LYQYD

CREATE LEGACY

Whitepaper 2023 Ver 1.0

Introduction

Lyqyd is a community market maker enabling investment and commerce for everyday people in renewable energy transition projects and infrastructure, including hydrogen, wind, solar, hydro, and bio, and share in the financial rewards as we work towards a more sustainable future.

Lyqyd is breaking down barriers and giving everyday people the opportunity to invest and trade in high-impact energy projects that shape our future.

Our use of web 3.0 and Distributed Ledger technology allows for liquidity and flexibility as we fractionalize large-scale investments into accessible digital assets.

Invest with Lyqyd and not only create your own legacy, but also contribute to a more sustainable future for all.

Contents

Our Brand

Our Vision

Our Greater Purpose

Driving sustainable change through financial inclusion.

Our Mission

Our Daily Objective

Empowering individuals to shape the new energy economy through direct investment and commerce.

Our Values

The Pillars That Define Our Culture

- Accessibility - True financial inclusion for everyone.
- Transparency - Decentralised and trustless.
- Sustainability - Environmentally and financially sustainable.
- Opportunity Creation - Becoming a true market maker.
- High Impact - Making a significant impact on the environment and people's lives.
- Legacy - Creating environmental and financial legacy for future generations.
- Responsibility - Direct action and input into a high-growth industry with a global impact.

Our Brand Promise

Our Tagline That Declares Our Core Benefit

Create Legacy.

Strategy

Lyqyd uses a three-part strategy to achieve its vision and mission.

1. Economic Inclusion

Lyqyd will provide a market platform and transactional framework for far more granular investment and commerce opportunities. Lyqyd creates a marketplace that is open to businesses and people of any scale or financial capacity that otherwise would not be able to participate in the energy transition.

2. Economic Liquidity

Lyqyd prioritises participation liquidity and then addresses the attendant risk through transparency and technology leverage. Liquidity empowers both speed and flexibility. Liquidity is the essential component for distributed investment participation, for entry and exit of the market as circumstances dictate and for scalable investment exposure and risk management.

3. Economic Catalyst

Lyqyd aims to provide the economic catalyst for the energy transition by leveraging the concept of “Economies of Experience”.

1. Economic Inclusion

In order to achieve proactive and long-term sustainable adoption of renewable energy, Lyqyd contends that everyone in society should participate in the transition.

With the growing wealth gap and the systemic reliance on “economies of scale” to achieve a viable economy, especially for “green hydrogen” means that, apart from making a noise, most of us can only sit on the sidelines and wait until “big capital” (controlled by a few) changes the situation.

However, participation by everyone will create a tide of activity that will drive a more organic and resilient adoption process. Mechanisms need to be created to allow these new economies to be much more accessible and inclusive so that participation can occur. Lyqyd is leveraging Web 3.0 digital asset technologies to implement these mechanisms.

The World Bank believes that financial inclusion is a key factor in achieving the United Nations' Sustainable Development Goals (SDGs). Financial inclusion refers to the availability and accessibility of financial services to all individuals, including those who are traditionally underserved or excluded, such as low-income households, rural populations, and women. The World Bank argues that access to financial services is essential for reducing poverty, promoting economic growth, and achieving other SDGs such as reducing inequality, creating decent work, and promoting sustainable industrialization.

For instance, access to financial services can help individuals and households manage their financial risks, build assets, and invest in human capital, which in turn can lead to greater economic stability, improved living standards and reduced poverty. Furthermore, it can help small businesses and entrepreneurs access the capital they need to grow and create jobs, which in turn can contribute to sustainable economic growth.

In addition, the World Bank also perceives that financial inclusion can also play a role in achieving other SDGs, such as those related to education, health, and environmental sustainability. For example, access to financial services can help individuals and households pay for education and healthcare, which can improve educational outcomes and health outcomes. Furthermore, financial inclusion can also help individuals and households invest in renewable energy and energy-efficient technologies, which can contribute to environmental sustainability.

In short, the World Bank believes that financial inclusion is a critical component of achieving the United Nations' SDGs, as it can help to promote economic growth, reduce poverty, and improve living standards. It also plays a crucial role in promoting sustainable development and addressing inequality.

2. Economic Liquidity

Liquidity is the fundamental that underpins inclusive economic access to opportunities in new economies such as renewable hydrogen. Motivated individuals and SMEs need the ability to be flexible and dynamic with their involvement in order to participate. So not only do opportunities need to be granular for accessible scale, they also need to be liquid for resilience and participant confidence.

Liquidity is important for new economies as it allows for the smooth functioning of the financial system and the efficient allocation of resources. Liquidity refers to the ability of an economy to meet its financial obligations, such as paying debts or making investments, at any given time.

When an economy has sufficient liquidity, it is able to support the growth and development of small and medium-sized enterprises (SMEs), which are often the engines of economic growth in new economies.

These SMEs often have limited access to credit and other forms of financing, and so require a liquid financial system to meet their funding needs.

Liquidity is also important for the stability of financial markets and institutions. When liquidity is low, financial markets can become unstable and investors can become fearful, which can lead to a decline in economic activity. High levels of liquidity, on the other hand, can provide a sense of stability and confidence, which can attract foreign investment and encourage domestic investment.

In the context of a new economy such as the hydrogen economy, liquidity could be important for the development and growth of the hydrogen industry. For example, sufficient liquidity in the financial system could be needed to fund the high upfront costs associated with the development of hydrogen production and distribution infrastructure, as well as the R&D necessary for the development of new hydrogen technologies.

3. Economic Catalysts

We now have a positive socio-political environment to kick off the renewable hydrogen economy. The challenge is direct economics. While our governments are doing what they can to improve economic viability, progress is largely constrained.

Lyqyd is using a parallel strategy of enabling “economies of experience” to ignite economic catalysts. That is: creating an economy by first creating opportunities for commerce (by induction).

Economies of experience refer to the cost savings and efficiency gains that an industry achieves as a result of gaining experience in a particular field. In the context of the hydrogen economy, economies of experience can be achieved in several ways:

Learning By Doing: As people, companies and support industries gain experience in producing, storing, and distributing hydrogen, they become more efficient, and proficient and reduce their costs.

Network Effects: As more companies and industries become involved in localised hydrogen micro-economies, they will be able to form networks and share knowledge and expertise, which can help to reduce costs and increase efficiency.

Standardisation and Convention: As hydrogen production and distribution infrastructure and equipment become standardised and common best practices evolve, companies and industries will be able to reduce costs by leveraging know-how and patterns.

R&D: Companies and industries will be able to speed up R&D through better market access and pilot testing reducing adoption risk.

Overall, economies of experience help to reduce costs and increase the efficiency of hydrogen production and distribution, making it more economically viable and competitive with other energy sources.

Top 10 Economic Catalysts for Hydrogen

1. *Government policies and regulations that support the development and use of hydrogen as a fuel, such as tax incentives, subsidies, and regulations mandating the use of hydrogen in certain industries.*

2. *Private investment in hydrogen production and distribution infrastructure, such as hydrogen fueling stations, pipelines, and electrolysis plants.*

3. *The development of cost-effective and efficient technologies for hydrogen production, storage, and transportation.*

4. *Increased demand for hydrogen as a fuel, driven by factors such as the growth of the transportation sector and increasing concerns about climate change.*

5. *The development of a hydrogen export industry would help to support the growth of domestic hydrogen production and create new economic opportunities.*

6. *The development of hydrogen production from renewable energy sources such as solar and wind makes hydrogen production more sustainable and cost-effective.*

7. *Partnerships and collaborations between different sectors such as government, private and academic sectors.*

8. *Standardisation and certification of hydrogen production and distribution infrastructure and equipment.*

9. *Education and awareness campaigns to promote hydrogen as a fuel among consumers and businesses.*

10. *Investment in research and development to improve hydrogen production and storage technologies, making them more efficient and cost-effective.*

Lyqyd: A Democratised Marketplace

Lyqyd is a democratised digital marketplace that enables infrastructure investment and trading of green hydrogen-based fuels. It provides the centralised-decentralised financial (CEDEFI) framework to enable:

Markets

Capital raising & investment to fund green hydrogen farming and storage through the tokenisation of assets.

Projects

Trade hydrogen OTC tokens with automated central counterparty support and provide price-quality Oracle and On-Off Ramp services.

Lyqyd Structure

Lyqyd is a group of legal entities that provide a compliant, futureproof and adaptable framework that ensures compliance with the evolving statutory requirements as well as leveraging the power and opportunity created by the growing Web 3.0 technologies.

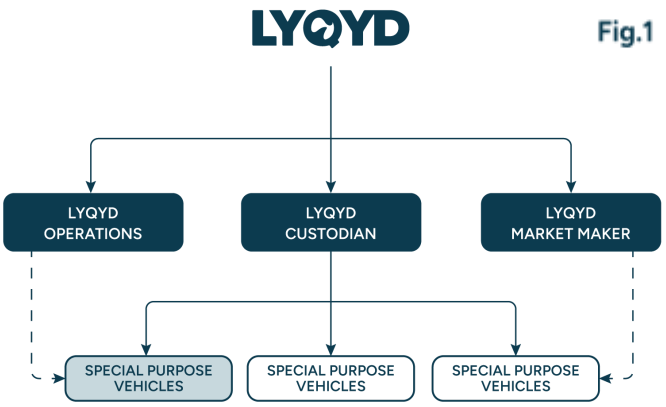


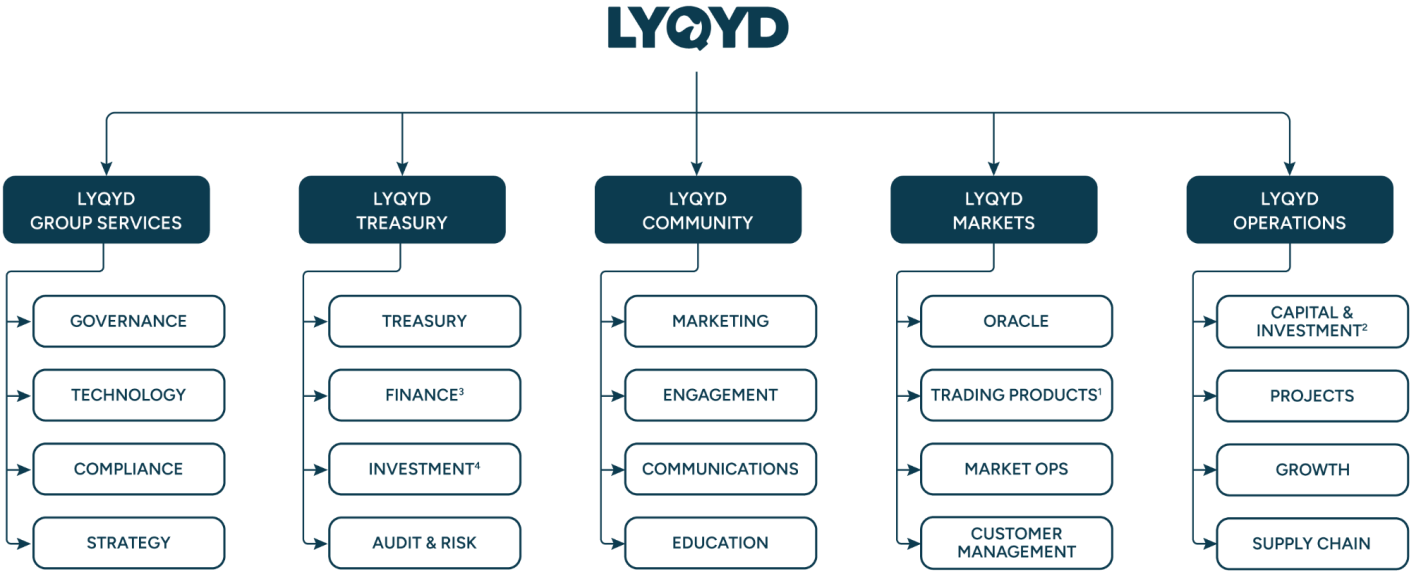
Fig.1

The primary entities under the group are:

1. **Lyqyd Operations:** This manages the day-to-day project investment business of Lyqyd.
2. **Lyqyd Market Maker:** This carries out market-making commodity trading to ensure counterparty opportunities in the nascent commercial market.
3. **Lyqyd Custodian:** This is the umbrella AFSL Licenced entity that carries out the necessary functions to ensure Australian & international compliance.

Holistically, Lyqyd governance is structured under five primary portfolios as shown in Fig.2. Each of the portfolios has maximum autonomy under its leadership within the auspices of group governance. The long-term objective is to approach the ideals of "Decentralised Autonomous Organisations" (DAO) while maintaining quality leadership and competence-based controls. There are five portfolios operated by the executive team, namely:

1. **Group Services:** responsible for governance, compliance, common services and support.
2. **Treasury:** responsible for financial management, digital fiscal policy, audit and risk
3. **Community:** responsible for organisational growth, engagement, people and culture.
4. **Markets:** responsible for the Market Maker function of Lyqyd.
5. **Operations:** responsible for infrastructure investment projects and operations.



1. Physicals and derivatives
2. Investment into plant and euip projects
3. Dealing with the custodian and SPVs
4. Dealing with integrations with other investment vehicles

Fig.2

Lyqyd Functions

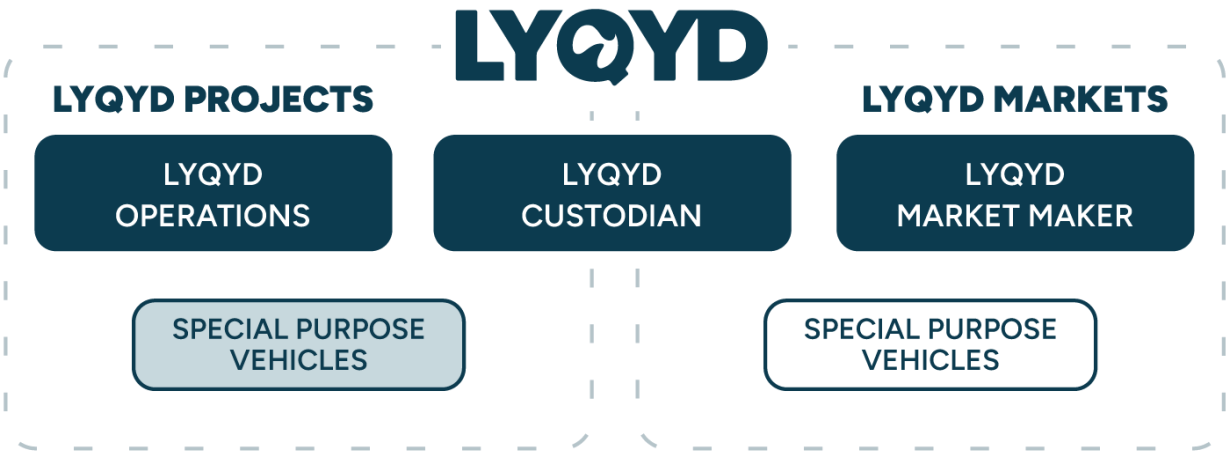
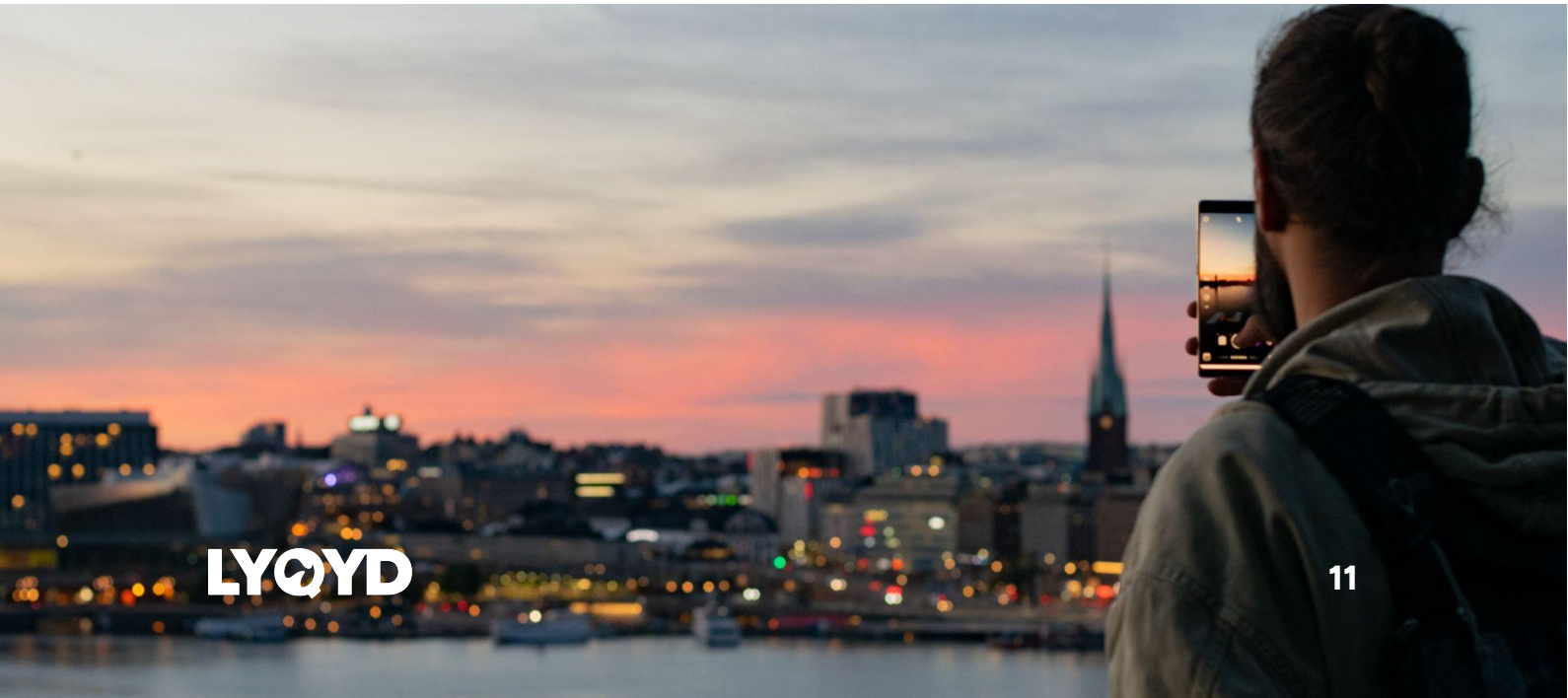


Fig.3

Lyqyd has two core functions:

1. **Lyqyd Projects:** To, directly and indirectly, develop hydrogen economy infrastructure through community-owned assets and operations (via outsourcing).
2. **Lyqyd Markets:** To, directly and indirectly, generate hydrogen commodity production and commerce by providing a guaranteed market-making counterparty for small-scale hydrogen operators (producers, consumers and storers).



Lyqyd Projects

Lyqyd Projects

The Lyqyd Projects function is carried out primarily by the Lyqyd Operations entity with the legal and financial wrapping provided by the Lyqyd Custodian entity. Operations carry out the project lifecycle work including the investment and execution. While the Custodian implements digital securities compliance. The overview of the project's structure is shown in Fig.4 Below.

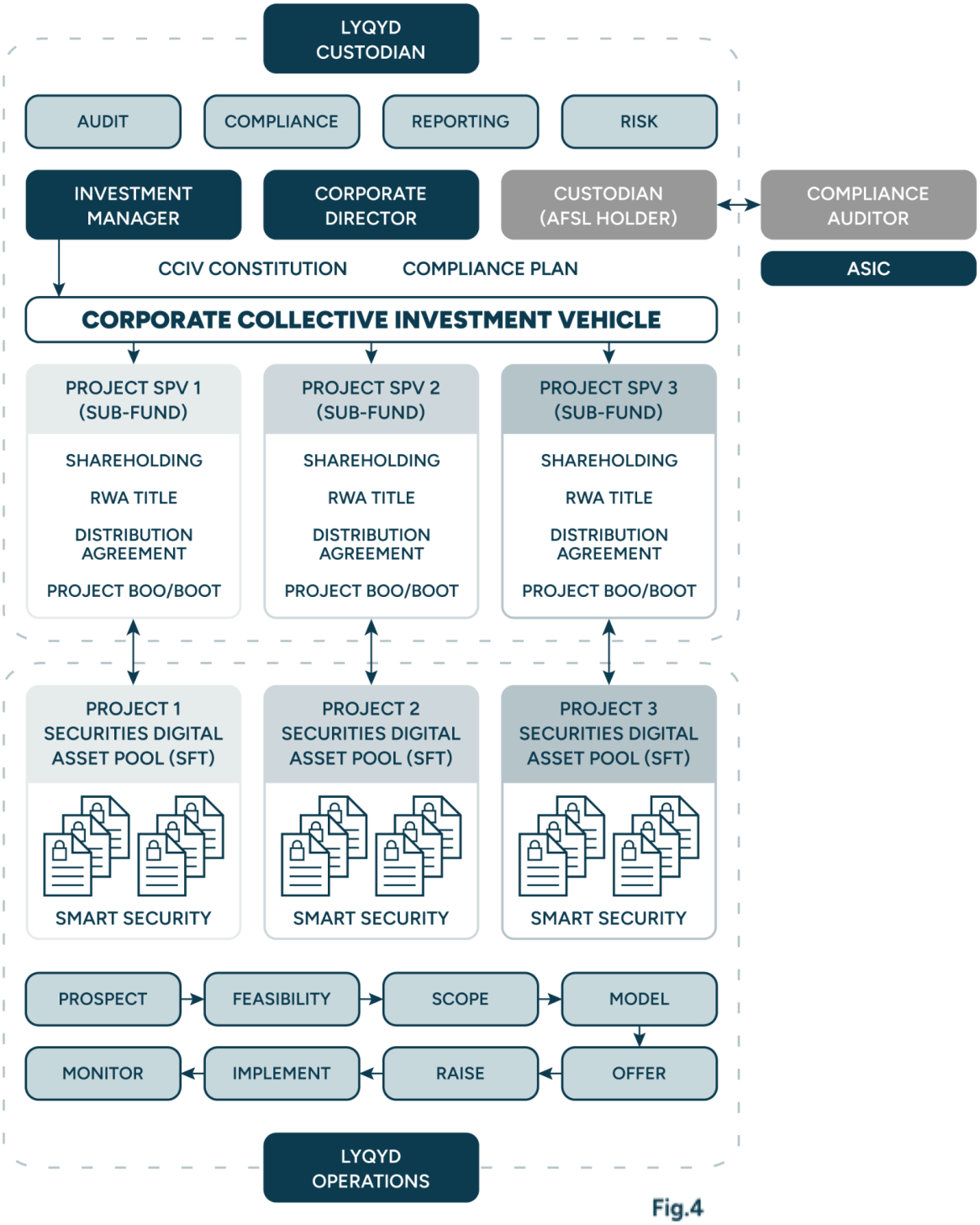


Fig.4

Lyqyd Projects - Custodian

The Lyqyd Custodian entity is the legal and compliance framework that supports digital security assets (Security Semi-fungible Tokens) that represent "fractionalised" ownership and rights to underlying real-world assets. These assets can be tangible such as property or plant and equipment, or intangible assets such as leases, shares or royalty agreements.

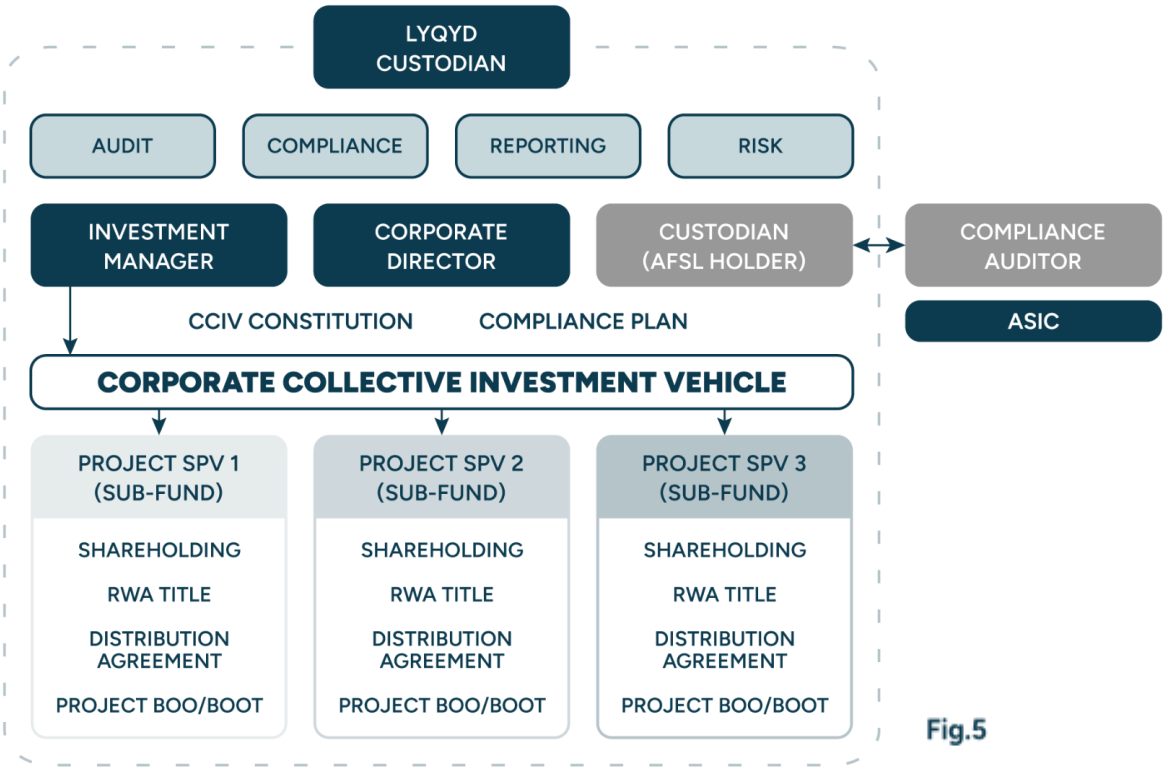


Fig.5

The Lyqyd Custodian holds the real assets in custody using a special purpose vehicle (SPV such as a CCIV sub-fund). Lyqyd Custodian carries out the statutory requirements of the various regulators (ASIC, APRA etc) as well as the required governance for the umbrella and the SPVs.

Lyqyd custodian acts as regulatory oversight and support but provides no business input other than to ensure compliance or evolutionary guidance for regulation.

Lyqyd Projects - Operations

Lyqyd Operations implements the projects function of Lyqyd. The primary mandate for Operations is to facilitate cooperative (or mutual) ownership of infrastructure and other projects that will stimulate commerce in the hydrogen economy. Lyqyd Projects sources and manages the projects that become SPVs created by the Custodian.

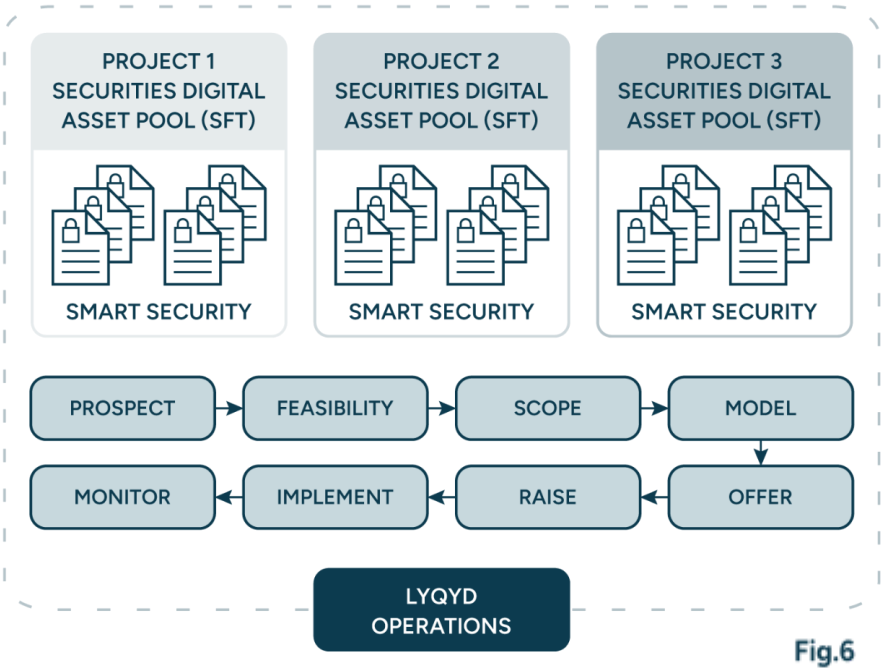


Fig.6

The ownership and rights to this SPV are fractionalised into Lyqyd Digital Security Tokens (Semi-Fungible). Each project will instantiate a new SPV and these tokens provide liquid asset ownership to the SPV and its assets and income as described in each project's memorandum. The security tokens are fungible within their class but not otherwise, making them analogous to listed shares.

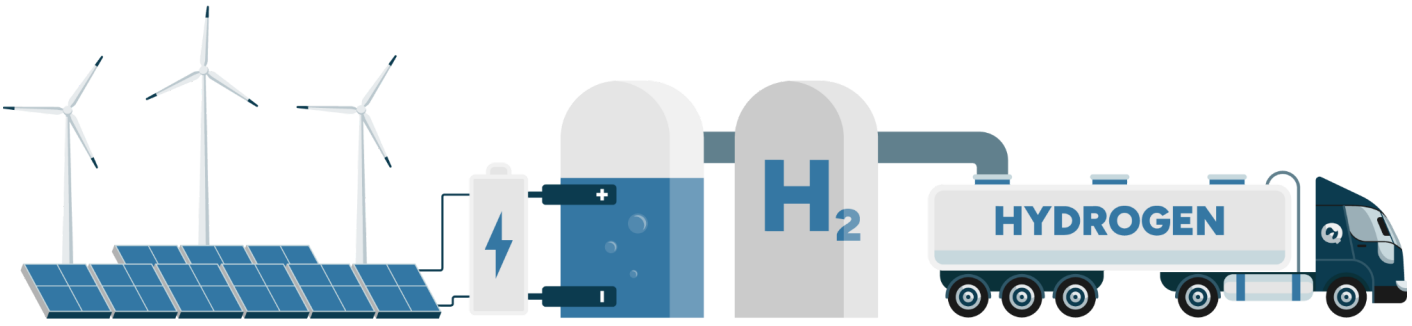


Fig.7

Lyqyd Projects - Operations Process

The diagram in Fig.8 Below summarises the high-level process that Lyqyd Operations uses to manage a project's lifecycle.

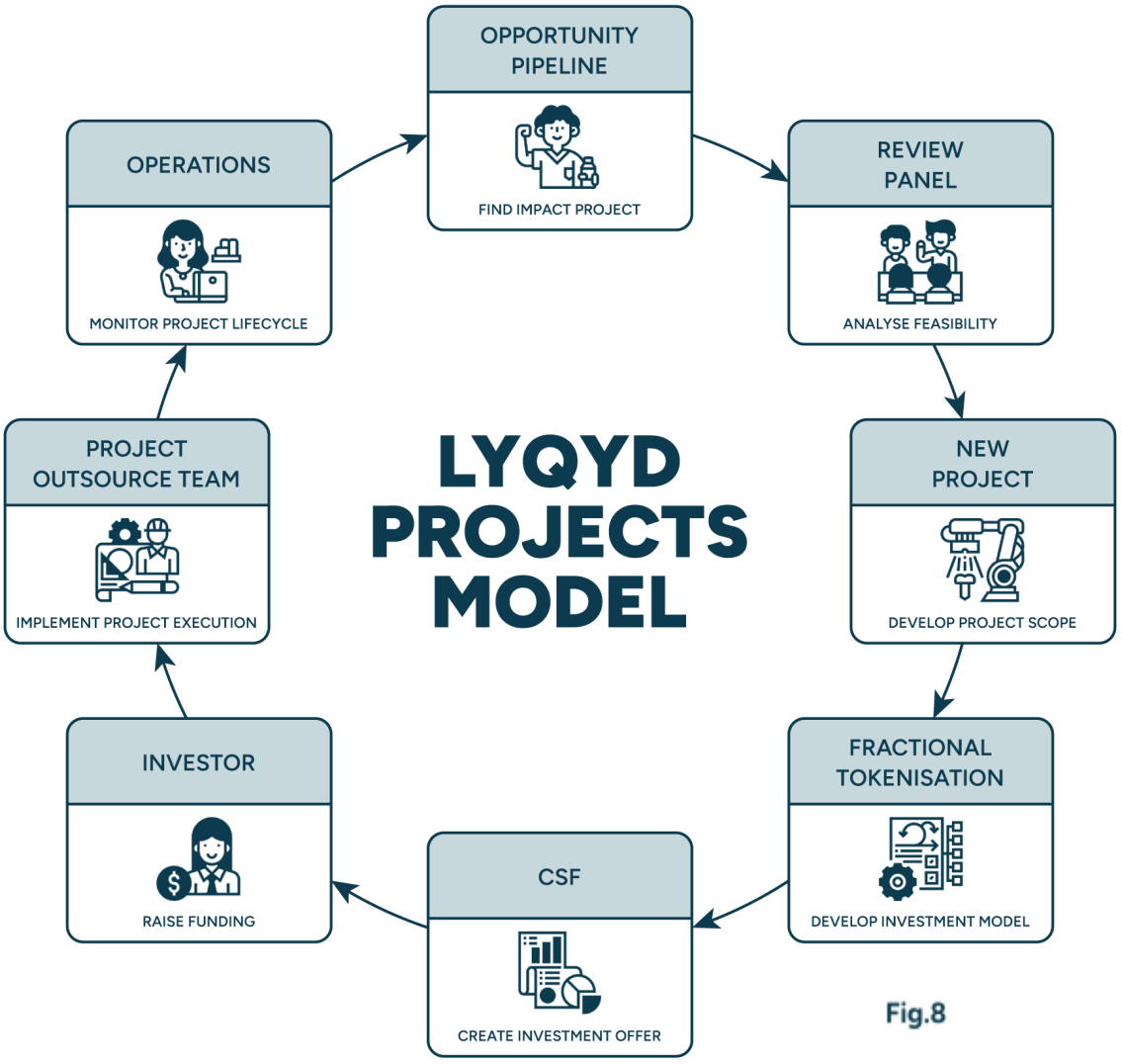


Fig.8

There are essentially eight (8) stages in a Lyqyd project lifecycle:

1. Opportunity Prospecting
2. Opportunity Feasibility
3. Project Scoping and Design
4. Project Investment Modeling
5. Project SPV Creation
6. Project - Security Token Offer (STO) raising
7. Project Implementation (Procurement & Outsourcing)
8. Project Monitor and End-of-life Windup (where appropriate)

Lyqyd Projects - Operations Process

Opportunity Prospecting

The Lyqyd opportunity (deal flow) pipeline is generated primarily from the proactive engagement of the Operations team. Typically they will be actively involved in all areas of the current hydrogen and associated renewable energy activities. This includes initiatives such as:

- Renewable Energy Zones (REZ).
- Hydrogen hubs.
- Special Activation Precincts (SAP).
- FP and NFP Organisation H2 or RE initiatives.
- Energy transitioning regions.
- Disrupted primary & secondary industries.

Opportunity Feasibility

Project opportunities aim to resolve "catch-22" situations that stymie economics. As such projects may come in many forms including:

- Lease or other access arrangements for hydrogen storage.
- Pilots and balance-of-plant for new innovation partners.
- Hydrogen production plants.
- Refuelling stations.
- FCEV heavy vehicle projects.
- Each opportunity will be assessed for feasibility and impact from investment. This is a gated step for a project to proceed.

Project Scoping & Design

If an opportunity proves feasible then it commences as a project. This stage determines the specifics of the project, what it involves and what is required to execute it. Primarily, each project will aim to act as a 'nexus' to create commercial activity rather than be an ongoing participant. To that end, Lyqyd projects will heavily lean on outsourcing as a key part of the project design.

Project Investment Modelling

Once a project is designed, the next stage is the investment model. This process may have an iterative effect on the project design but is a gate stage for the project to continue. The main activities in this stage include:

- Asset fractionalisation details (tokenomics) and requirements.
- Project risk management.
- KPIs and return targets (success metrics).
- Investment profile and target audience.
- Entry, exit and contingency plans.
- Concept audit & legals.

Lyqyd Projects - Operations Process

Project SPV Creation

Once the project passes the Investment modelling gate, the Special Purpose Vehicle (SPV) is instantiated (by Lyqyd Custodian) along with the investment memorandum (STO-IM) for a Security Token Offer. Each project will have its own investment priorities and lifespan. Some may be perpetual and others may have a distinct lifespan objective and windup outcome. Regardless of the project profile, the securities are liquid digital assets allowing investors to enter or exit at will. The risk profile of each project will be covered in detail in the IM.

Project Security Token Offer (ITO)

If the project gets the green light from Lyqyd Custodian, the investment memorandum (STO-IM) is released to the target audience. The STO is the mechanism that both raise the funding for the project and determines its ownership. Once the STO is complete, project members (investors/owners) own their security tokens and can trade these with others parties as per typical DEFI models.

Project Implementation

Once the minimum required funding is raised via the STO, the project enters the implementation stage (project execution). The Operations team kicks off the procurement process and activities required to set up and implement the project. This is largely executed through a network of service providers and partners. Lyqyd Operations intends to remain as LEAN as possible to minimise its footprint within the project space.

Project Monitor

Once the project is implemented, it enters the monitoring phase. This primarily involves activities to ensure that the project is maintaining statutory compliance (on behalf of the Custodian). It also deals with events and other adjustments that need to be made such as:

- Lease renewal
- Income distribution
- Insurance claim
- Contract re-issue
- Performance management

This stage is also responsible for the project exit (windup, sale, decommission etc). This would then trigger the windup of the SPV and token burn.

Lyqyd Markets

Lyqyd Markets

The Lyqyd Markets function is carried out primarily by the Lyqyd Market Maker entity with the legal and financial wrapping provided by the Lyqyd Custodian entity. Market Maker carries out two (2) key activities:

- Providing market-making counterparty services for OTC hydrogen physical commodities.
- Maintaining data acquisition and data feed services to the platforms and distributed ledger/public blockchain.

The Custodian implements the digital securities compliance for Market Maker also. In the short term, Market Maker will only facilitate direct OTC trading but will implement derivatives such as swaps and futures at a later stage (requires a secondary market operator licence).

The overview of the Market Maker is shown in Fig.9 below.

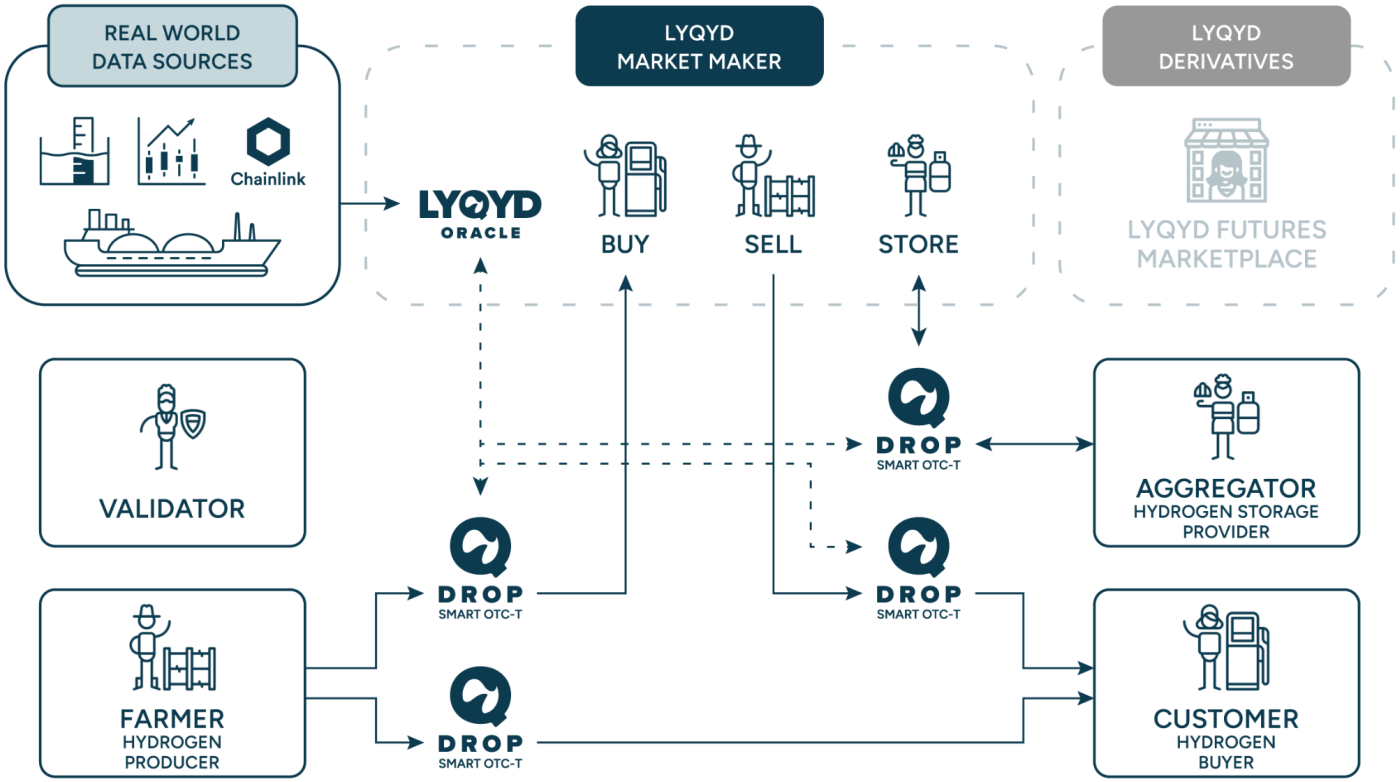


Fig.9

Lyqyd Markets Participants

Lyqyd Markets has four (4) main participants:

1. **Farmers** - These are hydrogen commodity producers who want to sell their products. They are on the long side of the OTC contract. If they have no direct customers, Lyqyd Market Makers will purchase the hydrogen at the index price provided by the Lyqyd Oracle.
2. **Customers** - These are consumers of the hydrogen products and are on the short side of the OTC contract. If there is no farmer counterparty available, Lyqyd Market Makers will supply a standard product.
3. **Aggregators** - These are the storage providers for the commodity and may also provide other parts of the commodity carry (such as logistics). Aggregators may also "convert" products by using different storage processing, for example from compressed to liquid hydrogen. They can also blend to produce different product specifications.
4. **Validators** - These provide an important role in the 'carry' by providing independent inspection of products and infrastructure. They then provide the quality assurance data that is used by the Oracle to update the state of the SmartOTC contracts on-chain.

Fig.10

Lyqyd Markets - Oracle

A key piece of technology that provides the foundation for Lyqyd Markets is the Oracle. The first and most important function it provides is the commodity price indices. These price indices are for the various standard OTC product specifications. While counterparties can strike their own price, the index becomes the default. As the market matures the index becomes the spot price within the economic ecosystem.

Utilising the data Oracle and SmartOTC contracts (Web 3.0 infrastructure technologies) allows for more sophisticated commodities with faster and safer transactions.

While pricing is the primary objective of the Oracle, it also provides other metadata that is important for the OTC trade such as quality validation, specifications, product tracking, provenance and so on.

Data sources for the Oracle include:

- Real-time IoT data feeds (e.g. storage level, temperature, pressure sensors).
- Human input feeds (such as validator inspections, and survey data).
- AI algorithms from big data sources (especially for pricing models).
- 3rd-party time-series data feeds.
- Context metadata (settlement details, logistics status).

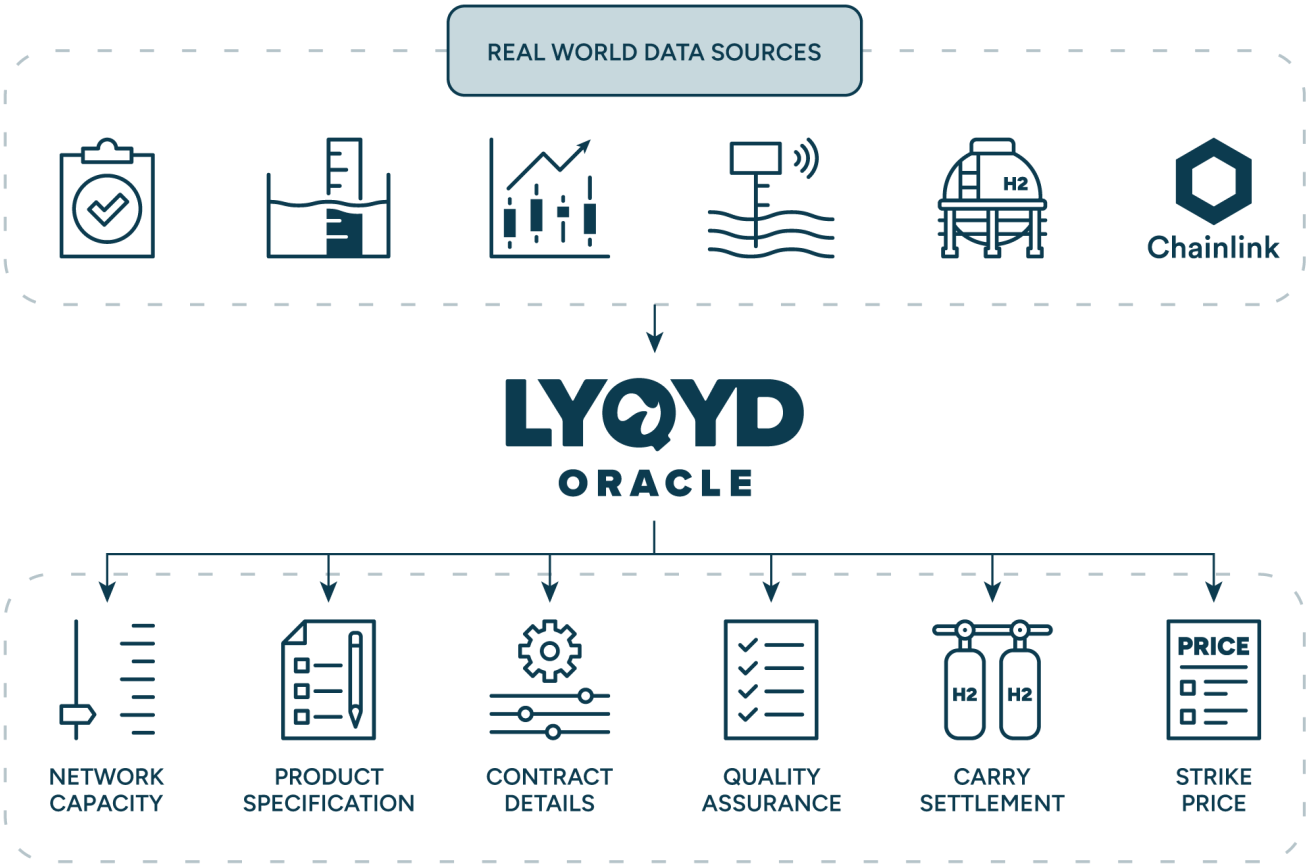


Fig.11

Lyqyd Governance

Lyqyd Governance

Lyqyd aspires to the ideals of a Decentralised Autonomous Organisation (DAO).

However, it will take time for regulation and, more practically, business culture to mature and sync with the technology as automated & decentralised governance models also mature.

Lyqyd will use a hybrid DAO consortium model for governance. It will still formally be structured under existing legal entities (albeit new legal entities such as the corporate collective investment vehicle CCIV) however strategic decision-making and major governance controls will utilise DAO governance technologies. The adoption of decentralised & automated governance will be gradual and measured but determined.

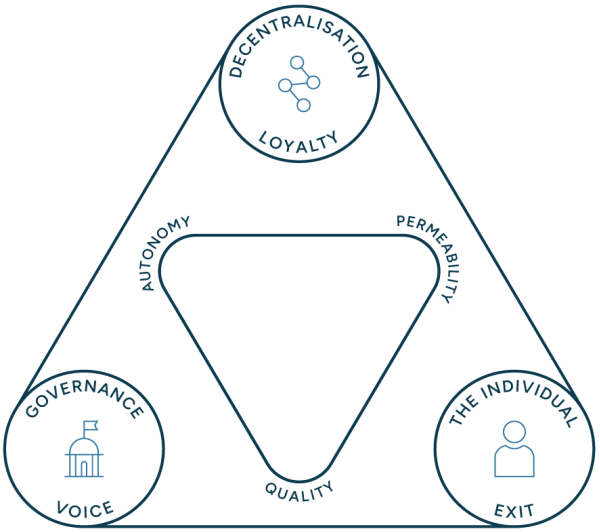


Fig.12

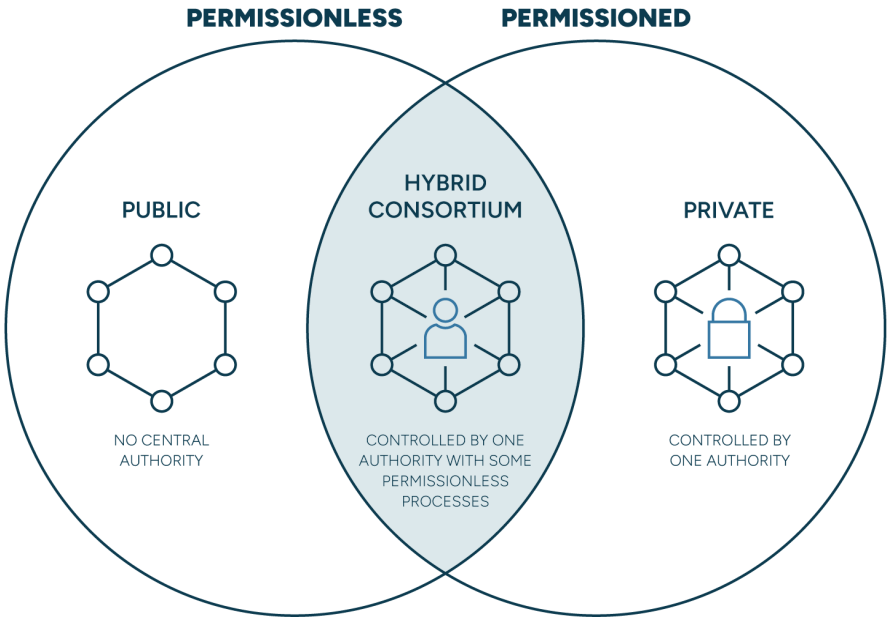


Fig.13

Lyqyd governance will aim to optimise governance process efficiency within the following priorities:

1. Legal & regulatory compliance
2. Inclusive Democratisation
3. Reward for performance
4. Reward for contribution
5. Sustainability

Lyqyd Governance Priorities

The governance prioritisation has critical implications for the shaping of the future of Lyqyd and sets how competing ambitions will be resolved. Hence this requires some further explanation.

Priority 1
Legal & Regulatory Compliance:

This is the main deviation from the traditional DeFi ethos that prioritises democratisation. Lyqyd is founded on the principle that our regulatory bureaucracy, while not perfect, is mature, well tested and well-intentioned. As such, our long-term sustainability means compliance is the ultimate existential priority. Consequently, this will mean Lyqyd will be actively involved in regulatory advocacy.

Priority 2
Inclusive Democratisation:

Given priority 1, the primary objective is to ensure inclusive democratisation. Lyqyd exists to give voice and opportunity to people who want to make their mark in these unique times as we transition to an earth-centric society (the earth-centric zeitgeist). The consequence of this is that creating inclusive opportunity trumps optimal performance or return. This doesn't mean Lyqyd has an NFP ethos, rather, it means that success occurs when all involved succeed. The consequence of this being priority 2 is that we develop an “open” and inclusive opportunistic environment rather than the traditional exclusive “tribal” culture. This still means that the individual is “self-responsible” for their choice but they get the chance.

Priority 3
Reward for Performance:

Given the previous two priorities, performance is the next priority. This means that Lyqyd values outcomes over effort. This has a twofold implication. The first is that successful commerce and achievement are valued. This encapsulates the positive consequences of capitalism. High performers will be rewarded if they contribute to the Lyqyd mission.

Priority 4
Reward for Contribution:

Lyqyd is about open opportunity. This priority means that all contributions will be rewarded in kind. The consequence of this is that the organisation will ensure that every contributor is recognised and rewarded in-kind (positively or negatively as the case may be).

Priority 5
Sustainability:

This is possibly the most important consequential priority rating. Most organisations have their existence as priority 1. Lyqyd aims to create change and have a resounding impact. This may mean that sustainability is compromised in favour of the previous four priorities. However, sustainability is a priority that will colour our risk management processes and decision details regarding the previous four priorities.

Lyqyd Governance Process

While the Lyqyd entities have representative boards of directors and associated statutory and fiduciary obligations, Lyqyd implements its governance process using DAO frameworks. This implies that directors' obligations are limited to compliance oversight. This means that, as expected, the various boards have the right to veto to ensure governance priority 1. However, everything else is carried out using democratised and automated DAO systems. To ensure an optimising balance between the competing imperatives of the five priorities, Lyqyd uses the three layers of governance.

The formal and on-chain recorded governance decisions will be limited to the higher and strategic outcomes that will have a formative impact on the organisation. The rest (day-to-day) will be delegated to the portfolio leads. As this process matures, Lyqyd will progressively move more decision-making to the automated process. However, voting weighting and recognition will be based on various KPIs held within the membership token. This will incorporate competency, contribution and other indicators that will (algorithmically) determine voting power on certain decisions. In principle, each decision will follow the workstream lifecycle process as shown in Fig.14 below.

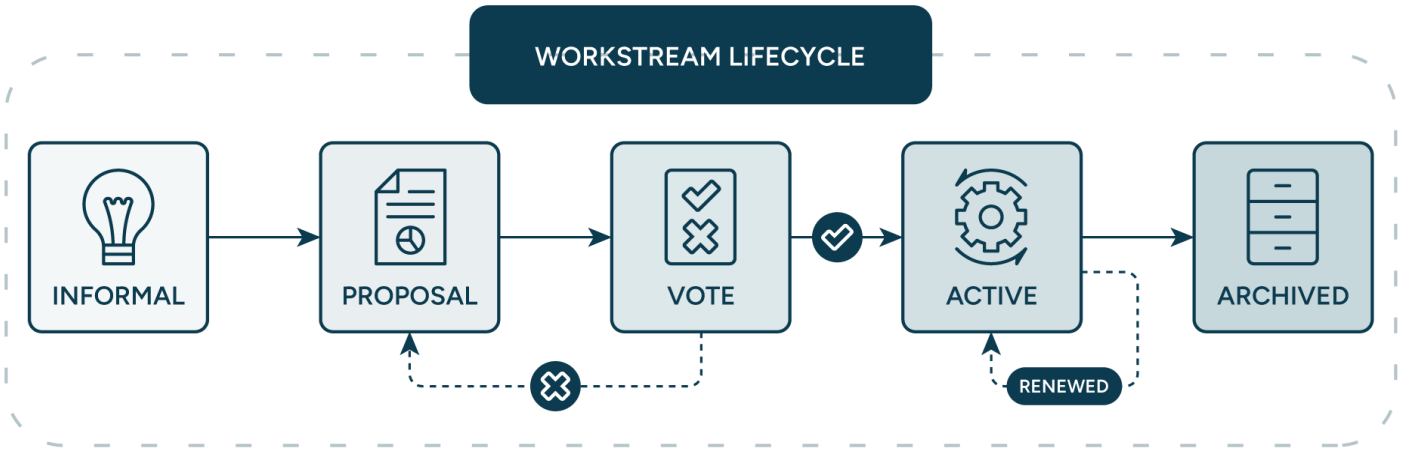


Fig.14

Lyqyd Cryptographic Assets

Lyqyd Cryptographic Assets

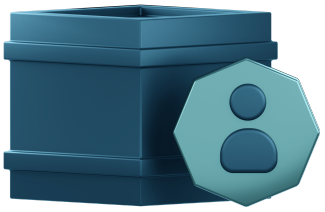
For the foreseeable future, Lyqyd has no plans to implement a “cryptocurrency” token (ERC20 tokens etc), although it will support a limited set of cryptocurrencies as investment tender. This is managed as part of the Lyqyd Treasury Portfolio.

Lyqyd, however, uses three cryptographic digital assets to facilitate business automation, one for each of Lyqyd’s core functions

Lyqyd has three core cryptographic tokens:

Lyqyd Security Token (Projects):
A semi-fungible token representing `rights to an underlying asset.

Lyqyd SmartOTC (Markets):
This is an over-the-counter smart contract for hydrogen-based commodities.



Lyqyd Membership Digital ID (Soulbound):
This is the governance, identity and credential utility token that provides the licence to participate in Lyqyd governance and activities.

Lyqyd Project Security Token

Lyqyd Security Tokens are minted as part of each project's Security Token Offer (STO). Each project sets the "class" for the security token and it is fungible within its own class. The diagram shown below in Fig.15 illustrates the Lyqyd Security Token process.

Lyqyd custodian creates an SPV that acts as the "black box" container for the various titles, deeds and other legally binding asset proof of ownership/rights for the project. It also then "mints" the security tokens for that Class (Project)

Lyqyd Operations then launches a Security Token Offer (STO) program to raise funds to finance the project by releasing the tokens to the market. Lyqyd accepts fiat and a select range of stablecoins (e.g. CBDC) as tender for security purchase.

Lyqyd also provides an online marketplace platform to facilitate the trading of security tokens.

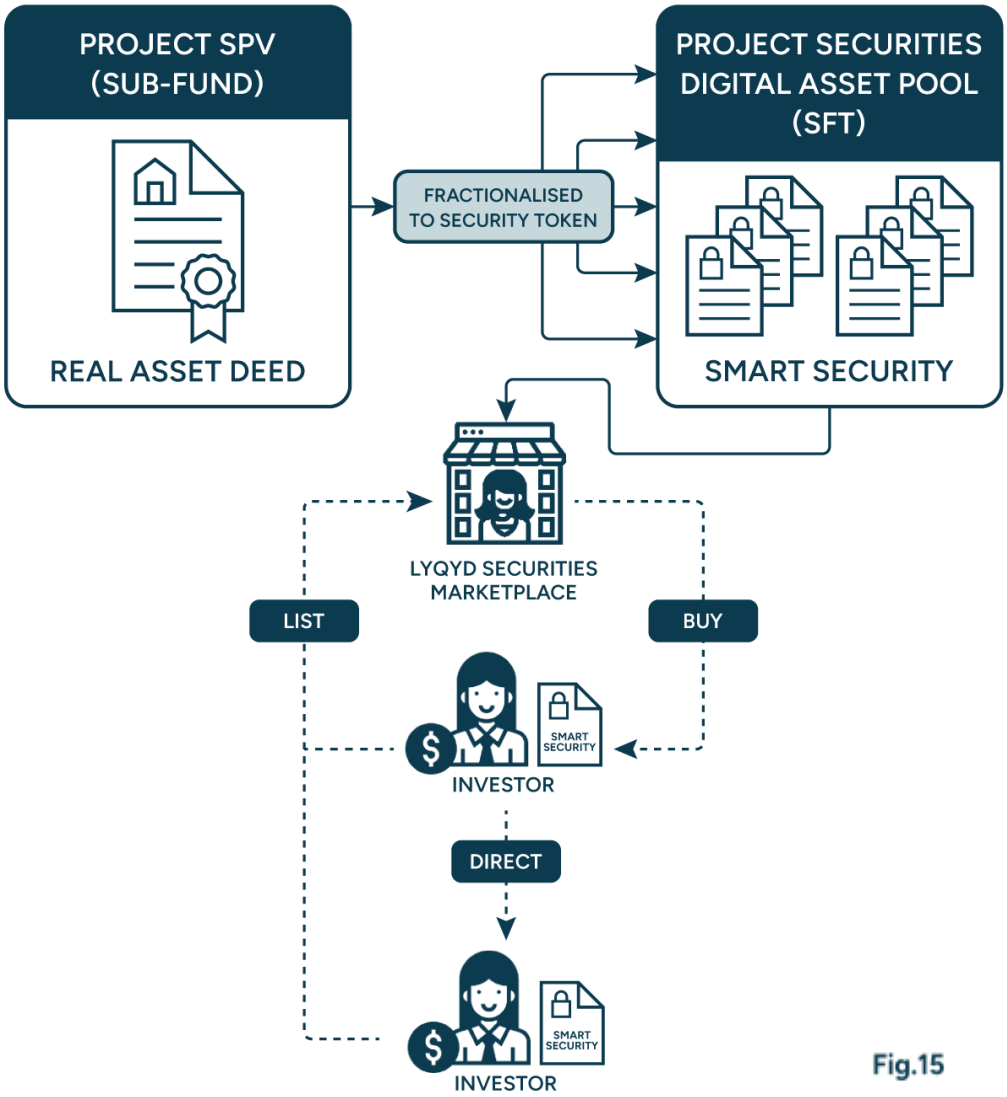


Fig.15

Lyqyd Over-The-Counter (OTC) Smart Contract

Lyqyd OTC Smart Contract is a cryptographic implementation of a traditional commodity OTC contract. However, it has significant advantages to the traditional OTC approach including:

- On-chain transparency of OTC arrangement.
- Accessible chain-of-custody and provenance.
- Accuracy, speed and automation.
- Encapsulation of complex commodity specifications.
- Dynamic status and data via Oracle data feeds.

This is just to name a few, However, they all go to reducing counterparty risk and marketplace accessibility and scalability.

Lyqyd provides a number of standard OTC template contracts. These smart contracts are not necessarily static and can include automation and other information and triggers which can be updated via the Oracle. Lyqyd Market Maker may act as a central counterparty, settlement facilitator or market-making counterparty where required.

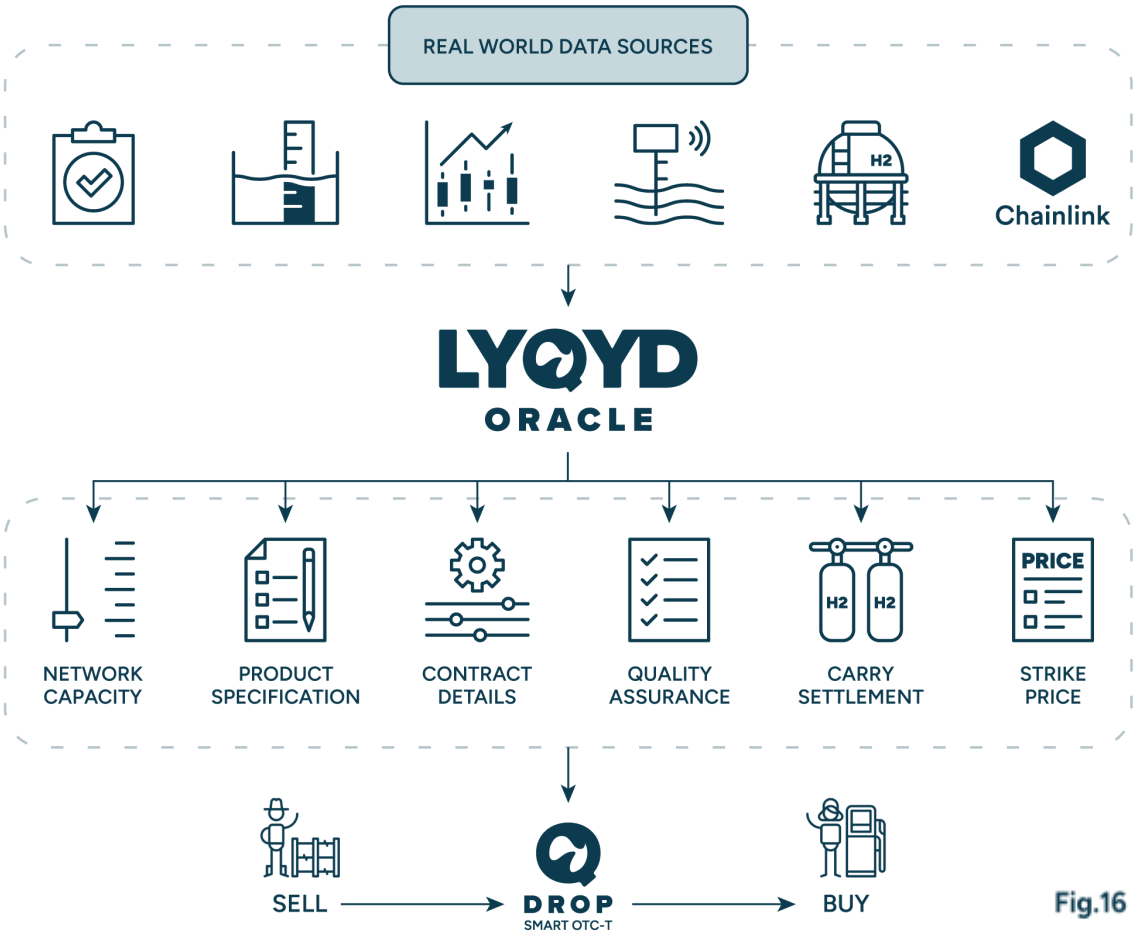


Fig.16

Lyqyd Member Digital ID Token (Soulbound)

Lyqyd Membership Digital ID token is generated as part of the KYC and member onboarding process. This token acts as the digital identity key for participating members in either Projects or as a Market actor.

This Soulbound token is a non-transferable and non-fungible token that provides the member's credentials and voting rights and weighting profile. The importance of this token is that it implicitly encapsulates the Lyqyd governance priorities and the individual's status within the Lyqyd ecosystem.

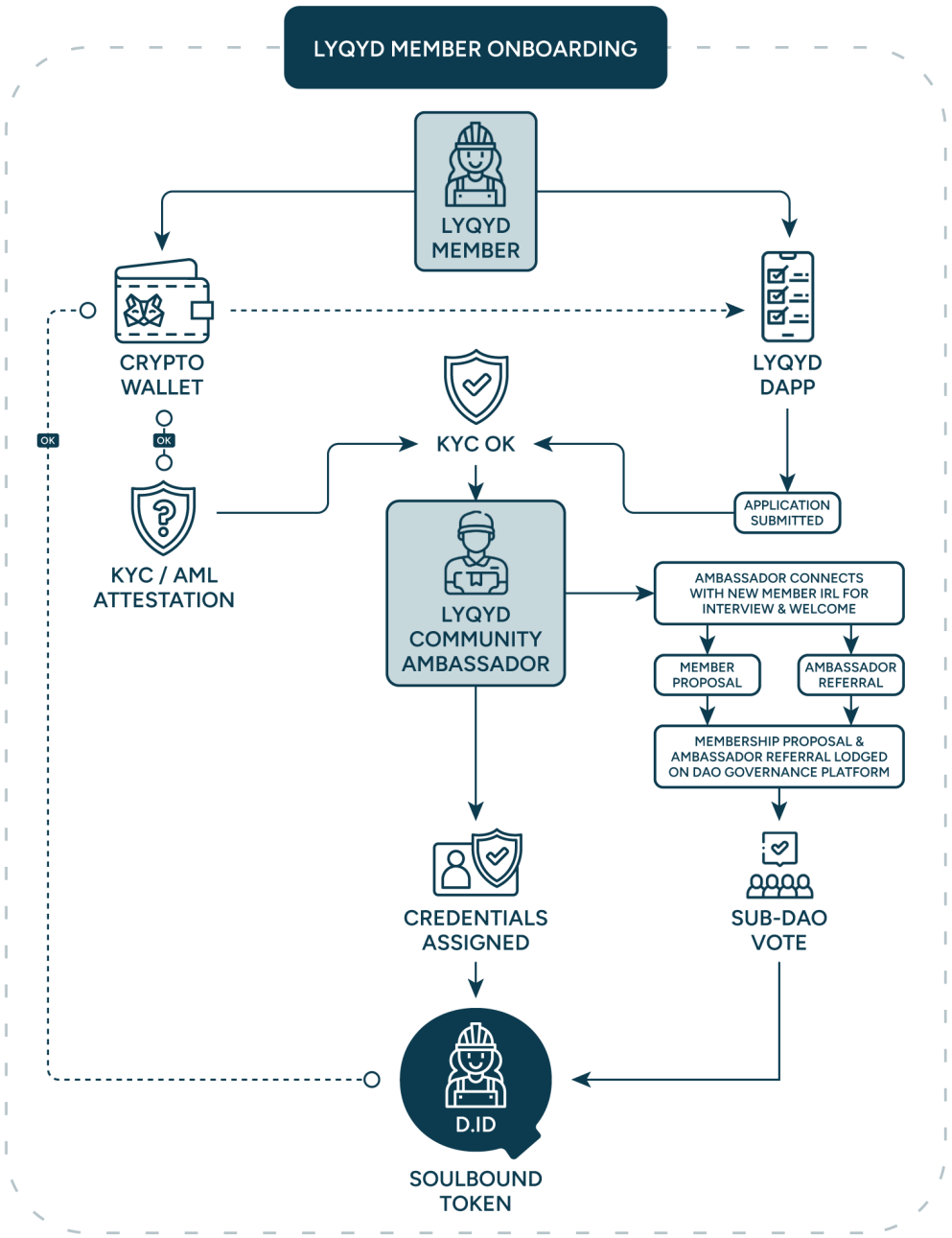


Fig.17

Lyqyd Glossary

Glossary

DAO (Decentralised Autonomous Organisation):

The decentralised autonomous organisation (DAO) is an emerging form of legal structure. It is sometimes called a decentralised autonomous corporation. With no central governing body, every member within a DAO typically shares a common goal and attempts to act in the best interest of the entity. DAOs are used to make decisions in a bottom-up management approach.

A DAO is an entity structure in which token holders participate in the management and decision-making of an entity. There is no central authority of a DAO; instead, power is distributed across token-holders who collectively cast votes. All votes and activity through the DAO are posted on a blockchain, making all actions of users publicly viewable. In short, DAOs are entities whose rules are defined and enforced in the form of smart contracts.

CCIV (Corporate Collective Investment Vehicle):

A type of investment fund that uses a company structure. A CCIV is set up using one or more sub-funds and an investor can buy shares in one or more of those sub-funds. A CCIV has a different legal structure to a managed investment scheme and must be registered as a company with the Australian Securities and Investments Commission (ASIC), using an Australian Company Number (ACN). Each sub-fund has its own Australian Registered Fund Number (ARFN). In this case, it is used as the legal wrapper for the DAO treasuries and its operations.

Guild (DAO Community Guild):

The division or community member group that is defined by the domain or functional area. Membership can be self-selected or gated through governance processes with membership tokenised on-chain.

MVC (Minimum Viable Community):

A Minimum Viable Community (MVC) is, in essence, the smallest group of people needed to come together for a shared purpose — the minimum number of community members required for the DAO to function and commence sustainable growth.

LOHC (Liquid Organic Hydrogen Carriers):

These are organic compounds that can absorb and release hydrogen through chemical reactions. LOHCs can therefore be used as storage media for hydrogen.

Blockchains:

Distributed ledgers serve as the settlement layer for transactions. Currently, most DeFi services operate on the Ethereum network, due to its capabilities and developer adoption. DeFi activity is growing on and across other blockchains as well.

Digital Assets:

Tokens representing value that can be traded or transferred within a blockchain network. Bitcoin and other cryptocurrencies were the first blockchain-based digital assets. Others have a range of intended functions beyond payments.

Wallets:

Software interfaces for users to manage assets stored on a blockchain. With a non-custodial wallet, the user has exclusive control of funds through their private keys. With custodial wallets, private keys are managed by a service provider.

Smart Contracts:

Blockchain-based software code that carries out, controls, and documents relevant events and actions according to predefined terms and rules.

Decentralised Applications (dApps):

Software applications built out of smart contracts, often integrated with user-facing interfaces using traditional web technology.

Governance Systems:

Software-based mechanisms that manage changes to smart contracts or other blockchain protocols, often based on tokens that allocate voting rights to stakeholders.

Stablecoins:

Digital assets whose values are pegged to a fiat currency, a basket of fiat currencies or other stable-value assets.

Oracles:

Data feeds that allow information from sources off the blockchain, such as the current price of a stock or a fiat currency, to be integrated into DeFi services.