



# Investor Overview

**3 July 2017**

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**21.2 Trillion-dollar**  
MARKET CAPITALIZATION

**1.2 Billion-dollar**  
MARKET CAPITALIZATION

The **New York** Stock Exchange  
FOUNDED IN 1792 (225 YEARS AGO)

The **Cryptocurrency** Market  
FOUNDED IN 2009 (8 YEARS AGO)

0.49%

**New York** Stock Exchange  
Mkt Cap  
**\$ 21.2 Trillion**

1.6%

**\$ 6.2 Trillion**

**London** Stock Exchange  
Group Mkt Cap

2.29%

**\$ 4.5 Trillion**

**Japan** Stock Exchange  
Group Mkt Cap

2.64%

**\$ 3.9 Trillion**

**Shanghai** Stock Exchange  
Group Mkt Cap

6.31%

**\$ 1.62 Trillion**

**Bombay** Stock Exchange  
Group Mkt Cap

11.95%

**\$ 8.61 Billion**

**Taiwan** Stock Exchange  
Group Mkt Cap

SpotCoin's monthly turnover is  
of the Cryptocurrency Market Capitalization

1.46%

# Foreword



is an over the counter (OTC) market for the buying and selling of crypto currencies such as BitCoin (BTC).

*The company was founded in November 2016 to meet growing demand for quick entry and exit of BTC positions by large merchants and traders. Operations started in December of 2016 to a selected customer base in order to limit trades during the mobilization period.*

The initial objective was focused on immediate delivery of fiat to each customer concentrating efforts on rapid funds transmissions. SpotCoin has already matured in just six months into an established cryptocurrency interface with responsive customer support and communication throughout the trading experience.

This document is intended to educate potential investors on the opportunity, capture all current financial records for information analysis, demonstrate future market potential and shed light on the near term and future goals of the company. Additionally, SpotCoin's leadership have limited the distribution of this opportunity to a handpicked pool of candidates with the understanding that the investment is not purely monetary but rather commensurate with SpotCoin's company strategy and mission of selecting the best partners for company alignment.

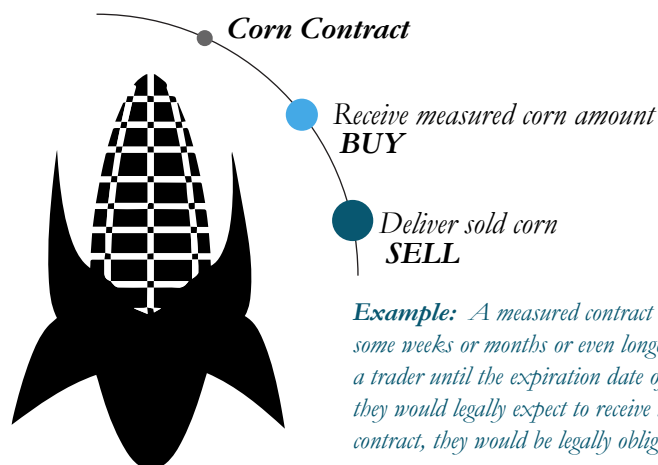
**Andrew Thornhill**

*Founder & Chief Executive Officer*

***SpotCoin Mission: Don't wait, get paid now***

# Company Overview

The name SpotCoin comes from Mr. Thornhill's work experience from the Board Trade in Chicago when he was the desk manager for the trading company Rosenthal Collins at the Mid-American desk. He oversaw thousands of trades in commodities, financial products and foreign currencies in the futures market. In the futures market, traders would speculate on natural spreads between buying and selling a future product.



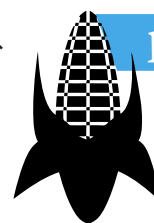
**Example:** A measured contract of corn would be bought or sold on the condition that it was delivered some weeks or months or even longer in the future. Occasionally, a commodity contract would be held by a trader until the expiration date of the contract – meaning that if the trader held a buy contract of corn, they would legally expect to receive the measured amount of corn by a certain date. If the trader held a sell contract, they would be legally obligated to deliver the contracted measure of corn.

As the trading desk manager, Mr. Thornhill would occasionally have to deal with these expired contracts – especially if the trader did not want to actually take delivery of the corn or if the trader did not have the corn to give. There is an entirely different market to the futures market called the Spot market. While the futures market measured the price of a commodity at a future date, the Spot market measured the price of the commodity at the present. The Spot price of a commodity is always different than the futures price. The Spot price of corn includes the price of delivery, insurance, storage, measurement and all other related fees.

**\$3.25 USD**



**\$3.00 USD**  
per bushel



## Spot Market

If a trader sold a future contract of corn at **\$3.00 USD** per bushel, they would expect to pay a different price on the Spot market, possibly bit more, like **\$3.25 USD** but also possibly less if the market price had gone down.

## What is a 'SPOT TRADE'

A spot trade is the purchase or sale of a foreign currency, financial instrument, or commodity for immediate delivery. Most spot contracts include physical delivery of the currency, commodity or instrument; the difference in price of a future or forward contract versus a spot contract takes into account the time value of the payment, based on interest rates and time to maturity.

<http://www.investopedia.com/terms/s/spottrade.asp>

Mr. Thornhill found that the real market of cryptocurrencies like Bitcoin (BTC) was more similar to a futures market, and less like a real-time market. There are numerous exchanges that post trade data, with the price of BTC fluctuating – often widely – on a day and certainly over time. But the exchange pricing did not represent the REAL price of cryptocurrency. Large trades, of more than \$10,000 USD equivalent were not represented in the posted exchange data. A true exchange has free-flow of fiat to cryptocurrencies but larger trades were blocked or held up, or limited in true exchange.

**With leading services like Coinbase.com, Kraken.com, BTC-E, Bitstamp.com, Cex.io, Gemini.com withdrawal could easily take you up to 3 to 5 business days.**

**SpotCoin** was developed due to numerous traders, merchants and other individuals and companies that were looking to make faster entries and exits to BTC. **Mr. Thornhill** created an over the counter marketplace for large buyers and sellers to trade their BTC and fiat by utilizing a spread between the buy and sell for immediate action. This spread is created by many buyers and sellers working in tandem. The trade takes place on the **SpotCoin platform** of international banks, escrow accounts, crypto wallets and software.

**SpotCoin** is a working and growing entity that is daily helping clients quickly buy and sell BTC positions. Each trade is vetted manually and accounting is checked and then double each trade is executed.

**SpotCoin** makes a profit on each trade as a flat rate charged to each fiat side transaction.



**Andrew Thornhill**

November 2016

**Spotcoin founded by Andrew Thornhill**

December 2016

**Operations Start**

January 2016

**Average 1.5 million Euro monthly turnover**

February 2017

**Sustained 1.5 million Euro monthly turnover**

March 2017

**First large trades on both sides of the coin**

April 2017

**Profit exceeding 10k euro on larger trades**

May 2017

**Seeking investment of 500k USD, completed beta version of Spotcoin.net**

June 2017

**Subscription agreement completed for investment, completed backoffice and invoicing system**

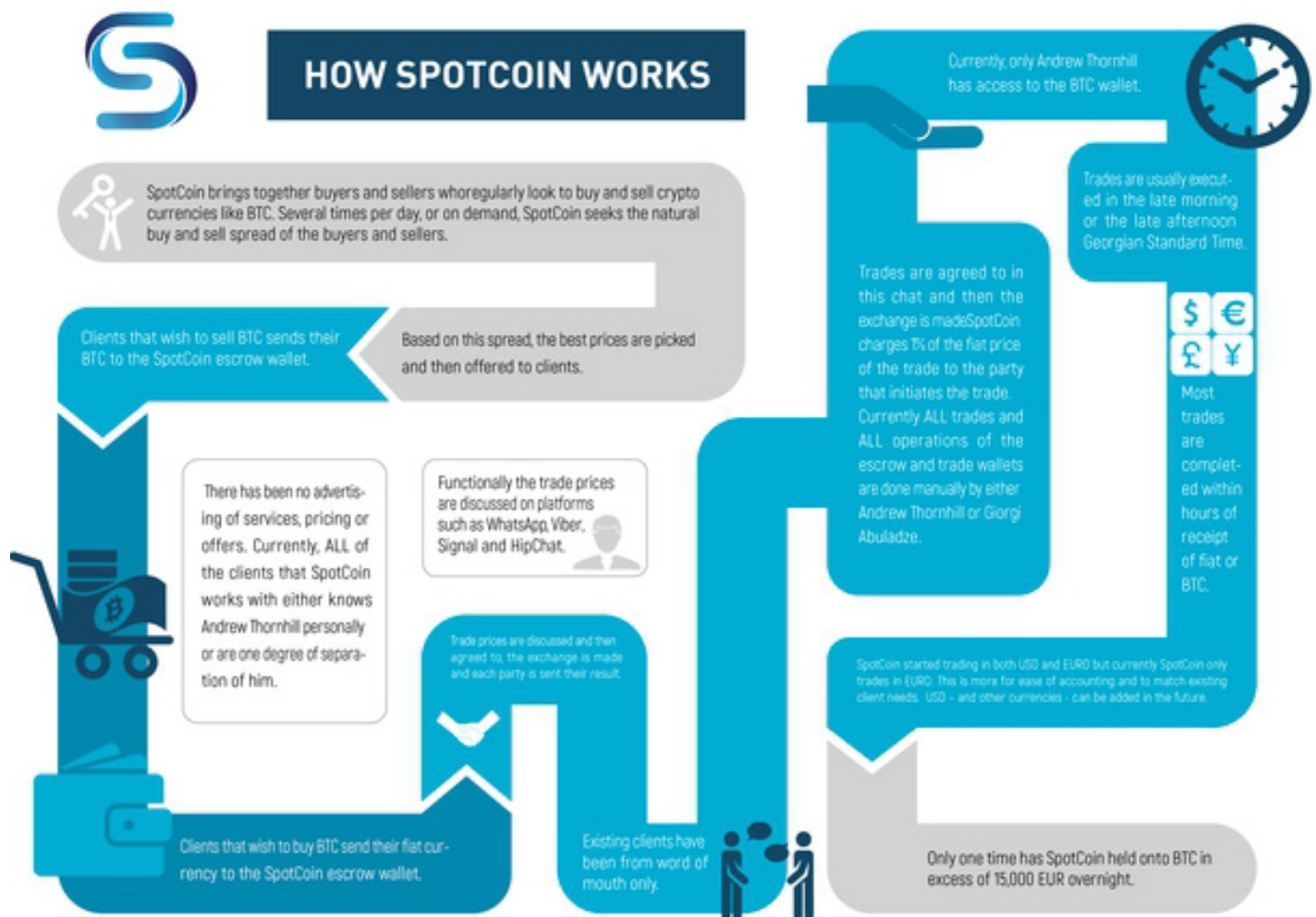
July 2017

**v2 of Spotcoin.net, work will start on coin to coin transaction system with digital wallets**

August 2017

**Spotcoin Online (Projected)**

# How SpotCoin Works



# Target Audience

Our current users are a consortium of businesses and large-scale clients that require fast position trades. SpotCoin focuses on rapidly moving customers in and out of cryptocurrency trades allowing them freedom to receive quick fiat payments for future transactions. Most SpotCoin clients who desire to have same-day fiat fall into the following categories:

- Large merchants that accept BTC payments;
- Individuals who receive BTC payments;
- Clients who utilize BTC to make payments or as an investment

“SpotCoin

allows my company to rapidly obtain fiat from each trade the same day compared to other sites which takes days to recover our currency...”

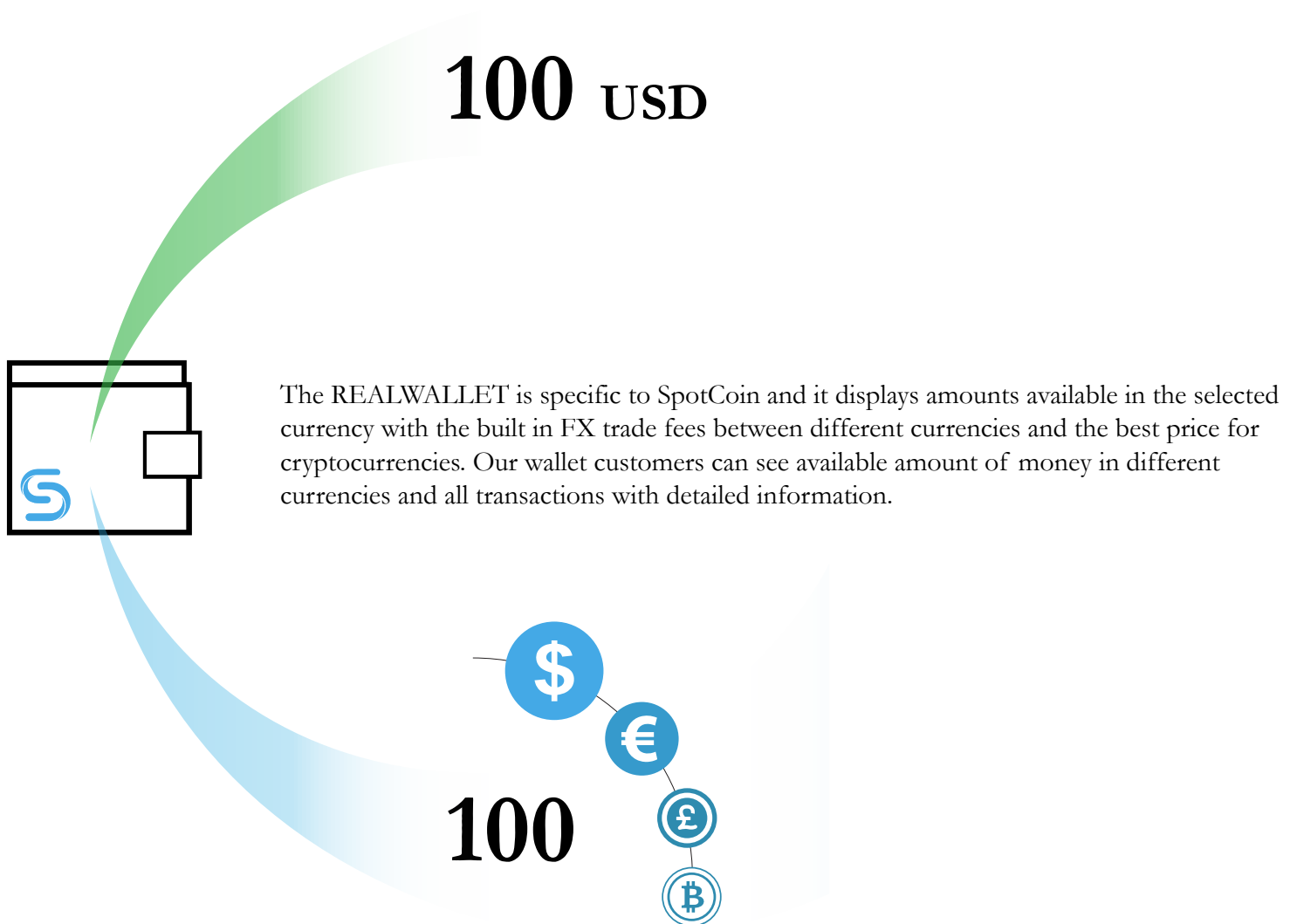
Joe Smith, Trading.com CEO

“When I use SpotCoin, I can immediately get my money back rather than wait days for returns...”

Susan Johnson, Private Investor

# Realwallet

Get rid of your old wallet | Use our REALWALLET

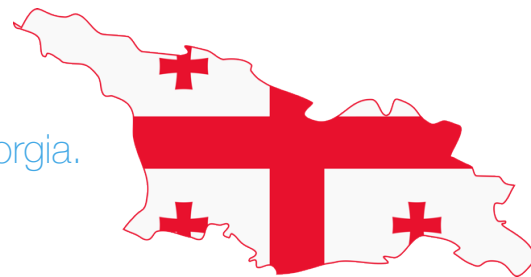


Example: If a customer has **\$100 USD** in their account, the REALWALLET will display the corresponding amounts in **Euro and British Pounds (or other currencies)** post – FX fees, and a corresponding BTC amount post – SpotCoin fees.



# Legal Overview

SpotCoin is currently incorporated in the country of Georgia.



51%



Andrew Thornhill

16.33%



Giorgi Abuladze

16.33%



Natalia Khizanishvili

16.33%



Guram Rukhadze

The country of Georgia does not currently regulate cryptocurrencies. The cryptocurrency Bitcoin is widely understood due to heavy investment in the country on behalf of BitFury, a company owned in part by Richard Branson. Bitcoin trades and banking for Bitcoin is allowed by any company that owns a Payment Service Provider license. Tax on trades is calculated as a commodity. Profit from trades is declared and taxed at 15%.

**The ownership structure and incorporation country is negotiable upon further investment.**

# Executive Management Team

Andrew Thornhill

Founder & CEO



51% Owner

1,275,000 SpotCoin Shares

“God first, family second, all else after...”

## School

- University of Chicago, B.A. Political Science & Russian Language
- Russian State University, Political Science & Language

## Work

- Director/Owner, SuitePay Holdings Georgia
- Director of International Business Development, Billpro
- Business Development, Intabill
- Director/Owner, Global Clear Merchant Services
- Operations Manager, Industrial Metals and Manufacturing

Giorgi Abuladze



16.33% Owner

408,200 SpotCoin Shares

“Start where you are, use what you have...”

## School

- University of Texas - Austin, Software Development Training
- Georgian Technical University, Bachelor of Civil Law

## Work

- IT Projects Coordinator, Bank of Georgia
- Tbilisi Taxi, Managing Partner
- Guarantee Manager, Bank of Georgia
- Managing Partner, GeoJewellery
- Factoring Manager, Bank of Georgia
- IT Manager, Wissol Petroleum

# Executive Management Team

Natalia Khizanishvili

CCO



16.33% Owner  
408,200 SpotCoin Shares

“The best way to learn is to try...”

## School

- Caucasus University, Bachelors of Marketing
- Tbilisi State University, Political Science & Language

## Work

- Head of Banking Cards Department, JSC Terabank
- Head of Electronic Commerce, JSC Capital Bank
- Head of International Electronic Commerce, JSC Liberty Bank
- Electronic Commerce Manager, JSC Bank of Georgia
- Electronic Commerce Manager, JSC Cartu Bank

Guram Rukhadze

CDO



16.33% Owner  
408,200 SpotCoin Shares

“Luck has no limits...”

## School

- Caucasus University, Bachelors in Business Administration

## Work

- Consultant, SuitePay Holdings Georgia
- International Project Manager, QIWI International
- Project Manager, QIWI Georgia
- Project Manager, Happy Group LLC

# Commission Breakdown (Agency)

Spotcoin utilizes an agency model whereby agents can bring crypto currency trades to SpotCoin and charge a fee up to 1%. Any fee charged by an agent or ISO that is greater than 1% is split 50/50 by the agent and SpotCoin.

SpotCoin pays the agency markup fee at the same time that the fee is charged to the client. There is obvious benefit to the agency to seek out SpotCoin to handle crypto trades. SpotCoin has paid out thousands of fiat in agency.

**Currently about 50% of the business that SpotCoin does is driven by an agent.**

# Commission Breakdown (Individual)

SpotCoin operates both sides of the spectrum creating profit opportunities for buying and selling of cryptocurrency through a 1% fee. **This fee is imposed for each transaction**



By nature and by design, SpotCoin is price agnostic towards crypto currencies. Because SpotCoin handles both the crypto-currency side of the transaction as well as the fiat side of the business, SpotCoin has currently chosen to be paid by fiat. This can change in the future. But the price of the coin does not directly affect SpotCoin and does not change the liability or direct trading opportunity of the coin to fiat business.



However, as **SpotCoin has grown from November 2016, currently trading over 1 million Euro equivalent per month**, numerous opportunities have arisen where buyers and sellers initiate trades the same day. In this case, supply exists for both sides of the trade and thus the natural spread can be enjoyed by SpotCoin in addition to the 1% charged rather than just the 1% fee. In many cases, the spread between the buy and sell can be greater than 5%. In each case where there is both a buy and sell of BTC, SpotCoin has enjoyed an additional profit by working within the natural buy and sell. Operationally, SpotCoin picks a spread price that is better for the clients than the natural spread, usually the executed spread is greater than 2-3%. SpotCoin still charges a 1% fee on top of this.

<b>28 April 2017 (Seller)</b>	150 BTC @ €1,180.00 = €177,000.00 x 0.5% (Agent Fee) – €885.00
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<b>28 April 2017 (SpotCoin)</b>	150 BTC @ €1,202.00 = €180,300.00 x 1% (SpotCoin Fee) – €1,770.00
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<b>9 June 2017 (Seller)</b>	180 BTC @ €2,285.00 = €411,300.00 x 0.5% (Agent Fee) – €2,056.50
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<b>9 June 2017 (SpotCoin)</b>	180 BTC @ €2,320.00 = €417,600.00 x 1% (SpotCoin Fee) – €4,113.00
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<b>09 May 2017 (Seller)</b>	40 BTC @ €1,468.00 = €58,720.00 x 0.5% (Agent Fee) – €293.60
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<b>09 May 2017 (SpotCoin)</b>	40 BTC @ €1,500.00 = €60,000.00 x 1% (SpotCoin Fee) – €587.20
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# Company Valuation

Annual Earning before  
interest, taxes, depreciation, and amortization

€ 18,000,000.00

**Gross Revenue\***

207,000 USD

**Earnings**

Excess compensation paid  
to owners

€ 0.00\*\*

Anticipated rate of earnings/  
compensation growth

35%

Number of years earnings are  
expected to continue

5 Years

Level of  
business/industry/financial risk

Medium-High / High

Discount for lack of marketability

25%

*\*Forecasted amount for FY2017*

*\*\*No revenue has been distributed yet; however, in the future this could change*

*\*\*\* <http://www.calcxml.com/calculators/business-valuation>*

SpotCoin currently owns the following assets:

\$15,000 USD

20,000 EUR



A client list of active traders numbering more than 20 individuals and companies



The domain spotcoin.net  
(Spotcoin is in talks to obtain Spotcoin.com)




All software that is represented on SpotCoin.net



Production servers and computers

 \$1,275,079.00

 \$5,100,314.00

 13.5%

 \$11,300,163.00

**Estimated business value**

\$3,825,236.00



Less adjustment for small size/lack of marketability



Present value of today's earnings/excess compensation



Calculated discount rate



Total future earnings/excess compensation

# Company Liability

SpotCoin currently holds zero liability for all trades. This is true both of the crypto currency wallet as well as the fiat wallet. All trades are done at the risk of the client and while we have had no problems with missing crypto currency or fiat money, SpotCoin carries no liability for missing amounts on either side.



SpotCoin does carry liability when the quoted price is not delivered. The price that is agreed to by the client and by SpotCoin is carried through the exchange transaction. SpotCoin did have one instance of an incorrect price quoted to a client and a different price delivered through the exchange. This resulted in a one-time loss of 145 EUR and a change in price confirmation practices. This mistake also resulted in the wire-framing of a complete accounting system for SpotCoin that is being developed by the staff programmers

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## Current undertakings:

Taking spotcoin.net live and allowing for trade data to interact with clients by moving money and BTC in the real world. The ETA for Summer 2017

Creating an API – several prospective clients to SpotCoin have asked for an API to allow for direct connection to the SpotCoin payment system. The features asked for are: ability to retrieve spot market pricing, ability to buy and sell at spot price, the creation of BTC and fiat wallets, ability to settle BTC and fiat to specified wallets.

The ETA for this API is June 15, 2017.

Creating the platform for BTC to BTC trades and charging BTC for transactions. The ETA for this is August, 2017.

Creating a complete accounting program to track all trades and all pricing as well as deliver invoices to clients (not requested yet by any client) on demand. As SpotCoin does more and more buy and sell side business, the accounting is becoming more complex.

## The following components are needed and will come with future development:

Developing a BTC node in order to program more closely to the block chain source and measure trades and approvals more efficiently

Integration into a real-time FX system to provide multiple currency support on the fly and in volume

Developing support for additional crypto currencies such as Ethereum and Ripple

Adding support for merchant processing in a secure environment

Adding support for debit card issuing against the fiat or crypto currency

Adding support for the full range of SWIFT products

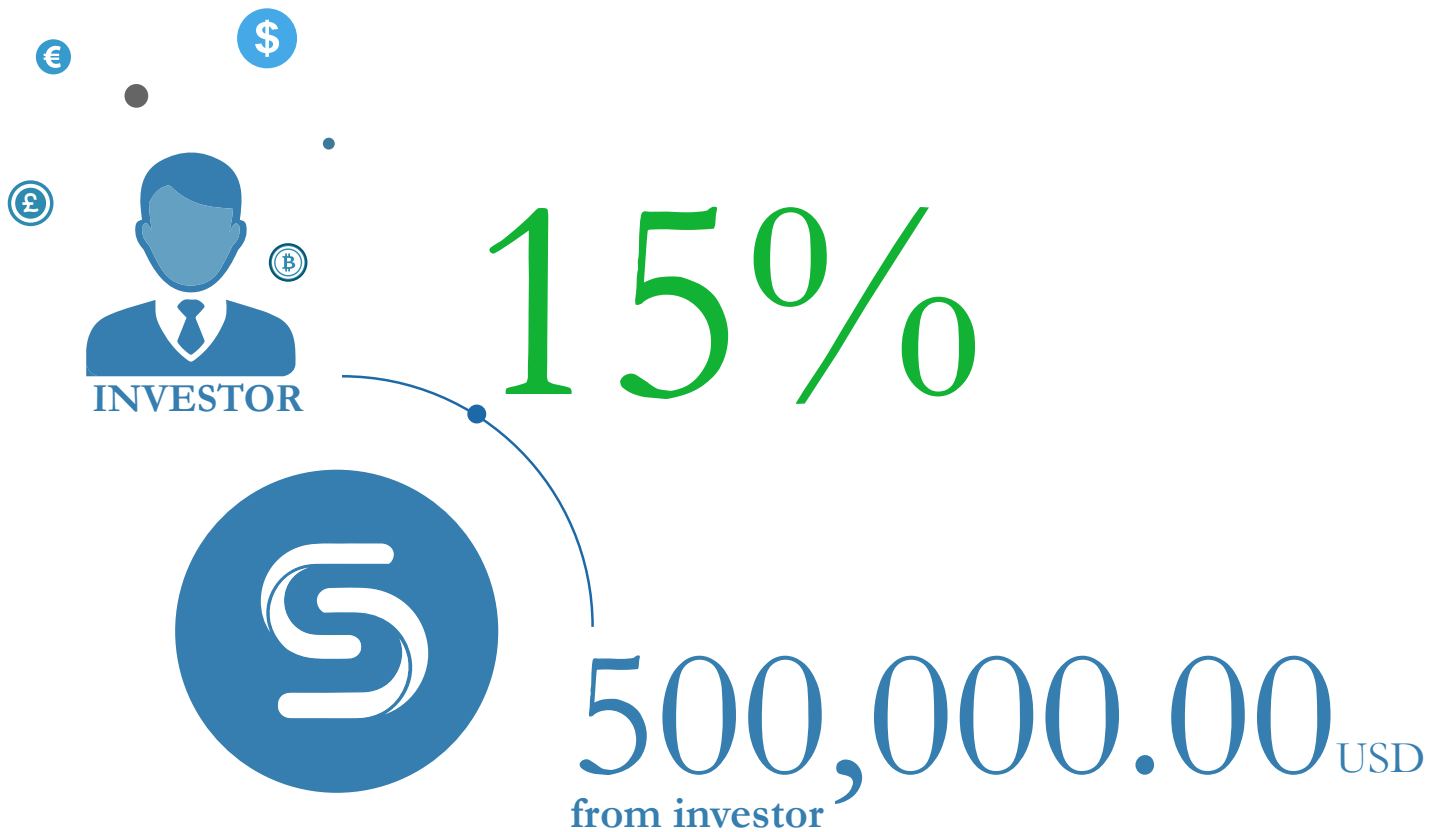
# Look into the Future

SpotCoin is looking to raise capital for the purpose of building additional components and features of SpotCoin.net to attract more clients.



# Appendix 2: Investment Opportunity

SpotCoin is seeking \$500,000.00 USD from investors for 15% of the company. SpotCoin leadership would be willing to break the investment into \$50,000.00 blocks if the investor is endorsed by an executive management member and approved by the CEO.



# Five Year Snapshot

