

June 5, 2022



Ribbon DAO

3,103,224 Convertible Bonds due December 4, 2022

We are offering 3,103,224 Convertible Bonds due December 4, 2022 (the “Convertible Bonds”). The Convertible Bonds will be issued in denominations of 1 USDC and will bear no interest coupons. The Convertible Bonds are secured by 50,000,000 RBN with each bond being secured by 16.112 RBN. The Convertible Bonds will be redeemable up until December 4, 2022 for 3,448,028 RBN with each bond being redeemable for 1.111 RBN. The Convertible Bonds will be offered via a Porter Finance Auction at a minimum price of 0.9667 USDC per bond and a maximum yield to maturity of 7%.

	Amount offered	Minimum price	Maximum YTM	Minimum proceeds to Ribbon DAO
Convertible Bonds	3,103,224	0.9667 USDC	7%	3,000,000 USDC

See “Risk Factors” beginning on page 6 to read about important factors you should consider before buying Convertible Bonds.

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RIBBON DAO

Ribbon DAO is a decentralized autonomous organization that owns and governs the Ribbon Finance Protocol via fully on-chain governance. The Ribbon Finance Protocol provides users access to crypto structured products for DeFi. It combines options, futures, and fixed income to improve a portfolio's risk-return profile. Our products and services include put selling and covered calls for both retail and other DAO treasuries. The Ribbon Finance Protocol is available to users through the Ribbon Finance web application.

USE OF PROCEEDS

We intend to use the net proceeds from sales of the bonds for general purposes, including protocol owned liquidity and bootstrapping the stablecoin supply in our covered call Fuse pool. Other general purposes may include, among other things, funding for working capital and capital expenditures. Ribbon DAO may temporarily invest funds that are not immediately needed for these purposes in short-term investments, including under-collateralized lending through Maple Finance.

UNDERWRITING

We and the underwriter for the offering, Porter Finance, have entered into an underwriting agreement with respect to the bonds. Subject to certain conditions, the underwriter has severally agreed to purchase from us 100,000 USDC of Convertible Bonds at a price of 0.9667 USDC per bond.

The underwriter proposed to offer the Convertible Bonds at the minimum offering price described on the cover page of this prospectus.

RISK FACTORS

Investing in the bonds involves risks. Before making a decision to invest in the bonds, you should carefully consider these risks. These risks are not comprehensive.

Active trading markets for the bonds may not develop.

The bonds are new issues with no established trading markets. We cannot assure you trading markets for the bonds will develop or of the ability of holders of the bonds to sell their bonds or of the prices at which holders may be able to sell their bonds. If no active trading markets develop, you may be unable to resell the bonds at any price or at their fair market value.

If trading markets do develop, changes in our ratings or the financial markets could adversely affect the market prices of the bonds.

The market prices of the bonds will depend on many factors, including, but not limited to, the following:

- ratings on our debt securities assigned by rating agencies
- the time remaining until maturity of the bonds
- the prevailing interest rates being paid by other DAOs similar to us
- our results of operations, financial condition and prospects
- the condition of the financial markets

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the bonds.

Smart contract vulnerabilities may result in the loss of user funds.

Although Porter Finance smart contracts have been audited, there's always the possibility of a vulnerability that compromises participants' funds. Porter Finance is not responsible for any lost funds due to smart contract error or exploits.

In the case of a default, collateral slippage may occur if lenders liquidate collateral.

Collateral slippage can occur when there is not enough buy side liquidity for the amount of collateral a lender receives upon a default. Although a lender may not want to liquidate the collateral, and therefore won't be subject to this risk, it's important to mention for those who do not want to hold a position in the collateral asset upon default.

PROMISE TO REPAY

We, the Ribbon DAO, hereby unconditionally promise to pay the principal and interest owed by December 4, 2022 to our bond holders.

Signed: Ribbon DAO Multisig