

# The Rhonix Token Distribution and Supply

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

Ting Yang  
CEO

February 26, 2023

THIS TOKENOMICS PAPER PROVIDES AN INITIAL SUMMARY OF CERTAIN TECHNICAL AND BUSINESS ESSENTIALS UNDERLYING THE RHONIX LABS FZE PROTOCOL. THIS DOCUMENT MAY EVOLVE OVER TIME, AS THE PROJECT PROCEEDS. THE RHONIX LABS FZE TEAM MAY POST MODIFICATIONS, REVISIONS AND/OR UPDATED DRAFTS FROM TIME TO TIME, INCLUDING BEFORE, DURING, AND AFTER THE CREATION OF THE RHONIX LABS FZE UTILITY TOKEN, AND WHILST NETWORK(S) BASED ON THE RHONIX LABS FZE PROTOCOL ('RHONIX LABS FZE NETWORKS') ARE IN OPERATION.

THIS DOCUMENT SETS FORTH A DESCRIPTION OF THE RHONIX LABS FZE PROTOCOL, REFERENCE SOFTWARE IMPLEMENTATION, AND POTENTIAL RHONIX LABS FZE NETWORKS. THIS INCLUDES DESCRIPTIONS OF THE PROTOCOL ITSELF AND THE USE OF THE PROPOSED RHONIX LABS FZE UTILITY TOKEN. THE POTENTIAL RHONIX LABS FZE NETWORK IS A DECENTRALIZED, PUBLIC BLOCKCHAIN UPON WHICH PEER TO PEER TRANSACTIONS CAN BE CARRIED OUT BY USERS AND DEVELOPERS. DEVELOPERS HOLD AND CONSUME UNITS OF NETWORK CAPACITY ON THE PROPOSED RHONIX NETWORK TO BUILD AND MAINTAIN DISTRIBUTED APPLICATIONS AND USERS STAKE, USE AND TRANSFER UNITS OF NETWORK CAPACITY ON THE PROPOSED RHONIX NETWORK. THESE UNITS OF NETWORK CAPACITY ARE EXCLUSIVELY REPRESENTED BY CRYPTOGRAPHIC UTILITY TOKEN.

THIS DOCUMENT IS PROVIDED FOR INFORMATION PURPOSES ONLY AND IS NOT A BINDING LEGAL AGREEMENT. ANY SALE OR OTHER OFFERING OF RHONIX LABS FZE UTILITY TOKEN WOULD BE GOVERNED BY SEPARATE TERMS & CONDITIONS. IN THE EVENT OF CONFLICT BETWEEN APPLICABLE TERMS & CONDITIONS AND THIS DOCUMENT, THE TERMS & CONDITIONS ARE BINDING AND GOVERN. THIS TOKENOMICS PAPER IS NOT AN OFFERING DOCUMENT OR PROSPECTUS, AND IS NOT INTENDED TO PROVIDE THE BASIS OF ANY INVESTMENT DECISION OR CONTRACT.

## Legal Disclaimer

As of the date of publication, the Rhonix Labs FZE team not launchedh any public Rhonix Labs FZE Networks, and the Rhonix utility token is a proposed token with no known potential uses outside of Rhonix Labs FZE Networks, and no such use is intended. This document does not constitute advice nor a recommendation by the Rhonix Labs FZE team, its officers, directors, managers, employees, agents, advisers or consultants, or any other person to any recipient of this document on the merits of purchasing, otherwise acquiring, or holding Rhonix utility token ('the rhonix token') or any other cryptocurrency or token. The purchase and holding of a utility token such as the Rhonix token carries substantial risks and may involve special risks that could lead to a loss of all or a substantial portion of any money invested. Do not purchase tokens unless you are prepared to lose the entire amount allocated to the purchase.

The Rhonix token, if and when they are created and made available, should not be acquired for speculative or investment purposes with the expectation of making a profit or immediate re-sale. They should be acquired only if you fully understand the intended functionality of the Rhonix token, and you intend to use the Rhonix token for those purposes only, and it is legal for you to do so. No promises of future utility or performance or value are or will be made with respect to Rhonix token, including no promise any Rhonix Labs FZE Networks will be launched, no promise of inherent value, no promise of any payments, and no guarantee that Rhonix token will hold any particular value.

The Rhonix token is not designed and will not be structured or sold as securities. The Rhonix token will hold no rights and confer no interests in the equity of the Rhonix Labs FZE business or any future Rhonix Labs FZE Networks. The Rhonix token is designed and intended for future use on public Rhonix Labs FZE Networks that may be created using the Rhonix Labs FZE protocol, for the purposes of trading and governance transactions, or for the operation of a node. Proceeds of any sale of the Rhonix tokens may be spent freely by Rhonix Labs FZE for any purpose, including but not limited to the development of its business and underlying technological infrastructure, absent any conditions set out in this document.

This tokenomics paper is not a prospectus or disclosure document and is not an offer to sell, nor the solicitation of any offer to buy any investment or financial instrument or other product in any jurisdiction and should not be treated or relied upon as one. Any distribution of this tokenomics paper must be of the complete document including the cover page and this disclaimer and the accompanying boilerplate in their entirety.

All information in this document that is forward looking is speculative in nature and may change in response to numerous outside forces, including technological innovations, regulatory factors, and/or currency fluctuations, including but not limited to the market value of cryptocurrencies.

This tokenomics paper is for information purposes only and will be subject to change. The Rhonix Labs FZE team cannot guarantee the accuracy of the statements made or conclusions reached in this tokenomics paper. The Rhonix Labs FZE team does not make and expressly disclaims all representations and warranties (whether express or implied by statute or otherwise) whatsoever, including but not limited to: any representations or warranties relating to merchantability, fitness for a particular purpose, suitability, wage, title or non-infringement; that the contents of this document are accurate and free from any errors; and that such contents do not infringe any third party rights. The Rhonix Labs FZE business, Rhonix Labs FZE team, and operators of any Rhonix Labs FZE Networks shall have no liability for damages of any kind arising out of the use, reference to or reliance on the contents of this tokenomics paper, even if advised of the possibility of such damages arising.

Where this tokenomics paper includes references to third party data and industry publications, the Rhonix Labs FZE team believes that the information reproduced in this tokenomics is accurate and that the estimates and assumptions contained herein are reasonable. However, there are no assurances as to the accuracy or completeness of this data. The information from third party sources contained herein has been obtained from sources believed to be reliable; however, there are no assurances as to the accuracy or completeness of any included information. Although the data is believed to be reliable, the Rhonix Labs FZE team has not independently verified any of the information or data from third party sources referred to in this tokenomics paper or ascertained the underlying assumptions relied upon by such sources.

Please note that Rhonix Labs FZE is in the process of undertaking a legal and regulatory analysis of the functionality of the protocol, the proposed Rhonix token, and the operation of its business. Following the conclusion of this analysis, the Rhonix Labs FZE team may decide to amend the intended functionality of Rhonix token in order to ensure compliance with any legal or regulatory requirements to which it is subject, which may affect the utility, fungibility, or any other properties of the Rhonix token.

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.

## Contact

Rhonix Labs FZE  
Email: [ting.yang@rhonix.io](mailto:ting.yang@rhonix.io)

## Changelog

---

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

---

# 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

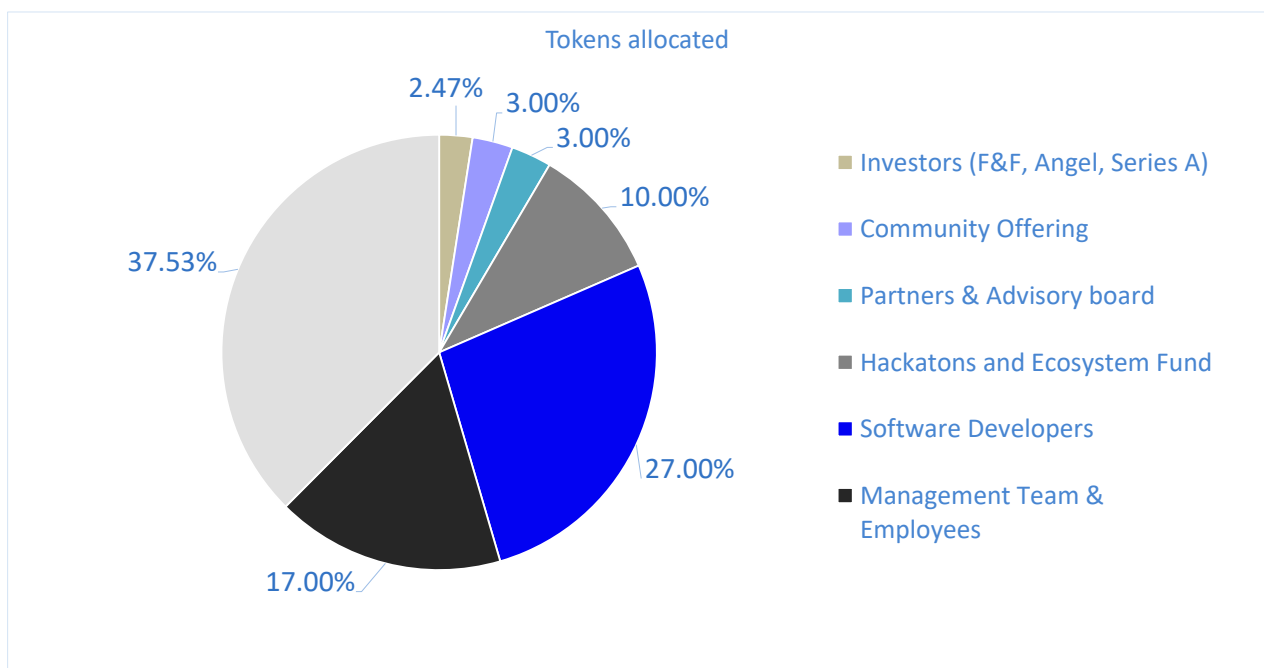
We aim to launch Mainnet in Q4 of 2023. The initial total supply of the Rhonix token at Mainnet will be 10 billion tokens. The Rhonix token will have 8 digits of precision as part of the fraction where the minimal unit is called a Rholet.

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.

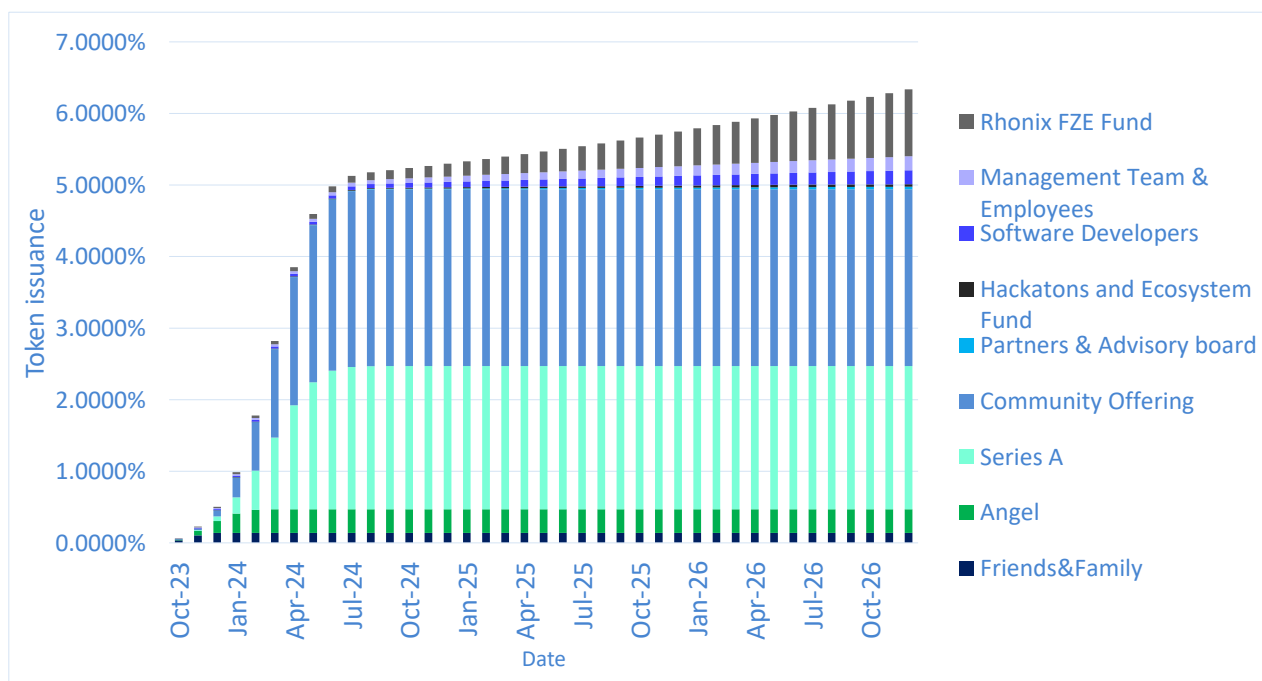


Figure 2: Circulating Supply



## 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.