Pally

Decentralised Social Travel

WHITEPAPER v1.0

Penpal Group Ltd

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Motivation

In the near future, there will be 370 million travelling Millennials worldwide[1], who, until the inception of Pally, had extremely limited access to social travel communities that offer useful local interactions, as well as affordable, high-quality curated experiences. Moreover, those aged between 15 and 29 will be taking 47% more international trips by 2020 than in 2013[2].

Recent research has revealed three key trends which have shifted the landscape of travel: A growing weariness of big tourist attractions, Millennials travelling more often, and their desire to interact with local people. Consequently, activity in this space from companies like Airbnb has shifted towards providing experiences that go beyond the tourist trail. Likewise, TripAdvisor have developed increasingly sophisticated channels for their users to access information about destinations through start-up acquisitions.

However, there are a number of issues with centralised travel experience facilitators:

- They take a large cut of every transaction, which in turn results in much higher end-user prices, meaning that the margins benefit a third party who does not play a direct role in the experience.

- There is tight control on the supply and pricing of their experiences in order to sustain high revenues. This model incentivises expensive and provider-centric city experiences as opposed to affordable experiences that focus on quality and on the community.

- There is no incentive and no direct involvement for the user base and the public to help improve the platform.

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1 Global Report: 'The Power of Youth Travel', 2016 https://www.wysetc.org/research/publications/power-of-youth-travel/
2 UNWTO AM Reports Volume Two 'The Power of Youth Travel', 2011 http://www2.unwto.org/publication/am-reports-volume-2-power-youth-travel. Secondary data source: https://www.trekksoft.com/en/blog/7-travel-trends-for-2017-that-will-drive-the-global-tourism-industry

Through the first travel-experience platform powered by decentralised technology, Pally is facilitating a tighter community with sustainably lower prices, enabled through community-mining and high-quality city experiences.

Solution

To satisfy the desire of millennials in a rapidly growing youth travel market, Pally has built a community marketplace and ecosystem. The platform allows access to experiences that are typically unavailable to people when they are outside their city of residence, provided by local experience hosts who know the given city inside-out. The Pally ecosystem is encompassed by **Pally Social**[3], an iOS application that has been available in the Apple App Store since April 2017 in public beta and **Pally Adventures**[4], a community marketplace where visitors can immerse themselves in new cities through experiences hosted by locals. Pally Adventures is a Progressive Web Application that is currently rolled out in private beta in London, UK.

Pally Social enables travellers who are visiting new cities to connect with locals of the given city, as well as with other travellers who are exploring the same place. Thus far, Pally Social has received significant public attention with a rapidly growing community of over 25,000 who engage across digital channels. Pally has also received valuable support from high-profile advisors within the travel, technology and financial services spaces (see 'Pally Founding Team' section). The decentralisation of Pally's platform will be initiated in Q4 2017, allowing users to earn and exchange PallyCoin (PAL) by connecting, chatting and meeting up with each other. This incentivises local-visitor connections[5], bringing people together across borders in an age of growing isolationism.

Pally is also emerging in a context of increasingly narrowing opportunities for young people. Within the euro area, a continent with significant regional tourism, almost 1 in 5 young people between 15 and 24 are unemployed. Further, some of Europe's most popular tourist destinations are particularly plagued by this issue, with youth

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3 https://itunes.apple.com/app/id1206993633
4 https://adventures.pally.co/
5 See 'PallyCoin' section below

unemployment in Greece at (46.6%), and more than one in three in Spain (39.3%) and Italy (34.0%)[6]. As technology has enabled us to access new forms of income, Pally's platform would contribute to this by enabling young people in such frequently visited countries to generate an extra income through their passions. Think Airbnb or Couchsurfing, but with a range of decentralised features that enable user autonomy and increase transaction transparency.

The Pally Adventures marketplace will revolutionise how Millennials explore new cities on a budget. Experiences are hosted by a selection of local hosts with interesting passions in the city they host their experience (for the purpose of the current private beta, London), and who enjoy meeting new people. Visitors are able to access these experiences through our Progressive Web Application and can exchange and pay with PAL tokens. Users will be able to exchange PAL tokens directly within the Pally ecosystem via our internally built exchange service, enabling fiat currency to be converted into PAL.

Whether users take pleasure in playing tennis or eating the best ramen burgers in street markets, Pally will enable its community to do the things they enjoy with exciting local people in some of the world's most visited cities – starting off in London and rolling out globally throughout 2018.

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6 OECD Data 'Youth Unemployment Rate', 2017. https://data.oecd.org/unemp/youth-unemployment-rate.html

PallyCoin (PAL)

Overview

To facilitate peer-to-peer transactions within the ecosystem, Pally is issuing a token, PAL, on the Ethereum blockchain. The PAL token will be the only means of exchange within the Pally ecosystem.

Why a new community currency token?

There are several benefits of using a platform specific token:

1. It allows to provide direction to the currency and to transfer tokens from the Pally Reserve Fund into users' hands based on stakeholders' efforts. For example, as explained in detail in the section "Mining of PAL tokens", tokens are awarded to Pally Miners who fuel the system through bringing in new Pally Adventure hosts, in turn making it more useful and valuable

2. It allows a higher degree of user autonomy than centralised travel platforms do, placing users' needs higher than profitability

3. A decentralised view of dispute resolution where disputes are resolved through a democratic majority of involved parties, as opposed to a third-party member of staff who lacks the context to make correct decisions

4. It makes it possible to reward Pally Miners who bring in new hosts to the community through a community-driven commodity

5. The sale of tokens give the development team the means necessary to further develop, maintain and market the platform

How to use PAL tokens

The PAL token will run on the Ethereum blockchain and will implement Ethereum ERC20 standard specifications. ERC20 is the de-facto standard for token smart contracts on the Ethereum blockchain.

Smart contract technology is to be implemented as a series of network interactions across Pally Social and Pally Adventures, as well as the PAL token contract.

Through partnerships with major payment providers and our internally built exchange service, users will be able to convert fiat currency to PAL tokens from their credit cards directly within the Pally system.

PAL Wallet

A core feature needed to enable our digital ecosystem to use PAL tokens is a wallet. Eventually, Pally will provide wallets for user accounts. The user interface of the wallet will provide functionality to accommodate the most common wallet interactions.

A key bottleneck in the adoption and popularity of cryptocurrencies is the, to most people, difficult reality of having to understand all the components surrounding basic cryptography. Pally will aim to ease the on-boarding process and to make it less gruelling to have to deal with, through integration of Ethereum Name Services (ENS). This will eliminate the need to copy - and worse, type, long hexadecimal addresses.

Smart contracts

Smart contracts will be developed for the purposes of the Pally ICO for network interaction within Pally Social and for interaction within Pally Adventures which in turn will tie the ecosystem together and increase the malleability and cross-functionality.

PAL tokens will initially be distributed in the form of a pre-sale. Participants will acquire PAL tokens at a discounted rate by pledging a defined sum of Ether (ETH) into the token sale smart contract.

Throughout the initial coin offering (ICO), it will be possible to exchange other currencies into PAL tokens by using third party conversion or exchange services like Shapeshift, Kraken or Bittrex to acquire ETH for the purpose of buying PAL tokens.

Below are a number of smart contracts that will integrate with the existing Pally architecture:

1. **Pally Adventures: Payment of experience**

A visitor books an experience with a local and pays in PallyCoin when the end date of the experience is hit unless there has been a complaint raised against the specific experience by the visitor at which point the conflict resolution process will kick be initiated.

2. **Pally Mining: Payment to miner**

A miner introduces a new experience host into the platform, the host will throughout the registration of experience have the chance to add the Miner's referral code which means the miner will get paid the mining fee for introducing a new person to the network. Referral code. Miner 1 will receive x PallyCoin, Miner 2 will receive x-a PallyCoin, Miner 3 will receive (x-a) - a PallyCoin, etc. For example, if Miner one receives 1 PAL, Miner number two will receive (1- 0.01) 0.99 PAL. Miner three will receive (0.99-0.01) – 0.98 PAL.

3. **Pally Adventure: 6-monthly performance reward to top performing hosts**

Every 6 months, Pally will tally up the highest performing hosts. The highest rated hosts will receive PallyCoin as a reward for hosting great experiences.

4. **Pally Mining: 6-monthly mining reward to miners responsible for introducing top performing hosts into the platform**

Every 6 months, Pally will tally up the highest performing hosts. The x percent highest rated hosts' miners will receive rewards in PallyCoin for mining/introducing hosts into the platform that users enjoy.

5. **Pally Social: Local engagement with visitors through messaging**

When a local interacts with a visitor (i.e. when the home city of a person matches the location in which a visitor currently is present) in a conversation comprised of more than x exchanged messages, the assumption is that the local will have added local knowledge to the conversation and they will receive rewards in PallyCoin.

6. Pally Social: Local engagement with visitors through meeting up

If a local meets up with a visitor they will receive PallyCoin rewards. If they have met up, the local will have to log on their profile that they met up with Visitor A and Visitor A will then have to confirm that this meetup indeed took place.

7. Pally Adventures: Writing a review of an experience

Once a visitor has been on an experience they will have the option to review the quality of the experience through rating it from 1 to 10 and writing a qualitative statement. When completed, the visitor will receive reward in PallyCoin

More technical detail will be included in our technical whitepaper which will be released before our ICO.

Mining

Pally will run on the Ethereum blockchain and implement the ERC20 standard specifications. The value of the Pally ecosystem is determined by the experiences offered by hosts and the number of users they serve. A crucial component in the system is therefore finding suitable hosts who design experiences users will love.

Pally allows everybody to become Miners by contributing to host-acquisition. Pally Miners serve a separate function from Ethereum Miners and will be rewarded with PAL tokens from the reserve fund when they introduce new Adventure hosts to the ecosystem. As the price per PAL token appreciate in time, the amount paid to the Miner will depreciate proportionally, ensuring the same nominal value as the reward for Miners.

The more popular the host is within the community for his/her experience, the more the Miner who introduced the host into the ecosystem will be paid. This strategy will economically incentivise Miners to build a quality-based host community.

In 6 month cycles, Adventure hosts' community rating will be assessed and the Miners of the highest performing hosts will be rewarded in PAL tokens accordingly. This will spur healthy competition within the platform, motivating both Miners and hosts to design high quality experiences, which will in turn will benefit the community.

There are thus a multitude of incentives for Pally Miners to introduce new hosts to the ecosystem, some of which we will explore further in presentations and articles in the coming months.
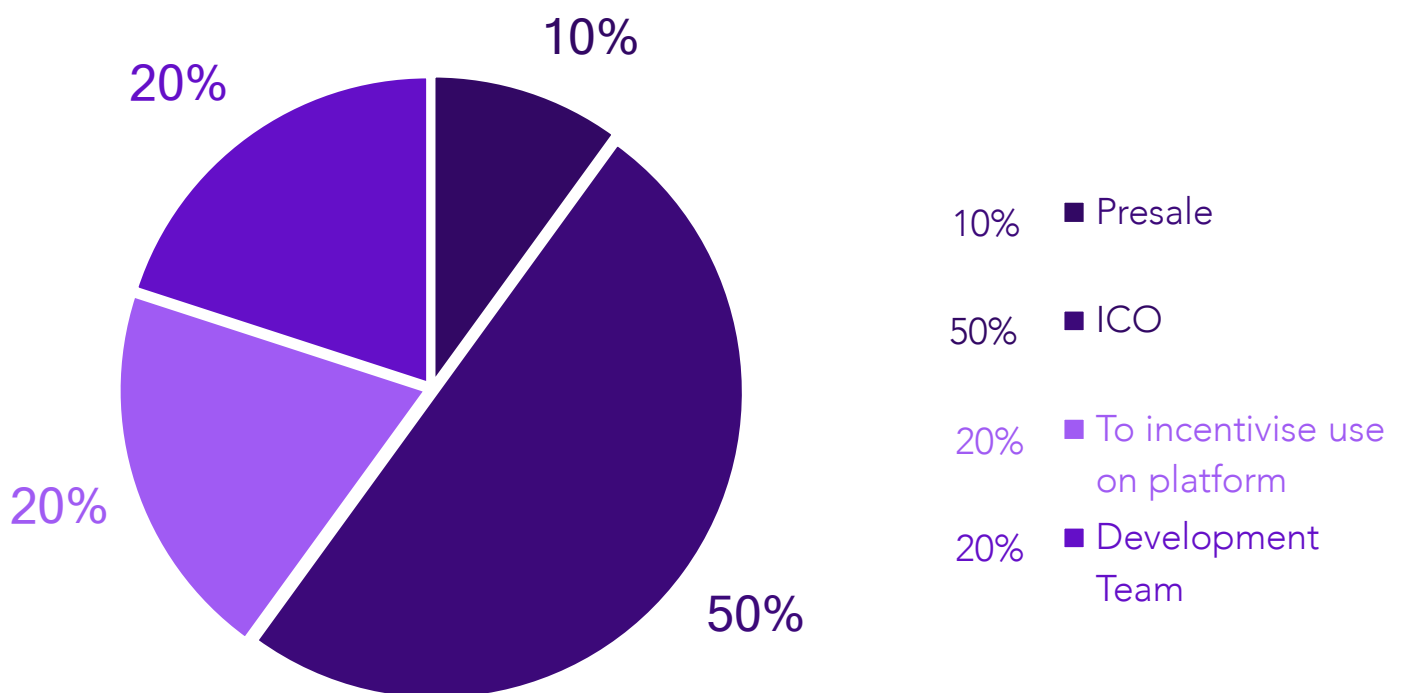
Becoming a Pally Miner is easy: Upon registration, a Miner-code will be issued and should be used as a referral code by new hosts joining Pally.

Token Issuance & Sale

Token name: PallyCoin (PAL)

Total supply: 100,000,000 (100 million) tokens available

10%

20%

20%

50%

10% ■ Presale

50% ■ ICO

20% ■ To incentivise use on platform

20% ■ Development Team

The distribution of the PAL tokens will be through the form of a pre- sale and an official coin offering. Issuance of tokens is aimed at kick-starting the Pally economy, financing the marketing of Pally Social and Pally Adventures as well as the development of Pally's decentralised technology, directly aimed at revolutionising the social travel industry.

A total amount of 100 million (100.000.000) tokens will be created. The 100 million tokens in circulation will remain constant, with no further coins being mined. This will preserve the intrinsic value of the token, whilst further promoting the primary use case of PAL tokens: Usage within the Pally Ecosystem and protection of early adopters of PAL tokens against depreciation.

There is a hard cap for the token sale at $4.55 million USD and a soft cap which has been set at 15% of the hard cap amount ($675,000). If the soft cap is not reached, all ETH received will be returned to contributors.

20 million tokens will be kept by the Pally Reserve Fund in an escrow wallet to compensate and incentivise user activity and engagement on the platform. These tokens will be incrementally injected into the platform economy through reward mechanisms distributed through our network interaction smart contracts.

20 million will be retained by Team Pally to contribute towards funding of the development work, team growth, operations and product line expansion. These tokens will be kept in a multisignature wallet. The development team tokens will be locked in a 3-year vesting clause where 33% of core team and advisors' tokens will be released every 12 months (I.e, if somebody owns 1% of the coins then that someone would be able to sell 1/3 of that after 12 months, 2/3 of that every 24 months and the full amount after 36 months.

Pally's token-sale will be launched in two different stages:

1 Pre-Launch Offering (August 2017)

Pally's pre-sale target of 10 million PallyCoin against $250,000 was hit in 11 minutes on August 25th.

Proceedings will go towards further development of Pally's decentralised applications and global marketing ahead of the ICO.

2 ICO Token Launch (October & November 2017)

Our ICO Token Sale will have 50 million PAL tokens to be sold and the price through the launch will be:

Tier 1: 1 PAL = $0.075 (12.5M tokens to be sold in this tier)
Tier 2: 1 PAL = $0.080 (12.5M tokens to be sold in this tier)
Tier 3: 1 PAL = $0.090 (12.5M tokens to be sold in this tier)
Tier 4: 1 PAL = $0.100 (12.5M tokens to be sold in this tier)

The ICO Token Launch will be ongoing from October 15th till November 30th 2017 or until our cap is reached with each tier becoming available following the previous tier's token allocation is sold out.

Proceedings will go towards integration and implementation of PAL tokens into the Pally ecosystem, realisation of the product roadmap as well as global expansion and team growth.

The breakdown of our spending will include:

Team growth spend, which is comprised of salaries, design work from contractors and other new resources that will be added to the team.

Operations spend will be comprised of legal costs to ensure compliance, fixed monthly costs and accounting services.

Marketing spend will be comprised, but not limited to, campaigns, digital and physical advertisement, PR, news media agencies, analytics, growth hacking, data collection and treatment, SEO, brand videos, social media.

Business development spend will be comprised of training material to Miners, expansion to new cities for Pally Adventures and relationship building with local businesses in the cities where Pally Adventures has a presence.

Technical spend will be guided by our roadmap and include development of Pally Social for Android, improvement and continued development of Pally Social for iOS, continued development of Pally Adventures' progressive web application, server infrastructure, blockchain and smart contract component development as well as

sofware and hardware necessary to facilitate the most efficient development speed for the technical team.

The conclusion of our ICO Token Launch in October will bring 60 million PAL Tokens into circulation that will be imminently tradable on major crypto-exchanges whom Pally is partnering up with.

Pally History

Pally was originally conceived in Early 2016, with development of the project officially kicking off in March 2016. The idea of a decentralised social travel community stemmed from frequent frustration with the lack of access to local and affordable experiences between like-minded people. An additional pain-point with city travel experiences before Pally was the fact that dominant market players charged, and continue to charge, premiums for curating experiences, significantly decreasing hosts' opportunity to profit from micro-entrepreneurialism and significantly increasing the experience cost from a visitor's perspective.

With rapid, agile prototyping, a dynamic and competent team and a board of industry leaders, Pally has managed to go through private Alpha testing and public Beta testing cycles for its social travel community iOS application (released on the Apple App Store in April 2017). Moreover, Pally Adventures, Pally's experience marketplace, has been through alpha testing since May 2017 and has just been rolled out in a private beta as a Progressive Web Application. Finally, Team Pally has raised a seed-round following a year of bootstrapping to fund the initial decentralisation and smart contract technology development up to the summer of 2017, and also to allow for marketing ahead of Pally's Pre ICO Token Sale in late August 2017. The hard cap of the ICO is benchmarked to Pally's life cycle in the private funding market, reflecting what Pally would raise in a Series A round.

Team Pally consists of a team of international lifelong travellers, who all recognise the huge potential to improve social travel experiences and who all have several passport stamps and re-locations on their CVs. The inclusivity and cohesion of the Pally ecosystem directly permeates through to the development team working on Pally: Everyone is contributing to actualise a common objective in a friendly, determined and professional environment. This enables Pally to grow into an even more impactful

and decentralised global travel community with user experience and convenience as the overshadowing priorities. The individual team members involved in Pally are outlined in the section below.

Pally Founding Team

Advisory Team

Yvonne Ike

Chief Financial Advisor

Yvonne Ike holds over 30 years of senior Investment Banking experience. She is the current Managing Director and head of Sub Saharan Africa at Bank of America Merrill Lynch, prior to which she was West Africa CEO at Renaissance Capital. Yvonne spent the preceding 15 years at JP Morgan, where she was a Managing Director.

Arnaud Benard

Chief Technology Advisor

A seasoned computer programmer, data scientist and machine learning expert who is heavily involved in the Silicon Valley and London start-up scene. Arnaud is a seasoned software engineer and has provided Pally with invaluable advice on architectural scalability and infrastructure.

Ore Adeyemi

Strategy and Operations Advisor

Ore is a seasoned investor and Director in the HSBC Corporate VC team, where he leads investment teams and provides strategic advice to over 10 VC backed start-ups. He is particularly active within London's Fintech community, and has previously held roles in Private Equity, Investment Banking and Strategy Consulting.

Stephen Irvine

Growth Marketing Advisor

Stephen is the Head of Product at Velocity Black, a leading luxury concierge agency. Before that, he was a Product Manager at Uber where he led various international expansion efforts, product marketing and product launches. He has also been a company founder and is a current Board Advisor to two other start-ups.

Liz Hosmer

Go-to-Market Strategy Advisor

Liz has spent the last 10 years in senior product management and operational roles at Amazon UK, following her MBA at MIT's Sloan Business School and strategy consulting experience. She has led the Operations of Amazon Local and overseen successful launches of various products as Regional Expansion Manager.

Foluso Ogunlana

Blockchain Advisor

Foluso is a multi-skilled developer and blockchain expert who is experienced in Solidity, JavaScript, Python, CSS, Django and a host of other languages. After completing a Master's degree in Engineering at Imperial College London, he worked as a Technology Analyst at Goldman Sachs before joining Brainlabs Digital where he built web applications and scripts for a host of their clients.

Development Team

Oliver Andersen

Co-founder & CEO

As CEO of Pally, Oliver is leading product vision and strategy. As a seasoned member of the Blockchain community, Oliver has been actively involved in the technology and is passionate around the prospects of applying blockchain technology. With years of FinTech, digitalisation and technology consulting experience as well as an academic background in Behaviourism and Information Technology at world leading universities, he brings a determined mind-set, a hard-working attitude and a multicultural understanding to Pally, helping to shape the world of social travelling.

Dario Ceccoli

CTO

Dario oversees Pally's product development and software engineering. His 17 years of programming experience have taken him from public sector programming roles in Italy to Android mobile development in Japan. In Japan, he built a successful music technology app that broke into the top 10 downloads chart on the Japanese Android store. Dario has since returned to Europe to work with Pally to combine his love for travel with his appreciation for a challenge.

Afiola Etomi

Co-founder & COO

Over the last two years, Afiola has delivered multi-million pound innovation projects leveraging cloud solutions at various large companies. After leaving Durham University, he worked in business development for an Impact Investment start-up in West Africa, raising over $2M in crowd and equity funding. He moved on to grow an early-stage sports management business, where he drove digital innovation and built commercial partnerships with companies such as Lucozade. Afiola is leading the development of the business and team at Pally.

Stoyan Petrov

Head of Marketing

Stoyan has led Customer Experience and Marketing Analytics projects at blue-chip global retailers over the last few years, crafting and implementing world-leading customer loyalty programmes across European and North American markets. He is

combining his experience with his passion for new technology to develop effective multi-channel marketing, and growth-hacking capabilities at Pally.

Milos Soskic

Lead UI/UX

With 18 months of Blockchain project involvement prior to joining Pally and 10 years of user experience and interface experience, Milos brings a wealth of knowledge around information architecture and user behaviour to the company.

Kaisun Raj

Community Manager

With prior experience in digital marketing, social media and community engagement at a large investment firm and at several charities, Kaisun is responsible for communications and engagement with Pally's community.

Merunas Grincalaitis

Smart Contract Development Lead

Merunas is a fullstack javascript and Blockchain web developer who is contributing to the smart contract development at Pally. WIth vast knowledge of Solidity, Truffle, IPFS, ERC20, Web3.js, node.js, react,js and mongodb and prior experience

developing Ethereum Dapps, Merunas is an invaluable member of Pally's technical team.

Manoj Patidar

Smart Contract Developer

Manoj has 12+ years of experience in the IT industry and has extensive architectural and hands-on experience in various technologies like Blockchain, Node.js, Enterprise web applications and web3js. Manoj has prior experience with smart contract development on the Ethereum platform.
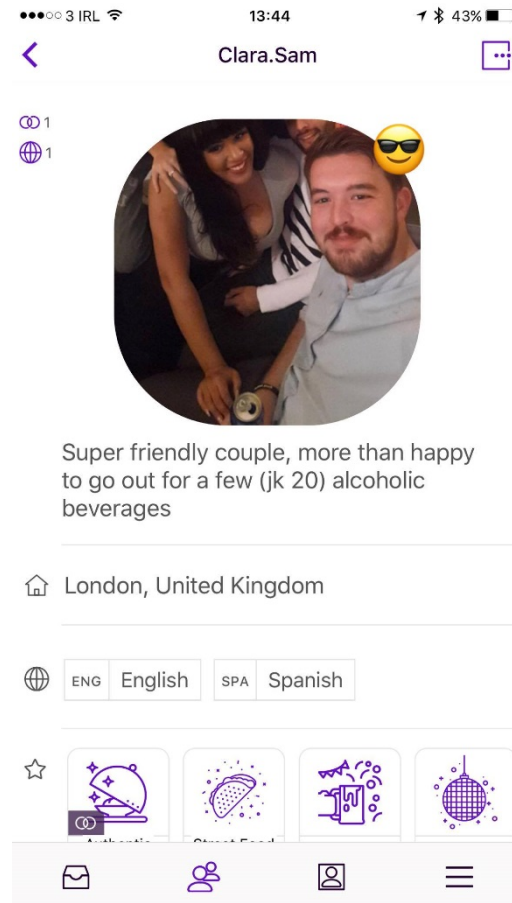
Features and Partners

Use Cases

Use Case 1: Pally Social local perspective- token in exchange for advice

Jennifer is a mid-twenties American woman who finished her university degree a few years back and moved to New York City to work after graduation. She loves the city, loves to meet new people and loves to get lost in new neighbourhoods, in what she thinks to be the greatest city in the world.

She downloads Pally Social and finds it to be a good way to meet people from all over the world whilst earning PAL tokens for her own Pally travel adventures in other cities. As a Pally Social local, Jennifer receives PAL tokens for every conversation she engages in with a Pally Social Visitor and receives additional tokens for every meet-up she takes part in. She can spend her PallyCoin on cool city adventures in the Pally ecosystem when she herself is traveling.

The Soho Plug

London, Soho

Culture experience

Toured by Tobi
See Tobi's profile

📍 3.5 hours total

✏️ Tobi speaks English, French & Spanish

26 people are also looking at hanging with Tobi, we recommend booking your spot soon, before they're all gone!

The plan — You will start at Soho House on Dean Street, where Tobi will introduce you to London's most authentic Sticky Toffee pudding. From there, you will tour some of the concept stores of Carnaby street and finish up at one of the best burger restaurants in London.

Tobi

LONDON FASHION CHILLA

Use Case 2: Pally Adventures local host perspective

Through a decentralised community of Miners, Pally is expanding its host community. Philip, a multi-marathon runner and globetrotter, is mined/introduced into the Pally ecosystem against a Miner reward. He goes onto Pally's web application and designs his host experience, which he has decided is going to be a weekly run for a maximum group size of 8 across the Eastern edge of the city, ending with a brunch at his favourite spot.

Philip sets the price for his experience to be 1,000 PAL ($10) per attendee (excl. cost of brunch) and will thereby be making $80 ($10 x 8 people) every time he hosts his weekend experience. Philip will receive payment in PallyCoin directly from participants after the end-time of his scheduled event.

Use Case 3: Pally Adventures visitor perspective:

Margot and her two friends, Lizzy and Bob, have a planned trip to London which is coming up in a few months. They all consider themselves food enthusiasts and heard of a decentralised city experience start-up called Pally, through one of Margot's friends who recently went on a Pally experience. They explore the Pally web-application on their smartphones and come across Mike, a 'Backpacking Chef' who is a listed local-host on Pally. They agree amongst themselves to sign up for the experience which will last a few hours on their second night in London and proceed to purchase PAL tokens through the internal Pally exchange via credit card. Immediately, PallyCoin are dispersed into the wallet of Lizzy, and she proceeds to deposit their payment to Mike's wallet address, which will be released to him after the experience is complete.
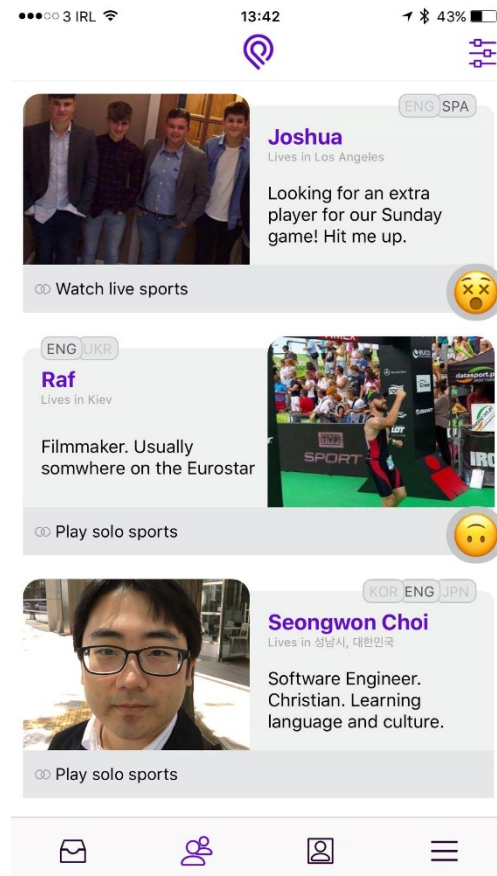
Use Case 4: Pally social visitor perspective (Weekend breaker):

Jon is a 21-year-old American backpacker in London for the weekend, he wants to know where to go for dinner and would like to learn more about English culture: Through Pally Social, Jon finds and connects with Tom, a mid-twenties London-local who spent a few months road tripping in the US last year. They agree to go out for lunch and craft beers at a pop-up food market in Brixton where Tom frequents. Both Tom and Jon have a great time exchanging stories of each other's adventures, and Tom plans to stop over in Boston on his next US trip to visit Jon.

User Benefits

There are a number of user benefits associated with use of the Pally platform, ranging from payment to local hosts and Miner rewards to visitor benefits.

Pally Social locals earn tokens through:

- Engaging in in-app conversation with visitors
  Any conversation with over 10 sent messages will automatically result in free PAL tokens being released into the local's wallet.

- Meeting up with visitors:
  For any meet-up that a Pally Social local is a part of, he/she will receive PAL tokens, credited to his/her wallet once the meetup is completed and confirmed by the visiting part.

- Every 6 months, the Pally community will nominate the period's most active users and will reward locals through additional PAL tokens

Pally Adventures locals earn tokens through:

- Hosting adventures and receiving direct payment from visitors.
  Payment for individual experiences are released to the host's wallet after completion of the given experience, ensuring complete transparency between Pally users and preventing fraudulent experiences.

- Adventure hosts will have the opportunity the earn more tokens the more popular their adventures are.

- Every 6 months, the Pally community will nominate the period's highest rated adventure hosts through additional PAL tokens

Pally Social and Pally Adventures Visitors:

- To travel often leads to the exploration of new places, which often results in getting stuck on the tourist trail and not truly capturing the true local spirit of a city. Whilst sightseeing is essential to getting the full experience, digging deeper into the local culture and finding the hidden gems the given city has to offer is much desired by travellers today, something that is made possible when exploring with a local. Social traveling through the decentralised Pally ecosystem will revolutionise the way people experience new cities and at the same time eliminate the need for a) centralised authorities and platforms that are massively profiting from people's desire to travel like a local and b) roam through your network for a friend of a friend who used to live in the city you're visiting. The Pally ecosystem brings the global travel community closer together and is directly benefiting members through both PAL tokens and rich experiences.

Pally Miners will have two primary ways of earning PAL Tokens:

- For every new Pally Adventure host the Miner introduces to the Pally Ecosystem, they will receive PAL tokens as a reward.

- The higher the rating for a given experience is, the higher the PAL token reward will be for the Miner who introduced the Adventure host into the Ecosystem.

Pally Recommendations

Pally will introduce Pally Recommendations as a B2B revenue model which is driven by commercial partnerships with local businesses and events, who will be included in the Pally Recommendations section across the platform against monthly subscription fees. Thus far, the list of organisations we will be targeting exceeds 300 businesses – places that all have been handpicked through ongoing first-hand market research within our community. We have initiated conversations with over 100 local businesses and look to scale up our efforts in this area following the expansion of the beta.

This sponsored content model will be implemented within the product after a critical mass of users has been established (Q2/Q3 '18). At this point, users of Pally Social will receive suggestions of which local restaurants, bars, pop-ups and events are available to them in the given city they visit or live in, based on their stated interests.

Pally will establish quarterly, monthly and ad-hoc partnerships with local businesses and events in these major cities visited by the community, and these three tiers of partnerships enables Pally to capture the marketing needs of businesses that require exposure on a long and short-term basis, and events which require exposure for fixed periods.

Dispute Resolution

It is acknowledged, that in an ecosystem which enables people who don't know each other to meet up, there will be exception use cases where something goes wrong. This might be due to disagreements on the quality or accuracy of a given experience, or harm caused by any insensitivity or malicious behaviour.

Therefore, a dispute resolution process is put in place that will ensure that issues are addressed appropriately. In the spirit of decentralisation, the dispute resolution system has been designed with distribution of authority and transparency in mind. The logic of the system put in place, will place payment for a given experience in an escrow pool, which will execute if no objections have been made on the given experience by its end-time.

On the other hand, if an objection is made by a visitor who believes that the quality of the experience either doesn't meet expectations, or the description, the experience attendee will have the ability to report the experience.

When an experience is reported by an attendee, all other attendees of the given experience will receive a message asking them whether the experience was factually inaccurate, or grossly misrepresented (i.e. we were promised to play tennis but ended up doing something completely different). If the initial report of the experience not being accurate is corroborated by 50% of experience attendees who vote, the host will not receive a full reward for the experience and will be reprimanded by Pally.

There will of course be security measures in place to avoid visitors teaming up and reporting the host to get out of paying for an experience that lived up to what it was promised to be and likewise, a visitor who have raised three consecutive unsuccessful reports, will be reprimanded and reviewed by Pally. There will be an exception process in place for people who have experienced emotional or physical damage as a result of an interaction within the Pally ecosystem.

In some cases, people may need to be reported for causing serious offence or any form of abuse to others. Pally is operating a no tolerance policy for discriminatory, abusive, malicious or violent behaviour. Serious offences will be reported to authorities in the relevant jurisdiction and lifetime bans will be imposed in those

exceptional cases. We of course hope that the reporting of other users will follow the current trend and be rarely used, however we find it to be tremendously important to have sufficient measures in place to be able to protect our users and community from fraud and deceit.

The Future of Travel

More millennials are travelling, and they are doing it at a higher frequency. The average millennial is now taking 4.2 trips a year, which is 30% more than their parents. In a poll of travellers commissioned by travel industry leaders, respondents widely reported feeling overwhelmed with the crowds at tourist attractions. Respondents said they found standard tourist attractions as stressful as going to the dentist (48%) or processing their taxes (52%)[7].
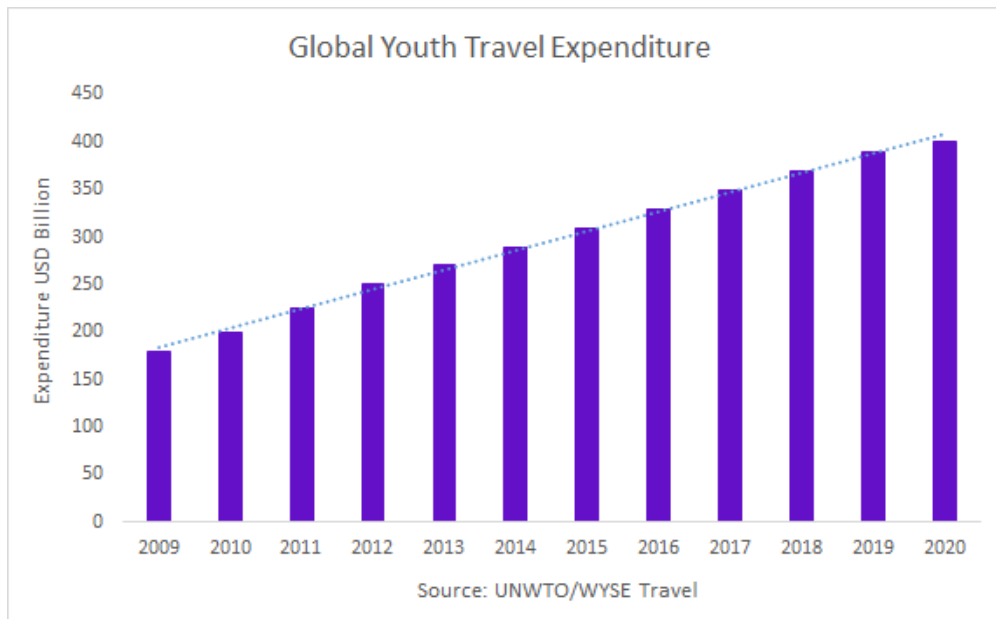
Another major trend to consider is the huge and growing volume of youth travellers, and their preferences. By 2020, there will be about 370 million travellers aged between 15 and 29, who account for about 25% of all international travellers. An increasingly common desire expressed by travellers in this demographic surrounds a yearning for local interactions. Over 60% of travellers in this age group desire social interactions with local people in a similar age bracket, a marked difference from older generations. These UN survey respondents also expressed an enthusiasm for discovering new culture[8].

Furthermore, the spending power of this group is a significant point to note. By 2020, this group of travellers will collectively spend over $400 billion annually on their trips. Individually, they spend $2,160 on their main annual trips, as they typically spend longer periods abroad than other groups.[9]

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7 YouGov Survey Results https://press.atairbnb.com/airbnb-launches-new-products-to-inspire-people-to-live-there/
8 'The Power of Youth Travel', 2016
9 The Power of Youth Travel', 2016

Source: UNWTO/WYSE (World Tourism Organisation, 2016)

Millennials are growing up in a world where travel is easier and cheaper than for previous generations, and they are taking full advantage of this to explore the globe in search of new experiences[10].

Through Pally's ecosystem, the desire of millennial travellers is directly fulfilled, providing decentralised access to authentic, local insights. Beyond this, Pally is enabling young people with autonomy by providing an avenue to earn an extra income from their passions. In a context where youth unemployment is a growing concern, Pally's community will be part of the amelioration of its negative effects.

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10 WYSE 'Millennial Traveller Series', 2015 https://www.wysetc.org/research/publications/millennial-traveller-report-series/

Pally's Growth

Pally is dedicated to running comprehensive multichannel marketing efforts, where the data we gather and analyse will drive product decisions and marketing campaigns that fuel the growth of our community. Smart contract technology further enables Pally to construct and tailor measures that will contribute to the growth of the community.

Attaining product-market fit is key to the performance and continued development of Pally and on that basis, we have focused heavily on familiarising ourselves with who our core users are, how we reach them, and what motivates them to engage with our community. Ultimately, knowing our users inside-out will drive the growth of our community to create loyal, returning users.

Following our ICO, the 2017 goal for Pally Social is to reach downloads of 50,000 by Q1 2018. Beyond this, Pally is working to achieve user growth from an initial 5% per quarter to a projected 20% quarterly growth by 2020.

Following our expansion of Pally Adventures beta, Pally expects to have hosted over 500 adventures in London by the end of Q1 2018. At the end of Q2 2018, the Adventures platform will be launched in a second city, where our community will be able to vote a second city from a shortlist of cities where Pally Social has acquired the largest user bases. Currently, these include cities like New York, Copenhagen, Seoul, and Paris, to mention a few. By the end of Q4 2018, Pally Adventures would have also established a presence in two more cities, taking the total of cities with curated adventures to four. By the end of 2019, Pally Adventures is projected to have a presence in 15 cities and throughout the next five years, Pally is aiming to have enabled over 500,000 people across over 30 cities to have experienced Pally Adventures.

The key motivational drivers which we nudge in our marketing messages are:

1   **Exploring Cities** with exciting people who are embedded in the creative communities of their cities, and are thus, truly 'in-the-know'

2   **An income from the things you enjoy:** when in their home cities, Pallies can make an income from doing and sharing the things they really enjoy

3   **Language and cultural exchange**: for those looking to practice a certain language, and deepen their understanding of a culture

Roadmap*

2016

March 2016 – Pally conception
- Concept development
- Whiteboard Phase

May 2016 – Team Pally Assembly
- Core team recruitment
- Development initiation

November 2016 – Alpha testing phase
- Private alpha testing
- Agile feedback collection cycle

2017

April 2017 –Beta in Apple App Store
- Public iOS beta release of Pally social

May 2017 –Decentralisation kick-off
- Development work for decentralisation of the Pally ecosystem was initiated

July 2017 – Private Beta release of Pally Adventures (PWA)
- Experience marketplace launched as a progressive web application
- London host recruitment

August 2017 – ICO Pre-launch offering*

October 2017 – Initial Coin Offering*

Nov 2017 – Platform wide decentralisation testing
- Private environment testing
- Functional and non-functional testing
- Usability testing
- Focus groups

2018

March 2018 – Pally Adventures launch city 2
- City 2 decided upon based on user voting
- Pally Recommendations roll out

June 2018 – Platform wide decentralisation roll-out
- Platform wide roll-out of technology onto existing Pally Applications
- Pally Social Android release