

Piccolo Research

Independent research on blockchain startups and ICO's

A brief analysis of Polkastarter (POLS)

29 September 2020 - Lennard Neo, CFA

**with assistance from Travis Chua*

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POLKASTARTER (POLS)

Investment Thesis

A permission-less DEX for cross-chain token pools build on Polkadot

Summary

Polkastarter is a hybrid of Uniswap, Primablock and Bounce build on Polkadot ecosystem. A permission-less DEX with interoperable token pools and simple KYC features, enabling cheap and fast token swaps and fundraising for new projects. Polkastarter aims to tackle the problems of high ETH network fees and slow platform performances present in current DEXes.

Concept

MVP

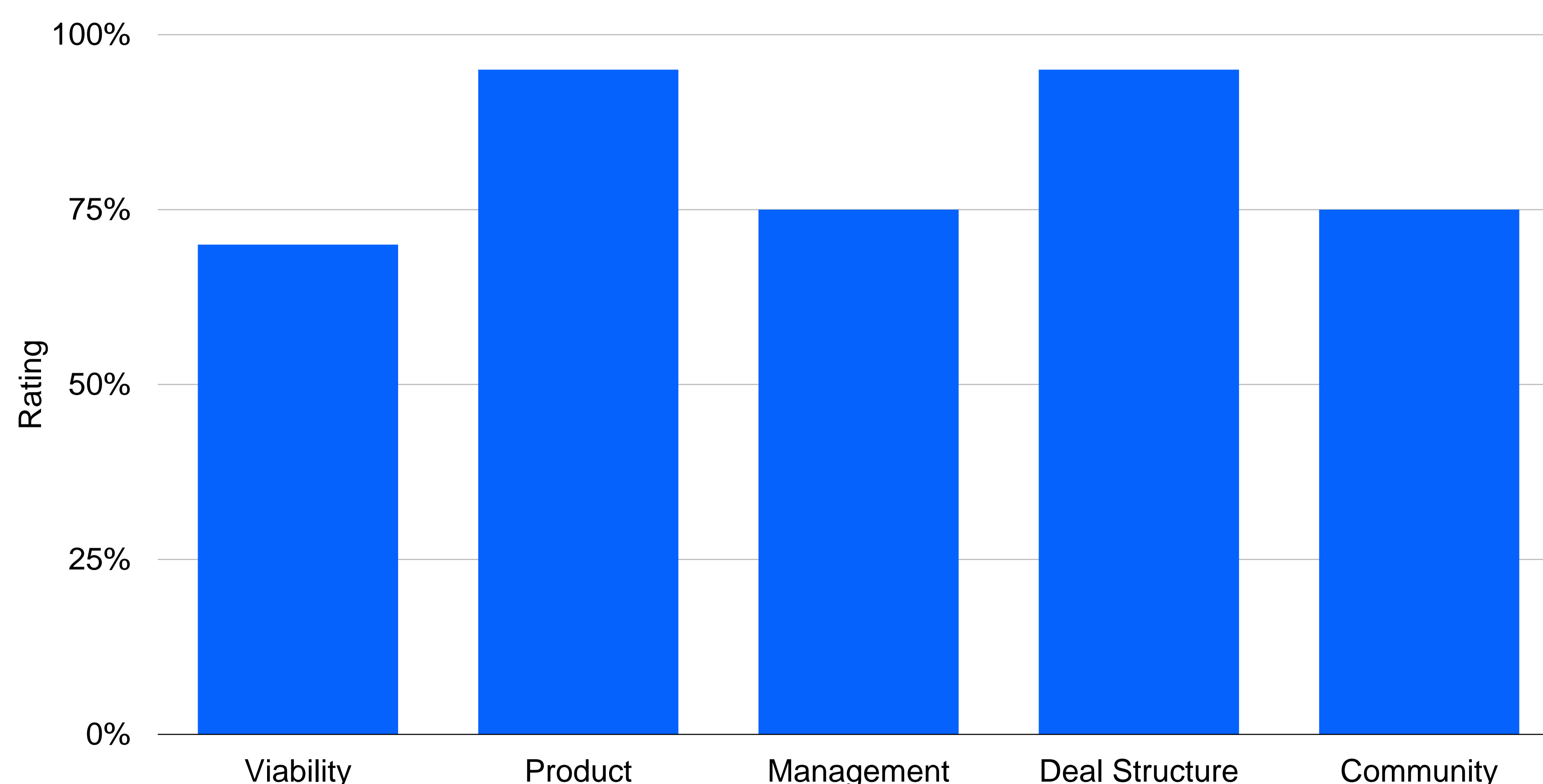
Established

Product & Strategy

The increasing trend in monthly volumes for DEXes also comes with its shortcomings with high network fees and slow platform performances, particularly on the Ethereum network. Polkastarter aims to tackle these problems by utilizing the Polkadot ecosystem to enable higher throughput and cheaper transactions while at the same time still being connected to other blockchains for liquidity.

Polkastarter's vision is to create an interoperable DEX for users to participate in a decentralised yet secure and compliant environment. The liquidity pools will include a variety of swap mechanics (such as fixed ratio swaps, dynamic ratio swap) and fundraising auctions (dutch and sealed-bid auctions). It will also enable permission-less listings, token swaps with smart contracts, private pools with password-protected function, whitelisting and high slippage price alerts – resulting in additional use cases that include cross-chain swaps, OTC trades, and crowdfunding with whitelisted addresses.

Birds-Eye View



General

Ticker:	POLS
Website:	Click here
Sale Period:	Sep 2020
White Paper:	Click here

Public Sale info

Pricing:	\$0.05
Accepted:	ETH
Min Goal:	NA
Initial Uniswap Liquidity:	\$0.2m
Market Cap:	\$5m (diluted basis)
Token Sale %:	4%
Initial Circulating Supply:	17.9%

Checklist

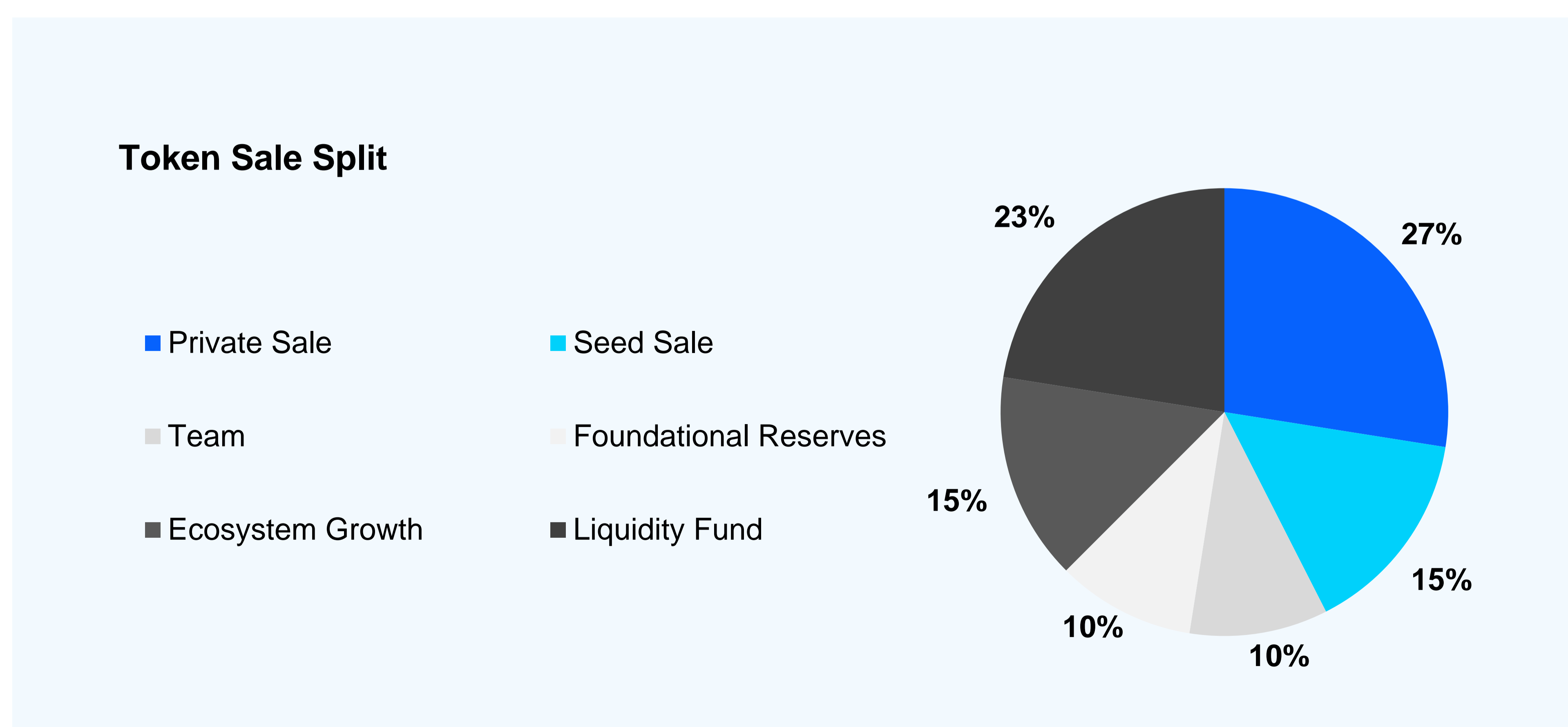
Management:	✓
Product:	✓
Commercial:	✓
Interest:	✓
Fulfilment:	⚠

Token Sale

Token Details	Details
Public Sale Date	29 Sep 2020
Sale Platform	Uniswap Listing (Click here for more info)
Token Symbol	POLS
Token Type	Utility
Issuance Platform	ERC 20 initially, before migrating over to Polkadot
Total No. of Tokens	100,000,000
Price per Token (Public sale)	\$0.05
Price per Token (Seed/Private)	\$0.0125 / \$0.025
Accepted Tokens	ETH
Lockup (Public Sale)	100% unlock
Initial Uniswap Liquidity	USD 0.2m
Market Cap Valuation	USD 5m (Fully Diluted basis assuming hard cap reached)
Market Cap (Based on Initial Cir. Supply)	USD 0.89m
Token Lockup (Investors)	20% unlock, 10% monthly over 8 mths (Seed) 25% unlock, 25% monthly over 3 mths (Private)
Token Lockup (Team)	12mth lock, 25% quarterly thereafter

The main token functionalities of POLS is 2 folds:

- Staking – Users will be entitled to trading and transaction fees on the platform
- Governance – Token holders can participate in voting and creating proposals on types of auctions and projects to be featured on the platform



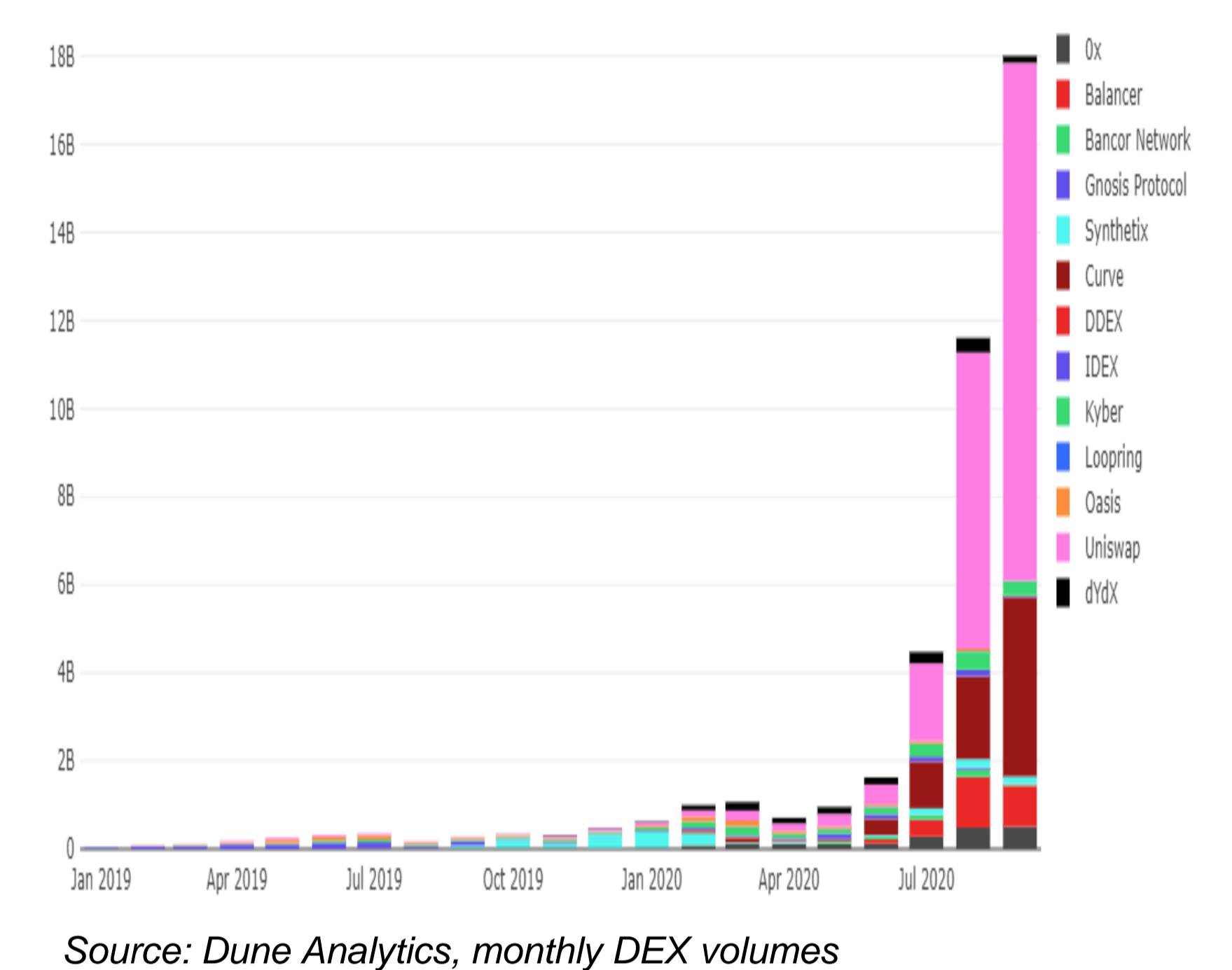
Team

Daniel Stockhaus (Co-Founder & CEO) – Daniel has got a track record for Co-Founding companies such as liGO and Oliphant with \$20m annual turnover prior to becoming the Co-Founder of Polkastarter.

Tiago Martins (Co-Founder & CTO) – Tiago comes with 9 years of experience in the IT industry including several blockchain-related projects such as Coinvision and Betprotocol.

Roadmap

Roadmap	Developments	Status
Aug 2020	Private sale raise	Completed
Sep 2020	Uniswap Listing	In Progress
Q4 2020	Permissionless listing	
Q4 2020	Fixed token swaps	
Q4 2020	Private pools	
Q4 2020	Anti-Scam features	
Q4 2020	High slippage alerts	
Q1 2021	Migration to Polkadot	
Q1 2021	Cross-chain swaps	
Q1 2021	Full KYC integration	
Q1 2021	Whitelist features	
Q2 2021	Dynamic ratio swap	
Q2 2021	Sealed-bid auction	
Q2 2021	Governance model	
Q2 2021	DAO R&D	
Q3-Q4 2021	Polkastarter 2.0	
Q3-Q4 2021	Launch of the full working DAO	



Opportunities

- A surge in DEX trading volumes in the past few months – 1,600% increase from \$1b monthly volume in June 2020 to \$16b+ in September. Traders are turning to decentralize exchanges for greater autonomy
- The DEX sector on Ethereum is overcrowded, giving rise to the huge potential in building DEXes on other platforms that has less competition – Polkadot, one of the frontrunners for Web 3.0, is scalable and has a strong community
- KYC integrated function, one of the first on Polkadot, allows whitelisting of addresses for private pools and fundraising for projects

Conclusion

The project seeks to enable low-cost capital transfer and crowdfunding on the Polkadot ecosystem. The recent escalation on DEX trading volumes has presented significant growth in this sector and our analysts believe Polkastarter is well positioned for success as it is competing in a less crowded arena within the Polkadot ecosystem as opposed to Ethereum, whilst integrating features to encapsulate its first-mover advantage in this field.

Rank	DEXes (ERC 20)	Total Volume (24h)
1	Uniswap	\$442m
2	AAVE	\$292m
3	SushiSwap	\$69m
4	1inch	\$58m
5	0x Protocol	\$47m
6	Tokenlon	\$31m
7	JustSwap	\$28m
8	Compound Finance	\$15m
9	Curve Finance	\$15m
10	Balancer	\$14m

Source: Coingecko

About the Analyst

Lennard specializes in fundamental and technical analysis in digital asset investments. He became acquainted with blockchain, cryptocurrency and ICOs in 2016, and recently decided to take a meaningful step away from traditional banking to join this industry. Previously, Lennard spent 3 years with an investment bank in Forex and Debt Capital Markets. Prior to this, he also had entrepreneurship experience working with an e-commerce startup and a local social enterprise. Lennard completed the CFA program and graduated with a master's degree in Applied Finance. He is fluent in English, Chinese with a basic in Korean.

Ratings Definition

Monitor – Continue observation until clarity of information is provided

Sell/ Avoid – Investment is associated with high risk of losing capital

Hold/ Neutral – To maintain current levels of position until the next updated release

Spec Buy – A speculative opportunity for investors with higher risk tolerance

Buy – A high conviction buying opportunity

Disclaimer

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