Octopus Network AMA on NEAR Protocol Korea DAO

['22.07.14.(Thu) 11:30 KST]

1. Quiz Events

Q1. 옥토퍼스 네트워크는 어느 체인을 메인으로하는 프로젝트일까요?

- 니어프로토콜 √
- 바이낸스 스마트체인
- 후오비체인
- OKX체인

Q2. 옥토퍼스 네트워크의 인플레이션율은?

- 2
- 10
- 0 √
- 5

Q3. 옥토퍼스 네트워크 토큰의 티커는?

-$OCT √
-$OTN
-$OCN
-$OTL

Q4. 옥토퍼스 네트워크 토큰은 현재 바이낸스에서 거래가 가능하다?

-O √
-X

Q5. 옥토퍼스 네트워크에서 사용되는 합의 알고리즘은?

-POS
-POW
-W2E
-LPoS √

2. Pre Q&A session

(Introduce)
NEAR_KOR_DAO : Let's start AMA with Octopus Network For AMA session, we'll mute the chat for a while.

NEAR_KOR_DAO : Before the AMA, if you guys want to know more about Octopus Network Please check the links below.

Octopus Network Twitter: https://twitter.com/oct_network
Octopus Network linktree: https://t.co/RzMKA4To6Y

NEAR_KOR_DAO : Okay, let's get started! Today, we're going to talk with Octopus Network, on NEAR ecosystem.

NEAR_KOR_DAO : We have Technical Lead Sheldon Dearr on the Octopus Network team who will answer AMA's interviews and questions! Nice to meet you!

Octopus Network : Thank you! Nice to meet you all and thank you for having us in your community.

(Q&A)
NEAR_KOR_DAO : Then, let's start with the first question. ☐Text me "Done" every time you answer a question.

Q1. For a project to be successful, you need a team with excellent competencies. Octopus Network is made up of a few silver team members, and can you tell me what kind of career they have?

A1. Some key leaders at Octopus Network include operations manager Aaron Ting who has been actively helping crypto projects build for almost 10 years with a sales engineering and energy industry background, Louis Liu with over 20 years in software development and IT business leadership, Julian Sun as chief architect who is [today]

developing 3 different cross-chain technologies with 6+ years as a founder, security engineer and software engineer, and then myself Sheldon Dearr, having worked in/with Fortune 500 companies for 10 years and consumer electronics for 25, security engineering for 7-8 and digital assets for 5-6 years. All of us at Octopus Network are more interested in furthering our web3 careers then a quick profit, so it's wonderful that we all share such a vision as Octopus Network, to help projects begin their journey in starting their own blockchains with tech from multiple ecosystems.

Q2. Near Protocol ultimately aims for Web 3.0. So what role do you think the octopus network can play? And although near-protocol is based, Polka Dot is also a highly connected network, are you thinking about expanding this scalability further? About the other chain.

A2. Octopus Network is sometimes called "the Polkadot of NEAR Protocol" and while this is incredibly inaccurate, it's not entirely incorrect. In web3 our role is to make sure that good ideas for independent blockchains can be launched without so much pain as projects have seen since 2012. In the new web3 world Octopus Network is a scalable hub for Substrate appchains (aka mini-parachains) to be supported and start their engines, so that they can rev up and drive to great success as fully independent blockchains, parachains, or uniquely-valuable appchains. Polkadot is a wonderful concept for scaling an ecosystem of blockchains together, but it expects that each parachain auction applicant already has a full, independent, functioning system, and puts more pressure than help on projects interested to join the network. It's a complicated tech discussion, but it's important to note that where Polkadot can only support about 125 parachains, Octopus Network can support 1000 or more chains based on our scalable resources and technologies, like IBC for bridging tokens and data instead of XCMP to maintain an expensive middleware between blockchains [aka "shared/cross-chain VM"]. Octopus Network as a technology is the appchain ecosystem inside the NEAR Protocol ecosystem.

Q3. Octopus Network supports the Token Converter service, which converts a type of NEP-141 compliant token based on the liquidity provided by someone to another token at a fixed rate, but what is the difference between the concept of Swap?

A3. The Token Converter service is still in non-prod pilot, so while we can accept any request to use it, it has not been used in production yet. It is designed so ERC20 token projects can provide liquidity to convert to NEP-141 tokens in a provable, trustworthy manner. Price should be considered irrelevant in this case, as this is not a swapping of two different tokens, but rather a swapping of two different formats of tokens, where tokens must be provided 1:1.

Q4. The distribution and incineration of tokens is an important investment point for many investors as the value of tokens increases naturally. What is the schedule for distribution/incineration of OCT tokens in the future?

A4. OCT has 100 million total tokens, which can be tracked here on Ethereum. Because our allocation and designation plans are confusing, I made a rundown of this last year on Twitter, also linked below. Our schedule to complete the distribution of OCT tokens will end on August 2024, when all vesting contracts become empty: at that point no further OCT will be created or destroyed. Our economy is designed this way with purpose, to gradually increase the demand for OCT based on how many appchains, validators and voters join the ecosystem. We will not be minting or burning any tokens, it is much healthier for our economy to grow as our utility and value is demonstrated and/or repeated.

https://twitter.com/ArtimusLeton/status/1483323329121595392

https://etherscan.io/token/0xf5cfbc74057c610c8ef151a439252680ac68c6dc?a=0x336aFf7E90f5784d2f93d0DfB88D20CdF3d94fd7

Q5. Security is very important in blockchain platforms because they have a lot of assets on a large scale. So how does Octopus Network plan to manage the overall security system?

A5. Octopus Network primarily utilizes LPoS for economic security, greatly increasing attack cost for small chains through appchain validators holding OCT tokens. Because each validator in the Octopus Network ecosystem holds 5000 OCT tokens and delegators must contribute a minimum of 200 OCT, economic security is flexible and available on demand as needed. Additionally, because we are making some slight changes to typical Substrate blockchain runtimes, we must used older versions of Substrate. Using software that has been in production, operating for more than 1 year is considered lower risk than the newest software, even if scrutinized well with security practices. In this way we are also borrowing security for the Substrate framework itself, using versions that have had time to be hacked for much higher value.

Some parties state that because we are LPoS but OCT is a token on NEAR that NEAR Protocol is the true root security for Octopus Network. This means that if you simulate different attacks on Octopus Network, there will always be a consideration for the security of NEAR Protocol, which has uniquely attack-resistant features through it's modular consensus and many years of testing before modern launch.

Q6. I think the obvious difference from other L1 chains is the Ethereum smart contract compatibility of Near<>Octopus, so why aren't Ethereum developers moving to Octopus quickly even though it is cheaper and has more scalable?
Also, what steps Octopus will use to expand the actual developer pool and user pool.

A6. Launching a blockchain (even with much support and technology) is challenging because it requires funding, time, skills and new understanding. Developers regularly receive/accept my enablement

package because it is a complex and diverse solution, with flexibility in different modules and runtimes. Ethereum developers are always nervous to build their own chain, if it is EVM compatible, because they know it will require more direct risk, and more efforts but not costs. In the way that cloud is popular, it is much more simple to develop a bad business-cloud strategy than a thoughtful, lasting, intelligent solution for cloud/compute services. Ethereum developers who want to stay with EVM are usually interested in connecting multiple smart contracts for more operations, not to create just one structure and then build everything into it, even if that structure is more efficient and useful to their dapp.

Octopus Network allocates part of it's marketing budgets and total OCT from the treasury to support launching appchains, so economically we are committed to incentivizing new/more users. For developers we have an education program in pilot, to train users about Rust and Substrate, which will be online later this year. I personally work with organizations to assure the growth and education of developers, including NEAR Edu and others, because there is not enough developers in most markets right now, not just crypto. Helping users learn and upskill to junior developers is the biggest way that we support the market need for more builders.

Q7. I know that holding $OCT allows me to become a validator or delegate. What kind of work do each of them do, how to apply and what are the rewards?

A7. Every appchain provides different utility and functionality. Each appchain provides different rewards depending on the amount of tokens that they allocate to pay validators. APY are listed on the page https://mainnet.oct.network/appchains but that APY changes as delegators/validators join or leave. It is a static amount of tokens available to all who participate, so as more delegators/validators join, the APY goes down, as delegators/validators leave, the APY goes up. Rewards can be collected daily, but remember, all validators receive a

20% comission from delegators' rewards. You can click on each appchain to see their validators, github, and other details before staking on that appchain page.

Q8. What is an Appchain in Octopus Network? Why is it better to develop an Appchain on an Octopus platform blockchain than a Dapp?

A8. Appchain stands for "application-specific blockchain", meaning that appchains are designed for a single purpose or solution [this is not specific to Octopus Network, but we are helping the phrase become more widely understood]. This describes a specialized blockchain design, where the chain is specifically made to serve one application, making it much easier to control TPS, governance, and gas. While dapps are easy to create, they are designed to be semi-temporary structures, the same way a VM in a cloud is disposable or can be redeployed. Appchains have more control over their economy and features, especially in integrating off-chain services and off-chain data.

Q9. How does the Octopus Network support new projects to enter the ecosystem? If you have an accelerating program, please introduce it.

A9. Aside from supporting developer education, Octopus Network is also providing help through our accelerator program; while we prefer to support appchain concepts we are willing to help any project interested in help to launch. We have diverse expertise among EVM, cryptographic tooling, marketing, Rust, tokenomics, compliance, and community management. At the end of the 12 week accelerator program, projects are nominated to the showcase day, where they will show their work and their ideas to a panel of 10 judges, where Octopus Network only supplies 3/10 judges. 5 of the 10 nominated projects are selected as winners, receiving a media bump from Octopus Network, $50k USD in grants, and various partnership opportunities including accelerator sponsor Huobi. We recently finished a 12 week cycle of 109 projects, our biggest accelerator yet,

and we're working hard to expand the program further.

Q10. What type of substrate based apps is Octopus Network aiming to mainly bootstrap? (NFT, DEFI, Marketplaces, revenue creating WEB3.0 appchains etc)

A10. Substrate is an incredibly modular blockchain tech/framework, so we do not have a bias when supporting NFT, marketplace, social projects, etc. We have a policy to mitigate defi because of the capital risks involved in creating and selling tokens without utility or proven value, but that is our only limitation today, to disallow appchains that are able to create priced assets without value, because that would provide an unfair advantage for any appchain to control the voting, elections, and staking economies.

In looking for web3 projects, we are hoping to launch products with economies that read, write and execute data, instead of just crypto web2 organizations, which will let your read (and occasionally write) smart contracts. This means that all holders of appchain tokens are partial owners of the chain, as they are holding the base token that can affect the governance of that chain.

3. Live Q&A session

Let's move on to the on-site question time. If you have any questions about the Octopus Network , please feel free to ask. I'll take questions for about 3 minutes.

(Q&A)

@bhlee4980 What are the key features that differentiate from other projects and what are your competitive advantages?

A. All other projects have some of the benefits we bring, like community support, developer support and infrastructure support but

no other projects combine these the way we do to aid in the launch of novel application-specific blockchains, which can sometimes be seen like dapps with their own blockchain.

More directly, we have a unique grant from the InterChain Foundation to collaborate with Informal Systems to release a trustless solution for Substrate to connect to IBC, allowing Octopus Network and Cosmos ecosystems to connect, but also a way that Polkadot and Cosmos can connect without a third party. More on that unique development can be found here:
https://ibcprotocol.org/lightClients/

Additionally, we are the appchain ecosystem project of NEAR Protocol, an excellent use case and demonstration of an excellent blockchain-like structure. Our bridge that we give to all appchains with NEAR Protocol is also a unique work that we created and maintain.

@ka_ion If the near fails, can you move to another chain quickly?

A. We would need time to move to a new structure, however, we are working on octoup, a contrast of nearup, which would help us restart our own smaller version of NEAR. I have gone through much theory and review on this topic, and although this scenario is cosmically improbable, if NEAR Protocol just shut down in an instant, Octopus Network would start their own shards and try to continue the chain until a more permanent solution could be found. In theory, if the 3 validators working with our shard could affirm our copy of the chain the network could be restarted.

There is not a reason for scalability purposes or economic elasticity that we would need to leave NEAR, and NEAR is most critical strategic and tech partner because our solution validates the stability and utility of their platform. NEAR Protocol having modular consensus and other benefits makes it very hard for all operators to shut down

simultaneously, as there is already economic incentive in continuing to operate, even if the price of NEAR is very low.

@bhlee4980 The name of the brand is the best way to show the identity of the brand to the user. Then why was the name of the project decided?

A. An octopus is a very different intelligent creature from a human. Instead of having a centralized nervous system as humans do, two-thirds of an octopus' neurons are spread throughout its body and distributed amongst its arms. Those arms can make decisions on their own without input from the brain — essentially making the octopus a decentralized intelligent life form.

The Octopus Network is a multichain interoperable cryptonetwork that emulates an octopus. Like the arms of an octopus, each connected appchain is empowered with its own intelligence and decision-making mechanisms to adapt to ever-changing environments.

This is also how our organization and DAO is being designed, to ensure that different ideas from each arm are considered. We have a regular meeting with all running appchains to discuss new features and growth, which will be ordered through on-chain governance as we scale. Our DAO structures are being researched by our noteworthy CEO Louis Liu and myself, as well as many others on the team, as we know that I typical "capital as vote" or "1 token 1 vote" design is insufficient for a healthy community. I'm happy to spend time researching with my peers and other professionals about reputation solutions and other trust-management concepts on chain.

@bhlee4980 Revenue is a very important aspect for all projects to survive and maintain the project/company. What is the income model?

A. We ourselves do not have a profit or income model, we hope to release admin control of the protocol by building up our work and

joining the ecosystem as long term participants. Income models in the ecosystem are for appchains, delegators and validators [AKA stakers] and users, but OCT itself is a governance and utility token, designed to help facilitate the ecosystem.

Octopus Network requests 1000 OCT for the audit when you launch on mainnet, but there is no other time when we will accept your equity or direct payments, as it's not appropriate while building up this marketplace of modern software resources. We are not interested in building profits for ourselves, but for all ecosystem participants, with us included as such.

@win4lice Can you give them some reasons why they should buy and hold your tokens in the long term?

A. Our token model for supply and demand is very simple, and you can see that there is only 100 million OCT tokens. As long as more appchains want to benefit from our free offerings (total valued above $1 million when launching or relaunching a web3 project) the demand for OCT will continue to increase even though there is a small supply. While we can scale to over 1000 appchains very easily, before that happens there will likely be market saturation from the appchains we're helping to launch. Once all OCT tokens are unlocked August 2024 there will be no more OCT minted or burned. Combining these factors with low-risk delegation rewards makes OCT a worthwhile method of supporting new projects with capital and fair governance.