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SimpleX Chat: vision and funding, v5.0 released with videos and files up to 1gb.

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SimpleX Chat vision and funding:

- why is it a commercial company?
- how is it funded and what is the business model?
- what is next?

What's new in v5.0:

- send videos and files up to 1gb
- app passcode independent from system authentication
- networking improvements

Also, we added Polish interface language, thanks to <u>the users' community</u> <u>and Weblate</u>.

SimpleX Chat apps are now available in 10 languages!

SimpleX Chat vision and funding

Why is it a commercial company?

It was a big decision: whether SimpleX Chat should be a non-profit project or an open-source project led by a commercial company.

During the last 25 years of the Internet, commercial companies have shown a much higher ability to innovate than non-profit organizations. One of the most inspiring examples is NetScape that created the Web as we know it not only as the destination to access information, but also as an application platform, inventing cookies, SSL and JavaScript, that to this day remain the main building blocks for all web applications.

While SimpleX Chat Ltd is a commercial company, SimpleX Chat software is and will remain open-source. We believe that this way we will create much more value both for the end users, and also for the shareholders and the employees of the company.

Many large tech companies prioritizing value extraction over value creation earned a bad reputation for all businesses, particularly in the communities that value decentralization and privacy. But commercial objectives do not have to result in exploitation. Our goal is to build a new kind of communication network, and also an application platform, that is private by design, fully decentralized and not owned by any single entity, where SimpleX Chat Ltd is one of many organizations that operate the network. I shared my thoughts about how the Internet and privacy might evolve in the interview in Opt Out Podcast.

How is it funded and what is the business model?

We started working full-time on the project in 2021 when Portman Wills and Peter Briffett (the founders of Wagestream where I led the engineering team) supported the company very early on, and several other angel investors joined later. In July 2022 SimpleX Chat raised a pre-seed funding from the VC fund Village Global - its co-founder Ben Casnocha was very excited about our vision of privacy-first fully decentralized messaging and community platform, both for the individual users and for the companies, independent of any crypto-currencies, that might grow to replace large centralized platforms, such as WhatsApp, Telegram and Signal.

Overall we raised from our investors approximately \$370,000 for a small share of the company to allow the project team working full time for almost two years, funding product design and development, infrastructure, and also the security assessment by Trail of Bits. A large part of this money is not spent yet.

The project was hugely supported by the users as well - collectively, <u>you donated</u> over \$25,000. Without these donations the investment we raised would not be possible, because we believe that voluntary user donations can sustain the project in the long term – it already covers all infrastructure costs. There are only two ways an Internet service can exist - either users are paying for it, or the users data becomes the product for the real customers, as happened with many large Internet companies. In the latter case the users are losing much more money than they are saving by giving away their privacy and the rights to the content they create on the centralized platforms.

Going forward we plan to keep the basic usage of the platform free, and at the same time we will be providing the benefits to the project sponsors. For example, there will be additional app icons and user profile badges. There also will be higher file transfer limits – currently we don't limit it at all, only limiting the file size, but it's unlikely to be sustainable. In any case, the app will remain highly usable for everyone for free, and fully open-source. Several other apps are already being developed based on our app core, leading to a fully decentralized network.

What is next?

Our goals for the next 1-2 years are to make the messaging network:

- more reliable and resilient, by adding redundancy into the message delivery and delivery receipts,
- more private, by automating rotation of the servers used to deliver messages and by adding delivery relays to better protect IP addresses of the users,
- more usable by adding and improving the functions users are expecting in messengers, and also adding some unique functions, like we did with incognito mode, live messages and hidden profiles.

One major initiative we will kick-off this year is the support for large, fully decentralized and private communities and groups not hosted on any servers – something that no Internet platform achieved so far in as private and efficient way as we plan to build it.

To accelerate product development and growth we will be raising a seed funding this year, both from the VCs and angel investors, and we also might offer our users an opportunity to participate in the crowd funding round on the same terms as other investors, allowing to both support the project and to benefit from its future growth. Subscribe to our updates not to miss it, connect to the team in SimpleX Chat and join users' groups.

What's new in v5.0

Send videos and files up to 1gb!

In the beginning of March <u>we released servers and command-line utility to send and receive files via XFTP protocol</u> - a very private and secure protocol that sends end-to-end encrypted files in chunks, protecting meta-data better than any alternatives we know of.

Now this protocol is fully integrated in SimpleX Chat, and all files except small voice messages are sent using this protocol (small voice messages are sent as usual messages). Not only it is much faster than before - with the fast Internet connection I can send 25Mb file in 3 seconds and 1gb file in 2 minutes (for most users it's capped at the available Internet bandwidth), it has two other major advantages making it more usable:

- the file sent to a group has to be uploaded only once, regardless of the group size.
- once the file is uploaded (it will have the tick), you no longer need to be online for your contact (or group members) to be able to receive it.

As for the metadata privacy, it has similar guarantee to SimpleX Messaging Protocol. The files are sent via TLS 1.2/1.3, with the same server identity verification, TLS channel binding and upload authorization as used with SMP servers. But the file metadata is protected even if TLS is compromised, as there are no identifiers and ciphertext in common in server received and

sent traffic, allowing to correlate only by sending and receiving time. Correlating by time becomes less efficient as the server traffic grows.

We also added the ability to send videos in the chat, so they can be played right in the conversation or on full screen without leaving the app – thanks to the efficient and fast file transfer they are very usable.

We also plan to add support for longer and higher quality voice messages, and also for sending full resolution images in the next versions.

App passcode

While we do think that app passcode does not increase security too much, compared with device passcode or biometric protection, there are cases when it may be preferable, and also many users really wanted that it is added.

Now you can choose whether to use faster and more convenient system biometric authentication or to use a separate app passcode. You can choose which one to use when it is first offered, or switch later in the settings.

Networking improvements

Two small improvements to the app networking capabilities were added in this version.

Firstly, you can now make your self-hosted servers available on IPv6 addresses, and the app supports them as well. Please bear in mind that older clients won't be able to connect to you if you use IPv6 address, and also that some ISPs do not provide IPv6 addresses to their users, in which case they would also not be able to connect if IPv6 address is used. To allow connections in these cases you should make your servers available on some domain name that resolves to both IPv4 and IPv6 addresses, and use this domain name in the server address.

Secondly, Android client now supports configuring host and port of the SOCKS proxy, allowing to use apps other than Orbot and also to run SOCKS proxy in the local network, to save mobile device battery.

SimpleX platform

Some links to answer the most common questions:

<u>SimpleX Chat security assessment</u>.

How can SimpleX deliver messages without user identifiers.

What are the risks to have identifiers assigned to the users.

Technical details and limitations.

How SimpleX is different from Session, Matrix, Signal, etc..

Visit our website to learn more.

Help us with donations

Huge thank you to everybody who donated to SimpleX Chat!

We are prioritizing users privacy and security - it would be impossible without your support.

Our pledge to our users is that SimpleX protocols are and will remain open, and in public domain, - so anybody can build the future implementations of the clients and the servers. We are building SimpleX platform based on the same principles as email and web, but much more private and secure.

Your donations help us raise more funds – any amount, even the price of the cup of coffee, makes a big difference for us.

See this section for the ways to donate.

Thank you,

Evgeny

SimpleX Chat founder