hiblocks

An Introduction to hiblocks

Whitepaper •

hiblocks is a blockchain-utilizing social media platform that aims to decentralize the current monetization system of social networks. As a novel concept blockchain project, it will provide value to users by reinventing the transparency of revenue sharing within social media platforms.

Problem Statement

Since the late 2000's, smartphones have revolutionized personal and social lives. The ease of access to the internet, regardless of time or location, has not only changed individual daily patterns, but also changed social communication patterns.

This change in communication has led to a network of online relationships being formed, an interconnected online space that has expanded with the smartphone and become largely mobile based. The boon of this online social network has created an era of communication between individuals in a way that is anonymous and global.

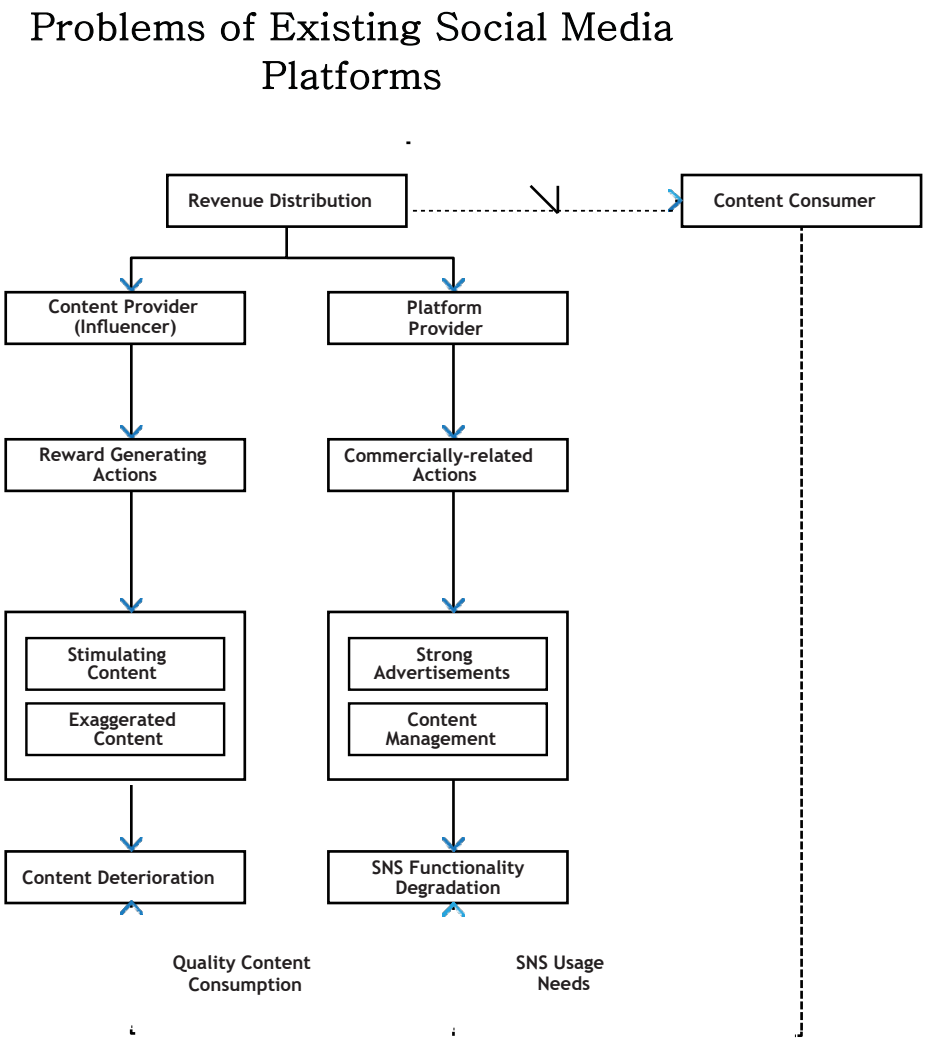
As the use of social media networks has rapidly progressed, the online social network has evolved from blogs, to podcasts, to personalized platforms, to real-time streaming. The individual's social influence is constantly being expanded.

As the demand for video-based social media network platforms, such as Youtube, Facebook, and Instagram have increased, the expansion of the individual's media creation ability has increased. New corporate players, such as Naver and Kakao, have also entered into the market with video platforms as well. Therefore, as individual influencers continue to gain more influence, the possibility of increased revenue models are beginning to emerge.

Influencers have gained confidence and trust from their followers, which in turn has led to these followers trusting in the products they advertise; therefore, influencers are a powerful tool for effective advertising and the selling of goods and services.

However, with the rapid growth of marketing mediums and tools, has come the abuse of these platforms: unreliable advertisements, faulty products, and fake accounts have become a frequent issue. Influencers receive products from the companies that wish to advertise, then promote these products in an exaggerated or over-the-top manner, leading to oversaturation of promotion based on advertising money spent. There are also other structural issues in influencer marketing, such as deception through fake followers. It has become a confusing state of affairs. Social media platforms focus on commercialism and monetization rather than promoting high quality content, communication between users, and the functionality of the platform. Overall, status quo platforms are gradually losing the essence of a true "social" platform, with features such as indiscreet advertisements, data protection, and macro-communities.

The structural flaw of current social media networks is primarily caused by the unfair monetization structure. The advertising revenue is distributed to platform providers and influencers, not to the users who consume the content. In order to gain more revenue, influencers stick to easy products and gigs that pay well, the platform providers continue to operate in the advertiser's best interests, and this results in consumers getting the short end.



The Opportunity

hiblocks aims to build a healthy social media network platform that solves the current structural problems of status quo social networks, facilitates communication between users, and promotes high quality content.

- Revenue sharing should be provided to content creators who have the largest number of followers.
- The current system concentrates authority to the central server, ours will ensure transparency in the reward distribution process.
- Blockchain technology should be used to make revenue distribution transparent and secure the trust of content consumers.
- Content consumers are distributed rewards to provide more incentives for content consumption and using this process, it is possible to minimize the profit hoarding operations of content creators

01 Introducing HiBlocks

The needs of social media users are simple and intuitive. Users want to share content and communicate smoothly with other users. To appeal to the future generation of social media users, hiblocks is launching a blockchain-integrating social media platform to mend the unequitable reward model of existing social media platforms, creating a virtuous cycle between content providers and content consumers.

- Introduce blockchain technology to **increase transparency in the payment and reward distribution process**
- A social media platform that **enables its content consumers to generate revenue**

Synergy Between the hiblocks **platform and blockchain technology**

Blockchain is an open distributed public ledger. It is an environment for storing and distributing data in the form of a ledger, and once the data is stored it cannot be modified arbitrarily and is transparently viewable by the public. hiblocks aims to introduce blockchain technology through its social media network platform in order to make profit sharing transparent.

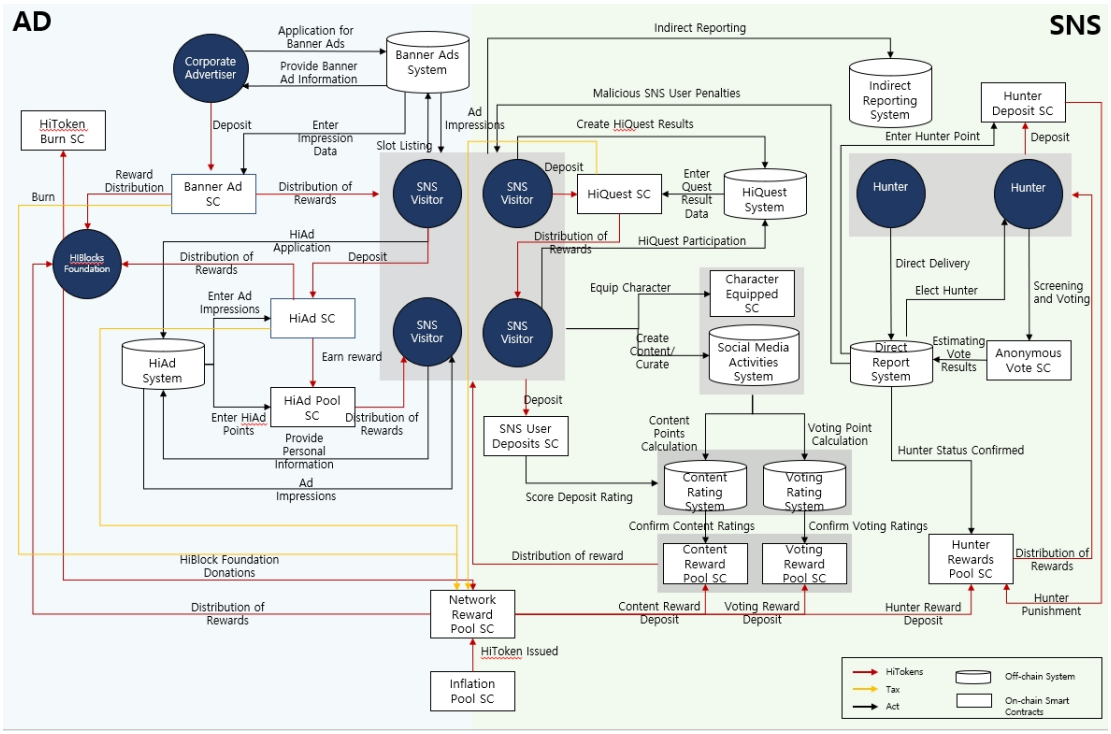
- **Hybrid Blockchain**
  Our hybrid blockchain has both the characteristics of a public and private blockchains; the hybrid chain is optimized for a social media network platform. The public blockchain will be used for transparency and profit distribution. The private blockchain will be applied for privacy related functions, such as the protection of personal information of users.

- **Protection of Personal Information**
  Traditionally, the platform company owns the information uploaded by its

users and this personal information is used to aid its marketing functions. The blockchain creates a decentralized system that can limit personal information abuse by the platform company.

- **Transparent Distribution of Rewards**
  Through use of the blockchain, social media platform operators (those who distribute rewards in the hiblocks platform) are not the main distributers and users can earn transparent rewards and exercise sovereignty on the platform.

- **Use of Smart Contracts**
  Platform users can exchange cryptocurrencies through smart contracts. This results in transparent revenue sharing between advertisers, content providers, and content consumers as affixed to a specific protocol.



An Unprecedented Social Media Platform

hiblocks amends the shortcomings of existing social media platforms by creating a virtuous cycle between platform providers, content providers, and content consumers. Platform providers create an environment where users can focus on interacting on the platform; content providers create and share more quality content; content consumers promote quality content consumption through the process of curation.

The Holistic Picture

The hiblocks social media platform allows any user to earn revenue, thereby creating a beneficial cycle of incentives.

- Enables smooth communication between users.
- Provides quality content through incentivized curation.
- Both content providers and content consumers earn rewards.
- Increase transparency of reward distribution and fair distribution of profits through the use of the blockchain.

We are creating a social media network platform that integrates blockchain technology. Through this innovation, hiblocks focuses on quality interactions between users, equitable distribution of rewards, increased transparency, and the establishment of a decentralized system using the blockchain.

02 The hiblocks Blockchain

What is the Blockchain?

The Blockchain is a decentralized open ledger. It is a distributed data storage environment in which small pieces of datum generated by P2P transactions are stored into theoretical "blocks" and formed into a "chain." It cannot be modified arbitrarily and all modifications are made public. Blockchain and crypto-currency are often confused as synonymous, but cryptocurrencies are a tool used within and by blockchain technology. Bitcoin is a commodity that was not even worth 1 won per 1 bitcoin at the time of its inception, but now it is known as a valuable asset, and subsequently led to an explosive increase in trading volume and price. Many blockchain platforms are still being developed by applying blockchain technology beyond the simple creation and use of cryptocurrencies.

Understanding Klaytn

The Klaytn algorithm is a public blockchain developed by Kakao (Groundx). Their chain is based on Ethereum, so the address system is similar to Ethereum. Klaytn's transactions per second (TPS), produces 3000-4000 transactions per second as opposed to Ethereum's 15-20 transactions per second. The consensus algorithm used is the Byzantine Fault Tolerant (BFT) algorithm.

Klaytn Governance Group

Klaytn's governance system is made up of 23 governance groups, including LG, Celltrion,

Netmarble, and Kakao; whenever major changes are needed to the blockchain, these groups will make a consensual decision. Therefore, governance is a very important process for blockchain technology to be used in business, such as in the operation of the Klaytn chain.

hiblocks **and Klaytn**

hiblocks will be a Klaytn Blockchain Application (Bapp). As a service using the Klaytn chain, rewards and advertisements are processed by the Klaytn blockchain. The blockchain is divided into a main chain and a side chain. The main chain will be open to the public, while side chains can be private.

Unlike most current blockchains, by adding a side chain to the main chain, this allows for the privacy of specific data. It provides a secure environment for managing private information, such as a user's personal information, so that various current issues of privacy can be addressed. This functionality is intended to protect users and enterprises without creating complete decentralization. Existing blockchain applications are referred to as Dapps (decentralized applications), but Klaytn aims to create enterprise blockchain applications (Bapps) that work within the current business models of society.

The Klaytn network is composed of the CCN (Core Cell Network), CNN (Consensus Node Network), PNN (Proxy Node Network), ENN (Endpoint Node Network), and SCN (Service Chain Network). The main network that consists of CNN and ENN is in charge of the overall operation of the blockchain; the SCN provides a connectable interface to the service chain. This structure allows hiblocks to easily connect to Klaytn's services, and promote synergy between the blockchain and the social media platform.

hiblocks uses the hybrid Klaytn chain to manage personal information via private side chains while the reward distribution data is open to the public blockchain for transparent viewing of ad revenue, advertise- ment impressions, and profit distribution.

03 The Social Media Network and Platform

hiblocks is a social media platform in which every user can become a curator or creator.

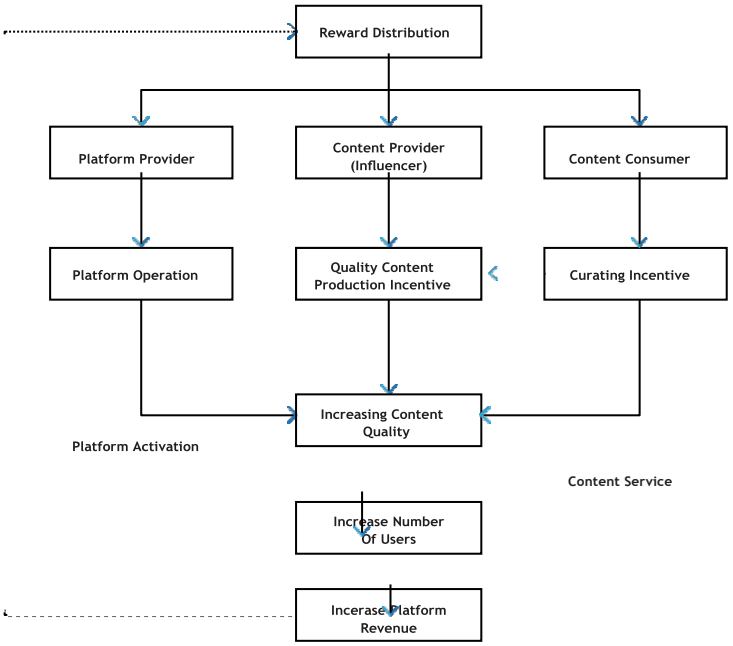
- Unlike current social media platforms, hiblocks provides a hub that can curate and display social media content from Youtube and Instagram.
- This existing social content generates new traffic through hiblocks because it shares from content existing social networks, such as Youtube and Instagram. This win-win structure maximizes synergies rather than competing with other platforms.
- We have optimized the steps for curation activities; just paste and upload

the link of desired content and the rest is processed automatically.

Menu Composition

Home: Consists of user-subscribed accounts, spaces, popular quests, and personalized content as recommended by hiblocks.
Space (community): Users with common interests gather for similar activities, such as content sharing and quest opening.
Popular Quests: Quests created by individuals or groups are presented, quests can be created and participated in.
Ranking: Rankings of each user can be measured by activity on the platform.
My Page: Shows uploads, subscriptions, personal details, wallets and deposits.

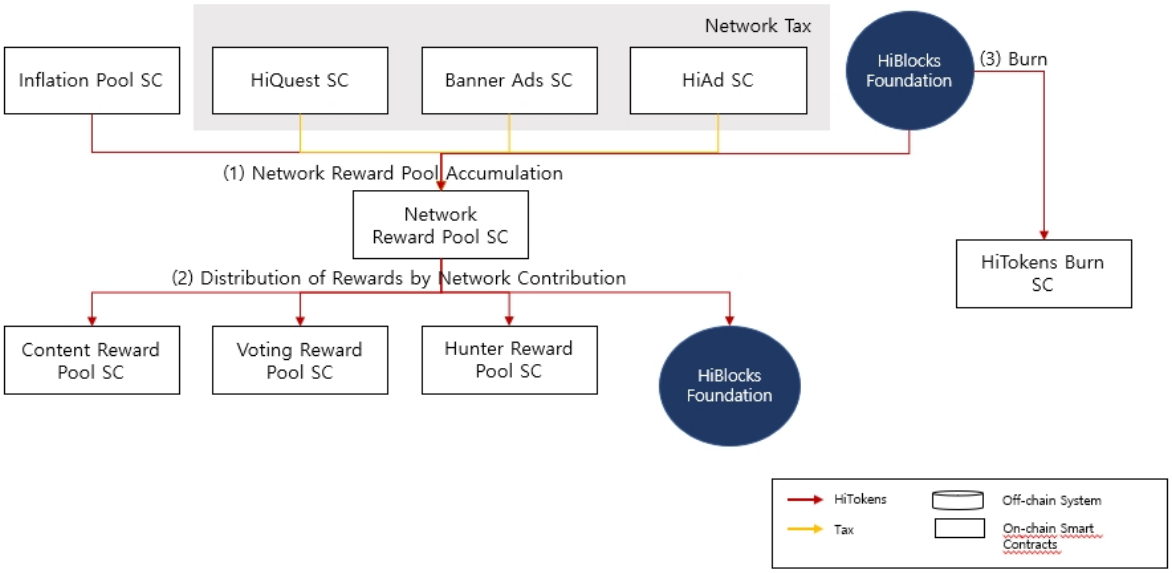
hiblocks Social Media Platform User Cycle



04 Mechanisms

4.1. Network Reward Management Mechanism

(Network Reward Mechanism)



❶ *Network Reward Pool*

- Network Inflation
  - Inflation smart contracts are designed according to an inflation plan. [1)]N_i is the initial state and accumulation of tokens in the network reward pool. The number of tokens issued decreases by a specified half-life over time, eventually converging upon 0, so that the newly issued tokens do not increase beyond [2)]K_i.
  - The total token issuance is limited in order for the value of tokens to increase as demand for the tokens within the network grows.
- Network Tax
  - Network taxes are fees charged for the use of services on the hiblocks platform.
  - Whenever a transaction, such as an advertising fee or HiQuest winnings are paid out, an [3)]N_t% fee is charged and accumulated into the network reward pool.
- HiToken donations made at hiblocks discretion
  - The hiblocks foundation may, with discretion, accumulate a reserve of tokens in the network reward pool to improve network participation.

❷ Network Contributions for Reward Distribution

- Reward Distribution
  - [4)] N_{hr} is the rate at which HiTokens accumulated within the network reward pool will be distributed for individual network contributions.
  - The rewards will be divided into [5)] N_{cr}%, rate for content reward pool smart contracts [6)] N_{vr}%, rate for voting reward pool smart contracts [7)] N_{hr}%, rate for hunter reward pool smart contracts [8)] N_{jr}% rate for hiblocks foundation wallets.

❸ HiToken Burn by hiblocks Foundation

- HiToken Burn
  - The hiblocks foundation can stimulate token prices through the burn of tokens.

4.2. Account Management Mechanism

❶ SNS Account Creation

- SMS authentication
  - To create an account, select country code, enter mobile phone number, request SMS verification code.
  - Then, enter verification code to verify identity.
  - SMS authentication prevents the creation of multiple anonymous accounts that could behave maliciously on the network.
- Provide personal/corporate information
  - Participants that wish to allow the use of their personal information to receive rewards must agree to the terms and conditions of personal information within the hiblocks Terms of Use.
  - Enter personal information: gender, age, region, interests according to the degree of information the user would like to share. Gender and age are automatically entered during SMS

authentication. The maximum number of interest categories is five.

- The level of personal information provided can be changed at any time and [9)]N_{pi} is the level of personal information applied to the network.

- ID/PW creation
  - Enter a unique SNS account name and password.

❷ Wallet Creation

- Creation and administration of wallets by the hiblocks foundation
  - Applicants who have passed the SMS verification will be assigned a wallet address.
  - The wallet can be accessed through the account password.

❸ Corporate Advertiser Support

- Accounts authorized by submitting corporate documentation
  - The SNS user who created the wallet must submit a business registration certificate and supporting documents to prove that he/she is representing a business.
  - If the foundation verifies the business, the account may apply for banner advertising.

❹ Hunter Support

- Account authorization through qualifications
  - Only SNS users who have created wallet and do not have a malicious history can participate as hunters.
  - To participate as a hunter, SNS users must maintain a minimum deposit of [10)]K_{hs} tokens within the hunter deposit smart contract.

❺ SNS Account Ban

- Accounts found to have created malicious content
  - The account of SNS users that create malicious content will be suspected for [11)]N_{ex} amount of time.

❻ Corporate Advertiser Ban

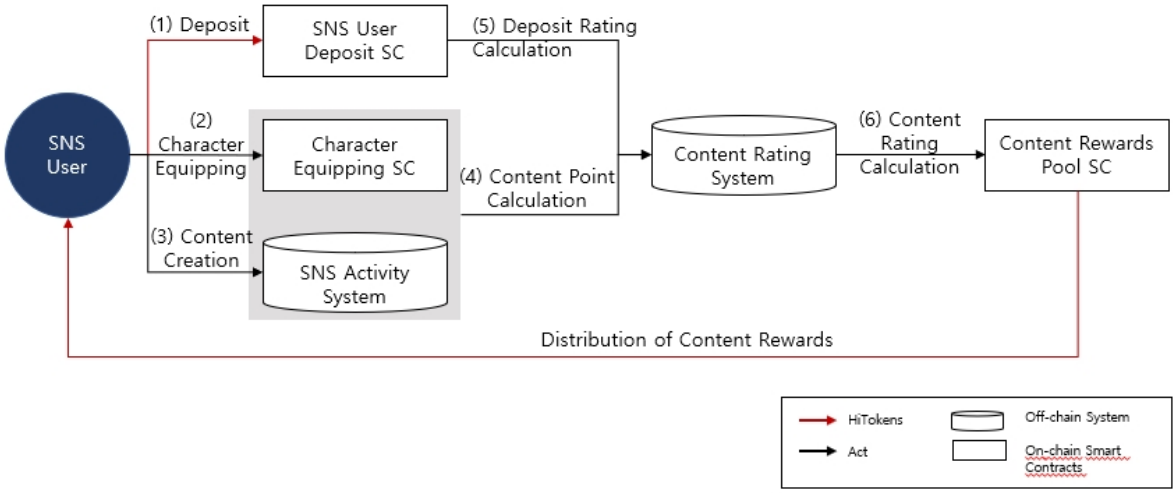
- Corporations found to have created malicious advertisements
  - After a company surpasses more than [12)]N_{ai} strikes for malicious ads, their advertising rights will be suspended.

❼ Hunter Ban and Ejection

- Reduced token deposit
  - The hunter's token deposit will be deducted and hunter eligibility will be automatically suspended if the amount falls below the minimum deposit.
  - Hunters disqualified due to reduced token deposits will be reinstated immediately upon depositing the minimum deposit amount.
- Creation of harmful content
  - If a hunter generates harmful content as an SNS user, this will disqualify the individual from being a hunter. Based on the conditions of suspension, the hunter's rewards and penalties will be determined.
- Voluntary withdrawal from the hunter program
  - Hunter's points will be deducted.
  - If the points are negative after deduction, the deposit will be returned.
  - If points are at zero or positive after deduction, no deposit cuts will occur and rewards will not be distributed. The points will not count towards the hunter's ratings.

4.3. Content Reward Mechanism

(Content Reward Mechanism)



❶ Deposit

- Deposit Strength
  - SNS users can deposit tokens into SNS user deposit smart contracts to get additional content and voting points.
  - There is no limit to the amount that may be deposited and used for the determination of classes.
- Deposit Class Conditions
  - hiblocks records the deposit amount of SNS users [13]N_{sm} minutes after completion of reward distribution. This is later used to calculate the deposit class.
  - Deposits may be made after this period, but will not change the deposit class. Deposited tokens cannot be collected until the next reward distribution period.
  - Deposited tokens can be redeemed when the next reward distribution is completed.

❷ Character Equipping

- Character Equip Effect
  - SNS users can attach a character to get additional content and voting points.
  - Characters will earn extra points for various activities in hiblocks.
- Character Effect Conditions
  - Only one character can equipped at a time for point boosts.
  - hiblocks records the character status of SNS users [13]N_{sm} minutes after the distribution of rewards. This is used to calculate the content point boosts until the next period. The character may be changed, but this will not reflect until after the next reward period.
  - If a character change is made, the character changes will be reflected after the next reward distribution period.
- Character Acquisition
  - Characters can be earned by completing achievements or through purchase. Achievements will be in the form of missions, such as liking content 1000 times.
  - Character purchases are available on character/skin sales page in hiblocks. First, an SNS user inputs a character or skin into a character or skin smart contract and deposits the corresponding purchase amount. If the amount is correct, the character is provided through the smart contract.
  - For the purpose of recording achievements, certain actions of SNS user accounts are recorded and entered into the achievement smart contracts through the achievement system. Upon input, characters are provided to SNS users through the achievement smart contract accordingly.
- Skin Acquisition
  - Skins can also be obtained in the same way as characters, but will not affect any rewards.

❸ Content Creation

- Content Type

- SNS users can create three types of content: playlists, posts, and comments.
- HiQuests are not considered content, but the playlists, posts, and comments created between HiQuest participants are recognized as content.

○ Content Creation

- SNS users create playlists by curating various videos and images from hiblocks linked social media platforms.
- SNS users create posts by writing articles, images, videos, etc. that they want to share with other hiblocks network participants.
- Create and post comments about playlists and posts.

❹ Content Points Calculation

(Content Reward Estimation Process)

Content Generated By A	Number of Curations Acquired by Content	Content Point Estimation (Reflecting the Deposit Addition)	Content Rating	Distribution of Rewards
Content 1	250 Votes, 300 Likes, 20 Shares	5,340 Points	1 Rating	3,050 HiTokens
Content 2	100 Votes, 100 Likes, 50 Shares	2,200 Points	3 Rating	450 HiTokens
Content 3	30 Votes, 80 Likes, 5 Shares	6,900 Points	4 Rating	150 HiTokens

○ Earn points for content creation

- SNS users earn content points for all past content and newly created content.
- Content is given a score based on votes, likes, shares received during $^{4)}N_{nr}$ weeks. However, votes, likes, and shares previously rewarded will be excluded.
- Formula: Individual Content Points : {(Votes $x^{14)}N_{cv}$) + Likes + (Shares $x^{15)}N_{cs}$)} x Character Score x Deposit Grade

$$CPi = \{(V*Ncv) + (S*Ncs) + L\}*Ci*Si$$

CPi: Content "I" – Content Points

V: Votes content has received

Ncv: Weighted voting count

S: Shares

Ncs: Weighted shares

L: Likes content has received

Ci: Character bonus

Si: Points based on deposit class

❺ Calculation of Deposit Based Classes

- Deposit Class Effect
  - Additional points can be added to content points with the class calculated through the SNS user deposit smart contract.
- How to calculate deposit class
  - According to the deposit amount of the SNS user, a deposit class is calculated.
  - Deposit class is divided into n classes from [16)] N_{sl}^{1} ~ N_{sl}^{n} and the proportion of people within each class is the same.
  - If the deposit amount is the same, the account created earlier takes priority.
  - SNS users can earn additional content points at a rate of [17)] N_{sp}^{1}~ N_{sp}^{n} dependent upon the deposit class. The higher the deposit class of the SNS users, the higher the rate.

❻ Calculate Content Rating

- Content points calculation
  - Through the content rating system, the final calculated content points are calculated by adding the calculated content points and additional points as added through the deposit rating.

- The content rating is determined based on the final calculated content points.
- The class and points are reset after each reward distribution period.

○ Rating criteria

- The content rating is divided into n ratings from [18)] N_{cl}^{1} ~ N_{cl}^{n} and the proportion of content occupying each rating level is the same.
- If the content points are the same, the content is prioritized by order of creation.

❼ Content Reward Distribution

○ Distribution of rewards by content rating

- Depending on content rating, HiToken rewards are calculated at a rate of [19)] N_{cf}^{1}~ N_{cf}^{n}. The higher the content rating, the higher the reward amount.
- SNS users receive all HiTokens into their personal wallets.

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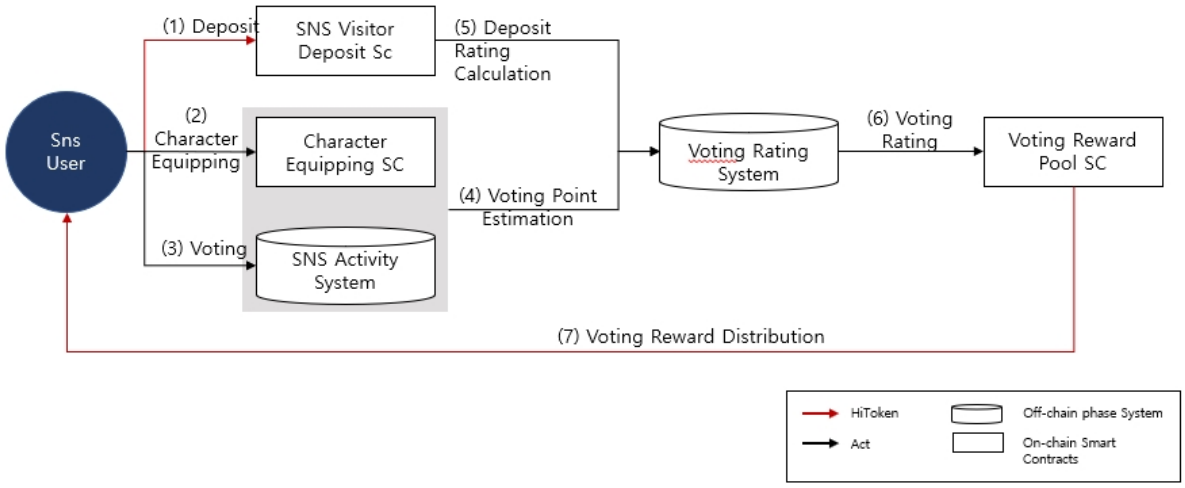
4.4. Voting Reward Mechanism

(Voting Reward Mechanism)



❶ Deposit

- Same as Content Reward Mechanism. (Refer to 4.3. Content Reward Mechanism - 1 for details)

❷ Character Equipping

- Same as Content Reward Mechanism. (Refer to 4.3. Content Reward Mechanism - 2 for details)

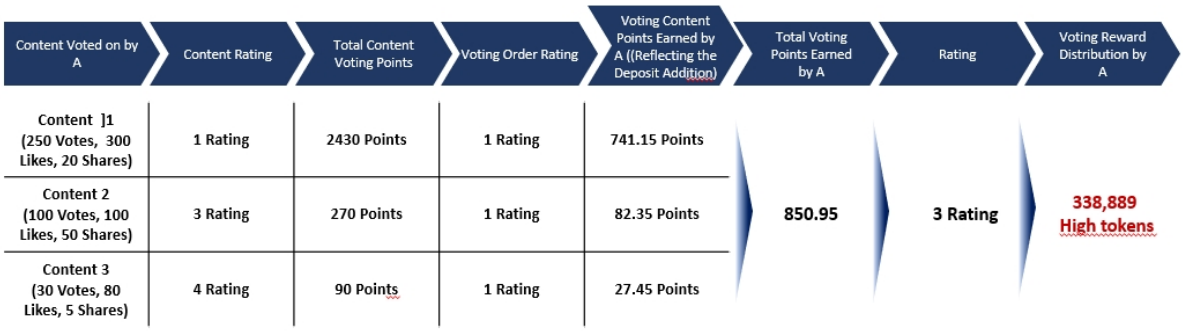
❸ Voting

- Voting Limitations
  - Incentives for increasing participation are created through voting points which can be earned by the act of voting.
  - Voting waiting period will be open $^{4)}N_{nr}$ to $^{20)}N_{vn}$, and the voting rate will be kept consistent.
  - The recharge period is increased at a rate of $^{21)}N_{vc}$% for each deposit class.
- Content Voting

- SNS users can vote on their favorite content. At this point, voting is allowed once per reward period for on piece of content.
- Liking and sharing is reflected in content rating, but not in voting rewards.

❹ Voting Points Calculation

(Voting Reward Estimation Process)



※ with the assumption of 10 people voting on each piece of content

- Earn points by voting
  - SNS users earn voting points according to the content they've voted upon.
  - Voting points are calculated during $^{4)}N_{nr}$ weeks for each piece of content by SNS users.
- Calculate voting points by content rating
  - Dependent on the content rating, a score from $^{22)}N_{vp}{}^{1}$ ~ $N_{vp}{}^{n}$ the total amount of voting points for each piece of content is determined.
  - The higher rating the rating of the voting content, the greater amount of voting points earned by the SNS users voting on the content.

- Calculate voting points according to voting order
  - Divide the number of ratings n by [23)]N_{vt}^1~ N_{vt}^n dependent upon the order of voting and earn points according to [24)]N_{vo}^1~ N_{vo}^n%.
  - The higher the voting grade, the more points allocated to the piece of content.

❺ Calculation of Deposit Based Classes

- Same as Content Reward Mechanism. (Refer to 4.3. Content Reward Mechanism - 5 for details)

❻ Voting Class Confirmation

- Final Calculation
  - By the voting rating system, the final voting point total is calculated through the addition of voting points and the deposit points.
  - Voting class is determined by the final calculated voting points.
  - The class and points are reset after each reward distribution period.

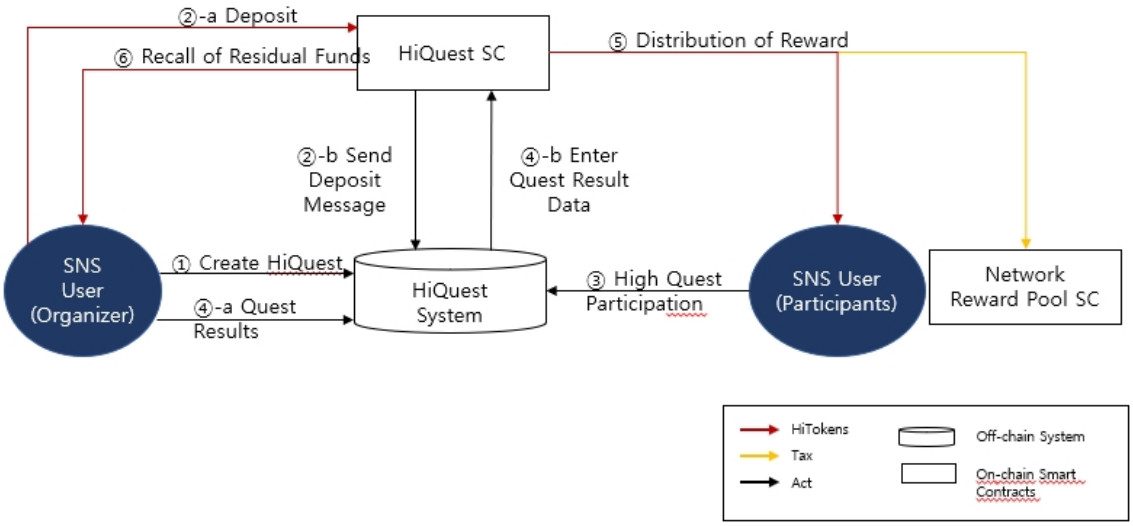
- Voting Class Basis
  - Voting class is divided into n grades from [25)]N_{vl}^1 ~ N_{vl}^n and the proportion of SNS users in each class is equal.
  - If voting points are tied, the account created first maintains the higher rank.

❼ Voting Reward Compensation

- Rewards based on voting class
  - Dependent upon voting class, HiToken rewards are calculated by [26)]N_{vf}^1~ N_{vf}^n amounts. The higher the voting class, the higher the reward.
  - SNS users receive HiTokens into their personal wallets based on their voting class.

4.5. HiQuest Mechanism

(HiQuest Mechanism)



❶ HiQuest Creation

- HiQuest Content
  - SNS users register HiQuests by filling out the content, category, and timeline of the quest. HiQuests may be quests such as visiting a company or commenting on events.
- Quest Result Methodology

- After setting a description and timeline, a reward method will be set. The HiQuest organizer chooses a reward method and the system automatically sets one.

- Set Reward Level
  - Setting the reward amount and number of participants, the HiQuest setup is complete. The rewards can be equally distributed or rewarded according to ranking.

❷ Deposit

- HiToken Deposit
  - SNS users who wish to register for HiQuest complete registration by making a deposit into the HiQuest smart contract.
  - The deposit amount is the amount set by the organizer.
- HiQuest Board
  - HiQuests that have been setup with the proper deposit will be posted on the HiQuest board.

❸ HiQuest Participation

- HiQuest Searching
  - SNS users can search for desired HiQuests on the HiQuest Board.
- HiQuest Joining
  - SNS users who find a desirable HiQuest press the join button on the HiQuest page.
- HiQuest content points, voting points, influence degrees
  - HiQuests are not reflected in content points and voting points.
  - All content creation, votes, and likes that occur during the HiQuest will be reflected in the content points and voting points.

❹ Entering of HiQuest Result Data

- HIQuest Ends
  - HIQuest ends at a time set by the organizer.
  - After the end of the HiQuest, additional participation is not permitted.
- Quest Results
  - At the end of the quest period, the results will be recorded.

- If the quest is to be automatically determined, the HiQuest system automatically determines the result.
- If the HiQuest organizer chooses to enter the quest results directly, the results must be completed and entered into the HiQuest system within $^{27)}N_{qt}$ days. If not completed within $^{27)}N_{qt}$ days the result is automatically calculated.

○ Entering of Quest Result Data

- Enter quest results from the HiQuest system into the HiQuest smart contract.
- When the result is automatically selected, the input data is automatically calculated by the HiQuest system.
- The HiQuest organizer must enter the result data within $^{27)}N_{qt}$ days. If an incorrect value is entered, the ranks of all participants are entered as the same.
- If the HiQuest organizer fails to enter the results within $^{27)}N_{qt}$ days, then all the ranks are entered as the same.

❺ Reward Distribution

○ HiQuest Participant Reward Distribution

- The HiQuest smart contract distributes the rewards to the HiQuest participant's wallets according to classes and reward levels entered in the quest results. For now, the amount distributed excludes the network tax.
- If all members are the same rank, the full amount of HiQuest deposits, excluding network taxes, are distributed equally to all participants of the HiQuest.

○ Network Reward Pool

- For HiQuest rewards, $^{3)}N_t$% is the network tax rate that flows into the SNS reward pool.

❻ Residual Money Recovery

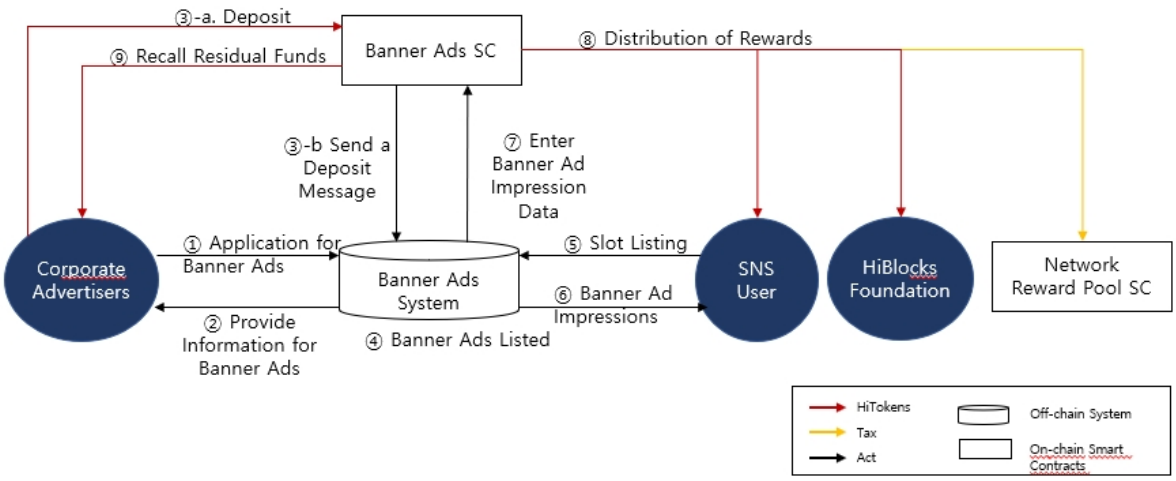
○ HiToken Refund

- If the number of HiQuest participants is less than the preset number, the remaining balance (HiQuest smart contract,

deposit/participant/reward/network tax) will all be refunded to the host of the HiQuest.

4.6. Banner Advertising Mechanism

(Banner Advertising Mechanism)



❶ Banner Advertisement Application

- Apply through the banner advertising system
  - Corporate advertisers apply to the banner advertising system by filling in the ad content, price conditions, number of advertisement slots, SNS user targeting, and the advertisement period.
- Apply for banner advertisement
  - The content of advertisements are corporate images or advertisements.
  - Price terms can be set to CPC(Cost Per Click), CPA(Cost Per Action), CPI(Cost Per Installation), CPM(Cost Per Mille).
  - The number of ads in a slot refers to the mac number of ads that can fit into a slot. If the number is smaller, the advertisements per slot will be higher and more concentrated.
  - SNS user targeting information consists of interest categories, likes, shares, and user codes. With this information, corporate advertisers can then set up the appropriate slots.
  - Advertising period refers to the total time of exposure per banner.

❷ Provide Banner Advertisement Listing Information

- hiblocks foundation Advertisement Implementation
  - hiblocks foundation checks the content of the advertisements through the banner advertisements system.
- Censorship
  - If a corporate advertiser requests an advertisement deemed inappropriate, hiblocks may refuse posting.
  - $^{12)}N_{ai}$ is the number of strikes an account may have until the account is permanently suspended by the hiblocks foundation.
- Send Advertising Information
  - The completed advertisement is delivered back to the client as a confirmation message along with details of the posting (price condition, number of advertisements in the slot, user information targeting details).

❸ Banner Deposit Fee

- Check advertisement content
  - Corporate advertisers check the banner design and accept the visuals of the posting.
- Deposit into banner advertisement smart contract
  - Accept the advertisement, and then deposit tokens into the banner advertisement smart contract.
  - The minimum deposit is the CPM price x $^{28)}N_{an}$. The deposit made is based on the suggested advertisement type. The advertising price is based on CPC, CPA, and CPI.
- Send deposit message
  - Once a deposit is made into the banner advertisement smart contract, the deposit is delivered to the banner advertisement system.

❹ Banner Advertisement Listing

- Screen Deposit Details

- The banner advertising system automatically checks if the deposit amount is above the minimum.
- If the deposit is less the minimum, a reconfirmation message will be sent to the corporate advertiser.

- List Banner Ads into Slot Auction
  - If there are no abnormalities with the deposit, it will be listed into the slot auction according to the specifications (price condition, number of advertisements per slot, user targeting information, and corporate advertiser information).

❺ Slot List

- Slot configuration for SNS users
  - SNS users configure the number and location of slots, excluding commenting area.
  - The number of slots refers to the number of slots per content.
  - The location of the slot refers to if the content will be in the top, middle, or bottom of the slot.
  - The hiblocks foundation has a default setting for the configuration and location if not set by each SNS user.
- Slot condition setting
  - SNS users set the number of advertisements per slot, price conditions, and company codes.
  - After this setting, the advertisements shown will match these specifications.
  - Company codes are the unique codes of the company's advertising accounts. SNS users can execute a specific contract with an advertiser with this code.
- SNS user participation in slot auctions
  - When slot setup is complete, the slot auction button is pressed to join.
  - When participating, slot conditions and user information will determine how the banner advertisement system operates for each user.

- Slots without any setup will not be posted into the slot auction and the slot will remain blank.

❻ Banner Advertisement Impression

- Automatic Slot Matching
  - Auctions run automatically based on information provided by corporate advertisers and SNS users within the banner advertisement system.
  - Matches are made if the slot condition of the SNS user and the advertiser's conditions are the same. Or if the price condition of the advertiser is higher but the other conditions match.
  - At this time, the banner ads with the highest price offering fill the slots. The standard pricing policy is CPM.
- Banner Advertisement Impression
  - Banner advertisements that match slots are sequentially displayed in the order of advertisement price. At this time, the standard pricing policy is CPM.
  - Banner advertisement system performs banner advertisement exposure based on matching record.
- Impression Data Recording
  - [29)]N_{oc} weekly banner ad exposure records are recorded in the banner ad system.

❼ Impression Data Collection

- Banner Advertisement Fee Estimation
  - Calculate banner advertising fees so that rewards can be distributed when advertising exposure data is entered into banner advertising smart contracts.
  - In designing, the processing level of input data should be decided by considering the functional level of banner advertisement smart contract.

❽ Reward Distribution

- Slot Provider Reward Distribution

- Depending on the value entered in the banner advertising contract smart contract, the amount deposited by the corporate advertiser is rewarded to the SNS users who provided the slots. This excludes network taxes and compensation provided to the hiblocks foundation.
- Each SNS user's reward is multiplied by the number of actions per company advertiser's price and actual advertising conditions.
- If the amount of money deposited in the banner contract smart contract is distributed to the SNS users who provided the slots, the reward is distributed from the SNS users who present high CPM.

○ Receive hiblocks foundation Fee

- [30]N_{aj}% of the advertising fee received by SNS users is provided by the hiblocks foundation.

○ Netowrk Reward Pool Inflow

- [3)]N_t% of SNS users' advertising fees go into the network reward pool as network taxes.

❾ Residual Money Recovery

○ HiToken Refund

- If a deposit is left in the banner ad contract smart contract after the end of the advertisement period set by the corporate advertiser, the amount is returned to the corporate advertiser.
- If you want to maintain the advertising conditions, you can cancel the deposit refund in the banner advertising system and extend the advertising period. However, if the minimum deposit amount is insufficient due to the extension of the advertisement period, additional deposit is required.

○ Stopping Advertising Services

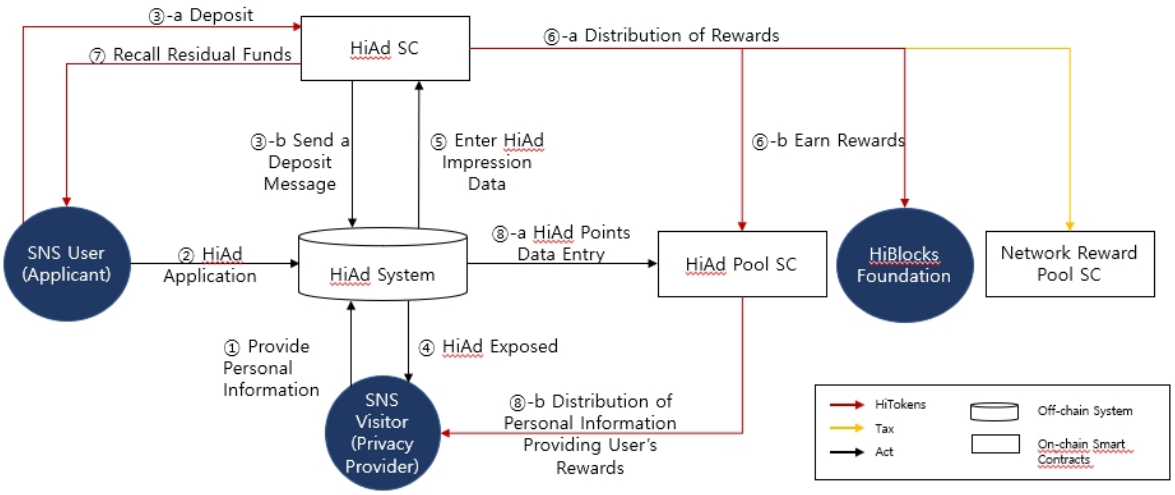
- If the remaining deposit for a corporate advertiser drops below [31)]N_{aw}% a warning message is sent to recommend further deposits.
- If there is no remaining deposit of banner advertisement smart contract after distribution of compensation, advertisement

delivery will be stopped. If the advertisement is suspended, you must make a deposit of (unpaid amount + minimum deposit).

- In the event of non-payment of advertising charges, the minimum deposit per unpaid deposit will increase by [32] N_{ad}%.
- If there is no deposit in the banner ad contract smart contract before the end of the ad period, the advertisement will be stopped.

4.7. HiAd Mechanism

(HiAd Mechanism)



❶ Provide personal information

- (Refer to 4.2. Account Management Mechanism - 1 for details)

❷ Apply to HiAd

- Content creation
  - SNS users create content.
- Target setting

- SNS users can go to the HiAd target setting page by clicking the HiAd button in the article.
- Set personal information (gender, age, region, interest category), desired exposure, and exposure period to promote the article.

- Ad fee setting
  - Advertisement fee Determined based on a fixed advertising fee [48)] N_{ph} per HiAd impression.

❸ HiAd Deposit Fee

- HiAd smart contract deposit
  - SNS users applying for HiAd must deposit their advertising amount into the HiAd reward smart contract by multiplying the number of advertisements per impression by the number of desired impressions.
- Send deposit message
  - When the deposit is made to the HiAd smart contract, the application completion message is sent to the HiAd system.

❹ HiAd Exposure

- Targeting Settings
  - The hiblocks foundation identifies target information (gender, age, region, interest category) and selects SNS users who match the stored personal information.
- HiAd Progress
  - The hiblocks foundation exposes HiAd within the interface of selected SNS users.
  - When the actual number of impressions reaches the desired number of impressions, HiAd ends.

❺ HiAd Exposure and Data Entry

- Fee calculation
  - The HiAd system calculates the final HiAd reward amount based on the product of the advertising cost per impression and the actual number of impressions during the HiAd exposure period.

❻ Reward Distribution

- hiblocks foundation reward distribution
  - At the end of the desired exposure or at the end of the advertising period, [33)]N_{ah}% of the final advertising fee will be distributed to the hiblocks foundation.
- Network Reward Pool Inflow
  - Among the HiAd rewards received by SNS users, [3)]N_t% is the network tax and flows into the network reward pool.

- HiAd Earning Pool
  - At the end of the advertising period or at the end of the advertising period, (100-[33)]N_{ah}-[3)]N_t)% of the final advertising fee will be credited to the HiAd pool.
  - Every [4)]N_{nr} shares, the entire amount in the HiAd pool is rewarded to SNS users who provide personal information.

❼ Residual Money Recovery

- HiToken Refund
  - If a deposit is left, the difference between the deposit and the actual advertising fee paid will be returned to the HiAd applicant's wallet.

❽ Distribution of Rewards to SNS users who provide personal information

- HiAd Point Data Input
  - Calculate the HIAd points of SNS users who provided personal information in the HiAd system based on the [4)]N_{nr} state and input the result into the HiAd pool smart contract..
  - HiAd points earn one point depending on the type of personal information provided and one additional point for each category of interest.

- Compensation level for each SNS user is determined by the share of HiAd points.

$$Rpi = L * \frac{Pi}{Pa}$$

Rpi: SNS user "i" who disclosed personal information – Rewards Assigned

L: Amount of rewards within the HiAd pool

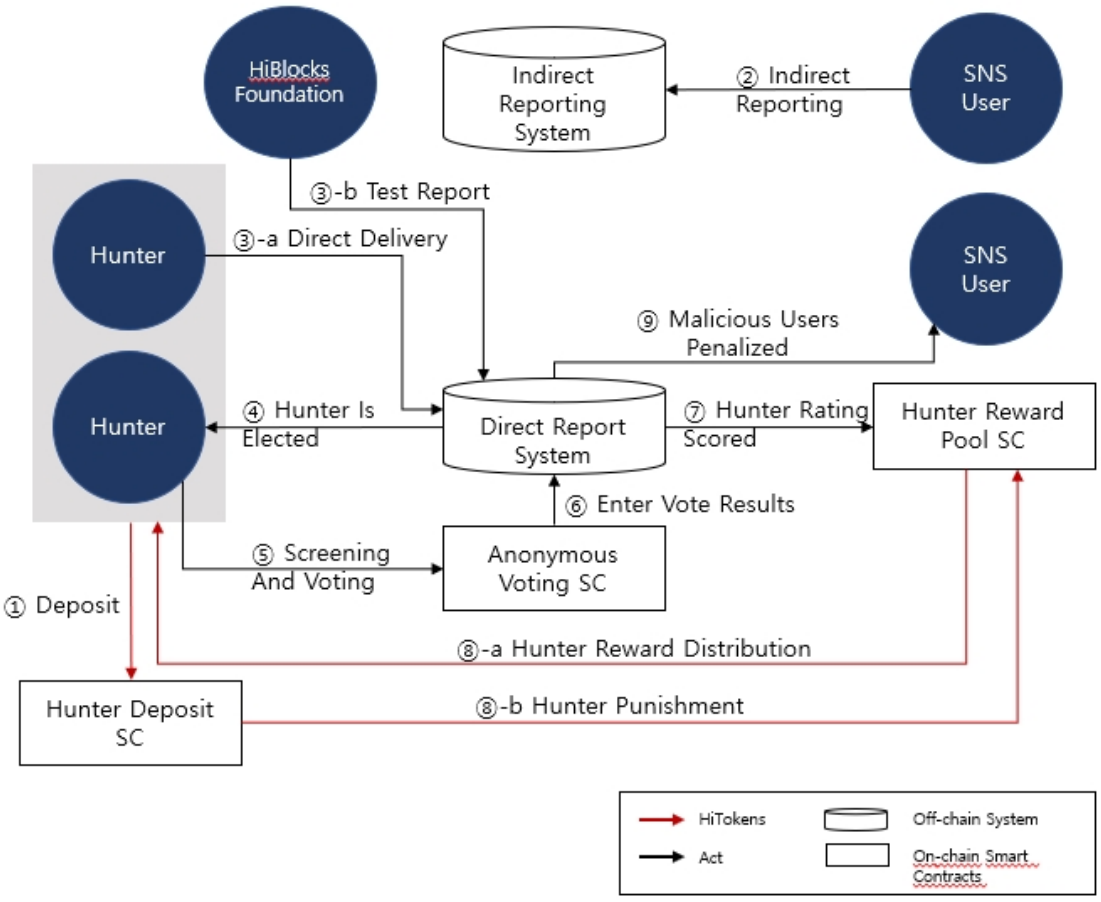
Pi: SNS User "I" – HiAd Points

Pa: Summation of HiAd points for all SNS users

- Distribution of personal information provider compensation
  - The rewards are distributed in the HiAd pool according to the entered HiAd points, after which the HiAd points are recalculated.

4.8. Inappropriate Content Censoring Mechanism

(Malicious Content Management Mechanism)



❶ Deposit

- (Refer to 4.2. Account Management Mechanism - 4 for details)

❷ Indirect Report

- SNS user's content report
  - General SNS users can report through the report button within the content when they check the content that is considered harmful.
  - At this time, general SNS users can only report once per content.

- Penalties and Rewards for SNS Users
  - General SNS users do not have any penalties and rewards for indirect reporting.
- Indirectly flagged content action
  - Contents that a general SNS user presses the report button will be uploaded to the indirect report system. The more indirectly reported content, the higher the indirect report system.
  - Content in the indirect reporting system will not be distributed to hunter, and the content will not be suspended or sanctioned.

❸ Report Directly

- Report hunter's Content
  - Hunter finds content to report directly, or selects content from the indirect notification system and registers in the direct notification system.
  - At this time, hunter registers the supporting materials for other hunters to review the contents of the report.
  - When registering a direct notification system, hide the reported hunter's account so that the subject of the report cannot be known. This allows the reporter to determine the propensity of the reported hunter, making it impossible to predict the voting results in advance, and to proceed with the test report of the hiblocks foundation.
  - Hunters who find content that is allegedly hijacked can register it directly in the reporting system. At this time, the evidence for the original author should be provided.
- Test Reports from the hiblocks foundation
  - The hiblocks foundation may register test reports in the notification system directly to improve the quality of the audit.
  - Because the other hunter is not aware of the hunter's account, the hiblocks foundation's report cannot be distinguished.
  - At this time, the contents reported by the hiblocks foundation should be content that can be objectively evaluated as not harmful.

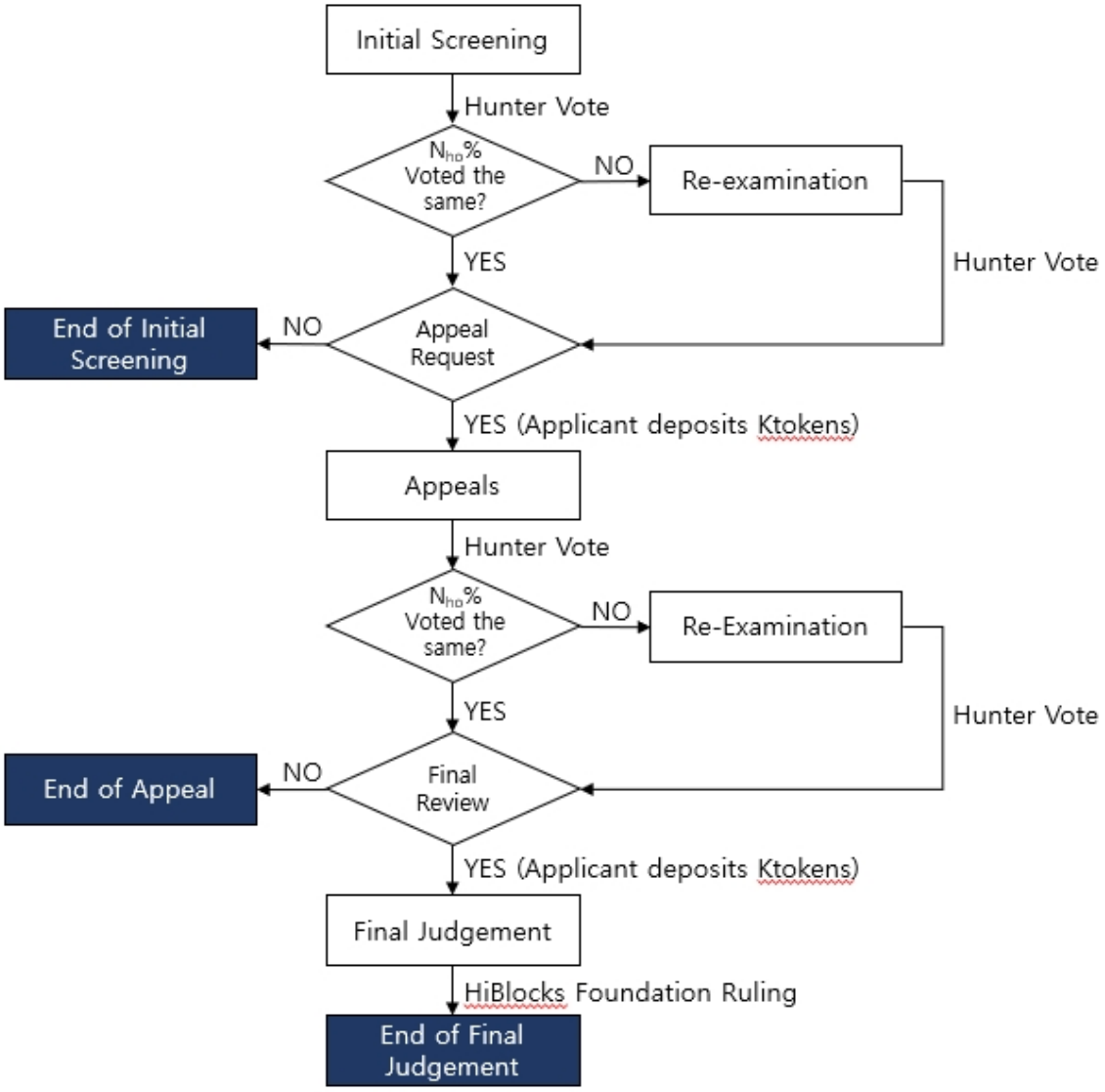
- Manually flagged content action
  - Content uploaded directly to the notification system will be distributed to the elected hunters sequentially according to the notification registration time.
  - Content that has not yet started voting can be removed from the reporting system by the hunter who reported it.
  - Content registered in the direct notification system will be suspended from editing and updating until hunter's review.

❹ Elected hunter

- Election of hunters
  - [34)]N_{hn} of the total hunters will be randomly selected and no hunters will be revealed until the review and ruling is complete.
- Maximum number of audits
  - A maximum of [35)]N_{hc} judges may be elected per hunter at the same time. hunter is more likely to participate in more judging as soon as he completes the assigned judging.
  - For example, if there are [35)]N_{hc} audits currently selected for a particular hunter, that hunter will not be elected further. If a hunter completes one review, he or she may be elected to one additional review. The criterion of completion of examination is the point at which your vote is terminated regardless of the termination of examination.

❺ Judging and Voting

(Hunter Screening Process)



- Review Process
  - The elected hunter will screen the content for harmfulness based on supporting documentation and the content creation policy provided within the report
  - After completing the review, the hunter sends the vote to YES / NO on the anonymous voting smart contract.
  - Hunters' voting is anonymous, so each hunter does not know the voting result until the jury is published.

- If the result of voting is greater than [49)]N_{ho}% of the elected hunter, voting on the same result, the review will be terminated..
- If you disagree with the results, the SNS user who created the content or the hunter who filed the report may request an appeal. When requesting an appeal, the review will be conducted in the same way as the initial review.
- Even after the appeal, the SNS user who created the content or the hunter who filed the report may request the hiblocks foundation for a final appeal. The hiblocks foundation reviews this and makes a final decision, with no further objection or reversal.

- Examination deadline
  - Hunter shall review the reported content within [36)]N_{ht} days from the day of receiving the screening, otherwise hunter Points will be deducted.
  - At the time of the final appeal, the hiblocks foundation must review the reported content within [36)]N_{ht} days.
- Review Process
  - At the time of re-examination, [34)]N_{hn} hunters will be randomly electred, except for [34)]$N_{hn\ hunter}$s who participated in the previous ballot.
  - If the result of the reexamination voting is that more than [49)]N_{ho}% of the elected votes on the same result, the judging will end.
  - If, as a result of the reexamination voting, more than the elected [49)]N_{ho}% does not vote for the same result, the content is considered to be non-hazardous, and the content is judged to be harmless and the examination ends.
  - This can happen in both the initial and appeal appeals. Test review will not be re-examined.

- Appeal Process
  - Within [37)]N_{rc} days after the release of the review results, SNS users and hunters who created the content may request an appeal. The

entity requesting the appeal shall deposit [38)]K_{rh} tokens in the hunter Deposit Smart Contract.

- Appeals will be randomly elected by [34)]$N_{hn\ hunter}$s, except for those who participated in the initial review. If a re-review was undertaken at the time of the initial review, the re-reviewed hunter is also excluded.
- The audit proceeds in the same way as the previous audit process.
- If there is no request for an appeal, compensation / punishment will be based on the results of the initial review.

- Final Review Process
  - Subjects with objections to the results of the appeal (hunters or SNS users who created the content to be judged) may submit a final appeal to the hiblocks foundation within [37)]N_{rc} days. The entity requesting the appeal shall deposit [38)]K_{rh} tokens in the hunter Deposit Smart Contract..
  - After the hiblocks foundation makes a decision on the issue, there is no further review and all deferred compensation and penalties are enforced.

❻ Calculation of voting results

- Announcement of examination results
  - The content will be judged as harmful content only if the YES vote of [49)]N_{ho}% or more is found in the initial review or appeal.
  - If there is no appeal or appeal, the final result of the initial review will be calculated.
  - The results of the review will be announced to the entire hunter and the SNS user who created the content.
- Postponing Results
  - In the case of an appeal or appeal, all compensations and penalties based on the results of the existing examination will be postponed.

❼ hunter Class Confirmation

- Hunter point calculation criteria
  - Accumulated hunter Points will be calculated only for examinations for which the final verdict has been completed for [4)]N_{nr} weeks. Appeals, reviews, or examinations within the applicable reporting period are excluded.
- Points deducted due to lack of participation
  - If hunter does not participate in the review within [36)]N_{ht} days of receiving the assignment, hunter will be deducted hunter Points as shown below..
    - Hunter point [39)]N_{nh} point deduction(-)
- At least [49)]N_{ho}% of the respondents voted for the same result at the initial or re-examination
  - If the result is YES, each hunter will be awarded / deducted hunter Points as shown below.
    - Reported hunter: hunter Point [40)]N_{hw} point addition(+)
    - Hunter voted on YES: hunter Point [41)]N_{pw} point addition(+)
    - Hunter voted NO: hunter Point [42)]N_{hf} point deduction(-)
  - If the result of the vote is NO, each hunter will be awarded / deducted hunter Points as shown below.
    - Reported hunter: hunter Point [43)]N_{pl} point deduction(-)
    - Hunter voted on YES: hunter Point [42)]N_{hf} point deduction(-)
    - Hunter voted on NO: hunter Point[41)]N_{pw} point addition(+)
- At least [49)]N_{ho}% did not vote for the same result in the initial review.
  - If no more than [49)]N_{ho}% have the same vote result, each hunter will be awarded / deducted hunter Points as shown below.
    - Self-reported hunter: No point change
    - Hunter voted on YES: hunter Point [41)]N_{pw} point addition(+)
    - Hunter who voted NO: hunter Point [41)]N_{pw} point addition(+)
- At least [49)]N_{ho}% voted on the same result at the appeal or reexamination.
  - If the result is YES, each hunter will be awarded / deducted hunter Points as shown below.
    - Reported hunter: hunter Point [40)]N_{hw} point addition(+)
    - Hunter voted on YES: hunter Point [41)]N_{pw} point addition(+)

- Hunter voted NO: hunter Point [42)]N_{hf} point deduction(-)

▪ If the result of the vote is NO, each hunter will be awarded / deducted hunter Points as shown below.

- Reported hunter: hunter Point [43)]N_{pl} point deduction(-)
- Hunter voted on YES: hunter Point [42)]N_{hf} point deduction(-)
- Hunter voted on NO: hunter Point[41)]N_{pw} point addition(+)

○ More than [49)]N_{ho}% did not vote for the same result in the review of the appeal.

▪ If no more than [49)]N_{ho}% have the same vote result, each hunter will be awarded / deducted hunter Points as shown below.

- Self-reported hunter: No point change
- Hunter voted on YES: hunter Point [41)]N_{pw} point addition(+)
- Hunter who voted NO: hunter Point [41)]N_{pw} point addition(+)

○ At the end of the final judging

▪ If the final judging result is YES, hunter points will be earned / deducted as shown below.

- Reported hunter: hunter Point [40)]N_{hw} point addition(+)
- Hunter voted on YES: hunter Point [41)]N_{pw} point addition(+)
- Hunter voted NO: hunter Point [41)]N_{pw} point deduction(-)

▪ If the final judging result is NO, each hunter will be awarded / deducted hunter Points as shown below.

- Reported hunter: hunter Point [43)]N_{pl} point deduction(-)
- Hunter voted on YES: hunter Point [42)]N_{hf} point deduction(-)
- Hunter voted NO: hunter Point [41)]N_{pw} point addition(+)

○ Compensation and punishment for test report examination

▪ The result of the test report is obtained / deducted as follows, regardless of the voting result.

- Hunter voted on YES: hunter Point [42)]N_{hf} point deduction(-)
- Hunter who voted NO: hunter Point [41)]N_{pw} point addition(+)

○ Hunter Rating

▪ Rank individual hunters based on calculated hunter Points.

▪ At this time, the hunter Reward level is calculated for [4)]N_{nr} weeks. hunters who have not participated in the review at all for [4)]N_{nr} weeks will earn negative points.

- Hunter ratings are divided into n ratings, ranging from $^{44)}N_{hl}^{1}$ ~ N_{hl}^{n} and the proportion of hunters occupied by each rating is the same.

❽ Hunter Reward Distribution and Punishment

- Hunter reward distribution
  - Dependent upon hunter level, HiToken rewards will be divided by $^{46)}N_{hr}^{1}$~ N_{hr}^{n}.
  - Hunters who participate in the judging at least once during that time period and whose hunter Points are not negative will receive a reward for each class. The higher the grade, the higher the reward.
- Hunter punishment for improper screening
  - Hunters with negative hunter Points will be deducted from -1 to $^{45)}N_{ha}$% of tokens during that period.
  - The deducted tokens will be transferred to the hunter Rewards full smart contract and used for the hunter Rewards distribution in the next reward period.
  - Hunters whose deposits are lower than $^{38)}K_{rh}$ are suspended. After depositing an amount of more than $^{38)}K_{rh}$, you can once again participate.
- Hunter penalties for inappropriate appeals and reviews
  - If it is determined that the content is not harmful content, all tokens deposited by hunter during the screening process will be deducted and transferred to the hunter Reward Pool.
  - If the review determines that the content is harmful, all tokens deposited by hunter during the review process will be collected.

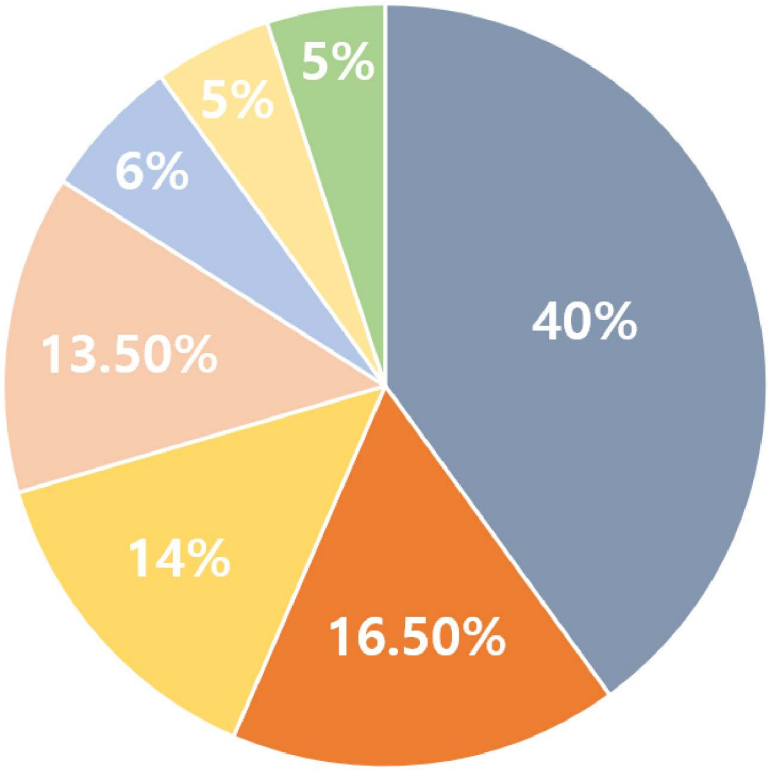
❾ Punishment of SNS users who created malicious content

- Punishment of SNS users with less than $^{11)}N_{ex}$ posts of malicious content
  - Content that is determined to be harmful by hunter's review will be blocked by the hiblocks foundation.

- The SNS user who created the content is excluded from any content and voting rating calculation during the next $^{47)}N_{st}$ weeks.

- Punishment of SNS users with more than $^{11)}N_{ex}$ posts of malicious content
  - The hiblocks account of the SNS user who uploaded the content determined to be harmful ($^{11)}N_{ex}$) is suspended.
- Punishment of harmful content generation SNS users that lose in appeal and final review
  - If it is determined that the content is harmful, the tokens deposited by the SNS user who created the content during the review process will be deducted and transferred to the hunter Reward Pool.
  - If it is determined that the content is not harmful content, all tokens deposited by the SNS user who created the content during the review process are collected.

05 Token Allocation



Reward(40%):
Lockup for 2month from the TGE and fairly distribute until +128month (10 years).

Company Reserve(16.5%):
No lock up, farily distribute until + 42 month

Team(14%):
Lock-up for 12month from the TGE and fairly distribute for 50 month.

Token Sales(13.5%):
Lockup for 1 month from the TGE and vesting period from 8 to 12month denpend on private sales condition.

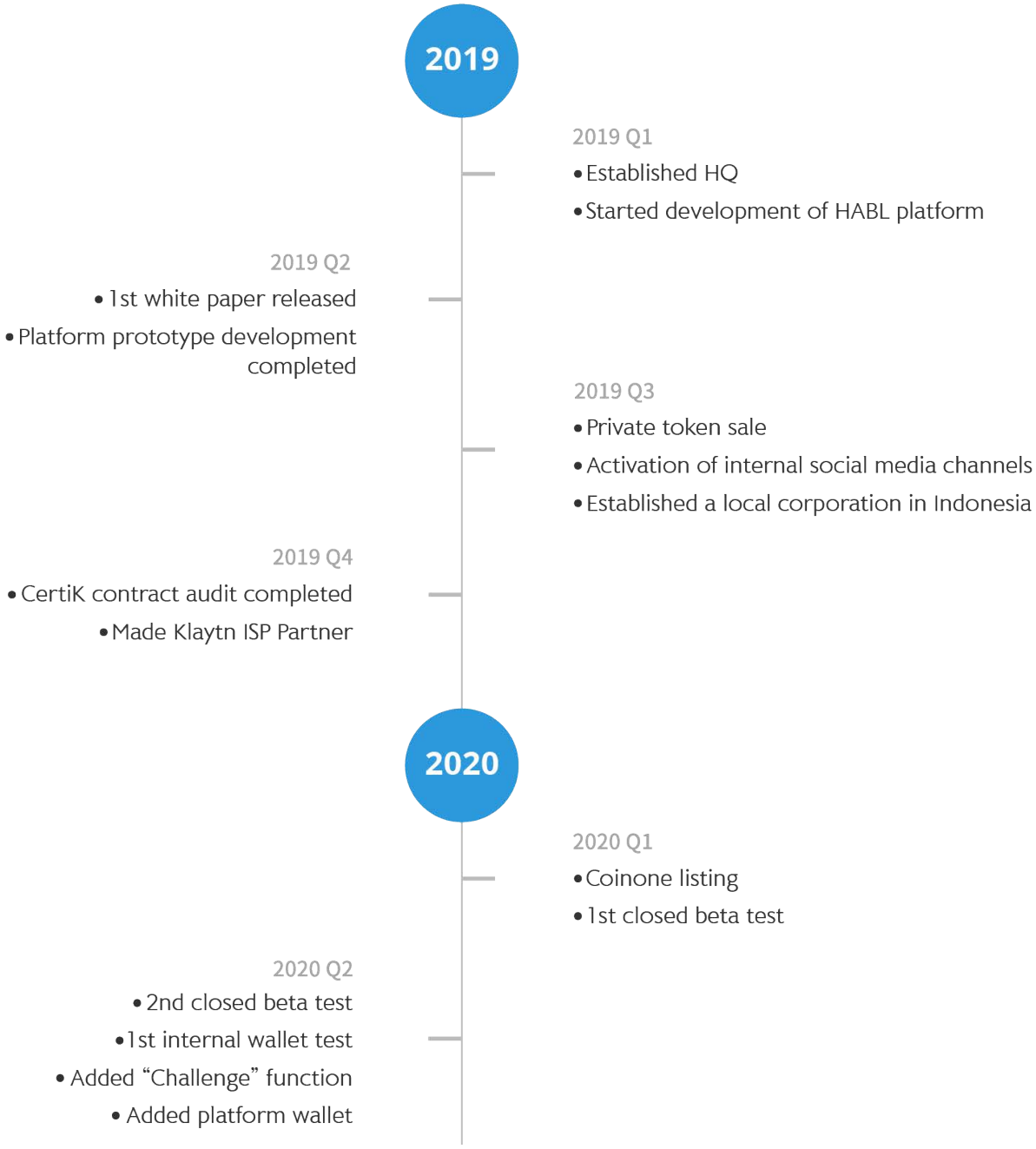
Marketing(6%):
No lock up, farily distribute until + 33 month

Partner(5%):
No lock up, farily distribute until + 33 month

Development(5%):
Lockup for 4month from the TGE and fairly dsitribute for 33 month.

06 What's Next for hiblocks?

hiblocks is planning to launch a blockchain-integrating revenue-sharing social media service this year and expand into six Asian countries, starting with Korea.



2020 Q3

- 1st open beta service
- Mainnet switching
- Registered on Google Play Store & App Store
- Added biometric function
- Registered On Indonesia App Store / Google Pl

2020 Q4

- Listed on Klaytn Klip
- Listed on CMC
- Blockchain identity authentication patent technology alliance
- Established a Research & Development department
- Added HABL messenger function
- Challenge Ad Beta Test

2021

2021 Q1

- Pick Commerce Beta Test Ver.1
- Acquired a patent for social media network m
- Acquired a patent for social network message
- Added feature to enable video player and uplo

2021 Q2

- HIBS Explorer Beta Test
- Acquired venture certification
- Live streaming protocol development

2021 Q3

- Pick Commerce Beta Test Ver.2
- Added space staking function
- De-Cert (non-fungible token)
- HABL Curation Bot Beta Test

2021 Q4

- Challenge Ad officially launched
- Started development of KLAYSwap (De-fi) utilization
- Challenge'RUN'

2022

2022 Q1

- Launch HABL application v2.0
- Launch HABL market service (NFT, E-COMMER

2022 Q2

- PFS (Production Funding System) BETA TEST
- "AR Challenge" feature BETA TEST

2022 Q3

- BLINK BETA TEST (game with hibs payment)
- Launch HABL explorer

2022 Q4

- Launch HABL Web Version
- Launch "HABL LAND" on Roblox

07 Conclusion

hiblocks aims to correct the shortcomings of existing social media network platforms and their monetization schemes by successfully integrating blockchain technology into its platform. Through a more secure and equitable platform, users can interact genuinely and receive a more equitable and rewarding experience from sharing their stories and content when utilizing and interacting with hiblocks.

08 Disclaimer

This white paper is not a prospectus or offer document of any kind and does not constitute an offer to investment in any jurisdiction. No person is obligated to enter into any contract or binding legal obligation by accepting terms and condition of this white paper. Nothing herein constitutes an opinion about or solicitation of an offer to sell any token by hiblocks.

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This white paper describes hiblocks' current vision for the platform. While hiblocks intend to attempt realize this vision, the planned roadmap and all details discussed in this white paper will be subject to changes and updates. We do not guarantee, represent or warrant any of the statement in this white paper, and do not indicate or implicate that there has been no change or development that is reasonably likely to be a material change in matters in any statement of facts or information contained in this white paper since the issuance date of this white paper, because they are based on current assumption, about which there can be no assurance due to various anticipated and unanticipated events that may occur.

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Participating in token purchases, digital assets and other cryptocurrencies carries a very high degree of risk. Potential buyers of any token (as described in this white paper) should consider all risks and uncertainties associated with hiblocks and/or other companies that are part of hiblocks, all information contained in this white paper. If any of these risks and uncertainties should develop into actual events, the business, financial condition, results of operations and prospects of hiblocks could be materially and adversely affected. In such cases, you may lose all or part of the value of the any token as described in this white paper.

All statements contained in this white paper, statements in press releases or anywhere available to the public, and oral statements that may be made by hiblocks, including their respective directors, officers or employees who act on their behalf and are not historical facts, are "forward-looking statements". Some of these statements are identified by forward-looking terminology such as "target", "target values", "anticipate", "believe", "may", "estimate", "expect", "if", "intend", "may", "plan", "possible", "likely", "project", "should", "would", "will" or other similar wording. However, these conditions are not the only means of identifying forward-looking statements. All statements about hiblocks ' financial position, business strategies, plans and industry prospects made by hiblocks are forward-looking statements. These forward-looking statements, including, but not limited to, about sales and profitability, prospects, future plans, other expected industry trends and other topics discussed in this white paper, are not historical facts and are only forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties.

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