KONET
WHITE PAPER

VERSION 1.0

CONTENTS

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2. INTRODUCTION

The development of smart contracts and decentralized applications, or DApps, that function without centralized control is the main goal of the KONET platform. This allows developers to use blockchain technology to ensure the security of user data and the transparency of transactions, while improving the stability and accessibility of the system through the decentralization of the network. Similar to Ethereum's smart contract feature, KONET enables complex contract terms and automated execution through code, supporting application development in various fields such as finance, gaming and social media.

KONET's architecture is designed to improve scalability and processing speed. To achieve this, we integrate the latest blockchain technologies, such as layer 2 solutions, sharding technology, and state channels, to increase the transaction throughput and efficiency of the network, while allowing users and developers to use the service without high gas fees. This technical approach provides the services and applications implemented through KONET with real value to users, and lays the foundation for exploring new possibilities of blockchain technology.

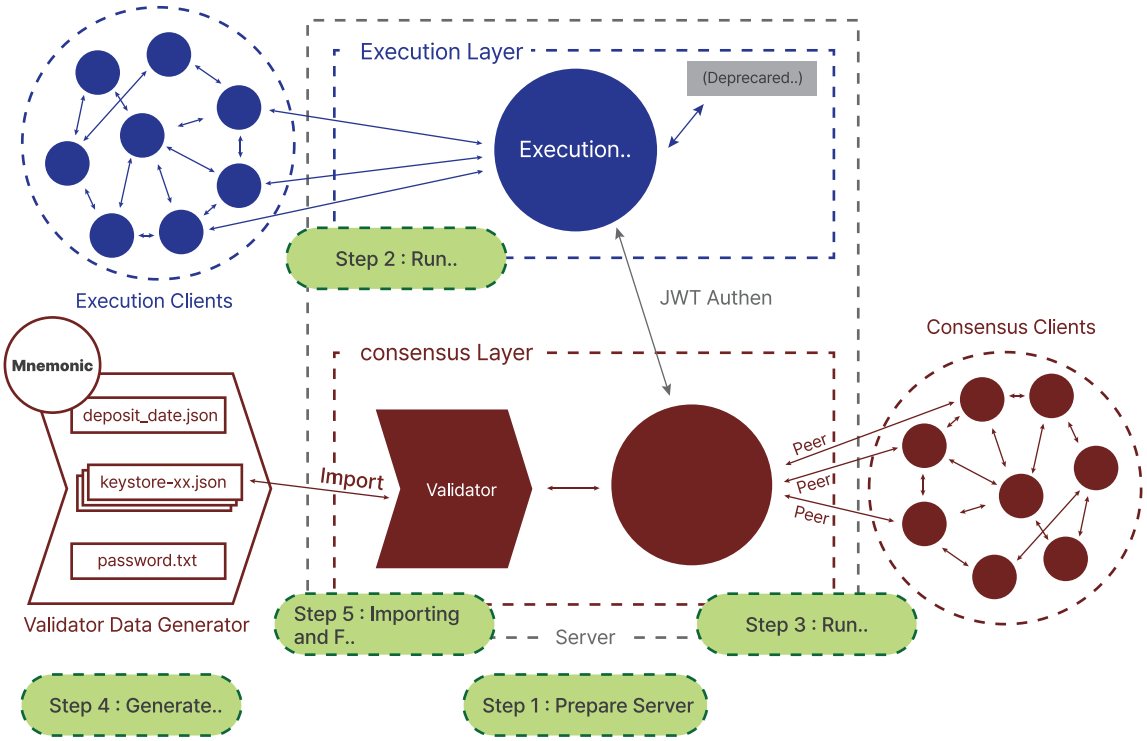
3. BASE TECHNOLOGY

KONET Mainnet distinguishes itself through its exemplary low transaction fees and expedited transfer rates, upon a realistic evaluation of its technical prowess and market receptivity. This advantageous proposition appeals markedly to both the end-user and developer communities. With over 4 million transactions processed, in excess of 2 million blocks generated, and around 150,000 wallet addresses registered, these metrics underscore the vibrant activity and substantial user base within the KONET ecosystem. Such statistics not only corroborate KONET's active market engagement but also affirm the platform's robustness and scalability potential.

However, the sustained growth and fruition of the KONET Mainnet necessitate pivotal technological refinements. Addressing scalability constraints, optimizing network throughput, and ensuring the sustainability of fee structures emerge as paramount challenges. In response, KONET is pioneering a suite of technical strategies including the adoption of sharding technologies, enhancement of transaction capacity through layer 2 solutions, and the refinement of smart contract functionalities. These technological strides are instrumental in cementing KONET's competitive edge, fortifying its market presence, and pioneering the exploration of novel blockchain technology avenues.

4. ARCHITECTURE & CONSENSUS MECHANISM

The KONET platform has a novel architecture that combines multichain architecture, Layer 2 (L2), and Ethereum's Turing-complete Virtual Machine (EVM). This architecture consists of a storage layer, a core layer, and an application layer, each of which interacts with the other and is responsible for a specific function to maximize the efficiency and scalability of the system. The storage layer is responsible for reliably storing and retrieving blockchain data, the core layer is responsible for the network's consensus protocol and tran saction processing, and the application layer allows developers to easily create and deploy smart contracts and decentralized applications (DApps). This layered structure allows each layer to be developed and updated independently, increasing the flexibility and extensibility of the overall system.

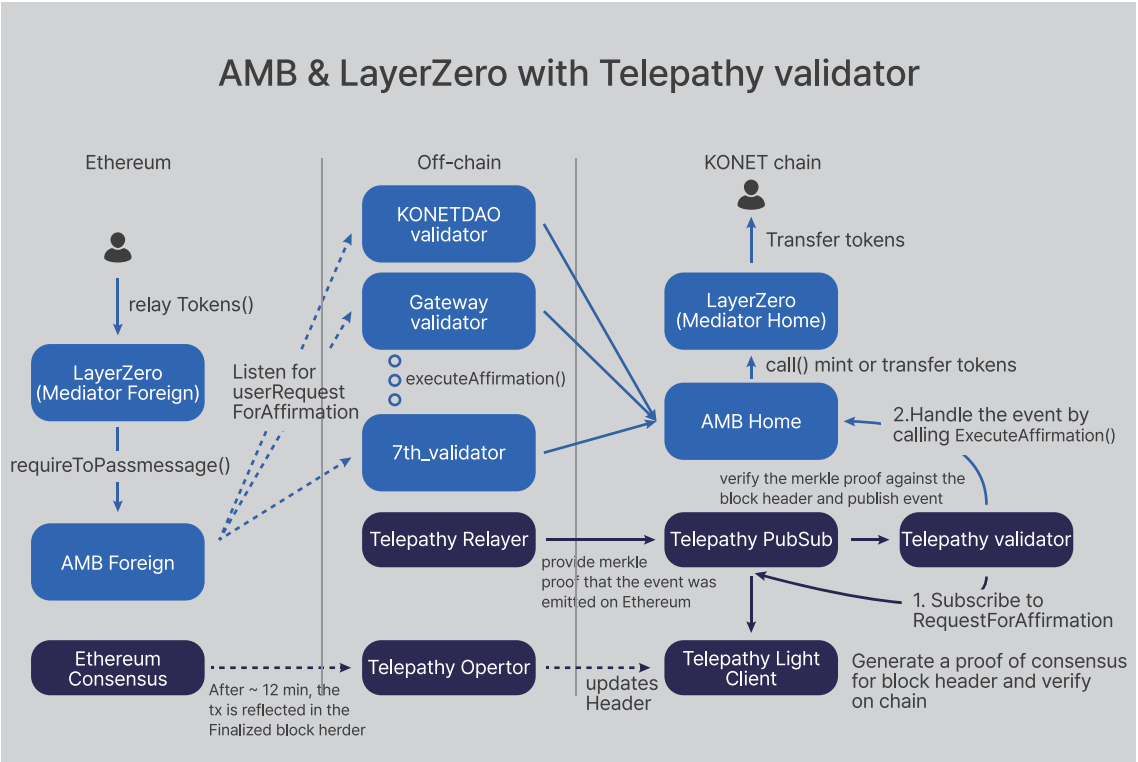


KONET adopts the more energy-efficient Proof of Stake (PoS) technique as its consensus mechanism in place of the more conventional Proof of Work (PoW) technique. This reduces the energy consumption of the network and allows for more democratic participation by distributing mining power according to the stake of the participants. In addi-

tion, KONET builds on the Delegated Proof of Stake (DPoS) technique for efficiency, but introduces its own variant tailored to KONET's specific needs. This transformation simultaneously improves the security and efficiency of the network, gives participants more influence, and increases the transparency of network operations.

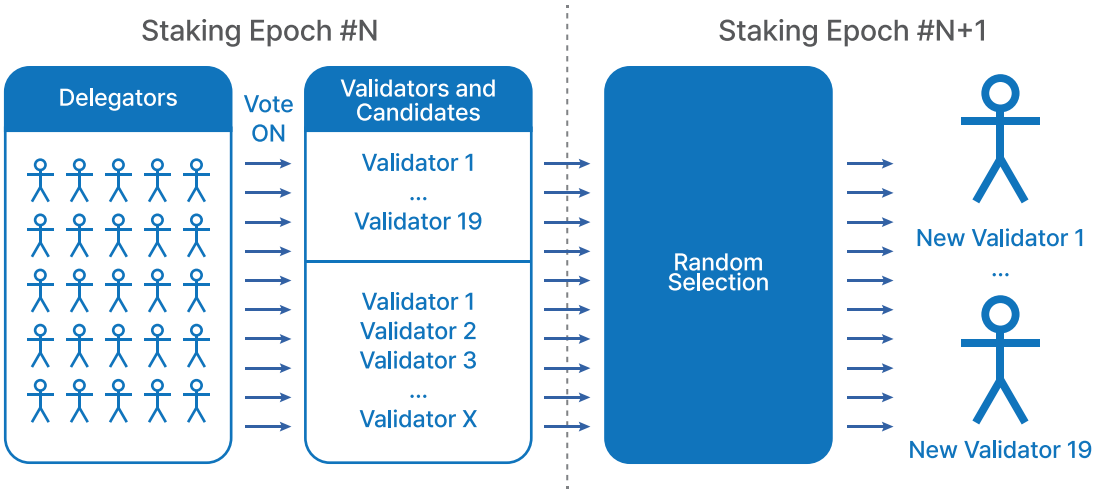
KONET borrows some features from the POSDAO system to improve DPoS implementation and interchain compatibility. This allows delegation to up to 500 validator sets using the AuRa consensus algorithm with different ERC-667 assets, and these delegations are reflected in n+1 blocks almost immediately after the request, allowing fast network entry and exit.

Moreover, users can generate revenue through various means on the KONET Mainnet, including block generation fees, residual income from transaction processing, as well as interchain bridging and communication fees. Participants can contribute to the network and earn rewards using the native KONET coin and the KON token, which is compliant with the KONET-20 standard.



The interchain system using AMB and consisting of LayerZero supports more than 58 mainnets and allows users to access various DeFi and dApps via KONET. The interchain fee system distributes fees and margins for transactions sent off-chain through multiple AMBs to validators and staking addresses. This system takes the structure of providing rewards to users who stake, while increasing the interchain usability of KONET, and promotes the activation of KONET.

With variations based on the POSDAO technology, which has been tried and tested on several main networks, KONET provides a unique main network that guarantees reliable and fast verification times. It enables interchain compatibility and smart contract invocation based on EVM-compatible systems, supports the latest features of the Ethereum Virtual Machine, and provides the Opcode optimization. These technological advancements aim to provide a more efficient and accessible platform for both users and developers.



With its innovative architecture and consensus mechanism, KONET emerges as a leading platform for the development and deployment of decentralized applications and smart contracts. In particular, variations in the consensus mechanism simultaneously increase the stability and scalability of the network and provide flexibility to meet the needs of different applications. These technological advancements by KONET contribute to the advancement of blockchain technology and aim to provide a more efficient and accessible platform for both users and developers.

5. ECOSYSTEM

The KONET platform is dedicated to the dynamization of its ecosystem and the innovation of its incentive architecture. It prioritizes the efficient distribution and management of resources essential for seamless network functionality and smart contract implementation. These resources, pivotal to the KONET network's infrastructure, facilitate transaction fees, the execution costs of smart contracts, and the disbursal of rewards to network contributors, thereby enhancing the economical utilization of network assets. The KONET ecosystem augments network scalability and adaptability, laying the groundwork for resource optimization across a myriad of operational scenarios and applications.

KONET is committed to empowering participants to develop high-caliber DApps with ease and efficiency. Leveraging Solidity, a Turing-complete programming language, it enables the creation of intricate smart contracts and DApps. KONET enhances this foundation by incorporating advanced features that improve user interface and interaction, thereby elevating the developer experience. Moreover, the platform extends a comprehensive array of tools and libraries, aimed at streamlining the deployment and management of smart contracts, simplifying the development landscape, and amplifying participant productivity.

The strategic economic and incentive model of KONET, coupled with its support for smart contract and DApp development, are pivotal in amplifying the platform's competitive edge. This framework not only facilitates the efficient deployment of network resources by users and developers but also propels the development of diverse applications and services. Through these technological innovations, KONET aspires to delve into uncharted territories of blockchain technology, offering enhanced value to its cohort of network participants.

6. KONET ISSUANCE PLAN

KONET serves a pivotal role in KONET Mainnet ecosystem, particularly in relation to the administration of network fees

Classification	Details
Coin Name	KONET
Ticker	KONET
Maximum supply volume	1,000,000,000 KONET
Initial distribution volume	200,000,000 KONET
KONET Coin does not represent or imply any ownership of or rights in KONET Mainnet or any of its products.	

■ **Allocation**

1) Merge Pool 80%:

80% of the total supply, or 800 million KONET, is allocated to the Merge Pool, which plays a crucial role within the KONET Mainnet. This allocation is distributed proportionally based on participation in KONET staking within the Validating Pool and the Ecosystem Activation Fund, and then merged into the Merge Pool.

2) Ecosystem Activation Fund 10%:

The Ecosystem Activation Fund plays a pivotal role in strengthening the KONET network's ecosystem and promoting user engagement. Rewards mined through staking in this fund can be used as adjusting KONET values by providing compensation to members or by burning, considering the market conditions and the state of the network. This process is flexibly managed to support the sustainable growth of the KONET network, with a focus on delivering tangible value to participants.

3) Marketing 2%:

Allocated for KONET ecosystem marketing and promotion, this portion is intended for use in various strategies aimed at expanding market share and enhancing brand awareness.

4) Team & Advisors 1%:

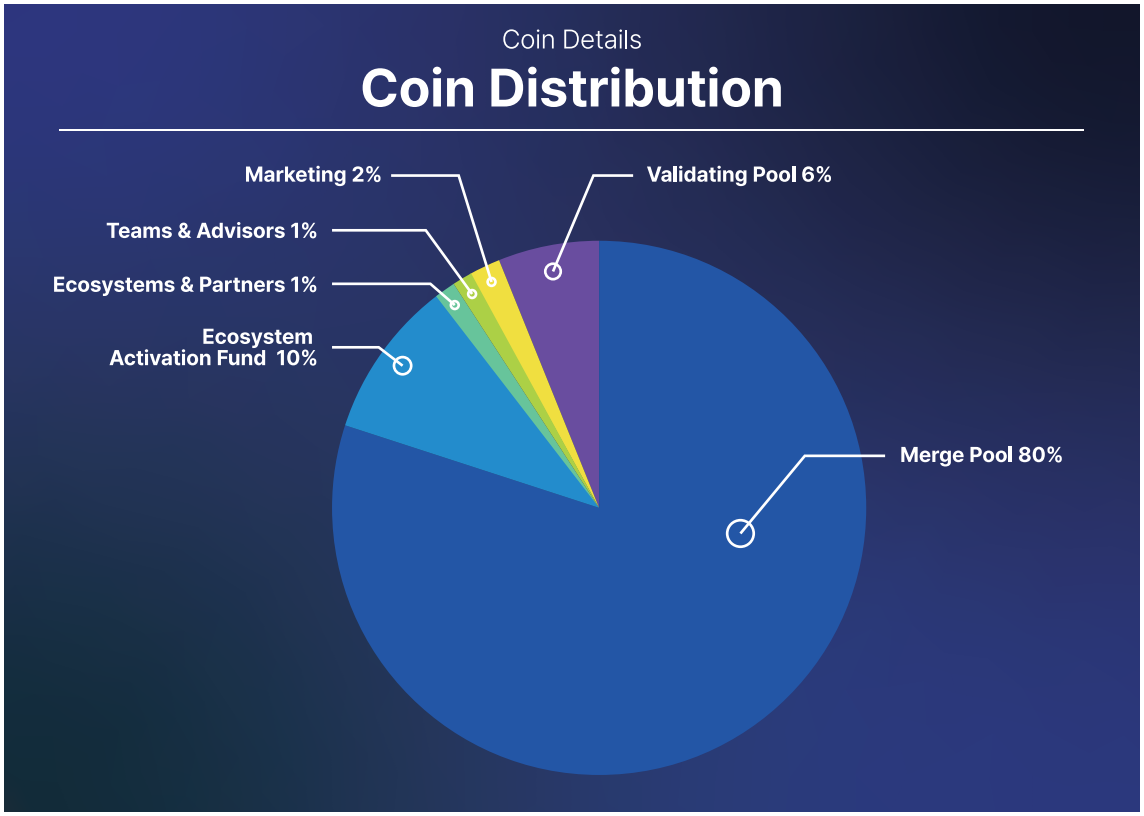
Allocated as compensation for teams and advisors contributing to project development and operation, acknowledging their vital role in the project's success.

5) Ecosystem & Partner 1%:

Allocated to support ecosystem development and partnership building, this facilitates stronger collaboration and enhances the network's value, contributing to the overall growth and stability of the KONET ecosystem.

6) Validating Pool 6%:

KONET Mainnet adopts a Proof of Stake (PoS) consensus mechanism, allocating 6% of the total supply for Validators to manage nodes. This allocation is crucial for maintaining the network and ecosystem's stability and security, underscoring the importance of robust governance and operational integrity in the KONET infrastructure.



7. CONCLUSION

1) Transition to Innovation: The migration to KONET Mainnet and the expansion of KONET's ecosystem signify a major upgrade integrating new technologies and protocols into the existing network. This transition heralds the dawn of a new era by enhancing our platform's functionality and setting a new startpoint for our ecosystem.

2) KONET Issuance Strategy: The launch of the KONET project coincides with updates to the KONET Mainnet. The initial issuance is set at 200 million KONET. This approach ensures a sustainable growth model for our KONET economy, striking a balance between scarcity and accessibility.

3) Consensus Evolution: The upgrade of KONET Mainnet marks a shift in the consensus algorithm from Proof of Authority (PoA) to Proof of Stake (PoS). This change allows block creation rights to be proportional to the amount of staked coin, enabling a more energy-efficient and higher throughput consensus mechanism. This innovative transition not only increases network efficiency but also democratizes the block creation process by opening it up to a broader base of participants.

4) Technical Advancements:

A.The Genesis block update redefines the starting point of the network by integrating the latest trends in blockchain technology, securing a robust foundation.

B.By incorporating features similar to the Ethereum London update, we elevate network performance and security to meet the highest standards of blockchain technology.

C.The activation of a mechanism similar to EIP-1559 introduces a network fee-burning process that increases the ecosystem's scarcity and controls inflation.

D.The deployment of PoSDAO contracts facilitates decentralized governance, enabling more distributed control and decision-making processes.

E.Node configurations suitable for PoS enhance network stability and security by enabling participants to engage more reliably in staking.

F.To reflect new protocols, all nodes on the network are updated, ensuring consistency and stability across the platform.

END