

PUNGO TOKEN PAPER



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When does the Pungo token sale start?

The Pungo token sale runs exclusively through <https://pungotoken.com> and <https://pungotoken.sale> webpages. Any other webpage shall be deemed fraudulent, fake.

Pungo token sale starts: **September 15, 2018, time: 12h UTC/GMT +2** hours
Pungo token sale ends: **November 15, 2018** or until all the tokens are sold.

What is the price of a Pungo token?

Pungo token price **has been established at 0.5 USD** each. However several of the products related to the token are already launched or being launched. As a result we have set up discounts for early participants of pungotoken.sale

Before 30th September: Get 20% discount @ 0.4 USD/PGT

Before 15th October: Get 10% discount @ 0.45 USD/PGT

Until the end (November 15th) @ 0.5 USD/PGT

Bonus: If you participate in token sale **before 30th September 2018** and you are EU citizen, you will be eligible to receive a free debit card home which can be loaded with crypto from our site peer2.krd.

If you are from outside the EU you will join a waiting list and receive a free card once they are released.

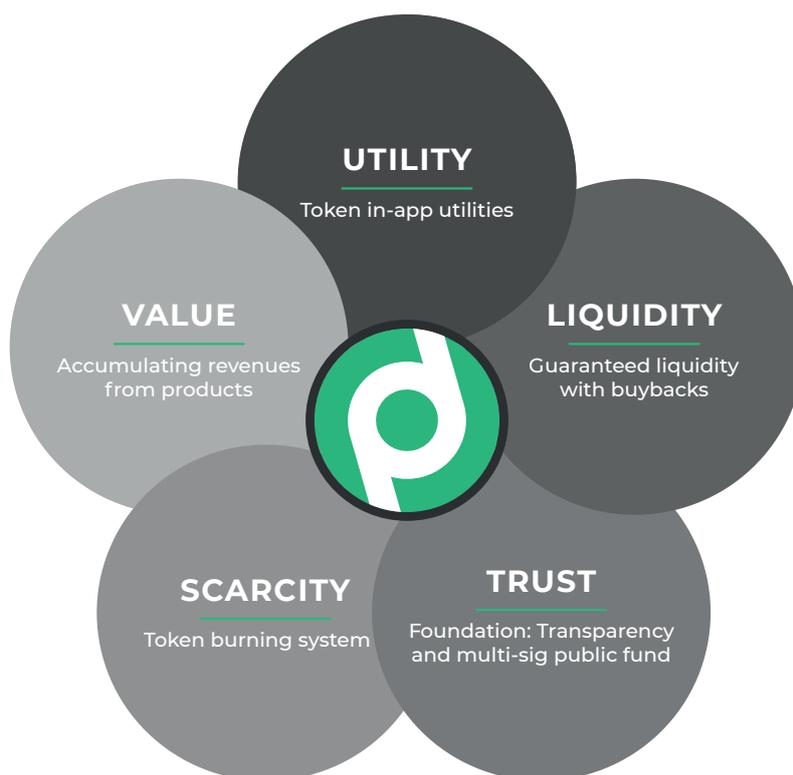
What is Pungo token?

Pungo token is the digital token that **Peer2group** uses to empower our users to interact with our products, while facilitating the distribution and sharing of rewards and benefits to Pungo token holders.

Pungo token is issued in a fixed, finite, noninflational amount by Blocktech Services LLC (from now on referred to as the Company) registered in Tbilisi, Georgia. Pungo is a 100% premined token. The premining happens a few days before the token sale. No other tokens will be issued after the creation event. Pungo token fuels a whole ecosystem of services and products that are already functional or in late phase of development.

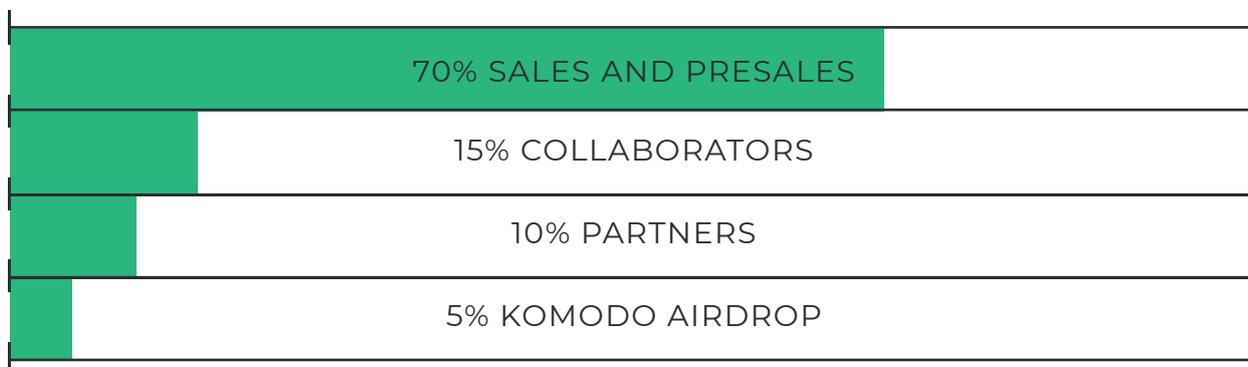
Pungo token has been designed considering several properties that deliver a high quality product for the token based economy:

- **Utility:** A full list of properties which make the token meaningful for users
- **Value:** Accumulating revenues from different products using token to buy it back
- **Liquidity:** Guaranteed liquidity through Buybacks
- **Trust:** A partnership with a Foundation that holds funds for Pungo token buyback
- **Scarcity:** A limited amount of existing tokens and a burning method that effectively reduces amount of spendable tokens.



The token based economy is a paradigm shift and we are proud to be leading the change. We consider that tokens with real usage and backed by a genuine business model will gradually bring and maintain value within our network.

Token distribution



Pungo token has a total of 10 million units, out of which:

- **Sale and presales:** 7 million tokens
- **Collaborators:** 1,5 million tokens during a minimum of 24 month period release
- **Partners:** 1 million tokens during a minimum 12 month period
- **Komodo airdrop:** 0.5 million tokens, timing to be announced.

From the above presented amounts Peer2Group guarantees that:

- **Only 10 million tokens** will ever exist of which **7 million** are publicly sold
- **3 millions** are airdropped, kept for collaborators, employees and partners
- **No more than 200.000 tokens/month**, released to 3rd parties, after the sale

What is Pungo token's utility?

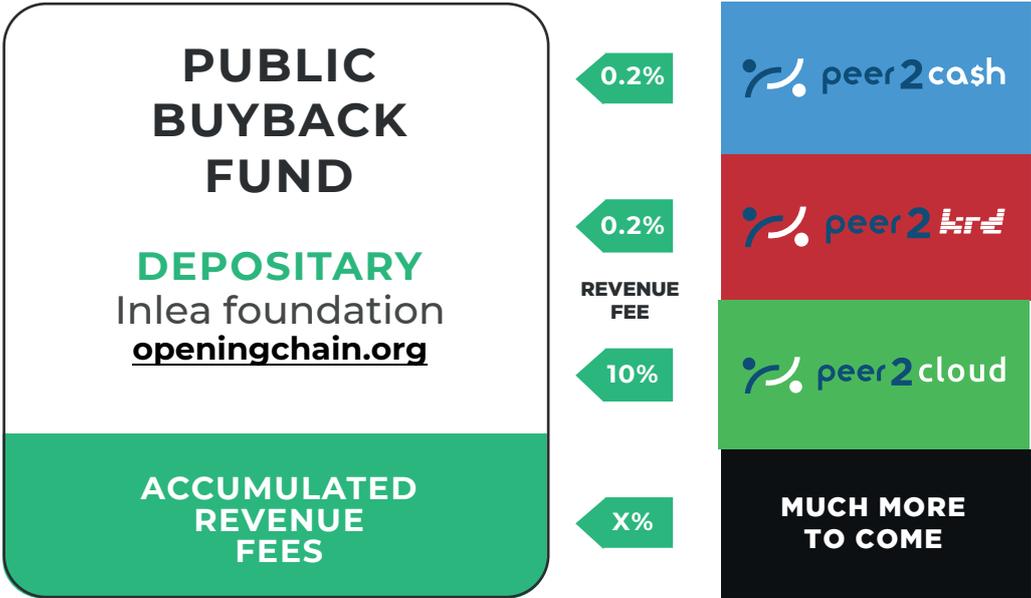
Pungo token has certain properties that provide utility within software and other products that implement it:

- **Entitlement:** by owning and using the token the user has the right to:
 - **Participate in a service:** interact (vote, contribute, transact) with a product.
 - **Be a product early-bird:** Pungo holders will have access to new products being developed
 - **Acquire special gadgets:** Pungo tokens will be required to access certain gadgets and products of our online-mobile only store
 - **Unlock extra features:** Pungo tokens will be required to unlock extra features for our premium members
- **Payment system:** Pungo token is used to pay for affiliation, service and product fees (discounts are promoted)
- **Function primer:** the token is used as an incentive or a lever to enrich the user experience and actions in our ecosystem.
- **Value redistribution:** Pungo helps sharing the upside, the newly added value with all token holders.
- **Means of value exchange:** some users earn, other users spend the token which represents the basic unit of payment, accounting, value exchange. Together they create an internal, transactional, self sustaining economy.

As the project grows, we intend to maintain it in a positive feedback loop. New usages will be given to the token by projects integrating it. More existing products and services using Pungo token ensure a solid ecosystem and this, among other mechanisms, leads to increased token valuation over time.

What is the underlying value of the Pungo Token?

There are several projects implementing Pungo token which include Peer2Cash, Peer2krd and Peer2Cloud. Additional projects bootstrapped by Peer2group will join in the future. Revenues are paid to the Company and committed following integration, as follows:



All revenue streams coming from different **Peer2group** associated projects are channeled into a Public BuyBack Fund. The funds are always available via a **BuyBack request** for any token holder who wishes to convert his Pungo tokens to another cryptocurrency or currency.

The **Public BuyBack Fund** is escrowed in multisignature accounts by a reputable Foundation (Inlea) through the Openingchain Project (<https://www.openingchain.org>). The Foundation performs a public scrutiny of the stored funds signed operations (fund deposit & withdrawals). The Foundation only **allows funds to be withdrawn for the purpose of buying back Pungo tokens**.

How is transparency and trust guaranteed?

We have worked hard to create a safe environment and partnered with **Openingchain.org** created by Inlea Foundation to guarantee full transparency and visibility of the Public BuyBack Fund for the token holders.

- 1 Inlea Foundation** is an independent, non-for-profit, well known Foundation, not controlled directly or indirectly by the Company.
- 2 Multisignature accounts:** Revenue funds are kept in multisig accounts controlled by the Foundation and the Company.
- 3 Trust authority:** The Foundation only allows funds to be released when there is a buyback agreement with a token holder
- 4 Public transparency:** The foundation releases a set of information regarding Public Buyback Fund as detailed in our Public Buyback Fund paper.

How is Pungo token liquidity guaranteed?

We offer a liquidity source for Token holders so that any token holder may be able to initiate a Buyback request (minimum of 1000 USD worth) of Pungo Tokens. The process works as follows:

- 1** Contact the Company/Foundation to start a Token BuyBack Request via the set-up channels.
- 2** Sign the purchase agreement and do the identity verification.
- 3** Send Pungo Tokens to escrow address
- 4** Foundation verifies the operation
- 5** The Company & Foundation Withdraw from Public BuyBackFund the amount to be paid to the token holder
- 6** The Company burns the tokens received

For more details on the process please check the **Public Buyback Fund paper**

How does Pungo token ensure its scarcity?

Pungo ensures scarcity by implementing two mechanisms:

- 1 A hard capped token sale of only 10.000.000 tokens.
- 2 Through **Pungo token Buyback Request**.

With the first mechanism the Company has established a finite number of Pungo tokens. No more Pungo tokens will be ever created so only a limited supply of tokens exists.

A second mechanism that ensures scarcity is that any Pungo token bought back through a Pungo token Buyback request, is effectively burnt by using an OP_RETURN code in a transaction which renders the tokens **unspendable**. This is publicly verifiable by checking the transaction details in a Pungo blockchain explorer. Burning renders the token eternally unspendable, unusable to anyone at present and future time.

Each and every successful burning event generates a decrease in the total number of Pungo tokens that exist in circulation (spendable) by the same order of magnitude.

The amount of Pungo tokens Bought Back and Burned is publicly informed in the Foundation's webpage (<https://www.openingchain.org>).

What happens to unsold tokens?

Unsold tokens, if any, remain under the property of the issuing Company and are monitored by Inlea Foundation publicly.

These tokens can only be sold at a later date if the current sale price is higher than the initial token sale event price: >0.5 USD/token. If tokens were to be sold at higher price, any amount obtained over 0.5 USD/token will be directly sent to the **Public Buyback Fund**. No more than 200.000 tokens / month can ever be sold. The Company's Pungo token holdings and activity will monitored and published by the Inlea Foundation.

What should I pay attention to before the sale?

The token sale is going live exclusively and only at <https://pungotoken.sale> web page. Starting 12h UTC/GMT +2 hours. For security reasons you are highly encouraged to use our <https://pungo.app> wallet to participate in the sale.

You should set a Komodo (KMD) compatible address for sale process. Pungo Tokens are sent automatically to your destination address once we receive your contribution to the project.

As soon as we detect and confirm the reception of KMD/BTC or any other supported coin, in a matter of minutes you automatically receive the acquired Pungo Tokens to your Komodo compatible address.

How can I get a valid Pungo token wallet address for the sale?

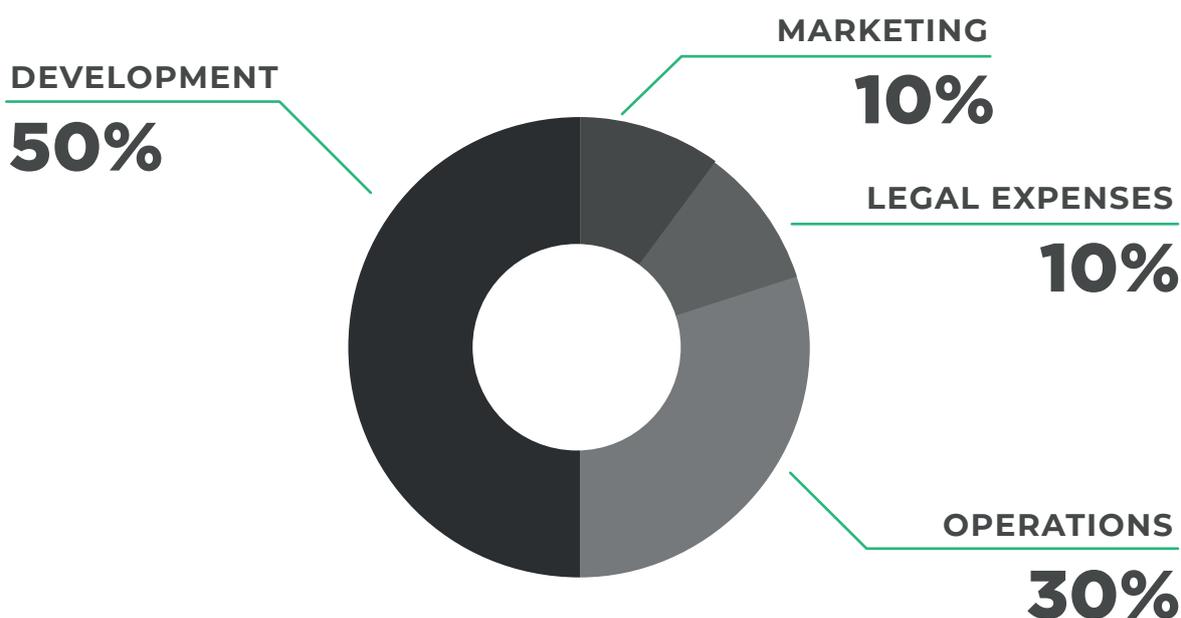
We have created a wallet that you can get at <https://pungo.app> that allows you to receive your Pungo Tokens immediately. Any other website offering the app is deemed fraudulent, fake.

You can always use 3rd party wallets such as Agama, maintained by KomodoPlatform, but we cannot guarantee 100% they are functional at the time of the token sale. Thus we strongly recommend the usage of our <https://pungo.app> for the purpose of this token sale.

How are the raised funds going to be spent?

Raised funds are spent to scale the current products and to continue their development. As products are already in an advanced state of development, we can make a relative estimation of the amounts needed to scale our operations. We expect a fast take off in the Company's turnover.

A relative estimation of the raised funds allocation:



As a commitment to transparency, Company's expenses are also published by the Foundation in order to allow Token holders the close monitoring of the raised funds and how they are being spent.

What is the Pungo Blockchain?

The Pungo blockchain is a distributed ledger forked from Komodo. The Pungo blockchain is maintained by a network of computers called Pungo nodes. Each node runs a copy of the Pungo ledger and participates in the validation of the Pungo Token transactions.

Anyone is welcome to run a Pungo Blockchain node because this makes the network more secure. It's not possible however to mine or obtain "pungo tokens" just by running the node since Pungo is 100% premined.

What are Komodo and Zcash?

Komodo (fork of ZCash) has developed unseen and groundbreaking features in the crypto world. While many projects have been trying to reinvent the wheel, Komodo has, step by step set the path for Blockchain scalability and security. Instead of focusing on cramming all the dApps on one blockchain and ending by jamming it, Komodo solves the scalability issue by allowing one dApp to run on as many blockchains as needed providing thus infinite scalability. The first blockchain project to ever achieve this. Komodo is part of a broader project called SuperNET promoting modularity, atomic swaps, privacy, pegged assets.

Zcash is an implementation of the "Zerocash" protocol. Based on Bitcoin's code, it intends to offer a high standard of privacy and anonymity through a the zero-knowledge protocol proving scheme which preserves confidentiality of transaction Metadata. Komodo inherits Zcash code but is not involved with the Zcash development.

What are the Pungo Blockchain's technical details?

Pungo is also a **Komodo assetchain**, thus it follows Komodo's standards concerning creation, scalability, privacy and security. Although based on Komodo, Pungo blockchain can function as totally independent, stand-alone blockchain.

Pungo blocks are generated on demand, using one of the settings available during the Komodo Assetchain creation. A block is issued whenever there are transactions pending in the memory pool of the nodes (unprocessed transactions backlog). When needed, automagically, the blockchain nodes generate a new block and link it to the previous block in the chain.

We don't have mining enabled on our chain. The amount of tokens ever existing is final and hardcoded to **10 million pre-mined tokens**. We are making use of **Komodo dPoW (Delayed Proof of Work)**, to gain maximum security on our chain. Komodo's dPoW secures the Pungo Blockchain with the hashing power of the Bitcoin Network. dPoW, for example, protects us against 51% attacks that recently affected some well known blockchain projects: NEM tokens, Verge, Bitcoin Gold, ZenCash etc. dPoW makes any smaller blockchain virtually immune to this kind of attack.

dPoW is a consensus system of different components that are designed to work together, but are able to perform the critical function of block generation in isolation. Security Wise Komodo Platform's dPoW uses an incredible and unique mechanism to protect the KMD chain. In essence, it leverages the hashrate of the Bitcoin network to protect Komodo. KMD blockchain backups (snapshots) are stored onto the Bitcoin ledger. Every ten minutes, a snapshot is taken of the entire Komodo ecosystem. This snapshot is then

written as a transaction into a block on the Bitcoin blockchain. This process is called notarization and it is the backbone of Komodo's security mechanism. Komodo Platform's notary nodes carry out the technical work required to successfully complete notarizations.

The notarization service is run by 64 notary nodes elected annually by the Komodo community. It can be added virtually to almost any (Komodo) blockchain. Pungo blockchain thus uses dPoW and the Komodo notarization service too. Pungo blocks are notarized to the Komodo chain using the Merkle root of Merkle root of Merkle root technology (MoMoM), which at the same time is notarized to Bitcoin (dPoW). MoMoM provides full blockchain interoperability on the entire Komodo ecosystem.

Moreover as a Komodo assetchain, Pungo token is able to immediately join Barterdex/Hyperdex decentralized exchange since minute 0. By using atomic cross chain swaps technology, Pungo token is actually exchangeable against 95% of tokens available on the market right from the start, on the currently most advanced decentralized exchange available.

How can the token creation event be secured?

Pungo token goes live September 15, 2018. From that moment millions of tokens will be sent to our supporting users.

During token sale, Pungo Blockchain will be working with a network of nodes that will be mainly maintained by [Peer2group](#).

By the time the token sale is over, the Pungo token sale transactions will already be registered in blocks on the Pungo Blockchain. If no issue appeared during the token sale this Pungo Blockchain information will be integrated into the KMD chain through MoMoM and then fed to the Komodo Notary Service Nodes Network, securing this information further through a process called Delayed Proof-of-Work (dPoW). So, again, Pungo token blockchain (via Komodo blockchain) will start being notarized (snapshots) on the Bitcoin blockchain every 10 minutes for security.

If notary nodes wouldn't exist, Pungo would still work and still be secure as a standalone chain and also as a Komodo backed-up chain. But it's the tremendous security boost that's gained by being snapshot onto the Bitcoin's Ledger what makes Pungo amazing. It achieves Bitcoin security. As a result everyone will be reassured that all transactions happening in Pungo blockchain are 100% confirmed, immutable, securely set in "code rather than stone". Immutable Ledgers are the stone of the future.

What risk management measures exist in case things go wrong?

Quite a few things went wrong with very many highly rated token sales and ICOs in the past. Both users and developer teams learned from their experiences the hard way. As a precaution, we will wait until the token sale is over to add Pungo Token to Komodo Notary dPoW service (notarisation service).

If we detect irregularities during the token sale, we would just create a new blockchain, replace the token in Pungo.app and re-send new tokens to our sale participants. At most 48 hours time-lapse if not less.

Acting like this we try to reduce our attack surface, to offer a negative incentive for hackers attacking Pungo Blockchain during the token sale. A fallback mechanism is always a priority especially in such a delicate process like the token creation and sale. We strongly desire a great, pleasant experience, placing security above anything else! Once the token sale has finished uneventfully and the notarization starts, the blockchain becomes irreversibly immutable.

Help us build a new token based economy with Pungo!





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