,600 stakers; (2) Security: approximately 270M DYDX were staked to validators in the active set, contributing to the security and reliability of the dYdX Chain; and (3) Governance: token holders participated in 60 governance proposals, signaling the token's central role in shaping protocol outcomes.

DYDX

Native Token of the dYdX Ecosystem Factsheet as of June 30th 2025

DYDX Holder Key Facts

Number of Holders	68.6K
Holder Growth (YoY)	**84%**
Number of Stakers	17,669
Staked DYDX	270M
Median Staking APR (H1 2025)	8.8%

DYDX Token Key Facts

Circulating Supply	746,116,462
Market Cap	402M
Average Price (2025)	$0.75
Percentage Unlocked	90%
Utility	Governance, Security, Staking

Community-Driven Growth

dYdX Surge: $20M Trading Competition

Launched in April 2025, the dYdX Surge Program is a nine-month, $20M initiative designed to strengthen market liquidity, increase trading activity, and drive user re-engagement. By providing onchain incentives tied to every taker trade, Surge is a reward mechanism that aligns trading behaviour with long-term growth. Seasons 1 and 2 saw strong traction, with $2.8M distributed across thousands of traders.

How Surge Works:

- → **Monthly Seasons:** Rewards are distributed monthly, with each season featuring a new leaderboard powered by Chaos Labs.
- → **Reward Categories:**
  - ↳ General (50%) - Based on taker trading fees
  - ↳ Retail (25%) - For trades executed via web and mobile interfaces
  - ↳ Activation (25%) - Incentivizes specific market activity
- → **Permissionless Participation:** No sign-up required, eligible trades automatically earn points and DYDX rewards.

Rewarding the Voice of the Community

As part of dYdX's broader push into SocialFi, the Yapper Leaderboard transforms Crypto Twitter into a competitive space for influence and insight. Developed in collaboration with Kaito, the initiative surfaces and rewards high-signal accounts driving original, meaningful conversation about dYdX.

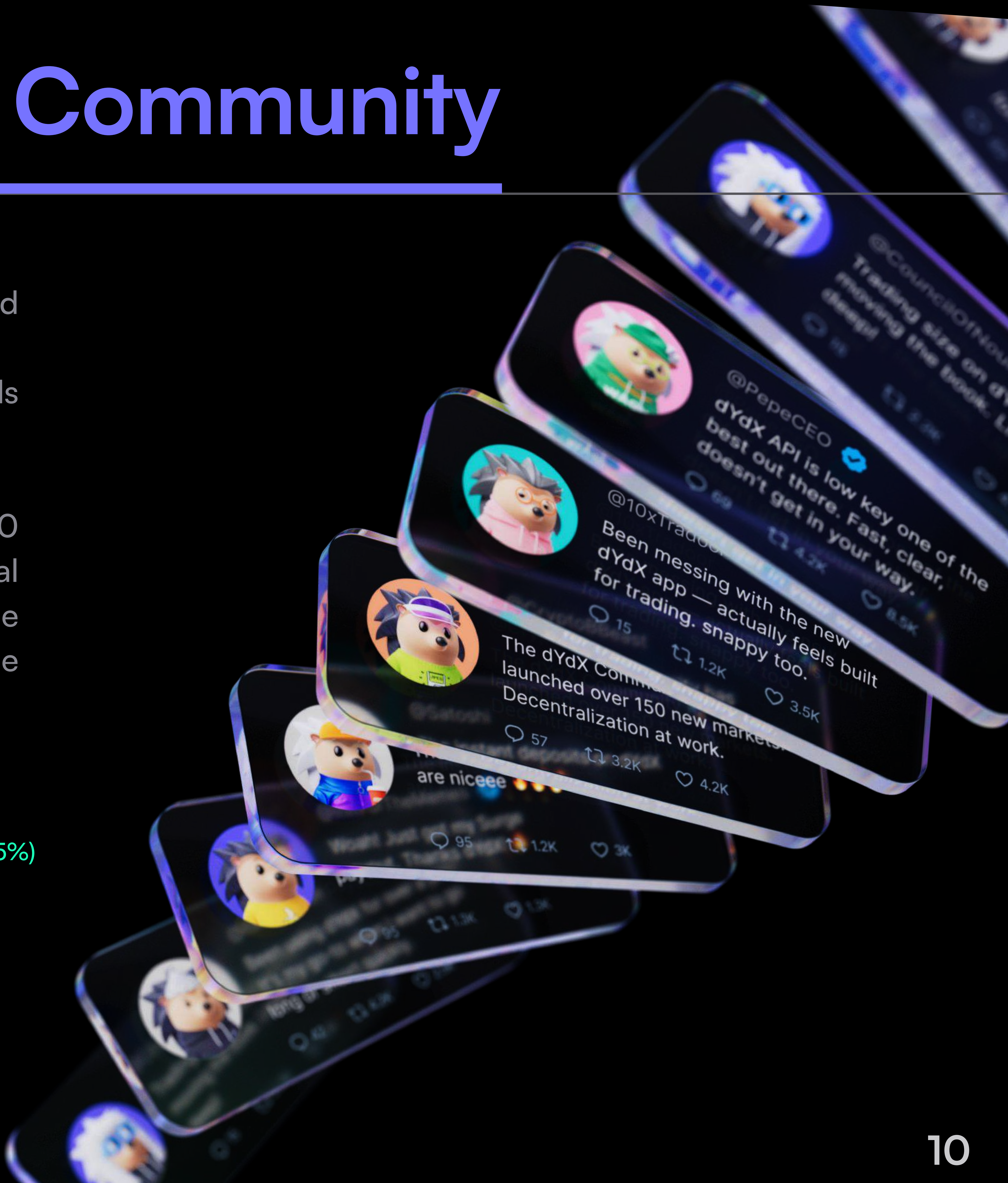
Each 30-day season distributes $50,000 in DYDX to the top 100 contributors, with standout creators earning up to $2,500. By turning social commentary into measurable mindshare, the program elevates the community, spotlights new advocates, and reinforces dYdX's position at the centre of the onchain discourse.

$150K
In Rewards for dYdX Yappers

94% (+193%)
Net Brand Sentiment

12% (+195%)
Mindshare (Perps)

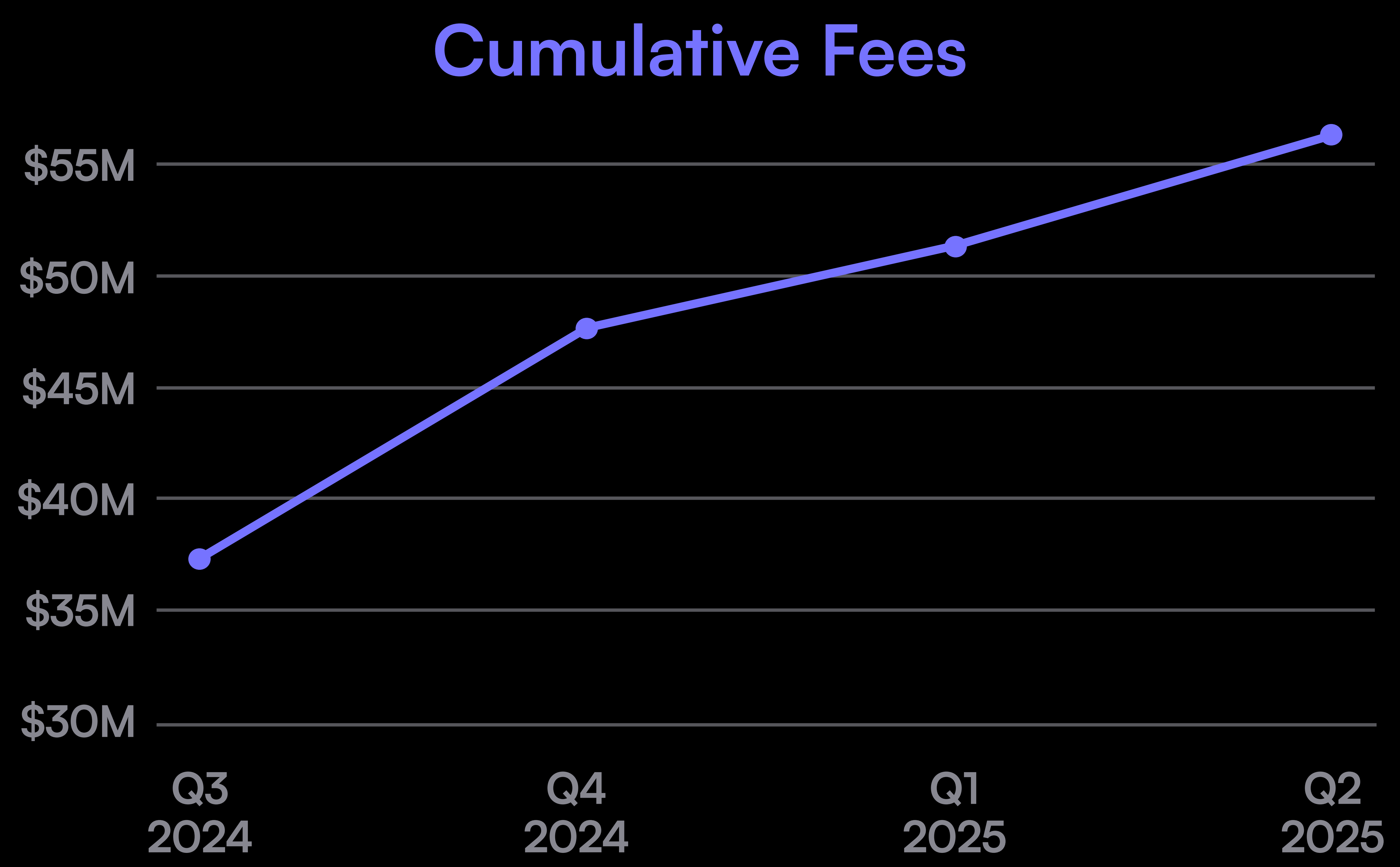
*As of June 30, 2025

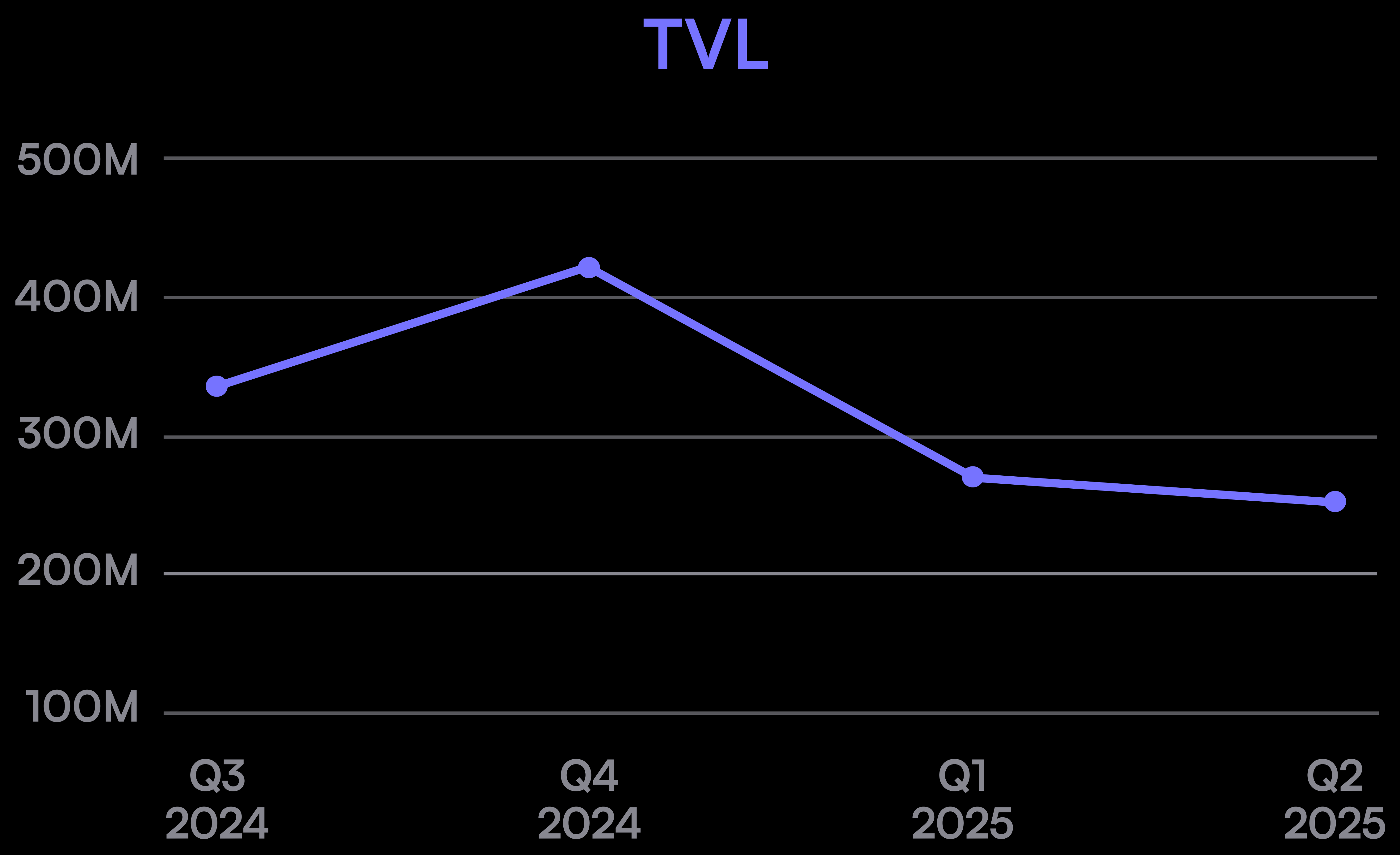


Key Metrics - Fees & TVL

In 2025, dYdX recorded $41B in trading volume and generated $56.2M in net protocol fees, reflecting continued adoption despite heightened competition and macroeconomic headwinds. Cumulative trading volume since the protocol's inception surpassed $1.4T.

After a sharp increase in Total Value Locked (TVL) at the end of 2024, TVL declined from $429M in January, to $260M at the end of June. This retracement reflects broader pressure on yield-driven DeFi products such as the Megavault - in a more constrained risk envitonment.



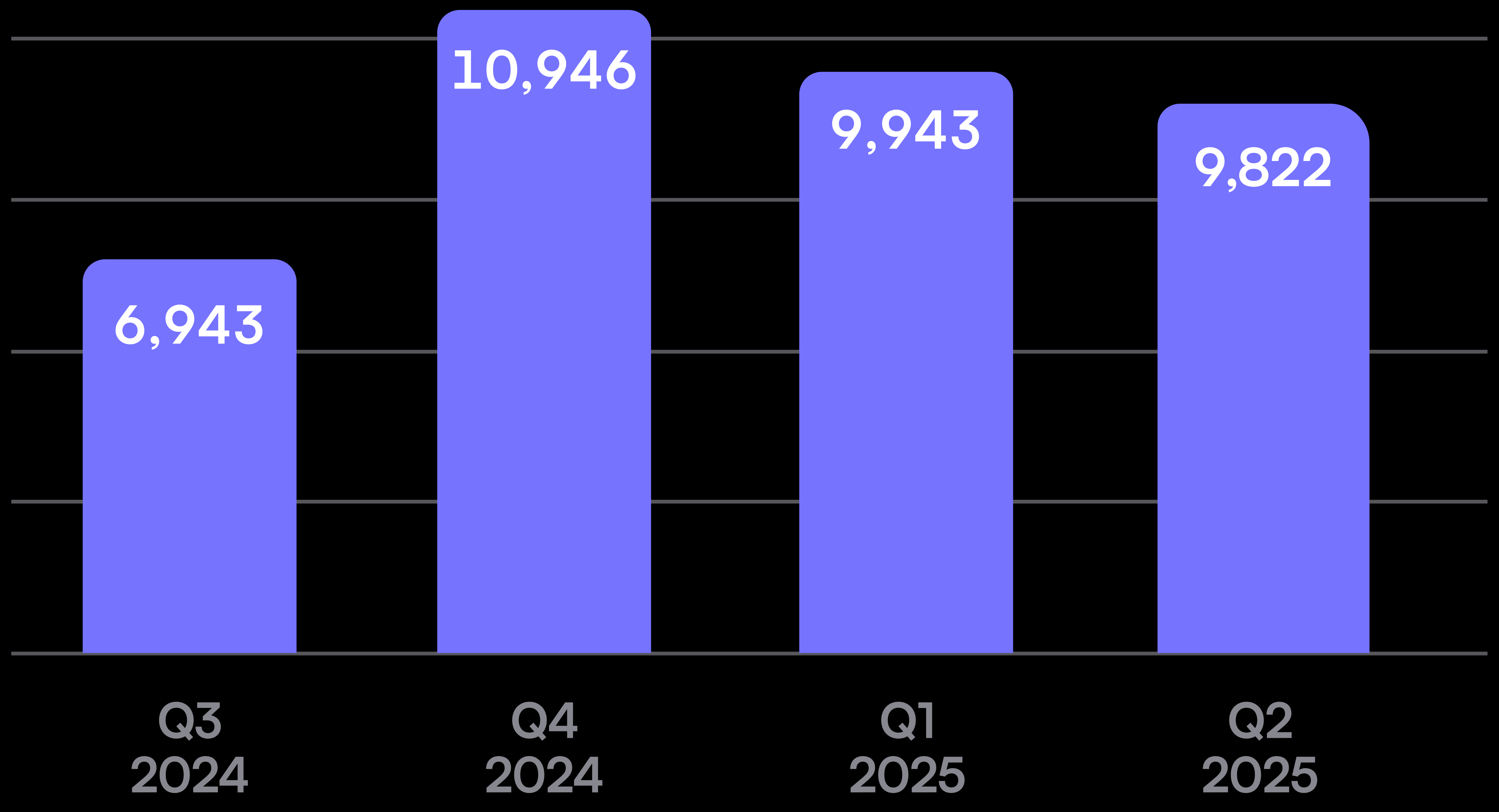


Key Metrics - Active Traders & OI

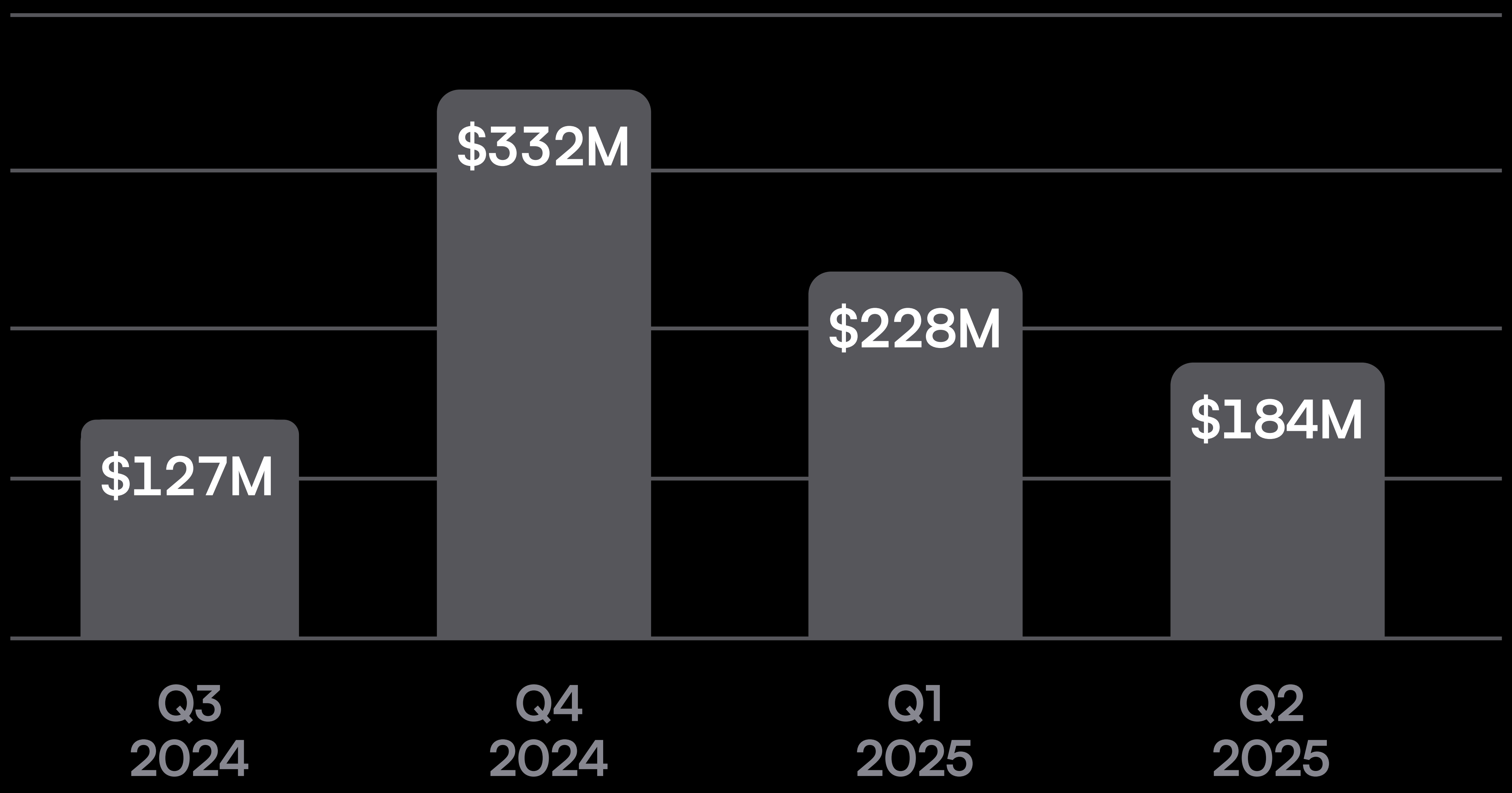
The number of Active Traders remained resilient throughout H1 2025, holding steady after a Q4 2024 peak. Despite a modest quarter-over-quarter dip, usage has stabilized, supported by wallet integrations, incentive programs, and trading competitions.

Open Interest declined by 19% in H1, moving from an average of $228M in Q1 to $184M in Q2. The contraction reflects broader market softness and risk-off sentiment. However, with foundational infrastructure in place and new incentive frameworks set to launch, the protocol is positioned for renewed growth in H2.

Active Traders



Open Interest (AVG)



dYdX Ecosystem
H1 2025

dYdX Ecosystem Map 2025

Disclaimer: The information contained in this infographic is for illustrative purposes only. This infographic showcases some (but not all) of the multiple contributors and participants in the dYdX ecosystem, most of whom are not associated or affiliated with the dYdX Foundation.

Operations subDAO

The Operations subDAO is a dedicated team serving the dYdX community with a clear mandate: to operate, maintain, and evolve the infrastructure of the dYdX Chain, while contributing to broader ecosystem growth.

In early 2025, the subDAO adopted a new guiding principle: **"Level Up"** - to drive continuous improvement and delivery. In March, the subDAO **secured ~$11.5M in community funding** to advance its roadmap and expand its operational capabilities.

Highlights of H1 2025

- **Built Automated Deployment Pipeline:** Delivered a robust CI/CD pipeline to streamline open-source code deployments with embedded QA checks and accelerated release cycles.
- **Took Over Market Mapper Operations:** Assumed full ownership of Market Mapper, replacing the prior rev-share structure to better align incentives with protocol-level priorities.
- **Rolled out major iOS upgrade:** Shipped a redesigned mobile experience with swipe-to-trade, Pro and Default modes, and seamless wallet connectivity - driving improved usability and adoption across iOS users.

Grants subDAO

The dYdX Grants subDAO continued to play a pivotal role in expanding the protocol's footprint by funding initiatives that drive infrastructure development, education, and community engagement. In H1 2025, the subDAO allocated $2.3M USDC across 25 grants to support ecosystem growth, onboarding, and tooling enhancements.

2.3M USDC
Distributed in H1 2025

25 Grants

Used for

- 41% Infrastructure
- 25% Community
- 16% R&D
- 14% Marketing
- 4% Security

Notable Themes

Marketing & Community

Driving Engagement and Adoption

Grants in this category supported high-impact initiatives such as the Surge rewards program, the Yapper leaderboard, social competitions, media integrations, and ecosystem-aligned KOL activations - each designed to deepen user engagement and broaden reach.

View Funded Grants

Infrastructure & Tooling

Enhancing the Trader Experience

These grants focused on elevating the experience for both retail and institutional users. Funded efforts included trading client upgrades, a Telegram-based trading bot, liquidation alert tooling, a deposit fee subsidy campaign, and new market listing systems.

View Funded Grants

Treasury SubDAO

Buybacks, Yield & Growth in H1 2025

The dYdX Treasury subDAO is a community-funded entity focused on asset management and ecosystem financial sustainability. Its mandate spans financial planning, staking operations, yield generation and capital allocation - including DYDX token buybacks.

In H1, the Treasury SubDAO grew assets under management from 45M to ~81.7M DYDX. It also introduced the protocol's first Buyback Program, allocating 25% of net protocol fees toward open market purchases of DYDX - enhancing long term value alignment across the ecosystem.

Buyback Program Snapshot

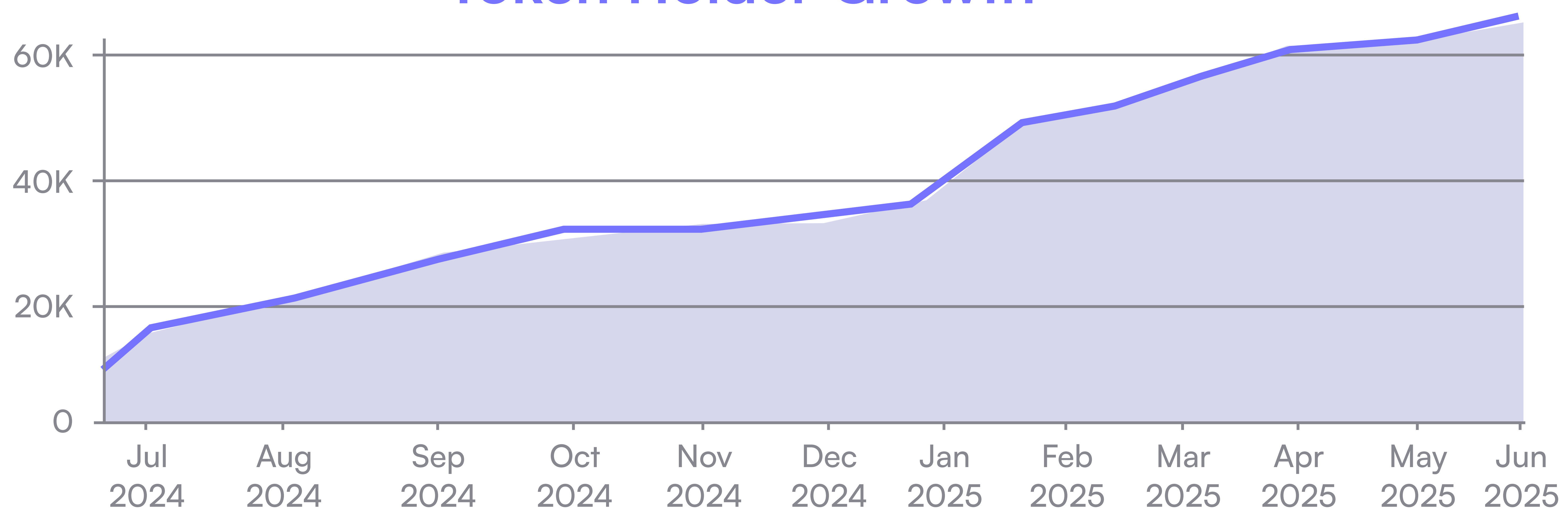
Date Program Launched	23.04.2025
Total DYDX Bought	**2.68M**
USD Market Value	$1.46M
H2 Projected DYDX Buybacks	$1.8M

dYdX Foundation

In H1 2025, the dYdX Foundation published a **MiCA-aligned whitepaper,** providing a detailed legal analysis of the DYDX token's features, associated risks, and compliance posture under evolving EU regulation.

Beyond regulatory initiatives, the Foundation continued to support ecosystem growth through the launch of the **dYdX Surge** rewards program and the **Kaito Leaderboard** - two efforts aimed at driving protocol usage and onchain participation. During H1, the number of unique DYDX token holders also grew **from 37,000 to over 68,000**, reflecting rising engagement across the global dYdX community.

Token Holder Growth



H1 2025 Milestones

- dYdX Surge Launched
- New Kaito Leaderboard
- DYDX Buyback Program
- MiCA-Aligned Whitepaper

H2 2025 Focus

- Institutional Initiatives
- Expand dYdX Grants
- Ecosystem Enablement

Foundation Update

In June 2025, the dYdX Foundation completed a strategic transition of its Marketing, Business Development, and Solutions functions to a wholly-owned subsidiary of dYdX Trading Inc. The move enhances go-to-market coordination with product and engineering teams, while preserving the Foundation's focus on ecosystem growth, governance, and decentralization.

This private transaction extends the Foundation's operational runway and supports its long-term roadmap, including efforts to:

- Accelerate governance participation on the dYdX Chain
- Advance DAO tooling and enablement
- Increase awareness and adoption of dYdX globally
- Safeguard and grow the dYdX brand
- Uphold operational excellence

More information in dYdX Foundation Blog.

Following the transition, the Foundation now operates across three core functional areas, focused on:

- Governance
- Ecosystem growth
- Legal & regulatory initiatives

To support these efforts, the Foundation set out to hire a Marketing Lead and a Grants Lead. These hires will strengthen the Foundation's capacity to execute on its strategic priorities across ecosystem growth, narrative, and grants program oversight.

New Foundation Hires

- Marketing Lead: Recently hired
- Grants Lead: Hiring process ongoing, target August 2025

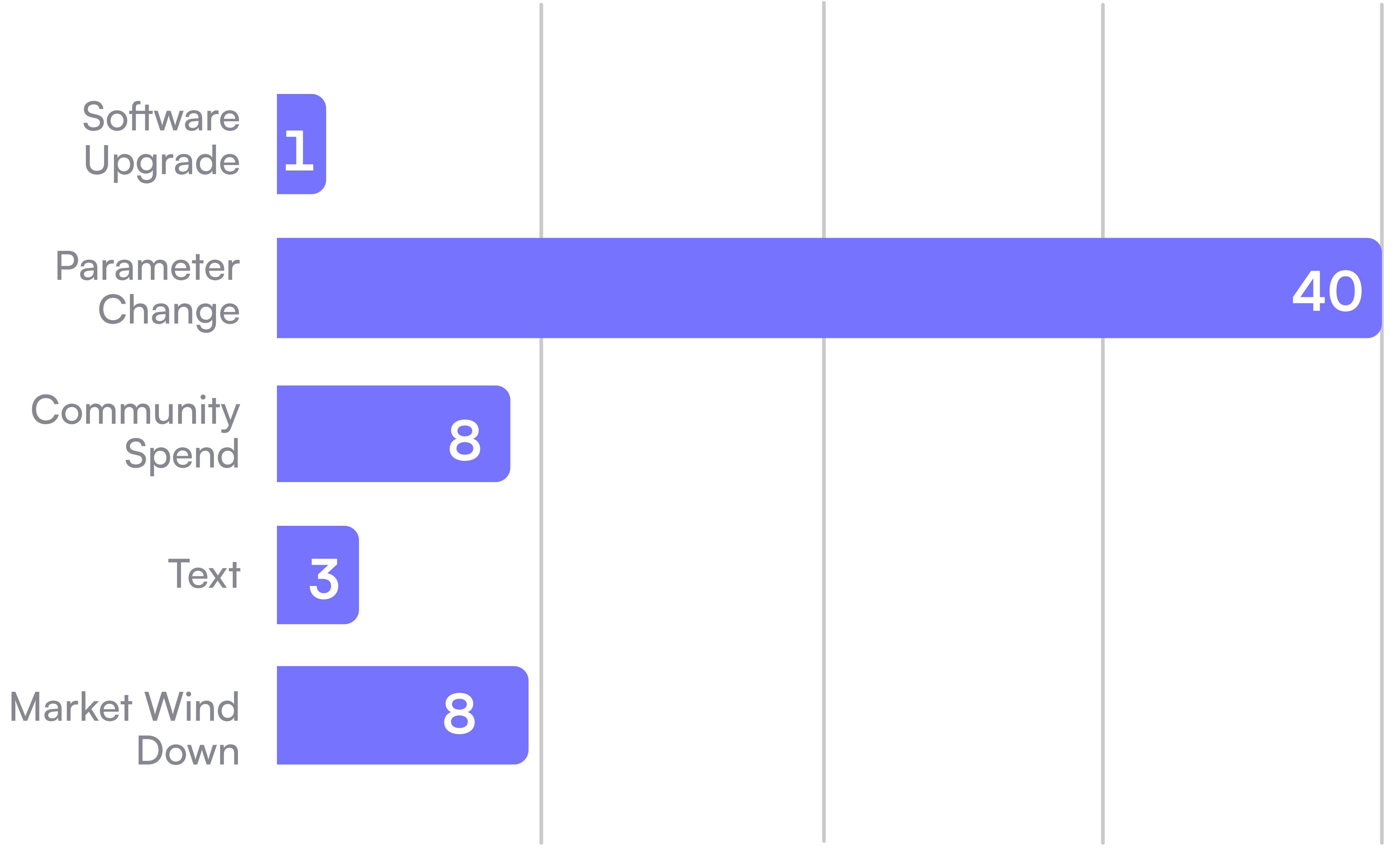
dYdX Governance

60 Proposals

57 Passed | **3** Rejected

H1 2025 marked a high velocity period for dYdX Governance, with 60 proposals passed across categories such as community spend, market wind-downs and protocol parameters. The community demonstrated sustained engagement, helping steer critical decisions around protocol incentives, protocol revenue share, and DYDX token supply management.

Proposal Category Breakdown



Notable Proposals

Proposal #225

Buyback Program

The dYdX community approved the following allocation of net revenue: 25% for a DYDX Buyback Program, 25% to the Megavault, 10% to the Treasury subDAO and 40% to stakers of the DYDX token.

Read More

Proposal #254

Bridge Closure

The dYdX community voted to close the ethDYDX-DYDX Bridge. 95.8% of ethDYDX was migrated and the new Total Suppy of DYDX is 958,342,744.

Read More

dYdX Foundation Finances

USD (K)	2025 May Actual	2025 YTD Budget	2025 Abs. Var	2025 Util. (%)	2025 FY Budget
Revenue	248	214	34		298
Operating Costs					
Personnel	2,173	2,631	(457)	83%	4,011
Marketing, BD & Growth	823	824	(2)	100%	1,124
Professional Services	307	292	15	105%	762
Contractors	359	338	21	106%	359
Administration	237	205	32	116%	429
Custody	74	87	(13)	85%	172
Softwares & IT	105	95	10	111%	136
Other Operating Expenses	50	57	(7)	87%	111
Total Operating Costs	**4,128**	**4,529**	**(401)**	**91%**	**7,104**
EBIT	(3,880)	(4,315)	435		(6,806)
YTD Budget vs Actuals	91%				
Team Members	5				

Budget:

Revised budget from June-25 onwards to reflect the transition of Marketing, Business Development, and Solutions functions to a wholly-owned subsidiary of dYdX Trading Inc.

Key Insights:

Revenue: Staking Rewards from 5.5M staked DYDX tokens among 19 Validators.

Operating Costs:

- Personnel: timing of new hires and token compensation.
- Contractors & Professional Services: additional fees due to transition work.
- Administration: timing of recruitment costs.

Looking Ahead
H2 2025

dYdX Trading Product Update

In March 2025, dYdX Trading Inc ("dYdX") reaffirmed its commitment to building robust and scalable decentralized trading software by outlining a clear plan and its most ambitious product roadmap to date. Building for a broad community of users, with advanced features for pro traders.

H1 Achievements

- API Performance: Achieved a 98% reduction in p95 response times.
- New iOS App: Reimagined iOS software developed for the next generation of perpetual traders.
- Instant Deposits: Cut transaction times for adding funds from 20 minutes to under 1.

Long Term Vision

- Spot Trading & Multi-Asset Margining: Leverage IBC Eureka to enable secure cross-chain transfers, paving the way for spot trading and new collateral types.
- ”Trade Anything” Protocol Expansion: Build software for long-tail, pre-launch, and real-world assets.

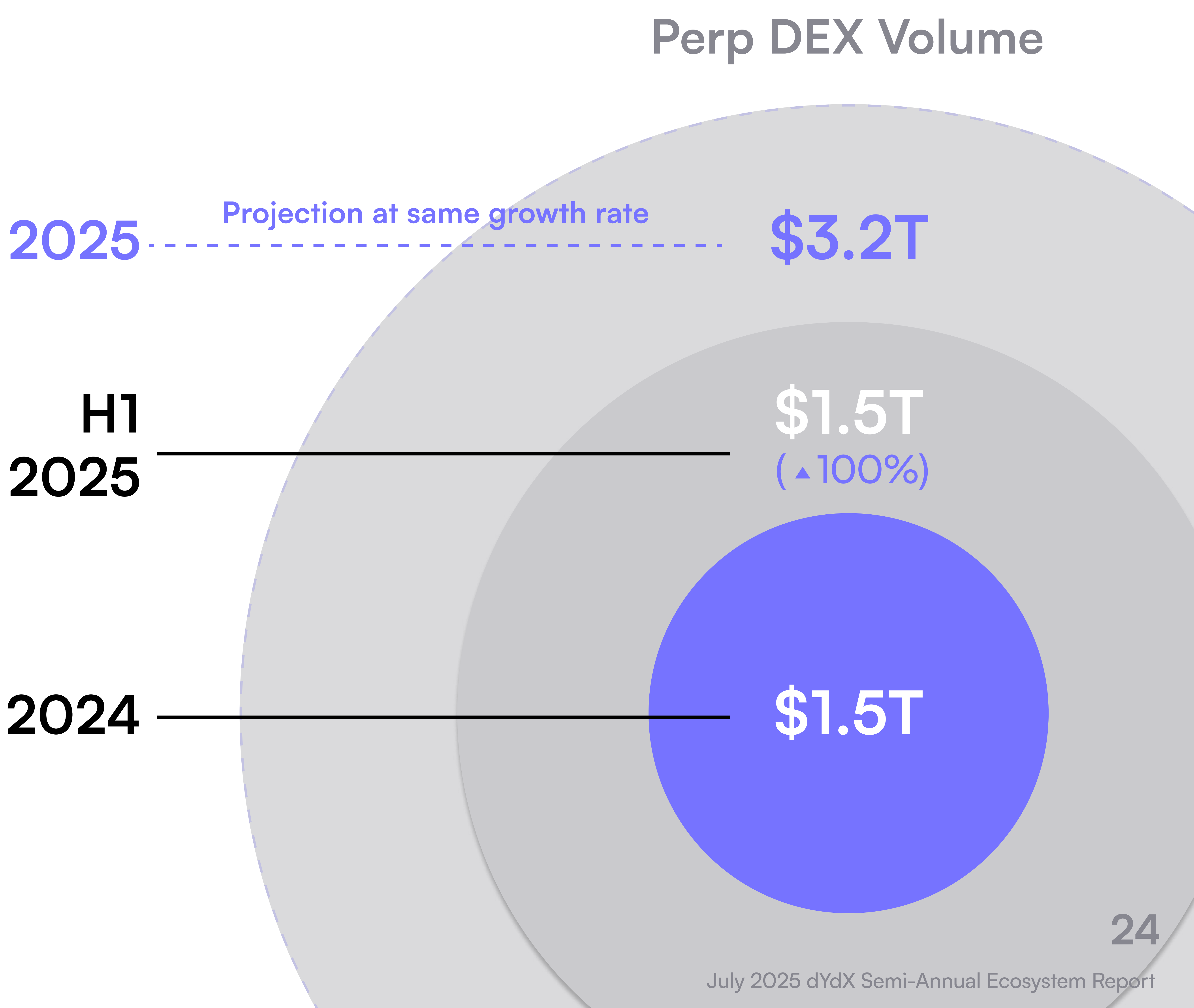
The Future of Decentralized Trading

The acceleration of decentralized trading has been significant in 2025. Perpetual DEXes are on track to double 2024's all time high - with YTD volumes nearing $1.5 trillion - equivalent to the full year figure recorded just 6 months ago.

If current growth persists, the market could close the year at $3.2 - 3.5 trillion in cumulative volume, marking another **>100% year-over-year increase** and reinforcing the long-term trajectory of DeFi derivatives.

This growth reflects more than macro trends. It signals a structural shift in market behaviour and user preference. As decentralized venues continue to improve execution, accessibility and performance, **dYdX remains a category leader,** backed by 8 years of protocol development and real world adoption.

Foundational upgrades delivered in H1 - including mobile UX improvements, faster deposits and frontend enhancements - combined with an ambitious H2 roadmap - position dYdX to further **expand market share** in a rapidly accelerating space,



Legal Disclaimer

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The dYdX Foundation makes no recommendation as to how to vote on any proposal in dYdX governance, or to take any action whatsoever. The dYdX community is sovereign to make decisions freely and at its sole discretion, in accordance with the governance rules, principles, and mechanisms adopted by the dYdX DAO. The dYdX Foundation does not directly participate in governance decisions to be made by the dYdX community, including, without limitation, by voting on governance proposals.

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