

Bid Network Online is building the world's first 24 Hour Live Auction platform, creating an *exciting user experience* that is unprecedented in any online auction.



BNO.com
BID NETWORK ONLINE

WHAT WE HAVE DONE SO FAR

The problem with most online auctions is they take place over days, not minutes, and have thus lost the excitement and immediacy that make live auctions appealing.

- ❑ Bid Network Online has built a proprietary bidding platform that integrates a live video stream featuring a live auctioneer with an intuitive Bid Ticker.
- ❑ Bidders are able to login, view, follow the bidding and place bids all in real time.
- ❑ BNO.com currently provides auction services for Classic Car and Art sellers.



WHAT MAKES US DIFFERENT

Live Auction User Experience

*Virtual Automated System

Proprietary Interactive Bid Platform

Cost-Efficient Scalability

The BNO process and technology have been designed to bring the live auction experience to the digital space while minimizing the production and streaming costs, thus allowing for cost-efficient scalability.

*Future Development

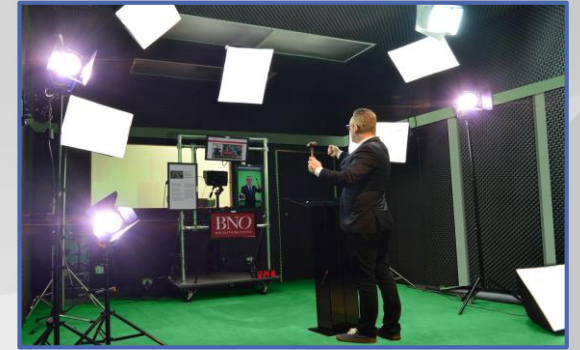
HOW WE BRING LIVE AUCTIONS ONLINE

- 1 Sellers consign items for auction directly with BNO.com (Sellers maintain possession of items)
- 2 BNO markets Seller's items as part of upcoming auction programs
- 3 BNO produces and streams live auctions via BNO.com
- 4 Bidders login, search and bid on items via the BNO Bid Ticker
- 5 Auctioneer calls bid action in real time and designates winning bidder



TECHNOLOGY

- ❑ A proprietary auction platform that allows for a real-time, interactive, competitive method of online auctions.
- ❑ Delivers minimal latency in video distribution and live interactivity.
- ❑ Works by integrating a traditional live broadcast with a web-based streaming solution that integrates with BNO.com's back end.
- ❑ Allows real-time interaction for both Sellers and Bidders with a Live Auctioneer.
- ❑ Distinguishes BNO auctions from any other online auction.



WHAT WE WANT TO DO

To maximize the efficiency of the auction platform, BNO is developing a fully automated suite of services that utilizes a virtual, computer generated auctioneer rather than a live person.

The automated platform can then provide an unlimited number of auctions at minimal cost, allowing BNO to offer a 24-hour auction network as well as the option to license the platform to 3rd parties.

BNO holds the patent for a “live on-line auction using an animated auctioneer”.

VIRTUAL AUTOMATED AUCTION PLATFORM



THE MARKET FOR BNO AUCTIONS

The global auction business is a \$300B annual business. Significant growth in all categories of online auctions has taken place over the past few years. BNO looks to use its live streaming platform to provide a differentiated auction platform to the following major sales categories.



Art &
Collectibles



Cars &
Vehicles



Real Estate
(Residential &
Commercial)



Charity &
Celebrity
Fundraisers

BNO AUCTIONS – Art & Collectibles

The Art & Collectibles market is flourishing overall with the most growth and expansion seen in online art sales.

- ❑ In 2016, total global art sales was \$56.6B. Value of art sales at public auction was \$22.1B, representing nearly 40% of all art sales.
- ❑ Heritage Auctions is the current leading business, reporting \$850M worth of online sales in 2016. With the leading player only accounting for 10% of all online art sales, the online art industry is extremely diversified and competitive, leading to opportunity for one business with the right product and service to competitively and successfully enter this space.
- ❑ While most brick-and-mortar auction houses make the bulk of their revenue off of a small number of extremely expensive sales, online art seems to have found its niche in low to mid range art. Average online art sales range from \$1K to \$50K apiece, with the majority under \$11K.



BNO AUCTIONS – Cars

National Auto Auction Association member auctions sold nearly 10 million vehicles in 2016.

- ❑ *Classic Collector Cars* – An important subcategory of the pre-owned car market is the classic and exotic car market. In comparison to the overall auto auction industry, these two markets have a much wider appeal globally. 14.7 million people have an interest in classic cars, while 2.2 million have an interest in exotic cars.
- ❑ *Leased Vehicles* – Since 2010, the leasing of vehicles has steadily increased, as both Gen Y and Millennials prefer to lease. In fact, 2016 saw an increase to 4.4 million leased vehicles. This has drastically increased the number of 3-year old vehicle trade-ins, which is depressing the value of 3-year old cars. This has created a unique opportunity in the auto auction industry, where buyers expect to find a great deal and to pay under market value.



BNO AUCTIONS – Real Estate

The Residential and Commercial real estate markets have grown significantly online over the past 10 years.

- ❑ *Residential Real Estate* – Traditional distressed sales auction are falling to the wayside as more individual sellers look to utilize the efficiency of the auction platform to sell their properties.
- ❑ *Commercial Real Estate* – As more platforms service the Commercial Real Estate space online, more buyers and sellers embrace the online auction format.



BNO AUCTIONS – Charity

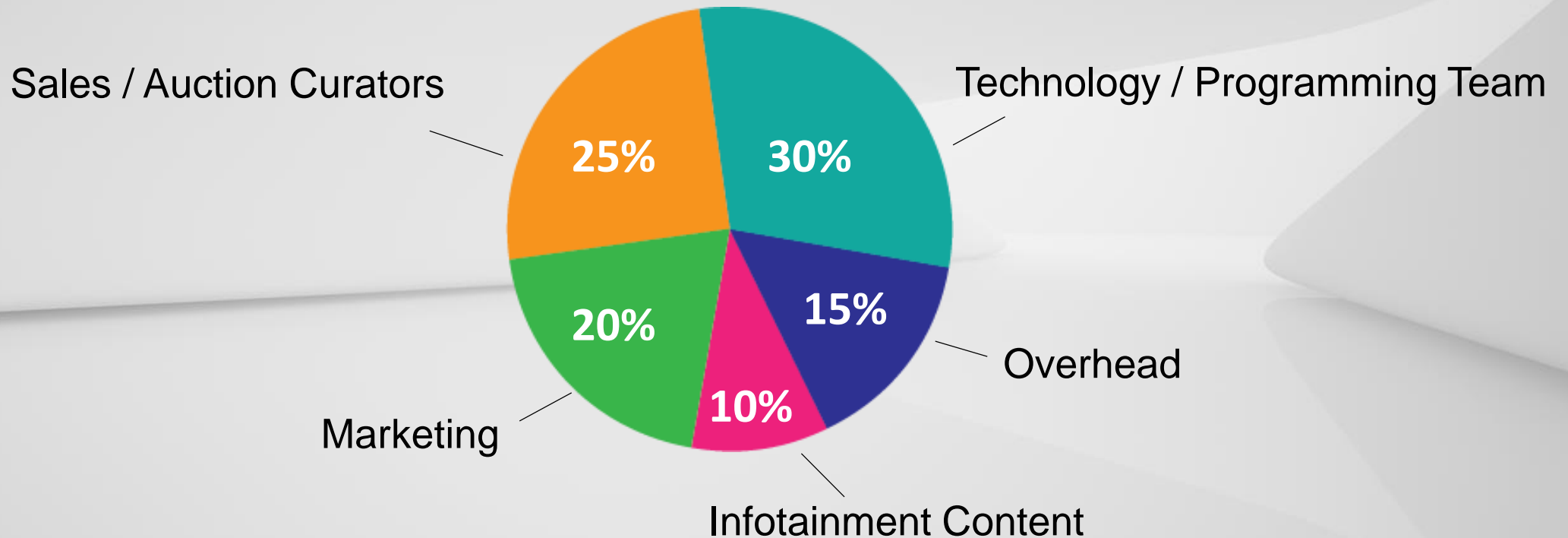
Charitable giving has increased consistently for the last five straight years. Americans alone gave a record total of \$373 billion in 2016.

- ❑ Online giving is becoming more important to fundraising efforts each year. Online donations to small nonprofits grew more than any other type of charity. On average, nonprofits receive 13% more in online donations.
- ❑ Nonprofits are starved for new online fundraising ideas, which is why companies like Omaze and CharityBuzz have found it easy to enter and play in this market.



FUNDING NEEDS

BNO is seeking \$15M to complete the development of the virtual automated auction system, as well as to continue to provide auction services to Sellers.



WHAT FUNDING WILL ACHIEVE

24 - Hour Live Auction Network

To achieve the goal of becoming the first 24-hour fully automated live auction network, BNO will:

- ☐ Develop virtual auctioneer technology (covered by Patent No. US 8,036,949 B2) featuring avatars of known celebrities as auctioneers.
- ☐ Produce in-house content to increase BNO.COM'S unique entertainment and informational value.
- ☐ Expand technology team to build out automated platform with virtual auctioneer.
- ☐ Build out of sales and marketing teams and partnerships.
- ☐ Aggressively expand real estate and charity verticals.
- ☐ Licence live action and virtual auctioneer solutions together with the BNO.COM platform to third parties.

MANAGEMENT TEAM

Nicholas N. Nassiri

Founder & Chief Executive Officer

Nick's entrepreneurial career has centered primarily on all aspects of commercial real estate acquisitions (many from auctions), repositioning, development and sales over a span of 35 years. He is a licensed California real estate commercial broker since 1981. He is the Owner / Managing Partner of a portfolio of commercial and industrial properties in California. He holds a BA from California State University, Northridge.

Barr Potter

Chief Administrative Officer

Prior to joining BNO, Barr spent 37 years in the film business as an attorney, C-level executive, studio head, screenwriter and producer. He holds a JD degree from Columbia University School of Law and a BA in Economics from Yale University. He is licensed to practice law in California and New York.

Sean Montgomery

Chief Operating Officer

In 2006, Sean started his first auction company, West Coast Home Auctions, which was purchased in 2007 by the precursor to Auction.com (now a division of Ten-X.com). He is a licensed real estate broker in California. He holds an MBA from The Marshall School of Business at USC and a BS in Industrial & Systems Engineering, also from USC.

INTELLECTUAL PROPERTY

- ❑ TWO AWARDED PATENTS
- ❑ TWO PENDING PATENTS
- ❑ SIX REGISTERED TRADEMARKS
- ❑ FORTY-SIX AUCTION-RELATED DOMAINS



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