



July 3rd, 2020

ShareRing

Overview

ShareRing (SHR) is a distributed-ledger based mobile application (pending Android/iOS release) with a current focus on streamlining the consumer travel booking and management process. In the future, ShareRing aims to expand its offerings to service the entire, fragmented sharing economy as its primary marketplace and catalyst for consolidation. ShareRing's current implementation is built around three key user principles: peace of mind, convenience, and speed. To this end, ShareRing emphasizes four key design aspects that underpin the three aforementioned principles:⁵

1) One login

Users have one set of authorization credentials to gain access to all their travel information and needs. In this way, ShareRing eliminates the slowness and inconvenience of multi-platform logins.

2) One ID

Users' personal identification information is theirs to manage and control; they determine how they choose to store it. User ID information is never stored within the ShareRing ecosystem.

3) One application

ShareRing brings all travel information and needs into one application, allowing users to book and manage their travel plans much more quickly and securely than competing platforms.

4) One payment

Payments are made within the app in one step for all users' travel needs. By eliminating the need for users to submit payments to disparate providers, the payment process becomes extremely quick and payment security is greatly increased.

Given its current tilt towards the travel industry, ShareRing serves as a marketplace between consumers and travel services related to hotel accommodations, transportation (e.g. - car rentals and sharing), activities (e.g. -



guided tours), air-travel, visa applications (e.g. - electronic visa on-arrival; eVOA), and more. Concurrently, ShareRing plans to provide B2B product offerings to commercial clients in the form of online travel agencies (OTAs). In particular, ShareRing offers OTAs products such as:⁶

- One ID KYC functionality to eliminate fake bookings/security risks
- One ID based express check-in
- Instant low-fee cash withdrawals
- Product management dashboard
- Multi-currency payments
- Customer analytics platform

Akin to their consumer-focused counterparts, these B2B features offer flexibility, cost-effectiveness, security, and analytics information to an extent largely unmatched by other platforms.

In essence, the product offerings that holistically support ShareRing's principles are divided into three key divisions:⁷

1) Marketplace

Functionality associated with the marketplace division includes: directory listing, booking engine, software development kit (SDK), credit card facilities, reputation management, and smart contracts operable on the ShareLedger blockchain. While directory listing is free, ShareRing maintains a monthly SaaS fee of 0.5% of average rental income per asset (i.e. - good/service) offered on the platform by service-providers.

2) ShareLedger Enabler

The ShareLedger Enabler gives parties access to ShareRing's SDK and custom blockchain, ShareLedger, allowing blockchain savvy companies to build functionality on top of ShareRing's underlying infrastructure. The fee for this is \$0.05 USD for every transaction on the blockchain. This fee will be denominated in ShareToken (SHR), Shareledger's utility token.

3) SharePay

SharePay (SHRP) is one half of the dual-token mechanism that ShareRing has constructed for platform use; the other half is SHR. SHRP is a fiat-pegged currency that offers secure payment for use in sharing/renting assets on the platform, and can be tailored for company uses via a provided SDK. The fee associated with SHRP is a 1.0% transaction fee when withdrawing to a bank account.

SWOT Analysis

The matrix below outlines a high-level SWOT analysis summary of ShareRing at its current stage. Note that each category is elaborated on further in different sections of the report.

STRENGTHS	WEAKNESSES
<p>Well-developed technological infrastructure</p> <ul style="list-style-type: none"> - Cutting-edge and thoroughly-devised technical implementation - Full-service integration (KYC, payments, etc.) <p>High likelihood of undervaluation</p> <ul style="list-style-type: none"> - Token potentially trading at roughly 0.14x its intrinsic value <p>Talented, experienced, and highly competent team</p> <ul style="list-style-type: none"> - Seasoned executive/advisory team with track record of entrepreneurial and executive success - Robust non-management team (marketing, software development, etc.) <p>Significant potential for scalability</p> <ul style="list-style-type: none"> - Technological infrastructure and partnerships make growth/entrance to different sharing economy verticals relatively smooth <p>Compelling user value proposition</p> <ul style="list-style-type: none"> - Encourages peace of mind, convenience, and speed - Decentralized nature ideally suited for sharing economy 	<p>Financial constraints</p> <ul style="list-style-type: none"> - Typical of those associated with early-stage ventures <p>Potential overreliance on partnerships/integrations</p> <ul style="list-style-type: none"> - Continued operational growth may be overly dependent on ability to maximize partnerships/integrations
OPPORTUNITIES	THREATS
<p>Sharing economy vertical expansion</p> <ul style="list-style-type: none"> - Defragment sharing economy; "Amazon" approach - Capability to branch out into: P2P lending, co-living, book swapping, social dining, freelancing, and much more <p>Increased partnerships/integrations</p> <ul style="list-style-type: none"> - Service providers (e.g. - airlines, hotels, etc.) - Promotional/marketing partnerships (Altcoin Buzz, Coinspeaker, etc.) <p>Additional revenue-generating features/channels</p> <ul style="list-style-type: none"> - ShareRing Shop/Services - Insurance functionality - COVID passport 	<p>Uncertain regulatory considerations</p> <ul style="list-style-type: none"> - Cryptocurrency bans - Cross-domain regulation associated with vertical expansion <p>Prevalence of user trust</p> <ul style="list-style-type: none"> - Still developing in sharing economy in terms of widespread adoption <p>COVID-19 concerns</p> <ul style="list-style-type: none"> - Global travel slowdown(s)

Investment Thesis

ShareRing's compelling value proposition is evident through the strength of its team, technology, and scalability. In this regard, it's clear that ShareRing presents a unique opportunity for consumers to plan and manage their travel experience with unparalleled simplicity, security, and cost-savings. These factors combined with

opportunities for expansion into different verticals of the sharing economy, additional revenue-generating features/channels, increased partnerships and institutional capital provides additional affirmation of ShareRing's ability to execute its mandates despite current threats and weaknesses.

Considering the factors above coupled with considerable potential of undervaluation, ShareRing appears to present a strong and unique investment opportunity.

Trading Summary

The adjacent table details high-level trading data regarding ShareRing's utility token, ShareToken (SHR), at the time of writing (i.e. - **June 24th, 2020**).¹

Ticker	SHR
Price	\$0.008258 USD
Market Capitalization	\$10,015,906 USD
Volume (24h)	\$4,194,202 USD
Circulating Supply	1,212,891,226 SHR
Total Supply	4,396,000,000 SHR
Percent of Supply in Circulation	27.59%
Trading Exchanges	Binance DEX, BitMart

SHR's year-to-date performance is visualized via the chart below.¹



Note that SHR's price and market capitalization have appreciated by almost 1.8x YTD. Moreover, SHR's 24h trading value has increased by almost 24x YTD.

Financials

It's worth noting that ShareRing raised approximately \$3.6M USD in 2018 via its presale and ICO, as well as \$350K USD in 2019 from family and friend angel investment. Moreover, note that ShareRing currently maintains a relatively manageable net burn rate of roughly \$25,000 per month. On the whole, ShareRing's tight budget management, ongoing client revenue, and capital raises have allowed it to maintain a solid balance sheet and cash flows as it grows and scales its operations.

With respect to ShareRing's funding allocation, the funds raised have been distributed approximately as follows:

- 55% - Software development
- 15% - Sales/partnerships
- 15% - Marketing/promotions
- 15% - Operations/overheads

Additionally, a general example of ShareRing's current fee earning structure can be segmented as follows:

- **eVOA (4 transactions)**
 - Create OneID
 - Request/check OneID
 - Log application
 - Log eVOA response
- **Insurance (2 transactions)**
 - Insurance application
 - Insurance claims
- **Car rental (7 transactions)**
 - Register
 - Asset creation
 - Asset update

- Asset deletion
- Booking transaction
- Remote unlock
- Booking complete

Each of these segments generates a fee based on their constituent transactions. For instance, every eVOA application on the ShareRing platform consists of 6 transactions: those involved in the eVOA application itself (4) in addition to a mandatory insurance application (2). While there is quite a bit of variance with respect to transaction fees, the approximate platform average is \$0.025. This means each eVOA application would generate roughly \$0.15. Likewise, each car rental consists of 7 distinct transactions, producing roughly \$0.175 in revenue.

Over the next 12 months, ShareRing projects over 1,000,000 users to transact on the platform in the wake of COVID-19. Assuming an up-ramp in travel closer to pre-COVID-19 levels, note that ShareRing initially anticipated approximately 3,650,000 eVOA applications (10,000 per day over a year) as well as 1,000,000 car rentals. The revenue generated from each estimate, including ShareRing's estimated 15x fiat amplifier⁸ (i.e. - the observed amplified value growth incurred by cryptocurrencies as a result of fiat inflows),⁹ are outlined in the table below:

Lower Estimate (1M eVOAs + 1M car rentals)	Upper Estimate (3.65M eVOAs + 1M car rentals)
$((1,000,000 \text{ eVOAs}) * (\$0.15 \text{ revenue generated per eVOA}))$ $+$ $(1,000,000 \text{ rentals}) * (\$0.175 \text{ revenue generated per rental})$ \times $15x \text{ fiat amplifier}$ $=$ $\mathbf{\$4,875,000}$	$((3,650,000 \text{ eVOAs}) * (\$0.15 \text{ revenue generated per eVOA}))$ $+$ $(1,000,000 \text{ rentals}) * (\$0.175 \text{ revenue generated per rental})$ \times $15x \text{ fiat amplifier}$ $=$ $\mathbf{\$10,837,500}$

In addition, note that ShareRing estimates that it will be on track to resume its historical growth trajectory in 3-4 months, with a large boost being attributed to:

- ShareRing Shop launch
- Travel application refinement
- Large revenue-generating partnerships.

Finally, note that the sharing economy is currently worth over \$100,000,000,000 and is projected to grow to at least \$335,000,000,000 by 2025.³ As ShareRing expands its total addressable market by servicing additional verticals within the sharing economy, its earning potential is likely to increase substantially.

Valuation

June 24th, 2020

The lack of publicly-available financial information for early-stage blockchain projects makes traditional company valuation methods difficult. However, one valuation method that's often applicable to early-stage companies is the EBITDA (i.e. - Earnings Before Interest Taxes Depreciation and Amortization) multiple: an industry-specific ratio for investors that relates a company's approximate

valuation to its earning levels. According to annual estimates provided by leading professors out of the New York University (NYU) Stern School of Business, the computed EBITDA multiple for OTAs in 2020 is approximately 13.36x.⁴

Recall from the *Financials* section of the report that ShareRing forecasted roughly between \$4,875,000 - \$10,837,500 in revenue over the next 12 months. This brings its average revenue forecast estimate to roughly \$7,856,250. Furthermore, assuming a negative net burn rate and a constant overhead expense ratio of 3.937% (based on ShareRing whitepaper),² this average revenue estimate produces an estimated operating income of roughly \$7,546,949.44. Note that EBITDA is equivalent to a company's operating income plus depreciation and amortization (i.e. - D&A). Since ShareRing is a young company and hasn't incurred much if any D&A on its core assets, its operating income can likely be used reliably as a proxy for its EBITDA. Discounting this 12 month operating income forecast to its present value (i.e. - 45% discount rate based on ShareRing's CAGR), this produces a discounted operating income estimate of roughly \$5,204,792.72. Therefore, multiplying ShareRing's discounted operating income estimate by the OTA standard

EBITDA multiple of 13.36x, this yields a valuation of approximately \$69,536,030.68 with a corresponding token price of roughly \$0.057. In essence, this means that ShareRing may be trading at roughly 0.14x its intrinsic value based on its forecasted EBITDA multiple.

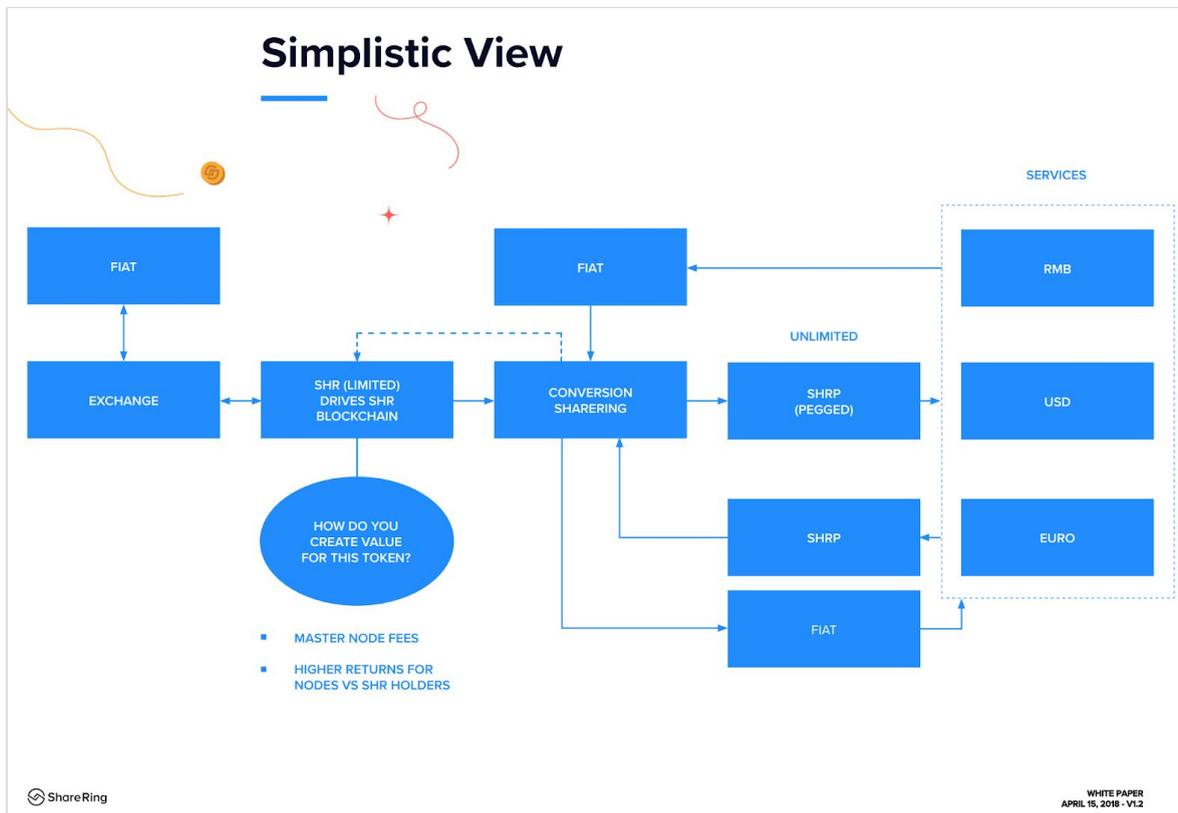
Token Economics

ShareRing employs a dual-token mechanism on its platform: the first token, ShareToken (SHR), is the utility token that drives sharing transactions to be written to the ShareLedger. The second token, SharePay (SHRP), is the pegged, base currency that allows users to pay for the use of service-providers' assets/services on the platform. There are a number of

benefits to utilizing this dual-token mechanism, including:²

- Ability to use ShareRing/ShareLedger blockchain without purchasing SHR on exchange
- Avoiding price fluctuations for platform users
- Flexibility in terms of forms of payment used (i.e. - fiat currency versus cryptocurrency)

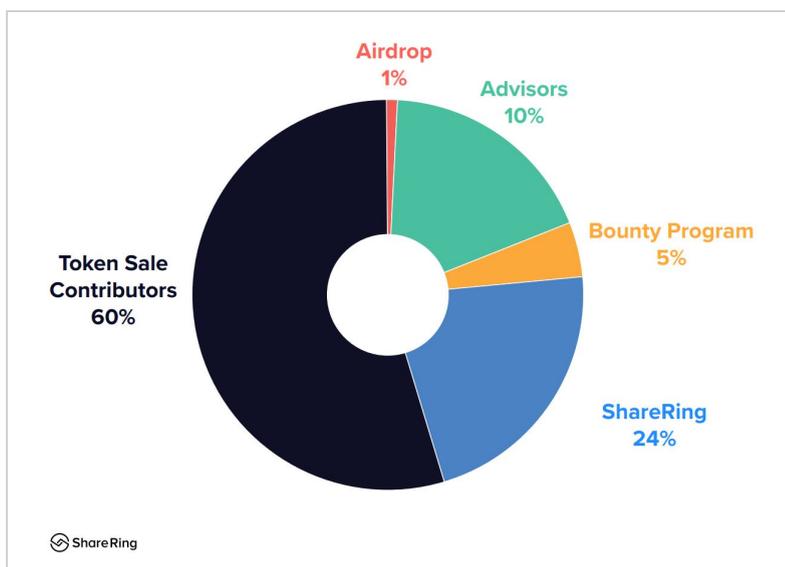
The graphic below, derived from ShareRing's whitepaper, provides a simplified view of the flow, use cases, and conversion options associated with each token on the platform.²



Aside from token conversions, most transactions that occur on the ShareLedger blockchain incur a small transaction fee payable in SHR by vendors/service providers. This fee amount is inversely proportional to the demand of SHR tokens at a given point in time, meaning that the fee reduces as token demand increases. Once incurred, the fee is distributed so that masternode holders - entities that validate transactions on the ShareLedger blockchain - are able to receive compensation for their service to the platform. In particular, 50% of transaction fee amounts are distributed to masternode holders that host an active node on the blockchain, with the distribution among the holders determined by their respective amount staked and the continuous operational time of their node. The other 50% is issued to ShareRing Ltd. for purposes related to working capital and growing the ShareRing platform.²

Additionally, note that the SHR token is issued on the Ethereum blockchain via

the ERC20 token standard. ShareRing held a pre-token sharing event (TSE) from February - May 2018, with the main TSE occurring on June 4th, 2018. All contributions were done via a whitelist sale process with contributions subject to KYC. Note that ShareRing made 3,000,000,000 tokens available for purchase with a \$USD hard cap of \$38,000,000. This was broken down further to 2,500,000,000 SHR at \$0.01 for pre-TSE and 500,000,000 SHR at \$0.02 for post-TSE. Note that all unsold tokens during the token sale were locked up and used for working capital. The SHR token stake required to be a masternode during the pre/main sale was 2,000,000 SHR, though currently is 4,000,000 SHR; this changes based on the amount of masternodes on the network. It's worth noting that a less capital-intensive way for users to participate on the network is as a lightweight node, creating a "pooled node" by staking their tokens to masternodes of their choosing and receiving a fraction of the node rewards in exchange.²



In addition, note that the intended token allocation of SHR tokens is visualized via the graphic on the left as per the ShareRing whitepaper.²

Competition

Among the travel industry, ShareRing's competitors at face value consist primarily of travel aggregators and OTAs such as Expedia, TripAdvisor, and Booking.com. However, the interesting consideration about this is that ShareRing is fundamentally designed to complement such platforms: through an SDK and related application plug-ins, such OTAs could build their own functionality on top of ShareRing's underlying infrastructure, as described previously in the B2B section of the report *Overview*. Such partnerships are already underway with major OTAs pending implementation and announcement. However, in the case of competition as opposed to partnerships with OTAs and related travel companies, ShareRing provides value over such platforms through means including:⁵

- Lower costs: ShareRing has low setup costs, allows multi-currency transactions with no foreign exchange fees, and reduces commissions by eliminating third parties.
- Ease of use: Amalgamating travel services into a single platform eliminates the time consumption and inconvenience of choosing from millions of sites.
- Security: Distributed ledger technology means users' ID and payment are authenticated in a decentralized manner; offers unparalleled protection from fraud and theft.

As ShareRing expands into different verticals (e.g. - social dining, P2P lending, co-living, etc.), its competitive

landscape is likely to expand. That being said, ShareRing also plans to maintain the approach of integrations and partnerships with existing companies in each of these disparate verticals. These integrations and partnerships are a fundamental part of the overarching mission of enhancing ShareRing's ubiquity across both the travel industry and sharing economy at large.

Investment Risks

Some of the chief risks associated with ShareRing both currently and as it expands in the future include some of the following:

1. Regulatory risk

There are few key regulatory considerations that ShareRing is subject to. First, there may be challenges involved with operations in countries that prohibit or have onerous cryptocurrency regulations. In this case, cryptocurrency-related platform features would have to be disabled, permitting end-users to use only credit card payments for transactions on the platform. Such transactions would still be settled and validated on the ShareLedger blockchain. Additionally, as ShareRing expands its services across multiple verticals, it will have to take on the regulatory burdens associated with each of those distinct verticals. For instance, consider sharing-based financial services such as P2P lending, which typically involves stringent financial regulation across multiple jurisdictions.

2. Prevalence of user trust

Perhaps the most fundamentally persistent issue facing the sharing economy involves user trust: how can platform users and services providers ensure the quality, legitimacy, and security of their platform activity? In this regard, ShareRing's ID functionality is a key component. For instance, ShareRing protects user data by handling KYC information through its self-sovereign identity protocol. Combining this KYC functionality with features such as liveness detection for photographic verification, trust between merchants and consumers on ShareRing's platform is enhanced significantly. Finally, with no centralized point of vulnerability on the ShareLedger blockchain, the system is inherently protected against hacking and fraud in this regard.

3. COVID-19 concerns

The novel coronavirus, or COVID-19, has profoundly impacted the landscape of global travel for all involved market participants. The resulting pause of the travel industry has allowed ShareRing to refine its mobile application further before launch and increase focus on developing additional operational verticals. For example, ShareRing has recently developed ShareRing Shop, which facilitates the same-day order and delivery of goods between communities and their local businesses. Furthermore, ShareRing has implemented an insurance service, allowing entities to file claims and store their policies via ShareLedger's decentralized blockchain technology. Lastly, ShareRing has explored the development of a COVID passport, which enables virtual tracking and scanning individuals for COVID, health certification, proof of shop staff's health, and more. These advancements have put ShareRing in a good position to

bolster its operations and scaling when travel resumes.

Management, Team, & Partnerships

ShareRing is headed by founder and CEO Tim Bos, who previously had a successful career in technical consulting and project management working for renowned companies like Barclays and Avanade.² Thereafter, he led and started multiple successful ventures, including car rental/sharing company Keaz, which was acquired by Wunder Mobility in April 2020. ShareRing's COO, Rohan Le Page, is a well-reputed and sought-after business manager with experience in online analytics, e-commerce and business development for companies including Avanade and CarSales, as well as personal entrepreneurial ventures.² The rest of ShareRing's core management team consists of seasoned serial entrepreneurs and business executives with impressive track records of success.

The non-core management team of ShareRing includes general as well as advisory team members. The general team consists of 25+ competent and talented team members across departments including software development, sales/partnerships, product design, marketing, and business development. This includes a technically strong and experienced core development team to support ShareRing's blockchain infrastructure.² ShareRing's seven person advisory team consists of IT/blockchain legal experts, serial entrepreneurs, and seasoned legal/financial services executives.²

In addition to Keaz and Wunder, ShareRing has established over 30 key B2B partnerships (currently under NDA pending formal announcement) to begin its regional operations in Australia and Southeast Asia, with an initial emphasis on Thailand. ShareRing is actively looking to expand its partnerships, with a focus on airlines, exchanges, insurance companies, and governments in the near-term. ShareRing has also developed promotional partnerships with Coinspeaker, Crypto-News-Flash, and Altcoin Buzz to expand its brand through PR publications, sponsored/unsponsored stories, and online videos.

Sources

The numbered list of sources below corresponds to each of the numbered superscripts and their related information in the report.

- 1) coinmarketcap.com/currencies/sharering-token
- 2) sharering.network/public/sharering-token-whitepaper-en-web-v1.2.pdf
- 3) brookings.edu/research/the-current-and-future-state-of-the-sharing-economy
- 4) equidam.com/ebitda-multiples-trading-industries
- 5) sharering.network/index.html
- 6) sharering.network/whitelabel.html
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- 8) drive.google.com/file/d/1g-m-_EZhTdSFjr5Kf_EO5hK8iYrayR3r/view?usp=sharing
- 9) newsbtc.com/2019/02/19/six-billion-crypto-sidelines-10000-bitcoin-possible/

Disclosure

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