

The Rhonix Token Distribution and Supply

Specification of the Rhonix token distribution and inflation after the mainnet launch and beyond.

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The Rhonix token could be impacted by regulatory action, including potential restrictions on the ownership, use, or possession of such tokens. Regulators or other competent authorities may demand that the mechanics of the Rhonix token be altered, entirely or in part. Rhonix Labs FZE may revise the Rhonix Labs FZE protocol or the Rhonix token mechanics to comply with regulatory requirements or other governmental or business obligations. Nevertheless, Rhonix Labs FZE believes it has taken all commercially reasonable steps to ensure that the design of the Rhonix token is proper and in compliance with currently considered regulations as far as reasonably possible.

No regulatory authority has examined or approved any of the information set out in this tokenomics paper. The publication, distribution or dissemination of this tokenomics paper does not imply compliance with applicable laws or regulatory requirements.

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Changelog

v1.0	2023-01-17	Updated legal disclosure
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Contents

1 Introduction 5

2 Highlights 5

3 Initial Token Distribution 6

4 Inflation 8

5 Circulating Supply 8

6 Founding Rounds 9

7 Roadmap 9

8 Summary 10

1 Introduction

Rhonix is a layer 1 blockchain platform, designed from the ground up to support decentralization, on chain data storage, security, economics and the scaling needs of Web3. Further, our smart contracts can be formally verified in our programming language Rholang. Our language model allows us to have concurrent smart contracts, which makes composition possible. Based on the latest research from the reflective higher order calculus (Rho-calculus), our programming language solves a series of problems preventing blockchain platforms from realizing mainstream adoption.

Its unique conflict detection algorithm will be accompanied by the newly developed proof-of-stake consensus algorithm currently named 'Weaver', that is being developed and finalised by the Rhonix core dev team.

We are aiming to make concurrent state transitions, which should enable execution scalability. Our consensus algorithm is currently being developed and finalized by our core devs to meet this goal. We are trying to distance ourselves from the paradigm of total ordering of blocks because that makes execution sequential. Instead, we first make execution concurrent and then match the consensus algorithm to enable concurrent execution.

Once implemented, it will allow all nodes to produce and verify blocks concurrently, and by doing so achieve single-shard scalability. Our aim is also to minimise the amount of messages that are disseminating in the network. To achieve this, all consensus decisions are only computed on the local copy of our directed acyclic graph (DAG).

2 Highlights

- The Rhonix token is a capped utility token with a 10.000.000.000 supply cap
- During the first year of Mainnet, investors' tokens are released according to the vesting schedule
- The initial inflation (validator fees) is very low and will only rise with a growing network. One of the key metrics will be the number of finalized deploys/week
- No Rhonix tokens are gifted for free. All Rhonix tokens will be issued at the particular strike-price applicable at the time of investment.
- Developers and employees may opt to have a token option component on top of their salary, but not higher than 1/3 of the salary. Such option component and the size of such component will be subject to negotiation. However, such developer or employee token option will be issued at the particular strike-price applicable at the time of entry into employment. The strike price of these token options are set by the last closed funding round.
- Rewards for the community/hackathons are paid directly in cash to participating dApp developers by Rhonix Labs FZE.

3 Initial Token Distribution

We aim to launch Mainnet in Q4 of 2023. The initial total supply of the Rhonix token at Mainnet will be 10 billion tokens. The Rhonix token will have 8 digits of precision as part of the fraction where the minimal unit is called a Rholet.

The table shows the initial Rhonix token distribution available to participants of the funding rounds. No further Rhonix tokens will be made available at Mainnet launch to exchanges.

Rhonix Token Key Metrics

Name	Rhonix Token
Token Name	decided on before mainnet launch
Blockchain	Rhonix Network
Token Type	Utility
Total Supply	10,000,000,000

Figure 1 shows the total allocation from the 10.000.000.000 token supply. No further tokens are issued. It shows the main funding round and the community offering for the launch of Mainnet 2.0. The Rhonix Labs FZE Fund will mainly be attributable to validator seigniorage fees. The Rhonix Labs FZE Fund is also an ecosystem fund that supports community growth and dApps being built on the platform as well as events like hackathons and game jams. Further, software developers and employees of Rhonix Labs FZE may be offered a small amount of Rhonix tokens as an option component to their salary. Partners and advisors, who add significant value to the Rhonix Labs FZE business, may also be offered a small amount of Rhonix tokens as an option to reward significant performance. No tokens are gifted for free.

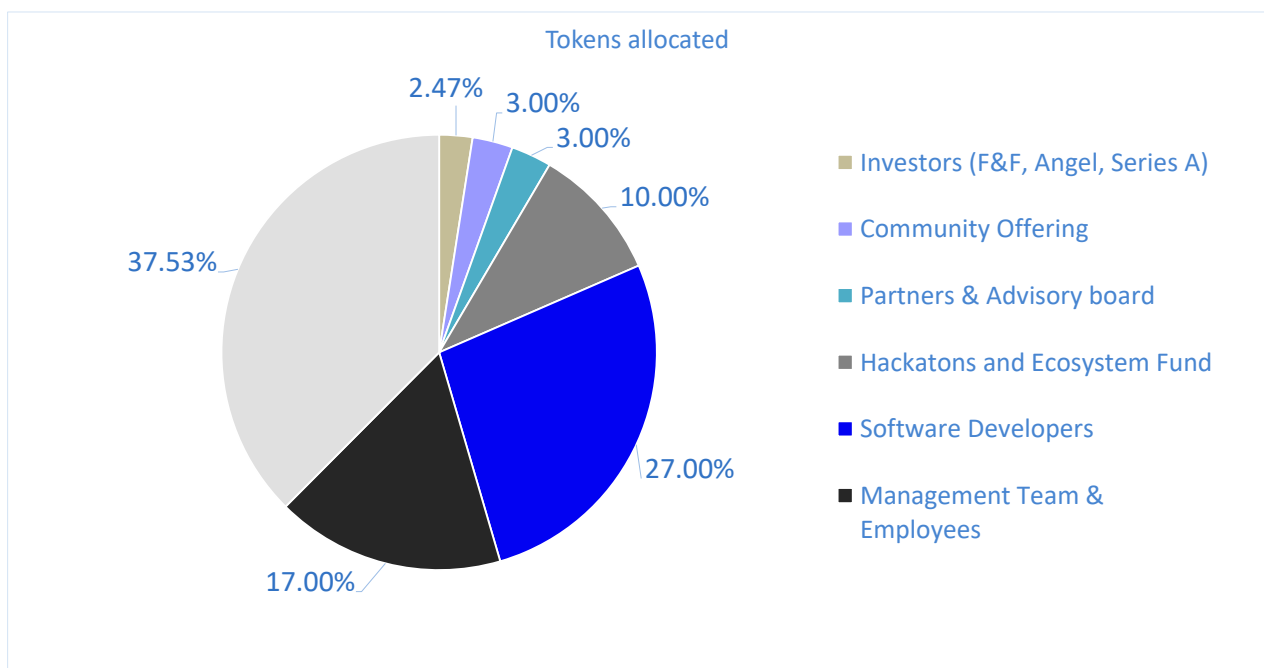


Figure 1: Token allocation

4 Inflation

The inflation of the Rhonix token is dependant on multiple factors. The main factor is the fee that validators get paid by bonding to the network and securing it by validating blocks. From the beginning of Mainnet, the inflation is very low with a constant seigniorage fee and paid from the Rhonix Labs FZE Fund. The fee is estimated to be dynamically adjustable by the growth of the Rhonix network into the future. Only by growing the network with transaction volume, the fees and inflation will rise. The inflation is designed to be related to the number of finalized deploys per week. Further metrics can be added or changed in the future. Until this is implemented, the seigniorage fees are statically determined and governed by a multi-signature smart contract, that employees from the rhonix company, are deciding on. The seigniorage fees for validators will be in a particular competitive range. Validators whom are not cost competitive will have to unbond from the network, to be replaced by more cost effective ones. The payment of validator fees is governed by the POS (Proof-Of-Stake) contract, which will be an on-chain smart contract.

5 Circulating Supply

Figure 2 shows the percentages of circulating supply after Mainnet. It shows the vesting schedule from the investors and community offering. It also shows the percentages of the circulating supply from other participants.

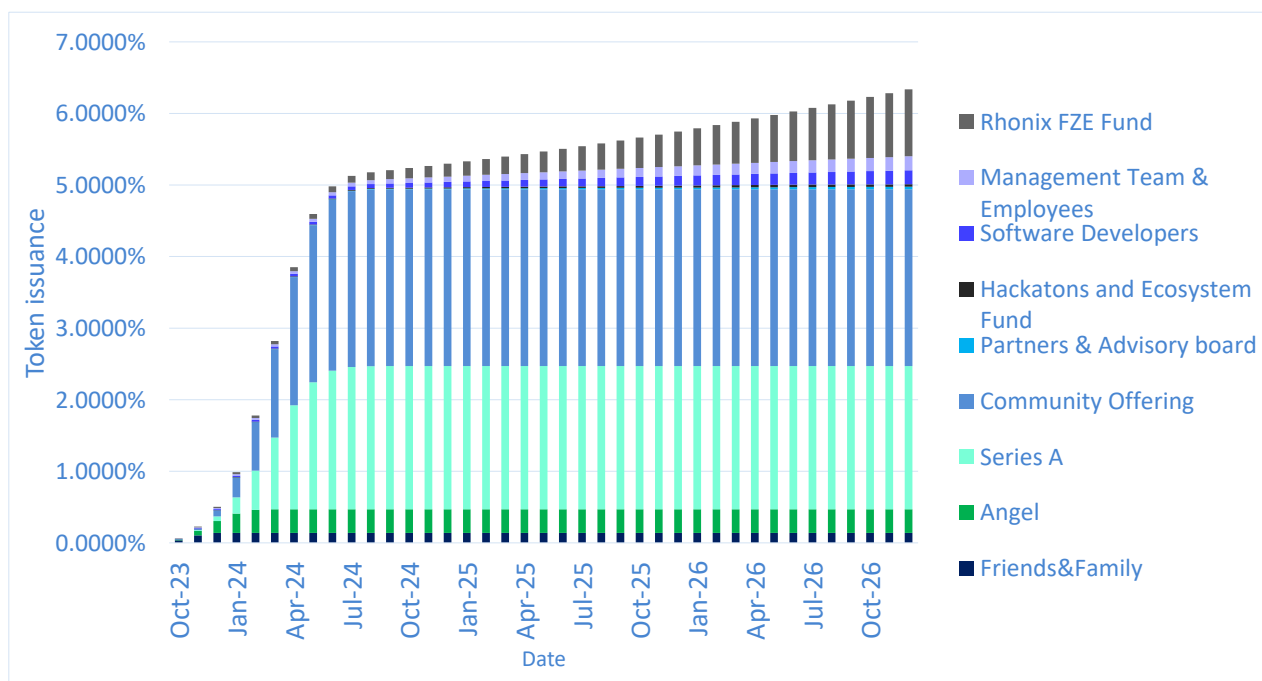


Figure 2: Circulating Supply

6 Founding Rounds

There are currently four offering rounds related to the Rhonix Labs FZE Utility Tokens. The first one was with family and friends and is closed. Further offerings are the angel, series A and the community offering. If one round is oversubscribed, then the next round with the higher strike-price will be applicable. The vesting schedule (release of tokens) for the funding rounds is outline in Table 1. The function for the release is defined by a sigmoid function, where the release of funding tokens is growing and only at the end of the vesting period, it is reduced. The rhonix token will be available for trading after mainnet launch. The amount of tokens, that at that point can be claimed with a smart contract, are outlined in Figure 2.

category \ round	F&F	Angel	Series A	Community Offering
type	private	private	private	public
cost	0.005ct/token	0.009ct/token	0.025ct/token	0.1ct/token
goal	70.000\$	300.000\$	5.000.000\$	30.000.000\$
token distributed	0.14%	0.33%	2%	3%
token released	14.000.000	33.000.000	200.000.000	300.000.000
vesting schedule	3 month	6 month	12 month	12 month
valuation	50mm	90mm	250mm	1000mm (1bn)
status	closed	open	open	open

Table 1 Funding Rounds

7 Roadmap

On 22 November 2022, Rhonix Labs FZE was registered in Dubai in the DWTC Free Zone (Dubai World Trade Centre Authority). With that, we closed our first seed round from family and friends with 70k.

In Q1 of 2023, the first Whitepaper from Rhonix Labs FZE was published. Further, the website is in late stages of being finalized. In Q2 of 2023, we are estimating bringing in additional 300k investment capital. With this investment, our newest feature for network scalability, leaderless blockmerge, will be deployed on Testnet 2.0. Together with last finalized state, our lean storage solution, which does not need to store the transactions after validation, we will begin in-depth testing. In Q3 2023, we aim to on-board external validators to launch the testnet 2.0 fully. We simultaneously intend to focus on two verticals (gaming and entertainment) to grow our network. These two MVP's will target meta-verse gaming and storing songs and video directly on-chain to engage the entertainment industry.

An additional \$5m series in Q3 will then be offered. We are aiming to bring Mainnet live in

approximately October 2023. As a launch provider for Mainnet, we are looking into partnerships with some of the largest exchanges in the world, including Binance, Crypto.com and Huobi, which are located in UAE.

Upon launching Mainnet, together with our exchange partners, we estimate to get funding of 30m to further grow our developer team. We are looking into merging sharding into the network architecture in Q1 2024. This will allow us to have validators with different rules, speed and/or consensus algorithms. The sharding feature allows the Rhonix platform to have interoperability between different parts of the Rhonix network, that are run by different communities. Further, it is proposed to build out solutions that will allow the Rhonix network to communicate with the Agoric and Ethereum networks through inter-blockchain communication. Starting with Q1 2024, the Rholang Engine will be rewritten in Rust, which will speed up the computational performance significantly. Further performance improvements for the recursion operator are being investigated. In Q2 of 2024, we aim to on-board larger validator clusters as well as public and private enterprises.

The roadmap with its funding rounds are outlined in figure 3. If one round is oversubscribed, one can buy tokens at the next available funding round token price.



Figure 3: Roadmap

8 Summary

Rhonix offers a more grounded and unique combination of technical innovation and economic opportunity than current decentralized networks. The mobile process calculi have simply dominated the fields of protocol design and protocol analysis for decades. Rhonix's

Rho-calculus based language, Rholang, offers developers a chance to come into the modern world where programming language semantics meets protocol design. By having a sustainable token architecture and dynamic adjustment of validator fees, we anticipate having a highly scalable layer-1 network.