

HORIZEN EON LITEPAPER

An Introduction to EON

The story of Horizen's EVM-Compatible
Sidechain and Smart Contracting Platform



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With the addition of EON, Horizen now offers a market-leading solution to drive the industry forward - a permissionless, interoperable, customizable sidechain network.

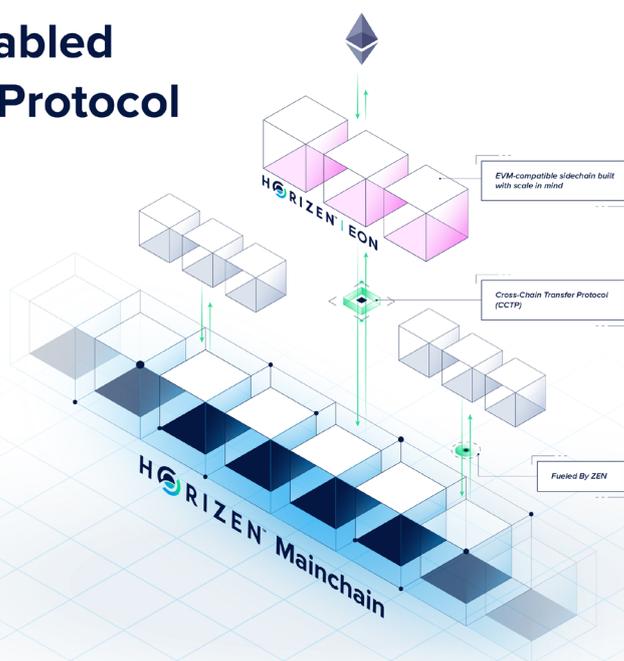
Overview

The world is being tokenized and businesses, institutions, governments and individuals are increasingly operating on-chain. This shift is groundbreaking, unlocking exponential value, efficiency and freedom for billions. At the center of this change is Ethereum and the invention of the smart contract.

While Ethereum has been creating broad adoption of token incentive systems and smart contracts, at Horizen, we have been inventing other integral technologies that will allow blockchains to be adopted more widely—leading, we hope, to immense positive gains for society. Specifically, our horizontal scaling solution, Zendo, enables significant customizability to a blockchain network at the protocol level. Blockchains are not one-size-fits-all, and Zendo permits users to customize blockchains or applications for a variety of needs. What’s needed now is to incorporate the flexibility of the Ethereum virtual machine with the power and flexibility of Zendo.

A SNARK-Enabled Cross Chain Protocol

Focusing on scalability and interoperability



A network of independent public or private sidechains for different use cases

- Consensus agnostic
- Massive throughput
- Customizable crypto-economy
- Auditable and privacy-preserving
- Fully decentralized
- Supports high-speed

Horizen public blockchain providing a robust infrastructure and security

- Enhanced by the largest node network
- 100% reliability with no down time
- Massive computational power
- Maximum security with enhanced protection against 51% attacks

HORIZEN | EON

It’s sometimes difficult for builders to understand all of the needs of a blockchain user before the blockchain is created. Developers who wish to add features to their blockchains often have to gain consensus from other participants before performing hard forks. This can result in a process that’s both difficult, lengthy and expensive.

With the addition of EVM compatibility, we are opening up the ability to use smart contracts on chains in our network. You'll be able to deploy custom logic to the blockchain to enable continuous innovation without changing the protocol. Coupling smart contracts with the "build-your-own" blockchain nature of Zendoo and an intra-ecosystem secure bridging protocol, Horizen now offers a market-leading solution to drive the industry forward - a permissionless, interoperable, customizable sidechain network.

From this tremendous value proposition, Horizen is excited to unveil **Ethereum Open Network (EON)**, the missing piece in Horizen's groundbreaking blockchain platform and the first of many smart contracting sidechains in the Horizen ecosystem.

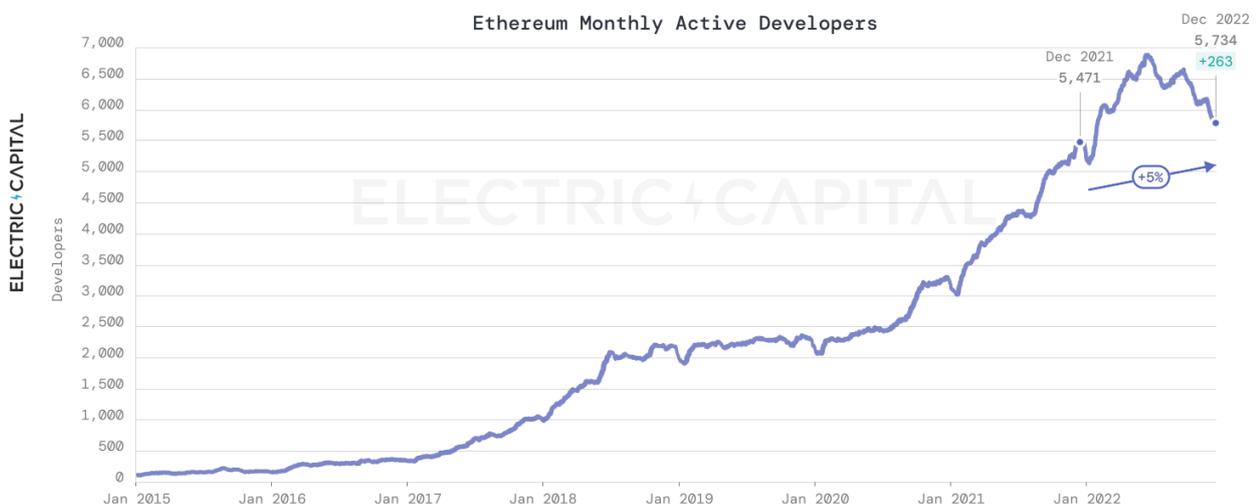
Building the industry's most complete blockchain platform

So how did we arrive here, building the industry's most complete blockchain platform?

We rigorously surveyed the market as we developed our Ethereum Virtual Machine (EVM) strategy. Data from Electric Capital shows that developer support for Ethereum is tremendous and continuing to grow.

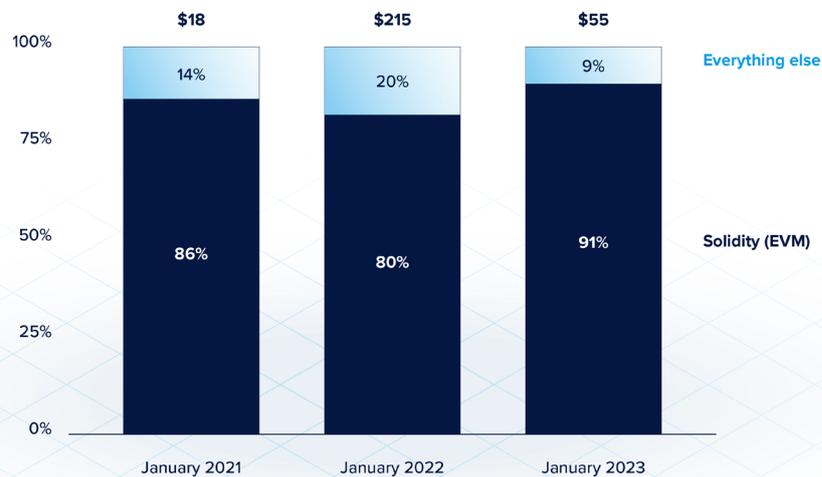
developerreport.com 56

+5% MONTHLY ACTIVE ETHEREUM DEVELOPERS FROM DEC 2021 TO DEC 2022



We also note that throughout the bull-bear cycle of 2021-2023, Ethereum solidified its dominance in decentralized finance (DeFi):

Defi TVL: Smart Contract Languages (\$B)



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Citation: Defillama.com

Quite simply, the Ethereum Virtual Machine standard has become the industry juggernaut for smart contracting. We realized that we could benefit from Ethereum's long history of development, its community's vibrancy and all of the developer tools that have been built to support it by simply implementing an Ethereum-compatible blockchain.

Therefore, we came up with the following problem statement:

Fungible tokens, NFTs and Defi are exploding in popularity. Apps that use these are built on smart contracts, the majority of which are written in Solidity.

Horizen can't currently support smart contracts, but we want to provide users the ability to deploy the dApps listed above in our ecosystem.

The Horizen EVM-compatible sidechain system is built with massive scale in mind

Our Goal With EVM-Compatibility

Deploy a sidechain that has all the features that Ethereum offers to developers and end users, but most importantly the ability to:

- Deploy smart contracts
- Use Solidity for developing smart contracts
- Bring existing code or apps
- Be widely replicated as parallel chains on our interoperable Horizen ecosystem

When this goal is completed, it will be effortless for Ethereum developers and end users to deploy and use their smart contracts in the Horizen ecosystem, using the same tools that they would use for development and use on Ethereum. The last point, about wide replicability and interoperability, is novel to Horizen.

Key Results / Success Metrics

In order to maximize the benefits of bringing smart contracting to the innovative Horizen Ecosystem, there are a few key ancillary products, tools and initiatives that we are working to deliver along with EON.

First, we are building out a base suite of supporting tools for the stack:

- The EVM compatible blockchain
- A block explorer to visualize transactions in the blockchain
- An EVM-compatible browser extension wallet
- RPC nodes to enable developers to access the blockchain
- A native, intra-ecosystem bridging protocol for seamless and safe asset transfer

Second, we want the end user experience to be as seamless as possible. Therefore, via a variety of integrations and partnerships, we are delivering:

- A standard DeFi stack (including an automated market maker / decentralized exchange, a borrowing and lending protocol, and yield options)
- A reasonable amount of liquidity seeded into the DeFi stack
- An NFT marketplace so users can trade with one another
- A trusted set of validators who will ensure the security of the blockchain

A strong social layer that builds trust and maintains integrity across the platform is crucial.

Community building is essential in growing blockchain adoption, and communities are built on shared values.

In that spirit, we unveil our

Code of Ethics:

Transparency

- Provide clear guidelines for users around the functions of each protocol and protocol feature
- Provide verified contracts and open-source codebases when pertinent
- Provide public repositories

Accountability

- Do not engage in rug pulls, insider trading, or other detrimental activities
- Provide timely and consistent information about internal activities and decision-making processes

Security

- Make every effort to provide a secure experience for users, including contract auditing, bug bounty programs, and robust encryption and authentication data

Community Involvement

- Actively engage with communities, be responsive to feedback, and answer concerns and issues promptly
- Take care of each other

Continuous Improvement

- Continuously evaluate and improve upon operations, technology, and offerings

Social Responsibility

- Contribute constructively to the web3 community and assist in building an open, decentralized internet for all

Conclusion

Horizen is investing a significant amount of product, technical and business development resources into making EON a success. We believe that EON has the potential to supercharge the utility of ZEN, grow the popularity of the Horizen ecosystem, and reinvigorate the community that has been by our side since the launch of ZenCash.

Beyond that, we believe that blockchain will change the world for the better. Globally, assets will be tokenized, operations and business logic will be converted into smart contracts, and much of our economic lives will be on public ledgers. This vision is enabled by the groundwork that Ethereum laid years ago.

But Ethereum didn't solve everything. New breakthroughs in blockchain, like **selective confidentiality** and different scaling mechanisms, are needed to unlock new use cases. We are working to solve some of those challenges and will unveil our progress in our upcoming Horizen 2.0 strategy rollout.

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