



WHITEPAPER

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Executive Summary

Every day more and more companies and people are using Virtual Reality (VR) in business and their everyday lives. According to Goldman Sachs, in 2020 there will be almost 100 million virtual reality users and more than half of them will be consuming video content. Greenlight Insights estimates the market of VR to reach \$75 bln by 2021. Over the last 5 years global investments in VR/AR exceeded \$3.5 bln, while VR is quickly entering mainstream scene.

PROSENSE.TV is a working business with an already existing highly functional platform **ProsenseLive™** for filming, transporting and viewing professional VR broadcasts. You can use PROSENSE.TV platform today. Just download PROSENSE application for the most common types of VR equipment, and find yourself at the best seats enjoying hockey game, boxing fight or ballet dancing right now.

GEAR VR - <https://www.oculus.com/experiences/gear-vr/1059088610804864/>

Oculus Rift - <https://www.oculus.com/experiences/rift/1171508772896680/>

HTC Viveport - <https://www.viveport.com/apps/d0087e3e-64df-4680-b73c-34155cf7a4b0>

Please use this link to look at the demo of PROSENSE application from the inside <http://vr.prosense.tv/test2/index.html>. You would need VR headset or helmet to watch the content.

With the time PROSENSE.TV plans to transform the technology of centralized content delivery into a global decentralized peer-to-peer platform **ProsenseLive™** with a payment collection system protected by blockchain cryptography and all the transactions confidential. Content providers would be able to optimize their costs for hardware, transcoding, storage and delivery of content due to the contribution of decentralized PROSENSE.TV Partner Nodes network providing this functionality.

Blockchain is a fundamental technology used in the further development of **ProsenseLive™**. Blockchain makes the technological infrastructure of distributed PROSENSE.TV Partner Nodes network and payments for the content secure and transparent for all participants of the network. This revolutionizes the mechanisms paid TV market is currently built upon. **ProsenseLive™** will start these revolutionary changes with the segment of VR market. Eventually, however, these changes may impact the entire market of pay TV.

PROSENSE.TV token VRP will be sold during the ICO period starting on November 16th, 2017 and will be distributed within 14 days from the end of the token sale. Payment for content in VRP tokens in **ProsenseLive™** platform will be possible at the same moment when tokens are distributed which is in 14 days after the end of ICO campaign.

Market Overview

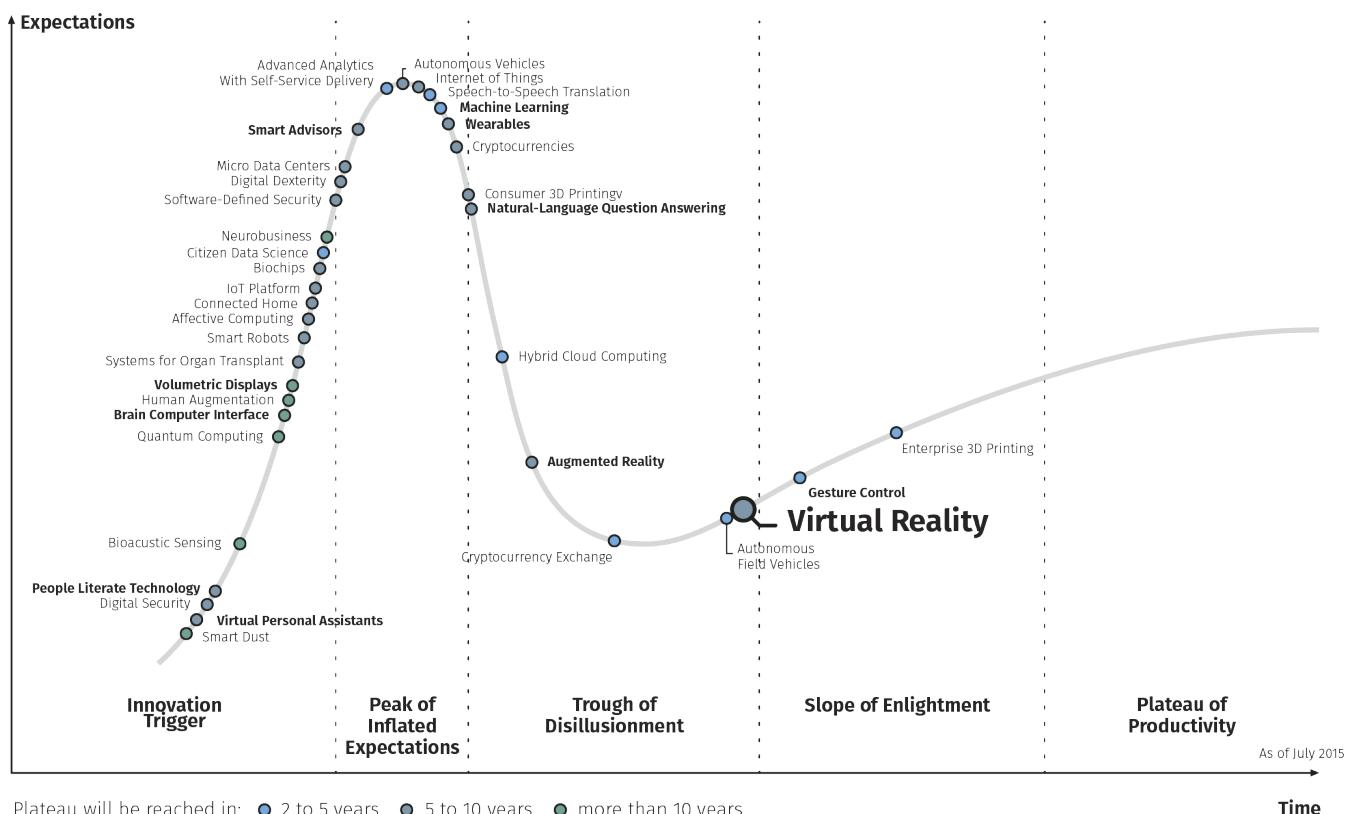


Virtual reality is not a new phenomenon. This technology has been considered prospecting for the last twenty years, primarily in science fiction movies and books. However, recent technological achievements have finally brought virtual reality to life, and now it is truly justifying our high expectations. On the basis of our extensive experience on the market during recent years we can assert that during next ten years VR will significantly change wide variety of different industries. VR has proven its potential to fundamentally change how people consume information. As television and radio in the past, the shift to VR will open doors to many new business models that will be created around the new format. The technology's large variety of applications, especially the ones built around content, will lead to the universal use of virtual reality. Many experts have compared the current position of VR with the smartphones 15 years ago, when the first devices appeared on the market. Based on the current dynamic, we expect that growth of VR technology will continue. The acceptance of the technology is expected to occur quicker than with other technologies in the past.

In order to solve the problem of the availability of high-quality VR content, PROSENSE.TV launched **ProsenseLive™**, a platform for live-streaming a wide variety of VR content, from live P2P cameras and educational seminars to multi-day music festivals and the biggest sporting events. **ProsenseLive™** offers content providers a wide selection of monetization models. On the other hand, **ProsenseLive™** users are able to take advantage of the full potential of virtual reality, including additional breakthrough options such as social viewing and 3D sound.

As a company with a full production cycle and almost three years of experience on the market, PROSENSE.TV has developed its own unique software suite and technological solutions that can bring a revolution in VR streaming and create a world where this technology is irreplaceable. And **ProsenseLive™** is in the center of this strategy, combining all of the innovations and products developed by PROSENSE.TV into a single platform.

Concept and Objective



The concept of implementing virtual reality existed in various forms for the last ten years. However, VR technology has recently overcome a number of hurdles that once stood in the way of its development. The last Gartner report indicates that VR has left its awkward teenage years and entered a phase of confident maturity. Unlike many other trendy technologies, VR has already left the stage of inflated expectations. This applies to both consumers and investors. And now, as many analysts have asserted, VR is ready for general audiences.

Video is currently the most popular form of VR content. This is conditioned by the fact that video can be used regardless of platform, whereas most games (another key type of content) are developed for specific platforms such as the HTC Vive or Oculus Rift. Experts have also noted that the primary driver of VR will be real-time video content (VR streaming).

There can be no doubt that VR streaming will completely transform people's conception of live broadcasting - the technology's range of application is unlimited. VR is capable of providing a global audience with a deeply immersive first-person perspective while allowing the user to receive information from a surprising and unique point of view. Excellent examples of this kind of application have appeared on the market during recent years, and PROSENSE.TV's early experience also demonstrates a great deal of popular interest in VR technology. Unlike traditional 2D video, virtual reality creates an effect of total immersion that radically changes the user experience. Moreover, live VR streams can make moments unforgettable while providing content providers with attractive opportunities to expand brand positioning and make live broadcasts interactive.



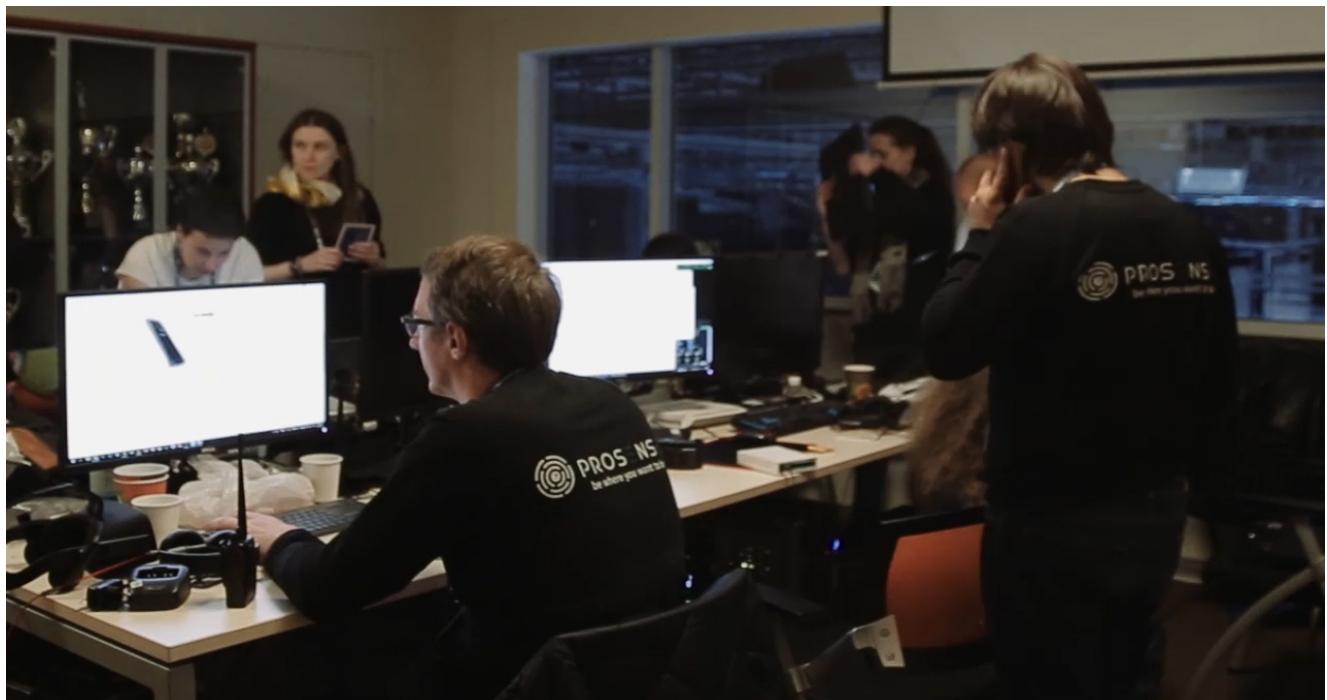
Mark Zuckerberg is presenting VR strategy of Facebook

Online VR streaming also provides a wide audience with access to the world in where anyone can see the most important events firsthand and in the most amazing conditions. VR streaming could become an inseparable part of people's lives like radio and TV did in the 20th century. Google, Facebook, HTC, Samsung and many other companies got strong focus on VR and heavily invest into this market segment.

PROSENSE.TV has already spent three years developing technologies and producing content for virtual reality (although the actual story of the current VR-focused team began in 2011). We are one of the world leaders in the field of streaming entertainment and sporting events in VR. After analyzing current trends and the latest technologies we came to the conclusion that in the very near future virtual reality will allow us to share our experiences - and even our emotions - in real time and with unbelievable effectiveness.

Just imagine: without leaving your home you can not only attend the biggest sporting events or concerts streamed by professional broadcasters, but also join an artist as he draws a painting in his workshop, glance into a volcanic eruption from unbelievable perspectives, go on a date with your girlfriend while she's on a business trip, or attend a conference on blockchain technology. On the other hand, when you are observing a solar eclipse, a simple accessible VR camera will allow you to share your reality with thousands of owners of VR goggles - and make money doing it!

About PROSENSE.TV



PROSENSE.TV LIMITED PARTNERSHIP is incorporated in Scotland, address is Castle House, 1 Baker Street, Suite 4, Stirling, FK8 1AL, Scotland, UK. PROSENSE.TV started the business in 2015. Today PROSENSE.TV consists of several departments providing full range of products and services required for filming, production, storage, distribution and viewing VR content. A part of PROSENSE.TV business is unique production studio specializing in the creation of high-quality VR video materials, streams, and films. R&D team of PROSENSE.TV is based in Russia. The company's prehistory began when its current Head of Engineering Department invited a team of VR enthusiasts to research the potential of the new technology. This entire team is now part of PROSENSE.TV's research and development department, PROSENSE.TV Labs. This team was one of the first in the world which deployed VR technology. For example, the team members made panoramic filming for Culture TV channel festival in 2011.

PROSENSE.TV quickly became known and valued for outstanding quality of picture in VR and unique user experience driven by PROSENSE.TV user application which allowed to win contracts with such brands as Coca-Cola, Google, Savings Bank of Russia, Samsung, Bentley, M1-Global, and the Continental Hockey League CHL (the main professional hockey league in Eurasia and the second-most important league after the NHL). PROSENSE.TV streamed the recent KHL finals.

Currently PROSENSE.TV has 34 employees. Team members of PROSENSE.TV are best-in-class professionals with strong expertise in VR business and technology, understanding of business of content providers, paid TV industry and technology development. PROSENSE.TV applied for several patents to protect the ownership of the intellectual property on several unique methods and inventions made by PROSENSE.TV engineers and developers. These patents will also create serious obstacles for potential competitors.

PROSENSE.TV Products

Since the beginning, PROSENSE.TV has always been focused on developing software and equipment designed to ensure the best possible quality of video. PROSENSE.TV is currently refining technologies that have already been acknowledged by industry experts to rank among the top-tier VR streaming technologies available on the market. Comparable full-fledged software and equipment systems have been developed by other companies in the VR field: Jaunt and NextVR.



One of PROSENSE.TV's key objectives has always been to democratize access to VR, not to create yet another isolated platform. For this purpose PROSENSE.TV developed a unique service called ProsenseCloud that significantly reduces the barrier for entry within the high-quality VR streaming industry. Thanks to the distribution of computing power via cloud systems, ProsenseCloud makes inexpensive VR streaming possible while maintaining the highest possible image quality.

PROSENSE.TV is a working business and already got a highly functional platform **ProsenseLive™** for filming, transporting and viewing professional VR broadcasts. This platform is already utilized by several thousand users, millions of VR broadcasts and recordings were delivered and continue to be provided to the customer base.

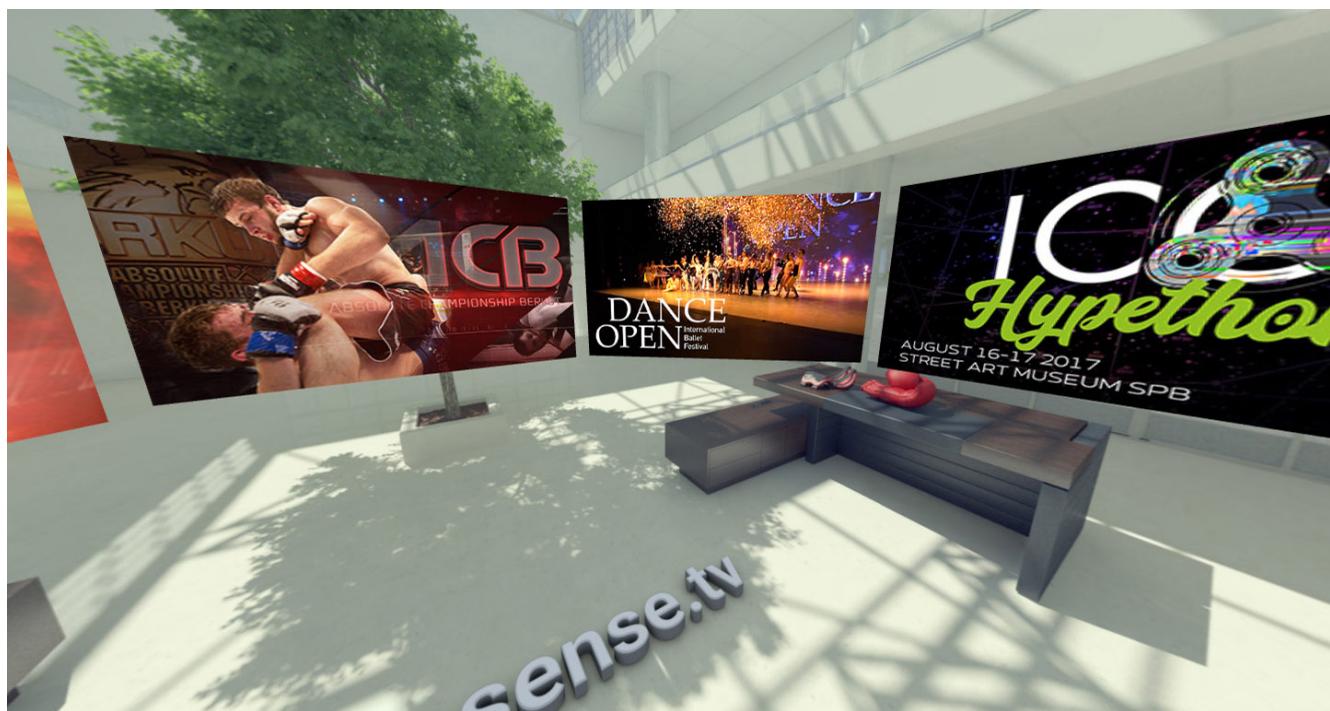
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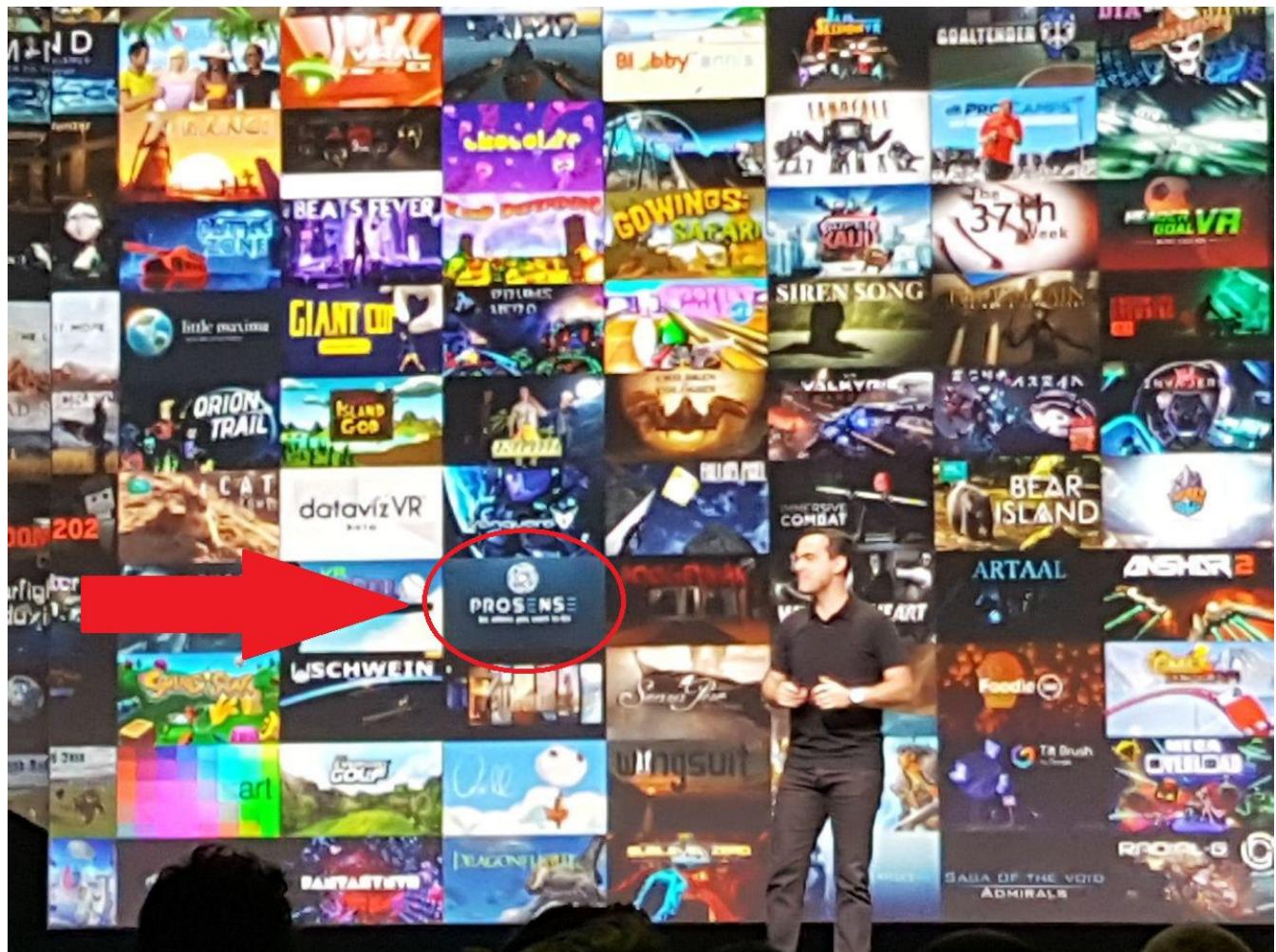
More and more leading tech companies joining a virtual reality development process. Today there're plenty of headsets available on the market from: Oculus, HTC, Sony, Google, Samsung, Lenovo, Dell, Asus, Acer, LG and more. For the last year, prices have fallen twice and quality of headsets continue to grow.



In October 2017, Oculus presented a new standalone headset "Oculus Go" with a price of 199\$, picture is shown below



We at PROSENSE.TV were proud to be a part of this presentation



Hugo Barra presenting new Oculus Go headset for \$199 at Oculus Connect conference on October 12th 2017

Social Viewing

PROSENSE.TV's long-term strategy is to provide its users with experience in social viewing. As a technology VR offers a unique set of functions that are unavailable in outdated broadcasting methods. Traditional broadcasting formats are a bad fit for planning social functions due to their poor user engagement. Technologies such as "second screen" solutions force users to use a smartphone in addition to watching TV, which is supposed to provide viewing with more social and interactive potential.

This is because no one has been able to create a truly mixed solution yet. Social VR strives to answer this question by combining social interaction with VR livestreaming. This requires a new approach to the special organization of content, new techniques for visualizing data, and new methods of internal interaction. PROSENSE.TV is currently testing social functions, and we expect a full-fledged launch in the near future



Including social functionality in every **ProsenseLive™** stream would make it possible to significantly enhance the user experience. Social functionality could have significant potential for commercialization and would likely redefine the modern conception of livestreaming.

Application of virtual reality opens various of entertainments capabilities
making fans go crazy



Access to the locker room



Prosense on the field via referee



Penalty with Goalkeeper



Working on VR streaming platform, PROSENSE.TV team came to a conclusion that there were several issues of pay TV industry business which required new approach but could not find any examples of successful implementation anywhere in the world. These were absence of trusted payment mechanism to content providers, vulnerability of content protection, high cost of video processing, storage and distribution. In the middle of 2016 PROSENSE.TV team met one of the leading blockchain community experts Dmitry Plakhov who shared several ideas how blockchain technology could address these issues. It allowed to shape a vision of the future development of existing **ProsenseLive™** platform which is the plan to transform the technology of centralized content delivery into a global decentralized peer-to-peer platform with a payment collection system and intellectual property rights protected by blockchain cryptography and all the transactions confidential.

ProsenseLive™ uses its own currency, VRP, for all internal transactions. Payment for content in VRP tokens in **ProsenseLive™** platform will be possible at the same moment when tokens are distributed which is on the 30th of December 2017, in 14 days after the end of ICO campaign. Content providers set prices at their own discretion, and viewers are offered a variety of additional options, including one from which we expect a lot: social viewing. This option is currently in the testing phase in the research and development department and is planned to become available after the ICO campaign. VRP allows owners of tokens to log into the system, buy content, gain access to unique functions, and more. The entire VR ecosystem built into the **ProsenseLive™** platform is supported through the use of VRP.

Value proposition of ProsenseLive™

The platform **ProsenseLive™** allows to enjoy live broadcasts and recoded VR video right now, but PROSENSE.TV constantly improving it and adding new functionality. The current implementation and future development plans allow to address several key issues of the video streaming industry including VR streaming. As innovators we are firm believers in the value that blockchain brings to VR streaming and are ready to explore its full potential. Below is the list of key issues addressed by PROSENSE.TV through our **ProsenseLive™** platform.

Issue #1: lack of effective payment system

Content providers across the Globe are typically collecting their money not from the end users but rather from various mediators that include content aggregators, pay TV operators, various video networks etc. Some value chains include several mediators significantly reducing income of the streamer. At the same time streamers are usually paid based by the number of views their content generated. However content owners are not technically equipped to properly track their views number and have to rely on yet another 3rd party services providers. Much has been said about low accountability of such approach to measure the real consumption of the video. Due to low quality of measuring data many content owners remain underpaid for their work and cannot effectively produce new content that require funding. Today's is that reality the industry got many intermediaries that are not reliable partners and may severely delay payments to content owners or even reduce those unilaterally.

Through the introduction of our internal currency based on Ethereum protocol we aim to eliminate the need in any mediators transferring the funds from the users to the content providers at the time of each transaction. All information will be properly encrypted, while transactions will be regulated through the use of smart contracts based on ERC20. Such system will introduce a full transparency and increase streamers monetization, strengthening **ProsenseLive™** appeal.

Issue #2: the high cost of VR processing

Unlike 2D streaming, which requires relatively little bandwidth, livestreaming in VR will require a number of new approaches and technical solutions. Panoramic video files are quite large, and their resolution is very high - frequently 4K (4096x2048 pixels) or even higher (PROSENSE.TV is already testing 8K video solutions). Transmitting a stream of pixels in VR format requires a full alignment with the hardware in terms of frames per second, resolution, and bandwidth. In addition to their high resolution, VR streams are doubled - one stream for each eye. This also increases the load, since decoding and transmitting two streams at once requires significant computing power and bandwidth. Bandwidth is strongly influenced by compression. But demands in computing power make it impossible to generate high-quality streams using underpowered hardware.

Today we can observe a significant improvement in the graphical computing capabilities of desktop and laptop computers. Recently one of the key growth factors was the blockchain industry that encouraged lots of video processing innovation. Nevertheless, the power of ordinary computers is still not sufficient to process a high-quality VR signal. In order to take advantage of the most important feature offered by VR - immersion in a virtual environment - it is essential that high-resolution graphics be delivered to the user as quickly as possible. This will lead to the best possible user experience. VR hardware needs to properly generate large images in as high a resolution as possible without latency. As a rule, ordinary decoders available on the market for hardware such as TVs have high latency and do not support high resolutions. The infrastructure for processing virtual reality therefore has to be much more powerful than that for other formats.

Currently even the cost of a license for a common 2D video professional media server may reach several thousand dollars. While it is also possible to pay a few hundred dollars per month for the use of a cloud server, such kind of a system will probably not be able to support more than 500 simultaneous streams, so it can only be used for streaming on a very small scale. Using the current cloud infrastructure for large-scale streaming is financially infeasible, since the cost of streaming skyrockets as its scale increases. Popular streams can attract tens of thousands of users and can only be delivered thanks to CDN access and use of comprehensive technical solutions. As a result, this kind of streaming is only available to a very small group of large broadcasters.

VR streaming requires the use of video codecs that can quickly interpret data on a frame-by-frame basis. The codecs used today such as HEVC and H.264 may be an excellent starting point, but most of them are designed specifically for 2D content and are poorly suited to VR. The widespread use of virtual reality will therefore require advanced tools for image processing and compression. On the other hand, as mentioned before, consumers of virtual content already expect high-quality streams. In a recent Vicon study almost a third of respondents stated that high-quality content is a requirement for the best VR viewing experience. In order to meet consumer expectations, streaming VR content has to be delivered in a high resolution and without latency.

For the last two years PROSENSE.TV has been working on a unique platform called ProsenseCloud that obviates the need for broadcasters to have a dedicated server in order to stream live. Reliable integration is also being implemented for a number of devices, from inexpensive, amateur-level VR cameras to top-level professional devices. Having built this system thanks to the top-notch development of PROSENSE.TV products, we are ready to combine ProsenseCloud and **ProsenseLive™**, which will allow small streamers to gain access to inexpensive streaming solutions. For example, transcoding and compression algorithms that are already the best in the business make it possible to watch PROSENSE.TV streams via mobile networks. The time required to establish a professional VR stream has also been reduced from several days to just a few hours making VR streaming accessible by anyone.

The further development of our technology should lead to truly decentralized streaming. Right now almost all online livestreams pass through centralized media servers and are then distributed via centralized content-delivery networks. Some existing solutions allow P2P streaming, but significant demands on computing power and streaming channels limit their use to small streamers. Limitations such as these could become even more acute for the VR industry with its significant demands on bandwidth and the power required for signal processing.

PROSENSE.TV's long-held ambition is to engage a totally decentralized network of partners called Partner Nodes in which members would provide their own power and bandwidth. Given a system such as this, VR streaming would become a more large-scale phenomenon, since the limitation on the number of serviced connections would virtually disappear. One of the key limiting factors for creating a system like this today is that users have no motivation to launch client applications that allow computing functionality to be distributed. However, thanks to the implementation of PROSENSE.TV crypto-tokens it will be possible to simultaneously encourage users to provide their own computing power and bandwidth for livestreaming video. This approach will make it possible to eliminate the need for the third parties PROSENSE.TV currently works with (such as CDN providers, for example). The end result needs to lie in further reducing the cost for the streamer and additional revenue for users who provide their computers for streaming.

In such decentralized network there will be two key participants: the streamers themselves and stream processors. The streamers will request video transcoding with specific parameters such as, for example, transcoding into certain formats, and pay for it. A special algorithm will redirect streams from processors. Processors will be selected based on a number of factors such as latency and computing power, and they will be paid for assistance with processing.

Issue #3: low content protection standards

Online piracy has historically been a widespread problem. A study performed by Conditional Access System Irdet, a software developer that works on content security, found that almost three million active advertisements on commercial websites such as Amazon, eBay, and Alibaba promote illegal streams. For example, the recent fight between Floyd Mayweather and Conor McGregor - the largest boxing match in history and a pay-per-view broadcast - attracted an enormous audience on pirate websites all over the world.

On August 26, 2017 there were detected 238 illegal rebroadcasts. According to Irdet's data, these streams were viewed by three million viewers. 67 streams were made available on well-known pirate streaming sites. Pirates also used platforms such as Facebook, YouTube, Periscope (which belongs to Twitter), Twitch (which belongs to Amazon), and the media-playback service Kodi for illegally stream the widely-advertised bout. According to some estimations, pirate activity cost broadcasters of that fight \$300 million in lost revenue.

Pirate websites represent a serious challenge. After all, while intellectual property laws make it relatively easy to shut down websites that only distribute pirated content, HBO or any other intellectual property holder can hardly shut down platforms such as YouTube. Some platforms have taken steps to prevent the distribution of illegal content, but unauthorized livestreams are just as widespread and easy to access as before. The solution that PROSENSE.TV wants to implement in the next year is to protect content streamed through **ProsenseLive™** with a special tracking code. This code must be processed using Proof of Existence blockchain technology in order to provide total transparency and security. This code will also allow content owners to track their streams during every phase of delivery to the end user.

This approach will make it possible to eliminate the pirated streams that already exist on the market and significantly increase the trust intellectual property holders have in the **ProsenseLive™** platform. We expect the use of blockchain verification for access to VR content to eventually become ubiquitous in light of the significant problems that the current entertainment-content market is experiencing due to the absence of a unified standard for verifying consumer content. Our system will make it possible to track the distribution of a given piece of content not only on the **ProsenseLive™** network, but also beyond it. Unlike other media platforms (Getty Images, for example) that have created centralized services for licensing the possession of information, **ProsenseLive™** intends to open its technology to partners from within. Those partners will then distribute content created by **ProsenseLive™** users and third-party producers.

Issue #4: ability of various parties to block content

Due to high centralization of currently deployed video networks the market of video distribution in most countries is usually controlled by several largest players. In most of the regions no more than 10 players control most of the market implementing their authority against independent content providers. The governments in turn have the ability to control the distribution of content e.g. restricting access to certain types of video streams.

With the switch to a fully decentralized network of Partner Nodes we will build a network that will be hard to manipulate. We aim to establish proper content controls on our side, including those reliant on the work of our Partner Nodes. However our goal is to ensure a maximum access to the information distributed through our network providing access to the information in the regions where it can be blocked or redacted.

Marketing strategy

Although existing pay TV operators and video services platforms will support VR content in one way or another in the near future, we believe that creating a unique VR experience focusing only on a single segment will allow us to develop the best product on the market (just as Twitch has made game streaming popular). It is obvious that the quality of the user experience in VR will depend on a great extent on the availability of high-quality live content, and this is exactly what **ProsenseLive™** is focused on. Another focus is user application, adapted for all common types of VR equipment, allowing to participate in breathtaking adventures: gain new experiences while moving around in the broadcast (e.g. watch a goal being scored from the position of the goalie), see and discuss what is happening with friends or create personalized virtual space and avatars.

Unlike horizontal platforms that support various kinds of content, PROSENSE.TV is focusing more on live content via integration with our VR service and the experience of social VR viewing that it supports. We believe that livestreams of sporting events, musical and theatrical performances are extremely engaging and will motivate consumers to purchase VR sets and become our consumers. Our choice to make streaming the company's primary focus has been confirmed by the results of a focus group study by the Consumer Technology Association. This study determined that respondents were most interested in the kinds of VR content connected to their lifestyle, such as concerts and sporting events. Moreover, experts believe that VR has the potential to completely change the entertainment industry as we know it. The primary obstacle is the cost of producing this content. However, PROSENSE.TV VR has the potential to considerably reduce the cost of content production while significantly expanding the target audience. Reconceptualizing the entire approach to content production should allow content creators to invent engaging new formats that will also remain accessible to produce. We believe that livestreams of events in VR will create additional revenue for the entertainment industry rather than "killing" existing types of revenue, giving life to the "infinite seat" concept. We are planning to provide additional agreements with a major leagues, associations and concert agencies. Those partners are expected to provide a direct marketing and advertising of a **ProsenseLive™** platform based on their capacities. KHL finals VR-livestreaming was widely promoted by major news platforms due to KHL PR department efforts. We are planning to generate an additional amount of premium showcases to provide the growth of customer base.

Sporting events

PROSENSE.TV has extensive experience working with sporting events, and we will continue to develop our product in this direction in the future. We expect that, following premium events, VR streams will become an inseparable part of video streams of sporting events.

Concerts

Livestreams of concerts and other entertainment events could gain from the development of VR technology. Concerts are currently a significant source of revenue for artists (given the low monetization potential of streaming services such as Spotify). The implementation of VR makes it possible to give users a profoundly new experience that could significantly expand the audience interested in viewing video streams of these kinds of events.

Adult content

Effect of presence makes adult content in VR format very attractive. **ProsenseLive™** makes 18+ content available to the proper audience only. Prohibited content such as violence will be blocked by Partner Nodes and by complaints of the users of the platform.

Video and user-generated content

We predict that as consumers watch professional-level VR content such as sporting events and musical broadcasts they will also inevitably want to create their own content. Instead of sending photos to their friends and family they will share "immersive pictures" or "immersive videos" that will create the sense of being present in exactly that time and place. These kinds of interactions could occur in chat rooms within the **ProsenseLive™** ecosystem.

Any user of the PROSENSE.TV platform will be able to begin streaming after selecting a stream format - either "peer-to-peer" (where the video signal is only streamed to another viewer/user) or "mass broadcast," where any user of the platform can connect to the stream (using the monetization method selected by the streamer). In this case streamers will have access to various options for additional monetization such as donations, ordering specific actions, etc.

We are also planning to involve existing opinion leaders in different areas to promote **ProsenseLive™** and create content for the platform, providing them with the necessary equipment.

During the next several years we will see advanced avatars and other technologies developed for gamers migrating to social VR. These avatars can be realistic representations of people and their actions generated using motion-capture technology, which makes it possible to display a person's every move. However, it can also be a strategically processed and altered image that only shows what you want it to show. The abilities of avatars can be set in such a way that in certain situations they can act in ways that real, material people cannot. The combination of this functionality with event livestreaming will make it possible to create an entirely new experience.

Education

While it is believed that VR will lead to a revolution in the consumption of media content, we are also seriously evaluating its application in professional fields such as education. VR technology has a much greater immersive effect than television. The viewer achieves a sense of presence - the feeling that they're "really there." About 90% of what we see and do is retained in our memory. This is precisely what has been lacking in other approaches to education. VR is capable of creating entirely new educational techniques that have already been proven to significantly enhance learning. Transferring existing content to VR formats will not only provide with a vastly superior viewing experience; it will also create many new interactive and individualized options. Because of this, we expect that VR streaming market will be much larger than existing streaming and broadcast markets, since VR can build bridges between real-life and virtual experiences.

Movies

Despite a large number of conversations about filming full-fledged movies in VR, we believe that their time will come a bit later. During the next two to five years this market will still be dominated by familiar forms of video content such as sports and entertainment VR streams.

Models of monetization

In addition to livestreams, PROSENSE.TV will also develop its catalog of original content, including preserving previous streams that can be recorded. Given the specific natures of various content providers and their current business models, PROSENSE.TV will offer several methods of monetizing content that can be used separately or, in certain situations, combined. We expect the following key methods by which intellectual property holder can monetize their content to be available when the **ProsenseLive™** streaming platform launches:

- Purchasing individual events - This is the pay per view (PPV) model that is now actively used by most sports organizations.
- Pay per minute - This model has the greatest applicability for video consulting, live chats, etc. The user pays for a certain number of minutes or allows a per-minute fee to be charged to their account automatically.
- Purchasing subscriptions and bundles - Intellectual property holders will be able to combine their content into pools (independently or along with other intellectual property holders), which will allow users to gain access to a catalog of events that have already taken place based on a subscription model (weekly or monthly, for example).
- Donations - A familiar method of monetizing free content, including, in part, streams of e-sports competitions. These are direct donations from viewers to the content provider. This method can be combined with other monetization models, making it possible to engage the audience and monetize additional contact points.

Competitive strategy

Our strategy going forward is to provide unique competitive advantages to both content providers and the end customers. Potential possibilities for both content providers and viewers are described below.



For content providers

- Payment collection guarantee

At the moment, content providers have to rely on unreliable statistics from their distribution partners

- Minimizing video transcoding expenses through the use of Partner Nodes

Currently, content providers must buy their own expensive equipment

- Access to a single subscriber database for content sales through a cross-platform solution

Users are now dispersed across multiple platforms



For content viewers

- The access to a massive catalogue of live and recorded VR broadcasts: sporting events, concerts, travel, adult content

Now there isn't much of VR content available

- Possibility to watch VR videos of the highest quality through a convenient and functional application, moving inside the video space, creating your own 3D avatars, discussing what is happening with friends or characters from the broadcast

Today such quality and functionality are unavailable

We are planning for **ProsenseLive™** to charge a commission for the majority of payments that occur at the system. The size of the future commission will vary depending on the type of payment, but we expect that, due to decentralization and the elimination of pirated content, **ProsenseLive™** will be able to give its users some of the best terms on the market.

Team

PROSENSE.TV has 34 team members. On top of that we have advisors, contractors and outsourcing partners.



Stanislav Glukhoedov

CEO and Co-founder, VR Evangelist

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Facebook profile:

<https://www.facebook.com/stan.gluk>

Stanislav graduated from the faculty of psychiatry and was building a successful career in HR consulting and business analytics.

In 2014, Stanislav got his first VR experience, which inspired him to make a dramatic professional shift and found PROSENSE.TV. With his in-depth awareness of business practice and human nature, Stanislav envisioned the future of VR technology and created a team of global experts to bring rich, immersion-based VR experiences to users around the world.



Vladimir Bakuteev

Co-founder

LinkedIn profile:

<https://www.linkedin.com/in/vladimirbakuteev/>

Facebook profile:

<https://www.facebook.com/bakvladimir>

Vladimir has fifteen years of entrepreneurial experience in the IT sector and internet business. Among his successful companies, Vladimir founded Livetex, a leading omni-channel sales and service support platform serving over 5000 major corporate customers worldwide.



Nataliya Kopylova

Co-founder

LinkedIn profile:

<https://www.linkedin.com/in/nataliakopylova>

Facebook profile:

<https://www.facebook.com/natalia.kopylova.9212>

Natalia has fifteen years of experience working for the worldwide leaders of the video industry; Motorola Mobility, Motorola the Google Company, Arris Inc managing business at the emerging markets . Natalia got MBA degree of California State University in Strategic Marketing



Grigory Vasinkevich

Co-founder

LinkedIn profile:

<https://ru.linkedin.com/in/groriy-vasinkevich-a23b0321>

Facebook profile:

<https://www.facebook.com/profile.php?id=612465987>

An investor and serial entrepreneur, Grigory founded the leading payment aggregator DengiOnline, as well as the online cashbox Qasl.ru. These services support customers across the Commonwealth of Independent States (CIS). Grigory has successfully managed the DengiOnline M&A process with 10x ROI



Leonard Dick

Director of Strategic Partnerships

LinkedIn profile:

<https://www.linkedin.com/in/leonard-dick-5223a631/>

Executive manager with over 25 years of experience working at large corporations such as BASF, IBM, Hitachi, Cray Research, Network Systems, ADC Telecommunications, Sprint as well as smaller venture funded companies like ANDA Networks, Hammerhead Systems and Active Motif/TimeLogic managing partner programs, sales, relationships with clients, research institutes, governments and financial organizations.



Roberto Pagano

Director Mobile and Pay TV service providers

LinkedIn profile:

<https://www.linkedin.com/in/robert-pagano-30b90/>

Roberto contributes over 20 years of experience with mobile and Pay TV operators in USA, Canada and Europe. Roberto generated over \$250M of revenue with companies such as Telecom Italia, Vodafone, Telefonica, Orange, GTS Central Europe, BT, KPN, Belgacom, NSN, Verizon, AT&T, Level 3 Communications, CenturyLink, MTS



Andy Hooper

Director of Cloud Solutions and Services

LinkedIn profile:

<https://www.linkedin.com/in/andrewhooper/>

Andy worked for Motorola and Arris and during 11 years in the roles of Product Manager for Motorola's OSS and billing, Business Development Manager of mCommerce systems, Architect of IPTV and interactive cable TV systems, VP Sales Engineering for Motorola video products across Europe, Middle East and Africa. Areas covered: IP Set Top Box, Headend, Video on Demand, Back Office / Middleware, Conditional Access / Content Protection, CDN, E2E System Integration.



Tobias Neumann

Business Development Director for Western Europe and the Near East

LinkedIn profile:

<https://www.linkedin.com/in/tobias-neumann-708a9960/>

Based in Munich and Dubai, Tobias is a veteran of the video broadcasting industry and recipient of numerous awards. He served as a digital media consultant for the European Union and currently assists PROSENSE.TV in expanding the international presence.



Anar Babaev

CMO

LinkedIn profile:

<https://www.linkedin.com/in/anar-babaev-03771323/>

Blockchain enthusiast, founder of ICOBox.io Co-developer of Setup.ru, Seopult PPC and Adtoapp.com Practical expert specializing in ICO marketing. Participated in ICO for Giga Watt (22 million dollars collected).Co-author of the books “Marketing Mobile Games and Applications,” “Website Development,” “Promotions,” “Cash Button” and “Context Marketing”.



Stanislav Kolesnik

Engineering Business Unit Lead

LinkedIn profile:

<https://www.linkedin.com/in/stanislav-kolesnik-09a056114/>

Facebook profile:

<https://www.facebook.com/gfermoto>

A holder of numerous patents, Stanislav is a recognized authority in the sphere of video production and broadcasting. As a VR industry pioneer, Stanislav has developed several innovations for live VR production.The consummate engineer and innovator, Stanislav continually evolves applications and unique shooting solutions. Recent developments include a drone equipped with custom stabilizers and a miniature submarine.



Ivan Gavrenkov

Head of content production department

LinkedIn profile:

<https://www.linkedin.com/in/ivan-gavrenkov-92307b2/>

Facebook profile:

<https://www.facebook.com/gavrenkov>

A content production expert and one of the first specialists to film panoramic footage, Ivan is also the founder of Gigapano, a company providing a unique mega-high-resolution viewing experience. Ivan has many years of live VR broadcasting experience.



Denis Ivanov

R&D Executive Director

LinkedIn profile:

<https://www.linkedin.com/in/cleoag/>

Facebook profile:

<https://www.facebook.com/cleoag>

Denis brings twenty years of worldwide engineering experience to PROSENSE.TV, including Director of R&D at AR/VR companies: AR Door and LittlStar based in New York



Dmitry Plakhov

Principal platform architect, blockchain development team leader

LinkedIn profile:

<https://www.linkedin.com/in/dplakhov>

Dmitry has in-depth expertise in blockchain development, video processing, UI development, architecture of scalable, high-load and sustainable platforms, CDN and financial technologies. He also has extensive experience as a leader of the engineering team at Sberbank (the largest financial institution in Central and Eastern Europe). Additionally, Dmitry has been the coordinator for a community of more than 200 Blockchain Developers.



Eugene Timko

Director of IR

LinkedIn profile: <https://ru.linkedin.com/in/timko>

Facebook profile: <https://www.facebook.com/jenyatim>

Eugene brings key professional experience to the team, to include Investment Director at the Finstar Fund (\$2 Billion in capital) and InVenture Partners, and within projects such as Gett, 2Can, Busfor and Netologia. He was a consultant for McKinsey & Company as well as for Morgan Stanley, where he focused on projects connected with technological development and innovation. Evgeny has received MBAs from IESE Business School in Spain and Columbia Business School.

Advisory



Michael Terpin

CEO, Transform Group; chairman, BitAngels

LinkedIn profile: <https://www.linkedin.com/in/michaelterpin/>

Michael co-founded BitAngels, the world's first angel network for digital currency startups (2013), the Dapps Fund, the first digital currency fund and one of the largest investors in the Ethereum presale (2014), the Bitcoin Syndicate on AngelList (2015), bCommerce Labs, a cryptocurrency incubator fund (2016), and heads up the ICO investment committee for Alphabit Fund (2017). In addition, Michael is a founder and CEO of Transform Group, the world's leading PR and advisory firm for blockchain companies. Previously, he founded and sold Marketwire (now owned by NASDAQ) and was nominated to Ernst & Young Award "Entrepreneur of the Year".



Scott Ross

Founder and CEO at Digital Domain; Sr. Vice President at LucasFilm; Advisory Board at Magic Leap, Lenovo

LinkedIn profile: <https://www.linkedin.com/in/scottross/>

Wikipedia page:

[https://en.wikipedia.org/wiki/Scott_Ross_\(film_executive\)](https://en.wikipedia.org/wiki/Scott_Ross_(film_executive))

Scott Ross is an American digital media executive with a career spanning four decades. Most recently he was the Founder, Chairman, and CEO of Digital Domain, Inc., one of the largest digital production studios in the motion picture and advertising industries.

Under Ross' direction, from 1993-2006, Digital Domain garnered two Academy Awards and three nominations, receiving its first Oscar in 1997 for the ground-breaking visual effects in *Titanic*. In the 80's Ross was General Manager of Lucasfilm's Industrial Light and Magic, which, under his direction won 5 Oscars. In 1991 Ross was named VP of the LucasArts Entertainment Group. Ross is a member of the Academy of Motion Picture Arts and Sciences (OSCARS) and the Academy of Television Arts and Sciences (EMMYS).



Karthik Iyer

The India's Ambassador of the P2P Foundation; CEO, Spouseup Technologies Private Limited

LinkedIn profile: <https://www.linkedin.com/in/karthix/>

Karthik Iyer is a globally recognized expert in Blockchain and fintech. He is the India's ambassador of the world's largest think tank on decentralized technologies such as the Blockchain, the P2P Foundation. He is the Founder of India's first end-to-end Blockchain and Cryptocurrency Consulting and Training firm BlockchainMonk. Karthik is a serial entrepreneur and founded India's first applied Artificial Intelligence and social discovery company. Karthik worked for leading technology firms such as Red Hat, Novell, Sun Microsystems and advised CXO's of global banks on technology strategy and scaling.



Jesse Damiani

Editor-at-Large, VRScout; CEO & Co-Founder, Galatea

LinkedIn profile: <https://www.linkedin.com/in/jessedamiani/>

Jesse is an entrepreneur, journalist, and public figure in emerging technology. He is Editor-at-Large of VRScout and CEO of Galatea, a writing and project management tool for VR and AR stories. He regularly covers VR, blockchain, and media in Billboard, Quartz, IndieWire, and HuffPost, with syndication in CBS News, The New Digital Storytelling textbook, and REDEF. He was listed as a top global VR influencer in 2017 by Onalytica, was interviewed as an expert source in AP's guide for immersive journalism, and runs "Blockchain + XR."



Nick Evdokimov

Founder of Cryptonomos

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Nick is an entrepreneur, journalist, and public figure in emerging technology. He is Editor-at-Large of VRScout and CEO of Galatea, a writing and project management tool for VR and AR stories. He regularly covers VR, blockchain, and media in Billboard, Quartz, IndieWire, and HuffPost, with syndication in CBS News, The New Digital Storytelling textbook, and REDEF. He was listed as a top global VR influencer in 2017 by Onalytica, was interviewed as an expert source in AP's guide for immersive journalism, and runs "Blockchain + XR."



Eric Benz

Managing Director, Cryptopay

LinkedIn profile: <https://www.linkedin.com/in/ericbenz84/>

Eric has over 10 years of experience working in and around Financial Technology. He has delivered innovative SaaS systems for some of today's biggest institutions around payments, identity, and banking infrastructure. Eric has been in the Blockchain space since 2012 and is involved in a number of blockchain and fintech businesses both as investor and board director. He currently serves as Managing Director for one of the UK and EU's longest running Bitcoin exchange and merchant processor, Cryptopay.



Katrina Arden

Founder of Blockchain Law Group

LinkedIn profile:

<https://www.linkedin.com/in/katrina-arden-70260426>

Consulted on multiple token sale projects: Cryptonomos, Giga Watt and others. Extensive experience handling various domestic and international issues, including tax compliance and securities regulations, structuring international transactions, and handling complex business matters.



Brad Kohn

Producer; Global Community Director at Superbloom Capital; Director at Creative Ninjastries; Creative Director at Home Farm Media

LinkedIn profile: <https://www.linkedin.com/in/brad-kohn-3521a95/>

Brad Kohn started playing piano at six years of age, wrote his first song at nine and first recorded his compositions at a professional recording studio at only ten years old. By sixteen, he fronted a rock band as lead singer and rhythm guitarist that played regularly on the London circuit. He studied at the Academy of Contemporary Music and went on to become a multi-platinum record producer. He has worked in the Music Industry as a music producer, engineer, songwriter, musician and entrepreneur with such artists and songwriters as Foo Fighters, The Black Keys, Neil Young, Pendulum, Liam Howlett, Chase & Status, James Germain, Coldcut, Desmond Child, TMS, Fred Chateau, Gez O'Connell, Viktoria Hansen



Dr. Moe Levin

CEO of Keynote

LinkedIn profile: <http://linkedin.com/in/moelevin>

An investor in high-tech startups, and an advisor to governments, regulators, banks, and venture-backed companies.

Some of the projects he has been involved with include The Global Blockchain Council in Dubai (2015 - present), the harmonized VAT treatment of Bitcoin (2013), The OECD Working Party 9 (2013-2014). Moe is also the Co-Founder of the first accredited Blockchain Academy, an early investor in RSK Labs, Labfresh, Dropbox, and others. Prior to founding Keynote, Moe was responsible for launching a venture-backed startup in Europe which raised \$30m from Richard Branson, Index Ventures and others.



Richard Titus

CEO, Andronik Ltd.; Operating Partner, Superbloom; Managing Partner, ARK ICO Advisors

LinkedIn profile: <https://www.linkedin.com/in/rxdxt/>

Richard is an experienced, senior executive (CxO) with 20+ years in digital transformation, globally. He is addition to co-founding multiple start-ups and digital agencies including; Prompt.ly, Razorfish & Schematic. He has led business divisions for Samsung Electronics, the BBC and Associated Northcliffe Digital (part of DMGT owner of the Daily Mail) to award-winning levels of performance recognized by CES, GSMA, Techcrunch and the Wall Street Journal.



Andrey Kirilenko

President of the Russian Federation of Basketball

Facebook: <https://www.facebook.com/ak47russ>

Wikipedia page: https://en.wikipedia.org/wiki/Andrei_Kirilenko

A 2007 European MVP and bronze medalist at the London Olympic Games in 2012, where he served as captain of the Russian team. Andrei Kirilenko has also participated in the NBA All-Star Games. In July 2008, he was chosen as Russia's flag bearer at the 2008 Beijing Olympics.



Ross Ivett

CEO and Founder at REI Consulting

LinkedIn profile: <http://linkedin.com/in/moelevin>

Ross started career at Nortel Networks, for many years global leader of video technologies industry, in 1987 to work on DV45 video codec that allowed the transmission of NTSC video at 45Mbits/s. During ten years Ross was a General Manager of Broadband Video Networks Division of Nortel Networks having responsibility of \$500M annual revenue and managing a team of Design Engineering, Product Management, Sales and Marketing professionals distributed over several locations worldwide.



Masha Drokova

Investor; General Partner, Venture Fund; Founder, PR Studio

LinkedIn profile: <https://www.linkedin.com/in/mashadrokova/>

Masha is a founder of a new venture fund. Before launching it, she was an angel investor and founded a PR studio that works with companies like WeWork, Gett, Houzz, HotelTonight and Toptal. The Business Insider placed her among the world's top 50 PR professionals. Venturebeat mentions Masha as one of the 5 most influential females VC in Silicon Valley. Masha serves as an advisor to 'Oceanic', a non-profit organization which uses VR to bring attention to environmental issues impacting the oceans.



Dmitriy Filatov

Founder of ICORating

Facebook: <https://www.linkedin.com/in/dmitry-filatov-8a96041a>

Wikipedia page:

<http://ru.wikipedia.org/wiki/>

[Филатов,_Дмитрий_Владимирович_\(предприниматель\)](#)

General partner in ICOShark fund, founder of Topface (dating service with 100 million registered users), founder of Ad4top marketing agency, Playneta social gaming company, and several other companies in adtech and cryptotech. Crypto-investor since 2013 and serial entrepreneur.

Description of Token

PROSENSE.TV tokens (VRP) are ERC20-class tokens based on Ethereum technology that are integral part of **ProsenseLive™** platform. The Ethereum platform was selected due to its scale and staying power. Ethereum is an open blockchain-based distributed computing platform focused on the use of smart contracts. In a certain sense Ethereum is a distributed virtual machine that allows the end user to construct smart contracts for transactions. Smart contracts are structured applications saved in the Ethereum blockchain. These contracts are cryptographically protected and can confirm or compel the use of a contract. Token contracts are a standard function of the Ethereum ecosystem. The Ethereum platform is used for mobile payment systems and distributed currency exchanges. Tokens can be linked to consumer products, currencies, clearing market mechanisms, microtransaction systems for distributed computing resources, consumer products, coding exchanges, and crowdfunding projects, or to confirm the legality of documents.

PROSENSE.TV tokens (VRP) were created in order to fix existing flaws in the business models used to monetize video content. The most widely-used advertising model does not provide appropriate monetization for content owners and can only have limited application in the case of monetizing premium content. As VR grows we predict the introduction of pay-per-view models, since VR content has always been positioned in the premium segment and makes it possible to implement more interactive engagement formats. VRP will support the future development of the VR industry through the implementation of PROSENSE.TV's livestreaming platform, **ProsenseLive™**.

All the transactions on **ProsenseLive™** are performed via VRP. Payment for content in VRP tokens in **ProsenseLive™** platform will be possible at the same moment when tokens are distributed which is on the 30th of December, in 14 days after the end of ICO campaign. **ProsenseLive™** will charge a commission on each transaction with exceptions for specific circumstances (promo streams, for example).

The prices for events will be set by the intellectual property owners in VRP. If the customers wants to pay for the content in local currency the local currency will be converted to VRP based on the token's current exchange rate if there are no legal limitations implied by the local authorities for such a use case. Another option for the user is to pay in widely accepted cryptocurrency. PROSENSE.TV is in a process of signing cooperation agreements with several exchanges to make this possible. In order to make the system easier to use, users will perform transaction in local currencies, but all transactions will be performed via VRP. We expect that, as the platform develops, **ProsenseLive™** will add more and more services supported by the platform, all of them will use VRP as their financial mechanism. For example, in addition to the pay-per-view and donation options described above, we are planning for the following usage scenarios to be available when PROSENSE.TV launches:

- Livestreaming - In order to livestream in real time, the intellectual property holder will have to deposit a certain number of VRP that should cover the platform's minimal costs to support the stream on a technical level. We expect that, if a stream is available on a paid basis, PROSENSE.TV will take a portion of the total amount gathered or a streaming deposit (whichever is greater). If the stream is available for free, the streamer will have to pay for it using VRP. In this case the final cost paid by the intellectual property holder will depend on the number of users connected to the platform (just as with webinar services).
- Purchasing additional options - The PROSENSE.TV player used to stream all events through **ProsenseLive™** will eventually have a larger number of customization options (for example, using custom skins, changing the design, etc.) that will be available for purchase in PROSENSE.TV's internal shop for VRP.
- Social functionality With the development of the product PROSENSE.TV has focused intensely on the potential for users to interact while watching various events. We are planning to introduce options such as, for example, the ability to "invite a friend" to a shared viewing (with the option for the inviter to pay for participation) or the option to implement rates for certain types of events (while attracting partners with the corresponding specialization).

Since livestreaming requires the streamer to have tokens in their account, we will introduce three types of statuses for PROSENSE.TV broadcasters depending on how many tokens they have:

- 1,000,000 or more tokens: Gold status, which grants free video storage and 24/7 support
- 500,000 or more tokens: Silver status, which grants a 50% discount on VOD storage
- 50,000 - 500,000 tokens: Basic bronze status granting 25% discount on VOD storage

As mentioned above, one of the most important steps in the development of the PROSENSE.TV platform is potential transfer from the currently-implemented ProsenseCloud platform, which makes it possible to process an incoming signal via PROSENSE.TV's cloud capabilities, to a decentralized model where signals are processed by independent nodes. As with various implementations of blockchain technology, we expect to be able to distribute our technology without sacrificing the quality of the transferred signal. This will in turn allow us to provide an additional monetization method for the most active participants on our network, who will be able to become signal processors and re-broadcasters. This kind of system will have enhanced security and will not be linked to a single cloud server (which, as the February outage of the AWS platform showed, can lead to extended outages for even the most reliable companies).

This will make it necessary to establish a balanced pricing structure in order for processing nodes to work well:

C <= S + T

C – is the cost of processing (this includes the number of transcoding slots in accordance with **ProsenseLive™** standard)

T – is the reward in tokens

S – is the streamer's cost

Keeping in mind that there will probably be competition among nodes for services for streamers and the reward in tokens, we can say that any increase in the cost of tokens or the number of tokens that can be earned for transcoding will lead to a reduction in the price charged to the streamer. This will in turn further reduce the cost and allow a larger number of streamers to gain access to VR livestreaming on the **ProsenseLive™** network.

We expect ProsenseLive™ to offer a full set of advantages for content providers, which will allow the service to quickly gain popularity and become a leading platform for VR livestreaming. ProsenseLive™'s main advantages for content providers are expected to be the following:

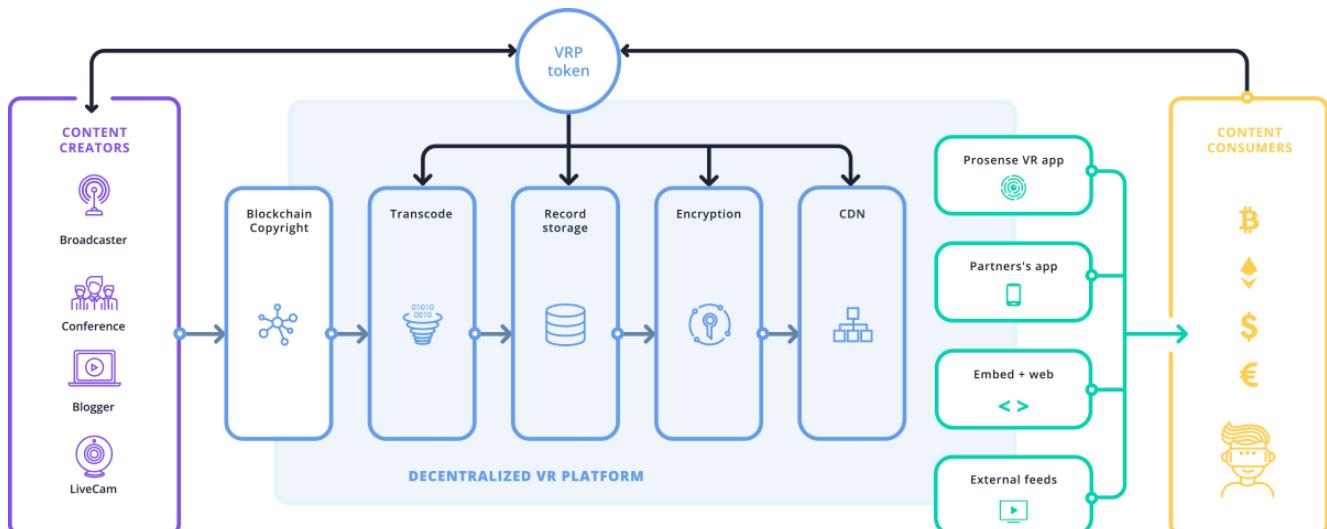
- Using PROSENSE.TV technology, **ProsenseLive™** will not just broadcast live video in VR; it will allow content owners to create truly interactive viewing formats with the best mechanics for audience engagement
- A wide range of monetization options that are not limited to a single model accepted by the service
- High reliability and the guaranteed piracy protection (and protected revenue as a result) due to the use of blockchain and user-identification technology
- Complete anonymity and options for encrypting peer-to-peer signals
- The realization of the "infinite seat" concept where using VR makes it possible to infinitely scale offline events with high monetization potential, which the current 2D format does not offer

ProsenseLive™ ecosystem

Payment for the content in VRP tokens in **ProsenseLive™** platform will be possible at the same moment when tokens are distributed which will happen in 14 days after the end of ICO campaign. As a part of **ProsenseLive™** future development we are considering to implement the ecosystem of associated services that may use VRP as their internal currency. We expect to launch referral and CPA programs with transactions based on VRP. We are also planning to expand our set of partners to include those who would like to use **ProsenseLive™** functionality for their own VR applications. Experts are expecting video-streaming functionality to be dominant in the VR industry's revenue structure, which will strengthen the value of this product for a wide range of market players PROSENSE.TV could eventually develop partnerships with using VRP. The **ProsenseLive™** product itself will represent a central link in the VR ecosystem. For example, there is a potential case for a third-party provider to create a service for delivering events that are then streamed over **ProsenseLive™**.

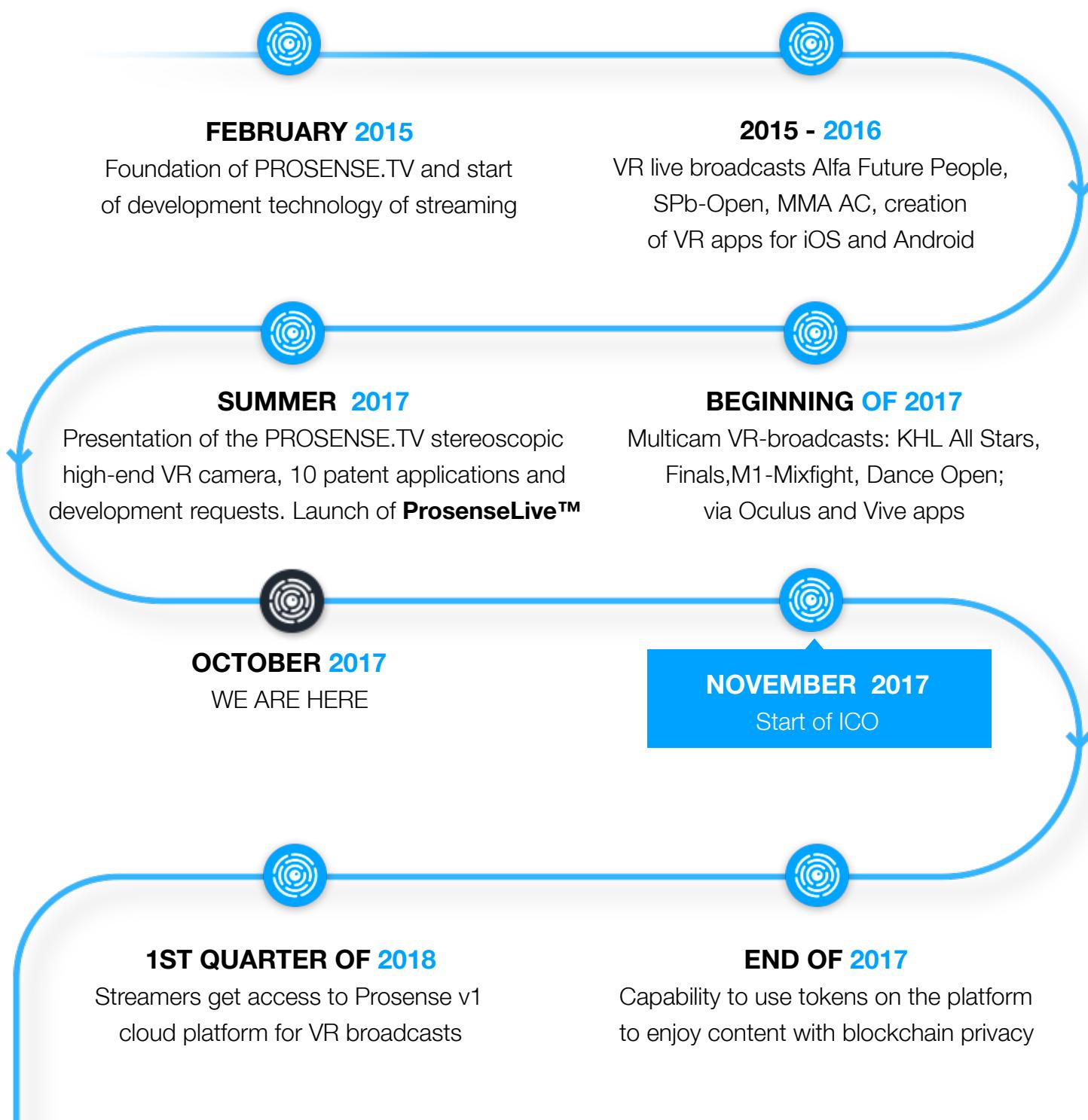
In this case the service will be priced in VRP and use a signal transmitted by **ProsenseLive™** to the third-party application. Users of such application would receive VRP in their accounts and use the framework of **ProsenseLive™**.after initial sign-up and fee payment

Crypto-currency will be able to remain successful for a long time if it becomes an engine for the effective economy. To the extent that VRP will be used by an increasingly large number of users and providers, the online effect of the **ProsenseLive™** ecosystem will also grow, increasing the value of the entire ecosystem for long-term token owners. Successful economy requires a growing demand for VRP within the framework of the **ProsenseLive™** network. Since viewing streams requires users to purchase VRP, the demand for the tokens will grow in proportion to the number of active users and the number of demanded events.



Roadmap

Payment the for content in VRP tokens in **ProsenseLive™** platform will be possible at the same moment when tokens are distributed which will happen in 14 days after the end of ICO campaign. PROSENSE.TV is constantly working to improve **ProsenseLive™** platform. We need to keep up with the needs of VR market to make new features available to content providers and the end users

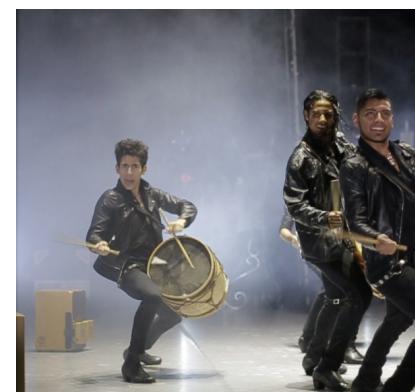
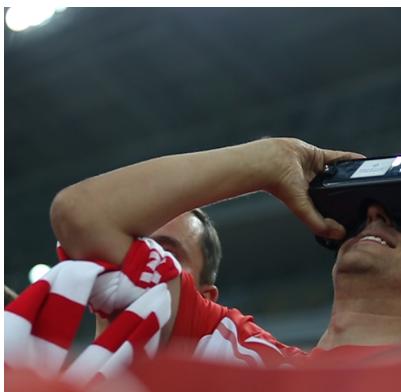


2ND HALF OF 2018
Development of decentralized platform for streamers

1ST HALF OF 2019
Decentralized storage of VR content on PROSENSE.TV platform

2019
Release of the PROSENSE.TV v2 decentralized streaming platform for VR content, with unlimited possibilities for both VR streamers and viewers

2ND HALF OF 2019
Full anonymity and possibility to code P2P signals



Users generating content will be encouraged to follow certain guidelines. For example, this may include requirement for a preview trailer or teaser that should be provided free of charge or certain money back policies to ensure the highest user satisfaction. In the case of such free previews content owner will be paying PROSENSE.TV a small fee in VRP to cover transcoding network costs. It is additionally expected that at the initial stage of the platform development content providers will focus on building their communities. Therefore creators will generate a variety of free or sponsored content which would also be available to viewers at no cost, while content owners will be paying for PROSENSE.TV's services.

Successful user payment or request for a fee access to the applicable content will trigger a video signal transcoding. The broadcaster will receive tokens as payment for viewing their stream. As such connection represent an interaction between two known parties – an author and a viewer – our system will be encrypting video signal in blocks while user IDs will be used as decrypting keys.

Such keys will later be placed to blockchain along with data about the stream such as the cost to view it and other parameters. While the stream is taking place the video feed from the broadcaster will be transferred to our cloud services, transcoded into the necessary formats for viewing, coded with a stream key, and posted on the CDN network.

In case of use of the pay-as-you-go type of monetization user will be able to select a maximum spend limit. Video broadcast will then continue to be transcoded and transferred for as long the limit is not achieved based on the rates set by the streamer. One another type of monetization based on smart-contract that we aim to deploy at the early stage of the platform development is custom content ordering. Users will be able to place their orders to VR content producers to bid on it. Purposely designed smart-contract will then regulate relations between the parties.

We are planning to introduce new functionality step by step to increase the number of available monetization options for streamers and improve the user experience. We have already tried various functions such as social viewing and plan to introduce them as the technology develops. During this stage we are also planning to introduce a decentralized network and partial streaming through it.

Transcoding nodes (Partner Nodes) and content delivery nodes will appear on the network. A transcoding node is a computer with software installed on it that has sufficient resources to transcode a video stream into the format required by the platform. Information about transcoding nodes will be stored in the blockchain. The transcoding nodes will form a virtual network based on the Kademlia protocol, and the connections between the network's nodes will constantly be tested to make sure they are transcoding with as little latency and as high quality as possible. The video feed from the broadcaster is distributed among transcoding nodes based on their capabilities and the amount of transcoding that needs to be done. Node owners will be paid in tokens for transcoding. We also foresee a mechanism for checking the completion of transcoding ("Proof of Transcoding").

A content-delivery node is a computer with software installed on it that is capable of receiving and transmitting a transcoded stream further along the network in order to distribute the overall load across the network. The transition from step 1 to step 2 will be accomplished by increasing the number of transcoding nodes for content delivery on the network and reducing the percentage of cloud resources for streaming. The storage of VOD video content will switch to a decentralized network using Swarm and IPFS technologies.

As this step approaches we expect to have a fully functional and proven product with high user activity. In order to further enhance this activity and take it to the next level we are planning to accelerate the inclusion of additional partners into our ecosystem. The beginning of the **ProsenseLive™** network's autonomous functionality is expected during the first launch; new partners will join the network later. We expect providers to attract traffic to the **ProsenseLive™** network by offering the application to their customers.

We also expect that not all providers will offer the official **ProsenseLive™** application - some of them will prefer to create their own programs with support for **ProsenseLive™** functionality.

At certain point **ProsenseLive™** is planning to enable fully decentralize signal transcoding. The video stream from a broadcaster will be broken up into segments that will then be distributed among transcoding nodes and recoded into the formats the broadcaster requires (at their discretion). As noted above, the recoded formats will be stored on the decentralized network using Swarm and IPFS technologies. Payment for transcoding and storing segments will be provided in VRP tokens. Information about streams will also be stored in the blockchain.

To streamline our operations we aim to reuse existing solutions without producing all necessary platform elements in-house. For example, we are planning to integrate our platform with RNDR token for a high quality real time rendering of the broadcasted signal. This especially will be applied to various types of content that require such capabilities such as social content or AR elements. Such integration will be seamless to the end user, while technically we will be exchanging our VRP to RNDR tokens. We expect that the use of Ethereum protocol by the RenderToken.io platform will allow us to minimize transactional costs.

Conversion and provision of tokens liquidity in the system could be processed by module integration with external exchange such as Bancor.network. In the future, this will allow us to connect third-party payment systems and convert any compatible tokens in VRP. Rendering tasks and 3D content will be transmitted through special gateways created within the framework of partnership cooperation and using a common distributed data storage system.

Functional integration with the ORBX format will also make it possible to add video streams to our platform using 6DOF cameras such as the F8 2017 and Lightfields cameras our R&D department has developed and presented on Facebook. In addition, partnership with ARToken (a decentralized AR/VR ecosystem for 3D content exchange) will make it possible to use 3D assets presented in their system within our platform (avatars for users, streaming locations, trophies, merch, etc.).

General Information about the Launch of Tokens

Our goal is to sell tokens for \$30 million. This number could change depending on fluctuations in the ETH/USD exchange rate, but as of September 1st, 2017 the following values represent our most exact calculations (all of them could change depending on the ETH exchange rate):

- Amount of sold tokens: **720 million**
- Maximum amount of sales of tokens: **\$30 million**
- Minimum ICO target will be set as: **\$5 million**
- Token type: **utility token**
- Currency to which the ICO is linked: **USD**
- Exchange rate: **1 VRP = \$0.1**
- Token contract address: **TBD (will be published through various channels 48 hours prior to the date on which the general sale begins)**
- Date and time of launch: **10.00 AM PDT November 16th, 2017**
- Future sales of tokens: **are not planned**
- Token distribution date: **within 14 days from the end of the token sale**

Payment for the content in VRP tokens in **ProsenseLive™** platform will be possible at the same moment when tokens are distributed which will happen in 14 days after the end of ICO campaign.

Contract

VRP is an Ethereum token. It complies with ERC-20 - a de facto standard and widely used token API. VRP Smart Contract guarantees:

1. Transparency

- 1.1. Balance. The information on the number of tokens held by any user is public.
- 1.2. Transfers. All information on transfers is public and can be traced back in time.

2. Ownership

- 2.1. Scope. Only Ethereum users and contracts can be token holders.
- 2.2. Uniqueness. Each token belongs to one user - owner. There are no shared tokens.
- 2.3. Right to transfer. A token can be transferred to another user only by the direct command of its owner or by the command of the receiver directly authorized by the owner. No token transfer may be initiated by another user.

3. Token Supply

- 3.1. Single release. Tokens are released only once, at the time of deployment.
- 3.2. Supply. The token supply is set at the time of deployment.
- 3.3. Destruction. Every user can destroy (burn) some or all of his tokens, which are then deducted from the total supply.

4. Contract Management

- 4.1. Replacement. The contract owner can relinquish the ownership in favor of any other Ethereum user or contract.
- 4.2. Blockade. The contract owner can stop or resume token transfers between token holders at any time.

5. Miscellaneous

- 5.1. Recovery. Any call to the contract which results in an error does not change the users' tokens or Ether balance, except for the gas spent on the transaction.
- 5.2. Safe Approval. The token contract supports two approve functions: a 2-parameter approve (the ERC-20 standard) and a 3-parameter approve, which guarantees that spender gets new allowance only if current allowance equals presumed allowance. It is recommended to use the 3-parameter approve for all approve calls taking the presumed allowance as the second input.

Uncertainty provisions

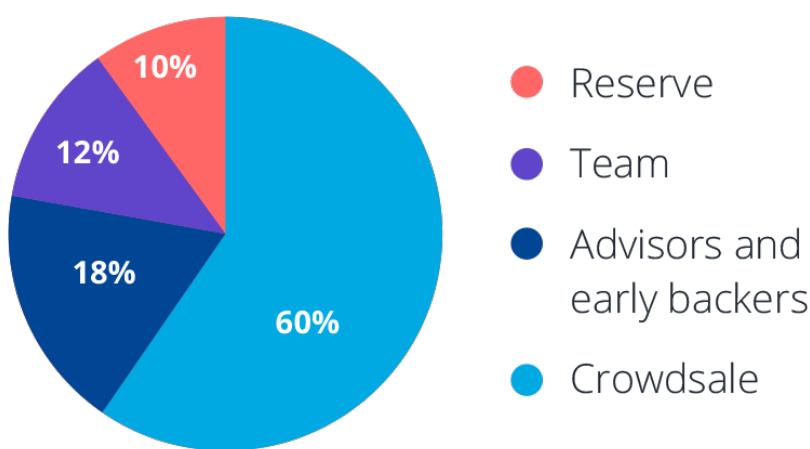
The VRP Smart Contract does not guarantee the following:

1. User validity. Details: an Ethereum address with positive token balance may not correspond to any actual user or a private key, as it can be a result of a mistake. Tokens transferred to such users will likely be lost.
2. Zero Ether balance. Details: the contract prohibits most, but not all means by which Ether could be sent to it by users who are not contract owners.
3. Complete registry. Details: The contract does not provide a list of all token holders. However, it is guaranteed that every token holder is either the contract creator or a token recipient in the Transfer event. The list of token holders can be obtained by checking all these events or by exploring the contract storage using blockchain explorers

Distribution of tokens

Our 720 million VRP tokens 60% will be distributed within the public token-sales community. Of the remaining tokens, 18% will be distributed among advisors to the project. 12% will be distributed among members of the project team. Another 10% will remain in **ProsenseLive™**'s account and will be used to attract strategic partners to the **ProsenseLive™** Ecosystem and as operational reserves.

In the event that some of the tokens remain undistributed, they will be destroyed.



- 12% will be distributed among team members and will be locked up for 365 days

PROSENSE.TV tokensale timeline

Pre ICO is planned between 19th of October to 15th of November 2017

- The maximum amount to be collected is \$10,000,000 (ten million US dollars)
- The minimum threshold for entry is \$20,000 (twenty thousand US dollars)
- Bonus program:
 - 25% at the period between 19th of October to the 1st of November
 - 20% at the period between 2nd of November to the 8th of November
 - 15% at the period between 9th of November to the 15th of November

ICO is planned between 16th of November 2017 to 23th of November 2017

- The White list is active throughout October 2017
- At the first day of ICO which is 16th of November 10% bonus is granted to the White list members only
- At the period between 17th of November to the 22nd of November 5% ICO bonus is granted

Token distribution date

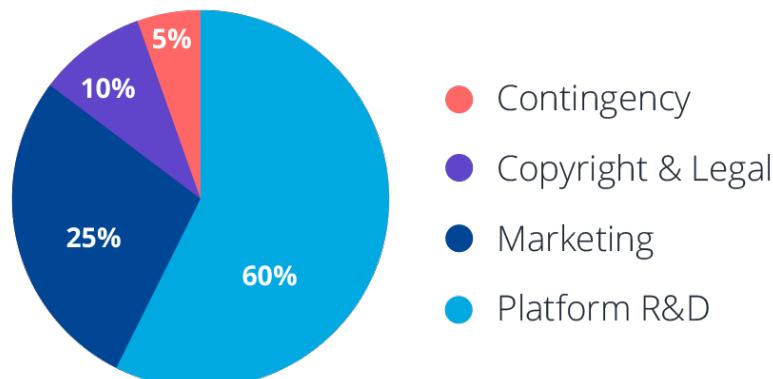
- Within 14 days from the end of the token sale which is no later than 31st of December 2017

Escrow

By participating in the VRP ICO, you are prepaying for and reserving your VRP tokens, which will be distributed on the 31st of December 2017. Upon the distribution, you will receive functional tokens, which you would be able to use on the PROSENSE.TV platform to purchase the content. All the funds received during the ICO will be placed in a secure Escrow account provided by Blockchain Law Group. The funds will be released to PROSENSE.TV only after the ICO completion. If PROSENSE.TV fails to distribute tokens as set in this White Paper, the funds will be returned to the token purchasers. Minimum ICO target will be set as \$5 Million. If less money is raised, then all of proceeds will be returned within one month after the ICO completion. The funds will be released from escrow to PROSENSETV upon the distribution of tokens if the target is reached.

Budget spendings

As befits an engineering company working on the rapidly developing market, PROSENSE.TV's central focus is the development of the new features of our existing platform **ProsenseLive™** and marketing of our products and services. We plan to use our budget as following:



Legal Disclaimers and Risks

The purpose of this White Paper is to present the PROSENSE.TV and VRP Token to potential token holders in connection with the proposed Token sale. The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential token holders in order for them to determine whether to undertake a thorough analysis of the company with the intent of purchasing VRP Tokens.

Nothing in this White Paper shall be deemed to constitute a prospectus of any sort or a solicitation for investment, nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction. This document is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction, which are designed to protect investors.

VRP Token is a utility token. This product is not a digital currency, security, commodity, or any other kind of financial instrument and has not been registered under the Securities Act, the securities laws of any state of the United States or the securities laws of any other country, including the securities laws of any jurisdiction in which a potential token holder is a resident.

VRP Token cannot be used for any purposes other than as provided in the White Paper, including but not limited to, any investment, speculative or other financial purposes.

VRP Token is not intended to be sold or used in any jurisdiction where sale or use of digital tokens may be prohibited.

VRP Token confers no other rights in any form, including but not limited to any ownership, distribution (including but not limited to profit), redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights, other than those specifically described in the White Paper.

Certain statements, estimates and financial information contained in this White Paper constitute forward-looking statements or information. Such forward-looking statements or information involve known and unknown risks and uncertainties, which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

This English language White Paper is the primary official source of information about the VRP Token. The information contained herein may from time to time be translated into other languages or used in the course of written or verbal communications with existing and prospective customers, partners etc. In the course of such translation or communication some of the information contained herein may be lost, corrupted, or misrepresented. The accuracy of such alternative communications cannot be guaranteed. In the event of any conflicts or inconsistencies between such translations and communications and this official English language White Paper, the provisions of this English language original document shall prevail.

Risk Factors

The purchase of any tokens involves a high degree of risk, including but not limited to the risks described below. Upon distribution, your VRP token will allow you to use PROSENSE.TV platform and pay to watch content. Any future development of the platform may or may not provide additional functionality to VRP. When purchasing VRP, you should only consider the existing use and application of VRP and should not rely or expect any additional benefits of future development. Although PROSENSE.TV has new technology in development and may research additional technological option, whether described in this White Paper or not, implementation of such technology may not be achieved. Before purchasing VRP Tokens, it is recommended that each participant carefully weighs all the information and risks detailed in this White Paper, and, specifically, the following risk factors.

A. Dependence on computer infrastructure

PROSENSE.TV dependence on functioning software applications, computer hardware and the Internet implies that PROSENSE.TV can offer no assurances that a system failure would not adversely affect the use of your VRP Tokens. Despite PROSENSE.TV implementation of all reasonable network security measures, its processing center servers are vulnerable to computer viruses, physical or electronic break-ins or other disruptions of a similar nature. Computer viruses, break-ins or other disruptions caused by third parties may result in interruption, delay or suspension of services, which would limit the use of the VRP Tokens.

B. Smart contract limitations

Smart contract technology is still in its early stages of development, and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks. Consequently, although the audit conducted by independent third party increases the level of security, reliability, and accuracy, this audit cannot serve as any form of warranty, including any expressed or implied warranty that the VRP Smart Contract is fit for purpose or that it contains no flaws, vulnerabilities or issues which could cause technical problems or the complete loss of VRP Tokens.

C. Regulatory risks

The Blockchain technology, including but not limited to the issue of tokens, may be a new concept in some jurisdictions, which may then apply existing regulations or introduce new regulations regarding Blockchain technology-based applications, and such regulations may conflict with the current VRP Smart Contract setup and VRP Token concept. This may result in substantial modifications of the VRP Smart Contract, including but not limited to its termination and the loss of VRP Tokens as well as a suspension or termination of all VRP Token functions.

D. Taxes

Token holders may be required to pay taxes associated with the transactions involving VRP Tokens. It will be a sole responsibility of the token holders to comply with the tax laws of the relevant jurisdictions and pay all required taxes.

E. Force Majeure

PROSENSE.TV performance may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this White Paper, force majeure shall mean extraordinary events and circumstances which could not be prevented by PROSENSE.TV and shall include: acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies, other circumstances beyond PROSENSE.TV 's control, which were not in existence at the time of Token sale. If such circumstances occur prior to issuance of VRP Tokens and PROSENSE.TV is unable to issue PROSENSE.TV Tokens within 6 months from the projected date, the escrow agent may issue a refund at the request of the VRP Token purchasers. The refund will be issued in the original form of payment to the same digital wallet or bank account where the funds were transferred from.

F. Disclosure of information

Personal information received from VRP token holders, the information about the number of tokens owned, the wallet addresses used, and any other relevant information may be disclosed to law enforcement, government officials, and other third parties when PROSENSE.TV is required to disclose such information by law, subpoena, or court order. PROSENSE.TV shall at no time be held responsible for such information disclosure.

G. Value of VRP Token

Once purchased, the value of VRP Token may significantly fluctuate due to various reasons. PROSENSE.TV does not guarantee any specific value of the VRP. Token over any specific period of time. PROSENSE.TV shall not be held responsible for any change in the value of VRP Token.

Assumptions with respect to the foregoing involve, among other things, judgments about the future economic, competitive and market conditions and business decisions, most of which are beyond the control of the PROSENSE.TV team and therefore difficult or impossible to accurately predict. Although the PROSENSE.TV team believes that its assumptions underlying its forward-looking statements are reasonable, any of these may prove to be inaccurate. As a result, the PROSENSE.TV team can offer no assurances that the forward-looking statements contained in this White Paper will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements contained herein, the inclusion of such information may not be interpreted as a warranty on the part of PROSENSE.TV or any other entity that the objectives and plans of the PROSENSE.TV project will be successfully achieved.

Please note that the PROSENSE.TV project and VRP Token may be subject to other risks not foreseen by its team at this time.

