ABC Network

ABCN Blockchain

Ace Blockchain Whitepaper

Version 1.0

Bringing World On Chain

www.abcn.finance

www.abcn.io

Ace Blockchain Crypto Network

Ace Blockchain is creating Blockchain and dApp (decentralized application) environment that provides the web3 infrastructure needed for users and companies to bring their assets on-chain and self-fund themselves via Security Token Offerings, and for DAOs to be able to operate in a legally compliant environment.

Our goal is to bridge offline to online, and web2 to web3 to prepare the world for a new fully tokenized reality. Ace Blockchain's protocol provides the user with an easy-to-use interface that is best-in-class, allowing them to onboard companies, DAOs, investors, and service providers into the same ecosystem.

Ace Blockchain's decentralized management system opens new opportunities for funding, governance, measuring performance, and managing treasuries.

Abstract

A cryptocurrency is a digital asset designed as an alternative medium of exchange and store of value that uses cryptography to secure transactions, control the creation of additional units, and verify the transfer of assets and value.

Cryptocurrencies are predominantly decentralized in nature. Transactions are validated by network nodes and recorded in a public data structure in the form of a distributed ledger commonly known as a Blockchain.

The first, (and most common) cryptocurrency created was Bitcoin. Bitcoin was created in 2008 in the aftermath of the global subprime financial crisis of 20071, by an anonymous person (or group) called Satoshi Nakamoto2. The inevitable failure of subprime lending markets caused the cataclysmic failure of global financial systems.

This catalyst created the perfect storm where digital assets would thrive. The core purpose behind the technology was to create a censorship-resistant, decentralized process of transferring value which is recorded on an immutable, distributed ledger to take back custody of one's finances, removing the reliance on intermediaries such as depository and central banks (the same institutions that were ultimately responsible for

the collapse of the global financial system; whose effects of which are still felt around the world today).

Over the last 13 years, the Cryptoverse has grown exponentially. Mass adoption of Blockchain technology seems continually more inevitable with the aggressive pace of innovation, mammoth increase in a real-world applications, increased accessibility, and over a decade of battle-testing. Today there are thousands of cryptocurrencies in existence.

The second most prominent is Ethereum. Ethereum pioneered the next stage in the evolution of the crypto-verse, successfully implementing the 'Smart Contract' on its native Blockchain. Smart contracts were first proposed in 1996 by computer scientist Nick Szabo, famous for inventing a virtual currency a full decade before the invention of Bitcoin. In his original essay published in 1996 named "Smart Contracts: Building Blocks for Digital Markets"3 Szabo described a Smart Contract as "a set of promises, specified in digital form, including protocols within which the parties perform on these promises." Since then, Smart Contracts became known as one of the most crucial computer systems innovations in existence.

For his contributions to the field, Szabo is recognized as the Father of Smart Contracts. Smart contracts reinvented what we perceived to be the theoretical limit of cryptography, subsequently revolutionizing Blockchain technology. Ace Blockchain seeks to further improve smart-contract functionality and be part of the evolution, driven by its core principles such as solving the real-world issue of accessibility to illiquid markets for individuals and businesses from any walk of life.

Ace Blockchain's vision is twofold. Firstly, Ace Blockchain wants to create a blockchain-based decentralized management system that allows companies to create smart contracts and self-sustain, self-govern, and self-fund themselves via Security Token Offerings (STOs). Second, Ace Blockchain aims to provide Web3 Products and Decentralized Autonomous Organizations (DAOs) with the infrastructure necessary to the needed infrastructure to operate. The goal is for any business to be able to tokenize its assets and run in a native Web3 environment. Ace Blockchain will be providing the infrastructure to allow new economic dynamics to exist: Business to DAO (B2D), DAO to Business (D2B), and DAO to DAO (D2D)

Ace Blockchain intends to issue its native utility coin ("ABCN") through an Initial Coin Offering (ICO) a centralized exchange, and later launch a liquidity pool on Liquidity to boost its web3 and dApp capabilities.

The aim is to provide decentralized tokenization services to our community. This paper is designed to experiment with new and innovative ideas, by combining features implemented in smart contracts and other configurations at the protocol level that will be designed by Ace Blockchain's engineering team to help us reach our objectives. Ace Blockchain's decentralized application (dApp), will be the first of its kind, as the aim is to standardize the process by which asset tokenization and tokenization services across the globe are executed.

Disclaimer

This document is for educational and experimental purposes only. This document is provided by the Ace Blockchain team and does not in any way represent technical, legal, compliance, regulatory, financial, or investment advice. Due to various risks and uncertainties, including but not limited to, technological developments and industry conditions, the actual performance and development of items described herein may differ materially from those reflected or contemplated herein.

Ace Blockchain does not accept any obligation to provide recipients with any additional information, to update, expand, revise, and/or amend the information herein, or to correct any inaccuracies which may become apparent.

Although all information and views expressed herein are provided in good faith, estimates and assumptions made by Ace Blockchain's team, make no representation or warranty (expressed or implied) as to the accuracy or completeness of the information herein, and no assurance is provided that actual results will be consistent with the descriptions and projections herein.

This document is not a prospectus and does not constitute or form any part of any offer or invitation to subscribe for, underwrite or purchase the "ABCN" utility coin or, nor shall it form the basis of, or be relied upon, in any way, in connection with any decision relating to the utility coin "ABCN" issued by Ace Blockchain.

The "ABCN" utility coin is needed to be able to use the web3 and decentralized application (dApp) as this document explains. The sale and

transfer of the “ABCN” utility coins will be performed by Ace Blockchain.

No person is bound to enter any contract or binding legal commitment about the sale and purchase of the “ABCN” utility coins. Any agreement between the coin provider and an investor/s about the sale and purchase of “ABCN” utility coins is to be governed solely by a separate set of documents setting out the terms and conditions of such agreement. In the event of any inconsistencies between what is established in this whitepaper, and the terms and conditions of the purchase and sale of “ABCN”, the terms and conditions of the relevant purchase and sale agreement shall supersede the whitepaper.

Ace Blockchain reserves the right to decline the sale of ABCN during its private placement of utility coins to any individual or business in the event of a breach of its core principles. Regulatory authorities have not examined the information included in this paper; thus, no approval has been granted for the information set out in this whitepaper in any jurisdiction.

Advances in innovation related to quantum computing and smart contract exploitation may present risks to Ace Blockchain. There is no guarantee that Ace Blockchain will deliver on the content established in this document or achieve its objectives.

Ace Blockchain’s proposed decentralized application (dApp) running on the Binance Blockchain may fail, be abandoned, or be delayed for several reasons, including but not limited to lack of funding, lack of commercial success, and other external factors.

Table of Contents

- Our Values
- Introduction
- Purpose
- Innovation
- The Ecosystem
- The Decentralized Management Solution
- Our Blockchain Architecture
- ABCN Products
- The dApp and ABCN
- The Tokenization Process
- Tokenomics

Our Values

- Autonomy

Ace Blockchain's Infrastructure provides the technical infrastructure for companies to operate in a Web3 environment and create their STOs as a form of funding. It allows any business from any walk of life to move from ambition to action and succeed in realizing their projects.

- Simplicity

Ace Blockchain's dApp is being built witan h emphasis on simplicity, to make the tokenization process as simple and accessible as possible.

- Compliance

Ace Blockchain will help companies transform their assets such as shares into coins, and issue their own STOs as per the applicable legislation in their host State, whilst complying with the local regulation regarding the issuance of securities and asset management. The same infrastructure will provide DAOs with the needed tools to operate and be managed.

- Democracy

Ace Blockchain paves the way to open illiquid markets to the world, creating a solution to democratize fundraising and bridge the gap between legacy finance, retail investing, and the decentralized Cryptoverse resulting in new investment opportunities.

Introduction

Ace Blockchain was founded in January 2023m and quickly became a leading voice in the world of tokenization for its avant-garde use of blockchain technology for the tokenization of real assets.

Asset tokenization is the process by which any asset, tangible or intangible, is divided into smaller pieces that take the form of coins. Each coin represents a proportional part of the asset, offering the owner of the coin, the corresponding rights provided by the issuer.

The tokenization market is booming and has established itself as a real alternative for individuals and businesses looking to raise financing. Historically, investors are used to a traditional marketplace in which there is almost zero tolerance for small to medium-sized investors when it comes to illiquid assets.

This is a marketplace where institutional money rules with an iron fist. In addition to the tokenization market, there is a complementary market aimed at the development of circular economies, in which more and more companies, both public and private, want to use asset tokenization tools to contribute to their fight for sustainability, utilizing native coins as a direct communication channel, enabling holders to engage in the governance of the protocol by voting, rewarding positivity and interacting as a member of a community.

Ace Blockchain's legacy operating model was that of a service provider which utilized a centralized blockchain, where clients would use Ace Blockchain's platform, and thus, Ace Blockchain was required to adhere to the host state's legal, and regulatory framework for the provision of a

security coin issuance. This a very difficult task given the geographical disparity of projects and differing regulatory frameworks across jurisdictions.

This experience led Ace Blockchain's management to decide to change the operating model from a centralized blockchain to a frictionless, decentralized model, where third parties could take advantage of Ace Blockchain's technology and know-how in a secure and legally compliant manner, whilst enjoying all the benefits associated with the use of security coin offerings as a financing methodology. During this transition, we realized that this new paradigm was not just providing a tokenization solution.

Ace Blockchain will be providing a fully decentralized management system that will allow businesses to operate on chain (Web3), through entities born natively in the blockchain (DAOs), or through a combination of both (Web2-Web3), as the user finds fit. Businesses will be capable of total customization of their presence and decision-making in the blockchain.

This whitepaper explains what Ace Blockchain is and where it is going, as the sole reason for its pivoting from a centralized to a decentralized operating model is to create an ecosystem where different economic agents coexist, using tokenization as the foundation and its utility coin, the "ABCN" the epicenter and fuel for boosting this new reality.

Purpose

Ace Blockchain's original mantra was tokenizing the world'. We quickly realized we were approaching the accessibility of illiquid markets from the wrong perspective.

Ace Blockchain's decentralized technology provides the platform and tools needed for the world to tokenize itself

This whitepaper is Ace Blockchain's declaration to create an ecosystem full of opportunities, where endless investments are accessible to everyone with minimal capital expenditure and fractional ownership.

Our innovation is not limited to the robustness of blockchain technology, but also the underlying legal engineering which governs how dApp performs. Ace Blockchain believes the world will be tokenized. Our mission is to supply the technology and know-how for it to gain adoption organically, bridge web2 companies into Web3, and provide DAOs with the required infrastructure to operate and foster tomorrow's B2D, D2B, and D2D economy

- The opportunity

The reason Ace Blockchain exists is to bridge the barriers to entry one must overcome when facing the real-world issue of tokenizing assets. We intend to remove the issues of friction, intermediaries, and general barriers to entry. We hope individuals and businesses can rely on STOs as an alternative financing scheme, and investors can engage in tokenization to obtain returns. Furthermore, we want to provide tokenized companies, and the ones managing tokenizing assets, a decentralized management platform that can help them operate in the reality which is Web3.

- The problem

In addition to the incumbent regulation associated with Securities, from a retail investor/businesses perspective, several inefficiencies can be improved:

1. The average investor usually transfers his/her savings to an intermediary (asset manager, broker, etc.) who will advise and/or arrange investments. The investor's portfolio is subject to bias and thus may invest in a portfolio that may not be appropriate.
2. Investing in traditional equity markets is a complex process where a limited group of experts dominates the market, making it extremely risky for retail investors. Retail investors generally have access to markets provided they reside in a developed economy which allows market access.
3. Other illiquid asset classes such as real estate, renewable energy, transportation & infrastructure, hospitality, fine wine and art, and early-stage technology investing are not easily accessible to retail investors and small businesses without having the nominal value of the underlying asset ready to deploy.
4. These types of markets are rigid and illiquid: one buyer, one seller. Purpose 05 Ace Blockchain's decentralized technology provides the platform and tools needed for the world to tokenize itself. 13
5. Investors who keep their savings in bank accounts typically see the value of their savings diminished due to aggressive monetary policies and inflation which results in large-scale devaluation and debasement of currencies due to widespread, unhindered monetary stimulus. The combination of these factors equates to a lower purchase power of the currencies over time. Furthermore,

deposits stored in bank accounts currently provide close to 0% interest in most developed countries and much, negative interest. In addition to this, banking fees and inflation erode bank deposits over time.

6. Decision-taking, governance, and communication channels in non-digital entities generate inefficiencies that lead to losses due to higher costs derived from physical presence, storage, mail delivery, etc. All these expenses are avoided through digitalization.

- The coin economy

According to Deloitte9, tokenization could make the financial industry more accessible, cheaper, faster, and easier, thereby possibly unlocking trillions of euros in currently illiquid assets, and vastly increasing market liquidity and depth. These assets are only available to specialized investors; a situation that leaves extraordinarily little room for retail investors to access these markets. In other words, investors are only left with the possibility of investing in equity and/or debt markets or cryptocurrency (which carries higher volatility and risks). Real estate is one of the leading examples of a highly illiquid market, with high barriers to entry. A solution to this problem comes in the form of asset tokenization which provides diverse investment opportunities due to reducing barriers to entry and providing liquidity to asset owners. If we consider the European commercial real estate market alone has an estimated total valuation in the region of over 6,500bn and an estimated annual investment of 15bn.

In addition to this, globally, we are seeing the early stages of mass adoption of crypto assets and cryptocurrencies in general;

1. Central banks (Fed, ECB, BIS) are discussing the implementation of Central Banks of Digital Currencies ("CBDCs").
2. Retail banks adopting blockchain-based solutions.
3. US Treasury to allow blockchain, stablecoins for bank payments.
4. Online finance and investment platforms are thriving
    - Robinhood has experienced a growth in users from 1 million in 2016 to 14 million in 2020; did a successful IPO with a market cap today of over $40B.
    - Coinbase did a successful IPO with a market cap today of over USD 50 billion.
    - The crypto exchange Binance has a daily trading volume of above $500 million per day.
    - US crypto exchange Coinbase successfully IPO'd in 2021.

Security Token Offerings and general asset tokenization is a disruptive technology since it provides a bilateral solution for retail investors and asset owners. Its adoption is well underway as a new form of financing, creating new alternative, untapped sources of return.

- The opportunity for Tokenization

The possibilities of asset tokenization are endless. Any asset can be digitized and divided into smaller parts, from physical assets such as real estate to financial instruments such as debt, equity, bonds, and securities, among others.

- FINANCING: Obtaining financing from coin holders by providing them capital gains in the form of interests dividends

- PROFITABILITY: Coin holders obtain the profitability associated with the exploitation of the tokenized asset they have invested in.

- LOYALTY: Incentivizing user loyalty and the possibility of adding a gamification layer (exchangeable coins for products, discounts, etc.)

- CO-OWNERSHIP: Partial ownership of an asset that gives the right to use it, in coordination with the rest of the co-owners.

- GOVERNANCE: New governance models can be created to incentivize community building behind the tokenized company or asset, which can trigger further investments by the coin holders, or returns in case they use the product or service tokenized.\

SECONDARY COIN MARKET

Coin holders can exchange their coins for other coins, and thus have freedom over when/how they want to transact: coins can be exchanged on a peer-to-peer basis and in secondary markets.

- The DAO revolution

As the concept of Web3 continues to evolve, so do the structures that are created natively in the blockchain. The evolution of technology has brought parallelly the evolution of the psychological conception as to what decentralization entails, and what autonomy as a right mean.

In this sense, the Decentralized Autonomous Organizations or DAOs started becoming a reality, where its participants are considered as equals, combined under a similar vision and all connected via a coin, and a digitized form of communication.

One of the main aspects of these new forms of organizations is their ability to exist away from a structured company format as it is established that they have characteristics that go against their founding pillars, such as the ability to perform haste transactions, lean operations, providing a full digital governance participation to its stakeholders, among others, pillars which come from a digital experience, not from the structure itself.

While the essence of DAOs is to consider them shapeless or structureless, they do entail legal implications which are not always considered. Companies have different shapes and names, which correspond to the jurisdiction in which they are incorporated. For this explanation, let's consider for the time being the companies that are incorporated under a limited liability structure.

The main reason for incorporating a limited liability company is to provide funds to the new organism being created by its shareholders, who want to limit their liability and protect the rest of their assets.

The concept behind it is very simple; once a limited liability company is incorporated, it is considered a new legal entity denominated legal person, which becomes unique and separated from all other legal or natural persons, even from the ones acting as its shareholders.

While the DAO movement seeks to empower its stakeholders by providing them with leaner mechanisms of participation, it does so at the legal expense of making them participate in structures that in many cases do not comply with applicable legislation, or puts them at risk of having to answer with their assets as their liability is not limited.

Furthermore, characteristics that enable the economic agents to operate and interact, such as having VAT numbers or being registered before a Social Security Administration to hire employees, are not available to DAOs, limiting their ability to interact and operate.

While the DAOs are destined to become a reality, and more assets become managed by this type of organizations, Ace Blockchain will be providing infrastructure to them via its app, to mix the ecosystem of tokenized companies operating in Web3, and organizations natively being created on-chain.

Innovation

Ace Blockchain is developing the first-ever dApp to service and support STOs, together with a smart contract protocol, and a management

solution platform for tokenized assets. In our opinion, true democracy and decentralization can only be achieved with the use of blockchain technology.

By being able to provide a product that combines these instruments natively, Ace Blockchain will be able to fulfill its vision of providing the resources needed to allow the world to tokenize itself since issuers of security coins can create their own self-sustained and self-executed ecosystems, without the mediation of Ace Blockchain or third parties, and provide DAOs with infrastructure for them to participate as a viable economic agent.

Furthermore, achieving the level of democracy that is fundamentally a core value for Ace Blockchain requires that Ace Blockchain is fully transparent. For this reason, the development code will be stored in a public, open-source repository on GitHub.

This will allow the code to be audited and verified by third parties and will also encourage the community of users behind Ace Blockchain to help improve the code itself. Finally, creating a public repository for the source code will allow Ace Blockchain to offer an open API, so third parties can use our smart contracts and back end for integration in any application or website, without the need to be dependent on the app's front end, and further allowing new workflows and business models to be created without Ace Blockchain acting as an intermediary.

In a broad sense, Ace Blockchains dApp will facilitate the following.

- Will allow users to register with emails, recover lost passwords and login to the dashboards.

- Will allow users to buy ABCN, Ace Blockchains utility coin.
- Will allow users to buy ETH, and USDC with a fiat onramp gateway.
- Will allow users to create their own STOs using ABCN through Ace Blockchains dApp
- Will allow users to establish what kind of STO is being issued, debt or equity, its tokenomics, maturity, term, rights, yield to investors, and/or any other source of income, among others.
- Will allow users to invest in existing STOs using any crypto as means of payment and allow them to create their own portfolio of STOs.
- Will allow users to customize a launchpad website for their STO.
- Will allow users to keep track of their STO Sales with analytics pages.
- Will allow users to manage their shareholders on-chain transferring company coins to partners or employees.
- Will allow users to easily send dividends/proceeds to shareholders.
  • Will allow users to create pools where their shareholders can make decisions regarding the company.
- Will facilitate the necessary KYC submissions and processes for promoters and investors, approve and reject, and whitelist investors to transfer STOs-related coins.
- KYC management and investor whitelisting is key for fully legally compliant STOs. The app aims to connect the dots between the legal requirements (off-chain services to handle KYC and personal data) and the decentralized application while facilitating the smart contract's usage through a user-friendly interface.

We will be providing the tools and mechanisms to convert the interactions between the dApp and the STOs into readable language. This fulfills the purpose of serving as auditable, legal evidence in any type of procedure or discovery. Given the simultaneous presence of off-chain and on-chain services in the platform, we aim to make the user interface both functional (MetaMask, Trust wallet, etc.) and easy to use. For this, we will use cloud infrastructure, which is highly scalable, secured by best-in-class security services, and can operate with no downtime.

The Ecosystem

Utilizing a decentralized platform presents two prominent challenges:

1. Technological: it connects the dApp's back end which runs completely on a public blockchain through smart contracts. Smart contracts must be flawless to ensure the protection of issuers of coins and their investors.
2. Legal/regulatory: the objective is to issue STOs in a compliant manner. Investors must also pass a KYC process to comply with regulatory and anti-money laundering regulations.

When dealing with standard securities, the ownership information of the investment product is recorded in a certificate which can take the form of a simple PDF. With a security coin, the information is stored in an immutable blockchain and instead of a certificate being issued, a coin is.

All countries have very precise and extensive regulations about what securities are, how they must be issued, who can participate, who can buy them, and what protection investors are afforded.

The complexity of creating Ace Blockchains dApp lies in merging both the regulatory and legal issuance of securities and the technical aspect that allows the issuance of this type of financial instrument without Ace Blockchain acting as an intermediary. Furthermore, countries may have similar, but ultimately different legislation.

This adds a layer of complexity as the regulatory compliance requirements in one country can greatly differ from another. Ace Blockchain aims to create a decentralized uniform protocol of security coin issuance.

The goal is for any issuer of security coins to use Ace Blockchains technology, and for this issuer to:

- Comply with local regulations.
- Comply with the specifications of the issuance itself (the what).
- Comply with the process of how selling the security coins may occur and by whom (the how).
- Allow legally compliant transfer of security coins to occur in secondary markets (the where).

Additionally, it is important to consider that while the biggest complexity lies in providing a solution that is compliant from a regulatory and technological point of view, the financial structure and tokenomics of the security coin issuance must adhere to the end goal of the project.

In this sense, the dApp must allow the issuer to establish what are the hard and the soft caps, what is the term or maturity of the loan in case of issuance of debt, or what is the shareholding allocation in the case of tokenized shares.

Security coin smart contracts

Smart contracts will be utilized to create two entities: the ABC2011 ABCN utility coin and an STO factory. The latter will deploy ABC20 dedicated STO coins and escrow contracts for each STO that is issued through Ace Blockchains dApp.

The ABCN coin will be the utility coin associated with the dApp platform. With it, promoters can issue their own STOs. The ABCN utility coin will be accessible via a Liquidity pool12. Promoters will need to acquire ABCN to use the dApp. ABCN is then used when performing STO activities.

Ace Blockchain aims to achieve the highest level of security, using audited libraries and smart contracts that follow the best practices to eliminate attack vectors and possible exploits.

The ABCN utility coin

The ABCN utility coin will have two fundamentally different and well-defined stages: the issuance and the public sale.

The objective of the pre-issuance stage is to allocate ABCN utility coins to future STO issuers and different groups of people who trust in Ace Blockchains' vision.

The public sale will be conducted after the pre-issuance period has ended.

At this stage, the ABCN utility coin will be placed through an IEO and subsequently in a Liquidity pool, which will be pre-funded with USDC (a stablecoin) and ABCN to enhance the possibilities of the dApp.

Ace Blockchain will need to fund the pool to establish a fixed starting price, since automated market makers, and in particular, Liquidity, use the Constant Product Formula to establish the price based on ABCN/USDC pair funds deposited in the pool.

In essence, a Constant Product Formula is:

1. x -> amount of ABCN present in the pool.
2. y -> amount of USDC present in the pool.
3. k = x*y -> where k is a constant (Constant Product Formula).
4. This means the price of y will be = k/x.
5. The price of x will be k/y at any time solely based on the funds present in the pool.

Naturally, both x and y amounts (ABCN and BUSD) must be funded. The amount to be supplied is determined by the target starting price.

The utility coins ABC20 contract will implement several functional advantages such as:

- Representation of voting powers depends on the pro-rata holding of ABCN.
- STO issuers will hold ABCN as collateral and there will be a system of rewards and penalties for issuers that fulfill the obligations established in their respective STO white papers. These rewards will come in the form of staking and slashing.
- Compliance with many Ethereum improvement proposals such as EIP712 and EIP165;
- Ace Blockchain will propose the creation of a DAO (Decentralized Autonomous Organization)15, which will govern decision-making on matters such as protocol upgrades, allocation of social funds, and governance among others. • Serve as a payment coin to third parties belonging to Ace Blockchain's Experts Ecosystem.

The STO factory

Bringing companies on-chain

Ace Blockchain's vision is to onboard companies into Web3, so its dApp was built under this premise. The dApp allows companies to tokenize their existing shareholding, and transform its equity into coins. In a very

lean format, companies can establish what their current equity is, and who their shareholders are, and perform their first coin issuance.

This would allow any business to begin its journey into Web3. In such coin issuance, the shareholders will receive coins of the same value as the shares they possess, and transform the coins into the digital twin of the existing equity.

This process allows the migration of companies from offline entities, to online organisms belonging to a decentralized ecosystem. Furthermore, by creating this frictionless process, and providing them with a management solution that can solve their needs now that they have been digitized, companies can now exist on-chain, interact and operate in this environment, and coexist with native structures such as the DAOs.

It is at this starting point that DAOs can also be onboarded into Ace Blockchain's dApp since the tokenization process does not necessarily have to rely on the preexisting condition that shares or real-world assets exist, as coins can become the genesis for any project that is to be created natively in the blockchain.

The fundraising mechanism

One of the main functionalities of the dApp is to use technology as a fundraising mechanism, which is enabled thanks to the escrow contract linked to the STO. STO-dedicated coins will be generated within the STO factory that will deploy a ABC20 coin contract for each new token issuance.

This STO coin will use whitelists to prohibit recipients who have not been whitelisted from receiving coins, e.g. if they did not pass the KYC process.

These will only be tradable in secondary markets if the buyer has passed the KYC process and the issuer has accepted the request. It is of utmost importance that the issuer of security coins controls the whole flow from the primary to the secondary market, understanding and accepting which users can acquire them.

This ensures compliance with applicable legislation regarding anti-money laundering (AML). Promoters or issuers of security coins will always be responsible for the whitelisting of investors. 21 STO coins will be acquired through an escrow contract specific to each coin issuance.

An escrow contract is a secure contract where investor capital is stored and protected by the smart contract. The smart contract is completely autonomous, independent, and self-regulated.

The escrow contract will only release the funds to the STO promoter when certain milestones have been reached:

- Soft cap: the soft cap is the first milestone of any STO and it is the minimum amount needed for the STO to proceed. This amount will be included in the STO's whitepaper and investors will know it beforehand.
    - When the soft cap is reached, the escrow account automatically releases the funds to the STO promoter and investors receive their coins.

    - Any economic benefit derived from the coins will start accruing from the moment the soft cap is reached.
    - If the soft cap is not reached within the time limits established by the whitepaper, the escrow account will automatically cancel the STO and return existing funds to the respective investors.

- Hard cap: the hard cap is the last milestone and it represents the total maximum amount of funds the STO promoter expects to raise. Once the hard cap is reached no additional coins will be available in the primary issuance and the fundraising will be considered fully complete.
    - The escrow account will release the remaining capital to the STO promoter and investors will receive their corresponding coins.

- Intermediate stages: the STO promoter could include one or more intermediate stages between soft and hard caps for its fundraising. These stages would need to be defined in the STO white paper and would work as milestones.

Issuers will be able to call on the STO factory to deploy a new STO by using ABCN utility coins and ETH for the transaction. Investors, once whitelisted, will be able to purchase the corresponding STO coins in any crypto asset for a fixed STO selling price. Whenever an investor participates in an STO, the capital will be stored in an escrow account.

The first release of the security coins will be made once the soft cap has been reached. The issuer of coins will decide what the following tranches should be, between the soft and hard cap. As a safety mechanism, it is important to establish that if the soft cap of an STO is not met by the pre-established deadline, the capital already deposited into the escrow account will be reimbursed to investors.

As soon as the soft cap is reached, and the first tranche of coins is released, these coins will begin accruing income in the form of interests or dividends, and the issuer will be legally bound to meet obligations to investors.

The payments flowing from the issuer to investors will be deposited in the escrow contract by the issuer in any cryptocurrency and paid out to investors through the same escrow contract. Regarding the security of the STO factory, clones will be deployed through a minimal proxy pattern and the entire protocol will be upgradeable through a UUPS pattern.

Building the Expert's ecosystem

The biggest difference between utility coins and security coins is the regulatory boundaries that govern them. Security coins are highly regulated and monitored by national entities globally. However, the level of regulation and scrutiny differs from country to country. In some of these there might be similarities on the legal level, mainly because most security-related regulations rhyme, but regardless there always are differences.

We can distinguish the position of countries regarding security coin offerings into three main categories: i) countries that accept them and have regulated them, ii) countries that have not yet expressed an opinion on compliance, and, iii) some other countries that have banned them.

The first two categories are the most widespread and an increasing number of countries are recognizing the potential of security coins, and are thus providing a regulatory path for their existence and adoption. In any case, due to the possible constraints that can exist at the local level, Ace Blockchain decided to introduce the figure of the experts.

In our experience over the past two years, we have seen that those who enter this world of security coins are most often pioneers in applying this technology to their own field, and that is why they need anexpert's guidance to be able to choose the best structure for their particular case. It always makes sense to tokenize a value-producing asset, but one needs to know how to do it in an efficient and legally compliant manner.

For this reason, we offer the possibility of contracting professional experts from different categories who can guide "the issuer" throughout the tokenization process, as support for our decentralized protocol, which allows anyone to use our technology to be able to issue their own security coins.

Ace Blockchain's goal is to offer the best and most complete experience to its protocol users and that requires assistance, especially in the legal field, on a local level. It is important that any project that wants to be tokenized respects the local laws at the jurisdiction of issuance, and for such compliance, the best experts in the market must be available.

Experts go through the Ace Blockchain's Academy to have a chance of entering the selection process. Once their eligibility has been verified, they become part of the Ace Blockchain Experts' ecosystem and may start providing their services through the dApp, allowing them to generate a new unique selling point to distance themselves from possible competitors.

Usually, an STO is divided into five different phases: structure, legal, tokenization, distribution, and investor relations. For this reason, Ace Blockchain's experts will provide support in each of these phases in order to make each tokenization a success. The Experts' Ecosystem economy works by the laws of supply and demand. Issuers will have full freedom in selecting their own experts.

Due to Ace Blockchain's decentralized nature, and its complete commitment to transparency, each expert will be linked to all the projects for which they have been contracted for, in order to showcase their experience and quality.

The more experience the expert obtains the higher they will rise in the ecosystem, and more favorable conditions they will get, as their experience is measured by the number of projects in which the expert has participated within the dApp.

Ace Blockchain Products

1. Ace Blockchain Crypto Network (www.abcn.io)

A public blockchain platform with smart contract functionality. Runs consensus algorithm on Proof of stake/ Proof of history. This is proposed to bring in the fastest transactions with lower energy consumption. Like Ethereum, Binance Ace Blockchain Crypto Network can also run a smart contract on its own and the open-source modeling allows developers to create and run unlimited contracts.

2. ABCN Coin (www.abcn.io)
   The native coin of Ace Blockchain Crypto Network with perfectly balanced tokenomics and can be used openly just like any other crypto. The coin will also be built on Binance Smart chain. ABCN also provides liquidity to the network by using it as fees for transactions, payments, and trading.

3. ABCN Scan Explorer (www.abcnscan.io)
   The dedicated explorer of ABCN coin, just like Etherscan and BSC scan. Track all the transactions of ABCN coins and contracts.

4. Staking Program (www.abcn.finance)
   ABC Network is a staking pool program for ABCN coins. The program believes in Stable income, not high income. With a stable APY and smart contract pool, the staking is a gift to active participants of the project.

5. Crypto Wallet

A non-custodial crypto wallet to store, send and receive ABCN coins and assets built on Ace Blockchain. Added multi-chain features for other networks like Ethereum, Binance, and Solana.

6. Crypto Exchange
   A Centralised cryptocurrency exchange platform that provides high-volume trading, 300+ trading assets, and a secure environment.

7. NFT Lab
   An NFT Marketplace for NFT's built on Ace Blockchain and other networks added. The panel will also create its NFT collections like Lands, Avatars and
   others.

   Offering

   - *NFT Marketplace - Ace blockchain Crypto network and other blockchains*
   - *NFT Launchpad: List NFT hot and trending projects*
   - *NFT real estate, the lands*
   - *NFT Multi-chain smart contracts*

8. Metaverse Panel
   Metaverse experience with models like Metaverse cities and virtual offices. Users can explore real brands and businesses on metaverse platforms.

Offering

- Application services
- Avatars
- Reals Estate, cities
- Metaverse games
- Virtual office
- Healthcare
- Banking

9. DeFi dApps
   The decentralized financing industry has crossed $15 billion and ABCDeFi will allow users to explore it with its dApps like Decentralized exchange, yield farming, crowdfunding, and smart contract audit services.

10. Booking Apps
    ABCN coin-based utility payments and ticket booking platform with extended regions and categories and discounts.

The Decentralized Management Solution

Capitalization table management The capitalization table, mostly called “cap table”, presents a breakdown of every company’s ownership by stakeholder. It makes it simple to visualize who owns what, and it helps founders and investors in understanding the company’s capital structure.

Traditionally, the cap table is a legal document describing the company's equity structure. Using blockchain technology, as the company's equity is represented by security coins, all the transactions are stored on the network, which makes it even harder to visualize the capitalization table.

Ace Blockchain uses the blockchain network's APIs to access data automatically in real-time, and thus, provides its users with cap table visualizations, making it more simple and time-efficient for companies to document the capitalization table.

Manage your capitalization table on-chain

In a tokenized company, every coin holder is a shareholder. Since secondary market transactions can occur, or further issuances of coins, the cap table can be constantly changing.

Ace Blockchain provides a real-time visualization of the cap table, to provide issuers with the necessary metrics and information to manage a company on-chain, allowing them to know at any time who their coin holders are, how many coins they are holding, and what is the valuation of their stakeholding.

Monitor coin holders profiles and transactions

Using Ace Blockchain's dApp, issuers can connect each wallet address with an investor profile and monitor all the information and transactions that the coin holder has performed. 1-Click to send dividends to the

Coin Holders. Ace Blockchain's dApp allows issuers to send dividends to all the coin holders in one-click from the company wallet connected.

White label dApp for tokenized companies

Ace Blockchain's decentralized protocol includes features to set up the branding and content of an optimized whitelabel dApp that provides Tokenizers with the tools needed to sell coins, manage Coin Offerings, and engage with their coin holders.

Features applicable to DAOs

The features provided by Ace Blockchain's dApp are applicable for DAOs, as the management solution embedded in the application itself is agnostic. As the vision of tokenization evolved, so did its approach how to tackle the digital assets vertical, the reason why it was understood since the inception that the dApp should cover different case scenarios and help bridge various realities now coexisting in an on-chain environment.

Tokenization

Any asset or business can be broken down into fractional parts that retain the forms of tokens, with equal rights and values, that can be purchased by anyone in the world at any time. Ace Blockchain offers a market-leading, legally compliant, decentralized platform to perform STO's and investment management, making a secure, transparent, convenient solution in which to raise funds through tokenization

Architecture

Ace Blockchain's dApp architecture is modular, based on microservices that connect to each other to facilitate the usage, upgradeability, and maintenance of the protocol.

1. FRONT-END:
   consist in micro front-ends that render components for a set of specific routes it is more performant than monoliths front-end.. the front-end will integrate MetaMask and an API service. The MetaMask integration is required to allow users to interact directly with the blockchain and protocol contracts, while the API service will handle KYC management, user logins, registrations, and general operations.

2. THE USER HAS DIFFERENT VIEWS:
   he/she first has a smart contract wizard where the issuer user can deploy Security Coins; once the company coin is deployed and the smart contract is created, he/she will be able to access the dashboard where the company can be managed onchain, create pools, STOs, customize the launchpad for STOs, reviewanalytics around offerings, among others.

3. BACK-END:
   The back-end will consist of a set of lambdas functions that serve the dashboard app, but also expose the tokenization service without the need for a dashboard. For this, the transactions that are sent through an API integration will use Infura instead of MetaMask to send the transactions to the blockchain.

4. KYC SERVICE:

   The KYC service solution will connect to our existing Lambdas system. Acceptance and rejection of requests can be executed with the API or through the dashboard.

5. DATABASE:

   The database will store useful information for the functionality that Ace Blockchain proposes to build (users that might register their emails, metadata's, transactions, etc.).

6. SMART CONTRACTS:

   The smart contracts will be made up of an ABC20 coin contract (ABCN), and a smart contract that serve as a factory for two other smart contracts:

   - The escrow contract is where investors deposit money until the STO is finalized.
   - The ABC20 coin contract will represent STO-specific coins. The escrow contract will also be the one that issuers use to deposit the dividends/ interests that serve as revenue (yield) for the investors. Architecture 09 User will send transactions through MetaMask The API can also use Infura to send transactions manually API will also let users integrate their applications instead of using the dashboard Backend (and the API9 is a set of AWS Lambda functions KYC and other operations Interact with an API exposed by the back-end Front End Smart Contract Back End Database KYC solution integration API APP KYC User will interact with a dashboard

The dApp and ABCN

Overview

The Fuel

- ABCN, Ace Blockchain's utility coin, fuels all the transactions made using the Ace Blockchain decentralized protocol:
  - Payment of the protocol's issuance fee.
  - One of the payment methods for investing in Coin Offerings.
  - The payment method for liquidating any service provided by an Expert from Ace Blockchain's ecosystem.

The Engine

- A decentralized protocol is capable of tokenizing equity providing companies that are migrating to web3 with easy-to-use tools to issue the security/equity coin, launch and manage coin offerings to raise funds, and manage the capitalization table and investor relations.
  All are compliant, transparent, and traceable on the Ethereum network. Moreover, the decentralized protocol provides to Decentralized Autonomous Organizations (DAO), and tokenized companies adopting the model-compliant governance features to run and manage voting proposals on-chain.

The Ecosystem

Ace Blockchain's decentralized protocol creates an on-chain ecosystem of Tokenizers (companies tokenizing equity/asset), Investors (individual/institutional), Experts (individual/entity) who are trained and certified by the Ace Blockchain Academy to help the Tokenizers to succeed in their tokenizations.

The Vision

Ace Blockchain's vision is to become the infrastructure for companies to tokenize their equity and migrate into a Web3 environment, and create the ecosystem where different economic agents coexist around the ABCN coin.

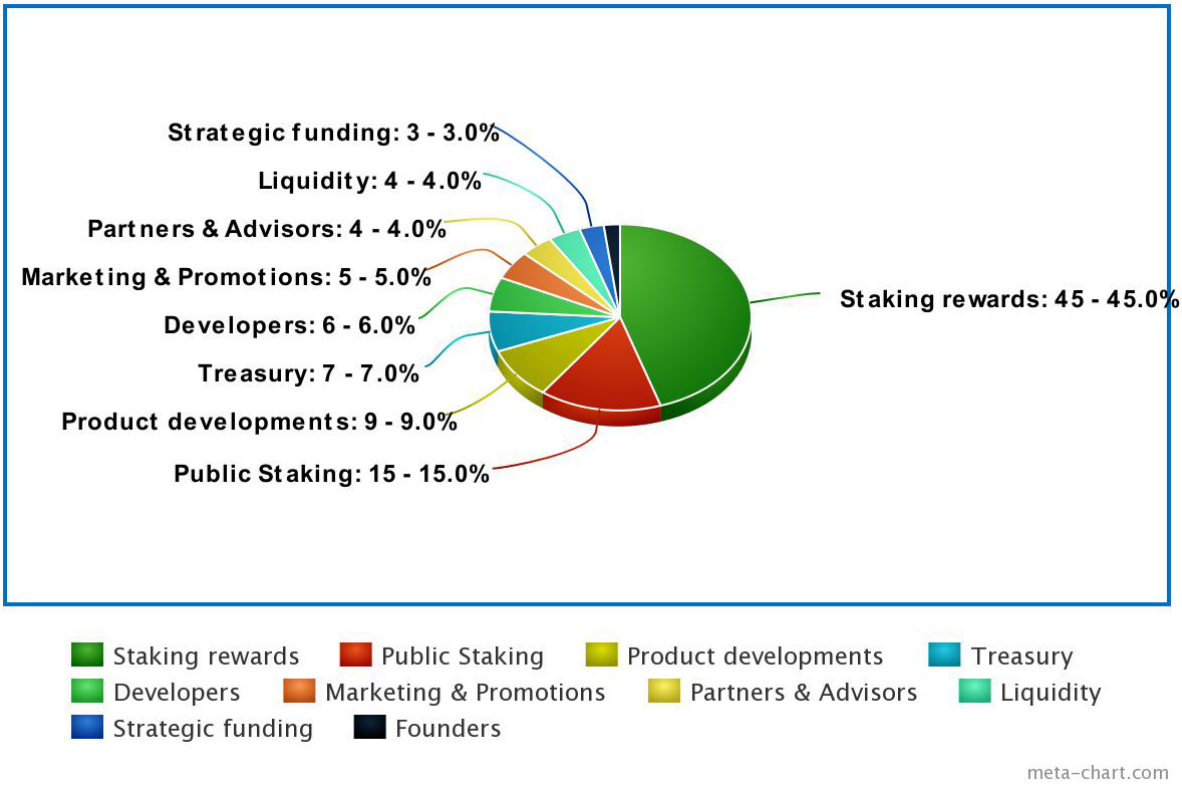
Tokenomics

The issuance will have an initial total supply of 2,10,00,000 ABCN. Of this amount, 85% of the coins will be locked and 15% will be publically available. A collateral Liquidity supply is also assigned to ensure the stability of the coin.

Total Distribution

- Total Supply: 2,10,00,000 ABCN
    - 15% Public Staking
    - 45% will be reserved for Staking rewards
    - 9% Product developments.

- 4% Partners & Advisors
- 6% Developers Reserve
- 5%Marketing & Promotions
- 3% Strategic funding
- 7% Treasury
- 2% Founders
- 4% Liquidity



Social and DAO

Tokenization will change the world as we know it. One of the main considerations of STOs is to allow smaller, less fortunate individuals and businesses, to access capital markets in a less restricted approach.

For instance, certain undeveloped countries may lack the appropriate financial infrastructure to gain access to funding, or countries with questionable governments may suffer from corruption or other nation-state-related risks that may result in investors rejecting investment propositions from these countries.

To enable individuals and businesses to have the same access to capital markets as other more developed countries, Ace Blockchain is considering allocating a share of its profits to allow smaller individuals and businesses to obtain a discount on the cost of tokenization.

As mentioned, Ace Blockchain intends to develop a DAO. The purpose of the DAO will be to provide community members with decisional powers on protocol upgrades. For example, to incentivise the allocation of social funds to fund STOs which are governed by ESG parameters, general governance, and protocol upgrades.

The goal is to be as decentralized as possible with a major emphasis on involving the community, which will be crucial to the success of the project.

Incentivising the self-sustainability of the ecosystem by the use of ABCN as the vehicle of investment

It is Ace Blockchain's purpose to design and develop a self-regulated STO ecosystem. We acknowledge that certain limitations arise from full decentralization. Among others, it is possible that certain STO issuers intentionally try to misuse the ecosystem itself. Such decentralization

makes it difficult to actually control who can and cannot access the ecosystem.

As a result, Ace Blockchain will develop an embedded system that will carry out certain actions automatically and autonomously to safeguard investors' interests. STOs will have a collateral mechanism by which the ABCN received by issuers carrying a tokenization from investors will be deposited in the escrow account taking the shape of stake.

The escrow account will mint or slash the rewards which will be added or withdrawn to the balance of ABCN Depending on the amount of ABCN received and the behaviour of the issuer.

The STO factory will incorporate a reward/penalty system by which Good Actors will receive stakes in the form of ABCN that could be sold or used to deploy additional STOs or services payable in ABCN. On the other hand, Bad Actors will be penalized seeing their ABCN deposits slashed and will be included on a Blacklist.

Community staking

This mechanism is implemented to protect the coins' value, to add more value to early community members and to mitigate the potential of large fluctuations of the coin price during the initial stages of the public sale.

WABCN holders will have only one opportunity to stake their coins, once deposited they will be converted to ABCN to start the stake process and the wABCN will be burned.