



The Future of Video Enhanced with Blockchain

Veracity supports the infrastructure and tools for video publishers to serve rewarded video and loyalty programs to their viewers.

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The Internet Economy Needs New Incentives

Online video is the fastest growing medium. It is set to account for 82% of all consumer Internet traffic by 2021¹ and the market is worth \$312 billion². Yet the online video business model is fundamentally challenged.

With the advent of online video platforms, both video creation and consumption are more accessible than ever before. This has led to a significant increase in content production and consumption as audiences shift online for digital entertainment. However, under current advertising models, companies like Facebook and Google stand out as the winners generating \$191.8 billion of net advertising revenues between them in 2017 by controlling the distribution of content and the sale of advertising.

Online video platforms provide video tools for Broadcasters and Publishers but are expensive to operate, monetize on outdated models and increase publishers' risk for failure. Most publishers have turned to YouTube and Facebook to monetize their content which is insufficient to support their business models.

Audiences have fast turned into a commodity. Their personal data is sold to corporations for more targeted advertising, while publishers receive a percentage of revenue after the platform and intermediaries take a significant share of the advertising revenue. In recent years, video publishers have been very vocal on these issues, as the limited revenue they are generating means they are unable to re-invest into content and, therefore, they struggle to maintain their channels.

With these monopolies controlling the majority of online content, they continue to turn the screw to increase margins, change algorithms that demonetize publishers and decide what content is monetizable. Any competitor who sets out to challenge this status quo and gains audience attention is quickly acquired and controlled, threatening future consumer options online.

The mass adoption of 'ad-block' technology demonstrates the viewers frustration with the current model. Video publishers with strong, loyal audiences are exploring new platforms to sell subscriptions for their content, where users are happy to pay for an ad free experience, which is often an expensive route for all.

Without disruptive change, we are witnessing a race to the bottom caused by conflicting priorities between publishers, advertisers and their current platforms.

¹https://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/complete-white-paper-c11-481360.html#_Toc484813971

²https://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/complete-white-paper-c11-481360.html#_Toc484813971

³<https://www.recode.net/2017/7/24/16020330/google-digital-mobile-ad-revenue-world-leader-facebook-growth>

The Verasity Infrastructure – Tools for For Video Publishers to serve rewarded video and loyalty programs

Verasity is built on an existing video and ads distribution platform including JWPlayer, Brightcove, Video.js for video delivery, enabling rewards, loyalty and transactions through a token economy backed by trust by storing view analytics and verification on the Blockchain. The Verasity project has identified 4 key elements required for a thriving video economy:

Rewarded Video and Loyalty Building - GenesisPlayer

A rewards-based video player that enables marketers to distribute promotional videos and rewards users for their attention. With a cryptocurrency wallet built into the video player and accessible by embedding the player anywhere, it is simple to sign up and use for users. It is also valuable for publishers to build loyalty and community through rewards. Verasity has file a patent pending claim on this technology. Please see below.

GenesisPlayer is a Rewarded Video Player built on Verasity's infrastructure. It offers the world's first Rewarded Video and is already in the market with 12 performance marketers using the platform. Learn more at: genesisplayer.com

In Player Commerce Using Micropayments - VeraPlayer and VeraWallet

Verasity's Commerce based video player handles real time transactions between publishers and viewers or marketers and viewers. The Rewarded Video Player will be available for video broadcasters, publishers and publishers to manage their online video distribution while adopting new monetisation models for their businesses. The infrastructure enables the publisher to charge for their content in real-time using VRA cryptocurrency and obviates the need for intermediaries. Publishers can set donations, microtransactions using CPV or subscriptions. Users can easily transact with the friendly wallet UI built into the player and can buy VRA from multiple places. See: verawallet.tv

On Chain Viewing Analytics and Verification – Proof of View™

Verasity has developed a patent pending "Proof of View" system, enabled through blockchain technology, to provide accurate, secure and auditable audience metrics available to all. No more fake views, bots and ad fraud. The US patent application numbers 16/023,354 and 62/660,167

Highest Quality Video Delivery

Verasity's HTML5 1080HD video player technology has been built to handle vast scale of global audiences at the highest quality. By partnering with the world's leading CDN, Akamai, we have the highest service level agreements enabling video experience to be on a par with the largest technology platforms.

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Introduction – Designing a New Video Infrastructure

Veracity is developing next-generation video player technology. This infrastructure will enable Broadcasters, Video Publishers new and effective models for monetisation while improving the experience of watching video online.

There are many existing challenges identified with the online video space today. Veracity's team of media, technology and blockchain experts are building a new model where publishers and Viewers transact directly on the Blockchain, removing the need for intermediaries. The Veracity Player and online video platform is fully functional and can be seen at: veracity.tv This includes the Veracity Player Wallet in action.

The "VRA" token is a new medium of exchange and reward for video creation, and viewing across the Veracity community. Anyone watching videos can earn VRA currency. If they choose to watch adverts or share the videos with their network, they will then receive further rewards in VRA. The platform gives publishers a variety of monetization solutions to choose from. Veracity's mission is to help them generate more value from their content. All transactions of the VRA token will be tracked and stored on the Blockchain.

To ensure transparency and integrity for the whole video distribution economy, Veracity are developing a proprietary "Proof of View" technology. Every video view will be securely tracked and stored on the Blockchain. This provides the security, flexibility and scale to support a flourishing new environment for Content Publishers, Advertisers and Viewers.

The project vision is for the Veracity infrastructure to also be adopted across the wider web and the player technology embedded by thousands of publishers and streaming video across billions of devices. The technology is being built to be integrated throughout the current media landscape and technology stacks. This will help bring cryptocurrency to the masses and to make VRA the cryptocurrency of choice to power the future of online video.

Problems in the Current Video Market

The estimated total addressable market for online video is [\\$312 billion](#). Two of the largest video platforms generate over 1.1 billion hours of video watched per day⁴⁵ yet fail to effectively balance the conflicting interests between different stakeholders including viewers, video publishers, advertisers and their own Shareholders.

Facebook, Instagram and YouTube force users to watch ads to generate revenues for the platforms. Users have concerns regarding the use of their personal data.

Platform businesses need to generate revenue and profits to pay for the technical infrastructure, operating expenses, the many advertiser intermediaries, and a share to the publishers. The share paid to the publishers has been reported to be as low as \$0.30 on the dollar.⁶

All this data is centrally stored so there is no way a Publisher can actually prove what their share was, and they often need to wait 60 days before they receive their payment. Platforms can often change policy, or tweak an algorithm, which can result in loss of revenues for the publishers who has no voice to complain.

In a race to replace lost revenues, s create a higher volume of content. This creates a total oversupply of content commonly known as “content shock”⁷. This means there are more videos on the platform than is humanly possible to watch, and there are insufficient ad revenues to satisfy all publishers. Now the platforms have an abundance of low-quality content which they need to pay to store and host, increasing operating costs.

While this approach does produce a massive library of content, only s who generate extremely large audiences generate high levels of revenue. High quality but niche content, which can be extremely valuable to its audience, is significantly disadvantaged as income is largely dependent on maximizing views. s and Publishers have become commodity content suppliers amongst vast undifferentiated content in a social media news feed. As a result, Content providers and Publishers are increasingly being pressured to pay for viewer attention, thereby further increasing the control the largest platforms have within digital media.

Some content providers may try to game the platform by using bots to create fake views and increase through the rankings, creating an unfair marketplace.

Advertisers only want to advertise against brand safe content and real users. As their revenues are key to the platform, they call the shots and enforce policy changes that negatively affect the s. With an infestation of bots and fake views, Advertisers complain and reduce their price. Both net result in lower share to the .

Publishers may have had enough and migrate their content to transaction-based platforms. However, payments on traditional websites are not currently designed for microtransactions, they are clunky and inflexible.

Publishers rely on a solid fan base and must trust that they get their fair share after the expensive fees they pay to each platform. These complex paywalls also act as a barrier to entry stifling content providers from growing their fanbase. Publishers are unable to quit their day job and do not have enough time to make great content as they struggle to raise funding. They have a cash flow problem because the value is being locked up in their content.

⁴ <https://www.recode.net/2016/1/27/11589140/facebook-says-video-is-huge-100-million-hours-per-day-huge>

⁵ <https://www.youtube.com/yt/about/press/>

⁶ <https://mediatel.co.uk/newsline/2017/03/28/the-guardian-is-preparing-to-sue-adtech-firm-rubicon-project/>

⁷ <https://www.riverbedmarketing.com/what-is-content-shock-and-what-it-means-for-your-business/>

Publishers looking to use an enterprise video solution to host on their own site will have to invest massive upfront fees and cover expensive bandwidth, storage and player fees. This is often enough to prevent large publishers wanting to push video, as it costs more to serve than the income made on ad revenue.

The top three platforms form a quasi-monopoly⁸ controlling over half of all digital ad revenue. All three have recently entered content production and they are centrally investing a fortune. This competes directly with s and Publishers. If any new platform starts building large audiences, they are quickly acquired. This seriously affects the future of consumer choice.

And here lies the problem. Centralized platforms start off with the best intentions to support the user base. Then over time the user base reaches mass scale and the platform serves its shareholders over its community.⁹



⁸ <http://fortune.com/2017/07/28/google-facebook-digital-advertising/>

⁹ <https://medium.com/@cdixon/why-decentralization-matters-5e3f79f7638e>

The Problem

1. Video needs new incentives.
2. Due to intrusive ads, low viewer engagement, low video publisher revenue and viewers giving away their privacy for small return, there is little value exchange between each publishers and viewers.
3. Publishers and audiences are struggling to monetize. Audiences are increasingly blocking adverts and YouTube & Facebook are taking larger shares of revenue.
4. Lack of trust and transparency. Much of the value exchange isn't visible to users and personal data is sold without user knowledge.

The Solution

Veracity solves this through its four main components. Each can be utilized separately in existing video platforms, or they can be combined to build a complete video solution

1. **Video Player**
HTML5, full HD video player that works across a variety of modern mobile and desktop browsers supported by our fully functional online video platform.
2. **Hosting and Distribution**
Fully functional content management system and global content delivery network enables easy management of video libraries for Publishers.
3. **VeraPay**
Payment, loyalty and reward system enabling crypto micro-transactions between publishers, content owners, and viewers.
4. **Verification and Analytics (Proof of View)**
Patent pending blockchain technology that produces accurate, secure and auditable audience verification metrics.

New Incentives for the Internet Economy

Veracity is designed to enable the online video economy and ecosystem, as a whole, by restructuring the relationships between publishers, advertisers and consumers. This is contrary to existing video platforms that try to facilitate a legacy ecosystem with many layers of middlemen and vendors between the ecosystem participants.

The VRA Ecosystem

Within the Veracity economy, Broadcasters, Video Publishers, Viewers, Advertisers and Brands interact directly with one another. All transactions are powered by VRA and therefore they are fast, secure and efficient. There is less need for intermediaries that exist in traditional media ecosystems.

Using Veracity's Patent Pending Rewarded Player Technology, Broadcasters, Publishers, Viewers, Advertisers and Brands interact directly with one another. Publishers use VRA to reward, monetize and power loyalty schemes within the player wallet and as a result, increase their engagement, audiences and revenue.

This attention-based model, powered by VRA, creates a thriving token economy. VRA transactions are fast, secure and efficient. There is less need for intermediaries that exist in traditional media ecosystems.

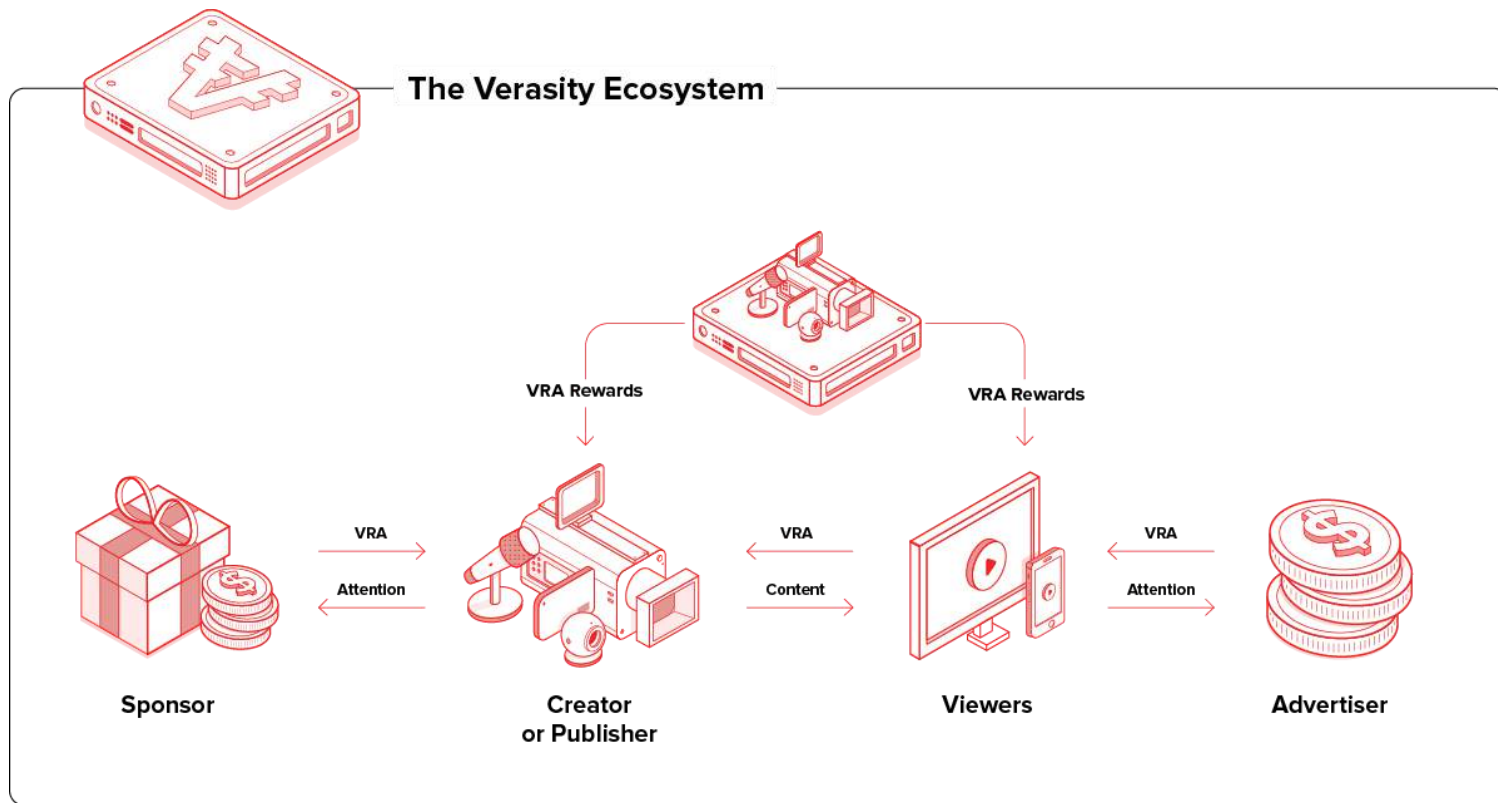
How does the attention based ecosystem work?

1. Viewers earn VRA rewards – When users watch videos and adverts on a website that is using Veracity technology, the viewers can be rewarded with VRA. Using Veracity's inbuilt wallet, viewers may also earn more rewards by referring other people.
2. Publishers Reward VRA – Publisher and Broadcasters buy VRA to reward users and build valuable audiences which they monetise through ads, commerce or subscriptions. By rewarding VRA, Publishers can increase engagement, audience numbers and revenue, as well as build loyalty schemes.
3. Advertisers Reward VRA – To reach and engage potential customers viewing videos, Advertisers buy VRA to reward viewers to watch their ads and learning about their products. This releases the true value of each view and builds an attention-based advertising model.
4. Viewers can buy and spend VRA to access content through pay-per-view, donations and subscriptions.

Each participant in the ecosystem has a need to buy and hold VRA, driving demand for the token.

Exchange and easy transferring

We recently announced our [First Exchange Listing on HitBTC](#), a top 10 cryptocurrency exchange with over \$500m daily trading volume. This means fast, safe, and secure trading of VRA. We have also listed with Probit and DCoin and will list with several others over the coming months.



Technology

The technology behind Verasity features an end-to-end suite of products and systems that provide Broadcasters, Publishers, Marketers, Advertisers and Consumers the tools needed to access, engage and thrive.

The video player infrastructure is optimized for providing high quality video experiences, at scale. Verasity's video infrastructure utilizes several novel technologies for enabling the seamless commercial ecosystem, combined with the latest Internet infrastructure performance standards like QUIC (Quick UDP Internet Connections). This is an innovative use of secure Transport Layer Security (TLS) and User Datagram infrastructure (UDP) reducing buffering and increasing video resolution for viewers.

Viewers can access content from a variety of modern browsers without having to install any additional plug-ins or player software. The video player technology has already been proven to work at scale, powering over 8 Petabytes of video traffic per month.

The technology features developed today include:

- HTML5 Video Player Can run with or without Google IMA SDK
- Built-in player crypto wallet
- 1080p / 60 frames per second full HD ready
- Embed technology making it available across any website
- Lightweight and adaptive for mobile screens
- Back end database structure

- Built-in notifications system
- Third Party Publisher widgets
- Recommended video library for rewarded videos
- Referral system
- Proof of View: Scans for fake views and ensures the integrity of the engagement metrics

Technology to be developed over the next 9 months include:

- Self-serve dashboards
- Realtime distribution and blockchain lookup
- On chain in player wallet
- Proof of View – Stores verification data onto the Blockchain
- Smart Contracts – Generating tokens specifically designed for broadcasters and publishers to run their own incentivized economy on the Verasity infrastructure.
- Peer to peer transactions within the player – VeraPlayer
- Fully configurable, customizable and API enabled
- Content management and analytics
- Recommendation surfacing engine
- Content moderation tools
- Publish onto Apps and other Devices
- Content recommendation engine
- Advanced CMS
- Analytics tools
- Third party database integrations

CDN and Server Infrastructure

Verasity utilizes a custom-built online video platform which partners with Akamai, a leading global CDN network.

“Verasity is a white label version of an online video platform utilizing Akamai's CDN network as well as key technologies of Akamai. As an Akamai network partner, the white label solution utilizes Akamai's “media acceleration efficiency (MAE)” solution which has scaled on this white label online video platform to over 8PB data per month.” - *Joshua Frost Niven, Akamai*

Using a CDN guarantees high playback quality, with low buffering, on a global scale also enables all content to be securely hosted, stored and managed on Verasity servers. Reliable video delivery using a scaled and trusted network such as Akamai guarantees superior user playback experience which is critical for mass adoption. If Viewers experience delayed video starts, low quality streams and long buffering times, they will not adopt a new platform, nor will they happily pay for content, meaning that platform could never scale.

Although Verasity partners with Akamai, Verasity does not rely on Akamai technology and could switch CDN vendors on short notice.

SDK development and Integrations

Veracity is now integrated with JW Player, Brightcove, and Video.js. Combined, these three online video platforms power 280,000 online video publishers who deliver 53 billion views per month.

Now that Veracity's patent pending Rewarded Player Technology is integrated with these three leading OVPs, the 280,000 video publishers who use their services can now quickly and easily start using VRA and Veracity technology.

Publishers who use Veracity's SDKs for their Video Reward module will be able to use VRA to reach, reward and retain their viewers. Publishers get loyalty and new revenue while viewers get rewarded for their attention.

Product and Sales Strategy

There are millions of publishers competing with YouTube and Facebook for views. Since most can't compete, they add the YouTube player on their site and hope for the best. The best is not much. YouTube and Facebook provide a pittance of revenue in exchange for those views and therefore publishers are dying like flies.

Simply building a video sharing platform is not a solution because no matter how good the platform, who is going to bother to move off YouTube to watch a bit of content when they have a whole world of content on YouTube. Do any kids under 18 watch anything other than YouTube? Only their favorites like Walking Dead and Game of Thrones if they can't torrent it.

What is a publisher to do in a face off against these monopolies?

Reward users to watch content they already like on the publisher site. Once a publisher can control its own content and views, its revenues and engagement increased 4x. (IAB stats) Salvation for publishers is via rewarded content. But the problem with rewarded content today is that rewards are all over the place and not in one place. Some publishers reward in newspapers, others for contests, points and digital tokens. Viewers rarely know what publishers are rewarding and where.

How did we solve this problem?

Veracity provides the tools for publishers to take on YouTube and Facebook. The VeraWallet is built into the video player (go to: verawallet.tv) and can provide any kind of rewards as long as the default reward is VRA. Viewers can then find all their loyalty programs, points, redemptions in one place in their video player which they open every day to watch videos.

Is this solution unique?

It is patent pending and unique and as far as we know there are no platforms providing a similar technology and solution.

How does this help VRA?

Publishers buy VRA at market price to reward users to watch content, subscribe at a discount, and drive any number of actions. The purchase of VRA by publishers drives the economy and increases the pool of VRA users.

Payment, loyalty and rewards enable transactions between publishers, content owners, brands, advertisers and viewers. They interact directly with one another and all transactions are powered by VRA so there is no need for intermediaries such as YouTube or Facebook.

How does it work?

- Viewers watch videos and ads on a website using Veracity technology and are rewarded with VRA. They are also rewarded more VRA for referring more users.
- Publishers buy VRA to reward users and build valuable audiences which they monetize through ads, ecommerce or subscriptions.
- To reach and engage potential customers viewing videos, advertisers buy VRA to reward viewers watching their ads. This releases the true value of each view.
- Users can stake their VRA and receive daily rewards for doing so. The VRA Staking program incentivizes the economy to hold VRA. For full information about VRA staking, read our post [here](#).
- Veracity targets a wide range of publishers and users who will be implementing an easy conversion method to allow users to buy and exchange their VRA.

How does Veracity disseminate its Video Player technology to millions of publishers?

When you watch your favorite content on a website, it is likely that it will be powered by one of the 10 video player platforms that dominate video streaming. These include Vimeo, JW Player, Brightcove, Video.js, Kaltura and others. Most of these platforms are business to business and therefore you may not have heard of them, but the largest broadcasters in the world

like Discovery, Eurosport, Fox, Sky, BBC, Viacom, Lamborghini (yes, the Lambo site) utilize third party video platforms to power the video streaming of the content you love to watch.

By Veracity integrating its technology module into all these video player platforms, Veracity rewarded video will be ubiquitous and available to every publisher which means potentially billions of viewers can be rewarded in VRA.

A key goal for Veracity in 2019 is getting video publishers onboard. To facilitate this, we are developing integrations with many industry-leading tools like Vimeo, JW Player, Brightcove and others to allow publishers to quickly and easily start using Veracity technology and therefore increase demand for VRA. By not interrupting the current work flow of publishers, we have made it simple for any publisher to provide its viewers with VRA rewarded video. Our unique player technology is already available to 280,000 video publishers with 240 million users and 50 billion monthly views.

Branding

The Veracity video player, VeraWallet and future Veracity products will be branded 'Powered by Veracity' so that viewers will see that the technology is Veracity. Further by rewarding viewers with VRA and providing referrals, VRA and Veracity as a name will be disseminated throughout the online video world. VRA will be synonymous with rewarded video.

Market Traction – GenesisPlayer

In August 2018, GenesisPlayer was launched in beta and is the first application built on the Veracity infrastructure. GenesisPlayer is the world's first Rewarded Video Player that rewards users in tokens for their attention. Since launch cryptocurrency projects have been fast to adopt the platform to build their communities, reach the crypto enthusiasts and use the video player to airdrop their tokens. Cryptocurrency is available on the platform with over 15 projects promoting their video content.

Exchanges and blockchain publishers have been quick to adopt the tool to engage communities and build awareness. Performance marketers can buy VRA and use the platform for targeted video marketing to capture valuable sales leads and new customers and reach our growing user base.

Market Traction – Asia Pop 40

In February 2019, AP40 launched videos with rewards powered by Veracity inside of its VeraWallet to use VRA to reach, reward and retain audiences. they have a wide range of content including interviews with Global superstars like Justin Bieber, Steve Aoki, The Vamps and more.

EON Media Group is the of Asia Pop 40, the flagship radio programme and Asia's first own home-grown radio chart show, featuring tracks and artists from all over Asia, as well as the best of the rest from all over the world. *Asia Pop 40* is the first dedicated chart-countdown radio show produced for Asia. It's also the first locally-produced, regionally-syndicated radio show in Asia, launching in mid-2013.

[Asia Pop 40 Launches Videos with Rewards - Powered by Veracity - Asia Pop 40](#)

Now that Veracity has completed its first publisher integration it will rapidly bring on new publishers over the coming months.

Market Traction – The Veracity Infrastructure

As the promise of blockchain technology grows, the traditional media industry is very interested in discovering how the technology can enhance their online publishing business. This has led to the Veracity management team consulting with numerous household media brands exploring how they can build community, loyalty and add incentives using Tokenomics. With the ever increasing need to be able to compete for eyeballs against Google and Facebook, these media companies are open for innovative and disruptive solutions and excited to learn what Veracity is building.

As a result, Veracity is starting a program to educate, consult and support such organizations. This will help the veracity infrastructure to be adopted by existing large online communities and increase the scale to Veracity. More news from the program and partners will be announced in coming months.

Veracity Blockchain Technology

Veracity will utilize blockchain technology to enable a transparent, accountable and effective solution to many of the challenges within the video economy. The key elements to Veracity's Blockchain based technologies are:

1. Veracity High Performance Blockchain
2. VRA Transactions
3. Proof of View
4. DPoS

Blockchain scalability and performance is the number one priority for a commercial system like Veracity. In order to achieve the performance levels required for such a large microtransaction based ecosystem, the Veracity team needed to achieve advances in performance that were order of magnitude higher than what is available from most currently available blockchain solutions. In order to maintain a stable and scalable solution for such a large potential market, reliance on a third party blockchain would create a major point of failure within the Veracity economy.

Creating the Veracity Blockchain yields significant advantages:

- Gives Veracity the ability to quickly add new transaction types and Smart Contracts to the blockchain
- Transaction fees get contributed directly back into the Veracity economy
- All enhancement to the Blockchain can be managed for ecosystem compatibility
- Ensures that the Veracity ecosystem does not suffer from congestion of another ecosystem using the same blockchain framework.
- Veracity can minimize risks associated from potential legal, economic, or geo-political use of a public blockchain project.

At this time it is envisioned that the Veracity's Blockchain will be based on the Graphene DPoS Blockchain. Graphene is an Open Source C++ Blockchain framework originally developed as the foundation of Bitshares, a decentralized cryptocurrency exchange marketplace. It is modular in fashion, making it adaptable for different uses. It can maintain a transaction confirmation time of no more than 3 seconds and can scale to over 100,000 transactions per second. As the Veracity network scales, this volume of transactions will support an accurate

record of each transaction within the economy both during average and peak volumes. To put this in perspective, major credit card providers process around 2000 transactions every second.

By basing the Veracity Blockchain on Graphene, it is possible to handle a much higher volume of transactions than other platforms. This will be essential to scale the economy and platform while still minimizing the amount of data required for each transaction.

The Veracity Blockchain will optimize resource usage so that speed and volume of transactions can be maintained as the economy scales. For example, where possible the software will store data in RAM. This will minimise the number of time-consuming database queries required and help when scaling to handle up to, and beyond, hundreds of thousands of transactions per second.

Finally, the Graphene framework avoids using hashes, which are time consuming to manipulate and require a lot of memory. Instead of hashes, globally assigned unique IDs are used that do not conflict with one another to refer to an account, permission or balance. This approach significantly decreases the amount of CPU cycles and memory required and therefore further optimizes resource usage.

Initially the ERC20 VRA Tokens created and distributed on the Ethereum Network will be utilized.

Proof of View™ - On-Chain Analytics and Verification

Veracity has a patent pending system to securely verify audience metrics (views) in a way that is publicly transparent and tamper proof. This system ensures the integrity of the all elements of the Veracity economy which relies upon audience metrics.

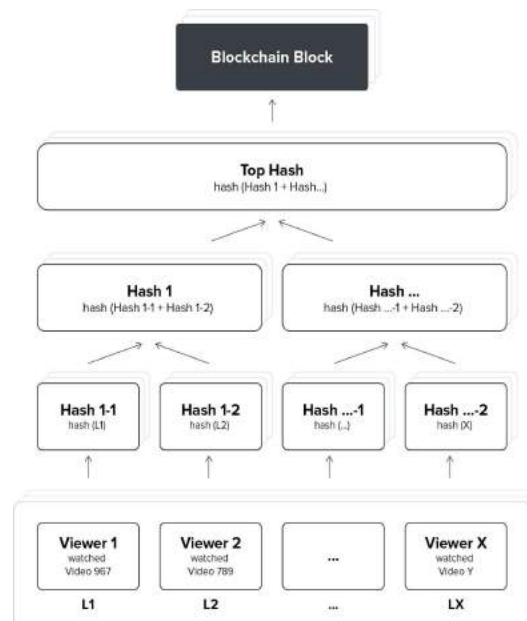
Media ecosystems of today are plagued by suspect and often fake view statistics. These statistics are used to value the content or advertising, thus are being manipulated to generate fraudulent revenue.

PoV™ is a system designed to securely verify content consumption on the ecosystem, in a way that is publicly transparent and tamper proof. It is utilized within the Veracity economy to ensure the integrity of audience metrics and therefore the integrity of the ecosystem.

To ensure an accurate and transparent PoV™, Veracity will implement publicly auditable logs. These logs will contain all views and content recommendations along with anonymized viewer information. The information will all be General Data Protection Regulation (GDPR), Payment Card Industry (PCI DSS), and ePrivacy compliant.

A Merkle Hash Tree guarantees that the database has never been altered. In the hash tree, each view's event data is hashed before being combined with other hashes until a final top hash is reached. Each top hash represents all the data stored in the specific chunk of the database.

The database itself is split into chunks. A new chunk is created each time a new block is created in the Blockchain. The top hash of the current chunk is added to each new block in the Blockchain. See the diagram below:



¹⁰<http://videocontestnews.com/2013/01/25/how-to-spot-fake-youtube-views/>

As this data is stored in a decentralized manner, third parties are able to prove that each top hash added to the Blockchain is accurate and unchanged. This allows any third party to verify that the logs added within each new block on the Blockchain have not been tampered with, changed, branched or forked.

On 7 February 2018, a United States provisional patent application was filed for a system and method for Proof of View via Blockchain (Application Number 62627285). Following the Token Sale, such patent application will be assigned to the Veracity Foundation, who will further develop additional intellectual property in connection with the Platform.

Veracity technology will be offered under the Creative Commons Attribution-NonCommercial-ShareAlike

International Public License (defined at <https://creativecommons.org/licenses/by-nc-sa/4.0/legalcode> as the license stands as of February 16, 2018, see details below).

How PoV™ Prevents Fake Views

1. Only views from signed in users are counted.
 - a. Within a video platform, views are a type of transaction. To provide accountability and therefore transparency for transactions, a unique identifier needs to be allocated to all parties involved. When viewers create an account, they are assigned an anonymous ID that then marks the video views generated by that user.
 - b. Viewers who are not signed in can still view free videos, but these views are not confirmed through PoV™.
2. A single user cannot make multiple views at the same time.
 - a. The majority of viewers are only able to truly watch one video at a time whereas some bad actors may try to use multiple browsers, watching in parallel, to inflate view counts.
 - b. PoV will not count views when more than one video is running in parallel from a single user.
3. Confirmed streaming.
 - a. For content to be viewed, the content file needs to be streamed to the browser. Through Veracity's PoV™ technology, while a video is being viewed the player will randomly be required to provide information about the current frame of the video being viewed.
 - b. This ensures the content has been streamed and avoid bots that try to watch without actually streaming content.
4. Player must be viewable.
 - a. Through technology built into VeraPlayer, checks are made during a video view to ensure the player is visible within the browser window and not scrolled out of view, hidden, shown in background tab etc.
 - b. If a view is generated when the VeraPlayer is not viewable, the view will not be verified.
5. Suspicious activity requires manual check.

- a. While the above points outline some of the ways PoV™ technology will verify and guarantee authentic views, the system will continually monitor for suspicious or unusual viewer behaviour even if all the above checks are passed.
 - b. An example of suspicious behavior would be a video being viewed by one user repeatedly in a set period of time. While this is not necessarily a fake / invalid view, before additional views were recorded as verified, a manual input would be required by the viewer to ensure they were still watching. This manual input would be designed to avoid automatic / programmed responses from being able to pass the check (e.g. reCAPTCHA).
 - c. As our PoV™ technology gains additional data through use, any common or high frequency suspicious activities will be used to create additional, automated features in PoV™ to verify.
6. PoV™ data is publicly auditable and transparent.
- a. Veracity's technology will use advanced methods to ensure only views verified by PoV™ are counted. Views which are considered to be verified will be added to a publicly accessible database containing anonymized data regarding the views.
 - b. Veracity will provide free, open-source tools to provide transparency and accountability of the system. With these tools, users and third parties can review the data to ensure its accuracy and credibility. Although view data is anonymous, individual users can generate their own unique ID to verify views recorded for their ID are accurate and not manipulated.
 - c. To ensure that the data stored within the publicly accessible PoV™ database is bonafide untampered data, all view data is sent to Verifiers as well as to the Veracity servers. This allows Verifiers to automatically check that the data on the Veracity view database is accurate and has not been altered. The Verifier application (an open source application) automatically checks that views on the blockchain are verified and matches views on the public database. If there is any corruption or change to the data an alert notice is automatically provided.

The PoV™ system prevents multiple methods users may try to manipulate view counts and audience metrics such as:

- Automated repeated viewing of videos (looping views)
- Attempting to load multiple videos in parallel
- Loading videos in hidden windows / tabs
- Attempting to manipulate analytics without watching content
- Veracity or other party altering the views database

Benefits of Proof of View (PoV)™ Technology

Proof of View technology certifies authentic views on the Blockchain. This filters out bad actors, bots and fake views. This reassures Advertisers and Sponsors legitimacy of their investment and guarantees reach of audience. There have been many accounts of platforms distorting campaign delivery for profit and bad actors cheating using bots to increase views. With Proof of View, all views are stored on the Blockchain ledger and are transparent, building trust and confidence amongst Advertisers, Sponsors, s and Viewers.

Blockchain Infrastructure in Veracity

A ledger is a crucial component of a financial platform as it stores account balances and the transaction history. It must be maintained with utmost care and accuracy to ensure that the account balances are always correct and up-to-date.

In a system with a central authority (e.g. a bank), the ledger that is maintained by the authority is accepted to be the correct one. Without a central authority, multiple versions of the ledger can occur and this creates a problem as to which of the ledger versions is the authoritative and correct version. Using blockchain technology, a consensus can be reached as to which ledger branch is accurate.

One methodology to reach a consensus is Proof-of-Work (PoW). This is where a large amount of computing power is used to verify transactions and create new blocks on the Blockchain. While this method is able to maintain an accurate ledger, due to the large computing requirements there are limitations on transaction volumes, long transaction confirmation times, high transaction fees and a large amounts of wasted computing resources.

Another methodology is Proof-of-Stake (PoS). This does not require large amounts of computer resources to create new blocks, but instead assigns the creation of a new block to users based on the amount of the cryptocurrency they already hold. The issue with PoS is that those holding a large amount of tokens are more likely to be assigned to witness the creation a new block, whereas those users who have a low amount of the tokens are unlikely to ever be assigned to witness the creation of a new block. This means that users who hold a large number of tokens can affect blockchain performance and it is very difficult for other users to remove them in the event that they are not acting in the community's best interest.

Veracity has chosen to use an evolution of Proof-of Stake called Delegated Proof of Stake (DPoS). This method provides the fastest, most efficient and fairest mechanisms for transaction verification. In DPoS users can be elected as representatives to witness the creation of new blocks. Users can be elected as representative by other users of the system based upon a consensus of trust of that user by the community. This way even users who aren't running the full client are able to have an influence over the creation of new blocks. An elected representative can be removed by the community by voting in new representatives. This could occur in situations such as a representative failing to witness the creation new blocks.

Each user in the community has their vote influence weighted proportionally to the number of tokens they hold. This means users who own a large number of tokens have a larger say in who the elected representatives are.

To take complete control of the elected representatives a user must hold more than half of all the tokens and this is therefore less likely to occur than a single user being able to acquire a controlling position in a PoW system.

Verafiers in the Veracity DPoS

In the Veracity DPoS Blockchain, participants that can witness and verify transactions are called Verafiers. As detailed above, Verafiers are elected by users who hold VERA. Users who hold more VRA have more influence over the electing Verafiers. Veracity recognizes that Verafier diversity is key to mitigating political, legal, economic, infrastructural and other operational risks. Veracity will endeavor to provide its services across 150 countries and encourage geographic dispersion of nodes.

Verafiers are compensated with VRA for their services to the network to encourage users to become Verafier

candidates. The Verafier compensation rate is maintained at a level high enough to ensure that there is at least an order of magnitude more Verafier candidates than the number of Verafiers required in the system. This provides VRA holders with a wide choice of Verafier candidates to pick from.

Verafiers are voted for by VRA holders. Each VRA holder gets 1 vote per VRA held. The total number of Verafiers in the economy will be dictated by the number of Verafiers required so that the majority of votes have been utilized. In practice, this means that if the majority of voters vote for 20 Verafiers, 20 Verafiers will be elected. The only exception to this is if the majority of the votes go to less than the minimum number of Verafiers required in which case the top (x) Verafiers by the vote count are then elected. This approach maintains an appropriate number of Verafiers to keep the system decentralized.

To become a Verafier and be eligible to be voted in to verify transactions, a user must satisfy certain technical requirements such as:

1. The user must install the VeraWallet application.
2. The computer and the VeraWallet application must be running and online.
3. The VeraWallet application must be fully synchronized, and will keep a full copy of the Blockchain.

The Verafiers that cease to satisfy the technical requirements will:

1. Fail to verify transactions.
2. Not receive new VERA.
3. Can be voted out promptly by the VRA holders.

The Verasity Economy

VRA Token

The Verasity platform and economy is powered by VRA which is a utility token that functions as a medium exchange between participants within the Verasity ecosystem.

New VRA supply will be distributed to the community based on both the organic growth of the platform and governance via the velocity of money as explained below. VRA will be purchased by users and investors, which will drive the value of VRA.

Earning VRA as a User

Users of the Verasity Platform are able to earn VRA by engaging with the platform, primarily by watching videos. Verasity will provide additional promotional methods for users to earn VRA to facilitate growth in the ecosystem and economy. These may include:

1. Sign up reward - Initial tokens delivered upon sign up to get Viewers adopting the platform and transacting.
2. Share - Video URLs are generated and easily shared on social media. The user who shares a link can earn VRA for each signed in view generated by the link.
3. Referral - Users who convert new users receive a bonus for each new sign up.
4. Watch ads - Users who opt-in to watching advertising will earn VRA for each advert they watch.
5. Daily Bonus - the first X number of videos users watch will earn extra VRA.

Advertisers

Although the Verasity platform is not fundamentally built on advertising to succeed, it will have an opt-in advertising feature where Advertisers can pay to reach an engaged audience who have opted-in to receive an advert and are rewarded directly with VERA. In today's age, Viewers are looking for something in return from Advertisers for their time and data, otherwise they will choose to use Adblock to avoid ads. The Verasity model changes this by offering Advertisers a highly engaged audience on a Cost Per View (CPV) model, using the Proof of View Blockchain ledger to guarantee delivery and view. This circumvents industry issues in ad fraud, bot traffic, and ad-block, and offers Advertisers greater value to what they get today while Viewers directly get value (VRA) in exchange for their time and attention. Viewers in return, will spend the VRA on content which goes directly to the content provider .

Verasity's team includes advertising technology experts who understand the market and its issues in detail. Advertisers will buy VRA to spend in the ecosystem to reach their audience. They will set their budget and target audience, and every time an ad is successfully delivered, VRA will be deducted from the Advertiser wallet and go to the Viewer based on a qualified view. By removing multiple middlemen which can swallow up to 70%¹¹ of the value, the result is more cost-effective media for the Advertiser, and more value comes back into the community.

How does Community Interaction Grow the Economy and Token?

For many s and Publishers, the scale of their audience creates a community around their channel and content. The most avid members of these communities provide both direct and indirect value to the and are often their

biggest advocates. Providing additional opportunities for a community to connect and become further involved with Content s will be fundamental to the success of the Verasity economy and ecosystem.

Performance Marketers – Buy VRA to reward targeted users to watch their video and buy their product

Global Advertisers – 30 second ads from video advertising networks. Pay users in Fiat – converted to VRA and rewarded to viewers

Publishers – Earn VRA from their community. Buy VRA to use additional features and build community

Broadcasters – Use VRA for transactions on their current systems. Use Rewards and loyalty and create own token by staking VRA

The Verasity economy provides far more control and options to engage and reward their biggest fans and advocates. Through multiple monetization routes, publishers are able to effectively value their content and allow their fans to directly contribute to their earnings, without requiring the use of third party platforms. As both Viewers and s have lower barriers to engage and greater benefits in doing so, it in turn increases the likelihood of a viewer becoming part of their community and an advocate.

The above enables communities and advocates more opportunities to engage s which provides long term growth and uptake in the Verasity economy and ecosystem as a whole. In turn, this may further increases the value and velocity of VERA, the transaction volume and users within the ecosystem which fuels long term, sustainable growth.

How Users can Buy and Sell VRA

Users will be able to send popular cryptocurrencies such as BTC and ETH to VeraPay, to exchange for VRA at its current rate whilst on the platform. The management team aims to create a seamless route to enable new users in and out the economy whilst safeguarding the community and supporting local regulations.

The practical application

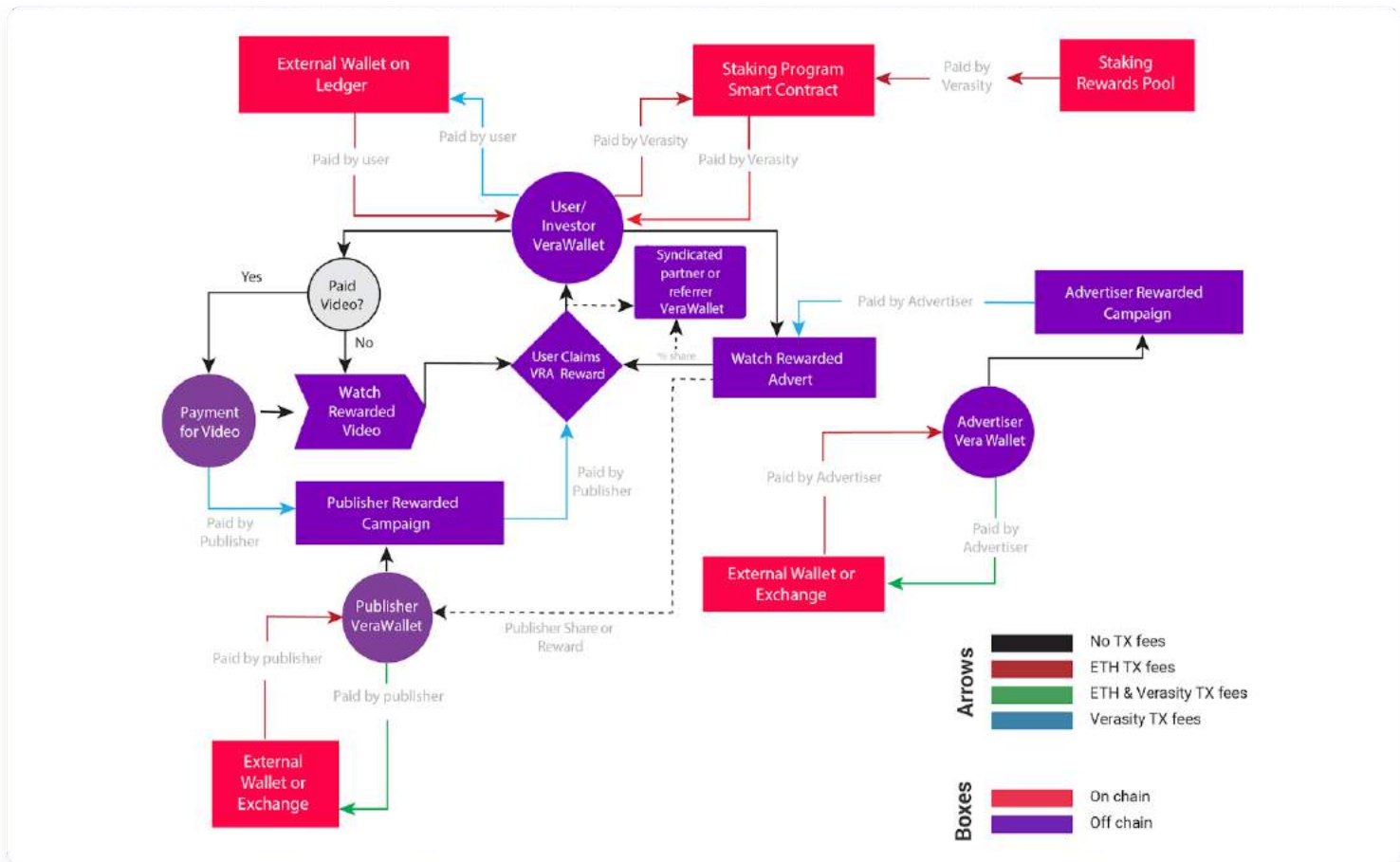
We expect people to buy VRA to:

1. Watch videos
2. To reach and reward potential customers on the network
3. Invest in VRA to hold as a long-term Investor
4. Invest in VRA as a short-term Investor

¹²<https://www.investopedia.com/terms/r/reserveratio.asp>

Built-in economic mechanisms provide for efficient recognition of value contributed to the economy, and incentivizes contributors directly which supports long-term economic growth. All payments within Veracity are made in a cryptographically secure digital utility payment coin called VRA. This removes expensive middlemen and enables direct value exchange between video Viewers, Publishers, s, Advertisers and Brands.

VERACITY ECONOMY BUILT ON ETHEREUM BLOCKCHAIN



Earning VRA Tokens

When users watch videos on a publisher's domain, they can be rewarded with VRA tokens. This is to incentivize users to watch videos on the publisher's domain, generate new traffic, and keep users engaged on the publisher's platform. Users may also earn additional tokens by referring additional viewers to the content.

Earn and Redeem Model

- We will charge publishers on an 'Earn and Redeem' model and convert revenues to VRA. Publishers will pay Veracity in order to participate within the ecosystem.
- Veracity will receive revenue from publishers that utilize Veracity's service which in turn is converted into VRA tokens and given back to the publishers to reward and incentivize their users.
- In addition, Veracity will run ads on the player and will convert the revenue generated from advertising into VRA.
- Veracity is exploring various eCommerce options, and revenue generated from that will be converted into VRA.
- The Veracity network upkeep and development will be funded by revenue from transaction fees within the economy as well as license fee revenues.

Easy Conversion for VRA Tokens

As our player has the capability to target a wide range of users, including non-crypto users, Verasity will be implementing an easy conversion method to allow users to buy VRA and exchange their earned VRA tokens. We are investigating with our legal and regulatory teams how best to provide this feature.

Holders may also be able to withdraw their VRA tokens to traditional cryptocurrency wallets and engage in market trades on their own without going through Verasity.

VRA Staking Program

VRA staking is a program to reward VRA holders by enabling users to commit their tokens into a dedicated smart contract and be rewarded in return. Holders of VRA can opt to send their tokens to the staking program and get rewarded for doing so, all from their Verasity account.

Reward Payouts: VRA rewards are calculated every 24 hours during the staking period and added to the users' wallet in their Verasity account. Each day, users will earn a minimum of 100 VRA per day, based on the minimum of 100,000 VRA staked.

The Reward Payout is calculated using a simple daily interest rate of 0.1%, which is the equivalent of 3.0% every 30 day or 36.5% per year.

Every 24 hours your reward from your stake will be visible within your Verasity account. You can then withdraw your VRA reward once you unstake your tokens and after the unlock window.

Withdrawals: There is a minimum staking time of 24 hours. After then a user may unstake their VRA. When a user chooses to unstake, there is a 72 hour 'lock out' period. For example, a user stakes 1,000,000 VRA. They start earning rewards once the VRA is received and they would generate 1,000 VRA per day until the user decides to withdraw the VRA. Then the user waits 72 hours to redeem the principal and is not earning rewards during this unlock period.

Holding: VRApool has a limited capacity, if you try to send VRA when there is no capacity, your principle VRA will be returned with no reward.

The maximum capacity for the overall Program is 2,000,000,000 VRA, therefore a user will not be able to participate in the Program if the overall Program is full and has reached capacity. The minimum number of tokens to be staked in the program per user is 100,000 VRA. The maximum number of tokens that can be locked in the Program per user is 50,000,000 VRA.

This Program is only funded by unsold tokens and discontinued 'Verifier Reward Program' tokens but may be replenished at a later date through market token buyback from a percentage of Verasity's revenue. As long as users of the Program are KYC'd by their exchanges Verasity does not require additional KYC to enter the Program. For more information:

<https://medium.com/verasity/how-to-use-verawallet-vra-staking-5b3da0c2f418>

For more information please see the T&C's. To enter this Program you will have to acknowledge the T&C's. Visit - verasity.tv
This staking pool offer is not made to US and Cayman Island residents.

Video Player Technology Powered by Verasity

Verasity's standalone Player can be white-labeled by publishers. The embeddable player works across the web with no plugin required. Users can transact using VRA, enabling publishers monetization. Standard video pre-roll will also be implemented into the player.

This provides the following tools for publishers, broadcasters and large content s with the following:

- Provides video syndication (crypto asset content)
- Provides Rewarded Promotional Videos
- Provides data collection (Cost per lead plan)
- 'Native rewarded Outstream Video Advertising'
- Targeted at publishers with a video player 'Powered by Verasity'

- Cost per lead sold by the publisher and revenue share to scale
- Provides additional revenue to content s on the publishing platform
- Provides direct interaction between advertisers and consumers
- Provides targeted advertisements for crypto ecosystem

Additional Patent filing for Rewarded Video Player

Veracity has filed a new patent in the USA for its rewarded video player which is described as below:

Apparatus and associated methods relate to a rewarded viewing video distribution system configured to reward a user for viewed video content based on presenting video content to a user, assigning the user rewards generated based on the value of the video portion viewed, and automatically presenting the user with marketplace credit to spend the rewards. In some embodiments, the viewed video portion value may be determined as a function of a predetermined reward threshold. In an illustrative example, the predetermined reward threshold may be the video percentage viewed. Various implementations may employ a reward threshold based on advertisements viewed, permitting advertisement spending adapted as a function of verified advertisement views. Some examples may reward views using a video player plug-in. Some embodiments may permit a user to spend viewing rewards on affiliated partner services or products. Various examples may advantageously provide earned rewards spendable via an integrated rewards spending gateway.

Core Team and Contributors

The team are seasoned professionals with proven track records with high performing businesses in the media, video and technology sectors. The core team have been involved in the project together since 2017. The development team and management are full time and have been collaborating together for four years.



Chris Gale - Co-Founder – Executive Management

Founder and CEO of Odyssey Mobile, Ad Tech company with successful 2014 exit to Phunware that listed on Nasdaq in 2108



David Archer – Director and Legal Counsel

Senior Partner, Pitmans, London. Over 30 years' experience in trust law, Not for Profit entities, Dispute Resolution, and Compliance



Robert Keogh – Financial Director

Specializing in SMEs within digital media, blockchain and cryptocurrency. Ex. Pillar



Max Gutchenko – Chief Technology Officer

Experienced Chief Technology Officer with a demonstrated history of working in the Internet industry. Video and Blockchain



Bhav Seera - Digital Marketing Manager

Bhav had a successful run as a content creator on YouTube as one of the first gaming channels to secure a partnership with Machinima. Since then he has honed his craft and focused on Digital Marketing, mainly on branding, content creation and strategising.



Kyrlo Bybyk - Lead Engineer, Blockchain Developer

High-load C/C++ developer with 11 years of experience. Strong background working with online video platforms with high traffic volumes. Co-inventor of Proof of View™



Anton Lukashenko - Lead Player Developer

Full-stack, JavaScript developer, video player development



Dmytro Medianik - High-load Back-End Developer and Security Engineer

High-load back-end C/C++ developer. Security/operations engineer with 10 years of experience. PJSC Nord, IT Director. Security access infrastructures will be maintained by Dmytro



Mykolai Chapny - Blockchain and Back-End Developer

Full-stack developer and blockchain enthusiast.

Project Advisors



David Orman

Spent last 15 years investing, advising and working in video technology businesses.



Scott Brown

VP Product Management, Akamai Technologies; CEO, Octoshape, Turner, Director Media Systems, AOL



Dr. Christian Jaag

Founded the Centre for Cryptoeconomics and is responsible for the economics for this project.



David Rowe

Founder Hydro66, CEO Black Green Capital, Founder Easynet Group that was sold to BSkyB, Former Managing Board Member, Sky

**Matt Heiman**

Founder of Diagonal View, exit to Sky PLC 2017, Mobix Trading, Mobix Interactive.

**Simon Wajcenberg**

Experienced Investor and Entrepreneur. Founder of North Block Capital.

**Jon Hook**

Advertising executive and entrepreneur experienced in building, launching and running mobile technology and media

**Sangjin Hong**

Entrepreneur and investor. Co-founder and CEO of Chain Cabinet a blockchain startup platform and Fund

**Christopher Keshian**

CEO of APEX Token Funds. A group who invest in crypto funds such as Pantera and Multicoine Capital. Managing Partner at Neural Capital

**Mark Ramberg**

Ex GM Media & Ent, Amazon; VP Business Dev, Akamai; Business Development, Microsoft, Filecoin

**Joel Kovshoff - Advisor**

Serving as the CEO and founder of MyICOPool; as well as being a co-founder and the CEO Athena Trading Bot, Joel is very active in the cryptocurrency community.

**Andy Long**

Blockchain and Data Centre Expert with 20 years' experience in telecoms and finance in strategy.

Investors and Partners



Blockchain Investors

NorthblockCapital.com

BLACK GREEN CAPITAL

Venture Capital

Blackgreencapital.com

cryptecon
center for cryptoeconomics

Crypto Economics Experts

cryptecon.org



Consulting Partner

mlgblockchain.com



Technology Partner

techracers.com



Tax Experts

cryptocpas.com



CDN Partner

akamai.com



Video Partner

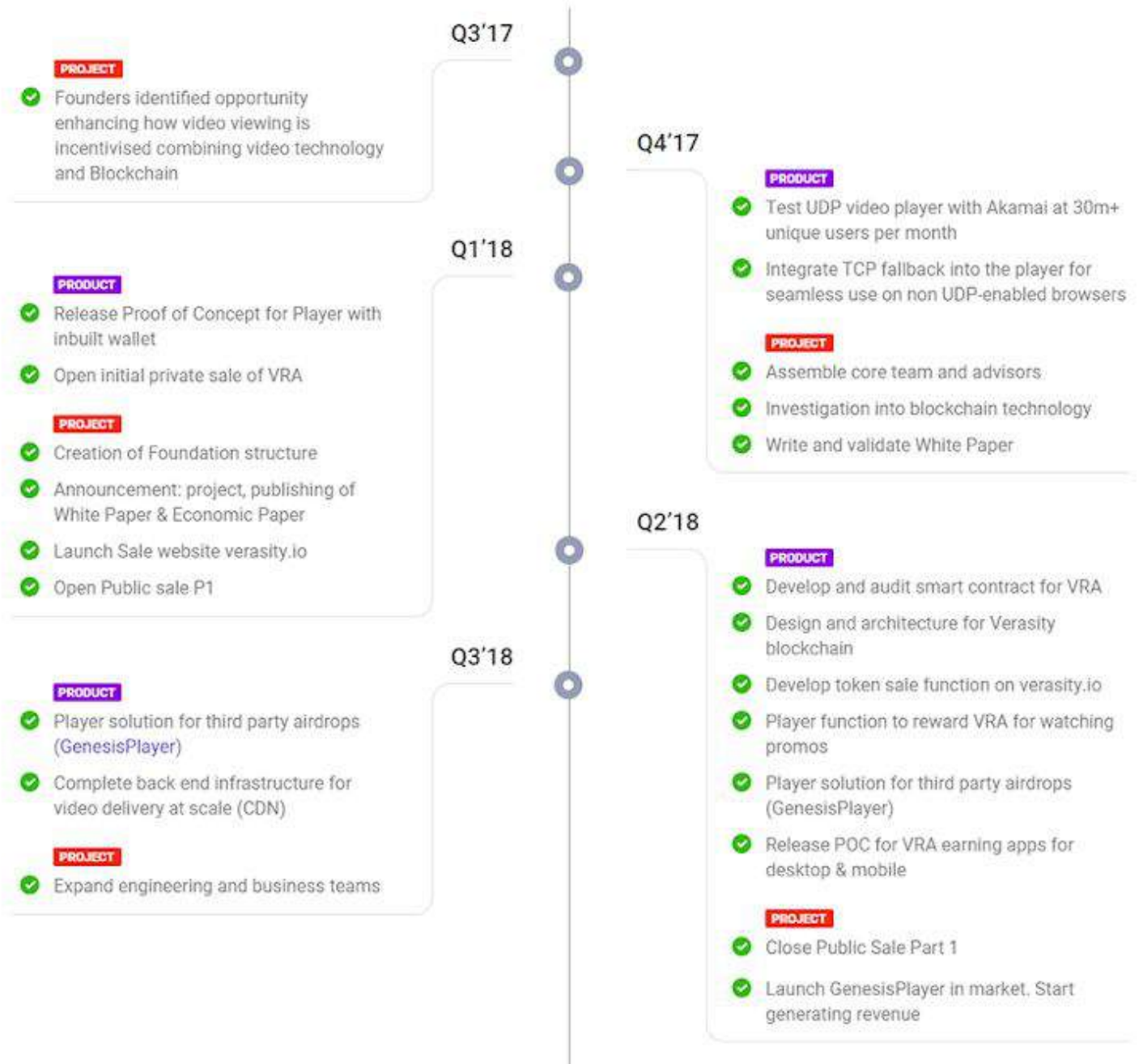
hypercube.video

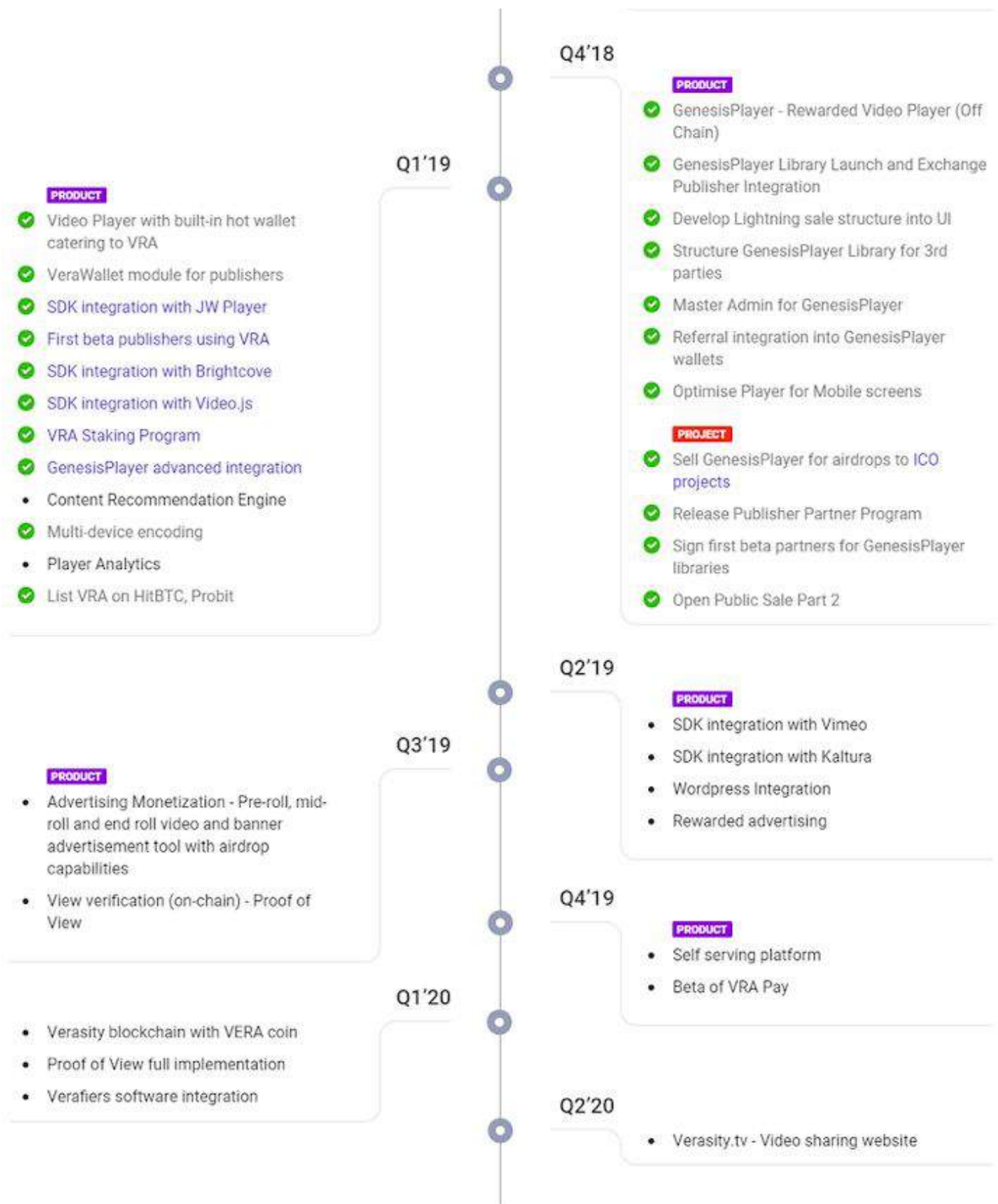


Legal Specialists

pitmans.com

Roadmap





Legal Approach

Due to concerns around unpredictability and regulation (or lack of in many markets) the team have treated the legal and administrative elements to setting up the project and raising funds very seriously. Verasity appointed a legal officer to sit on the advisory team and work closely with the rest of the Verasity Foundation advising best practices. Verasity appointed Ogier, a well-known and highly reputable legal firm that has a dedicated Digital, Blockchain and Fintech team to advise Verasity on the structure of Verasity Foundation and certain regulatory and other matters pertaining to Cayman Islands laws. Verasity has also appointed Pitmans, a well-known and highly reputable legal firm in the United Kingdom with respect to certain regulatory and other matters. In order to comply with present and/or future regulation, Verasity Foundation is opting to apply the necessary KYC/AML and accredited investor procedures during the token sale and to comply with all applicable regulations including necessary sanctions and PEP checks.

Governance and the Role of the Foundation

Verasity Foundation will be responsible for ensuring the vision of the White Paper is adhered to, funding the development of the platform and funding the support growth within the community. Verasity Foundation will be conducting the initial sale of VRA and will thereafter be monitoring Verasity to ensure the Verasity Platform is developed in accordance with the principles set out in this White Paper. Proceeds raised from the sale of VRA will remain in the Foundation and be unlocked to Verasity Technology (Cayman) Ltd Verasity Technology (Cayman) Ltd. based on predefined milestones agreed upon and validated by the Foundation. Verasity's general counsel and CEO are Supervisors of the Foundation and will validate milestones as well as the use of funds from the ICO.

The Smart Contract is audited by Tchracers.com to increase security. Verasity Foundation will make public its GitHub account which will provide:

- Smart Contract and Audit (will be also available on Etherscan)
- White Paper
- Blockchain code where applicable
- Full wallet code (Verafier app for various platforms)
- Proof-of-View (PoV™) DB parsing code
- Proof-of-View (PoV™) hash checker / hash generator

Veracity Foundation, Token Holders and Veracity

Veracity Foundation is a foundation company incorporated in the Cayman Islands under the Companies Law (Revised) and registered as a foundation company pursuant to the Foundation Companies Law, 2017. Veracity Foundation's management will be carried out by its directors. Holders of tokens are not entitled to any shares or property of the Veracity Foundation and have no rights to appoint or remove the board of directors of the Veracity Foundation.

Other than VRA generated and sold which will have utility on the Platform, all Veracity products, and improvements, platform technology and development is provided by Veracity Technology (Cayman) Ltd, a wholly owned subsidiary of Veracity Foundation. Veracity Technology may subcontract in whole or part of the development of any part of the Veracity system, platform or technology. Physically, most of the team is in the United Kingdom and Poland.

To mitigate investment risk in Veracity, prior financing is in place and the entire team and infrastructure funded to date. Current funding without additional Token Sale proceeds could take the project to completion at a slower pace to the current roadmap. The risk would not be completion but rather scaling the economy at the necessary rate to achieve sustainability.

Veracity Foundation will endeavor to conserve the value of the Token Sale proceeds and attempt to limit risks associated with unstable cryptocurrency market prices. Veracity Foundation will attempt to achieve this objective by exchanging the proceeds of the Token Sale into either fiat currencies or other assets with a history of price stability.

The Cayman Islands is a well-known and established jurisdiction in the international financial marketplace due to its stable and predictable political and legal framework, as well as its tax neutral status for international transactions. Veracity believes a Cayman domicile for the Veracity Foundation will provide for a long term period of stability. The Veracity Foundation will pay zero taxes on the transactions of the Veracity Economy. The competent court for litigation will be the courts of The Cayman Islands.

Preliminary Disclosures

The digital tokens described in this White Paper may only be used for enabling transactions associated with viewing digital content through the Veracity Platform, and such tokens have no intrinsic value and may not be redeemed except by a Content in payment for viewership of his or her work product through the Veracity Platform.

The acquisition of VRA involves a high degree of risk. Before acquiring VERA, it is recommended that each purchaser conduct their own careful examination of all relevant information and risks (including as set forth below and in additional documentation associated with the sale of VERA). If any of the following risks occurs, the Veracity Platform and VRA may be materially and adversely affected, including all VRA being rendered worthless or unusable.

While tokens may be traded through one or more cryptocurrency exchanges, there is no guarantee of value, and the token may be delisted at any time that it does not meet the listing requirements of the exchange. The cryptocurrency token market is immature, and there are numerous risks that threaten the entire category, including but not limited to regulatory risk, the potential collapse of Ethereum as a cryptocurrency, loss of the password key that enables access to a digital wallet, and the potential for bad actors to attack and steal either the content on Veracity or the contents of the digital wallets that belong to the members of the Veracity

community, owners and its viewers.

Full Risks and Legal Disclosures

1 IMPORTANT NOTICE

PLEASE READ THIS SECTION CAREFULLY. YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, AND OTHER PROFESSIONAL ADVISOR(S) BEFORE TAKING ANY ACTION IN CONNECTION WITH THIS WHITE PAPER.

This document (the White Paper) is intended to present general information regarding the planned Veracity System. In connection with the development of the System, sales of blockchain tokens may take place in one or more proposed generation and sale events of VRA (Tokens) undertaken by the Veracity Foundation Company Limited (the Token Generator) (collectively, the Token Generation). Certain terms of this document pertain to potential purchasers (each a Purchaser) in any such sale(s).

1.1 Reliance

Any Tokens are offered solely on the basis of the information contained in the terms and conditions of purchase and sale (**Terms and Conditions**). Potential Purchasers should disregard, and not rely upon, any other information or representations given or made by any dealer, broker or other person. No person is authorised to give any information or to make any representations in connection with any offering of VRA Tokens apart from those contained in the Terms and Conditions. A potential Purchaser to whom such information or representations are given or made must not rely on them as having been authorised by the Token Generator or any of its affiliates or subsidiaries.

Statements in the White Paper are generally based on the law and practice in the Cayman Islands, with certain specific statements based on the law and practice of the jurisdictions explicitly-mentioned, in each case current at the date the White Paper was issued. Those statements are therefore subject to change should the corresponding law or practice change. Under no circumstance does the delivery of the White Paper or the sale of Tokens imply or represent that the affairs of the Token Generator have not changed since the date of the White Paper.

1.2 Purchaser responsibility

Nothing contained in the White Paper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of the Token Generator. The Token Generator does not make representations or warranties of any kind with respect to the economic return from, or the tax consequences of a purchase of Tokens. Prospective Purchasers should carefully review the whole of the token sale Terms and Conditions provided along with any token sale offer. They should also consult with their legal, tax and financial advisors in relation to the following: (i) the legal and regulatory requirements within their own countries for purchasing, holding and disposing of Tokens; (ii) any foreign exchange restrictions to which they may be subject in their own countries in relation to purchasing, holding or disposing of Tokens; and (iii) the legal, tax, financial and other consequences of subscribing for, purchasing, holding or disposing of Tokens.

This White Paper is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction which are designed to protect investors. To the maximum extent permitted by applicable law, Token Generator expressly disclaims and shall not be liable for any and all responsibility for any direct or any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with (i) Purchaser's acceptance of or reliance on any information contained in the White Paper, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting therefrom.

1.3 Distribution and selling restrictions

The distribution of the White Paper and the offering or purchase of Tokens may be restricted in certain

jurisdictions. The White Paper is not intended as part of any offer, sale or distribution under the laws of any jurisdiction governing the offer or sale of securities.

The receipt of the White Paper or the accompanying Terms and Conditions does not constitute an invitation to a recipient to subscribe for Tokens in a jurisdiction where it is necessary to comply with registration or any other legal requirement to make that invitation, or the use of the Terms and Conditions, lawful. No such recipient may treat the White Paper or the accompanying Terms and Conditions as an invitation to subscribe for Tokens, nor may such recipient use the Terms and Conditions. More particularly, the White Paper does not constitute an offer or solicitation:

- by anyone in a jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so; or
- to anyone to whom it is unlawful to make such offer or solicitation.

It is the responsibility of every person in possession of the White Paper and every person wishing to apply to purchase Tokens to inform himself, herself or itself of, and to observe all applicable laws and regulations of, any relevant jurisdiction.

1.4 Forward looking information

All statements, estimates and financial information contained in the White Paper, made in any press releases or in any place accessible by the public and oral statements that may be made by Token Generator that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “aim”, “target”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “would”, “will” or other similar terms. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual events or results, performance or achievements to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

Further, the Token Generator disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

2 DISCLOSURE SCHEDULE

The acquisition of Tokens involves a high degree of risk. Before acquiring Tokens, it is recommended that each Purchaser conduct its own careful examination of all relevant information and risks about the Token Generator, Veracity Platform and Tokens and, specifically, the disclosures and risk factors set out below. If any of the following risks actually occurs, the Veracity Platform, Token and Purchaser's Tokens may be materially and adversely affected, including the Purchaser's Token being rendered worthless or unusable.

3 Disclosures regarding the White Paper

3.1 Accuracy of information, no consent of parties referenced in White Paper

This White Paper includes market and industry information and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

Save for the Token Generator and its respective directors, executive officers and employees, no person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such person in connection therewith in the White Paper and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person and such persons shall not be obliged to provide any updates on the same. Neither the Token

Generator nor Veracity Technology (Cayman) have conducted any independent review of the information extracted from third party sources, verified the accuracy or completeness of such information or ascertained the underlying economic assumptions relied upon therein. Consequently, neither Token Generator nor its directors, executive officers and employees acting on its behalf makes any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same

3.2 Terms used

To facilitate a better understanding of Tokens being offered for purchase by the Token Generator, and the businesses and operations of the Token Generator, certain technical terms and abbreviations, as well as, in certain instances, their descriptions, have been used in the White Paper. These descriptions and assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

3.3 Restrictions on distribution and dissemination of White Paper

The distribution or dissemination of the White Paper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of the White Paper or such part thereof (as the case may be) at your own expense and without liability to the Token Generator.

Persons to whom a copy of the White Paper has been distributed or disseminated, provided access to or who otherwise have the White Paper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute the White Paper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

3.4 Language of White Paper

This White Paper may have been prepared in multiple languages. In the event of any inconsistencies between one version and another, the English language version shall prevail.

4 Disclosures regarding Tokens

4.1 Nature of Tokens

(a) Token is a utility token

Tokens are digital utility tokens that afford Token holders to access the Veracity Platform and/or execute certain functions on the Veracity Blockchain. Tokens do not represent a loan to Token Generator nor do they provide Purchaser with any ownership or other interest in or to Token Generator. For greater certainty, the purchase of Tokens does not provide Purchaser with any form of ownership right or other interest in or to Token Generator or Veracity or its present or future assets and revenues, including, but not limited to, any voting, distribution, redemption, liquidation, revenue sharing, proprietary (including all forms of intellectual property), or other financial or legal rights.

4.2 Tokens are non-refundable

Other than instances described in the Terms and Conditions, if any, Token Generator is not obliged to provide Token holders with a refund for any reason, and Token holders will not receive money or other compensation in lieu of a refund. Statements set out in the White Paper are merely expressions of the Token Generator's objectives and desired work plan to achieve those objectives. and no promises of future performance or price are or will be made in respect to Tokens, including no promise of inherent value, and no guarantee that Tokens will hold any particular value.

4.3 Tokens are provided on an “as is” basis

Tokens are provided on “as is” basis. The Token Generator and Veracity and each of their respective directors, officers, employees, shareholders, affiliates and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding Tokens, including any warranty of title, merchantability or fitness for a particular purpose or any warranty that Tokens and Veracity Platform will be uninterrupted, error-free or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by applicable law, the Token Generator and Veracity and each of their respective directors, officers, employees, shareholders, affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealings, usage or trade.

4.4 Not an offering of securities, commodities or swaps

The sale of Tokens and Tokens themselves are not securities, commodities, swaps on either securities or commodities, or a financial instrument of any kind. Purchases and sales of Tokens are not subject to the protections of any laws governing those types of financial instruments. This White Paper and all other documents referred to in the White Paper including the Terms and Conditions do not constitute a prospectus or offering document, and are not an offer to sell, nor the solicitation of an offer to buy an investment, a security, commodity, or a swap on either a security or commodity.

4.5 Non-Investment purposes

Purchaser acknowledges and agrees that Purchaser is not purchasing Tokens for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes. Tokens are not designed for investment purposes and should not be considered as a type of investment.

4.6 Tokens may have no value

4.7 Force majeure

The Token Generation and the performance of the Token Generator’s activities set out in White Paper development roadmap may be interrupted, suspended or delayed due to force majeure events. For the purposes of the White Paper, a force majeure event shall mean any extraordinary event or circumstances which could not be prevented by Token Generator and shall include: hardware, software or other utility failures, changes in market forces or technology, software or smart contract bugs, changes in blockchain-related infrastructures, 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 or other circumstances beyond Token Generator's control, which were not in existence at the time of Token Generation. Purchaser understands and agrees that Token Generator shall not be liable and disclaims all liability to Purchaser in connection with a force majeure event.

4.8 Insurance

Unlike bank accounts or accounts at financial institutions, Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by Token Generator to offer recourse to Purchaser.

5 Governmental disclosures

5.1 Risk of unfavorable regulatory action in one or more jurisdictions

The regulatory status of cryptographic tokens, digital assets, and blockchain technology is undeveloped, varies significantly among jurisdictions and is subject to significant uncertainty. It is possible that certain jurisdictions may adopt laws, regulations, policies or rules directly or indirectly affecting the Bitcoin and Ethereum network, or restricting the right to acquire, own, hold, sell, convert, trade, or use Tokens. Developments in laws, regulations, policies or rules may alter the nature of the operation of the blockchain

network upon which Tokens are dependent. There can be no assurance that governmental authorities will not examine the operations of the Token Generator and Verasity and/or pursue enforcement actions against the Token Generator and Verasity. All of this may subject the Token Generator and Verasity to judgments, settlements, fines or penalties, or cause the Token Generator and Verasity to restructure their operations and activities or to cease offering certain products or services, all of which could harm the Token Generator and Verasity's reputation or lead to higher operational costs, which may, in turn, have a material adverse effect on Tokens and/or the development of the Verasity Platform.

5.2 Purchaser bears responsibility of legal categorisation

There is a risk that Tokens might be considered a security in certain jurisdictions, or that they might be considered to be a security in the future. The Token Generator does not provide any warranty or guarantee as to whether Tokens will be a security in the jurisdiction of the Purchaser. Each Purchaser will bear all consequences of Tokens being considered a security in their respective jurisdiction. Every Purchaser is responsible to confirm if the acquisition and/or disposal of Tokens is legal in its relevant jurisdiction, and each Purchaser undertakes not to use Tokens in any jurisdiction where doing so would be unlawful. If a Purchaser establishes that the purchase or use of Tokens is not legal in its jurisdiction, it should not acquire Tokens and immediately stop using or possessing Tokens. Acquiring Tokens in exchange for cryptocurrencies will most likely continue to be scrutinized by various regulatory bodies around the world, which may impact the usage of Tokens. The legal ability of the Token Generator to provide or support Tokens in some jurisdictions may be eliminated by future regulation or legal actions. In the event the Token Generator determines that the purchase or usage of Tokens is illegal in a certain jurisdiction, the Token Generator may cease operations in that jurisdiction, or adjust Tokens or the Verasity Platform in a way to comply with applicable law.

5.3 Purchaser bears responsibility for complying with transfer restrictions

Tokens may be placed on third-party exchanges, giving future purchasers and users an opportunity to openly buy Tokens. A user seeking to enter the Verasity Platform following the Token Generation will have to buy Tokens on such exchanges. Conversely, Tokens may be sold on such exchanges if the holder of Tokens would like to exit the Verasity Platform ecosystem. Existing laws on the circulation of securities in certain countries, such as the United States of America, Canada and Singapore, may prohibit the sale of Tokens to the residents of those countries. When buying Tokens, Purchaser should be aware of the restrictions on their subsequent sale.

6 General security risks

6.1 Risk of theft and hacking

Token generation events and initial coin offerings are often targeted by hackers and bad actors. Hackers may attempt to interfere with the Purchaser's private key storage device or digital wallet Digital Wallet, the Verasity Blockchain or the availability of Tokens in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks. Any such attack may result in theft of Purchaser's Tokens.

6.2 Private keys

Tokens purchased by Purchaser may be held by Purchaser in Purchaser's digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private key(s) associated with Purchaser's digital wallet or vault storing Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet or vault service Purchaser uses, may be able to misappropriate Purchaser's Tokens. Token Generator is not responsible for any such losses.

6.3 Exchange risks

If Purchaser sends cryptocurrencies to the Token Generator from an exchange or an account that Purchaser does not control, Tokens will be allocated to the account that has sent such cryptocurrency; therefore, Purchaser may never receive or be able to recover Purchaser's Tokens. Furthermore, if Purchaser chooses to

maintain or hold Tokens through a cryptocurrency exchange or other third party, Purchaser's Tokens may be stolen or lost.

6.4 Risk of incompatible wallet services

The wallet or wallet service provider used for the storage of Tokens has to be technically compatible with Tokens. The failure to assure this may result in the Purchaser not being able to gain access to its Tokens.

6.5 Risk of weaknesses or exploitable breakthroughs in the field of cryptography

Advances in cryptography, or other technical advances such as the development of quantum computers, could present risks to cryptocurrencies, Ethereum and Tokens, which could result in the theft or loss of Tokens.

6.6 Internet transmission risks

There are risks associated with using Tokens including, but not limited to, the failure of hardware, software, and internet connections. The Token Generator shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when using the Veracity Platform and Tokens, howsoever caused. Transactions in cryptocurrencies may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. cryptocurrency transactions are deemed to be made when recorded on a public ledger, which is not necessarily the date or time when the transaction is initiated.

7 Veracity Platform disclosures

7.1 No guarantee that Veracity Blockchain will be developed

Purchaser acknowledges, understands and agrees that Purchaser should not expect and there is no guarantee or representation or warranty by Token Generator that: (a) the Veracity Platform will ever be adopted; (b) the Veracity Platform will be adopted as developed by Token Generator and not in a different or modified form; (c) a blockchain utilizing or adopting the Token Generator will ever be launched; and (d) a blockchain will ever be launched with or without changes to the Veracity Platform and with or without a distribution matching the fixed balances of the initial tokens distributed under the Token Sale.

7.2 Risks associated with the Veracity and Ethereum blockchains and associated software and/or infrastructure.

(a) **Malfunctions** - The initial iteration of the Tokens are based on the Ethereum blockchain. As such, any malfunction, unintended function or unexpected functioning of the Ethereum infrastructure may cause Tokens and/or the Veracity Platform to malfunction or function in an unexpected or unintended manner.

(b) **Bugs and weaknesses** - The Ethereum blockchain rests on open source software, and accordingly there is the risk that the token smart contract pertaining to the initial iteration of Tokens may contain intentional or unintentional bugs or weaknesses which may negatively affect Tokens or result in the loss or theft of Tokens or the loss of ability to access or control Tokens. In the event of such a software bug or weakness, there may be no remedy and Token holders are not guaranteed any remedy, refund or compensation.

(c) **Delays and congestions** - On the Ethereum blockchain (which is used for the Token Sale) timing of block production is determined by proof of work so block production can occur at random times. For example, Ether contributed to the Veracity Blockchain in the final seconds of a distribution period may not get included for that period.

Purchaser acknowledges and understands that the Ethereum blockchain may not include the Purchaser's transaction at the time Purchaser expects and Purchaser may not receive Tokens the same day Purchaser sends Ether. The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens. Purchaser acknowledges and understands that Ethereum block

producers may not include Purchaser's transaction when Purchaser wants or Purchaser's transaction may not be included at all.

7.3 Irreversible nature of blockchain transactions

Transactions involving Tokens that have been verified, and thus recorded as a block on the blockchain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Token, the transaction is not reversible. Further, at this time, there is no governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrencies. Consequently, the Token Generator may be unable to replace missing Tokens or seek reimbursement for any erroneous transfer or theft of Tokens.

7.4 Amendments to infrastructure

The development team and administrators of the source code for Ethereum blockchain or the Veracity Blockchain could propose amendments to such network's infrastructures and software that, if accepted and authorized, or not accepted, by the network community, could adversely affect the supply, security, value, or market share of Tokens.

7.5 Risk of mining attacks

As with other decentralized cryptocurrencies, the Ethereum blockchain, which is used for the initial tokens sold under the Token Sale, is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks and race condition attacks. Any successful attack presents a risk to Tokens, including the expected proper execution and sequencing of Tokens and Ethereum contract computations in general. Despite the efforts of the Token Generator and Ethereum Foundation, the risk of known or novel mining attacks exists. Mining attacks, as described above, may also target other blockchain networks, with which Tokens interact with and consequently Tokens may be impacted also in that way to the extent described above.

8 Token Generator disclosures

Because Tokens confer no governance rights of any kind with respect to the Token Generator, all decisions involving the Token Generator's products or services within the platform or Token Generator itself will be made by Token Generator at its sole discretion. These decisions could adversely affect the platform and the utility of any Token you own.

8.1 Dependence on management team

The ability of the Veracity Platform project team, which is responsible for maintaining competitive position of the Veracity Platform, is dependent to a large degree on the services of a senior management team. The loss or diminution in the services of members of such senior management team or an inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the Veracity Platform. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this competition may seriously affect the Token Generator's ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the Veracity Platform.

8.2 Risks related to reliance on third parties

Even if completed, the Veracity Platform will rely, in whole or partly, on third-parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third-parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, any of which might have a material adverse effect on the Veracity Platform.

8.3 Insufficient interest in the Veracity Platform and Tokens

It is possible that the Veracity Platform or Tokens will not be used by a large number of individuals, businesses and organizations and that there will be limited public interest in the creation and development of its functionalities. Such a lack of interest could impact the development of the Veracity Platform.

8.4 Veracity Platform development risks

The development of the Veracity Platform and/or Veracity Blockchain may be abandoned for a number of reasons, including lack of interest from the public, insufficient funding, insufficient commercial success or prospects or departure of key personnel.

8.5 Changes to Veracity Platform

The Veracity Platform is still under development and may undergo significant changes over time. Although the Token Generator and Veracity intend for the Veracity Platform to have the features and specifications set forth in the White Paper, changes to such features and specifications may be made for any number of reasons, any of which may mean that the Veracity Platform does not meet expectations of the Purchaser.

8.6 Other projects

The Platform may give rise to other, alternative projects, promoted by parties that are affiliated or unaffiliated with the Token Generator and Veracity, and such projects may provide no benefit to the Veracity Platform.

8.7 Disclosures relating to conflicts of interest

Any of the Token Generator and Veracity may be engaged in transactions with related parties and conflicts of interest may arise, potentially resulting in the conclusion of transactions on terms not determined by market forces.

9 Other disclosures

Purchases of Tokens should be undertaken only by individuals, entities, or companies that have significant experience with, and understanding of, the usage and intricacies of cryptographic tokens, including Ether, and blockchain based software systems. Purchaser should have a functional understanding of storage and transmission mechanisms associated with other cryptographic tokens. While the Token Generator will be available to assist purchasers of Tokens during the sale, the Token Generator will not be responsible in any way for loss of BTC, ETH or Tokens resulting from actions taken by, or omitted by purchasers. If you do not have such experience or expertise, then you should not purchase Tokens or participate in the sale of Tokens. Cryptographic tokens such as Tokens are a new and untested technology. In addition to the risks included above, there are other risks associated with your purchase, possession and use of Tokens, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed above.

Appendix

Decentralization and the rise of Cryptocurrency

Blockchains verify transactions using distributed trusted non-alterable infrastructures based on cryptographic mathematics, rather than a centralized trusted authority such as PayPal or a bank. It offers the proof that the database (Blockchain) is secured across an unlimited number of computers without a single authority controlling or verifying the authenticity of the data. This allows one internet user to transfer a unique piece of digital property to another internet user in a safe, secure and transparent way, without the need for either party to know or trust the other. This network of distributed trust is a significant advance that will replace much of what we think is the internet now: payments systems, online banking, content management and most aspects of what constitutes a transaction today.

This technology offers vast opportunities and promises to revolutionize many industries. With a blockchain, an unlimited number of users can write permanent entries into a ledger, stored on multiple servers, yet no one person or entity controls that information or can rewrite it. This enables the decentralization of resource management and price allocation with the potential to remove middlemen, increasing the value to the counter-parties.

In 2008 during the financial crisis, Bitcoin was born as the first real use case for blockchain technology in the form of a peer-to-peer digital currency. Since then thousands of new cryptocurrencies have emerged. These technology innovations have also facilitated the creation of Smart Contracts which facilitate the performance and verification of contractual obligations without third party verification. Together these technologies create a scalable, low cost economic ecosystem that allow a wide array of transactions like micropayment gratuities, goods and service purchases, and even advanced concepts like crowdsourcing funding initiatives, instead of traditional mechanisms like venture capitalists or private equity and banks.

The total value of the cryptocurrency market stands at \$500 billion and there were 21.5 million Blockchain Wallets in Q4 2017¹⁵. We are seeing mass adoption by users and the perceived value of digital tokens evolving quickly. Projects such as Steemit have been leading the way in creating a new type of value exchange between s and Readers, in exchange for digital tokens which can be exchanged for fiat currency. The emergence of this technology has paved the way to disrupt existing digital platforms and significantly shift market mechanisms to favor the community rather than large organizations.

Why Veracity uses Servers, not Peer-to-Peer (P2P) Networks

99% of users of all decentralized economies rely on external centralized tools such as email and web browsers. Veracity utilizes an online video platform as a tool however, the Veracity economy can scale to utilize other platforms in the future.

Veracity has chosen an OVP structure utilizing new technology to be able to distribute any library anywhere at any time in high quality.

Veracity will not require a P2P content delivery network. In order to provide fair access to content, so all s and Viewers can exchange value in the platform, content must be distributed equally.

At this time Veracity believes there are fundamental issues with a system reliant on P2P.

Practical Implementation of DPoS

While all users who own tokens are able to vote towards representatives, not all users who are voted for will be elected. As there is a finite number of representatives needed, only some users who receive votes are elected. The users with the highest number of votes are elected (e.g. the top 10 users with the most votes). The number of elected representatives required is decided by the users who vote.

If a user does not allocate their votes to others, those votes are considered to be applied to the user. Votes stay allocated until they are manually changed by the user and at the creation of the next block.

While users are not required to vote, it provides all token holders the ability to influence which users witness the creation of new blocks. This reduces the likelihood of any single user gaining control over who witnesses the creation of new blocks.

Total Addressable Market of Online Video

Online video is intertwined with the online ecosystem and continues to grow. A Cisco report expects 82% of all consumer internet traffic to be video by 2021. The CEO of Cisco predicts that the Internet of Things will create \$19 Trillion in the 2014-2024 period and that the impact of the Internet of Things will be around 5 times greater than the traditional Internet. This suggests that the traditional internet will create \$3.8T in the period or around \$380B per year. As stated above, 82% of the consumer internet traffic will be video by 2021 and therefore the annual value of online video's addressable market will be approximately \$312B.

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Definitions

Content Provider: An individual, Corporate Video Publisher or Broadcaster who creates or owns video content to share on their own online video channel to generate both views and revenue from their audience. In this document and Publisher are used interchangeably

CDN: Content Distribution Network, or a distributed network of servers that consumers connect to in order to receive video. The servers are normally positioned close to the end user and are normally deployed at scale to provide higher quality video experiences

Digital Wallets: Desktop Application wallet and Web wallet with an API into Player, both used to hold VERA

Economy: Verasity ecosystem in which VRA, the Verasity token, is utilized for transactions

GenesisPlayer: Rewarded Video Player, Uploader, CDN and components that make up the online video player. This technology is already operating and available for implementation

Management: Core team listed in this White paper

OVP: Online Video Platform including uploader, player and CDN network

Publisher: A company that distributes video content across multiple channels and mediums to maximise both views and revenue from their audience.

Proof of View (PoV™): Proof of View implementation on the Blockchain and patent pending as further described in the “Proof of View” section below

Verasity Foundation: Verasity Foundation Company Limited, a Cayman Islands foundation company registered under the Cayman Islands Foundation Companies Law, 2017, which has been incorporated to support the Verasity Economy and Platform as per this white paper

VeraPlayer: Video Player, Uploader, CDN and components that make up the technology licensed by Verasity and to be made available to the Verasity community and economy. This technology is already operating and available.

VeraWallet: The wallet built into the video player that holds VRA and other digital tokens: verawallet.tv

VRA: A cryptographically secured digital utility token which will be created and used within the Verasity Video Ecosystem and Economy and verified on the Verasity Blockchain

Verasity Blockchain: The Blockchain network that uses Delegated Proof of Stake consensus. It will generate VRA and confirm transactions for the Verasity Video Ecosystem and Economy as further described in the “Blockchain” section below

VeraPay: Ecosystem infrastructure to buy and sell VERA, as well as facilitate commercial transactions in the system between Consumers, Advertisers and Content s/Publishers

Verasity: Verasity Technology (Cayman) Ltd, a company incorporated under the laws of the Cayman Islands

Verafier: An elected representative within the Verasity Delegated Proof of Stake system who witnesses and creates new blocks on the Blockchain

Verasity Site: verasity.io