

QVOLTA **P2P** **CRYPTOCURRENCY** **EXCHANGE**

**Sell and buy crypto assets around the world
for local payment methods**

Contents

Business Overview	4
The problem we are solving	4
Our solution	4
Our value proposition	5
Market analysis	6
Cryptocurrency market value & growth	6
The volume of cryptocurrency wallets & users	7
Payments using cryptocurrencies	8
Cryptocurrencies exchange platforms	9
Outlook and future value of the market	9
Why now is a perfect investment momentum	9
Competition	11
Competitive analysis of Qvolta vs LocalBitcoins	11
Our Strategy	12
The vision and mission	12
Strategy outlook	12
Short-term targets	13
Long-term goals	13
Product development outlook	13
Marketing Strategy	14
Influencers & word-of-mouth	14
Events & partnerships	14
SEO & content marketing	14
Social media & Advertising	15

Email Marketing	15
PR	15
Referral program	16
 Financial Plan	17
 Verification	19
 Qvolta Wall and Qvolta Security	20
 The work scheme of our business	21
 ICO Structure	22
Structure of financing	22
 Roadmap	23
 Using token in the product	24
 Two kinds of users at Qvolta platform	25
 Our Tariffs	26
 Team	27

Business Overview

Qvolta is a global P2P exchange platform that allows users to quickly and easily convert cryptocurrencies into the fiat currencies, and vice versa. We have created Qvolta as a direct response to a huge market problem that exists in the global cryptocurrencies market. In the majority of countries around the world individuals are not able to quickly (within 5-10 minutes) and conveniently convert cryptocurrencies into fiat money. While some exchange platforms are available, most lack the scale and offer unsophisticated tech solutions, that lack security and are challenging and complicated to use.

In contrast, Qvolta will provide individuals a reliable and convenient platform to quickly buy or sell cryptocurrencies with help of the most popular payment methods for the fiat currencies available in the country of his/her residence. Initially two cryptocurrencies will be available for the exchange - Bitcoin and Ethereum, with later envisioned addition of Monero and other altcoins.

In order to ensure the best user experience as well as protect the users, Qvolta will act as a guarantor for the trades executed on the platform. Security will further be provided by services as Qvolta Wall and Qvolta Security. Qvolta solution will be available both as a desktop and mobile applications (iOS and Android).

The problem we are solving

Nowadays converting cryptocurrency into a fiat money and vice versa is extremely inconvenient due to the following reasons:

- **Burdensome and time-consuming process.** Fast addition of fiat currencies to exchanges is extremely challenging due to the difficulties in connecting merchant accounts to enable acceptance of the major payment systems. Furthermore, it takes on average a full day to transfer funds from a user's bank account into to the exchange platform account; making instant trades challenging.
- **The requirement to participate in trades.** In order to be able to buy cryptocurrencies, user has to participate in trades without the ability to quickly make the purchase at fixed price and in one click only.
- **High costs.** Cryptocurrency wallets that offer the options of cryptocurrencies purchase overcharge the users, with high commissions and added fees.

Our solution

With the help of Qvolta, any resident from any country in the world will have an opportunity to:

- Sell cryptocurrencies for fiat currencies using their preferred local payment methods;
- Buy cryptocurrencies for fiat currencies using their preferred local payment methods;
- Take advantage of the guarantor services to protect the transactions and secure the trades.

Our target audience will be people who want to quickly buy / sell cryptocurrencies at a fixed price without taking part in the exchange trades. Qvolta solution will enable these people to complete the transaction within 5-10 minutes – making it the most time-efficient and convenient exchange platform to date. Guarantor services will be provided to secure the transactions; and user accounts will be protected with our proprietary anti-fraud system.

Our value proposition

Qvolta solution will provide a number of benefits over other exchanges in the market, ultimately offering an unparalleled value proposition for the users:

- Convenient & easy-to-use interface
- Low commission rates and no hidden fees
- Availability of mobile application, and easy integration for the user between desktop & mobile
- Fast support for all of the operations, including dispute-resolution; and strong emphasis on 24/7 customer service
- Guarantor system and high security of the platform
- Global reach and presence in all countries globally

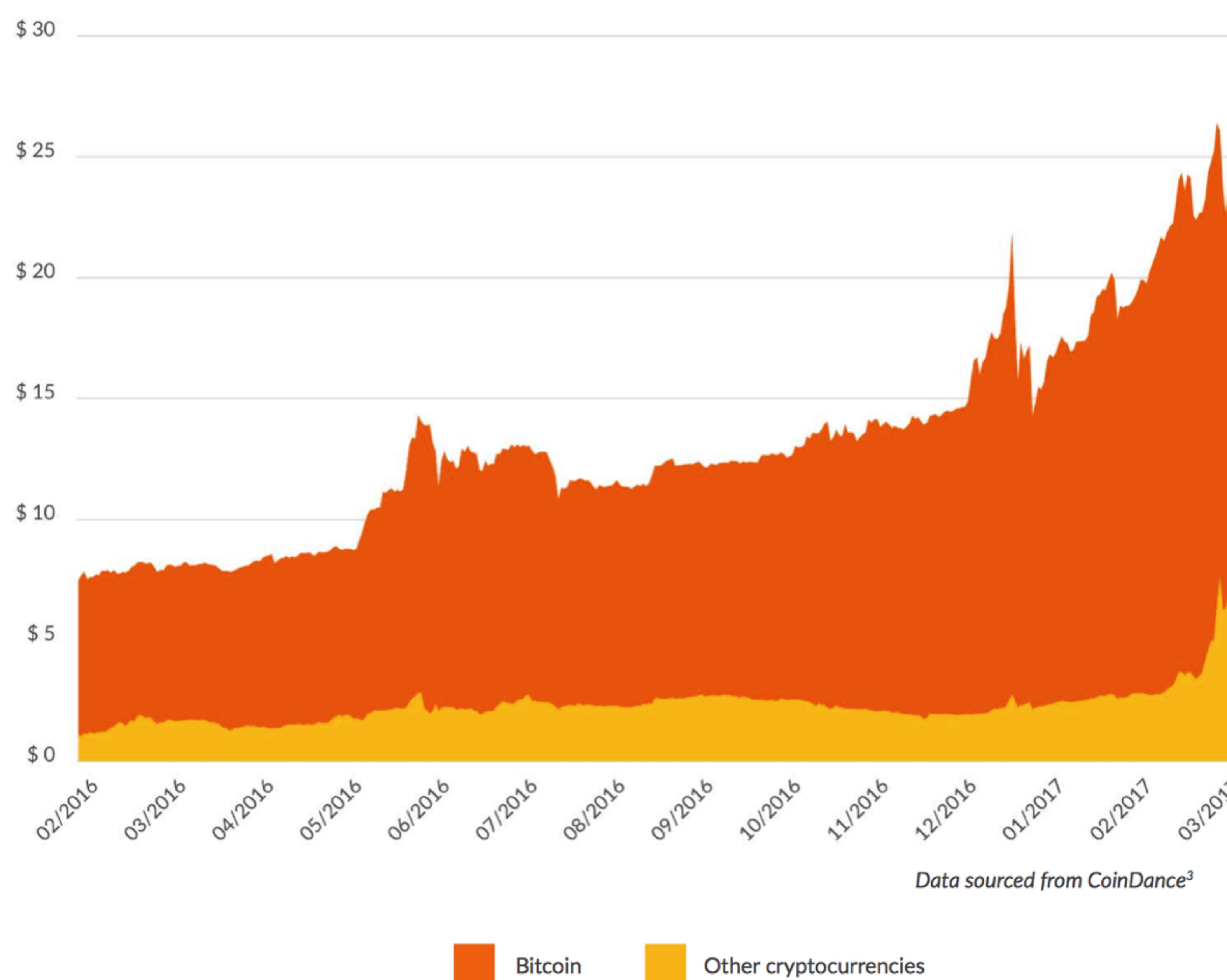
Market analysis

The market of cryptocurrencies is one of the fastest-growing and most promising industries globally. Using the insights from 2017 Global Benchmarking Study conducted by Cambridge University, and supported by additional analytics from key industry organizations, we have outlined below some of the key industry facts and trends.

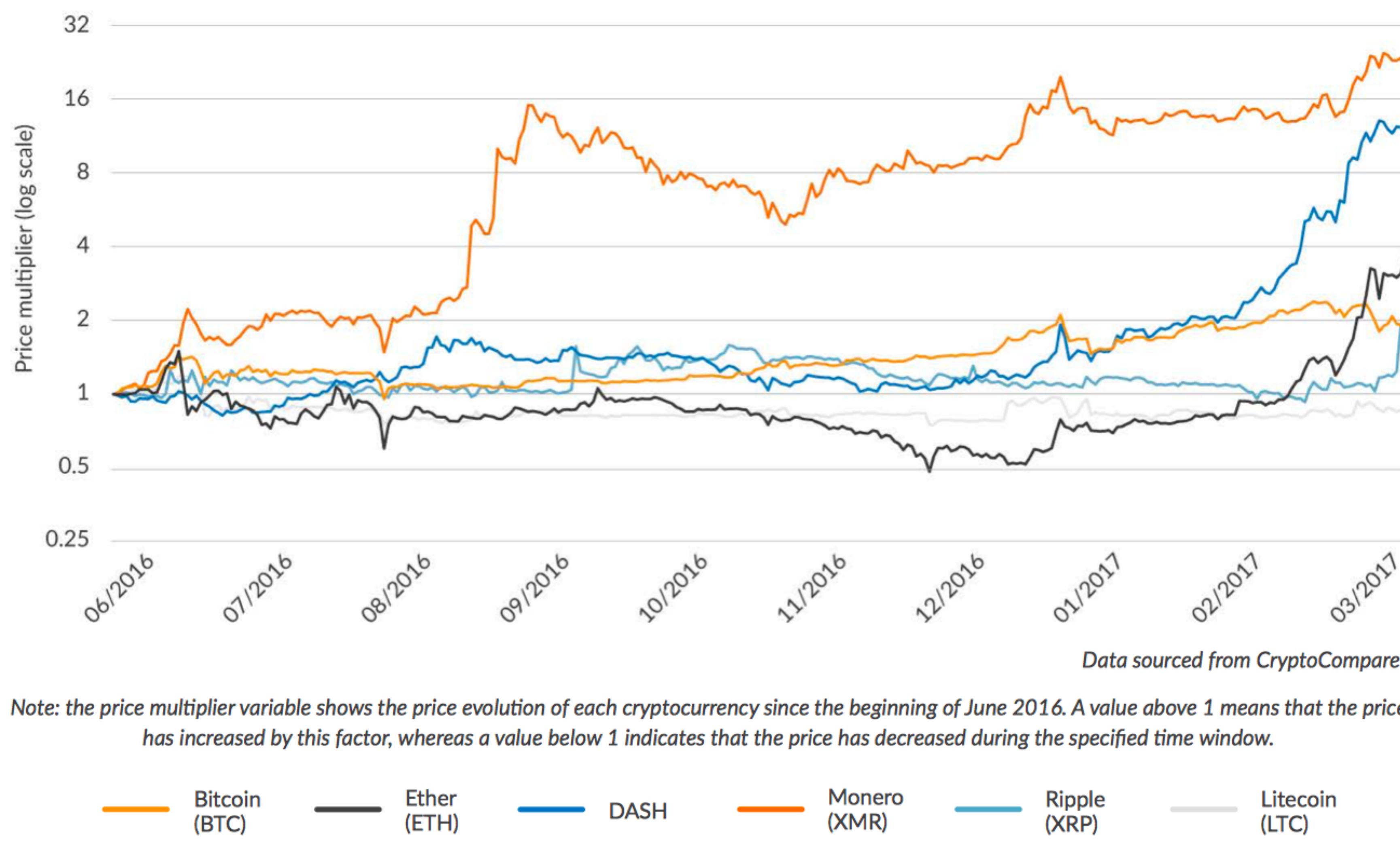
Cryptocurrency market value & growth

While the markets have long been sceptical about the growth of cryptocurrencies due to lack of regulation and security concerns, 2017 has proven to be a year that clearly shows cryptocurrencies will a crucial part of the future.

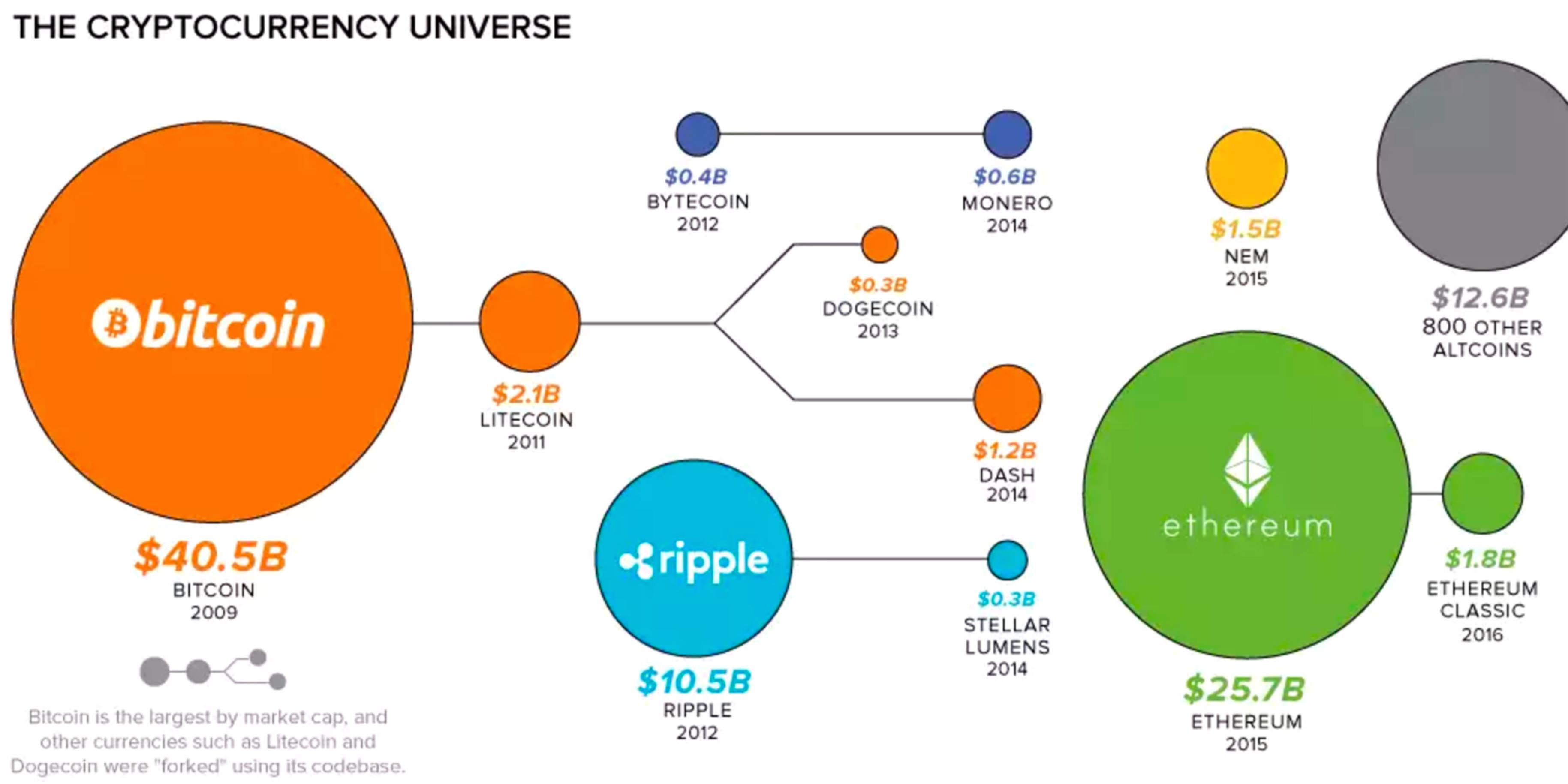
Since early 2016, the total cryptocurrency market capitalisation has increased more than 3x, reaching nearly \$27 billion in April 2017. As of July 2017, total capitalization of cryptocurrencies has increased to over \$100M, posting an unprecedented increase.



The trend has been universal with most of the cryptocurrencies gaining value on the back of the overall positive trend. As of 2015, 0.87% of US consumers are estimated to have owned cryptocurrency, which amounts to around 2.8 million people in the US alone. Based on calculations using their own user data, Coinbase and ARK Research estimate that in 2016 around 10 million people around the world have owned bitcoin.



Currently, the core value of the market continues to lie with Bitcoin; followed by Ethereum and Ripple. However, in the future other cryptocurrencies are expected to consistently grow further, eventually gaining greater share of the overall market.

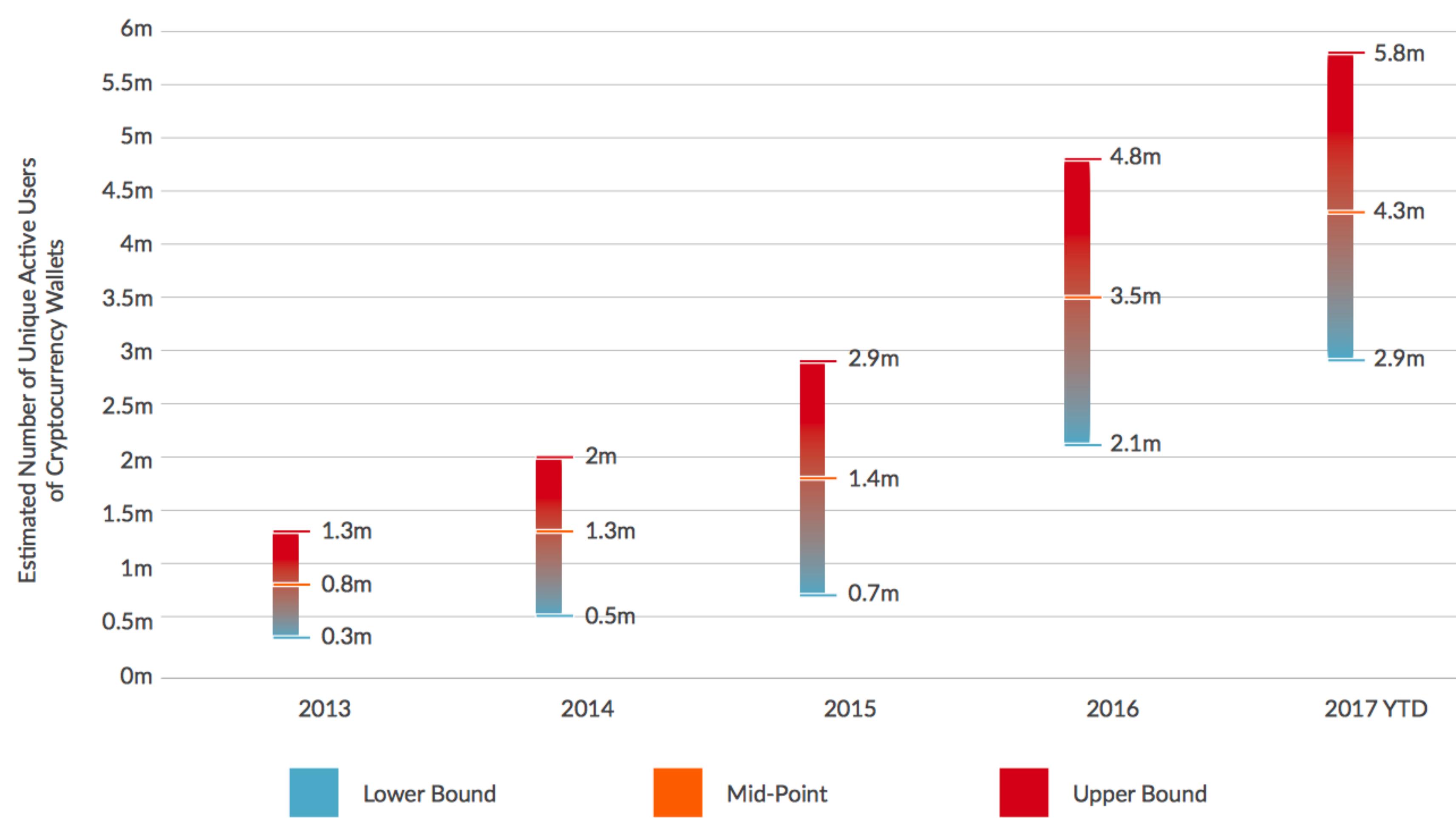


The volume of cryptocurrency wallets & users

The total number of wallets is difficult to estimate, though Global Benchmarking Study calculates it using the data collected from study participants; together with the available data on the number of software downloads of major wallet providers and Bitcoin's reference implementation. Using the conservative assumption that one software download is equivalent to one wallet created, it is estimated that the total number of wallets globally has amounted to 35 million in 2016, a 4x increase over the 2013 level of 8.2 million. In reality, the figure is expected to be significantly higher given that one cryptocurrency user would potentially have more than one wallet; and that the calculation excluded data open-source wallets.

Among these, the study estimated that the percentage of active wallets ranged from a low of 7.5% to a high of 30.9% of total wallets, depending on the type of provider; and therefore it can be assumed that the number of active wallets is currently between 5.8 million and 11.5 million in 2017.

The number of users of cryptocurrency wallets was calculated based on the number of active wallets, assuming that an average user owns two wallets (and excluding people who used exchanges as a wallet or those who use the services of payment operators, or platforms, which have the ability to store cryptocurrency). According to the Global Benchmarking Study, based on the assumptions underlined the current number of unique active users of cryptocurrency wallets is estimated to be between 2.9 million and 5.8 million, as illustrated in the figure below.



Payments using cryptocurrencies

The Global Benchmarking Study has surveyed 48 companies that use cryptocurrency as a payment method, in 27 countries. 79% of these payment companies have existing relationships with banking institutions and payment networks, however, they cite the difficulty of obtaining and maintaining these relationships as the sector's biggest challenge.

Merchant services, which mainly consist of processing payments for merchants that accept cryptocurrencies, is the most widely offered payment service (52% of survey respondents agree). 21% of payment companies exclusively process national-to-national currency payments, whereas half of payment companies do not process any national-to-national payments at all. Also, the report underlines that the bitcoin network is used by 86% of surveyed payment companies as main payment rail for cross-border transactions.

Licensing for cryptocurrency companies is much more common than the absence of such requirements, and 54% of payment companies have a formal government license; of all payment type activities, platforms providing B2B payment services are most likely to have a license (83%). Besides, 86% of payment companies perform KYC/AML checks.

Cryptocurrencies exchange platforms

Globally there are currently 51 cryptocurrencies exchange platforms in 27 countries of the world. According to the study, 52% of small exchanges hold a formal government license compared to only 35% of large exchanges. 85% of all exchanges in Asia-Pacific region have no licenses, which comes into the sharp contrast to North-American exchanges where 78% of exchanges have such licenses.

73% of exchanges take custody of user funds, which can attract hackers while 23% let users control keys. For better security 92% of exchanges use cold-storage systems; on average 87% of funds are kept in cold storage. Also, multisignature architecture is supported by 86% of large exchanges and 76% of small exchanges.

Most of the exchanges follow a traditional architecture, and there is only one global P2P exchange platform – LocalBitcoin. While still relatively small it has recently seen a significant increase in the trade volume, reflecting generally higher demand for cryptocurrencies (volumes reached all-time highs since early 2017, particularly in high growth emerging countries located in Asia, Africa, Middle East and Eastern Europe).

Outlook and future value of the market

While the growth of the market is very challenging to predict, according to Saxo Bank, Bitcoin could make up 10 percent of the \$5 trillion average daily volume in the foreign exchange market in 10 years. Its market capitalization could grow to \$1.75 trillion which would make each bitcoin worth \$100,000 – an enormous growth potential market.

Why now is a perfect investment momentum

Improved security and technology

The security of Bitcoin has now been proven by eight years with no downtime and no breaches of the public open source codebase. Furthermore, an additional driver of this latest growth in the crypto space can be explained by the increase in smart contract awareness and anonymous block chain technologies, with more and more sophisticated solutions emerging in the market.

Increasing investment wave and rising interest in the market

The growth is further supported by the enormous investments inflow in practically all cryptocurrencies. The adoption of cryptocurrencies has been universal, with multiple large companies, banks and funds now working on or investing in Block chain projects. IBM alone has 300+ Block chain projects underway with corporate companies.

Changing regulation

Once being a key obstacle, regulation today is increasingly becoming a positive force for cryptocurrencies growth. Japanese government has recently formally recognized the Bitcoin in April, giving it greater legitimacy in Asia's richest major economy. Other countries are expected to follow shortly, with a steady growth of international money-transfer services that use Bitcoin daily.

Relatively low competition

While the potential of the market has long been recognized, it has been not until 2017 when the growth of cryptocurrencies has exploded. Given the currently large capitalization of the market and huge volume there is a growing number of services and startups trying to tap into the newly emerged market opportunity. However, even with increasing interest in the sector the number of players is still relatively low, with significant room existing for new entrants. As the competition is limited yet the scale is already sufficient to minimize the risks, cryptocurrencies sector presents a perfect momentum for new strong incumbents to enter the market.

Competition

There are a number of direct and indirect competitors globally. In a broader sense, we will be competing with multiple companies worldwide that are offering services related to exchange of cryptocurrencies, either to other currencies or into cash. These include traditional exchanges like Bitstamp, BTC-e, Bitfinex, Kraken etc. that differ from P2P solutions as your funds are on hold until the sell or buy order is executed.

In a narrower sense, our competitors will be represented by the P2P cryptocurrencies exchange platforms that currently exist on the market. The key distinction between the traditional exchange is the business and operations framework, where P2P platforms do not hold the user funds and instead just match the buyers and sellers; also providing much demanded privacy for the transactions.

Our key direct competitor is LocalBitcoins, a peer-to-peer marketplace that matches users wanting to buy or sell bitcoin. Other solutions exist on the market with a various set of features and functionalities. However, those are relatively small, lacking the sophisticated technology platform as well as scale and sufficient user / seller volume to compete globally (Coinffeine, Bitsquare, Bitkan, Paxful etc). With the market being incredibly large and growing, there is clearly room as well as an increasing need for more quality P2P platforms on the market.

While LocalBitcoins is currently the leader on P2P cryptocurrency exchange market, we strongly believe that our solution will provide a solid edge over the rival, with unparalleled value proposition for the users and hence an ability to sustain long-term competitive advantage in the marketplace.

A detailed side-by-side comparison against the LocalBitcoins can be found in the table below:

Competitive analysis of Qvolta vs LocalBitcoins

	Qvolta	LocalBitcoins
Fees	Low	High
Cryptocurrencies available for exchange	Multiple	1 (Bitcoin)
Security & technology sophistication	High	High
Mobile application available	+	-
Easy to use and attractive interface	+	-
Deposit of cryptocurrency for trades	NO	YES
Summary	★★★★★	★

Our Strategy

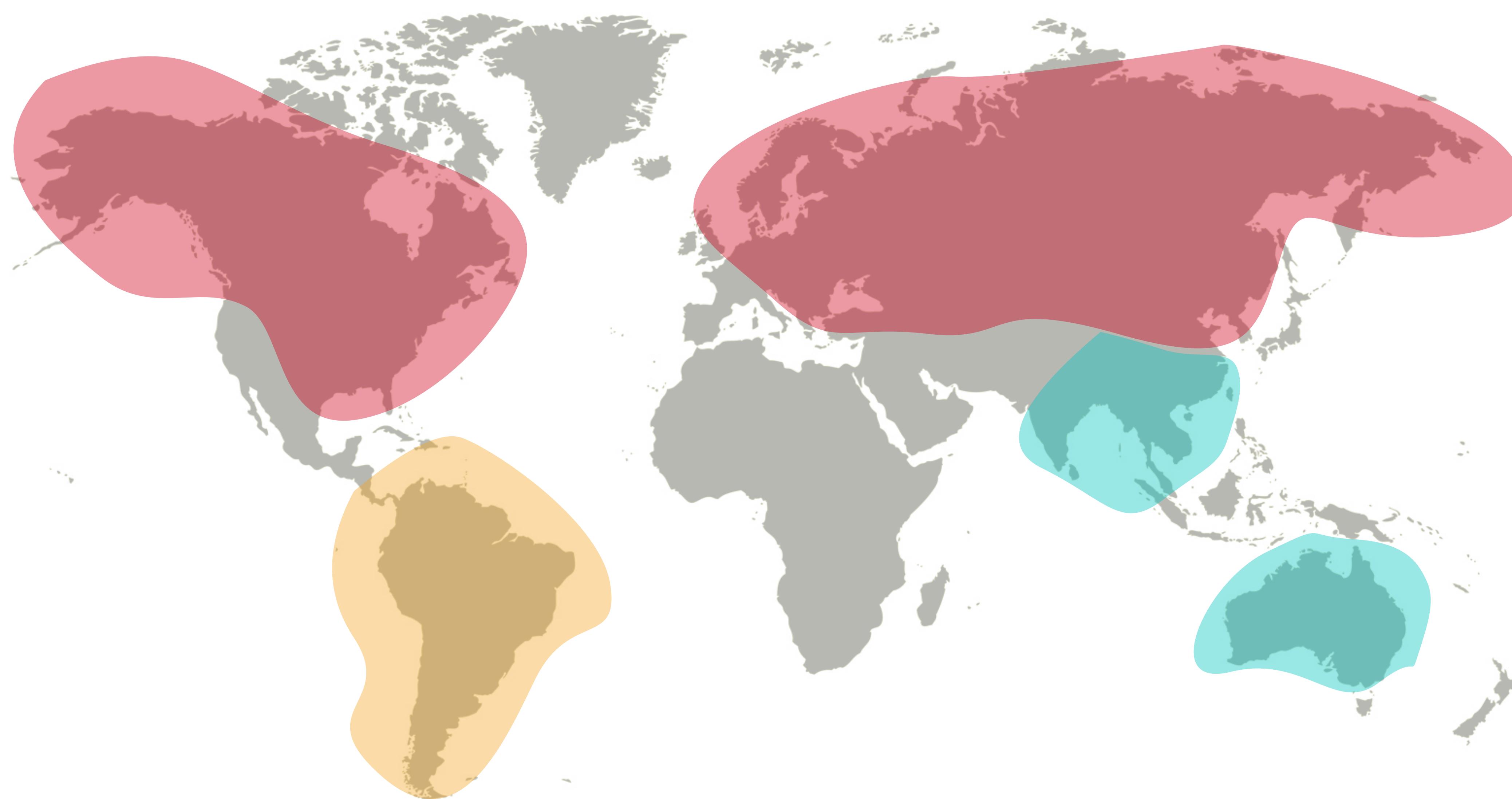
The vision and mission

- Our vision is to grow into N°1 P2P cryptocurrency exchange platform in the world, delivering unparalleled value proposition for the users and strong returns for the investors; and ultimately driving the creation of the new financial ecosystem grounded in the interaction between the blockchain and fiat currencies
- Our mission is to foster the adoption of cryptocurrencies usage globally, driving increased adoption of altcoins and greater awareness among general population

Strategy outlook

Our key focus will be on continuous investment in product development and platform improvement in order to make sure our technology retains its technological lead in the market. We plan to add multiple additional functionalities and features as we move forward, as well as focus on excellent customer service to distinguish ourselves from the rivals such as LocalBitcoins.

Geography wise, we plan to launch the product in **European Union, USA and Russia** at first year, later in second year expand to the key customer markets of **Latin America, then to Asia, Australia**, other world at third year. Our vision and go-to-market strategy is illustrated in the graph below.



Short-term targets

- Securing all the necessary government permits and licenses for the cryptocurrencies exchange in those countries, where the sector is regulated by the law
- Focusing on driving strong user growth, targeting both those users that are already familiar with P2P cryptocurrencies exchanges as well as those that have just shown interest in the sector

Long-term goals

- Achieving at least 50% market share in the P2P exchange sector; growing into the first platform of choice for both individual users as well as businesses
- Investing heavily in product development ensuring the best tech platform in the industry
- Expanding the business globally, to ensure presence and strong brand awareness in each key region of the world

Product development outlook

Our key focus and investments will be targeted towards creating a solid, secure and sophisticated platform with easy-to-use and attractive interface. In the first few months, the emphasis will be on building the core features and functionalities of the product, as well as organizing the access to all conducted ICOs from the user's personal cabinet. We will aim to create a reliable system for transactions with fiat currencies based on blockchain for fast cross-border payments for both individuals as well as legal parties.

In the future, we also envision multiple additional functionalities and features to improve the user experience and strengthen our value proposition. Among the envisioned development, we foresee:

- Building merchant accounts so that both individual users and businesses could quickly and conveniently receive / send payments
- Adding new altcoins to the portfolio of available cryptocurrencies
- Assisting in opening bank accounts in cryptocurrencies and fiat currencies for individuals and legal parties

Marketing Strategy

We have devised a well-rounded marketing plan aimed to quickly build awareness of the Qvolta brand and rapidly gain recognition in the target market. Our user acquisition plan is based on a number of key strategies that will be employed over the next 5 years; with strong focus on social media advertising and word-of-mouth in the launch phase; and higher investment budgets for traditional advertising and PR as Qvolta continues to scale and expand.

Influencers & word-of-mouth

One of the key steps of our marketing plan is establishing credibility of the brand early on; while gaining a lot of brand coverage and heavy exposure to the target audience. This will be done through collaborations with influencers in various fields attached to cryptocurrencies, who will be promoting Qvolta platform through their blogs, YouTube channels and social media accounts. Investment in influencer advertising will allow us to quickly unlock multiple audiences around the world, instantly gaining credibility and trust for the brand thanks to the real, personal and story-based advertising. At the same time, through utilizing influencer reach out platforms and tools we will also be able to significantly save marketing costs as compared to traditional advertising.

In order to further encourage rapid user sign-ups we will build a referral program where users are encouraged to share the brand with their friends or acquaintances, in return for Qvolta credit and perks (similar to strategies initially employed by Dropbox, PayPal and Airbnb). Such a strategy would allow us to achieve a viral effect for the brand, rapidly growing user base and engagement with the platform.

Events & partnerships

As part of our promotion plan we envision to be heavily involved in the global cryptocurrency ecosystem, securing our position as a well-recognized player globally. This involves presence at the important industry events and creation of the mutually beneficial partnerships with other market players.

Key strategies to build visibility of the Qvolta brand would involve attendance and sponsorship of the key industry events, as well as participation in Bitcoin or Blockchain Conferences as attendees and later speakers / experts. Similarly, a fundamental step in our marketing strategy will be creation a network of partners that would be interested in promoting Qvolta solution for the referral fees; or similar promotion on Qvolta website. Our key target would be companies that either offer complementary business services or are interested in a reliable partner providing cashing our opportunities for their users (such as cryptocurrencies gaming companies).

SEO & content marketing

One of the key steps in building visibility early would be creation of the blog on cryptocurrencies that would be driving traffic to the Qvolta website. We will focus on publishing engaging content that answers important questions for the users, or otherwise covers new developments in the cryptocurrencies market.

The blog writing will be lead and supported by high quality marketing professionals, ensuring that the content is not only interesting and visible in the search engine results, but also is written creatively enough and has interesting elements to have a potential to go viral.

In order to ensure visibility in the search results we will have an external SEO team promoting the blog and blog articles; and ensuring presence in targeted discussion lists, online forums, and groups for people with particular interests (e.g. Sub Reddit, Facebook groups and Bitcoin Talk forum).

Social media & Advertising

One of the key communication channels for Qvolta brand will be presence on social media platforms (Facebook, Instagram, Twitter) to ensure continuous interaction with the key audience. Facebook will be further utilized for the marketing ads and campaigns. While we envision investments in Google Adwords as a medium to reach target audience, over the recent years Facebook has been found to be a more cost-efficient channel to reach potential users; and thus particularly in the earlier stages the focus will be on Facebook campaigns and re-targeting tactics to drive users back to the Qvolta website.

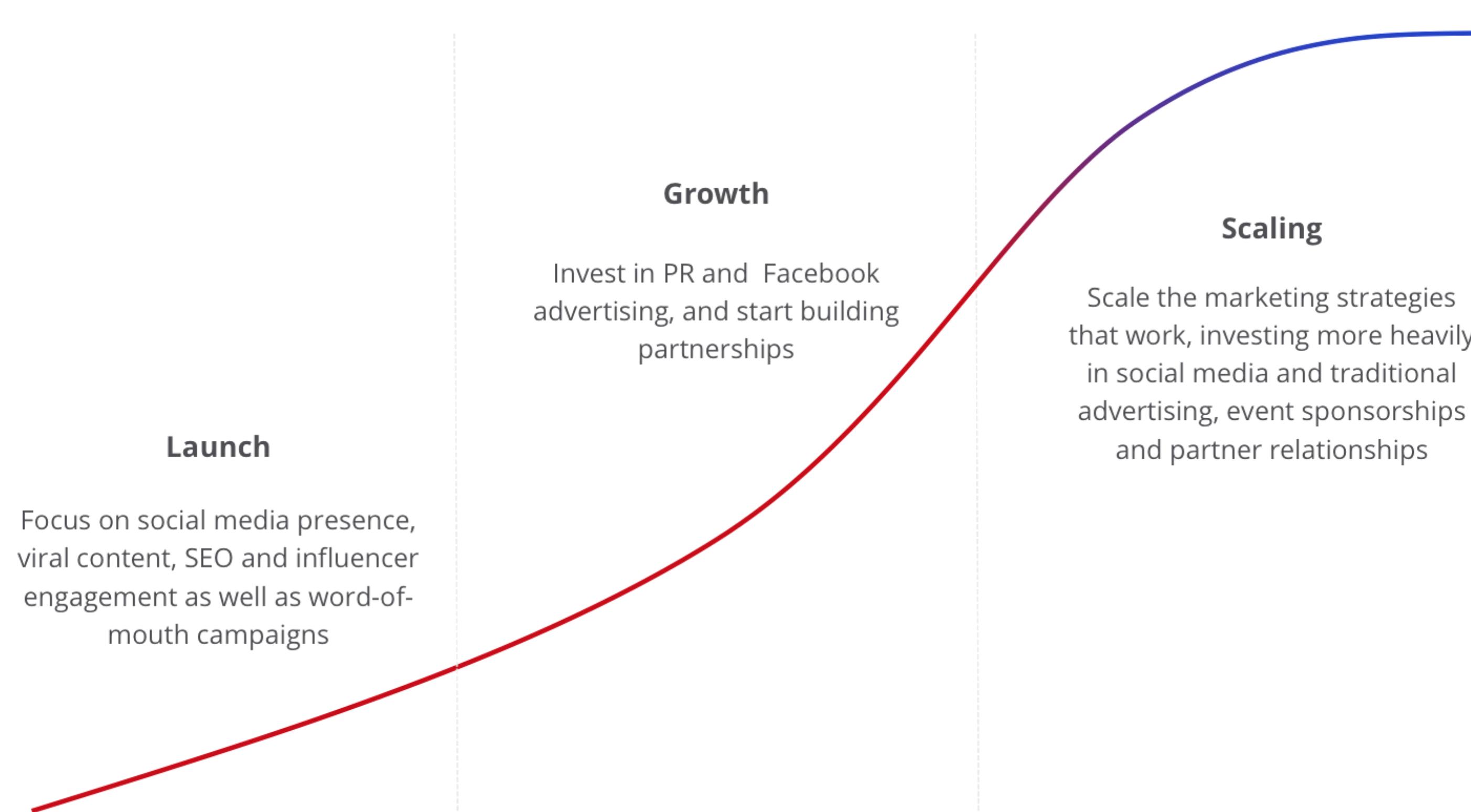
Email Marketing

An essential part of our strategy would be building out the email subscriber list and sending weekly personalized newsletters with special offers and product updates to sustain the engagement levels.

PR

We plan to engage PR specialists early on to build reputation for the brand and ensure we have strong coverage in the press, including relevant industry publications, tech resources and important business destinations (Business Insider, Forbes, TechCrunch).

Each of the strategies will be utilized in the go-to-market plan over the next 5 years, with some strategies being more heavily employed based on the stage of company's development. Our vision in this respect is outlined in the graph below:



Referral program

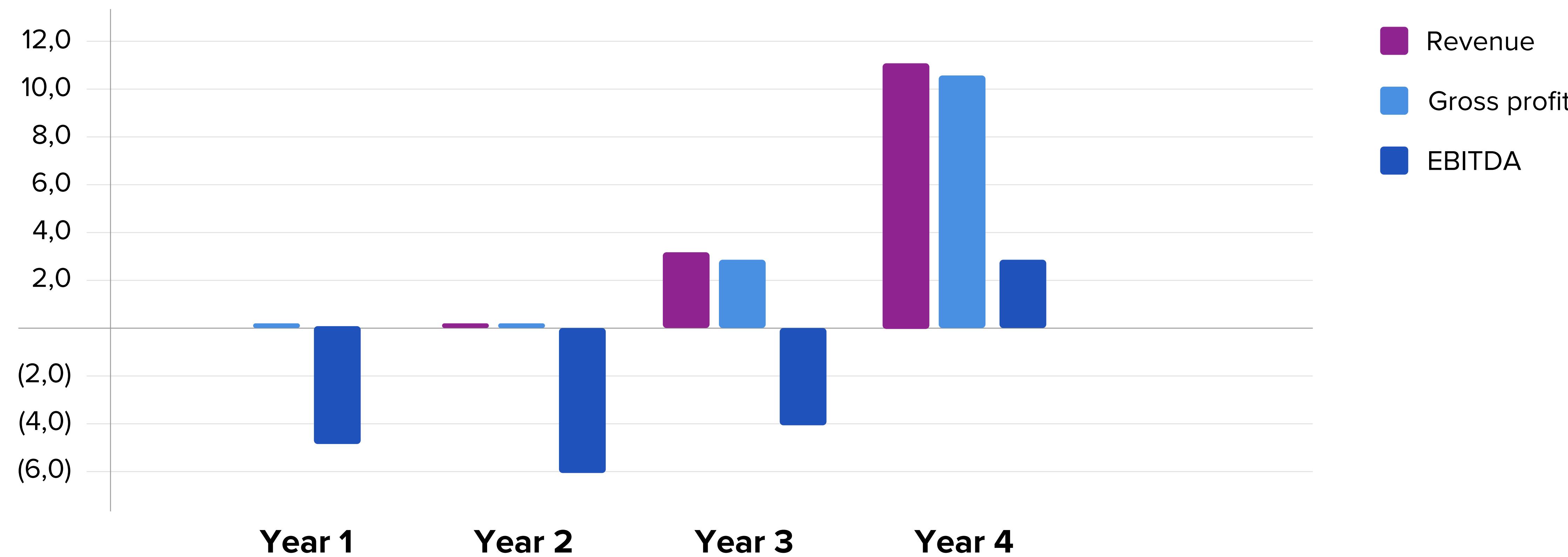
Our referral program will benefit both senders and recipients of invitations. There will also be a system of welcome bonuses, so a trader can try to trade on the cheapest tariff plan for the first time completely free of charge.

Financial Plan

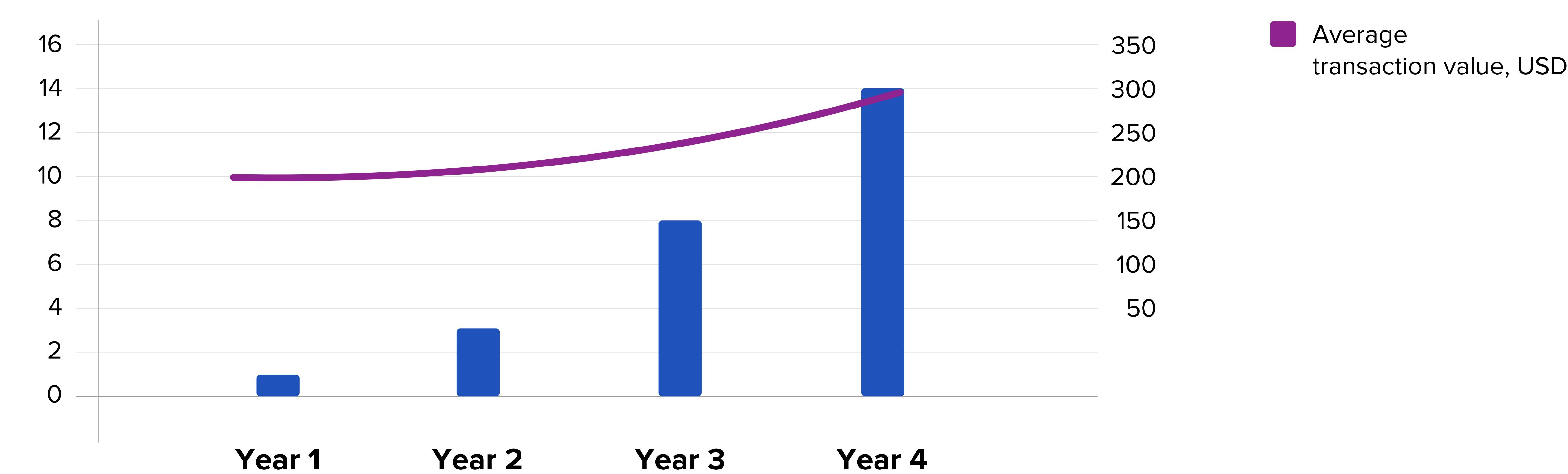
 <https://s3.eu-central-1.amazonaws.com/qvolta/Qvolta+ICO+Financial+Model.xlsx>

Projected Profit & Loss Statement, USDm	Year 1	Year 2	Year 3	Year 4
Revenue	0,0	0,3	0,3	0,3
Costs	0,1	0,2	0,2	0,2
Gross profit	(0,1)	0,1	0,1	0,1
Operating expenses	4,7	6,1	6,1	6,1
EBITDA	(4,8)	(6,0)	(6,0)	(6,0)
Cash flow	0,4	(0,7)	(0,7)	(0,7)
Financial ratios				
Revenue growth, %		8554%	946%	237%
Gross profit margin, %	-3936%	24%	89%	95%
EBITDA margin, %	0%	0%	0%	24%
Net income margin, %	0%	0%	0%	24%
Marketing, as % of revenue	42666%	690%	98%	30%
Product development, as % of revenue	40859%	553%	63%	22%
G&A (incl payroll), as % of revenue	47720%	716%	49%	19%
Headcount	30	42	50	60
Revenue per FTE, USD	120	7 389	64 901	182 409
Key metrics				
# of transactions, m	0,2	2,6	8,0	14,4
Average transaction value, USD	223	251	283	319
Transactions volume, USDm	36	621	2 163	4 378
Commission for 1 BTC, %	0,01%	0,05%	0,15%	0,25%
ICO financing				
ETH price assumption, USD	300			
Projected ICO size, ETH	18 000	21 000	28 000	38 000
Projected ICO size, USD	5 400 000	6 300 000	8 400 000	11 400 000
Share, %	15%	18%	24%	33%
Total projected ICO size, ETH	105 000			
Total projected ICO size, USD	31 500 000			
Total share, %	90%			
Investment breakdown, %				
Technical development	30%	31%	29%	26%
Marketing	40%	46%	42%	32%
Legal service	15%	15%	6%	4%
Administration of the project	5%	8%	9%	11%
Risks	10%	0%	15%	27%

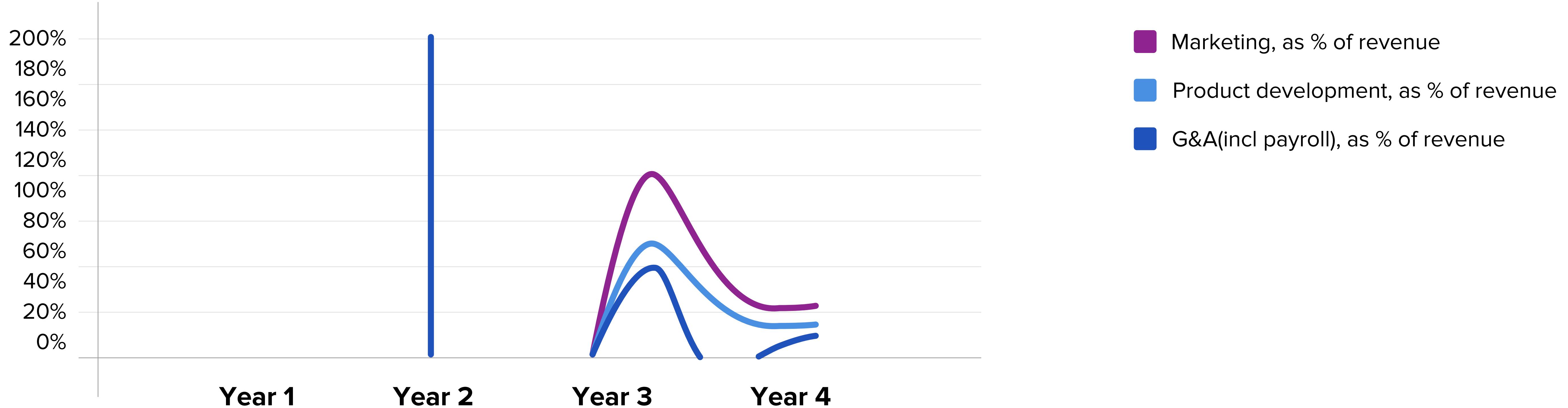
Profit & Loss graph, USDm



Platform transactions



Platform transactions



Qvolta is planning to obtain financing for development of the platform during 4 years. 18 000 000 QVT will be sold through the platform each year.

Verification

We will have two categories of users-verified and unverified. Users will decide themselves with whom to conduct transactions - with verified users or unverified. We will use verification to maximally protect our users from fraudulentschemes.

Also verification of users is necessary for compliance with the KYC and AML rulesin those jurisdictions where Qvolta platform will work.

Qvolta Wall and Qvolta Security

Qvolta Wall is a security of your account. It means that you will receive a notification when you sign into your account, information from which device and from which address was made a previous sign-in.

Qvolta Security is an app that gives you a personal and unique code each time you entering to the platform and trying to make operations on the platform.

The work scheme of our business

Our service has 2 components (as well as any other working not only with cryptocurrency, but also with fiat money service has):

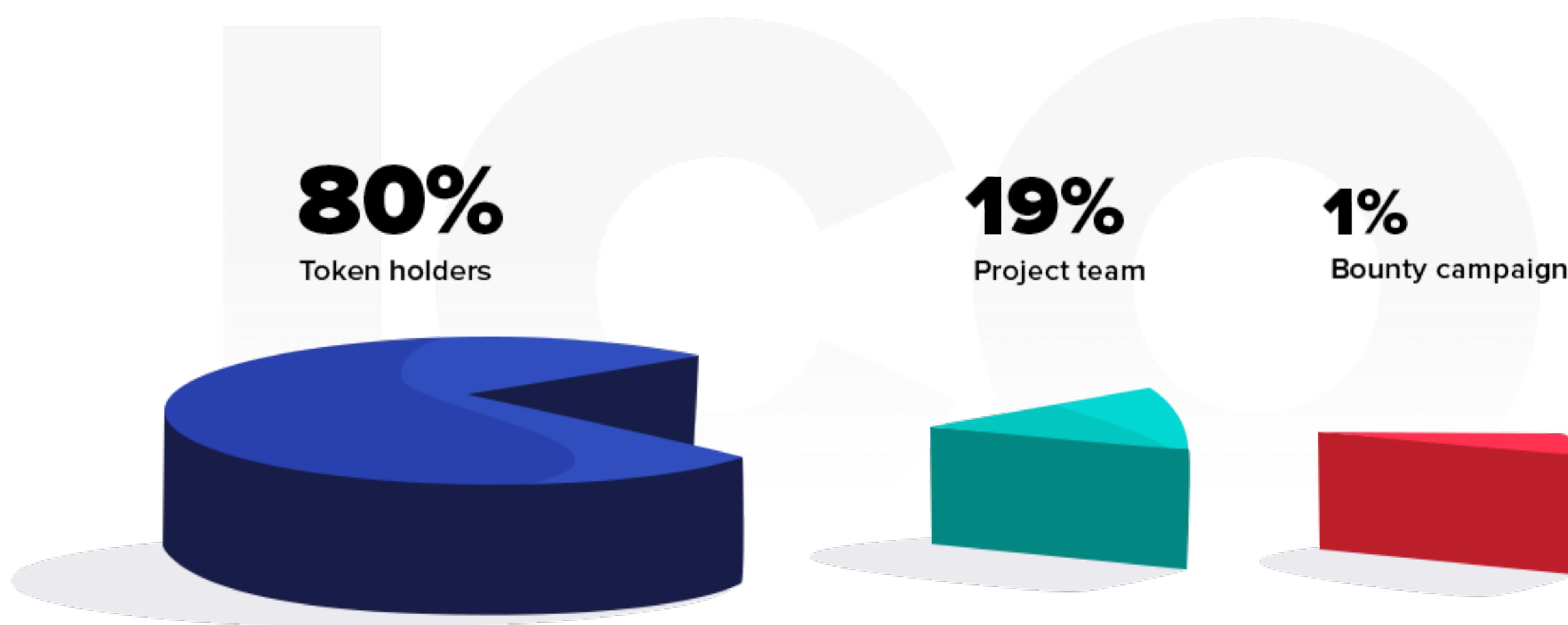
1. Payments/Transactions with user's fiat money

2. Payments/Transactions with user's cryptocurrency

If we consider the first component, then we are completely decentralized: the users' fiat money does not go through our trading platform and users make payments to each other directly, without our participation.

On the second point, of course we could not be called completely decentralized, because orders are processed by a centralized escrow mechanism.

ICO Structure

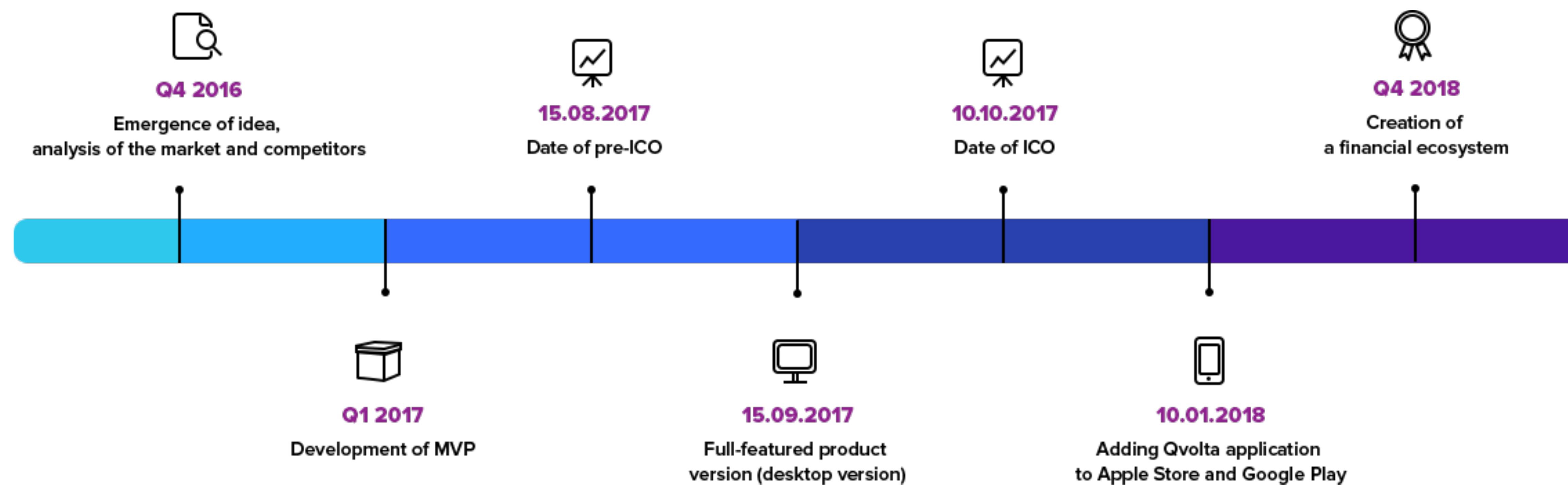


- Date of ICO — 10.10.17 -20.10.17 (**At the time of the ICO we will present the finished product-a full-featured desktop version of the p2p exchange Qvolta**)
- Number of tokens on ICO — 18 000 000
- Value of token 1 ETH = 1 000 QVT
- The official name of the token — QVT
- Deposit Methods – Ethereum
- Date pre-ICO — 15.08.2017-29.08.2017 (**At the time of the pre-ICO, we will submit MVP**)
- Pre ICO bonus — 50%
- There is no the minimum amount of fund-raising for ICO
- The date of entry into the Cryptocurrency Exchange will be announced after the completion of the ICO within three days
- Date of unfreezing of the tokens after the ICO-within three days after the date of the ICO or after the full collection of funds for the project
- All unsold tokens will be liquidated

Structure of financing

- Technical development-30%
- Marketing-40%
- Legal service-15%
- Administration of the project-5%
- Risks-10%

Roadmap



Using token in the product

QVT Token in our product will be used to pay for tariff plans. The trader will have to pay for tariff plan to start creating offer for sale/purchase of cryptocurrency on the P2P Qvolta exchange. Tariff plan depending on its value, allows to trade the cryptocurrency in the amount provided for by this tariff plan. All tokens are issued by the Singapore company Qvolta Pte.Ltd.

Two kinds of users at Qvolta platform

1. Typical users. Users who want to buy and sell cryptocurrency in a fast way.

They make transactions of buying or selling a cryptocurrency by responding to an offer created by a professional trader. During this process Typical users do not use the QVT tokens. Commission will not be charged by the platform for such kind of users.

2. Professional traders.

They make offers of buying and selling cryptocurrency according to the purchased tariff plan. The price of Tariff plan depends on the amount of cryptocurrency which Professional traderwants to buy/sell. Professional traders need to use QVT tokens for buying the tariff plan.

Our Tariffs

Each tariff plan includes the total amount of crypto currency that a professional trader can sell or buy by creating an appropriate offering through the Qvolta platform.

BTC	ETH		
Up to 5 BTC	5.5 QVT	Up to 10 ETH	1.5 QVT
Up to 10 BTC	10 QVT	Up to 25 ETH	2.5 QVT
Up to 25 BTC	22.5 QVT	Up to 50 ETH	4 QVT
Up to 50 BTC	40 QVT	Up to 100 ETH	6.5 QVT

Team



Kirill Murzin

CEO, co-founder, business developer

Entrepreneur, Economist, Fintech Advisor. 5 years of experience in international financial sector. Founder of Fintech Finance, full-cycle consulting firm for Fintech. Keen interest in Blockchain and Internet of Things.

<https://www.facebook.com/kirill.murzin>

<https://www.linkedin.com/in/kirill-murzin-97204714b/>



Viacheslav Averkin

CEO, co-founder, business analyst

Business-analyst, Fintech Adviser. 6 years of experience in international financial sector. Co-founder of Fintech Finance, full-cycle consulting firm for Fintech. Blockchain enthusiast.

<https://www.facebook.com/profile.php?id=100001171221734>

<https://www.linkedin.com/in/averkingvolta>



Ilia Filatov

CBDO, co-founder

Lawyer, 6 years practice at consulting for Fintech startups. Keen interest in Fintech and blockchain.

<https://www.facebook.com/profile.php?id=100018962596653>

<https://www.linkedin.com/in/ilia-filatov-3162b414b/>



Dmitry Semenov

development team lead, co-founder

Software Engineer. Consultant. Symfony lover. With over a decade of experience with the full stack, he is part of the Upwork Enterprise team. Often speaks at the conferences.

When not coding for work, he usually hacks together new concepts and open source libraries, or simply provides Q&A.

<https://www.facebook.com/mxnrl>

<https://www.linkedin.com/in/mxnrl/>