2022

COMMUNITY TOKEN WHITE PAPER

Chain With

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BUILD A BETTER COMMUNITY, C2E PROJECT

C2E Web 3.0:

Across countries and despite of the pandemics, the number of web users are skyrocketing. One of the most accessible and sensational areas is community websites. But today, countless values held by such community websites are being underestimated despite of their overwhelming user base, scope of activities and the level of influence they make to the world.

The C2E model is proposing a system under which people who make memes, cartoons and contents that create trends in social units are rewarded, changing community participants into market participants. The value of currency as a medium of exchange will mainly be governed by network effects, and a large number of market participants are indispensable for successful circulation of a new digital currency.

Building a stable and convenient ecosystem is our core mission. The C2E Project will ultimately show the first realization of Web3.0 as an ecosystem where all users log in with their wallets and act as market participants on the community websites they mainly use in their daily lives.

**A CHANGE FROM
A COMMUNITY PARTICIPANT
INTO A MARKET PARTICIPANT**

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Introduction

1-1. Project Summary

The COVID-19 pandemic which started in 2020 has affected industries around the world. While some businesses experiencing declines due to the pandemic, some others have rather shown growth.

The domestic and foreign game industries – they have recorded a 20% growth in 2020 despite the hardships we have all faced. MapleStory, a game with a famous domestic IP, keeps showing 100k to 200k of simultaneous access. Lost Ark, which made an amazing success, is rapidly boosting its upward trend by exceeding 200k of simultaneous access among global users in 2022. Both games represent a great market value with annual sales of 545.3 billion won for MapleStory in 2020 and over 100 billion won for Lost Arc in 2021.

The game market is not the only industry that has rather shown a growth despite of the pandemic. Community websites are the one which is more accessible and easier to participate than any other industry. Currently, instiz, a domestic entertainment community website, shows over 180k simultaneous access on weekday afternoons and 200k on weekends. FM Korea, a humor and sports community website, has 20k lower simultaneous access on average than that of instiz and DC Inside, the nation's No. 1 total community site, has a much higher number of users accessing simultaneously.

Although above community websites show a distribution of simultaneous access comparable to the size of connections in gaming websites mentioned in the above, the business model such community websites have is only advertising, making their financial book quite shabby compared to that of the game market.

However, the scale of potential community sites hold may be comparable to or rather bigger than that of the game market. The first goal of this community token – the C2E Project - is to make this amazing potential value come into view. As a way to reach that goal, we are proposing a transformation of users of the existing community sites into market participants through the C2E model.

The number of simultaneous access and huge traffic are not the only elements that the community websites are failing to make the most of. In various community websites, we often see cartoons or informational posts receiving great responses with higher number of views than the views of the cartoons and postings in Naver or Daum. If such works were posted on a platform which has proper and active profit structure, then a lot of sales or value would have been created but they already disappeared and are disappearing, even now.

We intend to create positive effects in the overall community websites by improving the areas that the existing community sites have missed using the C2E model and applying Web3.0 through NFTs and C2E tokens.

The C2E project is not the only one who have coined this idea: According to <A Look at 2022: Community, Collaboration, and Commerce> posted on an official blog of YouTube in 2022, Web3.0 serves new opportunities for creators and through new technologies such as blockchain and NFT, creators and fans can build closer relationships. It also said that people will be able to make money in ways that had been impossible before, and there are some things to consider to approach such new technologies responsibly, but they believe such websites have an incredible potential.

What they said is quite similar to the significance of the C2E Project and it can also be seen as a remarkable implication on Web3.0, which will come in 2022. To this end, we believe that the establishment of a healthy ecosystem is essential and indispensable.

2020 and 2021 saw a series of huge events in the blockchain and cryptocurrency markets, and these were the periods when such markets received huge attention. In this transitional time in which the market is growing, some projects have also caused damage to investors due to the lack of sufficient preparation.

Through the C2E Project, we want to go beyond simply being a security project to establish the right ecosystem of community tokens, and to prove that our goals are clearly feasible. We set as much as 40% of the token in the matrix as user rewards, and most other token matrices have lock-ups. We have set the system as above because the majority of market participants are users of the community sites and we want to build a virtuous cycle of users as we intended.

We believe that the Project must ensure the familiarity and the basic working logics such community wenbsites naturally have as a key factor in building a healthy and successful ecosystem. With the right UIs and user experience as they are enjoying, we want to provide an experience with more new set of elements to enjoy while giving them no sense of resistance. The core values we stress to deliver are a constant community through the C2E model, appropriate rewards, market participants, and a healthy ecosystem.

1-2. Development Background

The C2E team has discovered the limitations and issues of the existing community sites through various activities being made there. Most of the community sites are failing to have their high potential fully recognized because they mainly depend on advertising revenue per click.

As a solution to solve existing problems, we present the C2E model. The model consists

of three elements: a contribution to the community site, rewards and a place for consumption. We determined that the most suitable technology to realize virtuous cycle structure in this model was blockchain and adopted it.
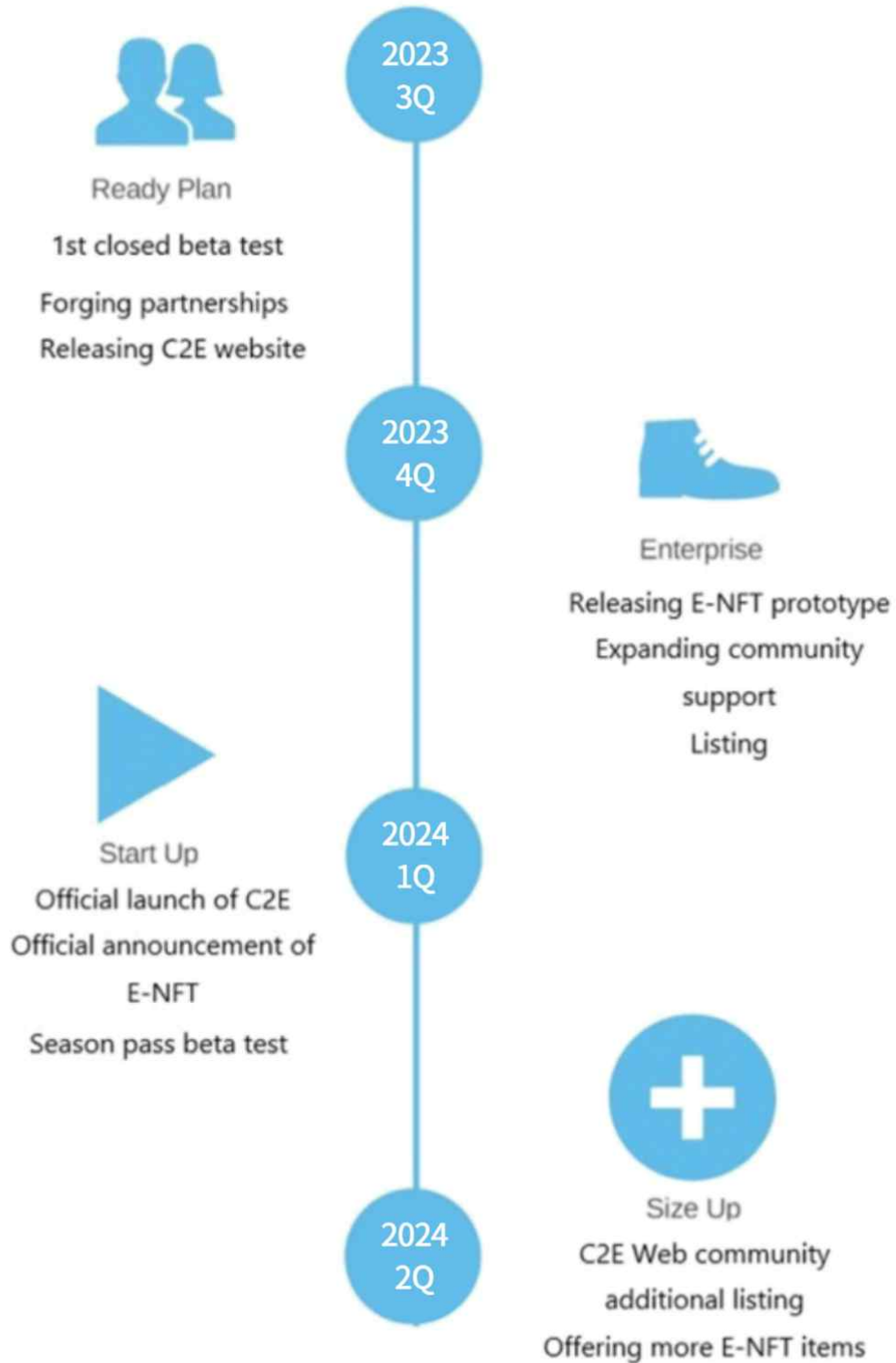
Blockchain is heralding a major turning point in social, economic and political manners and people project that it will bring numerous changes in the future. However, the blockchain industry is still in its infancy and has not produced good results in terms of accessibility and ease of use. Better technology or greater scale is also important, but more important questions must be how many people actually use the blockchain directly, and whether they are leveraging technologies within the blockchain.

Through Web3.0, we want to address the issue of centralized decision-making authority in the existing community site, and to make more people understand what blockchain is naturally and make it be integrated into their lives. We believe that these efforts will eventually transform numerous individual users on the Internet from simple community site participants to market participants, making them naturally be involved in the blockchain system.

Therefore, the C2E team initiates its effort on community sites, a type of website that anyone can easily access.

This is our first challenge and starting point to overcome the limitations when connecting reality, blockchain and cryptocurrency.

1-3. Load Map

Ready Plan

1st closed beta test

Forging partnerships
Releasing C2E website

2023
3Q

2023
4Q

Enterprise

Releasing E-NFT prototype
Expanding community
support
Listing

Start Up
Official launch of C2E
Official announcement of
E-NFT
Season pass beta test

2024
1Q

2024
2Q

Size Up
C2E Web community
additional listing
Offering more E-NFT items

Token Economy

2-1. Token Supply (Reward Mining Mechanism)

When designing the token economy for the C2E model, the most important thing we have considered was that the structure of the model ensures that the reward will be given to all users who contribute to increasing the vitality of the community website as much as possible.

Another key part was, of course, the part that "how many" tokens (rewards) will be given "to whom," and "by how."

First of all, for "by how", we focused on developing the C2E model which can give rewards to users without making any changes in the UI/UX of the existing community website. This was to prevent the existing community users from feeling awkward to acquire rewards through the C2E model, blockchain technology and their activities made in the community sites. Instead of making some significant changes in the UI/UX of the website, the C2E token uses the C2E wallet, which is planned to be developed independently, and modifies the existing point granting system operated in the community site to make the system more suitable for the C2E model. The specific reward mechanism of the point token presented by the C2E team will be a structure similar to the existing community point granting system.

For "how many," the points the users will be granted which are exchangeable with tokens, the following structure will be adopted. Such structure is subject to further update and change by reflecting the opinions of the users or at the discretion of the C2E team.

> C2E point granting structure
> Deduct 0.5%p everyday
> Post recommend : not recommend (when clicked): +1p / -1p
> Post recommend : not recommend (when received): +5p / -5p
> Added a comment: +1p
> Wrote a post: -3p
> Daily login: +10p
> Wrote a post: -3p

In order to promote a healthy ecosystem and smooth token economy, we have devised this system to ensure that all users receive a constant supply of tokens according to their level of activities in the website and above all else, to ensure an equitable token distribution in each community.

This could at the same time solve the problem of token supply for communities that do

not operate any particular point granting system. Of course, website users may use the existing community point granting system as it is without exchanging their points for the C2E tokens, or otherwise may use their tokens or points for any new purposes.

As for the criteria for "to whom" the rewards will be given, we are pursuing a structure in which rewards can be given to all users who contribute to revitalizing the community website. Here, the definition of users who "contribute to revitalizing the community website" includes both heavy uploaders who upload quality posts which would be viewed by many other users, and light users who, although not making a large number of views, upload posts, add comments and rate posts by clicking likes/dislikes. We want to establish a natural virtuous cycle in which heavy users receive greater rewards and the users who have been given the rewards voluntarily want to contribute more to the community website (to be described in more detail in 2-1-1. Special Rewards for Heavy Users and Heavy Uploaders below).

Under the ultimate goal of the C2E model, even light users who use the community sites for just a light entertainment by checking posts or occasionally writing posts or adding comments will be determined by the algorithm of the C2E model on how much contribution they make to the community website, and an appropriate reward plan will specifically be presented accordingly.

Through this reward plan, the C2E model will bring on new motivation and enthusiasm to all users who have already been actively using the community website. As the community website discloses new rewards and token uses one by one, it is expected to attract potential users and new users, while bringing long-term dormant users back to the website.

2-1-1. Special Rewards for Heavy Users and Heavy Uploaders

Heavy users have been a major user base that has contributed greatly to the community websites from the beginning of the service to the present, by making the websites yield advertising revenue - their standardized business model. In addition, heavy users have energized the existing websites by making various activities, serving as a driving force in attracting new users or allowing users to visit the websites continuously. Despite of their huge contribution, however, they have not been properly rewarded for their contribution so far. For the above reasons, the C2E team has determined that the ones who are very important and contributing the most to the community websites are the heavy users who have a lot of activity, and thus we believe giving rewards for them is quite essential.

Therefore, we would like to present a reward structure that can continuously increase the profits of heavy users through C2E tokens or unique rewards by creating special reward plan only for them separately from the existing reward plan in the website.

Heavy users and heavy uploaders in the existing community websites will get rewards as a compensation for their future community activities, and they can possibly be granted a reward for the activities they have made before the establishment of the C2E model.

Users who have made a lot of posts and contributed a lot to vitalizing the community websites may be given some limited edition NFTs such as badges and equipment that cannot be purchased with tokens. They can obtain larger rewards through issued badges or equipment NFTs, or they can make additional profits by trading such NFTs. Specific rewards for users who possess limited edition NFTs will not be a one-off event and it will be continuously updated gradually.

This system will naturally induce the users to contribute to "the vitality of the community websites" in order to get special NFT rewards, making a positive impact on the C2E model ecosystem. In addition, users who received such rewards will once again find it interesting to make community activities and be motivated.

2-1-2. Special Rewards for Token Holders

A token only being sold while no one buying it could not be considered as useful in the market. Likewise, the existence of token holders would discourage other users from considering the tokens' simple economic values and attempting to dispose of their tokens.

In addition, if many people have tokens evenly, the price of such token would not drop dramatically even in the case of price adjustments or massive sell-outs upon any possible listing on an exchange. In particular, if an individual who holds a large number of cryptocurrencies made an immediate sell-out after listing, it would be difficult for such asset to cut off such sell-out flow and may bear a bad reputation in the community website.

We introduce special rewards for token holders who understand and share the expected effect or ideology of the Project. The basic purpose of this reward is to make all users want to own the token and be reluctant to sell it.

We predict that such a strategy will have a positive impact on the ecosystem. In addition to the rewards below, token holders may receive additional rewards such as differential rewards according to the holding period:

- Level ups
- NFT minting
- P2T exchange rate advantages
- DAO decision making rights
- Point airdrops

Special rewards for token holders are subject to further expansion or change in order to provide a positive experience for market participants.

2-2. Token Demand

Here, we describe how granted rewards (C2E tokens) can be used. Basically, community users earn tokens simply by doing various activities in the community websites. Afterwards, they can earn profits by selling their tokens according to the evaluation the token is being received in the market in real time.

However, the C2E team is concerned about the possibility that the value of the C2E tokens evaluated in the market may decrease, discouraging users to participate in the community activities. Therefore, we will design the system so that users can actively consume tokens obtained by making activities in the community websites in various places, rather than simply selling them to the market.

We plan to provide both internal and external places where users can consume their C2E tokens. Among them, NFTs are expected to account for the largest share. NFT, the main place where users could consume the tokens, is described in more detail in III. NFT below.

E-NFT, a content within the community website, can be used in various ways within the community websites. There is also an E-NFT which has the effect of increasing token rewards by boosting the point mining efficiency. In addition, we will secure linked services (games, novels, webtoons and various platforms) where token uses are available outside the relevant community websites.

2-3. Half-Life Model

The initial issuance of community tokens is 2,500M, of which 40% (1,000M) on the token matrix are user rewards. We have given a significant portion of the issuance volume to user rewards to realize the C2E (Community to Earn) model, the most important model of the C2E tokens.

In order for the C2E model to operate properly, a healthy and active ecosystem is essential. To this end, we want to prevent as much as possible that any objects or elements other than the participants of the community websites directly affect the token price or the ecosystem. In addition, great attention has been paid to the lock-up and token matrix structures so that appropriate return can go to the stakeholders who have invested in the Project. Unlike other token matrix elements, we don't apply any lock-up on user rewards (this may not be applicable to the initial rewards).

In order for the participants of the community websites to make a proper cycle of the ecosystem: (i) they must get rewards for their activities in the community websites; (ii) they must exchange the rewards granted for tokens; and (iii) such tokens must be reused within the platform.

Total circulation 1,000M
1st year: 100M (10%) supply
2nd Year: 50M (5%) supply
3rd Year: 25M (2.5%) supply
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Most importantly, we present the half-life model, which is one of the tokenomics techniques to prevent the scenario that a high user reward rate induces an excessive supply and thus negatively affecting the token economy.

In addition, the remaining amount of user rewards will be kept as a reward for a new community website or a sound incineration model will be presented in order to build a virtuous cycle of the token economy through the creation of a healthy ecosystem.

This is expected to not only prevent the excessive supply of user rewards measured as the highest on the token matrix, but also have an encouraging effect on tokens. With this effect of the C2E half-life model, a virtuous cycle which is considered to be the most important element in the C2E model, can be realized.
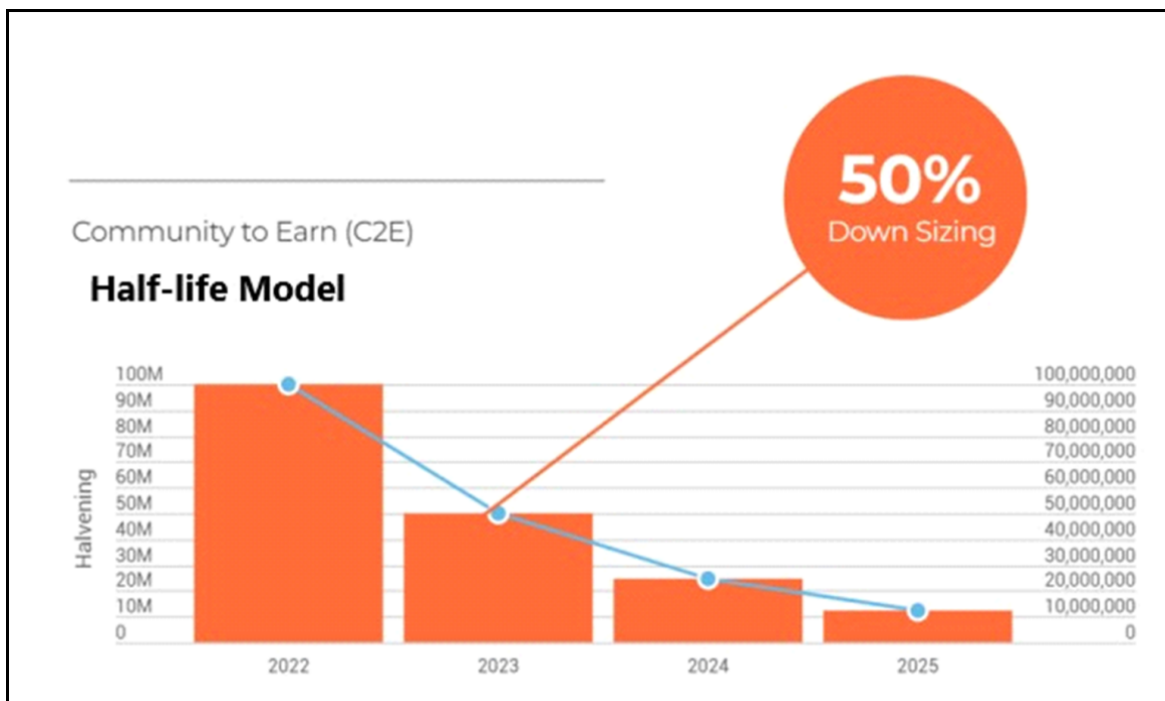
2-4. Token Matrix
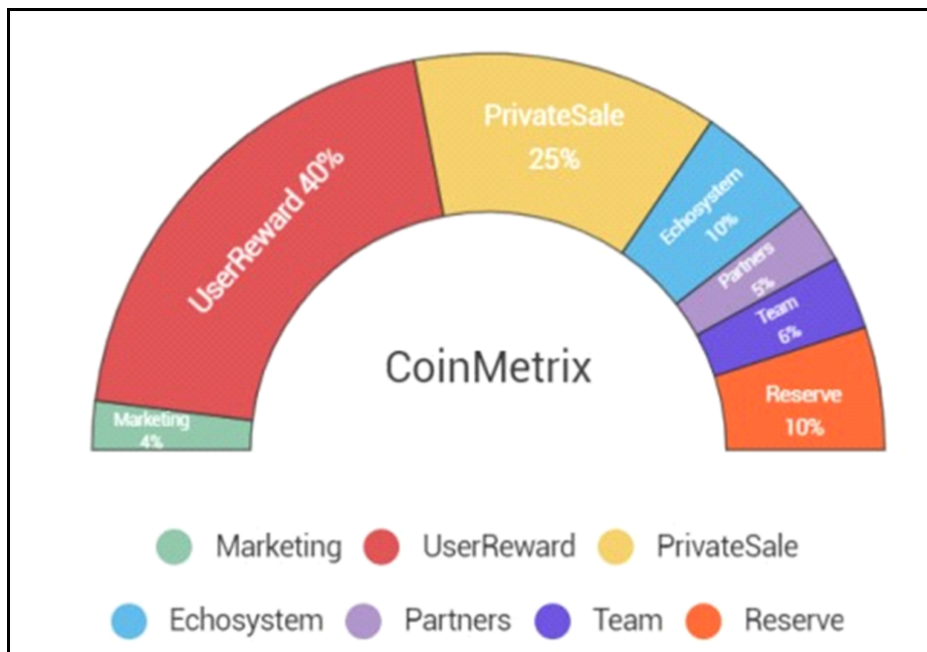
C2E tokens have a total issuance of 2,500M.

For a healthy and properly working ecosystem and the virtuous cycle that the C2E model emphasizes, the amount of user rewards which are the most important element in the token matrix accounts for 40% of the total C2E token issuance, and that's the largest portion in the token matrix.

Tokens given as user reward can be used as token rewards according to the amount of activities made in the website and the level of contribution (rewards mining main mechanism) and as rewards for heavy users, heavy uploaders and token holders. We prioritize that the C2E tokens could be able to allow the users to gain more motivation and enthusiasm for making community activities through large amount of user rewards.

In addition, the Team volume is 6%, 2% higher than the volume for marketing, partners and advisors that occupies the lowest place on the token matrix. This is a token that is to be allocated to team members who directly participate in and develop the Project. Team volume have a lock-up period of at least one year, and any circulation of such volume in the market will be restrained as much as possible through a lock-up of up to five years.

The volume for partners and advisors is 5%, the lowest figure on the token matrix. This

is the volume given to the stakeholders who have entered into a partnership with us, project team members or advisors who directly or indirectly influenced the establishment of the system. The lock-up period for the corresponding token matrix is expected to be at least one year, and may be changed according to the terms of a contract.

The volume of the private sale consists of 25%. This is the volume for the investors and the venture capitalists who invest in the C2E Projects and have a significant impact on investment by forging a close cooperation with the C2E Projects. Likewise, it has a lock-up period of at least 6 months and we also plan to limit the circulation of such volume in the market as much as possible by having a lock-up period of at least 5 years.

10% of the volume is a reserve which could be used for granting any insufficient user rewards or paying to partners in the future. Or it is a preliminary volume to ensure investor protection in the case of security breaches and hacking incidents and to respond to any unpredictable variables. The reserve volume also has a lock-up period of at least 6 months and can possibly be incinerated at the discretion of the Project team.

The volume for the ecosystem is 10%. It is an amount to be injected for the token economy and the C2E model-based ecosystem to operate in a healthy way according to the sound intention of the Project as designed by the development team. Like user rewards, ecosystem tokens can be used as rewards for heavy users, heavy uploaders and token holders, or they can be used for the growth of the C2E tokens and smooth development of the C2E Projects. It has a lock-up period of at least 6 months, and if it is determined at the discretion of the Project team that there occurs no problem in carrying out the Project even if the volume is incinerated and such incineration has a more positive effect on the ecosystem, then such volume can possibly be incinerated.

Marketing volume is 4%. This is an amount planned to be used for marketing activities such as introducing or publicizing the C2E Project and holding various events. At the discretion of the Project team or the C2E token holders through the DAO, any volume available for incineration on the token matrix is subject to incineration or change according to various opinions accepted as well as determination of the Project team.

The specific supply, circulation and incineration plans of the token matrix will be continuously updated in the future.

NTFs

3-1. E-NTF

E-NFT is a compound word of NFT, which stands for "Non-Fungible Token" and "Equipment", meaning an NFT that can be installed as equipment in C2E wallets.

Users who have this E-NTF installed are determined to be the one who have contributed greatly to the establishment of the virtuous cycle in which users acquire tokens by making activities in the website and then returns them back to the ecosystem as well as the C2E model. The E-NFT system has practical uses in the community websites like the roles played by NFTs in P2E games, away from the demand structure that induces minting by simply stressing its scarcity and people's desire to collect that many NFT projects have promoted so far.

Above all, when a user equips an E-NFT and engages in any community activities, the difficulty of token mining will decrease thanks to bonus rewards. He/she will also have access to more rewards for contributing to the community website, such as being able to participate in sales (minting) opportunities for limited edition NFT collections. Also, if a user equips a specific NFT, he/she can get the "advertisement-free function" that will not show him/her any advertisements exposed on the community website.

As described above, E-NFT plays a major role by having various functions so that users can find the community website more fun and be interested in newly released NFT contents and services.

All NFT contents and services to be provided by the C2E team may initially be designed in a structure that allows minting only through the C2E tokens. The tokens returned through E-NFTs may be partially incinerated or returned to the volume for the foundation for a virtuous cycle of the ecosystem, and they could be reclassified as development costs to issue additional E-NFTs or as a volume for realizing an additional virtuous cycle.

3-2. NFT SHOP (C2E NFT Marketplace)

NFT SHOP is a kind of small-scale NFT marketplace for users who hold C2E tokens. We plan to make such NFT SHOP focus on prioritizing the users of the existing community websites such as having a user-friendly UI and UXs. Here, users can exchange points obtained through various community activities into tokens to purchase or utilize various linked services that will be released mainly based on various NFTs or C2E models.

The NFT SHOP will be released as an individual homepage, which can be accessed through a web extension through the C2E wallet or through the homepage of the C2E Project. In addition, users who own NFTs can freely conduct transactions within the mainnet where the same NFT has been issued at various NFT exchanges that support such mainnet without going through the NFT SHOP.

After the successful launch of the NFT marketplace, we will continue to release high-quality NFT products or related products for a virtuous cycle ecosystem. Our ultimate

goal is to make the NFT SHOP not a platform for simple NFT trading and minting as we initially aimed, but a platform where users can trade NFTs and related products released based on C2E continuously in the long term. In addition, in order to get more favorable response from users, E-NFT and NFT SHOP plan to collaborate with existing web communities through forging partnerships. Any profit that can be generated from the NFT SHOP is possibly redistributed to the foundation in as an amount to contribute to the virtuous cycle of the C2E model, or is to be incinerated through public announcement.

3-2-1. Minting

NFT Minting refers to an act of issuing an NFT by paying tokens at the time of initial release of such NFT. Unlike in the early days when NFTs were minted first and then sold, buyers usually participate in the NFT issuance (minting) process nowadays and they are provided with such NTF upon its issuance to their personal wallets.

For this reason, as currently NFTs are minted at a time of the payment by the one who desires to buy it, the term "minting" is actually used more often to mean the "purchase of an NFT at the time of release."

Minting method of recent NFT projects
1. Buyers participate in an NFT minting (issuance) process by paying tokens
2. Minting participants get the NTFs upon the minting (issuance) of such NTFs

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Minting within the C2E model is a necessary process to purchase or exchange various NFT products to be introduced in the community websites such as E-NFT, one of the C2E contents, or season pass, by using C2E tokens in the NFT SHOP.

To make it easier for users to participate in the minting process, we will link various decentralized wallet services that support the Klaytn mainnet even without the use of C2E wallet. We plan to provide better visibility by allowing users to directly view and use the NFTs they have received in the C2E wallet.

By allowing users to actively utilize their C2E tokens mainly to buy NFTs and making them voluntarily contribute to the virtuous cycle of the system, they will be able to immerse themselves in activities in the community websites. We will elaborate and guide the detailed process for minting various NFTs in the communication channel of the community websites in the future.

Users who have minted NFTs using C2E tokens for the first time will be able to freely trade such NFTs in Opensea and other various NFT marketplaces that support the Klaytn mainnet. The C2E team also is aiming to build its own NFT marketplace, rather than simply relying on large-sized NFT trading brokerage platforms.

3-3. Season Pass, Period Quests

In the case of the C2E protocol, we focused on making sure that users who were active in the existing web community would not feel much difference in using the website. This is because we want to make those users naturally become market participants without any reluctance while experiencing the community website to which the C2E model is applied.

However, it would be even better if the website could offer more interesting features to enjoy than before without major changes to the existing user experience or UI. We are carefully planning and developing areas for expansion so that users who enjoy the community website can experience more things for fun while still having an unchanged experience.

If the C2E model is applied to the community activities that have been done so far, users will be able to generate revenue from such activities they have made. That raised a concern about the possibility that activities in the community website could be done mainly for generating money and it in turn would ruin the positive experience existing users have had. However, the C2E protocol is rewarding everyone who engages in any activity in the community website and pay more to those who do more activities.

In order to solve a problem of conflict between our planning intentions and community activities concerned to be profit-seeking, we came up with an ideal of introducing season passes and daily and weekly quests (tentative names).

Season pass is a reward payment model in which a specific period is designated as a season and everyone starts as level 1 and the website presents goals to achieve to go to upper level. The higher the level, the more difficult tasks will become but the more difficult the task, the higher the reward users can get. Also, max level is set so that uses can get different rewards in a relatively reasonable manner.

The decisive advantage of season passes is that it can provide rewards proportional to the amount of activity to most users and that such rewards will not deepen the gap between light users and heavy users, encompassing those two groups in the adjustable range of planning. In other words, participants of the community website will not have to be too engrossed in making money out of the C2E model, and all users can enjoy making activities in the website to get an equally specified goal.

Another merit of season pass is that they give a sense of accomplishment. Most users used to feel a sense of achievement by raising their levels by stocking up points to an extent designated within the community website but if such goal is too far away to achieve or there is no time limit to achieve the goal, then it would discourage the users, making them difficult to feel a sense of achievement even if he/she reaches certain level.

Considering this point, we will provide a special limited edition NFTs only for the season pass and provide higher reward efficiency than that for the simple community activities to encourage users to engage in average community activities within a sufficient amount of time. While the season pass provides rewards for making activities in a sufficient amount of time and gives users a sense of purpose, period quests such as daily and weekly quests are factors to gradually increase the consistency and the level of activities for users of the community site.

Quests can be a way of increasing the minimum amount of activities to ensure high efficiency. In the case of a quest that requires communication with other users, it can act as an indirect device that makes users more compliant with the guidelines of the website.

3-4. Creators (Community User Content)

Most of the posts in the community websites are the pasted content from other websites. The reason those posts can be shared here and there is because someone writes the original post. Therefore, the vitality of a community website heavily depends on these original posts.

We believe that the effort required to create an original post and its importance are still underestimated.
Also, from translations of foreign postings, informational postings, and the works of free creation such as cartoons and novels to costume play, a community website consists of numerous types of posts. Some creative posts are highly praised by users in the websites, recording more views than those of Naver Webtoons or other major platforms.

This is just a part of many values that disappears meaninglessly despite the amazing productivity that the community websites create. We aim to improve the reality where indie writers and uploaders who are active in the community websites cannot receive any systematical compensation for their works even though they are popular enough to get that. And we aim to provide appropriate compensation to such creators.

If the C2E model is stably introduced and the ecosystem is formed properly, then the value of creative works within the community websites which has been disappearing until now will be recognized. Under the system we want to build, uploaders of the posts will get rewards in the general C2E model but if they use the creator function, then they could easily make NFTs for three elements of the post by consuming tokens.

Now, we would like to explain such three elements in the following parts of 3-4-1 Meme NFT, 3-4-2 Comment NFT and 3-4-3 Posting NFT.

3-4-1. Meme NFT

Posts uploaded to the community websites mainly contain images. Images often become more popular than texts because they are easy to understand and simple, and short videos are more popular than still images.

A post may contain several images but in general, an image is placed at the end of the post or an image representing the post becomes the symbol of such post. Such images are mainly called "memes" and play a very important role in forming a community website than you would think.

As the first element of the three creator contents, we want to create a function that can create these symbolic memes into NFTs. We can think about various possibilities such as an original meme which can be a special NFT, or in the case of particular memes that have become popular over time, the creator of such memes could share rewards when community participants cite or use their memes. Additionally, NFTs created using community tokens could be stored in your wallet and traded at any time.

The NFT created in this way will not only be of value as an irreplaceable token, but when it becomes popular and is recognized as a meme in the future, it could entail some derivative products such as Kakao Talk emoticons or could have certain productive values such as copyrights. Through this, users are expected to experience NFTs more easily and familiarly and at the same time, we could reconsider the utility of community tokens.

3-4-2. Comment NFT

This is a feature that allows users to make their popular comments NFTs using community tokens for storage in their wallets or for future trade.

Community websites are made up of posts, but it is comments that encourage users to participate in the community websites. Without comments, the community websites would only be a library of information and could not be a forum for communication. Sometimes, popular comments make the related posts popular or even create memes by themselves.

Such comments being famous and popular spread to many other sites as captured images and have collected many hits, but they were not able to create values beyond just for entertainment.

We want to draw out the potential value of these comments and allow the creators of such comments to create unique NFTs by consuming tokens so that it can be properly recognized for its sufficient use value or collectible value.

3-4-3. Post NFT

Post NFT is the mainstay of the creator content.

A community website is made up of posts and comments, and all activity there starts with a writing of posts. Even a blank site can become a community website when a post is written. Interestingly, a single post can have ripple effects by being famous. In the case of images (memes), they are used as in users' comments or in SNS as they are pasted and known on various community websites. But in the case of posts, they turn into memes by themselves or give birth to many other posts with related theme once being famous.

If there is a meme that represents the post, it is known through such meme but that's not the case for most posts. A single post develops into an emerging entertainment and social issue, which acts as a driving force for radically boosting community activities. These issues remain in people's memory and the posts remain, but they do not create any value. We thus want to make such posts into NFTs so that they can be commemorative and appreciated objects.

While the NFTs so far have been just limited images created by the Project team, the NFTs of the future is expected to be a new challenge with user-emergent elements and infinite possibilities, and a subject that can be evaluated with high value.

In addition, posts play an important role in the community websites and can be seen to consist the entire part of the BM that the web community has until now. Users produce such posts but unfortunately, compensation for this is not given at all or is being paid very limitedly.

Our goal is to make it easy for anyone to create, sell, and advertise the post NFTs in the C2E wallet so that post NFTs can add value to users and act as rewards.

Technology

4-1. Klaytn Blockchain Mainnet

The C2E token utilized on the basis of the Klaytn mainnet was developed as a utility token. And we aim for a service-centric design, to better operate large-scale services suitable for enterprises. The core target of Klaytn Blockchain Mainnet is divided into end users, service providers, and enterprises.

Through our system, we will allow end users to experience blockchain-based services for the first time, help service providers secure their service environments and more users, and we aim to help companies drive innovation and create business opportunities.

Among many characteristics of the mainnet, we focused on performance, usability and stable natures so we let the C2E tokens choose such mainnet.

For performance, we aim to guarantee 3000+TPS and to create a block in one second. Although this is a technically challenging task, we can currently issue about 30 blocks after consent. In order to implement this format, a new design was applied instead of following the design of Ethereum which accumulated the largest number of mainnets. On users' side, we tried to improve the user experience through blind tests with developers and users. There was a consensus that the gas cost of Ethereum is expensive in the evaluation of service providers so to improve this, we lowered the gas fee to 1/10 of that of Ethereum, and that has become our merit.

For security, four top security companies at home and abroad conducted in-depth security audit tests and for reliability, we refined the governance, choosing to operate the Klaytn Governance Council which became a node. It is famous for the participation by companies with high corporate value including Ground X, LG Electronics, Netmarble, Kakao, Celltrion and Wemade.

The reason we encourage large companies to participate is that they have no particular reason to hurt the consensus. They are also not short on money and value reputation. Our goal is to secure the participating companies of Ground X as helpers to establish the blockchain project and to create the project focused on Asia through the world's largest number of users (over 600 million).

Klaytn has PoC (Proof of Contribution) as its reward standard, and follows the principle that the service provider should be the owner.

In addition, we aim to grant rewards to nodes (service providers) who actively operate nodes by evaluating criteria such as the number of transactions and the growth in the number of users. Through this, we aim to build a platform that continues to grow as a protocol that responds to the value of C2E Web 3.0, developed under the banner of "a change from a community participant into a market participant", and we will firmly settle in the blockchain community market through technological prowess.

4-2. C2E Wallet (Community Integration Web Extension)
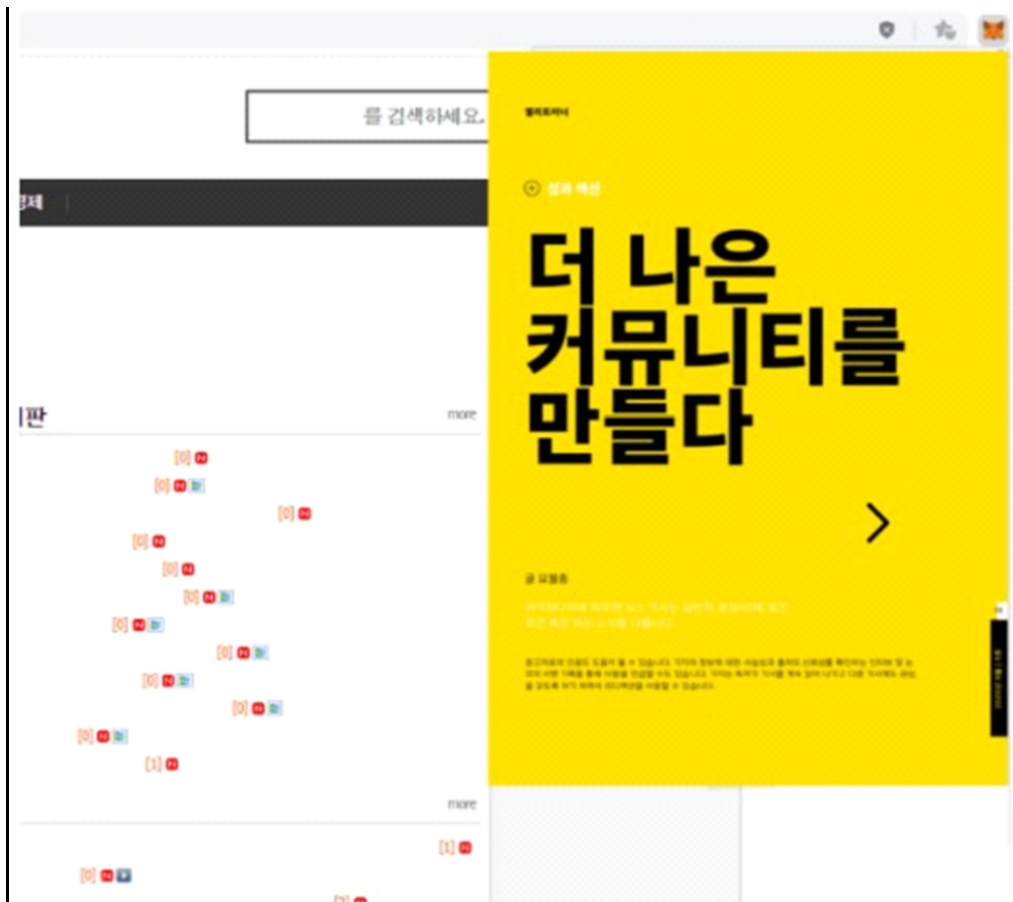
(Example of web extension)

C2E is an abbreviation of Community-To-Earn, meaning any "money-making community activities."

This is a concept similar to but somewhat different from P2E (Play-To-Earn), which is emerging as a hot topic in the game industry recently. Under the C2E structure, the user - the subject of use - creates and shares content and posts, and earns money out of such works. Web 3.0 is accelerating the C2E trend by creating an ecosystem where more rights are transferred to creators and consumers.

To realize the C2E model, we are developing a decentralized C2E wallet as an extended program of Chrome. We provided a variety of additional functions using this in the community, allowing users to manage and utilize their C2E tokens which are rewards generated from users' participation in the ecosystem.

In the C2E Project, we wanted users to be able to log in through their wallet and use the wallet in the community. To this end, we aim to offer quick and easy use of the wallet using the community-integrated Chrome web extension, rather than the complicated wallet access method we used to have. With an application of a platform called blockchain, we aim to provide an easy-to-use UI/UX environment as it is enjoyed by existing users rather than UI/UX that seems hard to use from the start, providing users

with a fast and safe experience.

We chose Chrome for several reasons: Chrome is a browser with a high market share on both desktop and mobile, and it has the advantage of being used by many users thanks to its compatibility between desktop and mobile. By selecting the browser that has the lowest barrier to entry due to its highest usage rate, we aim to expand the ecosystem. C2E wallet is a community-integrated Chrome web extension. It is easy for users to install and use it and with this, they can add new functions to the community website they are using. Because it is written using web technologies such as HTML, JavaScript and CSS, it provides faster user experience than the speed of existing blockchain transaction processing.

It provides a user-centric customization ecosystem by giving users options in terms of features or forms as offered by the Chrome browser. Also, through the introduction of blockchain, C2E wallet has a decentralized platform unlike existing web extensions that have a centralized database in a fixed location and thus are exposed to the risk of manipulation and hacking. Therefore, there is no need for any institutions or intermediaries to process, verify and authenticate transactions in the middle, providing a safe platform environment from the issues of arbitrary manipulation or hacking.

Ultimately, the control over all information and transactions will go to C2E users who will use the community website and transparency will be promoted, improving the efficiency and the level of automation in the back office. Unlike existing platforms that are available only to PC or mobile, it provides compatibility for devices that have Internet access and offers an easy-to-use community environment through a user-friendly interface. Through this, we have established a system in which users are encouraged to participate in the ecosystem and their participation would be rewarded.
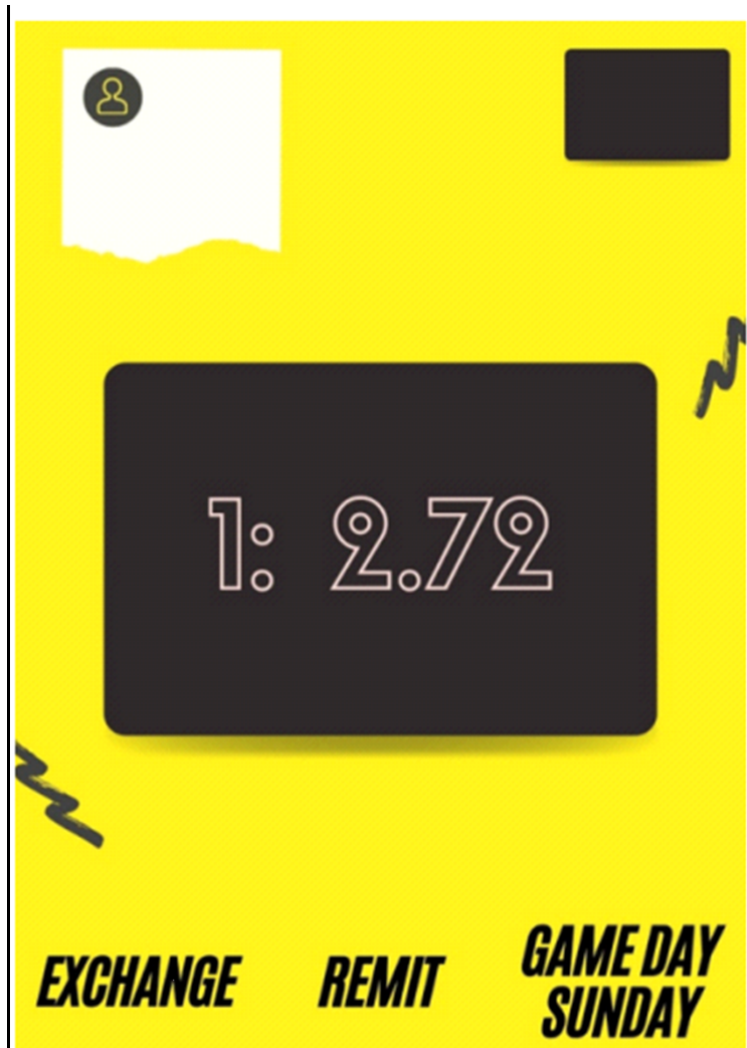
(Example of CTE wallet UI·UX)

4-3. C2E Model Community Profit Sharing Mechanism

Fundamentally, the core fact of the C2E model is that it is a structure in which the community website and community users share profits. Under this direction, we developed a structure in which community participants can contribute to the ecosystem as market participants by rewarding proposals, memes, comics and contents that create trends in social units. Our goal is to establish an objective and transparent community environment by introducing a block chain, rather than making a token project that users simply trade their tokens. The profit-sharing mechanism of the Project is as follows:

The economy of the token prevents many C2Es from flocking to a very few number of users, and it aims to keep the rare nature of C2E. C2Es are provided fairly as users contribute to the community website and the ecosystem, and users use the rewarded

C2Es to secure liquidity and contribute to the expansion of the ecosystem. Aiming at building an intuitive and transparent model, fair allocation, preserving the value of tokens and rewarding contributions for building and maintaining the network, we will reward the members of the ecosystem. The distribution of C2E tokens, which serves as a benchmark point for investment, will be made as follows:

First of all, users' participation in the C2E community platform is equivalent to their participation in the ecosystem, and they earn revenue through advertisements conducted on the platform itself or NFT content sales. Such profit will be bought back or incinerated by the foundation itself, and this will reduce the circulation of tokens in the market and will increase its economic scarcity, which will naturally raise the value of the C2E tokens. Through this process, a virtuous cycle structure will be made where tokens contribute back to the community website and when tokens are incinerated, such process will be recorded on the blockchain through the PoB (Proof of Burn) consensus algorithm. Thanks to the incineration, sizable computer resources will not be required to check the tangibility of blocks, and an additional effect of energy saving can be obtained. In addition, by incinerating tokens in connection with mining (to be described below), users could measure and prove their contribution to the network and gain the right to verify mining and transactions.

4-4. Token Mining Difficulty Level Algorithm (Point & Token Exchange Rate)

A reward scheme for exchanging points with tokens or a token economy that causes tokens to be consumed and return to a virtuous cycle will be managed through a blockchain network that is more suitable in terms of reliability and processing speed, without going through human effort or centralized organizations. Although the amount of tokens supplied for making community activities is determined in the C2E model, there is a separate algorithm for setting the point-token exchange rate formula. It is the C2E model mining difficulty level algorithm.

The half-life algorithm of the C2E model is subject to adjustment depending on the fixed mining quantity and period, and it was created to prevent negative effects on the token economy in advance. From the initial issuance of 2,500,000,000 tokens, 100,000,000 out of the final 200,000,000 tokens for user rewards will be supplied during the initial year.

Half of the volume supplied as above - 50,000,000 – will be determined to be the supply volume for the next year, and the remaining amount will be mined according to the half-life algorithm, that is, its ecosystem participation will become slow down due to a decrease in block reward. In other words, in order to prevent the value of C2Es from being lowered, C2Es will be used for rewards, buyback and incineration to create a virtuous cycle structure. In order to appreciate the value of C2Es, we want to induce synthetic deflation. To this end, we will proceed with the half-life algorithm as above and set the half-life for each year (see the above half-life infographic for halved quantity).

The point-token exchange rate is calculated by dividing the market value of a C2E at the time of exchange by the number of tokens in circulation. The exchange will be made through an Automated Market Maker (AMM) by automatically calculating the market value. Through this, liquidity could be secured and the exchange rate will be provided by mathematically defining the price of a C2E through Smart Contract. Based on the volume of C2E rewards, a predetermined amount of C2Es in the reward liquidity pool can be exchanged for points, and fees will incur in this process. C2E, which aims to build an ecosystem where anyone can contribute, can secure high liquidity through this exchange, and the points or C2Es used here will be used as fees, creating a virtuous cycle structure such as incineration and redistribution. C2E will act as a key currency within the platform, and any point generated from C2E activities will be linked to the C2E, and the exchange rate will be determined by dividing the total amount of points issued / the amount of C2Es provided as rewards. The ratio of converted C2Es will vary, and the number of points that should be utilized according to the market capitalization will also gradually increase due to reasons such as an increase in value through the half-life algorithm.

When exchanging points with the C2E tokens, in order to prevent any value fluctuations caused by rapid exhaustion in advance, the amount of tokens per day will be allocated based on [Yearly reward tokens / 365] and in this way, we will limit the amount of token available for exchange.

Ex) Daily issuance of reward tokens in the 1st year
100,000,000 / 365 = 273,972 C2E per day

In order to convert points to C2E, the following formula will be used to obtain an exchange rate:

$$Y / X = K$$

* X : Rewards provided per day
* Y : C2E points subject to exchange per day
* K : Token-point exchange rate per day

X and Y are the percentage of C2E token value that can be utilized per day, and liquidity will be determined accordingly. Here, the amount of exchange fee will be changed according to the policy, and the details used as the fee will be provided as a reward pool. Here, the exchange fee is set as Z and the exchange formula given the above is set as follows:

Reward coins provided per day= X (5,000)
Points subject to exchange per day = Y (10,000)
Point exchange rate per day Y / X = K
2 points : 1 coin

This is a structure in which the X value goes down and the Y value goes up when a C2E is exchanged or received using points. The point value of X using the half-life algorithm will grow every year, and the amount of points required to exchange for a C2E will also increase. Meanwhile, Z to be generated as a fee will be used for incineration or buyback of the difference incurred or for reward granting for users' participation in the ecosystem. Ultimately, it will be used to create a virtuous cycle.

In the case of fee reward ratio, when we set the reward for one's participation in the ecosystem through fees as R, the proportion of ecosystem participation through fees as J and the amount of point quantity Y at the time of exchanging X as S, the formula will be made as follows:

$$R\,(\,Z * J * S\,)$$

The C2E reward value X provided per day will be reset at 9:00 every day and the exchange within the platform will be available for 24 hours every day (the details are subject to change depending on the progress of the development and business).

Conclusion

Currently, there are as much as 19 community websites in South Korea each of which has more than 10 million monthly visitors. DC Inside, the largest community website in South Korea which started its service as a simple photo gallery, achieved 200 million monthly visitors traffic as of 2020. Such figure is larger than the monthly South Korean visitors of Instagram, a global social network service (SNS). In the face of this COVID-19 crisis, interest and usage in the community websites is only growing. The role of the community websites where users used to only share opinions and information has completely changed. From marketing, games, translation, second-hand trading, fiction, studies, and music charts to social norms that determine public opinion or political right or wrong - the community websites come to have a great influence on today's society.

The driving force behind such phenomenon is users who participate in the community activities, not anyone else. A community cannot exist without users uploading posts. It is the post uploaders who activate and moves the community websites and communicate. When a post uploaded by users in the community website gets attention and becomes a popular post, it can get hundreds of thousands of views.

Given the fact that the current value of cost per click (CPC) in performance marketing is said to be KRW 20, when we assume a post has got 100,000 views, it is safe to say that the post is worth KRW 1,000,000 even if only half of the above value is applied.

However, the most disappointing part and the big problem of the existing community websites is that even if hundreds of posts with high potential value are uploaded a day, neither the websites nor the uploaders get a reward. As such, we came up with an idea about the C2E model from the thought that the existing web communities might be wasting too much potential value. The first goal of the C2E model and the significance of the Project is that the participants of the community websites who visit there for simple fun and information can acquire new rewards through the C2E model and become market participants.

There have been many attempts to obtain financial gain through community websites. Usually, such attempt was limited to conduct advertising but according to the operating policy of the community websites, such an attempt could not be a proper form of revenue yielding.

But the C2E model is not an advertisement.

This model would not taint the reason why users of the community websites visit such websites. Simply put, community points (i.e., Surplus Power, points, Ini, etc.) will be exchanged for tokens to be paid out while maintaining the way community users enjoy their community websites (uploading, viewing, commenting). As a result, both uploaders and community websites that have provided content in earnest become part of a normal revenue model and eventually be the main agents of actual economic activity.

This Project does not simply expect the C2E model to generate financial benefits. The C2E model is expected to have the effect of overcoming or resolving many problems inherent in the existing community websites despite the presence of many participants.

Legal Notice

You are solely responsible for all damages, losses and expenses arising from any decisions or actions based on or related to this white paper, and the community team assumes no responsibility, express or implied, for such decisions or actions you have made. The community team makes no representations or warranties, either express or implied, as to the accuracy or completeness of the information contained in this white paper, and is not obligated to update, modify or change this white paper due to any changes in the information contained in this document.

This white paper has not been reviewed or approved by any regulatory authority, and the publication, distribution or dissemination of this white paper does not indicate that this white paper complies with applicable laws and/or regulations in any jurisdiction. The issuance, distribution and dissemination of this white paper or any sale, possession, use and retention of any goods or services described in this document, including but not limited to community coins, wallets, finance, etc., may be restricted by regulation or relevant authorities in any jurisdiction that may affect the sale, possession, use and retention of such goods or services.

The community token has no purpose other than its use within the community coin ecosystem as specified in this white paper, and its value and function are not guaranteed. Community tokens are not securities or investment goods, and the ownership of community tokens does not constitute any right to claim distribution or redemption of profits against the community teams.

Token purchases entail significant risks. You may lose all or a significant part of the funds used to purchase the tokens, and the community team makes no guarantees as to the purchase price or the value of the tokens. When purchasing community tokens with reference to this white paper, you must understand and accept such risks.

Disclaimer of Liability

The information contained in this white paper may from time to time be translated into other languages or used in the course of any communication with multiple participants. We acknowledge that there may be errors or changes in such translation or communication process and in such case, the English version takes priority. Therefore, it is your responsibility to check the white paper that has the highest priority.

The community team is aware of the risks and explains as follows: the community team makes no representations or warranties with respect to the following risks described by the community team, and the risks below are solely borne by the community token purchasers and participants in the ecosystem:

Warning of forward-looking statements. This white paper contains information about the plans and actions planned at the time of preparation of this white paper ("future plans"). These plans are expressed by using words such as "can", "will", "expect", "aim", "predict", "intend", "plan", "believe" "potential" and "continue". These words were used based on assumptions and analysis determined to be reasonable considering

Maru Team's experience, current situation, expectations for future developments and other factors. Provided, however, that risks and uncertainties exist and actual results of the Maru Project may differ from the plans.

Potential Risks

It is strongly recommended that you carefully read and understand the relevant factors and risks before deciding to purchase community tokens or participate in the Maru ecosystem, and the threats and risks include but are not limited to the below. Tokens and coins are scrutinized by many regulators around the world including the SEC, and community tokens may be considered as securities in the United States and many other countries. In such case, ownership of more than a certain amount of community tokens may be restricted, and certain conditions may be added to the sale and exchange of community tokens or other related businesses that facilitate the sale, transaction or transfer thereof may be restricted.

You may lose community tokens by losing the private key of your digital wallet. If you cannot access to the private key due to loss, damage, harm, etc. of the private key, you as a holder may not be able to access your blockchain-based digital asset such as community tokens and the community team cannot restore it.

Smart contract technology is still in its early stages of development, and its application involves significant amount of risks related to operational, technical, regulatory and financial factors. Smart contract may not be fit for the purpose, and any defects, vulnerabilities or other issues that may be inherent in the smart contract may cause technical problems and result in the loss of community tokens.

Potential participants such as individuals and businesses may not participate in or use community tokens after launch, and the level of awareness and potential use of these coins/tokens may not be high. In addition, community tokens may not work and in such case, the value of community tokens, etc. may be significantly reduced or lost.

The community team will take various security measures such as preventing unauthorized access to the database but breaches of personal information can occur for a variety of reasons. The function of the community token includes the storage and transmission of participants' personal information, and there is a risk of personal information being leaked due to various security issues such as cyber terrorism. This may result in legal and financial losses such as the loss of reputation of the community tokens and the ecosystem, as well as the loss of trust and may have a negative impact on the Maru ecosystem.

The risk of government regulation on the blockchain-related industry is increasing and depending on whether the government regulates the blockchain industry and by how much, blockchain-related businesses can be significantly affected directly or indirectly. The community team is striving to comply with the relevant laws and regulations for the development of blockchain technology and to operate the system stably within the scope permitted by the laws. However, future legal regulations may have a negative

impact on the token ecosystem and if a government regulatory action is taken on the ecosystem or tokens, it may take considerable time and resources to respond.

Contact

We are waiting for talents and community websites who will become part of making a better community and convergence with blockchain with us.

Starting with a community website that has secured 4 million users, The Naeun Co., Ltd. is striving to change community participants into market participants, and is nurturing its blockchain business so that more people can intimately encounter the blockchain technology in their daily lives and become part of it. Not only the C2E Projects, we continue various blockchain projects that will make the world brighter and more technical while being close to people's daily lives.

Backend/Frontend Engineers
Research Team
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