DYDX Whitepaper

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1	**Date of notification**	Not applicable
2	**Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114**	This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The author of this crypto-asset white paper, as identified in Section C.13. below, is solely responsible for the content of this crypto-asset white paper.

3	**Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114**	This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading in all material regards and the crypto- asset white paper makes no omission likely to materially affect its import.
4	**Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114**	The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.
5	**Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114**	Not applicable
6	**Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114**	The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.
SUMMARY		
7	**Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114**	Warning This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. An offer to the public of this crypto-asset should not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation may only be made by means of a prospectus or other offer documents pursuant to the applicable national law(s). This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.

8	**Characteristics of the crypto-asset**	DYDX (the *"**Token**"*) is the native token of the dYdX Chain (the *"**Network**"*), a Cosmos SDK-based blockchain that, among other things, enables decentralised perpetual futures trading. The Token serves as the Network's staking and governance token, with a fixed total supply of 1,000,000,000 Tokens. Token holders can stake or delegate their Tokens to Network validators to contribute to the Network's security. To stake their Tokens, Token holders must pay a transaction fee with the Token. Token stakers are entitled to partake in the Network's on-chain governance. Token holders who stake the Token as well as users who participate as Network validators are rewarded with 40% of the Network's net trading and transaction fees, which are collected predominantly in USDC. Those who execute successful trades on the Network, meaning that their trades find a match transaction, are also rewarded with Tokens based on their trading activities. On this end, they can receive up to 90% of their paid fees in Token rewards. Lastly, holders of the ethDYDX token, a different token launched on the Ethereum network in 2021, may migrate their tokens to the Network, obtaining in return the Token at a 1:1 ratio. However, support for the permissionless smart contract that enables this migration is expected to be discontinued on the Network in June 2025. The rights and obligations of Token holders, including but not limited to the proportion of the Network's fees distributed as staking rewards, may be modified through the Network's on-chain governance system at any time.
09	**Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability**.	Not applicable
10	**Key information about the offer to the public or admission to trading**	The dYdX Foundation is publishing this crypto-asset whitepaper in good faith for informational purposes only. Whilst the dYdX Foundation has endeavoured to ensure this document conforms to MiCA standards, the Foundation is not the issuer of the Token and is

		neither offering it to the public or seeking its admission to trading on any trading platform.
Part I – Information on risks		
I.1	**Offer-Related Risks**	This crypto-asset whitepaper is not being published in connection with an offer to the public or the admission to trading of the Token on a trading platform. The dYdX Foundation is publishing this crypto-asset whitepaper in good faith for informational purposes only.
I.2	**Issuer-Related Risks**	All Tokens were originally created in the genesis block of the Network. The genesis block is the first block of the Network and was produced in a decentralised and permissionless fashion by the validating nodes that participated in the genesis process of the Network on 26 October 2023. Consequently, there is no identifiable issuer of the Token.
I.3	**Crypto-Assets-Related Risks**	(1) **Market risk**: the price of the Token may fluctuate over time, including with significant volatility, and the Token may lose all or part of its financial value. (2) **Liquidity risk**: the Token may not always be transferable and the liquidity of the Token may change over time. (3) **Unbonding risk**: when a holder decides to unbond their Tokens from a Network validator, the Tokens will undergo an unbonding period during which (i) the Tokens will remain non-transferable and, therefore, illiquid, and (ii) the holder will not be entitled to receive staking rewards on their Tokens or to participate in Network governance. (4) **Slashing risk**: Tokens that are bonded to a Network validator may be subject to slashing risk via the slashing module. The slashing module is a mechanism to penalize validators and their delegators for a violation of protocol rules by slashing their bonded tokens. Penalties under the slashing module include burning a portion of a validator's bonded tokens (including their delegators' bonded tokens) and/or temporarily removing their ability to vote on future blocks. To learn more about slashing on the Network, please refer to the governance documentation available here: https://docs.dydx.community/dydx-unlimited/modules/slashing. (5) **Protocol risks**: these include bugs or flaws in the Network's software (including its consensus mechanism, staking logic, and governance processes), and vulnerabilities in cryptographic primitives that could lead to the theft or loss of Tokens or other disruptions. (6) **Risks of self-custody**: if you have custody of your own Tokens in a self-custodial wallet, you are solely responsible for ensuring

		the security of your wallet and your Tokens. If you interact with malicious software (including fraudulent smart contracts) you may lose access to your wallet and/or your Tokens. If you send your Tokens to a network address or smart contract with which they are not compatible and/or that you don't understand you may permanently lose access to your Tokens. Any losses sustained as a result of the risks outlined in this paragraph may not be recoverable. (7) **Regulatory risk**: the legal and regulatory environment applicable to crypto-assets (including the Token) is evolving and may change over time. Future regulatory actions or interpretations could negatively impact the Network, the Token, or participants in the ecosystem, including restrictions on trading, staking, or usage of Tokens in certain jurisdictions. (8) **Technology risk**: the Token operates on the Network, a Cosmos SDK-based blockchain. Bugs, flaws, or vulnerabilities in the software, consensus mechanism, or cryptographic primitives could lead to loss of access, slashing, halted transactions, or protocol failures. (9) **Governance risk**: stakers of the Token and Network validators may participate in on-chain governance decisions. However, governance outcomes may be influenced by a small number of large stakeholders or be subject to capture, misalignment with minority Token holders, or unforeseen consequences of passed proposals. (10) **Counterparty risk in delegation**: when Token holders delegate Tokens to a validator, they are exposed to the operational performance and integrity of that validator. Poor behaviour or mismanagement by the validator may result in reduced rewards or slashing penalties. (11) **Smart contract risk**: although Tokens on the Network are not governed by Ethereum smart contracts, interoperability with bridges, staking mechanisms, or third-party DeFi protocols may involve interacting with smart contracts that could be exploited or malfunction, potentially leading to financial loss. (12) **Bridge risk**: Tokens may be transferred between chains via interoperability bridges. These bridges may be susceptible to exploits, bugs, or governance attacks, potentially leading to partial or total loss of funds. (13) **Inflation/Dilution risk**: staking rewards and protocol emissions may dilute non-participating Token holders over time. If a holder does not stake their Tokens, they may experience relative dilution of their token holdings. (14) **Network congestion risk**: high network usage or validator downtime may lead to transaction delays, increased fees, or

		failed transactions, limiting the utility and transferability of Tokens at critical times. (15) **Information asymmetry risk**: not all Token holders may have equal access to information or technical understanding of governance proposals, validator performance, or protocol upgrades, potentially disadvantaging less-informed participants. (16) **Fork risk**: the Network may experience a hard fork or contentious upgrade, leading to divergence in protocol rules and uncertainty about which version of the Network will be supported by validators and exchanges. This could result in disruptions or loss of utility for Tokens. (17) **Community and narrative risk**: the success of the Token is closely tied to the level of community engagement and its broader perception in the crypto space. Shifting market trends, declining community activity, or changes in sentiment could adversely affect adoption and market value. (18) **Scam and fraud risk**: Token holders are exposed to risks associated with phishing, social engineering attacks, counterfeit tokens, impersonation of the project team, fake airdrops, and malicious third-party interfaces. Engaging with unofficial sources increases the likelihood of loss. (19) **Transaction cost risk**: although blockchain transaction fees are generally low, fluctuations in network demand or fee structures may increase the cost of using the Token, reducing economic efficiency or discouraging use. (20) **Jurisdictional restriction risk**: some jurisdictions may restrict or prohibit the trading, holding, or use of Tokens. Token holders are responsible for ensuring compliance with local laws and may be unable to access certain services due to geographic limitations. (21) **Taxation risk**: tax treatment of Tokens varies by jurisdiction and may evolve. Token holders may incur tax liabilities from capital gains, staking rewards, or token transfers and are solely responsible for understanding and complying with applicable tax obligations. (22) **Technological obsolescence risk**: the blockchain sector evolves rapidly. Competing technologies, emerging protocols, or infrastructure innovations may reduce the relevance, competitiveness, or viability of the Token or the Network. (23) **Software weakness risk**: the Network may contain undetected bugs or vulnerabilities despite audits. Such weaknesses may lead to transaction errors, unintended behaviours, or security breaches affecting Token and/or Network functionality or availability. (24) **Unanticipated risks**: in addition to the risks described above, the Token may be subject to unforeseen or emergent risks due to

		evolving market, legal, regulatory, or technical conditions that are difficult or impossible to predict.
I.4	**Project Implementation-Related Risks**	The Network is a fully decentralised, disintermediated, and permissionless blockchain network. It is a sovereign standalone Layer 1 blockchain that leverages the Cosmos Software Development Kit (SDK) and CometBFT (formerly Tendermint) for consensus. The continued operation, maintenance, and evolution of the Network relies on a broad set of unaffiliated actors, including but not limited to: validators, full node operators, indexers, relayers, developers, and governance participants. There is no central authority responsible for guaranteeing the long-term maintenance or uptime of the Network. Some or all of these actors may be unable or unwilling to continue operating the necessary infrastructure or providing services, temporarily or permanently. There is no assurance that the Network will always maintain a sufficient number of active validators, infrastructure providers, or engaged community members to ensure its decentralized, secure, and reliable operation. The Network is built on open-source software, which is freely accessible and modifiable by the public. As a result: ● Third parties may fork or replicate the codebase to create competing chains or incompatible versions of the protocol. ● The core software stack may be updated, improved, or patched by contributors or third parties, but there is no guarantee that validators or node operators will upgrade in a timely, consistent, or accurate manner. ● Inconsistent upgrades or software fragmentation may lead to chain splits, downtime, or loss of funds. Further, any critical vulnerabilities discovered in the Cosmos SDK, CometBFT, or other dependencies used by the Network may impact the availability, security, or integrity of the Network. While these components are maintained by active open-source communities, there is no obligation for timely patching or coordination across different ecosystem participants. The governance of the Network is determined by validators and Token stakers who may propose or vote on changes to the protocol. However, the governance process itself may be subject to low participation, capture by large Token holders, or controversial outcomes that fragment community consensus or affect the stability of the protocol.

		The Network may also face challenges in sustaining long-term developer engagement, ecosystem growth, or tooling support. A decline in open-source contributor activity, validator incentives, or end-user adoption could materially affect the health and utility of the Network over time. In addition to the above: ● **Validator Economics**: Over time, changes in block rewards, inflation schedules, or fee market dynamics may render validation economically unviable for smaller operators. This may lead to validator churn or increased centralisation, impacting network performance and governance diversity. ● **Consensus Halts or Failures**: A failure in the underlying consensus mechanism (e.g., validator downtime, Byzantine behaviour, or stalled block production) may lead to temporary halts, unfinalized blocks, or loss of availability. ● **Peer-to-Peer Layer Risk**: Network stability depends on the proper functioning of its peer discovery and communication layers. Failures in these subsystems (due to bugs, targeted attacks, or misconfiguration) could lead to validator isolation or failure to reach consensus. ● **Critical Infrastructure Reliance**: The continued functioning of the Network is dependent on off-chain infrastructure such as RPC endpoints, indexers, and block explorers. Failures, misconfigurations, or attacks on these systems may hinder access to data, tooling, or services. ● **IBC and Composability Risk**: The Network's integration with other CosmosSDK-based chains through the Interblockchain Communication Protocol (known as IBC) introduces dependencies on external chains. Downtime, bugs, or governance changes on connected chains could result in failures of cross-chain functionality or assets. ● **Open-Source Governance Fragmentation**: Coordination failures among maintainers of upstream dependencies (e.g., Cosmos SDK, CometBFT) may lead to diverging software standards, incompatible updates, or fragmentation in ecosystem tooling. ● **Treasury and Resource Sustainability**: Sustained ecosystem development may depend on access to community treasury funds or grants. Inefficient treasury allocation, exhaustion of funds, or poor governance decisions may limit long-term support for infrastructure, audits, or development. ● **No Performance Guarantees**: Validators, relayers, and full node operators do not offer any uptime guarantees or service level

		agreements (SLAs). Their performance may fluctuate due to technical issues, resource limitations, or economic disincentives.
I.5	**Technology-Related Risks**	The Network is built on blockchain technology, which remains experimental, rapidly evolving, and subject to a number of inherent technological risks. The following risk factors are particularly relevant to users and participants in the Network ecosystem: (1) **Security Vulnerabilities and Exploits**: Blockchain networks, including the Network, may contain bugs or vulnerabilities in the underlying protocol, consensus mechanism, cryptographic primitives, or supporting infrastructure. These vulnerabilities may be exploited by malicious actors, potentially leading to loss of funds, unauthorized access, double-spending, or denial-of-service attacks. (2) **Cybersecurity Risks**: The decentralised nature of blockchain networks increases the attack surface for malicious actors. These include risks from phishing, malware, private key theft, man-in-the-middle attacks, bridge exploits, and other cyberattacks that may result in permanent loss of access to crypto-assets or personal data. (3) **Cryptographic Breakthroughs**: The security of blockchain networks, including the Network, depends on current cryptographic algorithms (e.g., elliptic curve cryptography, SHA-256). Advances in quantum computing or cryptanalysis could render these cryptographic protections obsolete, exposing the Network to potential compromise or requiring major upgrades that may not be implemented in time. (4) **Irreversibility of Transactions**: Transactions recorded on the Network are final and immutable. In cases of accidental transfers, user error, or fraudulent transactions, there may be no recourse to reverse or recover the affected assets. This imposes a high burden on users to ensure accurate and secure transaction execution. (5) **Decentralisation-Related Risks**: The Network is a permissionless and decentralised network, meaning no central authority controls its operation or guarantees its continued development. Changes to the protocol must be adopted by Network validators through governance processes, which may be slow, contentious, or fail to reach quorum. Disagreements in governance may result in protocol forks, chain splits, or a loss of community support. (6) **Software Dependency and Maintenance**: The Network is built on open-source software (e.g., Cosmos SDK, CometBFT). Continued operation depends on the proper maintenance and updating of this software stack. Bugs in upstream dependencies,

		delays in patching, or dependency conflicts may result in degraded performance or systemic vulnerabilities. (7) **Network Performance and Congestion**: The Network may experience performance degradation under high transaction volume or validator misbehaviour, including increased latency, failed transactions, and higher gas fees. These issues may temporarily impair the usability and reliability of the Network. (8) **Node Operator Risks**: The integrity and performance of the Network depends on the honest and reliable behaviour of validators and node operators. Coordinated downtime, censorship, or collusion among validators could impact the availability or neutrality of the Network. (9) **Data Availability and Finality Risks**: While the Network strives for high availability and fast finality, network conditions, validator configuration, or software bugs may result in temporary forks, data loss, or discrepancies in the canonical state. (10) **Interoperability Risks**: The Tokens may be bridged to and from other blockchain networks. These interoperability bridges may introduce additional risks, including smart contract bugs, misconfigured token mappings, or vulnerabilities in the relayer infrastructure that may be exploited to steal or lock user funds. (11) **Smart Contract Risks**: Certain on-chain activities within the Network ecosystem may rely on smart contracts. While these contracts are audited where possible, they may nonetheless contain bugs, vulnerabilities, or logic errors. Exploitation of these flaws could result in asset loss, disrupted network operations, or manipulation of protocol behaviour. (12) **Settlement and Finality Risks**: Although the Network aims for fast and secure settlement, under exceptional circumstances (e.g., validator misbehaviour, network forks, or consensus divergence), a transaction's finality may be delayed or theoretically reversed. These events may cause inconsistencies in the state of the ledger or duplicate transactions. (13) **Wallet and Key Compatibility Risks**: Users must use wallets compatible with the Network. Improper wallet configuration, software bugs, or reliance on discontinued wallet providers may lead to inaccessibility or permanent loss of funds. Users are solely responsible for safeguarding private keys and ensuring proper software compatibility. (14) **Third-Party Infrastructure Risks**: Many ecosystem services (e.g., oracles, bridges, APIs) rely on third-party providers. Service interruptions, security breaches, or failures in these dependencies may impair Network performance, disrupt functionality, or introduce new vulnerabilities.

		(15) **Validator Centralisation Risk**: Although the Network is permissionless and open to all validators, a concentration of voting power or infrastructure control among a small set of validators may pose centralisation risks. These include transaction censorship, governance manipulation, or collusion to exploit consensus mechanisms. (16) **Ecosystem Incentive Risk**: The long-term sustainability of the Network depends on continued validator participation, end-user adoption, and economic incentives. A decline in transaction volume, fee revenue, or staking rewards may reduce validator activity or degrade network liveness and security.
I.6	**Mitigation Measures**	Despite the inherent risks associated with blockchain technologies, the Network's ecosystem has adopted multiple risk-mitigation measures aimed at enhancing the security, reliability, and resilience of the Network and its supporting infrastructure: (1) **Independent Security Audits** The full Network open-source software underwent an initial security audit by Informal Systems, a reputable third-party blockchain security firm. Since then, additional audits have been conducted as new modules and features have been developed. These audits include both formal verification and manual code reviews to identify vulnerabilities in consensus logic, staking mechanisms, governance modules, and other protocol-critical functions. All finalised audit reports are publicly available in the Network's code GitHub repository at: https://github.com/dydxprotocol/v4-chain/tree/main/audits (2) **Active Bug Bounty Program** To further supplement formal audits, the Network ecosystem maintains an ongoing Bug Bounty Program that encourages independent researchers, developers, and ethical hackers to identify and responsibly disclose vulnerabilities in the Network's open-source software. ● Rewards of up to $1,000,000 USD are available for critical vulnerabilities. ● In exceptional cases, rewards may extend up to $5,000,000 USD. ● The program is administered in collaboration with the development team at dYdX Trading Inc.

		● Full details are available here: https://www.dydx.xyz/blog/dydx-bug-bounty-program (3) **Open-Source Transparency** The Network software is fully open-source, promoting transparency, community auditability, and rapid identification of bugs or issues. This approach enhances the collective security posture by enabling real-time peer review and distributed verification of code integrity. (4) **Modular Upgradability and Governance** The Network is governed through a decentralized, on-chain governance mechanism. This enables validators and Token stakers to vote on protocol upgrades, bug fixes, and parameter changes. The governance process includes safeguards such as: ● Proposal review periods and on-chain voting ● Delays before execution, giving validators and infrastructure operators time to prepare ● A high quorum requirement, preventing rushed or unilateral changes (5) **Infrastructure Redundancy and Decentralization** The Network relies on a diverse and geographically-distributed set of validators, full nodes, indexers, and RPC providers. This decentralized architecture helps to mitigate: ● Risks from single points of failure ● Targeted denial-of-service (DoS) attacks ● Censorship and validator collusion (6) **Dependency Monitoring and Upstream Collaboration** The Network is built atop the Cosmos SDK and CometBFT, both of which are actively maintained by open-source communities. The dYdX development contributors monitor upstream changes and participate in relevant working groups to anticipate and respond to critical software updates or dependency vulnerabilities.
Part A - Information about the offeror or the person seeking admission to trading		
A.1	**Name**	Not applicable
A.2	**Legal form**	Not applicable
A.3	**Registered address**	Not applicable

A.4	**Head office**	Not applicable
A.5	**Registration Date**	Not applicable
A.6	**Legal entity identifier**	Not applicable
A.7	**Another identifier required pursuant to applicable national law**	Not applicable
A.8	**Contact telephone number**	Not applicable
A.9	**E-mail address**	Not applicable
A.10	**Response Time (Days)**	Not applicable
A.11	**Parent Company**	Not applicable
A.12	**Members of the Management body**	Not applicable
A.13	**Business Activity**	Not applicable
A.14	**Parent Company Business Activity**	Not applicable
A.15	**Newly Established**	Not applicable
A.16	**Financial condition for the past three years**	Not applicable
A.17	**Financial condition since registration**	Not applicable
Part B - Information about the issuer, if different from the offeror or person seeking admission to trading		
B.1	**Issuer different from offeror or person seeking admission to trading**	Not applicable
B.2	**Name**	Not applicable
B.3	**Legal form**	Not applicable
B.4	**Registered address**	Not applicable
B.5	**Head office**	Not applicable
B.6	**Registration Date**	Not applicable
B.7	**Legal entity identifier**	Not applicable

B.8	**Another identifier required pursuant to applicable national law**	Not applicable
B.9	**Parent Company**	Not applicable
B.10	**Members of the Management body**	Not applicable
B.11	**Business Activity**	Not applicable
B.12	**Parent Company Business Activity**	Not applicable
Part C - Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114		
C.1	**Name**	Not applicable
C.2	**Legal form**	Not applicable
C.3	**Registered address**	Not applicable
C.4	**Head office**	Not applicable
C.5	**Registration Date**	Not applicable
C.6	**Legal entity identifier of the operator of the trading platform**	Not applicable
C.7	**Another identifier required pursuant to applicable national law**	Not applicable
C.8	**Parent Company**	Not applicable
C.9	**Reason for Crypto-Asset White Paper Preparation**	Not applicable
C.10	**Members of the Management body**	Not applicable
C.11	**Operator Business Activity**	Not applicable
C.12	**Parent Company Business Activity**	Not applicable

C.13	**Other persons drawing up the crypto- asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114**	**dYdX Stiftung (dYdX Foundation)** c/o Sielva Management SA, Gubelstrasse 11, 6300 Zug, Switzerland Entity number: CHE-244.718.552 Email: legal@dydx.foundation
C.14	**Reason for drawing up the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114**	The dYdX Foundation is publishing this crypto-asset whitepaper in good faith for informational purposes only. Whilst the Foundation has endeavoured to ensure this document conforms to MiCA standards, the Foundation is not the issuer of the Token and is neither offering it to the public nor seeking its admission to trading on any trading platform.
Part D - Information about the crypto-asset project		
D.1	**Crypto-asset project name**	dYdX
D.2	**Crypto-assets name**	DYDX Token
D.3	**Abbreviation**	DYDX
D.4	**Crypto-asset project description**	The Network is a Layer 1 blockchain built using the Cosmos SDK and CometBFT as its consensus mechanism. The Network was designed to offer decentralised perpetual futures trading, among other things. Therefore, it has an off-chain decentralised order book and matching engine maintained by its validators, who store users' orders off-chain in a shared in-memory system. To achieve its consensus, the Network relies on a delegated Proof-of-Stake (***'dPoS'***) mechanism, in which the top 60 validators, ordered by total stake, are in charge of proposing new blocks and validating transactions. Validators and delegators who stake Tokens with them contribute to the Network's security. The Network also relies on components like an indexer that processes and provides access to real-time data from the Network and user-friendly front-ends (web and mobile apps) that are free to use and allow traders to interact with the Network. Additionally, the Network also features the 'MegaVault', a liquidity-provisioning tool that allows users to deposit USDC to

		contribute to the liquidity of various markets and earn yield in exchange. Lastly, the Network features an on-chain governance system, where those who stake the Token can vote on proposals relating to treasury spending, software upgrades, and Network parameters. This governance structure is complemented by specialised SubDAOs dedicated to grants, operations, and treasury management.
D.5	**Details of all natural or legal persons involved in the implementation of the crypto-asset project**	The dYdX protocol (the "***Protocol***") and ecosystem are developed, supported, and maintained by a diverse set of unaffiliated entities and contributors across multiple jurisdictions. Due to the decentralised and permissionless nature of the Network, it is not feasible to exhaustively list every natural or legal person involved in the development or operation of the project. However, the principal entities currently contributing to the project include: **dYdX Trading Inc. ("*DTI*")** ● Legal Domicile: Delaware, United States. ● Role: DTI is the original developer of the open-source software behind the Protocol, including the Network. DTI does not operate, control, or maintain any infrastructure on the Network and does not exercise governance authority over the Protocol. ● Website: https://dydx.exchange/about **dYdX Foundation** ● Legal Domicile: Zug, Switzerland. ● Legal Form: Non-profit foundation established in 2021. ● Role: The dYdX Foundation's mission is to support the growth and development of the Protocol and its broader ecosystem, including through education, governance enablement, technical support, community engagement, and coordination of initiatives across the decentralised network. The dYdX Foundation does not operate, control, or maintain any infrastructure on the Network and does not exercise governance authority over the Protocol. ● Website: https://dydx.foundation **dYdX Grants Trust** ● Legal Domicile: Guernsey. ● Legal Form: Purpose trust. ● Role: Administers the dYdX Ecosystem Development Program, which funds open-source contributors, educational initiatives, tooling, and other ecosystem-related development efforts through grant programs. ● Website: https://dydxgrants.com/

		Digital Operations Foundation (and subsidiaries) ● Legal Domicile: Cayman Islands (primary foundation) with operational subsidiaries in other jurisdictions. ● Role: Supports the ongoing functionality of the Network by operating infrastructure components such as a public-facing user interface, an indexer, and support services to facilitate open access to the Network. ● Website: https://www.dydxopsdao.com/ **dYdX Treasury subDAO** ● Legal Domicile: Cayman Islands. ● Legal Form: Foundation Company. ● Role: Responsible for managing the funds allocated to it by the dYdX community. These funds are used to promote the long-term sustainability of the ecosystem, including via a stake delegation program and other ecosystem-enhancing initiatives. **Additional Ecosystem Participants**: In addition to the organisations named above, the Protocol is supported by a global community of independent contributors and service providers, including: ● Validating Node Operators – responsible for securing the Network, proposing new blocks and validating transactions. ● Full Node and Indexer Operators – in charge of providing data availability and blockchain state visibility. ● RPC Node Providers and Relayer Operators – they facilitate API access and the efficient routing of the Network transactions. ● Token Holders and Stakers – Token stakers, in particular, are those who, alongside validators, participate in governance decisions that influence protocol upgrades and ecosystem direction. ● Grantees and Independent Developers – those who contribute to tooling, research, and community projects via funding from ecosystem grants. Given the permissionless nature of the Network, any individual or organization may interact with, build on, or contribute to the Network and the Protocol without any prior approval or registration. The composition of ecosystem participants is therefore fluid and decentralised by design.
D.6	**Utility Token Classification**	No

D.7	**Key Features of Goods/Services for Utility Token Projects**	Not applicable
D.8	**Plans for the token**	The Protocol was initially deployed on Ethereum as a DeFi application to offer perpetual futures trading. In April 2021, as part of the Protocol's third version (dYdX v3), a dedicated ZK-rollup L2 solution was created to host the Protocol. Later on, in August 2021, the first version of the Protocol token, now named ethDYDX, was launched to serve, among other functionalities, as the dYdX v3 Protocol's governance token. In January 2022, the Protocol announced the beginning of the development of its fourth version (dYdX v4), which included the creation of the Network. The Token was introduced with the launch of the Network and serves as the Network's staking and governance token, enabling validator participation, governance voting, fee payments, and trading rewards. Subsequently, in October 2024, the third version of the Protocol (dYdX v3) was halted, meaning that the Network became the only active deployment in relation to the Protocol. Later on, in December 2024, the Network's governance system approved to end support for the wethDYDX smart contract on the Network by June 2025. The wethDYDX Smart Contract is the bridge smart contract that allows users to migrate ethDYDX tokens to the Network and obtain Tokens at a 1:1 ratio. Currently, there are no further plans for the Token.
D.9	**Resource Allocation**	Not applicable
D.10	**Planned Use of Collected Funds or Crypto-Assets**	Not applicable
Part E - Information about the offer to the public of crypto-assets or their admission to trading		
E.1	**Public Offering or Admission to trading**	This crypto-asset whitepaper is not being published in connection with an offer to the public or the admission to trading of the Token on a trading platform. The dYdX Foundation is publishing this crypto-asset whitepaper in good faith for informational purposes only.
E.2	**Reasons for Public Offer or Admission to trading**	See Section E.1 above.
E.3	**Fundraising Target**	Not applicable
E.4	**Minimum Subscription Goals**	Not applicable

E.5	**Maximum Subscription Goal**	Not applicable
E.6	**Oversubscription Acceptance**	Not applicable
E.7	**Oversubscription Allocation**	Not applicable
E.8	**Issue Price**	Not applicable
E.9	**Official currency or any other crypto- assets determining the issue price**	Not applicable
E.10	**Subscription fee**	Not applicable
E.11	**Offer Price Determination Method**	Not applicable
E.12	**Total Number of Offered/Traded Crypto- Assets**	Not applicable
E.13	**Targeted Holders**	Not applicable
E.14	**Holder restrictions**	Not applicable
E.15	**Reimbursement Notice**	Not applicable
E.16	**Refund Mechanism**	Not applicable
E.17	**Refund Timeline**	Not applicable
E.18	**Offer Phases**	Not applicable
E.19	**Early Purchase Discount**	Not applicable
E.20	**Time-limited offer**	Not applicable
E.21	**Subscription period beginning**	Not applicable
E.22	**Subscription period end**	Not applicable
E.23	**Safeguarding Arrangements for Offered Funds/Crypto-Assets**	Not applicable
E.24	**Payment Methods for Crypto-Asset Purchase**	Not applicable

E.25	**Value Transfer Methods for Reimbursement**	Not applicable
E.26	**Right of Withdrawal**	Not applicable
E.27	**Transfer of Purchased Crypto-Assets**	Not applicable
E.28	**Transfer Time Schedule**	Not applicable
E.29	**Purchaser's Technical Requirements**	Not applicable
E.30	**Crypto-asset service provider (CASP) name**	Not applicable
E.31	**CASP identifier**	Not applicable
E.32	**Placement form**	Not applicable
E.33	**Trading Platforms name**	Not applicable
E.34	**Trading Platforms Market Identifier Code (MIC)**	Not applicable
E.35	**Trading Platforms Access**	Not applicable
E.36	**Involved costs**	Not applicable
E.37	**Offer Expenses**	Not applicable
E.38	**Conflicts of Interest**	Not applicable
E.39	**Applicable law**	Not applicable
E.40	**Competent court**	Not applicable
Part F - Information about the crypto-assets		
F.1	**Crypto-Asset Type**	Crypto-asset other than an asset-referenced token or e-money token
F.2	**Crypto-Asset Functionality**	According to Article 3(1)(5) of MiCA, a crypto-asset is a digital representation of a value or of a right that is able to be transferred and stored electronically using distributed ledger technology or similar technology. As clarified by the European Banking Authority ("***EBA***"), the term 'right' should be interpreted broadly in accordance with Recital (2) of MiCA. The Token qualifies as a crypto-asset within the meaning of MiCA, as it is a digital representation of the right to secure the Network and participate in the Network's governance. The Token can be transferred and stored using distributed ledger technology ("***DLT***").

		Specifically, the Token serves the following functionalities within the Network: ● **Governance Rights:** Token holders who stake their Tokens with Network validators are entitled to participate in the Network's on-chain governance system by voting on matters such as community treasury spending, Network software upgrades, and changes to Network parameters. ● **Staking:** Token holders can stake or delegate their Tokens with Network validators to contribute to the Network's security in exchange for staking rewards. The top 60 validators, ordered by total staked Tokens, are in charge of proposing new blocks and validating transactions. To this end, validators can stake Tokens with themselves or receive Token delegations from third-party stakers. Up to 100% of a validators' staked Tokens can come from third-party delegations. ● **Staking Fees:** Token holders who decide to stake the Token have to pay a one-time staking transaction fee in Tokens. ● **Staking Rewards:** The trading and transaction fees collected by the Network are automatically and autonomously distributed to validators and their delegators, according to their staked Tokens and each validator's staking commission. ● **Trading Rewards:** The Token is used to reward those who perform trades on the Network. After each successful trade, Token-denominated rewards are automatically distributed by the Protocol to traders, proportional to the net trading fees they have paid, summing up to 90% of their paid fees. ● **Migration:** Users can receive the Token by migrating their ethDYDX tokens to the Network through the wethDYDX Smart Contract at a 1:1 ratio. Support for the wethDYDX Smart Contract is expected to be discontinued on the Network from June 2025. It is important to note that the functionalities of the Token, as well as the holders' rights and obligations, may be modified through the Network's on-chain governance system at any time.
F.3	**Planned Application of Functionalities**	All the functionalities mentioned in F.2 are available for the Token holders as at the date of this crypto-asset white paper.
A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article		
F.4	**Type of white paper**	OTHR

F.5	**The type of submission**	NEWT
F.6	**Crypto-Asset Characteristics**	The Token is the native token of the Network, a Cosmos SDK-based blockchain that enables decentralised perpetual futures trading, among other things. The Token serves as the Network's staking and governance token, with a fixed total supply of 1,000,000,000 Tokens. Token holders can stake or delegate their Tokens to Network validators to contribute to the Network's security. To stake their Tokens, Token holders must pay a transaction fee with the Token. Token stakers are entitled to partake in the Network's on-chain governance. Token holders who stake the Token as well as users who participate as Network validators are rewarded with 40% of the Network's net trading and transaction fees, which are collected predominantly in USDC. Those who execute successful trades on the Network, meaning that their trades find a match transaction, are also rewarded with Tokens based on their trading activities. On this end, they can receive up to 90% of their paid fees in Token rewards. Lastly, holders of the ethDYDX token, a different token launched on the Ethereum network in 2021, may migrate their tokens to the Network, obtaining in return the Token at a 1:1 ratio. However, support for the permissionless smart contract that enables this migration is expected to be discontinued on the Network in June 2025. The rights and obligations of Token holders, including but not limited to the proportion of the Network's fees distributed as staking rewards, may be modified through the Network's on-chain governance system at any time.
F.7	**Commercial name or trading name**	DYDX
F.8	**Website of the issuer**	There is no identifiable issuer for the Token. To learn more about the Protocol and ecosystem and about the Token, please visit https://dydx.xyz
F.9	**Starting date of offer to the public or admission to trading**	Not applicable
F.10	**Publication date**	15 May 2025

F.11	**Any other services provided by the issuer**	Not applicable
F.12	**Identifier of operator of the trading platform**	Not applicable
F.13	**Language or languages of the white paper**	English
F.14	**Digital Token Identifier Code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available**	DYDX
F.15	**Functionally Fungible Group Digital Token Identifier, where available**	Not applicable
F.16	**Voluntary data flag**	Voluntary
F.17	**Personal data flag**	No
F.18	**LEI eligibility**	Not applicable
F.19	**Home Member State**	Not applicable
F.20	**Host Member States**	Not applicable
Part G - Information on the rights and obligations attached to the crypto-assets		
G.1	**Purchaser Rights and Obligations**	The Token enables its holders to interact with the Network that operates autonomously through its delegated Proof-of-Stake (dPoS) consensus mechanism, as explained in further detail in Section F.2 and Section G.2. To the fullest extent permitted by applicable laws, all warranties, whether express or implied, are disclaimed. This includes, but is not limited to, implied warranties of merchantability and fitness for a particular purpose. Moreover, to the fullest extent permissible by applicable laws, no

		party shall be held liable for any damages arising from the holding, use, transfer, or interactions involving the Token or the Network. This limitation applies to all forms of damages, including direct, indirect, incidental, punitive, or consequential damages.
G.2	**Exercise of Rights and obligations**	Token holders have the following rights, which can be exercised as follows: ● **Governance Rights:** To exercise the Token's governance rights, consisting of voting on Network governance proposals concerning treasury spending, software upgrades, and changes to Network parameters, Token holders must first stake their Tokens by delegating them to a Network validator. Governance rights can then be exercised through compatible software applications when governance proposals are live on the Network ● **Staking Capabilities**: To exercise the right to stake the Token, Token holders can stake their Tokens with a Network validator or run a validator node and stake their Tokens with their own validator. In exchange, Token holders who stake their Tokens will receive staking rewards, predominantly denominated in USDC. Only validators in the Network's active validator set and their delegators will be entitled to receive staking rewards. Inactive validators and their delegators will receive no staking rewards. Currently, the Network's active validator set is comprised of the 60 Network validators with the highest amounts of staked tokens. The number of validators comprised in the Network's active validator set is a parameter that can be modified via on-chain governance at any time. ● **Migration Rights:** ethDYDX holders may migrate their tokens to the Network by interacting with the wethDYDX Smart Contract in order to receive Tokens at a 1:1 ratio. Support for the wethDYDX Smart Contract on the Network is expected to be discontinued from June 2025.
G.3	**Conditions for modifications of rights and obligations**	The rights and obligations associated with the Token may be modified through the Network's on-chain governance system at any time. Network validators and Token stakers are entitled to participate in the Network's governance system. If Token holders who have delegated their Tokens do not cast their vote directly, the voting power derived from their staked Tokens will default to their chosen validator's vote. However, delegators can override their validator's vote by voting directly on proposals, ensuring that delegators can maintain control over the voting power associated with their Tokens if they so desire.
G.4	**Future Public Offers**	Not applicable

G.5	**Issuer Retained Crypto-Assets**	Not applicable
G.6	**Utility Token Classification**	No
G.7	**Key Features of Goods/Services of Utility Tokens**	Not applicable
G.8	**Utility Tokens Redemption**	Not applicable
G.9	**Non-Trading request**	Not sought
G.10	**Crypto-Assets purchase or sale modalities**	The Token is available for purchase across multiple venues. Users can buy Tokens through centralised or decentralised exchanges that support it. Centralised exchanges currently supporting the Token include Binance, OKX, Bitget, Kucoin and MEXC, whilst decentralised exchange options include Osmosis, Persistence DEX and Kujira Fin. For more information on purchasing the Token, visit the dYdX Foundation's guide at: https://www.dydx.xyz/crypto-learning/how-to-purchase-dydx.
G.11	**Crypto-Assets Transfer Restrictions**	Not applicable
G.12	**Supply Adjustment Protocols**	Yes
G.13	**Supply Adjustment Mechanisms**	The Token has a fixed total supply of 1,000,000,000 Tokens, which were minted at the genesis of the Network. No automatic or algorithmic supply adjustment mechanisms are in place to modify the Token's total supply in response to changes in market demand or other economic factors. However, if the Network's on-chain governance system so decides, the Token's total supply can be modified. Such a modification would need to be conducted through on-chain governance decisions enacted by Token stakers and validators on the Network. Any such change would require a governance proposal, deliberation, and approval by the community of those who have staked the Token and the Network validators. Additionally, those Tokens deposited for governance proposals that fail to meet the deposit threshold, voting quorum, or are vetoed are subsequently burned. This could result in a minor reduction of the

		Token's total supply but is not designed to respond to market demand fluctuations.
G.14	**Token Value Protection Schemes**	No
G.15	**Token Value Protection Schemes Description**	Not applicable
G.16	**Compensation Schemes**	No
G.17	**Compensation Schemes Description**	Not applicable
G.18	**Applicable law**	Not applicable
G.19	**Competent court**	Not applicable
Part H – Information on the underlying technology		
H.1	**Distributed ledger technology**	dYdX Chain
H.2	**Protocols and technical standards**	The Token was created as the Network's native token, embedded in its base code.
H.3	**Technology Used**	As the native token of the Network, the Token was deployed on the Network's protocol software. Users can access and manage their Tokens through their own self-custodial wallets or on centralised exchanges, custodians or other service providers.
H.4	**Consensus Mechanism**	The Token is the native token of the Network, which relies on a dPoS consensus mechanism using the CometBFT software. The Network's consensus is maintained by its validators who are responsible for proposing new blocks and validating transactions. To participate in the Network's consensus mechanism, validators must have Tokens staked, either through self-delegation or by receiving delegations from other Token holders. The Network operates with an active validator set consisting of the top 60 validators ranked by their total stake. Validators outside this active set do not participate in consensus or earn rewards. Validators not only validate on-chain transactions but also maintain an off-chain decentralised order book and matching engine, adding matched orders to proposed blocks. Within the Network, a block is considered committed when at least 2/3 of validators, weighted by stake, approve it.

H.5	**Incentive Mechanisms and Applicable Fees**	The Network relies on a dPoS consensus mechanism to incentivise network security and transaction validation. Validators and delegators who stake Tokens contribute to the Network's security and receive staking rewards in return. Validators and stakers are compensated with staking rewards, which are automatically distributed by the Network in every block. These rewards are sourced from 40% of the Network's net trading and transaction fees, which are collected and distributed predominantly in USDC. Staking rewards are proportionally shared between validators and their delegators based on their staked Tokens. Validators charge a commission rate on their delegators' staking rewards, which currently can range between 5% and 100%, configurable by each validator. Validators outside the active set and their delegators do not participate in consensus or earn rewards. A slashing mechanism is in place to penalise misbehaviour, such as double signing, downtime, or failing to follow consensus rules. Slashing reduces the validator's staked Tokens, including Tokens delegated to them by third-party holders. Those performing trades in the Network do not pay gas or transaction fees for placing orders, but they must pay trading fees denominated and paid in USDC. Up to 90% of these trading fees can be earned back as Token-denominated trading rewards, automatically distributed to traders' Network addresses after each trade. It is important to note that all parameters related to the incentive structure, including the portion of net protocol fees allocated to staking rewards, validator commission rates, number of validators in the active set, and fee structures, can be modified through the Network's on-chain governance system at any time.
H.6	**Use of Distributed Ledger Technology**	No
H.7	**DLT Functionality Description**	Not applicable
H.8	**Audit**	Yes
H.9	**Audit outcome**	The Network's open-source software was initially audited by Informal Systems, an independent security firm. Additional audits have been completed as the protocol developed, with more planned for future code updates. All finalised audit reports are publicly

		available in the Network's GitHub repository under the v4-chain/audits folder: https://github.com/dydxprotocol/v4-chain/tree/main/audits
Part J – Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts		
J.01	**Name**	dYdX
J.02	**Relevant legal entity identifier**	Not applicable
J.03	**Name of the crypto-asset**	DYDX
J.04	**Consensus Mechanism**	The Token is the native token of the Network, which relies on a dPoS consensus mechanism using the CometBFT software. The Network's consensus is maintained by its validators who are responsible for proposing new blocks and validating transactions. To participate in the Network's consensus mechanism, validators must have Tokens staked, either through self-delegation or by receiving delegations from other Token holders. The Network operates with an active validator set consisting of the top 60 validators ranked by their total stake. Validators outside this active set do not participate in consensus or earn rewards. Validators not only validate on-chain transactions but also maintain an off-chain decentralised order book and matching engine, adding matched orders to proposed blocks. Within the Network, a block is considered committed when at least 2/3 of the validators, weighted by stake, approve it.
J.05	**Incentive Mechanisms and Applicable Fees**	The Network relies on a dPoS consensus mechanism to incentivise network security and transaction validation. Validators and delegators who stake Tokens contribute to the Network's security and receive staking rewards in return. Validators and stakers are compensated with staking rewards, which are automatically distributed by the Network in every block. These rewards are sourced from 40% of the Network's net trading and transaction fees, which are collected and distributed predominantly in USDC. Staking rewards are proportionally shared between validators and their delegators based on their staked Tokens. Validators charge a commission rate on their delegators' staking rewards, which currently can range between 5% and 100%, configurable by each validator. Validators outside the active set and their delegators do not participate in consensus or earn rewards.

		A slashing mechanism is in place to penalise misbehaviour, such as double signing, downtime, or failing to follow consensus rules. Slashing reduces the validator's staked Tokens, including Tokens delegated to them by third-party holders. Those performing trades in the Network do not pay gas or transaction fees for placing orders, but they must pay trading fees denominated and paid in USDC. Up to 90% of these trading fees can be earned back as Token-denominated trading rewards, automatically distributed to traders' Network addresses after each trade. It is important to note that all parameters related to the incentive structure, including the portion of net protocol fees allocated to staking rewards, validator commission rates, number of validators in the active set, and fee structures, can be modified through the Network's on-chain governance system at any time.
J.06	**Beginning of the Period to which the Disclosed Information Relates**	28/02/2024
J.07	**End of the Period to which the Disclosed Information Relates**	28/02/2025
Mandatory key indicator on energy consumption		
J.08	**Energy Consumption**	Inferred average for 60 active validators: 251,496,6 kWh Inferred median for 60 active validators: 123,000 kWh
Sources and methodologies		
J.09	**Energy Consumption Sources and Methodologies**	The dYdX Foundation directly surveyed all 60 active Network validators to report their annual energy consumption used for transaction validation and maintaining the Network's distributed ledger. Only a subset of the 60 active validators provided complete responses; the average and median consumption for all 60 active validators in the Network was inferred from the data provided by respondents. The energy usage was measured in kilowatt-hours (kWh) for the period from 28 February 2024 to 28 February 2025.