Blockpulse research report:

Verasity

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Highlight

❖ A decentralized video sharing platform that eliminates middleman and allows content creators multiple ways to monetize their content.

❖ Verasity uses a high capacity video hosting platform to deliver over 8 Petabytes of data per month.

❖ Verasity provides highly trustable audience metrics through its patent pending "Proof of View"

Project description

Verasity is creating a decentralized video sharing platform that will enable creators to effectively monetize their content, without needing to share the majority of their revenue with a platform.

Verasity also supports the rights of viewers by rewarding them with tokens for viewing content and allowing them to opt-in to watching advertisements.

All economic transactions take place on Verasity's high performance DPoS(Delegated Proof of Stake) blockchain, which features extreme high scalability.

In addition to ensuring transparent and accountable transfers of value through use of a blockchain, the blockchain is also used to run "Proof of View" (PoV).

In order to ensure a reliable and trustworthy economic system that is able to reward viewers and content creators for their contributions, it is imperative that fake content viewing is eliminated.

❖ ICO INFORMATION

Token abbreviation: VERA

Token type: ERC20

(Will be converted to tokens on Verasity's

Blockchain in Q3 2018)

Total token amount: 12,491,500,000

Tokens for sale: 2.745 bln (22%)

Token price: 1 VERA = 0.01$

More insight on
www.blockpulse.eu

ICO website:
https://verasity.io/

This is a common problem as individuals use bots or other manipulative methods to registers views on online media.

Verasity accomplishes this through their PoV system which makes it extremely challenging for anyone to log fake views on content, and therefore allows the ecosystem to fairly reward content creators and viewers without expensive payouts to users who manipulate the system.

Verasity also incorporates a custom built video platform that uses a dedicated content delivery network to tackles the challenges of hosting videos in a blockchain environment.

By combining the video delivery system with PoV logging unique verifiable views on the blockchain, Verasity is able to deliver over 8 Petabytes of video per month while keeping a public, transparent, and auditable log of viewer engagement.

Project concept

Market opportunity

The market for online video content is enormous, with estimates placing it over $312 billion. However, most video platforms do not effectively balance the relationship between the platform itself and its content creators/users.

In pursuit of greater profits for the platforms themselves and its shareholders, users are subjected to intrusive advertising while content creators do not see the majority of the revenue that their content generates for the platform.

Furthermore, because video sharing platforms are centrally owned, content creators must simply accept the amount of compensation the platform gives to them and lack any ability to challenge what a platform says they have earned.

By producing a video sharing platform that is decentralized and therefore restructuring the relationship between the platform and its users, Verasity can attract users and content creators from centralized platforms.

Content creators will be drawn to a platform that allows them additional rights and avenues through which to effectively monetize their content, and users will be drawn to a platform that rewards them for watching videos.

By incentivizing creators and viewers economically, Verasity can capture market share from the current centralized video monopolies.

General concept

The goal of Verasity is to create a video sharing marketplace that doesn't benefit the platform at the expense of its users. It endeavors to do this by compensating users for their attention, rewarding

content creators based on the views they receive, and logging all views in a public, open, and auditable ledger.

It also allows viewers to decide whether or not they want to view advertisements, and rewarding them if they chose to view advertisements. This restores autonomy to viewers, while also giving advertisers a more targeted demographic that has committed to watching the ads instead of relating to the ads as something which is forced upon them.

Finally, Verasity gives all users multiple ways to monetize their content and time.

Product

Description- A decentralized video sharing platform that empowers content creators and viewers. All participants in the ecosystem are rewarded with economic incentives for their contributions.

Market problems- Online video sharing is a huge multi-billion dollar industry, however it operates at the expense of content creators and viewers.

Content creators have little control of their own content and often receive little compensation for their work. Viewers are forced to watch obtrusive advertisements and are monetized by the platform for advertising companies while receiving nothing in return.

Solutions/opportunities- By using a decentralized token based marketplace alongside a way to verify platform views, contents creators and viewers can effectively monetize their engagement with a video sharing platform.

Utilizing a distributed and open ledger to record verifiable content views brings an important degree of transparency and verification to online video sharing. Having a trustworthy account of the number of views allows for an ecosystem which can accurately reward creators and viewers.

Blockpulse opinion:

❖ Verasity is entering a multi-billion dollar industry and offering a new way to engage users. By giving users an effective and easy way to monetize their engagement with video sharing, Verasity could attract a significant number of users who will be attracted to the way the platform will help them earn more from their time online.

Technological features

- Verasity incorporates a diverse range of technology solutions to create an innovative solution to the problems of sharing video content online.

- Verasity will launch their own blockchain based on the Graphene DPoS design. This modular blockchain enables a high volume of transactions and the ability to confirm transactions in 3 seconds.

- Proof of View- A system which records user's views via a series of hashes which are stored in the public blockchain. PoV works in tandem with the Veraplayer to ensure that views are legitimate. One example is that a view will not be counted if the video player is not actually displayed on the screen, to prevent users from repeated watching content in another tab of their browser.

- Video Hosting and Delivery- Verasity uses a custom built platform which in combination with a content delivery network enables 8 petabytes of data to be delivered per month.

- Veraplayer is a proprietary video player which is blockchain enabled and support PoV, alongside high quality 60 frames per second streaming.

Blockchain application:

Verasity uses their blockchain to ensure validity of content views, as well as enabling secure online P2P transactions between users. The blockchain uses DPoS consensus mechanism which allows for high transaction capacity and fast confirmations.

This builds the framework for a platform which allows a high amount of micro-transactions between countless users. Verasity's design is built around many small transactions being made between viewers, content creators, and advertisers. A blockchain helps ensure transparency and accountability of these transactions.

The Proof of View system relies on the blockchain to create a public open record of verified content views. By storing the record of all content views in an open blockchain, all participants in the Verasity platform can verify that a given number of valid views took place, and can know they are receiving fair compensation.

This is critical for content creators to know exactly how many viewers their content is engaging, and also for users who invest in receiving a portion of a channels views via VeraSparks (described further in the Tokenomics section).

BlockPulse opinion:

- ❖ Verasity has created a unique solution to counteract the issue of fraudulent content views in a monetized video sharing system, Proof of View. PoV enables a fully decentralized, view based economy to function in an open and fair way.
- ❖ Verasity also has produced a platform which integrates the trust of an open blockchain, with video streaming services. Video streaming is highly challenging to perform over a blockchain due to its large file sizes, but Verasity integrates a centralized system to deliver video content with a decentralized blockchain method of tracking views to create a decentralized video system that works.

Business case

Market niche-

The internet has ushered in a new age of individuals producing and sharing content without the former restrictions of expensive production equipment or engaging a publisher. Users can now publish their own content with nothing but their home computer or smart phone.

While those former hurdles are no more, large video sharing platforms have monopolized how content creators connect with viewers and cut users out from most of the revenue generated by their content and attention.

By creating a decentralized platform that allows content creators the ability to directly connect with viewers, Verasity could deliver an online media sharing platform that sets users free from the restriction of centralized gatekeepers and allows users to keep the revenue generated by their participation and content.

Business model

Verasity charges a small transaction fee on transactions made on the network and uses this money to fund further development of the platform.

Viewers can earn VERA by sharing URL's to content hosted on Verasity, by watching ads, and for the first several videos they watch per day.

Within the platform content creators can fund their channels with a pay-per-view model, a monthly subscription services, advertising (which is optional for viewers), and by selling Verasparks.

Verasparks are a funding mechanism which content creators can sell to other users. Users who purchased Verasparks are entitled to a portion of the VERA generated by the channel, but they must purchase these from the content creator.

The platform also offers TotalSparks, which are similar to VeraSparks except they entitle the buyer to a portion of the total commercial transaction pool generated by Verasity. TotalSparks expire whereas VeraSparks do not. Both VeraSparks and TotalSparks operated automatically via a smart contract.

Competition overview-

There are a wide range of platforms which are attempting to enter into the video sharing market, and Verasity will have to make a name for itself among a number of peers.

Basic Attention Token:

Basic attention token is a project which is also attempting to decentralize digital advertising, but it does so by working with existing platforms.

As it does not have its own platform and blockchain to host content on, it must receive permission from existing services to host BAT on their platform. Verasity does not require the permission of large publishing platforms to operate, and therefore is less fragile than BAT in this regards.

Steem:

Steem offers a decentralized version of Reddit which rewards users for the amount of engagement their posts generate. However, it does not allow video hosting on their platform directly, and therefore must link to content offsite.

It also only rewards individuals who post content, as opposed to rewards viewers and content creators. Furthermore, its economic model is much less refined than the model proposed by Verasity.

It offers less ways for content creators to monetize their content, and gives users no way to invest in content creators or the platform itself outside of speculation.

Props:

Props is a decentralized media sharing network which rewards content creators. It has many similarities to Verasity, and is run by an experienced team with a network of established investors.

However, a key difference is that Props runs on the Ethereum blockchain, and is thus subject to any scaling issues or fees. In times of heavy usage Ethereum fees can increase dramatically which would have a massive impact on the viability of the small micro-transactions needed to operate Props.

Verasity has a more secure blockchain design for an application such as media sharing by using a DPoS blockchain.

While Ethereum needs to be highly resistant to censorship and attack by a third party, media sharing platforms do not constitute the same target for attacks and thus can utilize a different blockchain consensus design.

Flixxo:

Flixxo is another media sharing platform which is designed to reward users. It operates on the Ethereum blockchain and has a fixed supply token.

For a media sharing platform designed around micro transactions, an inflationary token is a better model to incentivize use of the token. Flixxo is run by a team of only 5 people. It has no live product.

Youtube, Facebook, and Others:

Verasity must also compete with the likes of Youtube, Facebook, and other large platforms.

These are the primary platforms it is designed to draw user engagement away from, but as they are the well-established titans of the industry it will be easier said than done.

BlockPulse opinion:

❖ Verasity has a superior economic model to that of its competitors. It offers a variety of ways for users to benefit economically, and in ways which support the long term health of the ecosystem.

❖ By running its own blockchain, Verasity ensures its platform is free from the influence of large publishers. It also enables Verasity to operate independently from surges in transaction fees on other blockchains which may be optimized to other use cases.

❖ All of that being said, Verasity will need to distinguish itself from its competitors in order to succeed in this space.

Tokenomics

Token Characteristics

Vera is a platform utility token that enables a host of P2P microtransactions that form the backbone of the Verasity token economy.

Verasity has founded an organization known as the Verasity Foundation which functions to stabilize prize levels. In order to achieve an acceptable level of price stability, the Verasity Foundation aims for an inflation rate of 3%.

It achieves through a token minting mechanism which produces new tokens in relation to the expected demand for VERA tokens. Tokens which are minted by this mechanism are added to a reward pool which then is distributed to viewers and content creators.

Zero-inflation scenarios may lead to price destabilization through the activity of speculators, so the inflation target is a preferable scenario to support the long term health of the platform.

The supply of money is regulated by an algorithm within the blockchain, while the foundation allocates the newly minted tokens to different players in the economy in order to stimulate the appropriate parties.

Token Utility

Vera has several functions in the platform. It is rewarded to content creators based on the amount of PoV verified views their content generates.

It is also given to viewers when they view advertisements, and when they complete certain criteria. Content creators can also create premium content, pay-per-view or monthly subscriptions, which viewers must spend Vera to access.

Users can also use VERA to purchase VeraSparks and TotalSparks. VeraSparks are sold by content creators which entitle the purchaser to a portion of the VERA generated by their channel. The sale of VeraSparks raises funds for the creator and is a way users can invest in their favorite content creators. VeraSparks do not expire.

On the other hand, TotalSparks are a way users can invest in the Verasity Platform itself and receive a portion of total platform transaction revenues. TotalSparks expire in a given time frame.

Token circulation

VERA is an ERC20 token which will be exchangeable on a 1:1 basis for VERA which is based on the Verasity blockchain when it goes live. It has a total supply of 12.49 billion, with 2.7 billion of those being sold during the token sale.

Unsold tokens at the end of the sale are burnt. Verasity mints more tokens over time to provide the platform with a given amount of inflation, and can burn tokens as well.

> BlockPulse opinion:
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> ❖ The VERA token features a well thought out economic model which is designed to ensure functional price stability so the Verasity platform can operate efficiently. It can be used to purchase content and to invest in the revenues of the platform and its content creators.

Team and Legal

Project team

Executive team members		Role
1.	David Orman	CEO and Co-Founder Verasity
2.	Scott Brown	Project and Video Network Expert
3.	David Rowe	Co-Founder Verasity
4.	Chris Gale	Co-Founder Verasity
5.	Adam Simmons	Co-Founder Verasity

6.	John Rankin	Business Development
7.	Kyrylo Bybyk	Lead Engineer, Blockchain Developer
8.	Chris Morof	Senior Engineer
9.	Ievgen Iegorochkin	Blockchain Developer
10.	Dmytro Medianik	High-load back-end developer and security Engineer
11.	Mykolai Chapny	Blockchain and back-end developer
12.	Anton Lukashenko	Full-stack developer
13.	Tom Hillman	Community and Communications
14.	Danielle Francis	Marketing
15.	David Archer	Legal Counsel

Advisors and partnerships

Advisors		Background
17.	Dr. Christian Jaag	Founded the Centre for Cryptoeconomics and is responsible for the economics for this project.
18.	Andy Long	20 years' experience in telecoms and finance in strategy, business development and management.
19.	Matt Haiman	Founder of Diagonal View (exit to Sky PLC 2017), Mobix Trading, Mobix Interactive (exit to SeaChange 2008), Founding Investor in Just Giving (exit to Blackbaud 2017).

20.	Simon Wajcenberg	Experienced Investor and Entrepreneur. Founder of North Block Capital.
21.	Jon Hook	Advertising executive and entrepreneur experienced in building, launching and running mobile technology and media businesses.
22.	Sangjin Hong	Entrepreneur and investor. Co-founder and CEO of Chain Cabinet (a blockchain startup platform).
23.	Christopher Keshian	CEO of APEX Token Funds. A group who invests in crypto funds such as Pantera and Multicoin Capital.
24.	Leslie Merv	Experienced social video specialist & consultant who has held senior positions with multi-platform networks and video technology companies such as ZEFR, Brave Bison and Little Dot Studios.
25.	Elliot Leimer	Investor and Blockchain thought-leader. Currently Director of Mergers & Acquisitions at MLG Blockchain Consulting

Legal background

Verasity Foundation is a company incorporated in the Cayman Islands under the Companies Law and registered as a foundation company in relation to the Foundation Companies Law, 2017.

Verasity is not registering its tokens under the U.S Securities Act and maintains its tokens are utility tokens only. Participants in the token are provided the right to exchange their tokens on a 1:1 basis with the final platform tokens which will be created at a later date.

BlockPulse opinion:

❖ The Verasity team has years of experience managing online media and digital communications companies.
❖ It also employs several highly qualified engineers to ensure the developmental process is successful.
❖ Verasity has engaged a panel of advisors with experience in the fields of finance, marketing, and blockchain.

ICO campaign

Preparation

The Verasity ICO is composed of many rounds, including a private sale, a presale, and a public sale. It also includes a referral program.

Token distribution

50% to Community Investors
19% to the Verasity Foundation
20% to the Core Team and Founders
1% to the Stabilization fund
2.5% to the Referral Program
7.5% to Advisors

Funding allocation

18% Platform Costs - Includes hosting, storage, bandwidth and delivery of content when users interact with the online video platform

20% Research and Development - Engineering costs to implement proposed roadmap, including Blockchain Network development and platform upgrades

20% Contractors and Salaries - Includes payroll for all non-engineering staff and contractors

20% Technology Licenses - Includes all licenses for the underlying technology, including the player, uploader, advertising platform etc.

17% Marketing and Content - Investment in platform usage, brand awareness, market adoption and publisher incentives to join community

2.5% Legal and Admin - Compliance and other related administrative and accounting costs 1.5% Business Development - To develop global commercial partnerships

1% Contingency - To cover any overspends in the above categories

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BlockPulse opinion:

❖ The Verasity ICO offers purchasing rounds, and a referral program.
❖ While Verasity distributes a significant portion of the tokens to their foundation and founders, this only represents a small amount of the tokens which will be minted and given to users throughout the platforms lifespan. This token allocation is mostly used to bootstrap the platform and get it live and operational.

BlockPulse conclusion

- ❖ Verasity has created a project and several pieces of technology to enter into the digital video sharing economy. It offers a new way for users to effectively monetize their content online, and for viewers to be rewarded for their attention. Verasitys Proof-of-View technology ensures that a public accountable record of all views exists and is accessible to all users via their own blockchain.

- ❖ The VERA token is well designed and offers users a variety of ways to engage in the platforms operations.It is incentivized to give users a reason to hold and value it, while also featuring a design which promotes frequent transfers and moderate inflation. VERA can be used to pay for content, but also to invest in the revenues of creators and even the platform itself.

- ❖ The Verasity platform is well thought out and is tackling several angles of decentralized video sharing that its competitors have not taken into account. Specifically, its DPoS Blockchain design is a solution which is well suited for the task of monitoring video sharing, and its unique token economics fit the business model well. The one challenge Verasity will face however is making a name for itself in a crowded marketplace.

About us

This report has been compiled by BlockPulse SAS (company name registered in France, registration code 838 885 820 RCS PARIS).
We meet and/or converse with the founders in person and are very selective on the quality of the proposed projects.
We work with a network of independent experts coming from financial and crypto world since 2017 to serve you thorough due diligence on selected projects.
We emphasize among others: business model, competition, technology, legal, token structuration, team background.

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