

# RECLAIM

RECLAIM IS AN AD-FREE, DISTRACTION-FREE, TRACKERLESS WEB 3.0 EXPERIENCE WITH A GOAL OF TAKING BACK THE INTERNET FROM ADVERTISERS.

## THE PROBLEM

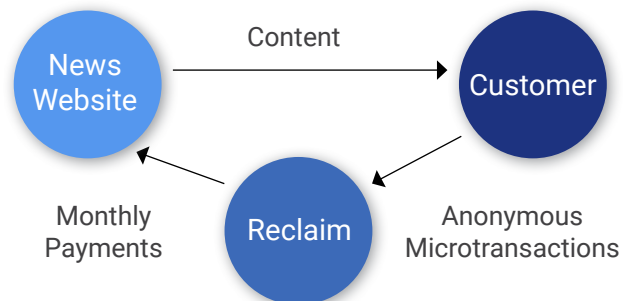
Digital advertisers profit at the expense of consumer's time, attention, and personal information. In the last few years, users have started to understand the true cost of ads and that ad-driven websites are not actually "free". Users complain about being tracked across the internet and also disdain the infuriating experience of giant content ads, self-playing videos, and 3rd party tracker notifications. The problem is now so acute that 77.79 million internet users in the United States use some form of ad-blocking technology. Ad blockers, however, are increasingly becoming ineffective as technologies circumvent them or sites ask users to turn them off.

Ad blockers also deprive content producers of revenue they need to survive. In 2021, US content producers and websites lost an estimated \$12.12 billion in revenue<sup>1</sup> due to ad blockers. Additionally, sweeping legislative changes such as GDPR and changing privacy standards for apps have resulted in shrinking profits. Facebook's recent \$250 billion one-day loss (the largest one day loss by a single firm) was a direct effect of Apple cracking down on 3rd party trackers<sup>2</sup>. Even companies buying advertisements are not sure if they even work, since the engagement metrics are provided by the advertisers themselves.

The end result is declining satisfaction from users and producers alike. It's also unrealistic to expect users to subscribe to every website they visit, so they are faced with the choice of either viewing ads and sacrificing privacy, or not visiting altogether.

## THE SOLUTION

Our solution is simple: we are removing ads by enabling micropayments for content. Reclaim provides a totally anonymous web browsing experience that eliminates third party trackers and advertisements, while in turn providing greater profits for producers. It works on all sites and devices, and the price to the end user is less than \$4 per month.



### Reclaim's Two-Sided Ad Market Solution

Reclaim essentially acts as an intermediary between the customer and a website, while taking a minimal fee per transaction. Under the hood, we are providing anonymous micro transactions using zero knowledge proofs on a private blockchain. This technology has been used by major banks<sup>3</sup> as well ZCash<sup>4</sup> crypto currency to validate user transactions.

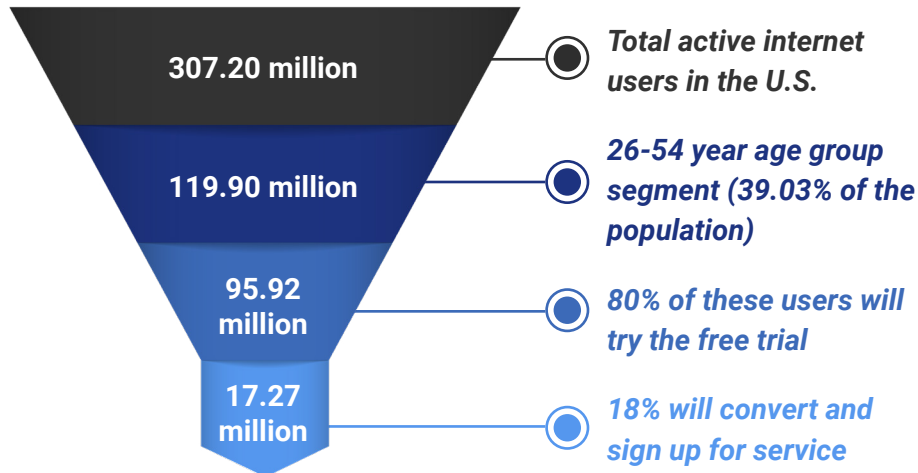
In the past, microtransactions have failed because the transaction fee exceeds the value of the transaction itself. Blockchains such as Solana have created a new opportunity for microtransactions with minimal overhead. The difficulty with blockchains is that the transaction speed is too slow for real time requirements. Our solution provides a temporary guarantee to the transaction and validates it after the user receives the content. This unique combination of features allows us to enable microtransactions that are completely anonymous, while still conforming to US payment and security standards. We believe our solution is the foundation to a new payment system on the internet.

# MARKET OPPORTUNITY

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## Content Consumer (Website Viewer) Market Opportunity

### Initial Target Market in the U.S.



### Consumer Testimonials

*"I would pay \$200 a year for this"*

- Rachel O'Connor

*"I would pay thousands dollars to never see another ad"*

-Gigi Gillie

### Content Producer Testimonial

*"I think that this is close to brilliant"*

- The Seattle Times

## Content Producer (Website Owner) Market Opportunity

While it varies from site to site, a normal page view brings in only \$0.011 through advertising<sup>5</sup>. Our solution will allow for websites to earn at least 50% more revenue per page view without having to sell advertisements. Content producers earn more while simultaneously providing a better experience for their customers.

The total digital advertising revenue in 2021 was estimated at \$343 billion worldwide and \$191 billion in the US alone<sup>6,7</sup>. Google AdSense, which runs 3rd party advertising services, took in \$31.7 billion<sup>8</sup> in 2021. While we believe we can be an effective alternative to anyone running AdSense (or any other 3rd party ad service), we are specifically targeting the print and digital newspaper industry due to its reliance on 3rd party advertisements. The total estimated advertising revenue in 2020 for this segment in the U.S was \$9.6 billion<sup>9</sup> and with 39% of newspaper companies' advertising revenue coming from digital advertising<sup>10</sup>. As such, we see a \$3.744 billion nearterm opportunity. Given the desperation of news companies coming out of the pandemic, we believe we are well positioned to capture a significant portion of this revenue. Long term we are expecting to expand to other verticals as well as expand globally.

# COMPETITIVE STRATEGY

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Our competitive advantage is that no other company is offering anonymous microtransactions which result in complete privacy for the user, more profit for the producer, and a generalized solution that works across all sites and apps.

While we have not identified a competitor offering anonymous micropayments, there are a few competitors offering other solutions. The landscape ranges from ad blockers (Brave Browser) to subscription aggregators (Apple News+). These options have one of two drawbacks: they either don't make money for producers (as they block ads) or they require the user to view all content through one app.

Scroll, a similar service that was acquired by Twitter in 2021, offered an adfree experience with a \$5 a month subscription. Unfortunately for their users, Scroll was rolled into Twitter Blue, which only works on links inside of

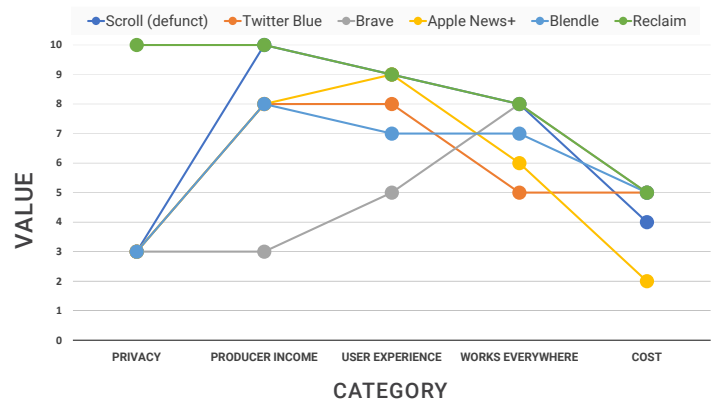
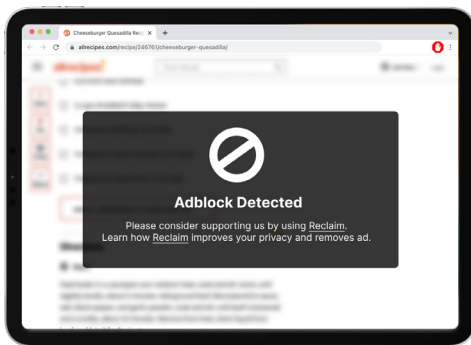
tweets, leaving thousands of former Scroll users without a general solution. We see this as a tailwind for us given that Scroll not only validated the market but gave us an opportunity to acquire their old users.

Our competitive strategy is to leverage network effects to create better offerings for our users and producers, while imposing barriers to entry for competitors. Our pay-for-what-you-use model allows users to get value from our service even before we have a large number of producers in our network, but also scales as we get more producers. We believe this will incentivize users to sign up early but also give them fair prices at any level of engagement.

We will also offer anti-adblocker software for producers which will detect users who have adblock enabled, and then ask them to either turn off their ad blocker or subscribe to our service. This will allow producers to earn higher revenues per view and also gain customers at a very low cost.

This strategy is an easy way to start gaining network traction. The more producers we sign, the more users we will attract, which in turn will add more producers. Given the diversity of suppliers and users, we feel we have equal power balances between these industry forces and us. Substitute products are unlikely to be a factor as they have the same issues that our main competitors have, as outlined earlier.

Our adblock detection software running on a producer's website.



P.E.S.T. (Political, Economical, Social, and Technological) Factors

Political/Legal	Economical	Social	Technological
<ul style="list-style-type: none"> <li>Breach of contract</li> <li>Data breach of users</li> <li>Legislation relating to search advertisement (against Google and Facebook)</li> </ul>	<ul style="list-style-type: none"> <li>CPM and CPC cost structures</li> <li>Consumer disposable income</li> <li>Newspaper industry financial issues</li> <li>Potential market contraction/inflation rates</li> </ul>	<ul style="list-style-type: none"> <li>Consumer attitudes regarding privacy and digital advertisements</li> <li>Internet trends across devices and demographic segments</li> </ul>	<ul style="list-style-type: none"> <li>Total anonymity technology feasible</li> <li>Micro transaction recordings</li> <li>Anti-adblocking software</li> </ul>

S.W.O.T. Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>Business model has proven profitable &amp; successful in the past</li> <li>Team has diverse backgrounds in technology, software, and business</li> </ul>	<ul style="list-style-type: none"> <li>Convincing producers of the economic benefits of our platform</li> <li>Challenges keeping the cost per transaction minimal</li> </ul>	<ul style="list-style-type: none"> <li>Adblocking is something consumers want but something detrimental to publications - we can create something to bridge the gap</li> <li>Creating technology that allows for total anonymity and micropayments</li> <li>Providing new type of digital revenue strategy</li> </ul>	<ul style="list-style-type: none"> <li>Large tech companies have more capital and resources to create something similar/better</li> <li>Unknown brand entering the market, may face initial reservations</li> </ul>



# GO TO MARKET STRATEGY

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## Phase 1: Seed Funding

Before our beta launch, we will offer initial users \$5 dollars in credits (approximately equivalent to a month of ad-free browsing) in order to get beta users. We will also be involved in panels like the IAB Ad Blocking & User Experience Summit. Additionally, we plan on creating informational articles around topics like ad blockers, and digital privacy and publishing on high traffic websites like Medium. We will also target a handful of producers who are the most interested in participating in our beta launch.

## Phase 2: Beta Launch

After launching our product, we intend on targeting consumers and producers through a number of tactics. Since we have a two sided market, we will be focusing on these two groups separately.

### *Content Consumer:*

Our initial core consumer will be someone who is overwhelmed by the amount of ads and types of ads they see<sup>1</sup> and have the expendable income to use our service.

### **Target Demographic:**

- Millennial
- \$110,000+ household income
- 4-year undergraduate or graduate degree
- Metropolitan dwelling

As mentioned in the last section, we are providing content producers with anti-adblocking technology as a way to onboard content producers. If a consumer who visits a producer's website has some type of ad block installed in their browser, our anti-adblock technology will advise a consumer to use our service

instead. We believe we can attract large volumes of users with this method at low acquisition costs.

### *Content Producer:*

Our initial target producer will be in the news industry and provide both print and digital reading options. Producer print circulation will be 140,000 - 200,000 and their digital will garner 23 million to 33 million page views per month. Examples of news publications are The Seattle Times, The Philadelphia Inquirer, San Francisco Chronicle. After we have boarded 10 publications in our Phase 1, we will reach out to corporations like Hearst and Tribune Publishing, who each own less than 25 daily newspapers.

In order to onboard these initial producers, we will do 1 of 2 things:

1. Outline the economic benefits that using the Reclaim service will provide
2. Provide them with an anti-adblocker technology to prevent additional loss from digital advertising revenue

## Phase 3: General Availability

In the long run, network effects will largely account for our ability to scale. After on-boarding the medium sized digital publications and blogs, we will reach out to larger conglomerates like Gannett, Lee Enterprises, and Digital First, who own 261 daily newspapers, 81 daily newspapers, and 66 daily newspapers respectively. We expect that sites outside of news will show interest, and we will onboard those as they come. While news publications are the initial producer target market, we expect traction in many verticals. We will target all websites using major 3rd party ad networks such as AdSense and Double-click.

## Pricing

Our model is similar to GoodToGo™ where users have refillable wallets that are deducted on a per visit basis. For example, a user purchases \$5 worth of credits and visits 155 websites over the course of the month. 2¢ is deducted from the wallet per web page view until the user's wallet is empty. At this point, the wallet will automatically recharge, adding another \$5. This model has the advantage of allowing microtransactions without our company requiring a minimum subscription fee.

The amount a user pays per view is determined by the producer. In order to stop users from having to negotiate a price for every page they visit, we will only require them to acknowledge the pricing the first time they visit a producer. Prices will be uniform across a producer and can only change every 60 days. This variable pricing is critical to getting more producers on board and was a major complaint that Scroll faced. We estimate the average price-per-view at 2¢. Given a user's average visits of 5 articles per day, they will expect to be charged \$3.10 per month.

## MANAGEMENT TEAM

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**Kyle Buckingham** works on the AI team in Zillow as a senior software engineer. He has experience in big data, distributed computation, and building machine learning models at scale.

**Marat Galeev** is a senior software engineer at Microsoft with 12 years of software development experience and managing large-scale projects.

**Mahbub Murshed** is a lead software engineer at Microsoft with 14 years of experience in big data, AI, and distributed systems. He co-founded a media organization [sahcalyatan.com](http://sahcalyatan.com) which provided ad-free content through philanthropic efforts.

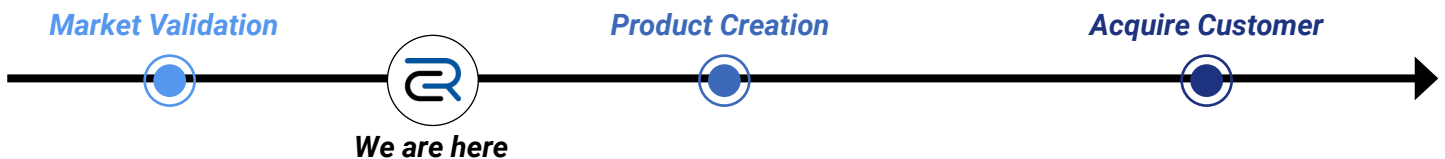
**Alex Taylor** has been involved in a handful of startups across different industries and provides strategic and operational strength. She previously worked at a digital advertising agency and is extremely active in the nonprofit sector.

All team members are 2nd year graduate students at the University of Washington and are very passionate about solving this specific problem. We have advisors from UW (both within the computer science department and Foster), as well as advisors from major news producers.



## TIMELINE

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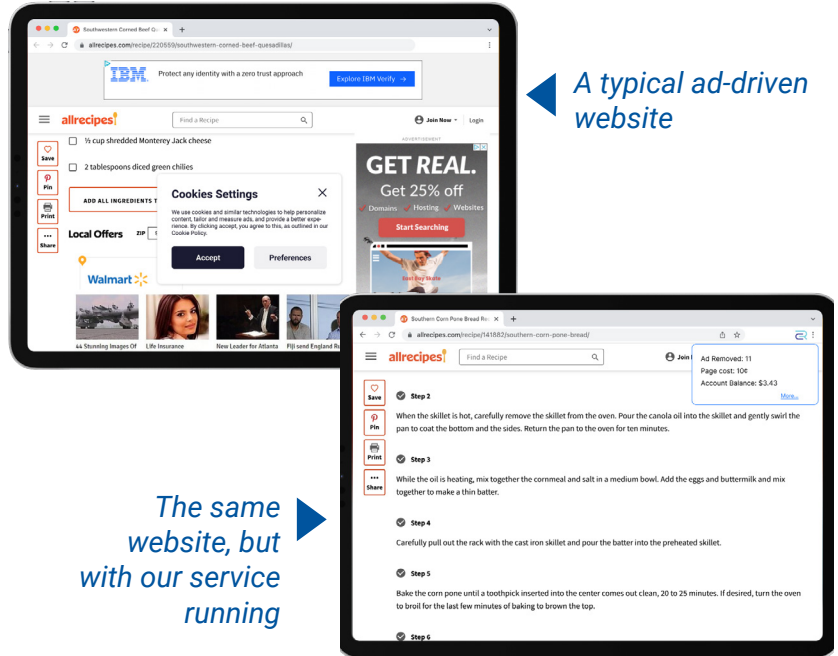


So far we've validated the consumer market and have met with major producers. We've also generated a technical architecture and are in the process of getting beta signups. All of our producer interviews were very positive and expressed interest in the final product. This included the Seattle Times as well as McClatchy (which owns 30 daily newspapers). We've also done user research, including original interviews and extensive paid market research, as well as broken ground on an end-to-end prototype. We expect to have a beta version running in Q3.



# USER EXPERIENCE

Reclaim's experience is very minimal and we aim to operate mostly in the background. We only ask for payment information during a user's initial signup. The user can connect a blockchain wallet or provide credit card information. After the user signs up and installs the browser plugin, ads are removed from content provider websites in our network. A summary for the page is displayed when the user clicks the icon on the plugin. The only ongoing interaction from our service is when users accept a site's pricing terms. Given that most sites are repeat visits, we believe this interaction should be very minimal in the long run. Since we are removing the 3rd party trackers, users experience fewer popups and faster browsing.



# FINANCIALS

Our financial analysis is based on projected sales, costs, and growth rates according to our go-to-market strategy. Reclaim charges consumers an average 2¢ fee per view plus a 30% service fee. Given that an average person reads 5 articles per day, a user's daily charge is \$0.20. We project aggressive growth on both sides of the market and foresee reaching SOM in seven years, with a 100% growth of producers and 500% growth of consumers annually.

We're planning to develop a prototype in year one and based on the scope of work we've estimated the cost at \$30,000. To bootstrap the prototype, we will use internal resources and proceeds from pitch competitions. To sustain the next years of growth, Reclaim will require a funding of \$1,000,000 in year two and \$1,500,000 in each of next two years, which we're planning to raise from angel investments.

	2022	2023	2024	2025	2026	2027	2028
#consumers	1,000	6,000	36,000	216,000	1,296,000	7,776,000	24,000,000
#producers	10	20	40	80	160	300	400
Revenue	\$9,360	\$112,320	\$1,010,880	\$8,087,040	\$60,652,800	\$363,916,800	\$1,123,200,000
<i>Pay-per-view</i>	\$9,360	\$112,320	\$1,010,880	\$8,087,040	\$60,652,800	\$363,916,800	\$1,123,200,000
COGS	\$37,488	\$89,856	\$808,704	\$6,469,632	\$48,522,240	\$291,133,440	\$898,560,000
<i>Initial prototype</i>	\$30,000	\$-	\$-	\$-	\$-	\$-	\$-
<i>Providers payout</i>	\$6,552	\$78,624	\$707,616	\$5,660,928	\$42,456,960	\$254,741,760	\$786,240,000
<i>Cloud infrastructure</i>	\$936	\$11,232	\$101,088	\$808,704	\$6,065,280	\$36,391,680	\$112,320,000



(financials continued)

	2022	2023	2024	2025	2026	2027	2028
SG&A	\$5,000	\$1,030,000	\$1,680,000	\$3,080,000	\$8,980,000	\$41,880,000	\$123,000,000
Founders compensation	\$-	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Engineers salary	\$-	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$2,500,000
Other	\$-	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Customer acquisition	\$5,000	\$30,000	\$180,000	\$1,080,000	\$6,480,000	\$38,880,000	\$120,000,000
EBIT	\$(33,128)	\$(1,007,536)	\$(1,477,824)	\$(1,462,592)	\$3,150,560	\$30,903,360	\$101,640,000
CAPEX	\$-	\$-	\$-	\$-	\$-	\$-	\$-
FCF	\$(33,128)	\$(1,007,536)	\$(1,477,824)	\$(1,462,592)	\$3,150,560	\$30,903,360	\$101,640,000

Using serviceable obtainable market figures, current market conditions, corroborated with financial projections, we anticipate generating a \$ 649,175,583.82 NPV (in perpetuity, assuming a 10% discount rate).

## SOCIAL RESPONSIBILITY

Our mission is to make the internet a safer place where privacy is the default. We deeply believe our solution will result in an internet that avoids many of the social ills brought on by advertising. In addition to privacy and experience issues mentioned throughout this document, we've also studied the impact of advertising on mental health, spreading misinformation, and the quality of content on the internet.

Digital ads incentivize content creators to keep users on the page as long as possible. We believe our micropayment model can combat this by empowering website owners to create higher quality content. We also believe we will likely increase the profits for very small producers, which will in turn create a more vibrant and diverse information landscape.

Our service can also reduce the carbon footprint of the internet. In 2020 each person on earth consumed 1 gb of internet data per day<sup>12</sup>, out of which 48% of which is just advertisements<sup>13</sup>. Our solution will not only reduce data consumption, and therefore save on energy, but will also increase battery life for devices.

We promote social responsibility in the operations of our company as well by using carbon neutral hosting, diversity in the workplace, and equitable pay structures. We have the luxury of having small physical footprints while in turn creating a large impact.



An ad bought by a Russian company with ties to the Kremlin in 2016 (provided by a report from the House Intelligence Committee in 2017)

## CONTACT

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