xx Network Community Update

Dear xx Network Community Members,

Greetings from the xx Foundation!

The xx Foundation is deeply committed to the vision, mission, and success of the xx Network. Today, we wish to provide an extensive update on our journey, our current challenges, and the path for the future.

xx Network Origins

The xx Network, founded by David Chaum and originally funded by money raised by the Privategrity Corporation from private investors and community coin sales, was designed and built by a development team with essentially two departments which were, at that time, called Elixxir and Praxxis. The xx Network has always been driven by an ambitious vision - to create a decentralized ecosystem that ensures user data privacy, security, and resistance against censorship, data exploitation, and quantum computing threats.

Charting & Navigating the Path Forward

Operationally, the xx Network goals have remained surprisingly constant, always with the goal of making all xx participants successful:

- 1. To be decentralized with access for all.
- 2. To offer revolutionary privacy and security to partners who develop dApps for their customers and/or integrate the Network on a wholesale level.
- 3. To run efficiently at high service levels with relatively low support overhead.

- 4. To be easy-to-use for consumers, partners and developers and to drive true mass market adoption of decentralized communications and transaction infrastructure.
- To efficiently manage resources and to secure financial support for marketing, partnering, community support, network maintenance and for support of new dApps to drive Network usage.

The Push to Decentralize:

Significant achievements have been made to bring the xx vision to ultimate reality. A successful Betanet Program, MainNet, dApp development for testing and commercialization, advancements in wallet security, node operator and community engagement, and commitment to open-source development are a testament to that. The vision is now a reality in motion.

Key milestones to legally decentralize the network have been:

2020/BetaNet: Node operators joined the network and earned xx coin rewards as the first implementation of xx, decentralized tokenomics.

2021/MainNet: Node operators received open source code with legal rights to run the network independently. On chain governance began.

2022/Formation of the Foundation: An independent Cayman exempt foundation company was established to support network maintenance, development, marketing and business development.

The next step, for 2023 is to decentralize the dApp development Privategrity Corporation that has been guiding and funding since the initial release of an alpha messenger in 2019.

First True Decentralized Network, dApps and the xxDK:

The xx Network is the first network with consumer level quality of service composed of independent nodes in 65+ countries with dApp access from 195 countries around the world.

To deliver stability in such a diverse environment (just simply as network infrastructure not to mention running cMixx and the substrateX blockchain) required extensive testing with tens of thousands of users.

This was the fundamental reason that Privategrity introduced the xx messenger and then Speakeasy.

In addition to providing a testbed for internal software and network optimization, these dApps allowed the team to demonstrate usable network performance to the outside world while also driving the refinement of several versions of the xxDK as a toolset for 3rd party use.

Equally important as a final step was the opportunity to fund and introduce consumer products to drive widespread use of the network and therefore demand for the xx coins. This has always been a critical standalone goal that also will serve as an important model for 3rd party development in support of the xx network.

Final decentralization Steps for Privategrity:

When the first version of the xx software development toolkit (xxDK) was introduced three years ago, code that could be used by experienced backend developers in support of desktop access was open sourced. But the introduction of a more fully featured, easy-to-use xxDK toolkit for frontend developers was much farther down the roadmap.

The Speakeasy alpha project, with, in particular, multi-device and notification support has been critical to the maturation of the xxDK. Now the team is moving to integrate the things that were learned in Speakeasy into the xxDK including resourcing the inclusion of packages for easy use in the dominant web and mobile development environments. First up is making the xxDK easy to use with C-Sharp.

This shift in development focus means that some of the Elixxir/Privategrity resources are shifting over to the Foundation to get this done. This shift in focus (along with finalizing Postage implementation – see below) is particularly well timed as the Foundation has successfully initiated a number of partnerships with other prominent chains, wallets and applications. We must make sure that the xx network is easy-to-use to support the success of these projects.

At the same time, Speakeasy is being "spun out" of Privategrity. In parallel, a rebranding of the Speakeasy social platform in preparation for a beta release is almost complete.

The dApp will be called "Haven" and a new entity is being formed by some of the original team members so that next steps, including securing independent funding can be determined.

This decentralizing step is consistent with the course the original Praxxis team took. Their support of the xx network was restructured a while ago so that instead of working as employees of Privategrity's wholly-owned xx Labs subsidiary, they began working under contracts with the Foundation after founding a Cayman development company called BitFashioned SEZC.

They have supported xx Network maintenance in various ways, and developed the Proxxy demonstration dApp under this framework for example.

Community:

The xx Network has always been about community. Turkey, India, Russia, China, North America, Europe.

But frankly community efforts are difficult without a more complete easy-to-use xxDK. For example, plans for xx hack-a-thons and meetups in Toronto, Berlin and Mumbai have been discussed recently, but pushed back on the calendar until we can assure that younger, inexperienced front end developers can easily understand and use the xx Network in conjunction with the xxDK. Similarly, networking and business development around the world will be favored by a more mature xxDK combined with Proxxy as a demonstration dApp.

Enhance the xxDK (xx Developer Kit).

By enhancing the language libraries and consistently refining the xxDK with a straightforward and user-friendly API, the team will strengthen the xxDK's robustness and usability, making it especially suitable for modern front-end developers.

- Usability & Growth: A user-friendly xxDK boosts developer adoption, making xx a preferred choice over competitors while showcasing developer dedication to the xx Network's expansion.
- 2. **Versatility & Quality:** Enhanced language libraries allow for diverse app development, and improvements in the xxDK ensure higher application quality.
- 3. **Efficiency:** A strengthened xxDK optimizes the development process, saving both time and resources, reducing the cost of using the xx Network

In short, enhancing the xxDK is pivotal for fostering a vibrant developer ecosystem, ensuring its versatility, and showcasing our dedication to quality and growth

Postage System Integration:

Additionally, the team will be working on blockchain integration of "Postage", a mechanism designed to monetize the usage of cMixx, akin to how Gas functions on the Ethereum blockchain.

- 1. **Resource Allocation:** Postage ensures equitable access to the xx Network's resources, balancing between casual users and large businesses.
- Economic Model: By allowing users to purchase additional postage with xx coins, the system incentivizes judicious resource use and ensures network sustainability.
- 3. **Interoperability:** The postage system's potential integration with networks like Ethereum and XRP highlights its adaptability and cross-platform potential.

In essence, the postage system in the xx network is a pivotal tool for ensuring fair resource distribution, creating economic incentives, and fostering potential expansion to other blockchain ecosystems.

Resource Management and Operational Efficiency:

We aim to position the xx Network for long-term success by optimizing its operational costs. This may lead to changes in the network configuration which will in turn result in reduced bandwidth and storage requirements. Any changes will be fully tested and deployed in a way that has the least amount of inconvenience to node operators and the existing deployed infrastructure.

Documentation:

Even though a lot of effort has gone into sharing technical information, documentation related to xx Network has historically been somewhat of a challenge to find and navigate. This is partly because of the breadth and scope of the project and because of the different audiences we have (coin holders, developers, node operators, partners). The xx Foundation will be hosting a repository which will house the existing xx Wiki documentation, and documentation of other xx Network related projects, such as the xxDK, Chain APIs, etc.

This unified approach will help to ensure consistent, comprehensive coverage of all related projects, enhancing user experience and efficiency. Moreover, it underscores the xx Foundation's commitment to transparency and user support, fostering a more informed and collaborative community around the network.

Bridging:

As many may already know, we are excited to have announced our bridge project to the XRPL blockchain. This will allow us to work with XRP developers who have expressed interest to create dApps that leverage the unique security and privacy features of cMixx and the xx Network. The potential of integrating the properties of cMixx with blockchains like XRPL, Polkadot, Ethereum, Algorand, Hedera, and others is immense and aligns with our vision of a decentralized, secure, and private digital future.

Exchange Listings:

We, along with the community, desire for broader availability of XX Network coins on cryptocurrency exchanges. Our bridge to the XRPL will enable us to list the XX coin on the XRPL Decentralized Exchange within the next month. Additionally, a bridge to the Ethereum blockchain will pave the way for launching a wrapped coin on prominent DEX platforms like Uniswap and Pancakeswap, expected in Q1 2024.

A Message to Our Teams and Community

We, the directors of the xx Foundation, want to take a moment to thank the dedicated individuals who have been the backbone of this project.

The members of the XX Network Foundation team, including Bernie, Baltasar, Keith, Mario, Robbie along with several others along the way have shown unwavering commitment and have poured blood, sweat, and tears into realizing the vision of the XX Network. Their expertise, passion, and resilience are commendable.

The Elixxir development team led by David, Ben, and Rick along with so many other amazing people have been instrumental in the Founding, technical advancements,

and innovations achieved within the xx Network. Their dedication and hard work have been essential in the journey.

Our community leaders across various regions, including Europe, Middle east, Asia, North America, with notable key areas such as Turkey and Canada, have been instrumental in fostering regional communities and promoting the xx Network's mission. Their zeal is a testament to the global appeal and importance of this project. There are so many individuals we could name that have been critical pieces in the growth of this network. We are honored and humbled to work with all of you.

To our node-running community: your support and passion have been lifeblood to the xx Network. Your belief in the vision of the xx Network and your ongoing active participation is invaluable.

Thank you ALL.

In the dynamic world of technology and business, adaptability is key. Our decisions and strategies are rooted in a long-term vision for the xx Network, ensuring its sustainability, growth, and success.

Now is the time for all of us to focus on efficiently using resources to drive usage of the Network so we can take our rightful place as a leader in the Web3 ecosystem as the lead purveyor of decentralized privacy and security.

We humbly ask for your continued trust and support. Together, we are not just building a network; we are helping to shape the future of digital privacy, security, and ultimately freedom.

Warm regards,

The xx Foundation

P.S. David Chaum here, original founder of the xx Network. To see my initial vision become tangibly real, with all that has been built, has been awe-inspiring. Especially for me! I feel privileged to be part of the incredible journey we've embarked on together.

I want to personally express my deep gratitude to each and every one of you. Your unwavering belief, dedication, and hard work have been the cornerstone of our success to this point -- it's always been the collective spirit of this community that drives us forward, particularly in the face of challenges.

As we continue on, together, we are not just creating technology, we are crafting a legacy of privacy, security, and freedom for generations to come. I am in! And I will continue to aspire to being the xx Network's biggest supporter! Thank you for being a part of this remarkable journey. Let's keep pushing the boundaries and making a difference in the world.

With heartfelt appreciation,

David Chaum