Zenlink

Tokenomics

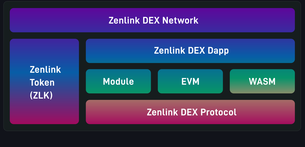
Cross-chain DEX protocol for better compossibility DEX on Polkadot

Zenlink Overview

Zenlink is an underlying cross-chain DEX protocol based on Polkadot and is committed to become the DEX composable hub of Polkadot. By accessing the ultimate, open, and universal cross-chain DEX protocol based on Substrate, Zenlink DEX Protocol enables all parachains to build DEX and achieve liquidity sharing in one click. Zenlink DEX Protocol includes Module, WASM, and EVM implementations, which are flexible and adaptable, allowing for customizable compositions and interoperability with different DeFi modules.

In addition, the Zenlink DEX Aggregator connects all DEX DAapp on Polkadot and aggregates liquidity, providing a low slippage trading experience for users. Zenlink DEX Composable Hub enables developers to access the Zenlink DEX Module to build their own unique DEXs, forming a DEX composable hub for the Polkadot ecosystem.

Zenlink DEX Network architecture can be described as follows.



Zenlink Network Ecological

Liquidity providers	Provides liquidity for trading pairs on the Zenlink network.
Traders	Users who make trades on Zenlink DEX.
Governance users	Users who obtain ZLK and participate in network governance in a variety of ways.
Developers	Developers involved in the Zenlink network.
Parachains	Parachains integrating Zenlink DEX Module

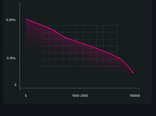
Token Utility

ZLK is a utility token issued by Zenlink, which has multiple practical values, including:

- Transaction fee discount

The basic transaction fee rate of Zenlink DEX is 0.3%. By holding a certain amount of ZLK token, users will receive a corresponding fee discount, as shown below:

Amount of ZLK	Rate
0	0.30%
0~100	0.28%
100~500	0.26%
500~1000	0.23%
1000~2000	0.21%
2000~5000	0.19%
5000~10000	0.17%
10000~100000	0.15%
>100000	0.10%



- Staking interest

Users can get the corresponding interest by staking ZLK to the Staking Pool (the initial distribution of ZLK). Staking interest is issued according to the proportion of staking interests in a certain period. The calculation formula is:

$$Staking\ interests = staking\ quantity \times staking\ time$$

- Governance

ZLK will give the community the right to participate in Zenlink governance, and ZLK holders can participate in Zenlink governance by initiating ZIP (Zenlink Improve Proposal) including, but not limited to, suggestions for the improvement of Zenlink products, the use of treasury funds, community building, etc.

Economic Mechanism

- Liquidity Mining

Zenlink is currently a DEX based on AMM (automatic market maker) model. In order to establish a liquidity pool so that users can get a better trading experience, a corresponding liquidity incentive program will be provided. Token holders can obtain the LP Token of the corresponding trading pair by providing liquidity to the Zenlink DEX network. The LP Token represents the voucher to add and remove liquidity, and liquidity incentives can be obtained by staking LP Token. The reward shall be distributed periodically, as detailed in the announcement or program of liquidity mining launched in the future.

- Transaction Mining

Users who trade with DEX can also get ZLK token. Considering the fairness of participating users, there will be a balance between users with different transaction volume in the design of the mechanism. The incentive for transaction mining comes from two parts: 10% of the transaction fee income and 15% of the initial ZLK allocation. The reward is distributed according to the proportion of the contribution value of the transaction volume in a certain period, which is calculated as follows:

$$Transaction\ contribution\ value = transaction\ volume\ ^{\wedge}\ 0.5$$

- Transaction Fee Fund Pool

The transaction fee will be managed in a dedicated fund pool. At present, the maximum transaction fee is 0.3% of the amount of each transaction, and depending on the actual situation, the transaction fee charged on different parachains may be in different tokens, so there are theoretically multiple tokens in the transaction fee fund pool. The main uses of transaction fees include:

- Staking Pool

This part of the token is reserved for 5% of the total supply and is used to reward ZLK staking users and parachain projects with integrated Zenlink DEX Module.

- DAO Treasury

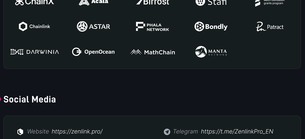
This part of the token is reserved for 5% of the total supply and is jointly managed by DAO members to support the development of the Zenlink network.

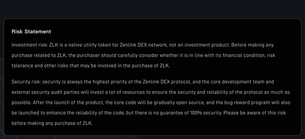
* *Zenlink NFT: We will publish a separate document on the model design of Zenlink NFT.*

Token Distribution

Zenlink will issue the same set of ZLK Token in Kusama network and Polkadot network with a maximum supply of 100 million. Due to the buyback mechanism, there will be a certain degree of deflation, and the actual maximum circulation will be less than 100 million. The token distribution ratio of the two networks is tentatively 40% of Kusama issuance and 60% of Polkadot issuance, following the same distribution rules (i.e. 40,000,000 ZLK issued on the Kusama network and 60,000,000 ZLK issued on the Polkadot network, which will follow a non-discriminatory release rule). The specific distribution is as follows:

ZLK	Share	Vesting
Transaction mining	15%	Non-linear unlocked
Liquidity mining	25%	Non-linear unlocked
DAO Treasury	5%	Used on demand for network construction expenses and is jointly controlled by the community and Zenlink team.
StakingPool	5%	Which is used to reward ZLK staking users and parachains that integrate Zenlink DEX Module.
Seed round	7%	Linearly unlocked every 3 months
Private	11%	Linearly unlocked every 2 months
Series A Round	8%	Linearly unlocked every month
Team	20%	Linearly unlocked every 2 months and released in 24 months, (No unlocking for the first 2 months after launch)
Zenlink Foundation	4%	Reserved and there is no plan to unlock for now.





Investors

Alameda Research, Haskey, IDEG Capital, Coinfox Capital, Young Capital, Ventures, Delta Blockchain Fund, Bitcoinera, SNZ, Spartan Group, DFG, TRGC, Paka

Partners

ChainX, Acala, Bifrost, Stafi, Moonbeam Foundation, Chainlink, Astar, Phala Network, Bondly, Patract, Darwinia, OpenOcean, MathChain, Manta

Social Media

- Website https://zenlink.pro/
- Telegram https://t.me/ZenlinkPro_EN
- Twitter https://twitter.com/ZenlinkPro
- Medium https://medium.com/zenlinkPro

Risk Statement

Investment risk: ZLK is a native utility token for Zenlink DEX network, not an investment product. Before making any purchase related to ZLK, the purchaser should carefully consider whether it is in line with its financial condition, risk tolerance and other risks that may be involved in the purchase of ZLK.

Security risk: security is always the highest priority of the Zenlink DEX protocol, and the core development team and external security audit parties will invest a lot of resources to ensure the security and reliability of the protocol as much as possible. After the launch of the product, the core code will be gradually open source, and the bug reward program will also be launched to enhance the reliability of the code, but there is no guarantee of 100% security. Please be aware of this risk before making any purchase of ZLK.

Please visit the Zenlink Wiki to view the full version of Tokenomics:
https://wiki.zenlink.pro/resources/tokenomics >>

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