

**younk**

# **White Paper**

Version 0.2

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**Discover hits, share the success**

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# Abstract

## Discover hits, share the success.

Younk is the first blockchain-based community label where artists get noticed and supported directly by the community. Its priority is to modernize the music industry and make sure artists get heard, and community is actively involved in funding the up-and-coming hits in exchange for partial ownership of the end product.

“Artists career, artists talent, artists future can’t depend on a few people. We try to modernize the music industry and we’ll do it with the help of community.”

**Andrey Dakhovskyy, Founder**

“So, what we are doing, is mixing the old and the new using Blockchain technology. Younk - is a part of the future. Music, fortunately, will never be gone. The human soul loves music.”

**Don Grierson, Co-founder**

# Introduction

## Overview

In 2017, the global recorded music industry witnessed its third consecutive year of growth since the IFPI (International Federation of the Phonographic Industry) began tracking the market in 1997, reaching a height of USD\$17.3 billion.<sup>1</sup> According to current trends, behaviors, and habits of music consumers, by 2030 this record is expected to increase to an estimated growth of USD\$ 41 billion.<sup>2</sup>

Due in large part to the rising demand for streamed music among millennial and Generation Z consumers who rapidly adopted the global accessibility of music streaming, the availability of user-friendly streaming applications, and its cost-affordability<sup>3</sup>, revenues from streaming grew by 45.5% through 176 million users of paid subscription accounts. This became the largest revenue source within the industry where total digital revenues now account for 54% of the global recorded music market.<sup>4</sup>

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<sup>1</sup> IFPI-GLOBAL-MUSIC-REPORT-2018

<sup>2</sup> <https://www.billboard.com/articles/business/7949040/music-industry-will-hit-41-billion-by-2030-according-to-new-goldman-sachs>

<sup>3</sup> <https://www.kobaltmusic.com/blog/music-consumption-behavior-of-the-new-generation-gen-z>

<sup>4</sup> <http://musically.com/2018/04/24/recorded-music-revenues-grew-by-8-1-in-2017-says-ifpi/>

# The Problems of the Music Industry

With almost 62% of the industry controlled by three mega-corporations (Sony, Warner, and Universal), the existing marketplace suffers from a number of serious structural inefficiencies such as near impassable entry barriers and non-existent access for music consumers and investors to participate in the music industry's business opportunities.<sup>5</sup>

While the industry consistently sees vast numbers of emerging talents entering the market, only 5% of artists signed by major labels actually break through, hundreds of thousands of artists continue to be left out.

Underpinning this lack of artist scouting and development effectiveness is the overwhelming monopolization of the centralized music industry. The so-called "Big Three" of the major record label sector, Sony Music Entertainment, Universal Music Group, and Warner Music Group, collectively control a fluctuating 69% of the music market through subsidiary labels and direct artist agreements.<sup>6</sup> This has led to the continuation of outdated rules, policies, and practices for compensation and information distribution as determined by the Big Three. With control of the mainstream market bottlenecked by these mega-corporations, any revision to the aforementioned system is unlikely to occur in the existing industry.

This is especially detrimental to rising talents and emerging artists. Due to heavy market saturation, a vast number of aspiring musicians remain undiscovered on mainstream levels. With their career stalled by the traditional system of achieving recognition which entails contending with marketing, networking, sales, and legal and financial issues in addition to creating music, their artistic creations have little chance of reaching the market and the audience. Although these artists make up the vast majority of talent in the industry, the micro percentage of mainstream and mega-hit artists continues to dominate profit-making and public recognition.

Another issue caused by the near insurmountable entry barriers set by the dominant record labels is the inaccessibility of private talent scouts and small investors to participate in the industry's business opportunities. For example, today's financing of still-undiscovered talents is conditioned by the cessation of a large part of the artists' master rights of ownership in favor of the funding sponsor. This represents the actual established norm (the traditional processes) of talent scouting and label signing; however, this is processed primarily through the channels of large industry corporations and developed indie labels, rather than by private parties. Individuals

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<sup>5</sup> <https://www.thebalancecareers.com/big-three-record-labels-2460743>

<sup>6</sup> <http://www.ifpi.org/downloads/GMR2017.pdf>

who wish to privately fund in artist works are impeded by non-existent access to decision-making processes as set by a small group of label “experts”, cutting off all outside interaction in the production-consideration process.

While developing artists possess the tools to generate a market “buzz” for their content via social media, touring, and streaming, they are severely under-equipped to significantly impact major labels. Although a number of indie labels have risen to industry attention, they remain largely inactive in competition with standard, dominant labels leveraging executive relationships with radio companies, streaming priorities, and promotions from large-budget entities to dominate the global market.

## **New Opportunities with Blockchain**

Blockchain technology offers a seamless solution for lowering, and in some cases dismantling the existing barriers within the music industry; making the process of discovering and supporting emerging talents accessible to the masses. Known on the Younk platform as “Hit-Funding”, this revolutionary system is enabling crowdfunding of new music records. The original aspect of this, all happens in a community-based ecosystem free of redundant intermediaries

Supported by a transparent and immutable distributed ledger that registers copy- and master rights ownership, combined with a system of trustful smart contracts employed to automatically manage transactions between emerging musicians, hit-hunting listeners and platform experts, artists will finally have the ability to directly share content with their audiences.

Not only will consumers be able to directly fund the progress and proliferation of their favorite tracks, but they will also have the ability to directly profit from the tracks they support in a manner benefiting both creator and consumer. Embedding Blockchain technology within the music industry will help modernize the marketplace and facilitate an efficient, cost-reduced, and secure relationship between all parties. The arrival of internet has changed the way music is distributed but hasn't changed the way labels operated. The arrival of blockchain disrupts labels' status quo, providing community access to a 17 Billion industry.

# The Solution

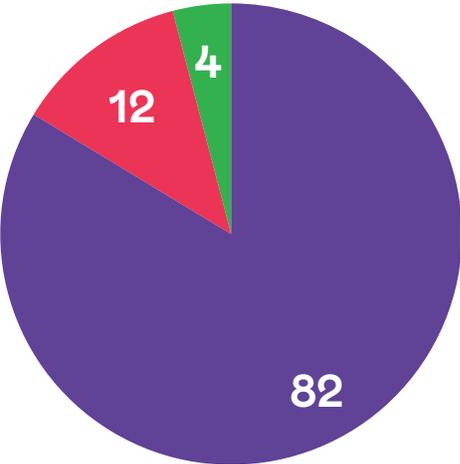
Younk is a next-level platform that aims to connect artists and music industry investors on a single, peer-to-peer ecosystem in order to establish a community-driven hub for music discovery, and support.

Free of intermediaries, entry barriers, and limitations set by the dominating corporations of the industry, Younk will enable artists to break through and gain access to financial support and industry experts professionals. In addition, Young will also create in parallel making business opportunities accessible for hit-hunting listeners looking to find prospective stars to support, directly contributing to their rise to fame driving their emergence in exchange for co-ownership in produced songs.

## Allocation of ownership shares

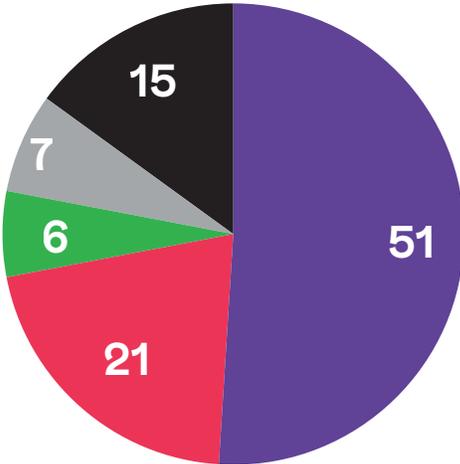
Younk provides transparency and fair revenue distribution for all the participants. The platform will have a share in rights in creative products. All participants will benefit.

### Classical labels



- Label
- Artist
- Producer

### With Younk



- Community
- Artist
- Bounty
- Experts
- Younk

# Younk — a community-based label

## Mission and Vision

Younk seeks to establish the first Blockchain-based community label where artists gain recognition and support directly from the community in exchange for co-ownership of produced songs. Younk's foremost priority is to modernize the music industry by facilitating direct artist access to the public, ensuring better compensation and actively incorporating community involvement in the funding of up-and-coming artists.

The vision of Younk is an accessible global marketplace where artists and hit-hunting listeners can directly connect and support each other while mutually benefiting from the synergy and compounded contribution of the community - whether from a creative aspect or business wise.

## Brand Platform

### Hit it!

**Discover hits,  
share the success.**

#### Mission

Make music industry accessible and profitable for community and artist.

#### Vision

Direct relationship between artists and community to modernize the industry.

#### Purpose

Provide access to community and artists to create better music together.

#### Communications strategy

Giving guidance on how to succeed in music industry.

#### Big Idea

Community funded, collectively owned

#### Positioning

Provide artists an opportunity to share their creative product directly with the community, and allow community to access the music industry by discovering and co-owning creative product.

#### Values

- Access
- Freedom
- Sharing
- Discovery
- Passion
- Innovation
- Consciousness
- Security

# Social impact

Younk believes in music as a tool for social impact and promotes the importance of global social responsibility in music business tailored to the needs of local communities. The company's aims include improving access, diversity, inclusion, and widening participation of all in the music industry.

## **Access, Diversity, Inclusion and Community Engagement**

The company's philosophy is based on the basic right of every musician and music fan across the globe, to have an equal opportunity to access the music industry. Regardless of ethnic, gender, economic or social background, Younk provides the equal opportunities to everyone: to artists, fans, music business and investors. We emphasize the local needs of the community in accessing and determining which music they want to listen.

## **Music Dividends to Well-being, Creativity and Education**

Younk believes in the positive role of music and in generating and providing benefits for good health, well-being, development of creativity, improvement of work performance, self-esteem, and social skills in the society. We strive to support cooperation with academia and international organizations in the areas of music & social impact.

## **Decentralized Sharing Economy**

With revolutionary use of blockchain in music, Younk brings to the market safe and quality product that improves people's well-being through idea of sharing and co-owning resources. The sharing economy is more lucrative now than ever before, and its value is trending upward. The blockchain is gaining as a next-generation technology that can help facilitate the trust and transactions that power the sharing economy.

## **Transparency and Improving Socially Responsible Collaboration**

We aim to improve socially responsible collaboration between musicians, community, and investors and music business professionals. Through our platform, artists share their music while the community and investors personally engage in hit-hunting, hit-funding and hit- co-owning freely and transparently.

## **Optimization of the Talent Search**

Younk optimizes costs and resources for talents search by listening to community music choices and developing effective and diverse organic talent search through YOUNK.

## **Corporate social responsibility**

Younk advocates for increased participation of communities in music business; increased access opportunities for musicians across the globe to enter music industry; inclusion of disadvantaged groups; for the idea of mutually sharing music between artists, community and business; investment in human capital, promotion of music education, research in music & social impact.

# Participants on Younk

## **Artists**

Musicians and artists will utilize the Younk platform to directly publicize their works in a peer-to-peer community, without depending on the whims of a monopolistic record label and its talent agencies. By embedding Blockchain technology at the core of the platform, Younk will operate free of intermediaries and without entry barriers, both of which prevent emerging artists from breaking through in today's industry, setting instead a fair, automated monetary compensation mechanism, unaffected by countless intermediaries and stringent representation agreements in order to optimally compensate artists for their creative works.

On Younk, artists will enjoy direct public engagement, wider accessibility to audiences and experts, community-driven, financial and promotional support, and an improved chance to gain exposure for their content.

## **Hit-hunting listeners**

Younk will make it possible for music consumers to finally be involved in the music industry from a business perspective. Users who participate in the ecosystem will be able to discover hits, support the commercial production of songs and benefit from ownership of master rights when songs become hits on external distribution channels (such as YouTube, Spotify, Amazon Music, etc.).

## **Industry experts board**

In addition to artists and their co-producing listeners, Younk will be furthered by the participation of leading industry experts such as IP companies, record production entities, and copyright lawyers, inter alia, in order to facilitate the successful production and commercialization of songs funded by listeners with YNK tokens.

# Revenue Generation Model

Songs that are successfully produced by Younk will generate revenue derived from the platform based on the following model, divided into three main sections of income:

## 1. Digital distribution platforms

This will include revenue generated from track releases to digital music streaming and download platforms including Apple iTunes, Spotify, Pandora, et etc.<sup>7</sup>

	DSP/Store	Per stream	Streams quantity % of total	Streams ammount % of total	Streams per song	Streams per album	Marketsh are streams	Marketsh are ammount
1	Spotify	\$0.00397	47.78%	51.51%	154	1.535	47.78%	51.51%
2	Apple iTunes	\$0.00783	10.48%	22.29%	78	778	10.48%	22.29%
3	Pandora	\$0.00134	21.56%	7.86%	454	4.538	21.56%	7.86%
4	Google	\$0.00611	2.41%	4%	100	996	2.41%	4%
5	Amazone	\$0.00740	1.89%	3.8%	82	823	1.89%	3.8%
6	Deezer	\$0.00624	1.91%	3.24%	98	976	1.91%	3.24%
7	Tidal	\$0.01284	0.5%	1.76%	47	474	0.5%	1.76%
8	Rhapsody	\$0.01682	0.38%	1.75%	36	362	0.38%	1.75%
9	YouTube	\$0.00074	8.38%	1.7%	818	8.181	8.38%	1.7%
10	Xbox Music	\$0.02730	0.09%	0.65%	22	223	0.09%	0.65%
							95.38%	98.57%

## 2. Commercial licensing

Track revenue generated in this category will consist of synchronization rights for the insertion of songs in television shows, commercials, movie trailers, video games, etc.

# From Voting to Production

On the platform, participants can stream tracks uploaded by artists and search for new potential hits, which can then be upvoted through “likes” on the community chart. Artists

<sup>7</sup> <https://www.digitalmusicnews.com/2018/01/16/streaming-music-services-pay-2018/>

are allowed a maximum of 4 tracks to be uploaded and maintained for any length of time on the platform free of charge, after which additional tracks can be uploaded for a price determined in YNK tokens.

The user “likes” are then collected and statistically analyzed to determine community preferences and listening trends. Every week the Top 2 tracks are automatically pitched for funding.

Younk’s industry experts board, comprised of leading music figures such as Don Grierson will set up the budget for these 2 tracks. In addition, Younk’s industry experts board may suggest 1 additional track possessing a legitimate potential for success.

The 3 tracks selected for production in complete accordance with community support and Younk’s experts’ choice, will then become eligible for Hit Funding, the process through which the community can support the production of songs with YNK tokens. By contributing YNK tokens in exchange for co-ownership of master rights, the record of which will be stored on the Blockchain as a “Digital Ownership Certificate” (DOC).

The DOC functions as a smart contract which records the proportionate co-ownership shares of all community members who backed the production of a song using YNK. Once the song is released and monetized, the collected royalties from the song will be automatically distributed between the wallets of the master right co-owners.

If the required amount of YNK for production is reached, the song will move on to production. This amount will vary according to the unique expense factors associated with production of a given song in addition to promotional expenses attached to successful artist launch, with the average song requiring around USD \$100,000 for production<sup>8</sup>. If the amount is not reached within the designated time frame of 1 week, all contributed tokens will be released and returned back to the original contributors.

Artists whose songs are pitched for Hit Funding will be connected off-platform with industry experts who will guide, assist, and direct artists in a number of performance-related details to prepare their successful launch into the public performance arena. Following satisfactory outcome, artists will record and release content for use on major platforms.

Once produced, the song will be released on 150+ digital platforms including Spotify, iTunes, Apple Music, and YouTube. All income from distribution, licensing etc. will be collected in fiat currency, converted to YNK, and then automatically distributed among the platform contributors via smart contracts based on their Digital Ownership Certificate shares.

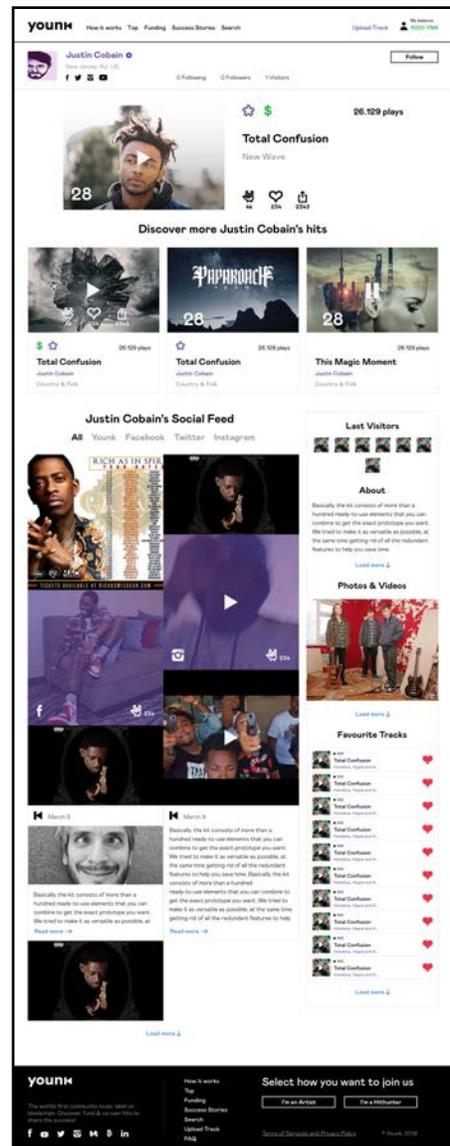
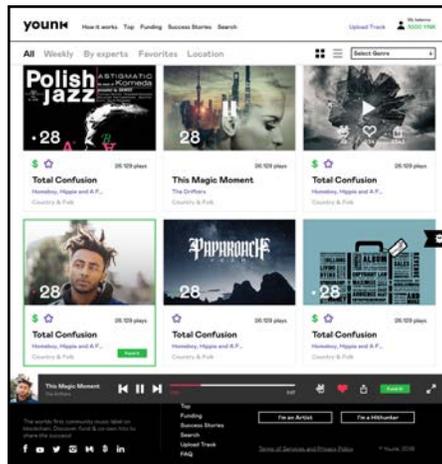
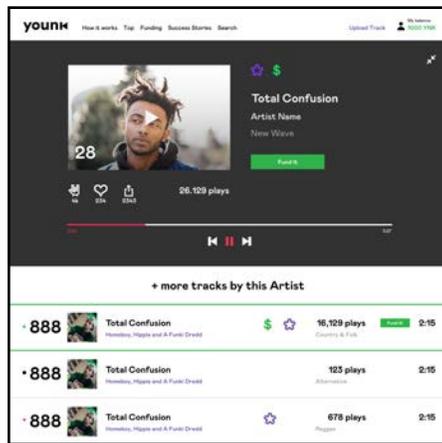
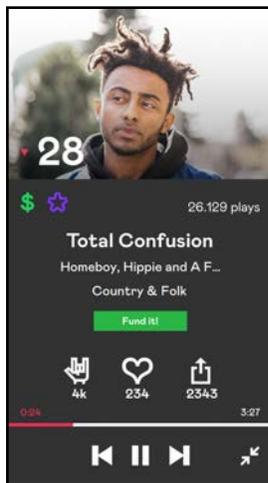
The audit of the fiat cashflow will be provided by international Big 4 Audit company and regularly published for the community and artists.

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<sup>8</sup> <https://www.taxi.com/music-business-faq/music-business/money-record-companies.html>

Younk will provide a secure, transparent platform where smart contract employment eliminates the need for extensive, heavily-scrutinized processes (typically mediated by external, third-party entities) and creates a trustworthy marketplace for risk-free transactions between participants. All recorded data, including that of the Digital Ownership Certification shares, will be stored in a transparent, immutable manner, complete and available to all platform participants as a proof of property for co-ownership holders.

# MVP



# Consumer Overview and Marketing Strategy

## Consumer Trends & Insights

Primary Audience:

### **1. Artist / Future Younk-stars**

Music is their life, passion and drive. While music isn't their 9-to-5, these creative minds aren't ready to give up on their musical pursuits quite yet.

They aren't newbies and have had some success in music: establishing a social following, have had a track pick up steam on Spotify (Apple Music, Pandora, SoundCloud) — but not enough to make a living. Since they're just developing, everything is harder for them (gaining fans, singing gigs, financial support, etc.)

Entry barriers are too high, and they have little to no information about how their royalty payments are calculated, don't have access to experts, and don't get access to valuable data about how and where people are listening to their music.

### **2. Listeners-Investors / Future Hit-hunters**

These music aficionados love digging for new gems and being the first to share new tunes with friends and family. The go-to-people for recommendations and knowledge on trends, they are constant digital streamers; Spotify, Pandora, and Apple Music are their preferred platforms. This category doesn't like to be followers and simply consume what they are given, they want to actively participate in the discovery process. While they currently utilize their skills in finding hot tracks for personal enjoyment, they haven't yet imagined a marketplace where these skills can earn them profit and benefit artists directly. Part of streamers have active discovering and sharing behavior. This insight about behavioral aspects will also help Younk to involve them in the process.

Secondary Audience:

### **3. Crypto-Investors (Early-Adopters)**

Younk will attract Crypto audience as Early-Adopters, while educating Listeners audience, to test the platform and collect money to support Global Launch of the project and start building community with experienced crypto investors.

### **4. Experts (Core Partners)**

Insights/problems: Ineffective R&D model, Low profitability, Low access to money are their main pain points.

## **Marketing Plan**

The only way to make Younk profitable for each participant is to make it global and involve more users in crypto community. Due to the fact that there hasn't been a blockchain project with global coverage yet, Younk needs to educate more people about blockchain technology, explaining all its' benefits - safety, transparency, and simplicity. The core audience of listeners also need to be educated about the music industry and new investment opportunities. The educational process takes time and money, that's why we developed the following step by step marketing plan to decrease risks and marketing expenses during the process.

### **Step 1**

Introduction period

Younk will Introduce crypto sponsors and attract them not only to collect money to support Global Launch of the project, but also to start building the community. Most crypto supporters will also represent potential early Early-Adopters. Those Early-Adopters should be interested in the product idea, because their confidence in the system will solidify the validity of the concept – reflecting the viability of the Younk project.

### **Step 2**

MVP Beta test period

A Limited amount of Artists and Early-Adopters will be invited to participate in an MVP Beta test. During this period Younk team will test the whole business processes and collect data to analyze the Channels, Consumer Journey and Conversion Rate, on each

stage of Consumer Funnel. This data will be used to improve the Marketing strategy and final product. Another marketing goal for that period is to prepare success stories as proof of the concept. At the same time the Onboarding Program will be implemented. Younk will invite onboard Industry Experts, showbiz personalities, Celebrities etc. They will be among the public backers of the PR campaign in the industry media.

### **Step 3**

Official Token Sale.

Usage of Tokens: to raise funds through the ICO, to enable PR push. Additionally, tokens will also be used to: finalize the product, prepare for global expansion, fulfill the tender procedures among the local agencies globally, adapt the Marketing strategy for each market, and least but not last to support media plan developing and implementation.

### **Step 4**

Global expansion period.

First target markets: North America, Japan, UK, Germany.

Younk will target each of its participant groups through a concentrated marketing drive aimed at bringing full awareness to its modernizing platform in order to captivate potential users. Both artists and potential hit-hunting listeners will be targeted on various highly-populated music-related platforms through: digital ads, viral success story testimonials, and expert endorsements. Here the message of community funding, user-driven exposure, expert guidance, and profiting opportunities will deliver awareness of Younk's Blockchain-based initiative.

### **Digital (85%):**

Younk communications strategy builds around gamification of the process that will allow to socialize the platform's activity with public media platforms. In digital sphere Younk will employ a number of digital mediums to reach, engage, and captivate consumers and artists in a modern way. This will include the use of social media platforms including Facebook, Twitter, and Instagram to promote the platform's initiative.

### **Traditional (15%):**

In addition to publications in the digital sphere, Younk will use the time-tested mediums of traditional marketing to deliver its message to public consumers. This will entail employment of printed advertisements, local event sponsorships, billboards, and PR releases.

## **Strategic Partnerships**

Agencies: Local marketing and PR agencies

Platforms: YouTube, Spotify, iTunes, Play Market, etc.

Individuals/entities: Industry experts, celebrities, recording studios, etc.

Payment systems: Younk will utilize a use the expertise of by international Big 4 escrow service partner to enable the faultless transfer of fiat payments between relevant parties contractually linked with Younk, including any labels, artists, IP companies, production companies, etc.

## **Tools for Growth**

Artists are encouraged to upload tracks to the Younk network and to share them with users of the platform. This will allow them to expose their content to a wide, continuously growing global audience and potentially receive community support and production funding. All this will happen under the guidance of experts. Artists will further have the ability to store intellectual property and copyright information in a secure and transparent manner on the Blockchain, eliminating the problematic, siloed data structures of the current industry which prevent proper information access to content creators.

Hit-hunting co-producers will benefit from the Younk ecosystem by obtaining access to the music industry in a way never before seen, having the ability to not only mark artist creations with supportive “likes”, but also to fund artists’ works with YNK tokens in order to directly support the track production process. Participants will for the first time ever have direct access to the production of songs in the music industry, with the profit from royalties partially-owned serving as an additional driver behind platform activity.

Younk’s innovative edge comes from its Blockchain-based initiative to modernize the current industry through community support, crowdfunding, and majority preferences directing the nature of successful music production. Potential hits are chosen by the community and the community funds the production process, putting the power in the hands of participants and enabling them to profit from their interaction. As music-lovers, aficionados, experts, and investors alike join the platform to reap the benefits of participation, the increase in hit-searching, song producing, and artists rising will create a ripple throughout the industry. This will generate growing publicity and the ever-powerful “hype” which will to attract greater numbers of individuals to the ecosystem.

# Incentives for Growth

A direct link between artists and supporters within the music community will promote increased interaction and mutual benefit between music creators and music consumers, where third-parties can't interfere to filter revenue streams and business opportunities. In this model, artists are guaranteed better compensation for their content as well as the opportunity to break through and gain recognition for their work more easily, while listeners can benefit from optimized talent-scouting business opportunities and profit possibilities.

## **Forecasted Market Behavior:**

As music hits typically generate a substantial return per year, it's expected that with every new hit song produced on Younk, the "hype" for adoption of the platform within the music industry will exponentially grow. With a streamlined and seamless process for searching and discovering potential hits, the number of interested artists and supporting community members will increase.

As usage becomes more popular, people will buy more tokens to participate, an effect furthered by a demand-increasing trend where 1 in every 10 songs has the statistical probability to become a hit.

Because revenue from successful hits will be generated in fiat, profit must be converted to YNK tokens before users can benefit from master right co-ownership. Though many users will collect YNK and opt to sell for profit on external exchanges, a high number are expected to retain possession of YNK in order to continue supporting artists on the platform, increasing their prospects for locating successful hit songs and profiting from community-produced tracks.

Because participants can directly hunt for hits and influence the creation of new music in a more interactive way, there is a high chance that they will be motivated to consume the same music they've supported on external platforms. In return this creates a cycle where listening co-producers continually return to support the exclusive content developed on Younk for later consumption. As the platform continues to see users select artist tracks to be produced, tracks reach hit status, and profit-generation for community supporters progress. This will trigger an effect in which YNK reaches high-demand due to participant-spread report and growing publicity of the platform's visible potential for payoff.

# Competitive Analysis

## **Labels: Old way / Biggest market share UNIVERSAL, SONY, WARNER**

Labels are sticking to the old model that provides limited access to artists, no community involvement and no transparency. They spent a lot of money on discovering new talents (17% of annual music industry revenues), have a centralized model, hold majority of the copyrights and currently struggles with artists' backlash.

## **Digital streaming platforms: Established Way / Second largest market share YOUTUBE, SPOTIFY, APPLE MUSIC etc.**

Platforms like YouTube, Spotify, Apple Music, etc. have given artists an opportunity to promote themselves and develop a fanbase, however they aren't nurturing them. Unfair compensation to artists; is at the core of the value gap problem.

## **Digital distributors: Established Way TUNECORE, BELIEVE, REVERBNATION etc.**

Those 3rd party platforms provide great resources to artists (help manage distribution, collect royalty, expert feedback). While they emphasize community, they don't create relationship between artists and community.

## **Crowdfunding platforms: Established Way PLEDGEMUSIC, ARTISTSHARE etc.**

These platforms create bridges between artists and their fans. While they provide an opportunity for the community to fund artists, they don't allow co-ownership of the end product.

## **Blockchain platforms: New Way / Smallest market share VIBERATE, CHOON, MUSICOIN, IMUSIFY etc.**

Blockchain offers the best solution, but it's the least proven and the smallest player on the market. They are small, and most are not fully established, but all of them position themselves on the market as disruptors. Yet those platforms have yet to establish their credibility and reputation. Yet the expectation is high, and they have been predicted to revolutionize the music industry.

### **VIBERATE ( [viberate.io](http://viberate.io) | Raised during ICO: \$10.7M)**

Viberate is a decentralized, crowdsourced live music ecosystem where musicians are directly matched with booking agencies and event organizers. As a live music platform, users can search for the profiles of their favorite artists, browse relevant information, search tour dates, and purchase tickets to performances.

### **CHOON ( [choon.co](http://choon.co) | ICO: Upcoming)**

A music streaming service and digital payments ecosystem centered on improving compensation rates for content creators, offering artists the ability to upload their music, directly share it with others, and be paid in the platform's native "Notes" coin.

### **MUSICOIN ( [musicoin.org](http://musicoin.org) | ICO: None)**

Musicoin is a free-to-stream, Blockchain-powered platform that connects music listeners and fans, where all parties interact on a P2P basis together without interference from third-parties. Musicoin boasts competitive per-stream payments for artists belonging to the ecosystem, as well as a specially-made Pay-Per-Play smart contract-based code.

### **MYCELIA ( [myceliaformusic.org](http://myceliaformusic.org) | Raised during ICO: \$2.35M)**

Mycelia is a fair-trade music business centered on giving artists more control over their created works through the decentralized platform, as well as improving compensation figures by allowing them to upload works directly to the platform for user consumption.

### **IMUSIFY ( [neoguide.io](http://neoguide.io) | ICO: Upcoming)**

A decentralized music-sharing and discovery platform where artists are rewarded with native \$IMU tokens for uploading and sharing, while users are rewarded for curating content and giving reviews. Built on the NEO Blockchain, Imusify supports the proliferation of not only digital music, but also video, apps, images, and blogging.

# The platform and technical implementation

## High-Level Description

The team behind Younk is developing a first-of-its-kind, decentralized platform designed to modernize the current global music industry.

By removing entry barriers set by monopolizing corporations, Younk will make the music industry more accessible to artists looking to breakthrough. Additionally, Younk will facilitate the integration of new entrepreneurs who want to benefit from the business opportunities the music industry has to offer.

Blockchain technology will be used to establish a transparent, immutable system with peer-to-peer connectivity for the music community to: interact, support content creators, widen public audiences, and benefit from new creative influences and business opportunities.

On Younk, listeners will gain new prominence in the music industry by having the ability to effect and benefit from interaction with their discovered/favored artists.

Younk will enable artist access to a new system of fair compensation, data transparency, and exposure to mass audiences and supporters, leading to an environment where royalties for content creation travel through a stream free of centralized record labels, publishers, and distributors who seize considerable portions of the revenue generated.

For emerging talents, listeners on the platform will serve a key function not only as consumers, but also as facilitators and promoters of freshly-created content, where the ability to support favored songs with YNK offers partial ownership of the content as a reward for the trust listeners put into artists' talent and capabilities.

# Key Features and Differentiation Points

## **Community participation**

Younk is a company built around community and artists. Community on Younk is actively involved in discovering and funding the up-and-coming hits in exchange for partial ownership of the end product.

## **Experts**

Younk experts are music industry professionals. They will be involved in discovery, production, recording and distribution processes. During discovery step they will be able to rate tracks they like, and the platform will mark the expert' "likes" with green star sign to make it visible for the community. Also, experts will be able to give a feedback review for artists that will be visible only for the artist. During the production step they will arrange the production of the final creative product. During distribution experts will help with promotion on 150+ digital platforms, including the most famous music ones.

## **Production**

Experienced professional producers will be involved in this process, as will creative video producers. A ready-steady-go step. The Artist is leaded by our big-league: industry experts, that will guide, assist, and help the Artist to record a successful hit.

## **Distribution**

Once produced, the hit will be released on 150+ digital platforms, including Spotify, iTunes, Apple Music, and YouTube. All income from distribution will be automatically to the contributors via smart contracts.

## **Artist crowdfunding engine (Hit Funding)**

Younk will enable users of the platform to crowdfund ("Hit Fund") created works in order to support artists in a P2P setting.

## **Co-ownership of produced content**

Users of the platform will have the opportunity to fund in artist-uploaded tracks, support the work's production with YNK tokens. in exchange the users will gain master right ownership should the track be successfully chosen for commercialization by the community.

## **Marketplace for artists and hit-hunters**

The Younk ecosystem will enable interaction between music creators and consumers, where co-producing listeners looking for potential hits have the opportunity to purchase master right co-ownership from artist uploaded tracks. In return the artists have the ability to sell rights ownership in exchange for support from the community.

## **Reward system**

Registered users will be rewarded for all useful actions completed on the platform, where YNK tokens will be issued for such activities as listening tracks, listening to tracks, evaluating songs, sharing information, completing bag reports, and QRT - Quality report tools.

## **Decentralized exchange**

Participants who possess Digital Ownership Certificates (DOCs) from successfully produced songs will have the ability to trade them in exchange for YNK tokens that can be to be used or sold on external exchanges.

## **Ownership management**

All user DOC information will be stored transparently on the Blockchain's immutable ledger system to securely record and manage all data.

## **Smart Hunter**

Artificial Intelligence will be utilized on the Younk platform to provide expert recommendations for potential hits based on compiled data features from hit songs archived in the industry's history. This information will be collected and applied using an algorithm for the purpose of providing the community with expertly selected potential hits for their investment consideration.

# The Benefits for Participants

## Benefits for artists

- Artists will gain direct access to consumer support through funding and direct interaction, leading to greater exposure and wider recognition among the listener community.
- Implementing a fair co-ownership model, the Younk platform will provide improved compensation figures for created works by allowing artists to directly publish content without the need for costly, intervening third-parties.
- By enabling a Hit Funding system for favored works, Younk will boost consumption of artists' content by incentivizing offering to listeners, with the possibility to purchase co-ownership rights to on intellectual property.
- For emerging artists, the platform's global, peer-to-peer ecosystem will improve the ability to gain recognition and popularity through an interactive "liking" system where the community elects artists for a Hit Funding in exchange for token rewards.
- Utilizing Blockchain technology immutable and append-only ledger system. By using a highly secure Blockchain technology, backed by an append-only ledger system) artists can securely record copyright information in public view for increased protection of intellectual property.
- Through peer-to-peer interaction on the platform, artists can gain valuable insight into the demographics of their fans, knowing exactly where their works are most consumed and where their generated revenue comes from.
- Developing artists will also benefit from direct guidance and assistance provided by on-platform experts determined to contribute to the overall success of rising stars.

## Benefits for listeners

- Listeners will enjoy increased interactive access to musicians and artists in a community-driven ecosystem where fans have the ability to impact the industry through hits discovering.
- Utilizing Younk's funding feature, platform users will have the unique opportunity to profit from royalties through purchased co-ownership of produced songs.

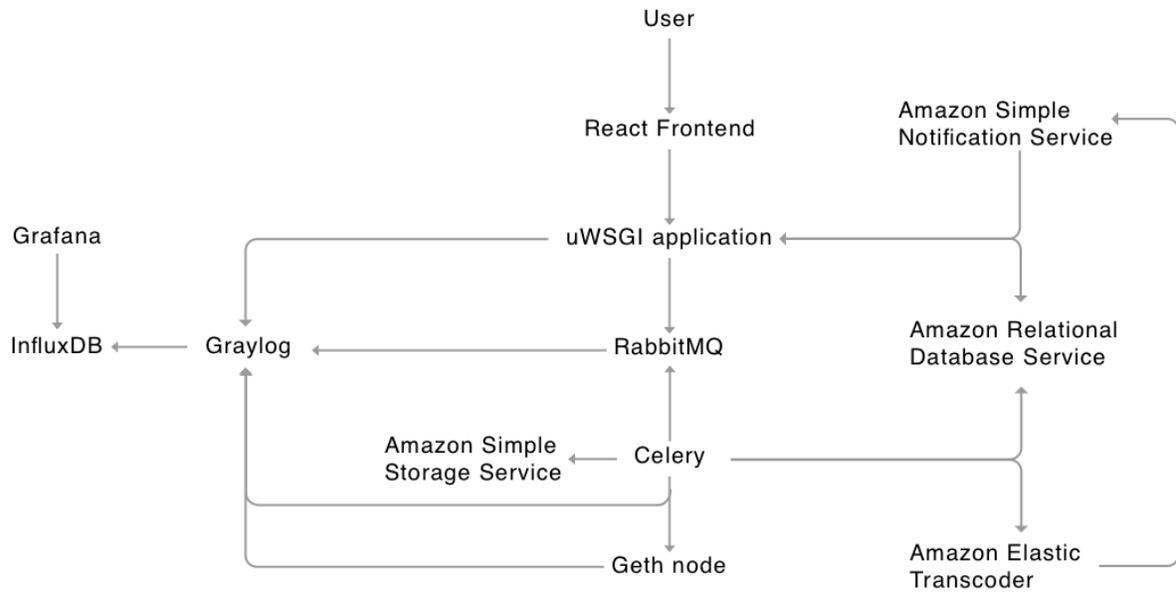
- Support and voting features enabled by the platform will put the power of track production decisions in the community's hands, allowing listeners the opportunity to voice their picks and support rising stars directly through the Hit-Funding process.
- Utilizing the simple, token-backed funding system, hit-hunting listeners will have the easy and convenient ability to invest in potential hits and support the rise of promising artists.

### **Benefits for experts**

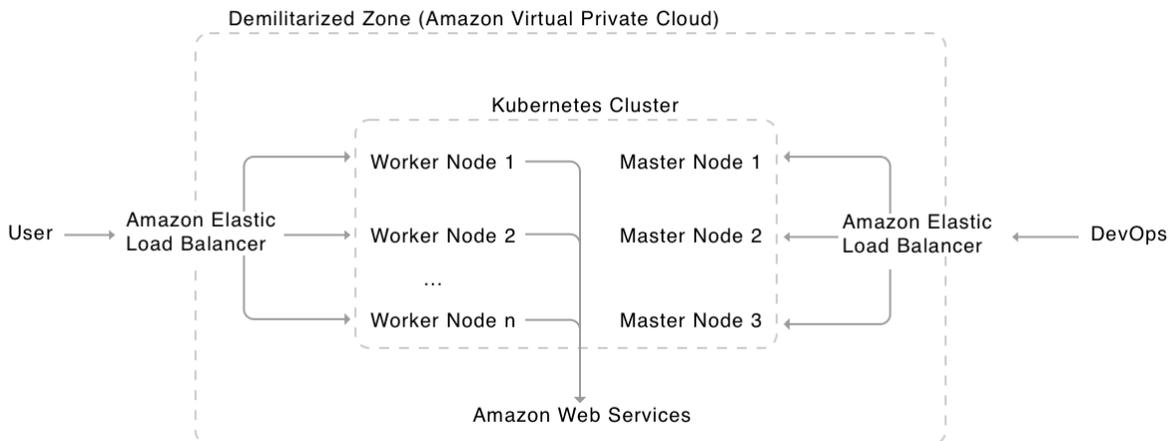
- Experts guiding platform artists in their rise will benefit from token rewards issued for execution of useful actions.
- The opportunity to fund the community-chosen tracks will also profit experts with master rights co-ownership in the event that the tracks are successfully produced.
- On the Younk platform, experts will enjoy a higher profit percentage enabled by the ecosystem's improved profit sharing.

# System Architecture

## Application level



## Network level



# Technical Implementation

The Blockchain-based voting and fundraising services will be implemented on the public Ethereum network.

Smart contracts will be based on the Open Zeppelin framework. The Backend will be written on Python using Django framework, while the frontend will be based on React and Redux. The system in its entirety will be deployed by Amazon Web Services. As a database, Younk will use the PostgreSQL system on Amazon Relational Database Service.

## Technical description of main processes

Use of the platform will be initiated via the following steps and featuring the following application activities:

1. The user will complete initial registration on the platform.
2. He/she will select status of operation; for those selecting the status of Artist, a prompt will request the input of information relevant to the status; this will include uploading photos, song tracks, and other intellectual property desired/relevant.
3. A created profile of the Artist will be published on the platform; his/her tracks will appear in the rating system awaiting community "likes".

## How it works: Voting process

Users can listen to track tracks by artists and rate them with "like" or "skip". The ranking score is determined by a formula calculating the number of streams, the depth of listening to tracks, aggregated user "likes", expert opinions, etc.

The top-ranking tracks will be included in the Hit Funding database, with the goal of collecting the required amount of YNK tokens for production within a limited timeframe. The collected amount will be used for studio recording of the track, video production, and PR.

If the required amount is reached, the collected YNK tokens will be converted to Digital Ownership Certificates (DOC), recording the shares of the contributors involved in the production. If the required amount is not reached, the tokens will be returned to the original contributors.

DOCs indicate the proof of proportionate ownership in tracks (and their proportionately generated revenue, distributed in YNK). All DOCs will be securely, transparently recorded on the Blockchain.

## How it works: Smart contracts

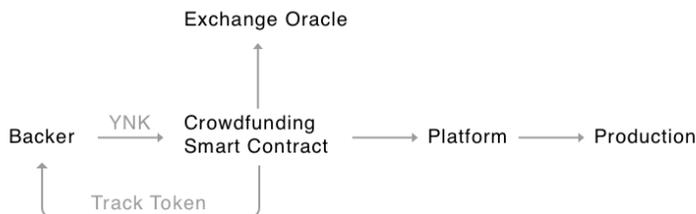
Smart contracts are automatically generated for each track that is approved for Hit-Funding and subsequently for production.

The associated smart contracts are limited in time and act as channels for storing and allocating the contributed YNK, the registration of the Digital Ownership Certificates, and the distribution of YNK to contributors once royalties are collected on a monthly basis.

At the end of each month, the smart contracts allocate YNK tokens to DOC holders proportionally to their initial contributions:

- Contributors can set the minimal amount of tokens to be transferred automatically to their accounts (in consideration of the commission charged within the Ethereum network)
- If the amount of tokens is less than the predetermined minimum, tokens are not transferred and are instead added to the following month's account, unless manually requested.

### 1. Track Crowdfunding Stage



### 2. Profit Distribution Stage



# The YNK Token



## How it works: Internal trading exchange for DOCs

An internal exchange will be supported where users can trade Digital Ownership Certificates (DOCs) and YNK tokens between participants on the platform. While YNK will be available for purchase on external exchanges, DOCs will only be available to participants within the Younk ecosystem for sole use on the platform. Users will have the ability to buy and sell DOCs in exchange for YNK tokens, which can then be used for funding eligible tracks or sold to users internally as well as externally.

## How it works: AI/ML implementation

The main function of the Artificial Intelligence / Machine Learning on the Younk platform is to analyze user preferences and facilitate smooth searching for potential hit songs.

Obtaining a large database of preferred content and past hit songs, the system can apply machine learning algorithms for seeking prospective hits on the platform. This feature will be implemented on the platform with the anticipation that once the probability for accurate predictions by artificial intelligence shows positive consistency, the ecosystem will use that input for suggesting prospective hit songs for Hit-Funding.

# The Ecosystem

## The YNK Token

The YNK utility token is the only internal currency by which all payments and transactions will be made on the platform.

Younk's own issued cryptocurrency (YNK) will be used to activate the core functions within its ecosystem. The YNK token is a value unit, facilitating a system of trade and trust between the participants of the platform. YNK can be used to support the production of songs selected by the community in exchange for co-ownership of master rights, as well as to purchase master rights from other users.

YNK utility tokens will be purchased by community users in the pre-sale and crowd-sale of the Younk ICO and can also be bought and sold on external exchanges.

### **Main usages:**

- All platform users can upvote any song by hitting "like", with the possibility for registered, token-holding community members to support the production of the selected songs using YNK tokens in exchange for becoming master right co-owners.
- Advertisers pay fees in YNK for advertising privileges on the platform.
- Royalties collected from songs in fiat money are converted and paid to users in YNK.
- Participants and industry experts of the ecosystem are rewarded with YNK for listening to artist-uploaded tracks and giving evaluations.

### **Volatility**

Younk will maintain a fully autonomous ecosystem where tokens are perpetually in flow. The YNK liquidity and the volume of trade will be based on dynamic platform activity

driven and boosted by the “hype” surrounding the prolific supporting and production of hit songs generating profit for active participants. The more YNK is purchased, the higher the demand for it will rise. This is due to the production of songs, and rewards co-producing users in such a visible and dynamic way, the higher the demand for it will rise.

Once a song becomes a hit and starts to generate profit, the revenue will be converted to YNK on the platform and be dispersed between Younk and the participants who supported the production of the song. Because YNK is the only available currency for participating in the support of song production in exchange for shared master rights, the demand for the token will fuel itself and grow across the industry.

A use case example to illustrate the forecasted growing demand for the YNK token is the production of the hit song “Despacito”. Had the opportunity been available for supporting the production of the song at the time, a contribution of USD\$100 in 2017 would have yielded a reward of USD\$55,000 to the contributor in 2018.<sup>9</sup>

## Supporting Components

### **Production company**

Younk will partner with a production company to facilitate the production of community-chosen songs that are successfully funded. This entity will be responsible for driving the process of track production off-platform. The jurisdiction of Estonia has been chosen for this company. This company, responsible for the implementation of production processes, will work with a number of companies making settlements solely in fiat currency; as such, the production company will operate exclusively with fiat.

### **IP company**

This entity will own the intellectual property of the Younk platform (hereinafter, “IP company”). Jurisdiction in the USA has been chosen for this company due to the country’s status as one of the largest music markets in the world, where protection of intellectual property and copyrights has been traditionally strong.

The company which will operate in the U.S. (IP company) and that operating in Estonia (production company) will complete an exclusive agency agreement in which these entities will agree to work solely with the Younk platform.

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<sup>9</sup> <https://fanvestory.com/blog/how-much-is-a-song-worth>

# Sustainability of the YNK Token

The token economy of the Younk platform is layered in such a way that constant demand for the YNK token will be generated and maintained. Since platform participants can support the production of artist tracks in exchange for royalty benefits using only YNK tokens, the demand for YNK is expected to grow exponentially as its usage, the number of produced hit songs, and the total collected and distributed revenues between the community members, increase.

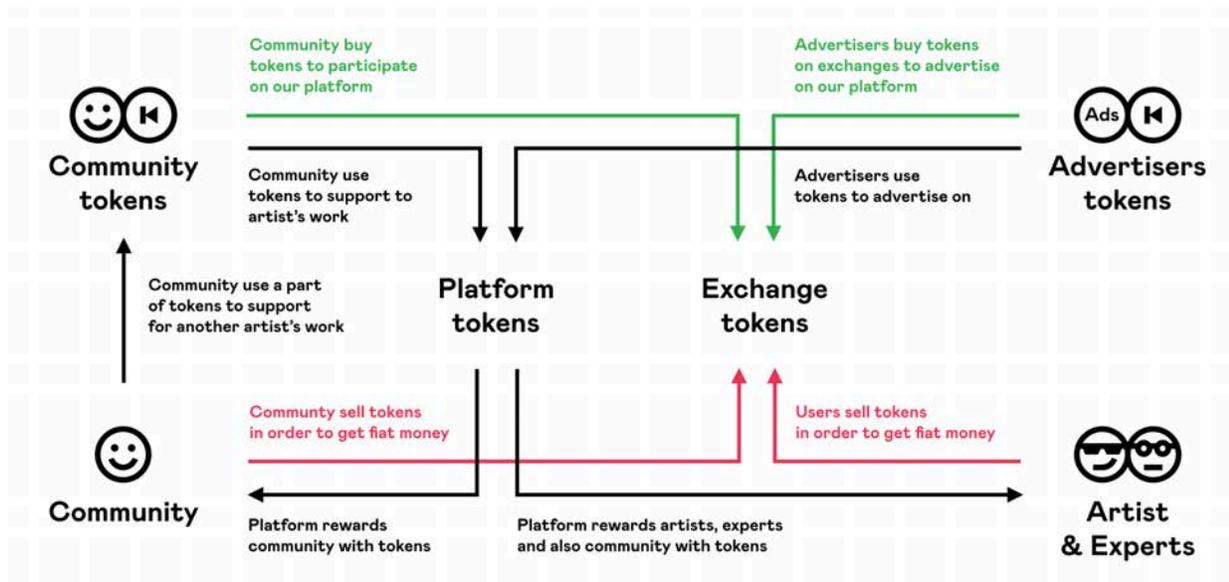
The simple flow of the YNK token in the economy will be as follows:

1. Artists upload their tracks to the platform for free (a maximum of 3 tracks at one time on the platform is allowed without cost to the artist).
2. Members of the Younk platform (listeners, hit-hunters, experts) who identify a track's potential to become a commercial success must have YNK to support the track's production.
3. Once a song is produced, it is distributed through various music distribution channels and the revenue collected in fiat from its distribution is converted to YNK, flowing back into the Younk ecosystem where it is distributed among the community members who initially supported the production of the track and thus contributed to its success.
4. As this cycle grows and more community members are rewarded with YNK tokens through royalties from successfully commercialized songs, they will be encouraged to support more tracks, increasing the demand for YNK from both within and without the Younk platform, leading to its exponential growth.

In addition, as the Younk platform gains more traction, it will include video advertisements in a model similar to YouTube, allowing advertisers to reach a global audience of music industry participants. The payment from all advertisements on the platform will be collected in YNK, requiring advertisers to purchase YNK in order to pay for the network service.

As the first, and currently, only modernizing platform that aims to enable participation for everyone in the opportunities existing in the music industry, as well as to allow everyone with YNK tokens to become a hit-hunters in exchange for track co-ownership, the YNK token will increase in demand and continue to offer strong stability.

# YNK Transactions Within the Ecosystem



Once a track is selected for production and the Hit-Funding process is successful, the raised YNK tokens are collected and used for the production of the chosen song.

The IP company, which retains 30% of the raised capital from the ICO for the purpose of producing the platform's first songs, pays the production company for processing the song.

After production, the song is released on 150+ digital platforms and begins generating profit in fiat currency.

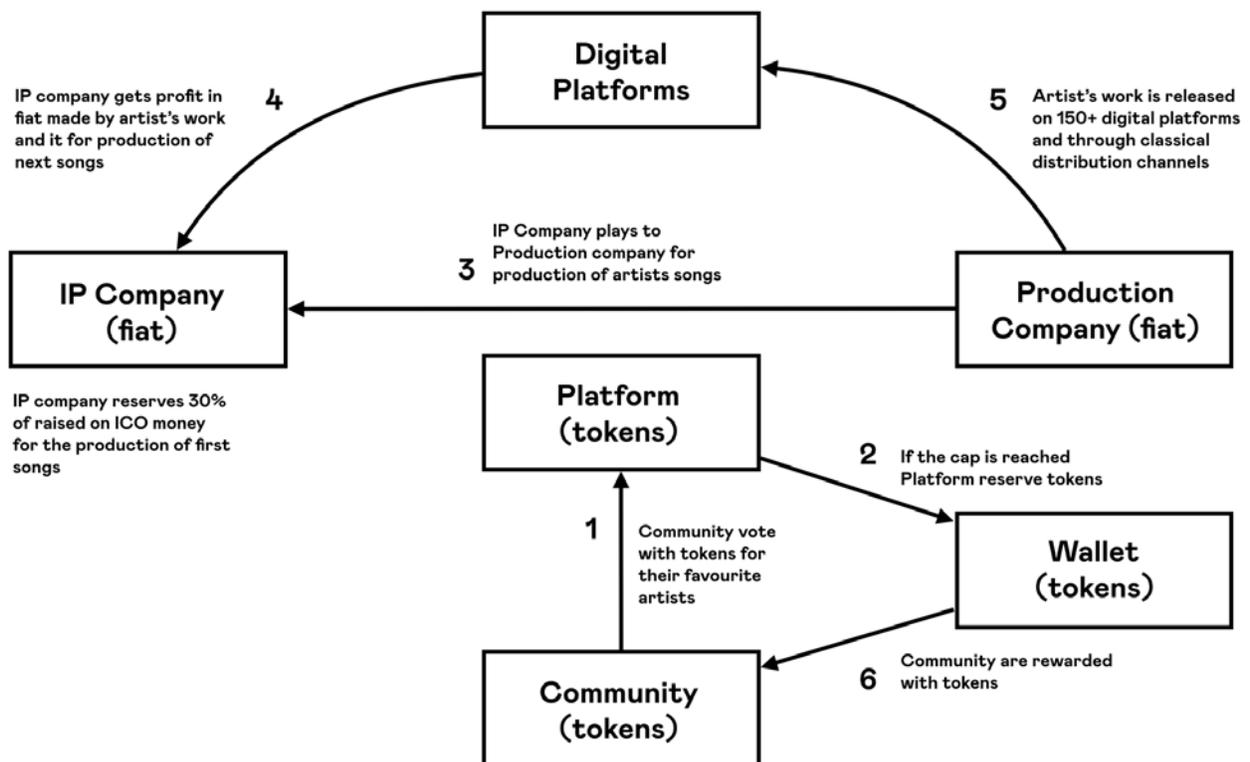
Reports detailing collected revenue from the song and distribution of YNK to contributors are submitted via the song's associated smart contract.

All fiat revenue is accumulated by the IP company and designated for use in the production of subsequent songs and for distributing YNK between DOC holders based on their contribution shares.

Once the song begins generating profit, the associated smart contract obtains information regarding the amount of money generated per month by each song and automatically sends YNK tokens to the DOC holder in proportion to the amount of tokens the holder originally contributed for the production of the song:

- Participants receive royalties in YNK equivalent to the amount of fiat generated by
- the songs they supported.

- C. The amount of tokens is converted according to the market rate on the day of which the transaction is executed.
- D. Royalties are distributed proportionally according to the ownership shares of the song as divided between the artist, the producer, the platform, and the supporting community.
- E. The share percentage of a song owned by users in the community is determined by the following formula: number of issued tokens divided by the total number of tokens collected during the song's availability for Hit-Funding, multiplied by 0.51.
- F. Participants can use these tokens to support the production of other songs, trade in co-ownership rights, exchange them for shares belonging to other participants, and withdraw and convert them to fiat.



# Roadmap

## 2017

JUL: Ideation, research, initial concepts

SEP: Core founding team assembled

SEP: Proof of concept done, project started

SEP: Don Grierson becomes a co-founder of Younk

OCT: Technical proof of concept done

OCT: Design prototypes & early white papers

OCT-DEC: Strategic partners acquired

## 2018

JAN: Early investors&advisors engaged

APR: Global marketing&PR campaign started

MAY: Private sale launched

JUN: Smart contract deployment

JUL: MVP ready

JUL: Younk platform closed beta

SEP: Younk platform open beta

OCT: Younk 1.0 release

NOV: Main ICO

NOV: Road Show with music celebrities

DEC: Younk app's release

## 2019

Q1: US & Japanese market expansion

Q2: Younk 2.0 release, machine learning implementation

Q3: Younk 3.0 release, internal exchange and DOC trading system

Q4: Younk 4.0 release, AI advisor implementation

# The Team



**Andrey Dakhovskyy**  
Founder

Founder and Strategic Advisor of Ukrainian Music Alliance. Founder and CEO of Ukrainian Records/ Universal Music Group Affiliate till 2009. IFPI spokesman in Ukraine between 2000 and 2005. Andrey has a background in establishment and development of label along with monetization of musical product. He holds PhD in Theoretical Physics.



**Don Grierson**  
Co-founder,  
SVP Creative

Music industry executive, best known for receiving the Golden Apple Award from The Beatles and signing Celine Dion to her first US recording contract. Don signed and/or helped guide a number of hit-making artists, including Heart, Tina Turner, Joe Cocker, Anne Murray, Steve Vai, Megadeth, The Motels, Bob Seger, Duran Duran, and others. He is a voting member of The Grammys; an instructor at Musicians Institute, Hollywood, California, and co-author (with Dan Kimpel) of the published book 'It All Begins with The Music'.



**Nika Fitch**  
Co-founder,  
Managing Partner

Savvy artist and concert manager with over 5 years experience in the music industry. Nika has background in booking artists, producing, undertaking PR for artists and events, marketing and social media. As a booking agent, she cooperated with the leading music performers from Europe and the US. Founder and President of ARTLAB AGENCY. Passionate about music and strives to make her impact on the industry. Nika also works in cinema industry, working as a film producer and doing creative advertising and promotion.



**Pavlo Yelizarov**  
Co-founder, CEO

Co-founder and Chairman of the Coordination Board at Savik Shuster Studio Ltd., and CEO at the 'World News Service' TV and radio company, which was broadcasting under the commercial name "3S.TV" until March 2017. Pavlo is the author of the TV channel crowdfunding model designed to create a media market free of politics and big-business influence. He is also the producer of numerous shows and projects, including but not limited to 'Shuster Live' talk show, 'African Passion', 'Olympic Passion', and '3S.TV|Economists', '3S.TV|Bloggers'.



**Gennadiy Kurochka**  
Co-founder, SVP  
Strategic  
Communications

Ukrainian visionary best known for pioneering the National Branding Strategy of Ukraine in 2010, Gennadiy's project "Witness" won the first Bronze Lion award for Ukraine in 2017. Gennadiy authored the "UN Hundred" multimedia project that won the Gold Sabre Award, and stood behind the latest debut of Ukraine House Davos on the sidelines of the 2018 WEF. Co-founder of Ukraine Crisis Media Center, MuPoToon, Myhelix, and Telecom Branch of the Future.



**Kamila Pletneva**  
Chief Marketing  
Officer

Brand & Communications Strategy specialist, Market & Consumer Research professional, Corporate Responsibility enthusiast with over 10 years experience in marketing. Founder of befor.co since 2017 - the global strategy agency. Kamila holds a Master degree of International Relations, Brand Strategy diploma in BBDO Academy, Master degree of Business Administration (MBA). Succeeds in conducting domestic and international consumer & market research, developing comprehensive marketing strategies to position products & services since 2007.



**Nazar Khalavka**  
Project Manager

An experienced financial analyst and blockchain enthusiast, Nazar possesses more than 8 years' experience in sales, equity and crypto trading, and project management. During his career, Nazar has gained a significant level of expertise in the evaluation and management of blockchain-based startups and in providing recommendations to institutional investors. His working experience covers the management of multi-million-dollar resources and investments in blockchain-based startups, including those of Stratis, Bancor, Tezos, and more.



**Lisa Yasko**  
VP, External  
Relations &  
Social Impact

A firm believer in music as a tool for social impact, Lisa has a background in political science and strategic communications. She has worked on policy recommendations for culture, creative economy, the music industry, and education for governmental sectors in the UK and Ukraine. She co-founded and coordinated a number of initiatives in culture diplomacy, performing arts, and media sectors in Ukraine. She holds a master's degree in public policy from Blavatnik School of Government, the University of Oxford.



**Ilia Kulikov**  
Chief Technical  
Development  
Manager

A strong entrepreneurship professional, Ilia holds 10 years of experience in managing remote teams of up to 100 people while working in the film and commercial production industry. In 2012, he launched his first IT startup. Since then, he has been managing a number of successful development projects with international teams in the U.S., Russia, and Slovenia.



**Lara Ispravnikova**  
Co-founder, CTO

Lara is a seasoned technologist and digital strategist with extensive experience in the entertainment, retail, mobile development, financial, and travel industries. Her current position utilizes her comprehensive IT and marketing skills, and entails such duties as managing IT operations (Android, iOS, Big Data, Web, JavaScript, jQuery, HTML, Ruby, PHP, Python, C++, Development Management, Product Management) and driving the Marketing & Product department (product marketing, digital marketing, market research, public relations, and event management).



**Alex Komkov**  
Senior Blockchain  
Developer

The Head of Development, Principal Solution Architect, and Blockchain Lead Developer, Alex has over 10 years of development experience and 6 years of team management. He began his career early with systems integrations and before pivoting into work with large-scale systems, data science algorithms, and big data. In 2017, he became involved in Blockchain development, and since then has launched a Blockchain voting platform and cooperated with a number of Blockchain projects in the U.S., Russia, and Slovenia.



**Dima Pletnev**  
Chief Partnership  
Officer

As the foreign affairs and international relations specialist, Dima retains vast experience in managing high-level corporate operations, coordinating workforce teams, and preparing and organizing events, including covering official and state visits and the exclusive treatment of VIPs. Dima has a master's degree in business administration, with a major in international relations. In addition to being a crypto and blockchain enthusiast, Dima is an avid music lover.



**Alex Ksikes**  
VP Engineering

Entrepreneur in AI, crypto and mobile apps. Ph.D. Cambridge. Full stack software engineer with a particular focus in Search and Machine Learning. Alex holds a Ph.D. in Artificial Intelligence from the University of Cambridge under the supervision of Prof. Zoubin Ghahramani. Alex holds a B.S. and M.Eng. (GPA: 4.2/4) in Computer Science (Minor in Applied Mathematics) from Cornell University. Passionate about the impact of technology on society, the beauty of mathematics.

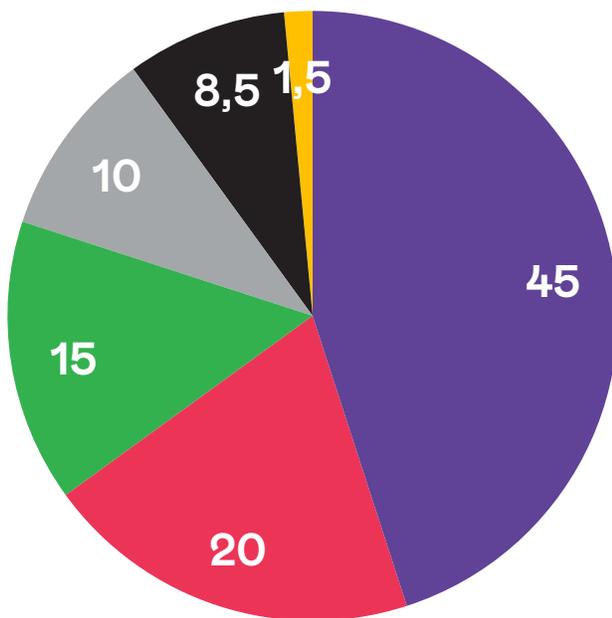


**Henry Lipatov**  
VP, Creative  
Production

Henry has helped to develop countless music videos, commercials, and short films for a number of music stars and worldwide brands such as Google, Tesla, Walt Disney, Warner Brothers, etc., and has successfully created a platform for working with leading athletes, business owners, and music artists such as Kelly Clarkson, Justin Bieber, Eminem, Linkin Park, Wiz Khalifa, Twenty One Pilots, Fall Out Boy, and many more.

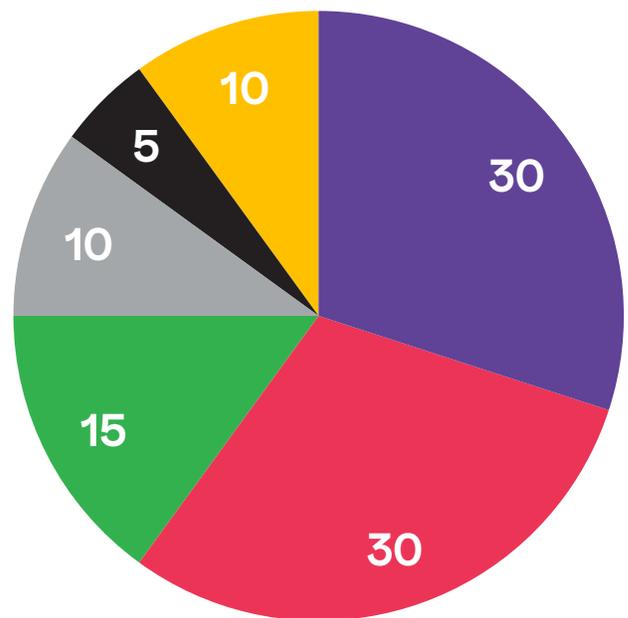
# Token Sale Terms and Fund Allocation

Younk token distribution (%)



- Token sale
- Team (vesting)
- Partners and advisors
- Company reserves
- Liquidity
- Bounty

Younk token sale proceeds split (%)



- Production of songs
- Marketing
- Legal
- Product development
- Business development
- Operational costs

## **Sale event**

The sale event will start on September 2018, immediately after the pre-sale event and will continue for 30 days or until the hard cap of the sale, determined in ETH, is reached. Participation instructions will be published on the Younk.io website.

YNK price will be fixed (in ETH) throughout the sale. The YNK price will be published on the Younk.io website before the sale starts.

## **Vesting**

### **Company reserves:**

Tokens are locked for 3 years and could be unlocked every 3 months for 1/8 (2.5%) starting from the 2nd year.

### **Team & advisors tokens:**

25% locked for 3 months, 25% locked for 6 months, 25% locked for 12 months, 25% locked for 24 months.

### **Bounty:**

Locked for 3 months

### **Bonuses:**

25% unlocked

25% locked for 3 months

25% locked for 6 months

25% locked for 12 months

## After the event

Upon reaching the hard cap, the total amount of ETH will be taken and multiplied by the YNK rate, the sum of which will represent 45% of the total token amount. In the event that the hard cap is not reached, and the crowd sale ends due to time limitation, the same calculation will be completed to determine the number of tokens. This number will be represented in a pro-rata basis equivalent to the fee of the same percentage equal to the "ETH raised /hard cap in ETH".

YNK tokens actual value will be established following the close of the ICO and will be determined according to the number of tokens sold. The following examples illustrate the calculation of YNK sold during the ICO:

45% = 28,500 ETH (hard cap)

$28,500 * 7000$  (example value of YNK) / 0.45 = total count of issued tokens

In a case where only 10,000 ETH are raised:  $10,000/28,500 = 35\%$

$10,000*7000/ 0.35 =$  total amount of issued token

# Legal Disclosure

Younk community is created and organized by the Private Limited Company “YOUNK”. The company, is a duly registered legal entity under the laws of Republic of Estonia. The user that intends to purchase YNK token is subject to the acceptance of risks. The YNK token does not have the legal qualification of a security, since it does not give any rights or interests to dividends. The sale of YNK tokens is final and non-refundable. YNK tokens are not shares and do not give any right to participate to the general meeting of Younk Platform. Every off-taker of the YNK token can receive advice to evaluate whether the purchasing of the token is suitable or unsuitable for the purpose his/her objectives. Any user purchasing YNK tokens expressly admits and declares that he/she has carefully reviewed this white paper and comprehends the risks, costs and opportunities related with the purchase of YNK tokens.

**Governing Law.** Disputes. The Parties agree to seek reconciliation and peaceful resolution prior to bringing any legal proceedings. All disagreements arising from the papers provided, shall be resolved by to the Arbitration of the International Chamber of Commerce with one or more arbitrators appointed in accordance with its regulations.

**Important Notice.** This white paper shall not and cannot be considered as an invitation to embark upon an investment. This white paper does not constitute or relate in any way nor should it be considered as an offering of securities in any jurisdiction. YNK token is a utility token with zero overall risk score due to the Howey Test.

This white paper does not contain any information or indication that might be considered as a recommendation or that might be used as a basis for any funding decision. YNK tokens are just utility tokens which can be used only on the Younk platform and are not intended to be used as a funding.

**Risks Acquiring.** Both YNK tokens and their ownership involves various risks, in particular the risk that Younk may not be able to launch its operations and develop its Blockchain and provide the planned services. Therefore, and prior to acquiring YNK tokens, any user should carefully take into account all the risks, costs and benefits of acquiring YNK tokens in the context of the crowd-sale and, if required, receive any independent advice on the relevant actions. Any interested person who is not in the position to admit or to comprehend the risks associated with the activity (including the risks related to the non-development of the Younk platform) or any other risks of the crowd-sale should not acquire YNK tokens.

**Intellectual Property.** USA Company (IP) - the company, a duly registered legal entity under the laws of United States of America, owns all intellectual property of the service, which include brand name and domain, source code of the website, ranking algorithm,

software creating in result of the crowdfunding. Participants / owners / owners of the tokens receive the ownership of the intellectual property of the Company solely within the framework of the concluded contracts between the Participant / owner / owner of the token and the Company. Contributors/ token owners/users do not get any ownership of the Company's intellectual property.

The artist owns 100% copyrights (both moral and economic) in his/her released work. The related rights (master recording) ownership in released work is as follows:

1. Community — 51 %
2. Artist — 21 %
3. Platform — 15 %
4. Producer(s) — 7 %
5. Inner bounty program<sup>10</sup> — 6 %

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<sup>10</sup> Younk's Bounty Program operates as a reserve of YNK tokens collected for the purpose of redistribution in the form of rewards for user activity on the platform; this incentivizes and drives participant useful actions including "liking" and evaluating songs, sharing information, bag reports, etc.