Access Protocol

By the Access Protocol Association

CRYP2NOVA

Whitepaper

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Table of contents

1. Digital monetization isn't designed for creator success 2

2. Access Protocol revitalizes digital content monetization 3

3. Value proposition 5

   3.1. To publications and creators 5

   3.2. To consumers 8

   3.3. To the crypto industry 9

4. Access Protocol Association 11

   4.1. Association incentives and grants 12

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1. Digital monetization isn't designed for creator success

Ads are the primary revenue stream for digital media companies. These companies compete directly with social media companies such as Facebook, Instagram and Twitter which are better positioned to offer clients a lower average CPM (the amount it costs an advertiser to generate one thousand impressions on an ad unit). Competing with social media companies for advertising dollars is increasingly unsustainable. In addition, traffic-based ads create misaligned incentives that push media companies to produce low-quality, and at times clickbait content to drive impressions.

The disparity between the value captured by social media platforms and digital media companies is striking. In 2021, Facebook's average revenue per user (ARPU) was ~$213.95[i] whereas a best-in-class subscription-based media company, The New York Times, produced an ARPU of ~$34.00, a 6.3x difference.[ii] The difference is even more stark when compared to ad supported digital media businesses. Facebook captures more than ~1,000x higher ARPU than most ad-supported media companies like BuzzFeed, with a $0.20 ARPU[iii].

Strong brands that provide valuable content have started to migrate towards a business-to-consumer (B2C) subscription model, which provides the company with recurring revenue and better aligns creator content and consumer interests compared to standalone advertising.

However, a B2C paywall creates friction and alienates users who will either never want to pay or do not have the desire to allocate funds on a monthly or annual basis. This model suffers from low conversion rates (often <1% of the audience) and imprecise value capture. For reference, Bloomberg's 60 – 80 million monthly active users[iv] have generated <400,000[v] paying subscribers equating to a ~0.6% penetration rate.

These monetization methods are inefficient at capturing value for creators. While businesses have successfully implemented a B2B model, these services exclude consumers.

Today's Challenges		
Segment	**Advertising**	**B2C Subscriptions**
Consumer	• Low-quality content, misleading headlines • Crowded advertising space hampers user experience	• Subscription fatigue (limited # of creator relationships) • Monthly / annual charges before receiving any value
Creator	• Race to the bottom incentivizes clickbait content	• Low conversion rates (<1% of the audience)

Exhibit 1

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2. Access Protocol revitalizes digital content monetization

Access Protocol's proposed model allows users to lock ACS tokens to a creator pool once and maintain access to that creator's content until the user unlocks rather than face a recurring credit card charge. In practice, a user gets ACS tokens and locks them at whichever creator they'd like to access. Access Protocol introduces a fungible token (ACS) that can be utilized across participating creators, which enables users to have a more consistent experience rather than working through multiple different credit card payment flows.

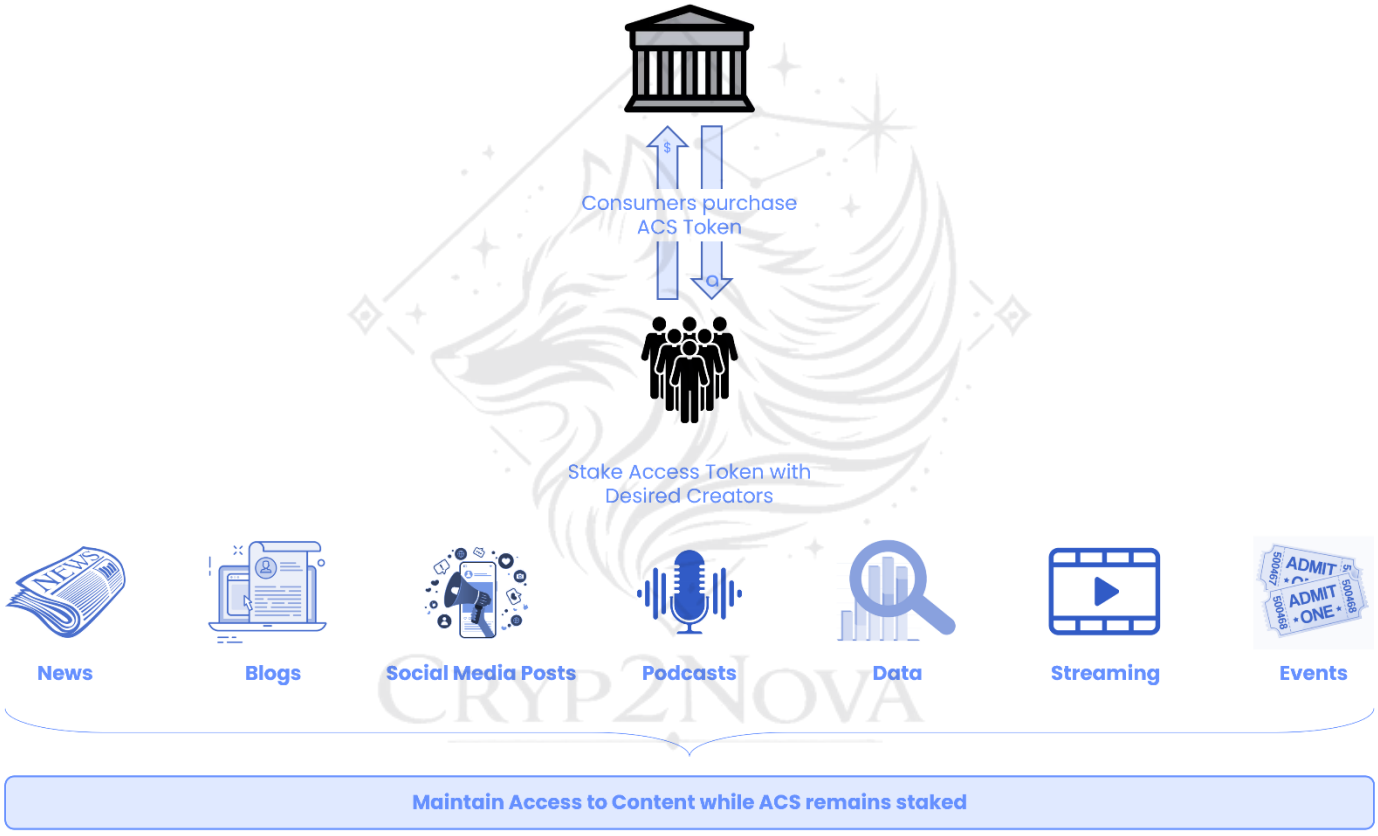


Exhibit 2

Each creator receives ACS tokens proportional to the amount of locked ACS within their pool relative to the number of locked tokens across the ecosystem. This model creates a consistently superior way for creators to improve monetization and broaden content distribution through a lightweight, low-friction UX for end users. The creators may in their discretion distribute ACS token or other benefits to the ACS token holders who locked ACS token to them, such as NFT drops, exclusive event access and bonus features.

Each creator designates a minimum threshold of ACS tokens necessary to gain access to their content. If the token holder locks the minimum threshold (at the time of transaction), the user

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will maintain access to the creator's Access gated content for as long as they remain locked. Note that the creator can set the minimum threshold of ACS tokens for access to zero.

Long term, the aggregate rewards collected by creators approximate the aggregate value of all the content consumed in the ecosystem during a particular period. Creators that onboard into the Access ecosystem and in turn produce content for Access users, drive the utility of the ACS.

In this new fee-generating model, creators can monetize their audience on day 1, while also exposing a higher percent of their users to their content. By minimizing barriers to monetization, the size of the digital content market will expand by an order of magnitude.

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3. Value proposition

Reinvent the digital content consumption model

Access Protocol creates a new model for all digital content creators, whether it be a digital media company, a streaming company or a standalone influencer.

New creators can tap into an existing ecosystem of tooling, users and value by joining the Access ecosystem.

3.1. To publications and creators

New fee generation stream

The reward functionality of Access Protocol incentivizes creators to produce valuable content for their audience. In turn, consumers may be rewarded for supporting their favorite creators and publications. Ultimately, this better enables creators to prioritize user experience and user value versus sponsor interests.

Access Protocol	
Improved Path Forward	**Brings Flexibility Back to Creators**
✓ Refocuses on users' experience rather than sponsors'	✓ Flexible deployment strategy with no minimum threshold for creators
✓ Inflationary reward split serves as an incremental fee generation	✓ Creators can choose when and what content they want to gate
✓ Traffic agnostic system lowers reliance on ads and boosts consistency	✓ Can open a pool before implementing Access gating

Exhibit 3

Increase the number of fee-generating users

In the B2C subscription world, ~7% audience penetration rate[vi] is known as best in class, however, most digital media companies, including those at scale like Bloomberg and Insider, maintain a ~0.5% penetration rate[vii].

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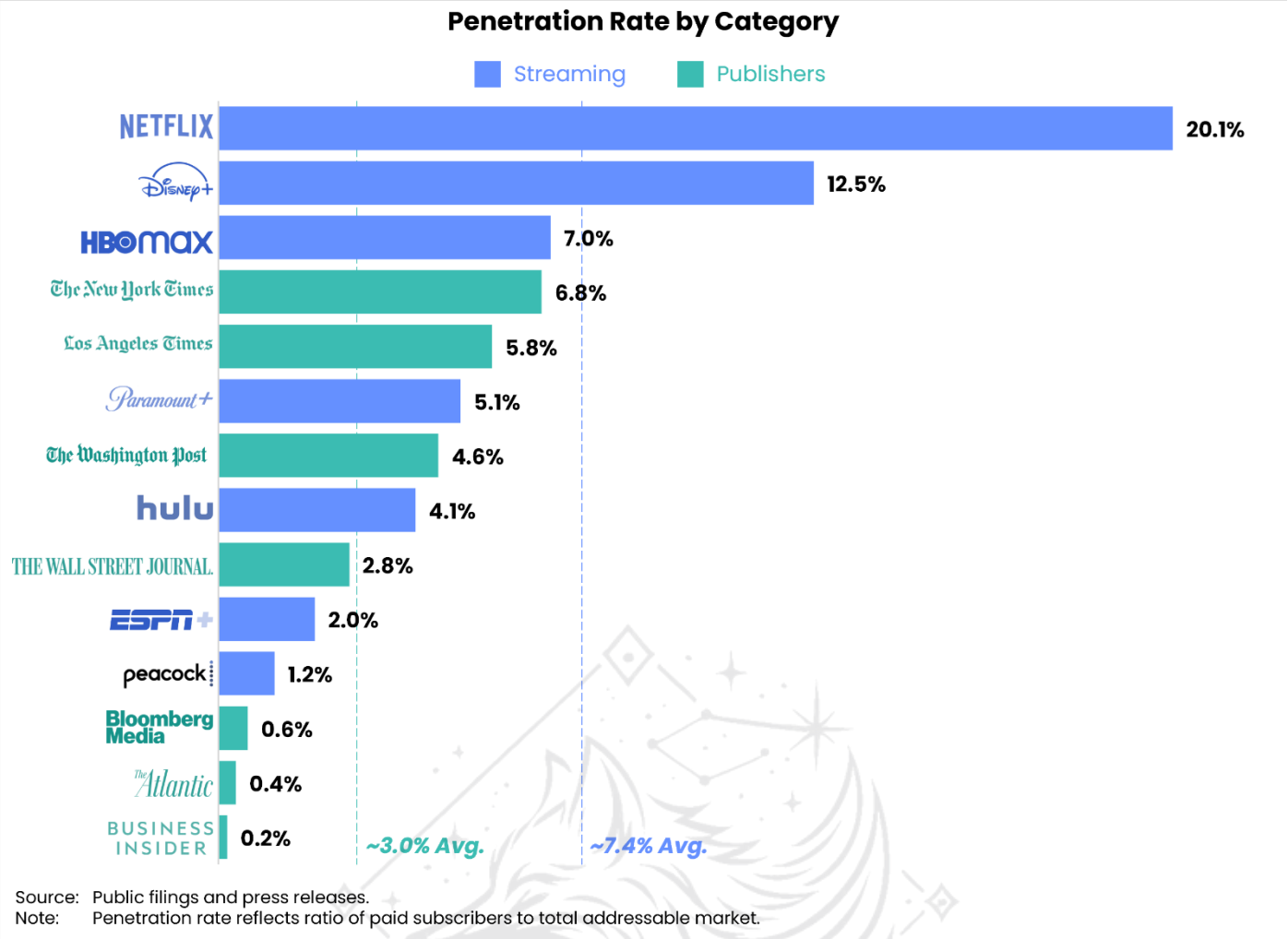


Exhibit 4

With one click, consumers can maintain access to paywalled content by connecting a compatible third-party wallet and locking ACS to a creator pool. No credit cards, no sign up, minimal friction.



Exhibit 5

By removing the use of credit cards and the associated monthly or annual renewals, the protocol creates the opportunity for lifetime subscriptions. Since the relationship from the creator to the consumer is no longer value extractive, one of the only reasons why a user would "churn" is if they determine their tokens would be better utilized at another creator's pool. As a result, creator's audience size could increase meaningfully while also building long-term, fee-generating users rather than just ad supported users.

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Robust uplift in lifetime value (LTV)

Realigning creator incentives solves the issues in Exhibit 1 and enables them to produce content solely with the focus of valuable to users. With an increase in ARPU and a decrease in churn rate, creators will see robust growth in user lifetime value (LTV).

Moreover, while Access Protocol allows creators to set the minimum threshold for ACS locked in a particular pool, it does not have a limit on maximum number of tokens locked. This creates an opportunity for super fans, or super supporters, to pledge well above the minimum lock threshold.

By nature of being a super supporter, the individual contributes a higher ARPU and LTV for the creator without increasing the incentive to churn relative to non-super supporters. The opportunity for a user to identify themselves as a super supporter by locking more than the minimum threshold is unique.

For most creators today, there is no way to signal more than the off the shelf price, even if you'd like to. In the future, creators can identify and utilize their super supporters' status by providing them with unique experiences such as airdropping them an NFT that's redeemable for an event or a particular experience.

Decouples monetization and distribution

Since the advent of social media, monetization and distribution work in tandem, making non-social media related monetization difficult.

Through Access Protocol, content creators will be discoverable on a leaderboard that is available on Access Protocol's website. This reduces reliance on monetization algorithms on major social channels such as YouTube, while increasing discoverability. Rather than black box algorithms, Access has rewards contributed to creators and distributed on a pro-rata basis depending on the number of tokens locked at each creator's pool.

- Creators have a direct relationship with their consumers, allowing them to engage in a non-obfuscated way that current platforms do not support.
- Enables followers to support their favorite creators directly rather than through a third-party platform that charges significant fees like YouTube, Instagram, TikTok, etc.

Subscale creators are challenged with juggling content creation and daily business operations such as subscription administration and advertisement management.

- Individual content creators struggle to monetize due to lack of infrastructure and scale.
- Balancing sponsorships and creating content is difficult and an individual only has so much time to (1) create content and (2) sales, operations, marketing, etc.

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- Access enables a way for a creator to "turn on" ACS token rewards by creating a pool to support them. Standardized monetization via Web3 wallets simplifies onboarding.

Creating a multidimensional platform for audience engagement

Layering in value-add strategies like NFT drops, exclusive event access, bonus features and other incentives, further strengthens the relationship between creator and consumer. This reimagined relationship between creators and consumers creates an environment for unprecedented levels of engagement where creators can interact with their audience beyond the confines of a one-dimensional subscription service. Any value-add strategy is given as a reward at each creator's sole discretion.

For example, a creator has visibility on the wallets locked at their pool and can opt to give them additional rewards in the form of a unique NFT.

3.2. To consumers

Improves content quality

Today, consumers pay at the door via their pageviews or dollars for ad-supported and subscription business respectively. In both models, creators are compensated prior to delivering any content of value.

By eliminating annual or monthly subscription commitments for the subscriber, the creator is incentivized to continually deliver valuable content to retain their locked and prevent churn. For example, clickbait headlines or low-quality content would likely drive consumers to unlock their ACS.

User value proposition changes

- Today: Pay $250 for a year of access.
- Access Protocol: Buy $250 worth of ACS tokens, lock at a creator pool, maintain access while also having the chance of receiving additional rewards from the creator.

Consumers can allocate more value to digital content

As a result of the deprecation of the value extractive relationship between creators and consumers, there no longer exists a spending hurdle for consumers. In turn, consumers will be able to support more creators than in today's world.

Reduces friction for consumers to access multiple content providers

- Removal of credit cards and annual commitments makes subscription management lightweight. All subscriptions can be managed through a preferred web3 wallet without having to track renewal dates across multiple platforms.

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- Users can access any participating creator's content from the same wallet.

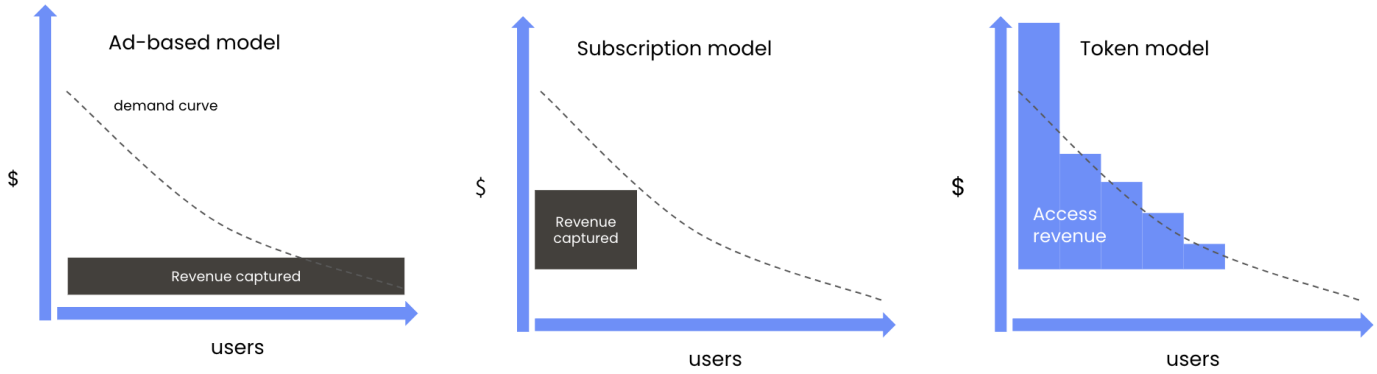


Exhibit 6

3.3. To the crypto industry

When measuring distribution and value per user, digital media and crypto sit on opposite sides of the spectrum. Access Protocol drastically improves digital media and creator monetization, while providing the largest user acquisition channel for crypto.

Digital media

- High distribution (billions of MAUs across publications).
- Low value per user.

Crypto

- Relatively low distribution (MetaMask: ~10 million wallet[viii], Phantom: ~1 million wallet[ix]).
- High value per user.

Among the first non-financial applications of crypto, Access protocol does not require participants to change their user experience or behavior. Instead, this meets creators and consumers where they already exist and simply changes the monetization layer.

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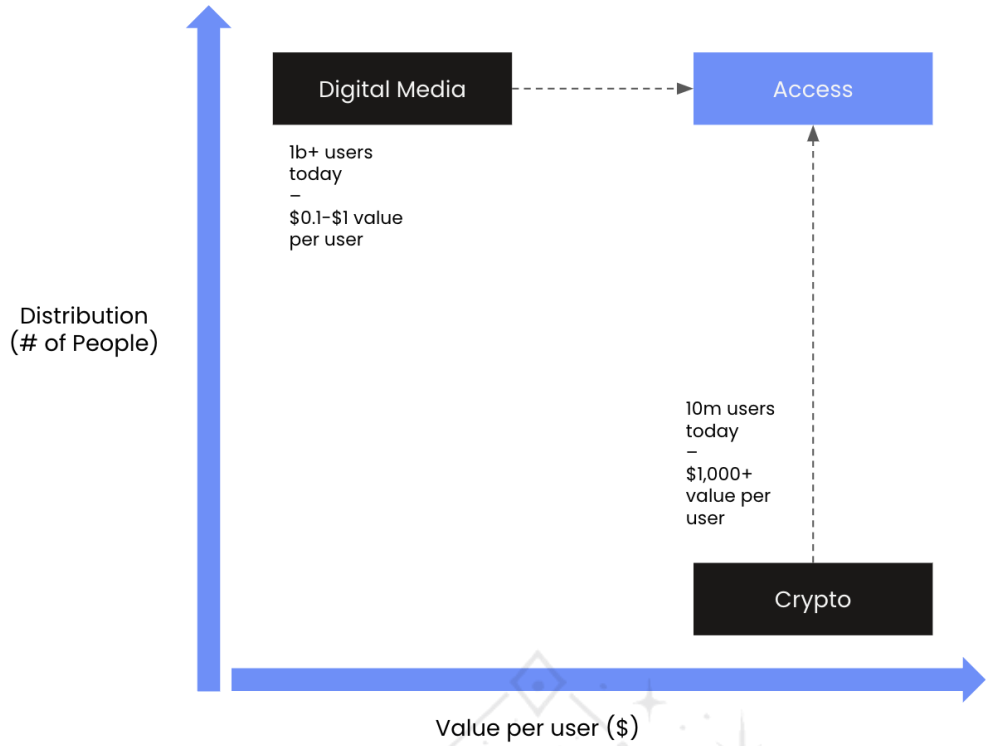


Exhibit 7

Creators

The workflows of content creators will remain unchanged for those that choose to implement Access into their business model. This means barriers to entry / adoption are low.

- Content creators already work at digital media companies (or independently) and would continue creating content as they do today.

Consumers

Access protocol presents the opportunity for many consumers to be onboarded into their first third-party Web3 wallet.

- Users are accustomed to visiting digital media sites and receiving content through various channels including RSS, newsletters, mobile apps, etc.
- Many consumers will be onboarded into their first Web3 wallet.

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4. Access Protocol Association

The Access Protocol Association is a non-profit organization created to grow the Access Ecosystem and in turn, help creators succeed in implementing Access Protocol into their business model.

The key functions of The Access Protocol Association are as follows:

Business development

- Onboarding and partnering with creators / publications.
- Expanding partnerships outside of the existing Web3 community.
- Optimizing the business model and value alignment between creators and consumers.
- Reducing the friction for consumers to support their favorite creators/publications.
- Creating guides and content to communicate the value-add of Access protocol and help onboard new creators.
- Establishing a community grants program.

Building technology to support the ACS ecosystem

- Protocol features (ACS locking, governance, burn functions, etc.).
- Building support tooling for creators (analytics, website plugins, etc.).
- Creating new ways for creators and consumers to interact.
- Supporting multiple blockchains.
- Moving from a whitelisted creator onboarding process to a permissionless one.
- Iterate on token economics to drive more value into the Access ecosystem.
- The Access Protocol Association is committed to open sourcing all tooling over time.

Enacting governance decisions voted upon by ACS token holders

- Protocol upgrades.
- Protocol parameters.
- Input on the Access Protocol Association's development roadmap.
- Treasury management.
- Decision-making will progressively be decentralized with on-chain governance by ACS token holders.

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4.1. Association incentives and grants

- Association can opt to provide a grant to creators that might need additional incentives to commit to augmenting their existing model.
- In the beginning, before Access Protocol is fully decentralized, the Access Protocol Association's policy is not to overturn community governance decisions.

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[i] Meta Platforms Q2'22 10Q.
[ii] New York Times Q2'22 10Q.
[iii] FY 2021 Advertising revenue of $177 million and 73.4 million monthly visitors.
[iv] Similar Web as of August 8, 2022.
[v] How Bloomberg Media beat the pandemic blues with explosive growth.
[vi] Exhibit 4.
[vii] Exhibit 4
[viii] As of August 8, 2022.
[ix] As of August 8, 2022.

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