



BPC Platform Whitepaper

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Disclaimer

This document does not constitute an offer to sell, an invitation to induce an offer, or a solicitation of an offer to acquire securities. It is provided for informational purposes only and does not constitute investment advice. This document contains forward-looking statements, subject to risks and uncertainties that could cause actual results to differ materially.

Abstract

This white paper introduces BPC (Blockchain Programmatic Corporation) Platform, the next generation blockchain-based programmatic advertising ecosystem. The document is intended primarily for investors and commercial users. To discover more details on technologies and technical implementation of BPC, please refer to [BPC Platform Technology Whitepaper](#).

BPC Platform is an integrated solution for modern advertising which architecturally unifies components of DSP (demand-side platform), DMP (data-management platform) and AdEx (ad exchange) with SSP (supply-side platform) functionality. Enhancing it with blockchain technology allows for:

- secure data propagation with distributed storage, editing and maintenance
- real-time blockchain bidding
- transparent and secure data transactions via a unified deal ID ledger
- smart contract-enabled attribution, audience, and content analytics.

Successful deployment of BPC platform will revolutionize the programmatic marketplace by re-integrating thousands of small publishers and advertisers who are currently excluded from the value chain. The platform fairly distributes proceeds, offers consensus-based management and fraud protection, enables cross-border payments and provides a completely new level of advertising reach.

BPC Platform's unique technological advantage comes from the integration of the best programmatic technologies with high-performance patented blockchain transaction solutions that allow execution of blockchain-based auctions in real-time. BPC has a pending US patent "Method and Apparatus for Multilayered Blockchain Generation" (#62552383).

Blockchain Programmatic Corporation (BPC) was formed to develop, deploy and operate BPC Platform to revolutionize programmatic advertising. Working alongside our customers and partners, we leverage our unique software and analytics advantages, network solutions and technology-enabled services to bring improved efficiencies, reduced costs, increased cash flow and profitability, and to more effectively manage complex workflows. Together, we are accelerating the journey toward improved Internet advertising solution.

Introduction

BPC Platform is an industry-first fully integrated real-time programmatic platform based on the blockchain technology. BPC Platform consists of 3 core advertising software stacks that have been fundamentally re-architected to leverage blockchain technologies for truly distributed processing: Blockchain DSP (BDSP), Decentralized DMP (DDMP), and Smart Contract Ad Exchange (SMARTEX). All modular platforms are developed using a unified architecture and shared components, designs, reports, and UI models.

The key differentiator is that BPC Platform is based on the patented technology (pending US patent “Method and Apparatus for Multilayered Blockchain Generation” # 62552383) of high speed blockchain transactions allowing real-time auctions in a distributed hybrid cloud-based environment. The multi-layered blockchain approach ensures the system is capable of processing hundreds of thousands transaction per second, which is required by the RTB industry.

Special utility tokens (CPM) are used within the BPC Platform to facilitate interactions between different parts of the ecosystem. It is intended to be used as a unit of account between advertisers, publishers, data providers, campaign operators and marketers in a new, blockchain-based programmatic advertising platform. The token is not a digital currency, security or a commodity.

BPC Platform will support a wide variety of services for publishers and advertisers. CPM tokens will be used as an accounting unit in insertion orders and smart contracts. Due to the platform versatility, we expect our customers to use CPM in traditional operations and create novel services. Such novel services which do not currently exist in today’s programmatic industry could include sale of options to buy publisher’s future inventory, to reward users for cooperation, content review, traffic quality recommendations, etc.

BPC Team

BPC is being developed by a strong team of professionals from both advertising and blockchain industries. The core team is enhanced by the experienced advisors who make great contribution into BPC vision and execution.



Pavel Cherkashin, BPC Co-founder and CEO. Managing Partner at GVA Capital. Previously top executive at Adobe, Siebel (Oracle) and Microsoft. Founder of Actis (Wunderman/WPP), AdWatch (Dentsu/Aegis), Sputnik Labs (TechnoServ Consulting), the companies generating \$100M+ in revenue.



Vlad Nesteroff, BPC Co-founder and CTO. Blockchain enthusiast since 2013. The owner of websites with 2M+ visitors daily being a Google AdSense Strategic Partner. Author of a pending US patent “Method and Apparatus for Multilayered Blockchain Generation” (# 62552383)



Yakov Kamen, Ph.D. BPC Co-founder, CEO and co-founder Relevad Corporation. Previously found iSurfTV Corporation (sold to Tribune), worked as a Senior Engineering Manager at Epson R&D, Engineering Development Manager at NVIDIA, and as a Research Engineer at Sun and Fujitsu. Holds over 50 US patents.



Yury Kamen, BPC Co-founder. CTO and co-founder of Relevad Corporation. Previously worked as a Senior Research Scientist in Sun Lab. Expert in design and architect of large distributed systems, programmatic RTB, information retrieval and semantic analysis. Holds over 20 US patents.



Yaroslav Shakula, BPC marketing and business development director. Co-founder and CEO of multiple startups in affiliate marketing, e-commerce and Internet marketing industries.



Alex Wilms, BPC Team Member. DOO at Relevad Corporation and Adequant Corporation. Expert knowledge of programmatic advertising platforms, designs, and operation.



Timothy Yiu, BPC Advisor. Currently CEO, Be-In. Previously COO of Next Digital Limited (the largest Hong Kong media conglomerate) and director at Intel.



John Quinn, BPC Advisor on token economics. Co-founder at Storj.io. Extensive background in business development and strategic partnerships, strong competencies in investor relations and corporate governance, deep domain knowledge in distributed systems, Bitcoin/blockchain.



Andriy Khavryuchenko, BPC Advisor on blockchain architecture and implementation. Expert in AL/ML/NLP, Distributed Agile Team building. Blockchain developer at Dash, Dmarket, DreamTeam.



Japheth Dillman, BPC Advisor on global business development. Entrepreneur, investor, mentor, blockchain and ICO enthusiast. Managing partner and Founder at Block Bits Capital fund focused on cryptocurrencies.



Leonard Grayver, BPC Legal Advisor. Co-chairs corporate and international law practice at Greenberg Whitcombe Takeuchi Gibson & Grayver LLP, San Francisco.



Dr. Alexander Petukhov, BPC Advisor. Currently professor at Department of Mathematics, University of Georgia. Mathematician, Expert in AI and cryptography.



Barbara Russkova, BPC Advisor on business development. Business development professional with experience as a startup founder (in the US and Russia) and investor (in the US). Good at building teams, international partnerships and scaling products.



Gary Baiton, BPC Advisor. Currently CEO of ICOBox North America, CEO and Founder of ActiveNet, previously co-founder, CSO and VP of Hotcreditreports Inc., VP of strategy at Ebarjobs. Currently on the Board of Directors and Advisory Board of multiple companies.



Kiselev Alexander, RTB enthusiast since 2004. Ad fraud detection and prevention specialist. Distributed computing specialist. Co-founder of AngryMiner, co-founder and inventor of Adram.Media.

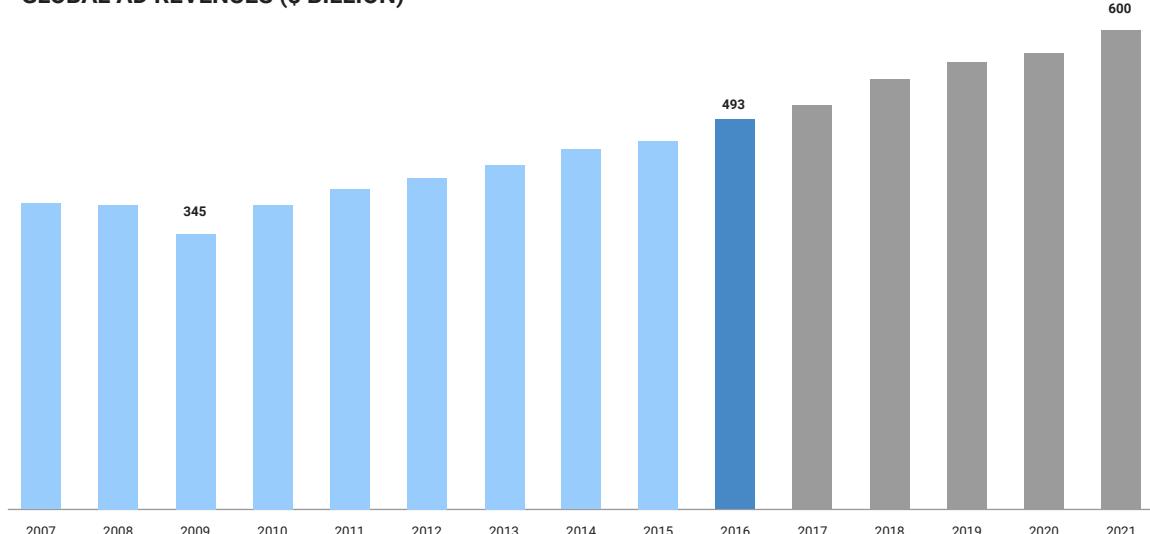
Programmatic Advertising Market

Advertising market overview

The advertising industry is one of the largest markets in the world. The global revenue surpassed \$493B in 2016. The digital advertising part of the market that includes display, video, search, and social grew by +17% to \$178 billion in 2016 and will become the #1 media category in 2017, reaching a market share of 40% (\$202 billion), compared to linear TV ad sales (\$186 billion, 36%). From there, digital will grow to capture 50% of the market by 2021 (\$299 billion) while linear TV will plateau at \$195 billion (33%).

The bulk of net market growth in 2016 (\$26 billion out of \$27 billion) came from digital ad sales. The two global media vendors dominating search and social, Google and Facebook, together control more than half (54%) of total digital advertising market (vs 44% a year ago).

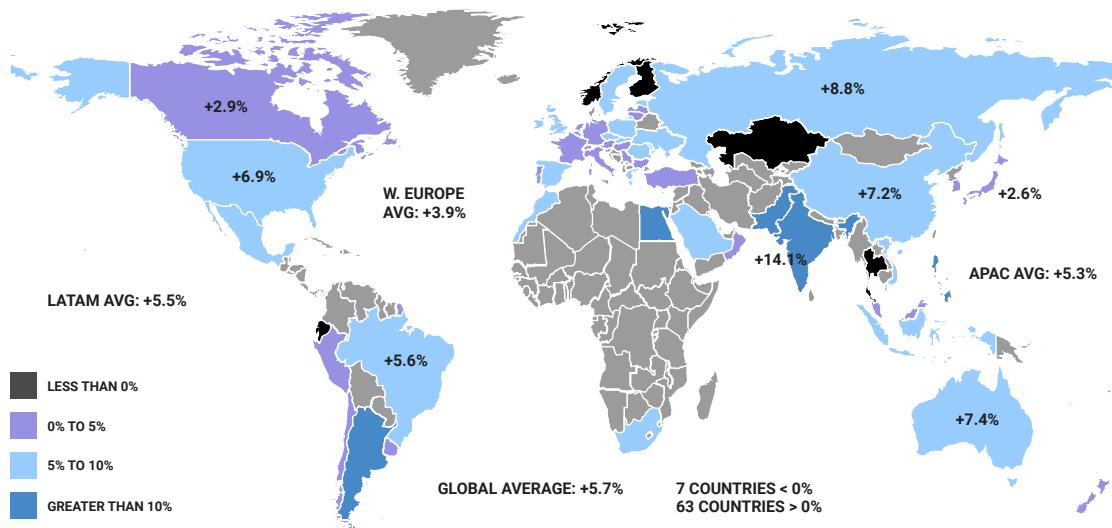
GLOBAL AD REVENUES (\$ BILLION)



Global Media Owner Advertising Revenues	2016 Size (\$bn)	2016 Growth (%)	2016 Growth (bn)	Share of Total	2017 Growth	16-'21 CAGR
Grand Total (Global, All Media)	493	5.7%	27	100%	3.6%	4.0%
US	180	6.9%	12	37%	1.7%	2.9%
North America	191	6.7%	12	39%	1.8%	3.0%
Western Europe	100	3.9%	4	20%	2.4%	2.2%
Central & Eastern Europe	16	6.0%	1	3%	5.6%	4.9%
Latin America	23	5.5%	1	5%	6.2%	6.2%
Asia Pacific	148	5.3%	7	30%	5.4%	5.3%

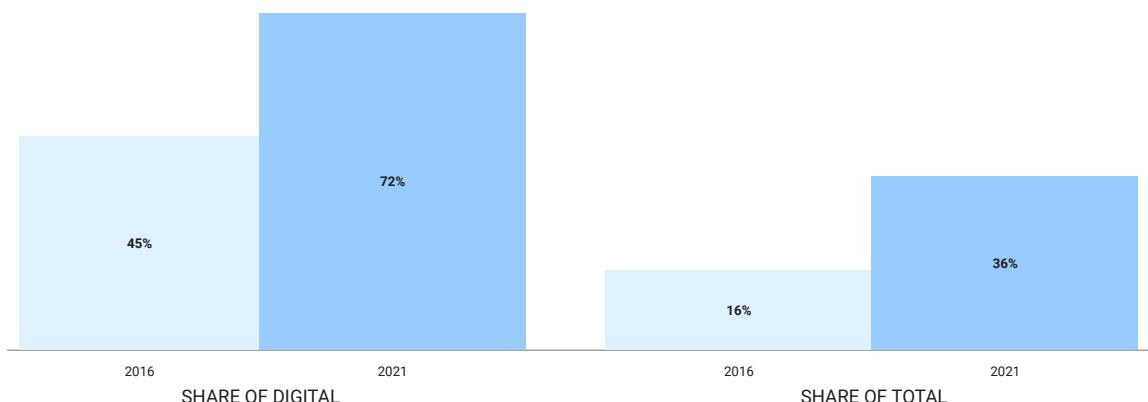
Global Media Owner Advertising Revenues	2016 Size (\$bn)	2016 Growth (%)	2016 Growth (bn)	Share of Total	2017 Growth	16-'21 CAGR
Digital Ad Sales	178	16.9%	26	36%	13.3%	10.9%
Search + Social	123	23.5%	23	25%	17.0%	12.4%
Mobile	80	47.5%	26	16%	31.4%	21.8%
Offline Ad Sales	315	0.3%	1	64%	-1.8%	-0.9%
Linear Television	186	3.8%	7	38%	-0.1%	1.0%

ADVERTISING GROWTH 2016



Digital internet advertising will remain the driver of total advertising spending, with compound growth of +11% expected through 2021. Estimates show that digital ad sales will grow to \$299 billion by 2021, and will represent 50% of total advertising sales. This average varies significantly across the globe, with digital reaching 56% by 2021 in the United States, 59% in China, 65% in Australia. Within digital advertising, mobile-based impressions and sales are the primary growth driver. The fastest growing portions of the digital advertising economy are the formats that are most rapidly transitioning to mobile spend: social media, video, and search advertising.

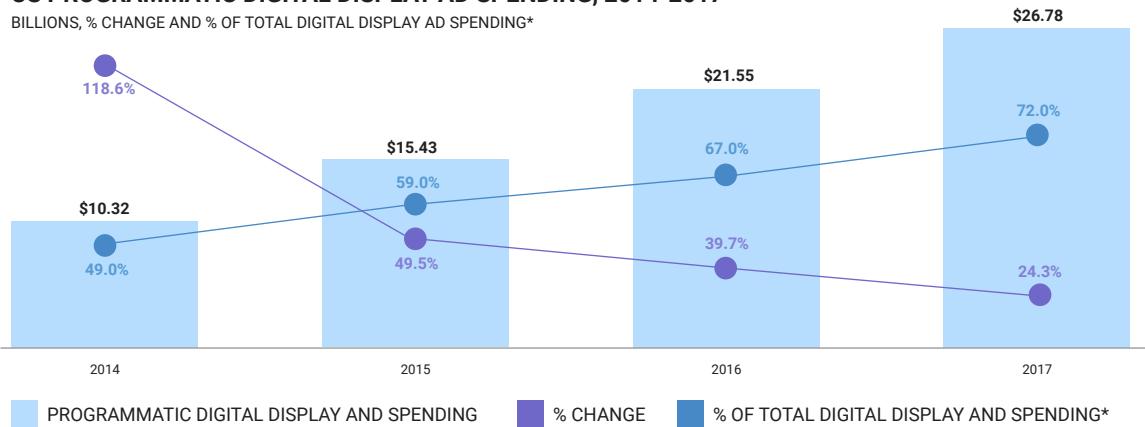
MOBILE ADVERTISING PENETRATION



Programmatic Advertising Market

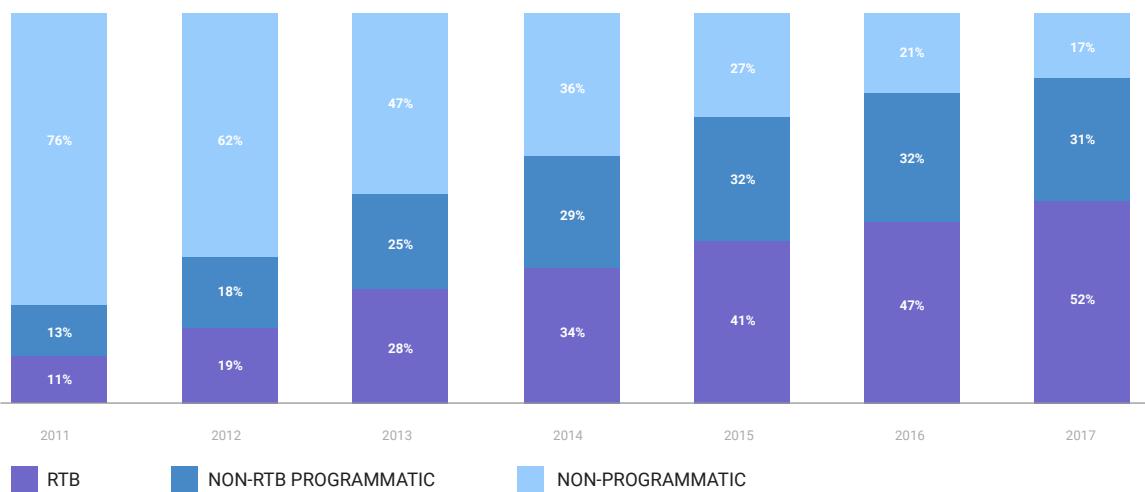
Programmatic market is the part of the market that facilitates programmable algorithmic solutions to place ads into digital publications with minimal human intervention. Programmatic is the most scalable and efficient approach to digital advertising making it the fastest growing part of digital advertising. According to MAGNA Global (strategy arm of IPG Mediabrands) programmatic accounts for 67% of U.S Digital Ad Spending in 2016 and will account for 72% of total digital display ad spending by end of 2017.

US PROGRAMMATIC DIGITAL DISPLAY AD SPENDING, 2014-2017



Source: eMarketer, Oct 2015

US DISPLAY AD SPENDING SHARE, BY TYPE, 2011-2017 (% OF TOTAL)



The size of digital advertising market allows us to predict that BPC platform and blockchain-based open programmatic marketplace will gain significant interest and popularity and will result in a profitable and high-volume business.

Evolution of programmatic advertising

Since the concept of programmatic was first introduced in 2008/09 it went through two main stages of evolution.

STAGE 1. OPEN MARKETPLACE

The original idea of an open digital marketplace was introduced by Right Media in 2006/2008. They proposed to build an open marketplace where publishers would place their inventory on auction, and advertisers would bid for this inventory in real time. The advertisers and their agencies would make purchase decisions by segmenting the audience by geo location, demographics, and psychographics.

Open marketplaces completely changed the face of digital advertising. It gained popularity very quickly. From 2008 until 2015, approximately one dozen open marketplaces (called Ad Exchanges) had been created and successfully operated. In just 7 years the value of transactions on the open marketplaces grew from zero to ~\$50B worldwide (with \$27B in the US alone). The marketplace visual presentation created by LUMA partners (see below) illustrates the success of programmatic advertising space with numerous prosperous companies arising.

Open marketplaces continued to grow until the second part of 2015 when the overall market stalled. Many technical, operational, and business problems were discovered.

1. Numerous competitive markets were created and advertisers were forced to replicate their campaigns to participate in multiple markets. Similarly, publishers were forced to support competing marketplaces leading to overlapped inventory. Advertisers had to sync campaigns across multiple marketplaces.
2. The transition from defining campaigns in natural language to formal bidding requests was non-standardized and became more difficult because of the multitude of exchanges. For example, a simple request to build an ad campaign for the “average income American suburban housewife with two kids that should be interested in buying new brand of cereal” is very difficult to formalize. Open marketplaces created a need for a middleman who would convert advertiser’s intent into a set of geo, demographics, and psychographics parameters. Demand side platform and trading desks were created to address this issue.
3. Advertisers wanted to build campaigns targeting multiple devices (cross device campaigns) and have a way to sync all these campaigns together.
4. Publishers wanted advertisers to fit certain semantic and social profile. This was not possible because each exchange had different criteria for accepting members.
5. The goal of advertisers is to have their target audience take certain actions (click, fill the form, make a call, buy the product). For internal management metrics and future planning purposes, advertisers wanted to know when such actions were taken. These actions needed to be attributed to the right marketplace and middleman.

However, the myriad of exchanges, each with its own proprietary technology, made resolution of attribution impossible.

6. Advertisers want to know how much had been paid to every participant of the marketplace. Each middleman and marketplace itself want to maximize their revenue and profit and try to protect their knowhow from competitors and publishers.
7. Most advertisers want to focus their messages to specific targeted groups of people. To achieve the segmentation of audience by channels, they need to rely on data management platforms (DMP) that gather, organize and store the information on audiences. However, the advertisers need to be able to trust the data provided by the DMPs.
8. Advertisers need to be assured that their advertising spending is being directed to real people who may be interested in the advertised product or service. The challenge for the industry is that unscrupulous actors have created fraud inventory. New players entered the market to combat this fraud. But the end result was an escalating arms race between the auditors and the con artists who create fraudulent or phantom audiences.

Despite huge popularity, programmatic advertising has long been synonymous with an over-complicated and inefficient supply chain. From the moment a consumer clicks a link or opens an app, a single ad unit might bounce between multiple supply-side platforms and networks. Layer in rich media vendors, buy-side and sell-side ad servers, third-party verification partners and data management platforms and the system becomes very crowded and complex. It has become very expensive since each middleman takes a cut. It creates latency and eats away the consumer's data plan, which contributes to widespread adoption of ad blocking. And it's opaque.

STAGE 2. MARKET CONSOLIDATION

This complex and inefficient market couldn't be sustainable. Since the second part of 2015, open marketplaces started to be replaced by private marketplaces where advertisers and publishers sell and buy inventory programmatically by a group of pre-certified participants. In private deals, high level of transparency and trust can be guaranteed. Advertisers pay more to publishers but save on fraudulent traffic and cost of middleman services. Publishers often get more money in private deals by granting privileged access to their inventory to the selected advertisers.

The major drawback of private marketplaces is scalability. Big open marketplaces with thousands advertisers and hundreds of thousands publishers were replaced by private marketplaces with hundreds of advertisers and a few thousands of publishers. Publishers and advertisers previously struggled to work with many open markets now find themselves drowning in a tsunami of private markets. They simply do not have enough resources to participate in a myriad of private marketplaces.

As a result of this evolution in the industry over one hundred thousands of small publishers and thousands of small advertisers exited the programmatic business.

This market dynamic creates a new exciting opportunity to develop a next generation open marketplace which will give smaller publishers and advertisers a chance to regain lost revenues.

This opportunity is based on technological advantage of blockchain technology that provides the unprecedented level of transparency, trust, and fraud protection.

The private marketplace stage of programmatic evolution turns to blockchain-based open marketplace developed on new blockchain programmatic technologies and platforms.

The mission of Blockchain Programmatic Corporation is to accelerate the new stage of programmatic evolution by building foundation of the new generation programmable platforms. We are currently redesigning DSP, DMP, and SSP platforms to support the newest fastest blockchain transaction technologies, the deployment of smart contracts as a main mechanism of security and data management, and the development of universal blockchain based crypto IDs.

Key problems

Below we outline the major challenges of programmatic advertising which we intend to address with the BPC Platform:

- Lack of trust and transparency
- Single aggregate bids
- Deal attribution
- Traffic fraud

LACK OF TRUST AND TRANSPARENCY

Despite programmatic media's focus on efficiency, advertisers are often paying significantly higher CPMs (cost per thousand) for programmatic non-guaranteed buys than a publisher receives net of fees. In other words, the publisher only nets a small fraction of the advertising spend, while the rest is taken by middlemen who operate various platforms which enable the transactions.

Normally, this pricing model is not problematic, as transactional technology has a concrete value in the purchase cycle and needs to be priced accordingly.

However, the lack of transparency (transactional fees are typically not broken out from CPMs) results in buyers and sellers evaluating inventory value and ROI based on limited information.

For example, a buyer mistakenly purchases inventory at a \$15 CPM when a publisher would be willing to accept a \$7-8 CPM. The net result is that buyers and sellers are often incorrectly valuing the programmatic auction opportunity and looking at ways to work around it rather than to optimize it.

SINGLE AGGREGATE BIDS

For price efficiency, many buyer representatives such as DSPs conduct internal pre-auctions and then submit a single bid to represent all their clients. This practice has created unintended negative repercussions including:

- Limited transparency around individual buyer bid activity
- No ability to match buyer intent and pricing goals with high value auction inventory
- Potential alteration of the true auction value for an impression
- Missed opportunities for buyers to compete for every impression that is important to them, especially given that in many cases internal auctions often don't take into account blocked advertisers
- Significantly lower bid density, market liquidity and efficiency.

DEAL ATTRIBUTION

The issues outlined above have led to numerous examples of otherwise acceptable deals not clearing through the system. “Invisible” fees lead to inaccurate valuation of inventory on both the buy and the sell sides. Also, it is difficult to resolve discrepancies between buyers and sellers as neither party has full transparency into the fees being charged along the value chain. Fee transparency will reduce the quantity of bids not clearing as a result of perceived price discrepancies that fall outside of agreed upon deal parameters.

TRAFFIC FRAUD

Traffic quality verification is an Achilles heel of an open programmatic marketplace. Historically traffic feeds were defined in formats which allowed easy substitution of real information with false data. The lack of security and difficulty to trace original sources resulted in proliferation or low quality or even fraudulent traffic which mimics brand traffic by generating fake ref. urls, browser and mobile device IDs, inserting fake search data, fake destination url, etc. Unfortunately, advertisers and publishers closely guard their own traffic quality information, and fraudulent traffic plagues the market over and over again. Many companies have deployed proprietary traffic control solutions. The arms race escalated with increased inefficiencies in end user latencies, increased costs etc.

Blockchain technology is powerful enough to cure a traffic quality “disease”. Several competing companies are building solutions for programmatic traffic using blockchain technology today.

BPC is building our own advanced solution based on our 12 years of traffic management experience. The BPC-enabled platform will be open to other solutions, and each new player will contribute to the overall value of the BPC platform. In our design each user ID will be stored in an open ledger that would be accessible for all market participants. Marketplace will vote on traffic quality and low quality traffic will be marked and stored in a distributed encrypted database. Everyone will have an access to the traffic quality data at any time. Blockchain technology will make it impossible to fake new IDs and substitute quality rank with a new one. Considering huge volume of daily transaction, the huge blacklist of low quality IDs will be created. The problem will be addressed efficiently and blockchain open market will replace private markets as a next step of programmatic industry evolution.

Our solutions

Blockchain technology seems to be a perfect solution to control price and fee transparency, traffic quality, and transparency of bidding process. This should address the core problems the industry experiences nowadays.

PRICE AND FEE TRANSPARENCY

In private deals, it will be clear and transparent to both buyers and sellers what the agreed upon price is as well as any fees associated with the transaction. Blockchain programmatic auction transactions allow to offer at least the same level of transparency as private marketplaces do. Advertisers and publisher can optimize yields and buys across different channels.

IMPROVE TRAFFIC QUALITY

Blockchain technology will allow advertisers to trace each traffic transaction. It would create a new level of audience transparency for the inventory participation in auctions. Low quality and fraudulent IP addresses and device IDs will be visible to all blockchain programmatic marketplace participants. Collectively, market will be able to accumulate an open blacklist of fraudulent traffic that would be impossible to hide or fake.

TRANSPARENT BIDDING PROCESS

Blockchain based transparent bid technology will help match true buyer intent and pricing goals with available inventory. Every advertiser would be given equal opportunity and representation to compete for and win every impression that is important to them.

The guaranteed inherited transparency will allow advertisers and publisher concentrate their resources on more accurate and precise audience segmentation to make auction contract mutually beneficial.

BPC Market Entry

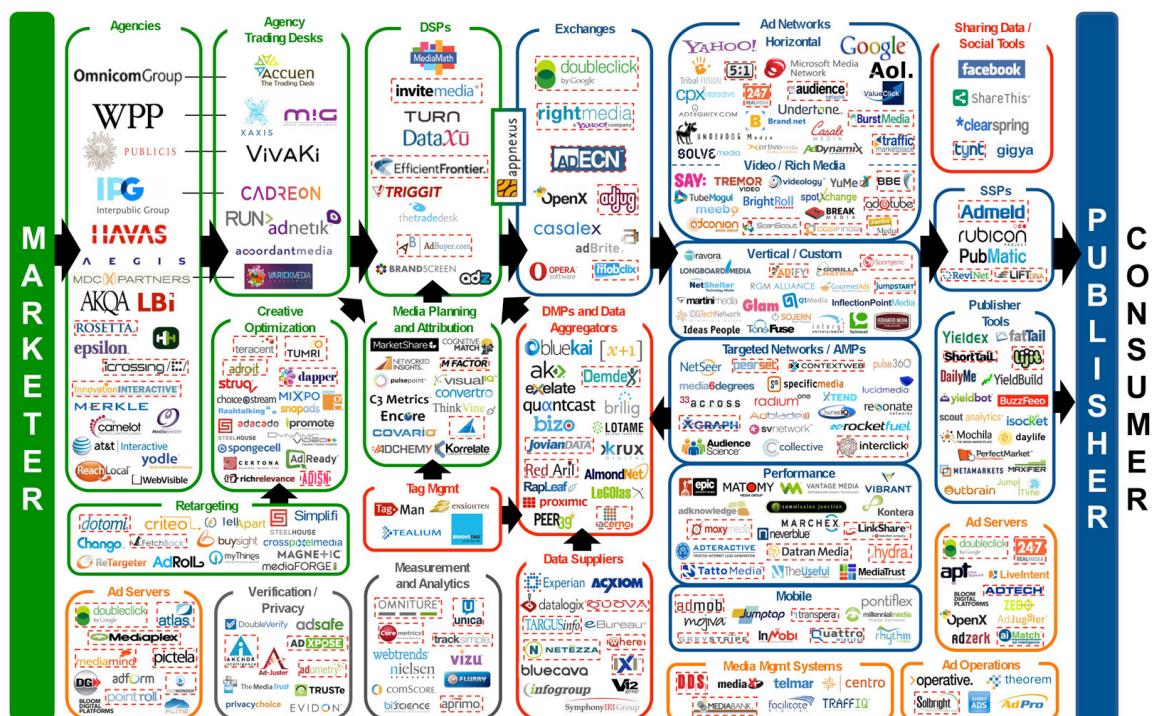
Competition

Programmatic advertising market is huge and lucrative. There is no wonder it is very competitive. It could become overpopulated if not for the significant changes described earlier in this whitepaper. Many companies that have been profitable in the past are literally forced out of the industry, because the open market tends to decrease while private markets are soaring, and there is actually no place for real competition within the latter.

For BPC all the companies that now set up the programmatic advertising landscape are both competitors and prospective partners. As far as our vision and mission suppose creating a platform where all parties are equally treated and granted access to equal resources, we would gladly welcome everyone to join BPC platform and turn competition into a mutually beneficial partnership.

This is true for the companies from the LUMAScape programmatic display - imagine if all the big players from the list join forces on the basis of transparency and equality. While this may sound overconfident, the global tendency towards open solution is obvious and it is only a matter of time for everyone to join this or leave.

DISPLAY LUMASCAPE



Go-to-market strategy

PLATFORM

To provide technology rollout and pilot verification, BPC aims at crypto world as a perfect landscape that is now neglected by traditional market makers. The industry is booming now, generating huge demand that is not properly fulfilled. The key players are open for new offers and blockchain basis of BPC platform makes it the perfect partner. BPC has already signed agreements with publishers and advertisers of the crypto world to proceed with pilot implementation: verify technical capabilities and scalability along with the economic model. We aim to collect broad feedback from the loyal market to analyse and consider it prior to joining the traditional industries.

SUPPLY SIDE

Medium-sized publishers are predicted to get maximum benefit from BPC. They are not large enough to be highly demanded and join profitable private marketplaces. The open market though makes them earn less as a significant share of their traffic is being rejected based on traffic quality providers evaluation, which is neither transparent nor predictable.

BPC would offer convenient self-service tools and the excellent opportunity to earn more compared to what these publishers are offered participating in ad networks, that are suggested to increase publishers revenues instead of biting even more off them.

BPC has already signed provisional contracts with publishers generating 500M+ ad impression monthly. They would also participate in our private testing program to provide us with the feedback necessary to create the best experience possible for the upcoming publishers.

DEMAND SIDE

On the other side of the supply chain advertisers are struggling as they are forced into purchasing the overpriced inventory. Their only alternative now is the fraudulent open market where they will have to spend even more to qualify the traffic they receive and find respectable publishers to work with.

Setting up direct relations with advertising agencies operating on behalf of top global brands and the brands themselves is a challenge for BPC. They have a huge demand for a solution to guarantee maximum return of their advertising investments while keeping the data transparent and accountable. As far as huge advertisers acknowledge the opportunities BPC concept has to offer, they will set pace for the overall market.

Scenarios and applications

BPC Platform functionality suits every use case possible in programmatic advertising these day. However, the scenario itself is different, because BPC is different. All the events that have been obscure before, are visible and stored within BPC blockchain that can be used by each platform participant.

KEY BUSINESS SCENARIO

A visitor comes to website or application containing the code of BPC SmartEx or any other ad exchange integrated to the platform.

Simplified flow description:

1. Event information and data user are stored into unified ledger
2. User quality is assessed by a set of procedures
3. Ad exchange sends OpenRTB bid requests to qualified buyers (DSPs or advertisers with the corresponding insertion order placed)
4. DSPs evaluate the user through data sources (DMPs and/or traffic quality data providers) using blockchain infrastructure
5. DSPs place the bids by sending bid responses to ad exchange
6. The winner of the auction is selected automatically and this information is stored to the blockchain
7. The ad is placed on website or application
8. All aforementioned transaction are cleared with CPM tokens under smart contracts

BPC Platform features smart contracts to describe all kinds of interaction between all participants of programmatic advertising procedures. Whether it is a DSP requesting user data from a DMP or a traffic quality decentralised application (DAPP) requesting information from its distributed database (DDB) stored on mining nodes - these actions are processed according to smart contracts describing the basis of this type of interaction.

Third parties ecosystem

As a platform, BPC is structurally designed to integrate various multiple 3rd parties into one ecosystem. This is executed through API that allows seamless integration of any programmatic advertising provider. Third parties can choose the level of integration with BPC Platform as we encourage to onboard as deeply as possible by offering the attractive solutions for data storage, analysis, evaluation and distribution.

Advertisers sign up with BPC to get access to self-service interface with the access to all services on the platform including those offered by 3rd parties. Advertisers can either purchase advertising by themselves or choose between all the DSPs offering their services.

Publishers sign up with BPC to get the opportunity to choose between multiple ad exchanges connected to the platform. They are in full control of their traffic and can easily choose the most lucrative counterpart without changing the platform itself.

DSP, DMP, TQ etc. services acting as third parties all enjoy the core advantage of BPC Platform - the transparent versatility. Finally the best are undoubtedly seen as the best and as far as parties can trust each other based on the unfakeable technology, the whole industry is welcome to move to BPC Platform and drive programmatic advertising to a completely new level.

Token

Overview

To set a clearing standard for all operations and address the issue of cross-border payments, BPC Platform uses its own CPM token. The token is used to pay for ad placement and smart contracts.

Both advertisers and publishers, the parties representing them and all third parties like DMPs or TQ services will use CPM token to fulfil the execution of various smart contracts that regulate interactions within BPC. CPM tokens price will be set by the market depending on demand and will be influenced by a number of indicators both internal and external.

To crowdfund the development of BPC Platform 500M eCPM tokens will be available during the token sale. Tokens will be issued using ERC20 Ethereum protocol and will be eligible for exchange to CPM tokens 1:1 as soon as BPC launches its blockchain which is scheduled to happen on July 2018. Before that eCPM tokens would be available for trade by their owners.

Token sale

BPC token sale is a crowdfunding event aimed to collect proceeds enough to finish development and launch the platform.

The structure of token sale is described below:

Total amount of CPM	500,000,000	ERC20 tokens
Currency Accepted	Private presale:	BTC, LTC, ETH, USD wire by qualified investors
	Public sale:	ETH only
Token Sale Model	500M CPM minus the amount sold during private presale will be available during the public sale.	Token sale token price will be defined as total amount of collected money divided by number of tokens allocated for this stage.

Tokens will be issued automatically as ETH comes to a dedicated smart contract for the token sale.

Finances

Projections

High level financial projects are provided in the spreadsheet below. They are based on the following key assumptions:

Inventory growth for the exchange is supported by growing number of publishers, connected to the platform. This number grows from conservative 500 in 2018 to 1,000,000 in 2022, which is still less than 10% of meaningful online publishers currently present on the market. Every publisher is serving 20-50 mln ad impressions per year (the average increases from 20 to 50 mln for the first 3 years, then decreases to 30 mln due to the growing number of smaller publishers being connected).

Demand side (sale) growth comes from the increased number of advertisers connected to the platform, as well as small increase in average CPM (price per thousand impressions) and growing utilization (% inventory sold). The model assumes that even by 2022 average CPM stays at \$1.50, while only 50% of ad inventory, offered through the platform, is sold. This allows for very conservative estimate for the future revenues based on existing market best practices.

Growing number of advertisers on the BPC (from 200 in 2018 to 2,250,000 in 2022) may come as the result of the platform being used by large number of advertising agencies, connecting their DSP systems and booking advertising

revenues through it in a much larger extent than direct sales efforts with top advertisers. Low CPM and utilization reflects the fact that agencies will charge their fees and commissions on top (commissions and fees are not reflected in the revenue projections to show clear picture of profitability).

If BPC platform delivers on the promise to provide easy and transparent serving of advertising, the company has a great chance to achieve \$22.5B in gross sales and \$3.375B net revenues by 2022, making it one of the most influential players in the digital advertising world. Even after all operating expenses, more than \$500M in capital investments and another \$0.5B in tax payments, the company will make \$1.35B free cash flow for token buyout.

The assumptions are based on \$25M proceeds from token sale available by early 2018. There is an additional reserve of up to \$150M in form of business development fund. All funds available through equity sale to qualified investors as well as token sale above \$25M threshold are directed into this business development fund, as well as some of the proceeds from future revenue-generating activities.

Market development fund resources are used for acquisition of strategic assets, that may help BPC increase inventory, demand (sales), technology and strategic market access. Such acquisitions may include purchase of assets or companies in the following fields:

- Publishers with strategic inventory assets
- Advertising agencies in key markets and with access to key accounts
- Technology solution providers
- Inventions, patents and know-hows

FINANCIAL MODEL	2018	2019	2020	2021	2022
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SUPPLY SIDE (INVENTORY)

# Publishers	500	1,000	10,000	100,000	1M
Ad impressions per Publisher (mile/year)	20,000	20,000	50,000	40,000	30,000
Total ad impressions (mile/year)	10M	20M	500M	4B	30B

DEMAND SIDE (SALES)

Average CPM	\$1.00	\$1.20	\$1.50	\$1.50	\$1.50
% Inventory Sold	20%	30%	40%	50%	50%
Average spending / year	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Number of advertisers	200	720	30,000	300,000	2.25M

Gross Sales	\$2M	\$7.2M	\$300M	\$3M	\$22.5B
Token sale proceeds	\$25M				
Business development	\$150M				

BPC GROSS REVENUE

Commissions of BPC Platform, %	5%	5%	5%	5%	5%
Additional services, %		5%	7%	8%	10%
Commissions revenues	\$100,000	\$360,000	\$15M	\$15M	\$1.125B
Additional services revenues	\$0	\$360,000	\$21M	\$240M	\$2.25B

CONSOLIDATED FINANCIALS

Revenues & Token sale	\$25.1M	\$720,000	\$36M	\$390M	\$3.375B
Operating Expenses	\$7M	\$7M	\$10.8M	\$117M	\$1.012,5B
Earnings before Tax	\$18.1M	-\$6.28M	\$25.2M	\$273M	\$2.362,5B
Capital Expenditures	\$3M	\$4M	\$5.4M	\$58.5M	\$506.25M
Tax	\$3.765M	\$108,000	\$5.4M	\$58.5M	\$506.25M
Free Cash Flow	\$11.335M	-\$10.388M	\$14.4M	\$156M	\$1.35B
Accumulated Cash Flow	\$11.335M	\$947,000	\$15.347M	\$171.347M	\$1.521,347B

Use of proceeds

The key strategic goal of the token sale is to consolidate sufficient financial resources to produce best-in-class technology and business solution, as well as build efficient sales and marketing capabilities.

Building solution of such scale requires unique engineering talent, only affordable to largest tech giants, tremendous computational and storage capacity, networking, security and much more.

At any moment of time, the company also needs to have sufficient resources on the P&L to protect itself from hostile takeover, change of control from any of the large market competitors.

Use of the Proceeds by share of raised capital (based on \$25M total raise) is defined in the table below:

	Proceeds Distribution (%)	Estimated USD investment
Research & Development	23%	\$5.75M
Technology Acquisition	13%	\$3.25M
Operations	12%	\$3.00M
Sales and Marketing	12%	\$3.00M
G&A	8%	\$2.00M
Employees compensation	15%	\$3.75M
BOD, Advisors	7%	\$1.75M
Cash Reserve	10%	\$2.5M

Detailed implementation plan, operating budget, use of proceeds, management and control procedures will be introduced by company management to investors and token holders after token sale is complete.

Risks

Developing blockchain-based Programmatic Ad Platform is a very complicated task, associated with many risks like any other technology business. Most important risks worth mentioning include:

1. **Competition:** existing large players in programmatic advertising, including Google or Facebook may introduce their blockchain architecture and issue their own programmatic ad tokens. There are also numerous early-stage startups chasing the same niche with brilliant engineering talent and sufficient funding.
At the moment we do not see any sign of Google and Facebook activity pursuing this opportunity, however, there is no guarantee for them not to change their minds.
2. **Internal execution:** BPC will fail to deliver blockchain solution. BPC owns patent-pending blockchain technology allowing to support over 100K transactions/sec, which is unprecedented both for traditional programmatic applications and existing blockchain-based solutions. This technology implementation requires proper verification and validation in real life.
3. **Demand generation and market growth:** BPC will fail to conquer sufficient market share and produce revenue flows to cover expenses. Like any marketplace, ad programmatic exchange only works efficiently when there is a critical mass of sellers and buyers adopting the platform.

The concept of blockchain and use a transaction coin is novice and currently unknown to publishers and advertisers. A significant marketing effort is required to convince publishers and advertisers to join BPC platform as an alternative to existing solutions.