



**KINESIS**

# **KINESIS MONETARY SYSTEM**

**THE EVOLUTION OF THE GOLD STANDARD**

**WHITEPAPER - 3.1**

JULY 2020

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# ABSTRACT

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With the evolution of blockchain, cryptocurrencies and mobile devices, participants in the global economy have been presented with a profound opportunity: a chance to apply ingenious creativity to money and to be part of an empowering people-centric revolution. Yet, despite this opportunity, current blockchain payment systems and their cryptocurrencies have suffered from severe price volatility, limiting their holder's desire to be used as tender. This makes many of these mediums unsuitable for commercial exchange.

The Kinesis Monetary System is specifically designed to overcome these drawbacks through the development of a universally adopted, decentralized, asset-backed monetary system. A monetary system that is efficient, secure, fair, and incentivizes commercial exchange. This system combines new world decentralized technology with the oldest, fairest, and most sustainable form of money, to empower and serve the interests of us all equally and capitalistically.

This paper outlines our vision and philosophy behind the Kinesis Monetary System, detailing the core components and products supporting its innovative ecosystem. More importantly, analysis is provided that specifically highlights Kinesis' unique currency specifications and quantitatively proves the concept behind our incentivized multifaceted yield system. These features differentiate Kinesis as a stable, useful, secure, and rewarding platform to facilitate commerce.

# INTRODUCTION

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## 1.1 Vision

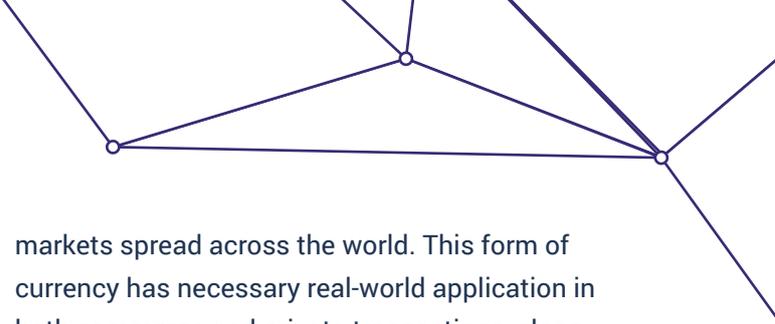
The vision for Kinesis is to deliver an evolutionary step beyond any monetary system available in the world today. A system that through participation, enhances money as both a store of value and as a medium of exchange, for the benefit of all. Much the same as our sun unconditionally delivers an indiscriminate share of energy to planet Earth that stimulates life, we see Kinesis as a comparative energy system to stimulate the movement of money, assets, commerce, and economic activity in a fair, honest, and rewarding process.

## 1.2 Mission

The mission of the Kinesis monetary system is to deliver an internationally fungible monetary system, designed to give back to those who participate, and thus, create a solution for the global need for sound, reliable money. It is understood that for sound money to be a successful global transaction currency against legal tender currencies, Sir Thomas Gresham's economic principle that "bad money drives out good" must be defeated. This is an observation of human behaviour and money where people who value one currency over another will hold onto and hoard the more valued tender, while spending the currency they value less. Similarly, given cryptocurrency market volatility, it is often a crypto-holder's view that their crypto-assets will rise in value or that they must hold on to them to wait for prices to recover. As a result, there is no incentive for that token to be used as a medium of exchange, thus promoting hoarding behaviour.

## 1.3 Kinesis Monetary System

Kinesis, in its world changing mission, embraces and rewards the use of its own currency, stimulating the movement of capital, acting as a system that encourages commerce and economic activity. Core to the mechanics of the system is the perpetual



incentive and stimulus for money velocity. Outside capital is attracted into Kinesis via a very attractive risk/return ratio and then put into highly stimulated movement. This is achieved through giving money 1:1 direct allocated asset backing and then attaching a unique multifaceted yield system that promotes exchange and fairly shares the wealth generated by the Kinesis Monetary System according to participation and capital velocity.

The primary elements of Kinesis are:

- **Gold & Silver** – Kinesis’ primary currencies are backed 1:1 with allocated physical gold & silver, the greatest stable and definable stores of value for use in commercial and private transactions and investment. Allocated means that full direct title to the bullion used for the 1:1 backing of KAU and KAG coins is allocated to the owner of the respective coin.
- **Yield** - A perpetually recurring yield generated from economic activity, not from debt-based interest like fiat currency. Provides definable value via Net Present Value (NPV) calculations for use in commercial, institutional and retail investment.
- **Blockchain & Cryptocurrency Technology**  
- Enhanced by asset-backed currency and multifaceted yield system

The Kinesis system can be overlaid on top of anything that can be standardized, traded, and stored as value. Accordingly, we are developing a kinetically charged cryptocurrency suite with allocated title of bullion, fiat banknotes, cryptocurrencies, and other assets that are secured physically and digitally stored in our allocated Kinesis banking and asset management system. By attaching a yield to currency or asset tokens, risk/return ratios can be forecasted and virtually all currency and investment asset markets can be targeted and infiltrated. As such, over time we plan for more currencies and assets to be added, ultimately infiltrating more

markets spread across the world. This form of currency has necessary real-world application in both commerce and private transactions, along with attracting capital from institutional and retail investors as well as savers.

Kinesis will attract capital from markets that are currently experiencing little or comparatively low yields. These include:

1. Cryptocurrency Markets
2. Gold & Silver Markets
3. Fiat Currency Markets
4. Investment Asset Markets

Given the Kinesis Monetary System’s stability and security, participating in the Kinesis system is inherently less risky than these alternative markets and offers potentially greater return. Furthermore, where banks conversely hold legal title of their customer’s deposits and can put these deposits at risk through highly leveraged lending strategies, the Kinesis Monetary System allocates title directly to the ultimate beneficial owner. Thus, at its core, Kinesis is a monetary system focused on minimizing risk, maximizing return, stimulating velocity, and maximizing the rate of adoption.

#### 1.4 Strategic Partner - Allocated Bullion Exchange (ABX)

Kinesis and the Kinesis Monetary System has been developed in partnership with public company; Allocated Bullion Exchange (ABX) [www.abx.com](http://www.abx.com), the world’s leading electronic institutional exchange for allocated, physical precious metals has been in operation since 2013, has seven trading, pricing and vaulting hubs across the globe and has recently partnered with Deutsche Borse Group entity European Commodity Clearing (ECC) for clearing and settlement services (<https://abx.com/2017/11/15/ecc-abx/>).

## 1.5 Sequencing

The development, roll-out and commencement of the Kinesis Monetary System have been comprised of two distinct and sequenced events (described within this whitepaper):

a) The Initial Token Offering (ITO) of the Kinesis Velocity Token (KVT); an ERC20 compatible utility token. KVTs are the capital raising vehicle to support the global Kinesis Monetary System. Holders of KVTs collectively earn a percentage of transaction fees from various business units within the Kinesis Monetary System. The KVT ITO was on public sale from 10 September, 2018 and ended on 29 August, 2019.

b) The public release of the first Kinesis Currency Suite of products; each backed 1:1 by direct, allocated precious metals. The first Kinesis cryptocurrencies: KAU (gold-backed coin) and KAG (silver-backed coin) are based on the bespoke Kinesis Blockchain Network (through optimised Stellar technology). KAU and KAG currencies are the medium by which all transactions occur across the Kinesis Monetary System. Kinesis Currencies represent the advent of the creation of KAU and KAG by “minting” and backing the created coins with physical precious metals bullion. The Kinesis Currencies public release commenced on 25 March 2019.

# DESIGN PRINCIPLES

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## 2.1 Addressing Cryptocurrency Market Problems

Volatility in cryptocurrencies make them non-viable stores of value and unsuitable for use as currencies. Given the price uncertainty of the world’s largest coins, it is clear that they are not viable reserve

currencies that can facilitate global commerce.

These characteristics prevent mass-adoption, as a currency must be stable and mimic a fixed article of exchange in an economy. For example, a business with budgeted profit margins takes a significant risk in accepting these currencies as a form of payment, or as a reserve currency to sit on their balance sheet. Money was created to serve and bring efficiency to commercial transactions.

While the early cryptocurrencies have laid the blueprint for a decentralized future, their current limitations prevent their sustainable use in commercial applications. Nevertheless, they have paved the way forward for new and improved innovations like the Kinesis Monetary System

## 2.2 Addressing Fiat Currency Market Problems

Historically, fiat money has never endured a long existence. In fact, every fiat currency since its inception by the Romans has experienced devaluation collapse. This has had significant negative implications on that currencies’ respective economy as well.

Similarly, current fiat currencies are also a poor store of value. Central Banks print and devalue money, creating price inflation at their discretion to keep commercial Banks’ lending and consumers spending to maintain economic growth in nominal terms (without inflation taken into account). Furthermore, bank deposits globally are almost universally losing money in real terms by paying interest below the rate of inflation. As a result, the counterparty risk incurred by a depositor for depositing funds with a bank (giving title of your money to a bank) is not fiscally responsible or viable. In addition, these depositors must deal with bail-in provisions, depositors insurance being removed, and interest rates being negligible.

The printing of US dollars to stimulate economic activity is having a decreasing positive economic

effect. The US government along with other major governments and monetary systems around the world are funding themselves through deficit funding from central banks. History shows that currency crashes and high inflation or even hyperinflation typically follow these actions.

In addition, the US government along with most other major governments are further accumulating an insurmountable level of debt evidenced by the unsustainable rise of federal debt against GDP. In lieu of this, the US government is struggling to meet the interest payments on their debt, notwithstanding rising interest rates. This has led to unfunded off-balance sheet liabilities surpassing the liabilities currently held on balance sheet pointing to the foundations of an insolvent economy.

Given this information it is clearly evident that having a central authority, whether it be banks or government, at the center of a monetary system is inherently problematic. These are the issues a stable and decentralized alternative like Kinesis aims to solve.

## **2.3 Addressing Asset-backed Currency Problems**

### **2.3.1 Gresham's Law of Money**

As previously mentioned, Gresham's Law of Money – "bad money drives out good," is an inherent problem plaguing both traditional cryptocurrencies and asset-backed currencies. This is witnessed with gold and silver, where those who hold it over legal tender or fiat currency, typically do not wish to spend it, choosing the less valued fiat currency for everyday transactions. The Kinesis Monetary System defeats Gresham's Law phenomena by highly incentivizing people to utilize a valuable currency through a multifaceted reward system based upon participation and money velocity that is expanded upon later in this paper.

### **2.3.2 Yield**

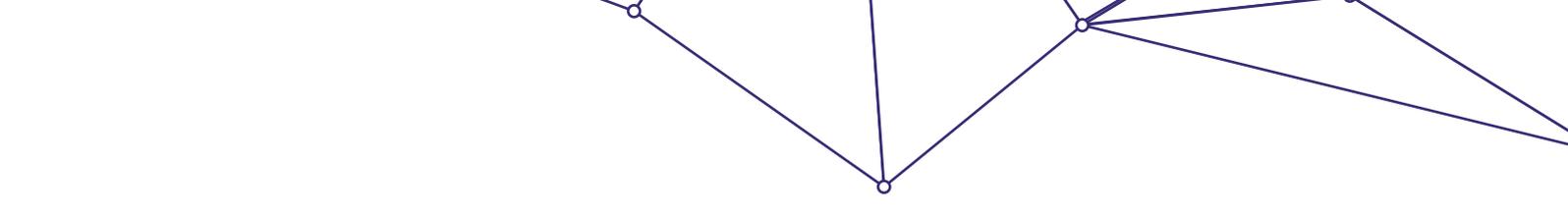
Other asset-backed currency problems stem from

the fact that precious metals and many other assets have no yield attached to them. Furthermore, they actually typically cost money to hold securely. In this respect, a yielding asset like interest bearing bank deposits or stocks paying dividends become a more attractive investment option for investors looking for a yield on their investments. The Kinesis Monetary System gives yield to these precious metals by attaching multiple yields for varying degrees of passive or active participation. As detailed later in this paper, the proposed model outlining the multifaceted yield system offers a more attractive alternative than the yields on offer for passive investors, as well as highly incentivizing participation for those who wish to be active.

### **2.3.3 Security**

Asset-backed currencies' final major problem revolves around security. Historically, there have been multiple cases of fraud involving the use of precious metals and other assets as a payment solution. An investor must be cautious in who they invest with to avoid the risk of fraud and theft. This has already been problematic in asset-backed crypto-currencies as well. For example, recently, Tether, a company that issues a widely traded cryptocurrency purported to be backed by US dollars, has been subpoenaed amid secretive circumstances surrounding the USD backing of their cryptocurrency.

Alternatively, Kinesis' primary currencies are backed 1:1 with allocated physical gold & silver, the greatest stable and definable stores of value for use in commercial and private transactions and investment. Kinesis utilizes the multi-layered third-party audit and verification system of ABX's Quality Assurance Framework. ABX is a global wholesale spot bullion exchange which has been operating without blemish since 2013 and has large physical broker/dealers and traders around the world entrusting its systems. Furthermore, large partnerships are in place with the likes of Deutsche Borse Group, one of the largest exchange groups in the world, government owned postal systems, like PT Pos Indonesia, as well as



large established mobile banking and vaulting partners. The physical handling, clearing, storage, and delivery mechanics are currently being integrated into a Deutsche Borse Group's regulated commodity clearinghouse, European Commodity Clearing, who must also maintain approval and acceptance from the German financial regulator. All bullion has a verified audit trail with multilayered third-party audit and verification in place and regularly audited and transparent holdings system.

## 2.4 Addressing Bullion Market Problems

### 2.4.1 Archaic & Inefficient Market

Wholesale bullion market participants currently trade over-the-counter (OTC) in the physical markets largely outside of the electronic environment either via phone, email, or in person. These systems are completely manual, problematic, inefficient and costly. Phone dealing desks are costly and involve manually booking a trade, placing a physical order with a supplier, and hedging the trade. There is an acceptance in the market that the legacy OTC London market architecture is outdated and there is a need for a transition to new globally efficient digital system. Kinesis via its institutional integration with ABX and its operationally segregated wholesale contracts, which offer serial number and bar hallmark, provides an ideal solution for bi-lateral wholesale trading through the blockchain. This solution will be promoted in partnership with ABX and their extensive network of institutional partners.

### 2.4.2 Siloed and Inefficient Market

Local physical markets currently trade in a very siloed manner, completely independent and disconnected from one another. Kinesis will efficiently interface these markets and aggregate global physical liquidity.

### 2.4.3 Limited Resources

Many organizations currently do not have the resources to conduct the necessary due diligence, understand the regulatory framework and establish

global operations. Kinesis' system and technology allows local market participants to expand their horizons internationally. These additional markets enable them to benefit from international liquidity and attract international clients.

### 2.4.4 Barriers to Entry

There are significant barriers of entry into the local physical market. Outside of the big bullion banks or international trading houses, local market participants typically only trade in their home region thereby limiting them to primarily local clients. In the absence of a pre-existing global aggregator platform, substantial price differentials exist in the different liquidity centres around the world. Kinesis breaks down the barriers to entry to each physical market and directly interface these trading centres allowing traders to arbitrage the differential.

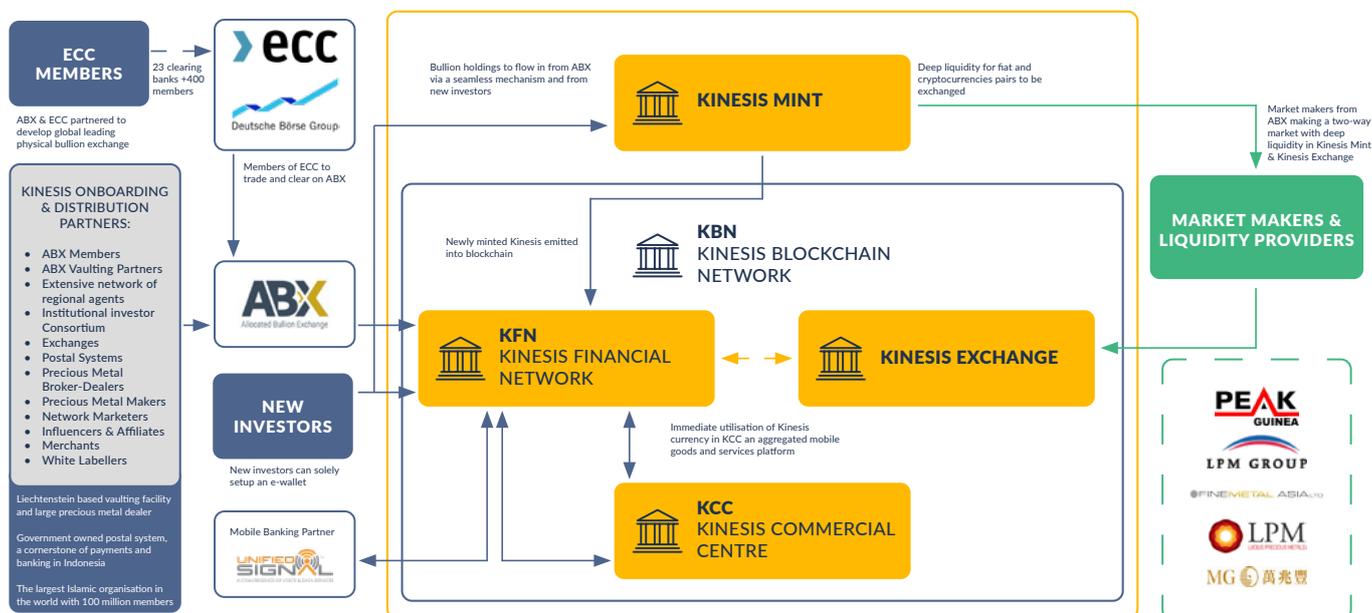
### 2.4.5 Market Access

Unlike in the energy or base commodity space, precious metal producers (suppliers) have no pre-existing way to enter the wholesale market directly. There are challenging barriers to entry for end consumers (Jewellers, Manufactures & Investors) to directly access the wholesale market. The physical trade flow of bullion typically passes through a series of intermediaries.

ABX provides this facility to enable suppliers to act as Liquidity Providers and access our exchange directly and sell metal at the "Offer" price. Currently, producers must sell to an intermediary and hit their "Bid", which decreases their revenues materially. As the vast majority of producers sell at spot this is a compelling proposition for them. Additionally, ABX integrates the physical trade cycle, allowing for end consumers to access the exchange directly. By changing the physical price maker and taker dynamics we contend that we will change the price discovery dynamics of the precious metals market. We also contend that by bringing the producers directly onto our platform we will bring the rest of the industry into our market.

# KINESIS MONETARY SYSTEM FEATURED COMPONENTS

Kinesis is a full-circle monetary system made up of all elements and functions required for a successful and effective monetary system. These differing functions make up different business units within the group.



## 3.1 Kinesis Mint

The Kinesis Mint functions as the wholesale market where the currency is created and minted. This occurs in an institutional centrally cleared exchange with deep liquidity and connectivity into global wholesale trading organizations via Allocated Bullion Exchange (ABX).

## 3.2 Kinesis Blockchain Network (KBN)

KBN is the blockchain technology upon which the Kinesis suite of cryptocurrencies is built. Kinesis currencies can be sent, spent, saved, or traded through the blockchain. Coins purchased in the

wholesale market are emitted into the KBN with incentives based on money velocity.

## 3.3 Kinesis Exchange

Kinesis Exchange operates as a blockchain digital currency exchange where Kinesis and other digital currencies can be traded. This is being developed internally to ensure deep liquidity for the Kinesis currencies.

## 3.4 Kinesis Financial Network (KFN)

The KFN serves as a mobile banking system where Kinesis currencies can be used for savings or

payments, remittances, and money movement. This facility also has a Mastercard and Visa debit card and accompanying companion card facility providing the ability to use Kinesis as a payment currency across the world.

KFN will include an e-commerce technology suite where Kinesis can be moved to in real-time. This secure mobile payment and debit card platform can be viewed in any fiat currency of choice. The suite provides extensive functionality and value provided to individual and corporate members, including private labelling abilities. Also accounted for is a mobile payment account system and balance that is equivalent to a virtual savings account including the ability for customers to earn interest on all funds loaded into the user's mobile payment account. Paired with the technology offerings is an integrated debit card equivalent to a checking account, which can be used anywhere Visa / MasterCard is accepted allowing customers to withdraw funds at virtually any ATM around the world.

Additionally, companion cards can be created for kids and family members abroad, enabling movement of funds from the mobile payment account to

companion cards in real-time and for FREE. Lastly, KFN offers the ability for merchants to integrate simple APIs to accept customer payments without paying 1.5% to 4% credit card merchant processing costs virtually eliminating any and all credit card debt. Other mobile account fiat fees are detailed in the Appendix.

### 3.5 Kinesis Commercial Centre (KCC)

The KCC performs as an online aggregator platform of goods and service providers, enabling the Kinesis currency suite to be seamlessly utilized as payment for participating merchants.

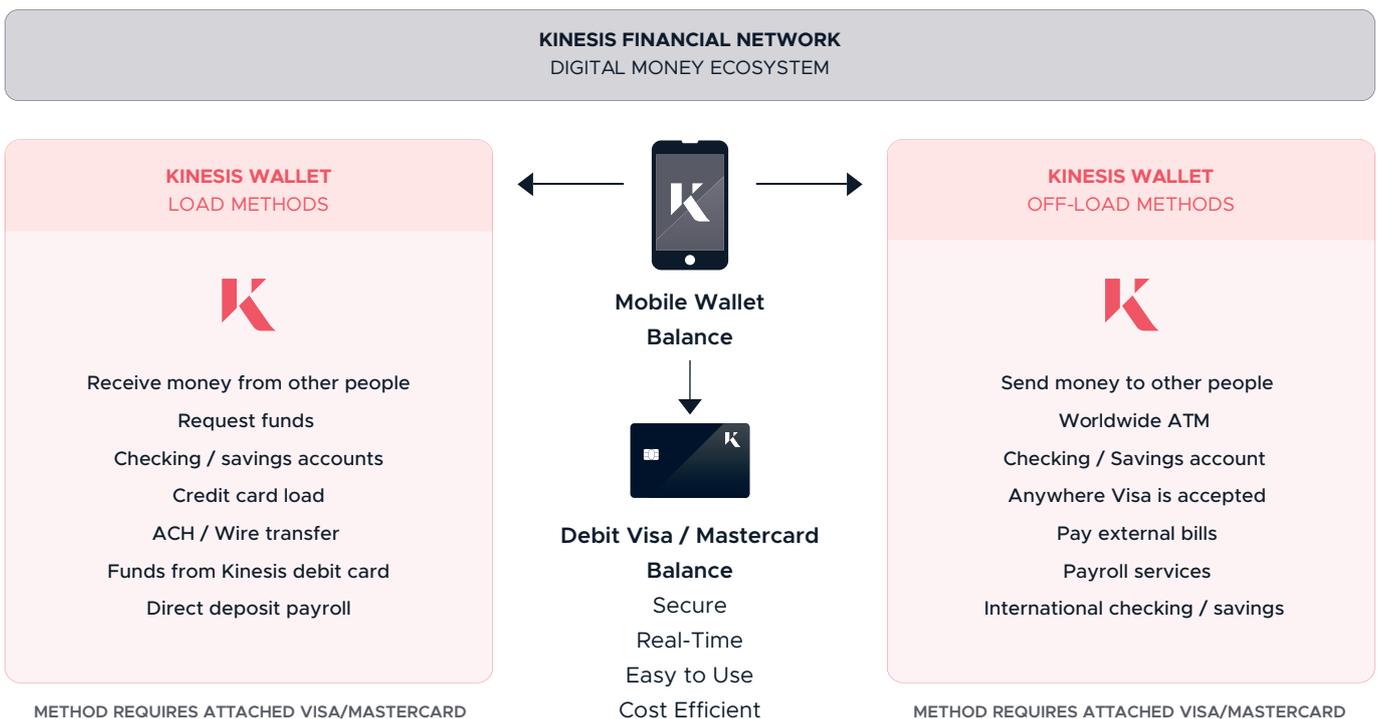
#### Kinesis Currency Suite

Kinesis' 1:1 fully allocated asset-based digital currency suite will have the following products incorporated: Reserve & Payment Currencies

- Physical Gold & Silver
- Segregated Physical Gold & Silver bars
- Physical banknotes: EUR, JPY, GBP & CHF
- Digital Currencies: TBA

#### Investment Currencies

- Pair: Physical Silver/Paper Silver



# KINESIS CURRENCY SUITE

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## 4.1 Kinesis Currency Specifications

The Kinesis Money team has developed a proprietary blockchain network optimising the Stellar blockchain network for the Kinesis currency suite. The optimized Stellar technology enables Kinesis to leverage the high transaction speeds and superior security that Stellar offers, and in addition to this, Kinesis has been able to add unique functionality which allows for further value to be added.

### Gold Currency (KAU)

Description: 1 fine gram gold contract and token, consisting of gold cast bars of minimum fineness of 995, and bearing a serial number and identifying stamp of a refiner as per ABX Quality Assurance Framework, table of Approved Refiner List.

### Silver Currency (KAG)

Description: 1 oz silver contract and token, consisting of silver cast bars of a minimum fineness of 999, and bearing an identifying stamp of a refiner as per ABX Quality Assurance Framework, table of Approved Refiner List.

## 4.2 Kinesis Wholesale Segregated Currency Specifications

### Gold Wholesale Currency (KWG)

Description: 1 fine kilogram gold contract and token, consisting of gold cast bars of minimum fineness of 9999, and bearing a serial number and identifying stamp of a refiner as per ABX Quality Assurance Framework, table of Approved Refiner List.

### Silver Wholesale Contract (KWS)

Description: 1,000 troy ounces of silver contract and token, consisting of silver cast bars of minimum fineness of 999, and identifying stamp of a refiner as per ABX Quality Assurance Framework, table of Approved Refiner List.

# VELOCITY-BASED YIELD SYSTEM

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## 5.1 Description

Kinesis has developed a multifaceted yield system that is specifically designed to attract institutional and retail capital while incentivizing the use and velocity of the currency suite. Users are financially rewarded based on their participation and the overall velocity (rate that money changes hands) of the Kinesis currencies. This revolutionary unique yield is derived purely from economic output rather than debt like fiat currency with fractional banking.

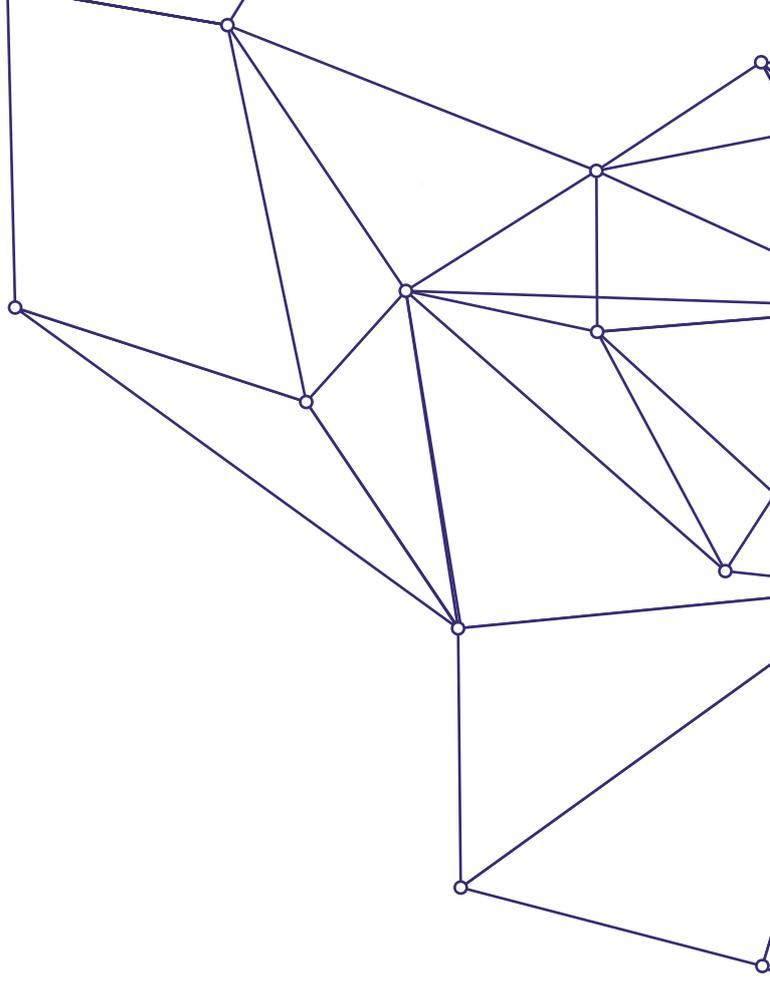
Our system provides for very interesting economic implications. Under a fiat monetary system with fractional banking, there is the need to continually devalue the currency and inflate prices to stimulate economic activity, which is proven to only work for a finite period of time and is now currently ceasing to work. In the Kinesis system of shared economic wealth this is not required due to the large incentive to utilize the currencies.

In the cryptocurrency sphere, the Kinesis currency suite will provide a stabilizing force while its use will be highly incentivized, stimulating velocity. Other volatile cryptocurrency holders can find price stability by converting their volatile cryptocurrencies into Kinesis. As a result, our currency suite will be

particularly useful for businesses and merchants.

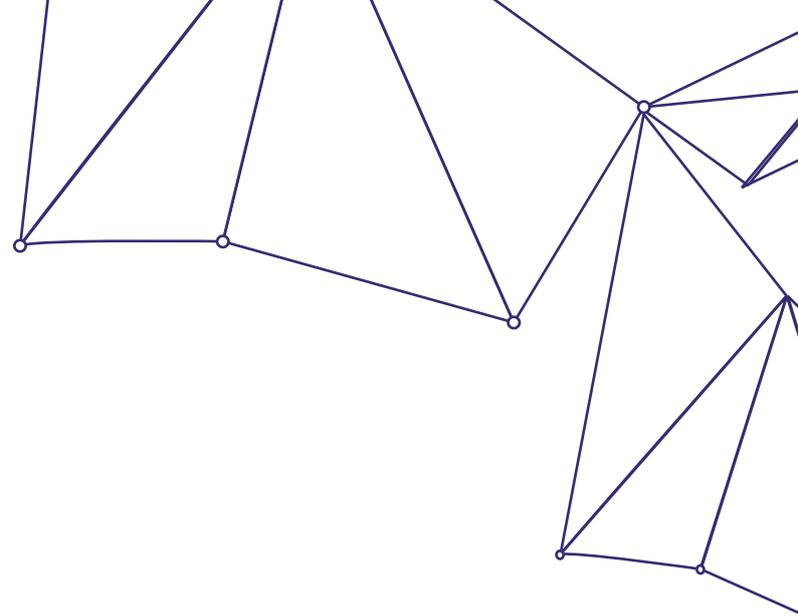
As a benchmark, we have taken the cryptocurrency backed by USD, Tether, and looked at their velocity rates and then dramatically decreased them in our assumptions to remain conservative. Tether's velocity stays high for one main reason, they provide a stable price that can be used by cryptocurrency users to liquidate volatile cryptocurrencies and hold a relatively stable one. Their model has been a success and their velocity is higher than any other cryptocurrencies. Between 1 December 2017 to 17 January 2018 their velocity rate averaged at 199% per day.

Backed up by solid argument and evidence, it is our strong conviction that the Kinesis currency suite offers a far superior substitute to Tether. While Tether



<b>Kinesis Minter Yield</b>									
	Incentive			Yield based on Velocity					
	Fee	Fee Share %	Transaction %	2%	5%	10%	15%	20%	30%
IMO	0.45%	15%	0.068%	0.49%	1.23%	2.46%	3.70%	4.93%	7.39%
Post-IMO	0.45%	5%	0.023%	0.16%	0.41%	0.82%	1.23%	1.64%	2.46%
<b>Kinesis Depositor Yield</b>									
	Incentive			Yield based on Velocity					
	Fee	Fee Share %	Transaction %	2%	5%	10%	15%	20%	30%
IMO	-	-	-	-	-	-	-	-	-
Post-IMO	0.45%	5%	0.023%	0.16%	0.41%	0.82%	1.23%	1.64%	2.46%
<b>Kinesis Holder Yield</b>									
	Incentive			Yield based on Velocity					
	Fee	Fee Share %	Transaction %	2%	5%	10%	15%	20%	30%
Post IMO	0.45%	15%	0.068%	0.49%	1.23%	2.46%	3.70%	4.93%	7.39%
KCC COMM Share <sup>1</sup>	5.00%	40%	2.0%	0.29%	0.73%	1.46%	2.19%	2.92%	4.38%
				0.78%	1.96%	3.92%	5.89%	7.85%	11.77%
<sup>1</sup> Assuming 2% of all transactions are occurring in the KCC									
<b>Kinesis Recruiter Yield</b>									
	Incentive			Yield based on Velocity					
	Fee	Fee Share %	Transaction %	2%	5%	10%	15%	20%	30%
IMO	-	-	-	-	-	-	-	-	-
Post-IMO	0.45%	7.5%	0.034%	0.25%	0.62%	1.23%	1.85%	2.46%	3.70%

*This table illustrates the incentivising yields and their potential per annum return based on the Kinesis systems money velocity rate if all incentivising yields are utilised IMO - Initial Minting Offer.*



offers price stability for cryptocurrency users, they present no certainty with redemptions and have a product that is beholden to the fractional banking system that has proven for them to be laden with multiple layers of counterparty risk. In contrast, Kinesis offers similar or better price stability and tremendous liquidity provided by bullion industry participants. These features mitigate counterparty risk (bullion and cash vaulted) and provide much greater incentive to trade, use, and attract capital.

## 5.2 Velocity Based Incentivizing Yields

### 5.2.1 Minter Yield

The Kinesis currency Minter yield is designed to attract capital and then put it into motion while maximizing the incentive to use (send, spend or sell) the currency. This system rewards participants who create (“Mint”) the currency in the primary market and then use it in the secondary blockchain market. Minters receive a proportional share of the transaction fees as a yield forever on the Kinesis coins they create. The more Kinesis coins created, are transacted, or the higher the velocity, the higher the yield.

### 5.2.2 Holders Yield

Holder Yield provides a yield on passive participation in Kinesis currency while holding the currencies. This return is purely passive and designed to compete with bank deposits, stock dividend yields and rental property yields. Kinesis Holders simply enjoy the benefits of the economic activity of the system while having their money held in the circulation.

### 5.2.3 Referrers Yield

Referrers Yield rewards entities such as people or corporations who refer new users of the currency suite. This yield is designed to incentivize more participants into the ecosystem.

### 5.2.4 Depositors Yield

Depositors Yield is applicable on user’s initial deposit directly into their Kinesis Wallet. This system maximizes the incentive for a large initial deposit and then further use of the currency. Depositors receive a

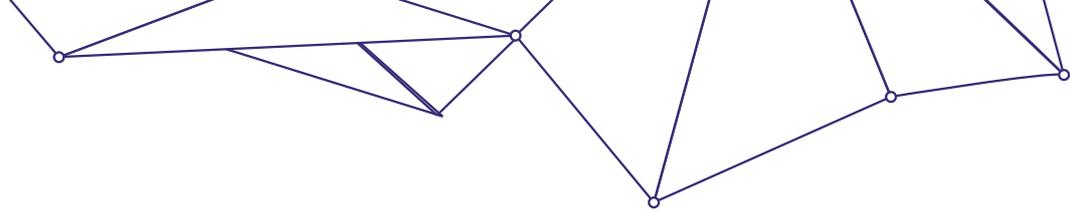
share of the transaction fees as a yield forever on the Kinesis coins they bought and then used. Again, the higher the velocity of the initially purchased Kinesis coins, the higher the yield.

### 5.2.5 Fee Sharing

Higher ongoing fees are offered to early adopters of the Kinesis currency suite, per the IMO column on the table above. This phase runs from 25 March 2019 to 30 August 2019. To participate in the Kinesis currency suite Initial Minting Offer, subscription is required in the KVT ITO and then qualification under 5.2.

Fee Sharing			
	Transaction Fee Share		KCC Commission Share
	IMO	Post-IMO	
Minter	3x	5%	
eWallet Depositor	N/A	5%	
Holder	N/A	15%	40%
Recruiter	N/A	7.5%	
KVT	N/A	20%	20%
White Labeller	N/A	10%	20%
Partners	N/A	20%	0%
Kinesis	N/A	17.5%	20%
	-	100%	100%

*This table illustrates where the fees can go for every transaction IMO - Initial Minting Offer.*



# KINESIS ECONOMY

## 6.1 Kinesis Minters

Kinesis Minters will receive a yield on their participation by simply purchasing Kinesis currency in the Kinesis Mint and then sending, spending, or selling them in the Kinesis Blockchain Network (KBN). Once the currency is purchased in the Kinesis Mint it is automatically emitted and appears in the Minters Kinesis Wallet in KBN. The Minters Yield will become receivable once the coins are then sent, spent, or sold (from the offer side) via their Kinesis Wallet.

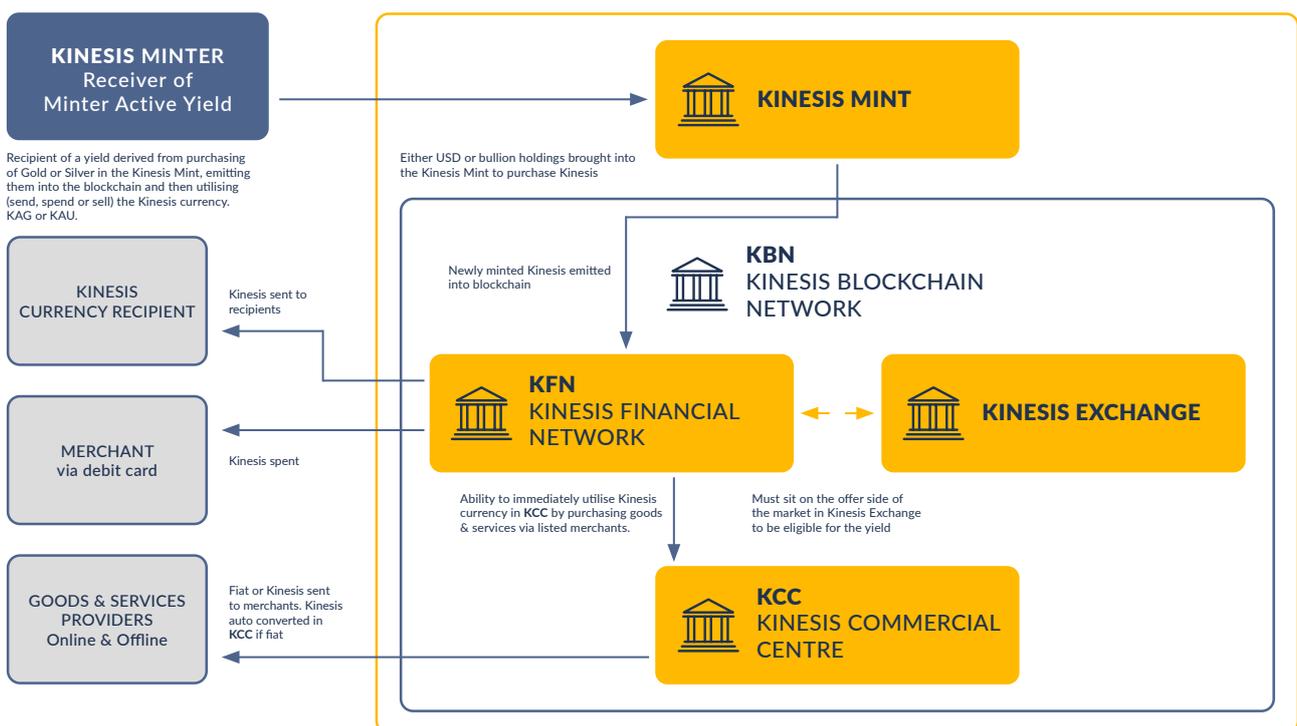
This system also provides people and businesses with perpetual recurring revenue that continues to build over time with currency use, simply just for creating and using the Kinesis currency. The yield is based on the velocity of the currency and derived from a perpetual share of transaction fees from the coins the Minter created in proportion to all coins in existence. The more currency minted and sent into the system by the Minter, the more value of currency

will be moving through the system and the greater

the recurring financial reward will be. This highly incentivizes the use of the currency. In order to profit, capital only needs to be tied up for a relatively short period of time providing a unique revenue generating opportunity to everyone with requisite spare capital.

### Examples include:

- Businesses can pay their employees in Kinesis currencies and begin building an entirely new revenue stream that continues to grow larger and larger over time.
- Private and institutional participants/traders can circulate their capital and earn more as more Kinesis currency they minted travels through the system.

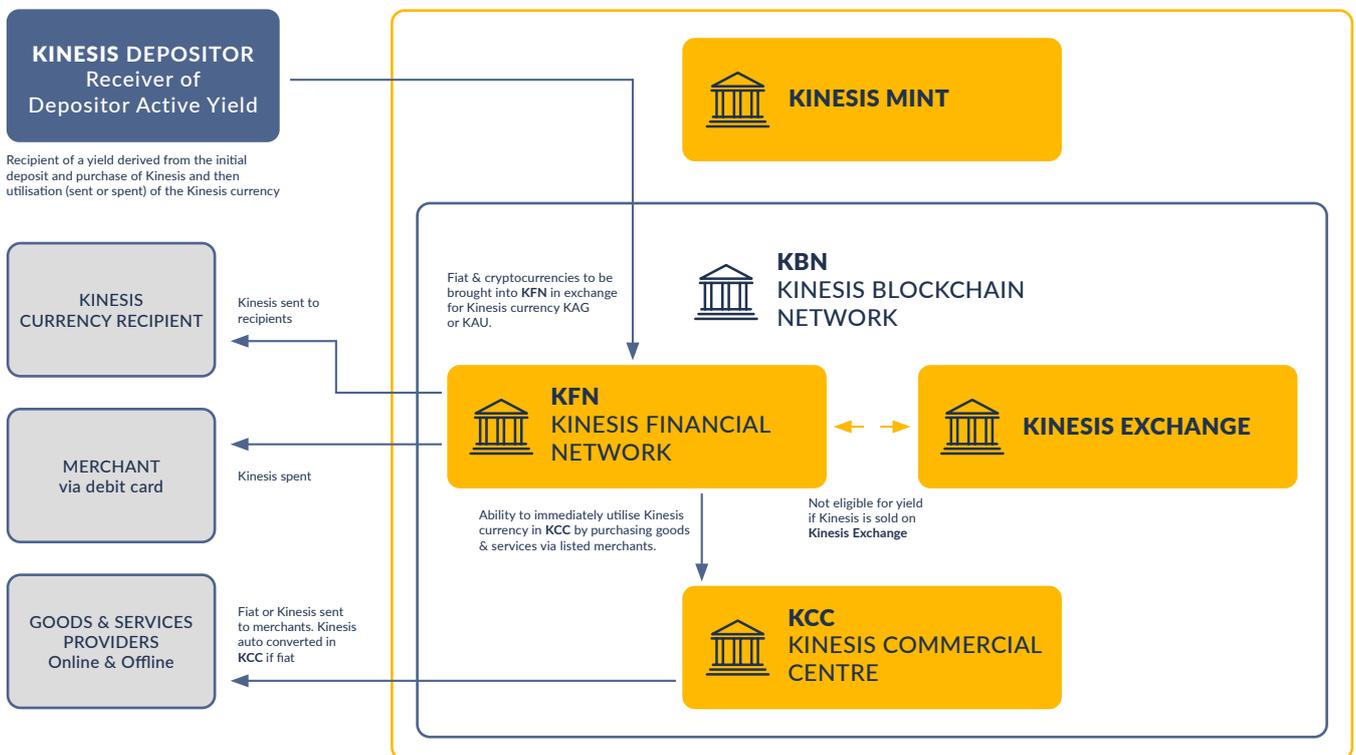


## 6.2 Kinesis Depositors

Kinesis Depositors will receive a yield on their initial deposit and purchase of Kinesis from their Kinesis Wallet in the KFN once they are sent or spent. As Kinesis' currencies travel from hand-to-hand throughout the KBN a proportional share of the transaction fees will be shared perpetually with the Depositor for the life of the currency.

The yield is based on the velocity of the currency and derived from a perpetual proportional share of the transaction fees associated Kinesis currency in existence. This yield is also designed to maximize initial deposits into the Kinesis Blockchain Network by strongly rewarding this initial deposit. This is applicable for all Kinesis currencies in the Kinesis digital currency suite.

## 6.3 Kinesis Holders

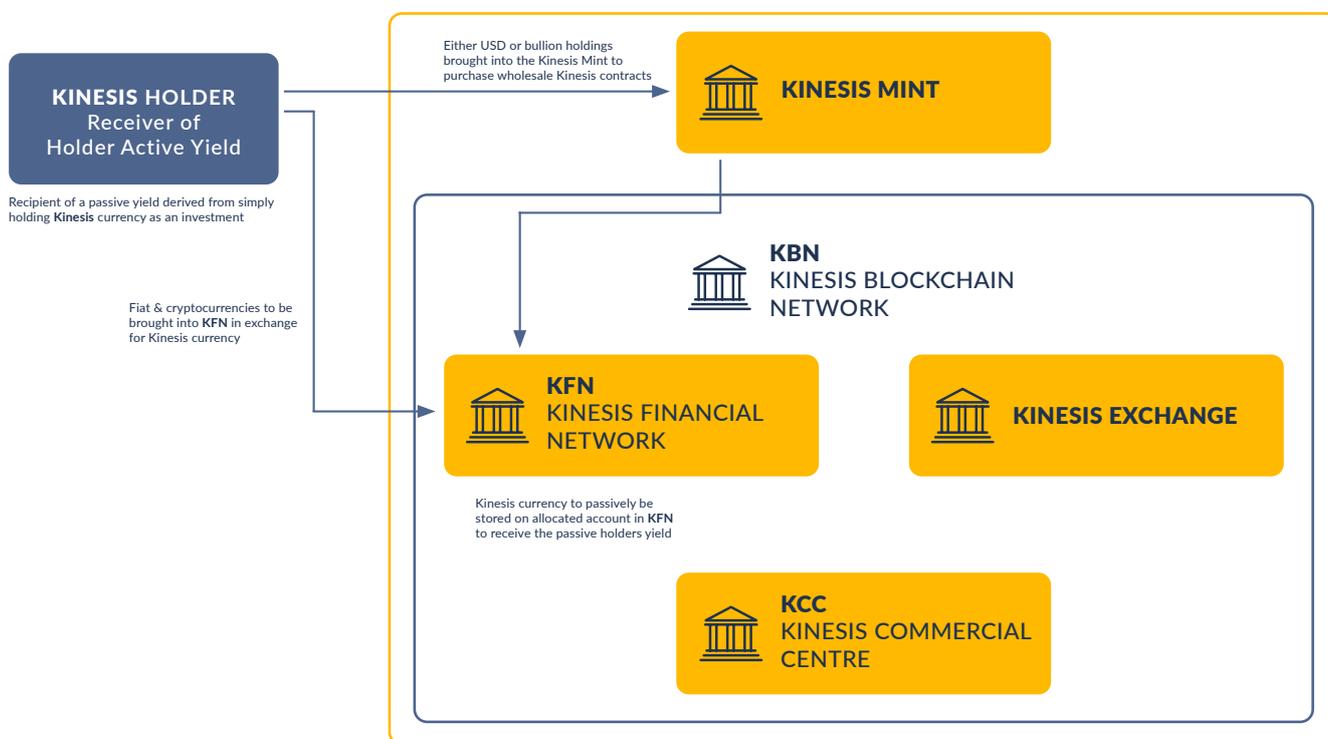


Kinesis Holders will receive a yield on their passive participation in the Kinesis currency held in their Kinesis Wallet. The yield is based on the velocity of the currency and derived from a consolidated share of the transaction fees across the Kinesis Blockchain Network (KBN), calculated on a daily basis and credited to their Kinesis Wallet accounts monthly.

This yield is derived from true economic activity and a sharing of the wealth of the entire Kinesis system as there is no interest or debt associated with this yield. Based on conservative velocity figures the yield will far surpass global bank deposit interest rates with allocated ownership and less risk. Therefore, Kinesis is set to attract large sums of capital from all asset classes spread across the world. This is applicable for all Kinesis currencies in the Kinesis digital currency suite.

### 6.4 Kinesis Referrers

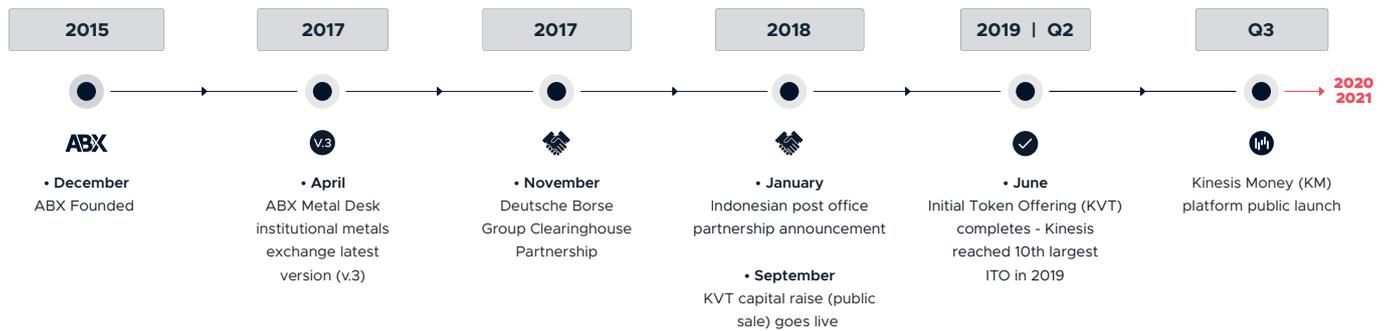
Kinesis Referrers will receive a perpetual revenue share on all transaction fees from the participants they recruit.



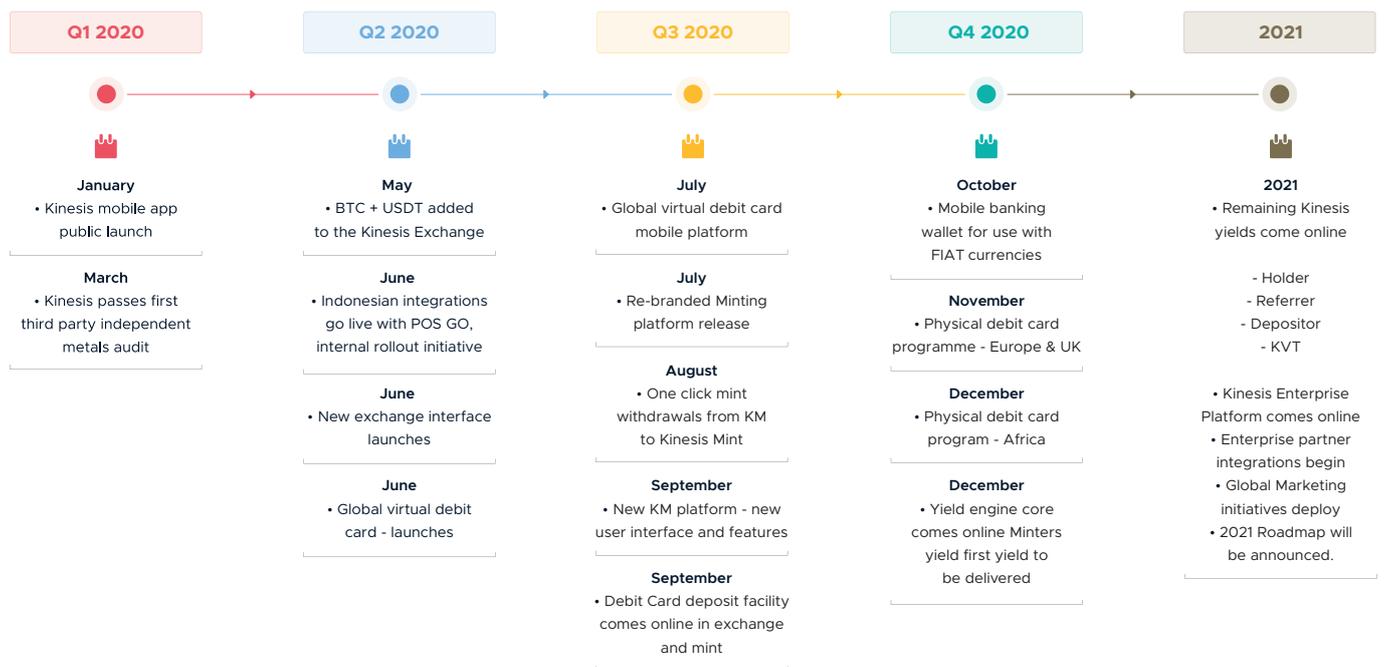
This provides an immediate business opportunity for anyone, whether they are: a private individual referring friends or family; someone wanting to establish a business to refer participants/ users into Kinesis; an online marketer or affiliate; a person or business wanting to refer other businesses or broker/dealer operations in; or a pre-established business wanting to enrol their clients in the Kinesis system. The viral and scalable nature of the system is quite effective.

# KINESIS ROAD MAP & LAUNCH TIMELINE

## 2015 - 2019



## 2020 - 2021



# KINESIS VELOCITY TOKEN & INITIAL TOKEN OFFERING (ITO)

The Kinesis Velocity Token is a utility token that receives a portion of the transaction fees from the Kinesis Monetary System components. The KVT is an ERC20 token, requiring an ERC20 compatible wallet.

## 8.1 Rates

KVT holders receive a proportional 20% share of all transaction fees associated with all Kinesis currencies and 20% of all commissions from the Kinesis Commercial Centre (KCC).

- Price: USD 1,000
- Currently, the Pre-sale offers a 2.5% discount until 9 September 2018.
- Technically and legally hard capped to a maximum of 300,000 KVTs to be issued.
- A minimum of 5% and a maximum of 20% of transaction fees of the Kinesis system will go towards buying back the tokens at market prices, which will then be held by Kinesis Cayman.

## 8.2 Use of Funds

Kinesis raised US\$194 million through the sale of 300,000 KVT's; enabling it to aggressively grow its businesses. Key milestones have included the integration of all elements in its physical asset based digital currency, blockchain development, payments systems, vaulting, and precious metal trading businesses followed by the initiation of its global commercialization program. Roughly \$44.25 million has been allocated to working capital since the completion of the ITO. Working capital is primarily to support market making activity on Kinesis Exchange and a float of fiat versus Kinesis Currencies on

debit card use. \$148.75 million has been allocated to capital investment in platform integrations, financial and banking licenses, and a series of strategic investments across the supply line. Strategic Investments are key to Kinesis delivering infrastructure and partnerships to ensure optimal operating capacity and growth, this could be taking ownership stake in one or more vaulting businesses, broker-dealer or bullion dealing firms, bullion refiners (anything along the physical bullion supply chain); or tie-ups in the Crypto space (crypto exchanges, crypto custodians, etc.)



## 8.3 Token Allocation

TOKEN ALLOCATION		
	Advisors	5%
	Founders & Management	9%
	Bounty Campaign	3%
	Marketing	3%
	Reserve Fund	10%
	Kinesis Community	70%
		100%

## 8.4 Token Information

Token Type:	ERC20
Min. KVT Purchase:	1 KVT
Token Value:	1 KVT = \$1,000 USD
Max. KVT Purchase:	No
Soft Cap:	15,000 KVT
Hard Cap:	300,000 KVT
Currencies Accepted:	ETH, BTC, AUD, USD, USDT
ITO Public Sale Ends:	23:59 GMT, 30th June 2019

# THE EXECUTIVE TEAM

The Executive Team, led by Thomas Coughlin, oversees the day to day operations of Kinesis and is responsible for the management, operations and direction of the company.



**THOMAS COUGHLIN**  
Chief Executive Officer

Thomas has worked in the investment, funds management and bullion industries for approximately seventeen years with his portfolio management career spanning the foundation of the boutique investment company, TRAC Financial, to the establishment of a highly successful Absolute Return Fund. A significant part of his career has been dedicated to building systems of a cross-border international bullion market with a global network of central bankers, brokers, fund managers and governments. His experience and broad knowledge of capital markets, enable him to deliver exceptional value and insight to all stakeholders.



**MICHAEL COUGHLIN**  
Chief Financial Officer

Michael has a total of 41 years' experience as a CPA in the accountancy and financial services professions. He has owned and operated a Brisbane-based public accountancy firm and financial services company since 1984. Awarded a Cadetship with the Australian Taxation Office in 1973, he worked in the assessing, business audit and investigation areas of the Australian Taxation Office, and eventually in the Interpretation and Advising Branch of the Taxation Office's Head Office in Canberra until November 1979, at which time he commenced in public practice.



**DAVID CHARLES**  
Non-Executive Director

David has protected and advanced the interests of some of the largest and most prominent entities in the world, across four continents. His experience spans corporate structuring, domestic and cross-border mergers & acquisitions, capital markets and private equity, insurance, intellectual property and planning & environment law. David holds a Bachelor of Laws (Commercial Law) from the University of Queensland and a Graduate Diploma of Legal Practice. He is admitted/registered in several jurisdictions worldwide.



**DAVID UNDERWOOD**  
Non-Executive Director

David Underwood worked with the Queensland Department of Education until 1977. During his time in Queensland Parliament, he was the Shadow Minister of Health, Education, Tourism and National Parks serving numerous Parliamentary Committees. Following his resignation from Parliament, he was a consultant to business and industry for a number of years prior to becoming the Mayor of Ipswich City for four years until local government amalgamation of Ipswich City and Moreton Shire in 1995.



# THE EXECUTIVE TEAM

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**ERIC MAINE**  
Chief Strategy Officer

Eric Maine has more than 30 years of senior management experience in the exchange and financial markets. His most recent positions in the Asia Pacific Region included Director of Market Development at the Hong Kong Mercantile Exchange (HKMEx), Head of Product Development and Management at Singapore Exchange (SGX), and Head of Product & Research at Singapore Mercantile Exchange (SMX). Eric has also held positions at Intercontinental Exchange (ICE) and the New York Board of Trade. His experience and broad knowledge of markets, enable him to deliver exceptional strategic value to the overall Kinesis system.



**JAI BIFULCO**  
Chief Commercial Officer

Jai has spent over 15 years honing his expertise as an award-winning full-stack marketer and sales professional in various fintech, investment and trading firms. Holding the role of director with multiple FCA and ASIC-regulated CFD brokers as well as consulting to the mining, technology and fintech sectors. Jai has steered successful capital raising efforts and development initiatives for various start-up ventures globally. Bringing a global perspective to each role, having worked with both start-ups and household names all around the world, he brings a passionate and strategic direction to his role in Kinesis.



**RICHARD MELBOURNE**  
Chief Operating Officer

Richard has spent the past decade within the Financial Services industry as a senior investment advisor and head of operations at both boutique speciality investment firms, along with internationally respected investment houses. Richard has always been in customer-facing roles and understands the significant value of delivering excellence in building relationships with institutional and sophisticated clients, each from highly varied industries, underpins the unrivalled level of customer satisfaction he aims to deliver in this role.



**ANDREW MAGUIRE**  
Director

Andrew Maguire is a consultant and advisor to many international hedge fund managers, bullion banks, directors and metal traders globally, all of whom rely on his highly recognized field of expert market analysis and incredibly accurate ability to forecast. Andrew is internationally renowned for his unique ability to read the precious metals market, with his specialist knowledge and experience gained over 40+ years trading in financial and commodity markets and is the expert in these highly complex and competitive fields. Andrew is regularly featured in international media, documentaries and is guest speaker at many international conferences.



# THE LEADERSHIP TEAM

Our Executive Team also receives support and assistance from the following individuals who comprise our Leadership Team.



**SHANE MORAND**  
Strategic Consultant

Shane Morand has achieved global success across the direct selling and multi-level marketing industries. By the age of 25, establishing himself as the Vice President of Sales and Marketing for a major printing firm in Ottawa, Canada. Shane co-founded an international global gourmet coffee company, which innovatively sells products through a network of independent distributors and has since become one of the most successful companies in the direct sales industry worldwide. The rapid global expansion of the company saw growth from zero to US\$1 billion in total sales under 5 years, with over 1.8 million distributors in 50+ countries.



**CHRISTIAAN ROESCH**  
Head of Operations - Africa

Christiaan is a highly respected entrepreneur with a passion for business and the growth acquired through entrepreneurship. Christiaan has developed a strong knowledge base in the finance, mining, energy and IT industries. Further to this, Christiaan founded and co-founded several start-ups and provided the necessary drive and entrepreneurial flair for business growth. Christiaan has also signed various exclusive distribution agreements with top technology companies world-wide which includes partnerships with IT companies in Sri-Lanka, Brazil and the UK.



**MARTÍN AGUILAR**  
Head of Operations - LatAm

Martin has more than 20 years of experience in driving profitable sales growth and product development in leading start-ups. He has been well recognized with the ability to lead new strategic processes and implementations for business in multiple distribution channels across Latin America. Having previously been responsible as Director of International Business Development for a large investment company, Martin was able to increase production growth from USD\$18 M to USD\$35 M whilst increasing South America global participation.



**BORIS SHEKEROV**  
Lead back-end developer

Boris Shekerov is a talented full stack developer with a wide range of front end and back end development experience for a variety of global platforms and financial services. His advanced skillset to innovative development projects across the financial industry; including, an analytics company dedicated to cost-efficiency trading derivatives, OpenGamma, and global investment manager and technology provider, BlackRock. Boris was responsible for the full-stack development of Kainos, a leading provider of Digital Services and platforms, and is the founder and software developer of Cloudruid, a highly-specialised boutique software development company.



# THE LEADERSHIP TEAM

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**SOM RANGA**  
Senior Associate

Som Ranga has developed specialised, functional expertise of fund management and financial analysis over the course of his career. In preparation for his careers as an analyst, Som graduated with a Bachelors of Commerce and a Masters of Finance, where his continued academic excellence was recognised with a Dean's Scholarship. Som utilises his client management skills to assist Member Services and demonstrates strong analysis within the physical bullion and cryptocurrency markets. Som brings a wealth of experience in financial modelling, reporting and analysing complex financial data to the Kinesis Team.



**JEREMY LEE**  
Senior Associate

Jeremy holds a deep knowledge of the intricacies of all legal practice pertaining to the global trade of precious metals and blockchain technology, and has been with Kinesis for over 2 years focusing primarily on the project's legal, compliance and risk function. Jeremy has an intimate understanding of blockchain-related solutions and technologies, notably as a Certified Bitcoin Professional with C4 and as a Certified Blockchain Developer with the Blockchain Council. Prior to joining Kinesis, Jeremy practised commercial law with a leading independent Australian law firm based in Brisbane. He holds a Bachelor of Laws and a Bachelor of Commerce (Accounting).



**ALEX DOCHERTY**  
Design Director

Alex Docherty is responsible for the design direction of Kinesis products, digital media and marketing collateral, and the management of the core design team. He is focused on delivering marketing campaigns and product vision, whilst developing and building a recognisable and consistent brand. Alex brings over 15 years of UX / UI, front end web and online programmatic advertising experience. He has delivered successful, creative campaigns for big industry clients across the film and television, retail and gaming industries. Alex is also an avid blockchain enthusiast with a wealth of knowledge in blockchain technologies and trading exchanges.



**NATALINA INGLIS**  
Office Manager

Natalina is a talented and organised Global Administration Manager with over 10 year's experience managing global networks of offices. Her attention to detail is second to none and regularly anticipates the day to day needs of the organisation and individuals. Coordinating both administration and Human Resources, Natalina spares no effort in striving for a dynamic culture for the organisation. A systems and procedure focused professional with a passion for workflow automation. Natalina is helping lead our teams to best practice by simplifying processes and ensuring streamlined operations in a global environment.



# THE ADVISORY TEAM

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**TARIQ AL HABTOOR**  
Investment Relations



**AXEL PAUL DIEGELMANN**  
Co-founder - LPM Group



**PÁDRAIG SEIF**  
Advisory Board Member



**WILLIAM KAYE**  
Senior Director of PGL



**BRYAN FEINBERG**  
Blockchain Venturist



**SERGIO FERNANDEZ  
DE CORDOVA**  
Public - Private Partnerships  
Expert



**FRANCISCO DE BORBON**  
Government Relations Expert



**SHEIKH MOHAMED  
AL QASIMI**  
Advisory Board Member



**CHIMEZEIE CHUTA**  
Advisory Board Member



**ALI HUSSEIN KASSIM**  
Advisory Board Member



**ANDREA ZANON**  
Risk Management



# CONCLUSION

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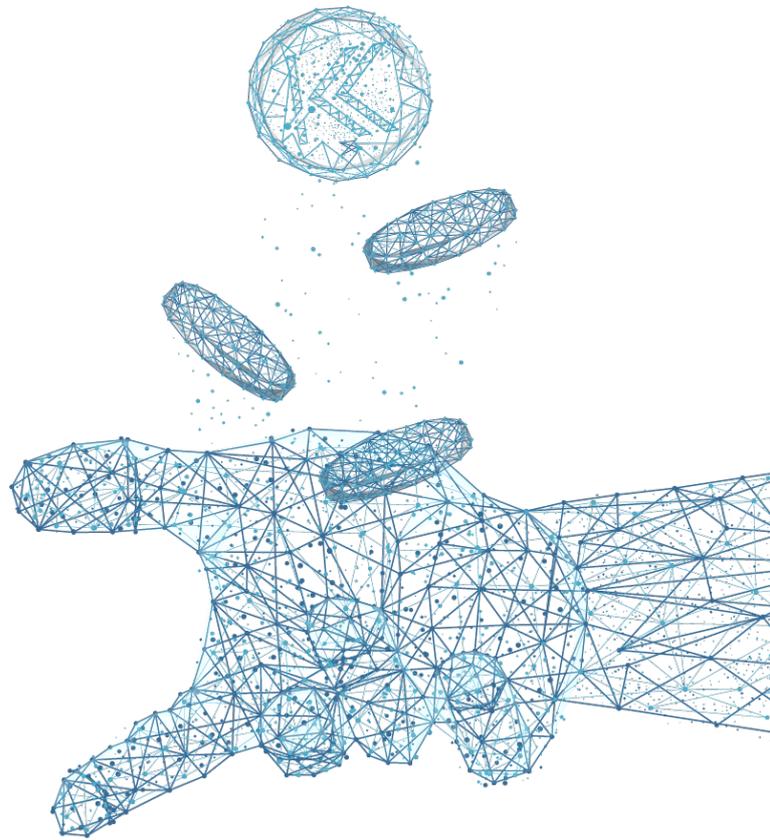
This whitepaper has presented a new system for money which has been architected and engineered for real world application and success. For money to be successful it must be:

1. An efficient medium of exchange
2. An effective store of value.

However, it is very difficult to achieve both while promoting economic activity, hence the continual desire by central planners to maintain a level of inflation, or in other words a devaluation of currency. Under the Kinesis Monetary System, we are able to take the greatest store of value, gold, make it an efficient medium of exchange via blockchain and cryptocurrency technology, then stimulate money velocity and economic activity through a multifaceted incentivizing yield system.

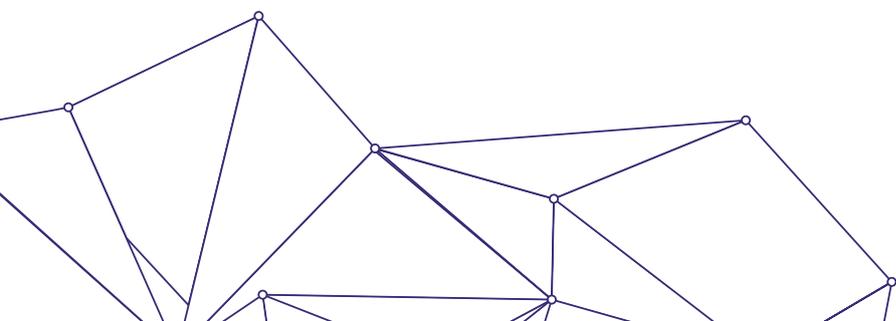
Kinesis is not abstract or theoretical, it has been meticulously planned and, at the time of writing, the majority of the ecosystem has been built with commercialization underway. It has been architected and engineered by exchange, market, banking, and technology professionals who have a deep understanding of what is required to build out and implement this monetary system and currency market in the most strategically effective sequential way. Furthermore, the distribution network is already extraordinarily powerful and primed for action.

**For in-depth information on the kinesis monetary system including, financial analysis and projections, management team and much more, please download the [blueprint at kinesis.money](https://kinesis.money)**



We believe that Kinesis has the power and design to address the multitude of flawed cryptocurrencies in the marketplace. Kinesis stands ready to energize the next wave of innovation in the blockchain and decentralized cryptocurrency space. We look forward to your participation and welcome you to Kinesis.

**The monetary system for a successful and sustainable future.**



# IMPORTANT INFORMATION & DISCLAIMER

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## General

This investor presentation (the “Presentation”) has been prepared by Kinesis Cayman (“Kinesis”). While this Presentation has been prepared in good faith and to the best of their ability by the Kinesis management, recipients should make their own independent investigations and enquiries regarding matters in this Presentation, and rely upon their own judgment as to the accuracy and completeness of any information. Any reliance placed by the recipient on any information shall be at their own risk and Kinesis and other related entities shall not be liable for any indirect or consequential loss whatsoever or howsoever arising.

## Confidentiality Undertakings

The information contained in this Presentation is being provided on a confidential basis to the recipient solely for the purpose of evaluating an investment in KVT. This Presentation may not be distributed, reproduced or used without the prior, written consent of Kinesis for any purpose other than the evaluation of Kinesis’ business. By accepting a copy of this Presentation (whether in hard or soft copy form), the recipient agrees, for itself and its related bodies corporate and each of their officers, employees, agents, advisors and other stakeholders, to maintain the confidentiality of this information. The recipient acknowledges and agrees that any reproduction or distribution of this Presentation, in whole or in part, or any disclosure of its contents, or use of any information contained in this Presentation for any purpose other than to evaluate an investment in KVT is prohibited. Where this Presentation has been provided to you under a non-disclosure and/or confidentiality agreement, the terms of said document(s) shall override any confidentiality terms contained herein.

## Contemplated Transaction

Kinesis reserves all rights in relation to the conduct of any transaction, including but not limited to the right to deal with parties on materially different terms, terminate discussions with any or all persons, alter or discontinue any offer to purchase KVTs at any time prior to entering into binding legal arrangements, all without prior notice or liability to any recipient of this Presentation or any other person. This Presentation does not purport to provide all of the information the recipient may require in order to evaluate an investment in KVT. Recipients should make any of their own enquiries and evaluations which they consider appropriate to verify the information provided herein.

## Forward-looking Statements

This Presentation may contain forward looking statements relating to Kinesis’ operations that are based on management’s current expectations, estimates, projections and assumptions about the business. These statements are not guarantees of future performance, results, achievements or other events and are subject to certain risks, uncertainties and other factors, some of which are beyond the control of Kinesis or their representatives and are difficult to predict. Actual outcomes and results may differ materially from what is expressed, forecast or projected in such forward-looking statements. No representations, warranties or undertakings are made as to the accuracy or reasonableness of such expectations, estimates, projections and assumptions.

This information is provided for general information purposes only and does not constitute an offer of any form of security or

investment product. You should consult with your own investment advisers and lawyers before determining whether you are legally entitled to invest in a product of this nature in future and whether it is right for your investment profile. Kinesis can not and does not provide legal or investment advice and disclaims all legal responsibility in relation to such matters.

# RISK FACTORS AND DISCLOSURES

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**IMPORTANT NOTICE: PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE RISKS INVOLVED IN DETERMINING WHETHER PURCHASING THE TOKENS IS A SUITABLE INVESTMENT, CERTAIN OF WHICH ARE SUMMARISED BELOW. THE COMPANY RESERVES THE RIGHT TO UPDATE THIS LIST OF RISK FACTORS AND DISCLOSURES FROM TIME TO TIME.**

## DISCLOSURES REGARDING TOKENS

### Nature of Tokens

Except as explicitly set out in this whitepaper, Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features on the Kinesis Platform. The Company does not guarantee and is not representing in any way to a Purchaser that the Tokens have any rights, uses, purpose, attributes, functionalities or features. The purchase of Tokens does not provide a Purchaser with rights of any form with respect to the Company or its revenues or assets, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights; is not a loan to the Company; and does not provide the Purchaser with any ownership or other interest in the Company.

A high degree of technical expertise is needed to understand the Tokens, the Kinesis Platform and the Token Launch. A prospective Purchaser should not proceed with a purchase of the Tokens unless they fully understand the technical aspects involved.

### Tokens are non-refundable

Other than instances described in this whitepaper related to the non-completion of the Token Launch, the Company is not obliged to provide Token holders with a refund for any reason and Token holders will not receive money or other compensation in lieu of a refund. The Tokens are also not redeemable at the option of the Purchaser. Statements set out in this whitepaper are merely expressions of the Company’s objectives and desired work plan to achieve those objectives. and no promises of future performance or price are or will be made in respect to Tokens, including no promise of inherent value, and no guarantee that Tokens will hold any particular value.

### Tokens are provided on an ‘as is’ basis

The Tokens are provided on an “as is” basis. The Associated Parties and each of their respective directors, officers, employees, shareholders, affiliates and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding the Tokens, including any warranty that the Tokens and the Kinesis Platform will be uninterrupted, error-free

or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by applicable law, the Associated Parties and each of their respective directors, officers, employees, shareholders, affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealings, usage or trade.

### **Tokens may have no value**

The Tokens may have no value and there is no guarantee or representation of liquidity for Tokens. The Company is not and shall not be responsible for or liable for the market value of the Tokens, the transferability and/or liquidity of the Tokens and/or the availability of any market for Tokens through third parties or otherwise.

### **Company may not successfully launch the Kinesis Platform**

The Company may not successfully develop, market and launch the Kinesis Platform and you may not receive Kinesis Tokens. The Kinesis Platform has not yet been fully developed by the Company and it will require significant capital funding, expertise of the Company's management, time and effort in order to develop and successfully launch the Kinesis Platform in its entirety. It is possible that the Kinesis Tokens and/or the Kinesis Platform may never be released, that there may never be an operational Kinesis Token. Even if fully developed, the Kinesis Token and/or the Kinesis Platform may not meet your current expectations. Despite the Company's efforts to develop and launch the Kinesis Platform and subsequently to further develop and maintain it, it is possible that the Kinesis Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Kinesis Platform and the Kinesis Tokens.

### **Lack of development of market of Tokens**

There are no warranties that Tokens will be listed or made available for exchange for other cryptocurrency and/or fiat money. It shall be explicitly cautioned that if Tokens are made available on an exchange, such exchange, if any, may not be subject to regulatory oversight, and the Company does not give any warranties in relation to any exchange services providers. Because there has been no prior public trading market for Tokens, the Token Launch may not result in an active or liquid market for Tokens, and the price of Tokens may be volatile. Token holders may not be able to dispose of Tokens easily and where no secondary market develops, a Token holder may not be able to liquidate at all. Proposed transfers of the Tokens may be blocked by the Company in circumstances where the proposed transferee has not already completed the Company's KYC and AML procedures (including, without limitation, verification of identity and source of funds) to its satisfaction. Purchasers should be aware of the restrictions on their subsequent sale.

The viability of the Kinesis Platform and the usability of the Tokens depends on the establishment of partnerships with merchants, retailers, dApp stores etc. Accordingly, if there is a low or limited development of such partnerships, the Tokens may be unusable and become worthless with the entire amount contributed by a Purchaser being at risk.

### **Highly Competitive Environment**

Financial and operating risks confronting start-ups are significant, and the Company is not immune to these. The start-up market in which the Company competes is highly competitive and the percentage of companies that survive and prosper is small. Start-ups often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved. In addition, start-ups may require substantial amounts of financing, which

may not be available through institutional private placements, the public markets or otherwise.

### **Risks relating to highly speculative prices**

The valuation of cryptocurrency in a secondary market is usually not transparent, and highly speculative. The Tokens do not hold any ownership rights to the Company's assets and, therefore, are not backed by any tangible asset. The value of Tokens in the secondary market, if any, may fluctuate greatly within a short period of time. There is a high risk that a Purchaser could lose its entire contribution amount. In the worst-case scenario, Tokens could be rendered worthless.

### **Delays due to unforeseen, technical, administrative or security issues**

The Company reserves the right to change the duration of the pre-ITO and the subsequent ITO as explained in the Blueprint for any reason, including without limitation, bugs in the Kinesis Smart Contract, Kinesis Software or the Kinesis Platform and/or the unavailability of the Website or other unforeseen, technical, administrative or security issues.

### **Expropriation and/or Theft**

The Tokens may be subject to expropriation and/or theft. Hackers or other malicious groups or organizations may attempt to interfere with the Kinesis Smart Contract, this Whitepaper or the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing.

### **Force Majeure**

The Token Launch and the performance of the Company's activities set out in this whitepaper and the development roadmap may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this whitepaper, "force majeure" shall mean extraordinary events and circumstances which could not be prevented by the Company and shall include: changes in market forces or the technology, acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies, other circumstances beyond the Company's control, which were not in existence at the time of Token Launch.

### **Alternative Networks**

It is possible that alternative networks could be established that utilise the same or similar open source code underlying the Kinesis Platform and attempt to facilitate services that are materially similar to those offered on the Kinesis Platform. The Kinesis Platform may compete with these alternative networks, which could negatively impact the Kinesis Platform and the Kinesis Tokens.

The Kinesis Tokens are comprised of open-source technologies that depend on a network of computers to run certain software programs to process transactions. Because of this less centralized model, the Company has limited control over the Kinesis Tokens and the Kinesis Platform once launched. In addition, you are not and will not be entitled to, vote or receive dividends or be deemed the holders of capital stock of the Company for any purpose, nor will anything be construed to confer on you any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

## Insurance

Unlike bank accounts or accounts at financial institutions, Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by the Company to offer recourse to a Purchaser.

## Regulation and other factors

The further development and acceptance of blockchain networks, including the Kinesis Platform, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of the Kinesis Platform and the Kinesis Tokens. The growth of the blockchain industry in general, as well as the blockchain networks with which the Kinesis Platform will rely and interact, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency industry, as well as blockchain networks, include, without limitation:

- Worldwide growth in the adoption and use of Bitcoin, Ether and other blockchain technologies;
- Government and quasi-government regulation of Bitcoin, Ether and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- The maintenance and development of the open-source software of the Bitcoin or Ethereum networks;
- Changes in consumer demographics and public tastes and preferences;
- The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks;
- General economic conditions and the regulatory environment relating to cryptocurrencies; or
- A decline in the popularity or acceptance of the Bitcoin or Ethereum networks may adversely affect our results of operations.

Regulatory status of cryptographic tokens, digital assets and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact Kinesis Tokens in various ways, including, for example, through a determination that Kinesis Tokens are regulated financial instruments that require registration. The Company may cease the distribution of Kinesis Tokens, the development of the Kinesis Software and/or Kinesis Platform or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.

## Abandonment of the Platform

You understand that the development of the Kinesis Software and/or Kinesis Platform may be abandoned for a number of reasons, including, but not limited to, lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key personnel, and therefore any ongoing success in the Kinesis Software and/or Kinesis Platform relies solely on the interest and participation of third parties. There can be no assurance or guarantee that there will be sufficient interest or participation in the Kinesis Tokens distribution.

## Other Risks

You understand and accept that the risks described herein and

other risks which are not specifically mentioned may cause you damage including, among other things, the complete loss of Funds and/or Kinesis Tokens, and that the Company reserves the right in its sole discretion not to compensate, refund or guarantee any remedy for any damage or loss to you and/or to any third party in relation thereto.

## Forward Looking Statements

All statements, estimates and financial information contained in this whitepaper, made in any press releases or in any place accessible by the public and oral statements that may be made by the Company or any Associated Party that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "aim", "target", "anticipate", "believe", "could", "estimate", "expect", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "would", "will" or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's financial position, business strategies, plans and prospects and the future prospects of the industry which the Company or the Kinesis Platform is in are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Company's or the Kinesis Platform's revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this whitepaper regarding the Company or the Kinesis Platform are matters that are not historic facts, but only predictions.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual events or results, performance or achievements to differ materially from the estimates or the results implied or expressed in such forward-looking statements. These factors include, amongst others:

- changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which the Company and the Kinesis Platform conducts their respective businesses and operations;
- the risk that the Company or the Kinesis Platform may be unable to execute or implement its or their business strategies and future plans;
- changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
- changes in the anticipated growth strategies and expected internal growth of the Company or the Kinesis Platform;
- changes in the availability and fees payable to the Company in connection with its respective businesses and operations and/or the Kinesis Platform;
- changes in the availability and salaries of employees who are required by the Company to operate the respective businesses and operations and/or the Kinesis Platform;
- changes in preferences of the customers of the Company or the Kinesis Platform;
- changes in competitive conditions under which the Company or the Kinesis Platform operates, and the ability of the Company or the Kinesis Platform to compete under such conditions;
- changes in the future capital needs of the Company or the Kinesis Platform and the availability of financing and capital to fund such needs;
- war or acts of international or domestic terrorism;
- occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of the Company and/or the Kinesis Platform;
- other factors beyond the control of the Company; and
- any risks or uncertainties associated with the Company and its business and operations, the Tokens, the Token Launch, the Kinesis Platform and the underlying assets (each as referred to in this whitepaper).



**KINESIS**

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