11th January 2024

Results of the IX Digital Asset
Industry Classification System ("DAICS®") 2023 2H Review

Today, IX Asia Indexes announced the 2nd Half 2023 Review of the IX Digital Asset Industry Classification System ("DAICS®"), aiming to provide the professionals worldwide with a transparent and standardized classification scheme to determine sector and exposure of particular digital assets. DAICS® classifies digital assets into 2 main categories: a) Cryptocurrencies and b) Asset Backed Tokens and a 3-tier system for each category. For Cryptocurrencies: 1-Industry/2-Sector/3-Sub-sector; for Asset Backed Tokens: 1-Asset Type/2-Branch/ 3-Sub-branch (Appendix 1). The results are as follows:

a) Cryptocurrencies

i) Structure and definitions

Tier 1: Industry Changes

The industry groups remain unchanged with 5 industries.

1) Payment (110)

2) Infrastructure (120)

3) Financial services (130),

4) Tech & Data (140) and

5) Media & Entertainment (150).

Tier 2: Sector Changes

The number of sectors remain unchanged with 16 sectors. There is modification in definition under Tech& Data (140)/ Storage & Sharing sector.

Modification in sector name and definition.

Before	After
File Storage & Sharing (14010)	Storage & Sharing (14010)

<u>Updated Sector 14010 definition:</u>

Under DAICS®, Crypto assets/protocols that "*provide decentralized storage and/or sharing of data filing and resources*"

ii) Classification Changes

Immutable (IMX)

Before	**After**
Industry: Infrastructure (120)	Industry: Media & Entertainment (150)
Sector: Scaling & Sharding (12030)	Sector: Gaming (15030)

iii) Green coins label

There are 6 Greens coins in this review:

HBAR^G
ETH^G
ADA^G
NEAR^G
ALGO^G
IMX^G

First 5 of them come from Infrastructure industry, while IMX is from Media & Entertainment industry.

iv) Coverage of DAICS®

DAICS® coin coverage : top 50 coins by market capitalization

DAICS® market capitalization coverage: 96.878%*

The % coverage of market capitalization of the 50th ranked coin: 0.069%

Member changes within the TOP 50 coins in DAICS® : 7

(For more details about the industry weighting and the 7 changes, please see Appendix 4).

As of 6th December 2023, based on past 90 days market capitalization ranking including all coins (exclude stable coins and pure DAO governance tokens)

Note: **G** as '**Green**' labelling for cryptocurrencies that adhere to the principles of sustainability

* * (For details on Industry & Sector definitions under DAICS®, please refer to Appendix 2 & 3)

b) Asset Backed Tokens (ABT)

i) Structure and definitions

Modification in definition

Before

An ABT shall be supported by a tangible asset or a representation of a tangible asset in a defined and known exchange ratio between the ABT and the related asset.

After

An ABT shall be supported by a tangible <u>real-world asset</u> or a representation of a tangible asset in a defined and known exchange ratio between the ABT and the related asset.

Tier 1: Asset Types Changes

The asset types remain unchanged at 6

1) Culture (205),

2) Real Estate (215),

3) Financials (235),

4) Entertainment (255),

5) Natural Resources (265), and

6) Green Economy (275)

Tier 2: Branch Changes

The branches remain unchanged at 31.

(For details on Asset types and Branches, please refer to Appendix 3).

ii) Classification Changes

Nil

iii) Coverage of DAICS®

IX Asia Indexes has not started to classify any ABT. ABTs will be added to DAICS® in the next stage when a fair amount of popular asset-backed tokens are available in the market. Although there has been an increase in the number of asset-backed tokens, no

significant use cases with proper market policy have emerged. A new ABT registry will be made available to the public. A classification summary and definition table are available at Appendix 5 & 6.

For further information regarding the methodology of the DAICS®, please refer to the "IX Digital Asset Industry Classification System"- principle and guiding methodology on the company website https://ix-index.com/daics.html.

All classification changes including the ixCrypto Infrastructure Index and ixCrypto Stablecoin index will take effect on 1st February, 2024.

For more details on our DAICS® qualification criteria, please email daics@ix-index.com.

~END~

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About DAICS®

DAICS® covers both cryptocurrencies and asset-backed tokens ("ABT"), to be reviewed semi-annually at the end of June and December. On cryptocurrencies side, it is a three-tier system that groups cryptocurrencies into 5 main industries: 1) Payment, 2) Infrastructure, 3) Financial services, 4) Technology & Data and 5) Media & Entertainment. These industries are further divided into 16 industry sectors and sub-sectors to be introduced in the future. Under asset-backed tokens, there are 6 asset types: 1) Culture, 2) Real Estate, 3) Financials, 4) Entertainment, 5) Natural Resources, 6) Green Economy. These asset types are further divided into 31 branches and sub-branches to be introduced in the future.
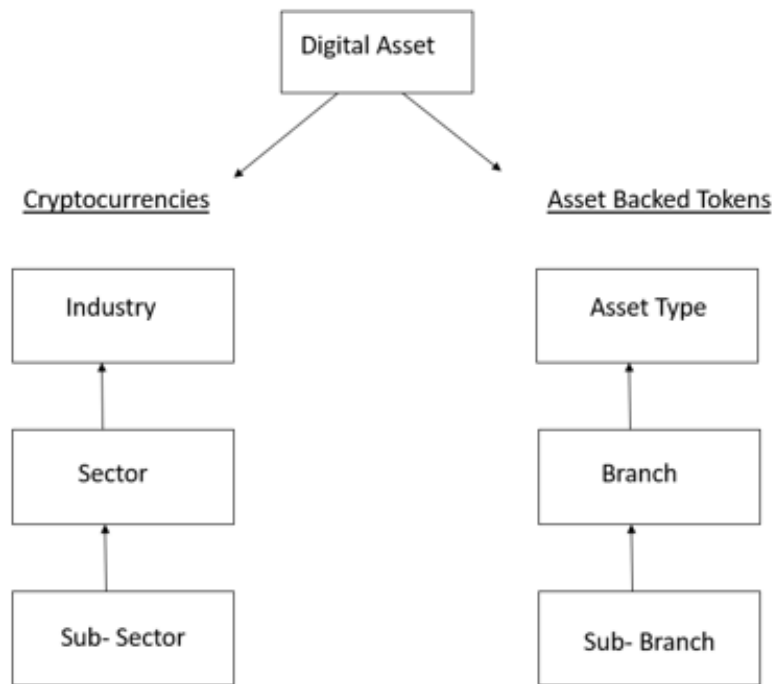
About IX Asia Tokenization Advisory Committee and Working Group

The establishment of the IX Asia Tokenisation Advisory Committee ("Advisory Committee") is to pursue the goal and vision to formulate a standard for global tokenization framework in a compliant and transparent way. The key role of the Advisory Committee is to formulate the guideline and reference for tokenization in terms of infrastructure, business financial stability, sustainability, internal control and classification. The Advisory Committee is comprised of industry recognised leaders from blockchain consultancy, sustainable projects and field in Art industry.

The establishment of the Working Group is to identify, evaluate and recommend key directions and founding principles according to their specific industry knowledge and expertise in relating to the creation of the specified token. It will examine and propose improvements to the guidelines and references for tokenization. The working group is formed of a diverse group of market experts representing relevant sectors and markets, to provide input and discuss case studies for creation of tokenization framework, best practices and development of real-world projects.
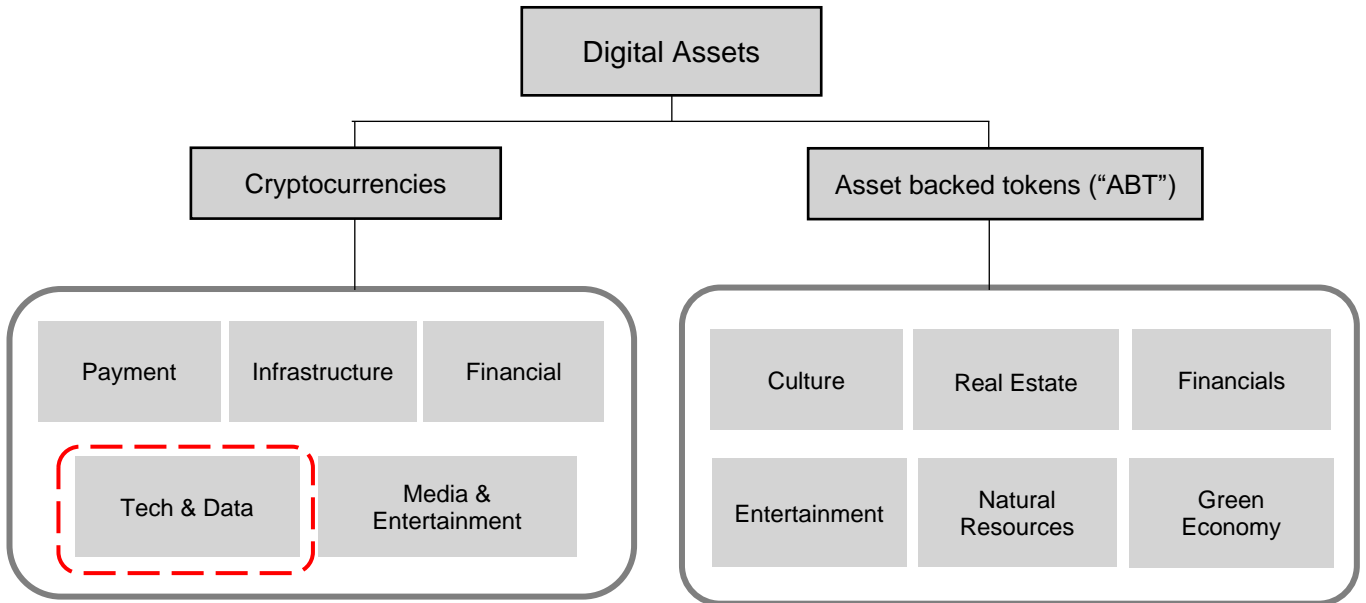
For more information about IX Asia Tokenization Advisory Committee & Working Group, please visit https://ix-index.com/tokenization-committee.html .

The structure of DAICS®

https://ix-index.com/

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IX Digital Asset Industry Classification System ("DAICS®")

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                          ┌──────────────────┐
                          │  Digital Assets  │
                          └──────────────────┘
                   ┌──────────────┴──────────────┐
        ┌────────────────────┐         ┌──────────────────────────────┐
        │  Cryptocurrencies  │         │  Asset backed tokens ("ABT") │
        └────────────────────┘         └──────────────────────────────┘
```

Cryptocurrencies		
Payment	Infrastructure	Financial
Tech & Data	Media & Entertainment	

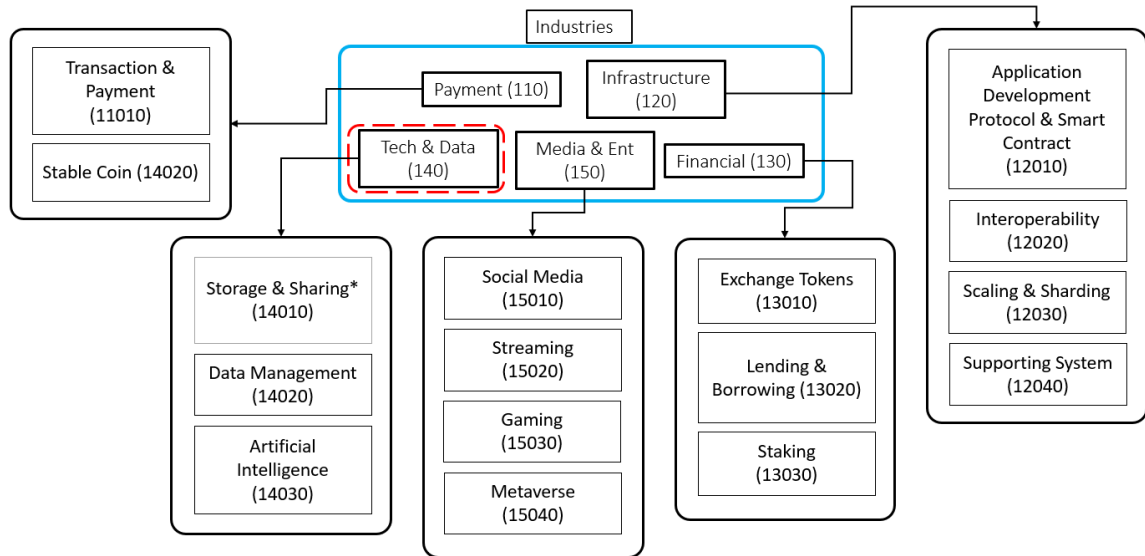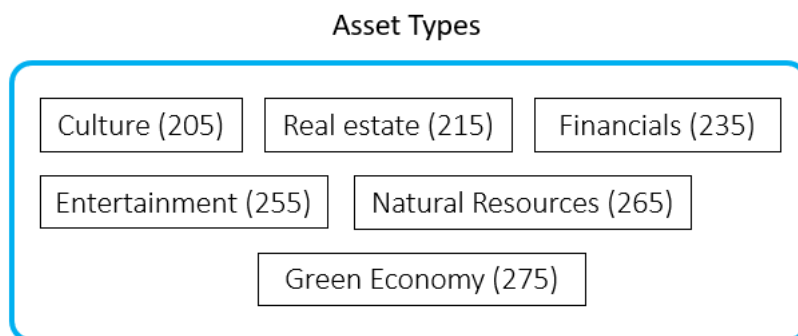| Asset backed tokens ("ABT")		
Culture	Real Estate	Financials
Entertainment	Natural Resources	Green Economy

Note: [ ] Industries/Asset Types with Sector/Branch change.

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Appendix 3

DAICS Updated Cryptocurrencies Industry-Sector diagram

Industries

Transaction & Payment (11010)	
Stable Coin (14020)	

Payment (110)

Infrastructure (120)

Tech & Data (140)

Media & Ent (150)

Financial (130)

Application Development Protocol & Smart Contract (12010)

Interoperability (12020)

Scaling & Sharding (12030)

Supporting System (12040)

Storage & Sharing* (14010)

Data Management (14020)

Artificial Intelligence (14030)

Social Media (15010)

Streaming (15020)

Gaming (15030)

Metaverse (15040)

Exchange Tokens (13010)

Lending & Borrowing (13020)

Staking (13030)

DAICS current ABT Asset Types diagram

Asset Types

Culture (205)   Real estate (215)   Financials (235)

Entertainment (255)   Natural Resources (265)

Green Economy (275)

Note: [ ] Industries/Asset Types with Sector/Branch change.

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Appendix 4

In and out in DAICS® Top 50 cryptos

	In	Out
1.	Kaspa (KAS)	ApeCoin (APE)
2.	Mantle (MNT)	**Fantom (FTM^G)**
3.	Optimism (OP)	EOS (EOS)
4.	Thorchain (RUNE)	Pax Dollar (USDP)
5.	**Immutable (IMX^G)**	The Sandbox (SAND)
6.	Injective (INJ)	Decentraland (MANA)
7.	Render (RNDR)	Axie Infinity (AXS)

Sector Weighting of the Classification System*

Industry	Weighting (%)
Payment	69.00
Infrastructure	25.10
Financial Services	4.09
Tech & Data	0.43
Media & Entertainment	1.39

*Based on 6th December 2023

Green labels

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Classification of top 50 coins by Market Capitalization

Category	Industry	Sector	Cryptocurrencies	
Cryptocurrencies	Payment: Blockchain based money, designed for transactional purposes. This includes daily transactions usage and stablecoins.	Transaction & Payment	BTC XRP TON LTC BCH	XLM XMR CRO KAS
		Stablecoin	USDT USDC DAI	TUSD BUSD
	Infrastructure: Bedrock blockchain that facilitates the operation of other decentralised applications. This includes the creation and running of dedicated blockchain platforms, achieving interoperability between networks, increasing the amount or speed of transactions etc	Application Development Protocol & Smart Contract	**ETH**ᴳ SOL **ADA**ᴳ TRX LINK AVAX ETC	**HBAR**ᴳ ICP APTOS NEAR INJ **ALGO**ᴳ
		Interoperability	DOT ATOM	**WBTC** QNT
		Scaling & Sharding	MATIC MNT OP	ARB STX
		Supporting System	Nil	
	Financial services: Tokens that provide on-chain asset management services, crypto-exchange services, funding, lending and other capital markets related services	Exchange Tokens	BNB LEO OKB	UNI RUNE
		Lending & Borrowing	AAVE	
		Staking	LDO	
	Tech & Data: Provision of data management and storage, and development of innovative crypto technology	Storage & Sharing**	FIL VET	RNDR
		Data Management	GRT	
		Artificial Intelligence	Nil	
	Media & Entertainment: Recreational and media services. Including content creation and distribution, advertising through crypto-asset incentive mechanisms, gaming and collectibles	Social Media	DOGE	SHIB
		Streaming	Nil	
		Gaming	**IMX**ᴳ	
		Metaverse	EGLD	

Note: G as '**Green**' labelling for cryptocurrencies that adhere to the principles of sustainability
(**) labelling for change in definition in this review
Purple as for wrapped cryptocurrencies that are classified but not included as top 50 due to duplication of market cap

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Appendix 6

IX Digital Asset Industry and Sector Classification System ("DAICS®")

Category	Industry	Sector	Sector definition
Cryptocurrencies (1)	Payment: (110) **Definition** Blockchain based money, designed for transactional purposes. This includes daily transactions usage and stablecoins.	Transaction & Payment (11010)	Cryptocurrencies that are used for store of value, unit of account, medium of exchange
		Stablecoin (11020)	Cryptocurrencies where price is pegged to a / a basket of reference asset
	Infrastructure: (120) **Definition** Bedrock blockchain that facilitates the operation of other decentralised applications. This includes the creation and running of dedicated blockchain platforms, achieving interoperability between networks, increasing the amount or speed of transactions etc.	Application Development Protocol & Smart Contract (12010)	layer-1 blockchain network that facilitates DApp creation and smart contract execution and smart contract
		Interoperability (12020)	Network that increases inter-connectivity and integration of the fragmented cryptocurrency ecosystem
		Scaling & Sharding (12030)	Networks that increase the ability to cope with the influx of many transactions at a time and blockchain network that can be split into smaller partitions, to improve scalability and process transactions quicker
		Supporting System (12040)	Networks/sidechains that improve functionality of layer-1 network
	Financial services: (130) **Definition** Tokens that provide on-chain asset management services, crypto-exchange services, funding, lending, and other capital markets related services	Exchange Tokens (13010)	Cryptocurrencies that represent the stable coin in the exchange ecosystem and allow users to covert from digital asset on decentralised or centralised system int fiat currencies
		Lending & Borrowing (13020)	Borrowing and lending crypto assets with interest in return and other secondary financial tools derived from primary underlying asset, such as crypto futures and options
		Staking (13030)	Holding and "staking" of certain amount of cryptocurrency in a wallet to facilitate network operations

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	Tech & Data: (140) **Definition** Provision of data management and storage, and development of innovative crypto technology	Storage & Sharing* (14010)	Crypto protocols that provide decentralized storage and/or sharing of data filing and resources.
		Data Management (14020)	Networks/Protocols that facilitate the indexing and querying of data from blockchain(s), enabling efficient data retrieval and management for decentralized applications
		Artificial Intelligence (14030)	Cryptos/Protocols that facilitate the use of AI powered apps or projects directly using blockchain platform.
	Media & Entertainment: (150) **Definition** Recreational and media services. Including content creation and distribution, advertising through crypto-asset incentive mechanisms, gaming and collectibles	Social Media (15010)	Cryptos that provides mast social community and followers without a close secondary industry sector
		Streaming (15020)	Cryptos that provides rights to access decentralised video-streaming sites
		Gaming (15030)	Cryptos which mainly used in gaming or gaming supporting industry
		Metaverse (15040)	Cryptos that is commonly used in collective virtual open space, created by the convergence of virtually enhanced physical and digital reality. This includes the use of VR and/or AR and/or 3D.

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DAICS® Asset Type Definitions

Category	Asset Type	Branch	Sub -branch
Asset-Backed Tokens (2)	Culture: (205) **Definition** Real asset relating to sports, art, cultural drama, festive collectibles and design IPs etc.	Art (20510)	This shall be further developed in the future with more digital assets available in the market
		Sports (20520)	
		Festive Collectibles (20530)	
		Design IPs (20540)	
		Drama and Play IPs (20550)	
	Real Estate:(215) Definition Assets that mainly derived its valuation from property, real estate, and land	Commercial Property (21510)	
		Residential Property (21520)	
		Governmental Property (21530)	
		Residential and Commercial Land (21540)	
	Financials: (235) **Definition** Real financial asset including listed company shareholdings on regulated centralised exchanges and private company shareholdings; debt instruments; property trusts and derivatives that settled on regulated exchange (CeFi and DeFi).	Tokenised Securities (Company Securities, ETF) (23510)	
		Tokenised Debts (23520)	
		Tokenised REITs (23530)	
	Entertainment: (255) **Definition** Ownership of the IPs assets in the area of entertainment in real world such as concert, play, shows, circus, musicals, songs, movies, games, events and programs, and souvenir collectibles that is derived from the above areas.	Movies (25510)	This shall be further developed in the future with more digital assets available in the market
		Songs (25520)	
		Concerts (25530)	
		Gaming**(NEW)** (25540)	
		All Other Entertainment Events and Collectibles (25550)	
		Precious Metals	

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	Natural Resources: (265) **Definition** Natural resources asset that derived directly from sea, sky, atmosphere and underground and can be classified as a commodity with standardisation such as precious metals, agricultural, energy and metals.	(26510)	
		Agricultural (26520)	
		Energy (26530)	
		Metals (26540)	
	Green Economy(275) **Definition** Ownership of Projects Asset that falls under the definition of the UN 17SDG²s, with over 80% of the income or jobs provided on these 17 initiatives.	No Poverty & Zero Hunger (27510)	Following definition of the United Nations 17 sustainable development goals²
		Good Health and Well-Being (27520)	
		Quality Education (27530)	
		Gender Equality (27540)	
		Clean Water and Sanitation/Affordable and Clean Energy (27550)	
		Decent Work and Economic Growth/ Industry, Innovation, and Infrastructure/ Partnerships for the Goals (27560)	
		Reduced inequalities/ Peace, Justice and Strong Institutions (27570)	
		Sustainable Cities and Communities/Responsible Consumption and Production (27580)	
		Climate Action (27590)	
		Life Below Water & Life on Land (27500)	

² United Nations 17 sustainable development goals covering 1) No Poverty 2) Zero Hunger 3) Good Health and Well-Being 4) Quality Education 5) Gender Equality 6) Clean Water and Sanitation 7) Affordable And Clean Energy 8) Decent Work and Economic Growth 9) Industry, Innovation and Infrastructure 10) Reduced inequalities 11) Sustainable Cities and Communities 12) Responsible Consumption and Production 13) Climate Action 14) Life Below Water 15) Life on Land 16) Peace, Justice and Strong Institutions and 17) Partnerships for the Goals https://sdgs.un.org/goals