A DECENTRALIZED TRUST PROTOCOL FOR DOMAINS & PUBLISHERS

KIND ADS
BY THE LEADCHAIN FOUNDATION

EXECUTIVE *SUMMARY*

The Leadchain Foundation is launching the Kind Ads Protocol, a decentralized protocol on the Ethereum blockchain that improves how publishers and advertisers engage online (the "Kind Ads Protocol").
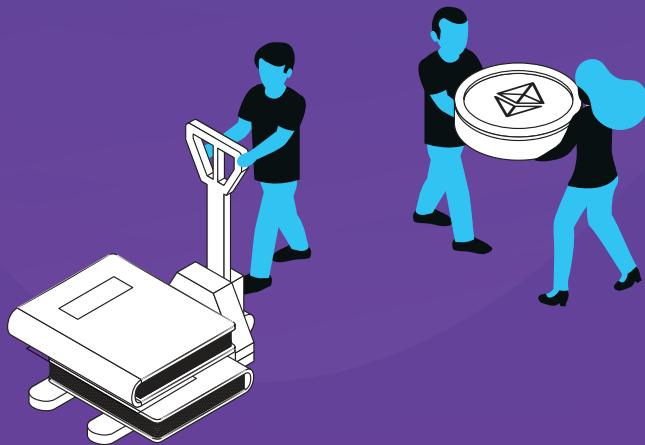
A core component of the Kind Ads Protocol is a blockchain-based scoring system (the "Kind Ads Score") that ranks publishers and domain names based on how much they are trusted by their users.

Advertisers can use this trusted domain score to identify and advertise on the highest quality publishers in their niche.

The Kind Ads Protocol enables publishers to market directly to their audience in a less intrusive fashion - using more natural communication channels like e-mail, push notifications and chat - eliminating the need for annoying and intrusive display ads.

Additionally, applications built on top of the Kind Ads Protocol can provide users with a global opt-out list and enable users to be compensated if they do choose to receive marketing messages.

Perhaps most importantly, the Kind Ads Protocol, together with its applications (together, the "Kind Ads Ecosystem"), facilitates this functionality without the 30%+ fees charged by most advertising middlemen.

There are 4 primary players in the Kind Ads Ecosystem:

USERS

Users are individuals that visit publisher sites in search of information

PUBLISHERS

Publishers are content creators that manage online destinations for users to acquire information

ADVERTISERS

Businesses that are willing to exchange capital for the attention of users

APP PARTNERS

Technology providers that provide publishers with ad serving technology in various formats (push notifications, etc)

> *Each of these ecosystem participants are poorly served with the current status quo of ad networks, data monopolies (like Google and Facebook) and display ads.*

USERS ARE BARRAGED WITH ANNOYING AND IRRELEVANT ADS

User data has become commoditized and is bought and sold with little regard for privacy, relevance, or effectiveness. While there are regulations that provide some protection, these laws can often be vague, hard to understand, and in many cases impossible to actually enforce.

As such, ethical advertisers and publishers have steered away from exchanging customer information - which in turn has lowered the overall message quality drastically. Users end up with a high quantity of poorly targeted irrelevant messages, and have no way of tracking down the source where they initially provided their contact information (for example, they end up subscribed to lists they never signed up for because someone sold their email information).

PUBLISHERS FIND IT DIFFICULT TO MAKE MONEY FROM THEIR TRAFFIC

The most effective way for publishers to drive traffic is by building a following - whether that is via email, push notifications, or otherwise. Publishers also know first hand that having a direct line of communication with a subscriber is much more valuable than just having a visitor to a single page on their sites. That's why so many publishers attempt to convert visitors to subscribers - because in the long run, each

subscriber is going to be worth substantially more than a typical visitor because a subscriber has opted in to a direct line of communication.

However, there is a disconnect between the effectiveness of a subscriber for a publisher and the effectiveness of a subscriber for an advertiser. Despite the known value of a subscriber base, most publishers continue to rely on display / banner ads as their primary source of revenue - in other words, they are monetizing their subscribers indirectly as follows:

- **Visitor subscribes to publisher**
- **Publisher drives subscriber to its own site**
- **Subscriber sees a display ad**
- **Advertiser compensates publisher for their ad being seen Rather than relying on a direct model:**
- **Visitor subscribes to publisher**
- **Publisher drives subscriber to advertiser's site**
- **Advertiser compensates publisher for conversion or for traffic**

There are exceptions to this rule, but they generally fall into two categories

1 Publishers that also sell their own digital or physical products are typically very effective at realizing the value of their subscriber base

2 Publishers with large sales teams that can convince advertisers of the effectiveness of tapping directly into their subscriber base can sell campaigns on an ad-hoc basis

So what is stopping publishers from capitalizing on their subscriber base directly, rather than relying on the less effective indirect model based on display advertising? It boils down to two things:

I Publishers have no way of signalling to advertisers the true quality of their subscriber/lead base - there is no straightforward way for advertisers to distinguish between publishers who have a high quality subscriber base (those who are likely to convert effectively for the advertiser) from Publishers who have a low quality, disengaged subscriber base

II There is no widely used platform where publishers can easily sell access to their subscriber base to Advertisers. With display advertising, there are major, centralized marketplaces where advertisers and publishers can interact

without establishing prior relationships (Google Display Network, Facebook) This is why only publishers with large sales teams can capitalize on the direct model on subscriber access. In order to move to a model where they can directly capitalize on their subscriber base, they first need to establish relationships with advertisers and demonstrate the quality of their subscriber base, both of which require trust and a large sales team.

ADVERTISERS CAN'T ACCESS THE MOST EFFECTIVE AD FORMATS AT SCALE

Most advertisers are forced to rely on banner & display advertising rather than tapping into the effectiveness of publisher subscriber bases because they have no way of sorting the good from the bad.

In certain industries (finance, insurance, real estate, certain b2b markets) where conversion values are very high, there is a good deal of lead buying/selling that occurs - however, even in these niches where buying leads can be profitable for an advertiser, asymmetric information between the seller and buyer of leads causes the classic economic problem of adverse selection. This in turn causes a vicious cycle of declining lead quality and lower prices - until we end up where we are today, where leads/subscribers are commodity objects that sell based on having the lowest prices (as opposed to the highest quality).
This is why, in an industry like mortgage loans for example, where a single lead can potentially be worth tens or hundreds of thousands of dollars, leads still go for only a few dollars a piece.

It's also why most industries aren't subscriber/lead centric, even though directly contacting subscribers of a quality publisher (especially if the messaging is targeted) tends to be more effective than display advertising. Access to a pool of generic, lower quality subscribers/leads typically generate a poor ROI for an advertiser, but there's no real way for an advertiser to judge that a certain pool of subscribers is targeted or high quality other than building a relationship with the publisher.
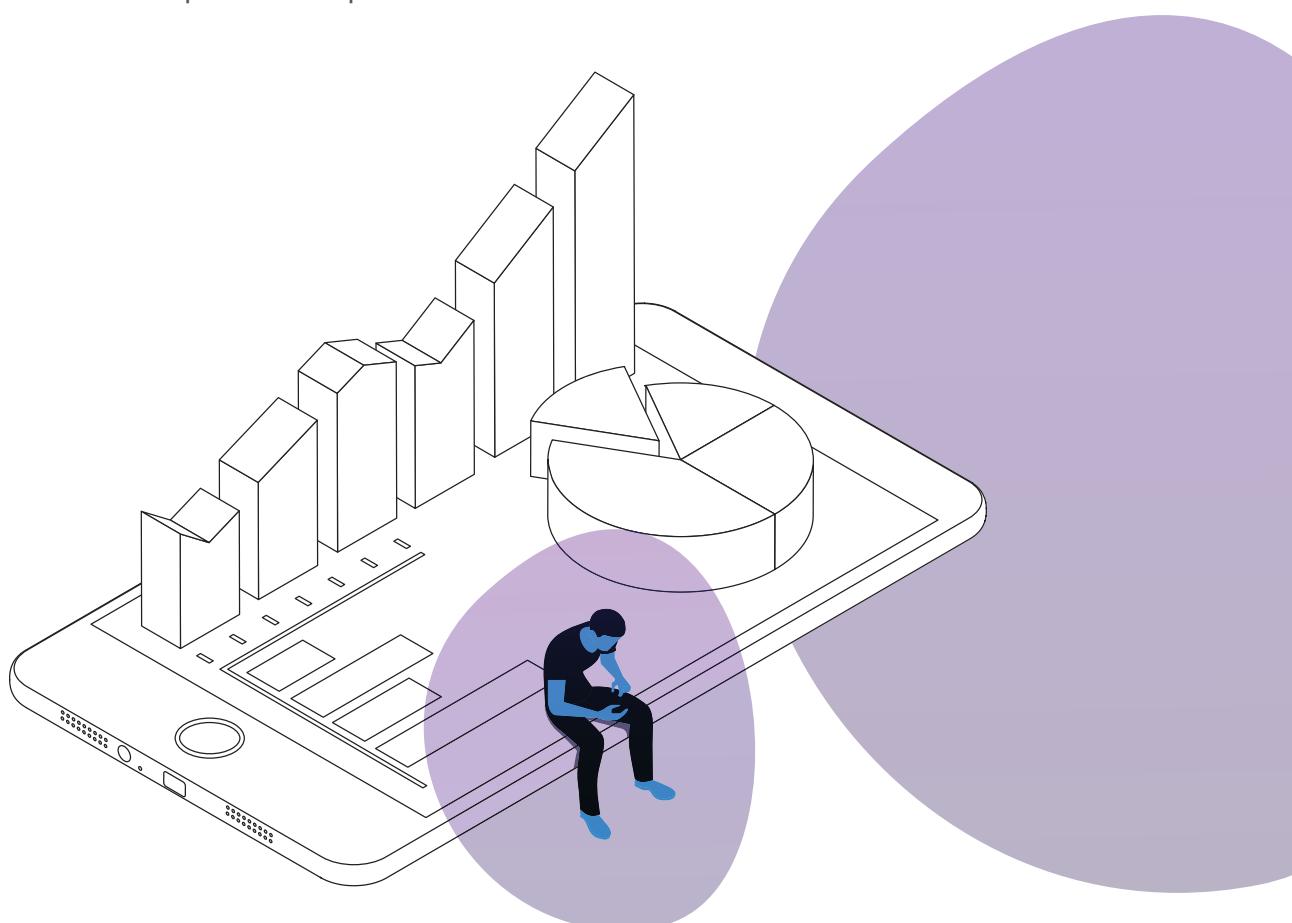
Leads are also constantly decreasing in quality as subscriber contact details are traded back and forth. A high quality, targeted subscriber/lead, when sold and targeted with enough volume of irrelevant offers, becomes an increasingly low quality lead.
By relying on display advertising, the advertiser is monetizing the subscriber base indirectly by paying for traffic, and the publisher can 'monetize' their subscriber base by using them to drive traffic. The issue with this model is the advertiser is completely missing out on the benefits of direct subscriber communication, which tends to be dramatically more effective than passive display advertising.

APP PARTNERS CAN'T SCALE WITHOUT BUILDING A MARKETPLACE

In the current landscape, ad technology providers who innovate and develop new communication/messaging channels face significant barriers to success, the most acute of which is reaching the tipping point of adoption where they can become profitable. Even in cases where these new communication channels are liked and preferred by early adoption users, ad technology providers are met with the difficult task of attempting to get major publishers and/or advertisers to adopt the technology. Ultimately, it doesn't make sense for publishers and advertisers to tap into new channels until there are enough users who are active and receptive to these channels, but widespread user adoption is extremely difficult to attain without the backing of major publishers and advertisers. It's a classic catch-22.

In addition to the hurdles app providers face in order to reach the critical mass required to viable, successful or popular innovations are often copied or co-opted by both existing and new competitors almost immediately. App providers often have to dedicate a large amount of resources towards chasing user, publishers, and advertiser adoption, which in turn slows down development and improvement in the channel itself. As soon as a new channel is seen as having potential, it becomes a race towards widespread adoption. Ultimately, time spent on chasing publisher and advertiser adoption is time not spent on the product itself.

THE *KIND ADS SOLUTION*

The vision of The Leadchain Foundation is to build a better bridge between publishers, advertisers, users, and app providers. Kind Ads has been in development for over a year with a focus on (a) launching a decentralized push notification network and (b) onboarding an engaged set of publishers and advertisers. The Leadchain Foundation believes that push notifications is one of the highest converting ad formats and has the potential to help publishers earn dramatically more income from their content while annoying users less than traditional display and pop-up ads. As a pioneer in developing new digital advertising technologies, the Kind Ads Ecosystem will provide the necessary tools and platform for addressing existing market inefficiencies.

Key features of the Kind Ads Ecosystem will include:

- **A decentralized quality and reputation score for domains and publishers**

- **All publishers will be scored via an algorithm on the Kind Ads Protocol that is primarily based on historical campaign effectiveness and information provided by various oracles such as Google Analytics.**

  Publishers can boost their Kind Ads Score through third party staking as well as by linking various trusted sources of data. Off-platform advertisers, other publishers, and engaged subscribers/visitors can reputationally 'back' a new publisher to improve their initial Kind Ads Score. Once an initial campaign has been run, the Kind Ads Score will be adjusted based on the effectiveness of the campaign

- **Publishers can also run their own internal campaigns to boost their Kind Ads Score by demonstrating high open/click/conversion rates on direct publisher to subscriber communication**

- **Advertisers can identify high quality publishers to work with and rent their subscriber bases - alternatively, advertisers who are more interested in traditional display ads outside of subscriber access campaigns can also use a publisher's Kind Ads Score as a signal of a highly engaged and active audience**

- **Kind Ads Scores will also be affected by new subscribers and opt-outs**

- **High quality publishers will be able to monetize more effectively by providing direct access to a high quality subscriber base**

- **Scoring will initially be focused on domains, but over time will expand to mobile applications as well**

A DECENTRALIZED NETWORK FOR ADVERTISERS TO TRANSACT WITH PUBLISHERS TO GAIN SUBSCRIBER ACCESS

- Currently, there is no place to go if advertisers want to run a direct advertising campaign targeted to subscribers across multiple publishers. The lead generation/subscriber access industry relies primarily on publisher sales teams generating relationships with advertisers - the industry is extremely opaque and there is no 'marketplace' to speak of outside of a few centralized niche platforms dedicated to specific industries

- The Kind Ads Ecosystem will allow publishers and advertisers to come together in a transparent way, where subscriber access is exchanged ethically, and where effectiveness can be tracked quickly and accurately using the Kind Ads Protocol. Advertisers will be able to find the publishers based on subscriber quality and run campaigns with confidence, and high quality publishers will be able to monetize more effectively by signalling historical effectiveness and providing direct subscriber access

A TOKENIZED REWARDS POOL

- Users will be able to specify exactly how they allow their data to be used, and will be incentivized to grant publishers (and advertisers) more access via token rewards. As an example, a user who grants the publisher the right to let a third party advertiser market to them would be rewarded with more tokens than a user who grants the publisher only the right to market to them directly with no third party marketing allowed

- The higher quality a user is as a lead for advertisers, the more advertisers will compensate publishers, and in turn the user will also be rewarded more. This incentivizes the user to be engaged and active as a subscriber

- The Kind Ads Ecosystem is also expected to allow the user to 'sell' themselves as a lead. For example, if a user is looking specifically for a product or service in an industry with high lead values, he/she may be able to act as both the lead source and the lead, and allow advertisers to bid directly for his/her attention

A GLOBAL OPT-OUT LIST FOR USERS

- To keep the quality of the overall lead/subscriber pool high, and to minimize unwanted marketing and communication, all users will have the option to globally opt out of the Kind Ads Ecosystem, after which advertisers or publishers in the Kind Ads Ecosystem will no longer be able to communicate with these users. This is expected to remove low quality subscribers/leads from the Kind Ads Ecosystem and keep the average quality of subscribers high

- In addition to the global opt-out, users will have the ability to specify in detail the level of communication they are comfortable with. For instance, they will be able to opt out of having their details shared with advertisers on a publisher by publisher basis (meaning they can grant the publishers that they want to support greater access and freedom with their information). In this way, users can reward high quality publishers that treat their data ethically with greater access, and restrict the permissions of lower quality publishers

- Users will also be able to track specifically what publishers are doing with their information

- The user opt-in and subsequent advertising will be fully auditable - and is expected to be eventually enforced with a bounty system

DAILY RECONCILIATIONS AND PAYMENTS

- The Kind Ads Ecosystem will reconcile payments (in KIND tokens) on a daily basis. Instead of waiting for weeks or months to be paid, publishers can now be paid daily with no transaction fees
- This enables publishers to more aggressively re-invest in high quality content

EMPOWERING SMALL QUALITY PUBLISHERS

- By enabling advertisers to work directly with smaller, higher quality publishers that don't have a direct sales force, small publishers can now focus on creating content while still earning premium ad rates

MULTIPLE HIGH CONVERTING FORMATS

- Instead of selling just display or video ads, The Leadchain Foundation will work with a variety of app partners to enable the best converting ad formats

NO FEES

- The Kind Ads Ecosystem is expected to charge no fees on ad dollars spent (in stark contrast to the 30%+ that most networks charge)

THE REWARD POOL

- The Kind Ads Ecosystem will incentivize good behaviour through the creation and administration of a reward pool payable in KIND Tokens
- The reward pool as well as all advertising reconciliations will be performed daily - dramatically shortening the time it takes for publishers to get paid - and creating a stronger feedback loop to show how positive actions convert to payouts for other system participants
- 75% of all ad dollars will go to the publisher that generated the relevant impression or lead
- The remaining 25% will be allocated to a reward pool that benefits users, publishers and app partners as follows:
    - 5% of ad dollars will go to consumers based on their Kind Ads Consumer Score
    - 10% of ad dollars will go to app providers based on the ad dollars that flow through their ad server
    - 10% of ad dollars will also be paid to publishers - based on their Kind Ads Publisher Score
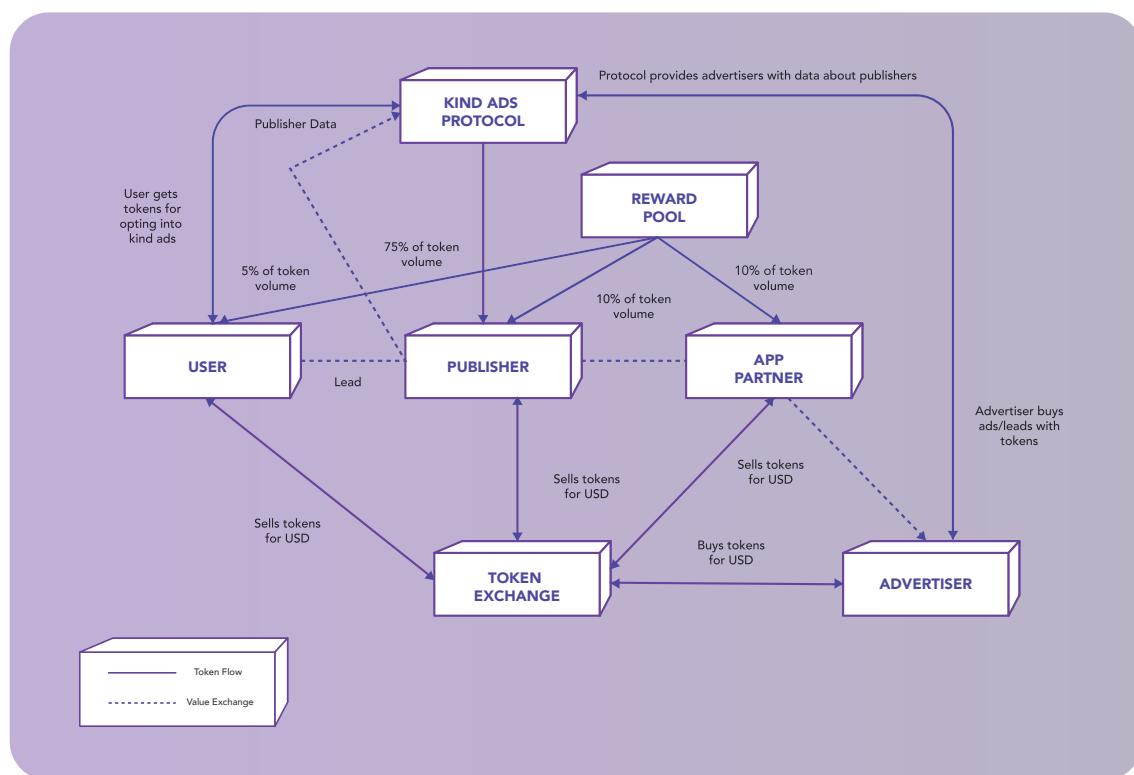
THE *TOKEN ECONOMY*

The Kind Ads (KIND) token will be an ERC-20 compliant token built on top of the Ethereum blockchain, defined by an open-source smart contract, and used for transactions in the Kind Ads Ecosystem.

KEY TOKEN FUNCTIONALITY

The KIND token is expected to have several key uses:

● **Token is exchanged by users in order to opt in and out of the Kind Ads Ecosystem**

● **Token is used by advertisers to purchase ads from publishers on the network**

● **Token is used to pay publishers on a daily basis**

● **Token is allocated to the daily reward pool for publishers, users and app providers**

The KIND token has a unique function for each of the key participants in the Kind Ads Ecosystem.

Kind Ads Token Flow

KEY FUNCTIONALITY FOR USERS:

User Opt-Out

Description

- A user can universally opt-out of all ads in the Kind Ads Ecosystem

User Flow

- User relinquishes token in exchange for opting out of receiving ads on the Kind Ads Ecosystem
- If user re-opts in, they will receive a new KIND token

Token Impact

- User gets an amount of tokens (capped at $5 USD) for opting in
- User spends those same tokens to opt-out
- The spent token amount is reallocated into the reward pool

User Opt-In

Description

- User opts in to ads on the Kind Ads Ecosystem and specifies who is allowed to communicate directly with them, on a publisher by publisher basis
- As an example, a user could allow one publisher to communicate to them, but not allow that same publisher to send them third party marketing offers. Another publisher may be allowed to both use their contact for internal and third party marketing. The initial implementation of this feature is expected to be via browser extension
- Users become incentivized to participate in the platform as a whole and are rewarded for more leniency in how their contact details are used. The more leeway they give the publishers that they're subscribed to, the more tokens they will receive from the rewards pool
- Users who engage more with advertisers or with the ecosystem will benefit more from the reward pool as well

User Flow

- User chooses how to opt-in to each publisher in the Kind Ads Ecosystem she has recently visited
- User is allocated tokens from the rewards pool

- User gets a KIND token

- Opted In Users gets percentage of reward pool each month

- Users can use tokens as advertisers, or reward Publishers with pledged tokens

KEY FUNCTIONALITY FOR PUBLISHERS

Publisher Onboarding

Description

Participation

- Publisher can voluntarily provide additional context about their website - for example specifying the vertical that they are in or audience demographic data

- Publisher must agree to publicly share relevant quality metrics with Advertisers

Channel Choice & Tracking:

- Publisher will be able to choose which channels they are interested in advertising through (e.g push notifications and email)

- They can then set up the relevant tracking as necessary for each of those channels by following the integration instructions of the specific app partners that they have decided to use

- Publishers can opt out of third party advertising altogether and instead use the Kind Ads Ecosystem as a way to easily integrate with app partners and take advantage of the channels offered (for example, it's an easy way to setup and track metrics for push notifications)

- By joining the Kind Ads Ecosystem even if they are not selling advertising, publishers can build up a historical performance record which will allow them to sell advertising more effectively in the future

Advertiser Choice:

- Publishers will have the ability to set pricing for sharing their subscribers, and will be given recommendations on pricing based on their vertical and publisher score

- Publishers will have the ability to approve or reject specific messaging as well as specific advertisers

- Publishers will also have the ability to suggest changes to specific messaging before approval

- Once a message is approved and served, KIND tokens will be transferred to the publisher

- Channel choice (push, email, chatbot, native content)

Reward Pool:

- Outside of the advertising aspect, publishers are also additionally incentivized to join the ecosystem because they can participate in the reward pool by referring new users to the Kind Ads Ecosystem

- The incentives of the reward pool are such that publishers aren't just chasing traffic, but are also rewarded for building loyal followings who opt in to specific channels

- 10% of the reward pool tokens will be distributed to the Publishers with the strongest quality scores

Publisher Flow

- Publisher signs up for the Kind Ads Ecosystem and verifies their domain

- Publisher opts in to anonymously share their Kind Ads Score

- Chooses app partners to integrate with

- Chooses advertisers to partner with

- Receives daily tokens based on ad impressions served + reward pool

Token Impact

- Receives tokens for ads displayed on network

- Receives percentage of reward pool for user participation

KEY FUNCTIONALITY FOR ADVERTISERS

Advertisers Onboarding

Description

Publisher Selection

- Search and filter functions will allow Advertisers to narrow down participating Publishers by vertical, channels provided, quality metrics, and price to find the exact types of audiences that they want to target

- Advertisers can view self-reported Publisher information (e.g vertical, audience demographics, etc) as well as detailed Publisher performance metrics for each channel that they participate in

- Publishers can be grouped together (e.g by vertical) in order to target larger audiences where necessary

Channel Choice

- Advertisers can view Publisher performance by channel and choose to purchase ads through specific channels

- As new channels are integrated within the ecosystem by app partners, Advertisers will have more and more channel options to choose from. This allows for participating Advertisers to utilize the latest and most effective delivery methods for their messaging

Ad Upload

- Ads can be uploaded by Advertisers once ads have been purchased. Purchased ads will need to be approved by Publishers before any tokens are transferred. The platform will allow for ad revisions in cases where the Publisher wants to work with Advertisers to make changes

- If ads are not rejected, no transaction occurs and no tokens are transferred

Token Impact

- Spends tokens for advertising
- Buys tokens to access publisher database

Integrating with the Kind Ads Ecosystem

Description

- App providers can launch new channel innovations in the Kind Ads Ecosystem. Existing app providers will also be able to integrate with the Kind Ads Ecosystem in a straightforward manner. This will afford similar app providers to compete on the basis of features and functionality rather than competing purely on sales/marketing

- Advertisers and publishers will be able to view competing app providers side by side and select the one that best fits their business needs

- Advertisers and publishers will naturally gravitate towards the app providers who deliver the most in terms of effectiveness and usability, which will ultimately reward those app providers who build the best products

- Tokens will be distributed to app providers based on the message volume that runs through their apps. This gives app providers an incentive to join the Kind Ads Ecosystem and resolves the tipping point/critical mass problem as the reward pool allocations function linearly rather than in a winner-take-all fashion

- App providers can also ultimately still choose to build out their own publisher/advertiser networks outside of the Kind Ads Ecosystem even after they've integrated with the platform

App Partner Flow

- Integrate with the API

- Agree to accept tokens as payment

- Receive daily payments from reward pool based on app usage

Token Input

- Earn a percentage of tokens allocated to the reward pool based on app usage

TECHNOLOGY *OVERVIEW*

The development team behind Kind Ads has been building out the technology since early 2017. The initial development focus has revolved around creating a fully working version of the initial push notification platform. A demonstration of the working prototype can be seen here.

The key technology being built to execute on the Kind Ads vision includes:

USER FACING TECHNOLOGY

Chrome Browser Plugin

- **Anonymously track site visits and frequency**
- **Track opt-in status for each publisher in network**
- **View and spend platform rewards**
- **Recommendations for how to get more rewards**
- **Identity management solution**

    Enable users to onboard to the platform, link their phone and pc profile, earn tokens and opt-out if desired

    - Civic
    - Nugget
    - Kyc-chain
    - Identifi

PUBLISHER FACING TECHNOLOGY
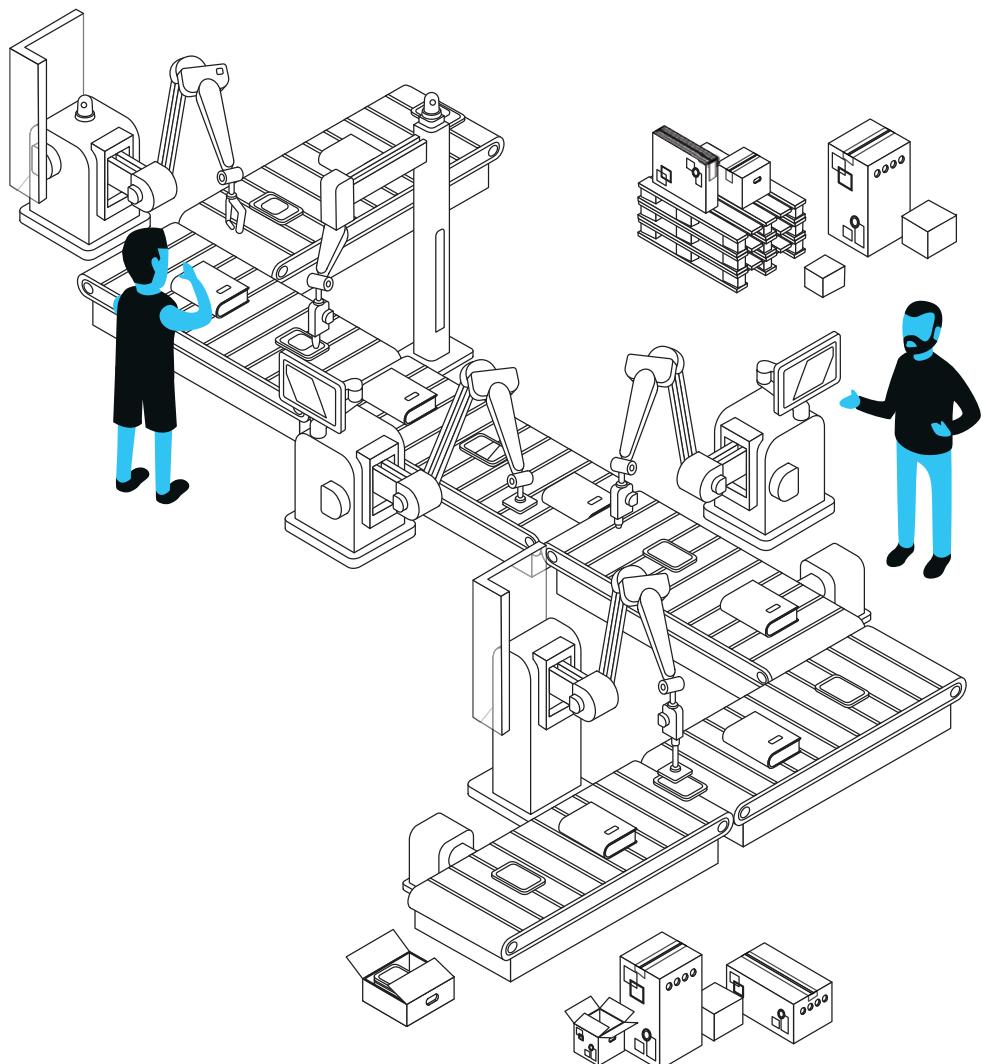
- **Code snippet for site to track data**
- **WordPress plugin to track data on wordpress sites**
- **Management portal (chrome plugin) that enables publisher to:**
    - Choose and block advertisers on the platform
    - Chose app partners to integrate with
    - View their metrics & earnings
    - Access their tokens

ADVERTISER FACING TECHNOLOGY

- **Ad management platform (chrome plugin)**
- **View performance of current ads by channel**
- **Upload & manage other ads**

APP PARTNER FACING TECHNOLOGY

- **Implementation guide**
- **Code snippet to integrate with Kind Ads Ecosystem**
- **Management portal to track payments, required updates, etc**

The co-founder of NPBR International LTDA. An agency that helps large corporations with their digital marketing needs. Currently they help their clients spend over $100,000,000 dollars a year on marketing

Saulo Medeiros, Co-founder

Rafael is the co-founder and Director of Operations at NPBR International LTDA. Rafael makes sure that the company has proper operational and administrative controls, and reporting structure.

Rafael Mayrink, Director of Operations

Jaime is a full stack developer. He is an IT professional and entrepreneur with more than 20 years of experience. Passionate about technology and the change it brings to mankind. Worked at Microsoft for 12 years helping the top companies in Latin America create scalable cloud architectures.

Jaime Sanchez, Lead Blockchain Developer

Neil Patel is the co-founder of Crazy Egg, Hello Bar and KISSmetrics, and founder of QuickSprout.com. He helps companies like Amazon, NBC, GM, HP and Viacom grow their revenue.

Neil Patel, Founder of Quick Sprout
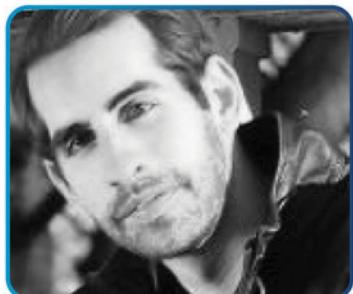
Saber is the founder of BeyondBlocks as well as 2 prominent digital marketing agencies with a diverse client base of fortune 500 companies.

Saber Aria, Co-Founder and CEO BeyondBlocks

Trevor is the founder and CEO of Polymath, a company bringing securities to the blockchain. He is a serial entrepreneur with 2 technology startup exits. He was also an original advisor/investor to the Ethereum project.

Trevor Koverko, CEO of Polymath

Nadav is a veteran online marketer and a serial entrepreneur. He is the founder and CEO of InboundJuction, an established digital marketing firm. As a digital influencer and a crypto expert, he also advises Blockchain startups and ICOs on marketing, operations, and business development.

Nadav Dakner, CEO of InboundJuction

Jay Westerdal is the founder of Domain Tools (acquired by Thought Convergence, Inc). Jay is an active startup advisor and investor. He currently spends his time acquiring and growing companies.

Jay Westerdal, Founder of Domain Tools

Jonathan is the President of Kajabi, a leading publishing platform where people can create and monetize websites. Kajabi users have sold over $300MM+ of digital products globally via the platform. Prior to Kajabi Jonathan was the General Manager of Digital Learning at Success Magazine and he was the CEO of Digital Marketer.

Jonathan Cronstedt, President of Kajabi

Eric is the founder of Single Grain, a digital marketing agency that helps companies such as Uber, SalesForce, TurboTax, KitchenAid, Random House, Sony Pictures, and Nordstroms grow.

Eric Siu, Founder of Single Grain Marketing

Caio is a partner of NPBR International LTDA, an ad agency focused on the Latin America market. He is in charge of operations and making sure companies grow their revenue through digital marketing.

Caio Beleza, Digital Marketing Specialist

Enrique is the CTO of Blockliss, a full stack and blockchain consulting company. He is a full stack developer with over 15 years of experience including Solidity, JS, jQuery JSON, Python, MySQL.

Enrique Chávez, Lead Developer

Keith has an extensive background in management, particularly with digital marketing products such as HelloBar. He has the leadership skills and experience to bring the Kind Ads platform to life.

Keith Lindner, Product Manager

Jason is a highly talented web designer whose work has been featured on sites like Mashable, The Atlantic, Fast Company, Business Insider, PCWorld, Forbes, ReadWriteWeb and many others

Jason Caldwell, Web Designer

Jeremy received his formal education in accounting and real world education in marketing and management in the retail space. Since 2016 he has been focused on digital marketing with an emphasis on blockchain technologies.

Jeremy Hood, Operations Manager
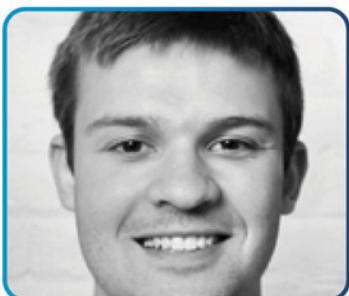
Vasil is the found of the ever so popular Growth Marketing Conference that has been in Forbes, Huffington Post and Inc. Vasil spends his time investing in the people behind startups by creating this best-practice-focused event.

Vasil Azarov, Growth Manager

Leury has over 10 years experience in digital marketing. He has in-depth expertise in developing and implementing various marketing strategies. He eats, sleeps and breathes digital marketing and crypto.

Leury Pichardo, Marketing Manager

Ken leads marketing teams for technology startups that have been acquired by Cisco, IGT, and Wired Investors. He has helped scale over a dozen online publishers and a six figure agency.

Ken Roberts, Director of M&A and Partnerships
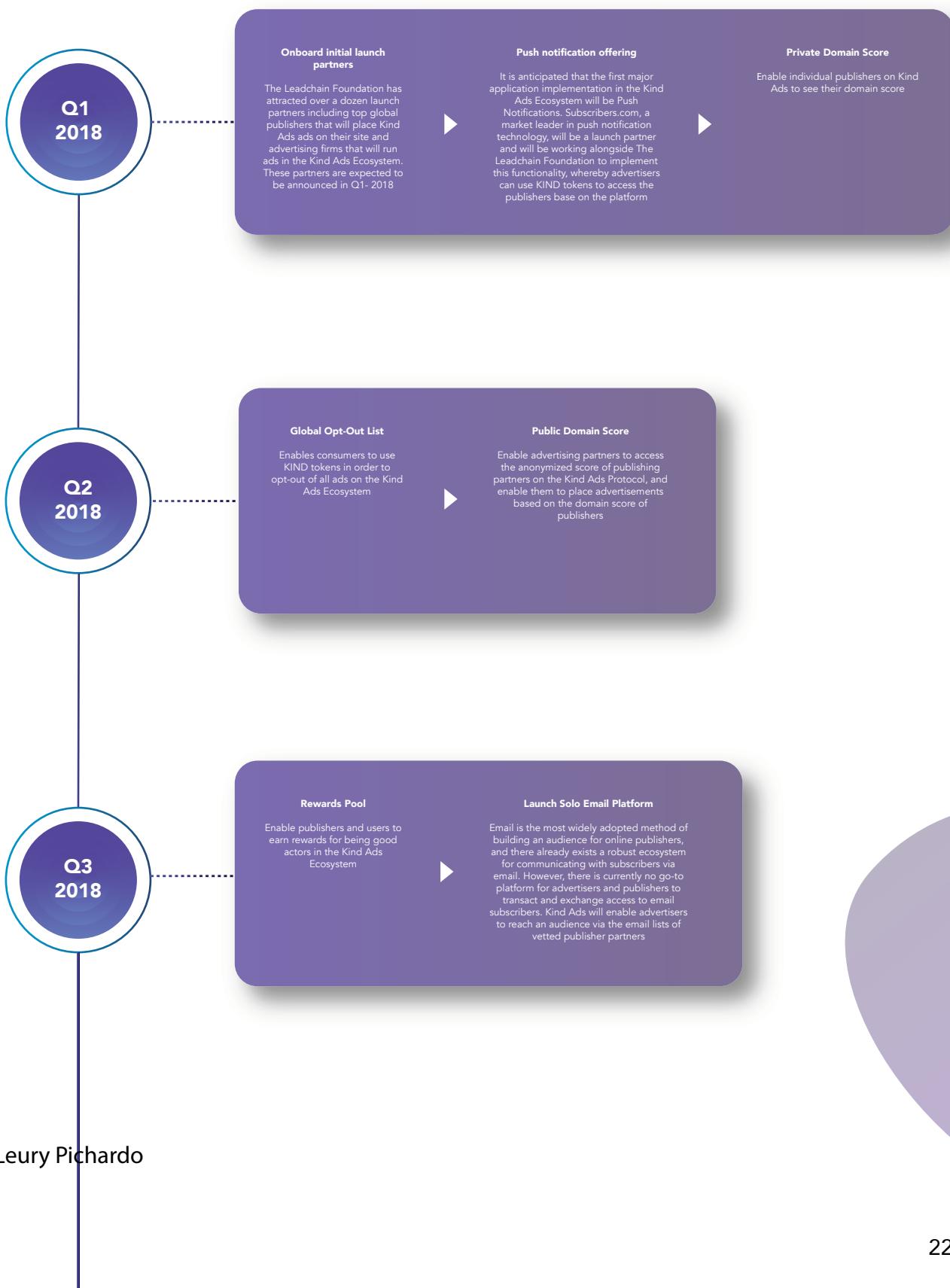
Quinn comes from a strong IT background and has worked for some of the largest companies in North America. He has worked as a database developer and IT specialist in the education, medical and banking sectors

Quinn Huffman, Investor Relations

PRODUCT *ROADMAP*

The current roadmap and target timeline is expected to be as follows:

Q1 2018

Onboard initial launch partners

The Leadchain Foundation has attracted over a dozen launch partners including top global publishers that will place Kind Ads ads on their site and advertising firms that will run ads in the Kind Ads Ecosystem. These partners are expected to be announced in Q1- 2018

Push notification offering

It is anticipated that the first major application implementation in the Kind Ads Ecosystem will be Push Notifications. Subscribers.com, a market leader in push notification technology, will be a launch partner and will be working alongside The Leadchain Foundation to implement this functionality, whereby advertisers can use KIND tokens to access the publishers base on the platform

Private Domain Score

Enable individual publishers on Kind Ads to see their domain score

Q2 2018

Global Opt-Out List

Enables consumers to use KIND tokens in order to opt-out of all ads on the Kind Ads Ecosystem

Public Domain Score

Enable advertising partners to access the anonymized score of publishing partners on the Kind Ads Protocol, and enable them to place advertisements based on the domain score of publishers

Q3 2018

Rewards Pool

Enable publishers and users to earn rewards for being good actors in the Kind Ads Ecosystem

Launch Solo Email Platform

Email is the most widely adopted method of building an audience for online publishers, and there already exists a robust ecosystem for communicating with subscribers via email. However, there is currently no go-to platform for advertisers and publishers to transact and exchange access to email subscribers. Kind Ads will enable advertisers to reach an audience via the email lists of vetted publisher partners

Leury Pichardo

Q4 2018

Launch Chatbot Platform

Launch application that enables advertisers to place ads within the chat bots of trusted publishers

Launch Publisher Staking System

Enable new publishers to be staked by existing users or advertisers to start with a pre-existing Kind Ads Score

Q1 2019

Launch App Partner Platform

Enable any app (technology) provider to launch their ad units on top of the Kind Ads Protocol

Launch Bounty Program

Add 2% to advertising rates and launch a bounty program to incentivize researchers to identify and disclose any compliance violations

Q2 2019 & BEYOND

The long term vision of the Kind Ads Protocol is to provide a channel agnostic advertising ecosystem. This hinges on developing an ecosystem where:

The best and most effective channel providers (app partners) and publishers are rewarded

Advertisers get access to the best possible results they can achieve through a combination of better channels and better transparency on publishers

Users are well protected and have the choice to ultimately opt out of the ecosystem, but are incentivized to stay in it

Providing everybody in the advertising landscape better access to more effective channels is key for the ecosystem to be able to flourish as intended (as a channel agnostic ecosystem), and as such, attracting new app providers will be a core priority of The Leadchain Foundation.

The key here is making sure that app partners are can onboard to the Kind Ads Ecosystem in a reasonably straightforward and frictionless manner, and to make it worth their while to do so

REWARD POOL *FORMULAS*

APPENDIX 1

Variable	Definition	Description	Range / Calculation
GENERAL DEFINITIONS			
F	App Provider	A provider of ad formats for Kind Ads publishers	NA
C	Consumer User	A user who visits a Kind Ads property	NA
A	Advertiser	A business that spends money on a Kind Ads property	NA
P	Publisher	A publisher that is part of the Kind Ads network	NA
RP	Reward Pool		NA
PY	Payout	Payout to network participant	
DA	Daily Ad Dollars	Ad dollars spent in previous day on Kind Ads	

Variable	Definition	Description	Range / Calculation
CONSUMER SCORE			
OR	Opt-In Score	How much data is shared	0 for opt-outs, 1-00 (based on median active users)
RR(c)	Response Rate	How responsive is a user to requests on the platform	0-100 (based on median of active users)
NR	Network Ratio	% of online time spent on Kind Ads publisher properties	0-100 (based on median of active users)
VPS	Visited Publisher Score	Average score of Kind Ads publishers visited	0-100 (based on median of active users)
RP(c)	Consumer Reward Pool Payout	The dollars payable to Consumers from the last day	5% of total ad spend in the last day
CS	Consumer Score	The score for a user based on a previous day's activity	OR * RR(c) * NR * VPS
PY(c)	Consumer Payout	The amount paid out to an individual consumer	PY(c) = (CS/(Sum of All CS)) * RP(c)

Variable	Definition	Description	Range / Calculation
PUBLISHER SCORE			
QS	Leadchain score	Quality of domain based on user engagement/trust	0-100 (based on median of active publishers)
SR	Signup Rate	% of Unique Visitors that buy or sell tokens in connection with this publisher	0-100 (based on median of active publishers)
RR(p)	Response Rate	How responsive is a publisher to requests on the platform	0-100 (based on median of active publishers)
TPA	Accept 3rd Party Ads	Does publisher accept 3rd party ads	0.5 or 1
RP(p)	Publisher Reward Pool Payout	The dollars payable to Publishers from the last day	10% of Total Ad Spend in the last day
PS	Publisher Score	The score for a user based on a previous day's activity	QS * SR * RR(p) * TPA
PY(p)	Publisher Payout	The amount of reward pool paid to an individual publisher	PY(p) = (PS/(Sum of All PS)) * RP(p)

Variable	Definition	Description	Range / Calculation
APP SCORE			
RP(f)	App Reward Pool Payout	The dollars payable to Apps from the last day	10% of Total Ad Spend in the last day
FS	App Score	% of Ad Dollars Flowing Through App	DA(f)/DA
PY(f)	App Payout	The amount of reward pool paid to an individual app	PY(f) = FS * RP(f)

KIND ADS *SCORES*

APPENDIX 3

Variable	Definition	Description	Range / Calculation
BASIC SITE METRICS			
S	Session	Period from when a vistor visits a site to when they have 30 mins of inactivity	NA
SD	Session Duration	The average amount of time a user spends on a site. Score is based on median in niche.	0 - 100
PVS	Page Views per Session	The number of page views a typical user visits per session. Score is based on median in niche.	0 - 100
G	Monthly Session Growth	How much Sessions have grown from the same day last month. Score is based on median in niche.	0 - 100
ABR	Adjusted Bounce Rate	Number of users that leave the page within 30 seconds of visiting it. Score is based on median in niche.	0 - 100
SSR	Social Share Rate	% of social shares that the site receives relative to session count. Based on median in niche.	0 - 100
CoR	Comment Rate	Number of comments a sit recevies relative to session count. Based on median in niche.	0 - 100
CUPM	New Content Units Per Month	The number of units of content that a site publishes over the last 30 days. Based on median in niche.	0 - 100
BSS	Base Site Score	The site score based on global site metrics. BSS = (SD+PVS+G+ABR+SSR+ CoR+CoPM)/7	0 - 100

Variable	Definition	Description	Range / Calculation

APP SCORE

Variable	Definition	Description	Range / Calculation
AU	App Used	Is App used by publisher	0= No / 1 = Yes
AER	App Engagement Rate	The % of people that see an ad unit that interact with it	0-100
AUR	Push Unsubscribe Rate	The % of people that unsubscribe from push notifications from a publisher	0-100
ASR	App Signup Rate	% of Unique Visitors that signup to engage with publisher using App	0-100
ASCR	App Score	ASCR = AU*((AER*(100-AUR)*ASR) /100^3)	0-100
TAU	Total Apps Used	Total Number of Apps Used by Publisher	0-Total Apps

TRUE FAN SCORE

Variable	Definition	Description	Range / Calculation
TFS	True Fan Score	% of visitors that are subscribed to every channel a publisher markets on. ((AU1*ASCR1)+(AU2*ASCR2))/TAU	0-100

KIND ADS SCORE

Variable	Definition	Description	Range / Calculation
KAS	Kind Ads Score	A score that ranks the quality of a publisher's audience from 1- 100 (1 being worst). KAS = (BSS+(ASCR+TFS)/2)/2	0-100

APPENDIX 4

The **Total Revenue for Digital advertising** market in the U.S. is **$98bn USD**.

https://www.statista.com/outlook/216/109/digital-advertising/united-states#
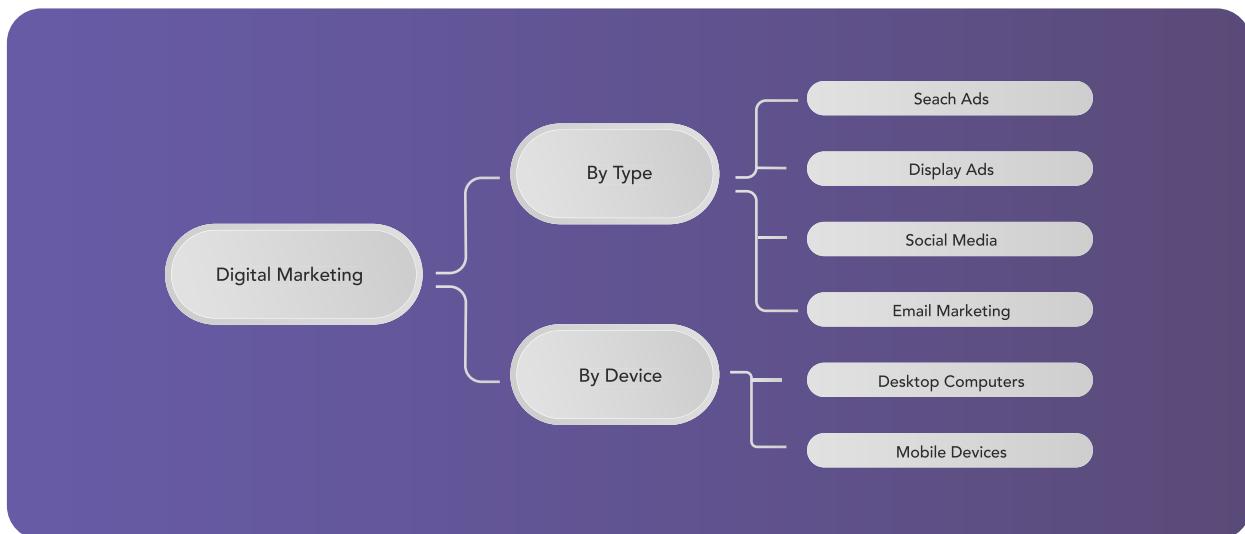
The total revenue is **expected to increase to $116bn** in the U.S. by 2021

https://www.statista.com/outlook/216/109/digital-advertising/united-states#market-revenue
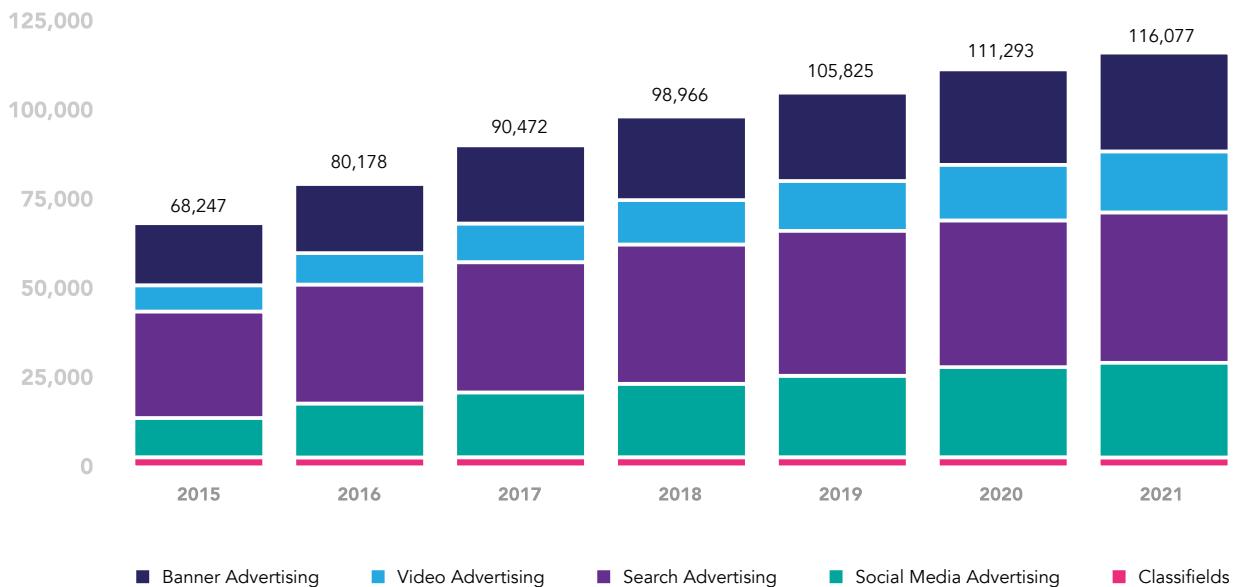
Global **digital ad market (spending)** reached **$209bn** 2017

https://www.recode.net/2017/12/4/16733460/2017-digital-ad-spend-advertising-beat-tv

Search advertising composes 1/3 of the total U.S. digital advertising revenue. The market's largest segment is the segment "**Search Advertising**" with a **market volume of US$36,099m** in 2017.

https://www.statista.com/outlook/216/109/digital-advertising/united-states#

Revenue in the Digital Advertising market amounts to US$90,472m in 2017

Chart data (stacked bar, revenue in US$m):

Year	Total
2015	68,247
2016	80,178
2017	90,472
2018	98,966
2019	105,825
2020	111,293
2021	116,077

Legend: ■ Banner Advertising ■ Video Advertising ■ Search Advertising ■ Social Media Advertising ■ Classifields

Source: Statista, June 2016

REVENUE IN 2017
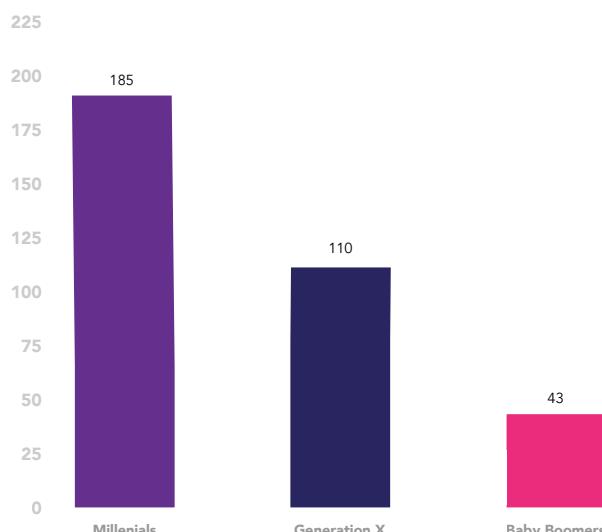
■ Social Media Advertising	**US$21,655.2M**
■ Banner Advertising	**US$11,325.5M**
■ Video Advertising	**US$36,099.4M**
■ Search Advertising	**US$17,814.5M**
■ Classifields	**US$3,577.1M**

KEY MARKET *DRIVERS*

## TRANSITION TO MOBILE MARKET SHARE

- **48% of consumers start mobile research with a search engine --but 33% go directly to the site they want. (Smart Insights)**

- **Mobile advertising is projected to outpace desktop digital ad revenue by 2021 (61% mobile/39% desktop). Current stats are: 53% mobile/47% desktop).**

  - Underlying reason? Millennials and Gen Z are more likely to use mobile devices for daily browsing, use of apps, etc.

  - Gen Z'ers are expected to compose 40% of total consumers by 2020.

    http://www.adweek.com/digital/josh-perlstein-response-media-guest-post- generation-z/

  - Key takeaway from Gen Z: "Don't create ads -- create value"

  - If you think the millennial generation has an effective filter for promotional content, multiply that tenfold for the Gen Z demographic.

  - Gen Zers are the first generation that has never known life without easy Internet access and mobile technology. As a result, they are the most technologically fluent generation thus far, and they recognize the value of their attention. They don't sit through ads. They don't give heavily sponsored content the time of day. What they're looking for is value.

  - They want resources, channels and profiles that give them what they're looking for, whether that is entertainment, knowledge or tutorials. If you put too many gates in front of them, they won't even bother complaining. They'll just move on and find the next great resource.

    https://www.forbes.com/sites/deeppatel/2017/05/01/10-tips-for-marketing-to-gen-z-consumers/#6dbf43cd3c50

GOOGLE AND FACEBOOK DOMINATE DIGITAL ADVERTISING

Google is currently worth 700 billion dollars and Facebook is worth 500 billion dollars.

Google

- Google's digital ad revenue as a percentage of total digital advertising revenue worldwide: 2017: 33%; it's expected to decrease only slightly.

- Since search advertising is the greater source for digital ad revenue and Google is most widely used search engine, it's logical to infer that they receive the largest share of the digital advertising revenue.

- Over the last quarter Google and Facebook generated a combined total of $38 billion dollars in revenue. Do you know what makes up the majority of their revenue?

Facebook

- Facebook is the most famous social network site in the world as of 2017. Given their widespread consumer base, it's not surprising that they generate billions of dollars of ad revenue through a captive audience.

- Mobile ad revenue is now 88% of FB's total advertising revenue.

    https://investor.fb.com/investor-news/press-release-details/2017/Facebook-Reports-third-Quarter-2017-Results/default.aspx

- FB announced that they are running out of ad space:

    https://techcrunch.com/2017/11/01/facebook-q3-2017-earnings/

- They are looking to shift their focus to "building sustainable ad revenue" through a sharing business model that pays professional creators to bring content to FB.

    https://techcrunch.com/2017/02/01/facebook-q4-2016-earnings/

- Worldwide, FB earns an average of $4.97 in advertising revenue per user annually. In Q2 of 2017, FB reported advertising revenue of $9.16 billion:

    http://www.adweek.com/digital/facebook-raked-in-9-16-billion-in-ad-revenue-in-the-second-quarter-of-2017/

- In Q3 of 2017, FB raked in over 10bn in ad revenue x 88% = 8.92bn.

    https://investor.fb.com/investor-news/press-release-details/2017/Facebook-Reports-third-Quarter-2017-Results/default.aspx

LIKE MANY INDUSTRIES, MONOPOLIES THRIVE IN ONLINE ADVERTISING

Monopolies like Google and Facebook do well for 2 reasons:

- They collect and hoard a treasure trove of data about users and content creators (publishers). This includes things like are people who like coffee more or less likely to like tennis? Or which are the most trusted publishers in the personal finance space

- Google and Facebook make it easy for any business to purchase ads at scale. As an example, a brand like Coca Cola spends $3.3bn/year in ads (of course not all of that spend online). Google and Facebook hire thousands of ad sales representatives to help brands like Coca Cola (and even smaller firms like your local real estate agent) spend money on their platforms

EMAIL, ORGANIC SEARCH, AND SMM

Social Media Marketing, SEO through Organic Search, and Email are the most effective digital advertising channels.

http://www.marketingprofs.com/charts/2017/31304/the-most-effective-digital-channels-to - include-in-2017-marketing-plans

https://www.socialmediatoday.com/news/44-experts-reveal-the-best-digital-marketing-cha nnels- of-2017/511362/

https://blog.kissmetrics.com/marketing-channels-2017/
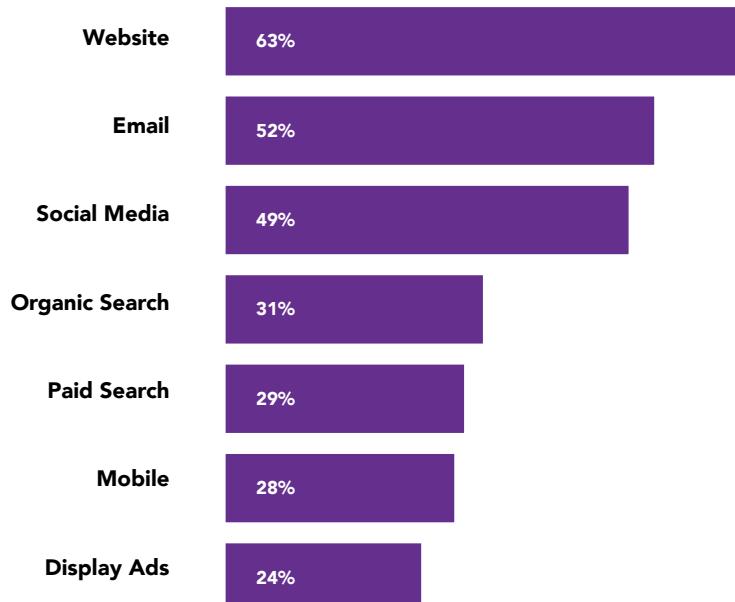
The worst kept secret in online publishing is the fact that the most effective, reliable way of driving traffic (and conversions) is by building a following - whether that is via email, push notifications, or otherwise. Publishers also know first hand that having a direct line of communication with a subscriber is much more valuable than just having a visitor to a single page on their sites. That's why so many publishers attempt to convert visitors to subscribers - because in the long run, each subscriber is going to be worth substantially more than a typical visitor because a subscriber has opted in to a direct line of communication

What are the most effective channels for a digital marketing plan to include?

Channel	
Website	63%
Email	52%
Social Media	49%
Organic Search	31%
Paid Search	29%
Mobile	28%
Display Ads	24%

PROBLEMS WITHIN THE DIGITAL ADVERTISING MARKETPLACE

Consumers Dislike Mobile Ads

- **70% of people report disliking mobile ads**
- **Why People Block Ads:**

  https://research.hubspot.com/reports/why-people-block-ads-and-what-it-means-for-marketers-and-advertisers?__hstc=191390709.ff916a33ae80b9d55316ebebab83a37d.1512872070609.1512872070609.1512872070609.1&__hssc=191390709.1.1512872070609&__hsfp=2141839581

KIND ADS

BY THE LEADCHAIN FOUNDATION