



More Than Exchange

WHITEPAPER 1.0

INTRO

10 years into Blockchain Era we see a new set of challenges and problems, ones that could not be envisioned before. Kanga Exchange was created with a vision of solving most if not all of them.

Imagine a cryptocurrency exchange that's fully decentralized, willing to support all legitimate ICOs with a fraction of a commonly asked fee and offers secure asset storage with a free of charge Private Vault feature that is unheard of in the industry. An exchange that buys back its tokens and rewards traders for their activities with mining rewards. An exchange that is fully complaint and ready for STO offerings on its platform. And that is what Kanga is all about: an innovative, convenient and fully complied with EU law. And more!

Kanga is a rapidly growing ecosystem of fintech tools and services designed to encourage and facilitate widespread adoption of cryptocurrency in everyday life. It is really more than an exchange with its growing local OTC services across Poland and other European countries so each and every investor can buy or sell BTC and ETH for cash in a secure and convenient way just down the road wherever.

With its own set of stable coins (Ω USD, Ω EURO, Ω BGP, Ω PLN and others) Kanga Exchange provides users with a fast and only legal way to transfer funds into an exchange in some cases in a matter of minutes to allow fast reaction to market movements.

Kanga doesn't even stop there. It already offers comprehensive ICO/STO support framework, with a range of services extending from Smart Contract verification, token issuance, and IEO hosting, through billing and payment processing, to on-the-fly currency conversion, fast off-chain transfers, and more.

Essential to Kanga's business model is the KNG utility token. Every service charge generated through any of the Kanga platform modules will directly translate into KNG market activity, thus boosting trade volume, market liquidity, and token value.

Now with your help and contribution Kanga will become one of the top world's exchanges and cryptocurrency both backend and frontend solutions for the market.

MARKET PROBLEMS AND KANGA SOLUTIONS

We have identified two key problem in the cryptocurrency market.

Problem one is strictly related to the ICO/IEO. There is an obvious lack of efficient tools to safely create ICOs. With the increasing popularity of blockchain technology, many startups forgo fund-raising methods such as seed/venture capital or IPO in favor of token sale. The level of technical competence required to successfully launch an ICO, can be a significant obstacle for companies from outside the IT (Information Technology) domain .

For instance, the development and deployment of a smart contract is associated with a number of risks:

- Blockchain technology is still at the "early evolution" stage — it suffers from growing pains and is burdened by many inherent limitations. For instance, the upper limit of Bitcoin scalability is determined by the number of transactions that can fit into a single block multiplied by the rate at which new blocks are published to the network.
- Programming errors—there are currently very few tools for debugging smart contracts.
- Open source ready-made smart contract templates may include malicious code that allows tokens to be stolen.

Secondly, there is a very high cryptocurrency exchange listing fee for new tokens. The current market situation is not particularly friendly to ICO projects, large or small. Practically every project needs its token listed; not every project, however, can afford a one-time listing fee of anywhere between several hundred thousand and a few million USD or a monthly charge of several thousand USD. At the moment, there are more than 200 active cryptocurrency exchanges in the world¹; most charge considerable amounts to list a token.

And lastly, we have to mention difficulty of transacting in ICO tokens. At the moment, to be able to pay with a given project's token, users must first buy them using another currency, such as BTC or ETH. This requires an execution of multiple steps. For example, an investor has to set up a wallet to receive new tokens, find a cryptocurrency exchange to sell them, register an account on suitable exchange, create a buy order, and finally withdraw the purchased tokens to the wallet.

¹ Source: <https://coinmarketcap.com/>, accessed 24 July 2018.

This process is way too complicated for novice investors. This cumbersome process typically discourages them and results in loss of new investors interest in the new token and eventually leads to high loses of new customers.

Kanga Exchange offers a strong solution for this complex problem with its unique blockchain-based platform for ICO (IEO) token listing and trading. Its key advantages are:

- quick and easy ICO registration
- affordable listing fees intended primarily to cover the cost of the verification process
- exchange listing automatically after ICO (IEO) closing and the very same platform which does not require any other action on both sides: investors and ICO project.
- from A to Z set of tools to create, run and profit for the ICO (IEO) projects

Problem two is related to security issues. Most exchanges are centralized (single owner, single non-blockchain-based infrastructure), which makes them easy targets for hacker attacks. The 2014 Mt. Gox exchange hack, which resulted in the loss of 850,000 bitcoins, is a case in point². Another example is the more recent Bitfinex hack, where approximately 120,000 bitcoins were stolen³.

Then there is a common difficulty with sending new funds into crypto exchanges which can create a significant barrier especially for new individual investors. The same problem works the other way when the investors want quickly sell their crypto assets and withdraw the funds back to their hands. Some of them make mistakes and that can result in the lost of the capital.

Kanga addresses this problem by creating a very first customer (trader, investor) oriented and fully built into exchange Private Vault functionality.

Private Vault is a special wallet on the Kanga exchange, which is verified on a blockchain and secured with an additional password. To be able to withdraw funds from this account, the Kanga Exchange system needs a special user-defined password (available only to account owner). This password is not stored anywhere, and even in the situation of any attack on the stock exchange, the funds accumulated on such a wallet are still safe.

² Source: <http://fortune.com/2018/06/22/bitcoin-price-mt-gox-trustee/>

³ Source:

<https://www.theguardian.com/technology/2016/aug/03/bitcoin-stolen-bitfinex-exchange-hong-kong>

Now anyone who has a blockchain address can check the status of an account on blockchain using standard blockchain explorers such as etherscan.io or blockchain.info. The status of funds shown in Kanga Exchange will be identical to the one displayed by the blockchain explorer.

The introduction of this functionality is in line with the blockchain principle: trust no one!

To ensure that Kanga Exchange is secure, the following security features will be also incorporated in Kanga Exchange system:

CloudFlare technology: Using massive amounts of information gathered from a variety of websites, APIs, and other network resources, CloudFlare security algorithms perform real-time analysis of traffic and network activity indicators to identify anomalous or malicious requests. Once a new type of attack is identified, CloudFlare automatically begins to block it network-wide—protecting not only the immediate target, but the entire community of CloudFlare users. The bigger the community, the higher the level of protection given to each individual member. With over 2 million websites in the CloudFlare network, web traffic involves more than a billion unique IP addresses per month. This volume of traffic makes it possible to quickly identify threats and prevent application layer attacks.

Custom-developed API for communication between the server and front-end application. All logic is placed server-side, with the (thin) client app role limited to the data presentation layer. The division will simplify the development of client apps, as well as increase the security of the exchange by limiting the number of areas where errors may occur. API documentation will be publicly available and will enable automation of exchange operations.

Decentralization: at present, most cryptocurrency exchanges are centralized (one owner, unified non-blockchain infrastructure), which makes them easy targets for hackers. One of the main reasons for Kanga's ICO is to raise funds needed to decentralize Kanga Exchange system is to significantly increase security of Kanga's exchange.

KANGA EXCHANGE

Kanga Exchange will initially support trading pairs in the following coins: BTC, ETH with QUSD, QPLN and KNG added on later stage.

The exchange will provide English language interface and customer support with German, Spanish, Chinese, Korean and other languages added over time.

OTC local services will be added in all major European cities starting Gdansk, Gdynia, Krakow, Katowice and Koszalin in Poland.

The Kanga Exchange mobile app will be available for Android and iOS in late 2019. In addition to the obvious functionalities like wallet preview, transaction history or creation / cancellation of orders, the application will also enable:

- payment confirmation (as an alternative to email confirmation),
- 2FA
- payment gateway with a simple QR code scanning mechanism
- OTC transaction support (confirmation code generation).

New functionalities will be systematically added to the application.

KNG TOKEN ECONOMY

Kanga Token (KNG) will be issued to serve as a core exchange currency. KNG will run natively on the Ethereum blockchain with ERC 20 protocol. There will be 21,000,000 KNG never to be increased. All fees collected at the exchange will be converted on the fly to KNG at market price using our Buy-Back mechanism.

Several types of fees will be charged within the Kanga service ecosystem. These include:

- Kanga Exchange trading fees
- Token Payment Gateway transaction fees
- Over-the-counter (OTC) exchange fees
- Crypto loan fees and interest payments
- Stablecoin purchase, sale, and exchange fees
- Fees related to exchange listing, IEO/ICO/STO hosting, promotional activities, etc.

All fees will be charged in one of the base currencies: Ethereum, Bitcoin, or Omega stablecoins and used to immediate purchase of KNG tokens at market price (Buy-Back). The KNG amount (less any affiliate commission, if applicable) will then be redistributed back to traders depending on transaction type.

In the case of trading fees, the entire KNG amount will initially be returned to the transaction parties (i.e. buyer and seller) as a “mining reward”. The share returned to the traders will be gradually reduced to 50%, with the remaining portion transferred to the Proof of Stake reward pool for distribution among all stakeholders.

For all other fees paid within the Kanga service ecosystem, the entire KNG amount will be deposited to Proof of Stake reward pool.

Proof of Stake rewards, affiliate program rewards, as well as any other rewards, incentives, and bonuses available on the Kanga Exchange platform will be paid exclusively in KNG tokens.

To limit the circulating supply of KNG tokens, Kanga introduces a Proof of Stake reward system. Every KNG holder will be able to deposit (via off-chain free of charge transfer) any portion of their KNG tokens to their personal PoS account and receive daily rewards in proportion to the amount staked.

The deposited tokens begin to participate in the reward distribution 24 hours after the transfer. The stake can be withdrawn — in part or in whole — at any time. The withdrawn amount is returned to the user’s wallet after 24 hours.

Rewards from the Proof of Stake system are disbursed to the user’s PoS account.

Moreover, Kanga Exchange undertakes to accumulate and maintain its own stake of no less than 20% of the total KNG token supply. Towards this goal, all tokens received in payment for the services rendered will be transferred to Kanga Exchange’s PoS account. Additionally, 2,000,000 KNG tokens will be reserved for “mandatory staking” and gradually released into same account. This will continue until 20% of total supply is accumulated.

The Proof of Stake account will function as Kanga Exchange’s sole source of income.

KNG TOKEN ALLOCATION

- Founders, development team, and advisors: 3,000,000 KNG, released for staking at the rate of 0.5% per day beginning 1 March 2020; released for trading not earlier than 1 February 2020.

- Seed investors: 750,000 KNG, released at the rate of 0.5% per day beginning 1 February 2020.
- Airdroppers: 250,000 KNG, released for staking at the rate of 0.5% per day beginning 1 March 2020; released for trading not earlier than 1 February 2022.
- Kanga Company (mandatory stake): 2,000,000 KNG, released at the rate of 0.5% per day beginning 1 March 2020. Kanga undertakes to collect at least 20% of the total token supply.
- Public sale (pre-IEO and IEO): 5,000,000 KNG
- Pre-IEO: up to 4,000,000 KNG tokens will be sold at the base price of 0.80 USD. Half of the tokens purchased during the pre-IEO will be transferred to buyers on 11 November 2019. The rest will be released at the rate of 1% per day, starting on November 11.
- IEO: up to 1,000,000 KNG tokens will be sold at the price of 1 USD. Unsold tokens will be added to the mining rewards pool.
- Mining rewards: 10,000,000 KNG

KNG TOKEN DISTRIBUTION SCHEDULE

- Pre-ICO: 1 June 2019 – 1 November 2019
- IEO: 11 November 2019 – 1 February 2020 (or until the cap is reached)
- KNG-based fee system launches on 11 November 2019.
- Proof of Stake rewards system launches on 11 November 2019.
- KNG token trading begins 3 days after the end of IEO (but no later than 3 February 2020).

FUNDS USAGE

52% of the collected funds will be used to enhance and further develop trading platform, which includes team enlargement, training and development costs.

20% will be used for branding and marketing.

10% will go towards legal costs and regulation

18% will be put aside for partner and investor relations, contingency and emergency operations.

KANGA FUTURE DEVELOPMENT ROADMAP

- Aug 2019 - accounting and settlement system for cryptocurrency miners (based on the Kanga billing system)
- Sep 2019 - first Security Token Offering sale on the Kanga Exchange platform
- Sep - Oct 2019 - additional omega stablecoins, backed by EUR and other local currencies (SEK, CZK, etc.)
- Oct 2019 - Kanga Wallet mobile application
- Q4 2019 - lending platform for cryptocurrency-backed fiat loans (BTC and ETH)
- Q4 2019 - support for additional blockchains: Litecoin, Bitcoin derivatives
- Q4 2019 - fast off-chain payments via Kanga Wallet
- Q4 2019 - TPG integrations for existing third-party eCommerce modules
- Q1 2020 - 1,000 Kanga OTC locations across Europe

KANGA TEAM



SŁAWOMIR ZAWADZKI MBA, CEO

Investor and founder of several start-ups in the fintech, IT and blockchain industries. Thanks to his over 12 years of experience in sales and IT, effectively and efficiently manages nearly all key areas of said companies, including the legal and marketing matters. Enjoys working in tech and finance the same way as working with customers – in acquiring, service and sales. A graduate of the Gdańsk University of Technology (management engineer), Polish-Japanese Higher School of Information Technology (informatics engineer) and the international Kozminski University (MBA).

Directly responsible for the implementation of projects based on artificial integrity (cash flow management in Polish banks), optimization of electricity consumption (implementation of a virtual power plant in Energa Innowacje) and many other IT projects in the industrial, financial and related areas of optimization and prediction of production processes. A husband and father of three children, a geocaching and caving enthusiast.

ŁUKASZ ŻELIGOWSKI, CTO

Experienced Entrepreneur and Chief Executive Officer with a demonstrated history of working in the IT and internet industry. Founder and CEO of several success companies: Cama-Soft (AI software solution for cash management at ATM's and banks), Cloud Planet (online accountant system) and Easymine (mining software). Founder of the wellbid.com - one of the top 3 in the world all-pay-auction site. Skilled in management and programming. Enthusiast of blockchain and cryptocurrency technology. Strong business development professional with a Master of Science (M.S.) focused in Information Technology from Politechnika Gdańska.

**ANDRZEJ BEŁCZAK, CFO**

Master's degree at banking and finance of University of Gdansk. 25 years of business experience. Founder and CFO of several success story companies: Optimus-Nexus (one of first Polish multimedia CD productions), Cama-Soft (AI software solution for cash management at ATM's and banks), Cloud Planet (online accountant system) and Easymine (mining software). Experience of worldwide administration and management. Fascinated by blockchain revolution.

**ŁUKASZ MINKIEWICZ, COO**

Investor, co-owner and leader of the team responsible for the Kanga Exchange project. He gained almost 15 years of experience not only in Polish but also in international projects. Has the skills necessary to manage the project, its tests and analysis. A manager who establishes long-lasting and lucrative relationships with clients. Experienced programmer with knowledge of C ++ (QT) / SQL / PHP.

**ELŻBIETA ZGUDA, CMO**

A UX Designer, who thanks to her education and passion combines the worlds of IT, psychology and sociology. Currently, she co-creates solutions for start-ups from the fintech sector. Project Manager with mediation experience, who effectively manages not only projects but also people and conflicts. Works in Agile methodology; designs in Sketch and Axure.

JERRY WITKOWICZ, ADVISOR



CEO and Founder of BLOCKHELP.PRO, company created to search and analyze published information on blockchain and present the results in a way to answer specific questions; what is being deployed and tested, which customers are trialing blockchain, which industries are trialing blockchain, which vendors are active in these trials and what the expert's perspectives are on

blockchain.



DAMIAN CISZEK, ADVISOR

Experienced middle management executive with proven track of success in sales and projects development. Active ICO advisor and mid/long term investor. Highly experienced in cryptocurrencies / forex / binary options / finance industry with strengths in customer service, sales and negotiations. Proven skills in negotiations,

marketing, advertising, product integration and promotions, project development and recruiting. Successful in developing strategies that have resulted in an ICOs campaigns. MA in English studies, as well as in finance and marketing. Versatile, flexible, bilingual professional able to oversee and manage individuals while ensuring timely completion of project deadlines all while remaining on or under budget. Constantly spreading crypto awareness and improving education within the community.



PERELLO LAURENT, ADVISOR

Founder - Chief editor at *Visions of Blockchain*, the first digital AND printed magazine dedicated to people who make and people who use the Blockchain innovation. *Visions of Blockchain* team trusts in the Blockchain disruptive innovation but consider it in an ethical way.

RESTRICTIONS AND RISKS

The sale of KNG tokens is not directed at, and each purchaser of KNG tokens will be required to represent, among other things, that they are not a citizen, resident (tax or otherwise) of, a person located or domiciled in, or any entity organized in or owned by certain persons in:

- the United States including any U.S. Person pursuant to the U.S. Securities Act of 1933 (as amended),
- Canada,
- any jurisdiction listed by the Financial Action Task Force as high-risk or with strategic deficiencies;
- Cuba, Democratic People's Republic of Korea (North Korea), Iran, Pakistan, Syria, the Government of Venezuela or Crimea or
- any jurisdiction for or in which the sale of KNG tokens, or any offer or solicitation in respect of KNG tokens, would require registration or licensing not obtained by the Issuer or otherwise would be unlawful or which restricts or licenses the activities of the kind that can be accessed or used with KNG tokens;

or a person under the age of 18 years.

Purchasing the KNG tokens entails certain risks and purchasers could lose their entire purchase amount if the transaction or account possession is not handled with appropriate care and protection. All the investors should take all necessary precautions while getting involved into cryptocurrency transactions.