

APEX

**WHITE
PAPER**



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01. ABSTRACT



COVID-19 in 2019 has significantly transformed people's lifestyle from offline to online. What was especially notable was the takeoff of the one-person media industry, an arm of the metaverse, along with the growth of the content market. One-person media industry has gone beyond the development of content streaming to materialize merchandise sale, creator crowdfunding, exhibitions, and performances.

As the saying, "two sides of a coin," goes, the growth in the one-person media industry also brought about the following problems above the surface:

Sustainability

Prolonged
dark age of
single creators

Abandoned

Sacrifice by
consumers of
media

White Elephant

Low profitability
in derivative
market

APEX would like to address these problems faced by of one-person media suppliers and consumers through the slogan of “Diversity, Reciprocity, and Symbiosis.”

The producers of one-person media can receive sponsorship within the APEX platform, according to the respective levels. In return, the sponsors claim creator’s token, through which they can receive services or products provided by the creator. Another way of securing rewards for their initial contribution to the creator’s growth would be selling token to those who want the services and products of the creator.

Through this dynamic, the producers can secure capital that can be used for facilities that are initially scarce, and the consumers get satisfaction by the sharing the benefits of the creator’s growth through the indirect means of honor and service. This can further lead to societal diversity and liberty by paving the way for media content focused on minority tastes to thrive.

ERC-20 based APEX Token performs the functions of Payment Token in the platform. Also an Utility Token, it is used for Creator Token’s transaction and service.

APEX Protocol stands together with the opportunities open to participate and fair to all.

02. BACKGROUND

A. One-person Media Market Overview

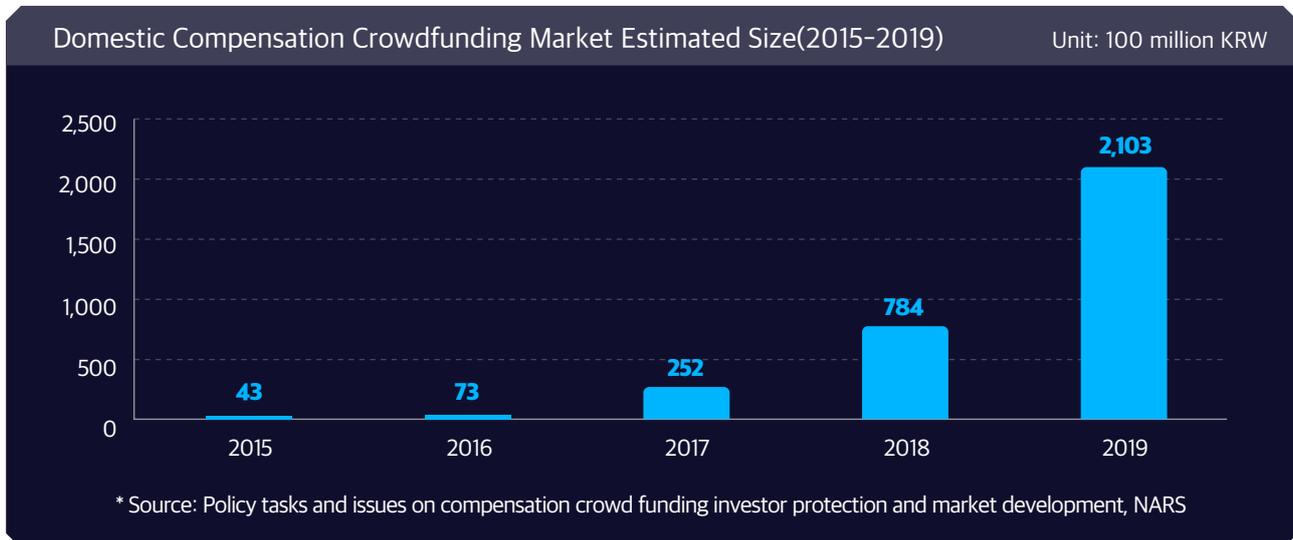
COVID-19 in 2020 caused a significant change in people's lives. Movement restrictions, an administrative measure to prevent the spread of the pandemic, increased people's time spent within the household. As a result, it increased the MAU of content service of cartoon, drama, and films that can be easily accessed through smartphones or laptops. This led to the rapid growth of the content industry.

What stood out in terms of growth has been the one-person media market. One-person media refers to service in which individuals create and distribute their own content utilizing online streaming platform. Unlike traditional media platform based on large capital, one-person media builds off on a creative idea that is easily developed, distributed, and circulated.

The growth is affirmed through various indicators within the industry.

First, AfreecaTV, a representative one-person media single platform in Korea, serves as a living example. According to an individual financial statement in the AfreecaTV business report, its Star Balloon **Point** payments have risen sharply from 283.9 billion KRW in 2017, 360.4 billion KRW in 2018, 426.5 billion KRW in 2019, and 529.8 billion KRW in 2020(Slides). The transactions in 2020 have nearly doubled since 2017, and according to the research paper published by Samsung Securities in June 2021, the trend of payment users increased 1.25 times in 2021.

B. Creator Product Market Overview



This excludes subscription revenue such as YouTube Red and YouTube Music. We witness a growing trend in domestic one-person media market. According to research by Media & Future Institute, the entire scale of one-person media market in Korea was 3.87 trillion KRW, forecasted to grow up to 8 trillion KRW in 2023. Usage, traffic has also been on a steep rise. Survey by WiseApp in November 2019 showed that monthly YouTube usage by domestic consumers was 44.2 billion minutes in total, 12.5 billion increase from the past year and over 10 times compared to that of Facebook(4.1 billion).

https://webzine.gipa.or.kr/bbs/board.php?bo_table=202012_1&wr_id=1

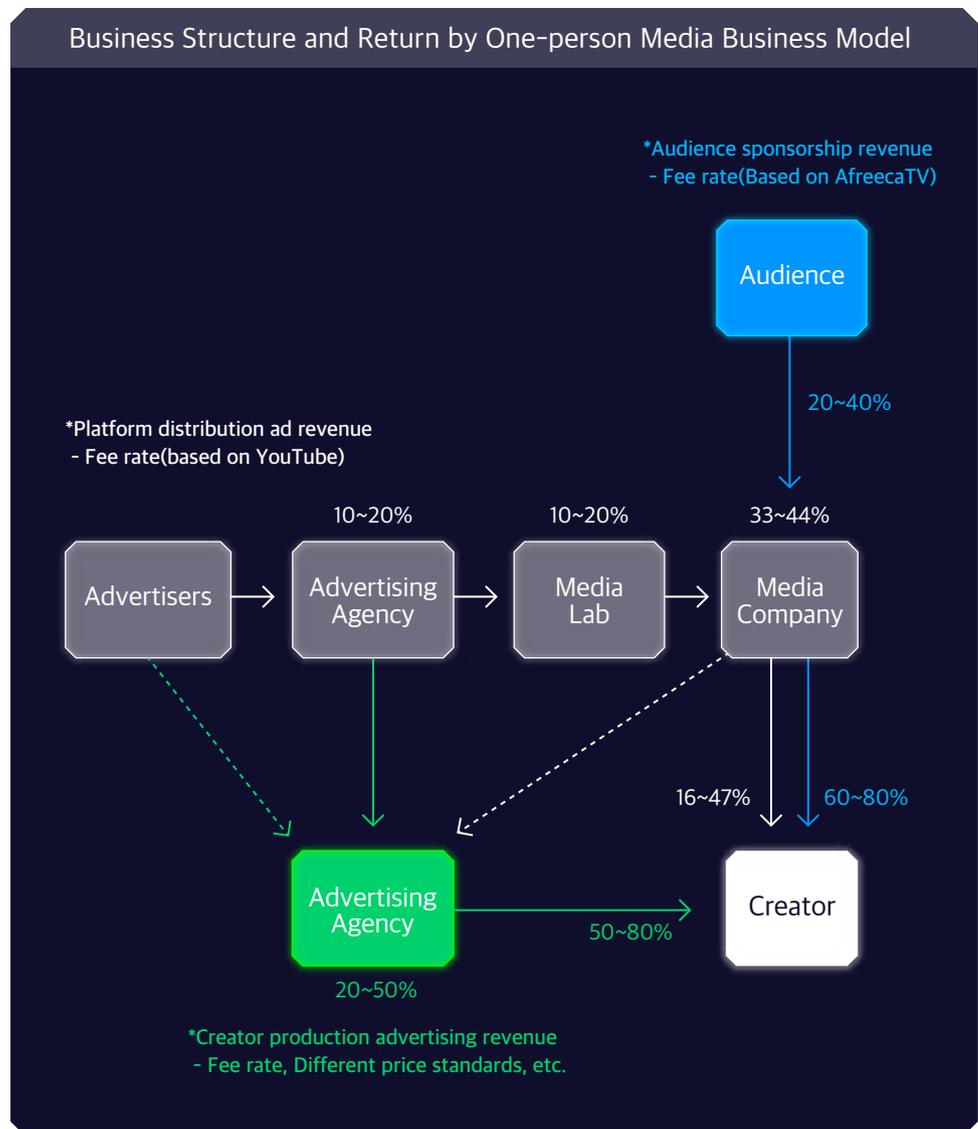
What is growing in conjunction with the one-person media market are the derived creator merchandise and crowdfunding markets. Creators manufacture and sell goods based on their brand value. Examples include “Granny Park Makrye,” associated with DIA TV, selling “Park Makrye-cipe,” “Park Makrye laver,” and “Park Makrye spicy noodles.” 20,000 of her spicy noodles were launched and sold out within an hour, demonstrating the popularity of merchandise based on story and content.

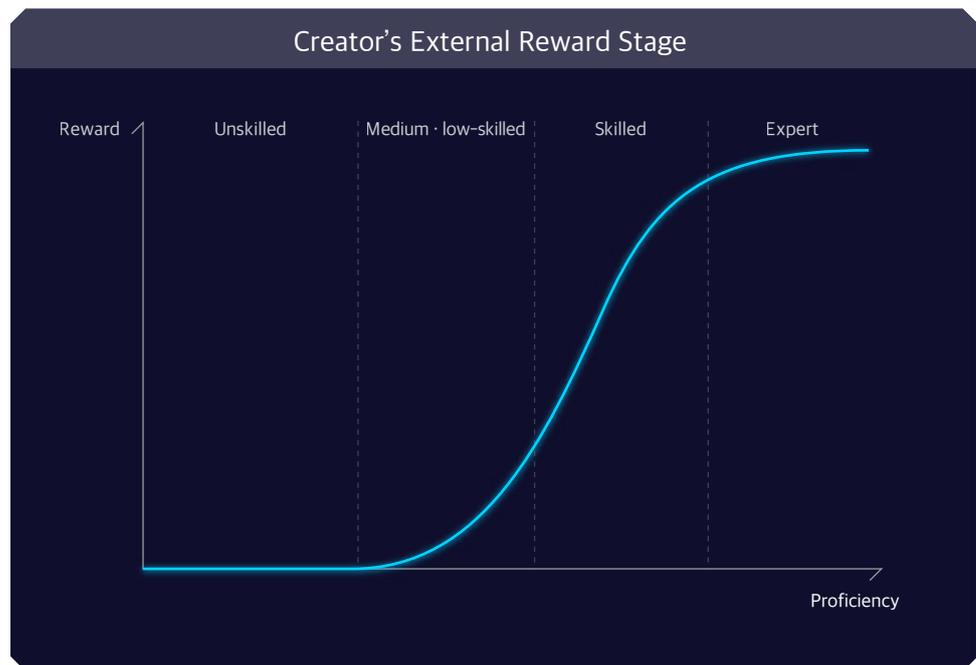
Not only this, Wadiz and Tumblbug have been operating crowdfunding market for creators since 2020 in an effort to strengthen sales in goods. Egg Kim, famous for his Physical Gallery Channel, secured 200 million KRW worth of funds through Wadiz, with an average of 20 million KRW every round. These creators’ crowdfunding products are expanding their supply chains beyond online to themed exhibitions, with the scale growing evermore with the crowdfunding market.

03. PROBLEM

A. Sustainability

Despite the rapid growth of one-person media market, the lives of individual creators are rather unstable. According to a survey of the industry in 2019, the average monthly wage of creators was merely 920,000 KRW. The proportion of the revenue is as follows: 50.2% platform advertising, 18.4% branded contents, 2.5% sponsorship, advertising/PPL, 9.5% viewer advertising, 19.3% others.





Regarding platform advertising revenue, which accounts for more than half of one-person media revenue, only YouTube pays out the earnings. Even in the case of YouTube, 1 KRW is provided per view after 10,000 views are exceeded, which means that creators are working free of charge before that threshold.

According to the paper published in 2020, "How creators work," an interview describes that most creators are limited to unskilled labor due to the uncertainties they experience in securing full-time, paid profession. Even if their work becomes a full-time, skilled labor, creating a single video takes at least five hours to 10 days. The returns for this are low advertising revenue and the current platform system that only rewards the few through sponsorship. This causes low full-time possibilities for creators in various fields seeking entertainment in initial content creation.

Entering a large company such as MCN does not guarantee a better condition. MCN supports are centered around the few, popular creators to maximize profits, and auxiliary resources are not allocated to the new creators, which take up the majority, causing them to suffer.

Creator in one-person media is becoming a legitimate profession. However, it is also true that they are severely unprotected, even less compared to freelancers in the art industry. This has the side effect of encouraging them to create provocative, lewd, and violent content as this will guarantee them more views and subscribers.

For more diverse content, there is a dire need to protect the minimum living conditions for these creators.

B. Abandoned

Issues in the content market are not limited to its creators. For the market to mature, a virtuous cycle involving the growth of consumers as well as the producers must be assumed.

The issue with the aforementioned sponsorship is closely related to the consumers. Provided that sponsorship is the consumption of content, an incentive is needed for its sustainment. According to “Study on cyber money consumption motivation, from AfreecaTV,” the main motives for sponsorship in the current platform service are obligation and competition. The study argues that sponsorship from viewers to certain creators first derives from voluntary compensation, but also serves the purpose of showing off to other viewers and a sense of duty to his or her beneficiary.

There are many viewers who sponsor in good faith, but for most creators, if the large sponsors’ sustainability is not guaranteed, sponsors are forgotten and subsequently abandoned by creators. What arises is a sense of betrayal from viewers who entered the market for a specific field or hobby, which suffers suspension of sponsorship as a whole.

This leads to the conclusion that a compensation system for sponsors must exist as well.

C. White Elephant

Name	Basic fee	Success fee	PG fee	Total fee
Wadiz	3 million KRW	4%	N/A	4~34%
Crowdy	N/A	5~10%	4%	9~14%
Tumblbug	N/A	5%	8%	13%
Naver Smartstore	N/A	5%	N/A	5%
5~34%				

The services that creators can provide are not limited to advertisements and sponsorships. Some creators sell products based on their own brand values. It possesses a strong fandom based on the creators' charms or manufacturing expertise. This may turn out to be an extra income source for the creator apart from the streaming service.

However, in order to sell their own merchandise, creators should produce or buy the product themselves. Not only this, they have to secure a distribution channel for promotion and sales. It is true that this network can be an existing one(Naver Smartstore), this also carries the disadvantages of less exposure to the general public besides the fans. Domestic compensation crowdfunding services have less products and higher network traffic, yet better suited for promotion and distribution. Even so, each platform levies 13~34% service fees. Adding VAT to this, the ratio goes up to 23~44%.

Creators are forced to charge a portion of the cost to the consumer for better margin, which inevitably leads to higher prices or lower qualities of the merchandise. They can no longer compete with industrial products with large distribution networks or facilities. This results in large companies having a large influence on the creation of these content-based goods.

04. VISION & SOLUTION

As a solution, APEX proposes a slogan summarized in the following words.



Diversity

APEX respects diversity within the platform. We provide ample opportunities to (in-)directly support content and influencers of various tastes that can satisfy those from all walks of life, forming initial capital that paves the way for new content.



Reciprocity

APEX aims for the growth of consumer and supplier preferences. We will move in the direction that one's preferences are not only consumed, but also respected, distributed, and profitable.

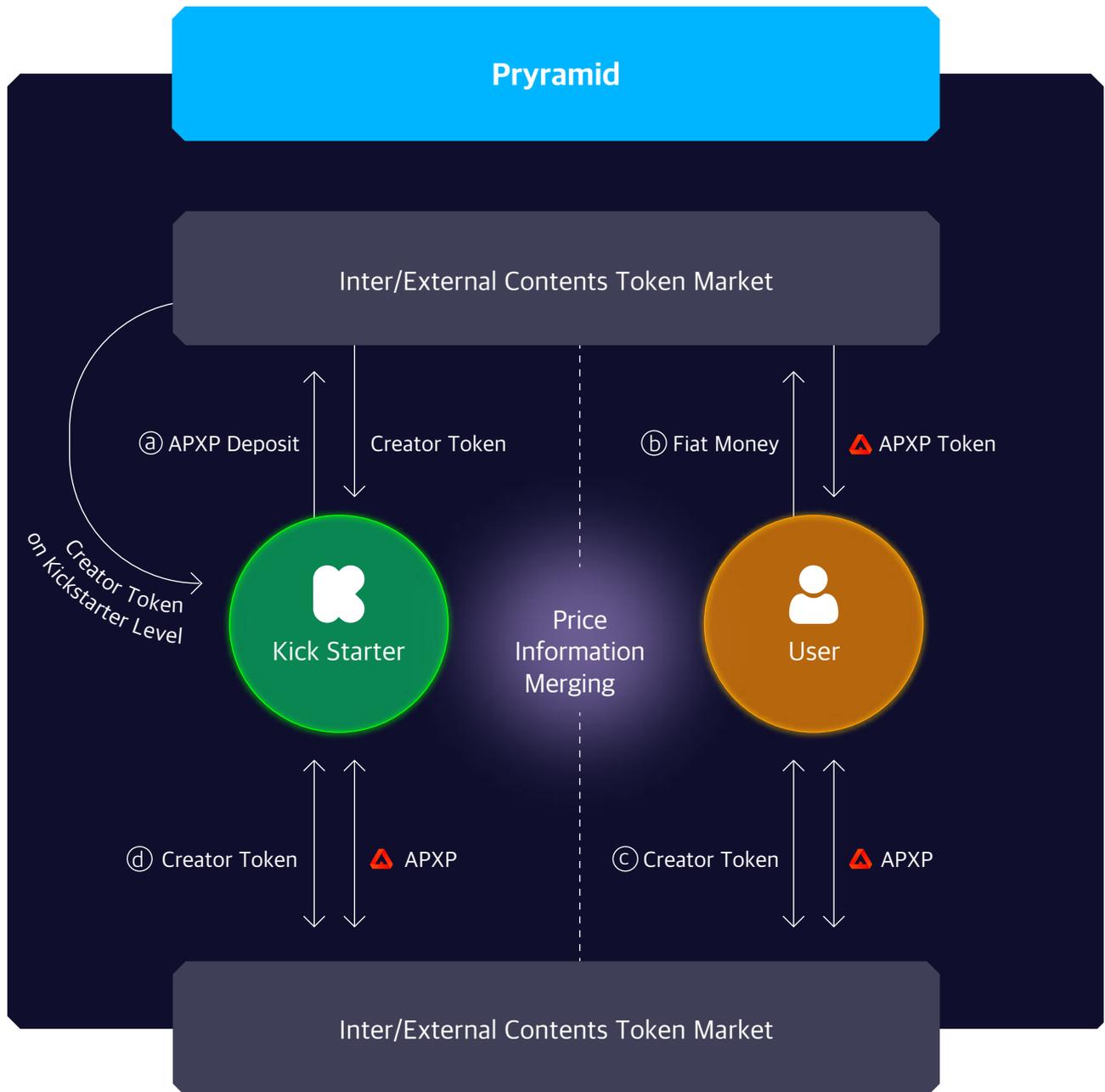


Symbiosis

APEX aims for the symbiosis of these tastes developed. APEX will march on as a platform capable of content-based investment and value creation, in the grounds of symbiotic relationship among different groups of preferences.

APEX is a symbiotic platform for freelancers and creators not readily exposed to opportunities.

05. TOKEN ECONOMY



2-Cardinal Token & NFT Token System

Player Definition



<Goes along the line with... Kick-Start competition in order to up the ranks in the Pyramid>

User Refers to content consumers and investors that enjoy, consume, and invest within the Pyramid.

Kick Starter Refers to Influencer and Contents Creator that not only actively develop and sell content within the Pyramid, but also grow together with Users through investment and sponsorship.

APEX Universe Refers to platform for User and Kick Starter.

APEX Token Economy is consisted with three types of Token. The first is APEX Token that mediates investment, sponsorship, and payment within the platform. The second is Creator Token that transacts creators' values. The third is NFT Token that is produced by the Creators within the APEX Universe.

APEX Token is a Cardinal Token(ex ERC-20), a Utility Token. User utilizes APEX Token within the APEX Universe for "sponsor,", "invest," "NFT Token transaction" and other services that will be offered.

APEX Token Procedure

Platform

ERC-20 (subject to change)

Symbol

APXP

@ Creator Token issuing

The value of Creator Token continuously fluctuates. User performs sponsorship or investment decision-making on Kick Starter by cash, while Kick Starter provides Creator Token to User after converting their assets equivalent to the market price following User decision-making. The Cap of sponsorship or investment is set at the Creator Token possessed by Kick Starter.

The Kick Starter is eligible for receiving additional investment through 1) level up by increasing his or her influence within the platform, 2) retrieving additional Creator Token through fund deposits to Issuer, 3) selling NFT within the platform, 4) performing missions, and 5) repurchasing tokens in the market.

Level Up

Creator Token Cap is given to Kick Starter according to his or her level. The decision of Token Cap is automatically made through Creator-Value Evaluating Model(hereafter referred to as "CVEM"). CVEM takes into account the variables of (number of viewers, subscribers, retention rate, broadcast period, etc.) to calculate the total Kick Starter distribution and determine the Level interval. The influence of each Kick Starter is relatively evaluated and given a level within the Pyramid.

Deposit Issuing

Kick Starter can also issue additional Token through Deposit Issuing.

Kick Starter can issue additional Creator Token, converted from market price, after depositing a certain amount of "APEX Token" or "cash" to the Token Issuer. The funds act as a deposit to determine the minimum collateral amount of Creator Token.

Deposit Issuing is a method to determine the minimum collateral of Kick Starter to investors, while inducing additional investment and sponsorship.

Empowering Kick Starter with arbitrary issuance rights holds an inherent risk of harming the interests of early investors as additional Token may be issued for raising capital. Limiting the amount of arbitrary issuance to LV level, combined with presenting Deposit at the time of additional Token, provides additional incentives to Kick Starter for recovery and User can respond to the risk of unexpected termination by the Kick Starter.

ⓑ APEX Token Trade

User needs APEX Token for activities within the APEX Universe. User can purchase APEX Token through each countries' Fiat Money.

ⓒ Creator Token Trade(User)

Creator Token that Kick Starter issued and distributed through User sponsorship and investment can be freely traded in the market. User can sell Creator Token acquired by sponsorship and investment. Moreover, User can utilize Creator Token to purchase NFT Token issued by Kick Starter.

ⓓ Creator Token Trade(Kick Starter)

Kick Starter can purchase Token for additional sponsorship and investment, or sell Creator Token that he or she earned through mission NFT Token sales in the market.

© Price Information Merging

Later on, if Creator Token transaction takes place in exchange other than APEX DEX, there is a possibility that prices will vary across markets. The prices set in APEX DEX or external exchanges may extremely differ from the average price. Provided that all price data are valid, this can be seen as an act of disturbance to the Token Issuer system.

Therefore, a need arises for the reasonable price information system. APEX Inc. will consider volume and price trends of reliable exchanges to set exchange prices, accordingly.

Creator Token Circulation Procedure

Platform Platform: ERC-20(subject to change)	Symbol Can be randomly set
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As aforementioned, Kick Starter in the APEX Universe can issue Creator Token. The additional amount depends on the influence of the Kick Starter and the collateral.

Primary Market



Creator Token issuance market is mainly run through four processes. The examples are as follows.

Grant	Initial issuance cap granted according to Kick Starter influence (Lv1. 5,000 CT, Lv2. 10,000CT)
Issuance	Content creator token issued (EX 100 CT Minted)
Sales	Content streamer pays out token to sponsor according to sponsorship rate (Exchange fee fixed at EX 1CT = 10\$ in the initial period)
Follow-up Transaction	When the content creator's value enters a stable period, exchange during sponsorship occurs according to market average price (If the weighted average market price during EX period is 1CT = 5\$, then the next 100\$ sponsorship equals 20CT)

Secondary Market



Creator Token distribution market is largely consisted of two parts. First is Creator Token Exchange, which will be provided in DEX format. Second is NFT Token market, labeled Colosseum.

A. Creator Token Exchanges

Creator Token Exchange will be operated in the format of Decentralized EXchange(DEX). Individual Kick Starter can list its Creator Token in the Creator Token exchange for transaction. We anticipate the following four efforts through this.

Transaction

Token acquired through content sponsorship and investment can be sold in the market.

Valuation

Individual creator valuation has been made implicitly and privately thus far. This has caused information asymmetry in contracts between the Influencer and other entities. However, influence-based token amount as above will enable Influencer value identification in an environment where Deposit transaction rapidly takes place. This will accelerate transaction in a rapid, low information asymmetry environment. Not only this, comparing Influencer rankings and contacting with competent Influencers become streamlined through sector and genre classification.

(EX Weight Average Creator Value(WACA) = Weighted Average Creator Token Distribution * Token Price = Market Capitalization)

Valuation 2

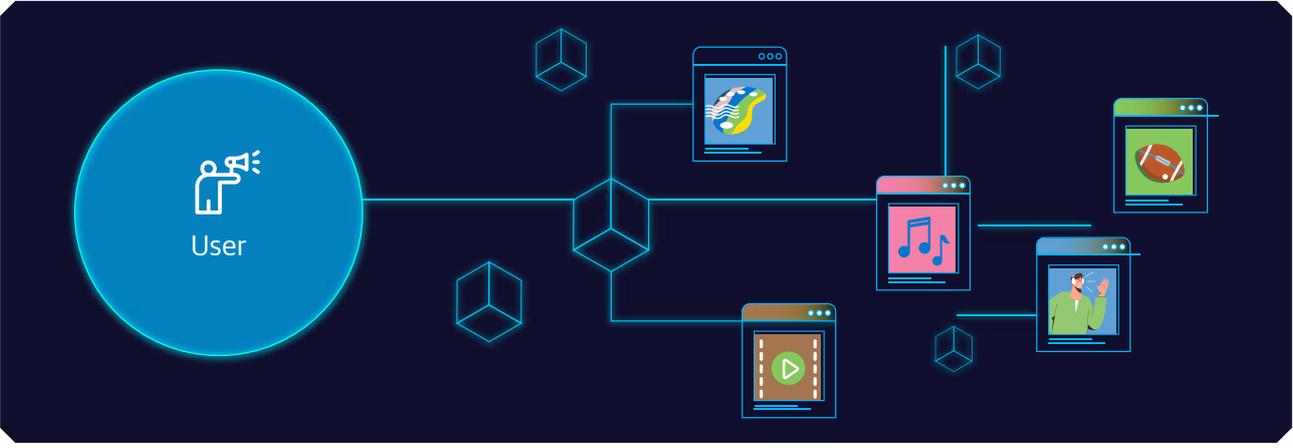
The value of the Creator Token reflects not only the anticipation of repurchase, but also the service or product demand provided by the Influencer. The token's value includes Kick Starter creation and the services, which as a whole refers to the Kick Starter calculable value.

Indicator

This allows identification of multiple indicators for Creator valuation. For example, the following can be factored in future contract with Kick Starter: Fiat security rate compared to market capitalization calculated from total token, average token recovery rate by Influencer, service supply by period, average product price, market capitalization change rate by period.

Companies that wish to secure marketing channels, including advertising, can help advertisers build strategies suitable for advertising purposes.

B. Colosseum (NFT Market)



Platform	Symbol
ERC-20	Varies across products

Colosseum offers a place where Kick Starter can list their proposed and published products.

Token can be bought in the following ways; products are offered in the form of warrant and services in the form of exercisable ticket.

- NFT Token is largely issued in two types. One is Digital Art, and the other is securities with exercisable contract details attached.
- In Digital Art, Art Samples is included in NFT Token.
- In security type NFT Token, the following are included.

Party to the contract	Object	Implementation method (confirmed date, exercise ceremony)	Contract amount
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With the above information, the product can be secured or delivered by presenting the warrant to affiliated store, while services can be exercised against the provider. This P2P transaction is effective in that it has a low service fee and enables transaction between sellers and buyers.

Process**Listing**

Kick Starter lists product or service proposal in the Colosseum.

Contract

User expresses intention to purchase upon review of the listing.

Conclusion

Kick Starter expresses the intention to confirm the request, which then leads to creation of Contract and issuance of NFT Token based on the credentials of both parties.

The benefits of this system are as follows.**Transaction**

Creator Token can be used for purchasing rights to creator products and services.

Proof of Rights

NFT Rights to creator services can be purchased in NFT form, which can be transferred to a third party.

Efficiency

In the Colosseum, the service fee for NFT issuance and sales is low. In addition, the ability to present the rights to services create an effect of integrating multiple platform.

C. The Theater



Theater is an offline, contact space for online creators. In the Theater, Users can suggest offline concert proposals. Concerts can feature external celebrities or popular Kick Starter.

The process is as follows.

Suggestion	User plans a concert and requests for recruitment.
Evaluating	Planners within the platform evaluate the request and selects feasible proposals.
Listing	The revised proposal is listed in the Funding List upon User confirmation.
Funding	Each User who agrees to the concert can participate in the funding through APEX.
Close	Reaching the target amount, User can receive concert tickets according to the sponsored amount.

Technical Overview

APEX Platform consists of main chain system, Oracle, certification organization, and various client applications.



06. APEX PRODUCT : THE PYRAMID

Personal PR service

Pyramid will provide My Home Service to aid in Kick Starter PR. Kick Starter personal information, content, and products can be uploaded onto My Home Service, enabling personalized PR. In addition, it also displays indicators on Creator Token such as issued and distributed amount level, thereby disclosing appropriate information to Kick Starter's sponsors.

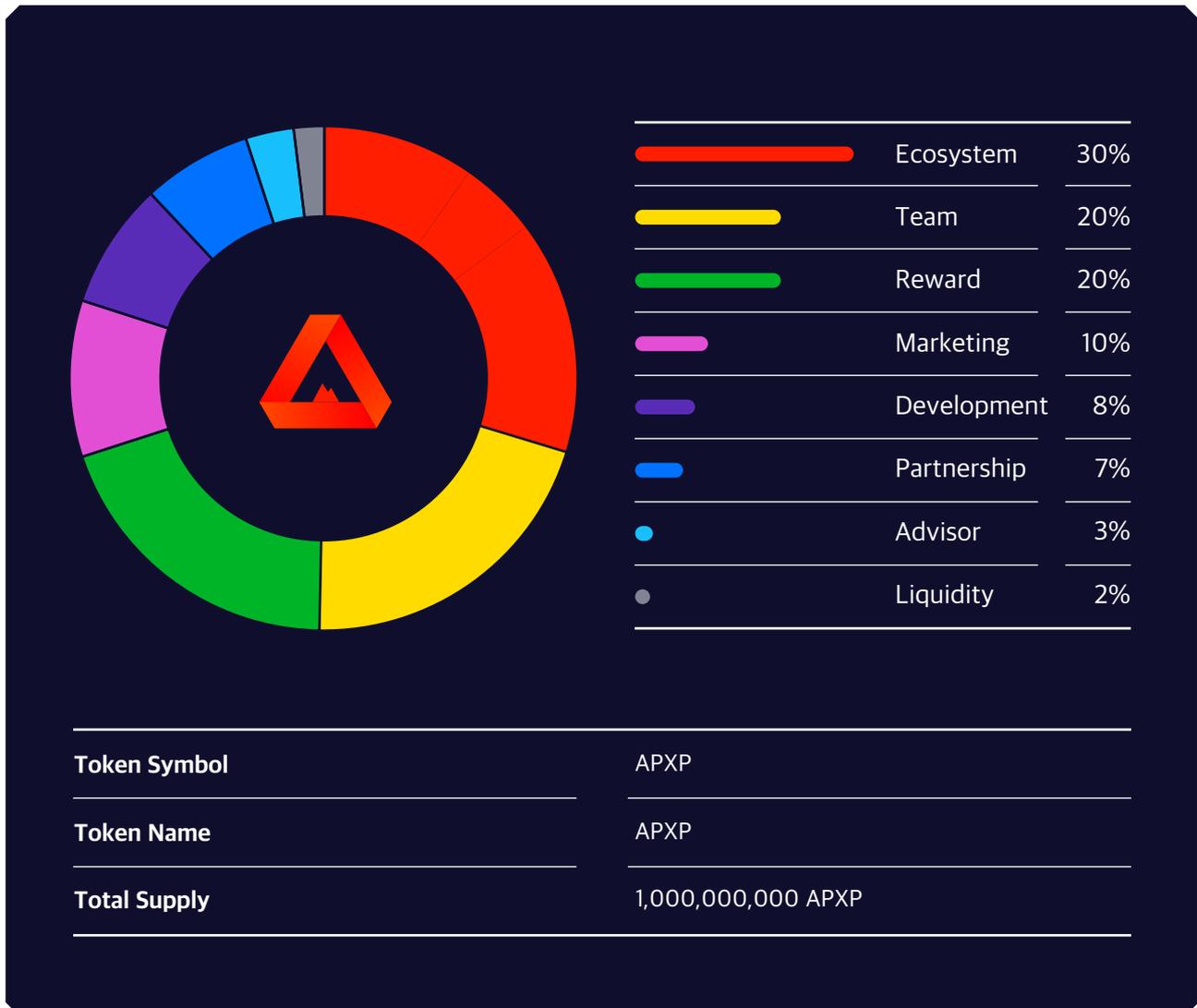
Streaming platform synchronization

APEX can easily provide and manage video services that far exceed images in terms of self-PR to User by synchronizing streaming service with My Home Service.

Arena(Harena)

In the Arena Service provided by APEX, User can participate in auctions and games. Arena features uncomplicated games of "NFT collateral", "NFT auction practice", "performance prediction."

07. TOKEN ALLOCATION

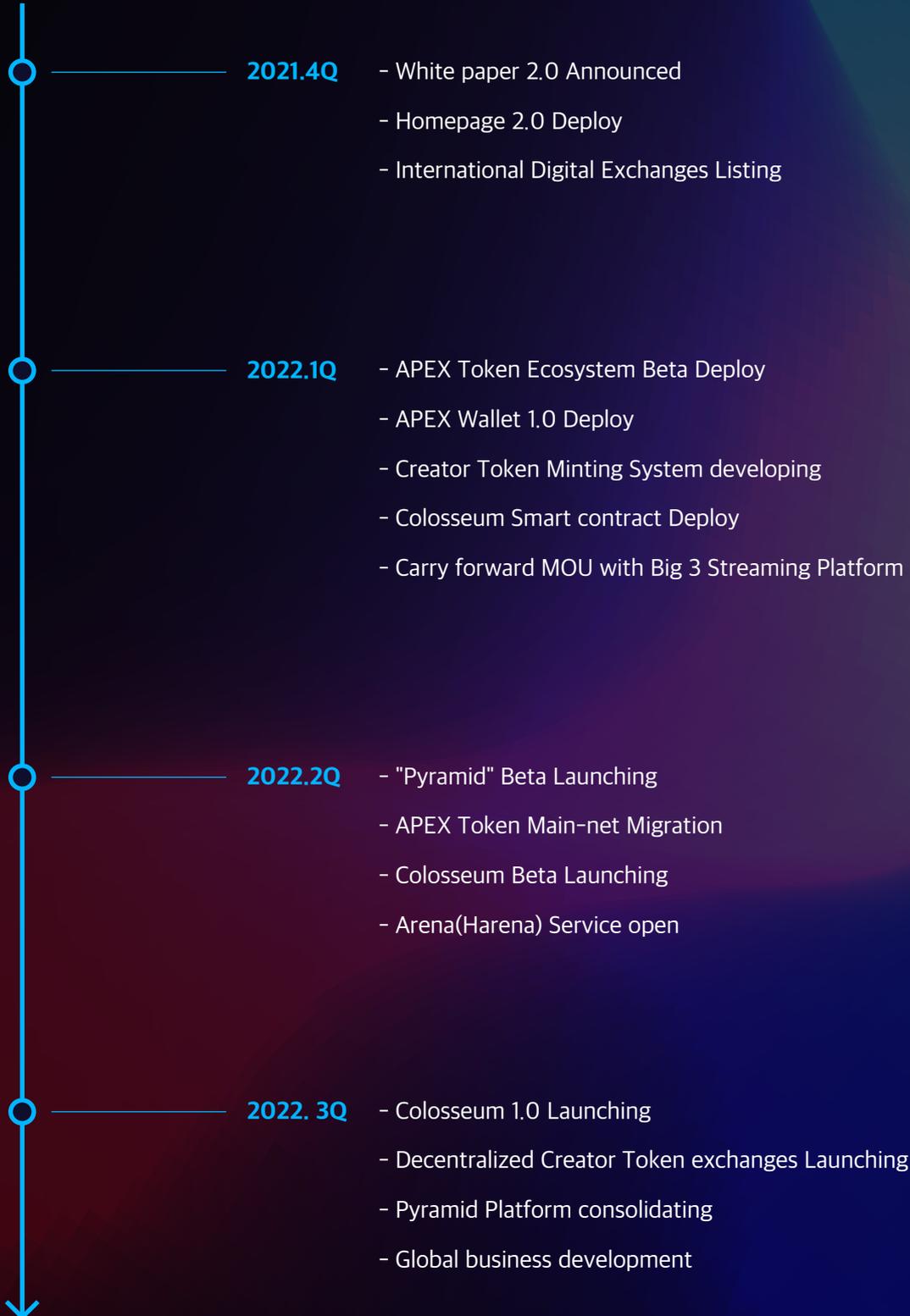


APEX Platform's APXP Token is a utility token that can be used as a transaction method for artist sponsorship and content purchasing.

User can purchase the token to sponsor artists and consume content.

Content producer and consumer possessing the token can purchase and exchange with legal tender.

08. ROADMAP



09. TEAM



Im Sangho / Korea

CEO

- CEO of Mama Communication
- CEO of 7twisted



Son Gyeongsu / Singapore

CEO, Founder

- CEO of Ssaksu International
- CEO of JDK International
- CEO of Lubella



Maggie Zhang / China

CMO

- Head of Global Business Yongrak Guk-je
- Representative of K&H International
- China branch manager of 3 Idiots.Inc



Park Seongjun / Korea

COO

- Director of Daelim International.Inc
- CEO of 3 Idiots.Inc



Jeong Wondon / Korea

CIO

- Director of WiseS Ent.
- Planning Director of 3 WiseS ContentsLand & EXAX
- Director of 3 Idiots.Inc



Allen Tan / China

Global Business Director

- Warner Music China General Manager, Strategic Partnership & Artist Management
- Caviar Communications General Manager
- Beijing Golden World Movies Tv Culture Incorporated Company General Manager, Film department
- Beijing Happy Star Culture Company Managing Director, Legal Representative

10. PARTNERSHIP



香港錦橙國際文化有限公司
Hong Kong Future Orange International Culture Co., Limited



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As detailed in the Token Sale Terms and Conditions, the Tokens carry no rights other than (i) a limited right to hold and transfer the Tokens, and (ii) a limited right to use and interact with the APEX Universe if, and to

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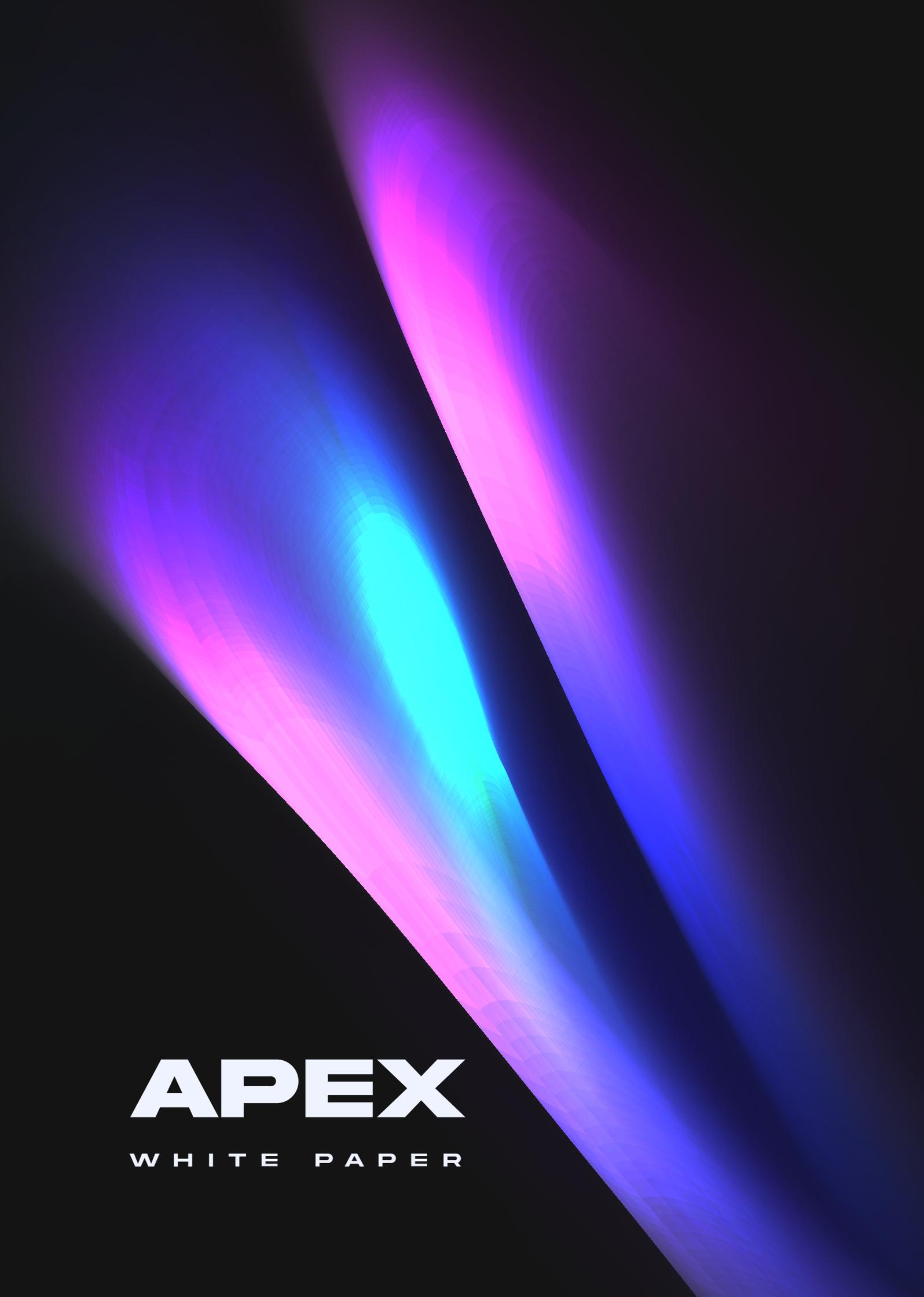
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