

What is Netswap — High-Level Overview

- Netswap is a **decentralized exchange (DEX)** built to run on the Metis Andromeda Layer-2 network. [docs.netswap.io+2Medium+2](#)
- It uses an **automated market-maker (AMM)** model (inspired by protocols like Uniswap / “Uniswap V2”-style) to allow users to swap tokens without requiring a central order-book or a counterparty to match. [docs.netswap.io+2Medium+2](#)
- Its goal is to provide fast, cheap, and scalable DeFi services (swaps, liquidity provisioning, staking/farming, launchpad, etc.) inside the Metis L2 ecosystem — making DeFi more accessible than on high-fee Layer-1 (L1) networks. [docs.netswap.io+2Medium+2](#)

In short: Netswap = AMM-based DEX + DeFi hub for Metis L2.

Architecture & Core Components

Underlying Network: Metis Andromeda (Layer 2)

- Netswap is **native to Metis Andromeda** (i.e. it does *not* try to support L1 and L2 simultaneously — it’s built exclusively for Metis L2). [Medium+2docs.netswap.io+2](#)
- By building on L2, Netswap inherits benefits like **lower transaction fees, faster execution, and better scalability** compared to typical L1 DEXes. [Medium+2docs.netswap.io+2](#)
- This focus on L2 allows Netswap to avoid some of the cost/throughput tradeoffs that make L1 AMMs expensive for frequent or small trades. [Medium+1](#)

Automated Market Maker (AMM) Model

- Netswap implements an AMM algorithm very similar to Uniswap V2. In effect, each tradable pair of tokens corresponds to a **liquidity pool**. Users supply liquidity to pools; when someone swaps tokens, the pool’s smart contract automatically calculates the exchange rate based on pool balances and executes the swap. [docs.netswap.io+2Medium+2](#)


- Because of this AMM model, there is **no order book or need to find a matching counterparty** — trades are executed against liquidity pools. [Medium+1](#)
- Liquidity providers (LPs) deposit token pairs into pools; in return they receive “LP tokens” representing their share. When trades occur, LPs earn a portion of the swap fees proportional to their share. [Medium+1](#)

Smart Contracts & On-Chain Implementation

- All swap/pool/farming/staking/launchpad functionality is implemented in **smart contracts** on Metis Andromeda. According to its documentation, Netswap offers publicly available smart-contract code, APIs, GitHub repos, etc. [docs.netswap.io+1](#)
- As a non-custodial DEX, users retain control of their wallets; funds are not held by a central exchange. Trades and liquidity interactions happen directly via smart contracts. [CoinMarketCap+2HTX+2](#)

Additional modules/features beyond swaps

Netswap is more than just a simple swap DEX. Its architecture includes several modules for different DeFi functions: [docs.netswap.io+2Medium+2](#)

| Module / Feature | Purpose / Functionality |
|--|--|
| Liquidity Pools (“Pool”) | Users deposit token pairs → become LPs → earn a share of swap fees (0.25% of 0.3% fee) Medium+2docs.netswap.io+2 |
| Farming / Yield-Mining (“Farm  ”) | LP tokens can be staked to earn bonus rewards — an incentive for liquidity providers beyond just fees. docs.netswap.io+2Medium+2 |
| Staking (NETT staking) | Users can stake the native token (\$NETT) to earn incentives or participate in special features like launchpad events (via wrapped token wNETT), staking rewards, and — in future — “veNETT” (voting-escrowed NETT) for boosted yield/governance. Medium+1 |
| Swap (Token Swapping) | Basic function: exchange one token for another (e.g. stablecoins, native tokens, bridged tokens). Very low friction: pick two tokens → swap. docs.netswap.io+1 |

Launchpad (✈️) Launchpad V2)

Allows new projects (on Metis or compatible with it) to launch their tokens, with access to initial liquidity and community backing via Netswap. Staking NETT (or wNETT) gives users access. [docs.netswap.io+1](#)

Governance

NETT token holders have governance rights: vote on proposals, upgrades, and future platform developments. The token is “community-distributed.” [docs.netswap.io+2Medium+2](#)

(Planned/Announced) Features

According to its roadmap: Limit Orders; Prediction Markets; NFT marketplace; On-chain lottery; Leveraged swap; enhanced Governance. [docs.netswap.io+2Medium+2](#)

In other words: Netswap aims to be a **full-featured DeFi hub** on Metis — not just a swap interface.

\$¥ Economics & Tokenomics: NETT and Fees

NETT Token

- The native token of Netswap is called **NETT**. [Medium+2CoinMarketCap+2](#)
- NETT is used for **governance** (voting on proposals, decisions about the protocol's future). [docs.netswap.io+2Medium+2](#)
- It also powers staking/farming/launchpad mechanics (stake NETT → get wNETT → participate in IDOs; stake NETT for staking rewards; future “veNETT” for boosted yields + governance). [Medium+1](#)
- Distribution: According to older docs (from a Medium write-up about Netswap in early design), NETT supply was planned to be community-distributed: a portion via airdrop to early users (swappers and LP providers), and the rest distributed gradually via liquidity mining over a multi-year vesting schedule. [Medium+2Medium+2](#)
- From current data: total supply = 16.66M NETT; max supply = 100M NETT. [CoinMarketCap+1](#)
- On-chain contract: 0x90fe...1ab278 (on Metis/Andromeda) according to publicly available token info. [CoinMarketCap+1](#)

Fees Structure (Swaps)

- For each swap, Netswap charges a **0.3% trading fee**. [Medium+2docs.netswap.io+2](#)
- Breakdown:
 - **0.25%** goes to liquidity providers (LPs) as yield for offering liquidity. [Medium+1](#)
 - **0.05%** goes to the Netswap team's treasury (protocol revenue / maintenance). [Medium+1](#)

This is standard for AMM DEXes: part to LPs, part to protocol.

Incentives & Yield Opportunities

- Users providing liquidity earn a share of swap fees. [docs.netswap.io+1](#)
 - Liquidity providers can furthermore stake their LP tokens in “farms” to earn bonus rewards (on top of pool fees). [docs.netswap.io+1](#)
 - NETT staking allows participation in ecosystem incentives (staking rewards, launchpad access, future “veNETT” boosted yields, etc.). [docs.netswap.io+1](#)
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Use Cases & What Users Can Do on Netswap

Here's how various users / stakeholders can use Netswap:

- **Token Swapping** — Swap one token for another. For example: stablecoins, bridged Metis tokens, native tokens. Useful for traders or anyone needing quick swaps. [docs.netswap.io+2Medium+2](#)
- **Liquidity Provision** — Users deposit pairs into liquidity pools → get LP tokens → earn a share of trading fees (passive income for longer-term holders). [docs.netswap.io+1](#)
- **Farming (Liquidity Mining)** — Users stake LP tokens to earn extra rewards (on top of LP fee income). Good for yield-hungry users. [docs.netswap.io+1](#)
- **Staking NETT** — Holders can stake NETT to get staking rewards, or participate in ecosystem features (launchpad via wNETT, future boosted yield/governance via

veNETT). [Medium+1](#)

- **Participate in New Project Launches** — Through the Launchpad V2, projects can raise initial liquidity & tokens; community gets early access by staking NETT/wNETT. [docs.netswap.io+1](#)
- **Governance / Protocol Steering** — NETT holders have governance rights to vote on proposals, upgrades, future developments — giving the community agency over the direction of Netswap. [docs.netswap.io+1](#)

In effect, Netswap aims to serve a wide range of DeFi participants — from casual swap users to liquidity providers, stakers, token investors, and community-governance participants.

Why Netswap — What Problems It Solves / What It Offers vs. L1 DEXes & Other Platforms

- **Cost & Speed Advantage:** By operating on Metis L2, Netswap bypasses high L1 gas fees and slow confirmations. Trades / liquidity operations are cheaper and faster. [Medium+2docs.netswap.io+2](#)
- **All-In-One DeFi Hub on Metis:** Rather than only offering swaps, Netswap bundles pool, farm, staking, launchpad, governance — so for anyone in the Metis ecosystem, it's a central gateway to DeFi. [docs.netswap.io+2Medium+2](#)
- **Liquidity Access for Metis-native / bridged tokens:** Many tokens on Metis (native L2 or bridged from other chains) may not exist on large L1 DEXes; Netswap supports bridging and L2 native tokens, giving liquidity/trading access within the Metis ecosystem. [Medium+2docs.netswap.io+2](#)
- **Democratized / Community-centric Governance:** With NETT fully community-distributed and governance built-in, Netswap positions itself as community-first rather than centralized. [docs.netswap.io+2Medium+2](#)
- **Incentivized Liquidity & Participation:** Through LP rewards, yield farming, staking incentives, launchpad access — Netswap tries to attract and reward users who contribute liquidity or commit long-term, which helps bootstrap liquidity in a new L2 ecosystem. [Medium+2docs.netswap.io+2](#)

Given the high cost and sometimes limited liquidity on L1 networks, a platform like Netswap on L2 can significantly lower entry barriers for DeFi users and projects — making smaller trades economical, small/medium projects easier to launch, and general participation more accessible.

History, Development & Roadmap / What's Planned

Origins & Launch

- Netswap was launched in **2021** as the first native DEX on Metis Andromeda (Layer 2). [BitDegree+2docs.netswap.io+2](#)
- The initiative sought to fill a gap: before Netswap, Metis lacked a native AMM/DEX, meaning trading or DeFi for Metis-native or bridged tokens was more cumbersome or non-existent. [Medium+1](#)

Growth & Early Activities

- As part of ecosystem incentives, Netswap (together with Metis) introduced a “Builder Mining Rewards Giveback Plan” — a revenue-sharing / incentive program meant to reward partners/projects. [BitDegree+2Medium+2](#)
- Over time, Netswap added more features: liquidity pools, farming, staking, and a launchpad. [docs.netswap.io+2Medium+2](#)

Roadmap / Planned Features (as of last publicly released roadmap)

[docs.netswap.io+2docs.netswap.io+2](#)

Netswap has outlined a vision for expanding beyond simple swaps/farming/staking. Planned features include:

- **Limit Orders** — to allow orders at target prices (similar to centralized exchanges), overcoming a common limitation of pure AMM DEXes. [docs.netswap.io+1](#)
- **Prediction Markets** — DeFi-style betting / forecasting markets, with a gamified twist. [docs.netswap.io+1](#)
- **NFT Marketplace** — enable minting and trading of NFTs directly on Netswap (on Metis L2), offering lower fees and faster transactions compared to L1 Ethereum NFT markets. [docs.netswap.io+1](#)

- **On-Chain Lottery System** — a transparent, smart-contract-based lottery for NETT users — both an incentive and a way to engage community. docs.netswap.io+1
- **Leverage Swap (Leveraged Trading)** — allow users to trade with leverage, enabling more complex trading strategies (long, short) within the DEX environment. Netswap reportedly planned to implement this in partnership with another DEX, WOWswap. Medium+2docs.netswap.io+2
- **Expanded Governance & Community Tools** — including governance module (voting, proposals), possibly veNETT for time-locked governance/yield privileges. docs.netswap.io+1

As of the latest public roadmap update (mid-2022), Netswap emphasized UI upgrades, better UX, and planned multi-feature expansion. docs.netswap.io+1

✓ Strengths & What Netswap Offers

- **Low fees & high speed** — thanks to being on L2 (Metis), trading and Liquidity operations are cheaper and faster than L1 DEXes.
 - **Ease of use** — straightforward UI similar to Uniswap's, easy token swap/pool/stake/farm flows. Medium+1
 - **Full DeFi Stack** — not just swaps: liquidity provision, farming, staking, launchpad, governance; a one-stop DeFi hub for Metis ecosystem.
 - **Community-centric governance & tokenomics** — NETT fully distributed to community; holders have say in direction; staking & launchpad incentivize participation.
 - **Support for Metis-native & bridged tokens** — helps build (or access) liquidity for tokens that might not exist on major L1 DEXes.
 - **Potential for growth beyond swaps** — roadmap includes advanced features (limit orders, leverage, NFTs, lottery, prediction markets) which could broaden appeal and use cases.
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⚠️ Limitations, Challenges & What's Unclear / What to Watch Out For

- **Liquidity risk** — as a relatively small / niche DEX (on an L2 chain), liquidity for many token pairs may be thin, increasing slippage or making trading difficult.
- **Adoption and network effects** — Compared to massive L1 DEXes (on Ethereum or big blockchains), Netswap depends on the growth of Metis ecosystem. If Metis doesn't attract many users/projects, Netswap may struggle to reach critical mass.
- **Smart contract & security risk** — As with any DEX, vulnerabilities in contracts could lead to hacks or exploits; the security depends on audits, testing, and community vigilance. While the docs mention "Security Audits", I was unable to find public, recent results or third-party audit reports directly linked. docs.netswap.io+1
- **Token value & volatility** — NETT's price history shows extreme volatility: from a reported all-time high of ~\$7.21 to current values very low (per some sources). CoinMarketCap+1
- **Ecosystem concentration on Metis** — Because Netswap is native only to Metis L2, its success is tightly coupled with the success and adoption of Metis. This makes it more vulnerable if Metis doesn't scale or loses users.
- **Uncertain delivery on roadmap features** — As of last updates (2022), many features (NFT marketplace, leveraged swaps, limit orders, prediction markets, lottery) were still "planned." It's not guaranteed all will be delivered, or delivered in timely fashion. docs.netswap.io+2docs.netswap.io+2
- **Competition** — Other DEXes (on L1 or other L2s / blockchains) could outcompete Netswap, especially if they have higher liquidity, more users, more bootstrap capital, or cross-chain bridges.



Governance & Token Distribution (Community Focus)

- Governance is based on the NETT token. Holders can vote on proposals affecting Netswap's future. docs.netswap.io+2Medium+2
- NETT was designed to be **fully community-distributed**, via: airdrops (for early users, early traders, early LPs), liquidity mining, and vesting over several years. This design is intended to give early adopters a sense of ownership and long-term alignment with the

protocol. [Medium+2Medium+2](#)

- The tokenomics model included a vesting schedule for most of the supply (liquidity mining allocation) to avoid dump pressure and encourage long-term commitment. [Medium+1](#)
- As of public documentation, there is a plan (or planned feature) for a “veNETT” — a voting-escrowed version of NETT that would enable boosted yields + governance privileges for committed (time-locked) token holders. [Medium+1](#)

This community-centric approach suggests Netswap aims to build a decentralized, user-owned ecosystem, rather than being controlled by a small core team.



Current Status & Public Metrics (As per Recent Data)

Based on token listing / market data: [CoinMarketCap+2HTX+2](#)

- Total NETT supply: 16.66 million
- Max supply: 100 million
- Reported (self-reported) circulating supply: ~5.93 million NETT [CoinMarketCap](#)
- According to one source, the All-Time High (ATH) of NETT was ~\$7.21 (as of early 2022). [CoinMarketCap+2HTX+2](#)
- Current price (at time of that data): very low (reflecting huge drawdown vs ATH). [CoinMarketCap+1](#)
- Reported Total Value Locked (TVL) (on some data source) was modest — indicating that Netswap remains a relatively small / niche DEX compared to major platforms. [CoinMarketCap+1](#)

Because of the small scale and limited liquidity, the platform — while functional — seems to be less active compared to major DEXes, which may limit its usability for large trades or for tokens with shallow pools.



Vision, Strategy & What Netswap Aims to Achieve

Based on documentation and roadmap, Netswap appears to aim for the following long-term vision: docs.netswap.io+2docs.netswap.io+2

- Become **the primary DeFi hub** for the Metis ecosystem — all swaps, liquidity, launchpad, staking, NFTs, and more, centralized in one interface.
- Provide **affordable, accessible DeFi** for users at all levels (from small traders to yield farmers), filling a gap left by expensive L1 networks.
- Empower a **community-driven governance model**, where token holders have real influence — making Netswap truly decentralized and owned by users rather than a centralized entity.
- Enable **new projects**, especially on Metis, to launch with liquidity and community support via Launchpad — helping bootstrap ecosystems, not just for existing big tokens.
- Expand functionality beyond swaps — adding features like limit orders, leverage, prediction markets, NFTs, lottery — turning Netswap into a full-blown DeFi “super-app.”
- Incentivize long-term participation & commitment (via staking, yield, veNETT) — aligning users’ interests with the health and growth of the protocol.

If these ambitions are fully realized, Netswap could serve as a vertical integration point for many aspects of Web3/DeFi — from token swapping to investment, governance, community engagement, and asset creation/launch.

How Netswap Works — Step-by-Step (From User Perspective)

Here’s a typical user flow / interaction model on Netswap:

1. **Connect wallet** — user connects a Web3 wallet (e.g. Metamask configured for Metis Andromeda) to the Netswap web UI.
2. **Swap tokens** — pick token A and token B; the smart contract (AMM pool) calculates exchange rate based on pool liquidity; swap executes with 0.3% fee (0.25% to LPs, 0.05% to protocol). docs.netswap.io+2docs.netswap.io+2
3. **Provide liquidity** — user deposits a pair of tokens into a liquidity pool → receives LP tokens representing their share; when others trade, LP earns part of fees.

docs.netswap.io+1

4. **Farm (optional)** — stake LP tokens in a “farm” contract to earn extra yield / rewards (on top of LP fees). docs.netswap.io+1
5. **Stake NETT (optional)** — hold and stake NETT to earn rewards, or for other utility (e.g. participate in launchpad, later governance via veNETT). [Medium+1](#)
6. **Participate in Launchpad (if relevant)** — by staking NETT → get wNETT → gain access to new token sales / launches on Netswap. docs.netswap.io+1
7. **Governance & Voting (future / when active)** — vote on proposals or upcoming features, possibly stake veNETT to gain voting power + yield boosts. docs.netswap.io+2[Medium+2](#)

This model makes Netswap accessible and usable for different types of users: traders, liquidity providers, yield farmers, token investors, community/governance participants.



Technical & Security Considerations

While Netswap leverages smart contracts and the security of the Metis network, there are general risks inherent to DEX/DeFi platforms. Based on public documentation and standard best practices, here are considerations:

- All logic (swaps, liquidity, staking, farming, launchpad) is handled via **smart contracts**. If there is a bug or exploit in a contract — funds could be at risk. It's unclear (publicly) whether recent, comprehensive third-party audits exist. The official docs mention “Security Audits,” but I couldn't locate recent audit reports. docs.netswap.io+1
- **Liquidity / slippage risk** — for tokens with low pool liquidity, trades may suffer high slippage or may not be possible at healthy prices. As Netswap is relatively small, many tokens/pairs may suffer from low liquidity.
- **Volatility & tokenomics risk (NETT)** — given the large drawdown from ATH and modest current size, NETT holders must be cautious about token value volatility.
- **Dependency on Metis adoption** — Netswap's success heavily depends on growth/adoption of the Metis network; if Metis fails to attract users/projects, Netswap's utility may remain limited.

- **Smart-contract upgrades / governance risk** — as future features (limit orders, leverage, NFTs) are introduced, each adds complexity and potential risk vectors; proper testing, audits, and transparent governance will be critical.
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Where Netswap Fits in the DeFi Landscape & Its Potential Role

- Netswap targets users and projects on **Metis Layer-2** who want a native, low-cost, fast, full-featured DeFi platform — filling a niche that large L1 DEXes (Ethereum, etc.) may not serve efficiently (especially for smaller trades / projects).
 - It could become a **springboard for early-stage / small-to-mid cap projects** launching on Metis via Launchpad + liquidity pools + community support — enabling more decentralized and community-driven growth.
 - For individuals — users who hold bridged or native Metis tokens, Netswap offers a practical way to manage, swap, stake, and earn yield without needing to move assets back to L1.
 - As the DeFi and Web3 space moves toward multi-chain and L2 adoption, platforms like Netswap — L2-native, community-governed — may be increasingly relevant, especially for networks that want to build their own ecosystems rather than rely on cross-chain bridges + L1 liquidity.
 - If Netswap delivers on its roadmap (limit orders, leverage, NFT marketplace, prediction markets, etc.), it could evolve into a **one-stop DeFi super-app** — potentially lowering fragmentation and improving user experience for Web3 users on Metis.
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Summary: What Netswap *Is* — and What It *Could Become*

Netswap today

- A decentralized AMM-based DEX built on Metis Andromeda L2

- Core features: swaps, liquidity pools, yield farming, staking NETT, Launchpad support
- Native governance token (NETT), community-driven distribution & governance vision
- Low fees, fast transactions, designed for Metis ecosystem

Netswap's ambition / potential

- Expand beyond basic DEX: add limit orders, leverage trading, NFTs, prediction markets, lotteries — building full DeFi stack for L2
- Become the “go-to” DeFi hub for Metis users & projects — liquidity, token launches, yield, community governance
- Enable smaller projects / tokens to flourish via accessible liquidity and community support
- Offer a better, cheaper, more inclusive alternative to expensive L1 DEXes — democratizing DeFi for more users