



THE WHITEPAPER

The launch of the Bablos cryptocurrency for film and tv projects. The pilot project is the film «Empire V».

GENERAL INFORMATION

In recent years the Russian and international film industries have undergone a process of reformatting, with major changes in the distribution model as well as the production of film/TV content. New instruments have emerged - these allow for more precise estimates and projection of the audience's interest in the upcoming project. One such instrument is crowdfunding, whereby viewers who find any given project relevant to their interests can directly take part in the financing of the film.

The blockchain technology with its ideology of decentralisation and collective decision making elevates this model to a new level providing a condition for the decentralised launch and production of film projects. The pioneer behind this is the film «Empire V», based on the novel by Victor Pelevin and directed by Victor Ginzburg.

Generation P

The team's first project, «Generation P», based on the post-modern novel by Victor Pelevin, was released in Russia in 2011 and became the most profitable film in spring/summer 2011. Beyond its financial success, the film was shown at more than 50 international film festivals and was awarded multiple prizes in various categories, including the Jury prize at the Karlovy Vary international film festival.



Empire V

Six years after the release of Generation P, the team of like-minded individuals who were involved in making the first film decided to make a sequel to their highly acclaimed creation. «Empire V» further develops the first film's storyline: the revelation of the history of the secret society that rules the human civilization, the Fifth Empire.

The film is slated for release, with more than 1000 copies, in late 2019 with the support of the leading film distributor: the film company Volga, along with other international brands.





FILMING

The director Victor Ginzburg convened a team of highly skilled professionals and, of course, stars: the main hero Rama will be played by Pavel Tabakov, and the character of his friend-opponent-competitor by the rapper Oxxxymiron. Their screen partners will be Vera Alentova (Ishtar), Victor Verzhbitskiy (Vaal), Vladimir Dolinskiy (Enlil), Maxim Drozd (Jehovah), Igor Jijikine (Baldr), Bronislav Vinogradsky (Loki) along with other bright personas, including the main heroine, Gera, who was discovered via online casting.

At the present moment, 70% of the movie has already been filmed

Currently, the team is working on computer graphics using the latest digital art technology, fractal animation.

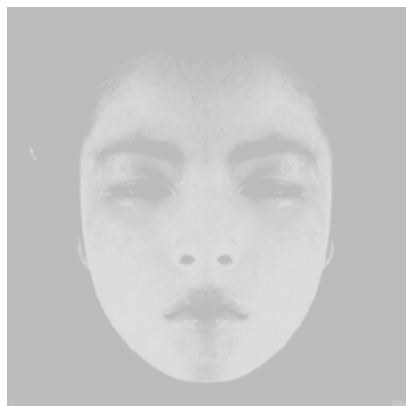
The remainder of the filming process is ongoing and the filming process is scheduled for completion in November 2018.

Actors



RAMA

PAVEL TABAKOV



GERA

RISING STAR



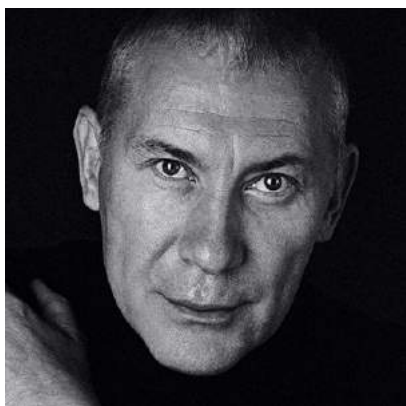
MITRA

OXXXYMIRON



JEHOVAH

MAXIM DROZD



BALDR

IGOR JIJIKINE



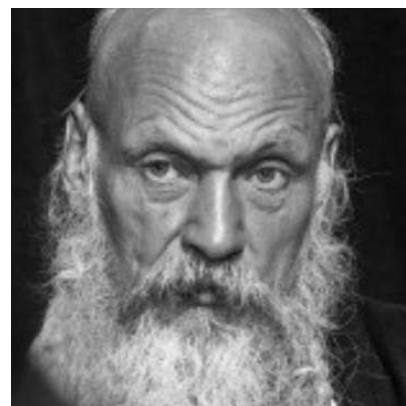
ISHTAR

VERA ALENTOVA



VAAL

VIKTOR VERZHBITSKIY



LOKI

BRONISLAV VINOGRODSKIY



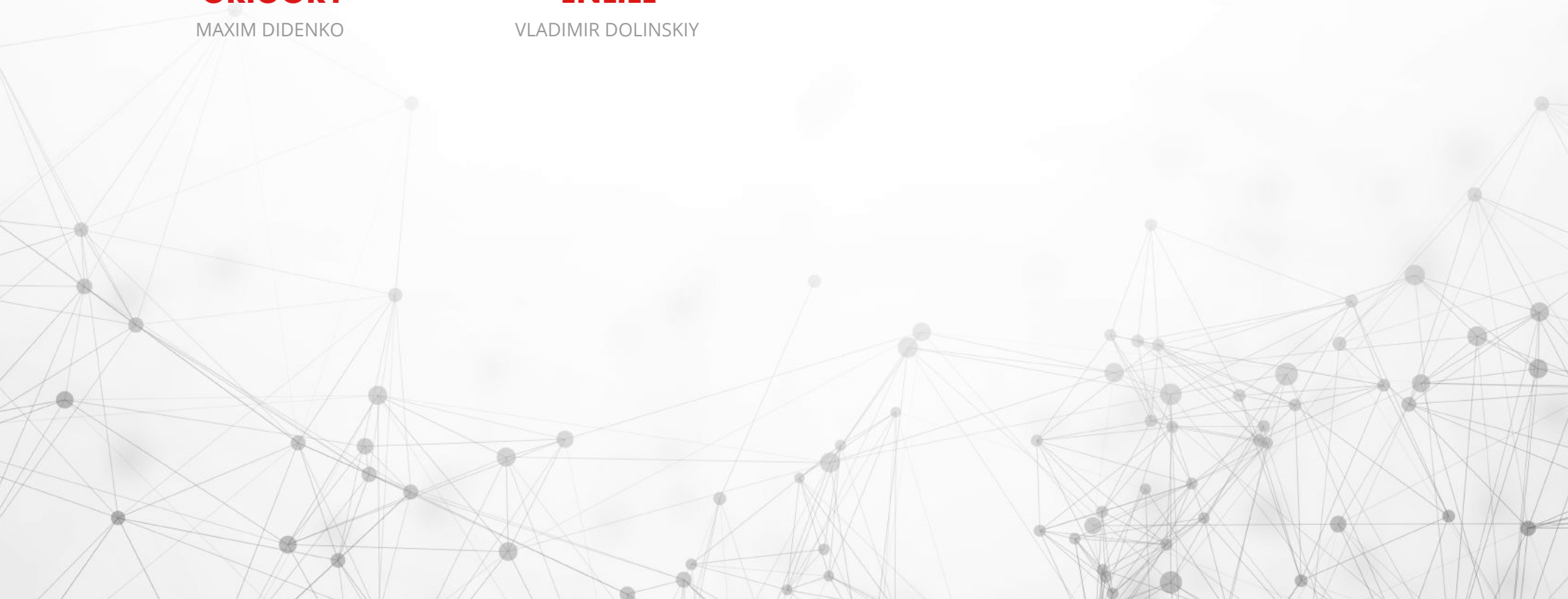
GRIGORY

MAXIM DIDENKO



ENLILE

VLADIMIR DOLINSKIY



The Team



VICTOR GINZBURG

PRODUCER, DIRECTOR

Feature films: «Generation P» (2011). Music videos: Lou Reed, Robbie Robertson, Belinda Carlisle, Gorky Park. Winners of NY Film, TV Festival and Monitor Award.



IVAN ZASSOURSKY

PRODUCER

Co-producer of «Generation P». Journalist, candidate of sciences in philology, head of the “new media and communication theory” department at the Moscow State University’s Faculty of Journalism.



MARIA KAPRALOVA

PRODUCER

Advertisement and Marketing expert in the film and new media industry. She has been engaged in over 200 film and TV projects.



YURI KRESTINSKY

PRODUCER

Executive Producer of “Generation P”. Founder of Trikita film company. Director of Public Health Institute, the owner of the «Бионика» group of companies. One of the co-founders of the Robomed project.



ALEXEI TYLEVICH

PRODUCER, CONCEPT DESIGNER

Founder of «Logan» production company, USA. Director/concept-designer: Apple, Nike, EA, Microsoft, Sony, Lexus, VW, Madonna, NoDoubt. Concept-designer «Generation P».



ALEC MARYANCHIK

PRODUCER

15 years of experience in private investments, venture funds and real estate, both in Russia and abroad.



ANDREI MOGIN

ICO-PRODUCER

One of the leading experts in IPO and investor relations, author of «IPO from I to O». Has managed the finances and communications for companies from Forbes-200. Currently manages a portfolio of venture projects.

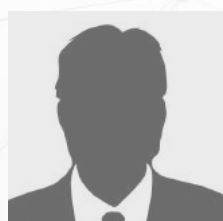


JIM STEEL

INTERNATIONAL PRODUCER

Filmography: more 20 films, including «Terminator», «Platoon», «Made in USSR», «Come With Me», «Apartment 1303», «Generation P».

Advisors



ANDREY TRUBITSIN

Moderator of indx.ru internet exchange



PAVEL CHERKASHIN

Director of Vestor.In Partners, Founder of Actis Systems, AdWatch and Sputnik Labs IT-companies.

Project advisors do not receive monetary compensation for their participation.

PARTNERS AND PROMOTION

WebMoney
Sapientis sat



LEXUS

The
MACALLAN

Forbes



The project team has secured support from the world's leading brands, such as WebMoney, Lexus, Forbes, Macallan and others. The release of «Empire V» will be synchronized with a large scale advertisement campaign in legacy mass media as well as new media.

Film distribution and promotion is done by one of Russia's leading film distributors, Volga
<http://volgafilm.ru>

LOGAN

Development of image-concepts and previsualization is done by the Hollywood based Logan studio led by Alexey Tylevich. The studio is a leader in the field, among its current works are the previsuals for MARVEL projects.



PLATIGE IMAGE

Co-production with Platige Image, one of the world's oldest and most renowned brands in 3D-animation.

OVERVIEW OF THE WORLD'S FILM INDUSTRY

718 films

released in 2016

\$ 38,6 billion

total box-office

+ \$ 47 billion

Merchandising, DVD, video content subscriptions, broadcasting, cable television.

In recent years the new media has become a vitally important source of additional revenue: pay-per-view distribution via digital platforms is rising at 40% annually. In some countries such services require licensing, distribution licenses, etc.

Russia's modern-day film industry, similarly, remains restricted for broad public financing and relies heavily on government financing. In present-day Russia, nearly 70% of film budgets are sourced directly from the state-run Film Fund or by the ministry of cultural affairs. Moreover, gaining access to such funds is a complicated and time-consuming procedure.

LOW EFFICACY AND COMPLICATIONS

The current economic model for launching motion picture projects is ineffective, suffers from multiple bottlenecks and is fully dependent on government subsidies and tax breaks.

Here are just some of them:



Most films fail at the box-office, and only few manage to yield massive profits.



Film financing largely depends on the involvement of high grossing stars and distribution guarantees controlled by international distributors and Hollywood studios.



A majority of investors deem the current model of film production financially opaque; while the opportunity to invest in film projects for a retail-scale investor is largely absent, unlike in the stock market.



There are too many intermediaries between filmmakers and viewers.

Filmmaking is a complex process at every stage

SOURCING / FINDING MATERIAL

According to WGA statistics, there are approximately 100,000 screenplays being written each year. Only about 100 of them turn into a film or TV show. The vast majority of them are sold by one of three large agencies [William Morris Endeavor, VG, United Talent Agency]. The average Hollywood producer or agent receives between 500 and 10000 screenplays a year, most of which are left unread

The massive amount of source material and the limited financing results in most TV shows being generic. No one wants to take risks, and as a result, producers prefer to work only with tested agents producing familiar content, which negatively impacts new unconventional ideas and artistic formats. This situation is partly mitigated by the aggregation-sites, such as www.inktip.com and www.blklist.com.

SEARCHING FOR FUNDS — CURRENT SYSTEM

Back in the days when DVD sales were the main component in the structure of box-office revenue, there was a large number of independent film companies which consistently invested into films within \$2 - \$30 million dollar range, basing their expected returns on the DVD sale revenue. A similar dynamic existed in film projects with budgets ranging from \$30 to \$100 million.

In 2006 the sales of DVDs reached its peak levels of \$24 billion, leaving everyone satisfied. However, in 2007 Netflix began its conversion to digital distribution, and this has changed everything.

In 2015 the revenues from the distribution of digital content [streaming, online theatres and movie downloads] reached \$9.5 billion, overtaking the sales of DVDs for the first time in history. The projected 2017 figures for distribution of digital content are estimated at \$12 billion, while the projected 2019 figures for DVD sales are expected to drop to 1/3 of the digital distribution market volume, 90% of which will be based on large budget films.

In this environment the financing of film projects is relegated to two distinct kinds of players:

Hollywood film studios

Hollywood has 6 large studios. They finance and oversee the global distribution of most Hollywood film projects. Considering the precipitous drop in DVD sales and the necessity of allocating significant budgets for international film marketing, they therefore concentrate their efforts on franchises and large budget films exceeding \$100 million, while virtually ignoring the most significant segment of films with budgets between \$15 million and \$60 million as well as the feature film segment with budgets from \$2 to \$15 million.

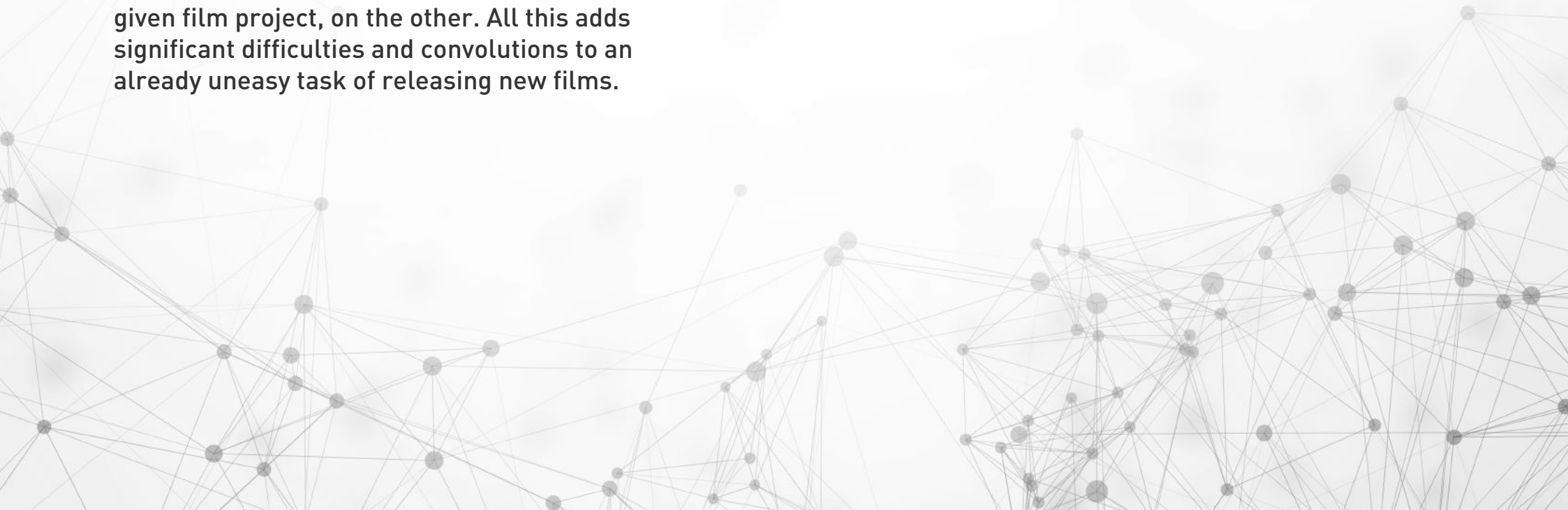
Independent companies

Facing falling DVD sales, the operation of «independent» film companies increasingly resembles the typical financing done by hedge funds. Such terms as risk diversification, mixed interest rates, asset class management become an inextricable part of the language used by independent Hollywood film companies. Independent film producers spend an ever-increasing amount of time searching for investors and negotiating the terms of loans, such as the modus operandi of the majority of German and Japanese distributors as well, while the box-office projections become virtually indistinguishable from the banking analytics.

SUMMARY

In this environment, the timely and consistent supply of funds become an integral part of the filming process. Any shortcomings on the part of the film producers or the sponsors result in a condition of hard manoeuvring between the rigid terms of government funding on the one hand and charlatans, who do not understand the complexities of the filming process and are unable to properly evaluate the market potential of the given film project, on the other. All this adds significant difficulties and convolutions to an already uneasy task of releasing new films.

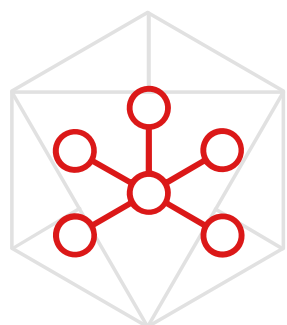
The direct participation of future viewers in the financing of film projects may create a bottomless source of investments for interesting film projects led by charismatic directors and producers. The more money a project amasses the more resources end up in the hands of producers and directors for necessary preparations and the ultimate release, increasing the chances for success both for the project and for the investors.



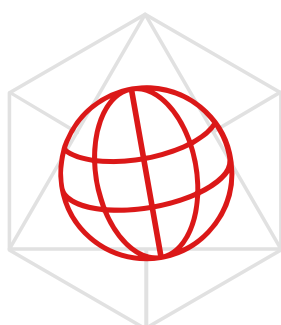
OUR SOLUTION — ICO

The best present-day solution to source funding is a direct participation of the interested parties — sponsors, and, of course, the viewers themselves, in launching and financing film and TV projects in the early stages.

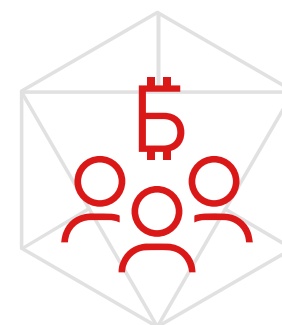
The creation of such a platform will allow:



The ability to generate mass investment in film using blockchain and cryptocurrencies.



Provide the financing of filmmaking and TV content in the most transparent manner possible.



Provide an investment opportunity to every fan, who by virtue of his/her contribution will personally affect the growth and the scope of opportunities awarded to the project managers.

ICO Bablos is managed by the team of the «Empire V» project, as a pilot project of the future platform covering the entire «Empire V» film development cycle (from fundraising and administering to the final screening) and provides the following:

 Financial transparency

 Ability to affect the film's success through

 Simplicity

 Equitable access

Thanks to the blockchain's built-in smart contract technology, and the ability to attract a wide range of investors, Bablos provides the «Empire V» team and the investors a completely transparent and effective instrument of financing, producing and distributing the film.

We chose the path of delegating the control over future fundraising into the hands of the film viewers themselves. By buying the tokens, the token holder supports the development of the film project and sets the foundation for the creation of the future platform with a wide range of functionality.

Let's review the overall financing structure of the film projects on the future platform using «Empire V» as an example.

460 million rubles

The main budget

235 million rubles

The additionally needed investment

The profit structure of «Empire V» project

Movie theatres in Russian Federation

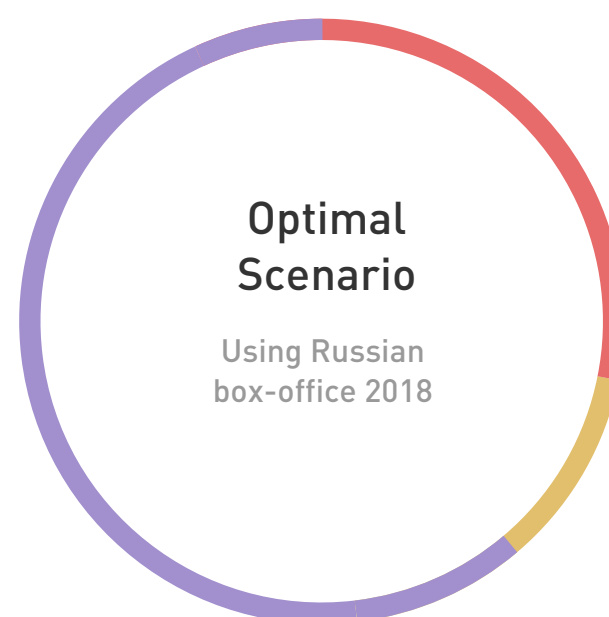
Gross выручка	1 000 000 000 ₺
Distribution costs	- 575 000 000 ₺
Repayment of funds	- 126 000 000 ₺
Net Total:	299 000 000 ₺

Additional revenues in Russian Federation

TV income	40 000 000 ₺
DVD and Online TV	30 000 000 ₺
Total:	70 000 000 ₺

Revenues outside Russian Federation

Eastern Europe	70 000 000 ₺
China	290 000 000 ₺
India	71 000 000 ₺
The rest of the world	200 000 000 ₺
Total:	631 000 000 ₺



Expected earnings
1 billion rubles

Box-office in Russian Federation

Expected earnings in Russian box-office compared to the leading titles in the past 10 years



Investor advantages

What can be done using Bablos?



Storing the tokens to receive dividends from the film screening



Exchanging for other cryptocurrencies or fiat currencies



Using to gain access to exclusive crypto-premiere of «Empire V»



As the platform functionality grows, the token can be further used on the platform (including making profit from investing in the projects)

The token holder has a right to a dividend proportionate to the number of tokens in their possession. The company will be making the dividend payments quarterly from the net profits generated by the respective project in the Russian Federation and internationally, including broadcasting and licensing for TV and digital distribution systems.

Apportioning of dividends

The issuing of Bablos tokens is backed by the screening of a particular film. Investors, who fund the creation of the film receive tokens, the subsequent value of which depends with the box-office performance of the respective film, as well as evaluations and expectations of its commercial potential.

The Bablos tokens grant a right to dividends proportionate to the number of tokens in the possession of the holder. Up to 40% of the film's net revenue will be used toward dividend payments to Bablos token holders.

The revenue from film's screening and licensing will be allocated to Bablos tokens, in proportion to the number of tokens in the possession of the investor at the time of revenue allocation.



Byblos yields dividends according to the commercial success of the film



Massive advertisement and PR campaign will form and stimulate the rate of growth of Bablos token value



The value of Bablos token will grow along with the film's box-office gross

Apportioning of dividends on the basis of number of tokens will be performed for all token holders who maintain the possession of the tokens at their private cabinet / electronic wallet.

The dividend payments begin 4 months after the start of film distribution.

The apportioning of dividends to a token will be done proportionately to the number of Bablos tokens in Ethereum, and will be distributed using Ethereum by the smart contract system quarterly.

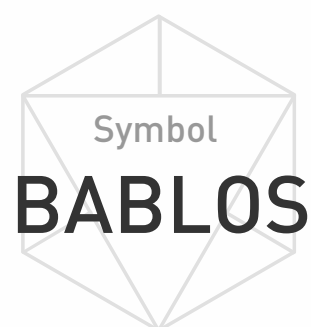
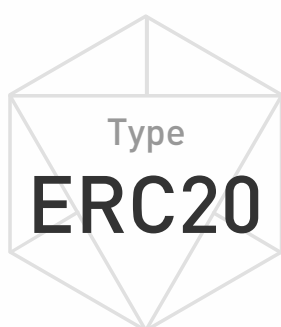
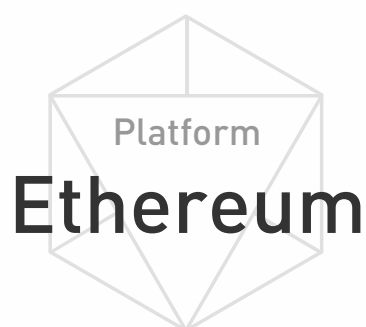
PARAMETERS OF TOKEN ISSUANCE

The total number of Bablos tokens

₤ 2 000 000

6% of tokens are distributed among the stars of the «Empire V» project and will be directed to bounty-programmes; 9% of tokens will remain in the reserve fund for the purpose of maintaining Bablos value and platform development.

1 700 000 Bablos tokens will be offered for sale.



PUBLIC OFFERING

Quantity of tokens

₤ 1 700 000

Price

₤ 50 = 1 ETH

Net sum

€ 3 360 000

Min. purchase

₤ 10 (0,2 ETH)

Token

Whole number

Duration

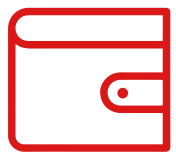
3 month

The ICO is successfully completed when

- Hard Cap (3,360,000 EUR) is reached;
- all tokens are sold;
- it is at least three months since the ICO has been launched.

All the tokens that hasn't been sold are eliminated after the ICO is completed.
When € 3,360,000 is collected, the ICO will be completed before time.

PURPOSE OF COLLECTION



SoftCap

2 000 ETH



HardCap

€ 3 360 000

All funds gathered in excess of the stated collection targets will be allocated for the following targets:

- 1.** Supply and support the international distribution, to increase the project proceeds for the investors;
- 2.** Development of new projects: the filming of Pelevin's novels S.N.U.F.F., iPhuck 10, Batman Apollo and the international history series;
- 3.** Support and development of the platform, to assure the growth of Bablos value.

€ 2 000 000

Token Sale (85%)

85,0% Film production

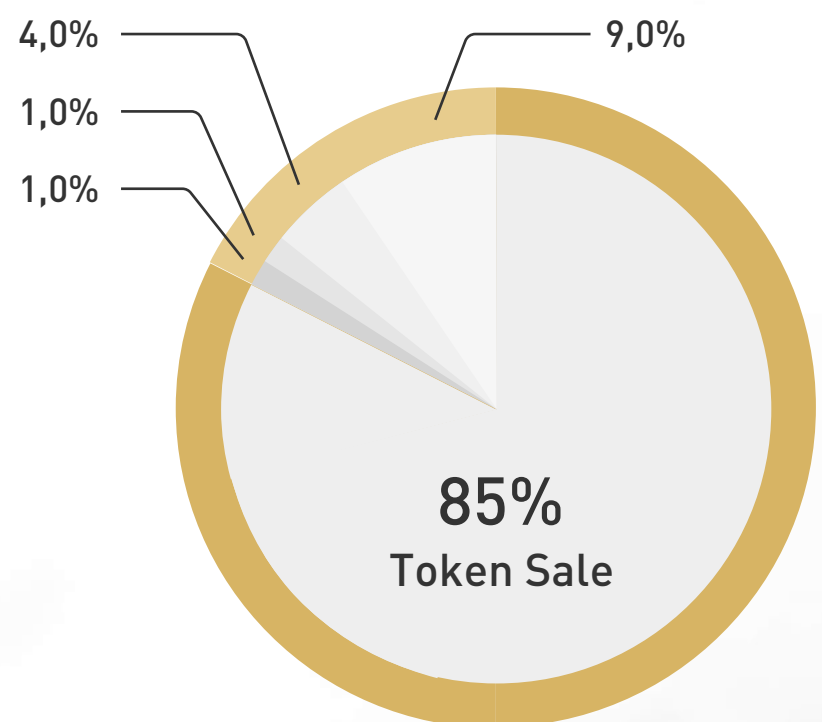
Projects Team (15%)

9,0% Reserve fund and team

4,0% Bounty programmes

1,0% Project stars

1,0% International CG producer



ACCUMULATED PROFITABILITY

The token provides the ability for the token holder to receive proceeds from all types of sales of project copyrights. Based on the projections, within first 3 years from the launch of the film distribution the token holder can receive dividends according to the following model:

1. Accumulated profitability from the film screening
2. Accumulated profitability from the distribution of digital content (online theatres sales, Apple TV, etc.)
3. Accumulated profitability from the sales on broadcast television
4. Accumulated profits from the film's TV broadcast

And most importantly — the viewers can take a real part in the launching of the film which they want and expect to see, as well as the ability for them to be the first ones to see an online premiere: the full director's cut with unique additional content!

LEGAL STRUCTURE

In order to secure the investor rights a token-issuing company will be created, which will operate fully within a legal field, and will provide the investors the right to receive the proceeds as well as assure the safety of their investments.

This company will exist primarily to accommodate the investors and to issue the tokens on the basis of special agreement. All activities of the film producing company, including screening agreement making [operational activity] is separate from the company issuing the tokens.

The profit guarantees by the token issuing company will be embedded into the agreement with the copyright holder (a series of measures will be used to secure the rights of the token issuing company).

In August of 2018, we complete the drafting of all required documents

ROADMAP

-
- **August 2018**
 - Company registration
 - Launch of «Empire V» ICO
 - **3 quarter 2018**
 - Issuance of Bablos tokens
 - Public offering
 - **2-4 quarter 2018**
 - Continuation of «Empire V» film shooting
 - Post production and computer graphics
 - **2-3 quarter 2019**
 - Conclusion of «Empire V» film shooting
 - Massive advertisement and PR campaign
 - **4 quarter 2019**
 - Premiere of «Empire V» film
 - **2020**
 - Accumulated profitability from the project copyrights sales: box-office, online sales, TV, DVD