ReelToken Whitepaper Lite

Building a global community of creators and fans for the benefit of all

Reel Token

Abstract

A Dual-Token Ecosystem that Invigorates & Democratises the Global Media & Entertainment Industry

The REELSTAR app is underpinned by the ReelToken (REELT), (a pure utility token), specifically crafted and engineered by Reel Crypto to provide a comprehensive platform and ecosystem to address endemic issues around inertia, access, fairness and equality in the global Media & Entertainment Industry (M&EI). The governance token, at the heart of a hybrid Distributed Autonomous Organisation (DAO), is not associated in any way with REELT ownership and operates independently to maintain the economic stability, security and viability of the REELT and associated ecosystem(s).

The ecosystem has a compulsory Know Your Client (KYC) regime that enables partnerships with fiat payment gateways. This allows for the in-app bridging of fiat and crypto currencies seamlessly and cost effectively while maintaining security and compliance with governmental regulation across multiple jurisdictions globally.

Future development will integrate cross-platform advanced quantum-proof encryption and bridging to multiple DEX platforms, facilitating even lower cost exchanges, greater safety and security as well as simplifying consumer access to a range of DEX benefits across multiple blockchains.

The entire ReelToken powered ecosystem is fully available through functionality integrated within the ReelStar app which delivers this with the convenience and universal accessibility of the smart phone initially, on both iOS and Android. A web version is planned for early in Q1, 2023.

Disclaimer

The ReelToken (REELT) is a utility token that has global reach and utility. Crypto-assets (e.g., crypto coins, tokens, NFTs) are either currently not regulated globally or the regulations may vary, sometimes significantly, between jurisdictions.

Cryptocurrencies, NFTs and other blockchain and Web3 technologies are in constant flux. This Reel Crypto Whitepaper (RCWP) is not intended to be the comprehensive or final design of the Reel Crypto Platform (RCP) or its services, products or offerings. It is not intended to create either explicitly or implicitly any contractual relationship or elements. The RCWP's primary purpose is to provide potential token holders, partners or associates with sufficient pertinent information to enable an informed analysis and decision while taking into account the individual's or entity's current and future circumstances.

It is strongly advised to fully study the RCWP and its attendant documents, and seek, where necessary, professional advice in order to come to an informed and appropriate decision.

Given rapidly changing technological advancements and global factors, the volatility of which are unlikely to change in the short to middle term, certain statements, estimates and financial disclosures in the RCWP are forward looking statements, subject to change, and, although they are based on a rigorous consideration of known and unknown facts, risks and contingencies, the eventual actuality may differ factually or substantially from the forward-looking statements expressed herein.

The following disclosure is intended to address regulatory requirements in a number of jurisdictions, which may or may not be applicable to you. We may disagree with possible interpretations across some jurisdictions globally due to issues raised herein, however, without prejudice, we provide the following legal warnings and request you read them carefully, in order to be, within reason, as globally compliant as possible.

It is important to read and understand the related risks as described and explained in detail herein. As such, the risks may not be suitable for those of restricted means as the value of any monies advanced may be lost in part or entirety.

Important Notices

High risk

1. The worth of any monies advanced and the return obtained may experience significant upward and downward variations, and the entire amount may be lost.

2. Early-stage projects carry a higher level of risk; therefore, a proper understanding of the business model is required.

3. As described herein, crypto-assets are not generally covered by customer protection mechanisms across most global jurisdictions.

Value Guarantee

4. Prices of crypto assets are generally constituted in the absence of government mechanisms that ensure their approved formation, such as those present in government regulated currencies or securities across global markets.

5. Crypto-assets may lack the liquidity to be able to unwind (return) funds advanced without significant loss, as their circulation among holders, either consumer, corporate or professional, may be very limited.

Technology risks

6. Blockchain or distributed ledger/registry technologies are at an early stage of maturity, any network or blockchain may not be sufficiently validated and may contain significant flaws that affect their operation and/or security.

7. Blockchain or distributed ledger/registry technologies work through multiple protocols that may be susceptible to a variety of attacks or subversions which could compromise the registry. Crypto-assets held in such registries, if compromised, may be lost in part or entirety.

8. The utility that crypto-assets can provide makes them a target for cybercriminals, and in the case of stolen or compromised credentials or private keys crypto assets may be illegally transferred and recovery may be difficult or impossible.

9. Custody of crypto-assets is critical since theft or loss of private keys can result in the loss of the crypto-assets. The custodial entity, its jurisdiction and legal framework must be identified.

Legal risks

10. Currently crypto-assets are limited as a means of exchange and there is a legal obligation to accept a limited number of them in only a small number of jurisdictions.

11. A provider of crypto-assets and services may not be located within the jurisdiction of your country and the resolution of any conflict could be costly and fall outside the scope of your local authorities.

12. Crypto-assets are held in a digital wallet. The security of the crypto-assets held is provided by possession of private keys which may be held by the crypto-asset owner directly or the custodial holder (usually the provider) of the crypto-asset or service. In either case, loss of the private key(s) generally means loss of the crypto-asset. Where the private key is held custodially the owner of the crypto-asset is required to be informed of what rights they have to the crypto-assets.

Further Considerations

Every effort was made to ensure this document is accurate and up-to-date, but this material in no way constitutes professional advice. There is no guarantee or warranty nor do we accept any legal liability arising from any material contained in this document.

We reiterate, no part of this document is legally binding or enforceable, nor is it intended to be. The blockchain and cryptocurrency discipline is new and largely untested. This document fits within the generally accepted valuation method adopted by the cryptocurrency community in line with accepted doctrines in economic thought particularly the monetarist school and quantity theory of money and cash flow analysis.

In comparison to fiat currencies, as well as securities, cryptocurrency historical data is limited, with little in terms of past performance data or academic research founded on that data. This is even more the case for tokenisation, and long-term valuation of digital assets.

Historically, equity/securities (shares, stocks) date to the early 17th century but it is only in the last century that valuation models with widespread acceptance have been developed. In contrast cryptocurrency had its birth in 2008, with wider recognition occurring about 8 years later. The rapid growth in the number of tokens began only in 2017. Therefore, any cryptocurrency evaluation is not going to have the robustness, predictive capacity and/or integrity of fiat or equity policies or models and should not be expected to do so.

This crypto whitepaper must, like every other, therefore rely more strongly on assumptions albeit we have endeavoured to back these by sound economic and mathematical principles and models. Consequently, crypto lacks significant precision and forecasts and estimates subject to the underlying assessments, assumptions and values used can be significantly impacted by real world deviation from these inputs.

A fair market driven token price valuation, based on the business' models and merits, as known, calculated or estimated at the time however cannot account for all possible variables including but not limited to; irrational market behaviour, recent black-swan type events such as the pandemic and war in Ukraine, predatory or speculative actions and market manipulations by third parties or even legislative mis-steps.

Further, some of the forward-looking statements are reflective of Reel Crypto's and its advisers' professional views with respect to business strategy, technology, execution and product roadmaps, financial performance and these, by their very nature, involve risks and uncertainties and cannot guarantee a match with achieved results.

External resources and references are provided where appropriate and can be subject to dispute given the youth of the sector. Any financial, legal or tax analysis or assessment in relation to cryptocurrency is entirely dependent upon the jurisdiction(s) and circumstances of the prospective virtual-asset owner and/or holder.

The Reel Group Consortium

The Reel Group Consortium (ReelGroup) was established when it was identified that providing the functionality required within the planned 'everything' (ReelStar) app would encounter significant regulatory hurdles, and delays in regulatory sign off and jurisdictional compliance, if structured as a single entity.

For this reason, the other two primary ingredients of the 'everything' app, blockchain infrastructure (including all forms of crypto-assets) and payments functionality were allocated to separate entities. There is a similar but not identical ownership holding between the three Reel Group Consortium entities: Reel Crypto Pty Ltd, Reel Star Pty Ltd and Reel Pay Pty Ltd.

In future additional entities may be added to the consortium to address future requirements, particularly from a jurisdictional perspective.

Table of contents

01. Introduction

Crypto-asset History & Background

The crypto-asset story started with a publication by Satoshi Nakamoto (his real identity remains a mystery to this day) explaining the invention of Bitcoin (BTC) in 2008. This generated little interest outside of hardcore technologists. It took another 3 years before other crypto-assets (Litecoin and Namecoin) were created in 2011.

The first recorded goods purchase was made by Laszlo Hanyecz when he purchased two pizzas for 10,000 BTC on 22 May 2010. This is the official Bitcoin Pizza Day! Using the Bitcoin value, in 2011 the two pizzas would have cost USD 10,000.00, in 2015 USD 2.4m and at the highest price to date USD 630m in Dec 2021.

The interest in Bitcoin started to rise from that point. In 2010, the first cryptocurrency exchange was formed. In 2013, Mt Gox became the world's largest cryptocurrency exchange. At its peak, it handled around 70% of Bitcoin transactions. It was also, in 2014, the victim of the largest hack in bitcoin history, when 850k BTC was stolen. At the time this hack was valued at USD 460m! This hack caused the Bitcoin price to fall by 50% and it took until 2016 before the price recovered.

In mid-2015, the Ethereum network was launched, it pioneered the smart contract and enabled the world of decentralised finance. Currently Ethereum is the second most valuable cryptocurrency.

Cryptocurrencies that don't have their own dedicated blockchain, like REELT, but use the blockchain of another crypto-asset are known as **tokens**.

In early 2017, a bitcoin was valued at ~USD 1,000.00 but by late 2017 it had approached ~USD 20,000.00. It reached its highest value to date of ~USD 63,000.00 in December 2021.

From a historical perspective, Bitcoin, blockchain, smart contracts can be viewed as a classic example of a disruptive technology. And like all previous disruptive technologies they have gone through the classic phases: bull markets and pullbacks, bear markets, periods of euphoria and despair, FOMO (fear of missing out), and fear, to name just a few.

It is very clear, however, that this disruptive technology is not going away. It has too much utility, too many large backers (including banks, financial institutions and governments) to be relegated to the dustbin of history. Given its newness, there are also many more exciting possibilities for the technology in the future, and Reel Crypto aims to be at the forefront of some of these possibilities.

As at 5 November 2022, the global crypto market cap is USD 1.06T, a 5.00% increase over the last day (coinmarketcap.com). Bitcoin was valued at just over USD 21,000.00.

Global Media & Entertainment Industry Overview

After suffering a contraction in 2020, the global Media & Entertainment Industry (**M&EI**) rebounded with 10.4% growth in 2021. PwC's 2022-2026 forecast is that the global M&EI will generate nearly USD$3tn in revenue by 2026. The overall growth of the M&EI is greater than the global economy as a whole.
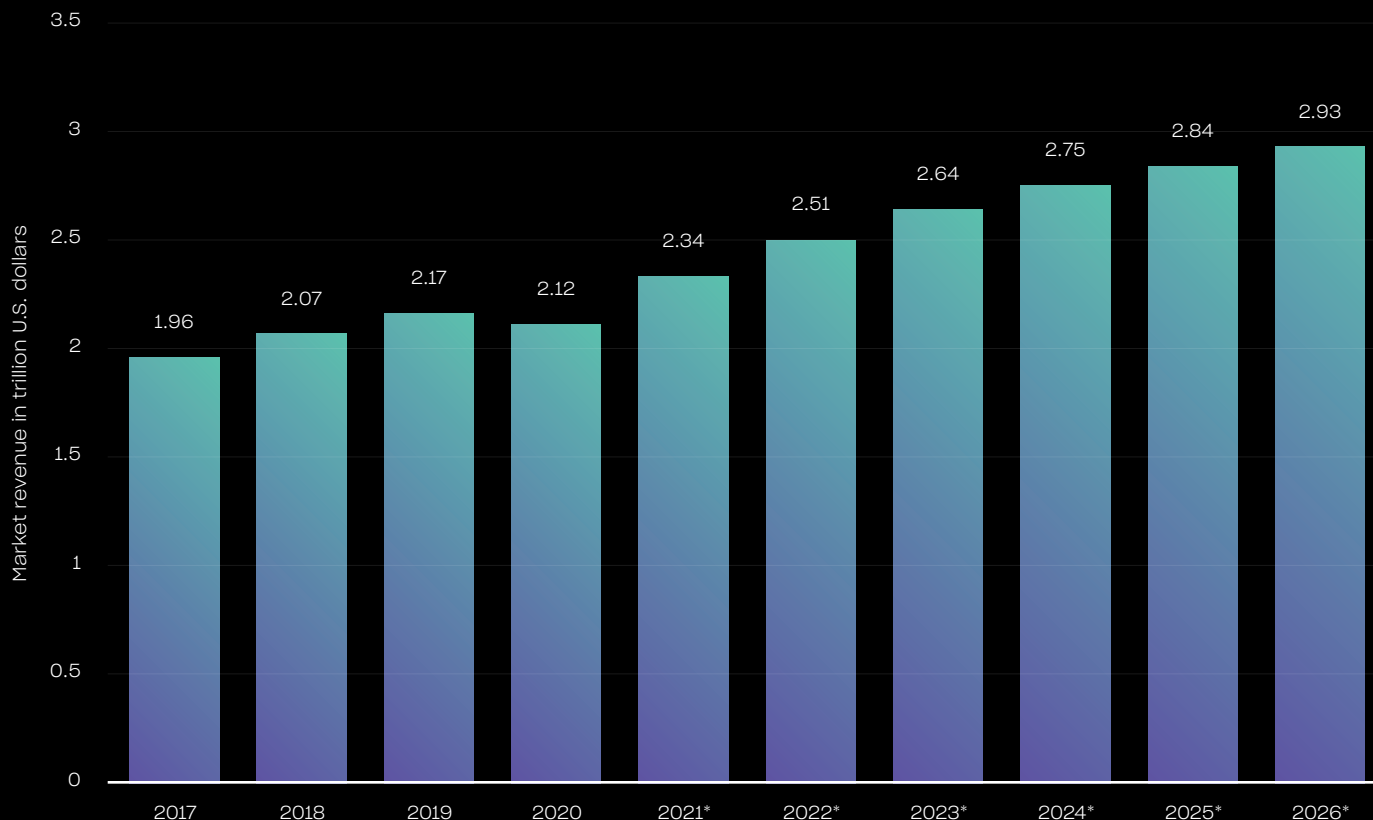

Figure 1. Global historical and projected M&EI revenue (2017 - 2026) (in trillion U.S. dollars)

The M&EI is fragmented, diverse and siloed and the PwC report focused on 'fault lines' and 'fractures' that present across and within industries, sectors and geographies. The overall growth pattern masks significant industry-wide volatility. Largely, but not entirely, a consequence of the pandemic, this volatility has been accelerated by changes both in consumer behaviour and digital adoption.

The ME&I is globally reliant upon non-industry participants for key infrastructure such as special effects, payment and marketing which adds unnecessary cost to both creators and consumers. Significant control is held in the hands of, relatively, a very small number of players. Consequently, there is significant inertia with both slowness and resistance to market driven change. The industry has seen significant negative publicity, both globally as well as locally, around unfair work practices, harassment and issues of access and democratisation.

Research indicates that globally people are spending more time, money and have greater interest in the increasingly immersive experiences being provided by the M&EI.

India as an Example

India has the second-largest media and entertainment industry globally. The Indian M&EI is ready for significant growth in 2022–2025, a growth that was delayed largely by the Covid-19 pandemic. Its market size was Rs 1.38 trillion (~USD 19 billion) in 2020, Rs 1.73 trillion (~USD 23.7 billion) in 2021 and is predicted to grow to Rs 2.23 trillion (USD 30.6 billion) by 2023.

Indian Internet users are expected to increase to over 900 million by 2025. The vast majority of access is expected to be via smartphones.

With substantial government policy support the Indian M&EI has an impressive growth path projected to be significantly higher than for other countries. Significant growth drivers are; increasing demand for content; government initiatives; Internet user base growth and subscription service demand with further potential progress in the rural region(s)
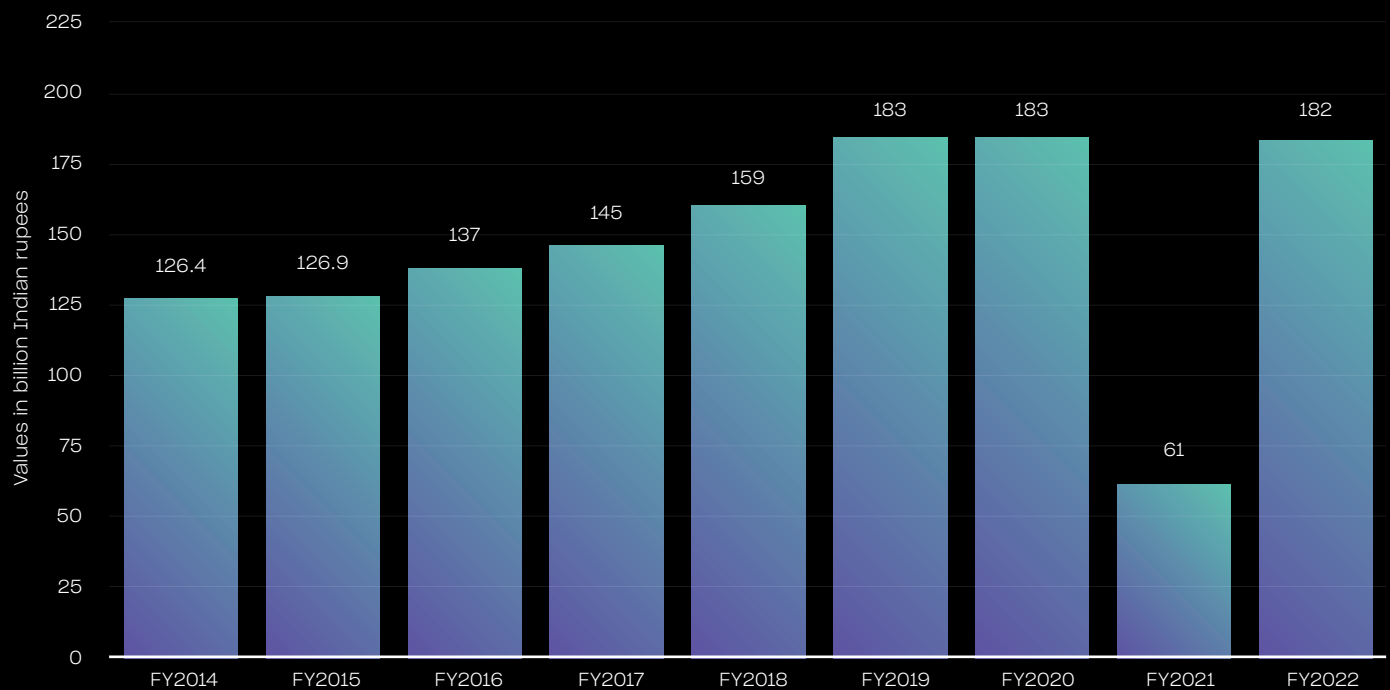
Figure 2. India's historical and projected M&EI revenue (2014 – 2022) (in billion rupees)

India is the fastest growing and quickest developing cryptocurrency market in the world. Currently India's unique political, economic, social, technological, legal and environmental state is an ideal market example.

So far in 2022 India has had 10 million plus NEW crypto investors

Reel Crypto Motivation & Intent
Market Description & Problems

Reel Crypto firmly believes in the global benefit of artistic creation and the many important roles the M&EI plays universally, irrespective of country, language, social standing or culture. It is a net benefit to the global community.

BLOCKCHAIN is the biggest technology evolution after the Internet!

The last 50 years has seen a massive interplay and consequence between rapidly changing technology and artistic creation. This has not always been to the benefit of either the creator or the consumer. Eras can be defined on the basis of how artistic creation is delivered and consumed. The enormous potential of Web3 and the metaverse will define the next new era and is a (r)evolutionary multiplication of the changes wrought by not only the move to digital across so many artistic sectors but, in fact, the creation of new ones.

In February 2021, DJ 3LAU released the first NFT music album, to sales of USD 11.7m

Reel Crypto believes that artistic creation is both intrinsically and extrinsically valuable. However, the digital avalanche has not benefited every creator in meaningful ways. In fact, many are now, not only unable to earn a living from their artistic endeavours but there are significant constraints to new entrants, as well as existing creators, to be properly rewarded for their creative efforts.

The current artistic economy is heavily weighted towards large media and entertainment corporates and consequently a focus towards superstars with millions or even billions of fans or followers. This undervalues the richness and diversity of artistic creation and engagement globally as well as providing a much higher bar for new artists to reach. We know some major M&EI players will not even consider a new artist unless they have "gone viral" on some social media platform!

Reel Crypto believes that there is great value to be found and created in artistic creation that is more accessible and is not constrained by the current marketing, distribution and consumption models.

In fact, without a focus on maximum profit, as well as the imperative to reduce costs across the M&EI the ReelToken ecosystem aligned with the Reel Star platform enables an M&EI model which can cater to (much) smaller markets more cost effectively and efficiently while providing new income streams and outlets for creators. This, we believe, will result in an explosion of local, cultural and of niche interest creativity and creation to meet the consumer desires currently not addressed by the M&EI as a whole. In effect, an entirely new set of creative creation and consumption markets is now enabled. This is a creative avenue that is brimming with unexplored potential, possibility and opportunity.

The Revolution of Three

The pandemic has accelerated the adoption of huge technological innovations and created deep and long-lasting changes., Three supercharged economies have the greatest relevance globally to artistic creators; Platform, Token and Experience. Together, these will dramatically change the M&EI by fundamentally changing the way artistic creators engage with their audience, how they are remunerated and how value is recognised and exchanged.
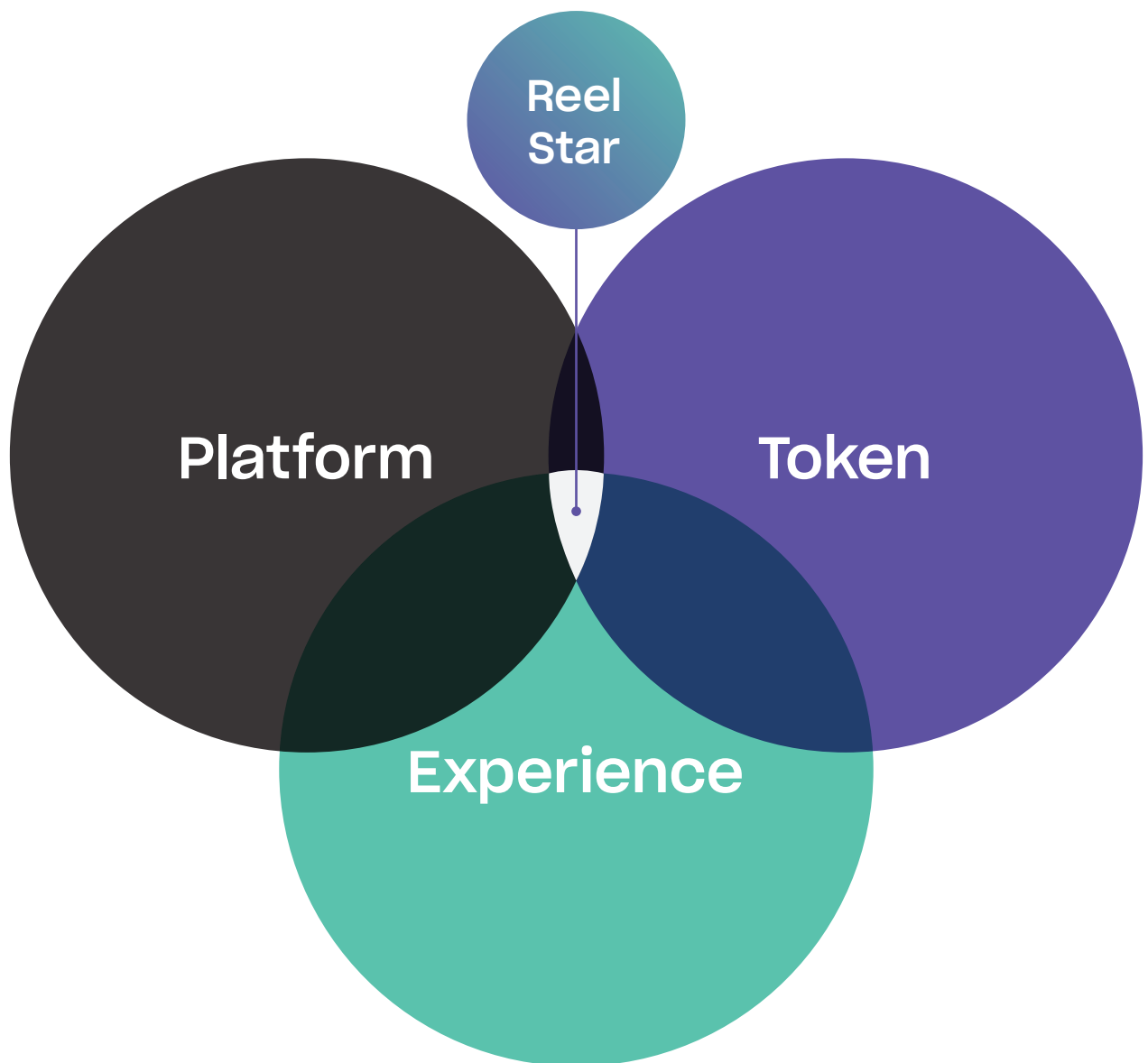

Figure 3. The Revolution of Three and ReelStar

Platform

Platforms have now become key change drivers in the global economy. Reel Star is not only ready but committed to driving the change the (artistic) world needs through its platform. The crucial aspect of any platform is the effective size of its user base. The more users it has, the more attractive it is to artists, the more artists that join the platform the more audience members are attracted to and become part of the user base.

Importantly, it is the effective size of the user base, both artist and consumer. Effectiveness is measured by engagement, whether it is providing something as simple as feedback, purchasing the artist's digital asset or being a committed and consistent participator/audience member.

The synergy of Reel Pay, Reel Crypto (including REELT) and Reel Star creates an ideal vehicle to attract content creators, users and the full gamut of M&EI participants. Significant attention has been given to ensuring a platform that has appeal, engagement and stickiness. And, unlike any other platform, the mandatory KYC provides significant comfort and assurance to all stakeholders that all the relevant and most important metrics are accurate, genuine and derived from 'Reel people' not bots or other attempts at metric manipulation.

Platform Trends

The current social media landscape is dominated by a small number of large and dominant players. These have attracted significant attention due to their (sometimes questionable) practices and effective monopolies. They are currently subject to multiple investigations and enquiries by governments across the world.

They are also heavily siloed, and despite an almost universal practice of attempting to copy trends and functionalities present in other platforms they have not achieved significant success. Many of their strategies and policies have not received consumer support or governmental approval.

By 2019 more than 60% of Internet traffic came from mobile devices!

There is a strong trend by consumers to prefer an app-centric experience on their mobile device. However, a significant frustration is the current necessity to change apps to access different social media functionalities. Further, there are significant platform instigated impediments to silo and

retain their consumers which has resulted in significant consumer frustration and dissatisfaction with those platforms.

The Reel Star platform, powered by Reel Crypto, has integrated (from the start) all the desired social media and other functionalities to create an engaging, enjoyable and rewarding experience for both creators and fans.

18

Token

The Token Economy, in both fungible and non-fungible varieties underpins the Reel Star platform and its utility. From tipping an artistic creator or obtaining services to obtaining an NFT, the fungible ReelToken is preferred and provides benefits for all commercial transactions on the platform.

The first NFT was created in 2014

It sold for $1.4m at Sotheby's

The revolution that blockchain technology brings includes Non-Fungible Tokens (NFTs). Going forward, we believe NFTs will fundamentally reshape the way that artistic creation and audience engagement occurs. They will be this era's CD / DVD / Blu-ray.

Patronage, Reward & Recognition

Historically patronage was the preserve of the ultra-powerful or ultra-wealthy. They chose which artists they liked, controlled what the artist produced and (in practice and effect) restricted public access to the artist's work. Obviously, this was of significantly limited benefit to both the artist and the public.

USD 3tn 2022
Global NFT Market

Location

The ReelGroup are headquartered in Australia due to its early recognition of cryptocurrencies and its balanced legal and regulatory environment. The cryptocurrency ecosystem is well regulated and has a strong focus on monitoring for the possible risks, including money laundering, financing of terrorist activities and taxation avoidance, while not stifling the innovation and application of blockchain technologies to an overall commercial and social benefit.

This balanced approach has seen the regulation of cryptocurrency exchanges and issuing warnings to the public and business of the risks of crypto products. Like and with a number of other jurisdictions, Australia and its partnerships with both blockchain technology companies and banks is working to facilitate inter–bank and digital payments.

Legally, Australia is a neutral regime for the growth and development of cryptocurrency transactions. The governing laws for cryptocurrency, smart contracts as well as related issues of cybersecurity, privacy and safety are under continuous review which then transfer to its progressive dispute resolution laws. Australia's intent to be the Asian hub for cryptocurrency is found in large part in its intent to be a responsive arbitral and neutral administration.

Anti-money laundering (AML)/Countering the Financing of Terrorism (CFT) legislation and regulation require providers to have strong and effective controls to detect and prevent AML/CFT breaches. Mandatory implementation of control measures is required, including a mandated internal AML/CFT policy that verifies and screens customer identities, monitors and reports suspicious transaction and maintains accurate and detailed customer and transaction records.

Ongoing legislative initiatives have significantly enhanced Australia's regulatory agility and effectiveness to address financial sector-wise risks with respect to a range of blockchain, crypto and privacy issues for digital services either locally or internationally. However, the regulatory framework is a work in progress with recent data breaches driving further legislative enquiry.

The Reserve Bank of Australia has also recently released its White Paper 'Australian CBDC Pilot for Digital Finance Innovation', further underpinning the government's commitment to a digital economy.

Location Reasoning & Opportunities

Australia is a *crypto-friendly environment* that has attracted many large businesses from a variety of countries. It has demonstrated regulatory flexibility and support for fintech growth and innovation, particularly for start-ups, and in general for cryptocurrency and blockchain technologies.

Australia provides the *regulatory clarity, stability and certainty* to minimise the volatility and regulatory risk often associated with this sector. This has created a *recognisable and verifiable framework for increased consumer trust and confidence* in registered crypto-operators.

Crypto-operators have traditionally had difficulty with access to traditional banking facilities. Australia has improved the licence process and increased the trust between banks and crypto-businesses. This has *bettered access to banking services*.

Legislative provisions related to AML/CFT have, together with industry codes of practice and policies such as Know Your Customer (KYC), have significantly *reduced the risk of financial crime,* and *increased compliance and flexibility to crypto-operators' businesses*.

The Reel Solution

The Reel Group Consortium is the practical embodiment and digital realisation of a vision to revolutionise the M&EI globally. It is a platform for both creators and consumers. It selectively combines both cutting edge and proven digital technologies. ReelStar leverages technologies such as Web3, blockchain, Non-Fungible Tokens (NFTs), cryptocurrencies, payment systems, the Metaverse, social media and multi-media creative tools in ways that is designed to electrify and democratise the Experience Economy.

> The NFT market increased 20+ times in 2020 - 2021

The ReelStar App, at its heart, is a platform that increases engagement and connection between artists, creators, consumers and fans in a safe immersive experience that respects individual privacy. For content partners, it provides a seamless opportunity to monetise new assets and remonetise their back catalogue to a larger, more engaged audience.

The ReelStar App provides a suite of extensible and innovative user-friendly tools for creation, tokenisation, engagement, connection and analytics for every level of the M&EI. Individual artists, film studios, record labels, event planners, festival organisers, cinema and live venue operators, to name just a few, can leverage the platform and tools to add value, grow and increase connection and engagement with their market.

Reel Crypto provides a blockchain that enables a broad array of gamified experiences to both energise and maintain existing fans and cultivate new ones within the Reelstar app.

Reel Star as a platform enables the democratisation of the M&EI. It allows for meaningful participation by fans and funding opportunities for both new and existing artists. It enables passionate and committed creators in any field to find, grow and monetise an audience for their vision and creative output. The Reel Star platform underpinned by ReelToken provides a fair and transparent value proposition for access to both niche and mass-market audiences to mutually benefit artists and fans alike.

The ReelGroup understands that the current M&EI system isn't economically viable for any but the biggest of stars. Its model isn't designed for the smaller working musicians, film-makers and entertainers but these, in aggregate, have billions of fans. The Reel Star platform enables a system that not only values the cultural richness and diversity of the smaller creators but enables them to monetise and grow the connection and engagement that their creativity contributes to society.

Reel Star recognises the great value of User Generated Content (UGC) and its two-way street with the M&EI. The ReelStar App is a fun and flexible platform that at its core is user-driven and allows for established and new creators and artists to more easily create fun and compelling fan experiences.

The ReelStar app underpinned by REELT and our blockchain platform facilitates monetisation and engagement at all levels and nurtures the organic growth of involved patronage communities and the development of positive side networks along with their attendant benefits. This functionality, in turn, encourages diversity, inclusion and exposure.

Key to the fan engagement and monetisation is the ease with which the Reel Star, REELT powered Crypto platform enables creators to mint NFTs in an environmentally conscious way. More importantly, it is a deeper platform that supports the artist with a suite of tools to more effectively market and manage their NFTs. The NFTs are in effect a digital asset and collectible, which provides a new revenue stream that is more equitable and in favour of the creator.

> **Kings of Leon were the first to release an NFT album with perks**

NFTs can be minted and released to serve different functions. For example, a limited-edition release, due to its scarcity and desirability, would tend to be valued more highly and be more sought after, by fans and enthusiasts.

In addition to the Reel Star platform for NFT creation, Reel Star will provide a bespoke NFT minting service. This concierge service is customisable to suit the needs of all levels of creators. It provides curated entry into both primary and secondary marketplaces.

Creators may have differing levels of focus, some may wish to focus on the artistry, others on developing their community of fans, others on the live, streaming and metaverse experiences they offer. No matter what their requirement, the Reel Star Concierge (RSC) service will provide as much or as little for the creator as they need. The full RSC service can handle all the NFT minting, smart contract, content curation, automatic distribution, sale/auction event management and promotion including outbound marketing, social media linkage and dedicated marketplace promotion and incentives. Another benefit, reserved exclusively for RSC service clients, is special pricing for associated costs, such as transaction fees.

The ReelGroup has embraced the use of smart contracts to rebalance the economics of the ownership of creative output back to the creator. Every time an NFT is sold after its original sale by the creator a portion of the sale price will be sent to the original creator as part of the sale transaction. In this way the creator also stands to benefit, in the long term, of any future appreciation in the value of their creative work.

Reel Star understands that many fans or parts of the consumer audience will not be familiar with cryptocurrency and blockchain concepts such as NFTs, staking and wallets. The Reel Star mobile app (ReelStar) will provide a seamless introduction and functionality to the ReelStar platform and these concepts and their utility.

The ReelStar app (also available on other platforms see roadmap) is a truly user-friendly, multi-purpose app. It functions as a media player, a wallet for tokens and NFTs, a video sharing and creative platform, a creator's tool box, a marketing toolbox, a gifting, messaging, sharing and payments app, a gateway to the ReelStar Metaverse, Events, NFT and creator marketplaces and so much more. It is an 'everything app'.

The ReelGroup understands and values the enormous individual and social benefits that the varied creative output of the creators provides. These creative expressions and the joy, utility and connection they provide to fans and consumers are the foundation of our humanity and their benefits cannot be underestimated.

The creative expressions benefit peoples' brains, their mental health, their bodies health and healing. They create feelings of social cohesion, identity and connectedness. They provide motivation and social purpose. They provide relief from stress and anxiety, they bond individuals, reach across cultural borders, help in the treatment of dementia, depression, and can improve sleep and memory. In short, they help make the world a much better place. The ReelGroup is driven to spread these benefits as widely and globally as possible.

Reel Star, underpinned by the REELT, is the disruptive platform that heralds a new era in marketing, distribution, monetisation and consumption for the M&EI globally to the widespread benefit of creators, artists, individuals and society.

Reel Star's Unique Value Proposition is both financial and social.

By 2030, the
estimated Metaverse
market opportunity is
between
USD 3.75tn and USD 12.46tn

Immediate Roadmap
At Launch and by Q1 2023

1. Media sharing:
   Ability to upload and share all media types:
   a. Video;
   b. Audio;
   c. Graphics;
   d. Anime, Manga
   e. Books (combined text and graphics) including magazines, graphic novels etc.

2. Ability to charge for access to shared content.

3. Ability to sell (only) own material (e.g., NFT, digital and physical merchandise).

4. Ability to market and advertise own material.

5. Ability to set own pricing.

6. Ability to create an NFT of all own material digital assets, includes ability to create an NFT of a portion of uploaded digital material e.g., video snapshots, audio snapshots, graphic and book snapshots.

7. Ability to distinguish between general (unlimited) release and collectible (limited) release and including ranking system/classification of limited-edition assets.

8. Ability to time-limit NFT's minted. (Randomly-allocated variable timing can be part of future gamification).

9. Ability to allow NFT's to have additional (smart contract) utility e.g., early sales (merchandise, limited edition items concert/film tickets) are restricted to people having a particular NFT.

10. Ability to have part-proceeds (or full proceeds) go to nominated recipients e.g., charities, causes.

11. NFT-backed, media-related digital collectibles.

12. Ability to tip uploaders.

13. Ability to have private in-app communication (video, audio, text) one-to-one, one-to-many, many-to-many.

14. Ability to charge for private in-app communication (per session or time based) e.g., singing lessons, coaching.

15. All private in-app communication is securely encrypted, even Reel Crypto cannot access the content.

16. In-app wallet functionality (selection of other cryptocurrencies not just ReelToken) includes ability to upload funds and exchange funds within wallet especially other crypto to ReelToken).

17. Ability to transfer funds (privately) between app users' wallets securely and with verification of send and receipt.

18. Note: all wallet transfers, conversions and exchange to ReelTokens will require KYC.

19. In-app media creation and editing tools.

20. Uploader/Creator tools for monetisation e.g., planning, automation, delivery, marketing, advertising, engagement, promotion and physicalising merchandise tools.

21. NFT licensing mechanisms and smart contract capability services to users.

22. Uploader segmentation e.g., beginner, professional, star (A, B, C) - determines access level to tools and resources.

23. Long-tail monetisation of NFT collectibles e.g. if NFT collectible is on-sold contract provides for original uploader/creator only to benefit from any future transfers.

24. Ability to encrypt NFT media created to control access.

25. Ability to purchase and gift NFTs (tickets and merchandise etc) easily.

26. Ability for content creator to control whether some or all metrics are publicly or privately viewable e.g., sales, views, likes, shares, recommends.

27. Consistent (possibly geo-fenced) content moderation, ease of flagging unsuitable content.

28. NFT Counterfeit and Fraud detection capabilities and reporting.

29. Tools to enable community creation e.g., fans of a creator/artist, those interested in sitar music, landscape pictures, poetry, graphic novels, festival goers (can be permanent or time restricted).

30. Community creation will have specific group classification systems e.g., it will allow for groups created by the uploader themselves or fans (which, can be restricted, for example, to only those who have purchased or been gifted a certain type of NFT), critics and reviewers, influencers.

31. Ability for creators to seek support from the community for projects (via donation or specific purchase). NOT investment or crowdfunding. Ability for creators to specify search terms and phrases - see below.

32. Ability for consumers to see the past project performance as well as search for projects on multiple parameters or keywords, areas, type (e.g., movie, short video, song, book, NFT collectibles), the funding required, timeframe, percentage funded, locality etc.

33. In-app wallet functionality for both fiat and cryptocurrency to be exchanged e.g., crypto-to-crypto, fiat-to-fiat, fiat-to-crypto and crypto-to-fiat.

Reel Crypto, Reel Star & NFTs

Reel Star's mobile app allows users to create and manage their own NFT's with specific use case options available to support the various and specific needs of creators in different market segments. NFT creation can be both ad hoc and as part of a planned delivery and launch. There are in-app tools to assist at each level.

NFT creation at all levels is designed to be intuitive, and supports multiple use cases, from complete user control to the bespoke Reel Star Concierge service, NFT creation is secure and seamless with the option of automatic or customised distributions.

NFTs can be built entirely within the platform, which is designed to be easily accessible by people with non-technical backgrounds. NFT source material can also be created outside the platform and imported into the platform for customisable NFT creation.

USD 1.8bn average monthly total NFT sales 2022

Specific features included and planned are customisable search filters, attribute tagging and filtering, multiple sales models including auctions, and market specific sales processes, statistics (with customisable private and public views) and enhanced recommender and promotion systems (both user and platform driven), GameFication options, popularity and trending metrics (platform global and segmented) as well as participation in the ReelStar metaverse.

The ReelStar app's attributes filter allows for both broad as well as highly specific searches enhanced by platform, creator and community tagging. It allows for greater discrimination in search and selection reducing the time for collectors to find exactly what they are looking for and allows creators to target their market and not to be lost in a sea of releases. The attributes can be integrated within the platform recommender system.

250,000 people trade monthly on just one NFT platform

Statistics are provided for the platform marketplace (globally as well as segmented), collectors also have access to real-time statistics of their collection, these include an overall value of their digital asset collection and other stock-market like metrics which allow the collector to drill down into the performance and character of their collection.

The multiple sales models integrated into the NFT Marketplace allow NFTs to be sold and bought with differing levels of fees and commissions with incentives and platform bonuses for participation and purchase patterns.

The customised options of NFT creation also allow for the addition of smart contracts to enable a variety of use cases such as lease, rent, licence, time-limit as well as many others.

The community ethos of Reel Star is encouraged by the platform, with a focus on listening and taking into account user feedback and suggestions, in order to continuously improve the platform and enhance the user experience.

08.1

Reel Star's NFT Marketplace & Ecosystem

Reel Star offers a well-defined and segmented marketplace. It has both open and curated segments with general cross-platform functionality. Some features are specific to the particular demands of each segment.

Key aspects are intuitive navigation, set and user generated groupings, enhanced recommender systems (with opt-in and opt-out options), public and private marketplaces and views.

The marketplace is designed to appeal to and benefit both creators and collectors. The marketplace design is fluid and efficient allowing for single or multiple digital assets to be bought and sold easily within the community. The platform is designed to drive engagement and connection. Promotion and marketing tools are available both in-platform and cross platform.

The ecosystem is expandable and digital assets from games and other sources can be easily offered in the marketplace offering a range of benefits including access to a larger market, and access to both platform and cross-platform promotion tools.

Reel Star's Creator Verification, Counterfeit & Fraud detection

Reel Star has harnessed the synergies between both Reel Pay and Reel Crypto to apply multiple ongoing and responsive platform and community processes, mechanisms and AI/ML to aid in the verification of creators, community members and NFT and non-NFT uploaders. The regulatory AML/CTF requirements underpin the verification of all platform participants. Creators, depending on their level of engagement with the platform, may have greater requirements and processes applied.

**June 2022
USD 360,000 of NFTs
stolen from Bored Ape
Yacht Club**

Reel Star has a genuine community focus and engagement ethos. We believe that this will enhance the community acceptance and responsibility of flagging issues of concern to the platform. Clearly, acts of fraud and/or counterfeit do not benefit any genuine member of the community, and there is significant self-interest at play for the community to actively engage and protect themselves.

Reel Crypto & Licensing

The REELT which powers the Reel Crypto developed smart contracts allows for single NFTs or collections of them to be licenced for specific purposes and time frames. This meets the use case requirements for both creators and business consumers to have the flexibility to use and monetise creator material (digital assets) in a way that is of benefit to both.

**Actor Seth Green pays
USD 297,000 to get his
stolen NFT back!**

NFTs: Static & Dynamic

The Reel Star, REELT powered ecosystem supports the creation of both Static NFTs (the most common type currently) and Dynamic NFTs (DNFTs). All NFTs are digital assets, and they are based on smart contracts. NFTs, by being non-fungible in nature, means they are not interchangeable. Creators can develop NFTs with scarcity, which are protected by the security of ownership. NFTs have interoperability across different blockchain platforms alongside the transparency that the decentralised nature of blockchain provides.

09.1

Static NFTs

Static NFTs are essentially NFTs that once created/minted can never change. This provides all kinds of benefits across of a broad spectrum of NFT uses. Because they do not change, once minted, they are ideal for artwork, collectibles, digital identification documents etc. Static NFTs have the advantage of increased security, and they are more efficient to store and have greater compatibility with all the existing protocols and systems in the blockchain ecosystem.

For creators they offer confidence that their work cannot be modified or have their ownership questioned. Irrespective of the number of transactions on an NFT, the NFT is only stored once providing greater storage and bandwidth usage efficiencies. In addition, all the NFT token metadata is stored in a single file. Static NFTs by their nature provide better security against counterfeiting which then provides greater confidence and versatility as the NFT can be used as a shareable digital asset or as the basis of collateral for a loan.

09.2

Dynamic NFTs

Dynamic NFTs bring further and greater innovation opportunities to the NFT space by allowing an NFT to be changed after it has been created/minted. But these opportunities also come with some costs.

DNFT Opportunities

Dynamic NDTs as the name suggests are ideally suited for use cases where the NFT content can be modified or updated. An example would be for an NFT for a real world asset that can change location and ownership, the token metadata can be updated to show such changes. Dynamic NFTs are ideally suited for game assets (which can change depending on the player's progress) or digital artworks which evolve over time (a family tree of portraits, for example). Dynamic NFTs could also change based on changes in external factors, for example a sports card related to an athlete can change in value if the athlete attains certain benchmarks such as winning a championship.

A Dynamic NFT can be designed for a particular person or people with similar interests that evolves and responds to changes in the person or group interests. DNFTs have the capacity to provide longer term interaction with their owners, for examples collectibles can have additions.

The flexibility and ability of DNFTs with respect to content creation, distribution and utility also offer the opportunity for the creator to forge better and more engaging user experiences. This is an ideal platform for and entry to the Metaverse.

DNFT Disadvantages

Dynamic NFTs are not stored in a single file, they have multiple related files. This means that DNFTs are harder to verify, are more vulnerable to counterfeiting efforts and result in increased storage and bandwidth requirements on the blockchain resulting in relatively higher transaction costs than Static NFTs. Dynamic NFTs currently have less interoperability across blockchain platforms than Static NFTs.

Both Static and Dynamic NFTs are integral to the Metaverse. But they are not the Metaverse.

What is the Metaverse/ Omniverse?

The Metaverse/Omniverse is currently in rapid development and is considered an integral part of Web3. Due to its newness a universally agreed-upon definition has still to emerge. ReelGroup sees the Metaverse as a 3D open, shared virtual world. It provides unique virtual spaces where people can interact, as a digital avatar, with the content of the space as well as other users.

Importantly, in the Metaverse/Omniverse the users completely own their assets and experiences. The Metaverse/Omniverse provides multiple types of experiences, which unlike Virtual Reality, continue to exist and evolve in an individual's absence from the Metaverse/Omniverse.

Reel Star & the Metaverse/ Omniverse

The ReelStar app provides a gateway into the Reel Star Metaverse/ Omniverse. There are a number of special initiatives planned which will be publicly promoted at the relevant times. The REELT will be a fundamental component of the Web3 enabled Metaverse/Omniverse experience.

Meta (Facebook) invests
USD 10,000,000,000 into the Metaverse

Reel Crypto & Sustainability

Reel Crypto has designed from the outset for the minting of digital assets to be as environmentally friendly and sustainable as possible.

Our goal is to make the entire platform, including its users and their devices, to be a fully sustainable, environmentally responsible ecosystem that makes the world more liveable and enjoyable.

Our Polygon (MATIC) blockchain is carbon neutral.

Just one NFT minted on the Bitcoin blockchain produces over 740kg of CO_2, so does watching 124,714 hours of YouTube.

Reel Crypto & Governance

More than 2,000 years ago the Greek philosopher Plato considered the ideal polis, a collective unit of self-government, and the relationship between its structure and the attainment of justice. Since that time little practical advance has been made towards the solution. It can be said however, not for the lack of trying.

In this case, everything that is old is new again and the cryptocurrency community is attempting to resolve a similar issue, albeit in a new context.

The introduction of blockchain technologies re-enabled discussion around this concept. What if an organisation could be run entirely based on the code of its smart contracts saved on the blockchain?

Decentralised Autonomous Organisation (DAO)

A DAO would put in place a set of rules, as made by its elected members, which are embodied in code and that execute automatically (following the blockchain protocols) and without human intervention or interference. All rules and transaction are recorded immutably and securely on the blockchain and are visible by all blockchain holders/users.

Context may change but problems remain.

The first and most well-known version of this was called "the DAO". It received record funding and also a record hack! 3.6m Ether were stolen due to security problems with the code. This resulted in the Ethereum hard fork which accounts for why we have Ethereum and Ethereum Classic today.

The above hack highlighted a number of problems: difficulty in creating the rules (complexity problem), difficulty in securing the code, difficulty in making changes to the code quickly (especially once the consensus mechanism is in place).

Separately, as with any consensus method solely based on token/coin ownership, this has its own vulnerabilities: the ability of people who could gain, hold or control a significant portion of the electoral tokens to control the rules to suit their own interests.

DAOs are now being used much more now. The explosion in Decentralised Finance (DeFi) which began in 2020, adopted them for both governance and the reduction in overhead and bias such as in pooled funding and investment projects.

Trust & Accountability

Reel Crypto recognises that trust is a many-to-many relationship with all participants having a key role to play: Reel Crypto's and Reel Star's responsibility is to provide a platform that is secure, safe, and maximises the experience for all parties.

When using the ReelStar app, the creators' responsibility is to create material, including NFTs, that meets community standards and to engage with their community to provide what they require.

Consumers have a greater burden of responsibility: they have to have fun, enjoy the experiences, respect the creators and other community members, flag inappropriate material, identify possible fraud and counterfeit material, identify derivative works and copyright infringements, do due diligence on any purchases and have lots of fun while engaging with the platform responsibly! And of course, feedback and suggestions are always welcome by Reel Star and its creators.
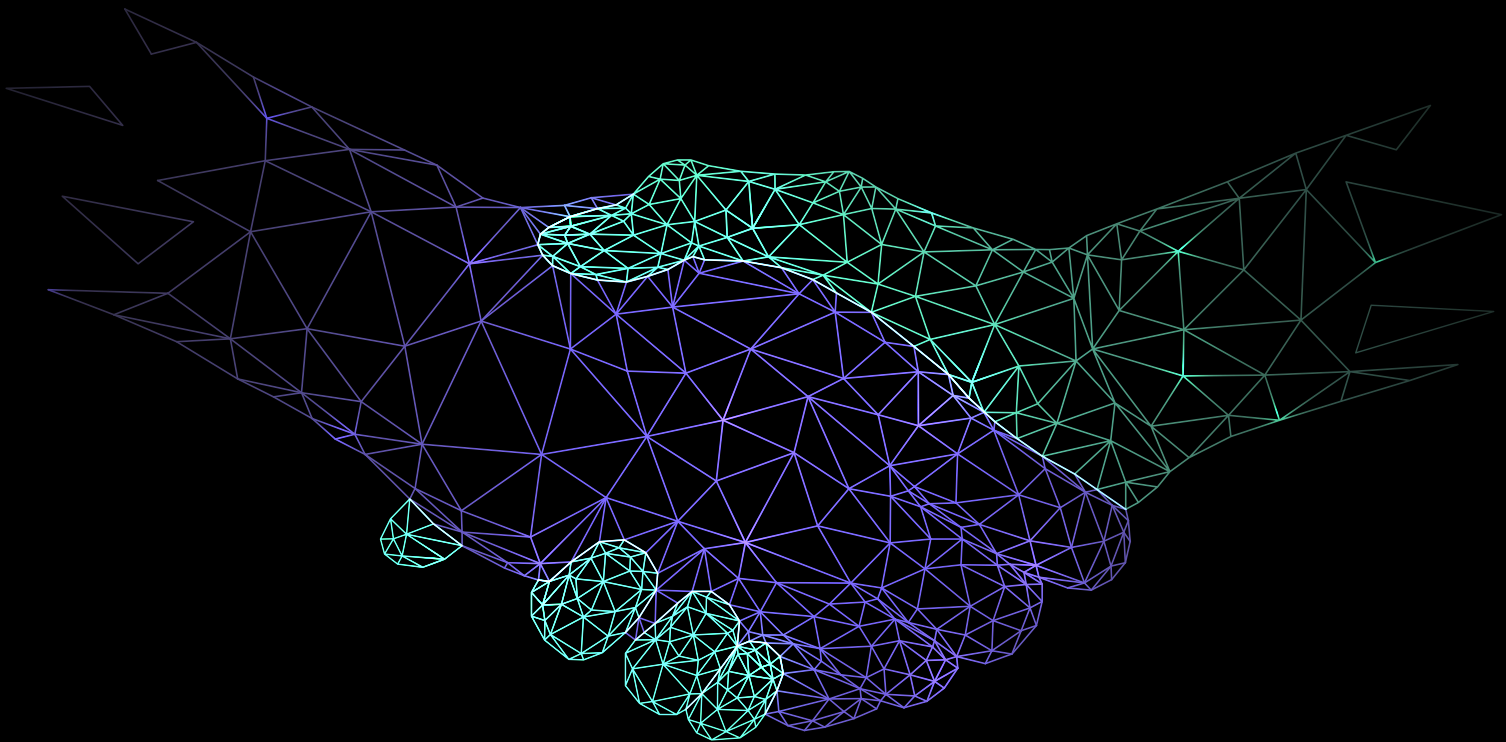
Checks & balances - the ReelToken Governance Token

The ReelToken governance token and consensus mechanisms are at the heart of the ecosystem's ability to mitigate the most significant issues of decentralised consensus mechanisms and cybersecurity.

The ReelToken governance token is not related or associated with personal REELT ownership. Its role is primarily governance aligned with and driven by fundamental economic and financial theories and principles to ensure the ongoing integrity and utility of the REELT and its ecosystem.

Ecosystem Features, Services & Use Cases

The ReelStar Application (app)
Video Sharing, Live Streaming

The ReelStar App provides content access and distribution on both web and mobile platforms. Reel Star's video sharing system is the drawcard of the ecosystem and provides secure access to all functionalities in one app.

The application contains functionalities such as a media player for viewing content, tools for NFT creation, purchase and trading, access to the NFT Marketplace, an electronic wallet for storing, exchanging, and trading digital assets, a payment gateway and virtual card allowing seamless and cost-effective fiat and cryptocurrency transactions, encrypted and totally private peer-to-peer (p2p) chat system with video, audio and text functionality.

The ecosystem can deliver multimedia services previously impossible on conventional platforms, including resource sharing, broadcasting, and advertising.

Reel Star's unique platform architecture and ecosystem, drastically reduces operating costs, with the resulting benefits being shared by all ecosystem participants. The REELT, developed by Reel Crypto, is the key to lowered costs.

Content Creators

The ratio of benefit sharing for the creators, viewers, and enhancers can be decided, on a case-by-case basis, when Content Creators upload and distribute their video (or other) content to the platform.

Content Viewers

App users can obtain multiple benefits, including participation in app reward and loyalty programs through their engagement with the platform. The level of their engagement and the benefits achieved are entirely at their discretion.

Content Enhancers

Additional functionality can be sourced through the ReelStar app and ecosystem which offers a decentralized marketplace for content enhancers to sell their subtitling, dubbing and other solutions.

Advertisers

Smart contracts can be used by advertisers for targeted marketing and cost-effective advertising.

ReelStar Ecosystem

By providing a synergetic ecosystem for DAPPs, ReelStar differs from smart contract platforms like Ethereum or EOS by providing additional functionalities and security.

Reel Pay Digital Wallet
Virtual Debit Card System

The financial industry is rapidly changing and developing in the move from the real world to the digital world and from fiat to crypto currency. The Reel Pay Wallet has few limitations and incorporates virtual card technology, (associated with the the relevant Debit Card platform) and its ease of access and use is expected to overcome demographic usage barriers and democratise access to financial resources.

Virtual bank cards mimic physical cards and also have a 16-digit number and a CVV number, allowing them to be used to purchase items in the real world or on the internet. Their functionality and usage are identical to the physical card, but reside on the Reel Pay Wallet associated with the customer's smartphone.

What Is a Virtual Card?

A Virtual Card (or digital card) is just a debit card that does not require a physical card. (A physical card can however be supplied, if requested.) The Virtual Card is an online hosted, digital virtual representation of a plastic card. All charges appear on a regular monthly statement and can be viewed at any time.

Advantages: Convenience & Security

Current user behaviour, which is only expected to increase, is that people are almost inseparable from their mobile phone. People are less likely to lose their phone than a physical card and this, combined with the security embedded in smartphones makes virtual cards more convenient and secure than physical cards. Like physical cards they can be used internationally.

Security Concerns & Perceived Barriers

Getting a virtual card is as easy as getting 2 sets of numbers (the 16-digit card number and the 3-digit CVV) through email or by SMS. An additional layer of security, "secures" the newly issued card onto the user's phone. The security mechanism runs conveniently on any smartphone and simple feature phones.

Once secured, the virtual card on the mobile phone, can be activated, the "virtual card" displayed (front and back as if a real card) and used to purchase goods. The activation of the card also creates additional graphical security elements on the 'graphical' virtual card, allowing the card to be used for micropayments as supported by the relevant Debit Card QR services.

Virtual cards issued through the ReelStar app simplify the creation, activation and use through a set of wizards that enable full customer control over the virtual card. The companion security application has the unique option to manage virtual cards. It encrypts, stores and decrypts virtual card information, so the sensitive card information is safe in the case of a lost or stolen mobile phone. Additionally, the user can opt-in for an additional layer of security: a changing CVV number (the 3 digits) each time the client uses the card. The new CVV number will be displayed inside the Reel Pay Wallet on the mobile phone. This significantly reduces the risk of fraudulent card use and loss.
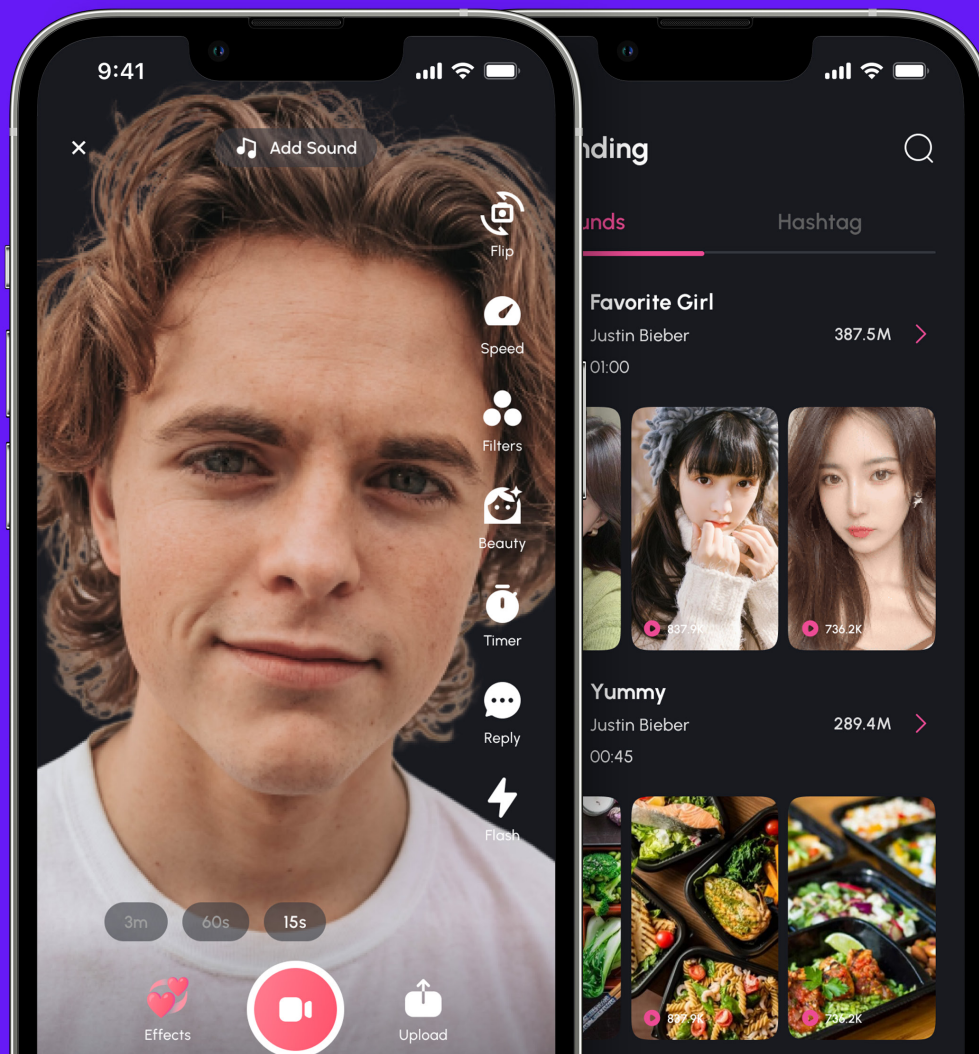
14.3

Reel Production

Reel Production offers a platform where young and new artists can seek community support and/or donations for their projects. It also allows established, as well as new, creators/artists to share any profits arising from their project with their supporters.

Many people have recognised the commercial, as well as intrinsic, value of artistic creation and endeavours. This enables enthusiasts and collectors a platform to follow, manage and identify new opportunities whether it is a single project or multiple projects within their portfolio.

Reel Production democratises the engagement and patronage of new and established artists/creators by allowing any level of support which is no longer restricted to large corporates or wealthy donors. Each project will reflect the history of the artist involved and their past projects. Success will breed further success.

Reel Production provides a comprehensive analytical view of each project, to its creator and supporters. This is automatically integrated into any supporter's portfolio to give a clear real-time picture of their portfolio status.

Artists/Creators and supporters can be confident in the transparency and accuracy of all data as it is based on smart contracts. The artist/creator has complete control over the terms of the smart contract as related to their project at inception.

Tokenomics

REELT Tokenomics

Closely related to a token's utility is its perceived value. A successful token offering provides token holders with reasons (incentives) to maintain token ownership for an extended period in addition to encouraging token usage.

Tokens with low velocity (defined below) will create true value. Tokens with high velocity and high speculation both destroy long–term appreciation and elevate risk for token holders.

Token Velocity Math
Velocity = Total Transactional Volume / Average Network Volume

Rearranging
Average Network Volume = Total Transaction Volume / Velocity

Token velocity is total transaction value divided by average network value. This means the average network value is equal to the velocity divided by the total transaction value. **Velocity is typically measured annually.**

If transactions are absent, then the token has no liquidity and its velocity equals zero. Consequently, the asset will trade at a discounted rate (if at all). There must be some minimal velocity for a token to reach its full value.

Using the **Burniske** definition: MV=PQ

Where

M = size of the asset base,
V = velocity of the asset (the number of times that an average coin changes hands every year),
P = price of the digital resource being provisioned,
Q = quantity of the digital resource being provisioned

Valuations typically solve for M by rearranging the equation:
M=PQ/V

To solve for token price, calculate M, using the size of the market in dollars (PQ), divide it by the velocity (V) and finally divide M by the number of coins in supply.

Using the **Buterin** definition: MC=TH

Where ———————— M = total money supply (or total number of coins),
C = price of the currency (or 1/P, with P being price level),
T = transaction volume (the economic value of transactions per time),
H = 1/V (the time that a user holds a coin before using it to make a transaction)

To solve for the token price, one must solve for C:

    C=TH/M

In either definition, the velocity of the coin is inversely proportional to the value of the token i.e., the longer people hold the token for, the higher the price of each token.

The velocity in every token economy is therefore a primary consideration. It indicates the volatility of the currency.

High volatility, which occurs when there is uncontrolled inflationary pressure on the token (based on standard economic market assumptions) is undesirable and our tokenomic protocols and governance mechanisms can more ably control such volatility.

Low volatility, leads to a higher actual token value. Lowered volatility reduces the risk of "pump-and-dump" manipulations. Velocity cannot be 0 as holding and not trading collapses the transactional volume and eliminates demand (thus reducing value to nil).

Tokenomic protocols used by REELT are:

PROFIT SHARE	BUILD STAKING	GAMIFICATION	STORE OF VALUE MECHANISMS	'NETWORK UTILITY EXPANSION'

Goldilocks Zone Velocity

A healthy token economy (and sustainable token utility/value), requires the tokenomic design to optimise the ratio T/V where T and V are related. For token economies, the optimal ratio is still uncertain and will differ as a function of the individual token economy's dynamics. We used historical actual values in our projections.

Based on standard fiat currency economics, optimum values range, for M1 money[1] between 4 and 15 and for M2 money[2] between 1.4 and 2.2. Little research has been done in the cryptocurrency sphere.

Velocity can be visualised as the number of times a token changes hands, a velocity of 3.5 would mean that each token changed hands (was used in an exchange between users) 3.5 times each year[3].

Valuation approaches

Early cryptocurrency valuations had a simplified assessment of value, relying on total addressable market (TAM), percent penetration of that market, velocity, and number of coins outstanding, these were proven flawed.

Current modelling is based on the Equation of Exchange allied with the Quantity Theory of Money (as used in the definitions above). PQ would equate to the Gross Domestic Product (GDP) of a country; for a cryptocurrency it serves as a measure of the token economy's GDP. It is fundamentally the on-chain transaction volume (on an annual basis). Analogously, as each country addresses monetary policy in its own economy in different (albeit, often similar) ways, each token economy will respond differently and require different policy measures (protocols and design) to ensure near-optimal function.

In the simplest terms, the value of a token is tied to the usefulness of the platform. If people want to use the platform, the tokens rise in value. However, if the platform becomes obsolete, or just unpopular, the token would either plateau or decline in value.

1 – Very liquid
2 – Includes M1 and less liquid (e.g. term deposits)
3 – This simplification ignores that some tokens may be hodl'd and others may be used more often
4 – Includes proprietary tokenometric modelling and data sources

Valuation Assessment (Using Burniske definition)
Note: Actual Spreadsheet Captures (standard Excel rounding)[4]

Table 1. REELT Supply Schedule Inputs

ReelToken Supply Schedule Inputs		
Metric	**Assumption**	**Notes**
Total Planned Supply	15,000,000,000	
Percent of Tokens Issued in Pre-Sale	0.83%	Development and release costs
Lock-up Period for Pre-Sale Purchasers	0.25	Dicatates # of years before release Only for sales > USD 10,000*
Percent of Tokens Issued in ITO (Staged Releases)	4.17%	3 months lockup for amounts > USD 10,000
Percent of Tokens Issued to Governance Foundation	5%	
Lifetime of Foundation	50	Dicatates # of years before release (Averaged)
Percent Issued to Founders	20%	
Lock-up for Founders	3	Dicatates # of years before release (Max 33% yearly)
Percent of Tokens in Float Bonded by Governance Nodes	20%	
Percent of Tokens in Float Initially hodl'd	25%	
Decrease in percent of ReelToken that is hodl'd each year	–1.5%	
Purple represents a subjective estimate/assumption		

* For amounts purchased, greater than USD 10,000.00, the lockup period of 3 months begins from the date REELT is listed on an exchange and applies to the FULL purchase amount. Lockup only applies to the trading of the REELT on exchanges. During the Lockup period only 20% of the amount purchased is able to be traded per calendar month, from the date of exchange listing.

Any % unused within a calendar month is not rolled over into the next calendar month. There is no restriction on the amount of REELT that can be used within the REELSTAR app for accessing services.

[4] Includes proprietary tokenometric modelling and data sources.

Table 2. REELT Economy Inputs

REELT Economy Inputs		
Metric	Assumption	Notes/Sources/Units
Costs for ReelToken (Transaction %)	$0.03	Market will set pricing
Cost decline (Inflation)	–7.5%	globaldata.com
Annual global M&E (USD)	2,900,000,000,000	Statista/PWC
CAGR for global M&E Industry (2021–2026)	4.60%	Statista/PWC
REELT Global Reach	85%	
Velocity	5	REELT Tokenomics Protocols applied based on Monte Carlo simulations[5]

Purple represents a subjective estimate/assumption

Table 3. REELT Adoption Curve Inputs

Adoption Curve Inputs		
Metric	Assumption	Notes
Base Year	2023	The first year of adoption
Saturation Percentage	10	Max penetration of global market
Start of Fast Growth	2023	When the market hits 10% of above (establishing base before fast growth period)
Take Over Time	10	Amount of time adoption to go from 10% to 90% of "Saturation Percentage"

Purple represents a subjective estimate/assumption

Table 4. Deriving Current REELT Value from Future Utility

Deriving Current Market Value from Future Utility		
Metric	**Value**	**Notes**
End Year	2033	
Years Between 2022 and End Year	11	
Discount Rate	40%	Significantly higher given bear cryptocurrency market
Market value in 2022 based on Expectations for Future	$0.04	
Metric	**Value**	**Percentage of Value**
Current Utility Value in 2022	$-	0%
Discounted Expected Utility Value	$0.04	100%
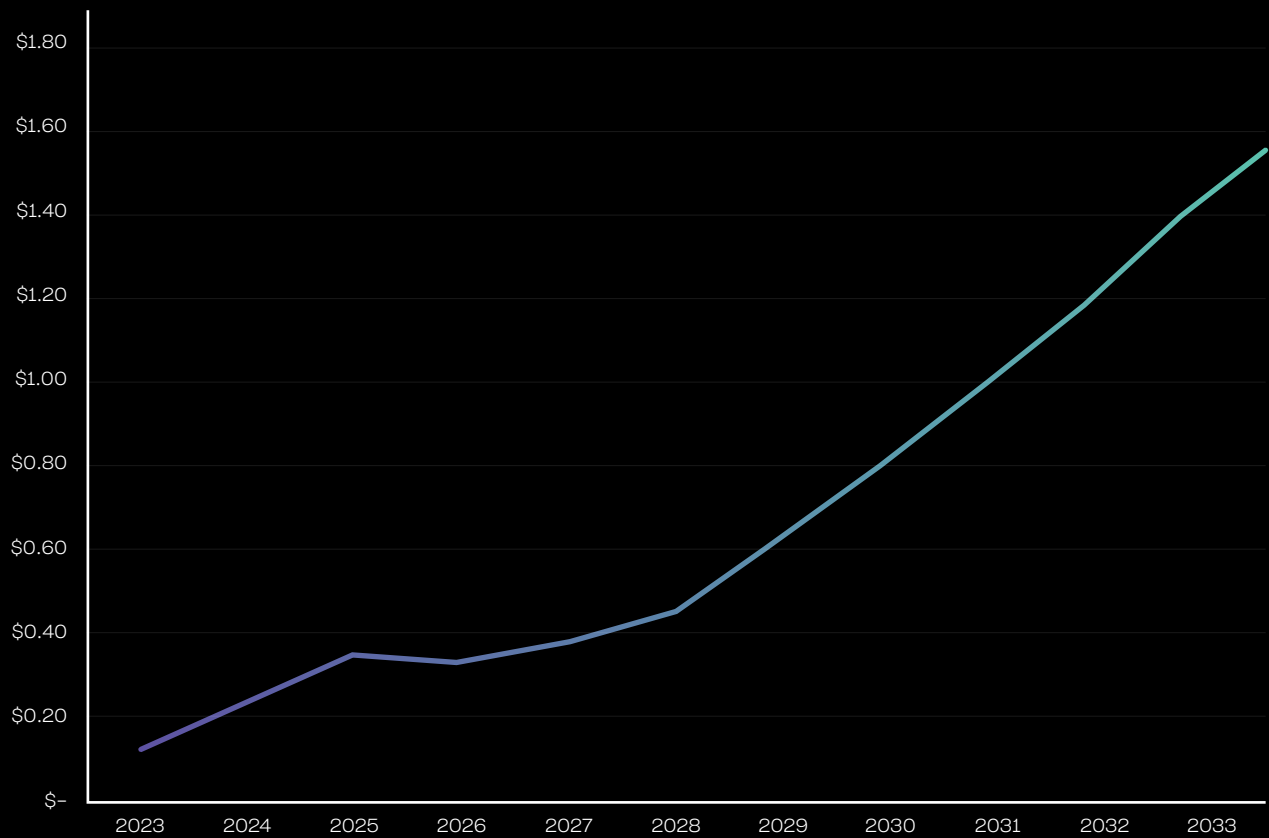
Figure 4. Projected Current REELT Utility Value Each Year
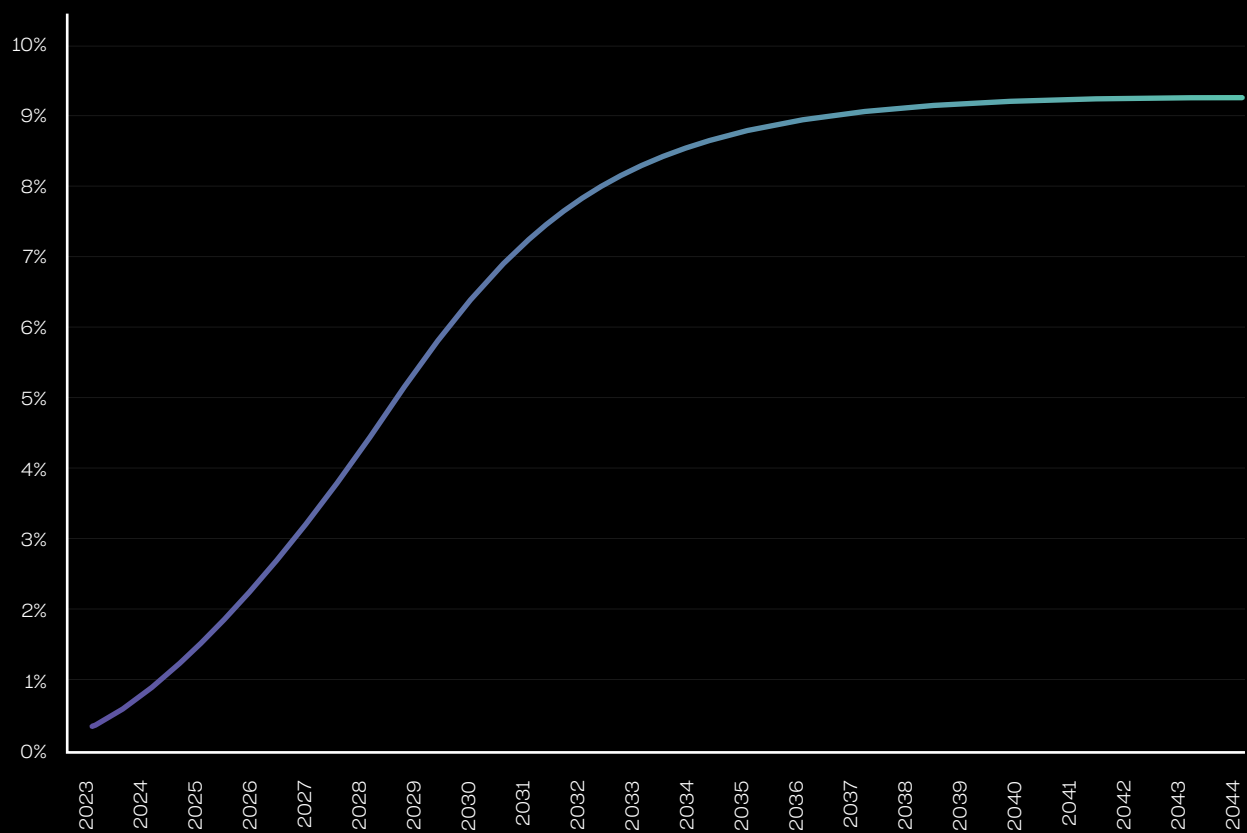
Figure 5. Projected Percentage Penetration of REELT Each Year

15.5

Transaction fees for Sell & Buy

Variable for different services: Determined by Governance Token Consensus (To Be Set at Launch)

15.6

Staking

None at start but could be introduced after launch with conditions set by Governance Token Consensus.

15.7

Token Burn

NO

REELT Distribution

Governance Foundation	Governance Nodes	Founders
5%	20%	20%

(with percentages (TBA) to be used for marketing, development team, early investors, charitable purposes etc)

Presale 0.83% in pre-sale release

Initial Token Offering (ITO) 4.17% in ITO **Staged Releases**

Total Public Release 55%
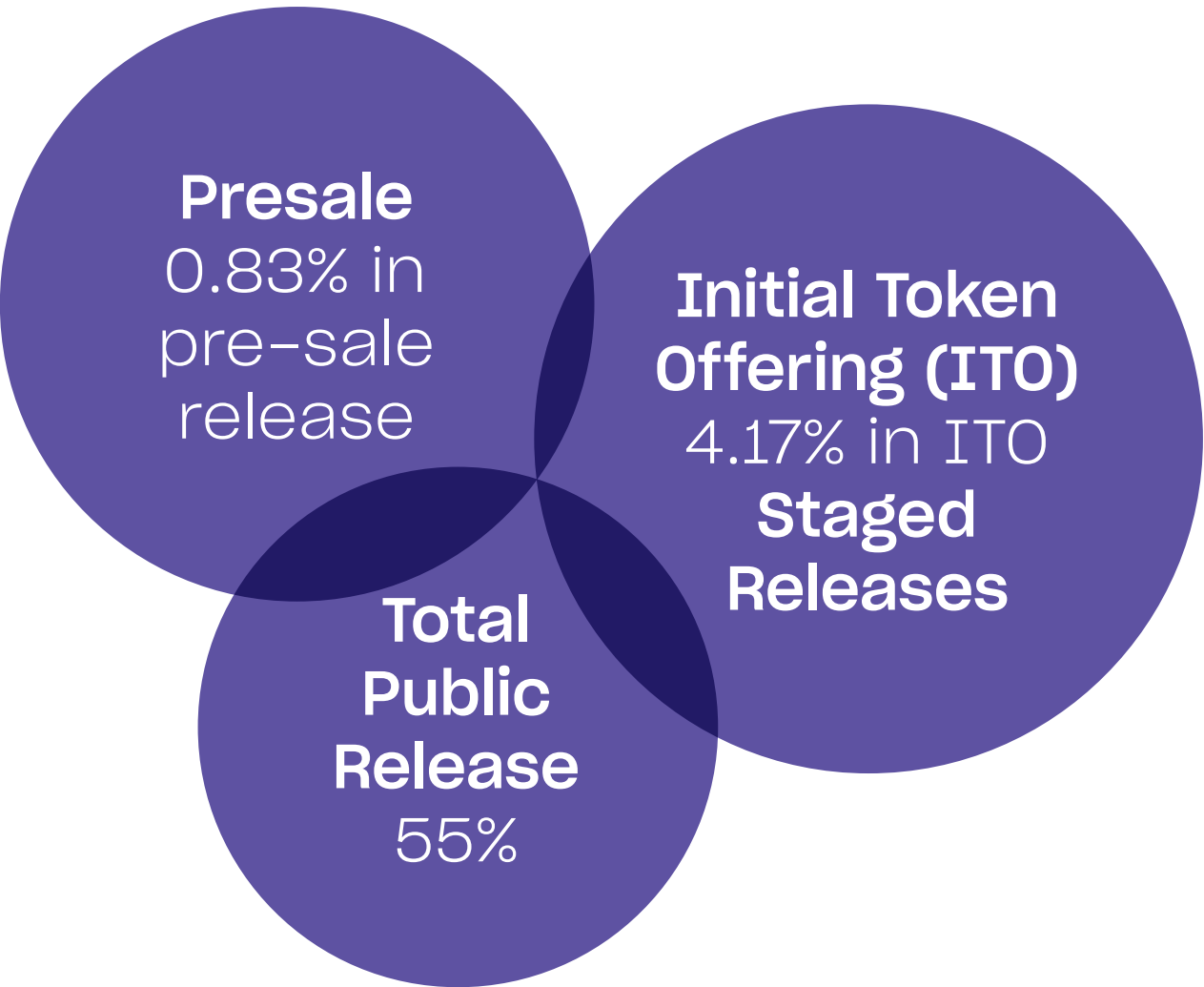
Technology

17.1

Multi-Blockchain Platform

The ReelStar App is based on a multi-blockchain platform and architecture. A multi-blockchain platform provides numerous benefits which include the ability to resolve issues, such as congestion within a particular network, increased efficiencies, as well as redundancy, for individual transaction cost and speed and the ability to provide multi-blockchain wallet infrastructure and ease of use. Future proofing is an additional benefit, as the number of blockchain platforms increase and prove their utility we have the capacity to add these for the benefit of the ecosystem and its users.

Having multiple blockchains also ensures that the Reel Crypto supplied ecosystem services are not interrupted if one of them fails.

The ability to add additional blockchains in the future is part of the design philosophy so that ReelStar app users can leverage future alternative-blockchain benefits within the platform.

17.2

Ethereum (Background)

Most people have heard of Bitcoin (BTC) which is the world's most popular and most valuable cryptocurrency. Bitcoin, the first blockchain, was intended to be a medium of exchange or a store of value. Ethereum was designed, from the outset in 2015, to be a blockchain powered decentralised global software/computing platform. Unlike Bitcoin, Ethereum is not only a virtual currency or store of value but it has additional functionality, which Bitcoin does not have, giving it greater utility.

Ethereum establishes a decentralised, distributed peer-to-peer network to securely verify, execute and record programming code/transactions known as smart contracts. Smart contracts allow partakers to confidently transact with each other in the absence of a trusted central authority. The transactions are recorded on its blockchain. The records, once made, cannot be changed, are globally verifiable, and securely distributed across the network. This gives users full ownership and visibility into all the transaction data.

Only user-created Ethereum accounts can send or receive transactions. A sender must digitally sign transactions and Ether (ETH), Ethereum's native cryptocurrency, must be paid as a cost of processing transactions on the network. The cost of processing is often referred to as the "gas fee" which is determined by an auction model on the network. Ethereum has the ability to only process a limited number of transactions per second. At times of high usage, network congestion results in the auction model driving gas fees up significantly often to the point that the cost of the transaction is greater than the cost of the item being purchased.

Ethereum's large user base, maturity and rich eco-system make it the primary home for DeFi and NFTs. Consequently, Ethereum is the second-most popular and most valuable cryptocurrency at the time of writing and its market capitalisation is around 17% of the global crypto market. It has many advantages but also some major disadvantages especially with regard to transaction speed and cost.

Consumers expect and require cryptocurrencies to have similar convenience and functionality to digital fiat currencies. Neither Bitcoin nor Ethereum can match the speed or cost of digital fiat transactions. As an example, the Bitcoin network can validate a new block every 10 minutes while the Ethereum network validates a new block in significantly less time at 12 seconds. Neither however can meet consumer expectations or requirements.

17.3

Polygon (Matic)

The Polygon blockchain is an Ethereum-compatible blockchain that has a stack of protocols to address the scalability issues of the Ethereum network. Polygon is a scaling solution that virtually eliminates the speed and congestion issues of the Ethereum blockchain. It does this by creating a side chain(s) which has the capacity to process a transaction roughly 3,800 times faster than the Ethereum blockchain. This also significantly reduces the cost by a similar magnitude.

Further, Polygon has multiple protocols which can be used by Reel Crypto developers to accommodate all use cases. There is no one single best protocol on any blockchain, Polygon has the greatest number of protocols and this allows for a more granular treatment and reduced trade-offs with respect to security, transaction fees and speed as well as sovereignty.

Polygon works synergistically with Ethereum. It improves Ethereum and provides an additional layer of scalability giving consumers and end-users a better experience regardless of the version of Ethereum in use.

We believe that Polygon offers Reel Crypto the best stack of protocols for our developers to work with on a single network. This gives us higher levels of customisation and control which leads to a better, more cost effective, responsive and expandable consumer and creator experience.

Reel
Token

We also believe Polygon's market capitalisation, capable development team, leadership expertise and commitment to developing ongoing solutions future proofs the Reel Crypto developed platforms in a time of great technological advancement and volatility in the Web3 era.

17.4

Binance Smart Chain (BSC)

The Binance Smart Chain is a standalone blockchain that does not connect with Binance Chain (BC) other than from the same parent Binance Exchange. The parent Binance Exchange is the world's largest cryptocurrency exchange which has both benefits and drawbacks.

Similar to Polygon, BSC was designed and optimised for network speed and lowered cost transactions with Ethereum compatibility. It is not a complete copy of Ethereum but has some additional useful features including cross-chain compatibility with the BC platform on which the Binance DEX (decentralised exchange) is built allowing easy access to its relatively fast DEX.

BSC offers enhanced credibility due to its relation with the world's largest cryptocurrency exchange. However, its centralisation, overdependence on Ethereum and the use of deflationary tokens which, in certain circumstances can increase transaction costs, are its negatives.

17.5

Best of (Both/All) Worlds

By incorporating multiple blockchains into its ecosystem Reel Crypto is able to leverage the benefits of one blockchain and/or avoid the disadvantages of another. This is done seamlessly, in the background, by the Reel Crypto ecosystem, so that users do not have to juggle the numerous options to obtain the most effective transaction outcome.

As new blockchain advancements and opportunities emerge, the Reel Crypto ecosystem is able to grow and improve its service proposition to its users by incorporating and leveraging additional blockchains as and when needed.

Blockchain Gaming Industry

In September 2022, the Blockchain Gaming Industry increased by 8% and gaming accounted for just under 50% of total blockchain activity. Matic (Polygon) and BSC were ranked fourth and third respectively by number of unique active wallets (UAW). If game-specific blockchains are excluded BSC would be ranked first, with Matic second.

Blockchain gaming's future is significant, and is likely to be a major Web3 force.

Matic, BSC & Games

Metaverse/Omniverse style games are already a multibillion-dollar industry. Polygon is a new entrant in the GameFi play-to-earn space but is making significant inroads, and is already one of the top blockchains on various top 100 lists of games.

The ReelStar marketplace is ideally placed for the trade of game NFT's. The ReelStar Marketplace opens the ecosystem immediately to all NFTs from both Matic and BSC-based games providing for a significantly larger potential market. It provides a new opportunity for game-based NFTs. And, in fact, NFT game collectibles are a significant NFT market in themselves.
`

Advanced Working Product Beta Screenshots

Reel Star's ecosystem, apps, platform and infrastructure are significantly advanced. The ReelStar app is nearly finalised for release to the respective smartphone stores. Foundation partners will begin more extensive live testing of the ReelStar pre-release version this month (November 2022).

Example usage case screen captures at various stages in app usage are shown below.
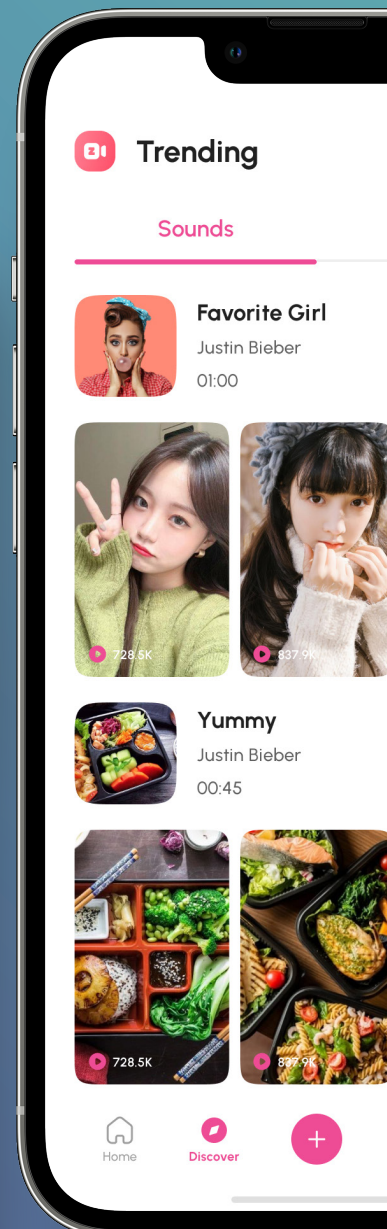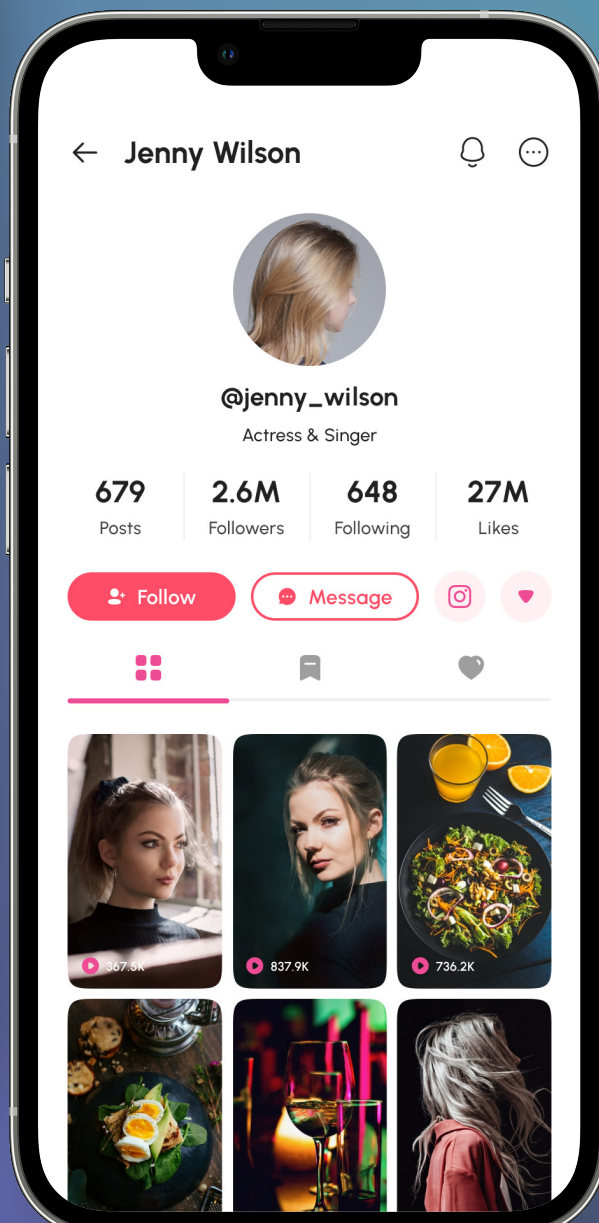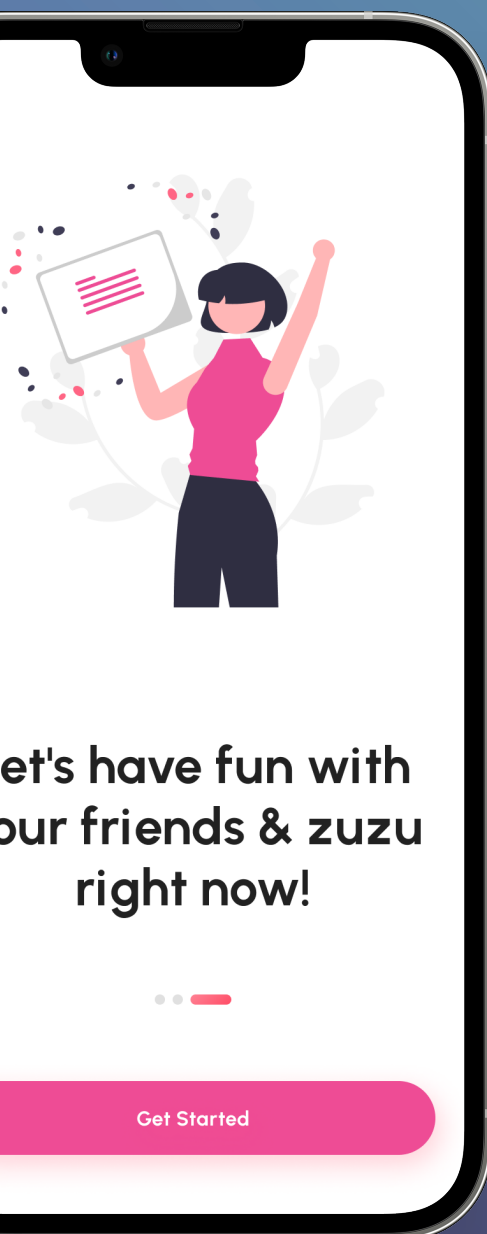
Smart Contract Audit

The smart contract audit is expected to be performed by a third-party audit company on behalf of Reel Crypto. Upon completion, we will provide a status update (on our social media channels and websites) and details for the audit.

AUSTRAC Registration

The Australian Government agency responsible for detecting, deterring and disrupting criminal abuse of the financial system is the Australian Transaction Reports and Analysis Centre (AUSTRAC). Its mandate is to guard the community from serious and organised crime. Through robust regulation, and heightened intelligence capabilities, AUSTRAC collects and analyses financial reports and information for this purpose.

For over 30 years, AUSTRAC has evolved to address the challenges in a rapidly changing financial landscape. In an increasingly globalised economy, with new and emerging technologies changing the delivery of financial services, these disruptions have created significant changes in the sector which are increasingly targeted by criminals in complex ways.

AUSTRAC has a highly collaborative approach and specialist work force that continue to evolve and deepen engagement with their reporting population and partners.

Currently at the final stage, Reel Pay Pty Ltd's registration status will be updated on all our social media accounts and it is also made publicly accessible, by the Australian government.

Australian Government

AUSTRAC

FIGHTING
FINANCIAL
CRIME
TOGETHER

Roadmap

Reel Star

Roadmap 2022/23

Q3/22'

- Begin smart contract, marketplace development
- Ramp up Community Management initiatives
- Execute partnership agreements
- Begin private sale
- Deploy REEL STAR Wallet Alpha Internal Test Version
- Update Whitepaper
- Deploy Marketplace Alpha Internal Test Version
- Finalise venture partners
- Increase Marketing Efforts
- Continuous testing, enhancements and code development
- Continue private sales prospecting
- Code and integration audits
- Engage with artists and strategic partners
- V1.3 UI/UX finished
- Media content creation

Q4/22'

- Continue onboarding new artists
- Announce artists and strategic partners
- Explore Metaverse/ Omniverse partnerships
- Marketplace alpha finished
- Code, platform and integration audits
- Continue Marketing Efforts
- Airdrop marketing
- Alpha Secondary Market opens
- Increase functionality
- Smart Contract audit
- Live beta-REELSTAR app testing by Foundation Partners
- Launch/Deploy Reel Star Wallet
- Reel Pay Integration
- Pre-sales
- ITO
- Pre-Launch
- Public Launch

Roadmap 2023

Q1/23'

- V2 marketplace launch
- Increase artist outreach
- Increase Metaverse/ Omniverse integration
- Release loyalty programme
- Refine generative tool for users
- Open Loyalty programme and Business Integration and outreach
- Launch Collectors Club
- Develop Wallet API
- Develop Artist/Creator Fund
- Begin 2nd airdrop
- Beta Test FH Encryption integration
- Reel Star app Web deployment

Leadership Team

```
                        FOUNDERS

                          CEO

   CRO      CFO      COO      CTO      CPO      CMO


  REVENUE             GM              DIGITAL AGENCY
   STAFF                              PR AGENCY
                     ADMIN       PRODUCT + DESIGN AGENCY
                     STAFF

  ACCOUNTING       DEVELOPER STAFF
    STAFF          NFT CREATORS
                   TECH STAFF
```
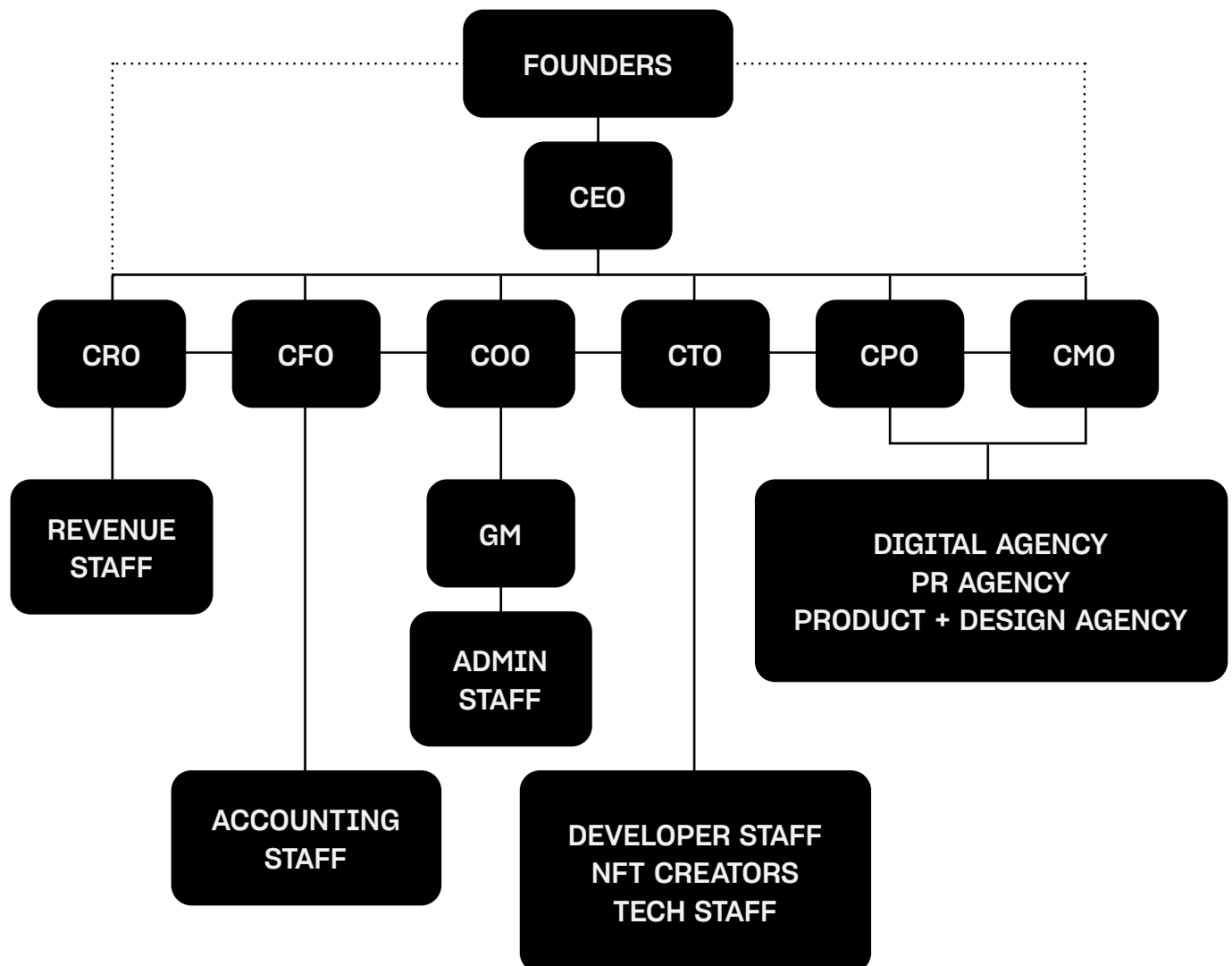
Founders
Navdeep Sharma & Nick Bahl

CEO (Chief Executive Officer)
Mark Hauptman

COO (Chief Operating Officer)
Hardeep Singh

CTO (Chief Technology Officer)
Andrzej M

CRO (Chief Revenue Officer)
Jaspreet Manku

CFO (Chief Financial Officer)
Shammi Batra

CMO (Chief Marketing Officer)
Kiran Deshmukh

CPO (Chief Product Officer)
Ojas Deshmukh

GM (General Manager)
Shubham Goyal

Main Technology Partners

References

Please refer to Whitepaper V4