

# Executive Summary

## The ALX Ad Network

### Creating Trust Between Advertisers and Consumers

Four major trends have emerged in the last few years that reinforce each other and open up a compelling business opportunity. They are:

1. Public dismay at the abuse, mismanagement and direct exploitation of personal data by major companies such as Equifax, Facebook and Google
2. General Data Protection Legislation (GDPR) from the EU confers data rights on EU citizens, changing the balance of power between the giant digital marketing companies and the needs of individuals. This will likely provoke similar legislative moves across the globe.
3. The growing public distaste for interrupt-based advertising driving the popularity of ad-less TV providers such as Netflix and Amazon, and the increasing adoption of ad-blocking plug-ins for browsers.
4. The rapid adoption of blockchain technology enabling new innovative business models based on cryptocurrency, openness and automated trust.

In the coming years, the confluence of these trends will reshape the relationship between advertisers and consumers. Since early 2017, Algebraix has been building a business that intends to orchestrate this coming transformation.

### A New Direction in Advertising

Algebraix' is building an ad network that pays users to view ads. The company has based its approach to this on the following principles:

- The time has come to End Data Exploitation.
- Personal data is property and individuals must be compensated for its use.
- Personal attention is valuable and must be paid for.
- To ask permission is to show respect. Interruption is disrespect.
- If cryptocurrency is to become successful, it must be easy for anyone to use.

Digital advertising exploited personal data to the tune of \$209 billion in 2017, and the figure is expected to grow by 13% in 2018, far faster than any other area of the ad market. Between them, Google and Facebook account for 63% of the revenue. Algebraix will directly attack that market.

The network will enable users to reclaim ownership of their data, secure it and manage it for their own benefit. Advertisers will target their ads and campaigns using profile data provided voluntarily by ALX users. They will present their ads via GetALX.com, a website in app form, that rewards users who choose to watch them with ALX tokens. Consumers will be paid for doing what many of them they were already doing, except that their activity will be voluntary and permission-based.

The ALX user-advertiser interaction will offer a distinct contrast to the dominant digital advertising model where ads deliberately interrupt the user, often aggressively.

The ALX network will provide an escape from that frantic environment, calming the waters and reducing the costs. A bridge of trust will be built between advertisers and ALX users that could engender a more productive relationship for both parties.

We have carefully designed the ALX network so that the ALX cryptocurrency is easy to earn, manage and use for the millions of consumers we intend to recruit.



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People will own their data and capitalize on it  
by using the ALX network

ALGEBRAIX™



## Growing and Delighting the Audience

An advertising network lives or dies by the size of the audience. From the start, this has been a strong area of focus for the ALX network. The software has been designed to swiftly grow the audience of ALX users by providing compelling content and amplifying network effects:

- The ALX network will carry popular entertaining content as well as ads. Some content, music videos, for example, qualify as both ads and content.
- As well as rewards for viewing content and ads, we will reward influencers and curators who guide others to discover compelling content.
- Users will be rewarded for attracting and recruiting other users
- Content providers will be able to build follower groups, whom they attract first through ads but who may later choose to pay for their content.
- The environment will be gamified by holding regular competitive contests.

Further user incentives include the possibility that users who accumulate a sufficient quantity of ALX, could become “miners,” and be rewarded for holding ALX via a proof of stake” algorithm.

## Captivating the Advertisers

The cost of gaining consumer attention has escalated by a factor of eight over the last two decades, a growth rate of 10% per year, much higher than the rate of inflation. The ALX network is designed to provide a far more cost-effective channel for advertisers. The advertiser ROI will be exceptional because:

- Targeting will be precise.
- Every ad viewer will be a real person (never a bot).
- Only ALX users who are interested will watch the ads.
- The ALX advertiser portal will offer detailed, real-time reporting on user behavior so that advertisers can maximize their advertising investment and consumer relationships.

The activity of both users and advertisers will be regulated by a reputation system to maximize the likelihood that users respond to ads that genuinely interest them and the ads the network carries please the audience. Because digital advertising will be better targeted, the audience will be more receptive.

## A Growing Network

The ALX network will expand to accommodate other advertising networks in the digital ad world by enabling paid-to-view ads to be syndicated to other web sites. In global terms, it will quickly expand beyond implementation in the US and other English-speaking countries to establish a global network. We will forge agreements on a local geographical basis to allow media publishers anywhere in the world to run focused businesses, managing sales to local advertisers, while leveraging the ALX network and technology.

## Unique Technology

As the ALX network grows, data and transaction volumes, and user numbers will grow quickly. To manage the scaling and performance issues, Algebraix will deploy its data algebra-based technology, which can define any data structure and dramatically accelerate query performance. Algebraix has published a book on data algebra (*The Algebra of Data*, by Sherman and Bloor) and obtained nine issued patents for its application - the fruit of a multi-year \$40 million investment. It is currently moving towards monetizing these patents.



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