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Boosting Website Conversion With
Artificial Intelligence

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The text of this Whitepaper in the English language takes precedence as the main official source of information about uKit services and UKT tokens. Translation of the Whitepaper into other languages is provided for informational purposes only.

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Our Vision

We live in a world where 80% of people from developed countries and born after 1980 have at least one device to search the Internet [Google, 2016]. Browsers and apps for global search are among the most downloaded and used software for smartphones and PCs [ComScore, 2016; Nielsen, 2016; Sensor Tower, 2017]. Whether accessed via mobile devices or desktops, this is still the same Web that became an inseparable part of our lives where online and offline experiences merge into one another.

Search queries for local businesses generate up to 50% of their visitors per day [Google, 2014]. At the same time, the habit of ordering goods and services online is becoming more widespread — in the European Union, for example, between 2012-2016 the number of people who regularly made purchases or deals through the Internet increased from 44 to 55% in all age groups [Eurostat, Digital economy and society statistics - households and individuals, 2017].

Websites remain a significant part of how businesses create their web presence. The number of websites is steadily growing — the figure increased by 4.5 times from 2010 to 2015, and has since exceeded the threshold of 1 billion websites [internetlivestats, w3techs, 2017].
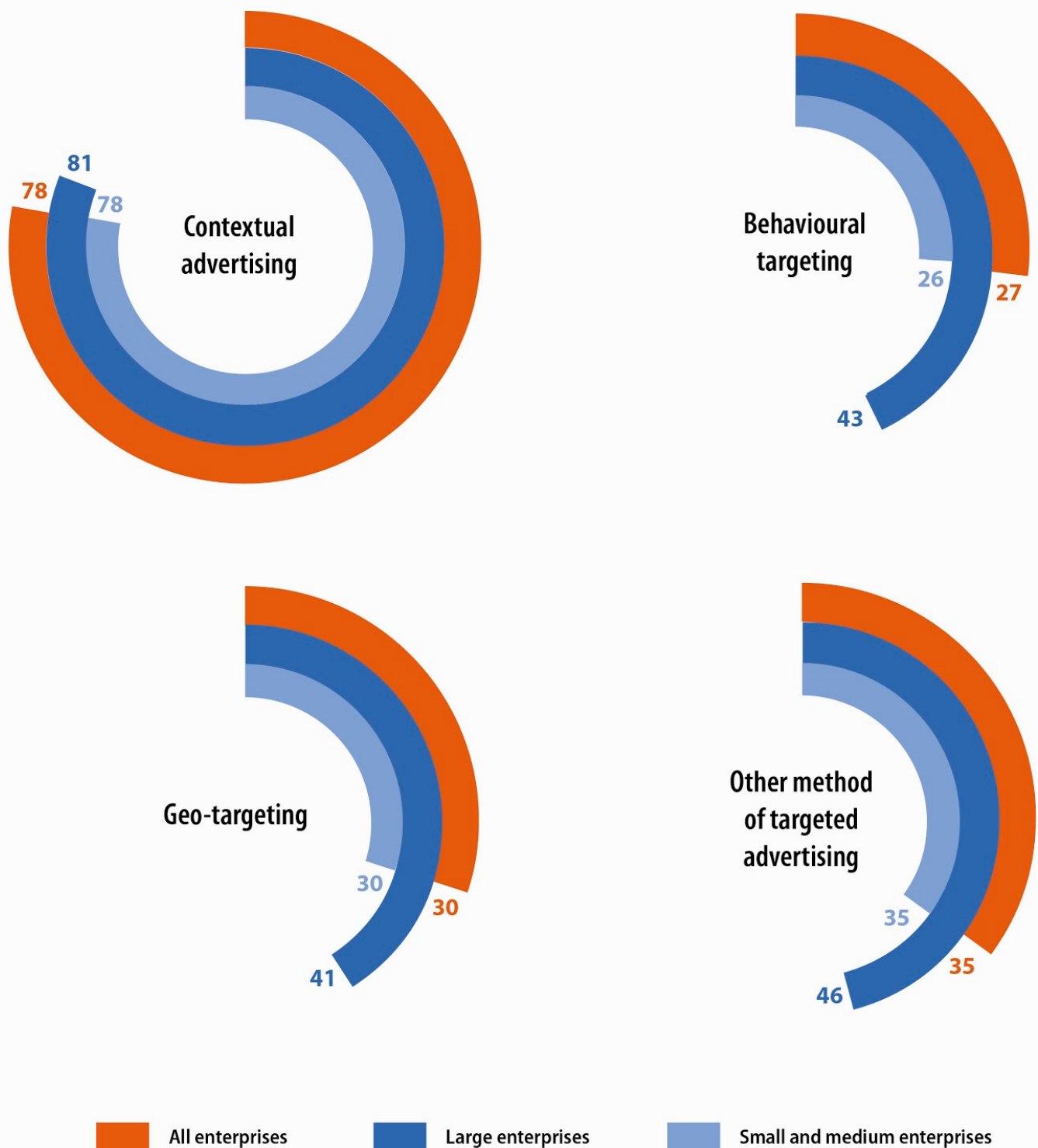
An important source of this growth are commercial websites. For example, 45% of American companies were represented on the web in 2009 [statisticbrain, 2017] and by 2017, the number reached 71% [Clutch, 2017]. Eurostat, the official statistics website of the European Union, announced in 2016 that 77% of companies in the EU zone have websites [Eurostat, Internet advertising of businesses - statistics on usage of ads, 2016].

Marketing has become multichannel and websites remain the most used tool. The majority of business owners (89%) name websites the main channel for driving customers: in comparison, social networks are noted by 72% and aggregators by 32% [SmartInsights, 2014; Invesp, 2015]. Only 15% of small teams and companies rely on their own mobile apps, [Clutch, 2016] realizing that people won't download a small business application simply because it exists.

The survey held by Approved Index in 2017 among British individual, small and medium-sized enterprises showed that launching a website allowed companies to increase their turnover by 45-62% [Approved Index, 2017].

Consumers and businesses face different sides of the same problem: the problem of personalizing, delivering and receiving a targeted message in the right format and at the right time. Seventy-seven percent of Internet users polled by Hubspot in 2016 said they would prefer seeing customized advertising messages rather than blocking ads

completely in the browser. Obviously, intrusive and irrelevant ads have become a nuisance to web visitors looking to make a purchase.

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Other method of targeted advertising
35
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46

| ■ All enterprises | ■ Large enterprises | ■ Small and medium enterprises |

Automated personalization of content has become the most anticipated technology according to the heads of advertising and marketing departments in the US [eMarketer, 2017]. Issues surrounding online user interests and behavior have not been ignored by global corporations and businesses. In fact, the Eurostat report showed that in 2016,

behavioral and geo targeting were used by 27% and 30% of the EU enterprises respectively, though small and medium-sized businesses applied these technologies almost 2 times less often than larger companies [Eurostat, Internet advertising of businesses - statistics on usage of ads, 2016].

The basic need of businesses remains unchanged. Attracting potential customers has always been and still remains the cornerstone of promotion – 70% of marketers name conversion rates as their top priority with online marketing [HubSpot, 2017].

## Priorities and metrics for customer acquisition campaigns
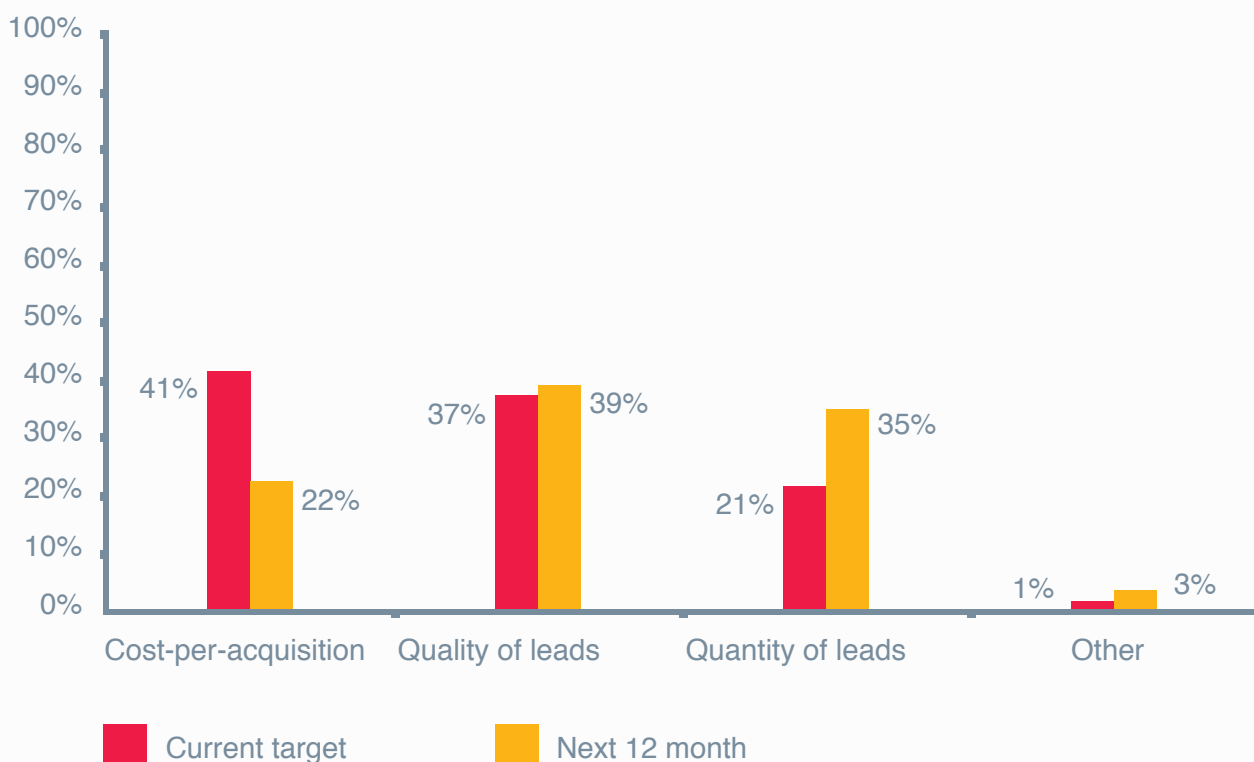
Source: http://smartinsights.com CAB 2014/ICM Direct

As competition on the web grows, increasing the number of leads and sales while keeping the cost of attracting customers as low as possible is becoming a key task.

Marketing and its technologies are constantly becoming more complex. There are more and more diverse marketing tools appearing worldwide. In May 2017, Scott Brinker posted statistics on the growing number of marketing tools over the past six years in his popular blog Chief Marketer: the study found that in the last year alone, the range of marketing tools introduced into the marketplace increased by 40%.

Growth of the marketing technology landscape over 7 years

Source: http://chiefmartec.com
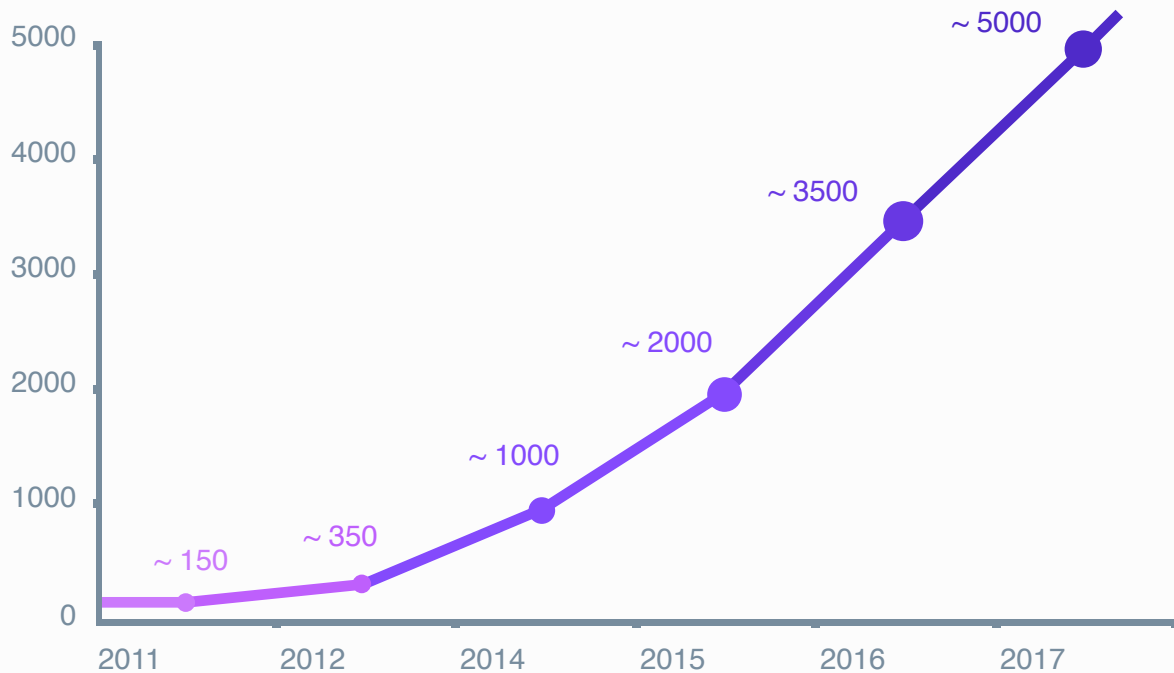
With a wide array of advanced marketing tools to choose from, their intrinsic features are becoming more complex too. At the same time, the lack of workforce, budget and time for implementing and testing changes and ideas in marketing has become a key problem for 61% of companies [BrightTALK, 2015].

A heavy workload is the reason only 39% of marketing specialists are able to account for complex factors such as the use of varied devices among potential leads in their campaigns, and 42% of marketers from the B2B sphere point out that the lack of data about consumers is the main obstacle to increasing conversion rates [BrightTALK, 2015].

> *In these conditions, the optimization of conversion rates requires machine learning when it comes to working with data – the way the major players of the advertising industry already do it.*

Large businesses already benefit from personalization based on machine learning and data. A lot of large Internet projects use machine learning to make systems respond more naturally to user behavior, and make the product itself more user-friendly. One widely-known example is Facebook with its personalized user feeds.

In addition to making ads convenient for consumers, personalization helps companies

generate revenue. Two-thirds of large businesses using personalization have already achieved a 6% increase in their annual revenue [BCG, 2017]. According to the forecast from IDC, "monetization" of big data will become the crucial profit driver for the major players in the advertising industry by 2025 [IDC, The Internet of Things: Getting Ready to Embrace its impact on Digital Economy, 2016].
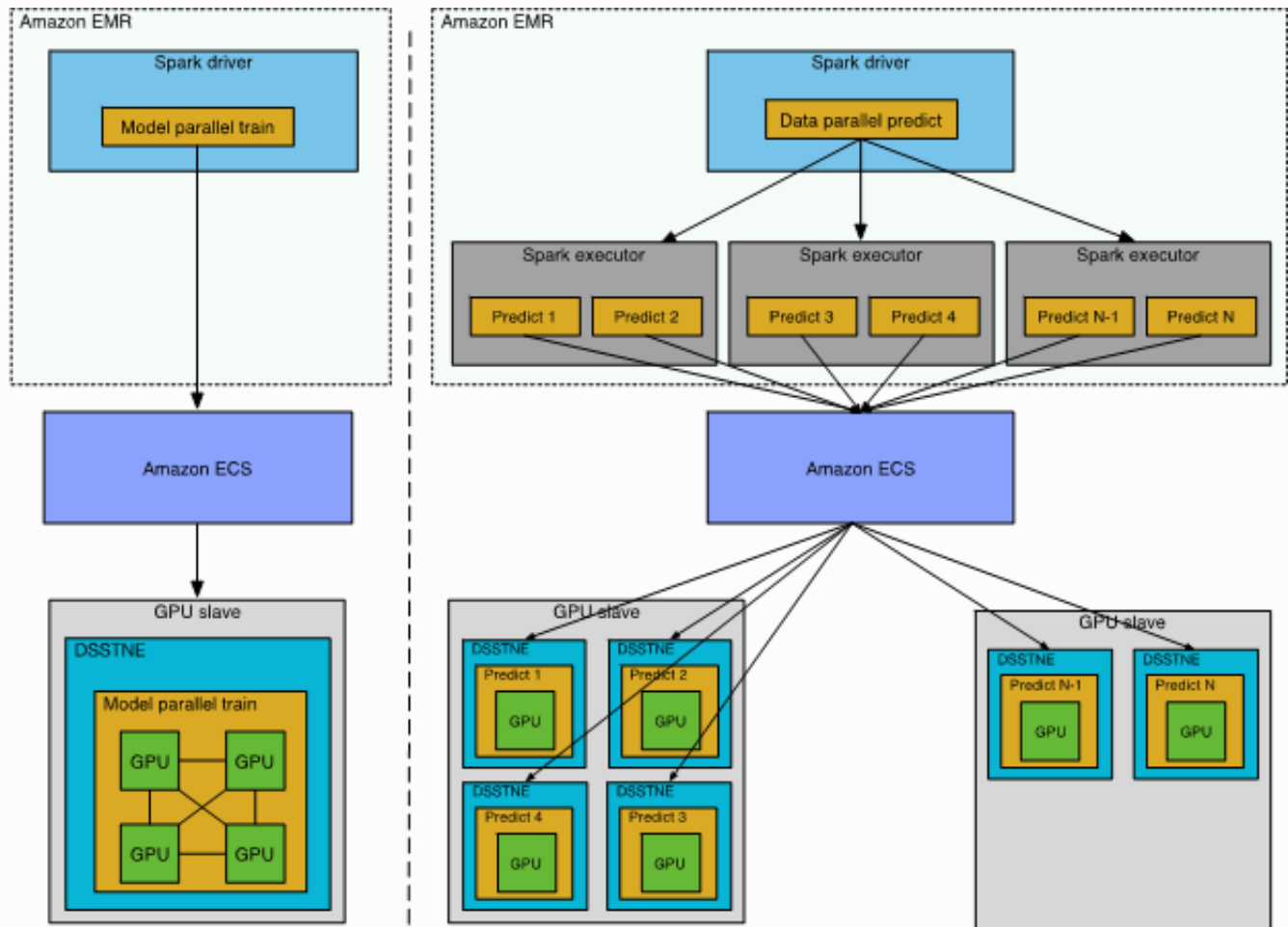
The training scheme of the Amazon recommendation system based on the neural network. Source: Amazon AWS blog

Personalization based on data segmentation and deep machine learning has been available to retailers for years both as a market service and in the form of internal developments. The experience of top-level companies, such as Amazon, shows that these technologies do not only result in revenue growth but also increase the average visit depth and average session time, which gives a website higher ranking in search engines.

However, almost all quality solutions existing on the user data market are targeted towards large businesses. For example, data management platforms like Demdex (Adobe) combine a database for storage, a search of data, a platform for its analysis, and applications that help marketers make decisions relying on the results of computer
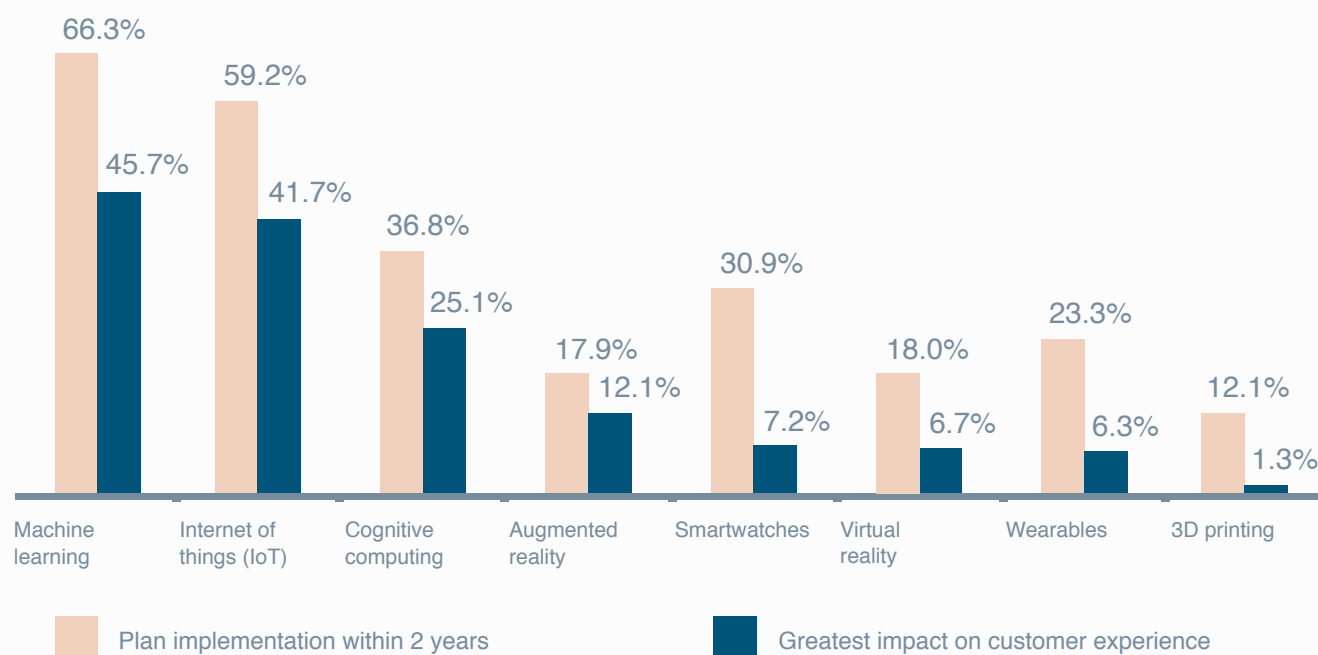
analysis. However, they are primarily aimed at marketing experts who have a huge amount of data from different sources at their disposal.

> *Even philanthropic initiatives – the move Amazon made publishing the code of its product recommendation system driven by machine learning on GitHub in 2016 – face the need to have a large database to optimize their conversion rates. Small companies simply do not have the resources for implementing and developing such systems independently.*

We live in a time of hope for AI technology. Researches note that people are now excited about "smart" technologies as never before: 77% of American adults believe AI will become the main technology that will change the world during the next 5 years [IPSOS, Technologies That Will Change the World, 2017].

Emerging Technology Adoption Plans and CX Impact
based on a survey of 223 marketing technologists in North America (November 2016)

	Plan implementation within 2 years	Greatest impact on customer experience
Machine learning	66.3%	45.7%
Internet of things (IoT)	59.2%	41.7%
Cognitive computing	36.8%	25.1%
Augmented reality	17.9%	12.1%
Smartwatches	30.9%	7.2%
Virtual reality	18.0%	6.7%
Wearables	23.3%	6.3%
3D printing	12.1%	1.3%

This vision overlaps with the needs of businesses. Eighty percent of marketing and advertising executives in the US say that integration of machine learning into marketing processes is becoming the priority task because it is seen as the main tool for improving user experience. Such expectations are higher than those from any other new technology. [SapienNitro, chiefmartech, 2016].

The world is entering the era of humans and machines designing together. In January 2017, O'Rielly, one of the leading publishers and organizers of technical conferences, including AI-themed conferences, stated in their blog that by 2025 both design professionals and nonprofessionals will start using AI assistants to speed up routine processes and to search for new hypotheses [O'Reilly, AI and the future of design: What will the designer of 2025 look like, 2017]. This forecast is based on the current success that has been reached in the field of generative design – the ability to train a machine to create (generate) and test different visual versions with minimal human participation (a human acts as a customer and assessor of the result).

Generative design has been tested and is currently used by large corporations and their customers for commercial purposes: Siemens PLM Software integrated generative algorithms into their Solid Edge modeling application. (Their PLM software is sold to corporate customers, and today, it has about 15 million licenses worldwide [data taken from the company's official website - https://www.plm.automation.siemens.com/en/about_us/facts_philosophy/index.shtml]). Autodesk, the leader in the computer-aided design (CAD) systems, is also leaning in that direction introducing generative algorithms into their products.
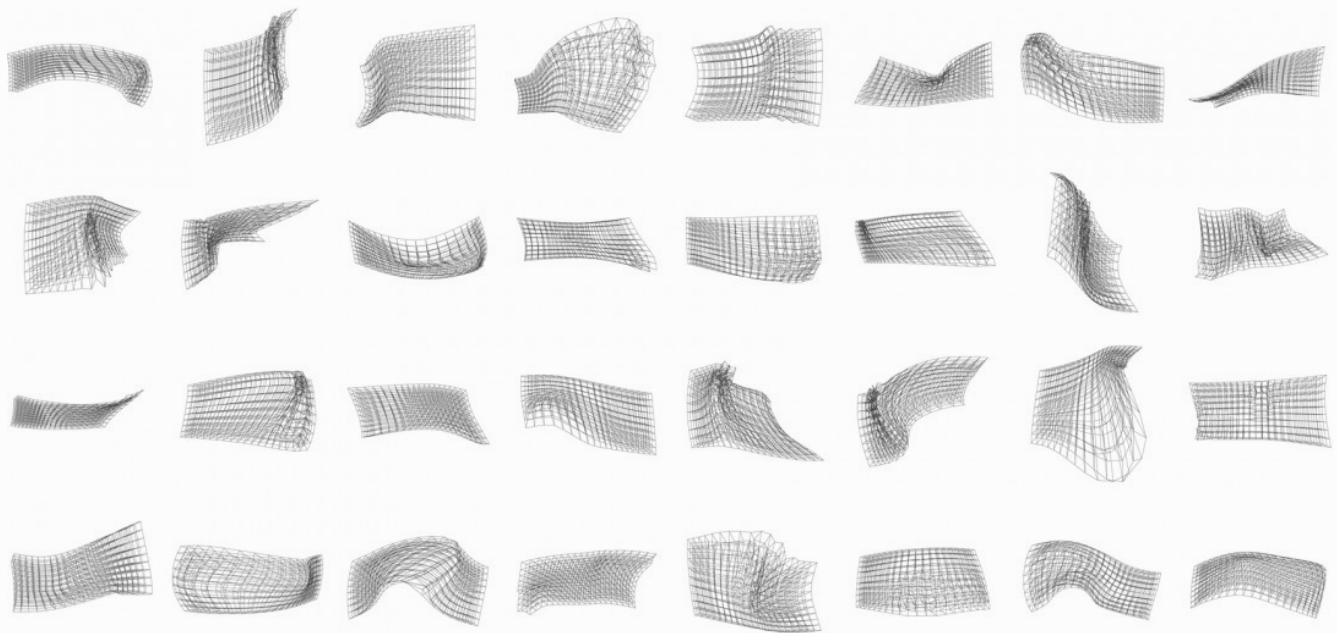
An example of generative design. Image source: http://spatialpixel.com

Large IT companies are investing in generative design: Microsoft [Wired, Microsoft's Dope New Tool Is Like Autocomplete for Drawing, 2015] and Adobe [DesignScape: Design with Interactive Layout Suggestions, 2015] are among them. Adobe is already trying to combine technologies of machine design and large data analysis within one project named Sensei, which is meant for Creative Cloud users.

At the same time, there are widely known projects applying generative technologies such as Prisma, Vinci, and Mlvc which use a neural network to transform user photos and videos into works of art using the styles of famous artists.

Generative design and AI automation technologies have been applied in web design for diverse services and projects – from teaching a neural network to develop web pages (pix2code) to generating logos (Logojoy, Brandmark), and so on. Use of these technologies in web design is one of the possible next steps. The content design and layout are given the highest priority by website owners [Cossa, 2017], as visitors consider these elements important criteria when deciding whether to stay on a particular website or not [Trust and mistrust of online health sites, 2004]. Generative technologies, in this case, will help identify and test more design variations.

There are a wide range of tools that are available individually. However, an all-inclusive tool is more convenient. Today, features that are necessary for ordinary website owners, webmasters or marketers are available through different services. Projects like Kissmetrics increasingly identify more insights into visitors' behavior and divide the audience into segments more accurately. Platforms, like CanopyLabs, study consumer habits, give recommendations for increasing conversion rates and also analyze the result of implementing those recommendations. There are many services that make it possible to automate testing of design hypotheses through A/B testing, as well as personalize some parts of landing pages by dynamically changing headlines and other content. Being isolated, those tools are not always compatible and usually require a paid subscription.
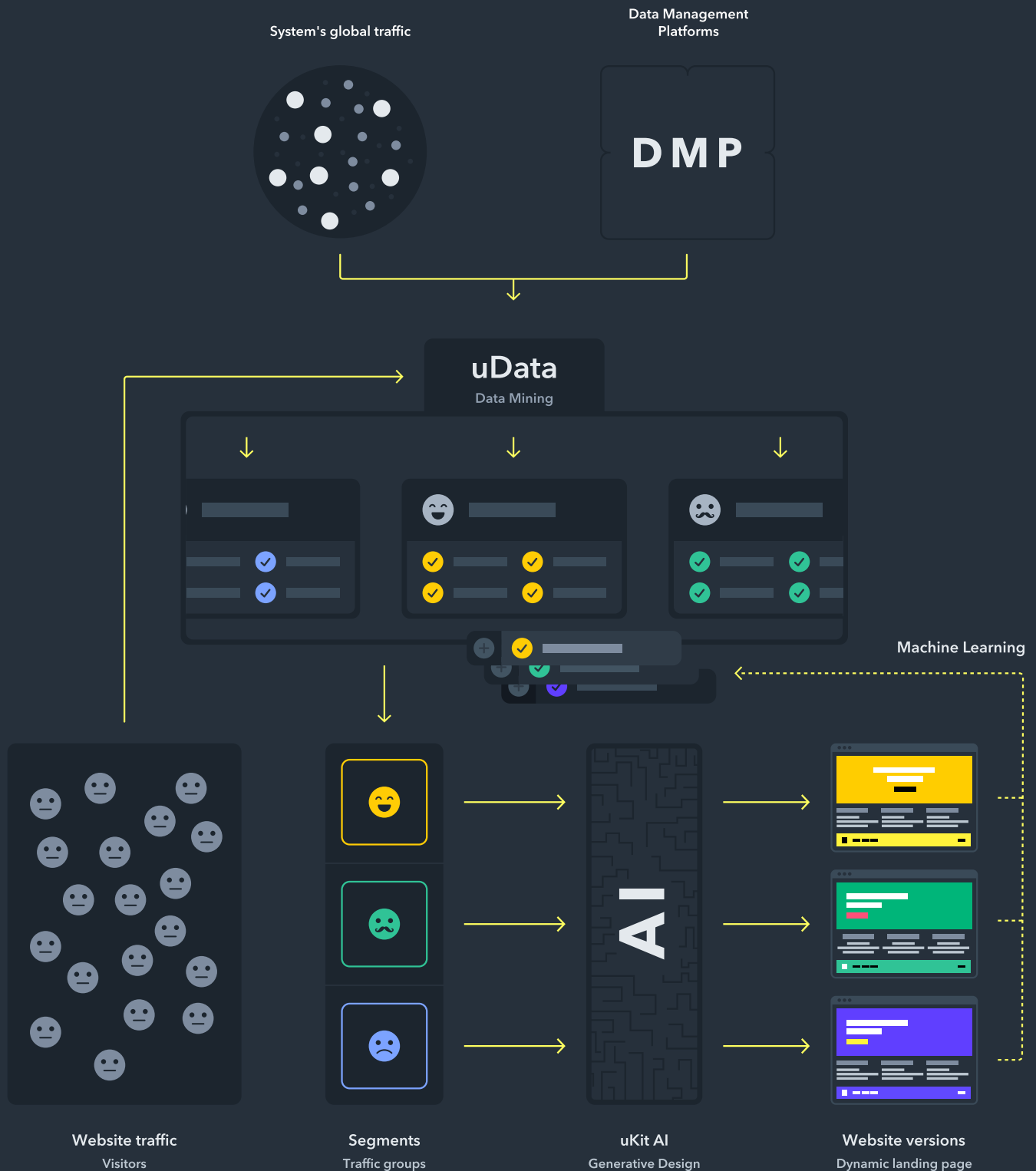
Being developers of mass solutions for website building, we see the demand from thousands of small companies to access new automation technologies and increase functionality of various tools and services within a single platform.

Today, we are already automating the process of designing and developing websites by using machine learning and generative algorithms – we are making the technology, which was previously used only by corporations for solving their own practical issues – available to everyone. The next step is to combine the generative design technology with real-time analysis of data from Internet users.

Depersonalized information about our interests, consumer habits, purchases, clicks, etc. is already stored on data management platforms. By using that same data to 'recognize' website visitors, we will make the personalization of web pages for different audiences available to any business – within a single platform. The technology used by the Internet giants will be in everyone's hands. And the access to it will be transparent – thanks to the blockchain technology.

What We Offer

The uKit AI 2.0 platform that brings together a set of tools and services to customize web pages follows the principle of a dynamic landing page (different designs are kept at a single website address and a specific design is triggered depending upon the data on each audience segment), and uses machine learning practices as well as the data about each segment's behavior.

System's global traffic

Data Management Platforms

DMP

uData
Data Mining

Machine Learning

Website traffic
Visitors

Segments
Traffic groups

uKit AI
Generative Design

Website versions
Dynamic landing page

1

uData – the base with datasets of how user segments behave on the Internet

The database is updated both through purchasing information from data management platforms (DMPs) where the details of different players of the advertising industry (websites, apps, advertising agencies, etc.) are forwarded, and thorough data contributions from other project members. Basically, uData will make it possible for everyone to use big data (consumer habits, interests, results of previous interactions, and so on) to automatically customize websites for different audience segments.

When a user visits the needed URL address, the system will automatically identify which segment this user belongs to and generate a list of recommendations to rebuild your landing page based on the details of their previous behavior. Users will be able to get a part of the token by sharing the amounts of data about how visitors behave on their websites. If a user decides to pass the data to our system, the transparency of this exchange will be ensured by blockchain.

2

The predictions system

Based on the segmented data, the system generates a set of recommendations on how to rebuild a landing page for each specific segment depending on its previous behavior.

3

uKit AI 1.0 – the generative design service

The service uses a combination of neural networks and regular algorithms to search for new ways to arrange content and visualize website pages. It then puts everything together by using HTML and CSS coding to create a ready-to-use, adaptive front end. Originally, the system is developed as a service to redesign and technically update the existing websites (a website is automatically adapted to fit the Bootstrap grid and the code is rewritten in HTML5/CSS3) with their further transfer to our uKit website builder.

In the next version (uKit AI 2.0.), the service will generate multiple options of a single page to suit different audiences, based on the data sets from uData. These multiple design versions will form a dynamic landing page. You will be able to use fractions of your token to ask the service to create new designs for you, this conversion will be implemented through the blockchain technology.

4

The scoring system – preliminary evaluation of redesign results

The system has an automated quality check so that you can preview the machine-designed pages before going 'live.' By studying data sets that contain both visually appealing, high-converting websites and poorly designed ones, our system learns to predict if the pages are effective or not in terms of design. This system is based on generative adversarial networks (GANs) that are two competing networks: one makes the design look worse, while the other identifies and fixes the flaws.

5

The tool to dynamically switch content

The tool was developed by us as part of the uLanding page builder project (2017) that will make it possible to simultaneously show different design versions for different segments (customized to habits and behavior), all on one page. Depending on the incoming visitor data, our tool allows substituting default page information using blocks containing custom content that has been previously prepared by our system for this specific user.

6

The A/B testing tool

The tool lets you check different design versions on one audience. Either two pages (page A and page B) or more design versions (A/B/n) that differ in one or several elements are shown to one segment in equal proportion. By providing the statistically significant amount of views, this makes it possible to determine the most matching page variation.

7

The hypotheses testing and stabilization system

The system estimates the conversion rate of dynamic landing pages and A/B page versions that have been shown to visitors. The effective design hypotheses generated within uData and shaped by uKit AI are tested automatically. The system keeps track of how users interact with the page (clicks, page depth, bounce rate, and so on) by collecting data on what improves the conversion of the particular segment on the particular landing page and what doesn't. Based on new behavioral interactions of certain audiences with specific websites, current hypotheses are updated or the new ones are formed.

8

The website and landing page builder

With 2 years in the market, uKit builder brings together hosting, an online CMS, a visual editor and an updated set of ready-to-use integrations with marketing tools. The builder is needed to create and add content to the initial website version that will serve as a basis for a dynamic landing page. Creating a website and adding content to it can be done in several ways: manually, by transferring content from a social media page on Facebook or VK, and through an automatic transfer of an existing website hosted on another platform (or without any) to uKit with the help of uKit AI 1.0.

Why WE are the ones doing it

12 years developing online website building services for mass market. The project is being developed by our company – uKit Group (until 2017 it had been referred to as uCoz Web Services) was founded in 2005 to produce website builders and related solutions and services. The work experience of many key employees in their area of responsibility is between 3-10 years, with the majority having a proven record in maintaining and developing high-load and complex projects.

3.5 million active websites powered by our platforms. Our own platforms allow us to constantly acquire, develop and revise knowledge about the needs of website owners, and marketing specialists to provide service to them as well as address the needs of their varied audiences and potential customers.

A set of ready-to-use technologies and prototypes. Unlike conventional startups, we don't start from scratch – we build a whole project around the existing uKit product with 1 million users. The website redesign systems are currently being prepared for an alpha release. Also, we have an understanding of how to implement machine learning and data-based segmentation in our industry.

The core team has experience in working on common projects and a genuine interest in the field. The key people in the project have been working together for several years and have accumulated expertise not only in solving everyday tasks but in the direction that they'll need to cover as part of the current project. For one, our CTO is on his third project covering neural networks and AI, and his interest and research in those fields dates back to the early 2010s.

Why we are doing THIS: project mission and goals

Project mission. Just like anyone else who works in the industry, we are web developers as well as consumers.

We like a seamless and smart personalization based on information about us, because it gives us a new level of comfort in the digital and real world. Google already makes suggestions about where you want to go based on your previous visits and suggests various routes and its directions on this already-known information. For example, say you want to get some milk on your way home from work and Google points you toward a grocery store that you might want to visit on your way. The store has a level of service you

liked on your last visit and it happens to be open. The opportunities of such personalization are truly unlimited and can be applied to different scenarios of interaction between humans and the Internet.

We like that the conversion rate of our services continues to grow. By seeing things as insiders, we understand that high conversion rates are achieved by maintaining dozens of landing pages that match different audiences, which requires a lot of resources to support them, analyze the incoming data, search and implement hypotheses for improvement, and so on. And we see that automation is the thing of the future.

Based on this vision, we are preparing the next stage in the web development: websites will become "smarter" by providing benefits (personalization and better user experiences) to both their visitors and owners thanks to conversion growth and lower marketing costs.

Goals. Just like any other established business, we dream about scaling and expanding the spheres of influence. For two years, we've been investing into the development of the uKit builder and uKit AI R&D by taking funds from our own earnings. But it's a long and winding road. Attracting external financing is a typical move that allows us to increase development, take products to the next stage of public testing, and then, finally, a stable release. However the classical fund-raising models have their drawbacks – long negotiations with foundations and the loss of a degree of control over the product's future by the team. Through an ICO we would like to accelerate the release of uKit AI 2.0. to market and accomplish the project's mission.

Our Audiences. Our Marketing Vision

Website building market

During the period of 2010-2015 there was an intensive growth in the number of websites, which was caused by several factors:

— An increase of overall Internet penetration. (according to Internetworldstats, the number of Internet users increased from 1.8 to 3.36 billion people)

— The emergence and spread of simple and available methods of website creation and maintenance (including website builders), and also the growth of freelance services, (for example, in the US, the number of freelancers increased by 1 million from 2014 to 2015 [Upwork, Freelancing in America, 2016])

— The demand for websites from small businesses. (Research from LeadPages and Infusionsoft carried out at the end of 2015 showed that 71% of entrepreneurs considered a website the main marketing tool, ranking it even higher than SMM, email marketing, traditional offline and digital channels like TV, and so on [The 2016 Small Business Marketing Trends Report]).

Total number of websites
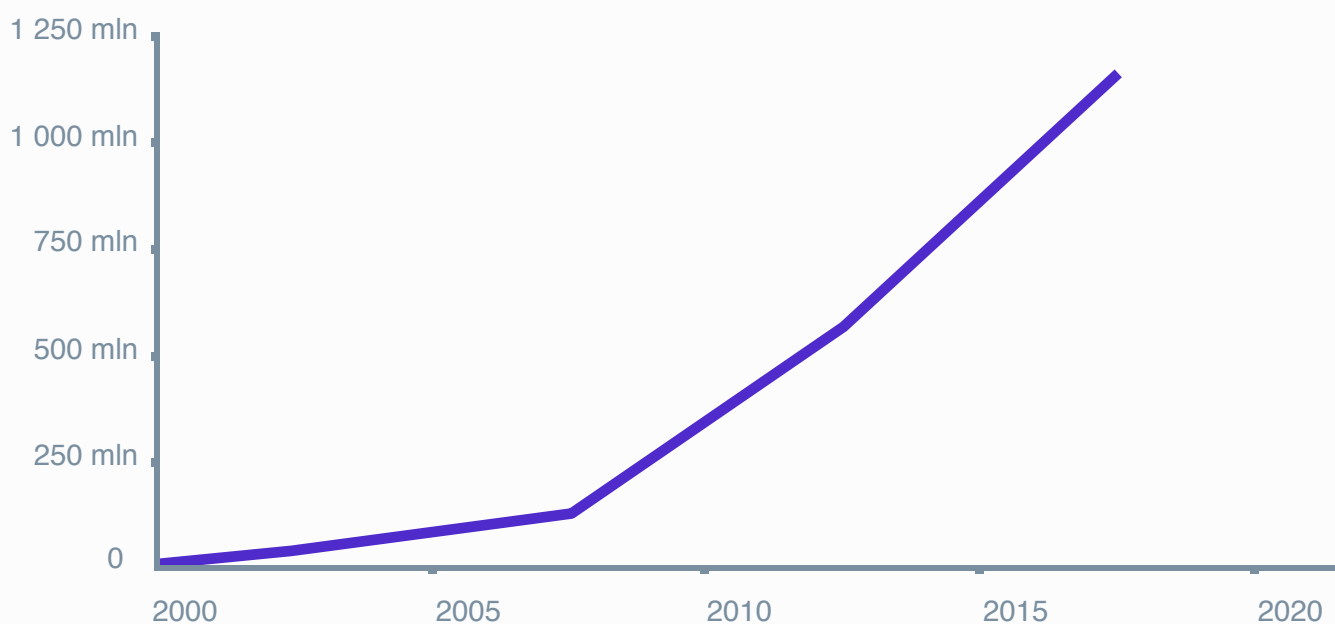
As reported by NetCraft monitoring company, the threshold of 1 billion websites was reached at the end of 2014. Since March 2016, the number of websites on the Internet has been steadily exceeding this level. According to Webydo, the total amount of websites in 2013 increased by 16 million each month [Yahoo Finance, Market Analysis of the Web Design Industry, 2013].

Growth of the registered second-level domains. This market shows stable growth. According to reports from DomainWire, the average quarterly growth of the registered second-level domains is 0.5% [CENTR's DomainWire Global TLD Stat Report, Q1, 2017].

Subsequently, the latest report (for the 2nd quarter of 2017) showed the annual growth in the number of domains by 1.9% when compared by period.

Global domains under management
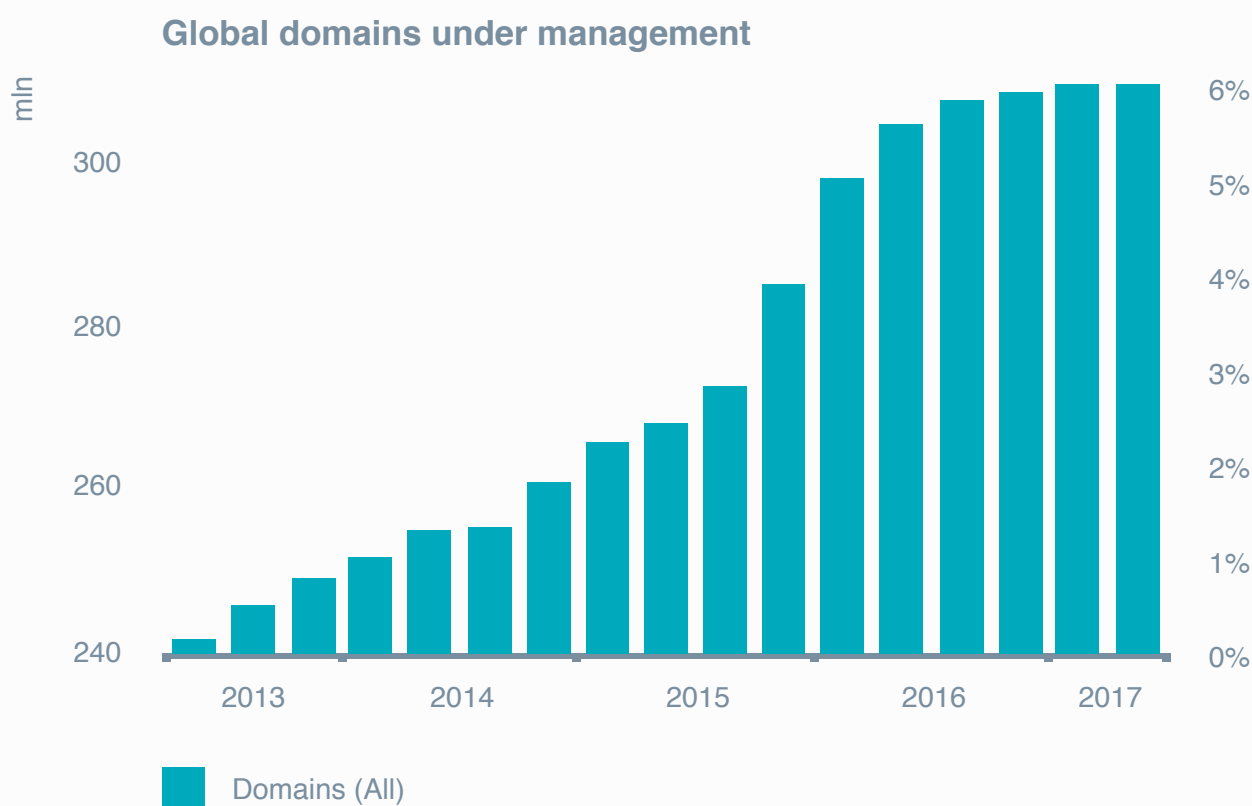
Source: CENTR's DomainWire Global TLD Stat Report, Q2, 2017

The active growth of the domain number can be observed in both developed and developing regions from the point of view of internetization. Last year, the biggest growth was registered in Africa – 19.4% (though the level of the Internet penetration is the lowest there – 31.2% [InternetWorldStats]), and North America is the second on this list – 11.4% growth (88.1% of the Internet penetration [InternetWorldStats]). The Russian Federation (.ru) and China (.cn) are among the most rapidly growing domain extensions.

Growth of unique website owners (administrators). Let's take the dynamic growth

of website administrators with the .ru domain extension as an example: the number of unique owners is growing both among individuals (2nd column) and companies (4th column).

Date	Domain names held by individuals, %	Domain names, amount	Domain names held by organizations, %
23 October 2017 (Mo)	78,32 %	5 447 575	21,68 %
22 October 2017 (Su)	78,30 %	5 442 958	21,70 %
21 October 2017 (Sa)	78,29 %	5 439 953	21,71 %
20 October 2017 (Fr)	78,29 %	5 437 520	21,71 %
19 October 2017 (Th)	78,28 %	5 436 917	21,72 %

Data provided by ANO "The Coordination Center for TLD RU"

Due to the peculiarities of website ownership (renewals, transfers and so on), its statistics is volatile in the short run and shows regular falls in absolute measures, but in the long run the stable growth can be easily observed:
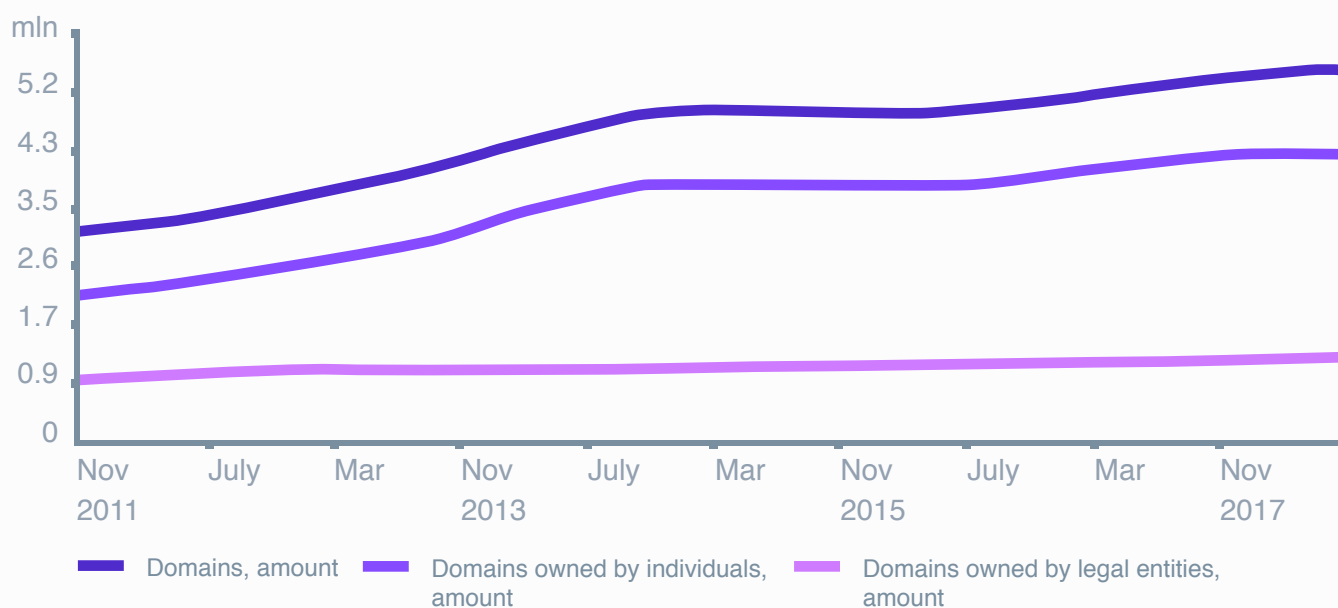
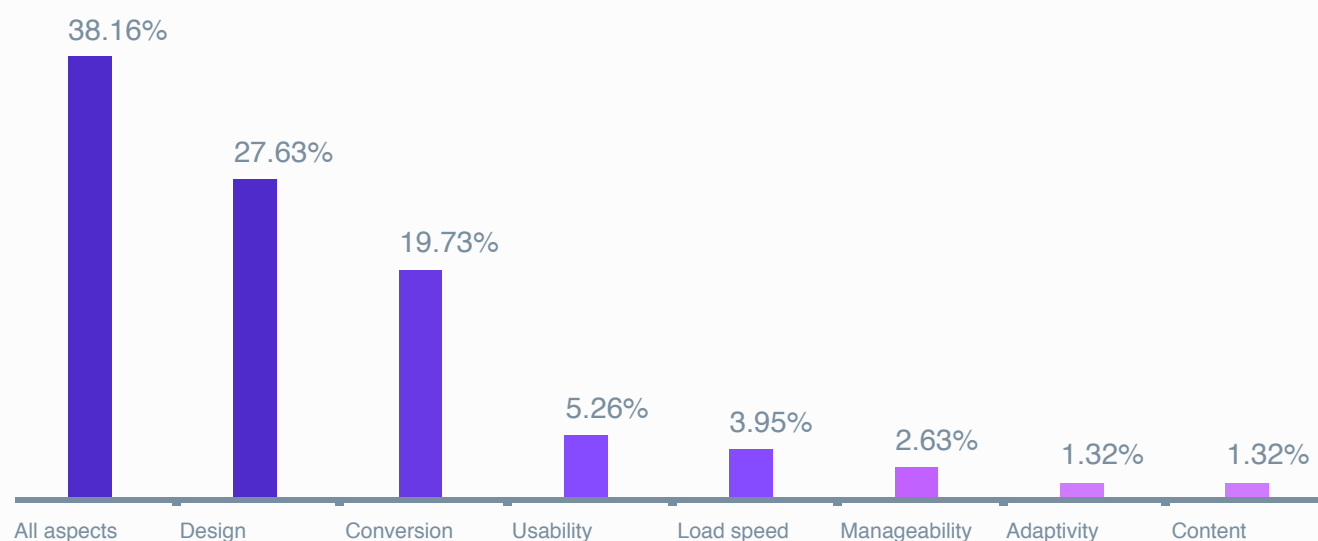Data provided by ANO "The Coordination Center for TLD RU"

Another growth area is the site building services themselves. Between 2011 and 2016, the web design services market in the US showed the annual growth of about 4.8% [IBISWorldWeb Design Services: Market Research Report]. One of the drivers of growth was the demand for creating mobile-friendly websites.

Demand for website development and maintenance services that can be covered by automation

Our company conducted a research by examining small business websites and and asking website owners questions. The study revealed a number of the most frequently mentioned issues that can be fixed by applying automation within our platform:

- Design – through using generative design (uKit AI 1.0).

- Conversion and UX – through automated personalization for segments with the help of uKit AI 2.0.

- Loading speed, adaptivity and manageability – through hosting a website with the uKit platform that uses the Bootstrap adaptive grid, loading and page speed optimization, as well as an intuitive CMS.

What would you like to improve on your website?

All aspects	Design	Conversion	Usability	Load speed	Manageability	Adaptivity	Content
38.16%	27.63%	19.73%	5.26%	3.95%	2.63%	1.32%	1.32%

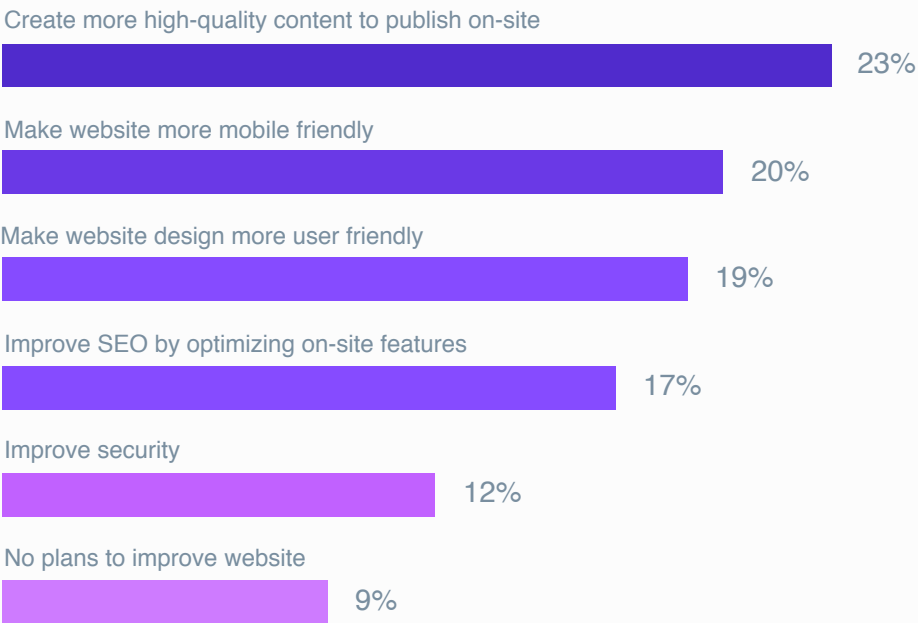The results and research methodology published by Cossa and Inc Russia magazines

The results and research methodology published by Cossa and Inc Russia magazines.

According to our own study, we found that the most common technical issue with websites is how most fail to adapt to mobile screens (63% of 5,060 websites had this problem). The study also revealed that website owners pay special attention to its appearance and its conversion potential.

This data matched the survey results presented by other professionals in other markets.

Thus, Clutch, a brand marketing firm that conducts annual surveys among US website owners, (such high-profile magazines as Inc and Entrepreneur reference it), reveal a similarly high interest among survey respondents regarding improved design, usability and mobile adaptability of their current websites.

Small Business Website Priorities in 2017

Create more high-quality content to publish on-site
23%

Make website more mobile friendly
20%

Make website design more user friendly
19%

Improve SEO by optimizing on-site features
17%

Improve security
12%

No plans to improve website
9%

Source: Clutch 2017 Small Business Web Design Survey

Percentage of people who use three screens — computer, smartphone and tablet

Year	Percentage
2012	10%
2013	24%
2014	25%
2015	33%
2016	34%
2017	38%
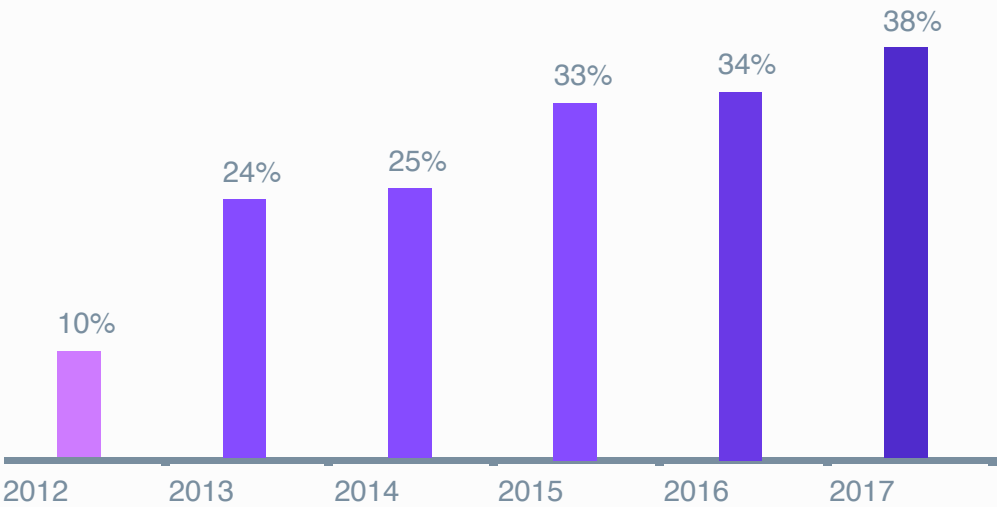
Mobile-friendly. Data accumulated by Google Consumer Barometer reveal that a number of users accustomed to switching between devices is constantly growing. These users face an issue of mobile-unfriendly websites. Website owners who complain about poor conversion rates lose this very audience from the beginning.

With uKit AI 1.0, we are actively solving this issue. Currently, when redesigning an existing site the machine identifies its content and structure, and then reproduces it on an adaptive template within the uKit website builder. As a result, the website becomes adaptive by nature, while preserving its domain and SEO history.

Redesign. Generative design technologies allow expediting the redesign process to a split second by teaching the neural network the principles of content arrangement, page visualization and preliminary assessment of results. This process makes it possible to offer the service to a broad spectrum of website owners with the help of uKit AI. In contrast to a traditional way of making changes manually (by a site owner or by hired professionals), a machine-based approach doesn't require any resources from users and is completely scalable.

Conversion boost. Conversion improvement through automation can already be seen on websites: pop-up windows that appear depending on whether a user performs the target action or not, dynamic content, and so on. We are planning to make this automation a comprehensive process.

In uKit AI 1.0., a conversion boost of an existing site is achieved through applying components of a machine redesign: making site pages mobile-friendly, rearranging content (blocks that are important for decision-making are placed in the upper part of the page and so on), and improving navigation based on the examples that the neural network used for learning. In uKit AI 2.0., a conversion boost will be achieved by dynamic content changes based on the information about how audience segments behave and the constant analysis of the results. Basically, the machine will be running a number of A/B tests in order to create the most effective design version for every type of audience.

Demand analysis for generative design

In May - June of 2017, as part of our study, we surveyed 400+ website owners and administrators to determine if they were willing to 'order' a website design from a machine. The results revealed 40% of the target audience had a high interest in having an automated redesign of their site completed by a robot.

If you had an opportunity to automatically upgrade your website in 5 minutes would you take advantage of such a service?

I'd rather have it build by humans
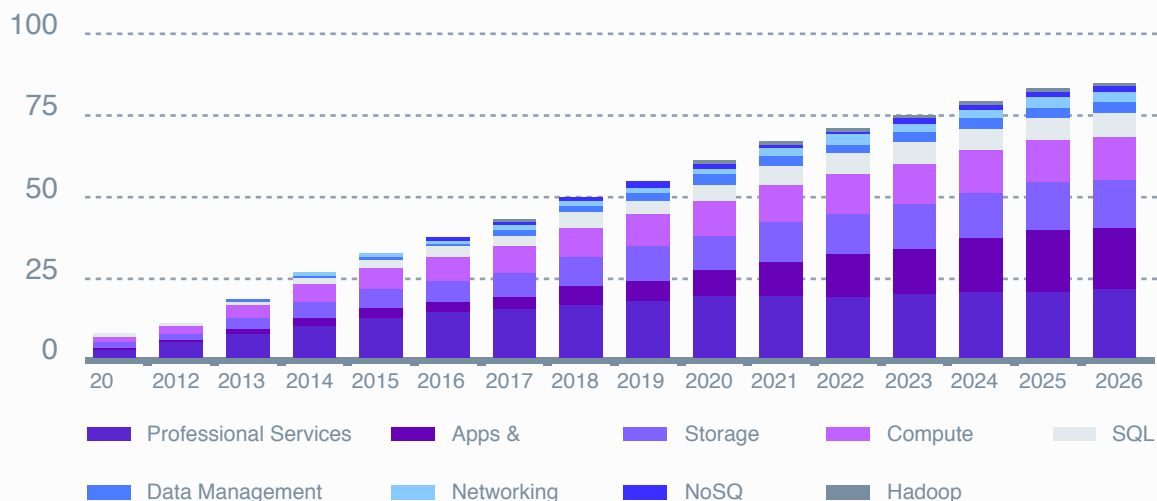
36.8%

Yes, absolutely

22.1%

No

22.1%

I would give it a try

19.1%

Big data market

Our platform will make its way to the big data market and occupy a place as an intermediary between big players (data management platforms) and regular users. The big data market is expected to triple in value within the next nine years [Statista, 2017].

Market volume in billion U.S. dollars

Legend: Professional Services, Apps &, Storage, Compute, SQL, Data Management, Networking, NoSQ, Hadoop

In this respect, the biggest part of the income will be generated by professional services, applications and data storage [Statista, 2017]. We are creating a platform for professional and commercial purposes – for marketing specialists and website owners – doing it within the online marketing industry that has an untapped demand for quality data about users [BrightTALK, 2015].

Marketing channels

When it comes to attracting customers we rely on our team's long-term experience in promoting uKit – a website builder that is used by over 1 million people in more than 100 countries. Our customers can be divided into the following groups: businessmen and their employees; freelancers and small studios; specialists in traffic arbitration; and marketing experts.

While testing different channels, we singled out methods that allow acquiring and retaining customers and strategic partners for the long term:

- Search engine marketing (SEO and context advertising)

- Retargeting

- SMM (including targeted advertising, seeding viral content and so on)

- Programmatic advertising

- Content marketing, PR

- Affiliate programs

- Direct marketing (email and push notifications)

- PR and event marketing

- Partnerships

- Growth hacking (web analytics, product analytics and so on)

Our team of 10 people with international experience is working on marketing activities.

Stage of Completion

At the moment, 3 out of 4 basic components of our platform are at different stages of completion.
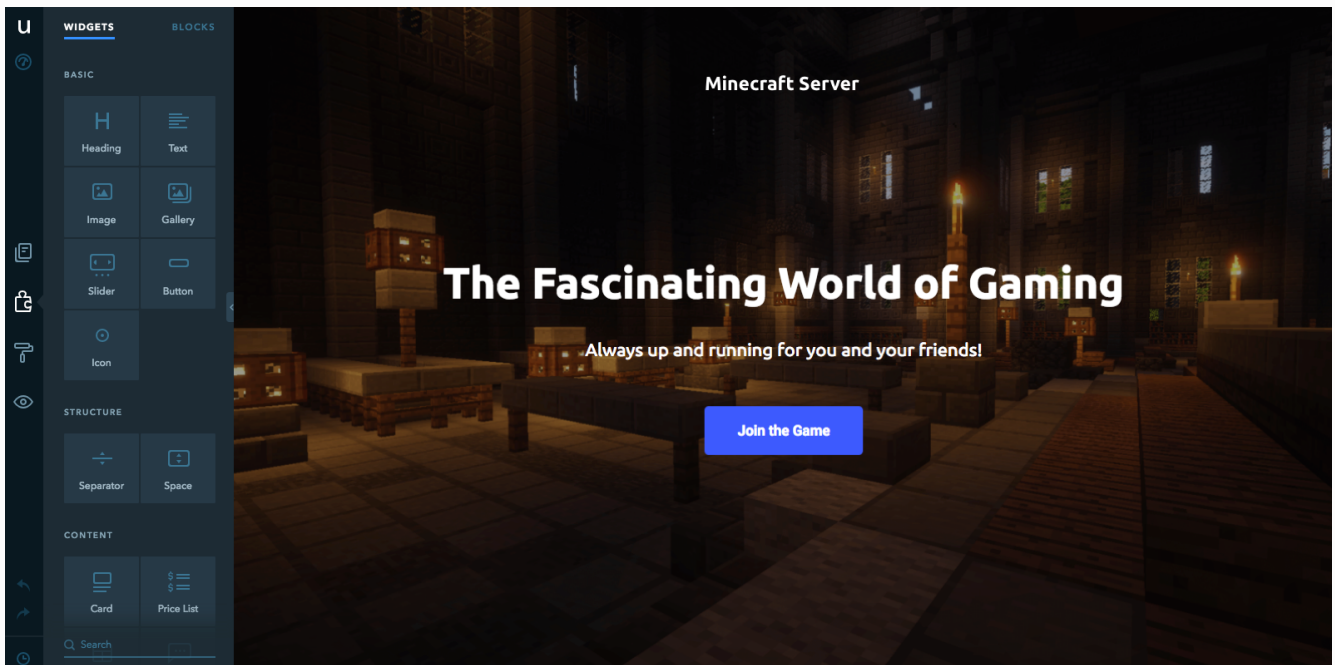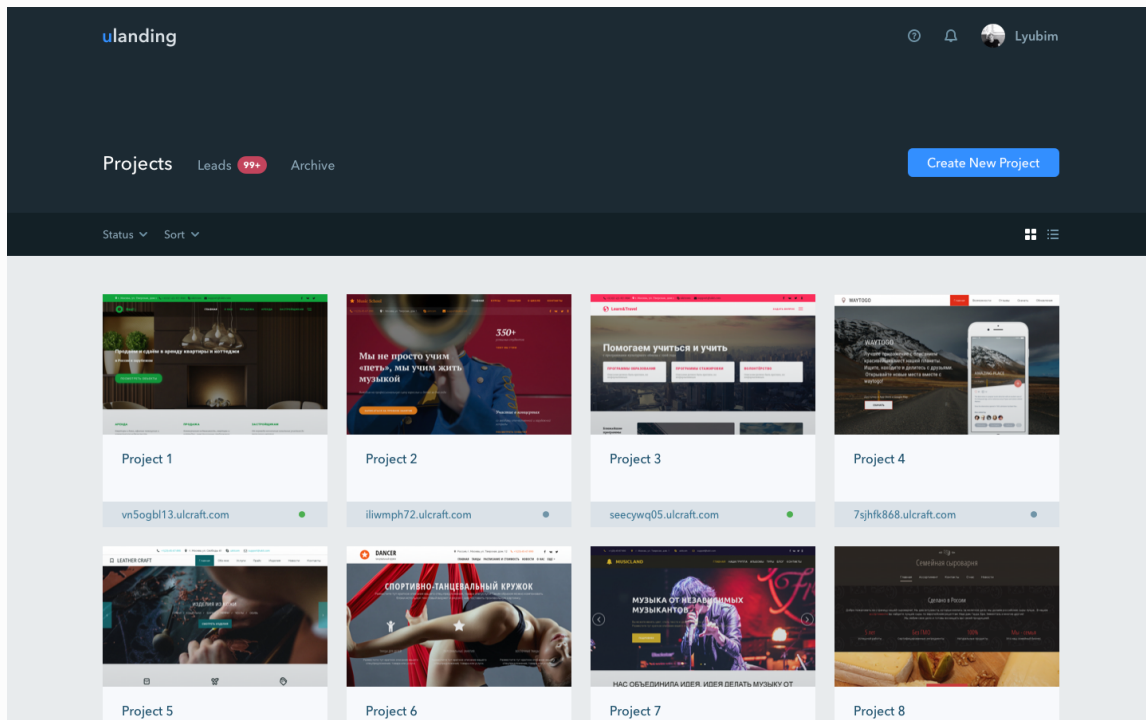

uKit.com

A website building platform. It's a commercially viable product that has been on the market for over 2 years. It is a modern version of a website builder targeted towards user-friendliness: a visual editor for making changes, online-CMS for website management (analytics, promotion, and so on), and ready-made integrations with marketing services (CRM, online chats and so on).

uKit will be used as a basis for storing and editing a user's website, a website can be transferred there from uKit AI 1.0, created from scratch or automatically filled with content taken from Facebook or VK social pages.

The service includes a number of technical solutions that are critical for modern websites:

— a set of modern technologies for front-end development – HTML5, CSS3, Bootstrap framework for mobile adaptation; for back-end - Node.js, MongoDB

— an instant backup system – website copies are stored on different servers which are placed in different venues; however, any changes are immediately synced between them; this guarantees a site's stability

- website loading optimization – the source code of a website takes as little space as possible, which results into faster loading speed and leaves more space for "heavy" user content (videos, images and so on)

- HTTPS – an SSL certificate is provided to each owner of a second-level domain

- protection against DDoS attacks

uLanding.io

Dynamic content and hypotheses testing tools. You can try a closed beta version by using the invite code

> *wCxmxyYzXUGCYnee*

A builder of landing pages (one-page websites), which is based on the uKit code, and has features necessary for creating multiple variants of a web page including:

- dynamic content switch – a web page content changes (heading, texts and so on) depending on the marketing campaign inputs or a search query.

- system of A/B testing and split testing – allows testing different versions of a page design and layout for one audience group by distributing traffic between different versions and finding the variant that insures the best conversion rate.
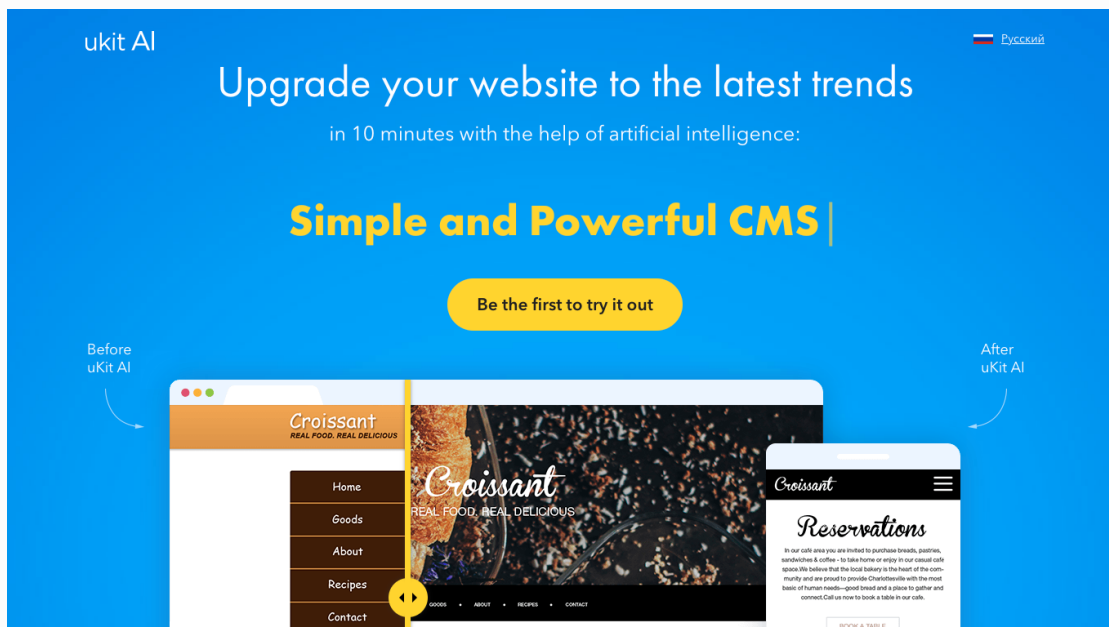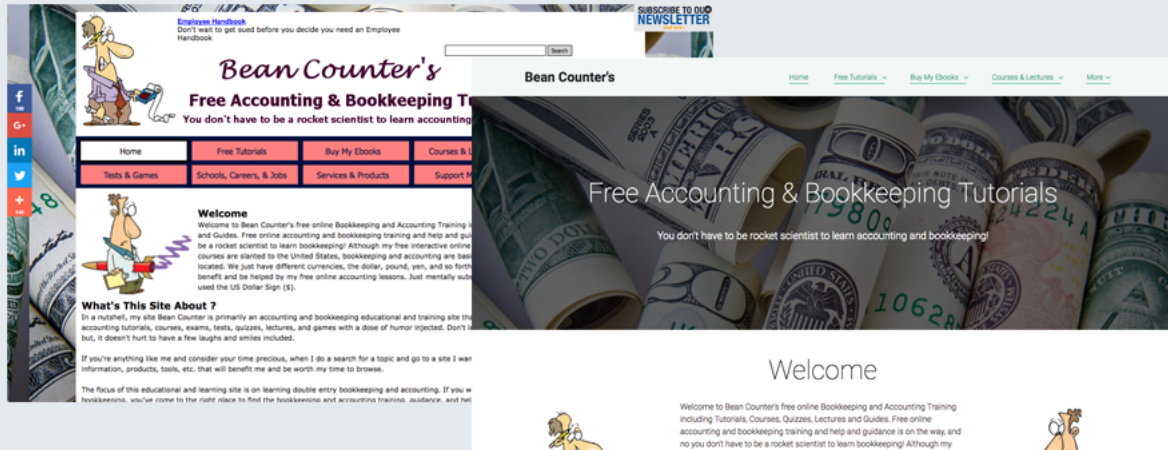
uKit.AI

A generative design service and scoring system. Now a prototype, alpha-release is planned at the end of 2017. A service for updating site design and the front-end of existing websites based on machine learning. In its current version, it's capable of dealing with basic website problems: poor adaptivity, improper placement of website elements which influences decision-making and conversion rates (feedback forms, buttons, contacts, and so on), and the use of outdated technologies (Flash, etc.).

In the next version, data results we receive from a segment's preferences during technical development of our project will be used for immediate updates of web page design and code. At the moment, the following features are implemented:

- recognition of website content and structure – the system analyzes the existing version of a website and recognizes its structure (DOM tree) and unique content (text, images, videos). This provides the input information for choosing redesign variants.

- transfer to the uKit platform – the content is transferred to the corresponding widgets of the builder (Video, Image, Text, Heading). The structure is then recreated in accordance with the latest standards of design and consumption (a short horizontal menu in the web version, a "hamburger" menu on mobile devices and so on). The transfer guarantees adaptivity of the new website version, modern fonts and so on.

- scoring – a neural network learns to assess a website from the point of view of aesthetics based on the samples of visually attractive and unattractive websites gathered from different sources. The basis of this process is the GAN algorithm invented in 2014 – a competition between neural networks in which one of the

networks "ruins" the design of a sample website and the other one makes quality improvements to it. This process allows to choose more visually attractive variants of design and layout for a particular web page and also makes a preliminary assessment of results by a machine.

The system identifies the content and structure of the old website (on the left), transfers and redesigns it with the uKit builder (on the right).

Roadmap

November, 2017
uKit AI 1.0. prototype: identification and evaluation system

December, 2017
Pre-ICO

February, 2018
ICO

February, 2018
uLanding commercial release

2nd quarter, 2018
uKit AI 1.0 beta

2nd quarter, 2018
Start of developing uData

3rd quarter, 2018
uKit AI 1.0 release

3rd quarter, 2018
uData beta

Beginning of 4th quarter, 2018
uKit AI 2.0 beta

1st quarter, 2019
uKit AI 2.0 release

Initial Coin Offering

UKT tokens

Technical aspects of a token

Upon finishing the ICO campaign, we are planning to issue tokens of ERC20 standard. UKT tokens will have the following properties within the uKit platform:

— **Lifetime use of uKit products**

   A holder of 10,000 or more UKT tokens is eligible to use premium packages within the family of uKit products (including uLanding) for an indefinite period of time during which UKT tokens are held. In case a UKT token is resold or transferred, this right is passed to a new holder. When used in this way, tokens don't expire and aren't used as means of payment though serve as access to premium services of the company.

   Plans

Plan	Tokens	Price
Premium	10 000	$200
Premium+	15 000	$300
eCommerce	20 000	$400
Pro	30 000	$600

— **Voting rights for new features**

   UKT token holders are eligible to vote (1 token equals 1 vote) to decide what features should be implemented to the builders of the company. In this way, thanks to blockchain decisions about functional development of the product are made and executed transparently for all users of uKit services.

— **Paying for using the uData service**

   The use of uData is paid with UKT tokens.

— **Receiving UKT tokens in exchange for data**

   Users of uData service can get UKT tokens to take part in teaching uData in accordance with the established terms.

Using UKT tokens to pay for the uData service

A *user* is a user of the uData system.

A *visitor* is a visitor to a landing page within the uData system.

A *dynamic landing page* view is a view of an optimized landing page by a visitor.

UKT tokens will be used to pay for your landing pages in the system. This means a user will need to spend a certain amount of tokens to convert their landing page into a new dynamic one. For example, you will need to pay one token to optimize the look of your landing page for the next 2,000 users (2,000 views of a dynamic landing page). A more precise ratio of 1 UKT token to the number of views of the dynamic landing page will be determined in the future.

At the same time, those users who help train the system by providing data about the use of their landing pages and actively implement uKit tools on their websites, will get a part of all conversions in the system (0.001% for 10,000 tokens) instead of receiving a fixed number of impressions and conversions of a dynamic landing page for each UKT token.

The greater the amounts of data the system processes and the greater the contribution made by a user, the bigger the absolute value ensured by this percentage. This way, the UKT token value will go up for its holder as the system grows if a token is being actively used.
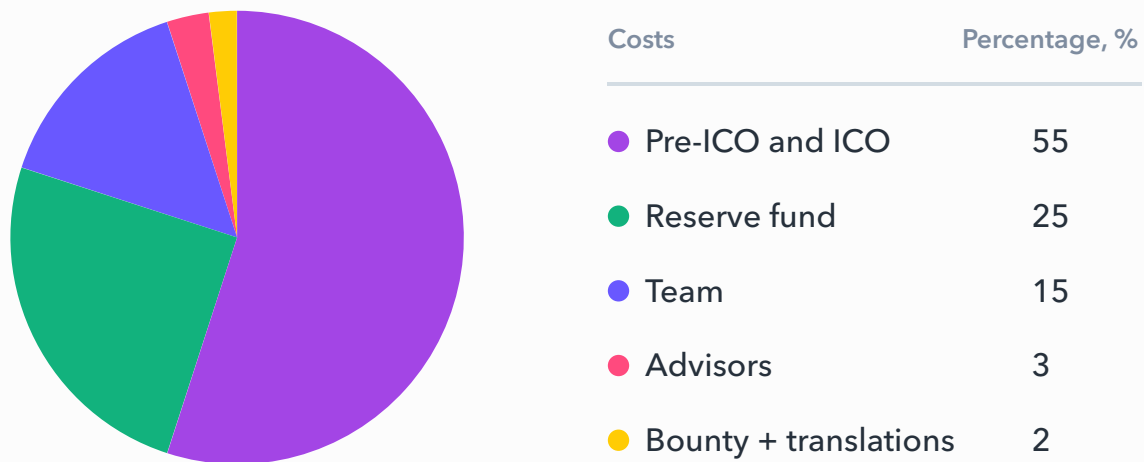
uData will record all transactions connected with purchasing the service with UKT tokens to the public blockchain. Hence, the community will be able to check if users really spend a specified amount of UKT tokens. When paying for uData services with UKT tokens, the half of tokens will be burned, while the other half will be added to the reserve fund.

Receiving UKT tokens in exchange for data

Users will have an opportunity to help the uData system develop by sharing the data on how their landing pages were used by the visitors. For providing this information, users will be rewarded with tokens from the reserve fund. And uData will record all transactions related to receiving tokens to the public blockchain.

Tokens distribution

The issued UKT tokens will be distributed in the following way:

Costs	Percentage, %
● Pre-ICO and ICO	55
● Reserve fund	25
● Team	15
● Advisors	3
● Bounty + translations	2

Ninety-six million UKT tokens (9.6%) from the reserve fund will be distributed between ICOS token holders.

Tokens kept by the team (15%) will be put on hold and will become available for transfer, use and sale in 18 months after the ICO completion.

Conditions and steps of the ICO campaign

uKit ICO is going to be held in 2 steps:

1   **The presale was held from December 11, 2017 until January 1, 2018:**

— 5,000 non-redenominated UKT tokens were available for purchase during the entire presale period. When the presale was finished, tokens were redenominated in the ratio of 1 to 10,000;

— Before redenomination, UKT tokens were sold at the price of $150 for one token ($0.015 for one token after they were redenominated on January 17, 2018).

2   **ICO (from February 19 until May 1, 2018):**

— 500,000,000 UKT tokens for the total amount of $10,000,000 will be available for purchase during the entire ICO period;

— UKT tokens are sold at the price of $0.02 for one token.

Tokens that won't be sold during the presale and ICO will be burned (destroyed).

In total, the amount of issued tokens will be limited to 1,000,000,000.

UKT tokens can be sold on special terms, including bonuses and discounts. Potential buyers will be notified on the current special conditions for purchasing UKT tokens through one of the methods available to uKit.

Application of funds

Depending on the funds raised from selling UKT tokens during the ICO, the following product development options are possible:

— Funds raised: under $2,500,000. If the Soft Cap isn't reached, all funds will be forwarded back to ICO participants. Funds raised during the presale won't be returned, however the presale participants will receive UKT tokens that will give them the right for the lifetime use of uKit services.

— If the raised funds exceed $2,500,000, they will be forwarded to further develop uData project that allows creating websites offering a customized experience to its users.

The raised funds will be spent to develop uKit AI and uData, to enter international markets and purchase data from Data Management Platforms (a substantial amount will be used if the raised funds are over $2,500,000).
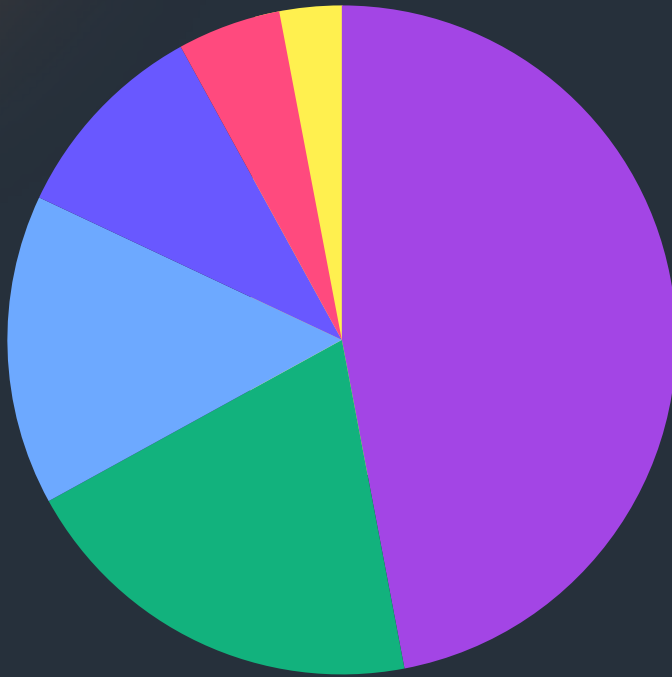
Over 5M

Costs	Percentage, %
● Advertising & PR	47
● R&D Personnel	20
● Data Purchase R&D	15
● Marketing & Management Personnel	10
● Other	5
● Outsource R&D	3
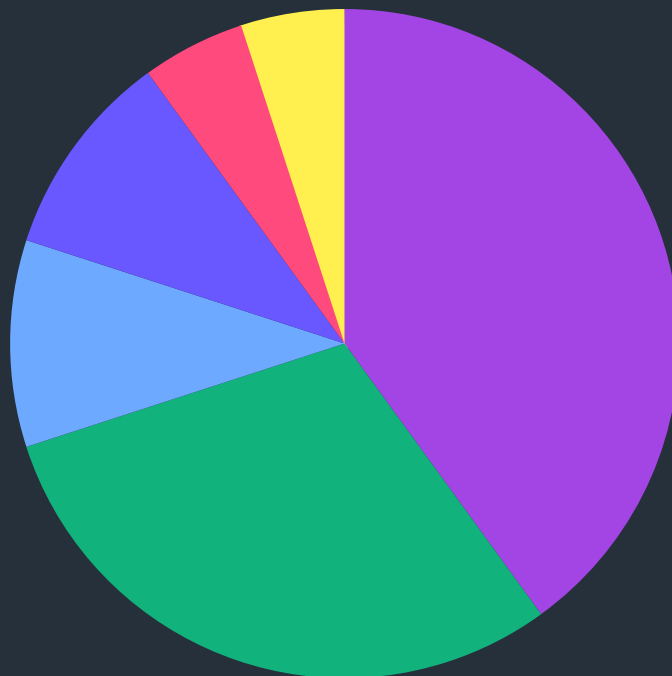
From 2.5M to 5M

Costs	Percentage, %
● Advertising & PR	40
● R&D Personnel	30
● Data Purchase R&D	10
● Marketing & Management Personnel	10
● Other	5
● Outsource R&D	5

Terms of Use and Risk Factors

Intellectual rights to the services of the platform, including uKit, uLanding, ukit AI, and uData, as well as their components and related intellectual property assets that are individually significant, created and to be created in the future, belong to Compubyte Limited.

The acquisition of UKT tokens involves a high degree of risk, including but not limited to, the risks listed below. Before acquiring UKT tokens, each potential holder of UKT tokens is recommended to review all the information and risks described in this Whitepaper, other ICO documents, as well as information and risks available to the potential holder from other sources.

UKT token is not a security

Token holders recognize, understand and agree that the UKT token is not a security, digital currency, commodity or other financial instrument incorporated within any jurisdiction, including the jurisdiction where potential token holders reside, and should not be perceived by a potential buyer as such. Based on the project concept and the opportunities provided to the UKT token holders, each UKT is a unit of a digital product designed to perform certain functions within uKit services and has no value outside of this platform. The UKT token by no means gives its holder the rights to assets, profits, dividends, nor the right to manage the uKit company. UKT Tokens cannot be used for any purpose other than those expressly described in this Whitepaper, including investment, speculative and other financial purposes. uKit may take into consideration the feedback and suggestions by UKT token holders in order to develop and improve products, however, having UKT tokens does not give the right to participate in decision making or in any line of business related to uKit services.

Dependence on computer infrastructure

The sphere of our project's application arises from its dependence on the functioning of the software and hardware systems, telecommunication equipment, as well as access to the Internet. Our company will strive to ensure the availability of uKit services; however, the service is provided on an "as is" basis, thus we do not guarantee its uninterrupted operation, absence of errors, defects and delays in the service. We are also not responsible for the service shutdowns, including but not limited to failures in telecommunication and power networks, critical changes in temperature, effects of malicious programs, as well as bad-faith actions by third parties aimed at unauthorized access and/or disabling of software and/or hardware systems of the service, which means our company does not guarantee that any failure in the computer infrastructure will not adversely affect the use of UKT tokens and the service.

Hacking and unauthorized access

We take all reasonable steps necessary to ensure the security of uKit services in accordance with international protection standards against external interference, but there are always risks including hacker attacks, malicious viruses and other actions of third parties aimed at harming internal systems. These actions can lead to a defect or malfunction of the service, which may result in the service and trade network of UKT tokens working in an unforeseen manner, with interruptions, delays or with full suspension of work, and there is no guarantee that such malfunctions or unintended functioning will not lead to a complete loss of UKT tokens. The actions of third parties aimed at causing material damage to other persons are qualified in most jurisdictions of the world as a criminal act and are subject to criminal prosecution.

Use of new technologies

The blockchain and smart contract technologies used in the project are new technologies and are in the early stages of development, which means the disadvantages, vulnerabilities and other issues of their use have not yet been fully explored. Therefore, there may be potential operational, technological, regulatory, reputational and financial risks that can cause technical issues with uKit services and even a complete loss of UKT tokens.

Lack of income or profit guarantees

We cannot guarantee a specific price for UKT tokens within any certain period of time, and are not responsible for any changes in the price of the UKT token, or the failure of the UKT token's price to meet customer expectations, as the UKT token price depends on many unforeseen and uncontrolled circumstances. Likewise, we cannot guarantee that the buyer will receive any income or profit due to the fact that the UKT token is intended for use within the uKit services and beyond which it does not have any value.

Risk of money loss

The funds collected are not insured in any way. If they are lost or lose their value, UKT token buyers cannot appeal to an insurance representative.

Regulatory uncertainty

Blockchain technologies and related processes are not governed by the vast majority of jurisdictions; however, they can be under close supervision of financial regulators due to their transborder nature, therefore, in some jurisdictions, existing laws can be applied by analogy or new laws can come into play. Such laws may conflict with the current organization of uKit services, including restrictions on the use or possession of digital tokens, restrictions on their functioning, token purchase ban or total loss of UKT tokens. In addition, potential UKT token holders shall be aware that they are ineligible to purchase UKT tokens if this kind of activity is banned or somehow restricted by the applicable law in their jurisdiction, whether in obtaining a license by our company and/or permission from the national authorities.

Taxes

UKT token holders may be subject to taxes related to the transactions they perform. UKT Tokens holders are solely responsible for determining whether the transactions they incur under this Whitepaper are subject to taxation by any applicable taxes in their jurisdiction or in any other jurisdiction. UKT token holders must ensure compliance with applicable tax laws in their jurisdiction and pay all relevant taxes and fees, if any.

Force majeure

The activity of our company can be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this Whitepaper, force majeure means events and circumstances of an emergency nature that could not have been foreseen by us and include natural disasters, armed conflicts, riots, man-made disasters, epidemics, lockouts, strikes, long-term shortages or outages in power supply or telecommunication services, the actions of state bodies and the adoption of new laws restricting the activities of our company, and other circumstances beyond our control.

Information disclosure

We are not responsible for the disclosure of personal data of UKT token holders, information on the number of tokens owned, wallets used and other information that can be disclosed to a court, authorized state authorities and other third parties in the event that our company is obliged to disclose this information in accordance with the applicable law, court decision or request of the authorized state authority.

Mismatch of expectations

The project developed by our company may not meet expectations of UKT token buyers. Due to the fact that uKit services are under development, it is possible that they can undergo significant changes before the release, therefore, the expectations of UKT token buyers regarding the form and functionality of uKit services and UKT tokens may not be fulfilled.

Forecasts and estimates

Forward-looking statements regarding our project are identified by such words as "can", "it is expected", "will", as well as by other identifiers of event uncertainty. These statements are forward-looking statements that allow potential token buyers to understand the beliefs and opinions of our company about the future of the project, but do not provide guarantees or promises regarding the occurrence of any result. A potential UKT token holder should understand that such forward-looking statements are associated with known and unknown risks, the occurrence of which we cannot foresee and which do not depend on our will. Therefore, the actual results of the project may differ significantly from any published forecasts and opinions. Views on the future economic, competitive and market conditions, and business decisions cannot be considered a promise or a guarantee to potential UKT token buyers that the goals and project plans will be successfully implemented. All examples of income and profit calculations used in this Whitepaper were provided only for demonstration purposes or for the purpose of demonstrating the industry's averages and do not constitute a guarantee that these results will be achieved. We will try to maintain the relevance of the information provided by us, but we do not undertake responsibility to update the forward-looking statements if circumstances or our estimates change.

In addition to the risks mentioned in this Whitepaper, there are other risks that our company cannot foresee. These risks can materialize through other forms that are not specified here.

Due to the fact that the UKT token and uKit products are being developed and continually improved, their content, algorithms, code and other technical specifications and parameters can be updated, changed and improved on an ongoing basis. uKit reserves the right to change the technical component and technical presentation of the token as the project progresses. Due to the continuous development of the uKit platform, and the introduction of new functionality and products, we reserve the right to exchange UKT tokens for similar tokens that have greater functionality if it is discovered that it is technically impossible to realize all the benefits for potential UKT token holders with platform and products' updates. The possible exchange of UKT tokens will not narrow the

rights of potential holders and will not affect the turnover of tokens. All interested parties will be notified in advance about the possible UKT tokens exchange, and the company will take all possible reasonable steps and efforts to ensure that such an exchange is as simultaneous and as transparent for all users of uKit products as possible.

Although information presented in this Whitepaper is relevant as of the current date, it can not be considered final and the information in it can be changed or updated without prior notice. In order to be fully updated, it is recommended to periodically review the information contained in this Whitepaper. uKit is not obliged to notify you on all the details of the work being performed for UKT and uKit products, including the progress status and/or completed tasks (indicators), regardless if they are planned or not, and therefore uKit is not obliged to provide you with a complete and timely access to all information, although taking all necessary and reasonable efforts in this direction.

Hereby the potential UKT token holders confirm that they carefully studied this Whitepaper, the current legislation of their jurisdiction; they understand and accept the risks and costs associated with the UKT tokens acquisition, and act solely at their own risk.

Team

Management and development

Evgeny Kurt
Executive Partner at uKit Group

In charge of IR (Investor Relations) and setting out a vision for the product. Evgeny has 12 years of experience in the website building business, and is a co-founder of the company. He has initiated 7 in-house startups, 6 of which were a success.

Irina Cherepanova
Chief Product Officer at uKit Group

Responsible for product releases. She has 7 years of experience in the product team management sphere. Irina was in charge of launching uShop online shop builder (10K shops), as well as launching and developing uKit and uLanding builders. She graduated with honors from the Department of Cybernetics of the Moscow Technological University (MIREA).

Pavel Kudinov
Chief Technical Officer at uKit Group

An architect of uKit, uKit AI and uData systems. A prize winner of programming contests. Pavel has 12 years of experience as a Chief Technical Officer in high-load projects. Since 2005, Pavel had been working at Tochka Kipeniya where he maintained an online game Dozory until he joined our company in 2012.

Roman Steinberg
Leader of the Neural Network Group

Responsible for teaching neural networks as part of the uKit AI project. With 3 years of experience in the area of machine learning and intelligent data processing, Roman is a PhD in Physics and Mathematics and an Associate Professor of the Mathematics, Mechanics and Computer Science Institute at the Southern Federal University.

Oleg Levshin
Lead Blockchain Developer

Responsible for developing smart contracts that ensure the platform's functionality. Oleg has 7 years of experience in commercial web development. He holds a degree in

Mathematics majoring in Information Security. Joined the team in 2015. Oleg specializes in the modern Node.js stack (MongoDB, Express.js, Koa, Webpack, React) and is responsible for the billing part of the uKit website builder.

Mikhail Gurevich

Chief Financial Officer

Supervises the legal framework of ICO. Mikhail set forth the basic properties of the UKT token within the system and is responsible for their implementation. He has 7 years of experience in financial auditing across different spheres of business; from working as an auditor at KPMG, to a financial director at Deceuninck NV and serving as an investment controller at Mars. Mikhail joined the team in 2017.

Viktor Kadnikov

Art Director

Supervises product design processes including the development of UX/UI and visual language for elements of our platform. With 6 years in the industry, Viktor has come a long way from being a junior designer to an art director. Viktor has experience working with marketing startups and is a winner of the UA Web Challenge 2013 contest in the Web Design category. Joined the company in 2014.

Tatiana Zhukova

Localization Manager

Responsible for adapting services and marketing materials for the mindset, language and cultural specifics of the target markets. Tatiana was in charge of the localization cycle for uKit, which is an integral part of our program. She holds a relevant degree in Linguistics. Joined the team in 2015.

Employees

Front-end and Back-end Development	**58**	Marketing	**10**
Development of uKit AI core	**3**	HR, Financial and Legal Department	**14**
Data science	**2**	System Administration	**8**
Assessors to collect data sets	**12**	Design, UX/UI	**12**
Testing	**4**	Technical Support	**7**

Customizing Website for Visitors – The Next Big Thing on the Web

- Artificial intelligence works on a website as a marketer and designer by increasing the conversion rate for businesses and improving experience for visitors.

- The token value, which is connected with the number of personalizations and the amount of data in the system, grows with every new user.

- Each user of the platform can earn extra tokens by contributing data and training the AI.

Join Us

Pre-sale

December 11 – January 1, 2018

ICO

February 19 – May 1, 2018

ico.ukit.com