



Kuende

Kuende is the first blockchain fueled social network that uses gamified challenges to reward real life social interaction

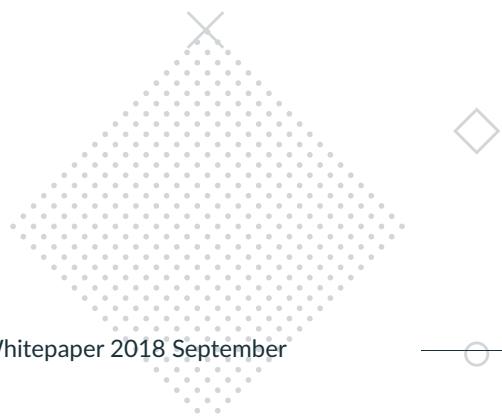
Kuende is what you get when you combine Meetup, Steemit, Facebook and games like Pokémon Go.

Whitepaper 6.2

September, 2018

*“Some chapters contain information that is subject to change.
Such information will be highlighted with blue throughout
the document.”*

Kuende Team



Kuende: Creating Real Life Experiences



We know that social media has and will continue to change the world. It's time to use that for the betterment of every person, group and community. It's time for Kuende.

The use of modern social media that pushes solely for greater interactions online is an amazingly powerful force. Users can find, follow and interact with their friends, family and favorite celebrities all from the comfort of their couch.

Unfortunately, this digital interaction is keeping people on their couches, in their homes and away from friendly interactions in the real world. Groups that use social media more often, such as Millennials and Gen-Z, are not only shunning social activities but are also reporting higher levels of isolation and related sadness.

Our mission is to use the power of social media to encourage healthy behaviors and offline interactions through gamification. The Kuende platform will allow users, groups and businesses to create Challenges that require specific offline interactions and reward participants with points that can be exchanged for a variety of in-app rewards.

Social Proof and Excitement

We're building off a proven track record of digital platforms that complement and encourage offline interaction, but our rewards and in-app communication tools allow us to create a solution that customers will keep using even as their hobbies, communities, homes and lives change.

In 2017, roughly 8 million people use Meetup to find local community groups centered on activities and events. However, this and similar services lack both a rewards mechanism that encourages continual social connection and communication tools that promote online interactions. They also charge each group's organizer a subscription to run their group(s).

We believe that ongoing social activity requires a shareable rewards structure and the platform should not have costs for use. Also in 2017, Pokémon Go had 65 million active users at one point, and the baseline game is free.

So, we know that users are willing to let digital services drive them to real-world activity and that gamification can be a significant driver for these activities. Kuende wants to support these interactions and offer a robust social platform with messaging, chats, photos and other sharing, so we serve as a central platform for both online and offline activity.

We'll be the only platform users need to join on the latest craze, from meeting up to watch March Madness or taking part in the next Ice Bucket Challenge.



ICO

We have raised more than \$2.6 million to-date and are targeting an additional \$15 million to further develop our platform and expand our product to a broader audience.

The rise of the ICO has led to millions of everyday people taking an active role in a company's development through tokenization of products and services. Startups raised \$5.6 ¹ billion through ICOs last year.

Kuende will have a successful ICO because we have nurtured a great community that is supportive of our efforts to transition into a blockchain/crypto friendly platform. Therefore, we aim to raise funds in the most democratic, fair and open way. The way it should be. The community is an essential part of our vision and our journey.

ICO Use and Ongoing Revenue

The bulk of the funding we raise through our ICO will be used for the development and furtherance of our platform, including security reviews, R&D, business development and traditional overhead. All investments and efforts will specifically target the milestones presented in our [roadmap](#) in this document, such as the plan to reach 50 million users by the end of 2020.

ICO funds will also support our ability to create long-term revenue sources, including the production of the Challenge framework, development of an advertising network that is safe for our users' data and in-app purchases through a Kuende-branded Kshop (our marketplace), which will offer emojis, stickers or in-game boosts.

Our Place in the Market

The differentiator that Kuende will pursue, and the core values we will maintain, are the intersection of offline and online social interactions. We want to specifically further the creation and development of challenges and communities that encourage interactions on both sides of the app. So, we have looked for areas where we could offer something not currently on the market.

Unlike Facebook and Twitter, our interactions will be designed to have a real-world element. Currently, Twitter offers minimal push to offsite locations. Hashtags are used at conferences and other events, but the user sees them as an afterthought. No hashtag pushes someone to a concert.

Kuende interactions will be designed to have that push in all interactions by rewarding users for their activity.

Facebook may have some offline-focused elements, but these are few and often commerce-based. Its recent marketplaces and "buy-and-sell" groups reach roughly 550 million people. So, we know there is a desire to interact and even potentially meet. Unfortunately, Facebook offers no platform-specific method to encourage meetings.



Kuende's reward system again can take advantage of this desire to meet up for a variety of purposes to lead to greater interactions.

Tinder, perhaps the best-known service to drive users to meet in the real world, has an estimate of 50 million users, but its use-case is limited. As soon as someone achieves their first desired goal of establishing a relationship, they pause on the service for some time. By providing a wide range of activities that can change with a user's shifts in preferences, family status, location, habits and more, users can stay with us through this change.

We have also seen a variety of blockchain proposals that are considering functionality similar to ours. Their roadmaps usually include a product launch in 2019 or 2020, and we don't think consumers will want to wait that long to switch to a new social network, especially in the light of growing privacy concerns with some larger, more established networks.

Others also place a premium on creating entertainment online, without the offline aspects of developing a community or encouraging a positive interaction. The difference Kuende brings is our commitment to the betterment of individuals and the groups they belong to by pairing online interest-focused social content with offline experiences that allow people to explore their world.

By rewarding users and allowing for a variety of challenges to take place in any community, we aim to create engagement that is not limited to any single user type. And, the use of blockchain technology ensures we're properly rewarding and protecting our users as they create new social connections.



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Our Motivation - The Mental-Health Problem Of Social Media Addiction



"We don't have a choice on whether we do social media, the question is how will we do it?"

Erik Qualman

Over the past decade, social media has allowed us to have global conversation unlike anything we've ever seen. For the first time, people are able to learn anything almost instantly - explore new ideas, try new hobbies, engage and keep in touch with friends and family members living abroad.

As time passed, we could see that the progress and evolution of social networks came with a cost. Psychologists and scientists studied and determined that **social media is** becoming increasingly **addictive** and, if used as a replacement for real world interaction, is very unhealthy.

The addictive nature is easily explained. After all, when you socialize over the internet, there is less risk of hurtful rejection or humiliation. Human beings are programmed by nature to follow the safest possible path. This is especially true of young people who are far more sensitive to social rejection than adults.

Scientists have also observed the **dopamine boost** you get when someone likes or favorites your posts. Dopamine is a neurotransmitter in our brain that triggers a state of happiness and satisfaction as a reward for when we do something positive like finding food or water. But, dopamine can also be released through artificial means like drugs, or in this case, unfortunately, social media.

These two factors, the lack of risk and the plentiful dopamine, combine to create an addictive, easily accessible **replacement for healthy, real world interaction**.

Now we find ourselves in a dire situation. Real-life socialization is on a steady downward slope because social media is taking its place. This is causing a mental health crisis of epic proportions.

A brief look at the latest research shows the extent of the problem:

- A UK disability charity named Scope surveyed 1500 Facebook and Twitter users aged 18-34. They found that 50% of the responders **felt unattractive** because of social media, and 60% had feelings of jealousy.¹
- The Journal of Youth Studies has proven that one in five young people **lose sleep** due to nighttime wakeups to check messages on social media. ²
- The American Journal of Preventive Medicine published a study involving 1,787 people aged 19 to 32. It found that those who spent the most time using social media were twice as likely to **feel socially isolated**. And this same study found that people who use seven or more social media websites were three times more likely to have general anxiety symptoms than those who use two or fewer social media websites. ³



- Another trend shows how social media can even affect parenting. In a Parents survey of 2,000 people, 79% said they felt other parents overshare their parent-child moments on social media. Yet at the same time, only 32% felt they themselves overshare these same moments. This goes to show how social media can work its way into even the most cherished relationships and slowly transition them to the online world.⁴

While all generations that are active on social media are affected by these side effects... **Generation Z** and **Millennials** suffer the most. After all, they are the first generations to be born in a world where internet, smartphones and social media are parts of their daily lives.

They are the only generations that report preferring social media as a way to keep up with family and friends. We think this is the most revealing fact regarding the magnitude of this issue about Gen Z and Millennials. By avoiding real-world interaction with their closest companions, they are degrading social skills and increasing their isolation and loneliness.

Spending more than two hours a day on social networks multiplies your chances of feeling socially isolated by a factor of two⁵. However, most of us spend a significant amount of time on these networks, with an average person spending two hours on social media every day⁶, while teenagers are investing up to 9 hours each day⁷.

But, it gets even worse.

Close to 80% of social media usage is now happening on mobile devices . The vast majority of these users are in the Gen Z/Millennial demographic. Because of the addictive nature of social media and smartphones, even when in the physical presence of friends or family, young people stay glued to their devices⁸.

They are choosing to interact with friends and family who aren't with them as opposed to having healthy human interaction with those right in front of them.



These people -- young or old -- seem to unconsciously adhere to a consensus of being "**alone together**".

They use technology to feel connected. But that feeling is an artificial one and can never replace the benefits of real life interaction.

Despite the issues that social media presents, we strongly believe it can be used as a powerful tool for the betterment of society. That is if we acknowledge and work on mitigating its inherent risks.

So, what can be done? How do we reverse these trends and **encourage human interaction**, especially among young people?

How do we build a social platform that balances the overall social life of the users between the healthy, real world and the convenient digital one?

Our Solution - Unveiling The Vision For A Hybrid Social Media Platform



"People use our online platform as a means to spend more quality time together, offline"

Kuende Vision

We envision a world in which social media nurtures and cares for the true social needs of its users. **A world where social media creates as much human interaction in real life, as it does digitally.** We believe that, for the betterment of individuals and society alike, both types of social interaction are properly balanced.

Social platforms should not only provide the means to get connected, entertained and informed, but also help preserve the value of real life interaction. **They should be used to enhance rather than to replace.**

This is what Kuende seeks to provide.

Using gamified challenges and blockchain technology, we seek to create **a network that encourages dynamic, evolving and socially engaged communities** that gather in the real world to share their specific interests in rewarding and fun ways.

In short, Kuende will build a much healthier alternative to current social media networks.

This is the vision that Pavel Antohe, our CEO and founder, set out to achieve when he created Kuende in 2014. After spending one year refining the concept, he invested all his savings into developing a minimally viable product. He knew once investors saw Kuende in action, they would leap at the opportunity to be a part of it. And he was right. **Since 2015, Kuende has raised over 2.6 Million USD.**

Now we are excited to move forward with our Initial Coin Offering. Before we discuss the details of this event, let us introduce you to our platform.



Kuende - A Hybrid Social Media Platform For Real-World Interaction



Kuende is a social media network that combines the online features and appeal of a social media platform together with real-world gamified challenges and an internal economy based around two utility tokens - Kuende Tokens and Kuende Points:

The Kuende Token (KUE) will be generated during our Initial Coin Offering (ICO) as a utility token created for anyone that believes and supports our vision. It will also influence the number of Kuende Points a user can earn by engaging and interacting with the Challenges module.

The Kuende Points (Kp) will be obtained and used by any Kuende users within the platform. Its main purpose and utility is to act as an in-app currency that rewards users for their active involvement and usage of the Kuende environment as well as for participating in real-world events.

Both KUE and KP will be ERC20 tokens, issued on the Ethereum blockchain.

A more detailed description about both tokens and their uses cases, can be found later in the Whitepaper ([see Chapter: Kuende's Micro-Economy](#)).

To fully grasp the possibilities of Kuende, we must explain in detail the idea and concept of the gamified challenge and how it is the key to increasing real-world socialization:

Challenges

The foundation of Kuende is the **Gamified Real-World Challenge**.

Most challenges will involve a physical location and an action or actions to be taken at that location. Every challenge is created in such a way that users receive entertainment from the experience, hence the term "Gamified".

Given the infinite possibilities of locations, hobbies, skills and actions that can be taken in the real world, Kuende challenges have the potential to create limitless fun and engaging social interactions.

What's more, the demand for challenges has already been proven with the popularity of the Ice Bucket Challenge, Harlem Shake and Pokémon Go.

These challenges were overnight sensations due to their broad appeal and viral nature. For example, the Ice Bucket Challenge was started online and involved many different groups, but was brought to popularity when it arrived on T.V., showing that Internet culture can directly impact what happens in our real-world lives. Ultimately, it generated roughly \$115 million in donations to the ALS Association in the summer of 2014.

Kuende will certainly host such mainstream challenges, but our core focus will be on interest-specific challenges targeted to specific groups of people.



By connecting people with similar interests and tastes in the real world, we are helping to create **healthy real-life connections**. This maximizes the social impact of the Kuende system and helps to offset the damage of traditional social media.

These challenges, whether interest-specific or broad-appeal will fall into four major categories:

Social

Social challenges will combine online socialization with physical socialization in fun and creative ways. We foresee them centering around niche-based interests, hobbies and activities, such as meeting at a museum, speed dating events, a coffee shop hosting challenges encouraging people to meet new friends, or learning a new skill that is inherently social, such as singing or making pottery.

Personal Development

Studies show that Millennials and Generation Z value their personal development more so than other generations. We believe some of this comes from the envy that social media inspires. When young people see others in their peer group show off their superior physical appearance, wealth or intelligence, it can cause painful feelings of inadequacy. These feelings are then funneled into a deep-seated perfectionism, which then leads to procrastination and further despair.

With Kuende, young people are instead challenged to get out of their comfort zone and into a world of personal improvement and motivation, often by tackling challenges or learning skills together.

Entertainment

We anticipate most of the challenges in Kuende will be created for the main purpose of entertainment. While others will have an element of fun added to the mix. Just some of the activities we can imagine are: movies, music festivals, competitive games, outdoor hobbies and augmented reality games like Pokémon Go.

Philanthropic

Philanthropic challenges are a wonderful way to nurture a sense of trust and community within our platform. They gather users around social, cultural, political or environmental issues. And, they allow users to feel what it's like to make a difference in their community.

This is only a brief, mile-high view of the possible applications of Kuende. Now let's look at the **various types of challenges Kuende will host:**

Community-Created Challenges

The bulk of challenges on our platform will be created by the community. Kuende will provide all users, influencers, and businesses with clear guidelines for appropriate challenges, focusing on safety and being appropriate, while trying our best not to limit or restrict content. We envision six main types of challenges: Private, Community, Contest, Event, Sponsored, and Augmented Reality (AR)

Private Challenges

These are between friends and family. They can take the form of any of the challenges below with the one difference being that they can only be viewed by friends or family.



Community Challenges

The most open-ended type of challenge. These will range from philanthropic (picking up trash in your city) to cooperative (coaching little league games with friends) to entertaining (hosting a pool party). We anticipate most challenges will be in this category.

Contest Challenges

For those who thrive on competition, this category will be a godsend. The creator of a contest challenge can choose to have a reward pool to be available to winners. Contest Challenges will bring the best out from the participants and they may vary from different sports to challenges that enhance the artistic and creative spirit.

The Contest Challenges are also a great tool for businesses to scout and select the best talents. The local driving range could hold a golf competition to see who has the best range or form, with freebies helping it reach new potential customers or even finding new trainers. Similar talent-seeking groups could include competitions at local bars or coffee shops for bartenders and baristas, or even hackathons for companies to find new programming talent.

Event Challenges

Any challenge revolving around a physical time and place will be an Event Challenge. We anticipate this category will be filled with outdoor activities like bike riding and hiking or indoor activities like conferences, hackathons, gaming tournaments and more. Event challenges will be a compelling way to encourage attendance at someone's event.

Sponsored Challenges

A Sponsored Challenge is one organized by Influencers or Businesses to engage in a more interactive and fun way with their audiences. Companies can use these challenges to encourage people to try a new product, meet at a new location for a "Grand Opening" themed challenge, take photos or videos of using a product or service in the real world, scavenger hunts for coupons, and much more.

Contest, Event, and Community challenges can also be Sponsored Challenges when they are managing and rewards are provided by a specific Influencer or Business account.

Kuende will become a service for blockchain-based businesses that can be used to challenge their audiences and to have access to all the communication and social media features, without companies having to develop their own platform. **As rewards, blockchain-based businesses can distribute their own token to the participants.**

AR Challenges

This is where the real fun begins! Augmented Reality is a link between the real world and the virtual world. Pokémon Go is probably the most well-known example of AR. Microsoft HoloLens is another that is slowly gaining in users. We foresee AR being mainstream in the near future. Kuende will be set to ride this popularity curve up thanks to our AR Challenges.



The Mixed Nature Challenges

Any challenge of any category can also take on characteristics from other categories. For example, a company might sponsor an AR challenge to get more people to come to their establishment to increase sales.

To address this mixed nature on our platform, Kuende will employ a tagging system that will allow users to easily sort, find and understand the challenges available to them online or in their local area.

Kuende-Created Challenges

Kuende will also create a series of challenges designed to improve the use of our service. Kuende-created challenges will allow us to learn about our users, show users how to use our service and help users learn more about themselves by setting personal goals and meeting personal challenges.

Getting To Know Kuende

The Kuende system will work based on its knowledge of users' interests and personalities. To do this, it needs to learn about the users.

Our "Getting To Know Kuende" challenges are designed for just this purpose. The user is challenged to complete basic questions about themselves. And in return, they receive Kuende Points Kp), which are explained in greater detail in a following section.

In addition to Kuende learning about the user, the user must learn about Kuende. The user will be challenged to use a new feature within Kuende, or to take a tutorial on our features. This too will earn them Kuende Points.

Personal Challenges

These challenges represent a major bridge in a user's journey from online to offline. This is the point where a user goes from treating Kuende like a traditional social media system to using it as a means to engage in fun real world social activities with friends, family and future friends.

We will include daily, weekly, monthly and weekend challenges generated by the system to encourage interaction between users and their friends and family.

Proof Mechanisms

Every challenge requires "proof" of completion. Most will require nothing more than a simple video or picture.

Proof will be easily viewable and validated by the Kuende community. And since Kuende will generously reward (in Kp) anyone reporting a fraudulent proof, the system will be robust in dealing with these issues on its own.

What's more, some challenges can be auto-validated. Take for example event challenges. These can easily be proven using the GPS feature of modern cell phones. When user-validation and auto-validation aren't possible, we plan on using trusted 3rd parties and partners to aid us in confirming user participation.



Examples Of Challenges

To help demonstrate the infinite variety of challenges possible in Kuende, we've built some examples and are presenting them in the way that users will see them on our platform.

Example 1



The IP Reunion

3 hours ago

Sponsored by: ip  exchange

Every Saturday, the IPSX team will organize a networking event for our community in each of our headquarters and offices around the world. We really believe that the power of sharing can change the world.

Rules: There are 50 spots available for each of our locations. In order to participate and win IPSX tokens, all you have to do is check-in, share your IP for at least 3 minutes and post a screenshot with the proof. Hurry up and book your spot!

Type: Sponsored Challenge Location: IPSX HQ Duration: Saturday, 7PM - 11PM Winner(s): All Participants

Example 2



Join the Picnic Marathon!

6 hours ago

Who doesn't love picnics! There is something special about this challenge...it takes a normal picnic that brings only a few of your close friends together and turns it into a community event! So, join in! You, your close ones, your friends, your friends' friends... Everybody!

Rules: Everybody must bring a blanket and picnic basket with them. Then, show it off in a short video you post on Kuende with a Check-in at Victoria Park. Have fun and make some new friends!

Type: Community Challenge

Location: Victoria Park

Duration: This Weekend

Winner(s): All Participants



Example 3



Stories of a Good Story Reading

1 hours ago

Reading reduces stress, improves analytical thinking, increases vocabulary, memory and writing skills. But it doesn't enhance your social spectrum. Or does it?! Meet your friends in the nearest park, or at your favorite coffee shop, and unleash the characters of the story from your favorite book!

Rules: All participants have the same book and decide who reads which chapter. Check-in and post a 5-minute video presenting the events in the chapter you read. Together, you must tell the whole story, so make sure you and your friends post the videos in the right order. Reading was never social? We'll see about that!

Type: Personal Challenge

Location: -

Duration: This Weekend

Winner(s): All Participants



Example 4



Night at the Museum

2 hours ago

Culture and education are what we stand for...We believe that when learning is fun, amazing things happen! This challenge asks you to bring your friends to one of the most immersive experiences ever created for an educational purpose. Join the National History Museum to learn about history, art, science and archeology. Make sure you show everybody how much fun you had!

Rules: Every participant gets a character and discovers its history and engages in its world by following the AR pieces of stories hidden in the partner museum. Complete the story together and verify it with the museum guide and if you got it right, you and your friends receive the character personalized badges created for you!

Type: AR Challenge Location: National History Museum Duration: Sunday, 10AM - 6PM Winner(s): All Participants

Keep in mind, coming up with challenges is very easy when you are interested in a certain niche. Not so easy when you are brainstorming for the sake of brainstorming. This is because of the organic, bottom-up nature of challenges.

After all, who could have predicted the Harlem Shake?

So regardless of how much we try, our ideas will always pale in comparison to the real challenges the community will come up with on its own.

Achievements & Badges

To further encourage the completion of challenges, we will create hundreds of achievements and badges that users can then unlock depending on their level of engagement and the way they interact with the community.

Eventually, we will allow companies to create branded badges that can be used to promote their campaigns and encourage users to participate. Badges can have multiple designs and iterations, from completely new branded badges to upgrades of standard badges for special partner events.

Companies will be able to award their custom badges automatically upon challenge completion as well



Key Players In The Kuende Ecosystem

Before we move on to talk about the Kuende microeconomy, we need to touch briefly on the three types of accounts within Kuende.

Users

A participant in the Kuende community who may or may not have a KUE stake. Users can create, vote on and participate in challenges. They can also post content, join and manage groups and make purchases in the Kuende Shop.

Influencers

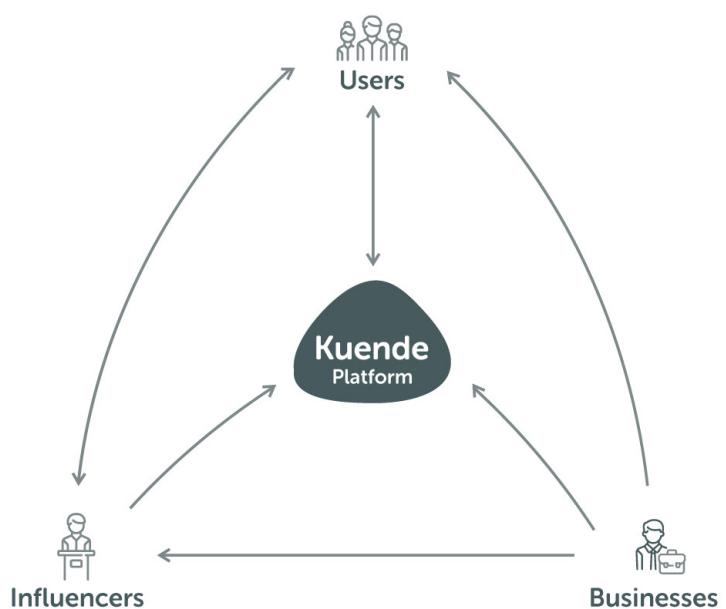
A user who has become an influencer due to their popularity (at least 10.000 subscribers) or who has registered as an influencer. To register as an influencer at the onset requires submitting proof of "celebrity" status. They can organize Sponsored Challenges and receive payment for doing so from businesses in the form of Kp.

Businesses

An account linked to an official business. They use the platform's features as means of promotion or communication tools. These accounts also require proper proof be submitted upon signing up.

All these profiles can interact between them and use Kuende Points as means of incentivisation:

The incentivized interactions are designed to increase the visibility of Challenges which are most engaging and rewarding to the community. With everyone doing their part, Kuende will become a fluid and exciting network for all.





Blockchain - The Way Forward

Blockchain technology is already disrupting the financial industry and has the potential to revolutionize the way most existing tech operates.

The power of a decentralized, open and encrypted blockchain has sparked a new wave of enthusiasm in a tech community, and Kuende foresees many new and exciting use cases that promote a more open economy and society.

All these features that characterize blockchain technology have brought a fresh perspective within the Kuende platform. Therefore, our future development is focused on finding the best ways of incorporating it, for the benefit of our users.

A gamified approach to social media interaction is already deeply embedded into the inner workings of the network. Adopting a technology designed around game theory principles fits perfectly into the Kuende concept.

How ?

Blockchain technology represents the missing piece required for Kuende to power its tokenized microeconomy and ensure a fair and transparent incentivization of its user base. Blockchain is a natural progression for the Kuende platform to generate greater user interaction while keeping data secure and safe.

Incentivize Challenge Creation and Participation

Our existing user base at [Kuende.com](#) has proven that symbolic rewards, such as bonus points, generate engagement and loyalty within the community. However, we believe there is room to scale these rewards and their delivery with a true value instead of a symbolic one.

The Kuende team has monitored the emergence of blockchain-powered tokens and we see a brand-new horizon to explore within our reward system. Therefore, we will be using blockchain to upgrade the Kpoints (used as bonus points) to tokens of real value that will increase our network's reach and influence.

With Kunde's interest-based Challenges being the center point of our platform, we need to ensure a diverse flow of Challenges. Given the number of different interests, it would be extremely difficult for Kuende alone to continuously supply diversity. This, along with the need of creating a system that allowed the community to curate Challenges, led us to designing a token that, relying on the blockchain, incentivizes and encourages our users, businesses, influencers and our partners to take more direct ownership of the creation of Challenges.

Blockchain is the simplest system we see to help us strengthen the value of Challenges to users and businesses, while we continue to curate them in a transparent and reliable way that ensures all contributions are rewarded accordingly. Blockchain is the safest path to valuable rewards and a clear, demonstrable system to validate reward delivery.



Moreover, we truly believe that blockchain technology is the future of everything digital. We hope Kuende will become a vehicle for widespread adoption of this technology within our young demographic.

Blockchain Guided By Our User Focus

After a thorough analysis of both the strong points and limitations of various blockchain technologies, and considering the nature of the product, the main concerns for choosing a viable solution were:

- No user fee for microtransactions
- Large volume of transaction per second
- Users should not experience transaction validation delay

Having no transaction fees and supporting a high transaction volume are key factors to take into consideration when designing a user-friendly ecosystem. Therefore, we analyzed the blockchain solutions that use either Distributed Proof of Stake (dPOS) or Delegated Byzantine Fault Tolerance (dBFT) as a method of consensus.

Unfortunately, the existing solutions have massive trade-offs either in technological maturity or decentralization of governance. We concluded that the risks associated with the external factors are too high in these circumstances.

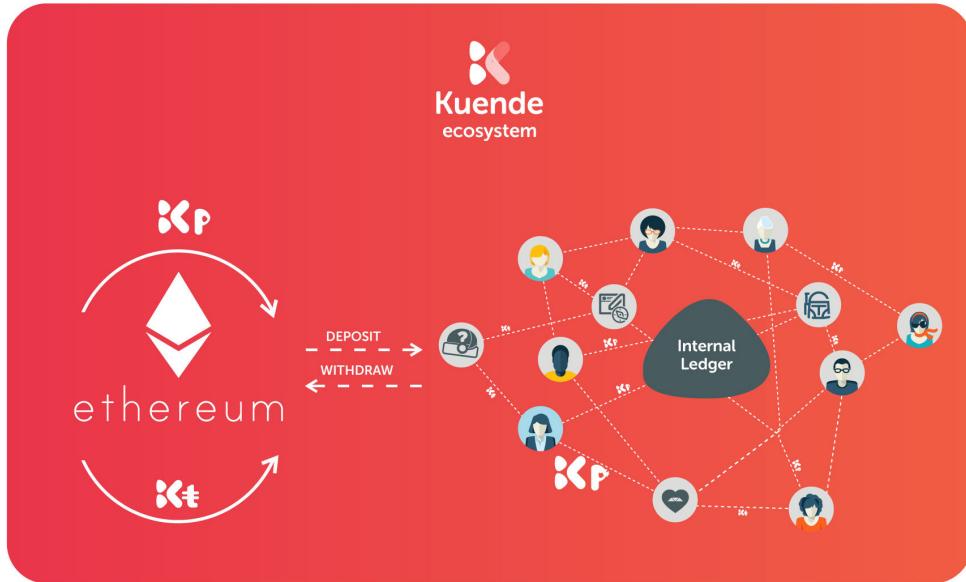
Also, though some projects presented great appeal, they are little more than proposals at the moment. Kuende's development roadmap shouldn't be dependent on future releases of other projects. Our analysis concluded that we cannot rely on mere promises at this time. We need a robust solution.

The Kuende users and their experience are our top priority. For that reason, at the time being we cannot broadcast all the transactions that happen in Kuende on the blockchain. Focusing on the quality that Kuende delivers to its end users made us embrace the tokenized gamification model for the Challenge Framework.

With that being said, as we are at this moment constrained by scalability limitations of existing solutions, we will approach the following 2-steps strategy:



1. Using Ethereum & Our Custom Internal Ledger

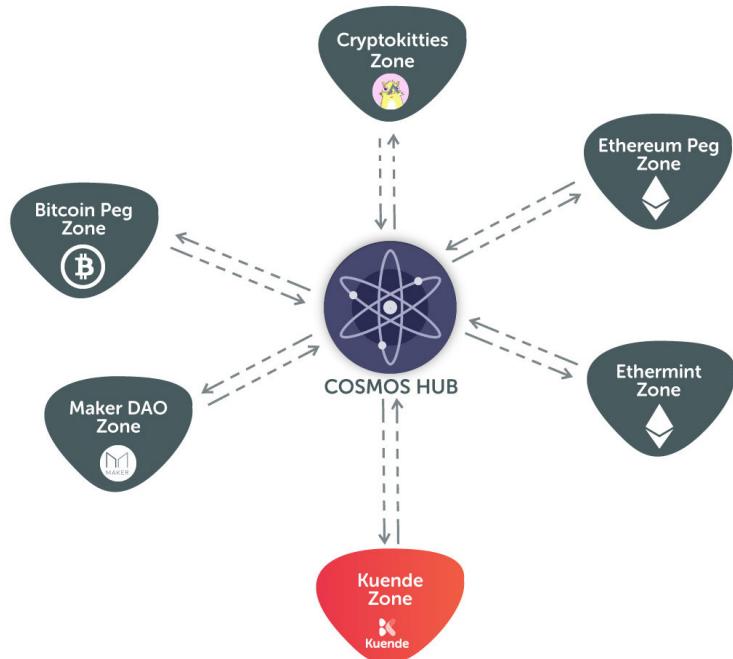


The first step has already started few months ago and its main goal is to develop an unique on-chain/off-chain solution that uses both the Ethereum blockchain and our own open-source, internal ledger. This way we can fastly enable our users to engage with a working solution and make use of the tokens within the platform in short time after the ICO is over.

The fast hybrid release is going to provide us invaluable insights for the second step, allowing us to calibrate the mechanics of our future fully on-chain economy according to real user behavior.

2. Our Tendermint Based Blockchain as a Zone in the Internet of Blockchains - Cosmos Network

As we wholeheartedly want to embrace the true potential of blockchain technology, the best long term solution is to develop our own blockchain while users can join and become parts of the governance. This will offer the flexibility of building a custom solution focused on our very specific needs, such as enabling our users to interact with the blockchain without prior technical knowledge. At the same time, by building our own blockchain, there is no trade-off in terms of privacy, security or performance that must be done.



Thanks to the amazing work that the guys at Tendermint have done, we can focus on developing only the application specific logic and invest no time in the mechanics of the network and consensus part that any blockchain relies on.

Tendermint Core is Byzantine Fault Tolerant (BFT) middleware that takes a state transition machine - written in any programming language - and securely replicates it on many machines. In other words, a blockchain.

With Tendermint at our core and with the Internet of Blockchains in mind, Kuende will be one of the pioneer zones in the Cosmos ecosystem, and the first all-in-one social media within the Cosmos Hub.

Cosmos is a launch pad for new cryptocurrencies, upgrades to existing cryptocurrencies, innovation decentralized applications and a platform for smart contracts. Cosmos goes beyond a single distributed ledger, paving the way for a free market “Internet of Blockchains”. Developers can use this technology to create their own blockchain to compete or complement the Cosmos Hub.

This will allow Kuende to seamlessly interact with other blockchains that are part of the network as well as with external chains too (eg. Bitcoin, Ethereum). By having this seamless way of interacting with other chains, Kuende can easily provide businesses that use blockchain technology with a way to challenge and reward their audiences not only with Kuende's tokens, but with their own tokens as well.

Points Of Trust

We have developed the following points of trust to make in-platform transactions as transparent and as safe as possible:

Core elements of our internal ledger will be fully open-source and all transactions that involve KUE or Kp will be listed publicly. In this way, we preserve the transparency of a decentralized solution and allow anyone the possibility of tracking transactions, while also preserving individual user privacy.

Every part of our solution contains anti-fraud security checks that ensure the economy cannot be tampered with without triggering alarms. More details on how we ensure the integrity and security of our micro-economy can be found in the Security Chapter.



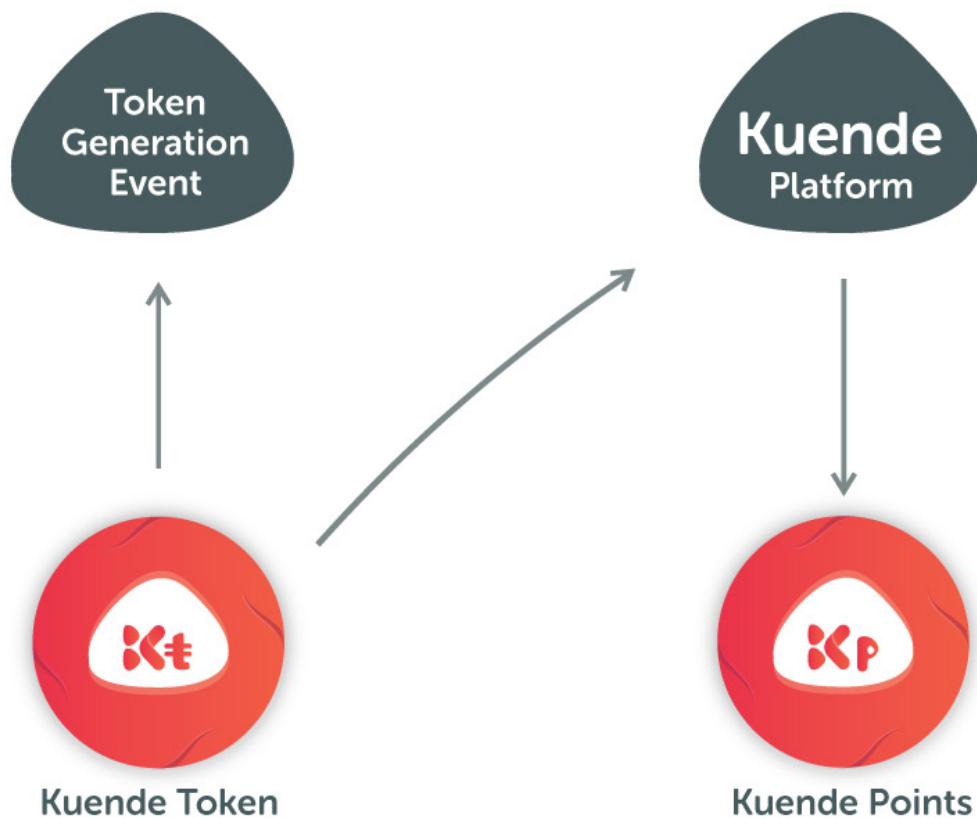
Kuende's Microeconomy – Kuende Tokens & Kuende Points



The Kuende ecosystem must be strong enough to support a healthy and prosperous microeconomy. Optimizing this economy and empowering the Kuende stakeholders to take an active role in maintaining and growing this ecosystem requires a strong, platform-dependent system of incentivization and engagement.

The platform's ecosystem relies of two tokens with different use cases, designed to support and scale a complex ecosystem:

TOKENS DESIGN



Kuende Token (KUE)

KUE is an ERC20 token and has a finite supply. The KUE is used as a measure of commitment users have to the Kuende ecosystem. The number of KUE users own in the platform determine the amount of Kp reward they can gain when engaging with some of the Kuende features.

Some Kuende features, like creating or voting on challenges, are only available for KUE owners.



Receiving Kuende Tokens

After the ICO, Kuende users can only receive KUE from the Community Pool. To support and encourage new users to engage with the platform, each one will receive KUE when completing "Getting To Know Kuende" challenges (*more details regarding KUE and Community Pool's distribution can be found in [Chapter: Token Supply & Distribution](#)*).

Also, KUE can be earned by users who participate in challenges organized by Kuende or as prizes in Kuende Games.

Using KUE

In the third quarter of 2018, after Kuende will integrate blockchain technology and deploy its tokenized microeconomy, any KUE holder will be able to use their tokens to:

- **Create Challenges:**

Challenge creators must stake a small percent of their KUE to publish the Challenge. This measure is designed to prevent low quality content and spamming. If the Challenge isn't flagged as inappropriate by the Community, the creator's stake is returned to them.

There will be a limit of the number of challenges a user can create within a certain timeframe. Each creator can increase this limit based on his track record. This will be represented as an achievement that will level up depending of the success (number of participants and votes) of each created challenge. If a challenge gets flagged as inappropriate, the creator will lose her stake and levels from the achievement

In the creation phase, users must add a detailed description to explain the purpose and the outcome of the challenge. Also, the creator must select the type, period and rules of the challenge. Some targeting options and features, like adding extra tags to a challenge, will require more KUE. After a challenge is created, it will be published in the Challenges Feed and can start receiving votes.

- **Vote for Challenges:**

When voting, users can choose how much of their KUE balance they wish to allocate as power to that particular Challenge. Every user is given a maximum of 3 votes with full power, per day. A full power vote means that you allocate 100% of your KUE when voting a challenge.

Given the fact that users may like one challenge more than other challenges, and in order to not force them to only vote with full power, they can choose to vote with a predefined percentage of their KUE. For example, a user may make 3 votes with 100% or 12 votes with 25% power.

The amount of KUE used when voting will determine how many Kp will be received from the Challenge Reward Pool (*more on this will be explained in [Chapter: Receiving Kuende Points - Engaging with Challenges](#)*)

- **Participate in Challenges:**

The creator of a challenge has the option of requiring participants to have a certain amount of KUE in their balance. This might be done to ensure participants are serious about their Kuende experience.

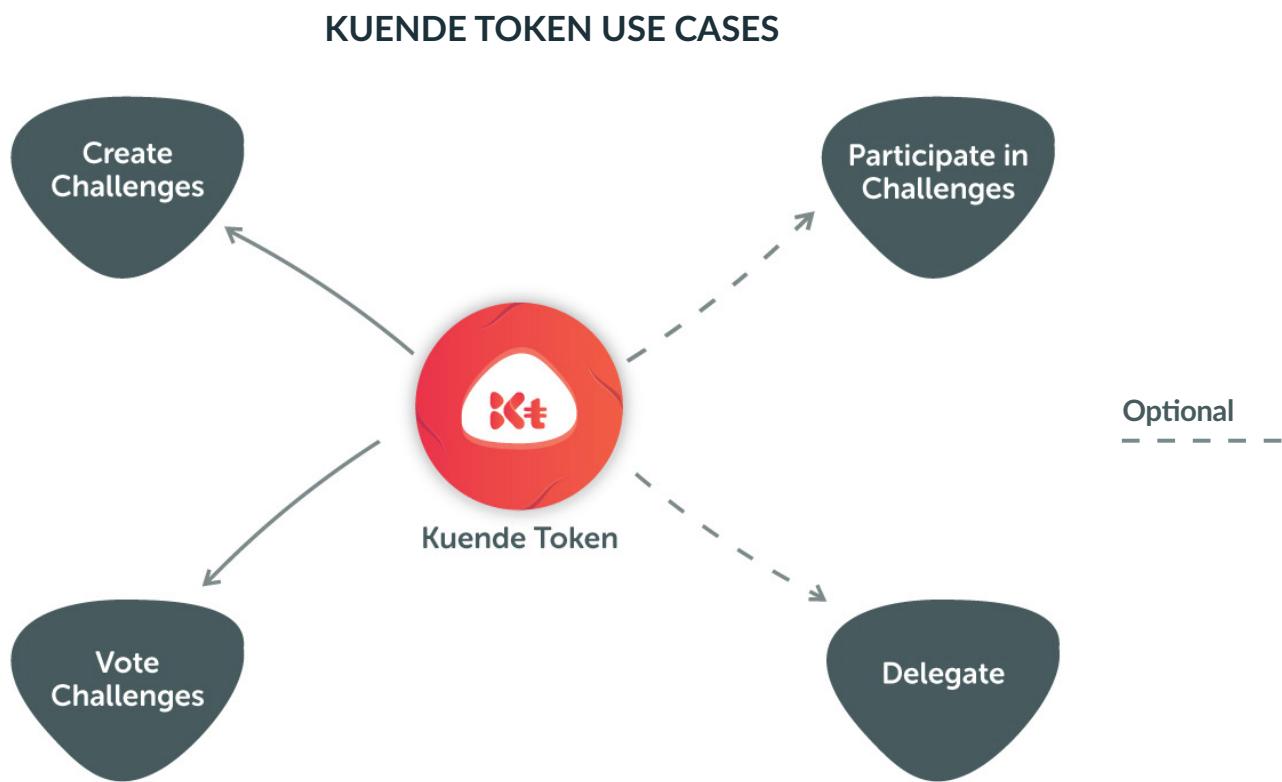


- **Delegate KUE:**

KUE holders will be able to delegate their KUE to other users for use on their behalf. This is helpful for both parties. KUE holders without the time to use the platform can still influence the platform. And users who don't hold KUE, but want to engage with challenges, can do so by finding a KUE lender.

Both parties earn Kp from the deal. When applying as a delegate, the KUE "borrower" will negotiate with the KUE holder regarding the percentage of winnings he will receive and how much the KUE holder will receive.

In addition, the KUE holder can delegate his KUE to more than one user (e.g. - if he has 10 KUE he can delegate 3 to user A and 7 to user B).



Kuende Points (Kp)

Kp is an ERC20 utility token and will be managed using an [annual controlled inflation model \(details yet to be announced\)](#). Its purpose is to measure the social value of something within the Kuende platform. This can include (but not limited to) a challenge, a piece of content or an item in the Kshop.

The first year's worth of Kp will be generated when the first KUE enters the platform (Q3 2018) and it will be [1.000.000.000.000 \(1 trillion\)](#).

Receiving Kuende Points

Kuende's mission of delivering its vision of a tokenized, gamified, fair and secure social media platform is best served by the creation and implementation of the Kp as a means of incentivizing users to engage with the platform and each other, not only in the digital space but also in real life.

We have designed a set of rules meant to ensure the kickstart of Kuende's microeconomy and a healthy future growth.

Users get Kp relative to two aspects of their Kuende usage:

1. Engaging With Challenges - Reward Pools

After a challenge has ended, different Reward Pools will be created depending on the type of each challenge and the rules set by its creator:

a) **Challenge Reward Pool:** This pool is designed to incentivize the creator and the voters, and is calculated based on the following formula:

*Total Votes * Total Participants (who sent the proof of participating)*

The Challenge Reward Pool is distributed as follows:

Creator - 65%

Voters - 30% (Proportional with their allocated KUE)

Kuende Vision Pool - 5%

Here is an example:

- Bill created a challenge
- It has received 3 votes from:
 - Ana who voted with 100 KUE
 - Bob who voted with 75 KUE
 - Jane who voted with 25 KUE
- 150 people subscribed to the challenge, but only 100 participated (and sent a proof)
- The Challenge Reward Pool will then be: $3 \text{ (votes)} * 100 \text{ (participants)} = 300 \text{ Kp}$

- Bill, the creator will receive 65% of 300 Kp -> 195 Kp
- The voters will receive 30% of 300 -> 90 Kp.
- If 200 KUE (total voting power) = 90 Kp, then:
 - Ana will receive 45 Kp
 - Bob will receive 33.75 Kp
 - Jane will receive 11.25 Kp
- In the Kuende Vision Pool will be distributed 5% of 300 Kp -> 15 Kp

Kuende Vision Pool

A small percentage (5%) of all the Kp generated as a reward for challenges will be redirected towards a public pool of Kp. Kuende will propose and submit to community voting, 3 initiatives that align with its vision. Be it philanthropic, social or environmental. The winning initiative will be funded after the Vision Pool reaches a certain amount of Kp.



b) Participant Reward Pool: This pool will be distributed between all the users who have participated in challenges that are not designed as Contest Challenges - have no winner(s).

The Participant Reward Pool is decided, at the end of each challenge, based on its Level of Engagement (LoE). The LoE represent the total number of participants and it is organized in different thresholds:

- LoE 1 -> Between 1-20 participants
- LoE 2 -> Between 21-40 participants
- LoE 3 -> Between 41-z participants
- [...]

The number of Kp each LoE will generate is calculated based on the following formula:

$$100 * (N * (N+1) / 2), \text{ where } N \text{ is the LoE.}$$

This means that:

- LoE 1 will generate $100 * (1 * (1+1) / 2) -> 100 \text{ Kp}$
- LoE 2 will generate $100 * (2 * (2+1) / 2) -> 300 \text{ Kp}$
- LoE 3 will generate $100 * (3 * (3+1) / 2) -> 600 \text{ Kp}$
- [...]

Here is an example:

- In a challenge, 35 had subscribed, but only 25 had participated
- 25 participants fits in LoE 2 and will generate a Participant Reward Pool of 300 Kp
- Each Participant will receive $300 (\text{Kp}) / 25 (\text{Participants}) = 12 \text{ Kp}$

c) Contest Reward Pool: The Contest Challenges are designed to be competitive and, depending on their rules, to have one or more winners.

The Contest Reward Pool is distributed to the winner(s) based on the following formula:

$$\text{Total Votes} * \text{Total Participants} / 10$$

Here is an example:

- Jane created a challenge and set the reward pool to be split to the Top 5 Participants (based on the number of votes)
- The challenge received 100 votes and had 50 participants
- The Contest Reward Pool will then be: $100 (\text{votes}) * 50 (\text{participants}) / 10 = 500 \text{ Kp}$
- At the end of the challenge, each of the first 5 most voted participants will get 100 Kp



Bonus Pool

As incentivization for participants, the Contest Challenge creators can add additional Kp to the Contest Reward Pool, from their own balance. On top of that, Kuende will add **10%** more.

Here is an example:

- Bob created a challenge and added 1000 Kp as reward pool, which will be won by the most voted participant
- Kuende will add 100 Kp more, so the total Bonus Pool will be: 1100 Kp
- The challenge received 250 votes and had 100 participants
- The Contest Reward Pool will then be: $250 \text{ (votes)} * 100 \text{ (participants)} / 10 = 2500 \text{ Kp}$
- At the end of the challenge, the winner will get: $1100 \text{ (Bonus Pool)} + 2500 \text{ Kp (Contest Reward Pool)} = 3600 \text{ Kp}$

d) Buy-in Reward Pool:

Some challenges will require participants to contribute with a certain amount of Kp as an entry fee. The sum of all collected Kp will form what's called the Buy-in Reward Pool, from which the creator will be rewarded.

If it is a Contest Challenge, the Buy-in Reward Pool will be distributed between the winner(s) and creator.

2. Receiving Kp By Completing Any One Of The Following Actions:

- Random Connection Feature
- Creating Content
- Moderating Challenges & Content ("True Detective")
- Daily Bonus
- Game Leaderboards
- Getting Subscribers
- Business Sponsorships

Random Connection: Users can receive Kp for connecting with others that share their interest, not only within the platform but also in real life. Checking-in and tagging another Kuende user will generate Kp for both users. This feature is designed to help connect users that, although not yet connected in-platform, have been shown to have similar interests.

Creating Content: Any community member exploring Kuende's Discovery Feed has the option to tip the creator if they enjoyed the content. This encourages the creation of more content on the topic related. Not just from the user who wrote the content, but from other users who see the demand for that style of content and want to earn Kp from their own expertise.

Moderating Challenges & Content ("True Detective"): Kuende's mission is to provide a high-quality social media product and the realization of this mission is strongly correlated to the quality of the content posted.



Every social platform must deal with spam, inappropriate content, bullying and manipulation of algorithms. To control this, a 24/7 global moderation team is always needed. With Kuende, we have such a team in our users. We've created a reporting system we call "True Detective". This system rewards users with Kp when they report any content that is deemed harmful to the Kuende community.

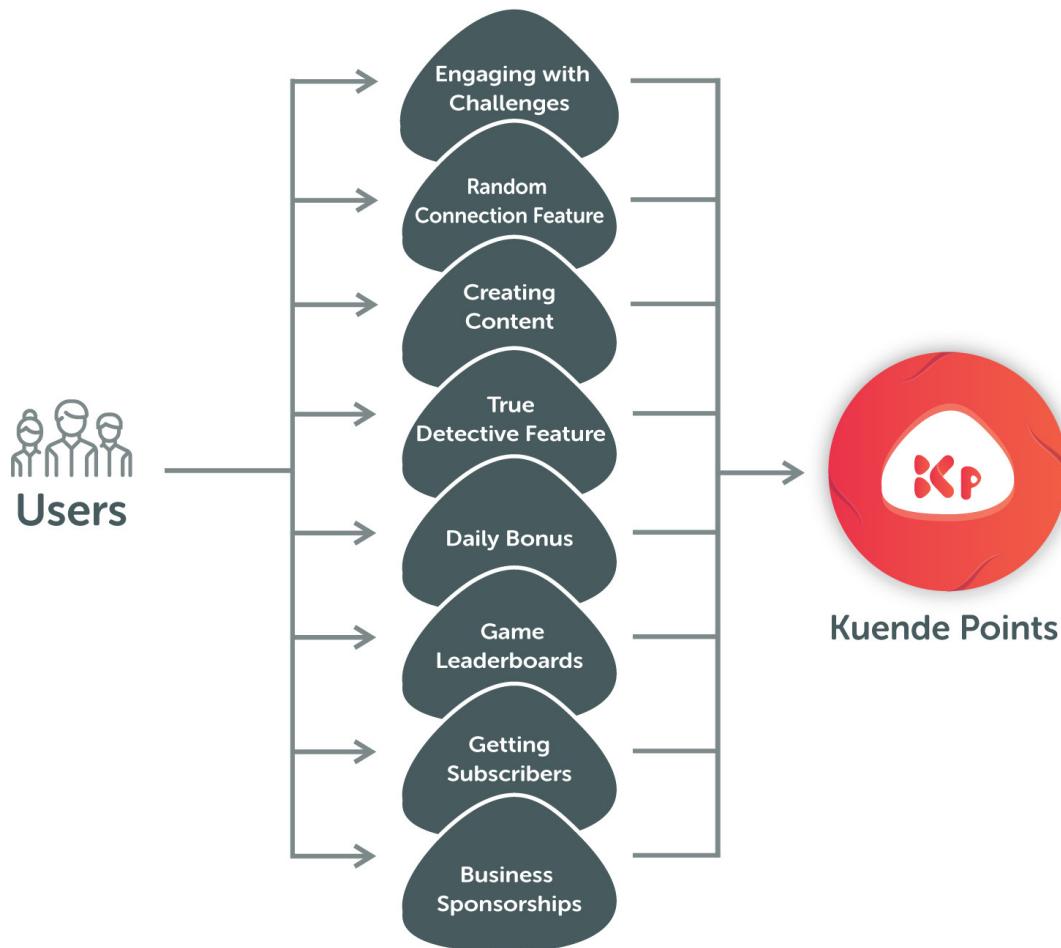
Daily Bonus: Every three days of consecutive daily activity is rewarded in Kuende with the choice of three treasure chests containing a Kp reward. This is meant to encourage more engagement in the platform and keep user participation high.

Game Leaderboards: Every Kuende game will include its own Leaderboard. Kp rewards will be distributed on a weekly/monthly basis to the players that are on the Top of the Leaderboard.

Getting Subscribers: Influencers can earn Kp by having users monthly subscribe to their channel. The users receive special rights and abilities in the Influencer's chat room along with exclusive content from the influencer.

Business Sponsorship: Influencers can also earn Kp from businesses for organizing a Sponsored Challenge on behalf of the business.

KUENDE POINTS - WAYS TO EARN



Using Kuende Points

Users can use their Kp in the platform for:

- Paying a Challenge Entry Fee
- Tipping Content Creators
- Buying from the Kuende Shop (Kshop)
- Promoting Content
- Creating Sponsored Challenges
- Acquiring Premium Subscriptions
- Making In-game Purchases

Challenge Entry Fee: Some Challenges will require participants to contribute (Buy-in) with a certain amount of Kp as an entry fee.

Tips for Content Creators: If a user enjoys a piece of content on the Kuende Discovery Feed, they can tip the creator. This shows appreciation and influences the creation of more content on the topic related.

Kshop: Developing the Kshop will provide users with a marketplace where they can trade their Kp for Kuende digital goods, only available on the Kuende platform, such as:

- Access to exclusive features.
- Media filters to customize their videos and photos.
- Invitations to events organized by Kuende
- Kmotes (we already have over 1,000 Emojis sorted into different packs)
- SFX voice changing filters for voice messages.
- Custom chat backgrounds

Promote Content: Business profiles need to allocate Kp to each post that they want to promote in the Discovery Feed. The amount of Kp allocated to each post will differ according to desired reach and the popularity of that niche.

Create Sponsored Challenges: Business profiles can create Sponsored Challenges and reward the participating Users. Businesses can establish the rules of the challenge: the proof of participating, prizes, the number of participants or how many winners will get rewarded.

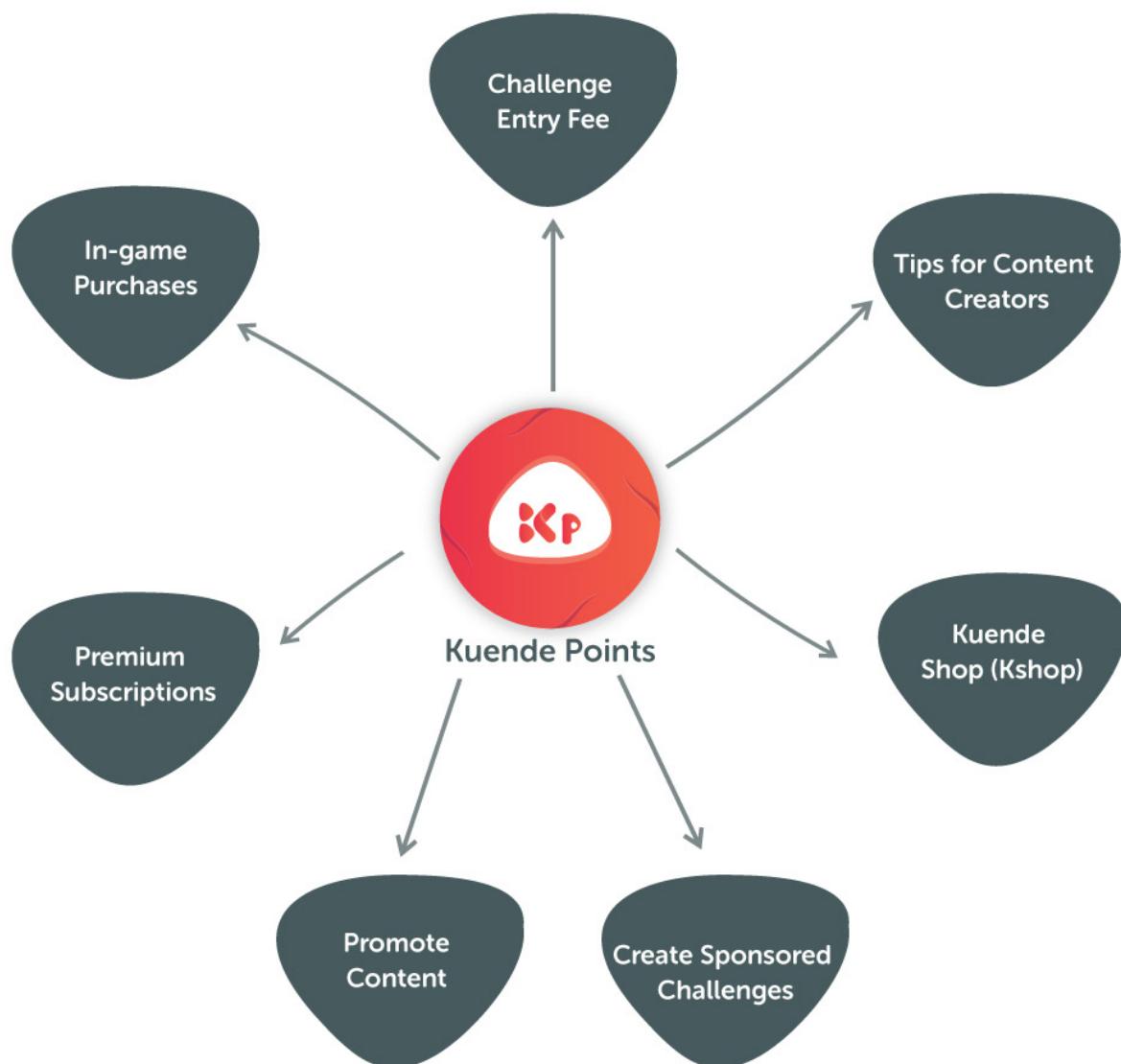
Premium Subscriptions: Users can subscribe to Influencers by paying a small amount of Kp per month. They are rewarded with exclusive content, notifications and subscriber only emojis. They also have special rights and abilities in the Influencer's chat room. You can think of this as the subscriber feature on Twitch.com or supporting artists through services like Patreon.com.



In-game Purchases: We are currently developing three games, designed to further engage and entertain our users. All of them will be used as catalysts for offline interaction, through various methods that will incentivize user cooperation and participation in related offline events.

Users can use Kp to obtain boosters that will give a slight advantage in games, customize layouts, heroes or items or buy-in to different tournaments and private rooms (e.g. - 10 players participate in a competitive, skilled based game. The buy-in is 100 Kp. The top 3 players will share the total Prize Pool).

KUENDE POINTS TOKEN'S USE CASES



Financial Model



Revenue Streams

The Kuende network will generate revenue from a variety of sources. These include but may not be limited to:

1. Sponsored Challenges

Through Sponsored Challenges, businesses can make use of Kuende's interest-based user segmentation to engage their ideal audience and increase their reputation.

Businesses have three options when creating a Sponsored Challenges to maximize their ROI:

- a. **Targeted Groups:** After creating a sponsored challenge, a business may contact a group admin and propose to be pinned to the top of the group.
- b. **Challenges Feed:** A business owner, after creating a sponsored challenge, may boost the challenge to the top of this feed for increased visibility.
- c. **Influencer:** A business can incentivize influencers to engage their audience to participate in the Sponsored Challenge. This requires that the Influencer's audience is relevant to the Challenge's niche.

2. Promoted Content

The advertising system will focus on targeting users that have opted-in to receive advertisements. This will be according to predetermined criteria such as demographics, location, and segmented interests. Business accounts will have access to the tools required for increasing their content visibility and target groups and Influencers which provide an audience that matches their criteria.

3. In-app & Kshop Purchases

Users will be able to make in-app purchases such as emoji and sticker packs, high quality backgrounds and other customized items.

Users that play our games will have the option to purchase bonuses, boosters and perks.

4. Business Partners

Kuende will make strategic business partnerships that will fuse our challenge-centric platform with other platforms. These partnerships will primarily involve the integration of a partner's products and services into Kuende's AR challenges, or as a prize for completing Kuende Challenges.



Initial Coin Offering (ICO)

We believe the token model is the future of global finance and we are excited to be a part of it. Normal, everyday people now have a chance to invest in a company or idea at the very beginning. Just three years ago, this would have been impossible due to the insider-only nature of Wall Street IPOs. But now, companies like Kuende, which owe everything to their community of users, can raise money in the most democratic, fair and open way. The way it should be.

Kuende will raise the capital we need during our Initial Coin Offering, which has begun on July 1st, 2018

Token Supply & Distribution

Upon completion of the ICO, no more KUE tokens will be issued.

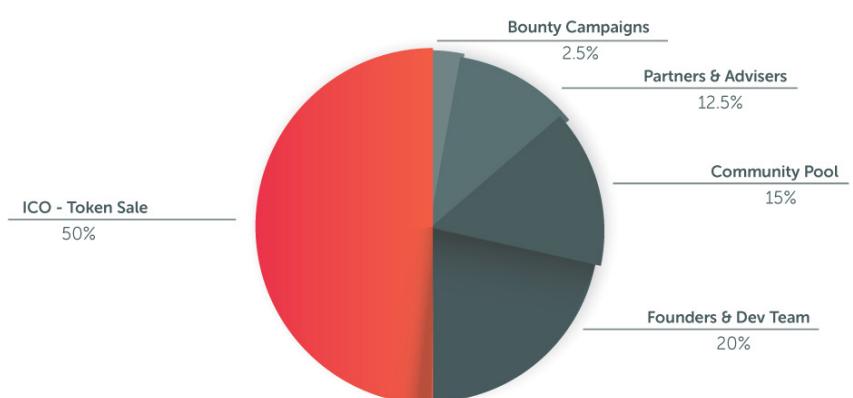
After distribution, the KUE will be locked until Q3 2018, when the KUE can be introduced and used in the Kuende Platform.

- Total Token Supply:
3.560.000.000 KUE
- 1 ETH = 50.000 KUE
- Hard Cap:
\$17.800.000
(will be set in ETH once the Whitelist period is over)
- Soft Cap (reached):
\$2.000.000 (4.000 ETH)
(if the Soft Cap is not reached, all the funds raised will be returned back to each ICO participant)
- Whitelisting Ending Date: 15 October, 2018
- Public Sale Period: 19 October - 16 November, 2018

Upon completion of the ICO, the Kuende team will make use of KUE in a manner we believe ensures the long-term health of the Kuende community. After much discussion and planning with our team and advisers, we have decided to use the following allocations:

ICO - KUE TOKEN DISTRIBUTION

Upon completion of the ICO, the Kuende team will use KUE in a manner we believe ensures the long-term health of the Kuende community. After much discussion and planning with our team and advisers, we have decided to use the following allocations:



Token Sale

50% of the tokens will be distributed to the Kuende supporters in exchange for ETH. We call this our Token Sale. The Ethereum raised will be used as our operating capital in the manner detailed in the "Use of Funds" section below.

During the ICO we will swap KUE for ETH. The unsold tokens, will be burned after the ICO has finished.

Founders & Team – Vested

20% of the tokens will be available to the Kuende founders and development team. Each team member will receive part of their compensation package in KUE.

As proof of commitment by our team and to ensure market stability, these tokens will be vested according to a graduated 24-month schedule.

Partners & Advisers – Vested

12.5% will be distributed to Kuende partners and advisers. These tokens will be vested up to 12 months.

Bounty Campaigns

2.5% will be allocated for the Bounty Campaigns. This will include airdrops, bug bounties and different actions that showcase the proof of commitment of our supporters. [Campaigns details and rules will be announced as soon as the formats are decided.](#)

Community Pool

15% of tokens will be added to our Community Pool.

The Community Pool has the role of sustaining its bonus system, especially during the sensitive, early adoption period, in which user acquisition efforts should kickstart the platform's ecosystem and gather its native user base.

This is a funding source we will use to increase engagement among our users, as follows:

- 10% will be used to reward early-adopters. As soon as [Kuende launches the Challenge Framework \(Q3 2018\)](#), users will receive KUE for completing the "Getting to Know Kuende" Challenges. Once the 10% has been depleted, the early-adopter phase will be over. After that, completing "Getting to Know Kuende" challenges will only result in receiving Kp.
- 5% will be used as additional incentivization such as bounties, challenge rewards and game prizes.

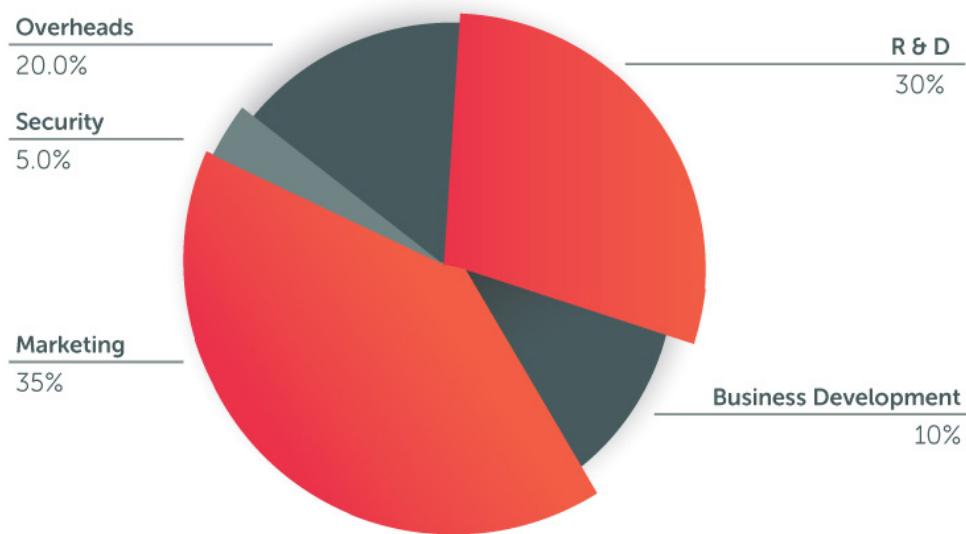


Use of Funds

After swapping 50% of our KUE tokens for ETH, Kuende will have a certain quantity of capital in Ether. These funds will be used in a strategic way to develop Kuende's technology and vision of a **hybrid online-offline social media platform**.

Our currently planned allocation is represented and detailed below:

USE OF FUNDS



Research & Development (R&D) – 30%

The rate of change in technology today is staggering. Any organization that wants to remain relevant, must invest sufficient funds to find and test new ideas. This includes:

- a) Product planning, development, research and technical implementation trials.
- b) Events and hackathons to discover talented developers and grow our team.

Marketing – 35%

While Kuende will benefit greatly from word-of-mouth marketing due to its social nature, no business can thrive without a healthy marketing budget. Kuende will rely heavily on marketing campaigns in order to kickstart user acquisition and penetrate new markets.

- a) Advertising (online and offline)
- b) Community focused:
 - Attend and organize different industry events
 - Organize challenges and contests
 - Real, physical items such as Kuende Badges for users who reached a milestone or achievement.
- c) Influencer & Celebrity Endorsements

Overhead – 20%

Operational costs are the keystone of any business and Kuende makes no exception as it requires smooth administration in order to focus on delivering the best product and exceeding our user's expectations.

- a) Servers & 3rd party development tools
- b) Administrative costs
- c) Operational costs
- d) Legal

Business Development – 10%

Also related to technical change is the ability to adapt to the marketplace. Potential competitors and partners come and go and we need the assets necessary to maneuver ourselves accordingly. This will include:

- a) Mergers and Acquisitions that allow us to multiply our reach or capabilities overnight. By purchasing a competing product, or a product that complements Kuende, we can almost instantly increase our company's value.
- b) Strategic Partnerships with businesses or open source communities that align with our vision for Kuende. By investing steady resources into joint venture development, we will greatly enhance Kuende's growth and reputation.

Security – 5%

Security, especially when it comes to digital products that handle the daily interactions of individuals is very important. We take the security and safety of our users very seriously. The Ethereum blockchain, which we are based on, has shown to be very secure. However, we feel we must take every additional step possible to ensure the safety of our users. We will use these funds to:

- a) Conduct third party security audits every six months and before every major release of new features or modules.
- b) Host a bug bounty program to reward white-hat hackers for finding vulnerabilities and reporting them to us.



Product Roadmap – Where We've Been, Where We Are Going



Our Beginning

Kuende has come a long way since its start in 2014. That's when Pavel Antohe, our CEO, had the initial idea for a **hybrid social network** that would enhance a person's social life instead of replacing it. Pavel spent a year refining the idea of Kuende and invested his entire life savings into getting a Minimally Viable Product created.

In 2015, his work paid off and everything seemed to come together. Kuende attracted a pre-seed investment of \$120,000 and successfully launched a beta product that quickly started to gain users. Also in 2015, we saw the formation of the initial Kuende team, including, most notably, our current CFO, Dan "Teddy" Tudor, who was our initial investor and Teodor "Tony" Pripoae, our CTO and Lead Developer.

Building on that momentum, in 2016 we started to gamify the platform and users began earning symbolic "Kuende Points" as a means to incentivize them. We also launched our mobile apps for iOS and Android. As our vision became reality, more investors joined the table, and we raised a total of **\$2.6 Million USD**.

We are proud of our past successes. Especially considering that many of our features were completed ahead of time, proving our team's commitment, drive and capabilities..

From the very beginning, we have aligned together to a different mindset, that became and will continue to be an unique approach to realizing one of Kuende's core values: letting our imagination run free!

But there is still much work to be done. The final Kuende product will incorporate a complex system of modules. Some of the most important ones being:

- Challenges Creation Framework
- Advertising framework
- Marketplace (Kshop) & In-App Purchases
- Influencer & Business Profiles
- AR module
- Interest-Based Groups
- Games

To hit these future milestone targets as well as we did our past ones, we need the support of our users and investors to move forward.

"It's been 3 years and I haven't yet heard one single colleague of our now 29 team members say that they are coming to just do their job! We are grateful every single day that we have the opportunity to have fun, work on making our dreams a reality, and transform our brainstorming sessions into innovative functionalities."

Pavel Antohe, CEO of Kuende



Kuende's Most Important Milestones

2015

- Pre-seed Investment - 120.000\$
- Kuende.com (Alpha Version)

2016

- Seed Investment - 2.500.000\$
- Mobile Apps (Alpha)
- Implemented Gamification

2017

- Kuende.com & Mobile Apps (Beta)
- **Web & Mobile Security Audit**
- Prepare ICO
- GDPR Full Compliance (1/3)

2018 - Q1

- Challenge Framework (1/3)
- **Blockchain Integration (1/3)**
- ICO Website & Whitepaper

2018 - Q2

- GDPR Full Compliance (2/3)
- **Security Audit**

Future Development

Over the past three and a half years, Kuende has come a long way, and has established an organization based on a visionary idea, technologically impressive execution and a team that over delivers.

We are very confident we'll be able to continue this track-record as we move forward with the following milestones:

2018: Q3

- Anti-Fraud Mechanism
- Challenge Framework (2/3)
- Security Audit
- **Blockchain Integration (2/3)**
- Launched the Bounty Campaigns

2018: Q4

- **Deposit KUE into the Platform**
- **Launched ICO**
- GDPR Full Compliance (3/3)
- Challenge Framework (2/3)
- Testnet KUE and KP
- Security Audit
- Blockchain Integration (3/3)

2019: Q1-Q2

- Generate Kp
- Cosmos Integration (1/2)
- Challenge Framework (3/3)
- Integrate with Civic (for KYC Procedures)
- Encrypted Messages
- 1st Kuende Game
- Tip Content Creators
- Check-in Feature
- **Kshop (In-app Purchases & Donations)**

2019: Q3-Q4

- Influencer Profile
- **Cosmos Integration (2/2)**
- Interest Based Groups
- Group Challenges
- Live Stream
- Kshop (Digital Goods)

2020

- API for Challenge Creators
- 2nd & 3rd Kuende Game
- Business Profiles
- Sponsored Challenges
- Ad-Related Mechanisms
- **AR Challenges**
- Start Testing Revenue Streams



An Overview Of Our Existing, Traditional Social Media Features



Even though Kuende is focused on encouraging real-world socialization, we simply could not have the impact we aspire to without having the standard features social media users have come to expect.

To this end, we have designed a user-friendly interface and developed features that are easy to use by any social media consumer. This will allow an intuitive adoption and retention for users that are not familiar with the blockchain technology.

These are some of the modules that are already developed and available for use on Kuende.com.

Social Profiles – Our version of Facebook & Twitter

Kuende allows for complete control over how you organize your social life. You can combine friends with family or coworkers with classmates. The choice is yours. Each group receives only the posts and updates you choose to share with them specifically.

Music Player – Our version of Last.fm

Kuende's music player allows users to search and listen to their favorite artist's tracks. They can create their own playlists to stream while navigating the app!

Content Feed – Our version of Steemit

The Discovery Feed is a self-moderating content feed anyone can contribute to. Content is "discovered" via our interest-based targeting algorithms. Users are rewarded for quality content through Kuende Points donations.

Dynamic Chat – Our version of Facebook Messenger

Our chat system is feature-complete and already connecting people all over the world. Users can choose from a desktop version as well as a mobile version within our Kuende app ([iOS](#) and [Android](#)).



Security



The more people transition their offline actions, processes or routines into the digital realm, the more vulnerable they are to internet fraud, hacking, spyware and other malevolent actions.

The more incidents occur in the cryptoworld, leading to loss of capital, the more reticent people are about investing, even when the team associated with the project has an outstanding track record.

Therefore, we decided not only to pay extreme carefulness to this matter, but be as transparent as possible regarding the specific actions we take on ensuring that neither our investors, nor the product and its users will be impacted by security issues.

1. Token Distribution

Every month, cyber-criminals grow smarter and more bolder. This is especially true in the area in cryptocurrency distribution. To offset this trend, and protect their users, any organization planning on using blockchain technology to transfer value, must make security a top priority. At Kuende, we have organized a team to focus solely on token distribution security. Specifically, this team will:

- Enhance awareness within the community of the proper methods of cryptocurrency investing.
- Monitor and filter links or blockchain addresses which may be posted to community portals like Telegram, Slack, etc. This is to ensure our users don't fall victim to browser hacks (in the case of links) or phishing scams (in the case of addresses).
- Monitor third-party platforms for deceptive Ads (Google, Facebook, etc.) and scam websites that might have used black-hat SEO tactics to make themselves #1 in Google for certain terms related to Kuende.
- Monitor third-party communities (Reddit, bitcointalk) for deceptive posts or attempts of fraud.

Beyond this task force, all Kuende team members, no matter their degree of access, follow very strict protocols in regard to the ecosystem. This keeps the attack surface to a minimum.

Any software we create that interacts with users' tokens is controlled with a very strict Software Development Life Cycle procedure. This ensures each change is carefully reviewed and tested before being deployed.

Moreover, the Kuende platform and applications are reviewed each year by cyber security specialists. During this procedure, all code changes of the previous year are subject to code review.



2. GDPR Pioneers: Privacy & Security by Design

As a social network, Kuende works with a large spectrum of user data. We believe user data is akin to each user's personal property in the online environment. Kuende is dedicated to protecting this property, and the users' rights, from any potential threats.

We understood the need for privacy in the digital environment in the early development stages of the Kuende platform and designed it with the highest privacy standards by default. The GDPR (General Data Protection Regulation) compliance is therefore a natural evolution for Kuende.

In the past year, our development team has split their focus between delivering new features and making sure we are compliant with the GDPR. This split will continue as we move forward on our roadmap.

All user data processed by Kuende is based on informed consent of the user. Kuende aims to be fair and transparent about the information it collects about the way the platform is used by its users.

Young people, and among them minor children, are at the heart of the vision we have at Kuende. For their protection, we have implemented a signup process that requires prior express parental permission for the creation of a minor's social profile.

In addition, we have processes in place that allow us to assess, protect and respond to data privacy threats as they arise.

3. The Economy's Well Being

Perhaps the most vital security area of all is our approach to ensuring the integrity of our micro-economy. While much of the security of Kuende is founded on the work done by the Ethereum blockchain developers, our own work could potentially introduce holes and vulnerabilities to our platform. Therefore, we strive to guarantee the integrity of our system by ensuring:

- **No discrepancies**

No entity can create a discrepancy between the internal ledger and the actual number of issued tokens

- **There is no double spending**

To accomplish this, the algorithms that deal with transactions contain carefully positioned safety checks, making sure there, at no point in time, can be any bogus transaction.

- **Minimize damage of end-user being compromised**

In the eventuality of an end-user being compromised, the damage is minimized if not absent or reversible.





The Kuende Team

Core Members

Kuende currently has a total of 29 specialists working full time to see the team's vision turned . Each member is tasked with building and optimizing a specific part of the Kuende Community or business model. We have supreme confidence in everyone involved with Kuende. We have gone to great lengths to build a young and dynamic team, and we are proud to say it has paid off! Showcased below are some of the key the members of our management and development team:



Pavel Antohe - CEO & Founder - Vision & Leadership

Pavel is an Entrepreneur with four years of experience leading Kuende. He is an Alumnus of Blackbox.vc, a Google-backed Startup Incubator and best known for kick-starting innovation while getting the best out of the people he leads. His drive, energy and passion are known to inspire motivation and focus in those around him. As the Visionary behind Kuende, he studies and forecasts the trends in social media to see opportunities before any of our competitors do. And maybe his most important quality, he has the ability to instantly see features from the user's perspective. This gives the team a visible goal to work toward and a roadmap to judge their success in creating the Kuende vision.

Legend has it that he has Kuende's Logo tattooed on his heart.



Dan "Teddy" Tudor - CFO & Co-Founder - Experience

Teddy has over 20 years' experience in business development, finance, and management. He was our first investor and because of his love for the Kuende vision, he joined the team as a senior manager to oversee daily operations. His work is varied and covers all the vital areas including legal, accounting, financial and acquisitions. Without Teddy, Kuende would not be where it is today.

Legend has it that friends call him WikiBusinessPedia.





Teodor “Tony” Pripoae - CTO & Co-Founder - Architecture

Tony is a software developer with eight years of experience. As our lead developer, he oversees our entire development plan. Most notably, he is one of the pioneers of Ruby on Rails, which makes him a magnet for high quality developers and allows Kuende to recruit talent simply by mentioning his presence here. His focus is on coding and designing backend architectures built for scalability and security.

Legend has it that each of his hands can write different code at the same time.



Mihnea “Rafa” Rafailescu - CDO & Co-Founder - Design

Rafa has more than eight years of experience in web design. His passion for design and gaming has always lead to innovative ideas for our different user interfaces. And his work-ethic has motivated the entire team to do more and over deliver as much as they can. In fact, he is so industrious, he somehow also finds the time to study Computer & Video Games at the School of Arts & Media of the University of Salford International.

Legend has it that he can tell you the RGB of a pixel from a mile away.



Daniel “Hertz” Bugarin - CISO - Security

Daniel has almost nine years of experience, working in both software development and information security. He led a world-famous security contest team, penthakon, finishing 5th in the world in 2014. He joined us after leading the security efforts of eMAG, one of the largest e-commerce companies in Eastern Europe. His sharp security skills, his keen interest in business development and his native analytical skill used for providing practical ideas in regard to any vision made him a valuable member of the team.

Legend has it that he has no vulnerability.



Alexandru Tache - Senior Software Engineer - Scalability

Alex has more than eight years of experience in software development and scalability. He was a Site Reliability Engineer for Google Cloud Persistent Disk and an intern at the Google Production Security Team. All that experience at Google building ultra-reliable and scalable systems has been a gold-mine for Kuende. He always seems to instantly know the best long-term approach to solve any technical problem with minimum cost.

Legend has it that once he touches a platform, it has 100% SLA.



Razvan Carstea - Lead Mobile Developer - Versatility

Razvan has over six years of experience in mobile app development. His expertise is in creating high-performance, secure cross-platform apps. And since Kuende is a real-world social “people mobilization” platform, we rely heavily on his skills to reach our final release.

Legend has it that if it's 10 degrees and non-stop coffee, he won't ever stop coding.



Cosmin Rusu – Senior Software Engineer – Logic

Cosmin has over five years of experience as a software engineer. During his time at Google, he worked on developing and optimizing the algorithm that powers Google Photos. He now uses his Google experience to bring Kuende to the cutting edge of algorithms and optimized backend computation.

Legend has it that he took part in writing the first ever equation.



Advisors



Charlie Shrem - Founder Bitcoin Foundation - Blockchain & Bitcoin Legend

Charlie is founder of the Bitcoin Foundation (Vice-Chairman 2012 to 2014), and worked on the standardization, protection and promotion of Bitcoin. Specifically, Charlie led the partnerships and mergers of Fundación Bitcoin Argentina, Bitcoin Embassy of Canada, and Bitcoin Association of Australia, making sure all local Bitcoin communities have global resources and mentoring.

As co-founder and former CEO at BitInstant LLC, an early Bitcoin start-up that provided a secure, fast and convenient way of globally buying and selling Bitcoin, Charlie led the company during its infancy to innovate and provide services aligned with the needs of the fast-growing Bitcoin community.

Currently, Charlie has taken a Business Development Role at the award-winning international online payment platform Payza.



Fadi Bishara - Founder Blackbox.vc - Silicon Valley Mentor & Connector

He is the Founder & CEO of Blackbox, a Silicon Valley-based nonprofit working to elevate entrepreneurs across the globe.

Throughout the last 15 years he was an active connector, effectively matching talented technology entrepreneurs in Silicon Valley with venture capital needs across the globe. Fadi is also an angel investor, mentor & business partner to international startup accelerators such as Communitech, Nasscom, SeedCamp, Rockstart, NUMA, iBeta, StartupBootcamp, StartupChile, Enterprise Estonia, Etc.

He is a frequent speaker at incubators & accelerator, tech innovation & startup conferences, education initiatives and related economic development policy discussions around the world.





Aurel Iancu - CTO Dokia Capital - Blockchain Advocate & Specialist

Aurel is a entrepreneur since 2008 activating in the IT industry. Starting late 2013, he decided to join the global blockchain community and gave up on all projects involved at that time.

Aurel Iancu is also a consultant for an European Blockchain Consultancy firm based in Bucharest, Romania. Being one of the early adopters and advocates for Ethereum, in 2015, he has successfully lead the operations for building and launching a 1500 GPU mining facility.

Currently he is the CTO and Digital Asset Manager for Dokia Capital and also a Validator at one of the most expected blockchain projects - Cosmos - that will allow different blockchains to interoperate with each other.



Michael Kimelman - Cofounder CryptoIQ - Cryptopreneur and Bestselling Author

Michael Kimelman is a graduate of Lafayette College and the University of Southern California Law School. Formerly an associate at Sullivan & Cromwell, he was the Founder & Managing Partner of Incremental Capital, a New York based hedge fund.

A seasoned hedge fund executive and cryptopreneur. Mike co-founded and writes for Crypto.IQ, a publishing and advisory firm offering a unique expertise combining unparalleled knowledge in both crypto assets and traditional markets. Building on a proven track record of success in both markets, Crypto.IQ provides knowledge products to enable people to understand the crypto ecosystem and invest with the same confidence as insiders.

He is currently consulting and launching new ventures in the technology, consumer, and entertainment spaces. He actively volunteers his time to several causes, including education reform.



Thomas Bangert - Digital Maverick – London, Berlin, Paris, Bucharest

Thomas graduated with a triple degree in Economics, Marketing and Entrepreneurship from private business school ESC Le Havre/HEC at the end of 1999. He joined Ifyoutravel, a travel start-up funded by LVMH in 2000 as Commercial Manager.

In 2011, after a 10 year period as Media Director at lastminute.com, then Europe's biggest Online Travel Agent, Thomas moved on to become the European Director of Display within Trip Advisor where he was in charge of strategic partnerships with clients such as DMOs, governments, hotel chains, airlines, etc. from all over Europe, but also non-travel partnerships with global telecoms, finance, automotive, etc.

Thomas founded his own consultancy, The Bangert Consultancy, in April 2017 and has successfully grown the business to multiple clients including VTree, Pearlshare, travel audience (part of Amadeus), Oveit, ThinkDigital and Kuende.

He brings with him a vast expertise of digital media, online marketing and business development.



Rana Chakrabarti - Experience Designer SAP – Concept & User Experience Designer

Rana is an experience designer, which he defines as the business of designing moments.

He has executed turnkey projects for Siemens for a period of five years. Since 2000 he has worked for SAP as a software developer at different levels of seniority in automotive, aerospace & defense, manufacturing and supply chain management domains. Since 2007, he has been a designer with SAP, most of it working on a wide range of strategic projects for the highly influential Design and New Applications unit within SAP.

Since 2015 he has been working closely with SAP's Chief Design Officer, Sam Yen, as a part of the DesignX unit, scaling design thinking into SAP's higher education and business ecosystems.

Rana is actively helping us design the Challenge Framework with the main focus on delivering the best experience to our users.

He is interested in changing human behavior at any scale & scaling interventions into big systems: currently, the U.S Higher Education System.

He also enjoys teaching a plain-English version of the design process to startups and modifying the design process for students on the autism spectrum.



George Bunea - CEO IPSX - Blockchain Evangelist & Investor

George is a computer scientist specialized in cybersecurity, network protocols and Big Data/data acquisition. He recently successfully closed his ICO for the IPSX project.

George has been an entrepreneur since 2008, a long-time blockchain enthusiast and evangelist. He is an experienced trader and a blockchain developer as well.

From the beginning of 2017 he is an investor in traditional and blockchain startups. Outside of his work as a CEO and investor, George dedicate his time to support the blockchain community by sharing the knowledge and experience he has acquired over the years.



Michael Trout - Founder Foundups Capital LLC - Blockchain Evangelist

Michael is the visionary behind Foundups Capital LLC hedge fund for funding and creating Decentralized Autonomous Nonprofit Organization (DANOs) on the blockchain.

One of the early visionaries in the blockchain space Michael worked with the founders of Ethereum way back in 2011/12. He is the creator of Decentralized Autonomous Nonprofit Organization (DANOs) and the Decentralized Crypto Fund for fueling the Foundups Ecosystem.

He is the founder of unDevcon Ethereum Classic's first global conference held Shanghai 2016. Michael has written extensively on the blockchain and has 100s of videos on Youtube.



Andrei Avadanei - CEO Bit Sentinel - Cybersecurity & Blockchain Specialist

Andrei is the best-known white-hat hacker in Romania. He founded DefCamp – the biggest IT security conference in Central and Eastern Europe, with more than 1400 participants and 60 speakers from over 40 countries. Andrei is also the President of Cyber Security Research Center in Romania, Bucharest. He is certified as OSCE, OSCP and CISA.

In the last two years he was involved in various projects as advisor in blockchain and cybersecurity for core products, fintech, social networks or coin exchanges.

In 2016, he was nominated to be in New Europe 100 – a list built by Google and Financial Times showcasing the best and brightest leaders in Central and Eastern Europe. And in that same year, he was also nominated to be in the Forbes 30 under 30 young entrepreneurs list.

He is a regular speaker, mentor and judge at local and international events such as Finance 2.0, Hackit UA, DCOI, ENISA, OWASP, DefCamp, Cyber Security Romania, Eurosfat and GREPIT.



Dragos Stanca - ICEEfest Founder - Digital Media & Ad-tech Expert

Dragos is perhaps one of the top digital media and ad-tech pioneer in Central and Eastern Europe. He is the founder of ICEEfest (Interactive Central and Eastern Europe Festival) – an event that attracts thousands of marketers, media personalities and global players to Bucharest each year. He is a stockholder and managing partner (for Romania) of ThinkDigital, the official reseller of TripAdvisor, InMobi, Vice and other global brands.

He had a deep involvement in the development of Project Agora – the first programmatic advertising marketplace in the region, launched in 2012 and still active today in Romania, Greece, Hungary and the UAE.

Dragos holds an MBA in media management (Scandinavian International Management Institute – SIMI, Denmark). Today, he invests some of his time as a startup advisor and seed money investor.



Dean Karakitsos - Founder Bloqchain Science - Digital Visionary & Futurist

Dean is a visionary innovator in disruptive technology development and business management with more than 20 years of experience bringing an industry-changing approach to designing and launching dynamic new technology products. He is the founder of Bloqchain Science that builds secure decentralized systems using blockchain technology for identity solutions, tokenization-of-things (ToT), on-chain/off-chain payment solutions, security and audits of smart contracts.

In telecoms, he has signed more than 100 interconnection agreements with carriers around the globe and managed a streaming voice traffic of over a billion of voice minutes. He made it for 3 years in a row to be listed in INC 500 fastest-growing private companies in the United States.

Owes multiple patents on Market Data Visualization -patent owner of the vertical ticker-, Voice over IP and Fixed Mobile Convergence while he developed with his team the openh323 gatekeeper protocol. Dean is advising ICOs in multiple verticals and with his team, he is designing safety and smart contracts best practices.

Business Partners



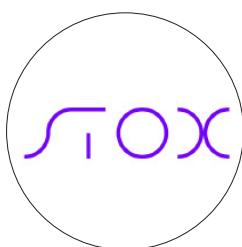
Major crypto-fund which invested also in Ethereum, OmiseGo, Polkadot, Digix or Cosmos.



World's leader in secure open source consumer electronics.



Allows cryptocurrencies holders to convert between any two tokens on the network.



Ethereum based prediction market platform.



People can control the use of their identity information, using blockchain identity verification tools.



Global social media marketing that has a long term transformational impact on brands.



Google-backed Incubator, based in Silicon Valley, elevating entrepreneurs across the globe.



A decentralized exchange for sharing IPs.



Tech investment and M&A boutique, that connects start-ups with major VCs and crypto-funds.



One of the largest digital and tech related events in the Central and South East Europe.



New York based Marketing Platform, helping businesses grow and engage with their audiences.



The most important annual conference on Hacking & Security in Central Eastern Europe.



One of the leading Digital Marketing Groups network in Central and South Europe.



An \$100 million cryptocurrency hedge fund, supporting ICOs in their fundraising journey.



Conclusions

Seeing the damage that too much social media is doing to the world's young people, we have put all our energy and drive into creating **Kuende as a bridge to offline socialization.**

Our mission can be accomplished through features like our interest-based groups that will contain incentives for regular offline interaction between members. And through our games module, with regular offline events like tournaments. Our hope is our platform will influence users to get out of their homes, off their cell phones and start socializing face-to-face with friends, family and strangers who will quickly become friends.

After three years of hard work, and 2.6 Million USD raised, our team is uniquely positioned to be a first mover in the hybrid social network category. We firmly believe this is a category that is the future of social networking. Anyone who has seen the Pokémon Go craze will agree with us, gamified challenges involving real-world interaction is fun, engaging and most importantly, social.

We look forward to working with our investors and seeing our vision come into reality.

We will see you in Kuende!



Legal Considerations, Risks and Disclaimers



Token Specifications

The Kuende team is aware of potential risks associated with a decentralized networking platform and the associated tokens. As of the date of publication of this Whitepaper, Kuende tokens, be they KUE or Kp, have no known potential uses outside of the Kuende platform ecosystem and are not permitted to be sold or otherwise traded on third-party exchanges. This Whitepaper does not constitute advice nor a recommendation by Kuende, its officers, directors, managers, employees, agents, advisors or contractors, or any other person to the recipient of this Whitepaper on the merits of participation in the public contribution offering. Participation in the public contribution offering carries substantial risk and may involve special risks that could lead to a loss of all or a substantial portion of such contributions. Do not participate in the public contribution offering unless you are prepared to lose the entire amount you allocated to contributing in exchange for Kuende tokens.

Kuende tokens will provide utility on the Kuende platform. KUE do not represent or constitute any ownership right or stake, share or security, or equivalent rights; nor any right to receive future revenues, dividends, shares, or other form of participation or governance right in or relating to Kuende Swiss GmbH and any of its affiliated companies. KUE holders may not redeem their tokens on the Kuende platform and/or otherwise with Kuende Swiss GmbH and any of its affiliated companies.

Kuende tokens are rewarded as a functional good and Kuende Swiss GmbH shall spend all proceeds received freely and unconditioned as set forth in this Whitepaper.

Risks

Kuende tokens should not be acquired for speculative or investment purposes with the expectation of making a profit or immediate resale. No promises of future performance or value are or will be made with respect to Kuende tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that Kuende tokens will hold any particular value. Unless prospective participants fully understand and accept the nature of Kuende and the potential risks inherent in Kuende tokens, they should not participate in the public contribution offering. Kuende tokens are not being structured or sold as securities. They will not be listed on any regulated stock exchange. This Whitepaper nor any other material relating to the Offer, the Kuende platform or Kuende tokens, has ever been or ever will be filed with regard to legal standards such as the Swiss Federal Act on Stock Exchanges and Securities Trading law, the Swiss Financial Market Infrastructure Act, or the Swiss Collective Investment Schemes Act, which are not applicable to this token sale.

Therefore, laws and acts that ensure that investors are sold investments that include all the proper disclosures and are subject to regulatory scrutiny for the investors' protection, are not applicable in this case. Every purchaser of a Kuende token should seek proper advice in order to understand whether the purchase of tokens is appropriate for them or not.

Holders of Kuende tokens assume risk when participating in trading activities and such activities have inherent risks. Unforeseen problems could result in the loss of all of a Kuende token holder's funds or all of a Kuende token value.



Holders of Kuende tokens understands and accepts that Kuende may launch or participate in other projects supported by unaffiliated third parties, under which Kuende tokens will have no value.

No Liability

Kuende, respectively Kuende Swiss GmbH and any of its affiliated companies, cannot be held liable for any losses related to Kuende tokens.

Any information in the Whitepaper is provided for general information purposes only and Kuende does not provide any warranty as to the accuracy and completeness of this information. All information here that is forward looking is speculative in nature and may change in response to numerous outside forces, including technological innovations, regulatory factors, and/or currency fluctuations, including but not limited to the market value of cryptocurrencies.

Unless expressly specified otherwise, the products, services and innovations detailed in this Whitepaper are currently under development and are not currently deployed. The authors of this Whitepaper and all persons associated with its publication specifically make no warranties or representations as to the successful development, implementation or deployment of any technologies and innovations, or achievements of any other activities noted in this Whitepaper.

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Technology

Any Kuende tokens shall be stored in the Holder's Ethereum wallet, which may be accessed by the Holder using a combination of the Holder's account information and private key or password. It is your responsibility not to lose your tokens by losing access to the keys that allow access to your wallet and/or allowing malicious third parties to access your keys and/or your wallet. You acknowledge and understand that in case of theft or loss of the private key or password the Kuende tokens associated with the respective wallet will be unrecoverable and will be permanently lost. Kuende does not have any access to the password(s) of any Holder's wallet. **KUENDE WILL NOT BE HELD LIABLE FOR ANY LOSS OF TOKENS AND/OR OTHER DAMAGE INCURRED BY YOU AS A RESULT OF THE LOSS OF KEY OR ATTACK ON YOUR WALLET.**

You acknowledge and understand that the Smart Contract, the underlying software application and the Ethereum blockchain is still under development and yet unproven.

The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing tokens.



You acknowledge and understand that Ethereum block producers may not include your transaction when you want or your transaction may not be included at all. Tokens may be subject to expropriation and/or theft. Kuende does not manage or in other way have access to the Kuende tokens that are stored on the Holder's own wallet and shall have no liability in any events related to the Kuende tokens owned by the Holder.

Hackers or other malicious groups or organizations may attempt to interfere with the KUE distribution or the tokens in a variety of ways, by attacking the Smart Contract, the Ethereum blockchain or the Kuende products. Such attacks include, but are not limited to, denial of service attacks, double-spending attacks, majority attacks, Sybil attacks, "selfish mining" attacks, race condition attacks, malware attacks or phishing.

Furthermore, you acknowledge and understand that due to the fact that the Ethereum platform rests on open source software and tokens are based on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional vulnerabilities, bugs or weaknesses which may negatively affect the Kuende token or result in the loss of your Kuende tokens, the loss of your ability to access or control your Kuende tokens or the loss of ETH in your account. In the event of such a software vulnerability, bug or weakness, there may be no remedy and holders of Kuende tokens are not guaranteed any remedy, refund or compensation.

Regulatory Considerations

Kuende Swiss GmbH is not a financial intermediary and is not required to obtain any authorization for Anti-Money Laundering purposes. This qualification may change in case Kuende Swiss GmbH will offer services which are to be considered as qualifying a financial intermediation activity. In this case, the use of in case Kuende Swiss GmbH's services may require the positive conclusion of an AML/KYC identification process.

Regulatory authorities are carefully scrutinizing businesses and operations associated with cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may impact Kuende business and even limit or prevent it from developing its operations in the future. Any person undertaking to acquire Kuende tokens must be aware that the Kuende business model, the Whitepaper, or Terms & Conditions may change or need to be modified because of new regulatory and compliance requirements according to any applicable laws in any jurisdictions. In such a case, purchasers and anyone undertaking to acquire Kuende tokens acknowledge and understand that neither Kuende Swiss GmbH nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes.

SALES RESTRICTIONS FOR PURCHASERS IN DIFFERENT JURISDICTIONS

The information below is for general guidance only and it is the sole responsibility of you to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by Kuende to issue advertisements or to provide any intelligence with regards to the contents of this Whitepaper and, if issued, given or made, such advertisement and/or intelligence must not be trusted as duly authorized by Kuende.

You should inform yourself as to: (a) the legal requirements of your own country for the purchase, holding, transfer or other disposal of Kuende tokens; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Kuende tokens that they might encounter; and (c) the income and other tax consequences that may apply in your own country as a result of the purchase, holding, transfer or other disposal of Kuende tokens. You must rely upon your own representatives, including your own legal advisers and accountants, as to legal, tax or any other related matters concerning Kuende tokens and a purchase thereof.



THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN INVITATION TO PURCHASE, OR AN OFFER OF, KUENDE TOKENS IN ANY JURISDICTION OR TO ANY PERSON IN WHICH AND/OR TO WHICH SUCH OFFER OR SALE WOULD BE UNLAWFUL.

In particular:

1. The United States Securities and Exchange Commission ("SEC") has not approved Kuende tokens.

If you are a Resident of the United States of America you won't be allowed to purchase Kuende tokens:

- If you, via technical and/or other means, circumvent such US ban, Kuende will have fulfilled its duty and will not be held liable for any breach of US regulations, including, but not limited to, the U.S. Securities Act ("Breach"). In case Kuende will be held liable anyhow due to such breach, you will fully indemnify Kuende for any damage incurred, fees levied, etc as a result of such Breach.

2. If you are a Resident of Switzerland:

Kuende tokens will not be listed on any regulated stock exchange, such as SIX Swiss Exchange, or SIX. This White Paper has been prepared without regard to the legal standards for prospectuses under art. 1156 or art. 652a of the Swiss Code of Obligations or the legal standards for facilitated prospectuses under art. 5 of the Collective Investment Schemes Act ("CISA") or art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange in Switzerland. Neither this White Paper nor any other material relating to the Offer, Kuende Swiss GmbH or Kuende tokens will be or have been filed with or approved by any Swiss regulatory authority. Specifically, this White Paper will not be filed with, and the Offer of Kuende tokens will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA). Furthermore, the Offer of Kuende tokens has not been and will not be authorized under the CISA. Thus, the protection which is given to purchasers of interests or units in collective investment schemes under the CISA does not extend to purchasers of Kuende tokens.

3. If you are a Resident of the People's Republic of China you're not allowed to purchase Kuende tokens:

- Kuende tokens may not be offered or sold directly or indirectly in the People's Republic of China ("China", not including Taiwan or Hong Kong and Macau special administrative regions). The information contained herein does not establish an offer or a solicitation of an offer to invest within China.





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