

Lino Blockchain Overview

1. Vision

Video and live streaming content creators have worked relentlessly for years to provide good content; viewers spend a huge amount of time and money to support them. At the same time, giant platforms profit from those endeavors and have grown from their infancies into multibillion-dollar companies. The vast majority of content creators do not benefit from the financial gains of the businesses they helped to build but also have been forced to accept the disproportionate revenue sharing rules established by those platforms (typically, current platforms take a 30-50% cut from content creators' earnings). On top of that, higher monetization bars and unfair content promotion further threaten the survival of many content creators.

Giant platforms' exploitation of content creators is getting worse and worse due to the fundamental conflict of interests between creators and platforms owned by corporations. Corporations' fundamental interests are to maximize their own profits, not to share the profits with content creators and viewers. Leveraging blockchain technology, Lino aims to revolutionize the content sharing industry.

Lino's mission is to facilitate a **Value-sharing Content Economy** where content creators, viewers, and all other contributors are fully and fairly incentivized to maximize long-term economic growth in a sustainable way.

The Value-sharing Content Economy is designed based on three fundamental principles:

1. **No platform cuts:** to fully incentivize content creators, who are key to maintaining the long-term growth of content sharing platforms.

Apps (applications) utilizing the Lino blockchain should not take any cuts from direct payments between viewers and content creators. In the user-generated content sharing industry, long-term growth cannot be maintained unless the majority of the profits go back to content creators to unleash the full power of quality content creation.

2. **Rewarding incentives:** to further incentivize all contributors and keep applications sustainable in the long-term.

Ensuring that all developers, infrastructure providers, and validators utilizing the Lino blockchain are fully compensated for their contributions is crucial for achieving long-term sustainability. The Lino blockchain is designed to record and reward all the contributions of all key stakeholders including App developers, infrastructure providers, validators, content creators and viewers.

3. **Decentralized ownership:** to distribute network value back to all contributors and prevent centralized decision making that compromises contributors' interests for the benefit of a small group of shareholders.

The Lino blockchain is designed to allow network ownership and value to be distributed amongst contributors and become more and more decentralized over time. We've seen current centralized platforms make arbitrary decisions against content creators' interests: higher cuts and more strict monetization rules. The decentralized Lino blockchain aims to achieve a balance among all contributors to ensure each decision is aligned with all parties' interests.

2. Lino Blockchain

The Lino blockchain contains unique identifiers for contributors, infrastructure providers, App developers, validators, and viewers, allowing any content platform adopting the Lino blockchain for usage to properly identify and record contributions made by each stakeholder.

2.1 LINO

LINO is the fundamental unit of value on the Lino blockchain. The Lino blockchain is designed to algorithmically reward all contributors with newly minted LINO that is produced per block. 65% of the newly minted LINO goes to infrastructure providers; 10% goes to Lino App developers; 10% goes to Validators; 10% goes to content creators; and the remaining 5% goes to viewers.

The total annual increase in LINO coins will not exceed 6.5%. This system is designed to ensure that App developers, infrastructure providers, validators, content creators, and viewers are fully compensated for their contributions to achieve long-term sustainability.

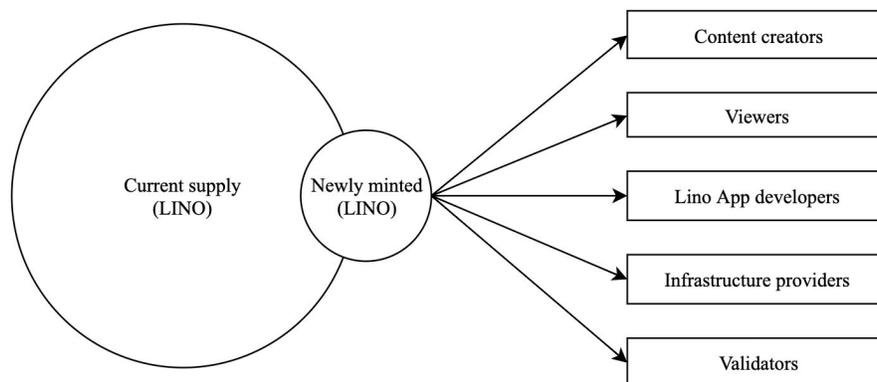


Figure 1: LINO Reward distribution

2.1.1 Content Creators

Content creators produce and publish original content, including videos and live streams. They are the most critical contributors to any content sharing platform, and the Lino blockchain is designed to fully incentivize them to continuously produce high-quality content, keeping the whole ecosystem robust in the long term.

90.1% of all donations and paid subscriptions made using the Lino blockchain will be paid algorithmically to the content creators, and the remaining 9.9% will be held in reserve by the blockchain protocol and distributed to all Lino Stake (see below) holders as **Voting Rewards** for their contribution to blockchain governance. Apps utilizing the Lino blockchain protocol should not take cuts from donations, paid subscriptions, and any other transactions between content creators and viewers.

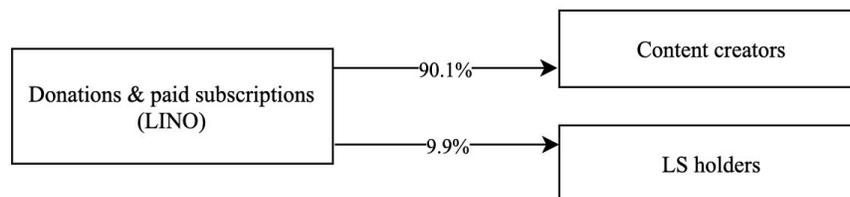


Figure 2: Donations & paid subscriptions

In addition, content creators will receive Content Rewards in LINO based on the performance of their content. An algorithm called Proof of Content Value is built into the Lino blockchain to allocate Content Rewards fairly and prevent bots from abusing the system. A content creator can also receive income from LS Voting Rewards and channel ads.

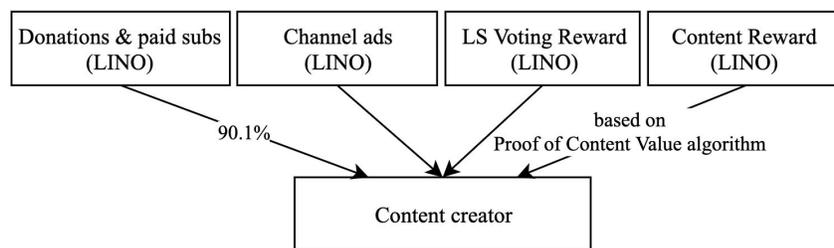


Figure 3: Revenue of a content creator

2.1.2 Viewers

Viewers spend a huge amount of time and money to support content creators, yet receive nothing for their contribution. The Lino blockchain will distribute Viewers Rewards algorithmically to incentivize actively engaged users. In the future, the reward distribution algorithm will evaluate a viewer’s watching time, chat frequency, and donation behaviors to fairly allocate the reward.

2.1.3 App Developers

App developers can build apps using the infrastructure provided by the Lino blockchain for content creators and viewers. In order to be an App developer, a user must stake a certain number of LINO.

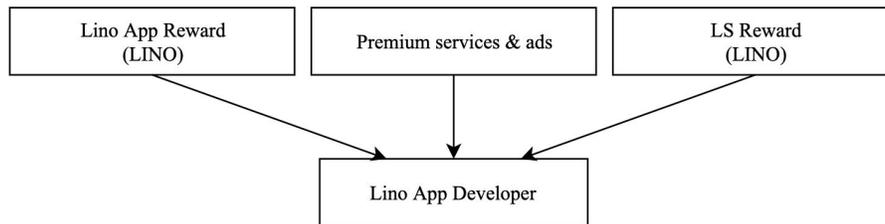


Figure 4: Revenue of an App developer

While App developers should not take any cut from viewers' direct payment to content creators, they will be compensated by the Lino App Rewards and the LS Voting Rewards as LS holders. Lino Apps can also profit from their own premium services and ads.

2.1.4 Infrastructure Providers

Infrastructure providers provide storage, Content Delivery Network(CDN), and transcoding services for the Lino Apps. They are rewarded through Infrastructure Rewards and LS Voting Rewards. In order to be an infrastructure provider, a user must stake a certain number of LINO.

2.1.5 Validators

Validators produce blocks and validate transactions on the blockchain and receive transaction fees in return. They are also rewarded by Block Rewards/Validation Rewards and LS Voting Rewards. In order to be a validator, a user must stake a certain number of LINO.

2.2 LS(LINO Stake)

Different from LINO, LS is designed for long-term supporters of the network. LS is a feature designed in the Lino Blockchain whereby, by staking LINO into LS, holders can (1) participate in the governance system described in Section 3 and propose and vote on parameter changes and system upgrade proposals, and (2) become an App developer, an infrastructure provider, or a validator. The ownership of the Lino blockchain is expected to become more decentralized as more people hold LS. Major decisions will be voted on by LS holders under the governance system.

LS holders will be able to get Voting Rewards based on their contributions to the network when they vote on proposals (paid out daily from the 9.9% of all donations and paid subscriptions).

3 Governance System

The governance system on the Lino blockchain is proposal based. There are two major types of proposals: parameter changes and system upgrades. Parameter change proposals are requests to modify any parameters in the current blockchain, such as the minimum LS that is required to be a validator; whereas system upgrade proposals are requests to update the source code of current blockchain system.

In order to be able to participate in any proposals, holders of LINO coins must stake them into LS. Any staked LS will require 12 weeks, called the Pending Period, to stake out LS to LINO completely. With the Pending Period, this voting scheme aims to ensure all decisions are made by long-term supporters of the network. Approval by the holders of a majority of staked LS is required to pass any proposal.