KONSTELLATION

Evolution of Konstellation

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Abstract

Konstellation is a decentralized cross-chain capital markets protocol built on Cosmos. It is aimed to efficiently connect funds and the various components of the asset management industry with investors. Konstellation intends to be the financial services industry hub for Cosmos and other blockchain ecosystems through strategic inter-blockchain communications. The network is powered by DARC tokens, which are required for the Konstellation network's governance and transactions.

Features of Konstellation

- Cross-chain infrastructure to create the backbone for decentralized capital markets
- Single interface for interacting with leading DeFi protocols on different blockchain networks
- High composability and effortless cross-chain DeFi usability
- Cross-chain portfolio optimization capabilities
- Capital aggregation for higher efficiency and seamless creation of different risk / return profiles

Konstellation Ecosystem

Overview

As a whole, the Konstellation Network allows for both new and seasoned investors to pursue a wide variety of investment opportunities in the DeFi and cryptocurrency market. The different projects in the Konstellation Ecosystem that will use the DARC token as fuel for operations are:

Alkemy

- Stablecoin minting by staking DARC
- Stablecoin will be used for synthetic asset investing including index based products and TradFi investing exposure (ie Tesla etc)

Alkemy is a platform within the Konstellation ecosystem that will enable investors to use their DARC stablecoin and earn **interest income** on their digital asset holdings. The goal is to lower the technology barrier to entry and give investors exposure to staking and synthetic asset investing including index based products and TradFi investing.

DarcMatter

- Alternative fund management
- An upgraded tokenization platform for funds and issuers

The DarcMatter platform enables investors to gain direct access to alternative investments. It is designed to provide investors with a more transparent and efficient process for accessing quality investment opportunities. Built to enhance the capital flow and transparency within the alternative investment industry, DarcMatter allows investors to diversify their portfolios. Through tokenization, DarcMatter will be able to further this vision by creating even more seamless connections between investors and alternative fund opportunities.

VegaX

- Index investing for digital assets
- Provides sophisticated investment products for the masses with easy portfolio management solutions

VegaX is a digital asset management firm creating investment products for sophisticated investors. We provide investors with one-stop access to investment products for digital assets. Investing in cryptocurrencies can be complicated, especially for beginners. VegaX makes crypto portfolio management easy by offering sophisticated investment products to the masses and enabling them to improve their returns.

Taebit

- South Korean focused DeFi platform
- Includes a decentralized exchange for South Korean Liquidity

South Korea represents one of the largest cryptocurrency markets in the world. Taebit will be the bridge that makes blockchain and cryptocurrency easily accessible to the Korean market. Taebit is a usability and solution driven DeFi platform. The goal is for Taebit to become the world's leading decentralized digital asset exchange platform. The platform, just like its name, represents balance in the DeFi ecosystem. It combines all of the existing forces within the ecosystem to maximize security, usability, and accessibility for all users.

Photon Gateways

- Decentralized cross-chain onramps
- Bridge to Ethereum utilizing (gravity)
- Bridge to Solana
- Bridge to Bitcoin

Photon Gateways brings different chains together to access features and DApps across ecosystems and their communities. It provides users with easy access to DeFi and the

broader multi-chain crypto ecosystem, enabling them to easily interact within the decentralized economy, thus creating a decentralized liquidity network.

The DARC Token (DARC)

The Konstellation network is powered by the DARC token. Konstellation has its own dedicated digital asset interface known as the DARCwallet™ through which users can manage their portfolios. It is an all-in-one interface to access the DARC token economy. We are continuing to upgrade the DARCwallet™ in order to support increasing composability and the seamless transfer of value across chains. The interface and systems by which DARC can be accessed, utilized, and managed are consistently being upgraded for wider use by the community.

Token Distribution

Our initial token-based capital raise was conducted in 2018 using a NEM-based mosaic token. Fifty-percent (50%) of the 1 billion NEM mosaic tokens that were issued were offered as part of a token sale.

The remaining fifty-percent (50%) were kept in the treasury with the following distribution breakdown: seed round investors 4%; developers 6%; reserve 10%; and management & staff 30%. The Binance Chain version of the token is the primary token at this stage and we are also introducing an ERC20 version, where swap capability will be made available shortly.

Upon listing there will be an initial burn of the unsold tokens. That amount is equal to **51,332,761.172595** DARC.

As an additional show of faith to our community, we will announce additional burn events which will decrease the total supply of DARC. These will be largely based on unswapped tokens and revenues that may be denominated in DARC. Other revenues

may also be utilized to purchase back DARC from the market to facilitate burns in the future.

Through June 29 2021, 654,732,867.32 tokens have been swapped from NEM to DARC-24B.

Based on the total number of DARC-24B tokens at the launch of the Konstellation Network, the genesis block of the Konstellation Network will include that same exact amount of mainnet DARC tokens.

In order to facilitate liquidity, we are also in the process of creating a two-way bridge with mainnet DARC and DARC-ERC20, which will be made available to the community.

The 75% of the undistributed tokens from the team related pools will be relocked under a 1-year linear vesting agreement beginning on August 1st 2021. The 4% for seed investors will also be vested over the same period with a cliff vesting at the end of the 1-year period.

Token Utility

Stablecoin Minting - Alkemy

- DARC can be staked using Alkemy and can overcollateralize the minting of stablecoins (eg USDK)
- Alkemy will utilize a hybrid algorithmic and collateralization structure that highly incentivizes long term holders

Synthetic Asset Trading - Alkemy

- Using the stablecoins mentioned above, holders will be able to trade synthetic assets while still holding $DARC for the long term

Invest in the investment strategies with $DARC - Alkemy

- Clients will be able to invest in the VegaX investment strategies with DARC. This will be achieved with Alkemy

Management Fee Reduction - VegaX

- Stakers will be able to receive discounts on management fees for VegaX investment products
- Users will have to stake $DARC through a pre-approved interface

Fee Payment with $DARC - VegaX

- Users will have the option to pay their VegaX management fee with $DARC
- VegaX will burn a portion of the revenue that it receives in the form of DARC

Interest Payments - VegaX

- When opting for a loan, the interest on the loan can be paid in BTC or DARC. Interest will be paid in BTC by default, but clients can choose the option to pay with DARC instead
- Paying with DARC will include an up to 1% reduction from the interest percentage, which may represent up to a 15-50% reduction in total interest paid

Governance

The governance structure will allow any DARC token holder to participate in proposals on the network. Any token holder can deposit their tokens in support of a proposal given that they have a minimum amount of DARC tokens in their DARCwallet™. Token

holders can vote on a proposal over the course of a standardized period with one of two responses: Yes or No.

Two types of proposals could be asked:

- **Major/Disruptive Proposal**: This kind of proposal will be in regards to major changes within the blockchain. Some examples of major proposals could be changes to the blockchain architecture, tokenomics, etc. Any proposal with a 75% plus one majority of cast votes at the end of the proposal period shall be considered an accepted proposal.

- **Minor Proposal**: These proposals will be in regards to complementary implementations on the blockchain. Any proposal with a 50% plus one majority of cast votes at the end of the proposal period shall be considered an accepted proposal. Proposals can be submitted for additional considerations related to the development of the dashboard or to adding new investment strategies and/or opportunities. Most of the proposals will be minor proposals.

Only the votes "YES" or "NO" will be considered in the final count.

Additional details on the governance mechanism will be shared after further discussions with stakeholders and the community of DARC holders.