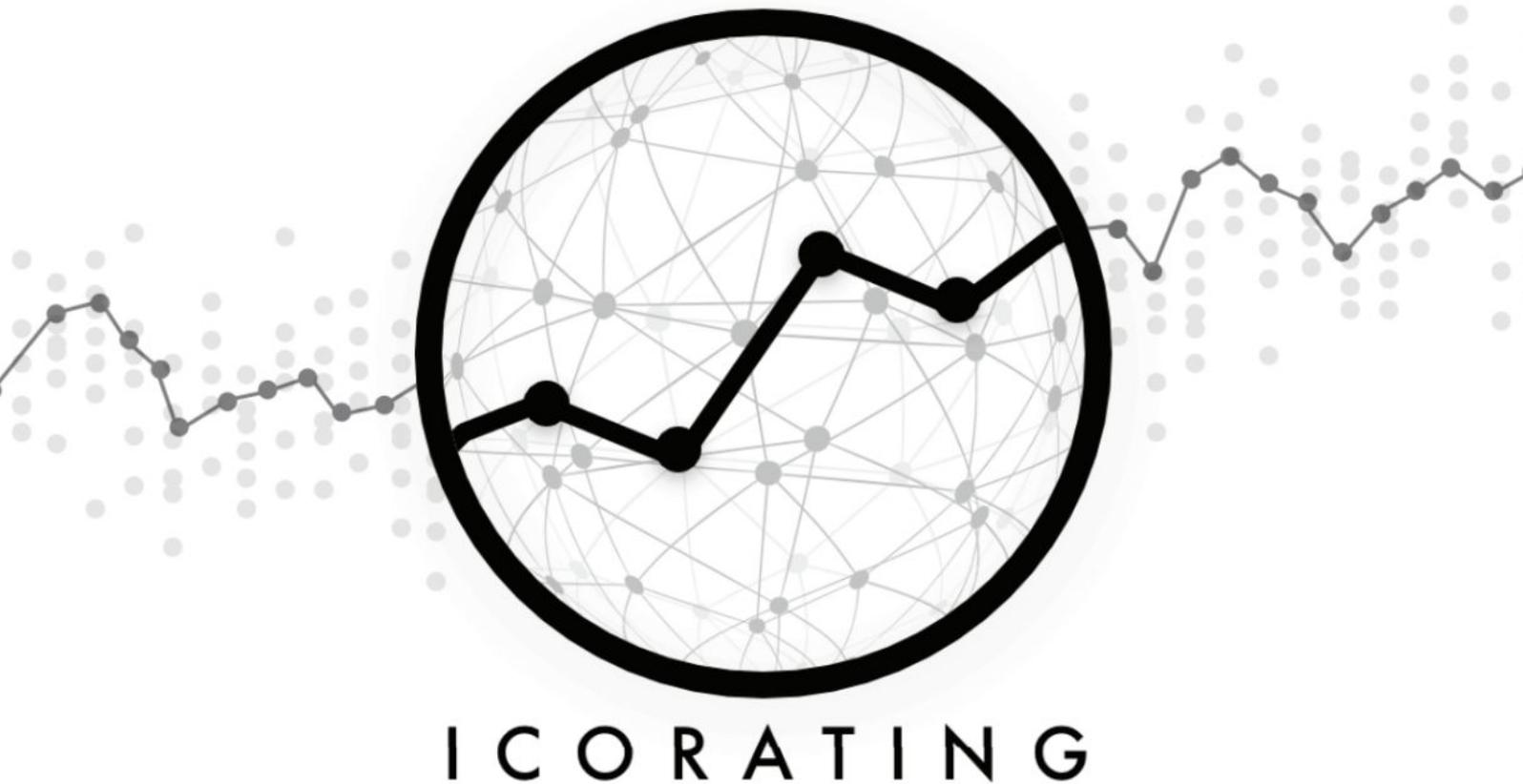


ICOrating

QVOLTA Rating Review (<https://Qvolta.com/>)

ICO dates (10.10.2017 — 20.10.2017)



I C O R A T I N G

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Email: [info@icorating.com](mailto:info@icorating.com)

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

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# 1. Ratings

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**We assign the Qvolta project a "Stable" rating. We recommend participation in the Qvolta ICO, provided the investor is aware of the project risks and the price risks of the coin identified in this review, we also recommend acquaintance with the existing MVP and full-featured desktop version of the service. It is advisable to purchase on the first day of the crowdsale, when a 30% bonus is available.**

Qvolta is a platform for p2p cryptocurrency exchange. Its main goal is to simplify the process of buying cryptocurrency; thus Qvolta is planning to enter one of the most competitive segments of the crypto industry.

The undoubted advantage of the Qvolta project is the presence of a well-designed MVP and low internal commission charges at the stage of the project formation. The promised launch of the full-featured desktop version of the product could be an additional advantage.

At the same time, the project has some weaknesses. The team still has room for improvement beyond just product development in the case of successful fundraising during the ICO. Qvolta will work in the face of growing and very tough competition, which could force the team to make adjustments to its financial plan to preserve operating activities.

QVT tokens will perform an infrastructural function - they will be paying for inside transaction commissions. If everything goes according to the Qvolta plan, about 35% of all placed tokens will participate in the annual infrastructure turnover over four years. This is a good indicator; however, infrastructure demand can be compensated by supply, when the team will sell tokens accepted for payment of services.

Also it is notable that the ICO is just the first stage of the planned campaign to raise funds for project development. There are still three secondary coin offerings, and the total amount of planned fund raising is 105,000 ETH.

## 2. General information about the Project and ICO

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The Qvolta project is planning to create a platform for performing peer-to-peer exchanges of cryptocurrency for fiat. Qvolta will use its own p2p network, which will improve the security of transactions, reduce commissions and facilitate use. The team offers a simple currency exchange scheme, where fiat currencies come directly from the supporter of payment systems (bank accounts and online wallets), and cryptocurrency transactions are implemented using an escrow mechanism. So, this is another exchange platform in the cryptocurrency market; however, the main feature of this particular project is the absence of a direct intermediary in any transaction.

**Website:** <https://Qvolta.com/>

**White paper:** <https://s3.eu-central-1.amazonaws.com/Qvolta/white.pdf>

**Medium:** <https://medium.com/@Qvolta>

**Twitter:** [https://twitter.com/Qvolta\\_platform](https://twitter.com/Qvolta_platform)

**Reddit:** <https://www.reddit.com/r/Qvoltaexchange/>

**Facebook:** <https://www.facebook.com/Qvolta/>

**Bitcoin**

**talk:**

<https://bitcointalk.org/index.php?topic=2018731.msg20116760#msg20116760>

**GitHub:** <https://github.com/Qvolta?tab=repositories>

**KakaoTalk:** <https://open.kakao.com/o/g5M77cA>

**Telegram:** <https://t.me/Qvolta>

**ICO start:** 10 Oct 2017

**ICO completion:** 20 Oct 2017

**Hard cap:** 18,000 ETH (about \$5.4m)

**Token:** RST, standard ERC-20

**ICO price:** 1 ETH = 1 000 QVT

**Accepted payment:** ETH

**Total emission:** 18,000,000 QVT

- 80% - on sale during the ICO
- 19% - Project team
- 1% - Bounty Campaign

**On sale:** 14 400 000 (80 %)

**Distribution:**

40% - Marketing

30% - Development

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

- Qvolta attracted 1450 ETH (2,900,000 QVT including the bonus) during the pre-sale. The maximum possible volume of attraction was 17,500,000 QVT. The Pre-ICO bonus was 50%.
- There is no cap on funding amount for the ICO;
- The date of entry onto cryptocurrency exchanges will be announced after the completion of the ICO within three days
- The date of unfreezing of tokens post ICO is within three days after the date of the ICO or after the full collection of funds for the project
- All unsold tokens will be burned

Bonus tokens will be credited for early participation in the ICO:

- 1 day – 30%
- 2 day – 20%
- 3 day – 10%.

It is notable that the first ICO will take place in 2017 only. In total, four rounds of crowdsale are planned, during which it is expected to attract 105,000 ETH for project development.

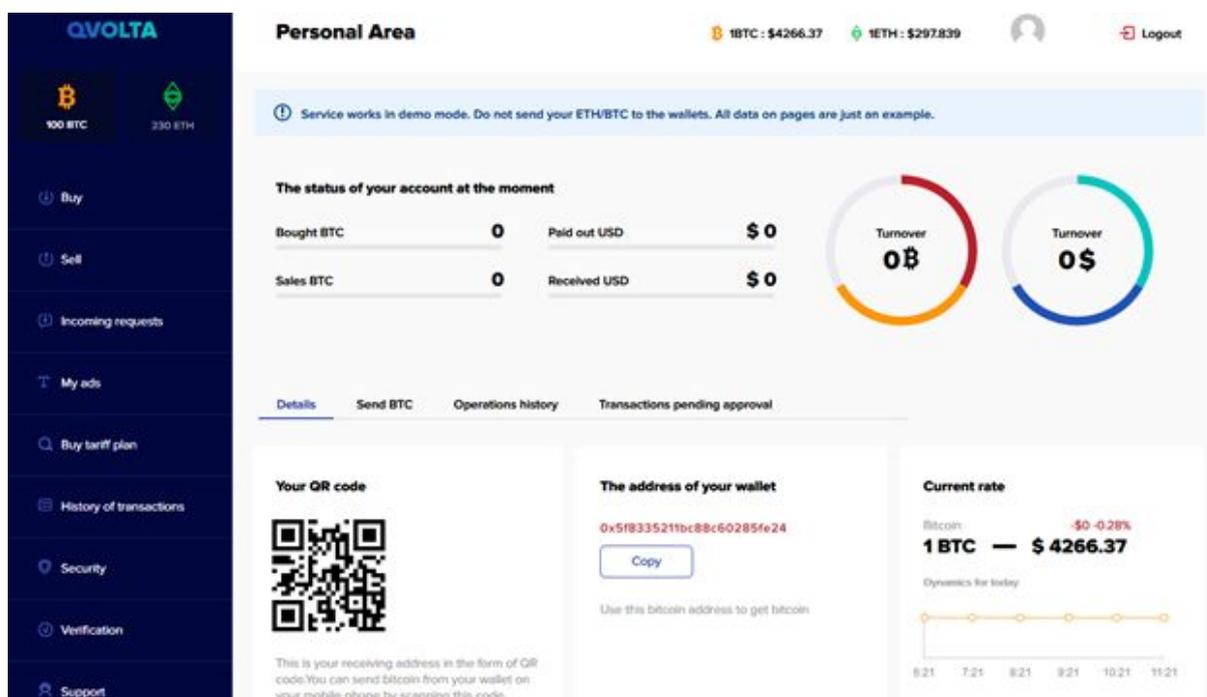
### 3. Project services and their usage

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Qvolta is a global p2p cryptocurrency exchanger allowing simple and almost instant exchange of cryptocurrencies for fiat and vice versa. Bitcoin and Ether operations will be available on the platform at the initial stage, followed by Monero; other altcoins will be added in the future.

The team promises that transaction security will be at the same high level as competitors. Therefore, the main advantages of Qvolta will be usability and low commission.

A primary assessment of platform usability is possible now thanks to the MVP [1] developed by the team. It can be tested by anyone; in order to do that, a brief registration procedure needs to be undertaken.



On the MVP interface we see a dashboard showing the balance of operations with crypto and fiat, and also very likely, a graph of quotations of bitcoin or possibly the selected cryptocurrency will be displayed. The data source for graphs is not yet known - it is likely to be one of the crypto exchanges. There is also the possibility of sending cryptocurrency, viewing history of user operations and controlling the number of transaction confirmations.

In the “buy” menu option, choice of type of cryptocurrency, the amount, country, payment currency and means of payment is offered. As can be seen in the screenshot below, the MVP offers a huge number of payment options including Paypal, Western Union, Apple Giftcard, Steam, Ebay, Walmart, Cash Deposit Wells Fargo, Chase, Union Bank, etc.:

**Buy Bitcoin** 1BTC : \$4219.14    1ETH : \$291.788

Service works in demo mode. Do not send your ETH/BTC to the wallets. All data on pages are just an example.

I want to buy  ₿

Seller

<b>Illia</b> ★★★★★	Not Verified	Western Union	Instant transfer	Paypal
<b>murzin</b> ★★★★★	Not Verified	Ebay	Remittance	Skrill
			Giftcard	Neteller
			Cash Deposit	Alipay
			Domestic Wire Transfer	WeChat Pay
			International Wire Transfer	Payoneer
				Perfect Money
				Paytm

The list of counterparties for the transaction looks the following:

Seller	<input type="text" value="Verified"/>		<input type="text" value="Price"/>	<input type="text" value="Limit sort"/>	
<b>Illia</b> ★★★★★	Not Verified	Western Union	0	100 - 1	<input type="button" value="Buy"/>
<b>murzin</b> ★★★★★	Not Verified	Ebay		1 - 2	<input type="button" value="Buy"/>
<b>mahes</b> ★★★★★	Not Verified	Webmoney		100 - 200	<input type="button" value="Buy"/>
<b>sergil</b> ★★★★★	Not Verified	Neteller	1	11 - 12	<input type="button" value="Buy"/>
<b>admin</b> ★★★★★	Verified	Skrill	100	0.2 - 1	<input type="button" value="Buy"/>

There are different options for the sorting of information available.

Attention should be paid to the “Verified / Not verified” field; verification of users is necessary for compliance with the KYC and AML rules in those jurisdictions where the Qvolta platform will operate. In addition, verification will be one possible means

of user protection from various known fraudulent schemes. However, users can choose whether to pass or not to verify.

Verification can be done on the MVP; there is already a page where requested information and documents can be seen:

**Fill in the form for the verification:**

First Name\*

Last Name\*

Country\*

Send

Confirm

Enter the number and click Send, you will get sms with code, enter this code in following field

**Upload documents photo:**

Documents photo must be legible, up to 300 dpi

ID\*

Overview

Proof of residence document\*

Overview

Bill for electricity and water, Bank Statement (must be issued no more than a 3 months before)

Verification

× Cancel

It is hard to find fault with the MVP from the point of view of useability. Everything is quite convenient, and anyway it is clear that the interface will be further developed as the project advances. Most likely there will be some form of feedback for users, along with which it will be possible to optimize the user experience.

The team promises to present a finished product, a full-featured desktop version - by the ICO start date. In the roadmap, the deadline for completion is September 15; however, the release did not happen on this date. The main objective should be that the founders complete the promised work before the crowdsale begins. A full-featured desktop version launched before the ICO would be a serious plus for the project.

Moving to the second point regarding commission:

# 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

Up to 5 BTC	5.5 QVT
Up to 10 BTC	10 QVT
Up to 25 BTC	22.5 QVT
Up to 50 BTC	40 QVT

## ETH

Up to 10 ETH	1.5 QVT
Up to 25 ETH	2.5 QVT
Up to 50 ETH	4 QVT
Up to 100 ETH	6.5 QVT

Stated commission rates are really very low: for example, trader commission for the purchase / sale of 1 ETH will be 0.15% of the transaction volume. The larger the volume, naturally the lower the commission rate.

Qvolta commissions are paid only by professional traders on terms stated in the white paper. This refers to permanent participants of the platform who place bids for the purchase / sale of cryptocurrency; ordinary users can only act as counterparties for these created applications.

The interface for creating an application is also represented in the MVP in the “My ads” section:

Select a value

BTC  ETH

Sell  Buy

Instant transfer  Bank wire  Remittance  Giftcard  Cash Deposit

1  
2  
3

Payment method

Terms of transaction

Time of payment

10 Min

Transaction limit

Min 0.2 Max 1

Price

Fixed price

Floating price

To buy

From all  Only from verified

Unfortunately, the problem with p2p-exchangers is that hidden costs can be included in prices - spreads to stock quotes. At this stage the team is not planning to control pricing in any way; this means that prices will be balanced by market rules, for which it is necessary to create competition among professional traders.

In addition, Qvolta does not state directly but indicates the following via the financial model: That low commissions will only be in effect in the first year of operation, then they will increase

Commission	
Transaction commission, 1 year	0,01%
Transaction commission, 2 year	0,05%
Transaction commission, 3 year	0,15%
Transaction commission, 4 year	0,25%

To summarize, it should be noted that if the team manages to realize its plans to the proper level of quality, the demand from users for its services could be really high. At the same time we note that the project is not innovative; therefore it runs the risk of becoming one of many cryptocurrency exchangers with a user-friendly interface, the number of which will definitely increase with the growing interest in cryptocurrency.

[1] <https://mvp.qvolta.com/>

## 4. Development strategy and Roadmap

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In the Qvolta white paper, a separate section is devoted to development strategy, but there are few specifics provided as yet. The main focus of the strategy is aimed at improving the platform and integrating additional options and functions, as well as entering new markets.

As additional functionality to be provided, we note the following:

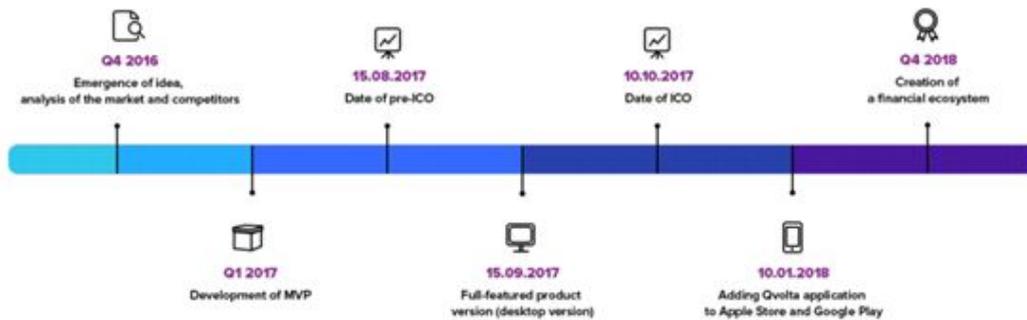
- Creation of commercial accounts (actually an own-payment fiat service)
- Expansion of the range of supported cryptocurrencies
- Consultancy for opening bank accounts in crypto- and fiat currency

It is notable that there is nothing innovative here either; these solutions are a logical development of the exchange platform.

According to the team, key markets for the platform's operation are the US, the EU and Russia, due to the high potential capacity of markets within these countries. The inclusion of Russia does not meet this criterion, but it is possible due to low legal costs for admission procedures, since the team has experience in the Russian and CIS markets. Those regions are planned to be covered during the first year of Qvolta's operation; in the second and third year it is planned to enter Latin America, Australia and Asia respectively.

Qvolta identifies short-term and long-term goals. In the short term, the project is focused on the resolution of legal issues regarding geography and development among existing p2p crypto exchanges. In the long term, the team is planning to occupy not less than 50% of the p2p segment of the cryptocurrency exchange market, develop world brand awareness and actively introduce new technological solutions.

# Roadmap



According to the roadmap, a full version of the platform should already be developed by now; however, the team has only an MVP and is still actively expanding its functionality. The team is working very hard; during the writing of this review, several MVP updates were made. In Q1 2018, Qvolta is planning to launch a mobile application platform via the Apple Store and Google Play; the completion of its development phase is announced as Q4 2018.

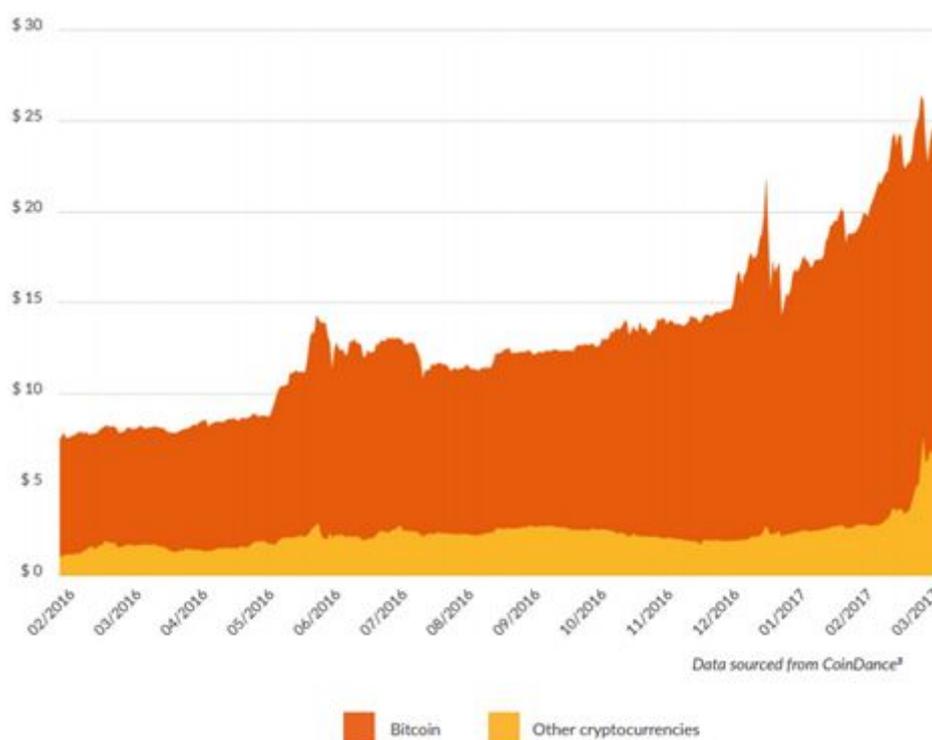
In general, the roadmap is comprehensive, but time is working against the project; whilst Qvolta collects money through its ICO, current competitors are working and building a database of loyal users.

## 5. Market Review

---

In the documentation, the Qvolta team write a thorough review of the cryptocurrency and exchange market. The document cites data from a recent study by the Cambridge Center for Alternative Finance entitled "Global cryptocurrency benchmarking study"[1]. The authors of this study have unquestionable authority on the subject; in addition, the paper was written with the support of the world's largest payment operator, VISA; representatives of authoritative projects and publications from the crypto industry were involved in the preparation of the survey.

The booming demand in the cryptocurrency market, observed throughout 2016 and intensified in 2017, is undoubtedly beneficial for Qvolta. In the summer of 2017, current capitalization of crypto-currency exceeded \$150 billion. In 2017, not only bitcoin but other coins gained popularity and increasing market share.



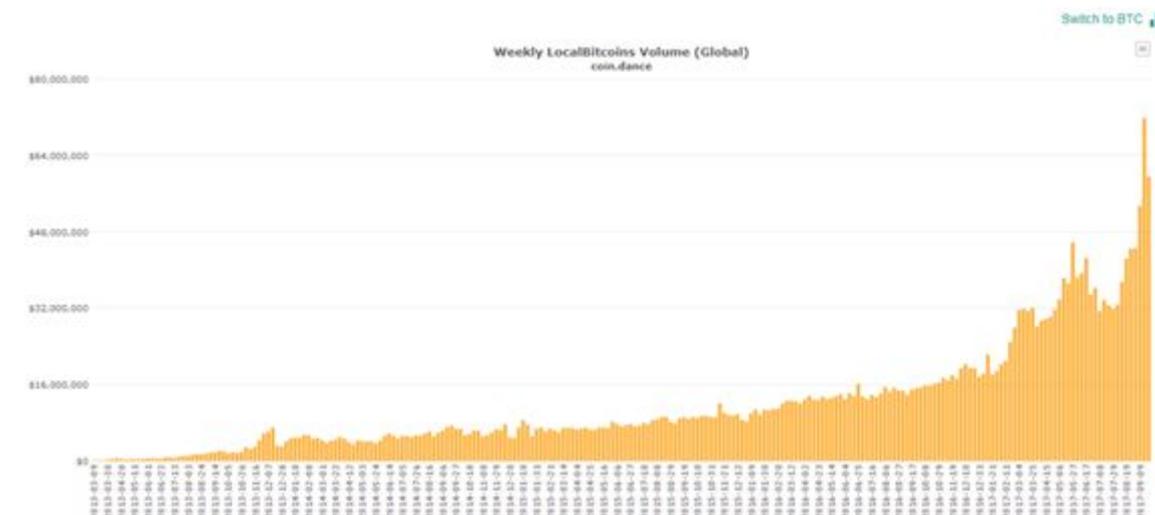
On the market for cryptocurrency exchanges, the main share belongs to the large exchanges listed:

Exchange Name	Last Update	Trading Pairs	24h Volume USD	24h Volume BTC
Bithumb	12 sec	8	\$450,941,704	105,336
Bitfinex	11 min, 8 sec	35	\$352,757,782	82,401
coinone	9 sec	5	\$244,121,628	57,024
Bittrex	0 sec	263	\$210,099,664	49,077
HitBTC	1 min, 2 sec	176	\$146,536,019	34,229
Kraken	1 sec	56	\$116,095,069	27,119
Poloniex	33 sec	100	\$107,882,013	25,200
Coinbase GDAX	0 sec	9	\$103,447,925	24,164
Bitstamp	1 min	11	\$75,724,083	17,688
bitFlyer	5 min, 4 sec	3	\$59,994,405	14,014

Other exchange platforms account for only 25% of the market. It is notable that there is a significant difference between large and small platforms in the breadth of services offered, as well as in licensing and security, which is the main reason for the segmentation. So 52% of small platforms have official licenses; for larger stock exchanges this figure is 35%. At the same time, 86% of large exchanges and 76% of small ones support multi-signature. 73% of small platforms support one or two crypto currencies, while 72% of large exchanges support two or more crypto currencies.

At the same time, we see that the development of a technological base as well as shaky confidence in large market participants has contributed to market redistribution - there are more promising niche solutions that are often more attractive to the client than the larger exchanges.

One alternative solution for exchanging cryptocurrency for fiat is p2p. Currently, p2p services are gaining momentum - the largest pioneer is Localbitcoins, whose statistics show unusually quick-growing popularity of the service. According to Coin Dance, in September the weekly volume of trading at Localbitcoins reached \$71 million.



In our opinion, the popularity of the p2p segment will be strengthened, since large investor demand for simplicity and security can be satisfied. Often, these factors make it difficult to work with large exchanges: the process of registration and trade, as well as the posting of applications on crypto-exchanges is actually copied from the traditional securities market, which hardly meets the criterion of simplicity. Liquidity and volume of applications for many investors is not determinative; they are often willing to sacrifice a large spread.

Thus, the potential market for Qvolta is very large, and its prospects are closely related to the pace of further penetration of cryptocurrency into the world financial system.

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[1]

[https://www.jbs.cam.ac.uk/fileadmin/user\\_upload/research/centres/alternative-finance/downloads/2017-global-cryptocurrency-benchmarking-study.pdf](https://www.jbs.cam.ac.uk/fileadmin/user_upload/research/centres/alternative-finance/downloads/2017-global-cryptocurrency-benchmarking-study.pdf)

## 6. Team

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The project is conducted by a Russian-speaking team of 4 people, all of whom are listed as Co-founders. Advisors are absent.

Kirill Murzin - CEO, co-founder, business developer

Entrepreneur, economist, consultant in fintech. 5 years of work experience in the financial sector. Founder and CEO of Czech companies Fintech Finance and Fabula Finance.

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

Viacheslav Averkin - CEO, co-founder, business analyst

Business analyst, financial consultant. 6 years of work experience in financial sector, IT projects. Co-founder and business analyst Fintech Finance. Blockchain enthusiast.

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

Iliia Filatov - CBDO, co-founder

Lawyer, stated 6 years of experience in consulting for fintech startups. Worked as an attorney at Fintech Finance.

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

Dmitry Semenov - development team lead, co-founder

Software Engineer, consultant. Over 10 years of experience in vertically integrated technology companies. Works as a php developer for UpWork (a large freelance pad) since 2014. Previously worked as a web developer in several Ukrainian IT companies.

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

Objectively, implementing Qvolta does not require any highly specialized experience on top of understanding blockchain architecture and payment systems. However, this does not change the fact that well-known individuals and/or those with respectable resumes gain more confidence within the blockchain community and increase the likelihood of success with an ICO.

Information about the Qvolta team is not sufficient in the project documentation, nor on open sources. The project was in fact created by a team from the Czech company Fintech Finance, only CTO was involved from the outside. Despite the name, the main activity of Fintech Finance according to publicly available

information, is the licensing of financial companies, the sale of ready-made companies and legal support.

It is difficult to draw a conclusion about the experience of the team from available information, especially regarding experience with blockchain startups. However, we did not find any negative information connected with the team or any unconfirmed work experience.

## 7. Marketing strategy

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A separate section of the Qvolta project documentation deals with marketing policy, where the team announces a well-designed marketing plan that will attract users. The main directions of the marketing plan are as follows:

### **Authorities and "Buzz marketing"**

Qvolta is planning to attract authoritative bloggers and other internet or crypto community members via the company advertising. There are also plans to create a referral program for users, similarly to many past technological startups (Uber and its competitors, Dropbox, etc.). Together, these tools will implement viral marketing at moderate costs.

### **Activities and partnerships**

The team plans to take part in prestigious community events, sponsorship, to promote the brand, including via a qualified offline community. One of the fundamental stages of the marketing plan is the creation of a partner network.

### **SEO and content marketing**

A key tool in the early stages of launching the platform on the market will be a thematic blog about cryptocurrencies, which will directly attract traffic to the Qvolta web portal. To increase the effectiveness of this tool, an external SEO team will be hired, promoting the blog within the crypto community and on the internet as a whole.

### **Social Networks and E-mail**

Qvolta will be present on the most popular networks for interaction with users. Facebook will also be used for company advertising and marketing. The team is planning to spend more of its budget on social networks and advertising on Facebook as compared to Google Adwords.

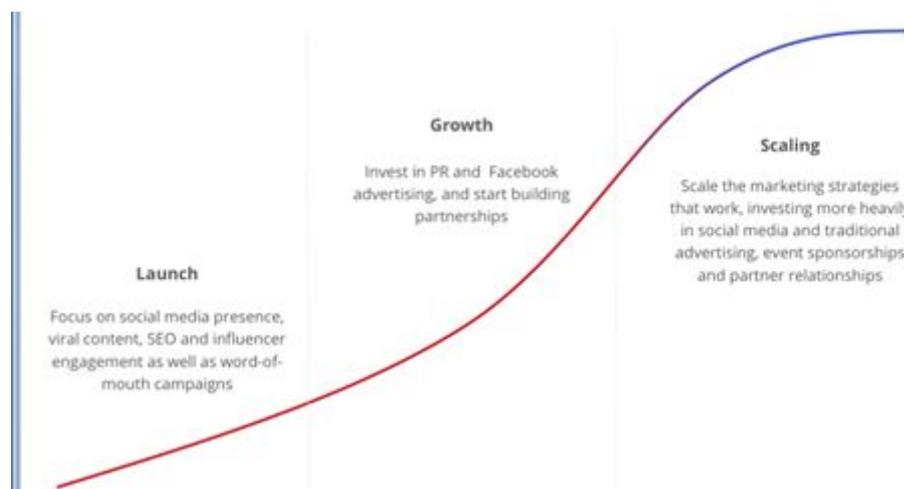
### **Email marketing**

A list of subscribers will be created for e-mailing and personalized mailing with marketing materials (offers, promotions, information materials).

## PR

In this direction Qvolta indicates work with the largest information web portals and the media, for which the professionals of project PR will be hired.

The plan for the application of all tools within the project is divided into 3 stages of the project's life cycle: Launch, Growth, Scaling. There is an emphasis on the use of different marketing tools for each stage:



Qvolta states that in view of the absence of budget before the ICO, CMO will be undertaken by Kirill Murzin (CEO); a specialist will be employed in this position after crowdsale.

Currently, we do not see a clear marketing plan for Qvolta; only a list of possible marketing tools, their targets in the project's development and methods of using these tools is presented. For example, information about marketing partners would be important for the vast majority of ICO investors.

Thus, since the specifics are few, it seems that the marketing issue will be solved after summarizing the results of the first round of the ICO. Qvolta has ambitious plans to occupy the market but the competition is strong, so it is to be hoped that the impressive marketing budget - 40% of the funds raised during the crowdsale - will be spent effectively.

As for marketing of the ICO itself, currently we do not see much activity in promoting and advertising the Qvolta project, but we see that work is in progress. The team uses Facebook (7,575 followers), Twitter (2,055 followers; 30 tweets); a branch on Bitcointalk (218 messages); a group on Telegram (793 members) and Kakaotalk. The main site for the blog is Medium (86 followers, 12 postings). Project

announcements have been made on Cryptocoinsnews, Newsbtc, Cointelegraph, Coinspeaker, and the team also made FAQ video. In general, that's all.

## 8. Competitive Advantages of the Project

---

The market for cryptocurrency exchange businesses is competitive and p2p operations still remain a small part of it. In this connection, the project competitors in a broad sense are the large crypto exchanges such as Bitstamp, BTC-e, Bitfinex, Kraken, etc. Liquidity, the scope of their toolkits and often security features are on their side.

Qvolta does not need to compete with exchanges at the current stage. Currently there is a particular demand for p2p transactions from low-qualified investors, which the project is called upon to execute. The growth potential of such requests is obvious.

Despite the great potential of the p2p exchange market itself, it is still competitive; Qvolta is not a pioneer here. The largest platform, whose services are comparable in functionality and architecture with Qvolta is LocalBitcoins. Such services as Bitsquare, COINFFEINE and Paxful can be referred as competitors. These services generally differ from Qvolta: for example, Bitsquare and COINFFEINE are open source projects where client installation is required and the platform is completely decentralized with no commissions (although they can potentially be incorporated); here the traditional arbitration escrow is used. Paxful is essentially similar to LocalBitcoins, however, the trading volume of this platform is smaller and its functionality narrower.

Qvolta refer to LocalBitcoins as their main competitor and do not consider other p2p projects as direct competitors. In our opinion this is not entirely true, since with proper development and client simplification (or development of a web version) BITSQUARE for instance can become even more of a threat to Qvolta than LocalBitcoins, because it is completely decentralized and does not require large commissions - the security function here is the arbitration mechanism. In addition, projects like COINFFEINE generally do not require multi-million dollar investment, being based on voluntary donations.

Qvolta in its white paper provides a comparative analysis of itself and LocalBitcoins as a key competitor:

## 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	★★★★★★	★

Let's skip the controversial summary where the procedure for counting stars is questionable and focus on specific declared advantages of Qvolta:

- Fees – as described above, Qvolta commission is really low. The team, in turn, argues that commission fees are lower than LocalBitcoins. According to the financial model and published tariffs this is the case, but it is worth remembering that we are considering a financial start-up whereas LocalBitcoins is already a working business, where the level of commissions may be dictated by real costs. Thus, the reality of the declared commission level will depend entirely on how realistic the financial plan is.
- Cryptocurrency list - here Qvolta really outstrips LocalBitcoins: BTC / ETH against BTC. Further strategy envisages the introduction of Monero, but there is no reason LocalBitcoins should not expand services either; this must be taken into account.
- Mobile application - here is a similar story with a list of cryptocurrencies. Development of a mobile application is not a unique feature; competitors can already work on this.
- The simplicity of the interface is a highly controversial advantage: based on the MVP, it is impossible to be unequivocal about a more user-friendly interface than LocalBitcoins' one. Without specific significant differences in services and functionality, simplicity is in our opinion very subjective.

## 9. Risks of the Project

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Project risks have been partially discussed in this review. Naturally there are competitive and economic risks.

Qvolta will offer convenient service of a high standard as well as low prices, as competitive features. How far the service will meet these characteristics, time will tell; dumping can adversely affect the economic stability of the operating company.

Nevertheless regarding the above points, we still believe that the quality of the service is primary. The rest are working issues, to predict the future resolution of which is a thankless job in the present. So we arbitrarily estimate these risks as low, trusting that the service will genuinely be of high quality, and that ICO participants will be able to assess this before buying tokens.

Naturally there are legal risks. Current crypto-exchangers are actually operating beyond the legislative framework; in the future, states will undoubtedly begin to actively monitor such activities. The main thing for Qvolta is that there would be no direct prohibitions. The remaining issues are most likely to be solved with necessary funding. \$250,000 is allocated for legal hurdles for each new target market, which at first glance is seen as the sum "with a margin".

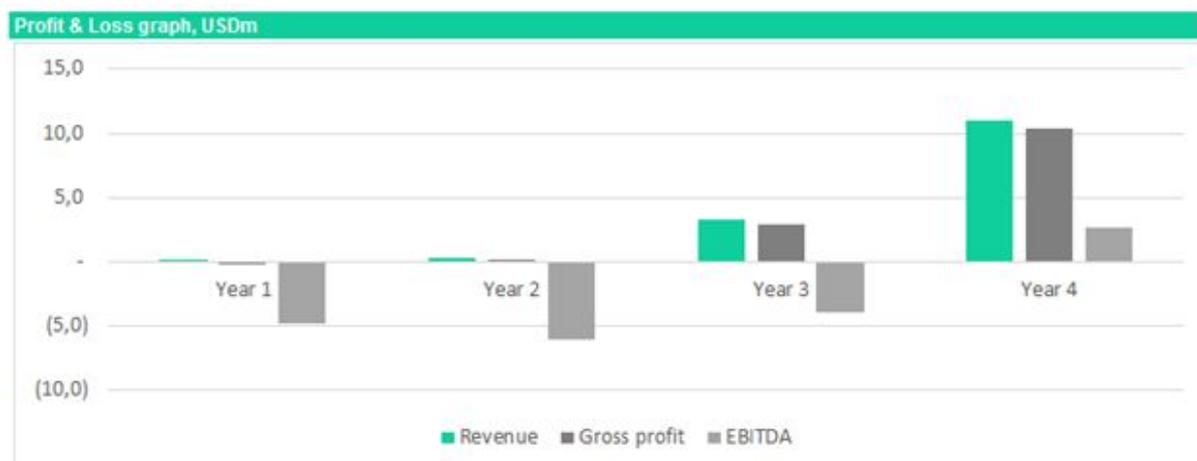
Separately, we must mention the risk inherent in the crowdsale being implemented in four stages. In 1-2 years it will be clear to what degree the service has met expectations. For example, if the project develops more slowly than is planned, new investors may not be drawn to it. However, old investors take this risk by buying tokens during the ICO.

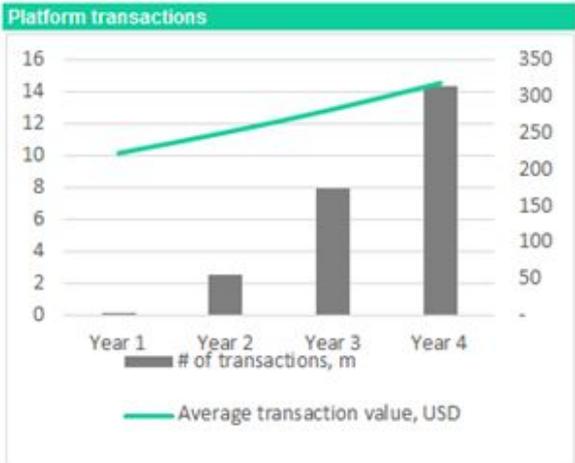
Finally we note a marketing risk: 40% of the funds raised will be used for marketing. This is a fairly large proportion, so it is a problem that there are no specifics given on its use.

## 10. Economy of the Project

Qvolta published a reference to the financial model in the white paper[1]. The main parameters of the financial model are given below:

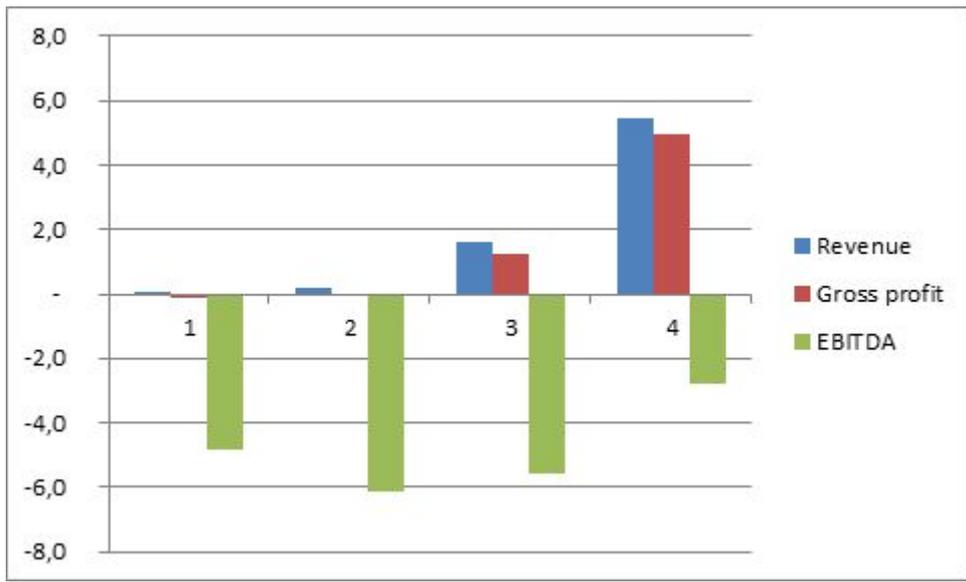
	Year 1	Year 2	Year 3	Year 4
<b>Projected Profit &amp; Loss Statement, USDm</b>				
Revenue	0,0	0,3	3,2	10,9
Costs	0,1	0,2	0,4	0,5
Gross profit	(0,1)	0,1	2,9	10,4
Operating expenses	4,7	6,1	6,8	7,7
EBITDA	(4,8)	(6,0)	(3,9)	2,7
Cash flow	0,4	(0,7)	3,2	12,4
<b>Financial ratios</b>				
Revenue growth, %		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





The income part of the financial plan is built on commissions for transactions. As we already stressed above, the team is not planning to keep commission at the lowest level shown in the white paper. The average commission will grow from 0.01% in the first year to 0.25% in the fourth year.

This is a risky assumption, since following the pace of market development, competition will grow and any increase in commissions may be difficult to justify and implement. The riskiness of the assumption lies in the high sensitivity of the financial model to the growth rate of commissions. For example, if we posit that the tariff will increase by half the tempo laid down in the financial model, the Profit and Loss histogram will take the following form:



Obviously, in this case EBITDA will remain negative in Year 4. This can naturally affect the financial stability of the company, lead to a shortage of working capital,

worsen prospects in the subsequent coin offering, slowing down the pace of global expansion and give competitors an advantage in the struggle for market share.

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

## 11. Investment highlights of the token

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QVT is an infrastructural token; QVT tokens will be used to pay for tariff plans. A trader will have to pay a tariff plan to start creating offers for the sale and 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.

If everything goes according to plan, in the first year infrastructural token demand will be only 0.07% of free float tokens at face value according to our calculations. In the second year it will be 2.65%. Only in the third year will infrastructural demand constitute a significant share of the free float:

- 16.14% in year3
- 34.74% in year4

It is important to understand that this demand can be compensated by supply: there is an uncertainty as to what percentage of the commissions the team will have to sell back to the market for financing operating activities. This is a deterrent to the growth of the cost of QVT-tokens. However, in all fairness it should be noted that this problem is relevant to most utility-tokens placed during ICOs.

As the team has planned three more secondary coin offerings, it is likely that investors will have the opportunity to invest in the project on these rounds. After one or two years, the product will be understood; the investor thus shields himself from the temporary risk and the risk that the project will not be able to supply a quality product or take the necessary share in the market.

However, early purchase partially eliminates this problem by offering a 30% bonus for the purchase on the first day of the ICO, which in our understanding is quite a good compensation.

To summarize, we can say that Qvolta has some weaknesses. The team still has room for improvement in the event of a successful ICO outside the scope of product development. However:

A) the approach of the team in respect to the thoroughness of product development deserves approval.

B) An essential advantage of the ICO is the full-featured desktop version, if it is ready before the crowdsale.

B) The target market for Qvolta is large and not yet divided.

D) Most importantly, there is genuine demand for a truly convenient, simple service for buying and selling cryptocurrency.

Therefore we can recommend participation in the Qvolta ICO on the first day of crowdsale for investors approving of the idea, MVP and full-featured desktop version, and also on the condition of understanding the risks identified in the review.

The information contained in the document is for informational purposes only. The views expressed in this document are solely personal stance of the *ICOrating* 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.