Introducing a Blockchain-based Webtoon Platform
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Abstract

The paper begins by introducing the current market size of the webtoon industry and how it is spreading dramatically across the world even with different language barriers or cultural differences.

It then discusses the problems and limitations that the existing platform users and webtoon artists are undergoing.

Finally, this paper presents the TOON platform and how the business model can provide solutions and guidelines to the problems that have been mentioned above.
Mission Statement

Our vision is to provide solutions and discuss the potential alternatives to overcome the traditional forms of limited enforcement, and ensure effective oversight and opportunities for the webtoon industry and its users.

The TOON platform intends to adopt blockchain and tokenization into the webtoon ecosystem and provide an alternative webtoon market with NFTs, decentralized financial services, royalty programs, and opportunities for users and creators to engage transparently.
Market Size

Overview

Although the exact origins are unclear, the enjoyment of comics and other illustrated forms of entertainment is shared across global markets. Since the conversion from paper comics to digital comics, the interest and accessibility of illustrated digital content has grown rapidly, with record highs in user engagement, revenue, and global expansion. The birthplace of webtoons, in particular, is credited to South Korea, developed and commercialized by webtoon service providers such as Daum and Naver in the mid 2000s (Oh and Koo).

Naver Webtoon has been, and still is, the largest webtoon platform by revenue and users across Asia and the US, reporting 60 million monthly active users, or MAUs, in the global market, and is expected to bring in $519 million in content transactions (Chung).

As of 2020, the digital comics market value is estimated to be around $8.2 billion, this number only including the top four consumers: Japan, China, US, and Korea (Koo).

<table>
<thead>
<tr>
<th>Country</th>
<th>Japan</th>
<th>China</th>
<th>US</th>
<th>Korea</th>
<th>Total</th>
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<tr>
<td>Est. Value</td>
<td>$3.8 billion</td>
<td>$1.6 billion</td>
<td>$1.5 billion</td>
<td>$1.3 billion</td>
<td>$8.2 billion</td>
</tr>
</tbody>
</table>
Overview, continued

Growing figures have been largely attributed to smartphone development and usage which has made digital formats increasingly accessible. As smartphones have become a ubiquitous part of daily life, entertainment content has been on the rise. Even after 2015, when smartphone penetration was at its peak, the use of smartphones as entertainment tools continued to steadily increase. The attractiveness of webtoons is that it is a shorter and more concentrated form of entertainment - an ideal format for the “snack culture” trend of consuming bits of content during free time (Park).

As the sophistication and diversity of webtoon content develops, enticing larger audiences who are looking for quick-to-consume entertainment, digital content consumption is poised to continue to increase globally.
Market Size

Korea

In 2015, Korea’s estimated total comic market was $900 million, with webtoons at $120 million, steadily increasing year-by-year. According to data from the Korean Creative Content Agency (KOCCA), by 2018, the webtoon industry saw a dramatic leap in market size to $670 million and then $1.3 billion by 2020. This valuation was bolstered by the amount of domestic comic consumption (Chung).

Another change is reflected in the demographic - alongside the growing demand is the percentage of older viewers: viewers over 30 grew to 70%.

Now Korean webtoon platforms are aiming to expand and seek out growth opportunities in foreign markets. As Lezhin Entertainment reports, U.S. readers, for example, are more willing to pay for digital content, and the next step as noted by pundits and market leaders is global monetization.

Source: Mirae Asset Daewoo Research
Figure 1: Webtoon user demographics in 2015 and 2018, respectively
Market Size

Japan

Japan is the world’s largest comic market, with a global market share of approximately 38% (Park). The digital comics market in Japan also remains the world’s largest, with an estimated value of approximately $3.8 billion.

According to market research, Korean webtoons hold over 70% market share in Japan’s digital comics market, top players being Naver’s LINE manga at 38%, Kakao’s Piccoma at 28%, and NHN’s Comico at 4%. Kakao Japan, alone, reported an impressive leap in revenue from $57 million in 2018 to $130 million in 2019 (Koo). Though Japanese manga is considered the precursor to webtoons, Korean platforms continue to dominate market performance in Japan. As Park Seung-Hoon, Kakao CSO, noted, Japan should continue to be a priority as it is rich in opportunities for growth (Ramirez).
Market Size

China

Though China carries a significant market value of $1.6 billion, market entry into China has shown to be a challenge. In 2017, after setting up an ambitious Chinese subsidiary and anticipating strong results from launch, Naver closed doors to its Chinese Webtoon branch after just three months (Kim). Foreign companies have found some success by partnering with Chinese conglomerates, as shown by Kakao’s partnership with Tencent and four other major Chinese webtoon platforms.

Despite the high barriers to entry, market leaders are still keen to grow in China. According to Haetoon CEO, Lee Myung-jin, paper comics are still more widely read at a ratio of 9:1, and considering the current market valuation at $1.6 billion, the potential for growth in China is alluring (Lee). According to the Korea Creative Content Agency, the Chinese webtoon market is expected to grow at an annual average rate of 190%.
Market Size

US

The US is the world’s second largest comics market, with a global market share of approximately 15%, and the third largest webtoons market. Though paper-based comics remain the dominant format, since 2014, the US has seen marked growth in webtoon consumption (LINE Webtoon was introduced globally in July 2014), and is particularly positioned to see continued increases (Park). This growth seems to be largely due to the increase in readers ages 24 years or younger.

By May 2020, Line’s Webtoon service reached 10 million MUAs in the US – nearly double from 2014 - with content revenue reported at $11 million. Recently, Line reported a surge of U.S. downloads, increased by 61%, and a profit of roughly $37 million, revealing further upside potential in the States (Chung).

Figure 4: Google Trends for "webtoon": a sharp rise in the US

Figure 5: Webtoons are gaining traction among young people in the US
Problem

One of the major factors that triggered the webtoon industry’s vast growth is smartphone development, which has led to the establishment of a centralized-platform distribution structure and corresponding profit models.

Although it is very natural for structure and profit models to respond to the development of smartphone technology, we cannot overlook the negative aspects that arise as webtoon consumers find avenues of exploitation. The problems of the current webtoon industry can be attributed to issues such as copyright infringement, lack of transparency, and an imbalance between supply and demand.
Problem

The problems of the current webtoon industry.

- Copyright and Licensing
- Challenges for New Content Creators
- Minimal Income
- Other Missed Opportunities
Problem

Copyrights and Licensing

Illegal Distribution
1. Violation of copyrights has been a problem for the past century in most digital and transmedia. However, one of the reasons webtoons are a primary target of illegal distribution is because it is largely available free of charge.
2. Currently, there are no guaranteed protection programs that can prevent readers from copying or distributing.
3. The decrease in number of subscriptions, payments or views of webtoons from illegal distribution results in loss of revenue.
4. Unauthorized translations and inaccurate data further adds to legal liabilities.

Ownership (Licensing)
1. In current models, the ownership and license belong to the Content Creator, or “Owner,” who must pay a certain percentage of their income to the publishing platform during the period of contract.
2. In some cases, while creating a webtoon episode, there is an Artist who does the artwork and an Author who adds the narration. This is called “joint authorship” as both the Author and Artist are Owners. Both Owners must grant permission for extension of secondary content production.
3. Generally, the platform can buy the ownership and license from the Content Creator(s).
4. As long as the contract exists between the platform, the Content Creator works under the regulations and policy of the platform.
Problem

Copyrights and Licensing, Continued

Lack of Transparency

1. Rate and View Transparency - Consumers rely on statistics (such as reviews, ratings, views, comments, likes, etc.) to assess the performance or popularity of a webtoon. However, many of the most well-known webtoon platforms do not share these data points, not even to Content Creators.

2. Non-transparent Distribution of Royalties

3. Webtoon companies do not have a transparent and standardized method of royalty distribution. Frequency of payment, distribution percentage, and other conditions become issues as each company has free reign over their royalty distributions.

4. There is especially a lack of industry standardization regarding payouts - some platforms may distribute royalties once a quarter or some once every week.

5. Only a few platforms distribute Ad Revenue Share, which is a % of what the platform makes, to the original Content Creators. But, even then, the exact amount that the platform makes is not made transparent.
Problem

Minimal Income

Writers and Artists
1. Content Creators rely on agencies to provide management services for production, planning, and communication with the publishing platforms, which can cost additional fees from their income.
2. Content Creators need to meet certain strict requirements (publishing date, pages, number of works) or else face a deduction in their percentage of income, or even a complete withholding.
3. Issues in low compensation can cause a stagnation of growth in the industry.

Translators
1. Translators within the comic and webtoon industries make very little for what they provide in value. For example, a translator on Crunchyroll (one of the most influential streaming platforms for anime among the English-speaking demographic), gets paid about $70-80 per 24-26 min episode that they translate in full. Crunchyroll’s compensation is on the higher side of these publications.
2. There is such an influx of content that the fan-sub have grown to a fully global community with webtoons/manga/anime being translated into 20~30 languages within hours of the episode airing. These fan-subbers or translators often do the subtitles or translations for free in a community effort and get little to no compensation for their efforts.
**Problem**

**Challenges for New Content Creators**

**Limited Marketing Exposure**
Marketing exposure for new and upcoming creators is very limited. Currently, the only method of debut as a new (non-recognized) artist is by way of signing with an agency or working as co-artist under existing well-known artists.

**Unfair Revenue Distribution**
Unless you are already a reputable creator, creators get little to no share of Pay Per Lead (“PPL”) or other ad revenues, not to mention any other secondary income streams from additional revenue from the platform. Newer creators are forced to settle for an unfair share of revenue from their works due to the monopoly of the webtoon distribution platforms.
Problem

Other Missed Opportunities

Lack of community amongst Content Creators
1. Content Creators tend to focus on competing with each other, rather than somehow collaborating or sharing information.
2. Experienced creators have a very unfair advantage in shaping the course of how new creators will perform within the industry. Apart from the very few rookie artists who go viral once every few years, most new artists are required to put in years of work under an established creator before being able to publish independently.

Lack of communication channels
1. Community is really the driving force behind the revolution of the webtoon industry, yet there is not a platform dedication to community communication. In past years, independent vendors and fans themselves have coordinated meet-ups, conventions, and forums so that artists and authors can communicate directly with their consumers.
2. There are little to no clear avenues on publishing platforms for artists to interact with fans except occasionally through a simple comments section. Instead, fans communicate with artists through other social media such as Instagram, Twitter, or Facebook, rather than using the platform itself.
3. Due to lack of community relations management, “fake” feedback or comments, albeit realistic, can arise from other community channels like Reddit or Naver Blog, which can be misleading or create openings for imposters.
The webtoon industry is constantly evolving as webtoons gain global popularity, leading to an increase in creators and resulting in production growth. However, the field is becoming ever more complex and dynamic as users and creators face existing and new challenges. TOON platform aims to create an environment through a decentralized platform that allows for users to interact and benefit from their favorite Content Creators.

To solve for industry challenges and improve business performance, TOON platform will be integrated with blockchain technology and decentralized financial systems, allowing users and creators to be more active and make meaningful contributions to the ecosystem.
The entire TOON ecosystem consists of 5 major components/business models:

1. **NFT Issuance Platform**
2. **Transmedia Adaptation**
3. **P2P Marketplace**
4. **DeFi Platform**
5. **Crowdfunding Platform**
Solution and Platform Ecosystem

NFTs

TOON platform covers a variety of prospects and new developments in the NFT market and crypto-trading space. NFTs can solve problems regarding permission and ownership through transparent data and immutable historic information (metadata). Likewise, digital art, crypto collectibles, and in-game assets are very simple and fun concepts that can be easily managed and accessed.

Upon licensing the authenticity and ownership of digital art, it creates a potential form of second-hand trading. Due to the scarcity and volume of the art, the value of NFTs can fluctuate and promote tradability across third-party marketplaces without permission from the creator or the platform. Not only do NFT’s create an additional asset, it has several benefits towards the webtoon and the creator itself as owning a representative form of royalty towards the favored webtoon.
Solution and Platform Ecosystem

Transmedia Adaptation
(Translation)

Webtoons present an outstanding example of cultural convergence in the digital and global era. As a cultural form, webtoons are substantially in demand and are quickly starting to trend globally, with the majority market share coming from China, Japan, and the USA. However, mistranslation is a big problem in the webtoon industry. This recurring problem stems from 2 even bigger fundamental issues within the global entertainment industry.

1. Translators are not financially incentivized enough for their hard work. Webtoons frequently release weekly, creating a rushed-job environment to ensure they meet release times whilst still having to consider responsibilities regarding the leakage of content or the storyline, but on low pay.

2. Lack of editors for proofreading translated works. Webtoons circulate the world, and some translations are done by fans or the community without a final editor to check for correct translations and messaging.
Solution and Platform Ecosystem

Transmedia Adaptation (Translation), Continued

In order for the webtoon to be distributed and shared across the globe, we need a deep understanding of both culture and content. For each piece of content, translations must deliver the original story and message correctly and concisely whilst still managing to maintain the original creator’s voice, humor, intent, and delivery.

Through the TOON platform, we aim to provide proper compensation to all fans, consumers, contributors, professionals for their participation in the translation of platform content. True fans have the deepest understanding of the webtoons regardless of language barriers, and our royalty distribution platform will ensure the proper compensation and financial incentives for translations to happen in multiple layers. This incentivizes both professionals and fans by sharing in the growth and popularity of the content they translate without creating additional financial strain for creators, distributors, and publishers alike.
Solution and Platform Ecosystem

Marketplace

TOON platforms provide secure gateway for P2P trade and sales via fiat, cryptocurrency, digital art, and speculative investment. With open source available, users can safely make transactions either in fiat and cryptocurrency or with licenses, shares, copyrights, items, membership, collectibles in the form of NFTs from monetization and distribution as in contents to other fans of the respective series in true transparency. Likewise, P2P traders or asset holders intend to fear the unexpected outcome of their assets and this can not be insured. However, through the decentralized platform, users can observe and spectate through the transparency of the data and interaction to analyze and foresee the outcome.
Solution and Platform Ecosystem

DeFi Platform

Currently, traditional banking and financial services require trust in a central authority for reliable mediation and custody. From the user’s perspective, accessing a trusted central authority can result in large premiums, which expose a barrier of entry for people with lower incomes and assets. Moreover, traditional banking systems include inefficiencies due to verification processes, agencies, extremely high stakes, and inaccessible issues in lending. In contrast, decentralized finance platforms do not rely on central financial intermediaries such as banks and exchanges.

The platform Users and Content Creators have access to a variety of financial services through the platform, including loans, staking, and royalty programs. TOON platform does not review transaction details, bank statements, or any other personal records that reveal identity or status. Proof-of-Credit/tier system will be available to determine performance and rank/status on the TOON platform. This will affect the loan volume, deposit rates, and interest rates on loans. Content Creators can provide an amount of shares or their income to the platform in exchange for TOON tokens. Although the DeFi service aims to primarily provide financial aid for content Creators, it will be available to any of the platform’s users with any credit score level.
Solution and Platform Ecosystem

Crowdfunding Program

Community is an essential, if not the most important aspect of groups of like-minded people who share similar interests and values. A strong community encourages active interaction and creates a sense of belonging within these groups. Every time a new webtoon is released, a new community is formed. However, this network is determined only by the number of views, rates, and comments, meaning that the Users and Content Creator do not have any direct channels of interaction or communication.

TOON platform establishes a crowdfunding program for each webtoon project as a solution for users and content creators to interact and explore the production and also gain royalty through TOON tokens. Funds are an opportunity for both the supporters and content creators to gain identity value in royalty, reputation, and recognition.

Supporters can also access their funded webtoons’ production and process with full transparency while also gaining ownership in digital art, collectibles, and secondary-assets.
The TOON ecosystem will have a variety of possible revenue streams throughout the various features of the platform, but will have a primary focus in generating revenue through the following options:

**NFTs**
- Collectibles
- Royalty Distribution
- Membership Pass

**Transaction Fees**
- P2P Marketplace
- Token Exchange
- Royalties

**DeFi**
- Collateralized NFTs
- Staking
- Tier/Credit System

**Crowdfunding**
- NFT Issuance
- Webtoon Distribution
- Royalty Distribution
Business Models

Ecosystem Architecture

01 Crowdfunding
A solution for Users and Content Creators to interact and explore the production and also gain royalty through TOON tokens.

Contributors

Payments distributed according to the contribution percentage
Contributors stake tokens on TOON platform

Royalties paid to TOON in cash
Completed project distributed on TOON platform

02 NFTs

Once the project has been funded, issues an NFT (ERC-721)
NFTs sent to royalty distribution platform

03 Licensing and Dividends
A transparent royalty distribution system that tracks view count and sales directly on-chain.
Business Models

NFTs

Collectibles
The collectibles market for digital art, in-game items, illustrations, limited works, original art, unique pieces, and even special spin-offs offers an enormous opportunity and is currently trending within the cryptocurrency community. The NFT collectible markets have already peaked the interests of major gaming companies to take a look at the future adoption of collectible NFTs in-game.

Royalty Distribution (Licensing and Dividends)
The TOON ecosystem will provide a transparent royalty distribution system that tracks view count and sales directly on-chain, offering instant settlement on royalties distribution on a 48-hour basis. Creators will have the option of settlement and withdrawal of royalties on a twice-a-day basis instead of having to wait weeks or months for their deposits.

Licensing, ownership shares, dividends, and royalty rights will have unique share identifier NFT tokens in the form of an LP token. These unique fractional NFTs will store the transaction data, ownership information, distribution details and other relevant information and will serve to act as something of a share certificate or corporate stock. These will be used as a form of a DID for a specific share or rights to a share of royalties. We expect this to create a more transparent standard for royalty distribution to creators.
Business Models

NFTs, Continued

Rental Subscription Passes
NFTs can be used to signify limited ownership but can also be used as a unique identifier that can function like a membership pass. Fractional NFTs will be issued and sold to users as a subscription pass to the platform’s services, both on a pay-as-you-go service for a specific number of episodes or a time-based subscription model. Monthly subscription fees will be priced at approximately $8 a month or $80 when paid for annually.

We also plan to offer a limited number of 100 lifetime subscription passes in the form of never-again available fractional NFTs to the Webtoon service as a marketing promotion and reward to the first subscribers to our platform.
Business Models

Transaction Fees

**P2P marketplace**
In phase 2 of our launch, we will be presenting a fully decentralized P2P marketplace for users to trade their NFTs and other digital assets with other platform users. This offers users a unique incentivization model that allow consumers and fans to not only license a secondary copyright for use in their own fan-created content in miscellaneous forms, but would additionally offer a way to monetize and distribute the content to other fans of the respective series.

The marketplace will create a way to interact with other community members of the TOON ecosystem and also provide a simple way to buy/sell TOON platform licenses, shares, copyrights, and/or collectibles in the form of NFTs (as well as fungible tokens). Doing so creates an open environment in which user-generated content (UGC) is promoted and encouraged.

Upon licensing content there is a **9% fee** on revenue from Content Creators as well as all licensed content generated on our platform. TOON as a company will then have the proper skin-in-the-game stake to help create as many successful transactions (sales) as possible for each piece of licensed content. Allowing for and promoting UGC also creates an indirect way for fans to help in marketing, distribution, sales, and licensing of the original works, which then creates a win-win environment for the entire community.
Business Models

Transaction Fees, Continued

Buying/Selling tokens on the platform
There will be an integration of credit card or gateway payments through a third party API/service which will allow users to pay in fiat to purchase tokens on the platform.

Royalties
Upon settlement of outstanding royalties, the TOON platform will take a royalty distribution fee of 3%.
Business Models

DeFi

Collateral based loans (Collateralized NFTs)
The License/Rights to share of royalties issued as NFTs will in due time aggregate data regarding the dividends/royalties paid out depending on the popularity of the content. This means that those NFTs will be able to show a historical value and will produce an average yield. This then allows for the possibility of collateralized loans on a yield generating product/asset.

Staking
Staking TOON Tokens within the platform for a period of time can benefit from increase in deposit rates and lower interest rates on loans.
Business Models

Crowdfunding

Transparent On-chain Crowdfunding Platform
Contributors can purchase tokens from an exchange and use those tokens to fund a project. The project cost includes the royalties license and any production costs. TOON collects the tokens and once the project has been funded, issues an NFT in the form of ERC-721. This NFT is an ID for each work which stores info regarding the author(s), artist(s), license rights, date of funding, date of expiration, ownership of shares (contributors %), etc.

After the Content Creator completes the work, TOON will apply the royalty license (purchased with funding that occurred through the on-chain crowdfunding platform) to distribute the work and collect royalties.
Business Models

Crowdfunding, Continued

Production
1. The Content Creator will have x amount of days to publish; the project payment will be in escrow until the work is complete. Once the work is published, the tokens in escrow are released.
2. TOON distributes the webtoons on its platform and, via royalties, receives payment in cash.
3. Then, TOON uses the cash to buy tokens from the market and takes a percentage fee (i.e., 10,000 tokens bought from market (100%), takes 10% fee).
4. TOON reviews the record on the ledger and distributes payments according to the contribution percentage within 72 hours of being received.
5. All royalty distributions will occur on-chain using the ownership information regarding royalties recorded on the NFT for full transparency and immutability.
Token Use Cases

TOON Tokens may be earned through interaction with the platform at multiple facets. Tokens may then be spent to purchase services that the ecosystem and platform offers, or may be staked in the staking pools. For every purchase made using tokens, a percentage of the tokens will be allocated to the token rewards pool. Rewards within the ecosystem will be supplied from this pool.

TOON Token will be issued as an ERC-20 for the sake of future project listing across centralized exchanges. However, the TOON platform will have a multi-token ecosystem featuring ERC-20 and 721 as some of the token substandards for the Ethereum blockchain ecosystem. Nonetheless, the tokens will have the following features.
Payments and Royalty Distribution (Phase 1)

Payments
1. Payments for all aspects of the business model will be acceptable in the platform tokens.
2. This will also include P2P transactions.
3. We will offer support of other payment options but TOON holders will be highly incentivized to participate in the token ecosystem on the platform.

Royalty Payments
1. Royalty rights and licensing will be issued in 1/X shares in the form of fractionalized NFTs. This ensures the transparency and liquidity of the license asset as well as the ability to track for fair distribution and possible monopoly factors.
2. Royalty payments will be distributed to Creators, Content Creators, and Translators in a more transparent and timely manner.
3. Users with royalty rights will have the option of receiving their payments with the following options for distribution:
Token Use Cases

NFT / Phase 2

**Digital Art, Limited Works, Emoticons, and Fanart.**
Never before seen original art will be published on the webtoon platform by the original Content Creators and other license owners of different works. This will guarantee the authenticity of work and ownership records which can also be stored or traded P2P on the platform. Fans will be able to access secondary distribution licenses of their favorite webtoons for a small cost.

**Membership Passes**
1. Early Adopters will receive a Lifetime Pass (Limited supply of 100 passes). We will be issuing and putting up for sale 100 Lifetime membership subscription passes to our platform issued in the form of an NFT.
2. We will also be issuing monthly, quarterly, and annual subscription passes via NFTs.

**Original Works and Limited Copy E-books**
Publishers and Content Creators will be given the opportunity to issue limited edition copies, spinoffs, and OVA-esque miniseries at their choosing for sale to consumers, allowing for a secondary market to be formed around the TOON ecosystem.
Token Use Cases

DeFi / Phase 3

DeFi Program: Loans, Staking, Insurance, Deposit

Collateralized Loans
The License/Rights to share of royalties issued as NFTs will in due time aggregate data regarding the dividends and royalties paid out depending on the popularity of the content. NFTs will demonstrate historical value and will produce an average yield. This then allows for the possibility of collateralized loans on a yield generating product/asset.

Example:
- Aiden buys 100 out of 500 shares of a 24 edition series.
- For 6 months the 20% of the series produces monthly royalties
  - Month 1: +$2000
  - Month 2: +$1700
  - Month 3: +$1300
  - Month 4: +$1900
  - Month 5: +$2600
  - Month 6: +$1800,
- Meaning Aiden’s 100 shares (NFTs) generate about $1883.33 in average monthly income when calculated as a linear mean,
- Meaning that now Aiden’s shares now have estimated yield/income. Making it possible for those NFTs to serve as collateral on an over collateralized loan.

This feature would allow all contributors/shareholders to take out an advance on their holdings.
Token Use Cases

DeFi / Phase 3, Continued

**Tier/Credit System**
Based on the tier/credit of the user determined through activity and contribution to the platform, loan volume, deposit rates, and interest rates can vary.

Tier systems are still in the process of standardization. We will announce any tier systems via our website and social media accounts once they have been finalized.

**Contribution Points**
- amount of investment
- consistency of participation
- user interaction
- UI/UX feedback
- reviews, and
- affiliate programs
**Token Use Cases**

**Earn Tokens**

Contributors (Content Creators, Translators, and Users) will be able to earn tokens through participation on the platform or directly with each other.

**Content Creators**
The creator will be able to receive TOON tokens based on their performance as a source of income from the royalties generated on the platform from consumers.

**Translators**
Translators will be able to receive TOON tokens based on their tier as a contributor for source of income from the royalties generated on the translated contents. Translators will be eligible for anywhere between 1~2% of the income generated by their translations.

**Users**
Users will be compensated for participation in events or activities organized by the platform or the Content Creator (in tokens or for an extended subscription). Users can receive TOON tokens based on their contribution level.
**Token Distribution**

**Token Name**: TOON (Weebtoon Coin)

**Issue Amount**: 3,300,000,000 TOON

**Blockchain Network**: Ethereum

**Token Structure**: ERC-20

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![Token Distribution Chart]

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<td>25%</td>
<td>5 years of vesting period after first listing</td>
</tr>
<tr>
<td>Operation</td>
<td>20%</td>
<td>5 years of vesting period after first listing</td>
</tr>
<tr>
<td>Marketing</td>
<td>25%</td>
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</tr>
<tr>
<td>Ecosystem</td>
<td>10%</td>
<td>5 years of vesting period after first listing</td>
</tr>
<tr>
<td>Team</td>
<td>14.5%</td>
<td>1 year lockup, and 4 years of vesting period</td>
</tr>
<tr>
<td>Private Sale</td>
<td>5.5%</td>
<td>No lockup (unsold tokens are locked)</td>
</tr>
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Business Roadmap

2021
- NFT Market Launch
- Webtoon Platform launch for WEBTOON holders
- Global Top-tier Exchange Listing

2022
- Globally Translated webtoon platform launch
Meet the Team

Jung-Hoon Kim
CEO
- Smilcats, CEO
- Japanese manga artist
- Winning an entry for a new manga magazine Treasure Island
- Participating in character development at the Lotte World Tower Observatory
- Essay writer

Gabe Salgado
CTO
- IGNITE innovators, Partner
- Tourbrat, CEO & Co-Founder
- Blox, CIO
- KPOP UNITED, Product Manager
- Simnick, CEO & Co-Founder
- Machinimart, Producer
- Timeless Cities, Inc., CTO
- Contra Costa Midrasha, Director

Sang-Woon Lee
Advisor / Author
- Writer’s Association of Korea
- Korea Electronic Publishing Association, Former President
- Barobook, Former CEO
- “The Golden Palace”, Author

Seong-Hwang Cho
Advisor / Author
- Korean Cartoon Story Writers Association, Former President
- Korean Cartoonist Association, Judge
- Kinder News, Co-Publisher
- Yiyaginamu, CEO
Risk Factors

1. TOON token does not have the legal nature of securities or stocks. Therefore, the token does not grant any rights to dividends and profits. When the sale of the token is completed, no refund is possible. Since TOON token does not have the nature of shares, holding the token does not guarantee the right to attend TOON Foundation meetings. TOON token does not guarantee any specific rights or values outside the blockchain platform. Therefore, it is not possible to use the token for speculation or investment purposes. This white paper is not legally binding and does not constitute any contractual relationship. Efforts are made to provide accurate information on the contents of this white paper, but the information posted is subject to change and no responsibility shall be taken for its accuracy and completeness. The investor shall make its own project investment decisions by conducting a thorough investigation into relevant information and regulations and shall be aware of the relevant laws of the jurisdiction.

2. TOON token acquisition and storage may include a variety of risks. The risks include TOON Foundation launching blockchain, failing to improve its technology, or failing to provide the services mentioned above. Therefore, before acquiring TOON token, all users and investors should carefully consider the risks, prices, and benefits of acquiring TOON token. If necessary, the foundation asks investors to seek input from experts in this regard. It is recommended that buyers who do not understand or cannot accept these risks and the separate risks specified in the terms and conditions shall not purchase TOON token.

3. The white paper prepared by TOON Foundation (or the Company) is only intended to convey information regarding the proposed coin launch to potential buyers of TOON token. The information in the white paper may not be complete and does not imply any element of the contractual relationship. The whole purpose of this white paper is to provide reasonable information to potential holders. Nothing in this white paper is in the form of proposals or investment concessions, nor does it include any form of solicitation or offer to buy securities within particular jurisdictions. In addition, nothing in this white paper constitutes an advertising or marketing publication and has nothing to do with the offering or purchase of securities within its jurisdiction.
Risk Factors, continued

4. This white paper is intended only to describe the TOON project (technology solutions), does not include any comments or commitments, and does not guarantee that our final goal will meet your expectations in terms of feasibility and competitiveness of this project. TOON token purchasers must agree that they have a good understanding of this white paper and legal notices and that they are committed to complying with the laws of their place of residence, especially the laws of money laundering and prevention of terrorism, and have sufficient experience and understanding of cryptocurrency and blockchain technologies. This white paper will be distributed in Korean and other languages. In the event of an interpretation dispute, the Korean version shall prevail.

5. Development Failure or Abortion Due to the technological complexity and difficulties that may be uncertain, unforeseeable and/or insurmountable, the development of the TOON platform or certain components of the platform could fail or abort at any time for any reason (including insufficiency of funds). Depending on when the development failure or abortion may occur, these events could result in an inability to use some or all of the platform which could have an adverse impact on the utility of TOON.

6. Limited Information Disclosure Various technical specifications and parameters of the platform may be updated and changed both before and after the sale of Tokens. While this Whitepaper contains key information regarding the Company, it is subject to any adjustments or updates as deemed necessary in the Company’s sole discretion. The Company is not obliged to regularly update the Whitepaper regarding the development of the platform (including its progress and meeting expected milestones) and has no obligation to provide timely and full access to all information relating to the platform that may be generated by the Company from time to time.
7. **Changing Regulatory Environment** Cryptographic tokens similar to TOON are being, or may be, scrutinized by the regulatory authorities of various jurisdictions. The Company may receive queries, notices, warnings, requests or rulings from one or more regulatory authorities from time to time, or may even be ordered to suspend or discontinue any action in connection with TOON. The development, marketing, promotion, use or otherwise of the company may be seriously affected, hindered or terminated as a result. Since regulatory policies in any particular jurisdiction are subject to change, any favorable regulatory position regarding the TOON in any jurisdiction may be revoked or altered at any time. TOON could be defined from time to time as virtual commodities, digital assets or securities or currency in various jurisdictions and therefore could be prohibited from being traded or held in certain jurisdictions pursuant to local regulatory requirements.

8. **Application Program Interfaces** The TOON platform will enable additional functionalities provided by unaffiliated third parties through integration of external application program interfaces (“APIs”). This will expand the TOON ecosystem without the involvement or use of TOON resources. The Company cannot fully control the development, marketing, operation or otherwise of third party functionalities.

9. **Flaws in Source Code** The Company cannot guarantee that the source code of the TOON platform is or will remain without flaws. At any point in time, the source code for the TOON platform may contain flaws, errors, defects, vulnerabilities and bugs (collectively, “Flaws”), which may disable some functionality for Users, expose Users’ information or otherwise adversely impact the TOON platform. Such Flaws could compromise the usability and/or security of the TOON platform and consequently adversely impact the value of TOON. The Company shall work diligently to improve, optimize and perfect the source code of the TOON platform, but the Company provides no assurances that it will be able to address identified Flaws in the TOON source code in a manner sufficient to mitigate such Flaws.
10. **Source Code Updates** The source code of the TOON platform will be updated, amended, altered or modified from time to time by the Company. The Company is unable to foresee or guarantee the precise result of any such updates, amendments, alterations or modifications. or the utility of the TOON token. As a result, any update, amendment, alteration or modification could lead to an unexpected or unintended outcome that adversely affects the operation of the TOON platform.

11. TOON/s are not a currency issued by any individual, entity, central bank or national, supranational or quasi-national organization, nor is it backed by any hard assets or other credit. The circulation and trading of TOON on the market depends on the consensus on its value between relevant market participants. Neither the Company nor any other person is obliged to purchase any TOON from a purchaser or any other TOON holder.

12. The Company does not guarantee the liquidity or market price of TOONs to any extent. Purchasers of TOONs who wish to sell their TOONs must locate one (1) or more willing buyers to purchase at a mutually agreed price, which process could be costly and time-consuming. At any given time, no crypto-currency exchange or other public market may have TOONs listed thereon for trading. The Company does not intend to take any steps to cause TOON to be listed on any cryptocurrency or other exchange.

13. The loss or destruction of a private key required to access an TOON may be irreversible. Only the possessor of both the unique public and private keys can control the TOON tokens through a local or online wallet. Purchasers are responsible for safeguarding the private keys contained in Purchasers’ wallets. To the extent such private key of Purchaser is lost, missing, divulged, destroyed or otherwise compromised, neither the Company nor anyone else will be able to help Purchaser access or retrieve the related TOON.
Bibliography


Bibliography


Thank You.

Questions?
Contact us at support@webtoon.io