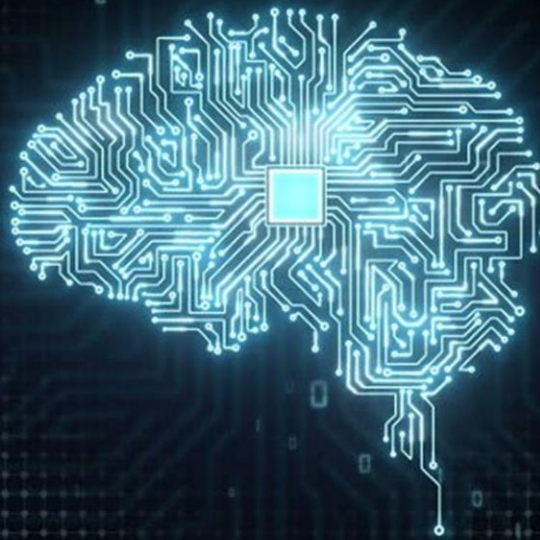


Executive summary



Stakenet



As we move through a 3rd generation wave of blockchains it is important to understand which technologies, communities and Decentralized Ledger Technologies (DLT's) will separate themselves from the rest, pushing through the noise of constant ventures entering the crypto-sphere. Instead of a "one chain rule" however; we believe the future will instead be the formation of a global backend - a 4th generation blockchain mesh consisting of every chain, technology and service created thus far. A united network of different tech from different chains fully communicating as one entity executing synchronously. A future where one powers software to run their vehicle, buys groceries, or signs contracts instantly using different chains will be amongst us, constantly evolving to fit users' needs on the fly. This conversion will be completely unbeknownst to end users as swaps will be done case by case on the backend, not seen, realized, or even chosen by the user.

Disclaimer: As with any crypto-currency, there is inherent risk. While XSN endeavors to implement to the best of their abilities, they make no representations as to future value and individuals purchase XSN at their own risk.

Stakenet (XSN) is building an integrated decentralized ecosystem to create a suite of effective investment tools for investors and the world's first truly decentralized cryptocurrency bank. The front-end consumer interface, Stakenet.io, is scheduled for release in June 2018. The Stakenet blockchain is powered by its own native coin XSN, which can be used to pay for all the services and products within our ecosystem. The Stakenet ecosystem will be comprised of the following elements:

Trustless Proof of Stake (TPoS): TPoS is a Stakenet invention. While crypto investors currently use offline storage such as Ledger or Trezor for mere storage, TPoS transforms these cold storage devices into profit generating devices. Rewards flow to the coin owner while the coins remain offline. TPoS is fully operational and available for everyone who owns XSN. This technology will be available for cross chain purposes upon implementation of CCPOS, described below.

Decentralized Exchange (DEX): XSN will create crypto's first truly decentralized cryptocurrency exchange run by masternodes. These masternodes will be rewarded through trading fees and will act similarly to Stakenet.io in that once XSN cedes control, the masternodes will run the network and cannot be shut down by XSN or any third party.

Masternodes with multiple sources of income: XSN masternode owners will have three sources of income: regular blockrewards, DEXs' trading-fees and fees for running TOR-network services.

Investment Agility due Cross Chain Proof of Stake (CCPOS): Another XSN innovation under development is CCPOS. With this technology we aim to enable users to stake XSN and receive rewards in any other coin. Herewith individuals will be enabled with flexibility to switch rewards on the fly to that new "hot coin", if they so desire.

Profit-sharing, buy-back-burns and Revolving Stake Bonus (RSB): All profits will be given back to XSN coin owners one way or another. Some options being explored are coin buy-back-burns and air drops to existing coin owners. Other options will be distributing the service-fees to all involved parties. At least XSN will reward coin holders via an RSB mechanism, which is a proof of burn technology for service- and business-provider who use the XSN network.

Convenience due a new multi-currency wallet: Stakenet multi-currency wallet will enable users to stake and earn rewards from one location, rather than as currently where a wallet is required for each specific coin.

Cold storage exchanging from a hardware device: In 2018 Q4, users will have the ability to trade Ledger and lightning network compatible coins through our DEX without the coins ever leaving the security of cold storage.

TPoS Marketplace: Stakenet.io will host a merchant marketplace where coin owners can hire merchants to trustlessly stake their coins using TPoS, while the coins remain on a Ledger or Trezor hardware wallet, or any other cold storage. Furthermore, it will also be possible to be your own merchant without any restrictions.

Security: Stakenet will initially be centralized but will thereafter run entirely by masternodes. This decentralization removes the risk of obstruction or being shut down by third parties. Furthermore, our TPoS consensus ensures the maximum level of network security along all existing PoS solutions.

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Privacy: XSN is building crypto's first internal TOR network run by masternodes. Whereas TOR has been utilized in crypto by coins like XVG, those methods are fundamentally flawed due to exit node relay detection. Our TOR masternode network won't have this vulnerability and will allow truly obfuscated transactions. Furthermore, the Stakenet blockchain utilizes coinmixing and will encrypt transactions due to the zK-SNARK protocol.

Coin metrics:

Consensus: PoS & TPoS

Coinage: enabled, 24h

Algorithm: X11

Block time: 60 seconds

Difficulty retargeting: 40 minutes

Swapped supply from POSW to XSN: 73.000.000 XSN

Blockreward distribution: 45% masternodes, 45% staking, 10% treasury

Masternode requirement: 15.000 XSN

PoS rewards breakdown:

PoS Phase 1 fair launch start date: 6th Mar. 2018

PoS Phase 01: [000.000 – 020.000] 00 XSN

PoS Phase 02: [020.001 – 063.200] 50 XSN

PoS Phase 03: [063.201 – 106.400] 45 XSN

PoS Phase 04: [106.401 – 149.600] 40 XSN

PoS Phase 05: [149.601 – 192.800] 35 XSN

PoS Phase 06: [192.801 – 236.000] 30 XSN

PoS Phase 07: [236.001 – 279.200] 25 XSN

PoS Phase 08: [279.201 – infinity] 20 XSN

PoS Phase 8 estimated start date: 20th Sep. 2018

Staking reward calculation:

Your daily chance to validate a block and being rewarded is:

$$\frac{a}{(x - 15.000 \cdot y) \cdot z} \cdot 1.440$$

Masternode reward calculation:

Your daily chance being rewarded for providing your services is:

$$\frac{b}{y} \cdot 1.440$$

a = number of coins you hold

b = number of masternodes you hold

y = number of all masternodes

x = total supply

z = percentage share of all staking coins (0,0:1,0)

usually between 0,5 and 0,7

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