



# **INGOT COIN**

## **BUSINESS MODEL**

Summarized  
**2018**



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## Executive Summary

This paper summarizes and highlights the key stages and features of INGOT's Ecosystem, the launch phases of INGOT COIN "IC" and our future trajectories. IC will be based on the ERC20 utility token. The Ecosystem will change how we view the financial and trading industries by providing innovative ways to link the crypto universe with the current traditional financial industry. The global widespread adoption of the blockchain technology that we are seeing in the world is revolutionizing many industries, especially the financial industry. Utilizing this exponentially growing technology and the team's areas of expertise will change the way we perceive the financial and trading industries, from banks to brokerages.

This paper emphasizes INGOT's Ecosystem components and demonstrates how the collaboration of these components will serve its ultimate goal; further developing the market by providing innovative solutions and increasing value and efficiency to all stakeholders.

## **Disclosure**

This document was written by our team and reflects our opinions and beliefs, it does not constitute as advice in any manner and it should not be relied upon in any contract or purchasing decision. No representation or warranty is given as to the achievement or reasonableness of any plans, future projections or prospects and nothing in this document should be relied upon as a promise or representation as to the future.

Our plan is to fully accomplish what needs to be done, with great due diligence while having the interest of the prospective token holder in mind.





## About Us

INGOT Group, a multi-industry group founded in 1993; it has grown into one of most successful firms with industry-specific professionals operating in different companies and sectors under one umbrella. INGOT Group has fortune companies across multiple industries. The company adopts a strategy to expand its business and to leave an influential impact in the market field. INGOT Group is consistently expanding into new sectors each year. Furthermore, INGOT has taken the initiative to support and empower women by helping them create start-ups and run their business to ultimately achieve financial freedom.



## **INGOT Group Companies**

- INGOT Brokers Australia: A fully fledged brokerage firm that aims to pioneer the market by offering exclusive ways of trading to a vast diverse set of clients.
- INGOT Brokers Switzerland: Aims to lead the market by training, education and coaching individuals, corporations and interested entities about the market and potential ways of growth.
- INGOT Consultation Bahrain: Providing consultation services for the financial and taxing sectors in the MENA region and specifically the Gulf area.
- Sigma Investments: Offers feasibility studies, guidance, improves corporate governance, advises shareholders and directors about optimal financial leverage, helps companies expand using IPO's or other methods.
- EGYCOMEX Initiative: First of its kind commodity exchange based in the MENA region. The exchange initiative was started in 2015 and will be completed with the completion of phase 2 of this project.
- Dreamtechs: A digital solution company based in Amman-Jordan that aims to provide excellent services for mobile apps, web designs, blockchain app developments and other software technologies that are exceptionally user-friendly.

Partnering with GAP - Global Alliance Partners – has eased our way of growth giving us trustworthiness and increasing our reputation. GAP links buyers with sellers, investors with enterprisers, private sector with the public sector in order to provide better products and services to the clients worldwide

## Company Information

Company Name: INGOT Coin

Address: Parda tn 4-411-1, center of city district Tallinn Harju County 10151, Estonia

Telephone Number: (+372) (6989032)

Legal Status: Limited Liability Company

Email: [info@ingotcoin.io](mailto:info@ingotcoin.io) Website: [www.ingotcoin.io](http://www.ingotcoin.io)



INGOT project will be based on INGOT Coin Ecosystem which is an unparalleled revolutionary ecosystem based on blockchain technology that will link the newly developed crypto markets with the currently existing financial markets while eliminating inefficiencies and providing a one-stop platform that enables participants to perform and execute transactions according to their financial needs. This will construct an easily accessible gateway for current financial market participants to access the crypto world in an efficient and secure manner.

## **Our Team**

Coming from different backgrounds and sectors, INGOT's team is specialized in serving a variety of firms in achieving their goals and coming up with complete solutions to compete globally. Our team is always looking for innovative ideas and partners to create a more efficient one stop hub, serving all types of clients.

## **Advantage**

INGOT's biggest advantage is its innovators and expert team. The team is always ready and up for a challenge as well as always looking ahead in terms of strategies, technology and expansions. A big advantage of INGOT's team is its diversification in terms of offices, team members, as well as connections and partnerships.

## **Vision**

Creating an unprecedented and a revolutionary one-stop ecosystem based on blockchain technology that will link newly developed crypto markets with the currently existing financial markets and enable participants to perform and execute transactions according to their financial needs. This will construct a new pathway between the crypto and the current traditional market participants, encouraging them to diversify their portfolio in an efficient and secure manner.

## **Unique Functions of the Business**

IC will boost its competitive advantage in the market by linking the Crypto markets to the current financial instruments, creating new ways of payments using any kind of instruments available on its Ecosystem, providing low commissions, tightening the spreads through high volumes trading, conducting high quality market research reports that will cover all IC market products, running practical risk management tools, delivering an up to date fundamental and technical analysis and serving fund management programs that meet client's risk and return, and objectives & constraints.



## Legal Requirements

Legal aspects are key to the success of INGOT's Ecosystem, as we will need to obtain the necessary regulatory approvals in the market(s) where we will operate. In any case, INGOT will always endeavor to comply with any applicable law and regulation. We recognize the importance of complying with the regulations applicable in operating locations, with regards to token sales, cryptocurrencies, and trading derivatives. INGOT will ensure that all required licenses and authorizations are obtained.

One of the main challenges in the Crypto business is to obtain the necessary licenses to start operating and provide clients with all the Ecosystem services. As of time of writing, we registered our company under the Estonian regulations and by taking this license we can establish our IC Exchange and IC wallet. Moreover, we are in the process of getting a bank license as our aim is to establish a digital bank that will be regulated by a central bank, also INGOT will start submitting KYC forms to open STP accounts with the best exchanges in the world to facilitate the trading on the traditional financial instruments as well as increasing IC liquidity pool.

## KYC and AML Explanation

Our KYC and AML will be meeting the strictest needs in the market. Our policies will suffice and most likely exceed all the requirements needed by regulators, banks, brokers, other exchanges and mainly our clients. Our account application is a "One-Four-All" application so clients have to pass all four (IC Digital Bank, IC Wallet, IC Exchange and IC Brokerage) components' KYC with one application.

## Our Values

- Honesty
- Trust
- Integrity
- Customer Satisfaction
- Social Responsibility and Community Services
- Open Communication
- Continuous Learning

Given our values, below we present a full business and financial model that is justified by our validated assumptions and presented in good faith.



## Financial Model Summarized

This is one of the most vital parts in the due diligence process. Given the team's accreditations, we have tried our best, with good faith, to be as conservative as possible and providing explanations and documenting for each assumption taken and each number provided along with breaking down the factors as much as possible.

First of all, let us start with the assumptions that we have taken after extensive research that helped shape the Financial Model.

Before we go into details about the financial model let us remind you of the token allocation and fund distribution of this project.

<b>Fund Distribution</b>		
<b>Areas of Expenditure</b>	<b>Value</b>	<b>Percentage</b>
<b>Accelerator</b>	\$3,000,000	3.33%
<b>Crypto Certifier</b>	\$4,000,000	4.44%
<b>Legal, PR and Consultation</b>	\$7,000,000	7.78%
<b>Exchange and Wallet</b>	\$9,000,000	10.00%
<b>Reserve</b>	\$10,000,000	11.11%
<b>Brokerage</b>	\$16,000,000	17.78%
<b>Liquidity Fund</b>	\$20,000,000	22.22%
<b>Bank</b>	\$21,000,000	23.34%

<b>Token Allocation</b>		
<b>Token Holders</b>	<b>Tokens Allocated</b>	<b>Percentage</b>
<b>Founders</b>	4,800,000	4%
<b>Advisors</b>	4,800,000	4%
<b>Team</b>	6,000,000	5%
<b>Bounty</b>	6,000,000	5%
<b>Early Backers</b>	8,400,000	7%
<b>Public</b>	90,000,000	75%

The following are general assumptions for IC Ecosystem, there will be more assumptions when we dig deeper into each standalone component which are available in the complete financial model.

<b>Market Share and Market Growth</b>	
<b>Projected Market Share</b>	0.10%
<b>Projected Growth in Users in Industry in 2019</b>	199%
<b>Projected Growth in Users in 2020 For IC over Market</b>	80%
<b>Projected Growth in Users in 2021 For IC Over Market</b>	60%



Crypto Universe Trading	
<b>Monthly Sum of Crypto Trading Transactions</b>	\$456,633,322,514
<b>Yearly Sum of Crypto Trading Transactions</b>	\$5,479,599,870,168

<https://coinmarketcap.com/currencies/volume/monthly/> for December 2017.

This was a core part of our assumption base, we understand the current saturation of the market. However, we also know what comparative advantage we have, being in the market for more than 25 years and understanding the gaps that are available in the market now and how we are addressing them, we collectively agreed to be as conservative as possible and only gain 0.1% of the market share. This assumption means that we will be in the top 50 – 75 exchanges. However, we are not just an exchange, we are an all-inclusive ecosystem.

As for the growth rate, we looked at the previous years which showed a sustainable growth rate of number of users in the market, we found that the growth of the wallet numbers is around 200% for the last few years. We kept that constant.

We also assumed that the amount of Ethereum wallets and Bitcoin wallets are around 50% of all wallets as represented by their dominance in traded volume, which is around that region as well.

Wallet Type	Number of Wallets as of Dec 31 <sup>st</sup> 2017
<b>Bitcoin</b>	21,506,448
<b>Ethereum</b>	17,776,281
<b>Other</b>	39,282,729
<b>Total</b>	78,565,458

<https://www.statista.com/statistics/647374/worldwide-blockchain-wallet-users/>  
<https://etherscan.io/chart/address>

Given the trading volume of the crypto universe and the number of wallets available, we can conclude the average trading volume per wallet to be:

Average Trade per Wallet per Year
<b>\$69,745.66</b>

Getting industry averages for such an assumption was a bit hard, as we will be pioneers to this market. Thus, we took into consideration the trades and cost of trades available at INGOT Brokers, one of INGOT Group companies.

Percentage of Types of Trades at IC Exchange	
<b>Percentage of Crypto vs Crypto Trades at IC Exchange<sup>1</sup></b>	55%
<b>Percentage of Crypto vs Fiat Trades at IC Exchange<sup>1</sup></b>	40%
<b>Percentage of Crypto vs Traditional Trades at IC Exchange<sup>1</sup></b>	5%
Exchange Fees per Type of Trade	
<b>Crypto vs Crypto Price Per Side<sup>2</sup></b>	0.10%
<b>Crypto vs Fiat Total Price<sup>2</sup></b>	0.15%
<b>Crypto vs Traditional Total Price<sup>2</sup></b>	1.10%



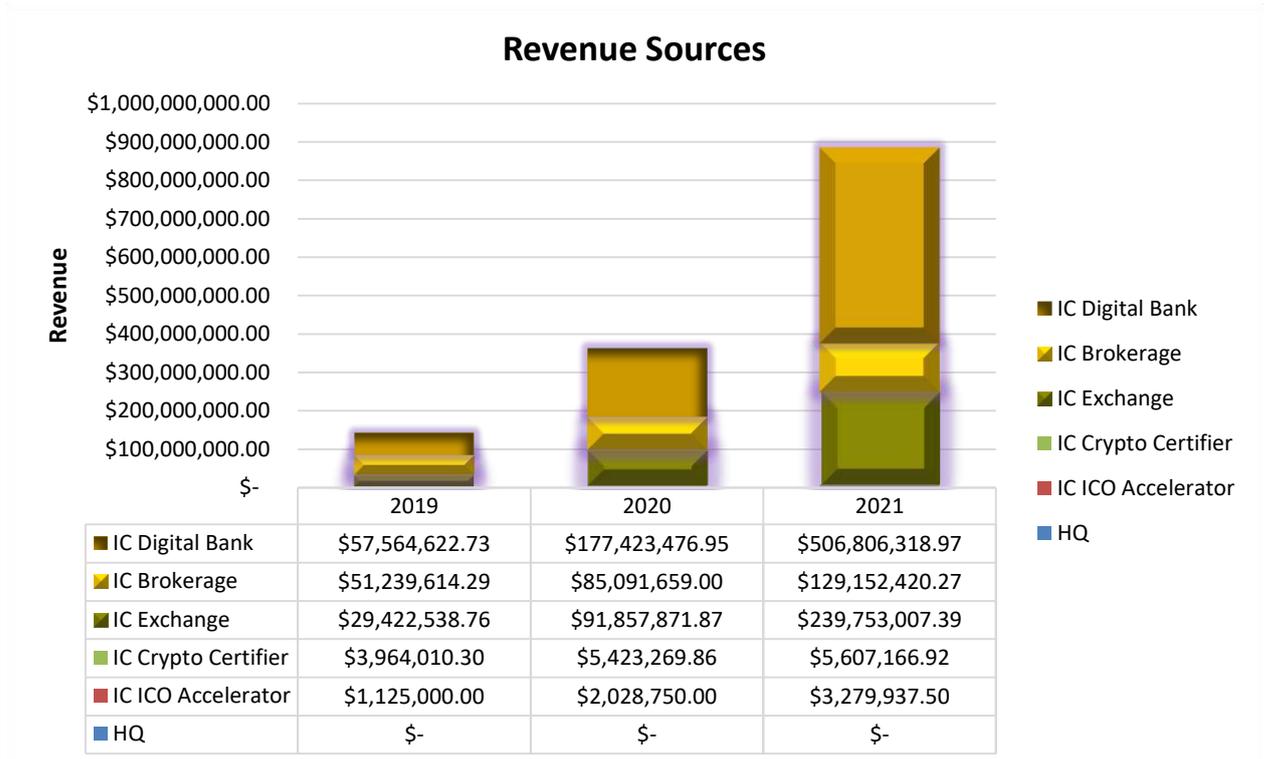
<b>Fiat vs Traditional Total Price<sup>2</sup></b>	1.05%
<b>Fiat vs Fiat Total Price<sup>2</sup></b>	0.05%

INGOT Coin Usage and Discount	
<b>Percentage of IC Coin Users Within Exchange<sup>1</sup></b>	20%
<b>Discount for IC Coin Usage in Exchange<sup>1</sup></b>	50%
Bank and Brokerage Trading Assumptions	
<b>Fiat vs Fiat Trading in 2019<sup>1</sup></b>	\$2,620,105,679
<b>Fiat vs Traditional Trading in 2019<sup>1</sup></b>	\$5,742,224,914
<b>Growth Rate in Fiat vs Fiat and Fiat Vs Traditional 2020<sup>1</sup></b>	5%
<b>Growth Rate in Fiat vs Fiat and Fiat Vs Traditional 2021<sup>1</sup></b>	5%

<sup>1</sup> All data were taken from INGOT Brokers and adjusted to size and market share.

<sup>2</sup> Data were taken from industry lower quadrant averages in order to provide a conservative approach.

The below chart summarizes the table on the next page, this is to provide an idea what the growth of each component will prevail in terms of revenue.





## All the Ecosystem Combined

In here we adjusted to the timing of each project, given our road map we will not establish all of our ecosystem components at once, but on predetermined stages.

Financial Statements End of Calendar Year			
	2019*	2020	2021
<b>Revenue</b>			
IC Digital Bank	\$57,564,623	\$177,423,477	\$506,806,319
IC Exchange	\$29,422,539	\$91,857,872	\$239,753,007
IC Brokerage	\$51,239,614	\$85,091,659	\$129,152,420
IC ICO Accelerator	\$1,125,000	\$2,028,750	\$3,279,938
IC Crypto Certifier	\$3,964,010	\$5,423,270	\$5,607,167
HQ	\$-	\$-	\$-
<b>Variable Cost</b>			
IC Digital Bank	\$453,103	\$1,263,565	\$3,270,977
IC Exchange	\$9,466,421	\$35,198,558	\$91,118,132
IC Brokerage	\$46,115,653	\$76,582,493	\$116,237,178
IC ICO Accelerator	\$-	\$-	\$-
IC Crypto Certifier	\$2,642,674	\$2,734,622	\$2,826,571
HQ	\$-	\$-	\$-
<b>Fixed Costs</b>			
<b>Salaries And Social Security</b>			
IC Digital Bank	\$13,168,800	\$36,206,471	\$94,676,029
IC Exchange	\$7,879,200	\$9,406,320	\$11,214,280
IC Brokerage	\$599,200	\$692,692	\$859,536
IC ICO Accelerator	\$438,163	\$438,230	\$469,563
IC Crypto Certifier	\$209,440	\$238,501	\$271,878
HQ	\$3,339,200	\$3,698,200	\$4,223,092
<b>Other Fixed Costs (Excluding Depreciation)</b>			
IC Digital Bank	\$20,948,991	\$34,422,612	\$61,016,603
IC Exchange	\$16,427,000	\$1,040,905	\$1,055,019
IC Brokerage	\$10,126,772	\$712,051	\$726,891
IC ICO Accelerator	\$581,300	\$525,863	\$580,450
IC Crypto Certifier	\$618,335	\$576,516	\$580,753
HQ	\$10,951,040	\$892,820	\$999,828
Marketing, legal and PR	\$7,985,000	\$2,147,500	\$2,147,500
<b>Earnings Before Tax</b>			
IC Digital Bank	\$19,993,728	\$102,530,829	\$347,842,710
IC Exchange	\$(11,850,082)	\$38,545,422	\$136,165,577
IC Brokerage	\$(7,102,011)	\$5,586,290	\$11,300,349
IC ICO Accelerator	\$86,204	\$1,041,457	\$2,206,724
IC Crypto Certifier	\$486,628	\$1,866,471	\$1,920,805
HQ	\$(22,307,907)	\$(6,776,520)	\$(7,408,420)
<b>Tax</b>			
IC Digital Bank 30%	\$5,938,137	\$30,451,656	\$103,309,285
IC Exchange 30%	\$(3,555,025)	\$11,563,627	\$40,849,673
IC Brokerage 30%	\$(2,130,603)	\$1,675,887	\$3,390,105
IC ICO Accelerator 25%	\$21,551	\$260,364	\$551,681
IC Crypto Certifier 25%	\$121,657	\$466,618	\$480,201
HQ 25% (Including Marketing)	\$(5,576,977)	\$(1,694,130)	\$(1,852,105)
<b>Net Income</b>			



IC Digital Bank	\$14,055,591	\$72,079,173	\$244,533,425
IC Exchange	\$(8,295,057)	\$26,981,795	\$95,315,904
IC Brokerage	\$(4,971,407)	\$3,910,403	\$7,910,244
IC ICO Accelerator	\$64,653	\$781,093	\$1,655,043
IC Crypto Certifier	\$364,971	\$1,399,854	\$1,440,604
HQ	\$(16,730,930)	\$(5,082,390)	\$(5,556,315)
<b>Net Income</b>	<b><u>\$(15,512,180)</u></b>	<b><u>\$100,069,927</u></b>	<b><u>\$345,298,905</u></b>
<b>2019* Half a year based on the road map</b>			

Number of Employees			
Department	2019	2020	2021
IC Brokerage	10	11	12
IC Exchange and Wallet	100	111	122
IC Digital Bank	200	558	1444
IC ICO Accelerator	32	36	40
IC Crypto Certifier	14	15	17
HQ	41	45	53
<b>Total Number of Employees</b>	<b>397</b>	<b>776</b>	<b>1688</b>

Snapshot of Ratings			
Metric	2019	2020	2021
Earnings Per Share	(\$0.129)	\$0.83	\$2.88
Revenue Per Share	\$1.19	\$3.02	\$7.37
Net Profit Margin	-11%	27.66%	39%



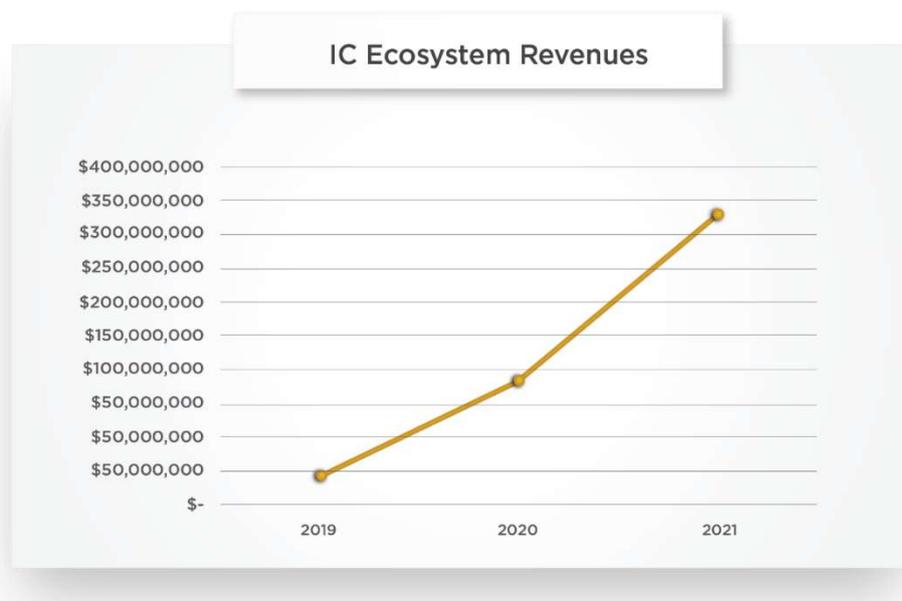
## Valuations

Multiples and discounted cash flow models are the main ways of valuing the company. Given that our cash flows are based on our assumptions taken from the market, we decided to take on the multiples from the market as well. We have chosen our peer group to consist of major worldwide exchanges that are public with transparent published data.

Peer Group:

- CME: Chicago Mercantile Exchange
- NASDAQ: Nasdaq Stock Market
- DFM: Dubai Financial Market Exchange
- S&P: Standard & Poor's
- ICE: Intercontinental Exchange

Valuation Multiples	
<b>Revenue Multiples</b>	
Exchange	Price/Revenue Per Share
CME	15.11
Nasdaq	3.62
DFM	19.31
S&P	7.86
ICE	9.12
Average	11.004
Valuation Discount Factor	50%
<b><u>Multiple Used</u></b>	<b><u>5.50</u></b>





Price to Earnings Multiples	
Exchange	Price/Earnings Per Share
CME	38.31
NASDAQ	23.09
DFM	34.16
S&P	28.97
ICE	24.51
Average	29.808
Valuation Discount Factor	50%
<u>Multiple Used</u>	<u>14.90</u>

For the above tables, we used a valuation discount factor of 50% as we understand the size and historical presence of all of these institutions. These institutions have been in the market for a long time, they build their brand image based on values that are identical to ours. As we grow, this discount will decrease, however to stay conservative we kept it equal for all projections.

### Forecasted Price based on Multiple Valuation

