



KONNECT

Litepaper 2022

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Contents

































































Disclaimer	2
Introduction	4
The Problems KONECT solves	4
Cost of sending cash	4
Security of receiving cash	5
Leakage	5
Financial Access and Inclusion	5
How we are building KONECT	6
About Pipit Global	7
The Global Cash Market	8
Cash Dependency	9
Cash to Digital Transition – A two-way transaction	10
The Remittance Market	11
Global Market	11
Recipient Countries	14
Top Recipient Countries - Remittance as % of GDP	14
Sub-Saharan Africa.	15
Cash vs Digital Remittance	16
The Pipit Solution	17
Pipit Model	17
How do we do it?	17
How does Pipit work?	18
Pipit Global Payments Ecosystem	18
Pipit Payments Out Network	18
Pipit Partner Profile	19
KONECT Tokenomics	20
KONECT Model	21
Staking Rewards	22
Staking Rewards - Source	22
Token Issue - Vesting Schedule	23
Network Fee Distribution	24
Staked Konect	25
Additional In App Rewards	26
Launching Inklude – Global Neobank for Migrants	27
Team	28
Summary	29

Introduction

KONECT is migrating global remittances on-chain.

By tokenizing transactions **KONECT** will dramatically increase the speed of international migrant remittances and simultaneously drive down the cost of remittances.

KONECT is being launched by international migrant payments platform **Pipit Global**.

KONECT - REMITTANCE MARKET LEADERS								
								
	KONECT	WESTERN UNION	WISE	REMITLY	VENMO	YELLOW CARD	CIRCLE	QREDO
Available to unbanked								
International cash ecommerce								
International cash bill pay Africa								
International Cash account top up								
Low customer fees								
Instant Settlement								
Social Impact								

The Problems **KONECT** solves

Despite the ubiquity of cash, it can only be easily transacted in person and, for the unbanked, to send cash to someone has inherent problems.

Cost of sending cash

Remitting cash is too expensive, and when a migrant is unbanked, they have no choice but to use overpriced services to get money home to their families.

Globally, remittances can vary significantly depending on the remittance/migration corridor.

The cost of international cash remittances from Europe to Africa can frequently be in excess of 10% of the amount of money being transferred, plus a fee on the foreign exchange.

For example, in the second quarter of 2022 cash-to-cash remittance prices (percentage fee plus FX) charged by the top three cash remittance operators in the UK for a transfer of £120 to Ghana saw

prices range from 12.7% to 15.3%. The most expensive remittance corridor from the UK was to South Africa with 17.68% of a £120 transfer being charged.

Within Africa cash-to-cash remittances in Q2 2022 averaged c.14%. (Note: Cash-to-bank and cash-to-wallet transfer also ranged around this 14% cost. Bank-to-bank transfers were often in excess of 20% of the amount transferred.)

Over \$100 billion is remitted in cash every year. With the high fees associated with cash-to-cash transfers it's possible that in the region of \$10 billion is being spent on fees when it could and should be spent on families and communities.

Pipit solves this problem with far lower fees (averaging 3.5%), which on the average remittance of \$200 is a saving of \$12, and with the average number of transactions per year being 12, Pipit results in savings in fees of \$144. That may sound small, but when you consider that in Senegal, for instance, the average monthly wage is \$153 and in Uganda the average monthly wage is \$110, you realise what a difference that extra \$144 can make.

Security of receiving cash

There can be security risks involved in collecting cash from Payments-Out locations. **Pipit** solves this problem by loading cash to accounts or making payments on behalf of families or payees instead of sending them cash to do so.

Leakage

A significant issue in remittance is what is known as 'leakage'. This is when cash is sent home for a specific reason and then spent on something else with the migrant then asked to send more money. Frequently the cash is spent on a more pressing bill or on an emergency, but also cash is misused by the recipient. **Pipit** solves this problem by loading funds to an account e.g. an eWallet enabling online payments or by enabling bills to be paid directly in cash, meaning the sender retains control of the funds.

Financial Access and Inclusion

KONECT converts physical real-world CASH into digital crypto currency.

KONECT provides a Global first-step on-ramp for the billions of people worldwide who are real-world physical cash users, enabling them to convert their real-world physical cash into crypto digital cash, and enter the world of digital payments and cryptocurrency ownership and usage.

WHERE existing crypto and digital on-ramps focus on conversion of funds already held in a digital form i.e. funds in Bank accounts and virtual and hard cards, in eWallets, as digital money in Mobile Money accounts, **KONECT** gets right back to the source - the physical notes and coins people handle and use and store everyday in the real world.

And that means that KONECT really is different.

The most direct method of physical real-world cash-to-crypto conversion is currently via crypto-ATMs.

As of September 2022, there are approximately just 38,642 crypto-ATMs worldwide¹:

- 94.9% (36,672) are in North America;
- 3.8% (1,467) are in Europe;
- 0.7% (271) are in Asia;
- 0.3% (112) are in Oceania;
- 0.2% (92) are in South America;
- 0.1% (28) are in Africa.

KONECT completely changes this landscape and rewrites the cash-to-crypto playbook with a unique and game-changing model.

KONECT launches with 1.4 million physical real-world locations where physical real-world cash can be converted into digital crypto currency. That's a global increase in access points of 3523%.

How we are building **KONECT**

We are building **KONECT** on the **NEAR Protocol** blockchain. **NEAR** is a blockchain built to be simple, secure and scalable. Due to the fact that **NEAR** is a Layer 1 blockchain, it is independent of other blockchains. This makes onboarding new users exceptionally simple by using a novel scaling approach called Nightshade Sharding. It allows for widespread Web3 adoption.

Unlike other blockchains, **NEAR** blockchain has been designed from the bottom up to be the simplest in the world for both developers and their end users, whilst also offering the scale required to service those people.

Building decentralized apps is simpler using **NEAR**, especially if the developers are used to coding with "traditional" web or app techniques even if they have never utilized cryptocurrency, tokens, keys, wallets, or other blockchains.

NEAR is also a building platform. It provides the stable, secure foundation for novel decentralized applications (dApps). Additionally, it is designed to be very simple for developers to utilize (e.g. by coding in JavaScript). On **NEAR**, hundreds of projects are already creating innovative dApps.

More in depth, technical information about **NEAR** can be found in the Blogs section on our website – www.wekonect.global.

¹ <https://coinatmradar.com/charts/geo-distribution/>

About Pipit Global

Pipit Global FinTech payments platform is designed to enable domestic and cross-border cash payments for the world's migrant communities. Whilst the principal focus is on cash payments for migrants, the platform also supports a broad suit of payment methods for cross-sector services.

Pipit's business model is B2B and its merchants are banks, eWallets and Mobile Money operators, eCommerce platforms and billers in Emerging Markets.

The consumer is a migrant and unbanked where they live, so a cash user. There are 272 million migrants globally, with 54 million of these in Europe. Globally, migrants remitted (sent home) \$700B last year, with over \$100B of that being sent in cash by using a service like Western Union.

Pipit disrupts the Western Union model – instead of remitting cash person to person, a migrant lodges cash directly into an account back at home or makes a payment in cash from where they live for a product/service delivered or provided to their family/community in their home country.

The **Pipit** platform is Global and is connected to:

- 1.4million **cash-in and cash-out points** in over 40 countries
- 100 million **bank accounts** in Africa
- 200 million **eWallets** in Africa
- 100 million **bank accounts** in LatAm
- 2 billion bank accounts globally

To date, **Pipit** has used traditional channels to send funds internationally. These channels are slow and expensive. **Pipit** is now migrating its settlement process from traditional banking rails to crypto rails via **USDC** which will both speed up remittances and reduce their cost.

Pipit is also launching **Inklude**, a neobank to further improve the benefits for migrants, their families, and Emerging Markets. **Inklude** will leverage the Pipit platform and network, combining Pipit's unique global connectivity to cash-in points, bank accounts and eWallets with the efficiency of crypto rails.

Pipit is launching the **KONECT** utility token to support its expansion plans and the execution of its Mission to help migrants support their families at home - cheaper, safer and faster.

Pipit is a For-Profit Social Impact Enterprise. We believe that by driving down the cost for migrants to send money home we bring them, their families and Emerging Markets huge economic benefits. To do it at a profit means we also deliver economic benefits to our team, our shareholders, and stakeholders.

This is our Mission.

The Global Cash Market

Despite adoption of digital payment methods, the use of cash continues to grow.

Based on today's media reports, it would be easy to believe that cash is dying out, but in fact the use of cash is growing. And, with the use of cash growing, so is the value of cash in circulation. The table below shows the year-on-year growth of Euro banknotes in circulation, which has increased nearly twofold in the past 10 years.

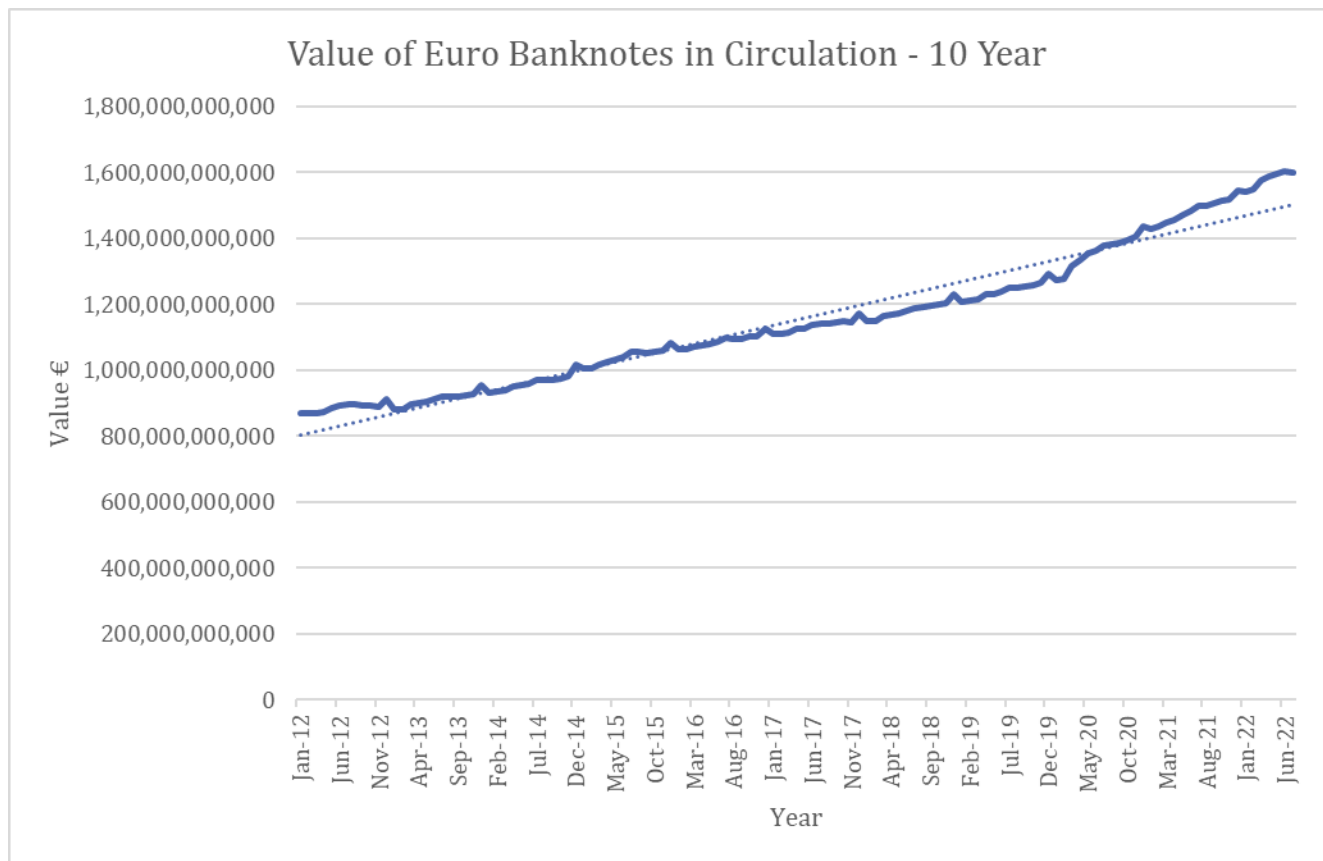


Figure 1: Value of Euro Banknotes in Circulation Source: ECB Statistics

Over the same 10-year period the value of cash in circulation also saw a near twofold increase in the US, rising from \$1.15 trillion in 2012 to \$2.28 trillion in September 2022². The UK saw a 68% increase from £51 billion to £81 billion³; India saw a threefold increase⁴; Japan rose from 91.23JPY to 127.03JPY⁵, and the list goes on. In fact, there are only two countries globally that have seen a significant reduction in cash in circulation: Norway and Sweden.

² Source: United States Federal Reserve

³ Source: Bank of England

⁴ Source: Reserve Bank of India

⁵ Source: Bank of Japan

Cash Dependency

Cash-dependency is not simply a low-income developing nation phenomenon. The UK, for instance, has an unbanked cash-dependent population of c.1.2million people (c.2.3% of the adult population)⁶. In the USA, research carried out by the Federal Reserve in 2019 found that 22% of American adults (63 million people) are either unbanked or underbanked. For the 6% that are unbanked - that's around 23 million adults – cash is the lifeline⁷.

The table below shows the 15 most cash dependent countries worldwide, but it is important to understand that every country in the world has a cash dependent population.

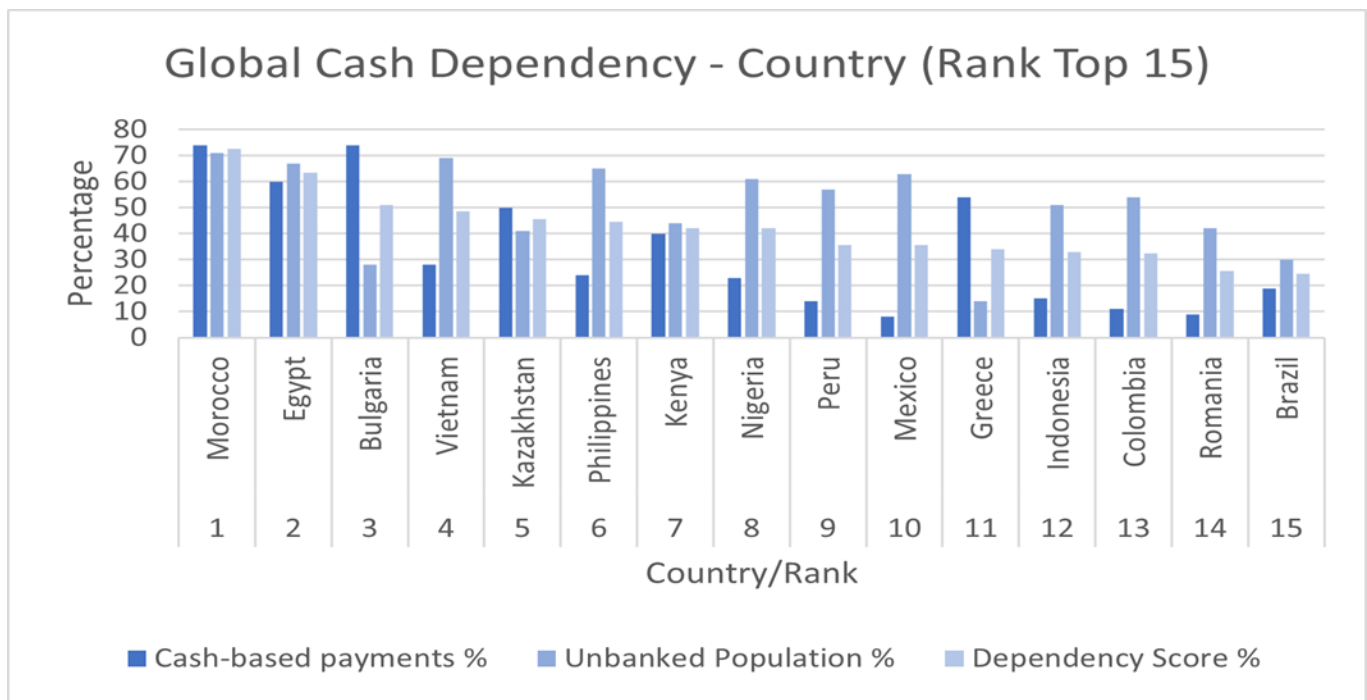


Figure 2: Source: Global Cash Dependency: Pipit Global 2022

Pipit has operations in 8 of these top 15 countries allowing us to be a driving force in the expansion of access to financial services for the unbanked.

⁶ <https://www.fca.org.uk/publication/research/financial-lives-survey-2020.pdf>

⁷ <https://www.fdic.gov/analysis/household-survey/index.html>

The equivalent to US\$7.6 trillion in cash is in circulation globally.

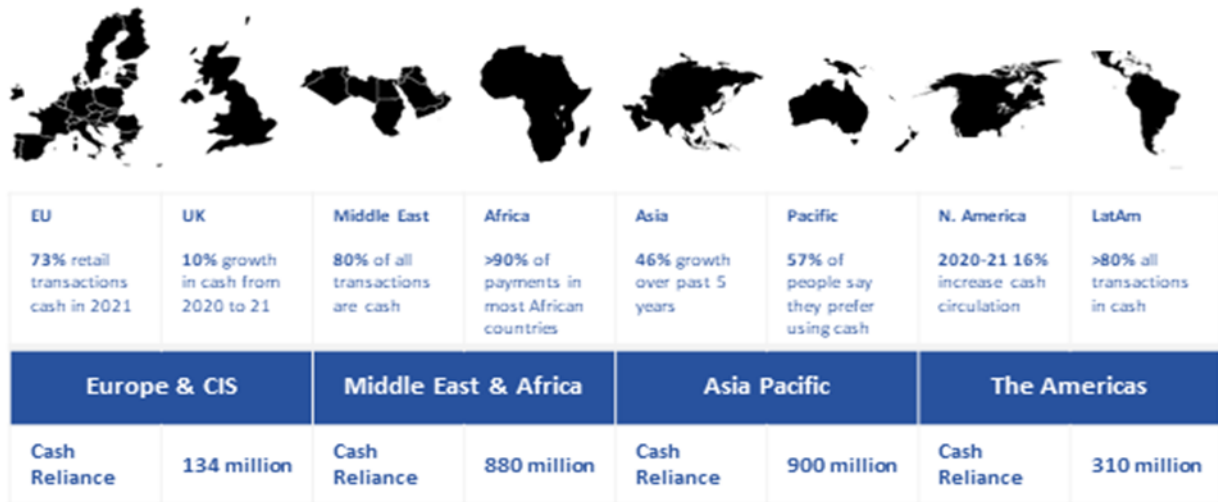


Figure 3: Global Cash Statistics 2022 - Pipit Global

In remittance, being unbanked affects the sender and the receiver, as the sender needs to pay high fees to remit the cash, and the receiver needs to travel to a Western Union (or similar) location to receive the remittance in cash.

Reliance on cash is not limited to Emerging Markets, with growth in cash usage across Western, Asian and Gulf regions. Overall, the total numbers of people reliant on cash globally is 2.2B - or 20% of the world population.

Cash to Digital Transition – A two-way transaction

As cash continues to play its vital role in economies and societies, so the evolution and adoption of digital payments in tandem brings significant benefits to populations and businesses across the globe. The two payments ecosystems are not and should not be seen as mutually exclusive. Rather, the co-existence of cash and digital payments ecosystems can provide a balanced and inclusive payments landscape. To that end, what is required is the facility for transition between cash and digital payments.

The Remittance Market

Global Market

Officially recorded remittances hit a record-high \$714 billion in 2019, including \$553 billion to low- and middle-income countries, the World Bank estimates. Recent estimates show that global remittances rose to \$773 billion in 2021, including \$605 billion going to low- and middle-income countries.⁸

Region-US\$ billion	2015	2016	2017	2018	2019	2020	2021e	2022f	2023f
Low- and middle-income countries	454	447	479	527	553	558	605	630	659
East Asia and Pacific	128	128	134	143	148	137	133	133	134
<i>excluding China</i>	64	67	70	75	80	78	80	83	86
Europe and Central Asia	49	48	55	62	68	69	74	73	77
Latin America and Caribbean	68	74	81	89	96	104	131	143	153
Middle East and North Africa	50	49	52	52	54	57	61	65	68
South Asia	117	111	116	131	139	147	157	164	172
Sub-Saharan Africa	42	39	42	49	47	43	49	53	55
World	611	597	631	683	714	719	773	802	842

Growth Rate - percentage	2015	2016	2017	2018	2019	2020	2021e	2022f	2023f
Low- and middle-income countries	0.7	-1.6	7.1	10.0	5.0	0.8	8.6	4.2	4.5
East Asia and Pacific	3.9	0.0	4.6	6.7	4.0	-7.3	-3.3	0.3	0.3
<i>excluding China</i>	5.4	4.6	4.6	7.8	6.2	-2.4	2.5	3.8	3.5
Europe and Central Asia	-13.5	-3.1	14.5	14.1	9.2	1.5	7.8	-1.6	5.0
Latin America and Caribbean	6.7	7.4	10.2	10.1	7.9	8.2	25.3	9.1	7.7
Middle East and North Africa	-5.7	-1.3	5.3	1.3	4.0	5.2	7.6	6.0	4.3
South Asia	1.7	-5.6	5.0	12.9	6.0	5.4	6.9	4.4	4.8
Sub-Saharan Africa	6.5	-8.5	8.1	17.0	-4.3	-8.1	14.1	7.1	5.5
World	0.5	-2.3	5.6	8.3	4.6	0.6	7.6	3.7	4.9⁹

Table 1: Global Remittances - Value & Growth

⁸ Source: Migration Policy Institute

⁹Source: KNOMAD/World Bank staff Dilip Ratha, Eung Ju Kim, Sonia Plaza, Elliott J Riordan and Vandana Chandra; IMF Balance of Payments Statistics. (World Bank/KNOMAD 2020). Note: e = estimate; f = forecast.

The transformative power of these often small – yet major – contributions to sustainable development worldwide cannot be underestimated¹⁰:

1. About one in nine people globally are supported by funds sent home by migrant workers

Currently, about one billion people in the world are involved with remittances, either by sending or receiving them. Around 800 million in the world are recipients of these flows of money sent by their family members who have migrated for work.

2. What migrants send back home represents only 15 per cent of what they earn

On average, migrant workers send between US\$200 and \$300 home every one or two months. This represents approximately 15 per cent of what they earn: the rest (85%) stays in the countries where they actually earn the money, and is re-ingested into the local economy, or saved.

3. Remittances remain expensive to send

These international money transfers tend to be costly: on average, globally, currency conversions and fees amount to 7 per cent of the total amounts sent. To ensure that the funds can be put to better purposes, countries are aiming through Sustainable Development Goal (SDG) 10.C to “reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent by 2030”.

Technical innovations, in particular mobile technologies, digitalization and blockchain can fundamentally transform the markets, coupled with a more conducive regulatory environment.

4. The money received is key in helping millions out of poverty

Although the money sent represents only 15 per cent of the money earned by migrants in the host countries, it is often a major part of a household’s total income in the countries of origin and, as such, represents a lifeline for millions of families.

It is estimated that three quarters of remittances are used to cover essential things: put food on the table and cover medical expenses, school fees or housing expenses. In addition, in times of crises, migrant workers tend to send more money home to cover loss of crops or family emergencies.

The rest, about 25 per cent of remittances – representing over \$100 billion per year – can be either saved or invested in asset building or activities that generate income, jobs and transform economies, in particular in rural areas.

¹⁰ Source: United Nations DESA

5. Remittances can help achieve at least seven of the 17 United Nations SDGs

When migrants send money back home, they contribute to several of the goals set in the 2030 Sustainable Development Agenda. In particular: SDG 1, No Poverty; SDG 2, Zero Hunger; SDG 3, Good Health and Well-Being; SDG 4, Quality Education; SDG 6, Clean Water and Sanitation; SDG 8, Decent Work and Economic Growth; and SDG 10, Reduced Inequality.

At current rates an estimated \$8.5 trillion will have been transferred by migrants to their communities of origin in developing countries between 2015 and 2030. Of that amount, more than \$2 trillion – a quarter — will either be saved or invested, a key aspect of sustainable development.

6. Half of the money sent goes straight to rural areas, where the world's poorest live

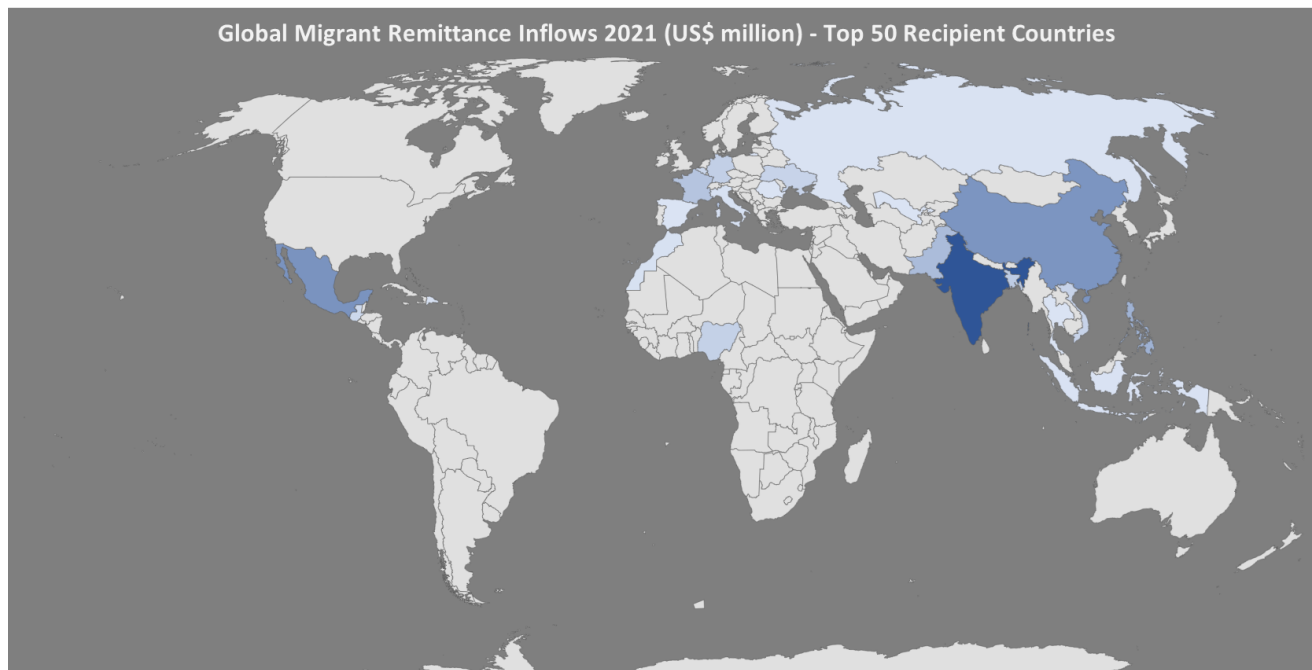
Around half of global remittances go to rural areas, where three quarters of the world's poor and food insecure live. It is estimated that globally, the accumulated flows to rural areas over the next five years will reach \$1 trillion.

7. Remittances are three times the value of international aid

Remittances are a private source of capital that's over three times the amount of official development assistance (ODA) and foreign direct investment (FDI) combined. (*ibid*)

Recipient Countries

The largest recipient countries for remittances are **India**, **Mexico** and **China**, countries with high GDP, but also very high levels of low-income families and poverty. However, smaller low GDP countries are much more dependent on remittances in absolute terms:



Top Recipient Countries - Remittance as % of GDP

	Country Name	Percentage
1.	Tonga	35+
2.	Kyrgyz Republic	30 to 34
3.	Tajikistan	25 to 29
4.	Lebanon	25 to 29
5.	Samoa	25 to 29
6.	Somalia	20 to 24
7.	Nepal	20 to 24
8.	El Salvador	20 to 24
9.	Haiti	20 to 24
10.	Honduras	20 to 24
11.	Bermuda	20 to 24
12.	Gambia, The	20 to 24
13.	Jamaica	20 to 24
14.	Lesotho	20 to 24
15.	Kosovo	15 to 20
16.	Comoros	15 to 20
17.	West Bank and Gaza	15 to 20
18.	Moldova	15 to 20

	Country Name	Percentage
19.	Nicaragua	10 to 14
20.	Guatemala	10 to 14
21.	Cabo Verde	10 to 14
22.	Dominica	10 to 14
23.	Georgia	10 to 14
24.	Marshall Islands	10 to 14
25.	Montenegro	10 to 14
26.	Guinea-Bissau	10 to 14
27.	Uzbekistan	10 to 14
28.	Jordan	10 to 14
29.	Liberia	10 to 14
30.	Vanuatu	10 to 14
31.	Dominican Republic	10 to 14
32.	Armenia	10 to 14
33.	Senegal	10 to 14
34.	French Polynesia	10 to 14
36.	Zimbabwe	10 to 14
36.	Pacific island small states	10 to 14

This phenomenon is repeated in Africa with Nigeria having the highest GDP on the continent and receiving by far the highest number and value of remittances. At the same time Nigeria is also a country with significant levels of poverty and social inequality as are South Sudan, Lesotho, Gambia etc.

Specifically for Nigeria, but also for some other African countries, controls on non-domestic cards means that ‘connected accounts’ i.e. issuing a second card from a European account to send to family in Nigeria to use does not work. Equally, using a non-domestic card from abroad to pay for a product or service in Nigeria cross-border is restricted.

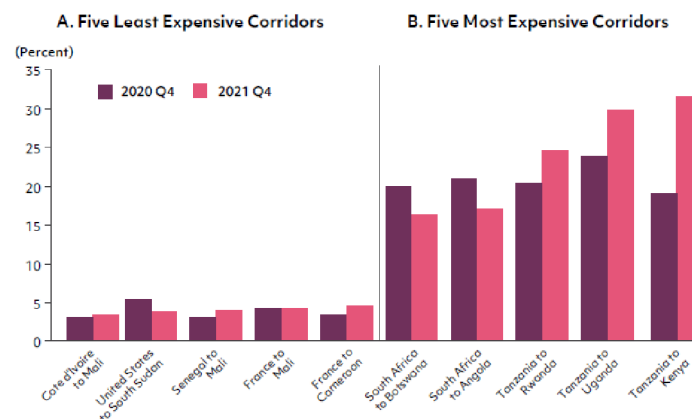
Sub-Saharan Africa.

Sub-Saharan Africa remains the costliest developing region to which remittances are sent, with aggregate regional remittance costs averaging 7.8 percent during Q4 2021.

Illustrated in figure 5.25, the difference between high- and low-cost remitting corridors is astounding. The average cost of remitting \$200 from countries in the least expensive corridors amounted to 3.4 percent in Q4 2021. In contrast, costs for the most expensive corridors registered 31.5 percent during the fourth quarter of 2021, an increase of 12.3 percent from the year earlier.

Though intraregional migrants in Africa comprise more than 70 percent of all international migration from or within the region, intraregional remittance costs are quite high due to the small quantities of formal flows and utilization of black-market exchange rates. For example, the fee for sending \$200 in remittances from Tanzania to neighboring Uganda would cost the Ugandan migrant 29.7 percent.

Figure 5.25 Cost of Sending Remittances to Sub-Saharan Africa Countries Varied Widely across Corridors



Source: World Bank Remittance Prices Worldwide database.
Note: Cost of sending \$200 or equivalent.

¹¹ Dilip Ratha, Eung Ju Kim, Sonia Plaza, Elliott J Riordan, and Vandana Chandra. 2022. Migration and Development Brief 36: A War in a Pandemic: Implications of the Russian invasion of Ukraine and the COVID-19 crisis on Global Governance of Migration and Remittance Flows." KNOMAD-World Bank, Washington, DC. License: Creative Commons Attribution CC BY 3.0 IGO

The countries that send the most remittances are predominantly in 'the west' and Gulf region. (These are total figures - not just cash remittances). Based on available data, the top five source countries for remittance outflows in current USD in 2021 were the United States (74.6 billion), Saudi Arabia (40.7 billion), China (22.9 billion), the Russian Federation (16.8 billion) and Luxembourg (15.6 billion).¹²

In 2021, the top five recipient countries for remittances inflows in current USD were India (89 billion), Mexico (54 billion), China (53 billion), the Philippines (37 billion), and Egypt (32 billion) (ibid.). India has been the largest recipient of remittances since 2008. In terms of remittances as a share of gross domestic product, by contrast, the top five recipients in 2021 were smaller economies: Lebanon (54%), Tonga (44%), Tajikistan (34%) Kyrgyz Republic (33%), and Samoa (32%).¹³

Cash vs Digital Remittance

A breakdown of remittances from the US, which is one of the world most developed countries financially, but with 22% of the adult population unbanked (63 million people), Western Union dominates the remittance market overall, with 80% of its volume of remittances being made in cash. MoneyGram and Ria are predominantly cash too.

The digital platforms are ignoring the cash market as there is no way for the unbanked to use their services (unless of course they work with Pipit! We can load cash to any platform!). An example of a digital platform enabling cash via Pipit is Barter ewallet from Flutterwave.

Once banks are included in the comparison, Western Union is still the market leader, showing both Western Union's dominant position, but also that of cash in the remittance market.

Token remittances are growing, with 5% of the peer to peer (i.e. person to person) remittances to Africa being crypto in the year up to June 21.

It should be noted of course that BTC is very volatile and as per the KONECT strategy, a stable coin such as USDC is much more secure for remittances/cross border transactions.

¹² Ibid.

¹³ ibid

The **Pipit** Solution

Pipit Model

Pipit is already significantly cheaper than Western Union and other cash remittance companies.

How do we do it?

Our Unique Model is the key difference.

We are not a 'cash-in cash-out' peer-to-peer model. That model puts a significant compliance cost on the platform. **Pipit** integrates with merchants who are e-Wallets, eCommerce, banks and billers in Emerging Markets and who already have customers and enable cash payments for them. Our merchants are responsible for compliance, so it is not **Pipit's** cost.

By creating a model that dramatically reduces costs for migrants, we drive volume. Our margins are low, but low cost brings us customers.

We also care. We are a Social Impact Enterprise. Our Mission is to Help Migrants Support their Families, cheaper, faster and safer. We keep our margin as low as possible, while still being enough to be profitable. We don't slightly undercut the competition, we dramatically undercut them.

This results in lower fees for migrants, more money getting to families in Emerging Markets, more money being spent in Emerging Markets for the benefit of the whole economy and society and at the same time creating value in **Pipit**, driving revenue for the benefit of its team, its shareholders and stakeholders.

The **Pipit** model is Win:Win.

KONECT will position **Pipit** to further reduce costs, improve our service and at the same time build value.

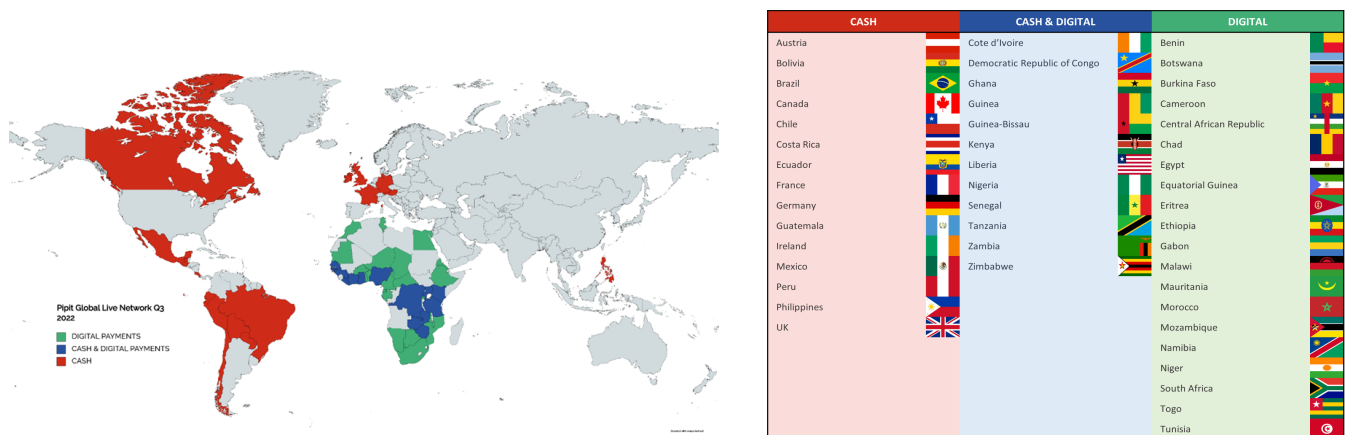
The complexity of partnering with and integrating global cash collections networks plus banking rails/settlement partners has meant it has taken five years to fully build out the network. It is now time to scale the transactions and drive low-cost settlements through **KONECT**.

How does Pipit work?

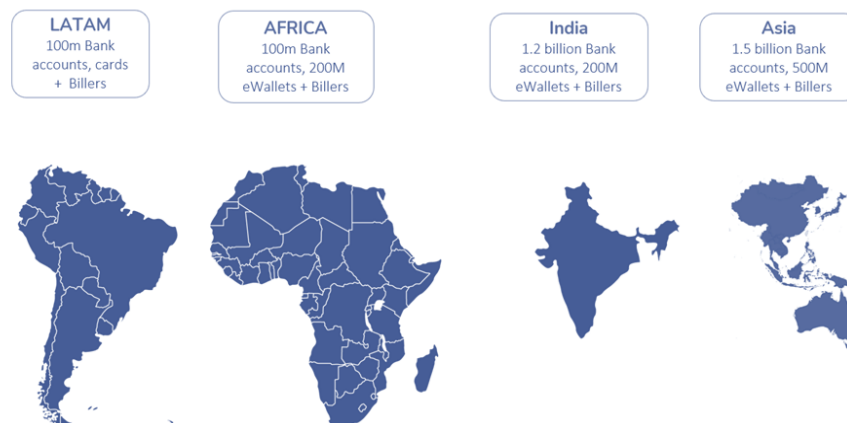
Pipit is B2B and integrates with merchants so their customers can transact in cash. This is how it works:



Pipit Global Payments Ecosystem



Pipit Payments Out Network



Pipit Partner Profile

Pipit is integrated with leading regional cash collection networks and merchants and mobile money and wallet operators 47 countries worldwide.



CASH	CASH & DIGITAL	DIGITAL
Austria	Cote d'Ivoire	Benin
Bolivia	Democratic Republic of Congo	Botswana
Brazil	Ghana	Burkina Faso
Canada	Guinea	Cameroon
Chile	Guinea-Bissau	Central African Republic
Costa Rica	Kenya	Chad
Ecuador	Liberia	Egypt
France	Nigeria	Equatorial Guinea
Germany	Senegal	Eritrea
Guatemala	Tanzania	Ethiopia
Ireland	Zambia	Gabon
Mexico	Zimbabwe	Malawi
Peru		Mauritania
Philippines		Morocco
UK		Mozambique
		Namibia
		Niger
		South Africa
		Togo
		Tunisia

KONECT Tokenomics

KONECT will connect all of the Pipit ecosystem via USDC stablecoin.

KONECT will fundraise via a token offering.

Transactions will be:

1. Low-cost – **KONECT** is a Social Impact Token and will ensure costs are kept as low as possible, including FX
2. Real-time disbursement
3. Secure - The KONECT Token will create platform value by ensuring that transactions are:
 - a. Immutable
 - b. Distributed
 - c. Secure
 - d. Transparent

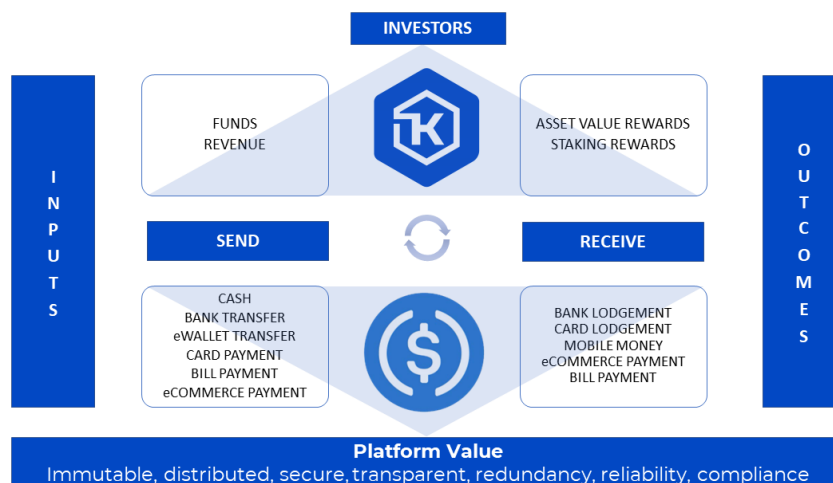
The platform will ensure transaction integrity and compliance, and achieve reliability and low-cost high transaction processing speed (TPS) through the capabilities of the NEAR protocol Layer 1 blockchain.

Pipit - in conjunction with **Contis / Solarisbank** - the biggest Banking as a Service platform in Europe - is launching **INKLUDE** - to provide access to banking services directly to migrants in the UK and EU. **INKLUDE** will be linked to all the Pipit ecosystem via **KONECT** enabling low cost instant remittances to the previously unbanked.

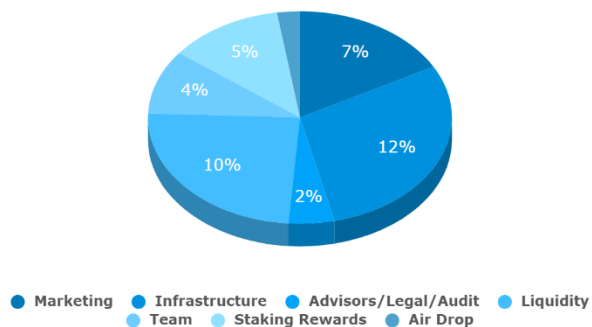
KONECT Model

- **KONECT** is available at seed and private on a **SAFT** (Simple Agreement for Future Tokens).
 - Seed is at a 35% discount with a minimum of \$50,000 investment
 - Private is at a 20% discount with minimum of \$20,000 investment.
 - Both with 18 months linear vesting from month 4 after TGE.
 - **KONECT** will have TGE exchange launch in Q1 2023 at a price of 10c.
- Maximum Supply: 75 million**

Token Allocation	Tokens	Cost €	% of Total	Vesting
Seed	7,650,000	6.5	10.2	Linear 18 Month: from M4
Private	15,600,00	8.0	20.8	Linear 18 Month: from M4
IDO	7,500,000	10	10	
Total	30,750,000		41	



Use of Funds



Use of Funds	As % of Total	Vesting
Marketing	7	
Infrastructure	12	
Advisors/Legal/Audit	2	
Liquidity	10	
Team	4	25% @ 6 month increments from M6
Staking Rewards	5	
AirDrop	1	
Total	41	

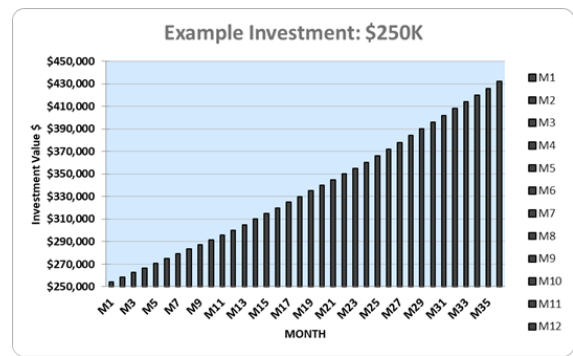
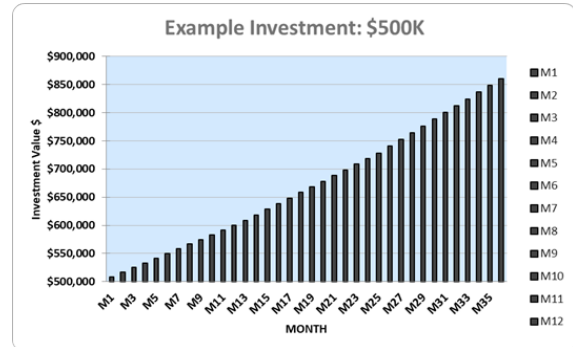
Staking Rewards

KONECT token holders will share up to 12.5% of the transaction revenue with a 20% APR reward. Opportunities for institutional investors are significant with the upside from token value appreciation (at launch – not including post launch increase in value) plus the rewards.

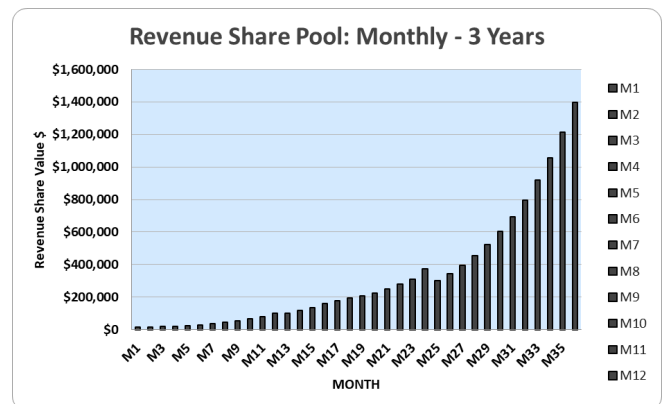
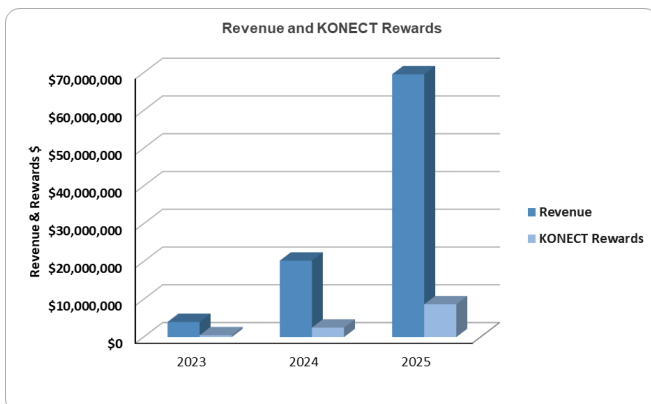
For example – Staking Rewards 3yr Cumulative:

\$250,000 Seed investment @6.5c per token at 20% over 3 years	Rewards	Investment Value
Yr. 1 Rewards	\$50,000	\$300,000
Yr. 2	\$60,000	\$360,000
Yr. 3	\$72,000	\$432,000
Total Rewards	\$182,000	
+ Uplift in Token value at release	\$134,615	\$556,615
Total Return	\$316,615	

\$500,000 Seed/Private investment @6.5/8c per token at 20% over 3 years	Rewards	Investment Value
Yr. 1 Rewards	\$100,000	\$600,000
Yr. 2	\$120,000	\$720,000
Yr. 3	\$144,000	\$864,000
Total Rewards	\$374,000	
+ Uplift in Token value at release	\$225,962	\$1,089,962
Total Return	\$599,962	

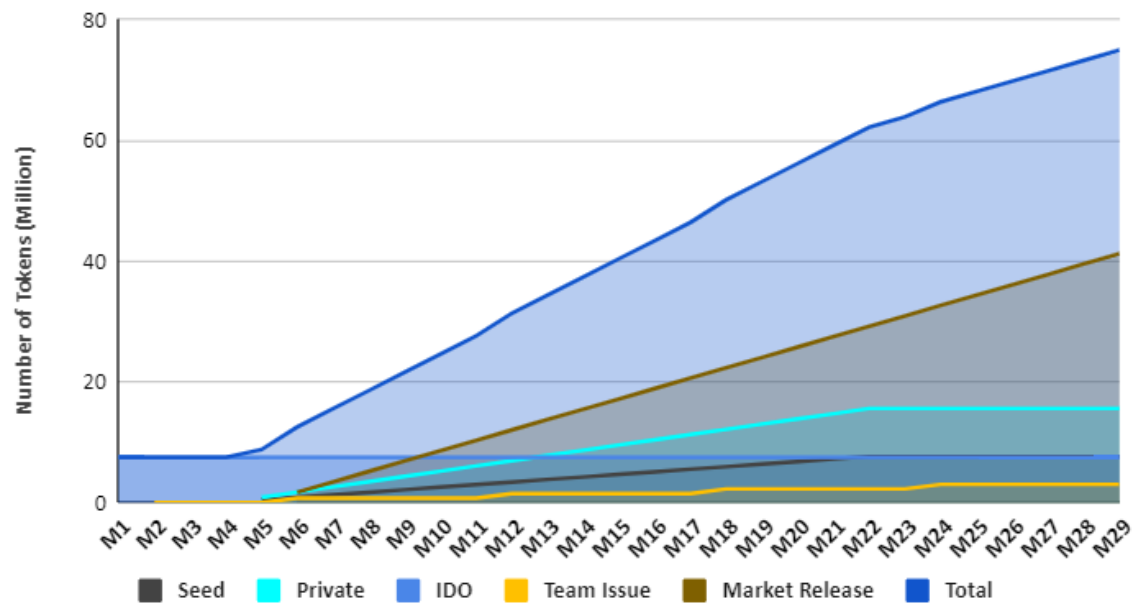


Staking Rewards - Source



Token Issue - Vesting Schedule

Vesting Schedule - 29 months

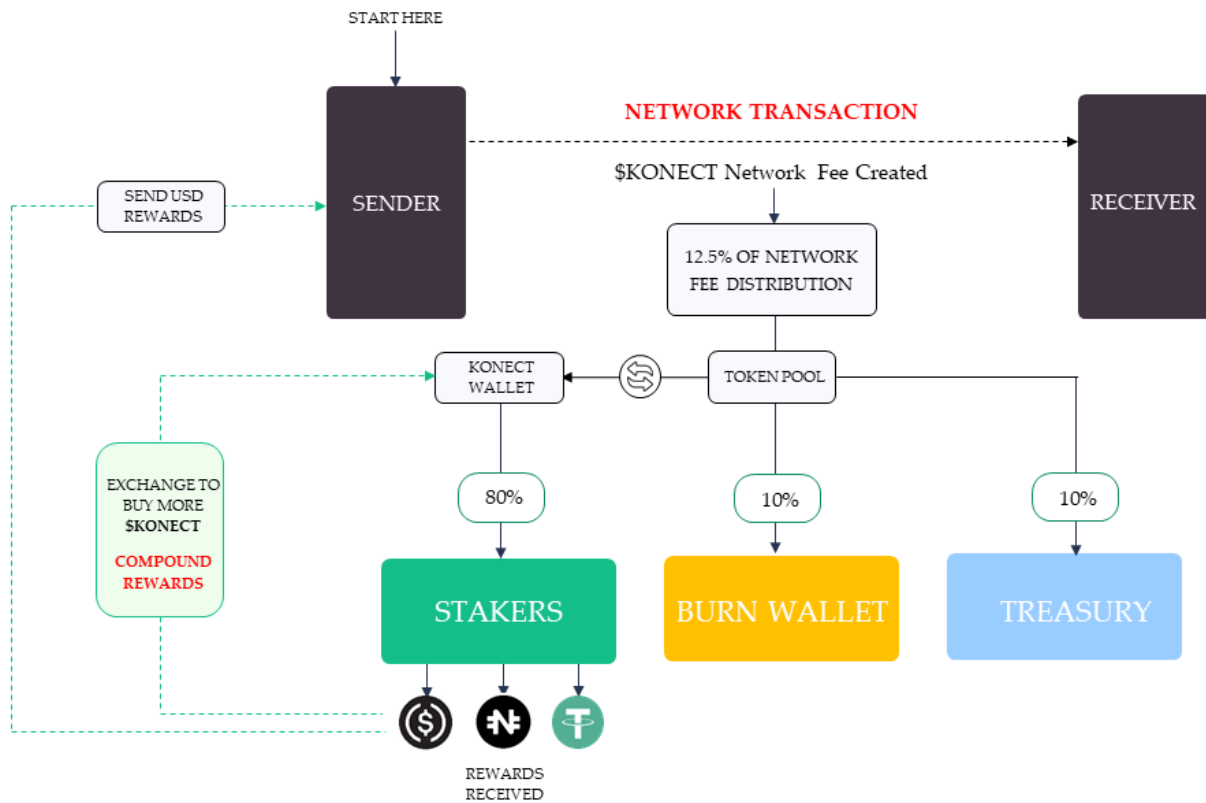


Network Fee Distribution

The **KONECT** token has is designed around a compounding rewards economy.

The incentivizes holders to purchase more **\$KONECT** due to real world rewards that scale alongside the networks growth and fees transacted over the network.

A portion of fees are also sent to a buy back and burn wallet constantly reducing supply.



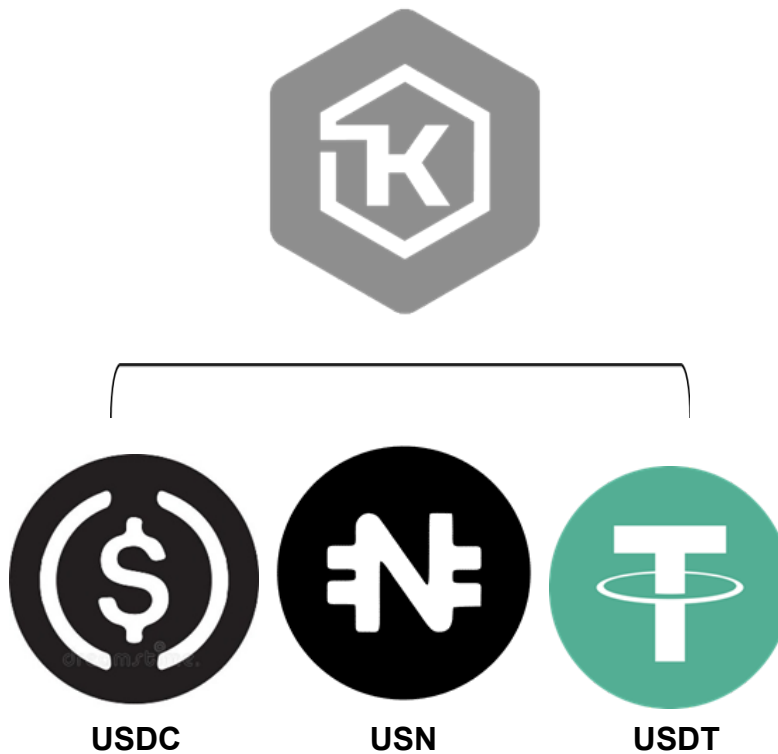
Staked Konect

The KONECT token has numerous forms of utility however one the most powerful forms of utility and rewards is the staking function that rewards its holders in the form of USDC, USN or USDT delivered to their KONECT wallet monthly.

The amount of USDC received monthly is directly correlates to the amount of \$KONECT a user stakes within their wallet and the length of time committed to staking.

This model enables users to either reinvest in the KONECT token to compound monthly rewards, spend on the KONECT partners platform or use it to send additional moneys across the KONECT network.

STAKED \$KONECT



SPECIAL NOTE: By not giving users additional KONECT tokens sell pressure is drastically reduced.

Additional In App Rewards

Access via the KONECT wallet to:

- Discounts on 2000 vouchers
- Discounts on every Mobile Phone Top Up brand in the world
- Discounts on African Utilities bills

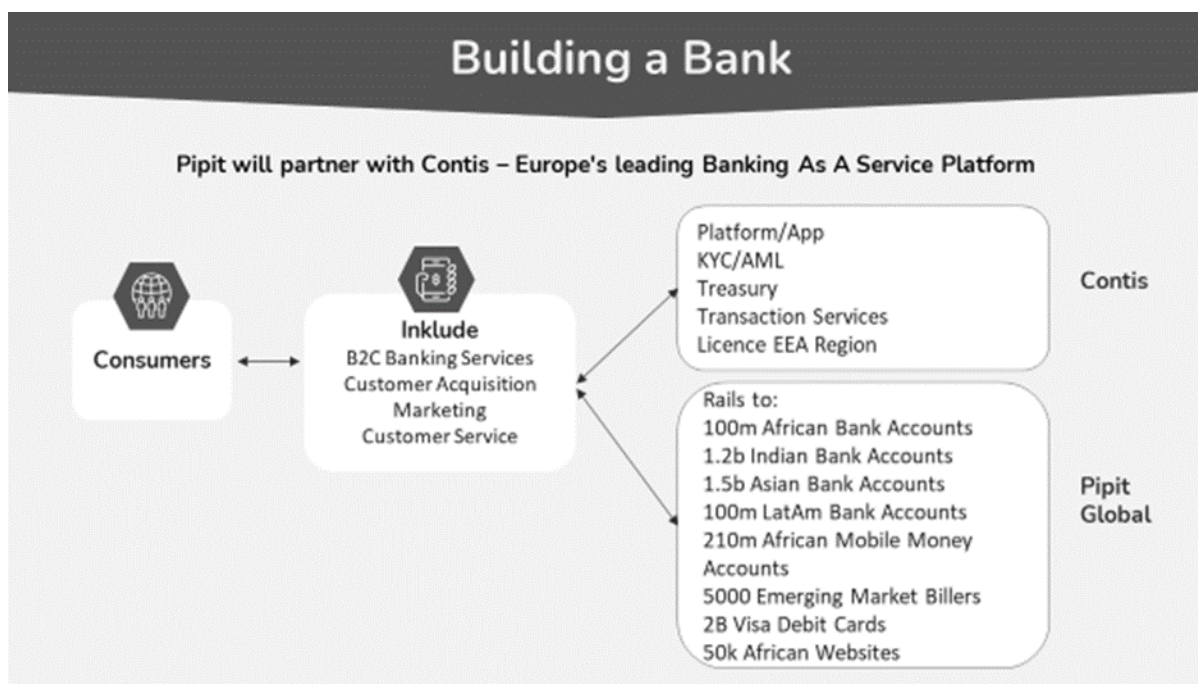
Some sample voucher and discount partners...



Launching **Inklude** – Global Neobank for Migrants

As part of the **Pipit** expansion, tokenising the ecosystem and the **KONECT IDO**, we will launch **Inklude** - a Neobank dedicated to providing banking services for migrants.

Inklude will target both the currently unbanked migrant sector with banking services and the currently banked migrants with an offer of more cost-effective services.



Launching **Inklude** will give direct access to migrants which means we own the conversation with them and we can offer them the best value on transactions. This will be a key driver in the growth of transactions and volume of payments processed/settled by **KONECT**.

Pipit has signed an agreement with **Contis/Solarisbank** - Europe's leading Banking as a Service platform - to build and launch **Inklude** in Q1 23. Contis will provide the banking infrastructure, compliance, licensing and treasury with Pipit working with our existing partners to connect with and onboard migrants.

Team



Ollie Walsh
CEO

Experienced strategic and marketing advisor for start ups and scale ups



Rory Ryan
CTO

Has led teams for IBM, Groupon building scalable, secure platforms.



Julian Callaghan
CIO

Experienced in product innovation in the financial and media industries



Tricia Fahy
Group Operations
Director

Background in software development for major banks.



John Kurton
Group Sales Director

Background in telecoms, payments and FinTech globally.



Maciej Mlodzinski
Insight & Analytics

Experienced Crypto investor and market analyst with Web 3.0 skillsets.



Pete Townsend

NED - Coinbase
MD - Techstars Ireland
CEO - Norio Ventures
NED - Pipit



Kenny Estes

CEO - Diffuse VC
Co Founder - West Loop Ventures VC
Director - Pipit



Bob Rosenberg

Former Prof of Entrepreneurship
Chicago Booth University
Entrepreneur in Residence - Portershed Tech Hub
Founder of Hyde Park Angels - largest angel fund in US



Dave Cunningham

NED of CoinMama
CCO of Lextogo
CoFounder - Galway City Innovation District
CEO - Lean Start Up Summit EMEA

Summary

KONECT has built a model that:

- Offers outstanding rewards to all stakeholders
- Has a sustainable source of reward funds from real transaction revenue via KONECT parent company
- Rewards pool continues to grow as transactions grow
- Rewards are paid in USDC/USDT/USN which encourages purchase of more KONECT as opposed to native rewards which encourage sale of tokens and pushes down price
- Model optimised long term lock in of KONECT for investors which protects the token value
- Buy Back and Burn functionality brings price increase
- All KONECT transactions make a Social Impact by driving down the cost of remittances – making it cheaper, faster and safer for migrants to get cash home to family
- All stakeholders in the KONECT ecosystem benefit

References:

Findex: The reference citation for the Global Findex Database 2021 is as follows:

Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar. 2022. The Global Findex Database 2017: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Washington, DC: World Bank.

