



Litepaper

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1 QPoker Ltd

1.1 Our Company

QPoker Ltd, a privately owned company, was launched by two Scandinavian co-founders Hans (CMO) & Michael (CPO) whose roads met back in 2014 in Malta. Both shared the ambition of revolutionizing the outdated gambling markets which had been solidified by the old paradigm. Casinos were afraid of modernizing their business model due to sustained income flow that the low-cost casino slots and betting products were providing.

In 2020, QPoker's concept took off in ICE London iGaming conference where the two stubble heads introduced their innovation to several venture capitalists. One of them was Arne, a Norwegian business angel, who had made a fortune by selling his shares of one of the major online poker rooms back in 2006, by his own words, way too early. Thanks to our godfather, QPoker got a seed funding of \$2,500,000. With this money we managed to hire seven full-time engineers who were experts in their field and eventually developing the alpha version of QPoker's P2P decentralized software.

1.2 Immaterial Rights

All immaterial rights of QPoker's rulebook and structure are reserved by QPoker Ltd. This implies that none of the world's other gambling providers are allowed to start offering QPoker game or its features without our authorization and license fees (millions of dollars per year). We own the same waterproof copyrights as Monopoly and Trivial Pursuit possess to their games.



2 QPoker – The Game

2.1 Innovation of QPoker

QPoker's roots date back to late 2010s, when Hans was leading iGaming product development team in Malta. He wasn't satisfied with the half-witted luck games that the management were seeking for. After hundreds of hours of research and work expertise, he figured out the key factors that made Texas Hold'em the global phenomenon, whereas other skill-based real money games all failed; Mahjong, Billiards, Chess, Gin Rummy, Spades, and different forms of puzzles...

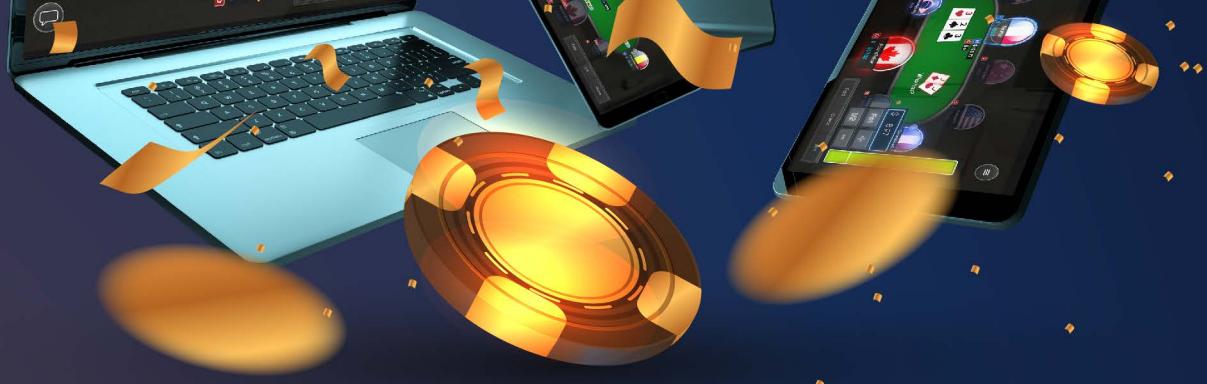
Q Poker is a combination of
Hold'em & **Q**uess'em

Success protocol of Texas Hold'em was simple. It was easy to teach, easy to learn, easy to play, yet difficult to master. All these factors played a significant role that led Texas Hold'em to the world fame. The perfect luck-skill harmony was needed in order to create an illusion for novice players that they had already mastered or got in the lead of the game, whereas in reality, they hadn't gotten one step forward. QPoker's luck-skill ratio is exactly optimized the same.



QPoker is a 21st-century formation of poker games, which joints together best elements of popular card games and the latest state-of-the-art technology. It is an entirely new game based on a 52-card deck, which maximizes social interaction with its modern approach to engage players. With an optimal luck-skill ratio and unique rulebook, QPoker will trigger tremendously larger phenomenon than Texas Hold'em ever set foot on. In today's world smartphones count to 6.7 billion users, whereas, in 2010 the figure was under 400 million. In online poker, January 2010 was the highest point of the previous boom when online poker networks reached its total 24h traffic peak of 128,072 players.





2.2 Evolution of QPoker

From the early start, we have been analyzing and optimizing QPoker's rulebook and game structure in every possible way to converge the user experience with our desired outcome. For consummating the game, we gathered a diverse group of 30 people from all age groups and educational backgrounds to run mixed QPoker game sessions simultaneously. Based on the players feedback and profound data analysis, we came to the comprehension of all the specific details of the gaming experience; features, functions, visual outlook, time limitations and optimal player amount. We consider this undertaking to have a paramount importance since it incorporates all these types of feedbacks/knowledge into main application.

We inspected and examined hundreds and hundreds of hours of QPoker sessions with close interaction with the players. We tried endless adjustments in all the fields of the game and made notable changes to the user interface. Based on all the critical feedbacks, we can confidently declare that we are ready to move to the next phase. In our opinion, this outcome is something to be truly proud of, the concept of our flourished team work. We manifest that QPoker will become the world's most successful, and trending play-to-earn NFT game of the coming years.





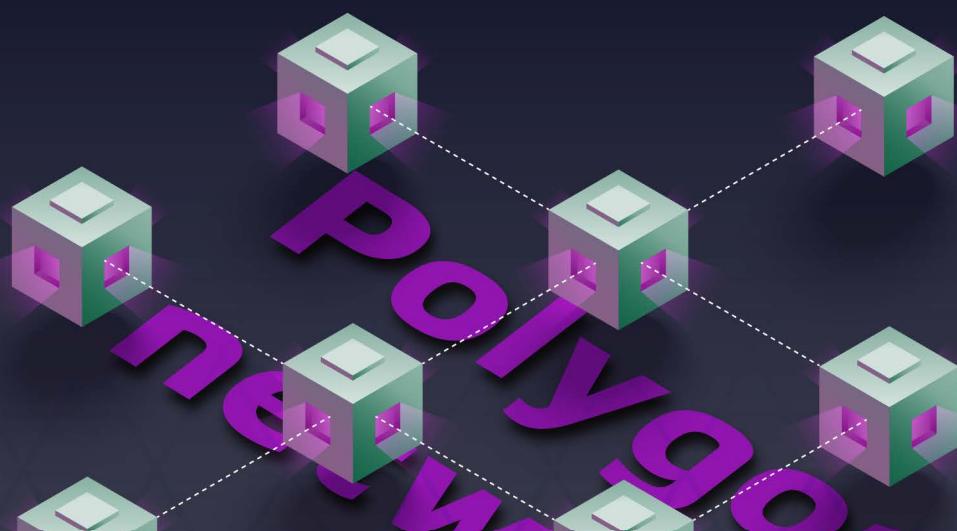
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Smart Contracts & Technical Specialties

3.1 P2P Decentralized Platform

You are in full control over your assets all along the line. QPoker is the world's most advanced decentralized iGaming platform in which players compete among others without the house participating in the bankroll management or money transfers. The players manage their assets at every stage by Web3 wallets, i.e., Metamask. All transactions are processed automatically by our smart contracts.

Our area of responsibility is to provide a modern P2P platform which offers appealing gaming software, international player pool and accounting-related smart contracts all under one roof. QPoker directly mediates smart contracts between users on Polygon network, and the data gets automatically recorded in the blockchain. We don't handle customers cryptocurrency assets at any stage which eliminates the biggest risk factors, the casino getting exploited by hackers, or even embezzled by its own staff members.



3.2 Secure Staking System

QPoker is a pioneer of play-to-earn games at Polygon network that offers staking system via smart contracts. For the first time in skill-based P2E games, you have a chance to stake potential winners or lend money to your fellow members. Based on our smart contracts, when the money borrower reaches the pre-agreed bankroll level, the investment + profit share will be automatically transferred to the stake lender. With our blockchain deployed and with our smart contracts, no one can defraud one another. QPoker provides a unique iGaming environment where staking will take place in honest, transparent, and effortless manner.

4 Regulations

4.1 Regulation-Free iGaming

QPoker is an entirely decentralized P2P network which is run by smart contracts deployed on proof-of-stake Polygon blockchain. Since we don't hold customers funds in any stage, we are not legally obliged to comply with outdated laws of gambling commissions. Juridically, we solely rent our gaming platform for the use of the players. Our revenue is based on the rental fees of the platform, as we don't manage customers funds. This permits QPoker to provide real money P2P games without KYC policy or geographical restrictions. All players around the world are allowed to challenge each other on QPoker platform without risking their money for 3rd party operator.

QPoker will be the first undiscriminated gambling platform in which users take full control over their funds from a deposit till withdrawal. Literally, in today's world, there doesn't exist any sort of legislation which prohibits cryptocurrency transactions between users, based on the terms they have agreed with each other. Our smart contracts bring these digital agreements to the modern age, since Polygon network enforces the cryptocurrency transactions move forward precisely is derived from the winnings and losses log history of QPoker game sessions.

4.2 History of Gambling Regulations

QPoker is first of its kind regulation-free iGaming platform ever which is run by smart contracts. For the past two decades, legislation around online gambling has been stuck in time, based on a concept that technology is not capable of providing facilities for independent bankroll management, in terms of bookkeeping and money transactions. To this day, all casino operators have been forced to apply for a specific license, subject to the gambling field: betting, casino, lottery, poker. Governments claim that the license system was created to avoid anti-money laundering (AML) and protect customers assets, but it has not succeeded in any of them (Full Tilt & Absolute Poker). The gambling licenses sole purpose was to ensure that governments were content ed by collecting enormous amounts of taxes, from winning players.

It is true, in the history before blockchains got widely adopted, there were relevant functions for 3rd party operator (casino), which included the accountancy; deposits, and withdrawals through the old world's financial systems. Albeit everything out of the eyes of users.

QPoker brings the iGaming services to meet today's standards. In terms of financial agreements and transparency, we offer the first peer-to-peer (P2P) iGaming platform which is entirely run on blockchains with the latest technology. By our smart contracts, all the profits will be instantly credited to the users cryptocurrency wallets, instead of us managing neither the deposits nor withdrawals. All the payments will be processed automatically on Polygon network.



4.3 Your Legal Rights

Do you need a gambling license to organize real money poker games for a group of friends?

No. Arranging small-scale real money entertainment does not meet the criteria of business practice.

Do you need a gambling license to challenge fellow members in Dota 2 and transfer real money to each other based on your game results?

No. Personally, you can bet with anyone and transfer winnings based on your mutual agreement.

Do you need a gambling license to challenge other players on QPoker's P2P decentralized platform?

No. Legally, you can sign smart contracts with anyone. On QPoker the winnings get automatically credited between players based on the predefined terms of our smart contracts.

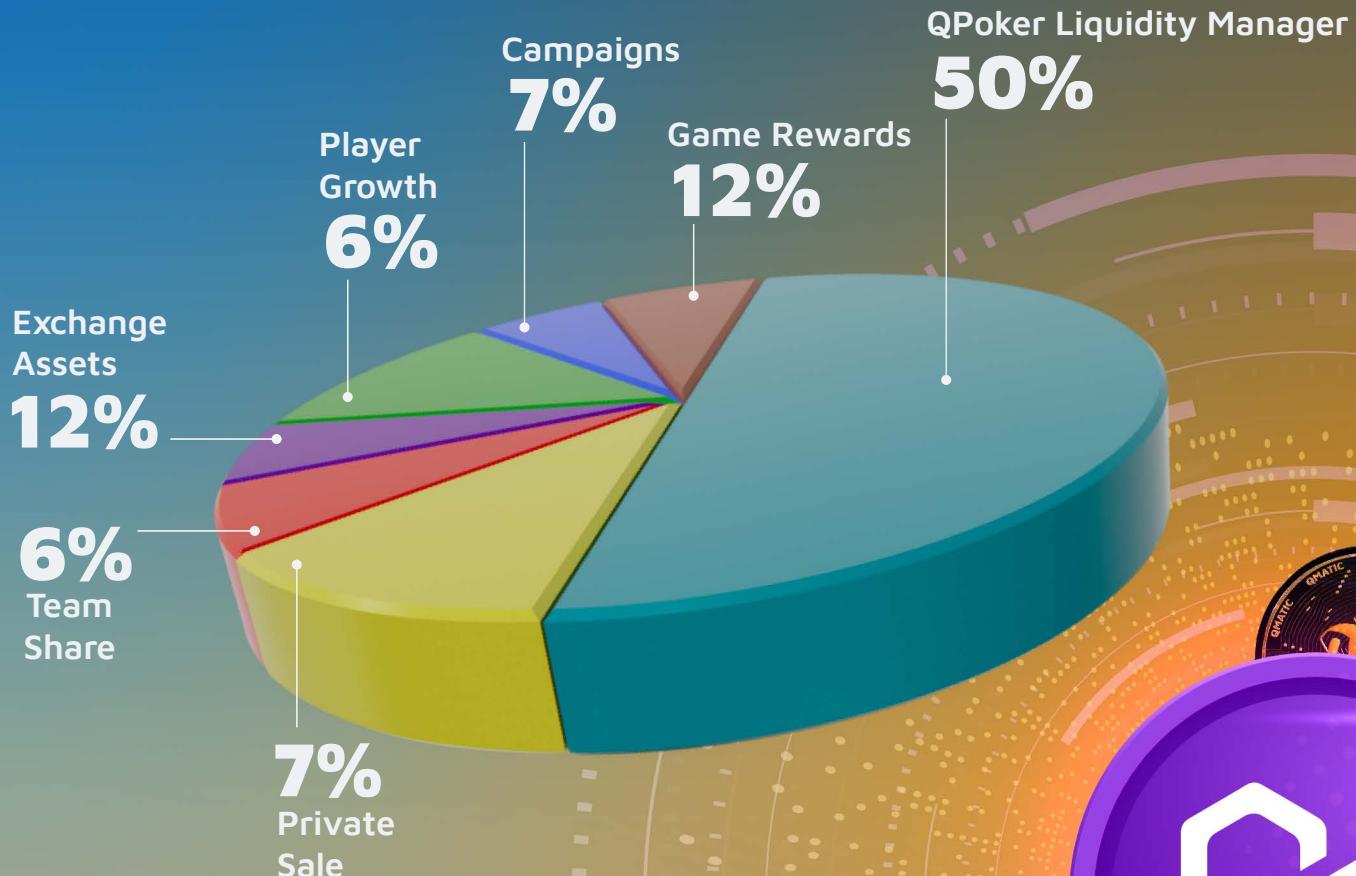
All QMatic supplies in QPoker's smart contracts are programmed to store value on Polygon blockchain. Transactions are automatically run when predetermined conditions are met. Our smart contracts are used to automate the execution of an agreement so that all participants can be immediately certain of the outcome, without any intermediary's involvement or time loss.

4.4 Future Prediction

It is presumed that in the future, legislation towards smart contract-based iGaming will tighten gradually, but even in the worst case it will take several years. When the first cryptocurrencies were launched, the crypto regulations started coming into effect over 5 years later. By this time QPoker has already reached the market position of the world's most popular iGaming platform.

5 QMatic Governance

5.1 Coin Distribution



5.2 Guaranteed Growth

QMatic is built on a mathematical model in which coin supply is decreased interactively at frequent intervals in proportion to the increase/decrease of the total player traffic. It is built on a stable growth curve in which value rising will be robust, constant and on a sustainable footing. Our pre-defined growth algorithm will ensure that valuation is built on natural adaptation of QPoker ecosystem, not by speculative money with thin

QMatic's growth controller is built on four burning functions, which make sure that the ecosystem continues to grow in healthy and sustainable movement.

In the situation when QPoker's traffic growth faces fast paced changes or the QMatic's coin demand turns to a downtrend due to external causes, we have several efficient mechanisms to steer the coin valuation back to a growth trajectory. The methods are complementary and perform effectively, both in short term panic reactions and longer term trend changes of the crypto markets.

5.3 Burning Mechanism of Rake Revenue

>2,5%
price fall

22.10% of all rake profits will be burnt over the next 90 days

>5,0%
price fall

44.21% of all rake profits will be burnt over the next 90 days

>7,5%
price fall

66.31% of all rake profits will be burnt over the next 90 days

>10,0%
price fall

88.42% of all rake profits will be burnt over the next 90 days

In order to guarantee sustainable QMatic growth momentum, we will enforce the above mentioned rake burning formulas. If the price of QMatic tumbles below the defined values, all of QPoker's rake revenues will be burnt until the price has outrun the previous top by +1%. The whole process will be run automatically by our smart contracts.

5.4 Burning Mechanism of Gas Fees

Out of each QMatic transaction, our organization collects dynamic rates of gas fees* which are interacted directly with our transaction volumes. Round the clock, the Oracle network monitors the QMatic transactions traffic, and instantaneously updates the rates by similar function as the gas fees in Ethereum gas station. By summing up all the daily fees, the total accumulates to notable figures. If the QMatic price turns to a downtrend, majority of all the transaction fees will be dynamically burnt until the market has recovered and formed a new baseline for the incoming growth trend.

Approximately 50% of the QMatic fees will be spent on advertisement and community rewards, 40% stored in QPoker Treasury Share and 10% burnt straight away to cause scarcity to the markets.

5.5 Withholding of Coin Distribution

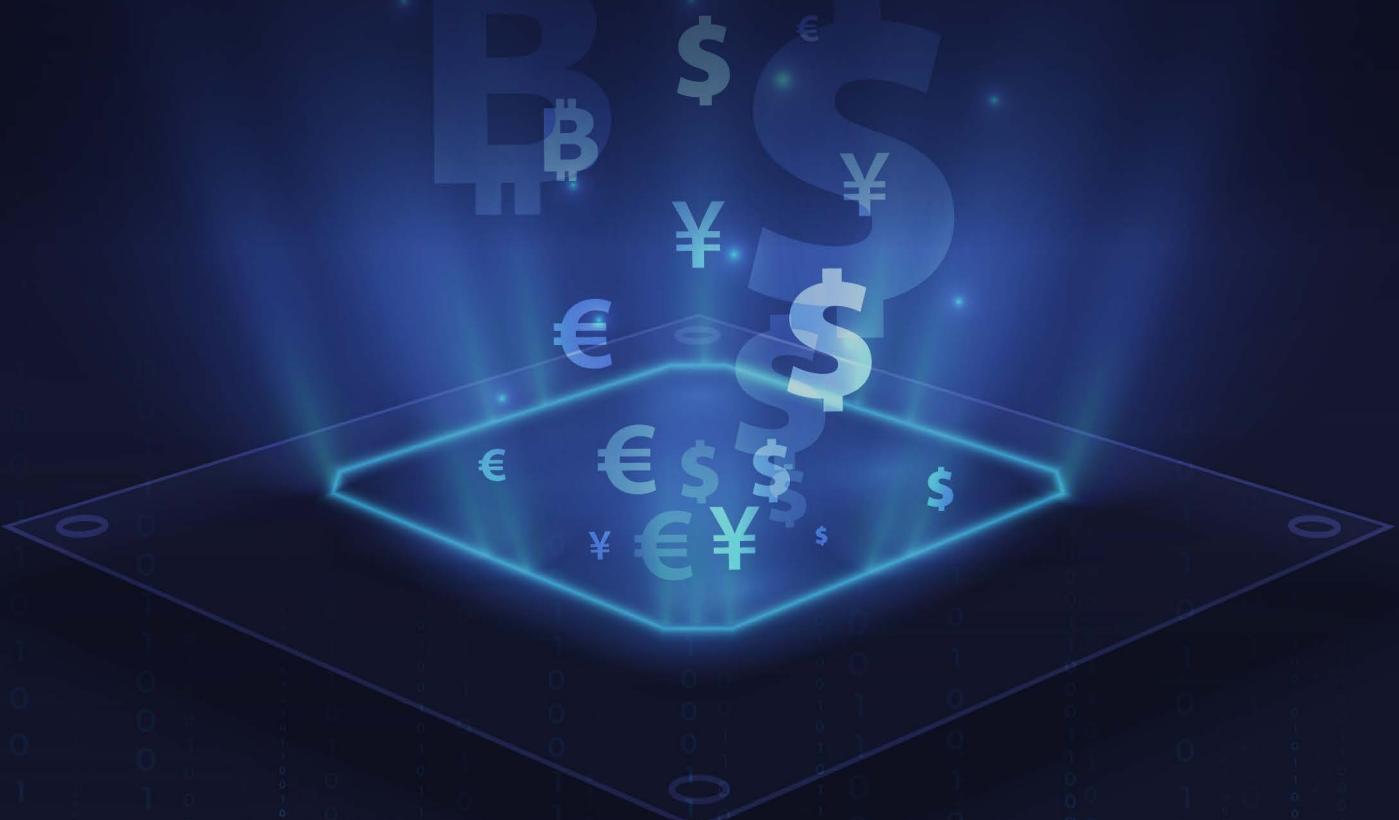
In the market situation the QMatic faces downwards pressure, we will suspend all the coin distribution to centralized/decentralized exchanges. The QMatic distribution will be resumed at the point where the coin faces again significantly higher levels of demand.

5.6 Burning of Liquidity Assets

QMatic's constant growth curve is our top priority since it plays a significant role of attracting new players on our game platform. In our business model the profits are made from the rake fees of QPoker's game platform and therefore we will use all the price stabilizing methods to keep the QMatic's coin demand distinctly higher than the supply. Even in a cost of burning tremendous amounts of coin liquidity from the team share & liquidity manager. Therefore, the fundamental trendline of QMatic will continually stay upward.

Our researchers have proceeded pervasive mathematical analyses on optimizing the coin circulation model in the form that secures safe and lucrative profits for early adaptors and early majority investors of QMatic. In addition to that vantage, the first adaptors of QPoker game will possess higher probability of becoming winning players as the new players flood in without having a proper understanding of the QPoker's rulebook.

QPoker Ltd reserves all the rights to modify the price balancing mechanisms and implement new improved formulas to support QMatic's growth trend. All the decisions are made purely to serve the benefits of the community, by providing a stable and compelling ecosystem.



6

Random Number Generator (RNG)

6.1 Manipulated RNG

Centralized RNG technology is not transparent. The lack of transparency in technology has been the number one concern around online poker. It's been the number one question since online poker began and the number one thing complained about by poker communities across the world. The most important part of any poker software is the random number generator (RNG). All software based RNGs utilize pseudorandom number generators (PRNG), which is a process that appears to be random, but it is deterministic and therefore could be exploited. Nearly every online operator has leased their software based RNGs from a licensed third-party provider like iTech Labs (itechlabs.com) or Gaming Laboratories International (gaminglabs.com).

Unfortunately, there is a surprising lack of oversight over these RNG providers, even after receiving an official certification. The Malta Gaming Authority uses the following language on their website: "After the certification process required for issue of the full five-year license, the gaming system needs not be tested regularly, but there will be follow up audits by the Gaming Authority when deemed prudent." The Isle of Man uses the following language in their Guidance for Online Gambling: "While many operators may have their games' RNG checked on a more frequent periodic basis, the GSC will have an operator's RNG checked at least twice in a license's 5-year lifespan." This lack of oversight has contributed to a prevalent belief among online poker players that the games may not be entirely fair.

6.2 QPoker's Decentralized RNG

Blockchain is the key to solve the problem. We are honored to announce that QPoker's mainnet will be successfully running in liaison with Chainlink Verifiable Random Function (VRF). That gives our smart contracts direct and unrestricted access to a secure and provably fair source of on-chain randomness in the blockchain industry. This helps to bring scalability and unique functionality to our growing DeFi ecosystem. Chainlink VRF is an RNG solution specially designed for smart contracts. With this technology, a user-supplied seed value and Oracle node private key are used to generate a random number, as well as an on-chain cryptographic confirmation for the integrity of the VRF process. The combination of the seed and proof helps register the probity of the tool to produce entropies that are authentic and tamperproof. Coupled with an earlier deployed solution called the Chainlink Price Feeds, QPoker developers have managed to build highly scalable and provably secure DeFi protocols for our peer-to-peer (P2P) iGaming dApps.



7 Decentralized Betting Exchange

7.1 0.1% Fee Betting Exchange

Our decentralized P2P platform is adjustable for all kind of games with mathematical variables. Literally, any sort of game that has clear rulebook specifications is modifiable with our smart contracts and peer-to-peer technology, all deployed on Polygon network.

At the end of this year, we will extend our decentralized P2P platform to service world's biggest gambling field, betting.

In the first year, our aim is to grab 0.25% market share (265,000 players) out of the 106 million online bettors by establishing our QMatic betting exchange with 0.1% commission. All the bets between users are signed by our smart contracts, and the wins being instantly transferred, which will eliminate the need for 3rd party operator. Profits between participants will be automatically distributed after the end results have been verified from several official sources.

The odds of a wager will be positioned by users' activity on real-time. Higher bids and offers will be sorted at the top of the list automatically. Players can join the queue of a bet, either for or against, and make a bid without any cap. In case the bid exceeds counterparty's highest offer, the bid can get split with the participants based on their bet sizes, all distributed by our P2P smart contracts with the standard 0.1% fee.

7.2 Strategy Behind Non-Profit Betting

There's a deep sanity for launching our betting platform with irrationally low commission. Both QPoker and QBetting use QMatic as the only currency. The higher the number of users, the higher will be the demand for QMatic, which reflects on the rise of QMatic price.

Our betting exchange with 0.1% fees will revolutionize the world's online betting markets from stem to stern. Based on our feasibility study, major part of active bettors chooses their betting sites by the odds and cost qualities. The largest international sport betting exchanges, like Betfair, charges a standard commission of 5%, which is directly taken from the winning bets. By yearly base, betting enthusiasts pay thousands of dollars of overcharge for wagering the same matches as all the other betting exchanges provide.



What will be the power of social media, when the global betting community starts sharing positive user experiences out of our P2P decentralized zero-fee platform? All betting histories and profit distributions are publicly recorded on Polygon blockchain and therefore proofs our authenticity. We bet there isn't many as cost-efficient approaches to bring high player volumes in our QPoker platform than engaging world-wide betting community under the same roof.

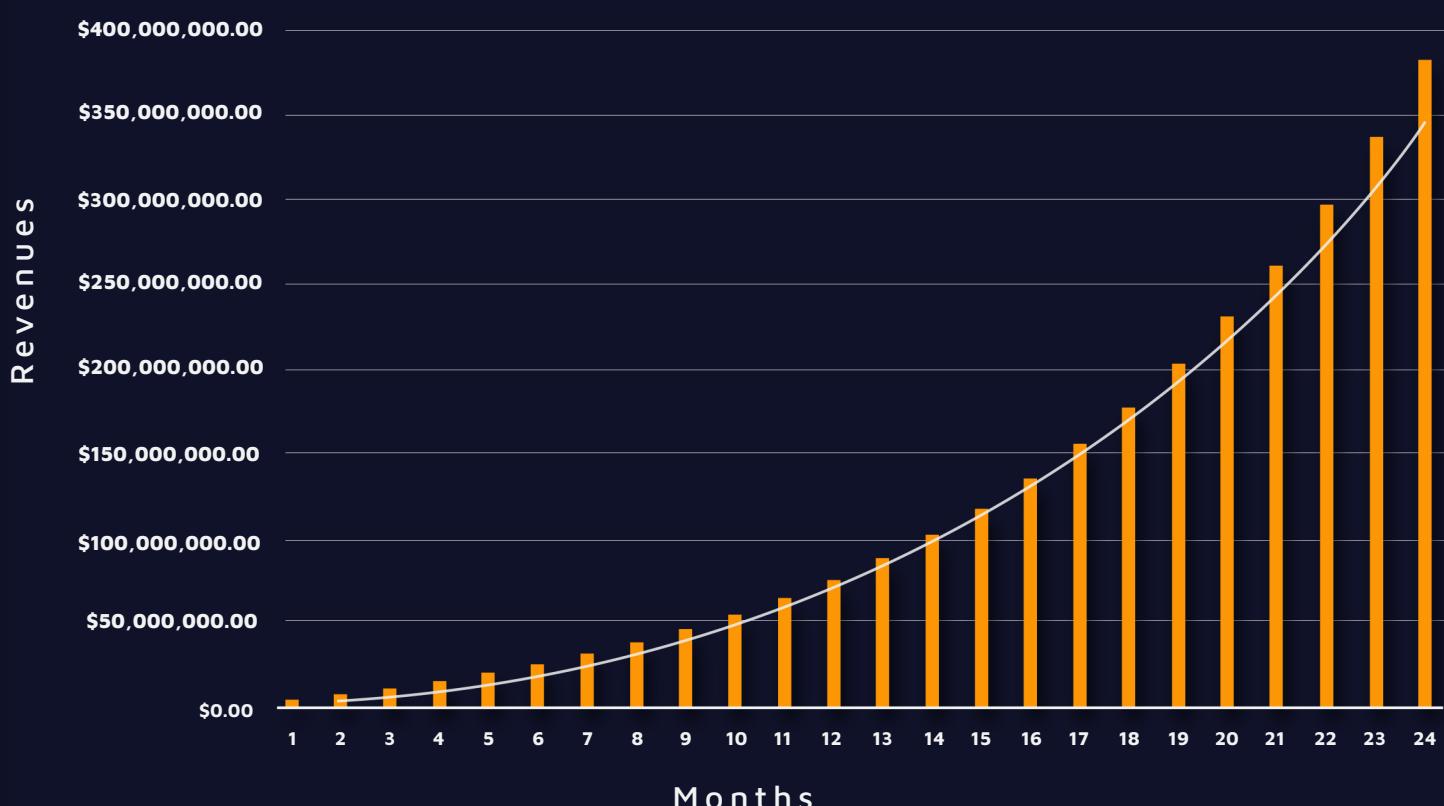
Major part of our betting users wants to give a try for QPoker, which increases the player pool dramatically. Offering the lowest-fee wagers is a guaranteed marketing instrument to bring in diverse player base to experience our entirely new form of poker games. Tens of thousands of hard-to-reach customers will give a try to QPoker only because they are satisfied with our generosity towards betting.

8

QPoker Business Model

QPoker's rake revenue estimation (\$) with the 12.5% growth rate of active online players. Calculation is based on our scenario with moderate player traffic.

Total Rake Revenues



Average Player Rake

0.0531 / USD/Hand

Average Table Rake

0.466 / USD/Hand

Average Dealing Rate with Auto-Shuffler

70.952 / Hands/Hour

Average Live Traffic

5,822 / Online Players

Average Player Number

8.78 / Players/Table

QMatic Growth Balancer (Max)

0.25 / %

8.1 Revenue from the Rake Fees

Our major revenue comes from operating the QPoker gaming platform. The earning logic is simple. Out of all the played post-flop pots, a certain amount of rake fees will be collected. The earning mechanism is the same as on traditional online poker rooms, like Pokerstars and GGPoker. However, significant differences can be found between theirs and our business model.

During the years of previous online poker boom, operators collected a standard 5% rake fee from all the pots, which caused a large number of winning players becoming losing ones. The operators short-sighted goal for short-term profits, effectively prevented the boom to achieve its true potential. Overcharging poker rooms eventually turned the whole community against them, by having a majority of dissatisfied customers complaining about their greed and unfairness. As the end result, most social media attention started to turn negative.

In our vision, to maximize QPoker boom's world-wide potential, the number of winning players must be lifted as high as possible. The greater satisfaction among the players, the greater dimensions of the world-wide boom. This must be done by offering fair and motivating fee structure. QPoker collects less than half as much rake fees from the players than any of the current or past poker operators. Rake fees are minimized to an equitable level as 2,5% fee with a \$2,5 rake cap.

8.2 Rake Revenue Estimation and Formula

All of specific details are visualized on the overhead chart. The calculation model of QPoker's rake revenues is very easy to understand. Let's clarify the numbers to the core.

Based on the analytics of hundreds of hours of QPoker game sessions (30 participants), we came to conclusion of the following numbers:

Average Player Rake 0.0531 / USD/Hand	Average Dealing Rate with Auto-Shuffler 70.952 / Hands/Hour	Average Live Traffic 5,822 / Online Players
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In our scenario with moderate player traffic, the average of 5,822 live players (0.00485% of known online poker players around the world) will accumulate total rake earnings of \$384,558,863 in 24 months period. These figures are modest estimation rake revenue from QPoker, which will be only a fraction of our total sources of income.

8.3 Our Golden Vision

At the time of composing this paper, each of the world's top 49 cryptocurrencies were having market capitalization greater than a billion dollars. The crown jewels, Bitcoin and Ethereum, holding total market capitulation over 600 billion dollars.

QMatic will generate to our organization millions of dollars of constant revenue, which will be spent entirely on further development of the iGaming platform and creating new products. Our vision is to attain QMatic to the world's most used iGaming currency by cutting off the dependency for traditional 3rd party bankroll management. The global gambling market is expected to grow from \$287.43 billion in 2021 to \$458.93 billion in 2022 at a compound annual growth rate (CAGR) of 59.7%. By 2030 the gambling market size is expected to reach \$895.72 billion level by average 5.8% annual growth rate.

We believe in expansion of decentralized iGaming markets so strongly, that QMatic will be riding the crest of a crypto wave over the coming years.

Ride on to the Rewards!

