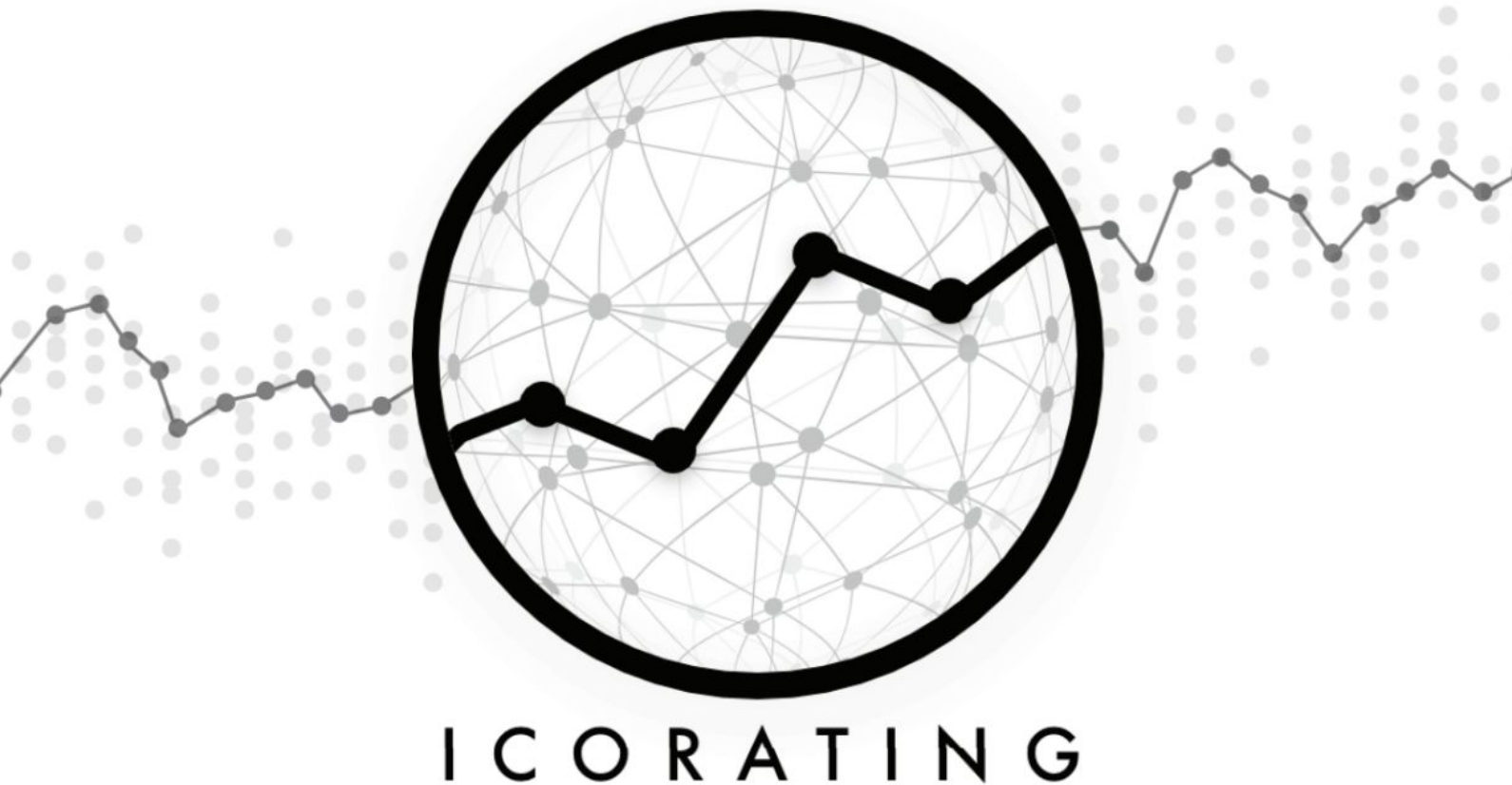


ICOrating

TELCOIN Rating Review (<https://www.telco.in/ico/>)

ICO dates (11.12.2017 — 11.02.2018)



Web: icorating.com

Email: info@icorating.com

Twitter: [@IcoRating](https://twitter.com/IcoRating)

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1. Ratings

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We believe that the Telcoin project deserves attention due to its quality and innovation.

The market which Telcoin is planning to enter is potentially huge; it is estimated at \$500 billion per year and this is continually increasing. Each 1% of this market could bring Telcoin revenue of \$50 million per year.

Nevertheless, the project seems to be seriously ahead of its time. It may not be realized, however, as there are potentially serious legal difficulties that the team may face in different jurisdictions due to the regulation of cross-border money transactions and the lack of regulation regarding tokens for legal entities. All this could either shift the timing of the project launch or even lead to its closure.

The highly-qualified team promises to actively work on these risks. However, the problem is that many of the risks lie outside the sphere of the team's influence, with the policies of central banks and other financial regulators.

On the other hand, if everything goes according to plan, Telcoin coins bought during the ICO could become an excellent long-term investment: the total face value of tokens which may be on the market is \$100 million. Given that the market capacity is 5,000 times more than this, there will be a shortage of coins which will lead to an increase in price as the service is popularized and number of users increases.

Assuming high quality future elaboration of the project, the growth potential of coin value and the seriousness of external risks, we recommend relying on risk awareness when deciding whether to participate in Telcoin's ICO.

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2. General information about the Project and ICO

Telcoin is a new cryptocurrency, the distribution and use of which will take place via a mobile payment system. The team is planning to conclude partnership agreements with large national mobile operators, enabling Telcoin to solve a number of problems inherent in the traditional crypto market, the most important of which are accessibility and trust. Partnership with mobile operators will also enable the company to lean on a powerful lobby in cooperation with regulators which will be able to level administrative pressure on the crypto market in many respects. KYC systems and AML developed by telecoms, together with blockchain technology will make the project potentially acceptable for legitimising cross-border operations for mobile asset transfer.

In this section, we will consider the essence of Telcoin's target, the mobile payment market.

'Mobile payments' is a fairly common term. It is understood as a wide range of services that use a mobile phone as their basis. Transfers made via SMS messages, payments via vending machines using advance payments to an operator, payments using bank cards as well as payments via mobile banking systems are among them. These services use several operational properties inherent in mobile phones. As we know, mobile phones can access a set of simplified applications analogous to personal computer applications. As with any other application in the field of information and communication technologies, benefits for the end user in terms of the efficiency and ease of use of mobile payments depend on how much technological capability is appropriate to customer needs. Mobile payments provide the same basic set of payment services as any other payment instrument, i.e. transfer of funds from a payer's account to a recipient's account.



Mobile payments and money transfers via other payment instruments use a similar account system. Like many other payment instruments, mobile payments rely on an infrastructure that enables the transfer of funds between users' accounts. Accounts intended for use in mobile payment systems can be opened both by payment service operators offering traditional accounts to customers (bank accounts, including accounts for which credit card transactions are performed) and within specialized organizations.

Mobile payments provide users with opportunities for personalization. The system can be simple or a multi-faceted high-tech product, depending on how well-implemented the technical solutions are. Therefore, user perception of the differences between traditional payment instruments and mobile payments can also vary widely. The chosen business model influences the sphere of application for mobile payment systems. Thus if the business model is similar to one based on "card" systems, the application of mobile payments will be focused on retail business establishments. If the business model additionally includes support for money transfers between users, the system will be able to cover both face-to-face transfers (i.e. by exchanging instruments between payer and recipient in one and the same physical location) and remote transfers online. In general, with an appropriate business model and an application of technical solutions that meet users' interests, mobile payments can potentially replace most traditional payment instruments (checks, bank cards, and most importantly, cash).

The distinctive features of mobile payment systems attractive to users are similar to those for mobile communication technology and can be divided into the following groups:

- Disappearance of geographical and temporal barriers: with only a mobile phone, users will be able to make payments anywhere or at any time.
- Increased security due to technical solutions provided by mobile phone manufacturers, as well as enhanced user identification capabilities.
- Facilitating and accelerating the process of making payments by using the payer's own mobile phone with built-in data transfer interfaces, including NFC technology.
- The ability to access additional services including instant access to account balances, creating a transaction archive, updating information via mobile communication channels or creating a backup copy of payment information, enabling it to be used immediately after transferring to another phone for making payments.
- Various synergistic services that use identification mechanisms or access control, which comprise a sphere of development that is in its infancy (for

example, information on purchased tickets and related payments stored on a mobile communication device).



Payment services are a relatively new group of services. Electronic cards for mobile payment systems have a practically unchangeable value, unlike traditional cards. Fully-electronic transactions made by a client in self-service mode with a high level of security significantly reduce the costs of transaction processing for issuers and acquirers. In addition, the replacement of a substantial portion of cash payments by mobile payments significantly reduces the cost of servicing the money supply.

Telcoin is the first cryptocurrency designed to take advantage of facilities provided by mobile operators, building on the convenience and simplicity of mobile payments and strengthening this facility by implementation of blockchain technology.

The philosophy of mobile payments is quite simple and lies in the depth of the introduction of banking and payment services. According to the World Bank, there are nearly 5 billion active mobile accounts worldwide (active mobile payment facilities, mobile commerce), and 1.2 billion active bank accounts. The degree of trust in telecoms also significantly exceeds trust in the banking system. As a result, it is much easier for customers to gain access to mobile services than to banking services. Telcoin strives to use this imbalance in its favor by replacing banking services and adding its own services to current mobile payment product lines.

By way of illustration let us use the example the project founders picked up from the World Bank report.

In 2007, the M-Pesa mobile microcredit system was launched in Kenya. This involves the provision of microcredits with the assistance of a mobile operator with no need for banking institutions with a network of bank branches or the costs involved with cash operations. As a result, users received cheaper loans.

However, due to its simplicity, the M-Pesa system has become used not only for microcrediting but for mobile money transfers, payment for goods and services and deposit operations. Currently, it is the main means of transferring money from people working in cities to their relatives in the countryside or vice versa. Safaricom, the mobile operator that launched M-Pesa, now has about 19 million subscribers. This value corresponds roughly to the number of adults in Kenya. 15 million Safaricom subscribers actively use M-Pesa services. Every second the system processes about 80 transactions. As a result, about 31% of Kenya's GDP is generated via M-Pesa over the year.

Thus, Telcoin strives to take the place of banking services in countries where such services are not developed, serve as a supplement to payment services and provide simple and reliable access to the crypto market for customers in developing countries.

The project has presented an in-depth disclaimer with a detailed description of investment and administrative risks.

Legal development of the project is unquestionably at the top level. Despite serious opposition from certain global regulators to access to the crypto market and crypto services for non-institutional clients, the project has earned the support of the telecoms lobby and it is already negotiating with financial regulators regarding entering the mobile payments and mobile transfers market in a number of countries (more detailed information is presented in “competitive advantages of the project”).

The project’s shell company is registered in Japan which is rather difficult from the point of view of operating in the mobile market. However, this jurisdiction also offers considerable protection for investors.



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150-0034 JAPAN, +81 50 5806 0884.

[Telcoin Website](#)

[Telcoin ICO Website](#)

[White paper](#)

[Telegram](#)

[Facebook](#)

[Twitter](#)

[Medium](#)

[YouTube](#)

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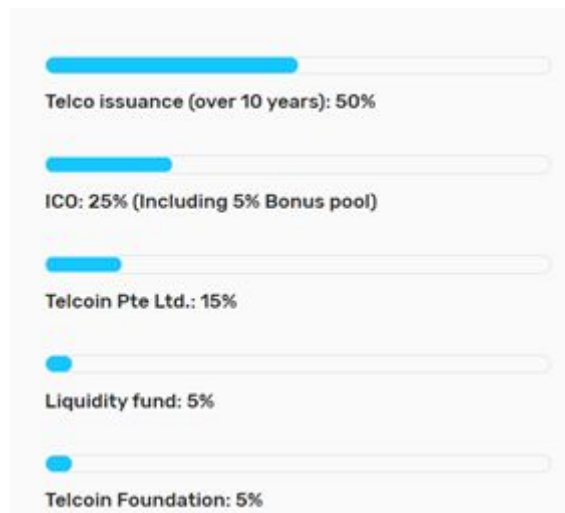
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⇒ C` h`hY. is determined by the formula: 1 token = (Total funds raised ÷ 25%) / 100,000,000,000

5 WYdHY`dUna Ybh`ETH, BTC, fiat

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The issuance of Telcoin to telcos will occur at a rate of 5% annually for a period of 10 years following the ICO, distributed to GSMA mobile networks continuously based on their stage of Telcoin integration.

Cb`gUY. 25,000,000,000 (25 %).

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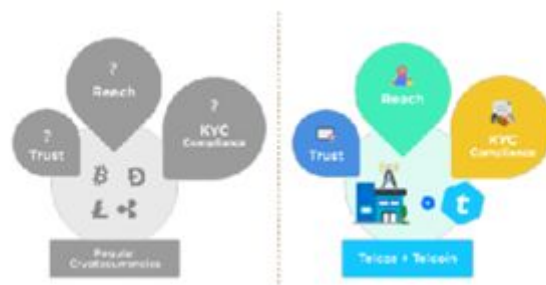
ETH amount	Bonus	Time bonus: Under US\$ 10M	Time bonus: Between US\$10M and US\$ 20M
0.3	-	+ 5%	-
100	5% (100 seats)	+ 10%	+ 5%
150	7% (75 seats)	+ 10%	+ 5%
200	10% (50 seats)	+ 10%	+ 5%
250	12% (30 seats)	+ 10%	+ 5%
300	15% (20 seats)	+ 10%	+ 5%

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3. Description of the services and scope of the project

In this section we draw attention to methods for implementing the project's services and the technological infrastructure.

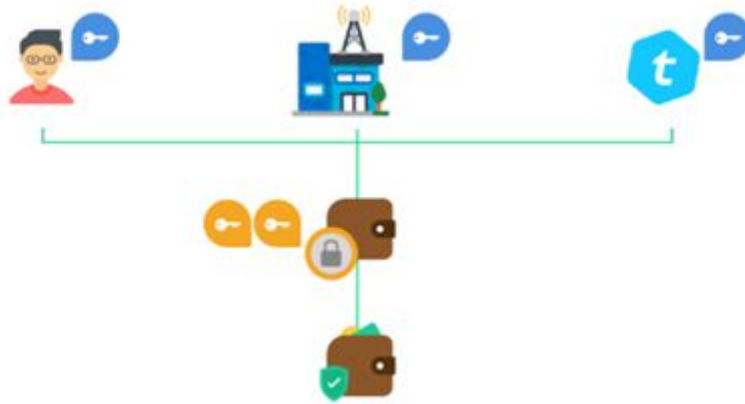
At the initial stage of functioning as a cryptocurrency Telcoin will offer online transfers, payments and electronic commerce. At the same time, Telcoin is not intending to compete with mobile payments from telecoms but aims at complementarity in the overall mobile monetary ecosystem. Telcoin tokens will provide users with an alternative tool for regular mobile payments and also provide simple and reliable access to crypto systems.



Use of this token will provide comparable financial results for telecoms and will not lead to a replacement of revenues from mobile payments. Nevertheless, the founders do not provide detailed calculations for telecom commissions. Telecoms, especially non-public ones, are generally characterized by closed financial models, and the extensive background of the founders in this market indirectly indicates that such calculations could exist and be used in negotiations with telecoms.

The crypto market is associated with a serious problem of trust. The instant nature of transactions is double-edged, as funds can not only be instantly transferred but instantly lost, as evidenced by numerous hacker attacks.

Telcoin is a service providing secure access to the crypto market; a kind of window for purchase of other cryptocurrencies. At the same time, trust is assumed by the telecommunication company:



Telcoin intends to create a technological and conceptual symbiosis with telecoms providers.

On the other hand, relatively low regulation in the crypto market could attract criminally-obtained funds to Telcoin. Telcoin will undoubtedly enjoy the benefits of mobile operators; observance of the most powerful KYC gathered from telecoms companies should help ensure transparency in purchase of any cryptocurrency.

The grey market is a serious issue for any cryptocurrency and for companies working on blockchain projects. Telcoin, in its dealings with regulators, seeks the use of existing processes of KYC used by telecoms companies as the main access point to crypto assets. Telecommunications have a significant technical advantage in knowing their customers based on detailed call information records (CDR), location services (LBS) and other network elements that are commonly used by platforms to avoid fraud.

If a KYC form from a bank is not accompanied by validation processes and relies heavily on the customer filling out the relevant forms, the telecommunications operator has real evidence regarding the behavioral models of clients. Therefore, their efficiency for KYC is much higher than for banks. Telcoin will be able to use existing KYC from telecoms and strives to solve the main problems of trust, marketing and compliance with requirements that have prevented the mainstream adoption of cryptocurrency so far.

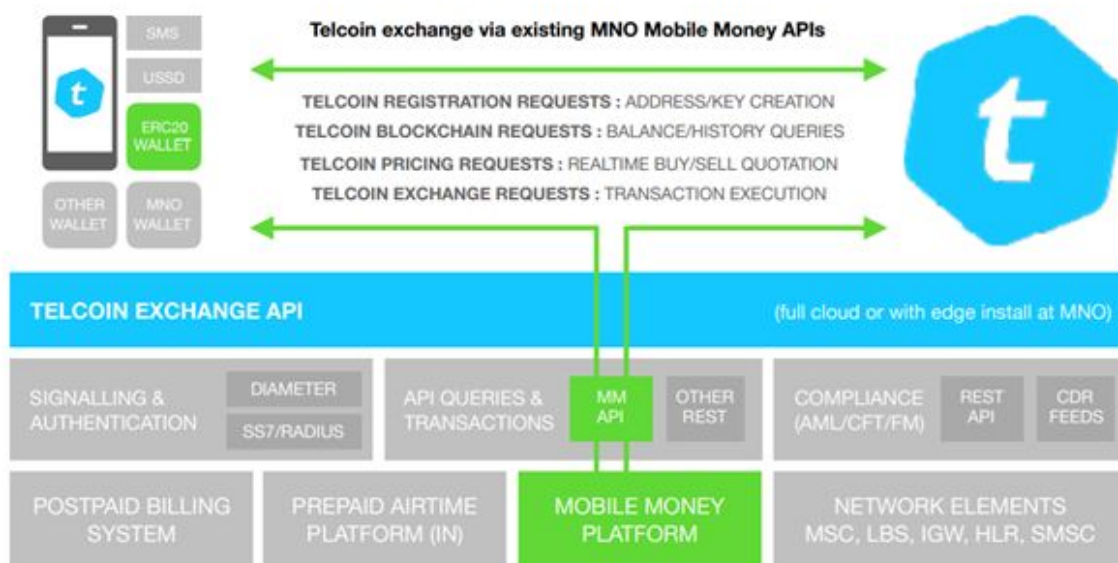
At the same time, these security and KYC aspects potentially go against a primary philosophy of the crypto market - anonymity of transactions. In this regard, there is a risk that not all crypto communities will accept the project which could affect the degree of funding raised during the ICO.

Telcoin will offer more an extensive involvement for subscribers in a telecom operator's services. The Telcoin team has selected the POC (proof of concept) mechanism. A telecom operator should be able to observe how cooperation will increase use and expand the number of user benefits.

According to the documentation, Telcoin POC will include the following set of services:

- Exchange - converting Telcoin tokens into mobile means and vice versa via a user or partner API (application programming interface)
- Remittance - cross-border and territorial money transfers to / from foreign mobile network(s) requested by the partner.
- Airtime top-up - purchase and transmission of airtime and content using Telcoin.
- Card Payment - payment by Visa card using Telcoin for retail products or services.
- Other possibilities for Telcoin use - other demonstrations are available on request depending on market and partner priorities.

Within the framework of POC, Telcoin also undertakes work on analyzing the normative feasibility of entering the market in a specific region, as well as liaising with relevant regulators in cooperation with a mobile operator. Telcoin also provides a report for the mobile network which details the results of the POC, a summary of business cases and an action plan for promoting the project.



Telcoin is offering Exchange API, a flexible application programming interface that provides operators with a range of integration options. Initially, a simple connection to an existing mobile money API is assumed; Telcoin will support any mobile network

or third party wallet that will quickly provide a comprehensive solution. In the future Telcoin will develop its own API with consistent customer involvement.



At the same time, Telcoin aims to issue tokens by expanding its offer of services to telecom customers instead of traditional crypto mining. Telcoin will implement an alternative «proof of stake» algorithm for issuance, whereby only GSM Association Full Member mobile network operators and their virtual network partners will have a right to be issued Telcoin. Instead of an inefficient competition between telecoms, issuance rights will depend on a company's degree of Telcoin integration.

In addition, it is planned to introduce know your customer (KYC), anti-money laundering (AML), combatting the financing of terrorism (CFT), and fraud management (FM), all traditional in financial markets.

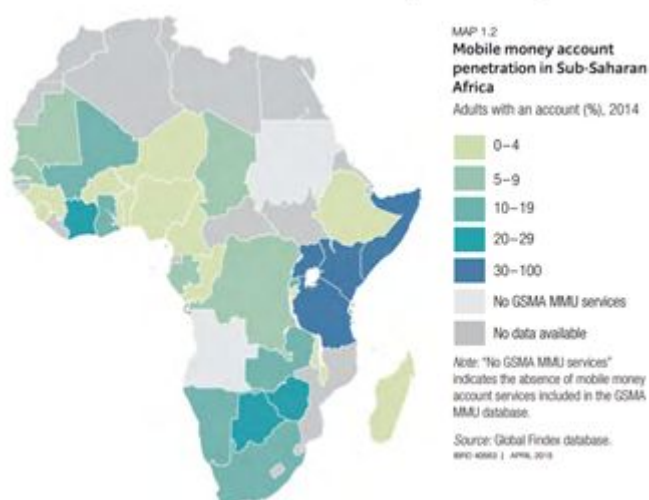
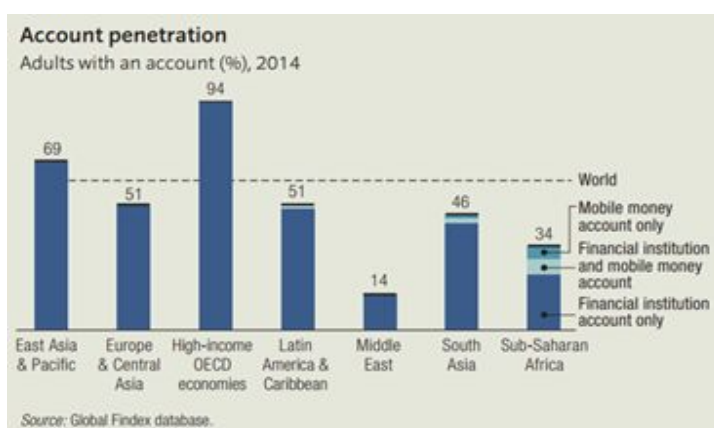
The Telcoin project thus has good prospects of implementation in the real sector regarding technical development and the introduction of blockchain technologies, as well as applicability in practice.

Nevertheless, Telcoin is not yet ready to provide investors with an alpha version of its user interface or applications which suggests a low level of investment in the technical aspect of the project observed at this stage; this means an increased investment risk for future token holders.

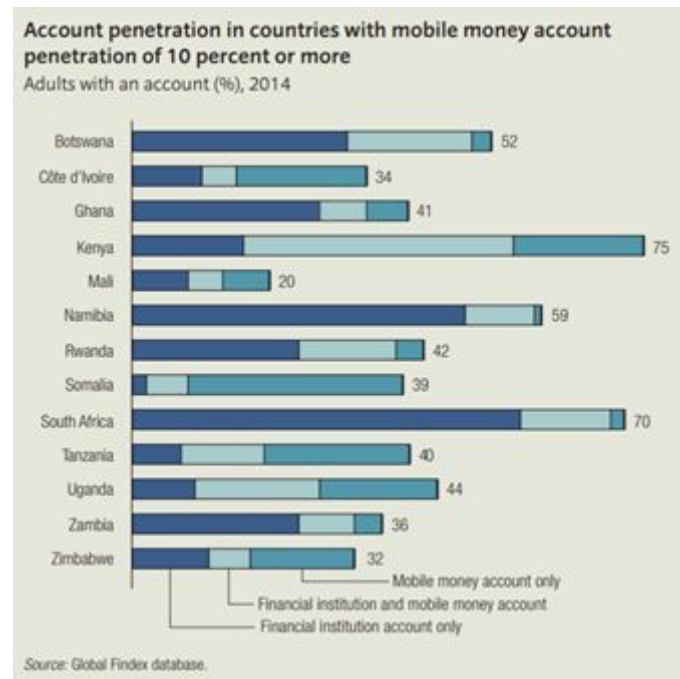
4. Market review

In 2017, mobile payment services have significantly expanded; smartphone manufacturers have been intensively creating their own payment platforms. Innovation and diversity in mobile payment methods have generated new demand and opportunities. According to TrendForce, the scale of the global mobile payment market reached \$780 billion by the end of 2017, ensuring an annual growth of 25.8%.

More than 5 billion people have mobile phones. The global reach for telecoms and their potential for the dissemination of digital financial services, according to a World Bank report, remains largely unaffected. As several cases in Africa illustrate, once regulatory barriers are removed, mobile phone users quickly adopt mobile financial services.



The following diagram shows the accelerated growth in mobile money account penetration worldwide - the GSMA MMU database shows 259 instances in 89 low-penetration countries.



Expanding the adoption of mobile money is one of the top priorities for telecommunication companies in developing countries, as it increases the return on investment (ROI) in a fairly static telecommunications market.

On the other hand, bringing a new product to the market and reaching potential users can be difficult and expensive for any new business. Telcoin, creating symbiotic relations with telecommunication companies and encouraging mobile operators to cooperate, strives to gain immediate access to the subscriber bases of telecommunication operators. Mobile operators will be able to promote Telcoin in order to maximize their own revenue from its release.

The cross-border nature of crypto economics is increasing the pressure on financial system regulators; monetary policy remains a priority of national security, and banks are a powerful lobby against cryptocurrencies. Telcoin is planning to use the resources of an equally powerful lobby, that of telecommunications.

As a result, there is a potential market for the Telcoin currency. We aim to determine the place of Telcoin in its potential market in the "Competitive Advantages of the Project" section.

5. Team

The Telcoin team are world-class specialists with a background in telecommunication services, blockchain, software development, marketing and alternative investment. Team Information is at: https://www.telco.in/index.html#s_team.

7 89 9; I 9BH5 – CO-FOUNDER and CEO. MS in Computer Science and focused on distributed systems, Claude has been working for startups and large tech companies for a decade. After a stint as a lead systems architect at CyberAgent he co-founded Kabotip, a crypto startup which went through the OnLab incubator. Advisor at TenX.

D5I @B9I B9F - CO-FOUNDER & CHAIRMAN. Paul has more than two decades of experience as a tech entrepreneur in the telecom space, including a successful exit. In 2006 Paul founded Mobius, a leading provider of telecom fraud management solutions that is now installed by more than 30 mobile operators globally.

GAC ?=BBI B9B - LEAD DEVELOPER. Self-taught full-stack programmer, Open-source rockstar, former CyberAgent, Rust expert. Developed Smartphone Test Farm (<https://github.com/openstf/stf>) an open source tool for smartphone debugging and mobile data QoS testing that is widely used by mobile network operators and telecom vendors.

585A ?I @@- LEAD MOBILE DEVELOPER. Graduate of the KTH Royal Institute of Technology in Sweden, with an MS in Computer Science. Ten years of software development experience including five years leading iOS development projects. Led the iOS team at Chinese social network Tantan from its inception.

B5A 6CI ; <5N= - PRODUCT DIRECTOR. Product, UI/UX expert with an MS in Computer Science. Founding team member and former VP Product at Tantan, one of the fastest growing social networks in China.

M57-B9 : 5FCI ? - MARKETING DIRECTOR. Digital marketing expert with 8 years of experience as a marketing consultant, creating content and building various types of high-ROI campaigns to maximize brand awareness, ranging from guerrilla marketing to large budgets. Led marketing campaigns for Parrot, Sony, Nike, and Jordan brand. Co-Founded Kabotip, a crypto startup in 2013. Following an MSc in International Business, founded Hype Means Nothing in 2008.

BC6I GI ?9 A5HGI C?5 - BUSINESS DEVELOPMENT: TELECOM. 20 years in telecom software and business development, first at Nokia managing core network

software development. Worked as a consultant managing projects at SoftBank and other operators in W-CDMA, GMS, LTE air protocol analysis software development. Telecom sales and BD since 2011.

9!5 BB`75 GG-9 - REGIONAL MANAGER, AFRICA. With 17 years experience in the telecom space across Africa, Lee-Ann has accumulated vast experience in both the public and private sectors. She has executed key national projects for the South African Regulator including the first mobile internet service and the licensing of a second national operator. After moving to the startup 4G LTE operator Smile, she led the acquisition of operating and spectrum licences in Uganda and Nigeria, and managed the network launch in Nigeria.

5 @L` N9F8 - BUSINESS DEVELOPMENT: CRYPTO. 10 years of project management and business development in major mobile game and social network companies. Handled game business development for US and Europe at LINE, the largest mobile social app in Japan.

9F7` 7<I B; - EXECUTIVE DIRECTOR. Business & Corporate Development, Design, Strategy, Adtech. Former Senior VP at Barclays Capital with experience at Morgan Stanley and Lehman Brothers across all asset classes. Headed up regulatory reform of OTC Derivatives in APAC. Built APAC Equities business from scratch after the Lehman acquisition.

7<F-GHCD<9F` F=N5 BCK - COMMUNITY MANAGER. Organizational development and consulting background. MBA, McGill University Desautels Faculty of Management. Thesis research was focused on blockchain and smart contract disruption of venture capital.

In general, the team is experienced enough to ensure the Telcoin project's viability. We also note well-balanced potential in the telecommunication and IT departments of the team. Project advisors are mainly specialists in the fields of product development, management and investments.

A shortcoming is a lack of strong representation in the field of jurisprudence. We asked the team a question regarding this and received the following response: °U`!Á |*æÁ^!^!^}ææ^Áá ÁT[!|ã[!}ÁD[!|!^c^!É!}^Á! Ác@Á! [!c^!|!æÁæ Áá{!•Á! Ác@Á! , [!|!áÉ! Á! [!Á!}]!^Áá! Á! ^Ác@Á! Á! ^*|æ! !^Ác@!| Á!} Ác@Á!æçã[!^Áá! æáÁcæÁ! !{ ^!Á! *||æáÁáæ \Á!c^&æ! Á!^É! á! ^c^Á! Á! [!|!á *Á! æc@Á! Á!^Á!æ ^! Á! ^Á!æ Á!^dÉ! Tæc@, ÁT &Ö` á!É!T æ!æ æá!æ æ!æ!æ á!Á!æ!Á!@` } *Á!æ!Á! æ!^! Á!c!^!á!} &á!Á! Á! á!æ!á *Á! æc@Á! ^*|æ! !^Áá! á!á! Á!^ &Á!æ Ác@Á!Á!Ú!É!Á!c@Á!Ú!Ó!Á!æ! á!Á!c@Á!T! Ç!É!Á!V!ç!•Á! á!ç!^!ç! Á! Á!æ!çã[! Á!æ!^æ! Á! [!Á! Á! [!|!Á!á!&ç! Á! æc@Á!^!^!}ææ! Á! Á!æ! Á!æ! [!c^!Á!^Á!æ! á!Á! ^Á!d` &c!^!Á! Á!c@Á!æ!}••Á! ^Á!æ!Á! [!|!á *Á! Á! àæ! Á! Á!c@Á! ^ç!Á! F!Á! [!}c@É!V! Á!æ!^æ! Á!c@Á!^! Á! [!æ!^Á! ~æ!Á! ^!ç! *Á! æc@Á! Á! [!ç!^!]}! Á! Á!c@Á! Ó!} ç!á!Á!æ! \Á! Á!V` } á!æ!Á!c@Á!Ú!^!^!ç!Á!Ó!æ! \Á! Á!Ú! ^!c@É!æ!æ!æ! á!Á! [!^Á!æ! Á!æ!^á! Á! Á!c@Á! [!á *Á! [!}c@É!É!

6. Development strategy and Roadmap

Telcoin unlike most ICO projects has presented not one but three road maps:

- Regulatory Compliance Roadmap
- Product Development Roadmap
- Business Development Roadmap

All three road maps are calculated up to Q1 2019.

Regulatory Compliance Roadmap:

Q4 2017	Survey regulatory requirements in initial target cash-in markets including Europe, USA, South Africa, Singapore, and Japan (completed), and other key markets (ongoing).
	Identify partners with required licensing (banking, money transmitter, cryptocurrency exchange) for cash-in to Telcoin in the United Arab Emirates and South Africa (complete).
Q1 2018	Identify partners with required licensing (banking, money transmitter, cryptocurrency exchange) in target markets, including key cash-in locations such as Europe, USA, Singapore, and Japan; and key mobile money cash-out locations, primarily in Africa, South Asia, and Southeast Asia.
	Identify any required authorization to operate in key phase one cash-out markets including India, Pakistan, Georgia, Tunisia, Algeria, Uganda, Kenya, Tanzania, Philippines, Egypt, and Indonesia.
Q2 2018	Implement partnership with required licensing partners in Europe, Japan, and South Africa.
	Initiate application for banking licence in Europe.
	Intiate application for money transmitter licenses in the USA.
	Initiate application for a cryptocurrency exchange licence in Japan.
	Initiate application for a remittance license in South Africa.
	Initiate application for any required authorization to operate in India, Pakistan, Georgia, Tunisia, Algeria, Uganda, Kenya, Tanzania, Philippines, Indonesia, and other key cash-out markets.
	Identify any required authorization to operate in India, Pakistan, Georgia, Tunisia, Algeria, Uganda, Kenya, Tanzania, Philippines, Indonesia, and other key cash-out markets.
Q4 2018	Telcoin Foundation is fully setup to airdrop coins in disaster zones.
	Telcoin rolls out in Japan.
Q1 2019	Telcoin serves remittances in 10 large corridors between Europe, Africa, East Asia and Southeast Asia

Product Development Roadmap:

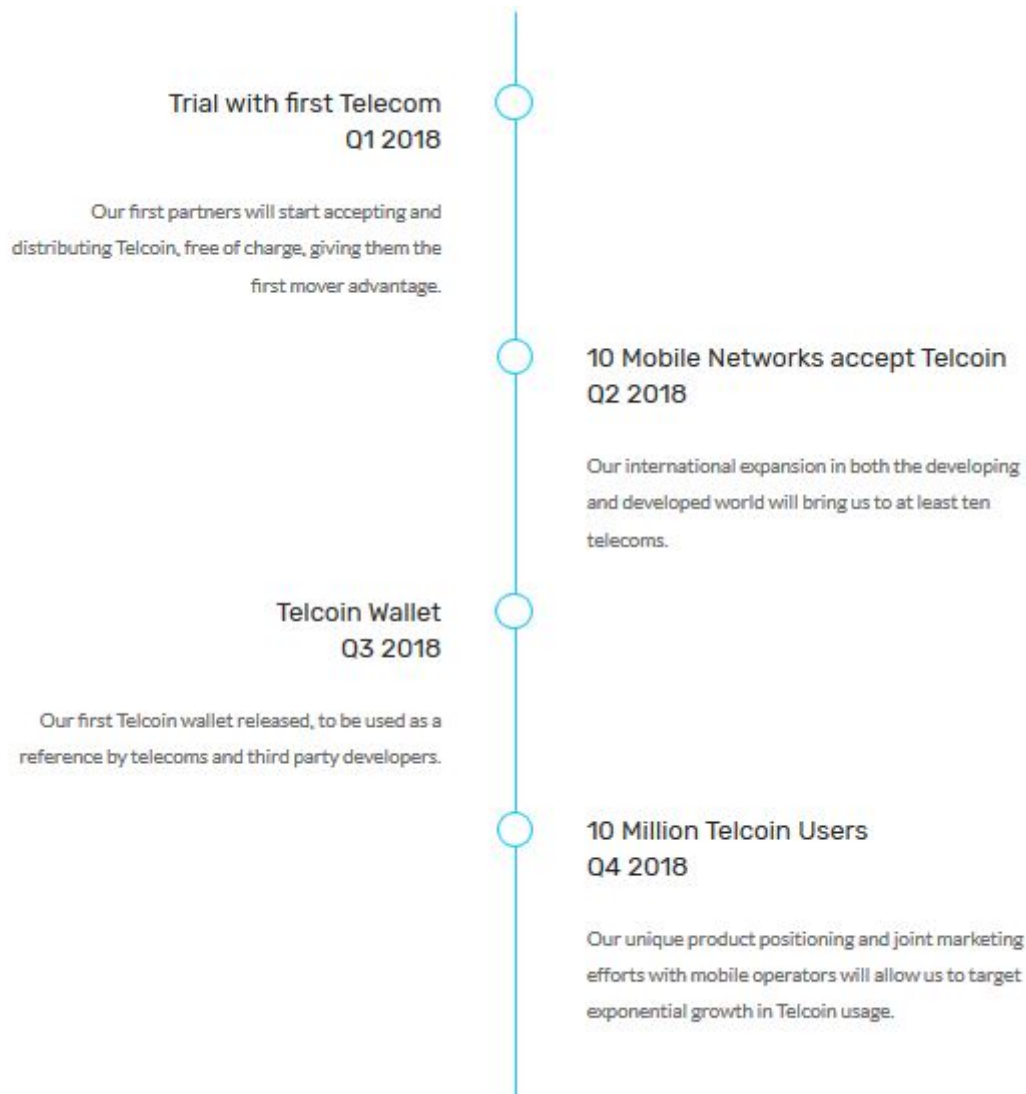
Q1 2018	Launch Telcoin token and connect to a minimum of two cryptocurrency exchanges.
	Single basic wallet integration.
Q2 2018	Support of transfers between Telcoin and airtime in several key markets such as UAE.
	Initiate integration process with cash-in partner in at least one key market.
	Develop blockchain research and development plan for long term scalability and security.
Q3 2018	Support of transfers between Telcoin and Mobile Money.
	Initiate blockchain research and development plan for long term scalability and security.
	Beta version of the Telcoin reference wallet on iOS, allowing transfers in and out of mobile money to Telcoin.
	Initiate integration of mobile money and airtime transfers in at least two partner wallets.
Q4 2018	First partner telecom group app integration. (Two MNO group apps identified.)
	Release Telcoin Reference Wallet (iOS).
	Beta version of the Telcoin reference wallet on Android, allowing transfers in and out of mobile money to Telcoin.
	Telcoin provides the option for providers to integrate in their portal apps, using Telcoin as means of payments in Games and other apps, allowing for revenue-share.
Q1 2019	Release Telcoin Reference Wallet (Android).
	Identify additional financial services and possible partners, including for micro-finance.

Business Development Roadmap:

Q4 2017	Onboard telco biz dev manager for Africa. (complete)
Q1 2018	Onboard telco biz deve managers for APAC, EMEA, and LatAm.
	Initiate multi-country proof of concept projects with three major telecom groups. (Three groups already identified and agreed.)
	Support Telcoin to airtime transfers in 100 countries. (agreement already in place via aggregator partner)
Q2 2018	Support of transfers between Telcoin and Mobile Money, including proof of concept demonstration for at least five countries.
	Initiate multi-country proof of concept projects with two additional major telecom groups. (Total five global telecom groups.)
Q3 2018	Support of transfers between Telcoin and Mobile Money in at least ten countries, likely including Uganda, Kenya, Tanzania, Philippines, Pakistan, India, and four other countries.
	Initiate first USA and LatAm proof of concept project.
	Initiate integration of mobile money and airtime transfers in at least two partner wallets.
Q4 2018	Production mobile money connectivity with at least 20 mobile network operators covering at least 100M subscribers.
	Begin first Telcoin payment implementation with at least one game company and at least one major commerce merchant.
	Carrier billing (postpaid) implementation for first operator.
Q1 2019	Production implementation of first operator app Telcoin integration.
	Telcoin Foundation project initiation with major aid/non-profit organization partner.

Attention should be drawn to the fact that the roadmap is quite detailed; it includes the names of the countries in which Telcoin is planning to commence operations. This makes it easier to monitor the dynamics of implementation of roadmap points which will be attractive to project investors. If the team establishes productive interaction within IR, it could ensure that Telcoin token is one of the most informationally provided tokens in the market.

A brief roadmap is presented on the project website:



Regarding the screenshot above, 10 million users by the end of Q4 2018 is perhaps an over-ambitious goal.

7. Marketing strategy

Telcoin is well covered in the media. The team has focused on the professional press:

- <https://www.techinasia.com/telcoin-money-transfers-cryptocurrency>
- <http://markets.businessinsider.com/news/stocks/Telcoin-Picks-up-Investment-and-Advisory-Roles-From-Prominent-Finance-Executives-1006460923>
- <https://finance.yahoo.com/news/telcoin-announces-investment-mixi-co-085800104.html>
- <http://bfmbusiness.bfmtv.com/mediaplayer/video/what-s-up-new-york-telco-in-donne-acces-aux-utilisateurs-de-telephone-a-des-services-bancaires-via-la-blockchain-2911-1008373.html>
- <https://www.cnbc.com/video/2017/12/03/cryptocurrencies-could-soon-be-widely-used-for-payments-ceo-says.html>
- <https://www.inc.com/bill-carmody/4-revolutions-made-possible-by-blockchain-economy.html>
- <http://www.scmp.com/business/money/stock-talk/article/2123032/telcoin-eyes-fundraising-cryptocurrency-demand-asia-rises>
- <https://cointelegraph.com/news/the-blockchain-token-that-simplifies-entry-and-adoption-into-the-ecosystem>
- <https://www.finews.asia/finance/26034-tapping-into-the-unbanked-in-asia-using-telecom-cryptocurrency>
- <https://www.bloomberg.com/news/audio/2017-12-04/volatility-is-not-a-big-issue-with-bitcoin>

Press release

- https://www.telco.in/docs/pr_batara.pdf
- https://www.telco.in/docs/pr_batara_jp.pdf
- https://www.telco.in/docs/pr_intro.pdf

Such significant interest from well-known publications is worth a lot and it implies serious cash investment in drawing attention to the project. In addition, this means that Telcoin is seeking to convey as much information to institutional investors and market professionals as possible.

Communications with potential investors are implemented via Telegram (2,267 members), Facebook (9,109 members) and Twitter (600 followers). These are reasonable figures; however, they are not enough to guarantee achievement of the

hard cap. The team also maintains channels on Medium and YouTube but they are not very popular.

An important point is that there is no official thread on Bitcointalk, which reduces the possibility of success for the ICO. However, there is an official [thread for the bounty campaign](#), estimated at \$320,000.

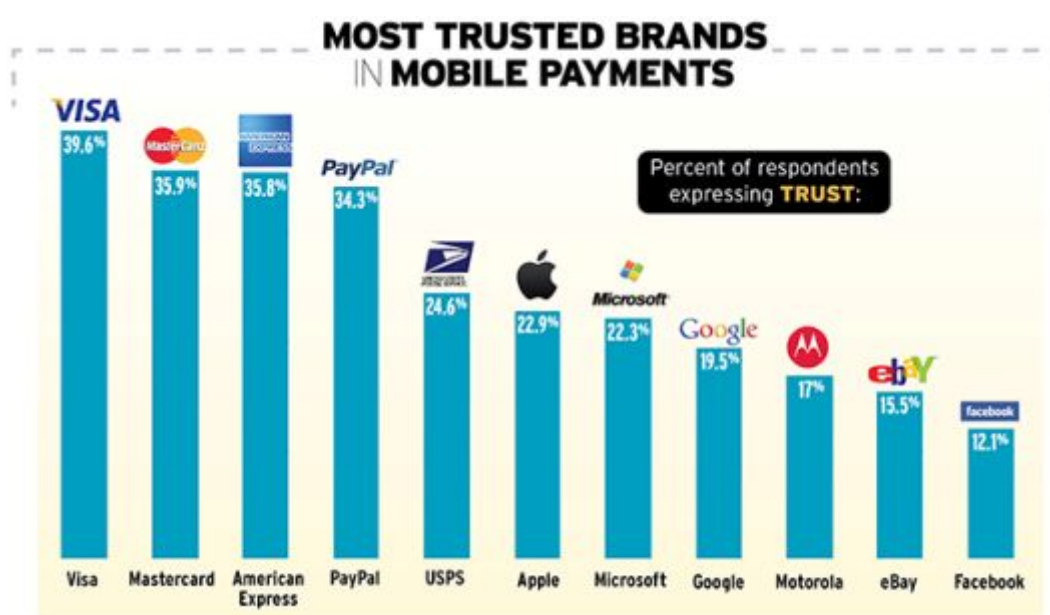
We therefore expect strong demand from institutional investors; however, interest from the retail and individual segments in the Telcoin ICO may be low.

Further marketing for the Telcoin product is described in sufficient detail in the white paper. The team has shared its strategies on a geographical basis: Western Europe and North America, then Asia, separately Africa and the Middle East, and also Latin America and the Caribbean.

8. Competitors and competitive advantages of the Project

In this section we will determine the place of Telcoin in the mobile payment market, which has a current volume of \$780 billion.

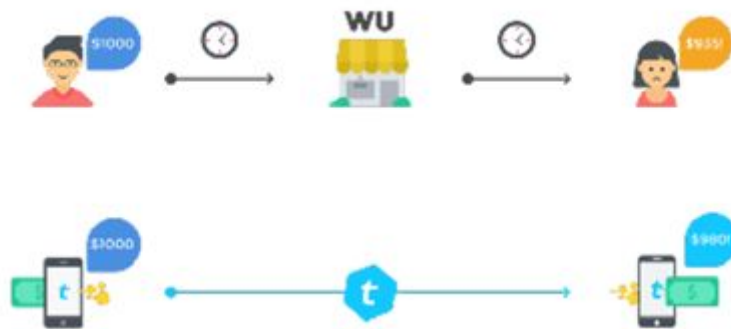
This market is extremely competitive and divided between the world's largest payment systems, operating system manufacturers for smartphones and IT giants. It is extremely difficult to compete with these companies and their R&D budgets.



On the other hand, according to J'son & Partners Consulting, all segments of the mobile payment market are characterized by extremely high growth rates:

- Electronic wallets - current rate of growth is 30-40% per year; previously more than 100% per year;
- Bank products - current growth rate is 50-60% per year, previously more than 70% per year;
- Other channels - current growth rate is 60-70% per year, previously more than 100% per year.

This is why the Telcoin team has chosen a strategy aimed not at competing with the world leaders in mobile payments but in complementing them, and a partnership strategy with telecoms as the main means of promotion.



There are many options for using cryptocurrency in the mobile market, but Telcoin clearly focuses on its initial goal - the money transfer market. This sector's market share in mobile payments overall is \$500 billion. Telcoin believes that strong KYC as used by telecoms will enable regulator approval for entering this segment and that a small commission for Ethereum transactions for each Telcoin transfer which varies about 0.25% per transaction and does not depend on the transfer amount, will provide consumer preference in emerging markets. On the other hand, Ethereum fees are not high enough to interest telecommunication companies. According to the the founders' calculations, for a money transfer of \$200 a user will pay only 2.25 USD or 1.125%, much less than the average cost for international transfers which is 7.42%. This amount will include both the Ethereum gas fee and the Telcoin commission.

Thus we think Telcoin, if it has a successful ICO, is able to enter the mobile payment market and occupy a certain niche. The volume of this niche directly depends on funding raised as well as the effectiveness of dealings with regulators.

Information about the success of Telcoin's negotiations with Etisalat of the United Arab Emirates, the Dutch VEON Group and Telecom Tunisie is also evidenced: (<https://golos.io/bitcoin/@crypto-jesus/telcoin-vypustit-novuyu-kriptoalyutu-erc20>).

The partnership with Telecom Tunisie will be aimed at integrating Telcoin into the Tunisian mobile monetary infrastructure.

9. Economy of the Project

The team does not provide a financial model in the documentation, confining itself to a rather brief description of the financial parameters of the project.

So we know that Telcoin will not charge a specific fee for remittances, but it will charge 0.5% for each conversion transaction between Telcoin and mobile money, i.e. a user will pay twice on 0.5% - 1% for a cross-border transfer of funds. Recalling that the size of the target market is \$500 billion, every 1% of the market would provide about \$50 million per year in revenue.

The project does not provide a budget for expenditure but there is information on main costs:

- DevOps: A team of 3-5 remote and distributed engineers
- Crypto Development: 2 software engineers
- Crypto Research: 2-3 researchers
- Telecom Development: up to 5 people by the end of 2018.
- Customer Facing Products: This team already has a leader and senior iOS developer; needs to hire UX designers, 1 Javascript developer and an Android developer before the end of 2018.
- Customer Service: need to hire 3 full time support staff per continent before the end of 2018.
- Legal Compliance: a lobbying specialist, a compliance officer, a telecom regulations expert are required.
- Finance and Liquidity: a compliance officer, a risk officer, and a risk analyst are required.
- Business Development: Sales team, including a leader and 4 to 5 regional sales managers, local representatives and consultants with more experience on the ground with individual networks.
- Account Management specialists.
- Marketing.

The Telcoin documentation does not state either the costs of such a team or what other costs will arise in addition to wages.

The fact that the team has not provided an allocation plan for funds raised during the ICO, also complicates the process of assessing economic risk. We talked with the team on this topic and they promised to provide information; however, at the time of writing this review, it has not appeared in the white paper.

Unfortunately we therefore cannot assess economic risks for token holders in the absence of the necessary information on costs.

10. Risks

It should be noted that the Telcoin documentation contains answers to a large number of questions which are often described by us in this section. However, Telcoin has some risks; we have mentioned some of them above.

Firstly we again emphasize the impossibility of assessing the economic risks due to a lack of information in the documentation or an allocation plan for the funds involved.

Secondly, the absence of an alpha version of the user interface or the applications indicates a low level of investment in technical side of the project so far.

Thirdly, a potentially serious risk is the use of Telcoin's service for criminal activity. The Telcoin team shifts responsibility for this to the KYC procedures of telecommunication operators; however, it is not clear how regional financial regulators will view this issue.

Interaction with telecommunication operators is also in question, as the team intends to incentivize telecommunication operators by free token charging. Currently, there are no rules that enable legal entities to take into account cryptocurrency balances. However, this risk is typical for any ICO project, the business process of which in one way or another involves interaction with legal entities.

Thus, the most serious risks for the Telcoin project are related to the prospects for further regulation of cryptocurrency. These are solutions that the team will not be able to influence in any way, even with a loyal telecommunications lobby.

11. Token investment attractiveness

Only 25% of Telcoin coins were sold during the ICO. 15% remains with the team within Telcoin Pte Ltd, 5% - a liquidity fund, 5% Telcoin Foundation and 50% - Telco Issuance (over 10 years). The last 55% raises the most questions.

The Telcoin Foundation is described in the white paper very briefly. According to a representative of the project, "V@Á[|^Á[-Á@Á[~}ááá}ÁÁÁ@||Áã@Ááá&ãÁá&~•á}ÁÁáá•Á@ÁÁÁ[Á^&•áá^Á]ááÁ[ÁÁÁ~á^•Á@Á@ÁÁÁ^}^áÁÜU@Á

Much more space in the documentation is devoted to the Telco Issuance. These are coins that, according to certain rules, will be distributed among telecommunications operators with whom partnerships will be established. From our point of view, if legal entities i.e. telecommunications operators can enable cryptocurrency accounting in their balance sheets, they will seek to convert the received coins into fiat. This will put downward pressure on the price of Telcoin coins. The Telcoin team has a different opinion however: "Q&á•ÁÁ[ÁÁá*Á[|áÁ^Á[ááÁ]Á^áá!•Á@Á@ÁáÁ[|]Á@Á]Á}ÁÁ@/ÁÁÁÁ{ááÁ@Á^ÁáÁ[ÁÁÁ~Á}Á@Áá^Á}Á@Á/ÁÁÁ[ç^!@áÁ{áá^}Á}Á&]ááá}•ÁÁÁÁ^á^áÁÁ[~Áá^!^}Á}ÁV@/Á^!ÁÁc@Á•~]]Á{á*Á[ÁÁ&ÁÁ[ÁÁ^áÁ@ÁÁ{ááÁ[Ááá^}Á

The logic of the Telcoin coin itself is that it should become a real payment instrument. To conduct cross-border money transactions it is important that the coin has low volatility. Demand and supply for the coin will indeed counterbalance each other if we ignore the risks of selling by telecommunication operators.

On the other hand, the nominal value of all tokens which could be in the market is \$100 million. Given that the market capacity is 5000 times more, as the service is popularized and the number of users increases, a coin deficit will arise. This will lead to an increase in its capitalization.

Summing up, we have tried to describe the Telcoin project and the risks associated with it in detail. From our point of view, the idea is innovative and successful and its market is potentially huge. If everything goes according to the team's plan, Telcoin coins bought during the ICO could be an excellent long-term investment. However, the project is accompanied by serious risks. We recommend relying on risk awareness when deciding whether to participate in the Telcoin ICO.

The information contained in the document is for informational purposes only. The views expressed in this document are solely personal stance of the ~~OU/aej~~* Team, based on data from open access and information that developers provided to the team through Skype, email or other means of communication.

Our goal is to increase the transparency and reliability of the young ICO market and to minimize the risk of fraud.

We appreciate feedback with constructive comments, suggestions and ideas on how to make the analysis more comprehensive and informative.