

Company basic analytics

December, 2018

NAGA Guard

NAGA Guard aims to determine patterns and dependencies within the cryptocurrency market by providing in-depth analysis and creating advanced metrics

 naga-guard.com

 info@naga-guard.com

Team

Petr Lyazin, COO – worked in operations in multiple financial companies. Familiar with opening and organizing new departments as well as general business development.

Ilia Drozdov, Head of Strategy – holds a position of Managing Partner in Finery Technologies. Currently concentrated on developing algorithmic trading strategies. Also, has proficient working experience in financial companies such as KPMG, RenCap, Aton.

Igor Kvatov, IT Director – held position as a senior developer. Has primary experience in IoT related companies. Employed as CTO by Naga Group AG which was one of the fastest growing German fintech companies.

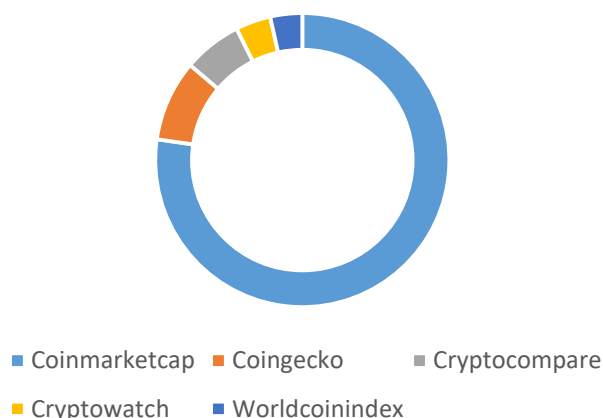
Alexey Kulikov, Product Manager – has extensive experience as a product and project manager in multiple IT departments. To highlight, Alexey has experience of working with the crypto exchange as the product manager.

Cryptocurrency market and global web traffic

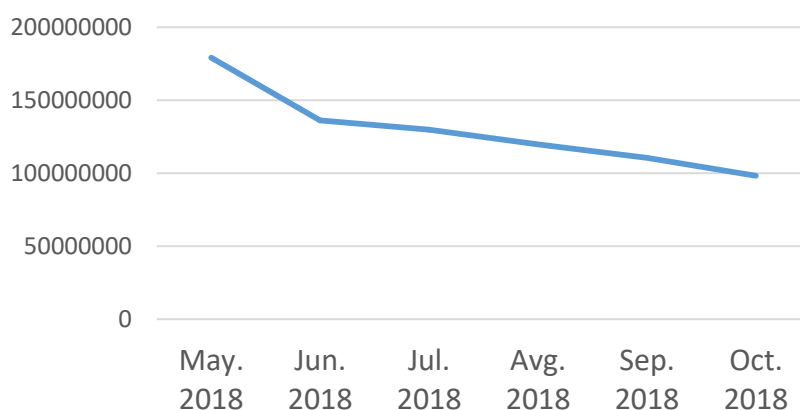
During the first half of 2018 Market capitalization has **declined over 80%** that led to lower liquidity and volatility. However, the crypto market is still volatile enough (4,53% 30-day-average) which is leaving space for the sophisticated traders, as well as HFT and hedge funds which are able to use technical analysis to outplay the market and make a profit. Also, there are several market tendencies such as market manipulation which is now easier to execute.

Despite of such capitalization drop overall; top 5 websites maintain around **100 mln visitors per month**.

Websites traffic distribution, October, 2018



Top 5 websites global desktop & mobile traffic, May. 2018 - Oct.2018



NAGA Guard review & competitive advantages

Concept

The project tries to achieve transparency within the crypto market by providing advanced metrics and measures for the crypto market. Core mechanism is based on the leading data gathering from exchanges which enables NAGA Guard to apply data science technologies and provide its audience with advanced indicators and data feeds. In such way, NAGA Guard enables its clients to use open as well as paid APIs to develop trading strategies.

By developing such service NAGA Guard potentially will attract a high volume of visitors that can be monetized by placing ads.

The average price per CPM on CoinMarketCap is \$12, keep in mind that CoinMarketCap is the largest crypto related web service. ICO ads cost \$10,000 on average

For algo-traders, asset managers and brokers NAGA Guard provides services of normalized data feeds and advanced metrics to enhance their performance and decision-making processes. By such, NAGA Guard tries to become aggregator and interpreter of market data.

Also, by providing transparent information on market state, crypto exchanges can implement NAGA Guard solutions to use **market intelligence** tools to enhance their customer's experience and protection.

BitStamp, top 25 crypto exchange, already integrated market intelligence solutions to gain further insights about the market.

Advantages

- NAGA Guard surpasses its competitors by providing an **advanced overview** of the market in comparison to popular services that provide only aggregated information.
- Provided by NAGA Guard **liquidity metric**, based on order book dynamics, enables market players to discover times of incoming greater price volatility, more difficult price discovery and episodes of market disruption.
- **Risk metrics** provide standard in financial market tools for portfolio managers.
- Developed **indexes** not only display market "health" but can be transformed into investable passive funds based on them.
- By providing such service NAGA Guard will be **one of the first players** on the market providing such data. That will give company the opportunity to gain its first trustful audience.

Risks

- Crypto market risk

Current major market unpredictability makes it hard to foresee medium and short-term scenarios of the market development. Such downturns may heavily affect overall interest in crypto affecting ads revenues.

- Competition

Majority of competitors provide almost the same services such as market and coins statistics, ICO calendars and portfolio tracking. Their services do not differ from each other but rather by design. To outpace the main competitors, NAGA Guard provides additional value to its visitors by displaying advanced charts and market statistics, as well as commonly used stats.

- Inability to attract an audience

By providing additional value to its clients, NAGA Guard might attract a high volume of visitors. However, such a hypothesis might be wrong and value, provided by the company could be desired by limited audience.

- High expenses

Increasing burning rate creates a risk that the company might require additional financing if it will not break even or find an anchor client.

Monetization

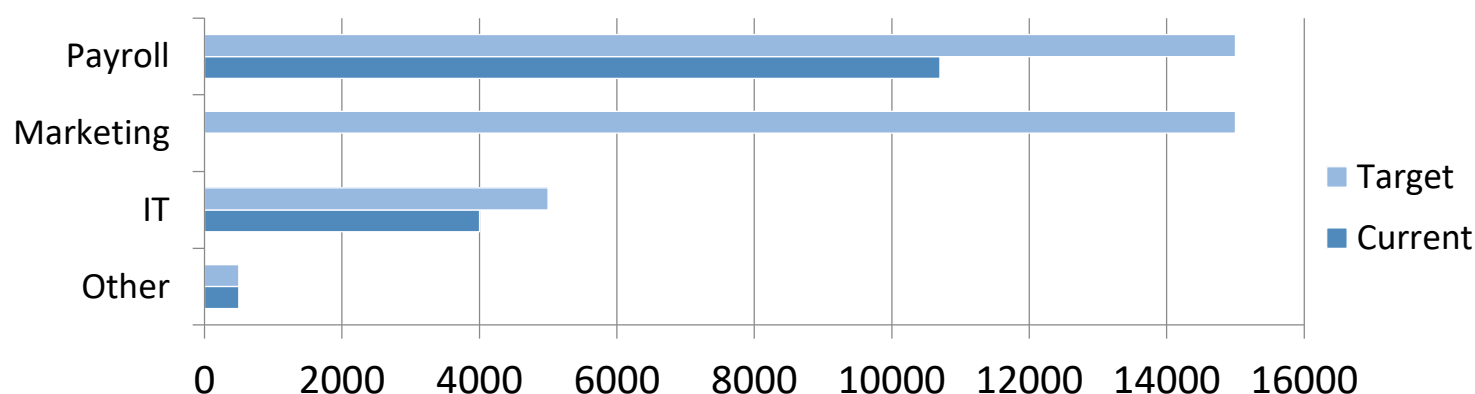
NAGA Guard plans to monetize its activity by:

1. Placing ads provided by networks (Google) and premium ads.
2. Providing paid API for funds and traders.
3. Market intelligence for crypto exchanges to detect market manipulations.

Financial

For a short overview of company financials prediction for 2019 refer to Appendix 1.

Following chart represents current and target operating expenses plan. Company plans expanding its marketing budget by €15,000.



Conclusion

To sum up, NAGA Guard is capable to develop next-gen service that will provide funds, trades and news agencies with advanced statistics uplifting current trends to the better standards. However, NAGA Guard must develop an extensive marketing plan to reach its core audience and to break even by setting partnerships with trading-related services and funds, news agencies which are willing to provide a better experience to their audience. The team has a strong background in developing and managing products of well-established and growing companies.

Investors

By December 2018 total investment into NAGA Guard **accounted to €371,000**

Current investors are

- Finery – 70%
- Undisclosed software developer (USA) – 10%
- Naga – 20%

Investment opportunity and exit scenarios

NAGA Guard **seeks for €1.5 mln** pre-money valuation in exchange for 10-24% of the company. The investment will be mainly used to cover marketing costs.

Possible return on investment

- An investor can exit if the company will be sold to another strategic investor; or
- Receive dividends in a form of >25% of annual profits

Appendix 1

| Date | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 |
|---------------------------------------|--------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Expenses | EURO. -13800 | -13800 | -13800 | -13800 | -13800 | -13800 | -13800 | -13800 | -13800 | -13800 | -13800 |
| Total ads revenue (Moderate scenario) | EURO. 5 | 14 | 41 | 1337 | 2673 | 5346 | 10692 | 21384 | 32076 | 48114 | 52925 |
| Net Income | EURO. -13795 | -13786 | -13759 | -12463 | -11127 | -8454 | -3108 | 7584 | 18276 | 34314 | 39125 |

Disclaimer

PALMINA Invest is not providing individually tailored investment advice and is not taking subscribers personal circumstances into consideration when discussing investments in venture capital projects and ICOs/STOs. PALMINA Invest is a private investment firm and is not a broker-dealer or financial adviser. The analytical report is research and not an offer or advise to buy, hold, or sell any security. PALMINA Invest and/or any companies affiliated with PALMINA Invest are not responsible for any gains or losses that result from the opinions expressed herein. PALMINA Invest makes no representation as to the completeness, accuracy, or timeliness of the VC projects material provided and all materials are subject to change without notice. The VC projects and ICO discussed herein have not been reviewed by the securities and exchange commission or any state securities regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the VC projects documents. Any representation to the contrary is a criminal offence. The VC projects identified herein may constitute securities pursuant to federal and state securities laws and may not be appropriate for, or offered to, investors residing in the United States. In making an investment decision, investors must rely on their own examination of the person or entity issuing the ICO and the terms of the offering, including the merits and risks involved. Investment in VC and ICOs involves a high degree of risk and should be considered only by persons who can afford to sustain a loss of their entire investment. Investors in VC and ICOs should consult their financial adviser before investing in VC. The securities and exchange commission has warned investors residing in the united states that ICOS may constitute securities, and by investing in ICOs, investors may be purchasing unregistered securities offerings. Investors who invest in VC projects and ICOs may be unable to recover any losses sustained in the event of fraud or theft.