# Rocket DAO DueDil for

**Multy** — Cryptocurrency and assets open-source wallet

The full version
of the report:

January 2019

# Company overview

# Multy

Multy is an open-source multisignature wallet for Bitcoin and Ethereum cryptocurrencies and ERC20 tokens.

www.multy.io

| Round | Equity | Capital Seeking |
|---|---|---|
| **Seed** | **10%** | **1 000 000 $** |

| Business Type | Headquarters | Legal Registration |
|---|---|---|
| **B2B, B2C** | **Minsk, Belarus** | **Minsk, Belarus** |

Investments
**Pre-seed - 40 BTC from Cyber Fund in November, 2017**

Geographic focus:
**The USA, Europe, Canada; less on post-Soviet region.**

## Product  | MVP released |

Multy is a new generation cryptocurrency wallet which turns payments into pure pleasure with the help of:

1. Air payments without requesting Internet connection, sharing geo-location, any personal data;
2. Contact list with wallet numbers of all those whom you have made transactions to;
3. Currency converter letting you set the transaction's amount and see balance in fiat ;
4. Multisignature for joint capital control;
5. Highest security level: Multy doesn't store any personal information;
6. Simplicity: setting up a wallet takes only two taps with only one seed phrase for all crypto-assets;
7. Privacy: all private keys are encrypted on the owner's phone;
8. A browser for decentralized applications implemented within our mobile application.

## Problem

Of cryptocurrency users: evident lack of secure, convenient and multi-functional wallets protecting users personal data and providing the best experience transferring assets.

Of vendors: complicated and expensive access to cryptocurrency users.

## Solution

Multy is a mobile cryptocurrency wallet that solves the problem of users' data and assets safety while providing a user-friendly and intuitive interface and experience for the community.

We care about security, so if anyone tampers with your device, we delete all sensitive data permanently.

## Founders  | Team size: 9 |

**Vadim Makovsky**
CEO, Android Developer

**Vasily Nemkov**
CTO

**Pavel Klybik**
C++ / Go Developer

**Alexandr Prokopchuk**
Lead iOS Developer

## Business model

Monetization hypotheses of the application:
- In-wallet exchange commissions;
- Multisignature setups;
- Donations from the wallet's users;
- DApps partnerships and integrations;
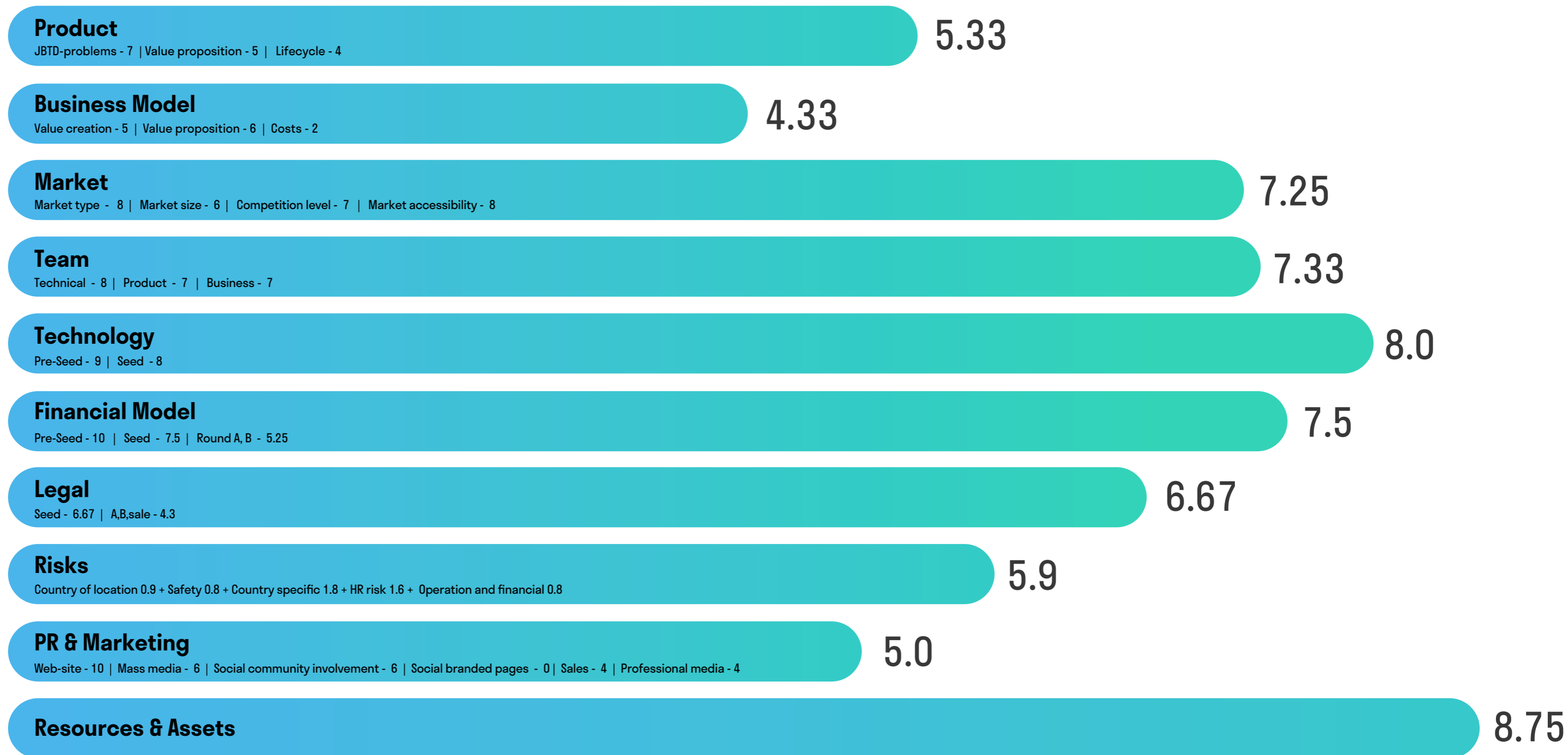- Partnership programs with other market players.

## Market

The market is young but a fast-growing one with the number of blockchain wallets users reaching 29 mln today.

This is a globally scalable market. The USA, Northern Europe, Asia, and post-Soviet area are of our primary interest.
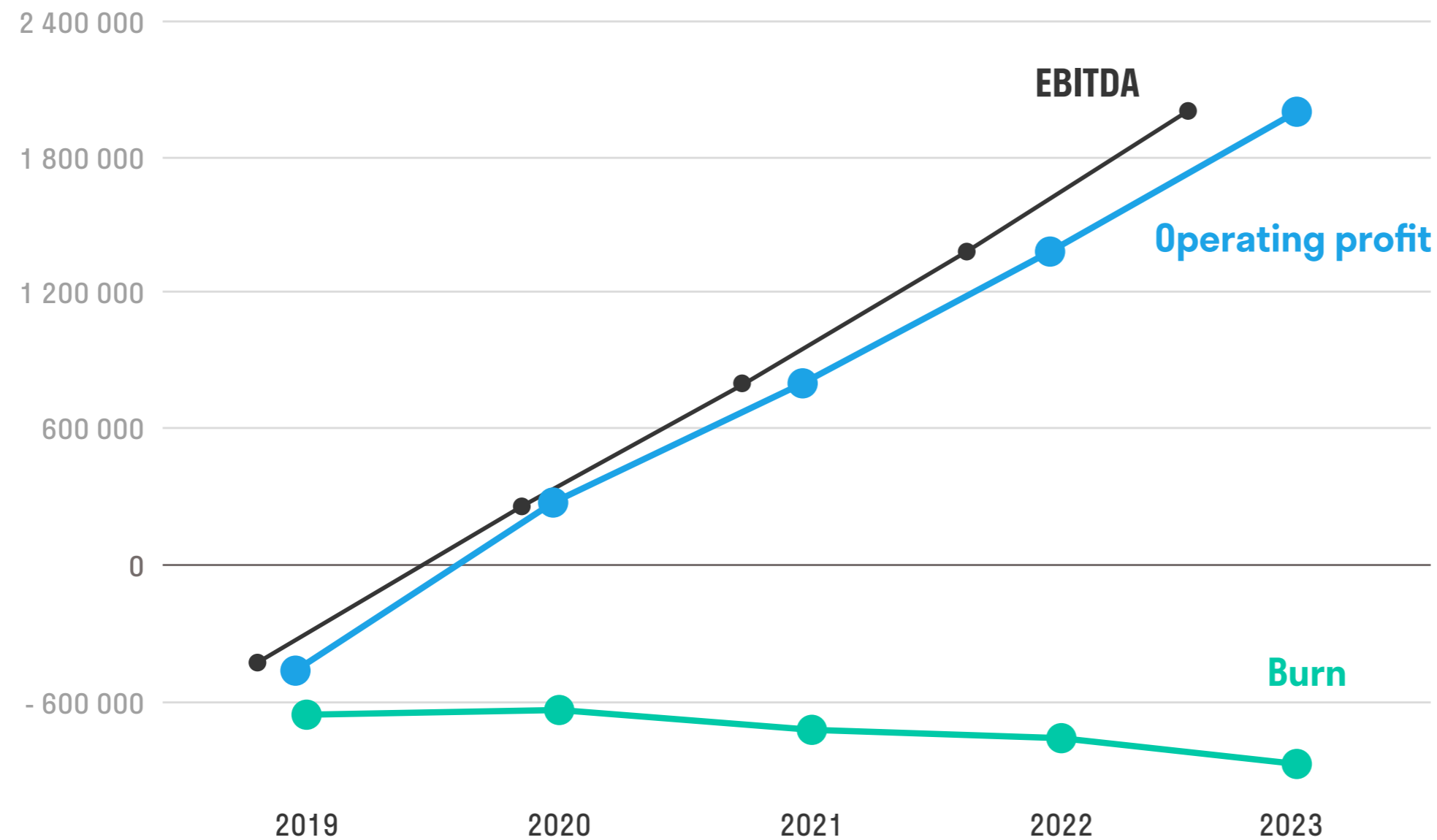
# Final evaluation scores

**Total for Seed Round** **6.61**

**Product**
JBTD-problems - 7 | Value proposition - 5 | Lifecycle - 4
**5.33**

**Business Model**
Value creation - 5 | Value proposition - 6 | Costs - 2
**4.33**

**Market**
Market type - 8 | Market size - 6 | Competition level - 7 | Market accessibility - 8
**7.25**

**Team**
Technical - 8 | Product - 7 | Business - 7
**7.33**

**Technology**
Pre-Seed - 9 | Seed - 8
**8.0**

**Financial Model**
Pre-Seed - 10 | Seed - 7.5 | Round A, B - 5.25
**7.5**

**Legal**
Seed - 6.67 | A,B,sale - 4.3
**6.67**

**Risks**
Country of location 0.9 + Safety 0.8 + Country specific 1.8 + HR risk 1.6 + Operation and financial 0.8
**5.9**

**PR & Marketing**
Web-site - 10 | Mass media - 6 | Social community involvement - 6 | Social branded pages - 0 | Sales - 4 | Professional media - 4
**5.0**

**Resources & Assets**
**8.75**

# Important financial metrics (forecast in U.S. dollars)



**As at the end of 2019:**

Revenue total = 253 039 $
Gross profit = 134 421 $
Profit margin = 53 %
Operating profit = - 367 513 $
EBITDA  = -373 302 $
EBITDA margin total = -148 %
COS = (-)118 617 $
CAPEX = (-)35 400 $
OPEX = (-)399 702 $
Personnel = (-)220 800 $
Burn = (-)650 130 $
G&A expenses = (-)139 434 $
Selling expenses = (-)362 500 $
WACC = 17 %
ARPU = 2,66 $
Average CAC = 1-1.5 $
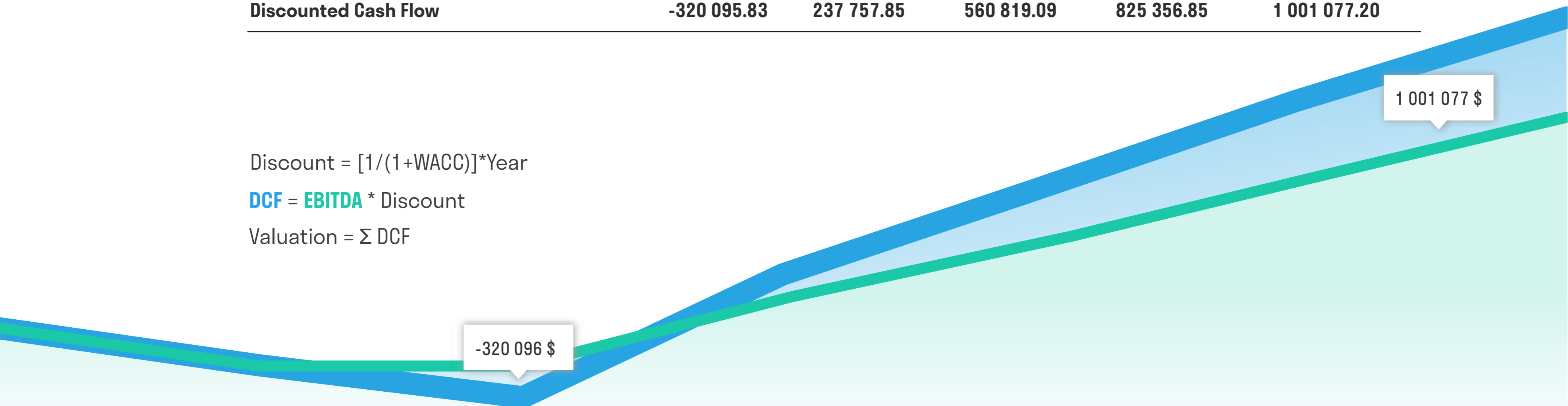App active users = 663 369
Total installs = 2 211 230

# Expert valuation

## Income method

| Evaluation parameters | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| **WACC** | 17% | 17% | 17% | 17% | 17% | 17% |
| **EBITDA** | -373 302.16 | -373 302.16 | 323 367.10 | 889 537.47 | 1 526 735.13 | 2 159 583.47 |
| **Discount** | | 0.86 | 0.74 | 0.63 | 0.54 | 0.46 |
| **Discounted Cash Flow** | | -320 095.83 | 237 757.85 | 560 819.09 | 825 356.85 | 1 001 077.20 |

Discount = [1/(1+WACC)]*Year

**DCF** = **EBITDA** * Discount

Valuation = Σ DCF

1 001 077 $

-320 096 $

# Roadmap for 2019

| | January | February | March | April | May | June | July | August | September | October | November | December |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Marketing, user base growth | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Exchange function | ■ | ■ | | | | | | | | | | |
| EOS import wallet | | ■ | ■ | ■ | | | | | | | | |
| EOS create wallet | | | ■ | ■ | | | | | | | | |
| EOS DApps browser | | | | | ■ | | | | | | | |
| Bitcoin SegWit* protocol | | | | | | ■ | | | | | | |
| Bitcoin Multisig wallet create | | | | | | | ■ | ■ | | | | |
| Bitcoin Multisig wallet import | | | | | | | ■ | ■ | | | | |
| ERC721 Tokens implementation | | | | ■ | ■ | | | | | | | |
| Fiat-2-Crypto gateway | | | | ■ | ■ | ■ | | | | | | |
| Paid chains integration | | | | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ |

*Segwit, or Segregated witness - is the process by which the block size limit on a blockchain is increased by removing signature data from Bitcoin transactions.
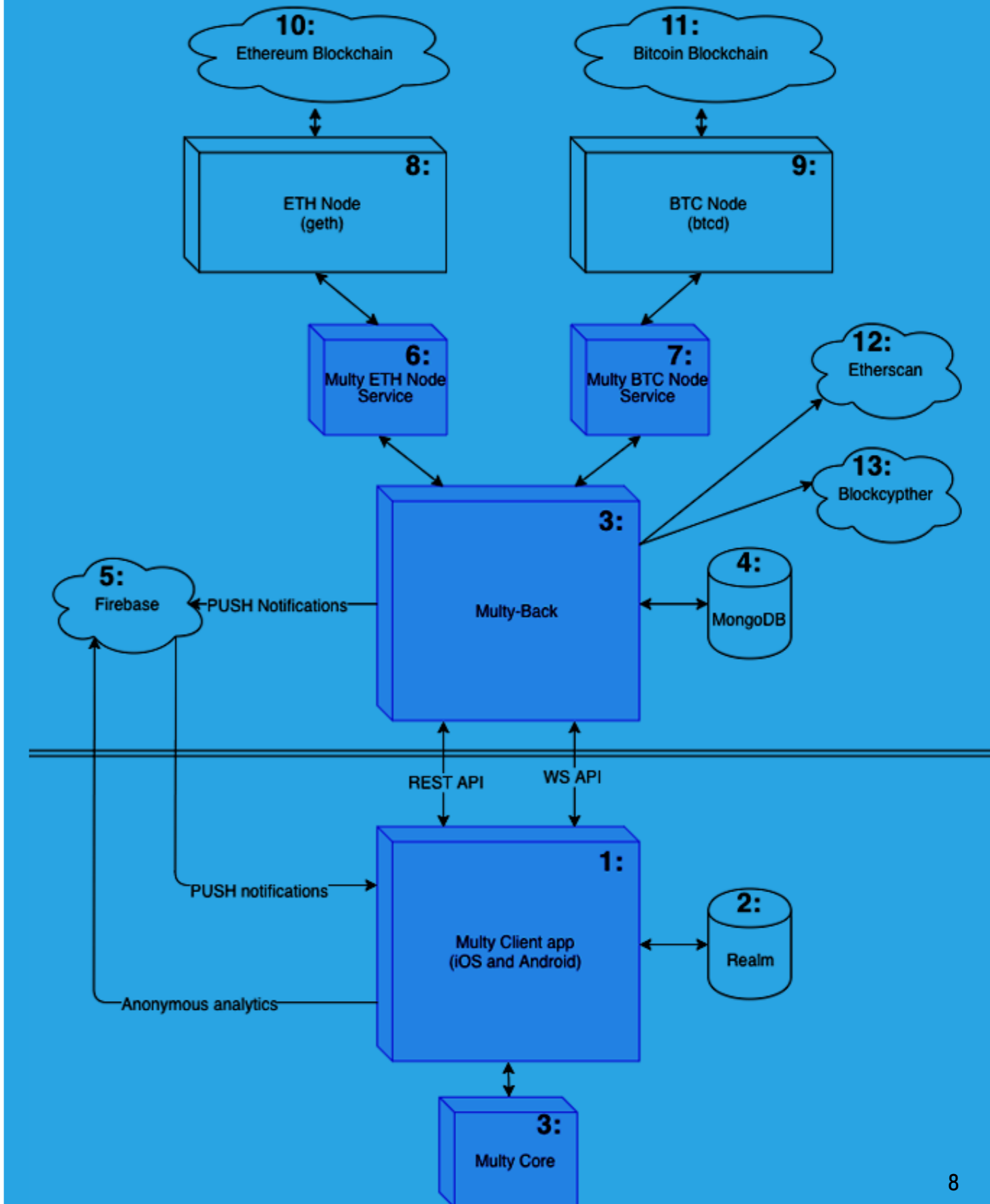
# M Project overview

## Algorithm

Key point of the project is to **simplify user access to blockchain** without compromising security of the owned funds.

### That means:
- Native Apps for iOS (Swift) and Android (Java) ensure that it is hard to inject malicious code into or codebase;
- Transactions are made on user device;
- All cryptography is done on user device;
- Private keys and seed phrase never leave the user device;
- Private keys and seed phrase are stored and properly encrypted in a manner that prevents adversary from accessing these even if they obtain a copy of the Data Base;
- Back-end provides a caching layer and stores information that is public anyway - Cryptography is top-notch: we use the same libraries as reference;
- Implementations of Bitcoin (namely, Bitcoin core) and Ethereum (Ethereum-cpp) do for generating transaction signatures, that is libsecp256k1.

# Competitive analysis

## Direct competitors

There are three key competitors on the Web 3.0 market (the DApps, to be exact):

**Jaxx, Trust Wallet and imToken.**

| Feature | Jaxx | Trust Wallet | imToken | Multy |
|---|---|---|---|---|
| Opensource | - | + | - | + |
| Native mobile development | + | + | + | + |
| Desktop clients | + | - | - | + |
| Web extension | + | - | - | + |
| Transaction fee | + | - | - | - |
| HD Wallet | - | - | - | + |
| PIN/Fingerprint | - | + | + | + |
| Contacts | - | - | - | + |
| Airdrop payments | - | - | - | + |
| DApp browser | - | + | + | + |
| Multi crypto-assets | + | - | - | + |
| Exchange | + | - | - | + |

At the same time, there are various **wallets** for each crypto coin in the relevant niches of the segmented market (for Ethereum, Bitcoin and so on).

**Jaxx**

Multi-platform wallet supporting over 70 digital assets and tokens.

500k+ installs
3.2 overall rating

**Trust Wallet**

Secure wallet for Ethereum, ERC20, ERC223 & ERC721 tokens.

100k+ installs
4,7 overall rating

**imToken**

A wallet enabling multi-chain asset management, DApp browsing and secure, private exchange of value.

50k+ installs
4,4 overall rating

# Team leaders. Business and product

## Vadim Makovsky
### Founder, CEO, Product owner, Lead android developer

**Leader, expert in blockchain technologies and mobile development.**

Key technical and product achievements:
- Proficient mobile developer with more than 5 years experience;
- Took part in the creation, management and development of more than 15 mobile apps (as technical director, android developer and project manager);
- He is a graduate of Imaguru Blockchain Academy - the first Blockchain academy in Belarus;
- Winner of Imaguru Blockchain Hackathon (AppsCrunch team), Datathon and several more hackathons.
- IT entrepreneur with more than 10 years experience;

- Last year he sold his mobile workout application My coach which now has more than 1 000 000 installs;
- Graduate of international startup accelerator TechMinsk;
- Pitching master and expert in business networking;
- Fundraiser.

Youtube links to public speeches at Cyber Fund meetups:
- Multy against other blockchains.

BlockShow Oscar Berlin 2018:
- Multy finalist pitch.

# Team leaders. Development

# Vasily Nemkov
## Co-founder, CTO, Multy Core developer

**Cross-platform architecture, blockchain expert.**

Key relevant characteristics are as follows:
- Vasily has been coding in C/C++, Python for Linux,
  Windows, Mac (and what not) for more than 15 years;
- Contributed to the development of more than 6
  great projects (a graphic editor, VoIP-clients and
  messengers);
- While working for wargaming.net held a team lead
  position and contributed to 4 times nodes traffic
  reduction;
- Worked on Yandex Browser development.

Youtube links to public speeches at:
Cyber Fund meetups
- Multy's core
- Multy's ERC20 tokens C++

CoreHard 2017
- Reflection in C++

C++ CoreHard 2018
- The core of a cryptocurrency wallet Multy.

# Rocket DAO experts

# Rocket DAO Expert
## EVALUATION METHODOLOGY

## **Rocket DAO Expert** is a decentralized expert community that unites specialists in startup and investment analysis.

**Methodologies**

An expert develops a methodology for one of the evaluation parameters.

**Expert evaluation**

Expert community reviews this methodology and decides whether it approves it or not.

**Startup**

Only then this methodology is used for the evaluation of the real projects.

## What is Rocket DAO platform?

Rocket DAO is a place where ambitious startups gain independent expert reviews and hands-on assistance so that they can set up a fundraising campaign.

## Who are Rocket DAO experts?

As of now, expert community counts to 50+ professionals from different corners of the world, including the United States, Germany, United Kingdom, Japan, Belarus, Czech Republic and many more.

## What is the aim?

We build this community in order to:
- provide unbiased, transparent, honest due diligence for innovative projects;
- accelerate and boost the best startup teams;
- share and broaden expert knowledge in startup and investment analysis;
- systematize and develop methodologies for startup evaluation.

**Evaluation system is is based on a 10-point scale.**

**Expert community has already developed 15 evaluation methodologies for 10 predetermined parameters:**

**Product**
1. Project's product
2. Technologies

**Security**
3. Legal
4. Risks

**Team**
5. Project's team potential

**Business model**
6. Business model
7. Market size and structure
8. Tokenomics / Financial model
9. Assets and resources
10. Marketing and promotion

You can find more information in the Knowledge base.

# Rocket DAO
# Expert evaluation team and their recommendations

## Andrew Kuryan
TRIZ trainer, EPAM Systems

### Product
1) Validate the readiness of retail customers to buy the ads placed in the user's wallets;
2) Test if ads will influence customers' behavior in the application.

### Business model
1) Shift the focus from the wallet as a product to the product as a tool for providing advertising;
2) Consider value proposition for advertisers;
3) Find other monetization options.

## Alexander Drobyshevski
Chief Innovation Officer, ISsoft

### Market
Define customers more carefully (user/merchant store). State patent protection on any part of the solution. Investigate the market of merchants who are ready to sell their products/services using cryptocurrencies. Cooperate with fintech startups to enter p2p market.

### Marketing and PR
Establish a strong and regular communications campaign to attract leads. Research the market of the merchants which Multy could use for cross-promotion.

## Sergei Lavrinenko
Blockchain advisor

### Team
Potential of the team is very high for a startup.

Here is the summary:
- Vasily worked as a team leader in Wargaming with more than 10 years overall experience.
- Vadim worked in mobile industry more than 5 years, but taking into account his managing positions and portfolio with products, I decided to put 7.
- Vadim made his mobile app with 1 mln downloads and sold it. This is classified as a successful exit.

## Henadzi Koltun
Founder and CEO ib.by

### Technology
Multy hasn't provided some necessary documents and conclusive proofs that they can serve a large number of users and scale worldwide. Still, they have good technologies considering their current user base. But I wonder if they manage to support their systems should the workload increase by a hundred times.

The same applies for the next round. They haven't conducted any security audit yet. If we are talking about the long-term planning and financing this is crucially important.

# Rocket DAO
# Expert evaluation team

## Sergey Mikhailov
ACCA, Managing Partner, RegisConsult

### Financial model
Include actual cash flow (both inflow and outflow) of the company in the business plan. Analyze costs structure and optimize sales expenditures, at the same time restructure marketing campaign. Include both optimistic and negative scenarios of the business development.

### Risks
Strengthen HR function, take care of better working conditions. Pay attention to financial planning, costs control and the quality of financial management.

## Valery Kot
TRIZ trainer, EPAM Systems

### Resources and assets
Multy has very good results on the parameter Resources and assets.

But the team hasn't provided costs of attracting new customers - only forecasts, so it will be better to start their marketing campaign soon to get new customers, but anyway it's good that the project takes into consideration the budget for getting new customers.

## Vsevolod Sanchuk
Chief Legal Advisor, BSU

### Legal
The main weakness of the project includes insufficient regulation of the team members duties. Employees are not bound by the obligation of non-disclosure of trade secrets.
There are difficulties with confirming the transfer of exclusive intellectual property rights from employee sto the company.

Besides, in Belarus legalization of legal relations with the help of smart contracts is currently allowed only to High Tech Park residents (while Multy are not).

# Rocket DAO

We evaluate startups &
introduce them to investors.

Rocket DAO is your **Project Due Diligence companion** should you be an innovative **startup** seeking recognition or an **investor** requiring a thorough assessment for the potential investment idea.

Learn more about the project on our website rocketdao.io
Contact us out for more details via support@rocketdao.io

# Rocket DAO

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## Rocket DAO DueDil

This report provides a detailed Due Diligence based on the
methodologies developed by a decentralized expert community. It also
includes expert recommendations to the project.
January 2019

rocketdao.io