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DACXI CHAIN & DACXI COIN

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# Your Comprehensive FAQ Guide

JULY 2023

## Q: What is the Dacxi Chain business model?

**A:** Dacxi Chain is a global technology company providing the technical infrastructure for licenced equity Crowdfunding (eCF) platforms anywhere in the world to connect with each other. Dacxi Chain provides the ‘pipes’ that connect these licensed eCF platforms into a global network under a Platform as a Service (PaaS) business model.

Dacxi Chain allows participating eCF platforms to share investment deals with other eCF platforms in the network and their crowds of investors. This is called a ‘decentralized network solution’.

## Q: Who are key stakeholders in the Dacxi Chain?

**A:** Dacxi Chain provides value to three primary stakeholders.

1. Investors looking for early stage companies with high return potential (the ‘crowd’)
2. Early stage companies looking for investment to fund growth
3. Licenced equity Crowdfunding platforms (eCF’s) offering investors access to early stage companies

## Q: Why didn’t Dacxi Chain launch its own local platforms?

**A:** The original business model for Dacxi was based on launching its own local eCF platforms in multiple countries around the world. Given the time and expense associated with securing local eCF licenses and establishing entities in every market of operation, refinements were made to the business model and the decentralized network solution was established.

## Q: Who are Dacxi Chain’s competitors?

**A:** There are currently no known competitors offering a global, decentralized global crowdfunding solution. It is likely that some of the world’s largest existing eCF companies will seek to expand their footprint to create a ‘centralized’ solution across multiple markets, and it is also likely they won’t be able to scale as quickly or effectively as a decentralized solution.

## Q: How is the Dacxi Chain built?

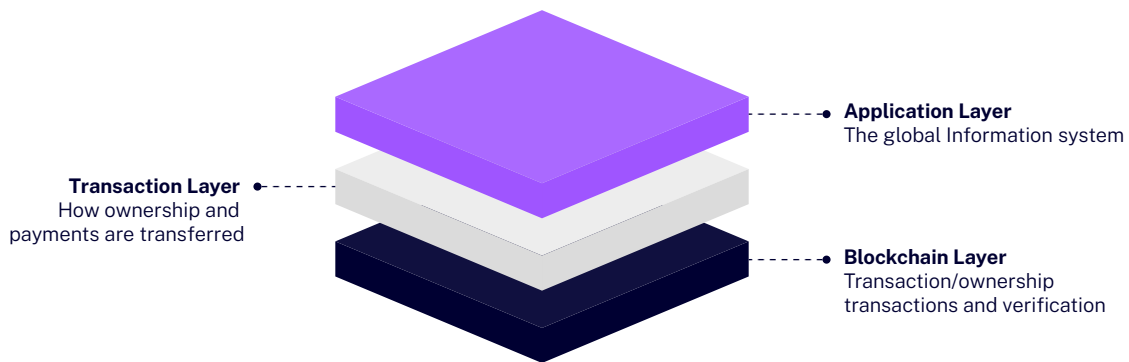
**A:** As explained in the Dacxi Coin whitepaper and shown in the illustration below, Dacxi Chain is based on layers of technology called a ‘Product Stack’.

The Application layer links equity Crowdfunding Platforms together enabling communications between platforms on multiple investment opportunities, or ‘deals’.

The Transaction Layer is where the deals are completed including using blockchain technology such as digital wallets, cryptocurrency payments, exchange integration, security, tokenization, token exchange, smart contracts and custody.

The Blockchain Layer is where the underlying blockchain verifies transactions and ownership of assets, whether money or shares, as accurate.

### Dacxi Chain Product Stack



### Q: Does Dacxi have its own blockchain?

**A:** In the initial stages of Dacxi Chain's development, the company has focused on the design, build and market launch of the Application and Transaction Layers. Once validated, the Blockchain Layer will be developed. To minimise project and technical risk the underlying Blockchain verification can initially be undertaken using a 'public blockchain' such as Ethereum. Eventually, it is expected that Dacxi will require its own blockchain to maximise cost savings, effectiveness and security. Owning its own blockchain in the future will allow Dacxi Chain to deliver additional services such as KYC on the blockchain, etc.

### Q: When will Dacxi have a blockchain?

**A:** To build Dacxi's own blockchain, it is vital that the Application and Transaction Layers are first proven. This approach also allows Dacxi Chain to refine its blockchain design based on critically valuable experience operating and supporting the Dacxi Chain platform. Importantly, Dacxi Chain can operate and grow unrestricted while this work is undertaken as the product stack has been built to be compatible with Ethereum, the most established public blockchain.

### Q: What kind of blockchain is Dacxi considering?

**A:** The initial concept involved a Layer 1 solution such as IBM's Hyperledger as the coding language given its mature development support ecosystem. Significant advancements in Layer 2 solutions now makes this a more attractive alternative. The most logical Layer 2 solution would be Ethereum-based.

## Q: How will the Dacxi Chain expand?

**A:** The expansion of Dacxi Chain is measured by the number of connected eCF platforms, the number of countries they represent, the number of deals, the number of investors and the quantity of investment secured via the network.

The first priority for Dacxi Chain is expanding the number of platforms to scale the network into the dominant global solution. This also has an exponential impact on the potential number of deals and investors in the ecosystem which drives the attractiveness of the network for eCF platforms and the income it generates.

## Q: Who is doing the technology development work?

**A:** All development work is done by Dacxi Chain's in-house Product and Technology team, established in 2018. This team were pioneers of building networks of crypto-token exchanges and have highly specialised capabilities, in particular for the design and ongoing development of the blockchain-based Transaction Layer.

## Q: What is Dacxi Coin?

**A:** Dacxi coin is the native currency of the Dacxi Chain ecosystem. It is based on crypto and blockchain technology and is thus called a 'cryptocurrency'.

It has no intended use outside of the Dacxi ecosystem so it is not a currency that would be used for payments. Its' value is based purely on the demand for it generated via the Dacxi Chain.

## Q: What is Dacxi Coin's primary use case?

**A:** Dacxi Coin's primary use case is as a Transactional Currency for the international transfer of investments between platforms within the Dacxi Chain network. It facilitates quick and affordable transfers globally, which are converted back into the recipient country's local investment currency.

## Q: What are Dacxi Coin's other use cases?

**A:** Secondary use cases of Dacxi Coin are as a 'Blockchain Currency', mainly for blockchain fees, for the Dacxi Blockchain when launched, and acting as an Exchange Currency in a secondary market for tokens in the future.

In time, it could potentially become a universal Investment Currency that investors use on a crowdfunding platform in the future. All these applications are dependent on the primary use case operating at scale.

## Q: Is Dacxi Coin an investment currency now?

**A:** In the world of Dacxi Chain, the currency used by investors to make investments on crowdfunding platforms is called the 'Investment Currency'. Currently, and in the near-to-mid term future, Dacxi Coin is not intended to be used as an investment currency to invest in deals.

## Why does the Dacxi Chain need to have its own coin?

**A:** The Dacxi Chain needs its own 'native currency', the Dacxi Coin, for efficiency, security, and cost-effectiveness of its use cases.

The complexities of sending international investments across a global network that are secure while also being linked with the transfer of ownership of shares, are significant. If there were 40 different local Investment Currencies in the Dacxi Chain network, this creates a requirement for 1,600 different currency pairings, such as Euro/Yen, Won/Swedish Kronor, Argentinian Peso/Pakistani Rupee etc.

Unlike traditional fiat currencies, stablecoins, and other cryptocurrencies like Bitcoin and Ethereum, Dacxi Coin is purpose designed and outperforms in several ways.

Fiat currency transfers are often slow and expensive.

Blockchain-based stablecoins are being scrutinized by many leading regulators. For instance, in the new European Union 'Markets in Crypto Assets' (MiCA) regulations are being introduced to effectively restrict the use of stablecoins. Using stablecoins therefore creates future risk for Dacxi Chain.

Cryptocurrencies such as Bitcoin and Ethereum come with higher blockchain fees and are prone to price spikes. They also lack the secondary use cases that Dacxi Coin can offer. As the Dacxi Chain network grows and the volume of deals increases, the importance and value of Dacxi Coin is expected to increase, positioning it as a significant global cryptocurrency.

Having a purpose designed transaction currency allows Dacxi Chain to keep transaction fees to a minimum. When the Dacxi Coin operates on its own blockchain, there are also valuable benefits in terms of simplicity and security. In combination this provides an optimized, streamlined environment where our operations are less complicated and more secure, enhancing the overall user experience and trust in Dacxi Chain's platform.

### **Present Status and Future Potential of Dacxi Coin's Liquidity and Tier 1 Listings**

The liquidity, or volume of trading in any currency is vital for its use case, its pricing and the ability to sell it. Dacxi Coin liquidity comes from the number of investors and traders actively working with it, so the number and quality of exchange listings is critical to producing a 'highly liquid currency'.

Whilst there are many global exchanges, only the top Tier 1 exchanges have the trader/investor pools to produce high liquidity. These exchanges only focus on the top 100+ coins.

Dacxi Coin has been listed on Tier 2 global exchanges so has lower liquidity, yet with Dacxi Chain now being launched, eCF partners secured and first deals imminent, the credibility necessary to achieve Tier 1 listings is apparent.

As Dacxi Chain achieves meaningful scale in the number of participating eCF platforms, deals and investors, it is expected 1 billion dollars or more of transactions will be undertaken monthly as platforms must buy/sell Dacxi Coins to move investments globally. This level of demand pushes Dacxi Coin into the top 100 coins by value and becomes extremely attractive for a listing by Tier 1 exchanges.

## Q: What is the potential of Dacxi Coin?

**A:** The 'potential' of a cryptocurrency refers to the potential market capitalisation or value for the currency. With a fixed supply such as Dacxi Coin, 'potential' ultimately refers to the potential for the price of Dacxi Coin to increase.

The price potential of a cryptocurrency is based on current and future demand for, or 'use' of the coin. The 'use' of a currency is not the same as the value of precious metals or the value of a share of a company. It is simply based on how much currency is expected to be needed.

The market capitalisation and thus coin price for a cryptocurrency today is based less on actual use and more on what people think demand will be in the future, when the underlying ecosystem is mature. For example, Etheruem's currency is used to pay for \$200million in monthly fees yet the value of the currency is \$250bn (x1,000+). Given the potential of the tokenization ecosystem, people predict this could grow many times more.

Dacxi Coin's potential is based on the volume of future investments over the Dacxi Chain network. As Dacxi Chain continues to grow with an ever-increasing number of eCF platforms being integrated (a principle illustrated by Metcalfe's Law), the volume of deals and investors is also set to expand exponentially.

If the global crowdfunding network achieves scale then there should be 1,000+ deals monthly, requiring a billion dollars of investments to be moved between platforms. This would generate demand for Dacxi Coin valued at billions of dollars and produce a coin price well beyond its current price.

Predicting coin price and demand is extremely difficult yet the principles of demand and future demand (potential) apply for Dacxi Coin as they do for all other cryptocurrencies.

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If you have any further questions relating to  
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