# IRIS TOKEN

## Bringing great views and action to people around the world

Gen2

# Contents

## Disclaimer

# Introduction

The marketplace for viewable content is a highly diverse one, with a dynamism driven by technological innovation. The broadcast TV model that reigned for several decades was first disrupted by the advent of cable and satellite technologies. Now it is digital content and online streaming that are redefining the landscape. These technologies are expanding the horizon of possibilities at an unprecedented pace.

Viewing habits have likewise been transformed. Content is today consumed across an array of devices. TVs can now be internet-connected or dispensed with entirely. Audiences can additionally engage via computers, tablets and videogame consoles. Content is increasingly on-demand, live-streamed, mobile, customizable, personalized, and even viewed on two or three screens at once.

The era of passive consumption has given way to a more interactive and immersive phase. The audience has been brought closer to the content. Producers have grown more responsive to consumer needs thanks to technologically enabled feedback loops. New platforms have enabled and benefited from user-created content, further blurring the line between consumer and producer, adding another driver to market evolution.

Into this highly competitive landscape, Gen2 is launching a cutting-edge camera technology capable of delivering a vital edge to content producers. Gen2's wearable, high-resolution camera technology and AI image processing will deliver unique opportunities for both content production and consumption, feeding market trends for viewer immersion and interactivity. The company's goal – to become a leader in advanced camera-based content capture and distribution systems, with sports coverage its core target market.

Once Gen2's cameras are widely available, content producers will expand their use in ways difficult to anticipate. But it is the multi-billion dollar sports market, presently challenged and searching for added value, where the most immediate effect will be enacted. For the first time, audiences will be able to view the play live from the player's vantage, relayed via the ultra-lightweight Iris Camera System affixed to player's jerseys, with action tracked and stabilized by state-of-the-art AI.

The Gen2 camera system can slot seamlessly into existing broadcasting infrastructures and new online platforms. Broadcasters can direct content themselves, switching footage between their traditional sideline cameras and Gen2's player-worn cameras. Functionality can also include viewer control of cameras via smart TVs, computers and mobile devices, bestowing an unprecedented amount of viewer control. There will soon be the option for AI to entirely 'direct' Iris camera footage, following the play by intelligently switching view between player-worn cameras.

Gen2 is also launching its own unique content ecosystem. This network of producers and consumers will organically grow as Gen2 establishes partnerships and relationships with content producers. The company is presently in discussions with well-known sports content organizations for deployment and launch. Gen2 will launch two digital tokens to serve as currency within the content ecosystem: a Reward Token, provided to content producers and other participating organizations to distribute to their user bases, and the network-wide Gen2 Iris Token, which anyone can acquire and exchange for access to content.

This token-based model is an innovative update to the content subscription model, currently under pressure in the marketplace. This model is designed to serve as both a sensitive mechanism of price discovery for producers while providing superior choice and control for users.

The expansion of digital content simultaneously complements and challenges established markets. Gen2's breakthrough camera technology and content ecosystem will facilitate and capitalize upon this shift of the broadcasting model into the digital.

# The Changing Media Landscape
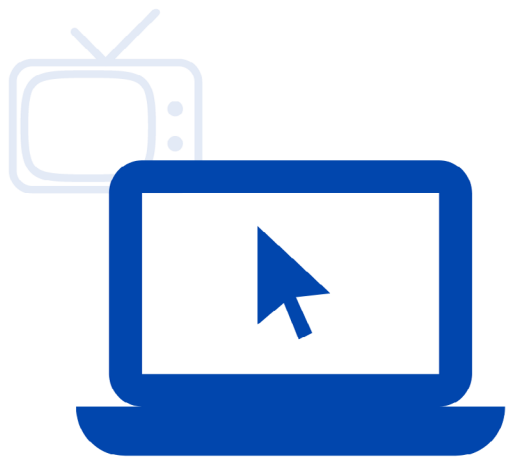
The era when TV audiences sat passively before their sets watching its few channels has passed. That viewing behavior now vies with an array of others in a modern mediascape driven by dynamic technological innovation. The TV Age has segued into The Digital Age.
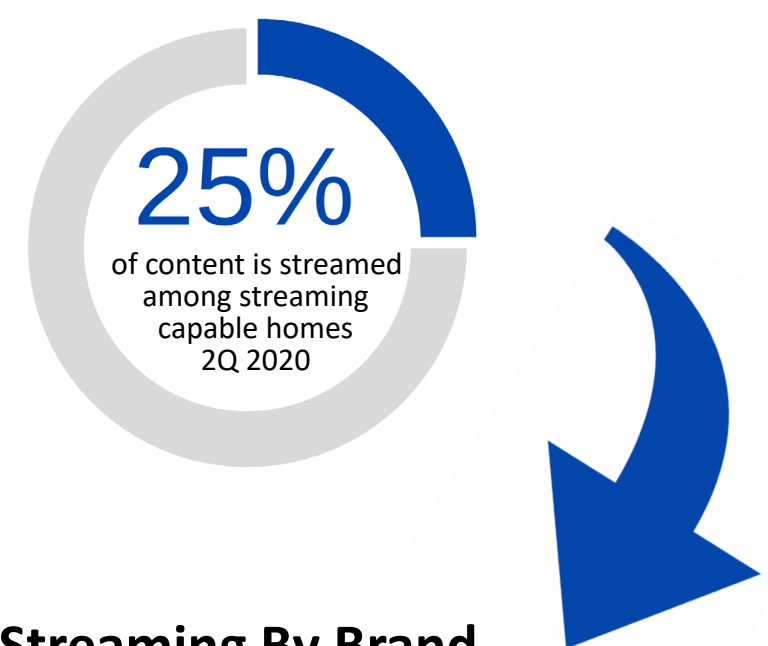
Viewing behavior continues to rapidly evolve as the audience customizes its preferences from the emerging choice. Now far more active in their media engagement, consumers can select the source, device, location and time of their interaction. Consumption profiles have become personalized and individual. These developments present for traditional broadcasters and emerging content producers whole new challenges and opportunities.

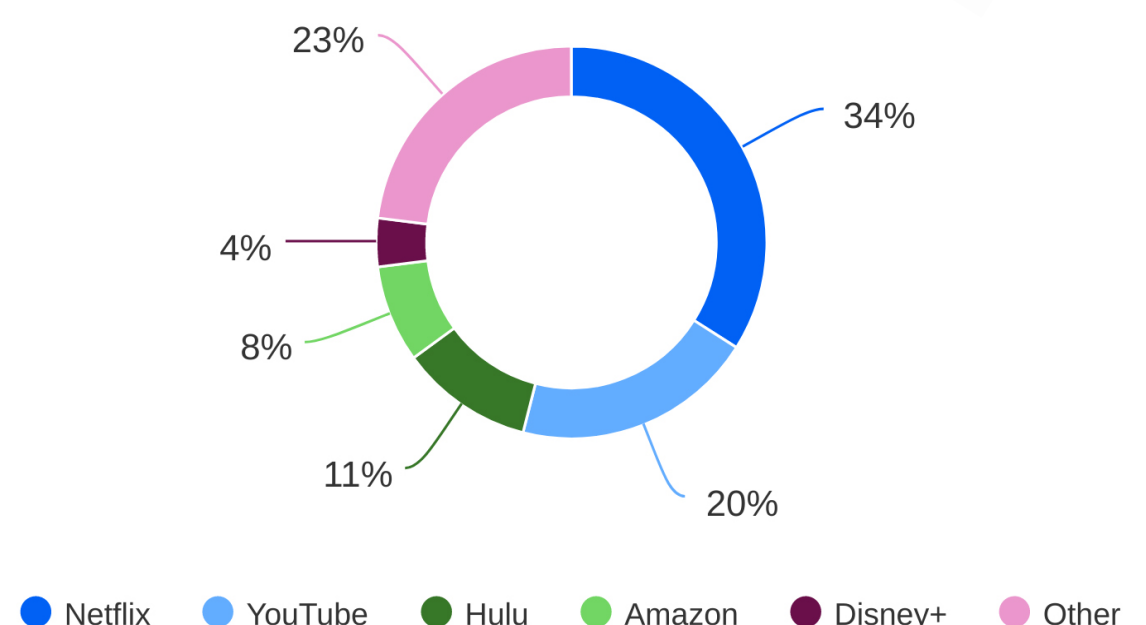## Linear TV, Digital Content and Streaming Platforms

While the landscape has changed, reports of the death of linear TV have been exaggerated. There remains a place for scheduled programming, viewed seated before a TV set. But it is a shrinking one. Consumers are spending a growing amount of time viewing streamed content on internet-connected devices. To foster the continuing evolution of traditional linear TV and ensure its long-term survival, present market challenges must be addressed.

In 2020, free-to-air linear TV saw its audiences shrink by 24%. Meanwhile, streaming services recorded great success. U.S. consumers paying for video services now total 89%, with more than one-third of that figure subscribing to at least one additional streaming platform during the year. This resulted in a $1 billion increase in per month spending, equating to more than 22% growth (TV Technology).

In the second quarter, the percentage of people owning internet-connected TVs grew from 72% to 77% against the prior year. In those connected homes, streamed content comprised a quarter of all TV watched. Meanwhile, the share of TV households with a pay-TV subscription dropped from 78.1% to 76.3% (Nielsen).

**25%**
of content is streamed among streaming capable homes 2Q 2020

**Streaming By Brand**

23%
34%
4%
8%
11%
20%

● Netflix  ● YouTube  ● Hulu  ● Amazon  ● Disney+  ● Other

**Source: Nielsen, August 2020**

According to a report from the Interactive Advertising Bureau, ad revenue for connected TV and digital video is expected to increase by 19% and 18%, respectively, over 2019. Predictably, ad spend is down for linear TV in 2020, estimated to drop 24% (IAB).

## Decline in TV Sports Viewership

The US sports media market generates more than $22bn per year, making it by far the world's largest media rights market. According to 2019 figures, the US market accounts for 44 percent of the total global sports rights market (Sport Business Media). However, challenges and threats are mounting.
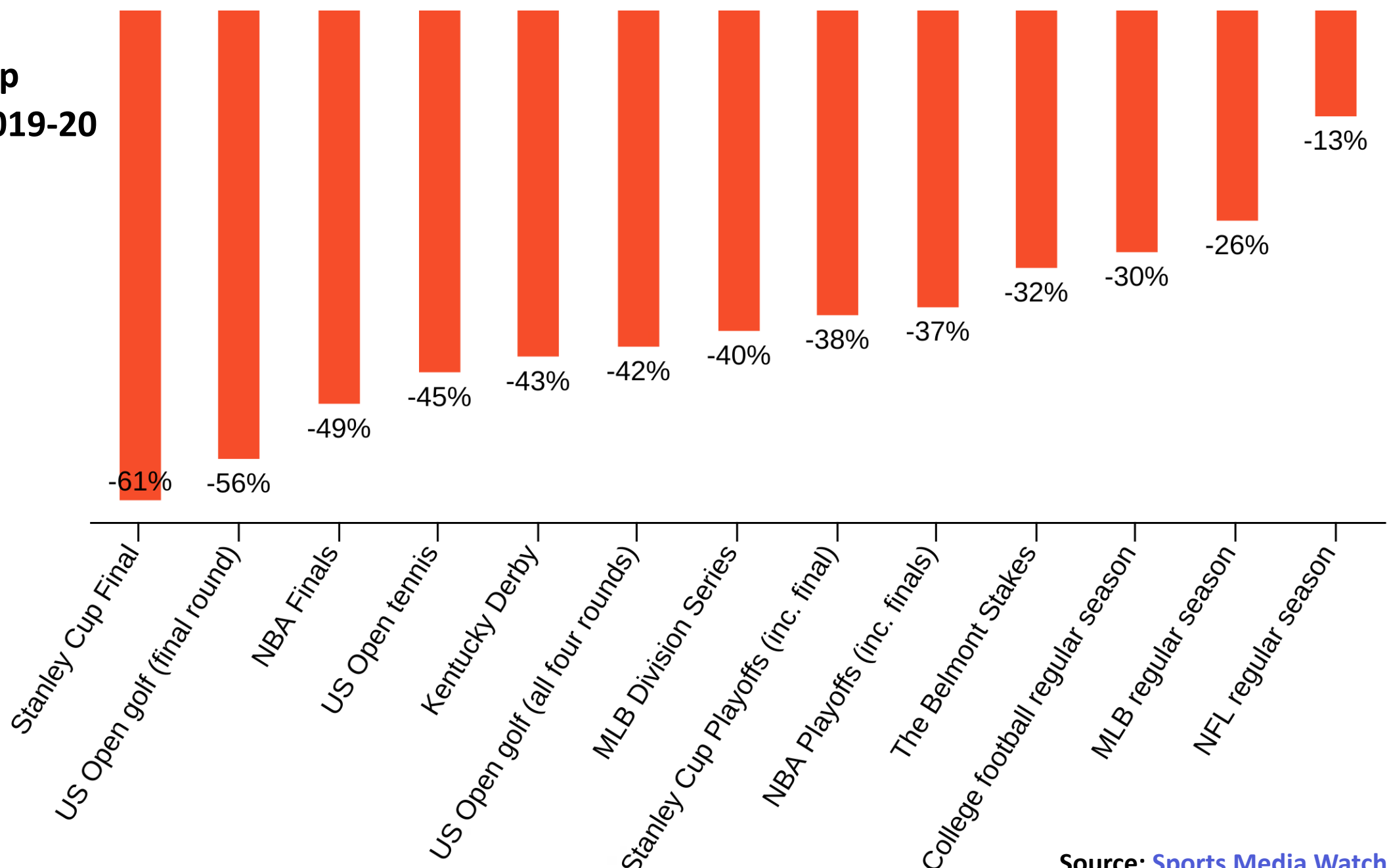
The 2020 NBA Finals drew headlines for record low viewership as much as for their play. The six-game Lakers-Heat NBA Finals averaged just 7.49 million viewers, down 49% year on year. Easily the least-watched Finals in history, they smashed the previous record low 2007's 9.29 million (Sports Media Watch).

Viewership for the NBA playoffs was not much better, down 37%. The NBA was not unique but rather part of a broad trend that significantly affected the sports industry in 2020. The NHL playoffs declined 38% across NBC's TV and digital platforms and the MLB playoffs dropped 40% on TBS, FS1 and MLB Network (Sports Media Watch).

This significant decline in ratings seems due to several reasons, not least cancellations and postponements due to the coronavirus pandemic. The ratings drop comes also amidst the broader decline in traditional television viewing. An average of 76.2 million viewers were watching primetime television on the first five nights of the Finals, nearly eight million fewer than during the prior year's Finals (Sports Media Watch).

In such a competitive marketplace, there is always somewhere else for consumers to go when novel factors exert an influence. According to a Marist poll, 21% of fans say the availability of other entertainment options was the primary reason they watched fewer sports events in 2020. As already noted, the pressure from other entertainment options is set to remain and likely strengthen.

**Sports Viewership Decline 2019-20**

| Event | Decline |
|---|---|
| Stanley Cup Final | -61% |
| US Open golf (final round) | -56% |
| NBA Finals | -49% |
| US Open tennis | -45% |
| Kentucky Derby | -43% |
| US Open golf (all four rounds) | -42% |
| MLB Division Series | -40% |
| Stanley Cup Playoffs (inc. final) | -38% |
| NBA Playoffs (inc. finals) | -37% |
| The Belmont Stakes | -32% |
| College football regular season | -30% |
| MLB regular season | -26% |
| NFL regular season | -13% |

**Source: Sports Media Watch**

The market phenomenon known as 'cord-cutting' has seen pay-TV subscriptions significantly decreasing over the last decade. ESPN alone lost around 5.5 million households between 2017 and 2019. Yet interest in acquiring sports rights remains high, with rights fees for recently renewed properties such as the NFL's Thursday Night Football package, the Uefa Champions League, Europa League and Italian Serie A all being acquired for more than their cost in the previous rights cycle (Sports Business Media).

Platforms such as Amazon, Facebook, Google and Twitter are all now in the mix for global rights to sports. The NFL has launched its own subscription service, Game Pass, for the non-North America market. While new market challenges are forcing traditional broadcasters to reconsider their approaches to sports broadcasting, other platforms and sports properties are quickly adapting.

## Digital Sports, Pay-Per-View and Over-the-Top Services

For sports properties seeking new ways to engage viewership and leverage existing channels, the current moment is pivotal. The answer seems clearly to reside in digital content and over-the-top (OTT) services.

According to eMarketer's 2020 forecast, 36.5 million people in the U.S. will watch live sports digitally this year. Digital live sports viewership is set to rise more than 14%, thanks to both continued organic growth and proactive initiatives.

To recover gate revenue from the pandemic shutdown, sports organizations are increasingly looking to live-stream their events online, with fans accessing via a 'digital ticket', sold via pay-per-view or subscription functionality. Even before the pandemic, fans on-site and off-site had demonstrated a 'second screening' trend for OTT media services (e.g. watching highlights or checking stats and fantasy scores). Secondary

screen engagement is here to stay. Those OTT properties that can marry the best content with the will to deliver will capitalize the most.

For linear broadcasters, OTT content has now become a necessity to remain relevant. Content replacement, rights management, and dynamic ad insertion/replacement are all possible, opening new revenue streams. OTT is no longer a cost of doing business but a lucrative business in itself.

While technology expands choice, relevance is a key factor commonly overlooked. According to Reshape to Relevance, a 2019 report from Accenture, 50% of video subscribers said they're paying for at least some content they don't care about. This has helped drive 'cord-cutting' from cable and satellite subscriptions to source content elsewhere.

> " *The competition to capture the second-screen audience is on. Sports organizations are asking: how do teams keep supporters engaged with 'fan-first' digital experiences? Sports organizations now have the opportunity to take control and build stronger direct connections with their fan base. That's all happening online. Media properties and the leagues themselves are hustling to be the first and best source of content on these devices.*
>
> George Meek, CEO of InPlayer.

The Accenture report states, 'Subscription TV is showing signs of erosion both in use of bundled services and viewing time, but adoption of subscription-video-on-demand (SVOD) services is growing, particularly among younger consumers. Aggregators need to become smarter about their bundling value to consumer.'

Companies lost $1 trillion in potential revenue by not being sufficiently relevant and losing business to competitors. The report urged companies to explore pay-per-view, stressing that consumers remain keen to pay for the right content. 'Consumer interest in PPV is four times actual usage and that presents a seriously untapped opportunity.'

## Global Sports Live Streaming Pay-Per-View Market



Bar chart values:
- 2016: 44
- 2017: 50.1
- 2018: 57.4
- 2019: 65.9
- 2020: 74.9
- 2021: 85.5
- 2022: 97.8
- 2023: 112.3
- 2024: 129.3
- 2025: 149.6
- 2026: 175.1
- 2027: 206.9

**15.6%**
**CAGR 2020-2027**

**North America 2016-2027 - USD Million**
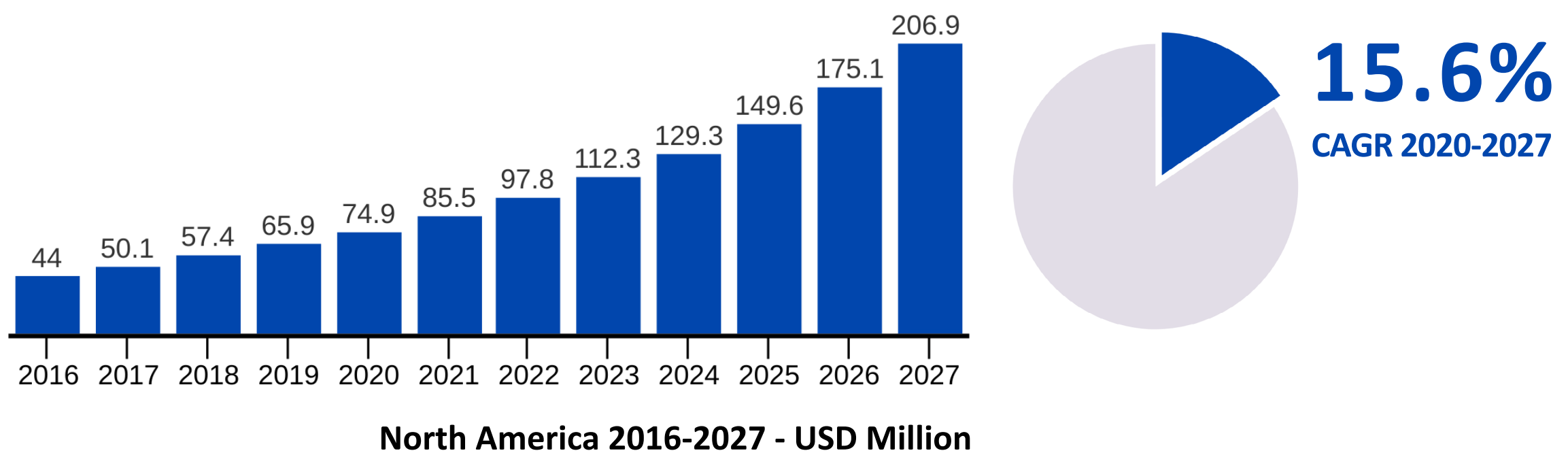
**Source: eMarketer, May 2020**

*As consumer preferences change with new technology, products and services must be:*

- *Intelligent, flexible and scalable to consumers' needs*
- *Able to tightly integrate with other products and services*
- *Highly trustworthy*
- *Available to consumers, when and where they need them*
- *Optimized for consumer value*

Source: Reshape to Relevance, Accenture report.

## Video Gaming, Live Streaming and User-Driven Content

At one end of the broadcasting and digital media landscape are the large broadcasters and global OTT providers that continue to produce premium content.

At the other end is an emerging, dynamic sector of splintered markets and production processes, where the focus is on personalization, and on mobile and on-demand content, often produced by commoditized tools and systems. Timescales to market are compressing, with the period from conception to launch for new services shrinking to just months or even weeks. It is a compelling opportunity for those ready and willing, and for both ends of the market.

The marquee name in live-streaming is the Amazon-owned Twitch. Focusing predominantly on videogames and eSports competitions, it has become a huge success in its nine years of operation. Its 1.45 billion hours watched in August 2020 represents a 57% jump year over year.

Sports broadcasters have grown increasingly mindful to borrow from the video gaming playbook. Such elements as instant replay, freezeframe, selection of camera angles, and enhanced graphics and augmentations continue to make the experience more immersive and interactive. In recent years in MLB, Statcast has grown popular, adding further value for the audience via an expansion of statistical analysis of play.

Another central element driving Twitch's success is its user-driven content. Since its early days in 2012, its monthly number of broadcasters has risen from 300,000 to 6.5 million. In an era of platforms such as Twitter, Instagram and YouTube, users have become creators. And superstar creators are now 'influencers', some with engagement figures the envy of traditional broadcasters.

> " *'OTT entities could learn a lesson from the grassroots creators. On Twitter, for instance, ESPN reporter Adrian Wojnarowski (@wojespn) has turned breaking NBA news into a cottage industry. Animators have parlayed original, sports-themed shorts into massive viewer numbers on Instagram. TikTok may be the latest blockbuster medium for content ranging from highlights to interviews to news, commentary and who-knows-what's-next.'*
>
> George Meek, CEO of InPlayer.

# Technology and Processes
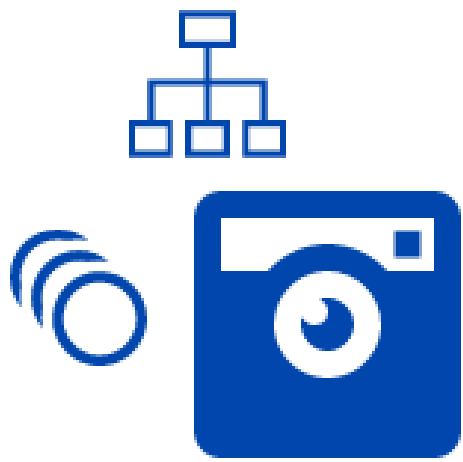
## The Gen2 Camera System

The previous generation of live-streaming action-cameras had many limiting problems. Cameras lacked directional control and images waved erratically with the movement of the athlete. This means useable content must be determined in post-production for use only in replays.

Images were transmitted from the field of play via radio technology with limited capacity, meaning images easily degrade and only a few cameras can be used simultaneously. The bulk of such cameras further reduced their practicality.

Gen2 has solved these issues with technology representing the next generation in live-action broadcasting.

The Gen2 camera system consists of two types of camera that for the first time enables viewers to enjoy high-quality live-action directly from the field of play.

### The Iris Camera System

High-resolution wireless cameras affixed directly to athletic jerseys (see image below). Allows the audience to get right into the action with their favorite athletes, seeing unique angles and perspectives.

### The Typhon Head-Mounted Camera System

Fully self-contained cameras with radio, wireless and power systems. The viewer sees and hears the action from the referee's perspective (or a helmet-wearing player's perspective, e.g. in sports such as ice hockey, cycling and horse racing).

**Iris camera affixed to sports jersey**

**Small Size and Low Weight**

The Iris micro-body camera sees the first application of compact and lightweight cellphone technology in an action camera. This enables each unit to be unobtrusively affixed or integrated into player jerseys.

**Image Capture and Processing**

Gen2 cameras capture professional broadcast quality 4K resolution images on wide-angle lenses. 'Deep learning' AI selects an HD frame approximating to a quarter of the field of view from within the captured image. This selection effectively acts as an automated camera operator, stabilizing the image and following the pertinent action – e.g. the ball or a particular player – despite much of the wearer's movement.

The cameras' Inertial Measurement Units track their movement and rotational position, locating them also in relation to the other cameras on the field of play. The AI will ultimately enable a self-direction option, capable of providing camera coverage for an entire sports event by intelligently switching between cameras to follow the action.

**Wi-Fi 6 Connectivity**

The Gen2 camera system employs the latest and fastest Wi-Fi standard, Wi-Fi 6, released in late 2019. This facilitates faster communication between linked cameras, compared with 2014's Wi-Fi 5, thanks to wider bandwidth and higher capacity.

**Durability**

Gen2 cameras are waterproof and robust enough to withstand reasonable impacts and sporting wear and tear.

> *AI selects an HD frame from within the captured image [and] acts as an automated camera operator following the action.*

# Applications for the Gen2 Camera System

Technologies tend to be employed in many ways initially unimagined by their creators. We expect this to be the case with Gen2 camera technology. Nevertheless, we already anticipate a certain range of uses for which the technology will be suitable.

**TV Sports Broadcasting**

Coverage of sporting events is our target market and we have already begun discussions with well-known sports content organizations for deployment and launch. An initial deployment is likely to be in US college sports.

While potential sporting applications are too numerous to list here, they could certainly include:

- Football
- Basketball
- Baseball
- Track and field
- Mixed martial arts
- Soccer
- Ice hockey
- Surfing
- Boxing
- Golf
- Horse racing
- Cycling
- Paintball

In line with the trend for sports stars to engage with the public on platforms such as Twitter and Instagram, we anticipate Iris cameras being taken into the daily activities of sports stars so that they can live-stream directly with fans whenever they wish. Such an option will likewise also develop with influencers beyond the sports world.

**Documentaries, Reality / Constructed Reality TV**

TV entertainment situated in a recognizable 'real

world' has become a much more popular form of entertainment over the past two decades. Often the presence of TV crews and bulky cameras can detract from the experience and affect participants. Discreet, body-worn cameras can capture all the action in a far less intrusive way.

Viewers will enjoy a more immersive experience, literally seeing the action from the same point-of-view as the protagonists and able to switch viewpoints between participants. For example, a fly-on-the-wall documentary within a hospital ward, school or prison is likely to capture much more natural behavior via small, wearable Iris cameras.

**Adventure Sports**
While body-worn cameras have for some years been put to good effect in adventure sports, Gen2 cameras could be put to even better use, thanks to their AI processing capabilities.

**Wildlife Documentaries and Conservation Work**
Iris cameras could potentially be affixed to animals to shoot otherwise unattainable footage, either for wildlife documentary uses or conservation work.

**Video Proof and Provenance**
Our Iris camera system will be extended from our core sports target market to industrial and law enforcement verticals. Our body-worn cameras can be used to live-stream or record video for legal purposes, such as in security and law enforcement, or for recording the creation or storage of a product for use in provenance validation.

> *We anticipate Iris cameras being taken into the daily activities of sports stars so that they can live-stream directly with fans whenever they wish.*

# The Gen2 Content Ecosystem and Digital Tokens

The Gen2 content ecosystem will deliver unique content in an increasingly competitive marketplace, accessed via an innovative pay-per-view model that gives users more control and, for content creators, enhanced price discovery.

Digital tokens, which can be purchased or gifted, are exchanged for access to content. There are two forms of token for use in the ecosystem, both of which are ERC-20 tokens built on the Ethereum blockchain:
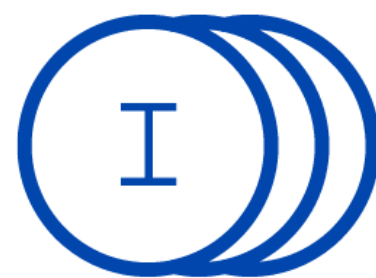
**1. Iris Token**
*The main currency within the ecosystem. Exchanged for access to any content. Can be bought and sold on cryptocurrency exchanges, and also gifted to anyone with a digital wallet.*

**2. Reward Token**
*A loyalty token white-labeled for content producers to gift to their communities and user bases. Exchanged only for that producer's content. Apportioned by Gen2 to content producers.*

Reward Tokens are for use by participating institutions and content producers within their own private reward platforms. For example, a university using Gen2 cameras for its college sports might want to distribute its particular white-labeled Reward Token to sponsors, boosters and alumni. In this manner, Reward Tokens can introduce new users to both the wider ecosystem and the digital token concept via content to which they are most connected. The Iris Token, however, can be exchanged to consume content across the whole ecosystem.

## Access Token Model versus Subscription Model

As mentioned in a previous section, the subscription model is currently under pressure due to heightened competition, high prices and content relevancy.

The Access Token model solves these problems by creating a dynamic, interlocking pay-per-view marketplace, where users pay only for the content they choose. Unlike with the subscription model, there is no contract or monthly commitment. Iris Tokens are freely transferrable and tradable; like any currency, one Iris Token is the same as any other. Users will have access to a comprehensive dashboard detailing such information as the price and popularity of any camera/content within the ecosystem.

Price discovery is applied to specific events rather than to a whole roster of programming to which one must subscribe. Price discovery, therefore, becomes highly specific and able to scale in line with demand. Consumers exchange their tokens at the time of viewing for only the content they have chosen, keeping content relevance high and price low.

The ecosystem enables a greater sensitivity for rewarding producers according to the value of their content. This means that content producers can be remunerated with greater accuracy in line with the popularity of their overall content, and right down to particular camera feeds.

The Access Token model is equally suited to providing users with the raw, unedited footage from niche sports, teams and pastimes as it is to events as large as the Super Bowl or soccer World Cup Final. But, in every case, fans are brought closer to the teams, players and pastimes they love.

> *The Access Token model [creates] a dynamic, interlocking pay-per-view marketplace, where users pay only for the content they choose. ... Price discovery, therefore, becomes highly specific and able to scale in line with demand.*

## Growth Driven by Uniquely Immersive and Interactive Content

The Gen2 camera system supplies unique content that will drive growth in the ecosystem. We expect that by the very nature of its innovatively immersive and interactive nature, users will be drawn to explore other sports and applications to which the camera system is applied. Viewing Gen2 content will be a pastime in itself. For example, particular sports for which a user might have previously been uninterested will become a different proposition when viewed from a body-worn player camera, or when viewpoint can be switched at will across all available worn cameras.

## Feedback Loop for Targeted Advertising

With greater customer choice and personalization of content comes more accurate customer data. This data can be leveraged by Gen2's media team for the creation of targeted advertising campaigns for sponsors and advertisers.

> *Iris Tokens are freely transferrable and tradable; like any currency, one Iris Token is the same as any other.*

# Team

Gen2 is an entertainment marketing company with a focus on sports, centering around its own next-generation live-action broadcasting camera technology.

The company will act as a conduit between professional sports leagues and their athletes, broadcasters and digital content producers, and an ever-evolving audience seeking novelty, immersion and interactivity.

Gen2's core team is comprised of four individuals with a wealth of experience in entertainment and sports marketing, and various technology industries.

## Daniel Serruya
### - President and CEO

Mr. Serruya studied Economics and Sociology at Concordia University of Montreal. He has served as a Director of Business Development for both Axiom Capital and AmeraCan Energy Holdings. Mr. Serruya has extensive experience as a consultant in business development and structured financing advice and services.

## Gary Shields
### - CTO

Mr. Shields holds a combined Bachelor of Science in Computer Science and Psychology, with majors in Human-Machine Interaction, UI design, and Artificial Intelligence from Brock University. He has worked in development leadership roles creating enterprise system architectures for Fortune 500 companies, government and military security systems, and entertainment industry products. Combined with electronics and software design for defence and aerospace companies such as Shark Marine Technologies and Insight Avionics, Mr. Shields has considerable experience in bringing technologically advanced products to market.

## Michael Kovacocy
### - COO and Head of IR

Mr. Kovacocy holds a bachelor of science and masters in industrial administration from Carnegie Mellon University. He has worked in a variety of roles across strategy formulation, management and financial analysis. Having worked as both a senior manager and lead on mobile apps propositions at BT (British Telecom), and as a lead equity analyst at Diawa Capital Markets, Mr. Kovacocy has particular expertise in technology commercialization and capital markets valuation.

## Rick Pearson
### - VP Broadcasting

Mr. Pearson studied Economics and Business Economics at the University of Florida. After graduating, he played golf professionally on the PGA Tour and Korn Ferry Tour for fifteen years. Having then joined PGA Tour Entertainment where he spent fifteen more years as Technical Operations Manager and Media Asset Manager, he has substantial experience in managing technical teams and in all technical aspects of broadcasting.

# Roadmap

The company envisions its customer base will be heavily concentrated in North America, although we expect material contribution to customer numbers from Europe and Asia. In particular, we aim to target key potential clients in the United Kingdom.

The company aims to achieve a fully-financed business model for operations covering a period of a minimum of 24 months into the future. From an operational perspective, we are focused on winning material commercial contracts which will help drive hardware, turnkey solutions and advertising, and other value-added revenues. We will focus heavily on adding clients in our key sports segment.

Near term commercialization goals include: US Golf, American Football, North American MMA, Asian MMA, North American Basketball, European Soccer, Global Surfing, North American Broadcasting, and a European Sports Broadcaster.

A key focus for building out our initial camera infrastructure will be installing camera systems in US college sports, both for individual universities and overarching collegiate sporting bodies.

As an achievable baseline guide, the company expects to have 40 clients on board by the end of Q3 2021, growing that number quarterly by 50%. For each client, it is estimated that a total of 60 cameras will be required, equivalent to 20 cameras per team covered, e.g. football, baseball and basketball. (See chart below.)

## Projection for Gen2 Operational Expenditure 3Q21-2Q23

|  | Clients | Cameras | Cost |
|---|---|---|---|
| Q3 2021 | 40 | 2400 | $240K |
| Q4 2021 | 60 | 3600 | $360k |
| Q1 2022 | 90 | 5400 | $540k |
| Q2 2022 | 135 | 8100 | $810k |
| Q3 2022 | 203 | 12180 | $1.218m |
| Q4 2022 | 305 | 18300 | $1.83m |
| Q1 2023 | 457 | 27420 | $2.74m |
| Q2 2023 | 686 | 41160 | $4.12m |

Other miscellaneous costs, such as for wireless equipment, will evolve as the solution is rolled out, adding approximately 50 per cent to the above costs.

# Projected Iris Token Sales

**$0.50**

**Token Price**

The company expects a base charge per token of $0.50 for one day's worth of streamed content from the network.

**$15/30**

**User Value**

If we want to compare the value of consumed Iris content to a monthly subscription-based competitor, we see that a user watching for a total of 30 days would pay $15 equivalent in tokens. Such a figure compares well to such monthly subscription rates, e.g. YouTube Premium at $17.99.

**50m**

**$25m**

**Token Revenue**

The company expects to sell a minimum of 50 million Iris tokens across the initial 24 month period from Q3 2021, totaling $25 million in revenue.

**100,000 Users**

We believe this amount of tokens sold to be a plausible amount. Stretching across the full period, through to Q2 2023, this would be the equivalent of fewer than 100,000 users watching, and de facto 'subscribed', as continuous, loyal, daily returning users.