Profila Crypto-Asset

Executive Whitepaper

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Cardano native token

Profila

TABLE OF CONTENTS

Profila

LEGAL STATEMENTS

Profila GmbH as the issuer of the crypto-asset called Zero Knowledge Token (short "Zeke") or abbreviated "**ZKT**" is solely responsible for the content of this crypto-asset white paper. This crypto-asset white paper has not been reviewed or approved by any competent authority in Switzerland, in any of the member states of the European Union, or otherwise.[1]

The Board of Directors of Profila GmbH, acting as the management body of the main issuer of the tokens, hereby confirms that this executive version of the Profila Whitepaper (hereinafter the "**Executive Whitepaper**") – in addition to the full version of the whitepaper published on our webpage https://ico.profila.com (the "**Whitepaper**")(or together the "Whitepapers") – contain all relevant information that is known to the company at the time of the token sale, including all the required information set out in article 5 ("content and form of the crypto-asset white paper") and Annex I of the draft proposal of the Markets in Crypto-Asset or MICA Directive, and has been drafted in accordance with the principles set out in article 13 of the proposed MICA Directive ("honesty, fairness, professionalism") in a fair, clear and not misleading manner, thereby taking the best interest of the holders in mind.

We confirm the information presented in the (Executive) Whitepaper are correct and that there is no significant ommission of important information.

We confirm that Profila GmbH appointed a financial intermediary to receive the funds during the ZKT token Sale according to art. 24 AMLA.

If you have any question in relation to the Profila ICO which are not answered by this (Executive) Whitepaper, please contact us via the different channels available to you (see our webpage https://ico.profila.com).[2]

Please see in annex to the Whitepaper the signed meeting notes of the Board of Directors.

SUMMARY WITH KEY INFORMATION ABOUT THE OFFER[3]

Please read this summary carefully and take note that:

(a)   this summary should be read as an introduction to the Profila Whitepaper;

(b)   you, as a prospective purchaser should base any decision to purchase a crypto-asset such as the ZKT token on the content of the full version of the Whitepaper, and not only this Executive Whitepaper;

(c)   the offer to the public of crypto-assets such as the ZKT token does not constitute an offer or solicitation to sell financial instruments and that any such offer or solicitation to sell financial instruments can be made only by means of a prospectus or other offering documents pursuant to national laws;

(d)   the Executive Whitepaper and the ZKT Whitepaper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 or another offering document pursuant to Union legislation or national laws of another jurisdiction.

Profila is a Swiss-based limited liability company founded in 2015 and fully operational since 2017, actively researching and building a privacy-preserving alternative to third party cookies, under the name "Zero Knowledge Advertising" (ZKA), and developing a new era customer data, engagement, and decentralized marketing (DeMar) platform on the Cardano blockchain.

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[1] Statement in accordance with article 5.4 of the Proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-Assets, and Emending Directive (EU) 2019/1937 (hereafter the "**Proposed MICA Directive**").
[2] Statement in accordance with article 5.6 of the Proposed MICA Directive.
[3] Summary with key information as required in accordance with article 5.7 of the Proposed MICA Directive.

ZKA is an advertising ecosystem where no personal data from an internet user browsing the web is shared with third parties (advertisers, publishers etc.), but where the individual still receives relevant ads anonymously. DeMar or decentralized marketing consumers will have a greater control over their data and the ads they see, and most importantly, they will be able to directly connect with brands that matter to them, without passing by the numerous intermediaries in today's advertising ecosystem.

As part of its ZKA/DeMar strategy, Profila created a blockchain-based token – called Zero Knowledge Token (ZKT) – which will incentivize people to use the Profila platform, enables people to control how Brands use your personal information, and to get compensated for viewing their content. It will also function in the ZKA system and will reward internet users for helping keep their identities (IP addresses) anonymous (through peer-to-peer technologies) and will help to identify and reduce Ad fraud (through audit trails) and the misuse of personal data online by businesses. Profila is offering an amount of ZKT for Sale to the public for purchase.

Profila's ZKT has a variety of functions that have been thoroughly researched as part of several international joint research projects (Carlos III University of Madrid; Luzern University of Applied Sciences), and that are already being developed as part of our funded blockchain projects by the Cardano community (a first project under Project Catalyst, fund 5, three additional proposals received funding by the Cardano community under fund 6, and our ZKT token use case described in this Whitepaper received funding under Project Catalyst fund 7, see our "Project Catalyst" articles on Medium for more information, here).

Profila is confident about its unique blockchain and token functionalities, the capacity to deliver and further build out its privacy-preserving and consumer-first data, customer engagement and decentralized marketing solution by its multidisciplinary and engaged team, and the strength of its existing research and technology partnerships. The ZKT Sale as explained in this Whitepaper concerns an offer of crypto-assets to the public as covered by the Proposed MICA Directive.

The ZKT token is a Cardano native token.

The ZKT Sale started on 29 November 2021 (start pre-seed round) and consists of 4 separate rounds, namely a pre-seed round (until 28 February 2022), a seed round and private round (until 31 March 2022), and a public round. The public round is foreseen to take place in April 2022. However, this is subject to change based on many elements such as market conditions, development progress, private round progress etc.

From the 500.000.000 ZKT that have been created by Profila on 22 november 2021 ("**ZKT Creation Date**"), a maximum of 28% will be offered to the public during the token sale; 30% will be allocated to a user incentive pool which will incentivize Profila users for certain activities on the platform and within the ecosystem; 15% will be allocated to the team and existing shareholders; and 8% will be reserved for service providers and advisors.

The price of 1 ZKT will be 0.075 USD during the public round, 0.045 USD during the early backers round, and 0.10 during the private round. The soft cap for the ZKT Sale is 2.500.000 USD, namely the minimum amount required to successfully build out the "core" project scope as explained in this Whitepaper ("**Soft Cap**"). The target raised for the ZKT Sale is 5.070.000 USD ("Target Raise"). The hard cap will be 5.475.000 USD ("**Hard Cap**").

Profila's main competitors are set out in section 9 of the Whitepaper, where our Zero Knowledge Advertising strategy is competing with other privacy-preserving cookie replacements such as Google Floc, Brave and PIMs.

For a detailed overview of all the risks related to the offer of ZKT to the public, please see section 10 of the Whitepaper.

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01. GENERAL COMPANY INFORMATION

The Profila Zero Knowledge Token (ZKA) sale (hereinafter the "Profila ICO") is organized by Profila GmbH and Profila Europe B.V, and focuses mainly on the European market (including Switzerland).

PROFILA GMBH, a private limited liability company under Swiss law, with registered office at Seeburgstrasse 45, 6006 Lucerne, Switzerland, registered with commercial register of the Canton of Lucerne under number CHE 498.045.399, hereby duly represented by Luke Bragg in his capacity of managing director (hereinafter referred to as the "Company" or "Profila"). Profila is 100% owner of an affiliate in Europe, named PROFILA EUROPE BV, a Belgium LLC, with registered address at Avenue de Roodebeek 213, 1030 Brussels, Belgium, founded on 18 May 2017 and registered with the Belgian crossroad bank for enterprises under company number 0675.820.774 (hereinafter "Profila Europe").

Please find below more information on the Profila leadership team:

SHAWN BOONE JENSEN
(Founder & CEO)
South African; 20+ years XP in senior management role in ISP's, SI and global Telco organisations, most recently as Head of Product &Head of Customer Presales and Service MEA in Vodafone Global Enterprise (VGE). See LinkedIn.

MICHIEL VAN ROEY
(Chief Legal Officer)
Belgian, 10 years XP as EU-qualified business lawyer in international law firms, an international organisation (CERN), and a multinational company (Cisco). Specialized in tech & and privacy law; author crypto-asset regulations (see here [4]). See LinkedIn.

LUKE BRAGG
(Chief Product Officer)
US citizen & Swiss resident; 20 years XP designing creative digital solutions for complex organizations (G7 organization in Russia; digital strategy lead for Akzo Nobel in the Netherlands; Director of Enterprise Architecture for Merck/MSD). See LinkedIn.

IPEK SAHINER
(Chief Operations Officer)
Swiss and Turkish citizen, Computer Engineer with 20 years XP as computer engineer and project manager in the telecom sector at Nokia, supporting local Swiss and global network operators. See LinkedIn.

MICHAEL RAVA
(Chief Marketing Officer)
Swiss; high-end networker with over 30 years of business experience as entrepreneur, influencer, consultant, advisor, investor, full-stack marketer, brand and retail expert, social media visionary, keynote speaker, and digital ethic warrior. See LinkedIn.

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[4] Virtual Currency Regulation Law Review, https://thelawreviews.co.uk/title/the-virtual-currency-regulation-review/belgium.

REMY MERCKX

(Chief Growth Officer)
French; 23 years XP in the Travel & Hospitality Industry, - most recently as senior vice-president global digital & marketing – for Radisson Hotel Group with a focus on digital, distribution, marketing, branding and customer first competencies. See LinkedIn.

RAJASEKARAN YOGARAJAH

(Chief Technology Officer)
Swiss resident, 15 years XP as software developed and serial entrepreneur, with experience in block-chain-based business models and e-commerce platforms. See LinkedIn.

Please find below more information on the Profila advisory team:

BULLISH DUMPLING
Cardano Community ambassador and interviewer, Cardano advisor to Profila
See Twitter.

CLARA-ANN GORDON
Swiss; partner at Niederer Kraft Frey (NKF; Zürich).
See LinkedIn.

ELIE AUVRAY
French; co-Founder of logion (public blockchain network);
See LinkedIn.

MIKKO KOTILA
Finnish, software developer and ad-tech industry expert;
See LinkedIn.

PHILIP LAMS
Belgian serial entrepreneur & Profila board member:
See LinkedIn.

JOSÉ HENRIQUES
Portugal; Investor and Marketing Advisor member:
See LinkedIn.

The development of the Profila App and Brand Dashboard (as defined below), as well as the Profila ICO is led by our CTO and his development team from the company Canned Soul Productions GmbH.

AML/KYC services are provided by Altcoinomy SA, a Swiss supervised financial intermediary affiliated with VQF, a financial self-regulatory organization (SRO) specialized in supervising companies in the fintech industry.

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02. INDUSTRY PROBLEM STATEMENT

2.1 Today's privacy problem – brands control how your data is used

You interact with digital services and purchase products from "brands [5]" globally. With each interaction you share personal data which is used for a certain purpose (e.g., offering a product and servicing to you). You (must) agree to share your data – in most cases – without knowing how a brand will use it (often hidden in a privacy policy or mentioned in unclear language). But what can you do if a brand uses your data against your will, and how do you keep track of all these legal terms that governs a brands' use of your personal data?

Today, you have no control over how brands use of your personal data. It is entirely the Brand that decides (i) when to contact you (+frequency), (ii) via which channel, and (iii) the content you receive. That is largely because people lack the tools to give brands clear instructions about the frequency of interaction, the channel of preference, and the content of choice. There is a need to level the playing field, to bring people on the same level of technical maturity as brands, to make this exchange of information consumer-consenting, and two-directional.

2.2 Today's privacy problem – online advertising (Ad-Tech)

A large part of the time you spend online (social media and websites), you are being subjected to online advertising. The Ad-Tech market touches billions of consumers [we call them "people"!] and it is reliant on collecting and sharing a large amount of people's personal data. Therefore, today's privacy problem is even more apparent in the online advertisement space (Ad-Tech industry), where your personal data – along with the data of billions of other internet users – gets shared with and used by numerous companies (unknown to you) for their benefit.

Even though the different stakeholders in the AdTech industry are aware of this privacy abuse, they continue to use it for their benefit. There are several reasons that explain this behavior:

(a) It's a Billion dollar industry

Why would some brands and publishers sell and misuse your data? Online advertising is a lucrative business model, valued at USD 334 billion in 2019, USD 378 billion in 2020 and is expected to reach USD 982.82 billion by 2025. [6] This model is entirely based on collecting personal data about you and increasing your screen-time. Every second and click (literally) counts.

(b) It allows for personalization (although not privacy compliant)

The online advertising ecosystem offers a clear advantage over traditional advertising channels like TV, press or radio stations: personalization. Your online activity can be tracked and afterwards processed to obtain a profile of you, which reveals your preferences and interests. Conceptually, this is a good idea, because knowing your interests allows platforms and brands to show you ads and content that interests you. However, the obsession for personalization has led to the development of a sophisticated tracking ecosystem mainly motivated by the advertising business. This ecosystem goes further than the online activity of people and with the proliferation of smartphones allows to also track the physical mobility and places visited by an individual.

Many e-commerce businesses use Online Advertising because they do not have any other option. Today if a brand wants to have an online presence, there is no other alternative than using the advertising services that Facebook, Instagram and Google provide, even though your brands is then participating to and even financing this large-scale personal data abuse.

(c) However, opposition is there and change is coming

Despite all the tracking, AdTech stakeholders still largely fail to show people ads of real interest. The result is that many people consider online ads annoying and useless, which along with the perception of privacy intrusion have led people to massively install ad blocker solutions. In addition, different scandals have motivated a reaction by people as well as public administrations.

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[5]"brand" could mean an individual, corporation, partnership, company, governmental authority, unincorporated organization, trust, association, or other entity, that offers or promotes products and/or services, or – in the case of individual that can be qualified as a "Brand" (e.g. influencers, celebrities, politicians, independent professionals) – promotes him or herself, in a physical or digital environment at any worldwide location.
[6][REF Wilso paper]

2.3 Privacy laws around the world – a first step in the right direction

Rapid technological developments and globalization, in addition to numerous scandals related to privacy violations, has led some administrations to develop data protection legislations that consider illegal many of the practices conducted today. These privacy laws provide a significantly level of privacy guarantees to people, and obligations on brands that process people's personal data. Two important recurring principles and concepts we can find in most of these privacy laws – and which are relevant for our project as explained in this whitepaper – are the "transparency and information requirement" and "data subject rights".

(a) Transparancy and information requirements

The principle of transparency requires brands to provide clear, precise and easily accessible information to people about how their personal data will be used. This mean that information addressed to the public or to the data subject must be concise, easily accessible and easy to understand, in clear and plain language and, additionally, where appropriate, by using visualization.[7]

In addition, brands have an information requirement when collecting personal data from a data subject [read: an **individual**]. Each brand needs to provide the data subject (you) it collects information from, with relevant information about a number of topics that helps you understand more **about** how your personal data is being used.

Although the principles are a welcome step into the right direction, the execution of it by brands today is lacking. Even if consumers (you) would understand the information that is send to them, there is not much room for a response or a dialogue. What if you do not agree with certain aspects in a privacy policy? What if you consider that a brand shouldn't know your home address when offering you (only) a digital service? Again, there are no tools available to level the playing field between brands and people.

(b) Data subject rights

People ("data subjects" (you) in the framework of privacy laws) have rights in relation to their personal data, called "data subject rights" (short DSRs). Under certain conditions, these rights can be enforced against brands that process personal data.

These rights[8] may include e.g. (i) the right to information - the right to be informed about how a brand uses your personal data; (ii) the right to access – ask access to personal data that is being processed by a brand (e.g. when you want to know just how much data a company has about you); (ii) the right to be forgotten – ask a brand to delete your data (e.g. when you don't want to receive any products anymore); (iv) the right to object to direct marketing – ask a brand to stop sending you promotional or marketing messages (e.g. when you receive emails about products and services you do not want); and (v) the right to rectification – ask a brand to rectify personal information about you that is inaccurate or incomplete (e.g. they have your old address or there is a typo in your name);

These privacy laws (e.g. GDRP, CCPA; LGDP) include obligations for brands in relation to data subject rights, e.g. (i) inform consumers that these rights exist; (ii) help consumers exercise them; (iii) timely respond to a customer who exercises these rights, mostly within a period of 15 to 30 days; and (iv) do this all in a transparent way, and at no cost to the individual.[9]

These principles aim to give individuals more autonomy over their personal data. However, people today are often not aware these rights exists. Even if they would, how do you exercise them? There is a lack of educational resources and necessary tools to effectively make use of these rights by people.

2.4 The end of cookies – post-cookie privacy preserving solutions

One of the most important proposals to combat the misuse of personal data in the Ad-Tech industry is to eliminate third-party cookies, which is the most widespread technique to conduct – privacy threatening – tracking of people on the web.[10] There is a very intense and still open debate about what is referred to as the "post-cookies era" in the context of online advertising. Different alternatives are being proposed, some of which opt for creating respectful unique user IDs that respond to the requirements of new data protection legislation such as explicit user consent.

Google took a very important step towards the elimination of unique identifiers and proposed FLOC (Federated Learning of Cohorts)[11] , a solution where people will be assigned to a cohort formed by N (N > 1000) users, and only the cohort ID of a user will be revealed to third parties.

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[7]Recital 58 of the GDPR.
[8]See for example, Chapter 3 of the GDPR; articles 12 to 23 GDPR.
[9]Where requests from a data subject are manifestly unfounded or excessive, in particular because of their repetitive character, the controller may either: (i) charge a reasonable fee taking into account the administrative costs of providing the information or communication or taking the action requested; or (ii) refuse to act on the request (article 12.5 GDPR).
[10]Third-party cookies are set by a third-party server (ad-tech) via a code placed on the web domain by the owner of that domain. The data collected on third-party cookies are accessible on any website that loads the third-party server's code. Third-party cookies allow advertisers to track users across the internet (cross-site) and target advertising wherever that user goes", Death of Cookie Delayed Until 2023, Google Says [Next Steps for Advertisers], see https://tinuiti.com/blog/data-privacy/what-is-a-cookie-and-why-are-third-party-cookies-going-away/
[11]Recital 7 of the GDPR stresses the "the importance of creating the trust that will allow the digital economy to develop across the internal market".

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A second group of solutions, known as PIM (Personal Identity Management) platforms offer consent-based advertising. In this case, the PIM handles people's data, typically offering you the option to control your data and with whom it can be shared.

This allows people to participate in the online advertising scheme through a truly consent-based process.

A final group of solutions offer privacy-preserving advertising approaches that in spirit try to achieve what we refer to in the Whitepapers as Zero Knowledge AdvertisingTM (or ZKA), namely an advertising ecosystem where no personal data from an internet user is shared with third parties (a.o. advertisers, publishers, demand-side platforms, supply-side platforms), whereas the individual still receives relevant ads anonymously. An example thereof is Brave, who offers what we call "passive" ZKA, whereas our solution offers "active" ZKA. More about that distinction and how we improve further on existing passive ZKA solutions can be found in the "competitor" section of our Whitepaper.

2.5 Consumers want control, but lack the knowledge and tools

Today, you have no control over the use of your personal data. Many people (probably many like you reading this paper) demand more control and are willing to take action to take back ownership of their digital lives. A recent consumer privacy survey conducted by Cisco[12] interviewing 2,600 adult respondents in 12 of the world's largest economies (five in Europe, four in Asia Pacific, and three in the Americas) – shows that people increasingly care about their personal data and want to actively take action to protect it, but that they are lacking the knowledge and tools to do it.

That is where Profila steps in, by providing people with the tools to control their data.

Source: Cisco Consumer Privacy Study - 2019

Figure 3   Attitudes of Privacy Actives versus others N=2601

Source: Cisco Consumer Privacy Study - 2019

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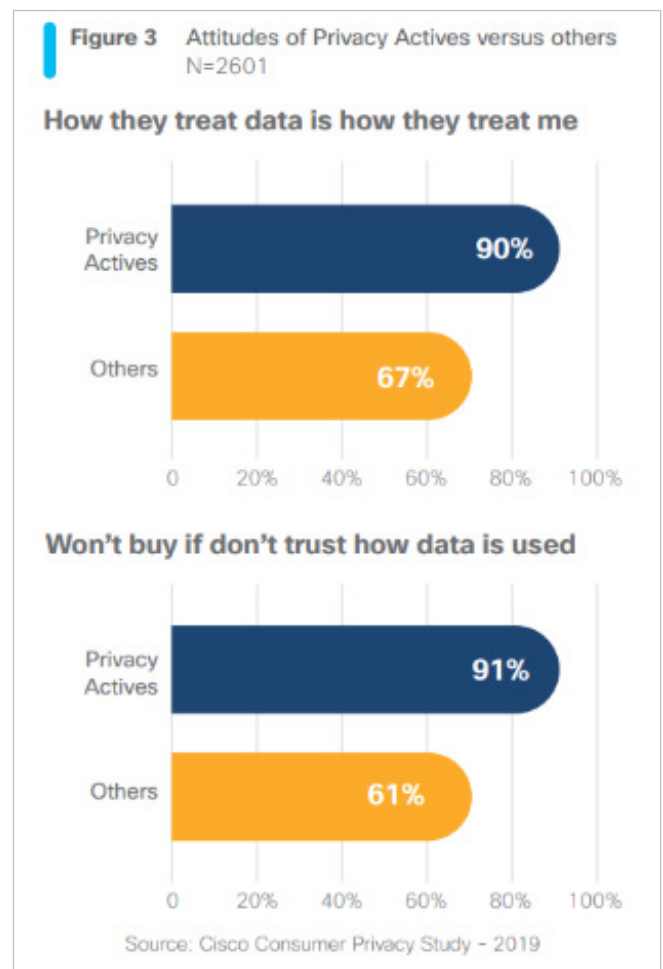
[12] Cisco Survey, https://www.cisco.com/c/dam/global/en_uk/products/collateral/security/cybersecurity-series-2019-cps.pdf

03. PROFILA SOLUTION TODAY

*"We must work together with web companies to strike a balance that puts a fair level of **data control back in the hands of people**, including the development of new technology … and exploring **alternative revenue models like subscriptions and micropayments**"*

(Tim Berners-Lee, developer of the worldwide web @ CERN).

Profila's existing mobile application includes both features, namely (i) "data control" through privacy education & rights management tool [see screen 2]; and (ii) "subscriptions and micro-payments"; through our data subscriptions [see screen 1], in order to ultimately create a better environment for brands to listen to and delight their customers [see screen 3].
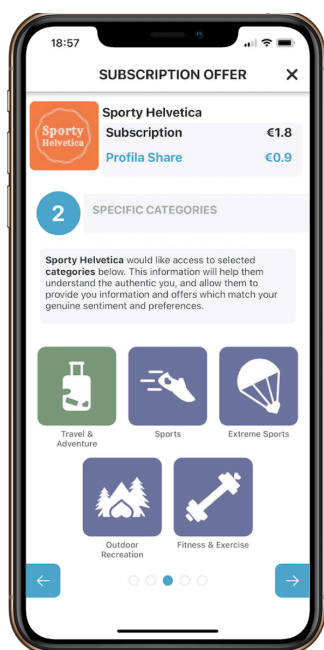
Subscription Offer to access an individual's Profila based on
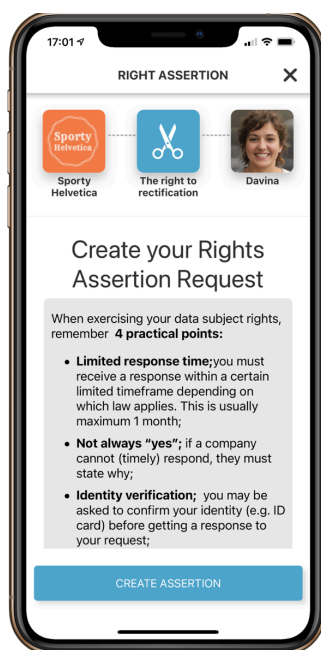
3-Step Process for exercising privacy rights
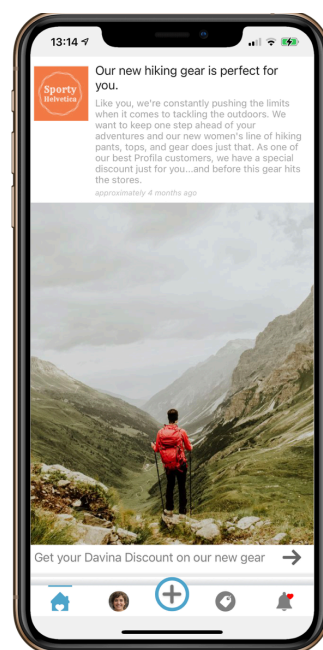
A private and personal environment for brands to

Profila

3.1 The Profila App - control your data ...

(a) ... through privacy education and rights management

A first step to effective data control is knowing your (data subject) rights and taking action against those who misuse your personal data. In order to use these data subject rights to your advantage, you need to (1) understand the scope of these data subject rights (step 1 "education"), and (2) understand how to manage or exercise these rights (step 2 "management"). Today, there is no easily available tool that lets you learn about your rights and provide you with an easy way to exercise them.
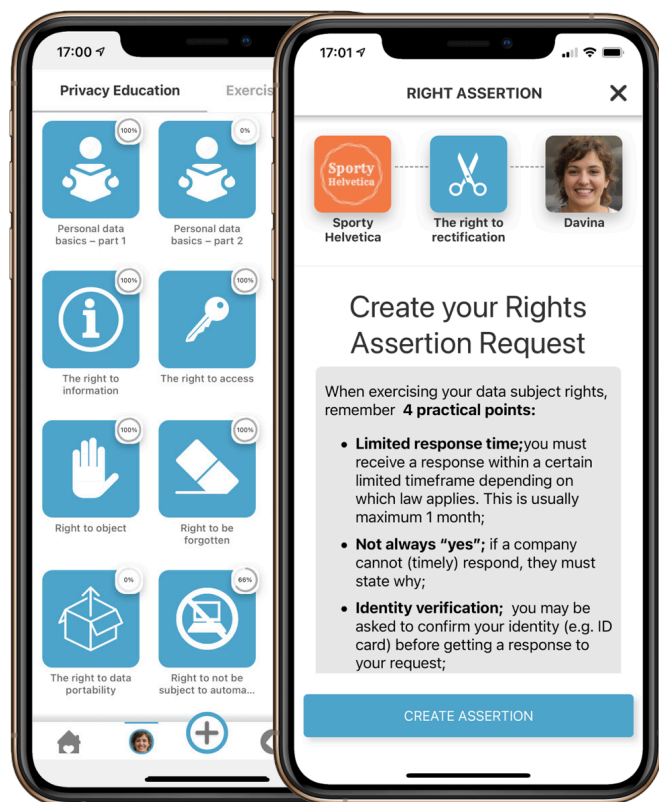
Education.

"What is personal data? How long can a brand store personal data? Can a brand sell personal data of its consumers to third parties, who then send messages to those individuals? What can I do about it?"

The App has 9 education or awareness modules about privacy rights, explaining to you in understandable terms everything you need to know about privacy and your personal data in order to effectively control it.

Rights Management[13]

"Dear Brand X, I liked your shoes, but I do not appreciate the daily emails about other products. I therefore send you this "right to object to direct marketing" so I do not receive any more of such emails."

The App allows you to manage or effectively exercise your rights. Profila reduced this difficult process to an easy 3-click step process, where you can (1) choose a company logo (recipient of a right request); (2) click on one of the 8 data subject rights [14], and (3) include an identifier (email; mobile number).

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[13]Profila's rights management functionality is already implemented on the Cardano blockchain as part of the Catalyst challenge (fund 5 "metadata"). Our funded project – called "control your data – privacy ledger".
[14]For a more detailed description of data subject rights in the Profila App's, please consult the information in Annex II to the Whitepaper.

(b) … through data subscriptions

"Dear brand Y, I will grant you access to my email and my clothing preferences, but only during the summer, because I only want to receive offers on swimwear, and only contact me via Whatsapp, because I probably wouldn't read it if you send it via email"

A second step to get data control, is keeping track of your personal data. Where does your personal data reside and who has access to it? This is taken care of by Profila's "data subscriptions", which allows you track all data you shared with brands, including information about what kind of data, the purpose and duration, and ultimately receive a compensation from brands that subscribe to your data (personal data is never sold).

People (you) are our partners, and your brands are our customers. Our revenue model is 50/50, meaning that every EUR/USD/CHF that a brand pays to access your personal data under a subscription, we share 50/50 with you. If you agree to these terms, you click "accept" and both parties conclude a data subscription contract. Payment is made by the brand at intervals throughout the contract terms (usually monthly), on the conditions that the consumers' personal data is kept up to date, and the brand can also access additional data about the consumer's preferences for certain products and services relevant for the brand.

E.g. Wholefoods pays Alice 12 USD/year (1 USD each month) to access her (i) personal data (email, phone) (ii) preferences about food (vegetarian, bio-products, lactose intolerant) and (iii) communication preferences (Alice would like to receive discounts/product info via WhatsApp and Profila). This helps Wholefoods to serve Alice better. If Wholefoods listens to Alice, she will be a happy customer. Alice gets the products she likes and service she requested and receives a compensation for the use of her personal data by Wholefoods. For each Advert she watches, Alice gets paid. If Alice wants to know in the future what she agreed to, she can easily verify the terms of her relationship with Wholefoods in her Profila App (under the Wholefoods data subscription).If Alice wants the relationship to stop, she can end the contract and exercise her "right to be forgotten", so that Wholefoods is legally required to delete her personal data.

3.2 The Profila Platform – ultimately about improving relationships

Profila has designed and developed its platform to improve the consumer-to-brand relationship by empowering people to have better digital relationships with brands. After you take "control" of your relationship with a brand, you can communicate with various organizations in your life, privately, 1-1, and without surveillance. You can tell brands how you want to be approached (or not), and what you like (or dislike) about their products, services, or even their communication with you.

You can manage your digital life in one location, sort all personal data, brand-, product-, service preferences and communication channels and communicate with brands they want to interact with in the same easy way (instead of using each individual brand's app/website). A brand can learn to respect its customer's (your) settings and choices, learn more about the customer's channel- and product preferences, and provide each individual with a personalized experience, ultimately benefitting both you as a customer as well as the brand. Brands who can use Profila as a new source of accurate and ethically sourced data, a private marketing platform and advertising channel that helps the brand provide a better experience based on the instructions of each individual and tuned to the digital pace of each individual.

Prɵfila
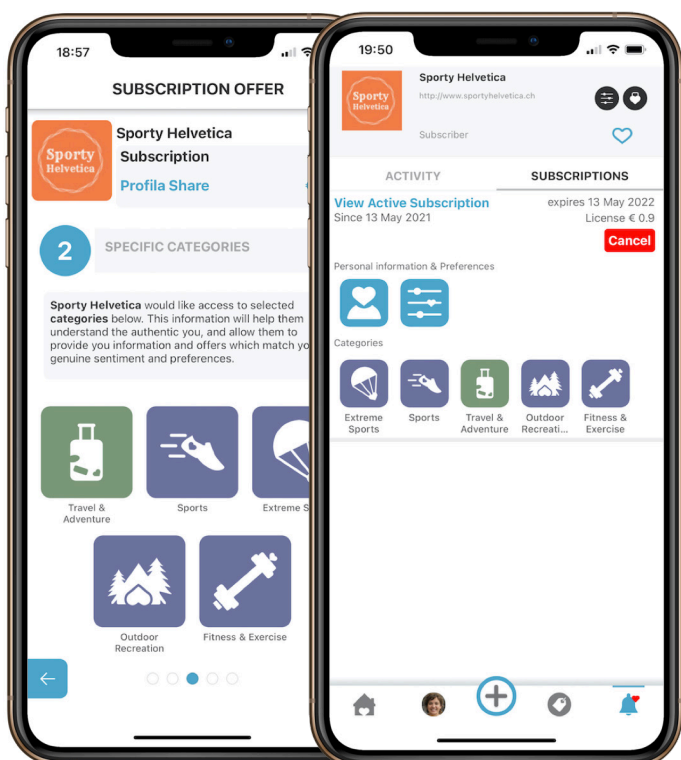
04. PRIVACY AND ADTECH RESEARCH

In order to further enhance the tools available for people to control their data and relationships with brands and protect their identity while making use of the internet, Profila has concluded long term research partnerships with prominent universities in Europe. We are actively working together with several important researchers who are experts in this space.

4.1 Project Madrid and the road to Zero Knowledge and Decentralized Marketing (DeMar)

(a) Zero Knowledge Proofs (ZKP)

The name "Zero Knowledge" is commonly used in reference to zero-knowledge proofs (referred to as ZKP), a digital protocol that allows data to be shared between two parties without the use of a password or without sharing any other information associated with the transaction. ZKP is a protocol through which a digital authentication process can be facilitated without the use of any passwords or other sensitive data. As a result of this, no information, either from the sender's or receiver's end, can be compromised in any way[15]. ZKP (when available on leading blockchain platforms) allows people to communicate with one another without having to reveal the content of their interactions with any third party. Profila is analyzing whether this technology can be used as part of our privacy-preserving stack of technologies, ultimately giving consumers more control over who has access to their data. Profila has been researching how to potentially implement zero-knowledge proofs into a consumer and brand relationship, as part of its new privacy-preserving advertising solution concept we call "Zero Knowledge Advertising" (ZKA in short), built to replace third party cookies, and protect people's identity and personal data online.

(b) Zero Knowledge Advertising (ZKA)

Zero Knowledge Advertising or ZKA allows people to remain anonymous on the internet while still viewing personalized content from brands. Personalized ads are delivered to users without sharing any users' data with third parties. This new solution is explained in detail in our research paper (technical whitepaper) named "Zero Knowledge Advertising: a new era of privacy-preserving AdTech solutions" that Profila co-authored with the University of Madrid III, Big Data Science Institute – Santander (hereinafter the "ZKA Research Paper", read the full version on our website here). With ZKA, Profila is proposing a novel privacy-preserving alternative to third party cookies, in an attempt to solve privacy issues in the AdTech industry. On the one hand, ZKA will provide the AdTech ecosystem with a smarter, more efficient, and safe advertising and marketing alternative to cookies and Google FLOC, or other projects like Brave. On the other hand, ZKA will provide people with full control whether their browse the internet anonymous, or whether they reveal (parts of) their identity to advertisers.

The main functionalities of our solution are: 1) It is actionable in different venues (e.g., mobile apps, web browsers, video platforms) contrary to walled garden approaches (such as Brave); and 2) It offers two operation modes: (i) the default mode is zero knowledge advertising, where personalized ads are delivered to users without sharing any users' data with third parties; (ii) the second mode is referred to as consent-based advertising, and it requires the proactive action of the user to activate it. In our solution, users are rewarded for both their interaction with ads as well as for the data they voluntarily decide to share with advertisers.

(c) Decentralized Marketing (DeMar)

The ZKA solution as well as the consent-based advertising model by Profila together create a consumer-controlled marketing experience, where data is shared and ads are delivered in a decentralized way. Profila is therefore creating the term "decentralized marketing" or short "DeMar" to introduce this new model where consumers will have a greater control over their data and the ads they see, and most importantly, they will be able to directly connect with brands that matter to them, without passing by the numerous intermediaries in today's advertising ecosystem. Brands will have a clearer view on who sees their content. With DeMar, Profila will unlock the real value of personal data whilst capturing increasing percentages of global data and advertising revenues (expected to reach USD 982.82 billion by 2025) as brands seek alternatives to tracking centric platforms (Facebook & Google).

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[15]S. Jagati, "Zero Knowledge Proofs, Explained", see https://cointelegraph.com/explained/zero-knowledge-proofs-explained.

4.2 Project Innosuisse and your own AI lawyer

Profila and the Information Systems Research Lab of the University of Lucerne of Applied Sciences (Hochschule Luzern, HSLU) have partnered to tackle an ambitious privacy research project. On the 21th of April 2021, Innosuisse approved to fund the Profila and HSLU research collaboration project 50446.1 IP-ICT with the title "P2Sr Profila Privacy Simplified reloaded: Open-smart knowledge base on Swiss privacy policies and Swiss privacy legislation, simplifying consumers' access to legal knowledge and expertise" (See HSLU and Aramis, Swiss government).

The main goal of this 24-month project is helping consumers to understand which data usage agreements they agreed upon and how accordingly their data can be used online. Profila and HSLU are developing a "smart knowledge base" (KB) composed of questions and answers (Q&A) that can be matched with the specific doubt or question a user has. This will work as the intelligence behind a conversational agent (or our "AI lawyer"), proposed as a self-help tool.

Profila

05. ZKT TOKENOMICS – UTILITY

Profila's Cardano-native token "Zero Knowlegde Token" has several functionalities (reward allocation, governance, gamified utility and payments).

In this section, we highlight the utility linked to our project catalyst funded project "Anonymity and Data Control with ZKT' (see here), which discussed in more detail the gamified tokenization of the ZKT (or §ZEKE).

5.1 Profila app … all about improving relationships with brands

The Profila platform is designed to empowering people to have better digital relationships with brands, by giving them the tools to control how brands can communicate to them (in terms of channel, frequency, and content). Because a brand has direct access to this data shared by each individual, a brand can learn more about its customers; respect their (your) privacy settings and communication choices, learn more about the customer's channel and product preferences.

This data then helps the brand to provide each individual with a personalized experience, ultimately benefitting both you as a customer as well as the brand. Brands can use Profila as a new source of accurate and ethically sourced data, as well as a customer engagement and marketing platform channel that helps the brand provide a personalized experience based on the

instructions of each individual and tuned to the digital pace of each individual.

5.2 Profila agents … consumers, brands, and Profila

a) Consumers

Consumers exist on a spectrum, from one-time purchasers to regular customers, brand loyalists, content creators, superfans, or even brand ambassadors. Some are devout followers of certain brands and want to get closer to them, others only want to receive content from a brand (only) when they require a product or service.

At the same time, regardless of their desired level of engagement, they are all inundated by ads at every single second of the day, walking around town, on Youtube, Instagram, when speaking with other people. Every moment of someone's life

has become adspace and as such we must offer something truly unique for people that are willing to offer us their valuable time.

Via the Profila app's self-discovery journey, each consumer will be able to choose what Categories they fill in and to what level they go. Based on your engagement with a specific niche (e.g., eco-friendly traveler level 5 + vegan level 3), you can define in detail what kind of consumer you are.

b) Brands

Brands want a stable and consistent revenue source at the end of the day. They want to expose themselves to consumers who are actively searching for them (or their products and services) and then hope to convert said consumers into purchasers of the brands.

As was said above, ads are everywhere and Brands have to find venues where they are able to get their ads in front of consumers who are already suggestive to watching and consuming ads and or wish to become closer to their favourite brands. They have many places to advertise and have to choose specifically where and how based on retention and conversion.

Today if a brand wants to have an online presence, there is no other alternative than using the advertising services that Facebook, Instagram and Google provide, even though your brand is then participating to and even financing this large-scale personal data abuse and is not listening to what people want. Also, online advertising stakeholders still largely fail to show people ads of real interest. The result is that many people consider online ads to be annoying and useless.

Profila provides this new private channel where brands can advertise at the space set by their consumer. In addition, the Categories within Profila will create outputs for brands that will allow them to personalize offers, create micro-segments, and provide them actionable insights to delight customers

c) Profila

Profila has the mission of aligning Consumers, Brands and Itself via the application. A proper synergy between the three should look like consumers getting access to deals, specials and unique information from their favourite niches and brands, for brands they must have access to high-quality potential consumers that are willing to convert and ideally become long-term consumers at that. Profila must constantly expand its userbase to become attractive for as many brands as possible and build out its own internal application in order to have users view, create and share content (consuming ad content).

But how do you teach people to build that highly accurate set of data, privacy settings, communication preferences, and how do brands use all of this data to personalize their content and provide customers (people) with that personal experience? That is where we created our own token, called Zero Knowlegde Token", ZEKE (in short) or ZKT, with the ultimate goal to improve relationships and trust between people and brands. ZKT will help us achieve this goal, incentivize good behavior, help avoid any abuse of the platform and tools we make available and will compensate people and brands for taking part in this new engagement and experience model.

5.3 ZEKE … all about improving experiences and interactions with brands

"ZEKE functions as a marker of progress in the app. It indicates the progress of a person's self-discovery while he or she builds up the most accurate and authentical set of data about him or herself. It also measures your experience in relation to a specific brand or market. The higher you "level up" in your self-discovery process in the app, the more you will have access to exclusive brand content and experiences. ZKT will be crucial in this customer-to-brand relationship process, as it empowers, rewards and protects people and incentivizes both people and businesses to share better data, act more ethically when using data, and ultimately create a better customer relationship".

- the Profila Team

Profila

(a) ZKT as Experience and Marker of Progress

ZKT measures an individual user's progress and "experience" within Profila.

Experience or "XP" (read: $ZEKE) in this form will unlock various features within Profila that further enhance and reveal deeper means of interaction and engagement with brands, but also the user's own data.
This is achieved through a "levelling" based system (within individual Categories and at a profile level), but also through "badges" that are awarded for specific category achievements, as well as the ability to stake XP (explained below). This functionality encapsulates both data management features as well as self-discovery and profile development features.

(i) Self-discovery and Quizzes

The main XP that people can develop is linked to self-discovery via our Category Quizzes. Categories is a new concept from Profila that will empower individuals to create the most authentic, accurate, and valuable asset available anywhere. These interactive quizzes are designed for people to build up an accurate digital profile of themselves.

Personal Data and Psychographic Insights

Personal Data
Accurate and up-to-date personal data, contact details, and basic demographic information

Master Preferences
Defining channels of preference and default selections per communication channel

Category Quizzes
Self-discovery quizzes capturing authentic sentiment and preferences on a variety of categories

Category Scoring
Insights from category quizzes converted into accurate micro-targeting opportunities, metrics, badges, and fact-sheets about an individual customer

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[20]Zero Party Data is data that a customer intentionally and proactively shares with a company.
[21]Project Catalyst is an experiment in community innovation, providing a framework to turn ideas into impactful real-world projects. Catalyst is a community lead project, where the Cardano community votes on the projects submitted. Catalyst was brought to live by IOG (input output global)/IOHK (input output Hong Kong), https://iohk.io/
[22]https://cardano.ideascale.com/a/dtd/Control-your-data-%E2%80%93-privacy-ledger/350680-48088.

This digital profile is created as you fill out the personal data section (your email, date of birth, name, picture, languages you speak etc.) as well as complete quizzes within specific categories (such as Food & Drink, Fashion, Travel). These quizzes are an enjoyable and interactive way for you to capture your preferences and thoughts via text or picture-based questionnaires. As you complete more quizzes, you earn XP and level up not only your profile, but the respective categories in which you have completed quizzes.

For example: If you are a big fan of "Outdoor Sports" and the subcategory "Running", you might be willing to participate in various forms of advertising within the Outdoor Sports category and the sub-niches of "Trial Running", "City Running" or even "Triathlon". By participating in advertising items that are in the general category you gain "experience points" (read: $ZEKE) and more experience points increase your level for a specific category and niche.

Category Quizzes and Insights

Capture Sentiment
Using image-selection questions, an individual can capture their authentic sentiment about a specific topic or category

Category Scoring
Image selection is intelligently interpreted into our multi-dimensional scoring which enables micro-targeting based on zero-party sentiment directly from the individual

Capture Preferences
For capturing preferences, we use simple question types for major and micro-preferences about a specific topic

Fact Sheets
A brand can subscribe to a specific fact sheet full of accurate preferences that will allow you to delight your customers.

(ii) Staking to unlock new Quizzes

ZKT earned and accumulated (XP) can be used to specifically progress and enhance interactions within specific categories that you are interested in. This will be achieved by initially offering a select curation of categories to the user to delve into, whilst others remain locked until a certain amount of XP (i.e., ZKT) has been acquired. The acquired ZKT needs to be 'staked' within the app to unlock these new categories, as well as further levels within individual categories of particular interest and other benefits.

After earning XP in a specific subcategory of "Running" as part of the category like "Outdoor Sports", a user can go to the next level and stake the earned ZKT to unlock access to different subniches like "Running clothes" or "Triathlon nutrition" or "Running accessories". Or you might be interested in men's fashion. Eventually you complete all unlocked quizzes within Men's Fashion, and so to unlock the next level of depth (more specific questions, niche preferences) you will have to stake your ZKT tokens to this category to unlock the further benefits.

When a person fills out a Quiz, the data selected gets added to their Profila and increases the value of the digital profile. This profile can then be shared – by the individual alone – in exchange for a fee from brands they like, and ultimately for more personalized products and services from such brands. The higher a user rises in levels, and the more categories a user gains XP in, the more valuable a user becomes for a brand. This is because brands will use the levels to figure out what content to share with their customer base.

Unless you decide to share personal data and category-data with a brand of your choice, your data stays safe inside Profila and is not shared with any brands.

Category Complete
Congratulations! You've completed all the quizzes in the Men's Fashion category. You've unlocked the Sporting Goods category

Men's Fashion Progress
100%

You've just earned...
0.25 ZKT

What's Next?
Stake your ZKT earnings to unlock more levels and a new version of Zeke

Profila

(iii) Achievements & Badges

Additionally, users are rewarded with badges for reaching certain levels within categories, or for taking certain actions in the app, in order to provide a sense of achievement alongside encouraging further self-discovery. Badges are part of the gamification of Profila by providing fun and insights for individuals.

E.g., when you have filled out all levels of the "Running" category, you receive the "Ironman" badge. When you shared customer-created content with at least 10 brands, you earn the "Loyal Customer" badge, or when you exercise a privacy right (e.g., you ask brand to modify your privacy settings and change your email), you get the "privacy wizard" badge".

These badges, in combination with the levelling score for Categories and XP in ZKT, all serve to create the most accurate representation of yourself that will help brands understand who you are, so they know how to engage with you in a private and personalized manner.
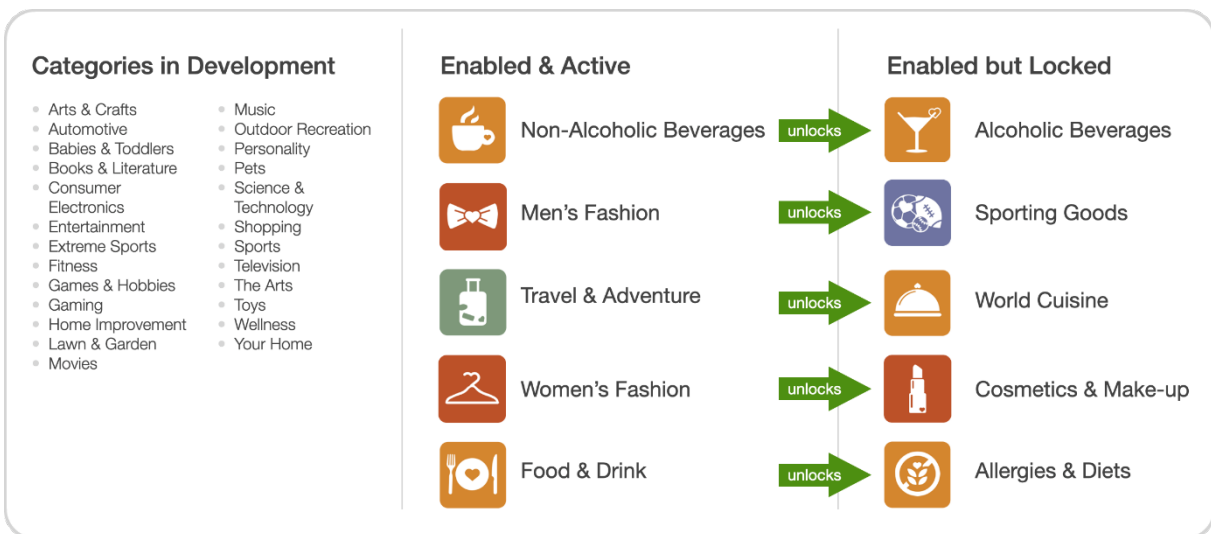
(b) ZKT to improve interactions ... and create superfans (or not)

ZKT can also measure an individual user's "interactions" with a Brand within Profila. The XP that people can gain from interactions is linked to (i) brand content and advertising, and (ii) consumer content and feedback.

(i) Brand content and advertising

People can use the app to view content from Brands (personalized advertising on products and services) and interact with such content by opening the add, clicking through, or adding a (positive or negative) sentiment to the add you like or dislike.

People can earn additional brand-specific XP or content. The more you interact, the more your XP increases and the more ZEKE you collect. As you progress in levels you get more unique ads and personalized content, more unique opportunities, and rewards, you could potentially become a brand ambassador. At this point the interaction is very personal and unique.

This then acts as an amazing selling point towards brands as they can witness how their existing consumers are so involved in specific niches and really build out their own nodes to reward the consumers who are working hard farming and levelling their brand's node. For smaller brands, this opportunity is truly unique because you gain access to a consumer base that is highly active and marketable to and have the potential to cultivate super fans of your products by really building out nodes that compete with larger brands because you can focus on rewarding people who are really interacting with your ads on the platform.
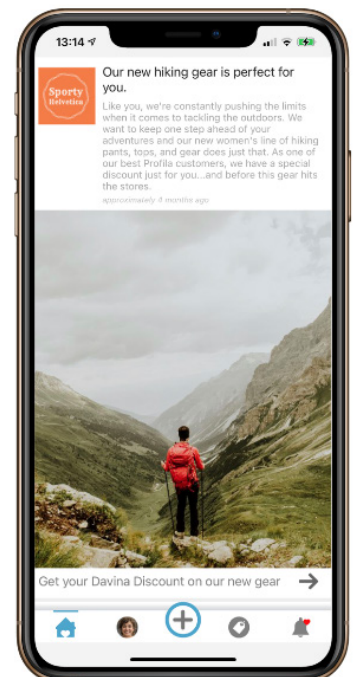
A private and personal environment for brands to delight their best customers

(ii) Consumer content and feedback

Another form of brand interaction where XP can be earned is through Moments, consumer created content that is directly shared with a brand. If a brand wants to commercially use your content, they can buy it in the form of an NFT. To know more about this, checkout our proposal funded under Project Catalyst fund 6, here.

Capture a Moment and share with a tagged brand in a private environment

You can make a Moment tradeable by a brand for their promotional efforts

A brand can respond to your private moment with a personalized offer
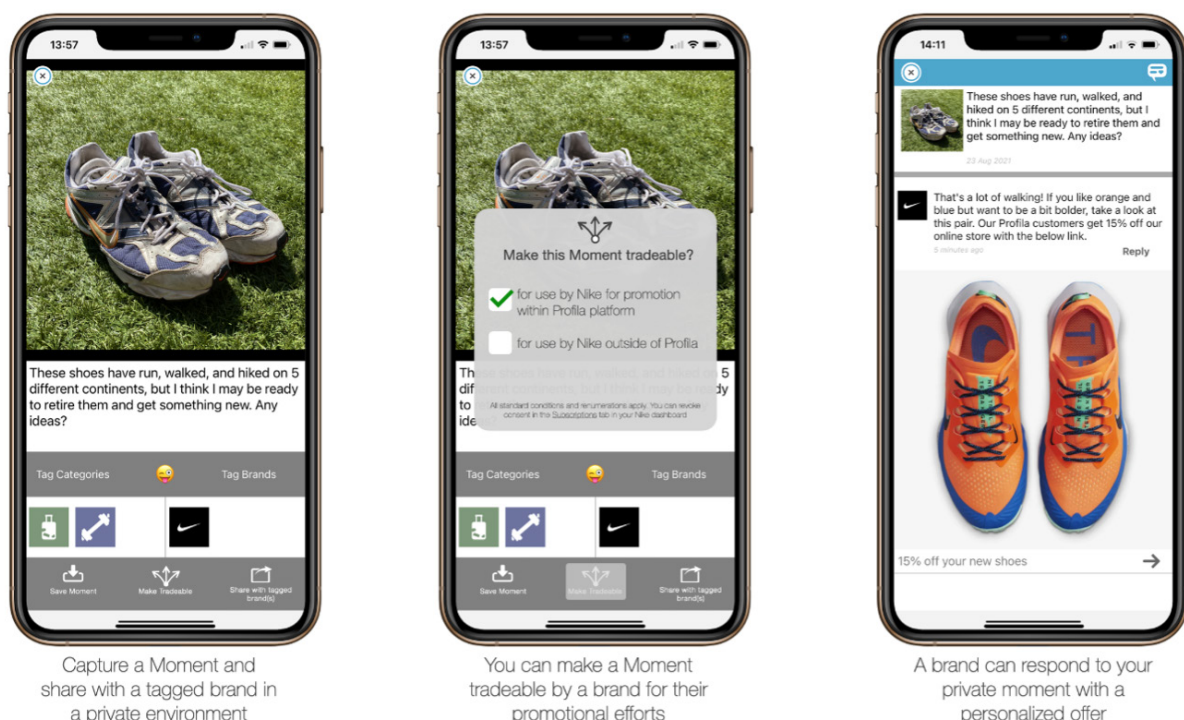
5.4 Type of crypto asset, role and purpose

ZKT is a Cardano native token.

Cardano native token. Cardano is a proof-of-stake blockchain platform founded on peer-reviewed research and developed through evidence-based methods. Cardano's approach to building custom tokens differs from a non-native implementation of custom tokens, such as ERC-20, where custom tokens are implemented using smart contract functionality to simulate transfer of custom assets (i.e., a ledger accounting system).[16]

ZKT Role and Purpose. Depending on the specific use case, ZKT's token role will either be (i) a "**function**" to enrich the user experience and incentivize people for using the App, (ii) a "**toll**" for people to participate in the usage fees of the smart contracts, or (iii) a "**currency**" for creating frictionless transactions between brands and people sharing data. ZKT holders will also be able to be the governance body of this new decentralized marketing platform (DeMar) on Cardano.

Reasons for offering a crypto asset to the public include:

- **First**, we want to stimulate the consenting exchange of personal data and ultimately improve the relationships between people and brands.

- **Second**, our token will help to provide "certainty" that transactions and (inter)actions occured.

- **Third**, our token will be used to govern the decentralized marketing (DeMar) platform of the future ("governance") as the platform is build for people, to be governed by people, and reward ZKT holders for their governance efforts based on the number of ZKT. In many ways, this is how Project Catalyst functions and Cardano's native token functionalities allow for these governance and reward features by default.

- **Fourth**, ZKT reduces the cost of transactions for data sharing (banking / payment service provider intermediaries) and improves the speed of transactions and can be used to offset blockchain entry fees.

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[16]For more information about the difference between Cardano native tokens and ERC-20 tokens, see "What is a native token and how does it compare to ada and ERC20?", available via https://cardano-ledger.readthedocs.io/en/latest/explanations/features.html

Profila

06. ROADMAP

This section provides more detail about (i) the key features of the products or services developed or to be developed and (ii) the project organisation, including the description of the past and future milestones of the project and, where applicable, resources already allocated to the project; (iii) the planned use of funds collected via the offer to the public of the ZKT token.

Roadmap

Q1 2022
- Metronome
- Privacy Rights Assertion
- Privacy Ledger - data subject rights process on Cardano

Q2 2022
- Spotlight
- Profila for Brands web v2.0
- Privacy Knowledge Center
- Consumer-created feedback as tradeable Cardano NFTI
- Data distribution & user control

Q3 2022
- Bundles
- YouQ alpha trials
- Multi-Brand Architecture
- Integrations SDK
- Smart Contracts for Data Sharing/Subscription

Q4 2022
- Mobile & Web UX Refresh
- MarketPlace alpha trials
- Avatars for MarketPlace
- Privacy Workflow
- Atala Prism digital ID integration

Q1 2023
- Profila for Startups alpha
- Privacy Rights Integration
- Buying Signals
- Bundles for MarketPlace

Q2 2023
- MarketPlace v2.0
- Gift Registry
- Live Personas Dashboard

Q3 2023
- Brand Policy Integration
- MilePost for MarketPlace
- ScoreCard for MarketPlace
- Evergreen v1.0

Q4 2023
- Profila for Startups Launch
- Profila IRL Services
- Zero Knowledge Services
- MarketPlace for Influencers
- Legal/Privacy AI Chatbot (collaboration with HSLU)

Legend: For People · For Brands · Privacy · MarketPlace · Cardano (decentralization) · Technology

6.1 Profila Platform

(a) Mobile application and brand dashboard ("Platform V1")

Profila already developed and deployed the Profila mobile application for individuals (iOS and Android) (or "**Profila App**") and web-platform for brands https://brands.profila.com/ ("**Brand Dashboard**"). The first users are onboarded in Q3 of 2021.

The Profila App contains a.o. (i) a personal "**Profila**" in which each user can create and manage its own personal information, including needs, desires and preferences; (ii) a gamified **education section** with different modules that teach users about (privacy) rights; (iii) a **rights management tool** that allows an individual to exercise his/her data privacy rights; (iv) a "moments" function (**Consumer Moment**) that allows each individual to capture their sentiments, desires, or preferences about a brand or product, with each "moment" becoming a part of the individual's Profila, along with the option of sharing this "moment" directly with the relevant brand. (v) a "self-discovery quiz" section (**Category Quiz**) that allows each individual to create the most accurate, authentic, and valuable Zero Party Data about themselves about a range of topics and categories. (vi)a "data subscription" process (**Data Subscription**) that allows

for individuals to enter into a contract with an unlimited number of brands.

The Brand Dashboard contains a.o. (i) a **brand portal** in which the brand can manage all its company information, contact details, information about how it processes personal data; (ii) a functionality to send **Brand Moments**; which is similar to a social media post, consisting of a picture, text message, video, audio, article or any other form of (marketing) content, (promotional) offers or information about a Brand, its products or services or other (profit or non-profit) activities, that a Brand can share with those individuals in the brand's subscription base (individuals who have consented to share their Profila); (iii) a dashboard in which the brand can have an **overview of each individual consumer** that accepted to share data; including the relationship with this consumer (=how many interactions, what data was shared, etc) as well as analytics and insights about different target segments.

Profila's rights management functionality is implemented on the Cardano blockchain as part of the Catalyst challenge (fund 5 "metadata"). Our funded project "control your data – privacy ledger" is committing (hashed) info from this transaction onto the Cardano blockchain, in order to provide proof for future reference. More details about the project and the other Catalyst projects can be found on the ICO website https://ico.profila.com.

(b) Stage 2 – Platform V2

As shown on the illustration below, several features of Platform V1 will be further enhanced, and additional features will be included. These relate to the Profila App, the Brand Dashboard, the infrastructure of the Platform v1, and some other Cardano-related projects such as our integration of Atala Prism as set out in the Catalyst proposal "Control your data (vault) via PRISM". A detailed description can be found in section 5.1.(b) of the Whitepaper.

(c) Consumer Experience

The consumer experience for version 2 of the Profila Platform will build on the foundation already completed in the mobile app. Moving forward, the consumer experience will not be limited to mobile devices but will be increasingly device/screen agnostic; encompassing a browser version with the increased real-estate of a web platform enabling new features difficult to manage on a mobile device, as well as targeted uses of wearables for specific Profila features. Additionally, specific initiatives on a variety of workstreams are in planning. Learn more about the features we call "Metronome", "Sidekick", and "Bundles" in section 5.1.(a) of the Whitepaper.

(d) Brand Experience

The brand experience across the platform will be expanded and improved for v2.0. This includes new features such as a white label version of the Brand Dashboard, a Multi-brand integration, and a list of general improvement to the brand portal. Learn more about the new features such as "spotlight" in section 5.1.(b) of the Whitepaper.

6.2 Cardano Integration

(a) Catalyst Fund 5 – Privacy Ledger

Profila's rights management functionality is already implemented on the Cardano blockchain as part of the Catalyst challenge (fund 5 "metadata"). Our funded project – called "control your data – privacy ledger" is committing (hashed) information from this transaction onto the Cardano blockchain, in order to provide proof for future reference.

(b) Catalyst Fund 6 – Metadata, (d)App, Atala Prism and NFT

Additionally, there are several areas mentioned elsewhere in this roadmap which will include integration with Cardano technology such as the digital ID tools of Atala Prism. They include:

Please consult our ICO website https://ico.profila.com for the most recent update on all of our Cardano-related projects on Project Catalyst.

(c) Catalyst Fund 7 – Zero Knowledge Token integration in the app

Profila's proposal to integrate its zero knowledge token into the app as per the token utility explained above in chapter 5, was funded by the Cardano community under Project Catalyst fund 7. Our funded project is called "Anonymity and Data Control with ZKT".

More details about the project can be found in our Medium article "Profila gets funded under Project Catalyst for the 5th time", see here.

6.3 Privacy

Together with the University of Lucerne's (HSLU) Blockchain department, and co-funded by Innosuisse – the Swiss Innovation Agency [18], Profila started the development of a smart & expert sourced knowledge base on privacy policies and privacy legislation. This project was awarded in May 2021; launched in September 2021 and is scheduled to proceed for a period of 2 years.

After the successful end of the innovation research project in September 2023; Profila will integrate the smart knowledge base in a consumer interaction model, preferably a chatbot (the "Chatbot").

Learn more about our privacy projects in section 5.3 of the Whitepaper.

6.4 Zero Party Data

Zero Party Data will be the fuel that powers the next generation of marketing excellence. Instead of relying on surveillance tactics and observed behavior which is often misinterpreted if not incomplete, ZPD will empower individuals to capture the most accurate, authentic, and valuable insights about themselves via self-discovery YouQ questions, and allow them to decide who has access to what insights, and what can be done with them. Individuals are the gatekeepers, and brands benefit from high quality, evergreen insights about their best customers.

Learn more about the features we call "YouQ", "Fact Sheets", and "Next-Gen NPS" in section 5.4 of the Whitepaper.

6.5 MarketPlace

The core of the Profila platform is made of consensual and transparent relationships between individuals and brands. But what if someone has a need, a want, a desire, or just want to discover something new? The Profila MarketPlace will be a safe space where individuals can discover new brands, new products, and new services that match their needs. And because it's Profila, individuals will be empowered to manage and control their experiences in the MarketPlace; ensuring their privacy and integrity of the insights they share.

Profila will develop a privacy-first marketplace where Profila users can post anonymized "personae's" or Avatars, which allow for both individuals and brands to discover each other in an anonymous way until both parties agree to the terms of their interaction (under the terms of a data subscription).

E.g. you would like new running shoes. You create an anonymized Avatar in the Profila App, and include as relevant elements "sport shoes"; for a "30 years old"; "male", with "shoe size 45". Each company that sells sport shoes for grown men with a size 45 can now send offers to your Avatar with special discounts. From the 5 offers you receive; you choose the offer from Nike. Only then can Nike know who you are in order to send you the shoes.

Learn more about the MarketPlace features we call "Buying Signals", "Avatars", "Mileposts" and "ScoreCards" in section 5.5 of the Whitepaper.

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[18]Legal Disclaimer – Please note that Innosuisse is merely a sponsor of the Smart Knowledge Base research project awarded to Profila GmbH

Profila

6.6 Zero Knowledge Services (Insights & Advertising)

As detailed elsewhere in this white paper, Zero Knowledge rests of the premise that an individual can initiate a desire for a product or service and have that need met without rendering any personally identifiable information.

Zero Knowledge Services will play an important part for In Real Life scenarios as the Profila platform expands. One can easily imagine scenarios such as COVID certificates required in certain situations (where the fact that a valid certificate exists without needed to divulge the individual), contact tracing, sporting, and music events. The scenarios where the Profila platform can pull back the need for extensive and unprotected sharing of personal data are almost endless. In most scenarios a zero knowledge or minimal knowledge fills the requirement of all parties.

- In cooperation with the University of Madrid II, Profila is developing a framework for what we call "Zero Knowledge Advertisement and Insights" or Zero Knowledge Advertising. Please consult the ZKA Research Paper on our website, https://ico.profila.com.

- Using zero-knowledge proofs, Profila will allow a Brand to target the "perfect" consumer (meaning to the exact target audience consumer, which exactly matches the specific offering/message a brand wants to share), without the sharing of ANY personal data of a Profila user with the Brand (=user anonymity).

- An individual (who is a Profila user) can choose to browse the internet anonymous via a peer-to-peer network of other Profila users that (help) hide his/her identity towards advertisers and publishers. Each peer in the network who participates to keep the anonymity of another Profila user will receive a small amount of ZKT deducted from the advertisement income Profila receives.

6.7 The planned use of funds collected and resources allocated

The funds will be used to (further) develop and build out the elements mentioned in the roadmap of this Whitepaper. Depending on the amount received during the ZKT Sale (with a Soft Cap of 1.5 million EUR and a Target Raise of 5 million EUR), we will be able to further develop different stages of the project over a period of 18 months (in case of **1.5 million EUR** raise) up to 3 years (in case we reach (close to) the Target Raise of **5 million EUR**).

Budget Allocation [19]:

- *Technical Development and Infrastructure (estimated 40% of proceeds),* which includes a team of 10-15 software engineers – lead by our CTO. In addition, this budget also covers all of the infrastructure costs for developing the roadmap and deploying the functionalities in the Profila App and Brand Dashboard (including hosting, backend services, etc).

- *Support Team and Staff (estimated 30% of the proceeds).* This budget item will also cover the current leadership team of 6 people at acceptable industry rates (Shawn Jensen, Luke Bragg, Michiel Van Roey, Ipek Sahiner, Michael Rava and Rajasekaran Yogarajah). We will hire our existing team of volunteers and contractors engaged with onboarding, sales, & marketing, as well as other operational/support functions, a management assistant as well as a data privacy officer (est. 15 FTE staff).

- *Contractors and advisors (estimated 5% of proceeds)* – third-party engineering, promotional work, growth hacking, public relations, and other (ICO) service providers.

- *Marketing (estimated 15% of proceeds)* – expand awareness and adoption of the Platform.

- *Administration (estimated 5% of proceeds)* –legal, accounting, and other professional services.

- *Contingency (estimated 5% of proceeds)* – unforeseen costs.

07. TOKEN ECONOMICS

Profila created 500 million ZKT, which will be distributed as follows:

	In Tokens	in %	Initial Unlock %	In Tokens	Cliff	Vesting	USD price
Pre-Seed Round	40.000.000	8,000%	0,00%	0	3	15	$0,022
Seed Round	40.000.000	8,000%	5,00%	2.000.000	3	15	$0,030
Private Round	50.000.000	10,000%	7,50%	3.750.000	3	15	$0,045
Public Round	10.000.000	2,000%	20,00%	2.000.000	0	4	$0,075
Team	75.000.000	15,000%	0,00%	0	6	24	
Service providers	15.000.000	3,000%	0,00%	0	3	24	
Advisors	25.000.000	5,000%	0,00%	0	5	24	
Marketing	50.000.000	10,000%	0,00%	0	1	24	
Liquidity & listing fees	30.000.000	5,000%	35,00%	10.500.000	1	6	
Development	50.000.000	10,000%	0,00%	0	1	24	
Ecosystem Rewards	150.000.000	23,000%	0,00%	0	0	36	
Referrals & Airdrops	5.000.000	1,000%	3,00%	150.000	0	48	

28% of the total supply or 120 million ZKT will be made available during the private and public rounds (8% in the pre-seed round, 8% during the seed round, 10% during the private round and 2% during the public round).

Before the Sale Period begins, the Smart Contract System will create and directly release a (i) pool of 115 million pre-allocated ZKT (23% of the total supply) to Profila's pool for ecosystem rewards (the "**User Incentive Pool**") which will be made available for Profila users as per the token utility explained in chapter 5 and (ii) an amount of 75 million pre-allocated ZKT to the Profila team and investors (15% of the total supply), advisors and service providers (8% of the total supply) (together, the "**Profila ZKT**").

Payment methods. Profila will accept the purchase of ZKT in exchange for the Cardano token ADA; bitcoin BTC, stablecoin USDT, and Ethereum (ETH). In addition, the fiat currencies euro (EUR), US Dollar (USD) and Swiss Francs (CHF) will also be accepted.

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ZKT Price. The token price is set as follows, but can be subject to change:

Pre-Seed Round	$0,022
Seed Round	$0,030
Private Round	$0,045
Public Round (occam.fi)	$0,075

Sale Period. The ZKT Sale started on 29 November 2021 (start pre-seed round) and consists of 4 separate rounds, namely a pre-seed, seed, private and public round. The end of the ZKT sale (public round) is foreseen in April/May 2022 (the "Sale Period"). However, this is subject to change based on many elements such as market conditions, development progress, private round progress etc. For the latest information about the Sale Period, consult the ZKT website at https://ico.profila.com.

Threshold. If less than 1,5 million USD worth of ADA-BTC-ETH have been received by Profila during the Sale Period (the "Soft Cap" or "Threshold"), each purchaser will have the possibility to ask for a refund (although this is not a right, see below in section 7.2). The target raised for the ZKT Sale is 5.080.000 USD ("Target Raise"). The hard cap will be 5.475.000 USD ("Hard Cap").

Buying ZKT. In order to purchase ZKT during the Sale Period, and to receive the ZKT you purchase, you must have an ADA wallet that supports Cardano native tokens.

To initiate a purchase of ZKT during the Sale Period, you must send an amount of EUR/CHF/USD (for those paying in fiat) and ADA/ETH/BTC (for those paying in crypto-assets) to a fiat address or ADA/USDT/ETH/BTC purchase address (the "ZKT Token Addresses") that will be provided to you only after (i) you agree to the token Sale terms by clicking the "I Agree with the Terms – View the ZKT Token Address" button on the token Sale platform from our partner Altcoinomy SA and (ii) you fulfil all requested steps and pass our anti-money laundering ("AML") check and Know-Your-Customer (KYC) process. ZKT onboarding instructions can be downloaded via https://ico.profila.com.

User Incentive Pool. Of the 500.000.000 ZKT created, 23% of the total ZKT supply or 115.000.000 ZKT will be allocated to an incentive pool called the "User Incentive Pool", which we will administer to incentivize use of the Platform. The User Incentive Pool is intended to reward early users of the App for activities as described earlier in the token utility section in chapter 5.

Token Vesting. The ZKT sold during the Sale Period will be released as follows:

	Cliff	Vesting
Pre-Seed Round	3	15
Seed Round	3	15
Private Round	3	15
Public Round	0	4

08. RIGHTS AND OBLIGATIONS

The terms and conditions that apply to the purchase of ZKT are set out in the *Token Sale Terms and Conditions : Zero Knowledge Token*, version 1.1 dated 26 August 2021 (hereinafter the "ZKT Terms"), made available on our ICO website https://ico.profila.com/ during the onboarding platform as part of the Token Sale. The purchase of ZKT during the ZKT sale period (the "Sale Period", see infra, 6.3) from Profila is subject to these ZKT Terms. ZKT Terms govern only the purchase of ZKT from Profila during this Sale Period.

The content of this Executive Whitepaper, the Whitepaper, the website https://profila.com (the "Website"), the ICO-specific website https://ico.profila.com or any social media or community channel managed by Profila (e.g. Twitter, LinkedIn, Medium, Telegram, Discord)(the "Social Media and Community Channels") and public statements made by Profila or any of its representatives, are non-binding and are subject to change by Profila at its sole discretion. The ZKT token only grants the acquirer a right to access the Profila App, and use the different services provided on and via the Profila App as discussed above in the ZKT token functionalities. As explained in article 3.3 of the ZKT Terms. [20]

All token purchasers have to be accepted by Altcoinomy during the AML/KYC onboarding process and will be subsequently documented (first and last name; place of birth/citizenship; place of residence).
There are restrictions on the people able to purchase ZKT Tokens. The ZKT Terms include country restrictions in section 4, point 2, with several "restricted countries" and "excluded countries".

Apart from the token sale, ZKT can be acquired by through the use of the Profila App as discussed above.
The purchase of ZKT from Profila during the Sale Period is final, and there are no refunds or cancellations except (a) as may be required by applicable law or regulation, or (b) in case you breach any of the representations and warranties as set out in article 4.1 of the ZKT Terms, or (c) in case you breach any of the sales restrictions as set out in article 4.2 of the ZKT Terms.

The purchase of ZKT during the Sale Period will be governed by and construed and enforced in accordance with the laws of Switzerland and Belgium depending on the location you acquire tokens from) (article 5 ZKA Terms). Any Dispute between a purchaser of the ZKT and Profila arising out or relating to these ZKT Terms or its subject matter or formation is subject to arbitration clause as detailed in article 4.12 of the ZKT Terms.

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[27] "ownership of any ZKT carries no rights, express or implied, other than the right to use ZKT as a means to obtain the Profila Services or access the Platform as described non-exhaustive in the ZKT Token Use Cases. In particular, you understand and accept that the ZKT do not represent or confer any ownership right or stake, share or security or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Platform, and/or Company, other than rights relating to the use of the Services and of the Platform, subject to limitations and conditions in these Terms and applicable Platform Terms. ZKT are not intended to be a security, commodity or any other kind of financial instrument."

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09. CARDANO TECHNOLOGY AND WALLETS

Profila's ICO is organized on **Cardano**, a proof-of-stake blockchain platform: the first to be founded on peer-reviewed research and developed through evidence-based methods. It combines pioneering technologies to provide unparalleled security and sustainability to decentralized applications, systems, and societies.

ZKT is a **Cardano native token**. Native tokens is a new feature that enables the transacting of multi-assets on Cardano. Users can transact with ADA, and an unlimited number of user-defined (custom) tokens natively.

The following wallets are "multi-asset (MA" support wallets that can store native tokens such as the ZKT token: (i) Daedelus https://daedaluswallet.io/, and (ii)Yoroi - https://yoroi-wallet.com/#/

Please find below some more information about Cardano in the Whitepaper (see this section 8.1., subtitles a-e), which come directly from the Cardano official webpage (https://cardano.org/)

10. COMPETITORS

Profila is positioning itself as a new-era marketing platform and an over the top (OTT) opportunity in people-centric customer communications across four markets of (i) individual privacy rights management, (ii) personal data marketplace & insights, (iii) advertising and customer-created content, and (iv) customer support and marketing.

Uniquely positioned on the market

Profila combines features from four market categories but rises above them as a new-era data, customer relationship and decentralized marketing platform. It's based on user consent and fully compliant with privacy regulations.

Individual privacy rights management

OneTrust — Privacy Management Software
TrustArc
Jumbo

Personal data marketplaces & insights

digi.me
Segment
citizen me
Segment
salesforce
meeco
Segment
VETRI

Advertising & customer created content

Customer support & marketing

salesforce
HubSpot
servicenow
zendesk
Kustomer

While most of the players that are shown in the chart are B2B companies, that focus on the privacy processes inside their organization (e.g., OneTrust for privacy management, Salesforce for CRM); other companies are consumer-activist focused. Profila is fundamentally different, as it seeks to educate and empower people, in order to improve the interaction with brands. We have combined certain of their functionalities we consider crucial for consumer-empowerment and improvement of the consumer-brand relationship and brought them together.

Only Brave https://brave.com/ can be found in 2 of the 4 categories (namely individual privacy management and advertising, and they are also looking into the third category) and is also competing with our zero-knowledge advertising solution (see second part "competitor analysis – ZKA"). We therefore consider Brave to be the closest competitor to Profila, even though they do not offer customer support, and our active zero knowledge advertising solution is an improvement onto their passive zero knowledge advertising (see below).

For a detailed overview of Profila' competition in certain of the markets highlighted above, as well as a detailed analysis of Profila's innovative Zero Knowledge Advertising technology – as a post-cookie Ad-Tech solution – compared other privacy-preserving advertising solutions like Brave, Google FLOC, and PIMs, see the Whitepaper, section 10 "competitors".

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11. RISKS RELATED TO THE TOKEN AND THE PROJECT

Important Note: : As noted elsewhere in the ZKT Terms, the ZKT are not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Whitepaper is intended to form the basis for any investment decision, and no specific recommendations are intended. Profila expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this Whitepaper, (ii) any error, omission, or inaccuracy in any such information or (iii) any action resulting from such information.

By purchasing, holding and using ZKT, you expressly acknowledge and assume the full list of risks that are detailed in the full version of the Whitepaper (section 11 "risks related to the token and the project").

ANNEX I
MEETING NOTES OF THE BOARD OF DIRECTORS.

The signed meeting notes can be found in the Whitepaper.

ANNEX II
SHORT DESCRIPTION OF DATA SUBJECT RIGHTS UNDER GDPR

The short description of data subject rights can be found in the Whitepaper.

ANNEX III
DRAFT DSR EMAIL

The data subject rights request document can be found in the Whitepaper.

ANNEX IV
DEFINITIONS

For a detailed list of all definitions, see the Whitepaper.

CONTACT INFO

Company Information:

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Luzern, Switzerland
info@profila.com

Profila Europe BV
Avenue de Roodebeek
Brussels, Belgium

Website, Social Media, Community Channels:

🌐   https://.profila.com

🌐   **ICO-specific** https://ico.profila.com

in   https://www.linkedin.com/company/profilaprivacy/

🐦   @profilaprivacy

✈️   https://t.me/joinchat/wRevEh4Q0Wo5NGQ0

M   https://medium.com/@Profila.com

▶️   https://www.youtube.com/channel/UC_H9u6YgO0LVADR1ITcWtjw

💬   https://discord.gg/nkVHRrTt