

The only bank

*Merging banking, crypto
& tokenised assets*



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Where the term “bank”, “banking” or similar is used in the following, it is a description of future planned activities for which Bitwala seeks to obtain the necessary authorisations.

A prospectus regarding the outlined Bitwala Token has not yet been published. In case of publication the prospectus will be available under <https://bitwalatoken.com>. This document represents solely non-binding preliminary information which serves exclusively advertising purposes and is not a prospectus in the sense of the European Securities Prospectus Act, the German Investment Act or the German Investment Code or a corresponding foreign law. The content is neither an offer nor a solicitation of an offer to purchase token or securities. The information in this document does not constitute investment advice or an investment recommendation. The greatest possible care has been taken in the preparation of this document, however Bitwala GmbH assumes no responsibility

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The upcoming Security Token Offering is addressed, primarily, to domestic (German) investors. Excluded from subscription will be US citizens, US Green Card holders, other persons or companies subject to US taxation as well as other investors from countries in which the offer of the Token is not permitted or that are filed on the current country list of high risk and other monitored jurisdictions of the Financial Action Task Force (FATF) as well as high risk according to Coface Country Risk Assessment (2018).

All external references and footnotes in this document are extracts as of February 2019. All documents are copies stored on our servers as perma-links.

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Our Vision

A world where distributed ledger technology allows instant, secure and frictionless transfer of value for everyone.



Our Mission

To be the gateway to the tokenised economy.



Executive Summary

Bitwala, a blockchain company based in Germany, aims to be the bank of the tokenised economy and the all-in-one platform for digital asset management.

By 2025, over \$10tr of traditional assets will be tokenised.¹ Millennials, who stand to inherit \$30 trillion², were recently polled as having a preference for investing in digital assets.³ In the future, the technical and cost benefits of blockchain technology will increase both the supply and demand of digital assets.⁴ Bitwala believes in a future where companies conduct a tokenised pre-IPO and the typical consumer investment portfolio includes cryptocurrencies and tokenised stocks and ETFs.

Current solutions are unregulated⁵ and insecure⁶, and when buying, trading, and selling a digital asset the typical user must deal with multiple platforms.

Bitwala sees itself as the gateway between traditional and crypto finance and the platform for the tokenised world. Through obtaining a banking licence in the future, Bitwala will provide a fully regulated ecosystem where consumers and businesses can manage a wide range of digital assets in a frictionless and fully compliant manner. Bitwala is poised to become the regulated, all-in-one platform to acquire, store, trade, and create digital assets.

In December 2018, Bitwala launched the world's first crypto banking platform consisting of a fully licensed European bank account⁷, debit card, and bitcoin wallet with integrated trading. Until now, users have had to choose between keeping their assets on an exchange, where they are tradable,

or in their bank account or wallet where they are spendable and secure. Bitwala is the first solution which offers the best of both worlds. Funds are tradeable, spendable, and secure; users hold their own private keys and their euro bank deposits are protected up to €100,000 by European Deposit Guarantee Scheme.⁸

Bitwala is raising funds in an STO for three reasons. First, our roadmap is ambitious and requires a significant amount of capital to achieve certain milestones such as obtaining our own German banking licence. Second, we want to position ourselves firmly in the tokenised economy beginning with our own company. Third, we offer a retail product and our customers would be able to support our vision by investing and participating in our growth.

The Bitwala STO differentiates itself from other token fundraising events in four key ways. Firstly, our token will be a security which combines the advantages of a debt security with the upside of an equity-like investment; its value is tied to the underlying value of the company.⁹ Secondly, our token will be fully compliant to the EU prospectus regulation and undergo an official approval procedure by the German financial regulatory body, the BaFin. Thirdly, we are more than a whitepaper; our product is live and we have traction.^{10 11} Finally, we are funded by some of the biggest names in venture capital including EarlyBird¹² (seed investors of N26) and Digital Currency Group.¹³ We are also co-funded by the Horizon 2020 program of the European Union.¹⁴

1 Global Agenda Council on the Future of Software & Society (2015) [Deep Shift Technology Tipping Points and Societal Impact](#).

2 Accenture (2015) [The "Greater" Wealth Transfer Capitalizing on the Intergenerational Shift in Wealth](#).

3 Finder (2018) [Why haven't we all bought cryptocurrency yet?](#)

4 Deloitte (2018) [The Tokenization of assets is disrupting the financial industry. Are you ready?](#)

5 Divisions of Enforcement and Trading and Markets (2018) [Statement on Potentially Unlawful Online Platforms for Trading Digital Assets](#).

6 Eric Larcheveque (2018) [2018: A Record-Breaking Year for Crypto Exchange Hacks](#).

7 In cooperation with our Bank-as-a-Service partner

8 BaFin (2018) [Register der vertraglich gebundenen Vermittler](#).

9 Ref. to chapter "Security Token Offering"

10 CryptoNinjas (2019) [Bitcoin trading at Bitwala reaches EUR 1 mln weeks after launch](#).

11 Alejandro Brega, [New Fintech app Bitwala already has 1 million Euro Bitcoin trading volume](#).

12 Crunchbase, [Earlybird Venture Capital](#).

13 Crunchbase, [Digital Currency Group](#).

14 Horizon 2020 Work-Programme 2018-2020



Company History

On a backpacking trip to Asia, the three founders recognised the pain of managing both their fiat¹⁵ and crypto funds at the same time. Realising that no other company was merging everyday banking with bitcoin on one platform, they decided to come up with a solution themselves.

Bitwala GmbH was founded in Berlin in October 2015 by Benjamin Jones (CTO), Jan Goslicki (CCO), and Jörg von Minckwitz (active Board Member) all of whom worked individually as entrepreneurs and built up a total of nine different companies prior to Bitwala. These include Bitcoins Berlin - Europe's first Bitcoin Startup Incubator; Transistor - Germany's largest FinTech coworking-space; Bits&Coins Consulting UG - Germany's first Bitcoin and Blockchain consultancy (worked with Western Union, Deutsche Telekom, IDEO); and All4btc.com - a worldwide Bitcoin shopping service which was sold on the 8th of September 2017.

Initially Bitwala "1.0" offered a crypto-to-fiat service enabling users to cash out, pay bills, and send money using crypto in multiple currencies. Bitwala then introduced a prepaid card program, enabling users to pay for purchases both online and offline and allowing ATM withdrawals.

Six months later, Bitwala was funded by High-Tech Gründerfonds - HTGF (892.5€ million under management¹⁶) and the Digital Currency Group (portfolio includes ABRA, Blockchain.com and Coinbase) invested €800,000 into the future development of Bitwala. The company attracted over 40,000 users (with a 30% month-on-month growth) with its crypto-to-fiat services before ALSTIN (Founded by Carsten Maschmeyer, a German investor and judge in the German version

of the famous "Shark Tank" show and self-made billionaire¹⁷) and HTGF invested an additional €1.5 million in July 2017.

At the end of 2017, Bitwala was challenged by having its service agreement with its banking provider terminated, forcing Bitwala to shutdown its money transfer services to over 75,000 users at the time. In the first week of 2018, Bitwala had to shut down its prepaid card program following an immediate announcement from its prepaid payment solutions partner, WaveCrest Holdings Ltd., due to their licence being suspended by Visa. The WaveCrest "shutdown" hit crypto companies offering prepaid card solutions in partnership with them.¹⁸

Prior to the WaveCrest shutdown, Bitwala had been in contact with a German white-label banking provider, with plans to launch the world's first blockchain banking platform enabling users to perform everyday banking needs, trade cryptocurrencies and store bitcoin in one account (Bitwala "2.0").

¹⁵ Fiat money is currency that a government has declared to be legal tender

¹⁶ High-Tech Gründerfonds

¹⁷ Carsten Maschmeyer's personal website. (Accessed: 28th Feb 2019)

¹⁸ Annie Nova (2018) Some cryptocurrency-backed cards dropped from Visa network.

In August 2018, with the additional backing of a €4 million funding round from Earlybird (portfolio includes N26 and Shapeshift) and coparion (portfolio includes CLARK), Bitwala's team, by now 24 employees, was able to build the first-of-a-kind blockchain banking platform together with its partner bank. The Bitwala account - a current account with integrated cryptocurrency trading - is fully regulated by the BaFin, Germany's financial supervisory authority, and compliant with German banking laws. In the beginning of December 2018, Bitwala invited its first Beta testers and by mid-December the waitlist for the launch of all-new Bitwala accounts had hit over 40,000 people.

Later that month Bitwala was awarded a grant from the European Commission via the Horizon 2020 program.¹⁹

For the future expansion and development of the company Bitwala announced a first-of-its-kind security token offering to be issued under German law in mid-2019.

Only two months after its relaunch, Bitwala has reached over €1 million in trading volume on its platform.

Over the years Bitwala received a number of awards for its products and services.

19 Bitwala has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 854346



Co-funded by the Horizon 2020 programme of the European Union





Timeline

October 2015	Bitwala GmbH founded
January 2016	Releases Bitwala Bitcoin VISA prepaid cards
April 2016	€800,000 seed funding secured from HTGF and DCG
October 2016	Added 9 new currencies AUD, BRL, CNY, JNY, MYR, MXN, PHP, KRW, VND
March 2017	Supports bitcoin-to-mobile-money in Africa
July 2017	Secures €1.5 million funding from ALSTIN and HTGF
January 2018	Shutdown of our prepaid card partner, Bitwala suspends services -> Bitwala goes Offline
August 2018	Secures €4 million funding from Coparion and Earlybird
September 2018	Signs partnership with our Bank-as-a-Service partner
December 2018	Launch of Bitwala's blockchain banking services
February 2019	Surpasses €1 million in trading volume



Opportunity

An emerging market for tokenised assets

Over the last 10 years the mass adoption of cryptocurrencies as a store of value, investment asset, or a means of payment, has steadily risen to over 50 million active wallets today.²⁰ However, this still results in less than 1% of the world's population adopting cryptocurrencies.²¹ A 2018 survey by Pureprofile²² of 2,001 US adults shows that the complexity of purchasing and handling cryptocurrencies and networks are the main reasons why participants have shown a lack of appetite for cryptocurrencies.

Dapps (standing for “decentralized applications” running on blockchain networks) suffer from low usage with only a few thousand users for the most popular ones.²³ This is mainly due to a frustrating user experience and onboarding process, poor education initiatives, low transaction throughput on major infrastructure blockchains such as Ethereum, and price volatility.²⁴ Scalability efforts have been slow to implement and other major layer 1 networks are still lacking maturity and developer adoption.²⁵

Simultaneously, millennials have indicated massive distrust of their banks with over 11% expressing a preference for purchasing cryptocurrencies in the future.²⁶ Members of this generation are the largest demographic group in history and are just entering their prime income years. On top of this, they are to become the beneficiaries of the largest wealth transfer as they inherit from the baby boomer generation. A recent survey has shown traders from this generation to prefer crypto exchanges over traditional stock exchanges.²⁷

\$30 trillion will be inherited by Millennials from baby boomers and Gen Xers²⁸

Promising developments such as mobile wallet-enabled browsers (MetaMask mobile)²⁹, tokenisation of traditional asset classes³⁰, adoption by mainstream financial actors³¹, and network upgrades³² are major developments that could prompt the technology to address users beyond the circle of early adopters.

While blockchain is undergoing its “trough of disillusionment” according to Gartner's latest hype cycle release³³, fluctuating expectations are soon to realign and actors well positioned today will be in a promising position to capture a large chunk of future value.

According to the World Economic Forum, 10% of global GDP is to be tokenised by 2027.³⁴ In the long-term, this could encompass all classes of financial, real estate, commodity, and intellectual property titles.³⁵

20 Ana Alexandre (2018) [Fundstrat's Tom Lee Says Fair Value of Bitcoin to Reach \\$150K Per Coin](#).

21 Omar Faridi (2018) [Less Than 1% Of World's Population Using Cryptocurrencies](#).

22 Finder (2018) [Why haven't we all bought cryptocurrency yet?](#)
23 DappRadar

24 Mycryptopedia (2018) [4 Things Preventing Crypto Mass Adoption](#).

25 Philip Hutchins (2018) [Creating Scalability On Ethereum](#).

26 Mark Suster (2018) [Fundstrat Bitcoin & Blockchain presentation for Upfront Summit](#).

27 E-toro (2019) [New eToro Survey: Nearly Half of Millennials Trust U.S. Stock Market Less Than Crypto](#).

28 Adam Bakhash (2018) [The Millennial Wealth Transfer: I Don't Think You Are Ready For This](#).

29 Ana Berman (2018) [Popular Ethereum DApp Browser MetaMask to Launch Mobile App Version](#).

30 Maria Wachal (2018) [Asset tokenization on blockchain will disrupt the asset management landscape](#).

31 Rosalie Stafford-Langan (2018) [Crypto goes mainstream: what big finance is doing](#).

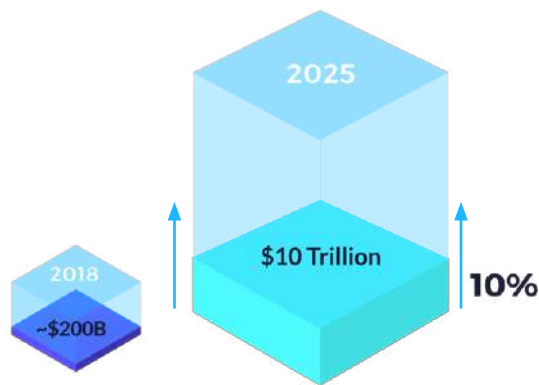
32 Github Ethereum, [ethereum/eth2.0-specs](#).

33 Kasey Panetta (2018) [Gartner Top 10 Strategic Technology Trends for 2019](#).

34 Global Agenda Council on the Future of Software & Society (2015) [Deep Shift Technology Tipping Points and Societal Impact](#).

35 Howard Marks (2018) [The Future of US Securities Will Be Tokenized](#).

This marks a major shift from utility tokens, where the value is said to be derived from network usage but confers no rights with regards to dividends, exits or governance, and marks profound improvements over traditional equity that lack any of the aforementioned features.³⁶ This opens the way for a large variety of use cases that can benefit from the increased granularity and reduced frictions offered by tokenisation ranging from fractional ownership of real estate to promising sporting talent.³⁷



A study published online by Finoa builds on the WEF analysis and breaks down the next years of tokenisation by asset class.³⁸

Tokenisation has been shown³⁹ to bring substantial benefits such as:

- Increased liquidity
- Zero trading down-time (opposed to traditional stock exchanges where you can't trade during lunch breaks or bank holidays)⁴⁰
- No reliance on a trusted third party
- Reduced trading fees
- Fractional ownership of assets
- Reduction of third party custodian costs
- Lowered barriers to entry for retail investors
- Automated compliance
- Digital and mobile first trading

36 Toju Ometoruwa (2018) *Security vs. Utility Tokens: The Complete Guide*.

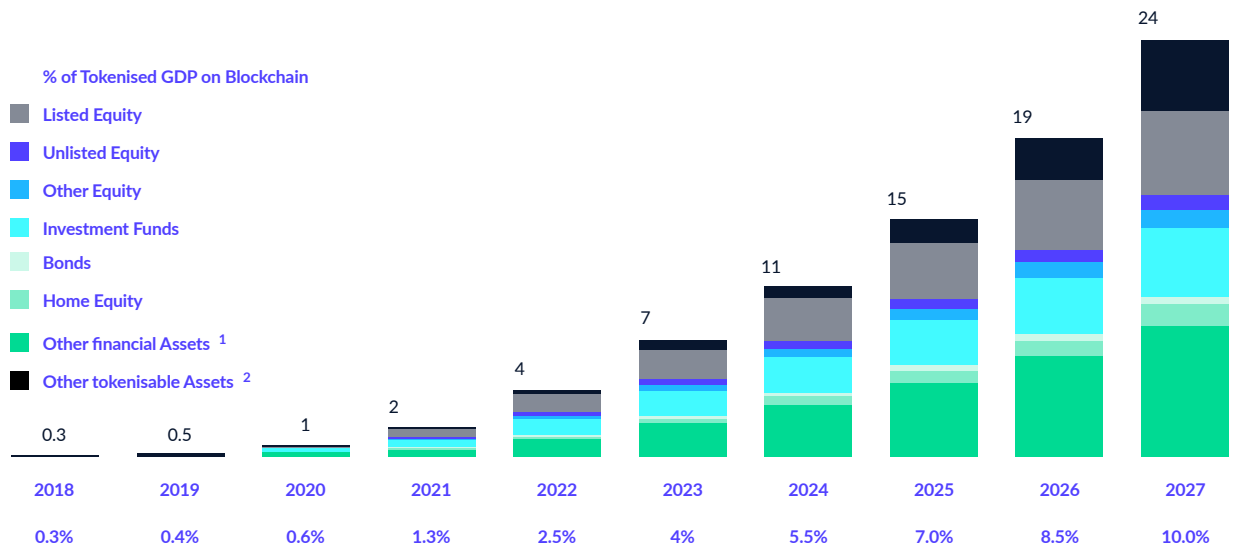
37 Rohit Kulkarni (2018) *7 Ways Tokenizing Traditional Assets Will Launch Security Tokens To Main Street In 2019*.

38 Finoa (2018) *The Era of Tokenization – market outlook on a \$24trn business opportunity*.

39 Smartlands (2018) *Why Asset Tokenization is the Strongest Cryptocurrency Trend Right Now*.

40 Stockmarketclock, *2019 Hong Kong Stock Exchange Trading Hours*.

Projected Tokenised Market Volume in 2027 (Finoa 2018)



1 e.g. Insurance Policies, Pensions, Alternative Investments

2 e.g. Infrastructure Projects, Car Fleets, Patents

- Inter-asset class exchange (e.g. directly exchange bonds for real estate)

More and more companies are avoiding conducting IPOs due to rising compliance costs, paperwork, and regulatory approval delay.⁴¹ Alongside this is the booming pre-IPO market that uses distributed ledger technology to increase crowd participation in financing rounds that were closed to all but institutional investors in the past.⁴² In this context, STOs provide a less costly, more standardized manner to access financial backing while ensuring compliance and providing a host of benefits for investors.

Security token ecosystem

Several projects are currently vying for a top spot in the business of tokenisation and compliant token issuing of each of these niches among them⁴³:

-Polymath: a platform to turn financial titles into security tokens with the required regulatory compliance;⁴⁴

-Harbor: a platform to issue security tokens that are compliant in numerous jurisdictions;⁴⁵

-Currency.com: a platform allowing crypto tokens to be listed on traditional equity markets;⁴⁶

-Trust Token: a platform for the tokenisation of real world assets via the use of Ricardian contracts;⁴⁷

-Securitize: a platform to issue and support compliant security tokens with solutions issuers, investors, and exchanges⁴⁸;

-Brickblock: tokenising real estate (EU);⁴⁹

-Meridio: tokenised real estate (USA).⁵⁰

Careful analysis shows that there is space for a profitable actor working as the gateway for investors to purchase and sell such tokens as well as providing the accompanying suite of analytics and accountability modules.

41 Louise Lee (2018) [The Decline of the IPO](#).

42 Roger Aitken (2018) [The \\$50 Billion 'Pre-IPO' Market's Next Step Could Be Turning To Blockchain](#).

43 Steven Zheng (2018) [Mapping out the Security Token Ecosystem](#).

44 Trevor Koverko, Chris Housser (2017) [Polymath The Securities Token Platform](#).

45 Bob Remeika, Arisa Amano, and David Sacks (2018) [The Regulated Token™ \(R-Token™\) Standard](#).

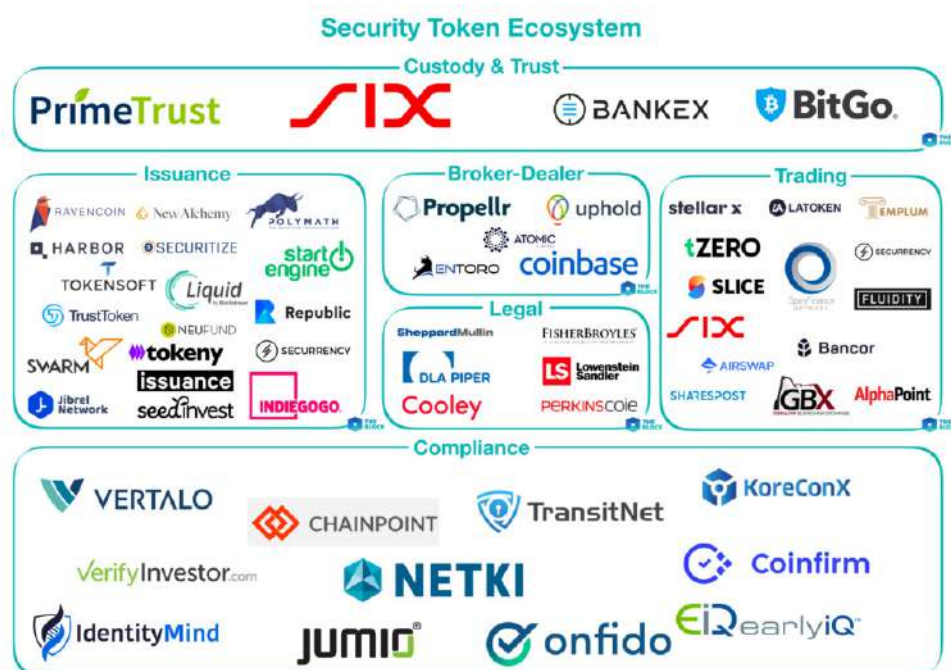
46 [Currency](#).

47 [TrustToken](#).

48 [Securitize](#).

49 [Brickblock](#).

50 Meridio (2018) [Meridio: The New Standard for Shared Ownership of Physical Assets](#).



Source: Steven Zheng (2018) [Mapping out the Security Token Ecosystem](#).

Trends in traditional and crypto finance

Such a player would be well positioned to serve retail investors and consumers to purchase, sell, and manage their cryptocurrencies and would tread on the feet of cryptocurrency-only exchanges.

These players have managed to generate unprecedented growth and revenue in the span of only a couple of years. Crypto trading platform Binance alone has over 10 million users and is expected to generate nearly \$1 billion in profit in 2018.⁵¹

Looking at the traditional financial sector, consumers are not bound by blind loyalty and many of them have switched in recent years to so called “neo banks” such as N26 and Revolut, that provide low cost and convenient services adapted to evolving consumer demographics. These companies are currently undergoing tremendous growth with N26 having over a million customers and raising \$300 million in its latest round.⁵²

There is a great opportunity to enter this field as the finance-focused segment of blockchain is projected

to be the fastest growing segment with a CAGR of 70% until 2025.⁵³

A significant development in the crypto space is the rise of “decentralized finance” (hereafter named DeFi) which enables users to borrow and lend via cryptocurrency collateralization. Platforms could thus enable consumers to spend the loans they have taken out on platforms such as Maker DAOs CDP (Collateralized Debt Platform).⁵⁴

This trend also provides the chance to underwrite securities via traditional licences and DeFi platforms and collect the affiliated income.

The rise of DeFi however does not translate to the end of banking. Traditional banking still benefits from strong institutional backing and regulation will mean that KYC/AML regulations will be applied on money transfers made via DeFi platforms.

Equity exchanges such as Nasdaq have also introduced tailored solutions that use distributed ledger technology for near instant settlement⁵⁵.

51 Lubomir Tassev (2018) [Crypto Exchange Binance Expects up to \\$1 Billion Profit in 2018](#).

52 Crunchbase, N26.

53 Rick D. (2018) [Report: Blockchain Market to Be Worth over \\$28 Billion by 2025](#).

54 CDP Portal.

55 Matthew Kerner (2018) [Bringing digital ledger interoperability to Nasdaq Financial Framework through Microsoft Azure Blockchain](#).

The screenshot displays the MakerDAO CDP interface. At the top, there are two steps: '1 Collateralize & generate DAI' and '2 Confirm details'. The main section is divided into two columns. The left column asks 'How much ETH would you like to collateralize?' with a slider set to 5 ETH (4.803 PETH) and a minimum requirement of 5.503 ETH. The right column asks 'How much DAI would you like to generate?' with a slider set to 500 DAI (Max DAI available to generate: 454.245 DAI). Below these are several metrics: Liquidation price (ETH/USD) at 136.275 USD, Current price information (ETH/USD) at 136.275 USD, Liquidation penalty at 13.000%, Collateralization ratio at 150.000%, and Minimum ratio at 150.000%. A stability fee of 1.5%/year in MKR is also shown. A green button labeled 'COLLATERALIZE & GENERATE DAI' is at the bottom. On the right side, there is a MetaMask wallet interface showing a balance of 0.166 ETH (USD \$22.70) and a list of assets: ETH, DAI, and MKR. Below that is a 'Price Info' section showing ETH/USD at 136.275 USD, PETH/ETH at 1.040 ETH, DAI/USD at 1.000 USD, and MKR/USD at 664.322 USD.

Source: Maker DAO's CDP platform

Services in the financial crypto space are roughly divided into these categories:

- Services for merchants to accept payments in cryptocurrencies
- Decentralized finance platforms
- Security trading exchanges
- Crypto-to-fiat debit and prepaid cards
- Brokers for fiat-to-crypto exchanges
- Token issuing platforms

Traditional financial institutions are yet to enter this market but must navigate a complex regulatory maze as well as shifting consumer sentiment with a majority of polled citizens not trusting banks.^{56 57 58}

JP Morgan has recently announced issuing its own stable asset “JP Morgan Coin”, which exhibits all properties necessary to be called a cryptocurrency and showcases the involvement of banks in virtual currencies and distributed ledger technology.⁵⁹

The German Financial Regulatory Authority (BaFin) has approved the first fully regulated Security Token Offering by Bitbond for tokenised corporate bonds.⁶⁰ This will prove a boon to the widespread adoption of tokens by traditional institutions and retail investors alike.

In the U.S., Coinbase continues to increase its user base and has acquired Broker-Dealer, Alternative Trading System, and Registered Investment Advisor licences in order to list regulated security token offerings.⁶¹

The accumulated changes brought forth by these developments amount to nothing less than a financial revolution and herald a substantial redistribution of profits towards actors able to seize the day.

56 Jessica Fino (2018) [UK public distrust banks 10 years after crisis](#).

57 Barbara Woolsey (2017) [Germans Distrust Their Banks](#).

58 Swedish House of Finance Research Paper No. 18-6 (2018) [Distrust in Banks and Fintech Participation: The Case of Peer-to-Peer Lending](#).

59 Julia Horowitz (2019) [JPMorgan's move into crypto puts the rest of the industry on notice](#).

60 Joshua Stoner (2019) [BitBond Gains Approval of BaFin to Host Security Token Offering](#).

61 Asiff Hirji (2018) [Our path to listing SEC-regulated crypto securities](#).

A multi billion market

Using rough projections on the future number of crypto users we can calculate an estimate for the market size.

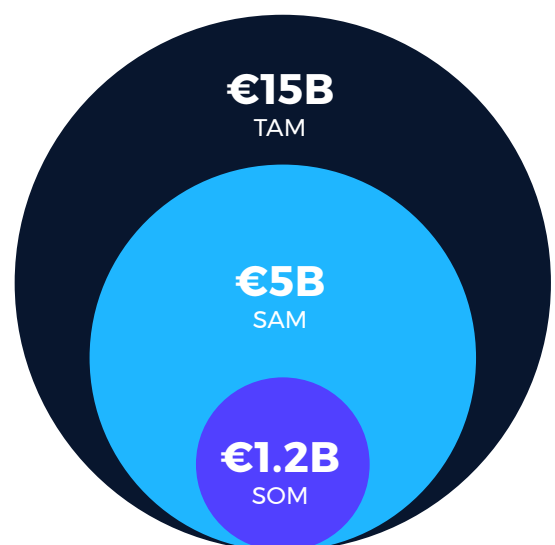
According to the Cambridge Centers for Alternative Finance 2nd crypto-assets benchmark⁶², there are currently 129 million cryptocurrency users/ investors, 35 million of them being identified via KYC procedures.

Thanks to clearer regulations and compliant offers (such as Bitwala's) we predict the number of identified consumers buying and trading crypto and digital assets globally to grow at least 5 fold by 2023; Assuming 175 million individual targets; and estimating average yearly trade volume of €8,500, we can forecast the following Total Addressable Market size, as below:


TAM (by 2023) = Global traders * Average yearly traded volume * Trading Fee = 175M * €8,500 * 1% = €15 Billion

62 Michel Rauchs, Apolline Blandin, Kristina Klein, Gina Pieters, Martino Recanatini, and Bryan Zhang (2018) [2nd Global Cryptoasset Benchmarking Study](#).

Bitwala's Addressable Market by 2023



Source: Internal




Given the presence of Bitwala, predominantly in the EEA markets and with some activity in foreign markets, our calculation would be based on 58 million addressable users for a Serviceable Addressable Market of approximately €5 billion.

Our leading market position in central and western Europe gives us approximately 14.5 million leads and a Serviceable Obtainable Market (SOM) of €1.2 billion.

This forms our conservative estimate for SOM, the higher band being determined by the growth in trade volume per user and does not consider corporate clients. This constitutes a very promising market worth entering.



Problem & Solution

- 
- ✗ When dealing with crypto, users must choose whether their money is tradable or spendable
 - ✓ Bitwala makes users' funds tradable and spendable

Ever since MtGox⁶³, users have had to make a choice: they can either keep their funds on a crypto exchange or in a private wallet or bank account. On an exchange, they are easily tradable, but can't be used for payments, e.g. paying with crypto or paying rent via bank transfer. When sent to a wallet or bank account, they become easily spendable, but must first be sent to an exchange in order to trade.

Bitwala makes funds tradable and spendable, being the first platform in the world to offer a fully licensed bank account with integrated crypto trading. From within the same platform, users can choose to spend or trade their funds, quickly and conveniently.

*Bitwala makes it
easy and secure
for consumers
and businesses
to use and trade
cryptocurrencies
and digital as-
sets directly from
their German
bank account.*

- ✗ Existing crypto trading services are insecure and unregulated
- ✓ Bitwala offers a fully regulated bank account and intrinsic protection for crypto funds

Whether it's through hacking, government shutdown or failure to implement a disaster recovery policy,⁶⁴ it has repeatedly been proven that funds stored by third parties are at risk.

Bitwala uses a combination of regulation and technology to protect its customers' funds. Firstly, the bitcoin wallets created through the platform only allow access to the end user. Neither Bitwala nor any other third party ever has access to our user's private keys. This has two advantages. Firstly, if a malicious agent got access to our servers, they would be unable to move customer funds. Secondly, if Bitwala ceased to exist or suffered data loss, users would still be able to access their funds with their backup keys.

Euro funds are stored in a fully regulated German bank account which offers both explicit and implicit protection. The most direct benefit is that customers' euro funds are protected up to €100,000 by the European Deposit Guarantee Scheme (DGS), meaning that those funds would be recovered if somehow lost.

Thinking longer term, Bitwala has always chosen the regulated path over the 'quick wins' available in the regulatory grey zone that we see in this transitional period. The fact that our product and business model has been approved by the BaFin, the German regulatory body, means that customer need not fear that access to their funds be hindered because of updates to existing law.

Finally, as we are moving toward a tokenised economy, new and stringent KYC and AML requirements will be put in place. Already fulfilling all the requirements for regulated banks ensures we will be able to meet whatever standards are put in place.

⁶³ Andrew Norry (2018) *The History of the Mt Gox Hack: Bitcoin's Biggest Heist*.

⁶⁴ Ana Berman (2019) *CEO of Canadian Crypto Exchange QuadrigaCX Filed Will 12 Days Before Death*.

- ✗ Investing in cryptocurrencies is complicated and unfamiliar for the average user
- ✓ Bitwala has an 'all-in-one' platform which offers a familiar user experience

Despite Bitcoin being over 10 years old, for the first-time user it's still an intimidating experience to buy cryptocurrencies. It's possible to fall prey to high, and often hidden fees, for example when buying crypto with credit card services. If users sign up to a market place, they could be put off by the need to make a bank transfer to a complete stranger. Onboarding to an exchange, the typical user might be overwhelmed by the order book and whether they need a market order or a stop loss.

Bitwala solves these issues in three ways. Firstly, it abstracts away the exchange layer meaning that a user is presented with a simple 'buy' vs. 'sell' option. Secondly, fees are transparent and consistent to minimise confusion. Thirdly, Bitwala provides the user with a superior user interface and the familiarity of an online bank account. While most customers have never used an exchange before, nearly all of them have used online banking. Funds are deposited to a regulated bank account, with a German IBAN, registered in the user's own name.

- ✗ Taxation and auditing for investors is uncertain and complex
- ✓ Bitwala provides automatic reports on trades for easy taxation

Companies and individuals are obliged to do bookkeeping for taxation and auditing purposes. Europe follows a decentralized approach to cryptocurrency regulation with different approach to capital gains tax.⁶⁵ In many countries (including Germany) cryptocurrency sales do not incur a capital gains tax; however, if the investment is held for less than one-year income taxes apply. Being that crypto exchanges and cash out platforms usually are separated, this requirement becomes complex to fulfil.

Bitwala will aggregate trade data to provide users and businesses with a suite of taxation and auditing tools that connects their trading activity with their Bitwala bank account. When selling cryptocurrencies, customers will be able to demonstrate that they have

held the assets for a certain period of time and will receive a full, European compliant tax report.

- ✗ Blockchain and crypto businesses are critically underbanked
- ✓ Bitwala offers crypto-first banking services and soon will incl.corporate accounts

Bitwala's founding team has experienced first hand the enormous barriers to business banking when one's company is in any way connected with bitcoin or blockchain. While a startup in a traditional sector would have a wide choice of Small and Medium-sized Enterprise (SME) bank accounts, blockchain companies have an upward struggle if they are lucky enough to find an account at all. Bitwala finds it abhorrent how a nascent industry is stifled by a lack of understanding of blockchain technology.

Bitwala knows first hand the ridiculous monthly fees that companies are charged just for basic services like having a business account from which they do payroll. The problem is worse if the company relies on a bank account for their business model. It is not uncommon to read that an exchange's account has been shut down.^{66,67} In reality, blockchain companies suffer more problems than reported due to the reputational risk of making such issues public.

By the end of 2019, Bitwala intends to expand its customer offering to businesses providing licensed German bank accounts to European companies. In addition to a current account and company debit card, customers will also benefit from a suite of taxation and reporting tools that cover both digital and traditional assets.

⁶⁵ Matthias Langer (2017) *Taxation of Cryptocurrencies in Europe*.

⁶⁶ Singapore Business Review (2017) *Cryptocurrency firms' Singapore bank accounts shut down*

⁶⁷ Mark Emem (2018) *Irish Crypto Exchanges On The Receiving End As Banks Close Accounts*



Business Model



Banks and the future economy

In the current financial system a bank account is the central point for serving people's daily financial needs. The average customer opens their mobile banking app around 10 times a day.⁶⁸

The bank account is the starting point for all sorts of transactions and investment decisions. People pay their rent, buy shares, make savings, pay invoices, invest in commodities or certificates - all out of their bank account. Bitwala understands that the traditional financial world of fiat money will not vanish in the mid-term future.

We at Bitwala are convinced that the future will indeed be continuously shaped by tokenisation and distributed ledger technologies. The advantages of tokenised forms of assets, such as lowering transaction costs and barriers to invest, will be reflected in increased demand from business and consumers.

Currently there is a huge gap between the banking system and the emerging ecosystem of digital assets.

Traditional banks have, as it stands, huge challenges to update their legacy IT infrastructure as well as adhering to new regulations. Planning and implementing a strategy to interface with the ecosystem of tokenised assets adds a whole new layer of complexity to an already expensive and highly delayed project.

Traditional banking is highly competitive. Currently in most European markets there are too many banks operating⁶⁹ that compete on price. Additionally, low interest rates are decreasing the traditional revenue sources.⁷⁰

New competitors in the form of mobile and challenger banks are entering the market with good UX, strong branding, and significant investments intent on cutting away at the traditional banking market.⁷¹

The extremely competitive environment, with low-

interest rates and margins, act as constraints against investing in new business models and technologies. Paired with the fact that blockchain technology can be seen as a long-term disruption of the whole banking business, traditional banks are castrated when it comes to innovating and will not build a bridge to the tokenised economy.

In conclusion, the incumbent banking and financial system of today is here to stay while on the other side a new, tokenised economy is massively growing in both value and transaction volume.

The gateway to digital assets

Bitwala is and will be placed as the main gateway for customers to facilitate financial transactions between the two immense financial systems.

Thanks to our experienced team, the regulatory know-how, historic compliance, market knowledge, and technical leadership Bitwala is able to offer this much-needed bridge between the two financial systems in the most customer-friendly way: a bank account. A familiar, trustworthy environment every user understands and can comfortably deal with. We believe this is important for the future mass adoption of the crypto economy and will play a self-fulfilling role in growing the tokenised economy.

Bitwala's business model

For consumers their bank account is the most important and natural financial touchpoint. We offer a complete banking platform with everyday functionalities: wire transfers, standing orders, and a well designed debit Mastercard for worldwide card payments and ATM withdrawals.

Because of the aforementioned competition, Bitwala is not seeking a fee model in digital banking. Bitwala offers a world's first, a unique service⁷², with which to monetise its consumer base with a safe compliant gateway between money and digital assets.

Bitwala is able to monetize these USPs by asking for a flat, fair, and transparent fee for every transaction between fiat currencies and digital assets.⁷³

People using cryptocurrencies today are often early

68 Marion Dakers (2015) [Mobile banking has eclipsed branches and even the rest of the internet](#).


69 Claire Jones (2016) [Mario Draghi: Europe has too many banks](#).

70 Raymond Michaels (2016) [The Effect of Negative Interest Rates on European Banking](#).

71 Antony Peyton (2018) [German challenger banks: who's who \(and what's their tech\)](#).

72 Ref. to chapters Products and services and Competitiveness

73 Additionally, intrinsic fees of the blockchain network might occur.



adaptors from an academic background, like IT or the financial sector.⁷⁴ Bitwala's customers reflect this and generally have a higher net worth than customers of non-crypto oriented neo-banks.⁷⁵

Besides this main source of revenue, Bitwala will offer premium and subscription models, such as higher trading limits, premium cards, dedicated service, travel insurance, etc. which have already shown positive adaptation in the business models of successful neo-banks.⁷⁶

We know our target users⁷⁷ have access to vast funds and they are eager to invest in the acquiring and trading of digital assets. By owning the customer relationship and being a brand that customers recognise and interact with, Bitwala holds a unique position to monetize high-quality customers with an eagerness to pay.

74 Marie Huillet (2018) [New Report On Crypto Ownership Shows 'Majority Of Early Adopters Already On Board'](#).

75 First party data.

76 Daniel Hüfner (2019) [N26 überrascht mit irren Geschäftszahlen](#).

77 Ref. to chapter Our clients



Products & Services

as of February 2019

Interested clients are invited to view our product demos here: <https://vimeo.com/album/5778396>

European residents can open their own Bitwala account here: <https://app.bitwala.com/onboarding>

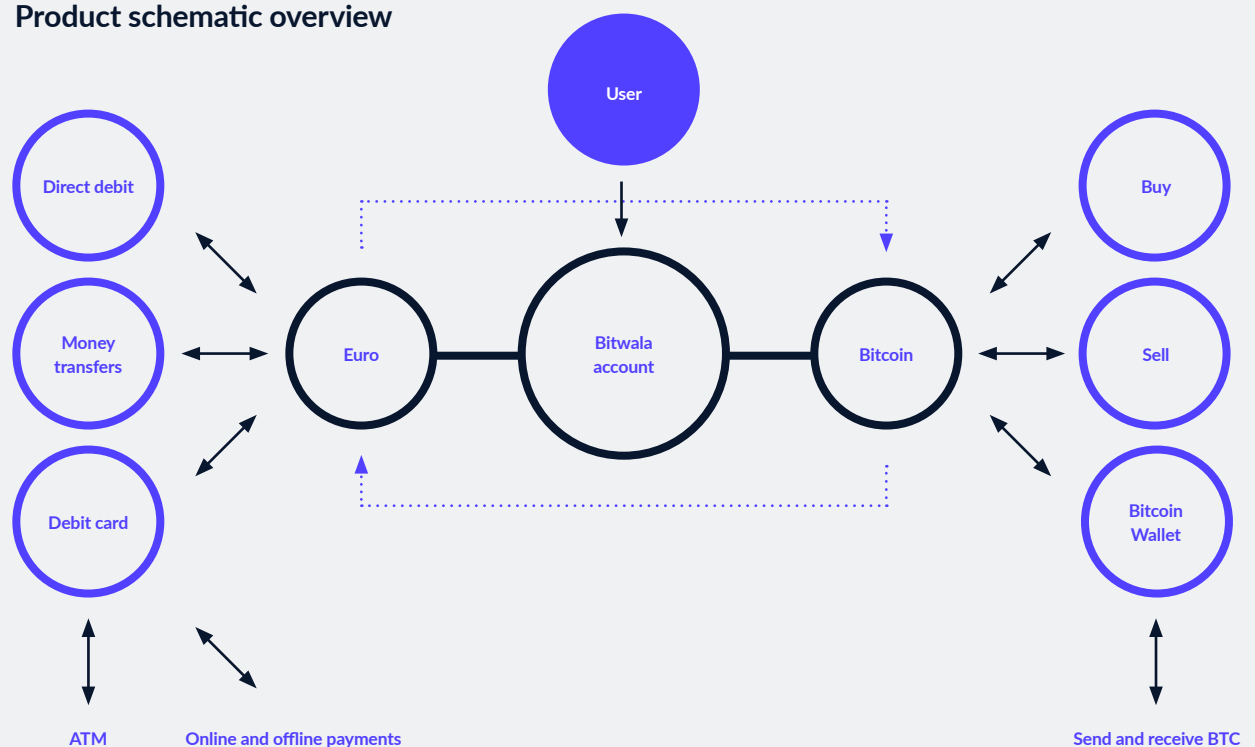
Bitwala offers the first account that combines everyday banking with features built for the crypto economy. With just a few clicks, customers can send and receive money, set up direct debits, make international payments, track their expenses over time, buy or sell bitcoin, or just store it in their wallet. Our services are available in both English and German followed by phone support in both languages.

Features

1. **Customer's money is safe:** All Euro fund deposits up to €100,000 are protected by the European Deposit Guarantee Scheme (DGS).
2. **Transparent fees:** When buying or selling cryptocurrency Bitwala charges a flat fee of only 1% of the trade volume, with a €1 minimum. (No deposit or exit fees)
3. **24/7 trading with fast liquidity:** Customers can buy and sell bitcoin any time, any day, and have their money debited directly into their Bitwala account.
4. **Clients are in charge:** With Bitwala users are buying real bitcoin which they can send, spend, and sell as they please. We never lock up our user's bitcoin within our system.
5. **Spend and pay both online and offline:** Bitwala customers can pay using their debit card and withdraw funds at over 30 million locations worldwide.
6. **Their keys, their bitcoin:** No risk of a centralised hack resulting in our clients losing their crypto funds.⁷⁸

78 Bitcoin Wiki, [Storing bitcoins](#).

Product schematic overview



Bitcoin Trading

Highlights

- Bitcoin to EUR to bank account in 60 min or less. Market-leading turnover time.⁷⁹
- User-generated bitcoin multisig wallets.⁸⁰ Meets top security standards in the industry.
- All traded bitcoin are compliant with AML/CTF⁸¹ legislation.⁸² Monitoring of user transactions on the blockchain to enable bank-grade compliance and protect user funds.
- Lower risk for AML/CTF-related issues.⁸³ Pioneering screening processes to prevent abuse

79 Based on a trade from a user generated wallet to a users bank account

80 Sudhir Khatwani (2018) [Best Multi-Signature Bitcoin Wallets \[2019 Edition\]](#).

81 Counter-Terrorism Financing (CTF)

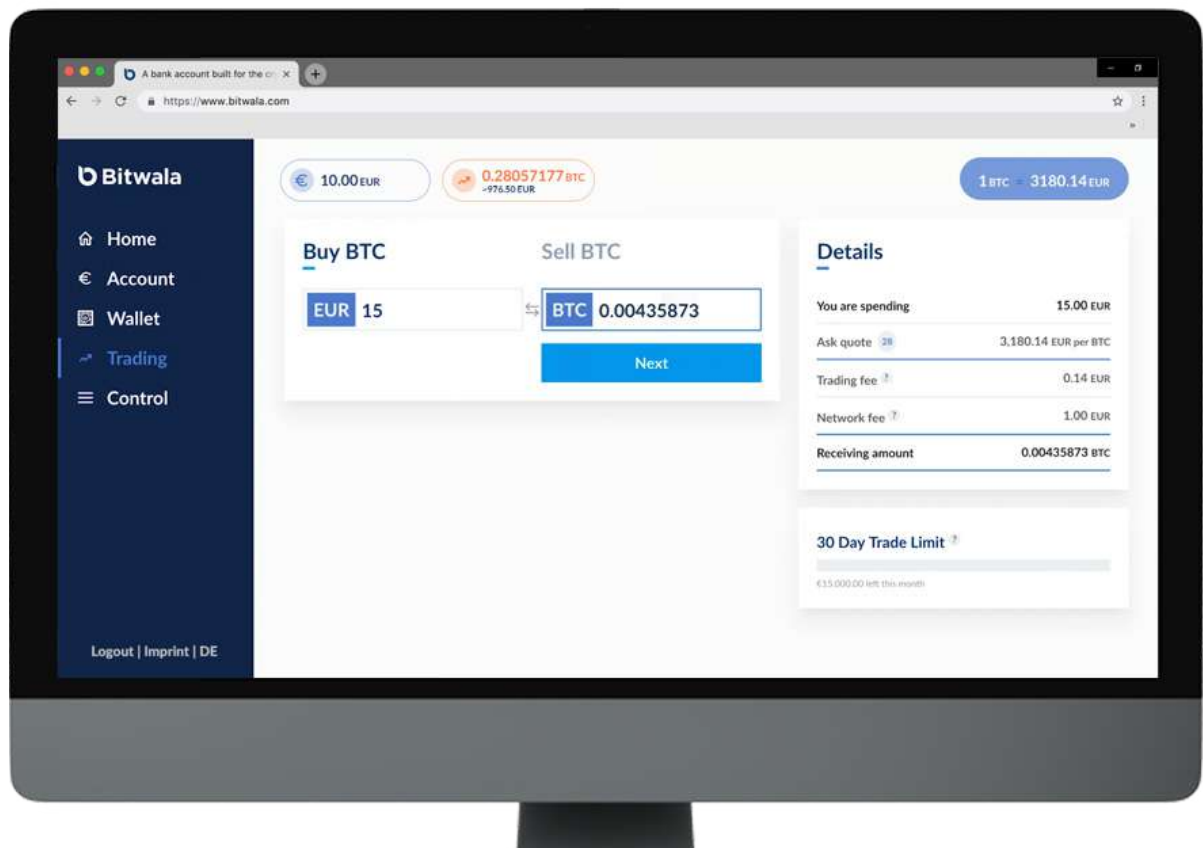
82 Our compliance provider is Coinfirm Ltd. A leading company in RegTech. [Coinfirm](#).

83 Wilson (2018) [Chase Shut Down My Bank Account After Selling Bitcoin On Coinbase](#).

and money-laundering resulting in funds not being frozen.

We are redefining cryptocurrency trading by enabling our customers to buy and sell bitcoin with an easy-to-understand price model of 1% (€1 minimum) and a quick turnover time of one hour or less. This ensures that users can use both their Euro and bitcoin for everyday financial needs.

With our setup, trades outside of normal banking hours (9am - 6pm) get processed in the same time frame enabling users to sell bitcoin on weekends and holidays and still be able to retrieve their funds from an ATM or to pay invoices.



Bank Account

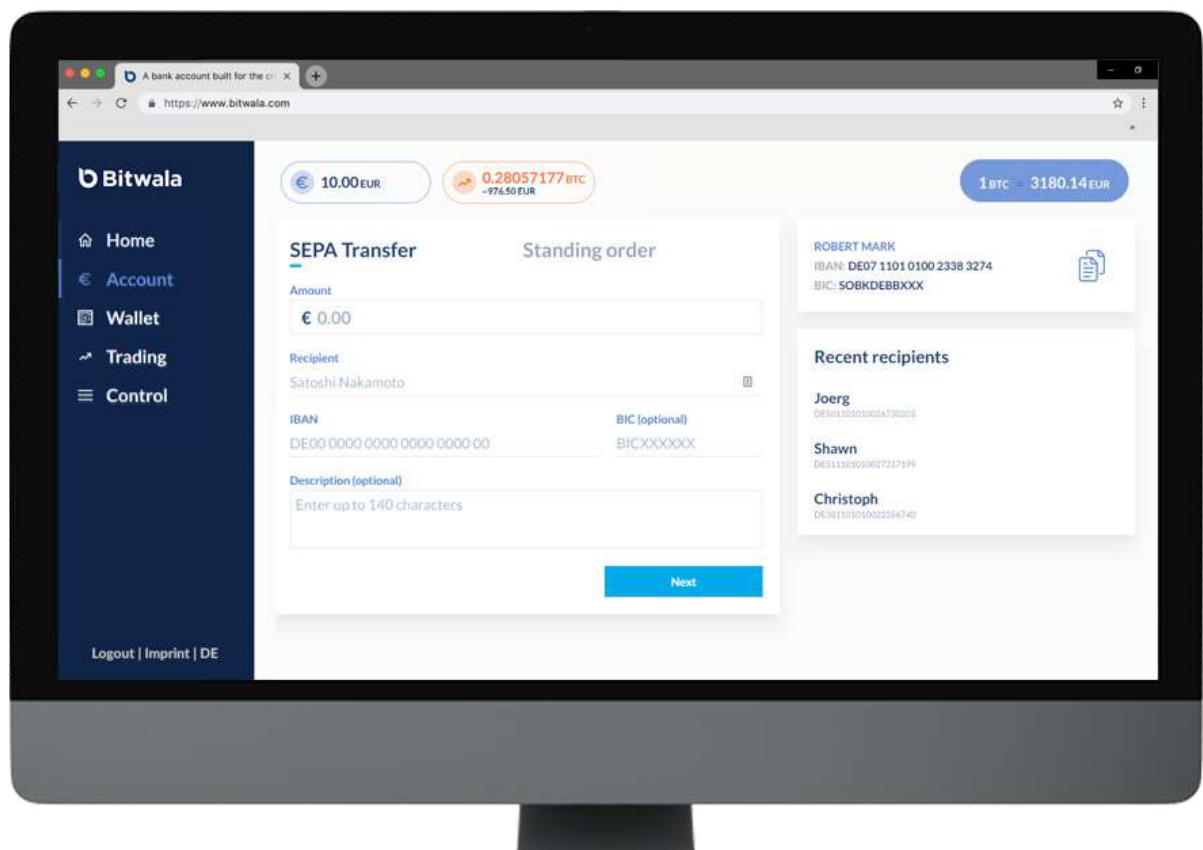
Highlights

- German bank accounts.
- Euro deposits are protected up to €100,000. European Deposit Guarantee Scheme (DGS).
- Crypto-friendly bank account.
We understand crypto better than traditional banks.
- Full range of banking functionality.
One stop shop for all financial needs.

Bitwala offers the first of its kind, fully licensed German bank account with a bitcoin wallet and trading directly integrated. The banking dashboard provides users with a full overview of both their bitcoin and Euro funds. Furthermore, the account enables users to manage their money: paying bills, receiving salary, and making SEPA transfers.

Customers are also able to easily set up automatic payments for service subscriptions that they regularly use from their Bitwala account. User settings like locking the card, changing the debit card PIN, setting limits for daily use and withdrawals can be done directly by the user.

Our product offering is subject to German banking laws. Together with our partner bank, we provide services compliant with existing regulatory law and supervised by the BaFin (Germany's Financial Authority). Accordingly, all Euro deposits are protected up to €100,000.



Debit card

Highlights

- Debit Mastercard.
- Overdraft protection.
- Contactless payment capability.
- Pay and spend globally at over 30 million locations.⁸⁴
- Worldwide cash withdrawals from ATMs.

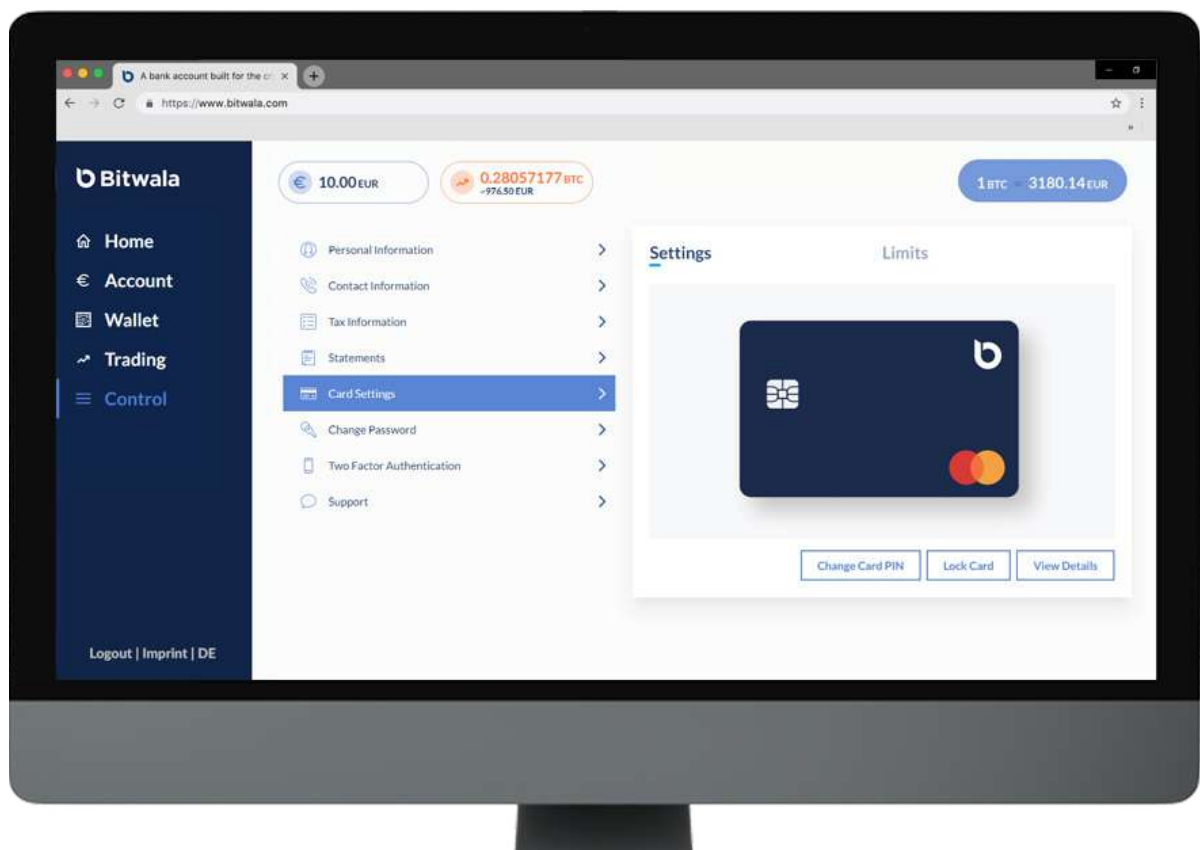
The Bitwala debit card enables our users to make online and offline purchases and to withdraw cash both in local and foreign currency. Our quick bitcoin-to-Euro trading service enables our users to hold their bitcoin position up to 60 minutes before making big purchases.

Bitwala debit cards also come with 3D secure features⁸⁵, such as a private code that gives an additional layer of security for online purchases.

We invite prospective customers to see how easy it is to order and activate their card by viewing our product demo here: <https://vimeo.com/album/5778396/video/318458296>.

84 Statista (2012) [Credit and debit card acceptance locations worldwide 2012](#).

85 [Mastercard](#).



Bitwala Wallet

Highlights

- User-generated HD⁸⁶ wallets.
"Your keys your bitcoin."
- Wallet-to-wallet transfer ability.
Send and receive crypto transfers.
- Mult-sig wallets for security and usability.
Can login and use wallet from any device while no third party has access to your keys.

Our wallets are Hierarchical Deterministic [HD] (eliminates the need for users to generate the secure keys) multisignature⁸⁷ bitcoin wallets that are integrated into the users' Bitwala account alongside their bank account. This allows users to send, receive, store, and trade bitcoin directly: with no need of any third party services.

The customer always has full control over their bitcoin and can decide on how to backup their password, 12-word master seed key and 12-word backup seed key to protect his funds from unauthorized access, including Bitwala.

This wallet set up guarantees that a hacker attack on Bitwala will not affect our customers. In the past, a multitude of companies (e.g. Yobit⁸⁸, BitFloor⁸⁹, Mt. Gox⁹⁰) were faced with having to close down after they became victim of a hacker attack that resulted in them losing client's bitcoin.

Our wallet meets the highest industry standards with two-factor authentication and multisignature keys while being easy to use and fully functional.

We invite you to see how easy it is to create a bitcoin wallet by viewing our product demo here: <https://vimeo.com/album/5778396/video/318457331>.

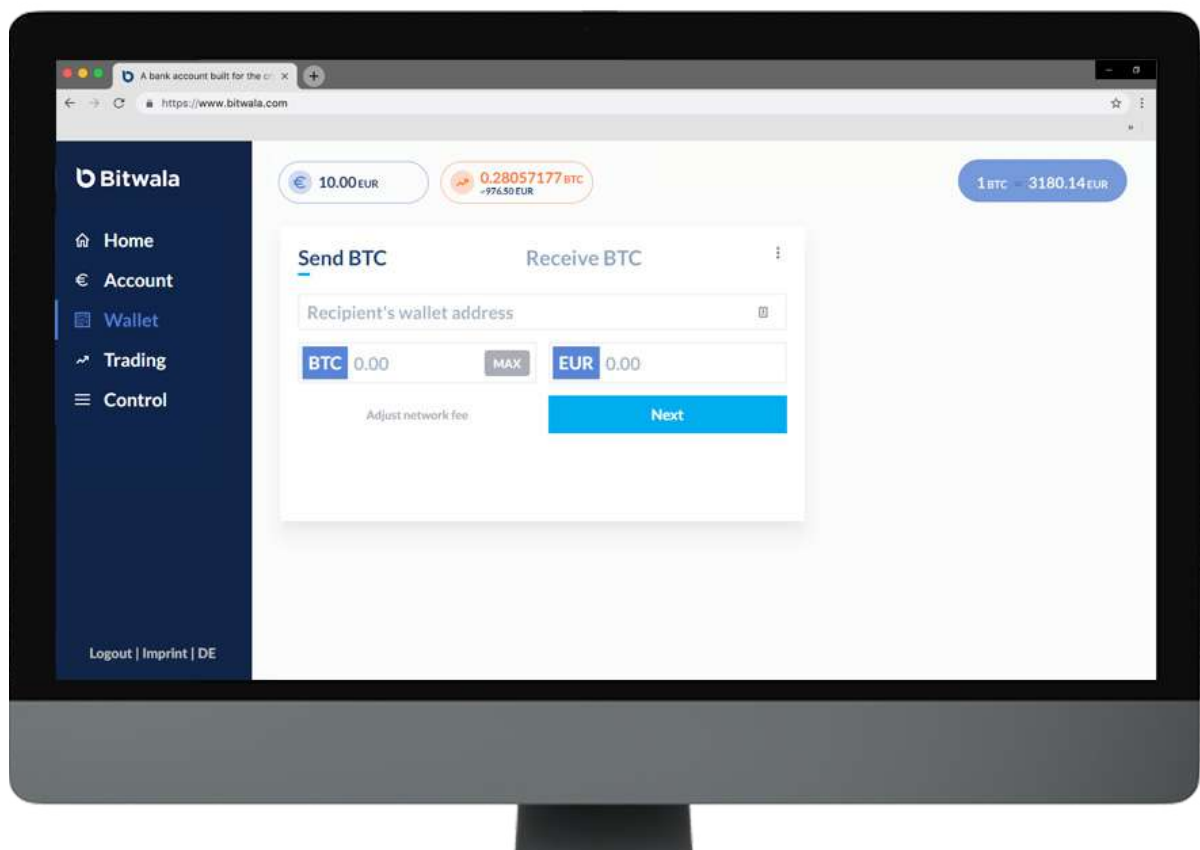
86 Jake Frankenfield (2018) [HD Wallet \(Hierarchical Deterministic Wallet\)](#).

87 Bitcoin Wiki, [Multisignature](#).

88 David Lee (2017) [Bitcoin exchange Yobit shuts after second hack attack](#).


89 Vitalik Buterin (2013) [BitFloor Shuts Down](#).

90 Andrew Norry (2018) [The History of the Mt Gox Hack: Bitcoin's Biggest Heist](#).





Technology



Bitwala's technology bridges the ecosystem of digital and crypto assets with traditional finance and currencies. Our infrastructure is built to interface between banking processes and blockchain transactions, combining them in a seamless way.

The tech-stack and engineering team is divided into two parts: First is the customer-facing services including mobile and web apps. Second, our trading services and back office tools. Having already built "Bitwala 1.0" which transferred over €75 million⁹¹, the Bitwala engineering team started completely from scratch in February 2018, building a scalable system that would seamlessly handle millions in transfer volume per day.

Bitwala's technology is broken down into the following components:

Main Component

The main component is the heart of Bitwala's technical infrastructure. It coordinates with the other services, requesting data and caching when necessary. The main component includes all of the business logic e.g. checking if a monthly transfer limit has been reached. It also provides the data layer for the mobile and web app.

The main component is built primarily in TypeScript. It has been built in a modular fashion and will be split off into multiple services as different parts of the business requirements scale.

Mobile and Web Apps

Customers interface with Bitwala's services through the web and mobile apps. The apps are also built in TypeScript and use React or React Native respectively and data is requested via GraphQL. A great deal of care is taken to ensure security, for example keys are only decrypted client-side and external scripts cannot be loaded.

Trading Core

Our proprietary trading software interfaces with exchanges, bank accounts, and wallets to ensure that the customers' orders are promptly filled and our liquidity is maximised. Agnostic of customer

information, our Trading Core talks with multiple exchanges (including a prospective Bitwala Multilateral Trading Facility), links directly to our core banking system and wallets. Additionally, a suite of tools and interfaces are provided to the trading and finance teams for monitoring and reporting purposes. We have a thorough system of alerts and mechanisms to deal with partner failure. Since we are the counterpart in every transaction, even if the exchanges fall through, delivery of our customer's bitcoin or Euro is guaranteed.

Trading Core is built using an event-driven serverless architecture which makes it highly scalable and fault-tolerant.

Core Banking Services

The current Bitwala core banking services are provided by our Bank-as-a-Service partner. With the success of the STO, Bitwala plans to develop and launch its own Core Banking System (CBS). This will be a secure and compliant service that exposes functionality such as creating bookings. Bitwala will purchase a whitelabel CBS (shortlist of candidates is being defined) and wrap it in an API. Its core responsibilities are to manage customer identities, accounts, bookings and cards.

Multilateral Trading Facility (MTF)⁹²

Bitwala plans to create its own MTF which will enable users and businesses to trade tokens and cryptocurrencies, including the Bitwala Security Token (BWL).

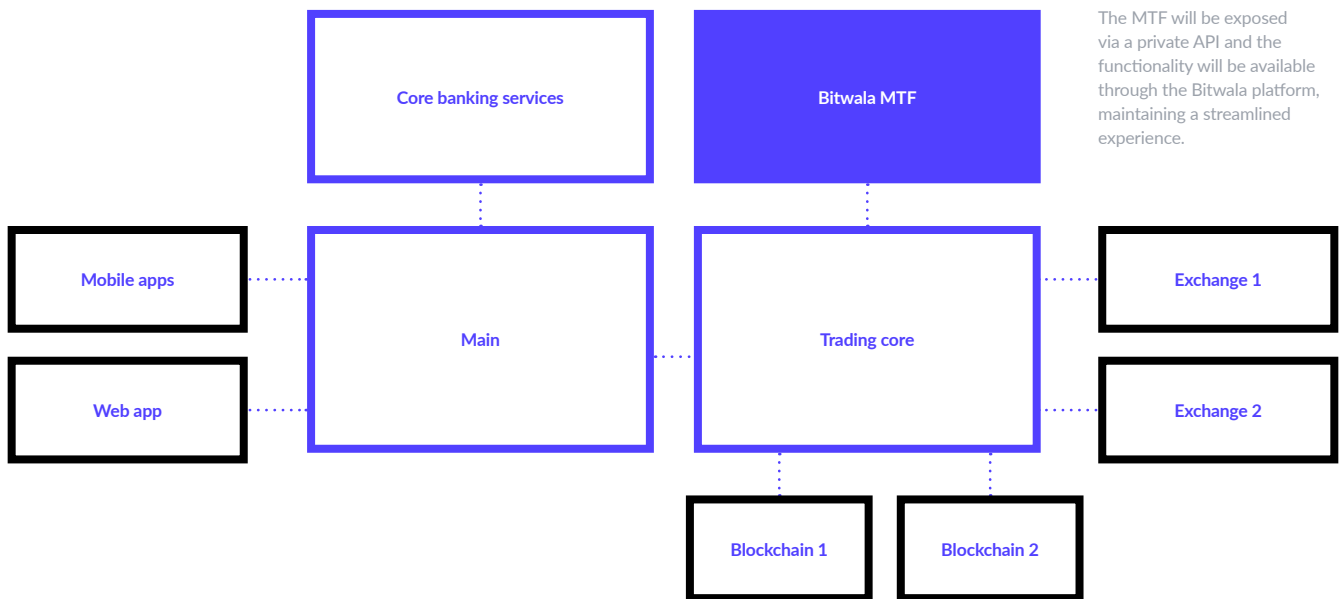
Given the uncertainty in the security token landscape, Bitwala believes it is premature to commit to a specific token standard or even blockchain. We will closely monitor Ethereum developments to see whether ERC-1400⁹³ becomes a more feasible solution or whether the alternative Stellar ecosystem will provide better features. Bitwala will choose the token standard that, given regulatory approval, has the best technical properties.

⁹¹ Internal source

⁹² MTFs are financial trading venues operated by an investment firm or market operator, as an alternative to traditional stock exchanges.

⁹³ Github Ethereum (2018) [ERC-1400: Security Token Standard](#).

Overview of Bitwala's post-MTF infrastructure



Features

Wallets

Bitwala wallets are multi-signature HD (P2SH/BIP32⁹⁴) wallets. This means that the user alone controls their coins. Nobody but the owner of the key can access them, neither Bitwala nor third parties. Even if Bitwala disappeared, our customers would still have access to their cryptocurrency. Every transaction made from their Bitwala wallet will always require a password that only they know, and if a customer loses their password their seed phrase will enable them to recover their coins.

Compliance

As a Banking Act regulated service, we take pride in providing the most compliant services possible. We adhere to all rules and regulations and MaRisk⁹⁵. Our market monitoring systems make sure that our customers never run the risk of trading outside of market conformity. Our customers go through a Know Your Customer (KYC) procedure, and AML checks are performed on both fiat and crypto transactions.

Security

Security is the highest priority for the engineering team. We have implemented first-rate practices such as automatic checking of dependencies for vulnerabilities and code linting (a process of running a program that will scan through code for potential errors). All new production code undergoes a strict review process, including the four-eyes principle. Additionally, we regularly undergo penetration testing to meet the security requirements of our partner bank and Alessandro Avagliano, outgoing Head of Security of Rocket Internet, has been hired and will start on April 1st 2019.

In addition to security in engineering, we focus on two key areas. The first being internal IT and training for employees. Not only do new hires undergo strict security training to detect phishing attacks we also employ practices like laptop encryption and password management. The second is customer education. Although Bitwala has never lost customer funds, one customer fell victim to a phishing attack with a site that imitated Bitwala's interface. We know that the customer is often the weakest link and have planned sizeable resources to train customers to double check for security, like knowing how to recognising SSL certificates and the dangers of clicking on short links.

⁹⁴ Bitcoin, [HD Protocol](#), [HD Wallet](#), [BIP32](#).

⁹⁵ "Minimum Requirements for Risk Management" ("Mindestanforderungen an das Risikomanagement" – MaRisk)



Roadmap

Milestones and Timeline

The milestones below represent our strategic roadmap. Our strategy is to become the market leader for most services where crypto and fiat intersect. A great mission requires sizeable resources and we have planned our roadmap according to several funding milestones that can be reached with our fundraising campaign.

The core of the initial funding will be allocated to obtaining a banking licence and establishing our own tokenised assets exchange. Reaching further milestones will unlock and speed up the development of additional products and services.

Every milestone listed below will guide us to this strategic goal. Every step along the roadmap is meant to build on the previous one and is to be implemented based on product and user feedback. The following design is subject to change based on market conditions.

The following milestones are shown against the number of tokens distributed. Thereof 9 out of 10 Tokens will be sold at a face value of 1 EUR and 1 will be generated and distributed to team members and ambassadors. The maximum funds, in EUR, to be raised are respectively: 13.5 million for Milestone I (Softcap), 31.5 million for Milestone II (Middle-Case) and 67.5 million for Milestone III (Hardcap).

Milestones reached

		Features: 15m tokens distributed	Features: 35m tokens distributed	Features: 75m tokens distributed
2019	Q1	<ul style="list-style-type: none"> - Mobile apps - Referral Program 	<ul style="list-style-type: none"> - Mobile apps - Referral Program 	<ul style="list-style-type: none"> - Mobile apps - Referral Program
	Q2	<ul style="list-style-type: none"> - Crypto Beam 	<ul style="list-style-type: none"> - Crypto Beam 	<ul style="list-style-type: none"> - Additional cryptocurrencies - Crypto Beam - Wallet Support for Multiple Currencies
	Q3	<ul style="list-style-type: none"> - Additional cryptocurrencies - Premium Trading Account 	<ul style="list-style-type: none"> - Additional cryptocurrencies - Pay bills with Crypto - Premium Trading Account 	<ul style="list-style-type: none"> - Pay bills with Crypto - Portfolio Tracking - Premium Trading Account
	Q4	<ul style="list-style-type: none"> - Corporate accounts - Taxation tools 	<ul style="list-style-type: none"> - Corporate accounts - Instant Top-Up - Invoice auto-import - Taxation tools 	<ul style="list-style-type: none"> - Corporate accounts - Instant Top-up - Invoice auto-import - Taxation tools
2020	Q1	<ul style="list-style-type: none"> - Brokerage Banking License - Pay bills with Crypto 	<ul style="list-style-type: none"> - Corporate accounts 2.0 - Full banking license - Portfolio Tracking 	<ul style="list-style-type: none"> - Corporate accounts 2.0 - Credit Cards - Full banking license - Hardware wallets
	Q2		<ul style="list-style-type: none"> - Credit Cards - Mobile Payment 	<ul style="list-style-type: none"> - Mobile Payment
	Q3			<ul style="list-style-type: none"> - Premium credit cards
	Q4	<ul style="list-style-type: none"> - Corporate accounts 2.0 - Instant Top-Up - Over-the-Counter (OTC) trading desk 	<ul style="list-style-type: none"> - Hardware wallets - Premium credit cards 	<ul style="list-style-type: none"> - Corporate mass payment/ access management - Over-the-Counter (OTC) trading desk - Trading for institutional customers

Milestones reached

		Features: 15m tokens distributed	Features: 35m tokens distributed	Features: 75m tokens distributed
2021	Q1	<ul style="list-style-type: none"> - Trading for corporate customers 	<ul style="list-style-type: none"> - Over-the-Counter (OTC) trading desk - Trading for corporate customers - Trading for institutional customers 	<ul style="list-style-type: none"> - Corporate taxation tools - Trading for corporate customers
	Q2		<ul style="list-style-type: none"> - Corporate taxation tools 	<ul style="list-style-type: none"> - Corporate invoicing + Cards
	Q3	<ul style="list-style-type: none"> - Invoice auto-import - Corporate taxation tools 	<ul style="list-style-type: none"> - B2B mass payment/ access management - Custodian (warm and hot wallet) 	<ul style="list-style-type: none"> - Custodian (warm and hot wallet) - Pay from external wallets - Trading Plans
	Q4	<ul style="list-style-type: none"> - Credit Cards 	<ul style="list-style-type: none"> - Corporate invoicing + Cards 	<ul style="list-style-type: none"> - Boxes
2022	Q1	<ul style="list-style-type: none"> - Custodian (warm and hot wallet) 	<ul style="list-style-type: none"> - Trading plans - Boxes 	<ul style="list-style-type: none"> - Additional fiat currencies accounts - Point-of Sale (POS) solution - Virtual Cards
	Q2		<ul style="list-style-type: none"> - Multi tokens wallet - Private Banking 1.0 	<ul style="list-style-type: none"> - Multi tokens wallet - Private Banking 1.0
	Q3	<ul style="list-style-type: none"> - Trading plans 	<ul style="list-style-type: none"> - Pay from external wallets 	<ul style="list-style-type: none"> - Lightning network support - Robo advisor & Exchange-Traded Funds (ETFs)
	Q4	<ul style="list-style-type: none"> - Premium credit cards 	<ul style="list-style-type: none"> - Virtual Cards 	<ul style="list-style-type: none"> - Corporate Escrow - FX Currency Pairs
2023	Q1	<ul style="list-style-type: none"> - Multi tokens wallet 	<ul style="list-style-type: none"> - Additional fiat currencies accounts - Online Payment Solutions 	<ul style="list-style-type: none"> - Enhanced Multilateral Trading Facility (MTF) - Online Payment Solutions
	Q2			
	Q3		<ul style="list-style-type: none"> - Enhanced Multilateral Trading Facility (MTF) - Point-of-Sale (POS) solution 	<ul style="list-style-type: none"> - Corporate Solutions (Cash Management) - Cryptocurrency-backed money loans - Crypto Lending
	Q4	<ul style="list-style-type: none"> - FX Currency Pairs 		



Milestone I – 15m tokens distributed

max €13.5 mio raised

Mobile apps

Fully native iOS and Android mobile apps.

Referral Program

Bitwala users will be able to invite others to open a new Bitwala account and we will reward both with bitcoin credit upon signup completion.

Crypto Beam

Transfer bitcoin (and possibly other cryptocurrency) instantly among Bitwala wallet's users.

Additional cryptocurrencies

At least an additional 3 cryptocurrencies are planned to be available to buy and trade (to be disclosed soon).

Premium trading account

We will accommodate the requirements of high volume traders (min. trading volume to be disclosed soon) and create special accounts with volume-based trading fees.

Corporate accounts

Thousands of companies and legal entities working in the crypto space are refused the opening of bank accounts by the majority of traditional banks⁹⁶. We at Bitwala know that and are completing the legal and technical setup to provide them with a bank account that allows seamless crypto and fiat operations.

Taxation tools

Navigating the complex and uncertain taxation systems for young and experienced crypto traders alike is a job by itself.⁹⁷ Bitwala will provide a

complete monthly taxation report, fully compliant with european regulations.

Brokerage banking licence

Bitwala will apply for and obtain its own German banking licence. In the case that Milestone I is reached Bitwala will be able to apply for a Brokerage Banking Licence (German Wertpapierhandelsbank) This limited (brokerage) licence allows us a selected number of banking transaction types (e.g. a trading book), without the need for a partner bank.

Being licensed gives us more control and flexibility over the banking services that we develop and offer to our customers. This is also a strategic move to become closer to regulators and begin to advocate for standards in KYC, AML, taxation, and auditing to better benefit the blockchain generation.

The main advantage of this limited license is that we will be able to integrate services currently offered by partners and own the complete trading operations.

Here's other advantages:

- Cost efficiency: reducing stakeholders
- Leaner operations: deeper knowledge, leaner processes
- Concentrate the value in the organisation
- Reducing information silos

Most importantly, the freedom to do market-marking and cashing-out and lastly offer a more competitive product and increase revenues. Revenues from running trading and treasury operations on its own books significantly outweigh the cost from regulatory requirements of a brokerage banking licence.

⁹⁶ Ref. to chapter Problem and Solution

⁹⁷ Osborne Clarke (2018) [Taxation of cryptocurrencies in Europe: an overview](#).



Credit cards

Together with an issuing partner Bitwala will complement its payment solutions with a world wide accepted credit card. Advantages over the the currently offered Mastercard debit will include invoicing of the credit card payments, delayed payment and extras for frequent travelers.

We plan to also introduce a “coinsback program” through which users’ accounts are credited with cryptocurrency when making payments with Bitwala’s future credit cards. In addition, we will integrate real-time conversion and spending of cryptocurrencies.

Pay bills with Crypto

Users will be able to pay for their bills with cryptocurrencies, a one-click process to sell bitcoin and transfer the equivalent fiat amount to IBAN accounts.

Instant Top-Up

Instant top-up of bank accounts via one-click, real-time conversion of crypto to fiat, vice versa.

Over-the-Counter (OTC) trading desk

An OTC trading desk will facilitate large private and institutional transactions off-exchange, or peer-to-peer, with the knowledge that the funds will be treated with discretion and safety of the customer in mind. Obtaining a brokerage banking licence is an elementary requirement for this value driver.

Trading for corporate customers

Increased limits, credit lines, decreased payout-times, better rates and lower fees. Institutional customers will also be able to borrow crypto against collateral for trading purposes.

Invoice auto-import

Users will simply import scanned PDF or digital invoices and we will take care of the heavy lifting, filling the relevant form automatically.

Corporate taxation tools

Complete monthly trading taxation report for business customers.

Multilateral Trading Facility (MTF)

Asset tokenisation is one of the most promising blockchain applications: it allows the conversion of rights into assets with economic value as a digital token that can be stored and managed on a blockchain network.

Tokenisation will have tremendous effects on trading and investment, providing greater transparency, liquidity, data integrity, and exchange potential than that of current stock exchanges.⁹⁸ The offer of these new digital assets, backed by cash flows or real-assets, will quickly rise in volume and might soon equal cryptocurrencies in trading volume.

The Bitwala Token is leading by example: BWL tokens are linked to our market value through fixed preferential participation in dividends and exit proceeds.

MTFs are financial trading venues operated by an investment firm or market operator, as an alternative to traditional stock exchanges. Faster transaction speeds, lower costs, and trading incentives have helped MTFs become increasingly popular in Europe. MTFs have fewer restrictions surrounding the admittance of financial instruments for trading, allowing us to offer tokenised assets from the start.

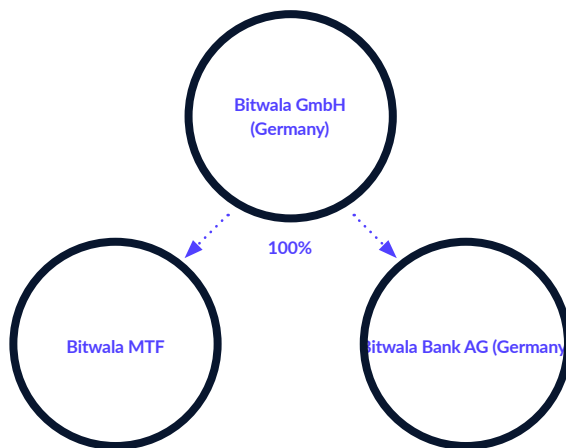
Bitwala plans to establish a multilateral trading facility where our BWL tokens will be openly tradable. Users will generate profiles and wallets on the exchange and all KYC identification and AML screening will be performed directly through the platform, allowing smoother access to new customers and a vastly more cost-efficient procedure for Bitwala.

Thanks to our banking business we will be able to leverage full-ownership synergies. Bitwala’s MTF will provide secure and easy trading for BWL tokens, and our new platform will help companies by offering token issuing; generating additional revenue for Bitwala.

⁹⁸ Jessica Merrell (2019) [How security token offerings promote financial inclusion](#).

Future structure Bitwala Group

We plan to establish two new entities as part of the future Bitwala Group. One that will obtain and hold our banking licence and one that register our new MTF.



Custodial service (warm and hot wallet)

One of the strengths of our current product is our multisig non-custodian wallet. There are numerous advantages to it and we still advise users to store their tokens on it.

Bitwala cannot access these storages; our customers have full ownership. Hence why for some advanced trading services (automated and algorithmic trading) and for our projected future MTF, we are planning a

tempered approach as explained in the chart below.

Trading plans

Bitwala will allow investors to customize automated investing at regular intervals as well as the flexibility to automatically invest funds into designated investments.

Premium credit cards

Bitwala premium cards will come with damage and theft protection, extended warranty coverage, travel insurance policies, and an even more attractive “coinsback” program.

Multi tokens wallet

Store, send, and receive most of the major cryptocurrencies and tokenised assets directly from Bitwala’s multisig wallet.

FX currency pairs

Bitwala provide support for fiat trading pairs beyond Euro.

	Wallet	Use Case	Security vs Availability	
Temp 2	Hot Wallet  <ul style="list-style-type: none"> - Connected - Multi-signature - Automated transaction 	Liquidity Buffer	Medium	High
Temp 1	Warm Wallet  <ul style="list-style-type: none"> - Connected - Hardware enforced multi-signature - Manual transaction 	Short / Mid Term Custody	High	Medium
Temp 0	Cold Wallet  <ul style="list-style-type: none"> - Offline - Blockchain enforced multi-signature - Manual transaction 	Long Term Custody	Very high	Low



Milestone II – 35m tokens distributed

max €31.5 mio raised

Products and features in addition to milestone I.

Full banking licence

While the limited (brokerage) license allows us a selected number of banking transaction types (e.g. a trading book), the additional resources will allow us to acquire a full banking licence (German Vollbanklizenz). This allows us to offer any banking as well as other financial products, e.g. loans.

Full vertical control will give us more freedom, less coordination needs, as well as more flexibility and will ultimately entail substantial cost cuts and synergies such as:

1. Getting the process authority by controlling the full value chain
2. Reducing complexity costs e.g. in customer support
3. Chance to directly negotiate with service providers
4. Shorter time to market for a whole range of new products
5. Passporting benefits in the European Single Market
6. Gaining even more trust for the Bitwala brand

As other recent examples in Germany and the EU demonstrate, a full banking licence can be the catalyst for even stronger growth which outweighs the costs from regulatory requirements.

Portfolio Tracking

User will be able to keep track of all cryptocurrencies and tokens in one platform. They will get the latest coin prices and market charts in their local currency, as well as alerts to ensure that they don't miss out on their next crypto investment.

Mobile Payment

Rather than carrying around cash or tapping their Bitwala card, users can simply hold their smartphone

near a card reader to pay with Apple Pay or Google Pay.

Hardware wallets

Full compatibility with hardware wallets such as Trezor or Ledger.

Trading for institutional customers

We will accommodate the trading needs of larger institutions beyond what is offered for corporate customers (see above).

Boxes

Create sub-accounts to store fiat or crypto for saving or future investments.

Private Banking 1.0

We will provide private banking services such as personalized financial and banking services generally offered to wealthy high net worth individual (HNWI) clients. For wealth management purposes, HNWIs have typically accrued more wealth than the average person, so they have the means to access a larger variety of conventional and alternative investments. Private banks aim to match such individuals with the most appropriate options.

Virtual Cards

Permanent as well as disposable virtual cards will be available to our users.

Additional fiat currencies accounts

Support for fiat bank accounts in GBP, CHF and more currencies.

Online Payment Solutions

Integration with major Crypto <> Fiat online payment services (ex. Bitpay).



Point-of-Sale (POS) solution

Integration with most popular Crypto <> Fiat POS platforms.

Enhanced Multilateral Trading Facility (MTF)

With increased funding available Bitwala will be in a position to increase the services offered on its MTF. Bitwala will be able to provide other projects and companies the full service to issue their tokens through the Bitwala MTF and make these tradeable to a broad audience.



Milestone III – 75m tokens distributed

max €67.5 mio raised

Products and features in addition to milestone II.

Lightning network support

The lightning protocol is an off-chain protocol for peer-to-peer transactions that could solve many scalability issues with the Bitcoin network (as well as other layer 1 chains). We fully embrace improvement and are already planning for future support of it.

Robo advisor & Exchange-Traded Funds (ETFs)

Robo advisors provide digital financial advice based on mathematical rules or algorithms.

An ETF is a type of fund that owns underlying assets and divides ownership of those assets into shares.

Bitwala's planned MTF will provide robo-advice to our customers and will support tokenised ETFs. Bitwala significantly hereby increases saving and investment opportunities for its customers.

Multi-banking platform

Integration from other banking accounts allowing access and transaction over the Bitwala platform through (PSD II protocol).

Corporate solutions (Cash management)

We plan to extend our B2B services by offering cash management solutions such as: cash pooling,

corporate accounts, escrow services, and liquidity management.

Cryptocurrency-backed money loans

Bitwala will integrate with crypto-backed loans providers to allow our users money or crypto loans with a variety of assets.

Internationalisation

The focus of our two previous milestones is on vertical integration: offering more, and diverse services to our targets and bringing products and services in-house, ultimately increasing synergies, leaning the structure and increasing revenues.

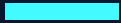
With the additional resources we are squarely set on geographical and horizontal expansion. As shown in the following section, we intend to actively expand and market to additional non EURO zone countries (UK, Switzerland).

With our planned expansion we will be also laying the groundwork for further expansion in markets outside the EEA.

Expansion

The Bitwala platform is already available for all residents of the EEA (EU, Norway and Switzerland). With the new funding we intend to actively market in the following countries, including localization, customer support, direct user acquisition via marketing campaigns and provide support for fiat denominated bank account other than EUR (GBP, SEK, CHF, etc.).

Expansion I (soft-cap)
Netherlands
Expansion II (middle case)
Austria France Belgium
Expansion III (hard-cap)
Spain Italy Ireland Finland Portugal UK Poland Denmark Sweden Switzerland



Our Clients



Bitwala - Blockchain banking

A user persona, in user-centered product design and marketing is a fictional character created to represent a user type.

We use personas together with market segmentation to identify customers in target segments.

Our target market contains three consumer (B2C) profiles.

The common denominator among these are gender and interest in financial products. Due to the regulatory framework of our product, users are residents of the European Economic Area.

Furthermore, we have defined four different corporate (B2B) personas for our core product and three additional for our planned MTF.

B2C PERSONA I

Ingo Savvy

42, married with 2 kids — lives in Berlin

Tech savvy user who sees in crypto a pragmatic financial gain opportunity and who values service reliability over cost sensitivity.



PROFILE

- Strong financial literacy
- Tech-savviness (not coding)
- High tolerance for rudimentary technologies
- Monitors crypto prices multiple times per day
- Keeps personal crypto reserves on cold or paper wallets
- Risk-aware when trading on exchanges (custodian wallet - hacks)

CHALLENGES

- Lack of assurances from his high street bank about crypto activities
- Liquidity gap when converting from bitcoin to fiat
- Reporting taxes from crypto trading



INTERACTION WITH BITWALA

- Premium account
- Bank account and crypto trading
- Expected trading volume: €15,000/month

TECH DIET

Ledger
Trezor
Android
Windows
Blockfolio

PLATFORMS

CoinDesk
Reddit
YouTube
Facebook
CNBC
Bitcointalk
Business Insider
Telegram

B2C PERSONA II

Oscar Casher

33, expecting a baby with his girlfriend - Dutch living in Cologne

Intermediary techie and libertarian enthusiast with deep ties to the crypto community. Brand ambassador.



PROFILE

- Fast adopter and active user of technology
- HODLer⁹⁹ (does not sell when the price collapses)
- Monitors crypto prices multiple times per day
- Keeps personal crypto reserves on cold or paper wallets
- Risk-aware when trading on exchanges (custodian wallet - hacks)

CHALLENGES

- Fragmentation of crypto services (cards, banking, exchange, etc.)
- Lack of assurances from current bank about crypto activities. Fear of account shut down
- Reporting taxes from capital gains

⁹⁹ Sudhir Khatwani (2019) [What is "HODL" in the Cryptocurrency World? + Must Know Cryptocurrency Terms.](#)



INTERACTION WITH BITWALA

- Former Bitwala 1.0 user
- Cashing out crypto gains
- Debit card for day to day purchases
- Expected trading volume: €5,000/month and larger amounts ahead of special occasions

TECH DIET

Tor
Ledger
Trezor
Blockfolio
Linux
Android
VPN

PLATFORMS

CoinDesk
Reddit
YouTube
Bitcointalk
Medium
Telegram
Twitter
TechCrunch

B2C PERSONA III

Newton Newbie

48, married - living in Frankfurt

Newbie tech enthusiast who wants to get into crypto but needs guidance along the way. Likely to hold his investment for multi years.



PROFILE

- Senior, Executive or Top-Level Management
- Highly engaged with mobile technology
- Financially independent
- Invested in other assets before investing in crypto
- Less concerned about security
- Mistrusts financial institutions outside central Europe

CHALLENGES

- Heard about crypto by word of mouth and through the press, but doesn't know where to start
- High barrier to entry due to technology gap
- Expects a service tailored to novice users



INTERACTION WITH BITWALA

- Buying bitcoin
- Storing bitcoin on the integrated wallet
- Expected trading volume: €100/month

TECH DIET

iOS

PLATFORMS

CoinDesk
YouTube
Facebook
CNBC
Medium
Twitter
Forbes
LinkedIn

B2B PERSONA I

Crypto Inc.

Startup/ small business

Crypto Inc. wants to utilise the blockchain technology as a core element of its business and needs a reliable crypto-friendly bank with a deep understanding of the technology to provide the necessary infrastructure.

PROFILE

- Team of 1 to 25
- Build cryptographic ledger systems for different industries e.g. banking, healthcare, legal, security, government
- Quick growing financial volumes
- Most common legal entity Ltd./ GmbH/ B.V.

CHALLENGES

- Finding a bank which understands crypto and therefore doesn't refuse them or terminate their contract^{100 101 102}
- 24/7 tradability to insure liquidity needs and to respond to price fluctuations



INTERACTION WITH BITWALA

- Converting crypto assets to fiat
- Multi-user setup with permission settings
- Storing bitcoing on the integrated wallet
- Expected trading volume: €5,000/month

100 Darius Mcquaid (2018) [Bitcoin news: Deutsche Bank demands CRACKDOWN on cryptocurrencies.](#)

101 Kai Sedgwick (2018) [Funds Frozen, Account Closed: UK Banks Target Cryptocurrency Owners.](#)

102 Jennifer Duke (2017) [Bitcoin tensions rise as investors claim banks freezing their accounts.](#)

B2B PERSONA II

Mining Inc.

Crypto mining business

Mining Inc. uses specialised computers to compete with their peers in solving complicated mathematical problems which are rewarded with a number of crypto tokens¹⁰³. Mining Inc. rents out its computers to individual miners who receive a portion of the token reward.

¹⁰³ Luke Fortney (2019) [Bitcoin Mining, Explained](#).

PROFILE

- Team of 5 to 50
- Located in Iceland, Estonia
- Has 25-500 individual clients

CHALLENGES

- Finding a bank which understands crypto and therefore doesn't refuse them or terminate their contract^{104 105 106}
- Clients need to pay their operational costs in fiat
- Mining Inc. is missing the necessary licences to exchange the mining rewards for their clients



INTERACTION WITH BITWALA

- Converting crypto assets into fiat
- Multi-user setup with permission settings
- Storing bitcoin on the integrated wallet
- Referring Bitwala to its clients
- Expected trading volume: €150,000/month

¹⁰⁴ Darius Mcquaid (2018) [Bitcoin news: Deutsche Bank demands CRACKDOWN on cryptocurrencies](#).

¹⁰⁵ Kai Sedgwick (2018) [Funds Frozen, Account Closed: UK Banks Target Cryptocurrency Owners](#).

¹⁰⁶ Jennifer Duke (2017) [Bitcoin tensions rise as investors claim banks freezing their accounts](#).

Crypto Foundation

A (nonprofit) organisation promoting blockchain technology

Crypto foundation was founded after a successful initial token offering which promised to become the blockchain of the future. Token investors pleaded part of their investment to the foundation to represent their interests in developing the technology and increasing the adoption rate.

PROFILE

- Located in Liechtenstein, Switzerland
- Token holdings valuing €5 million - €125 million
- Team of 10-150 (remote workforce)

CHALLENGES

- Finding a bank which understands crypto and therefore doesn't refuse them or terminate their contract^{107 108 109}
- 24/7 tradability to insure liquidity needs and to respond to price fluctuations
- AML screening of received tokens by a regulated entity



INTERACTION WITH BITWALA

- Converting crypto assets into fiat
- Multi-user setup with permission settings
- Storing bitcoin on the integrated wallet
- Expected trading volume: €50,000/month

107 Darius Mcquaid (2018) [Bitcoin news: Deutsche Bank demands CRACKDOWN on cryptocurrencies.](#)

108 Kai Sedgwick (2018) [Funds Frozen, Account Closed: UK Banks Target Cryptocurrency Owners.](#)

109 Jennifer Duke (2017) [Bitcoin tensions rise as investors claim banks freezing their accounts.](#)

Institutional PLC (Public Limited Company)

Institutional investors

Institutional PLC pools money to purchase securities, real property, and other investment assets and wants to diversify its portfolio by including crypto assets.

PROFILE

- Located in the USA, EU, and the Middle East
- €5+ billion in assets¹¹⁰
- Goal is to have 0.1 - 1.5% of its portfolio in crypto assets

CHALLENGES

- Finding a trusted and fully regulated entity to invest through
- Over-the-Counter (OTC) trade service including a strict screening to fulfil future crypto compliance laws
- Secure crypto wallet setup
- Multi-user setup with permission settings



INTERACTION WITH BITWALA

- Bitwala custody services to secure clients' wealth when making considerable crypto investments
- Expected trading volume: €5 million - €75 million in 5 years

¹¹⁰ Investment&Pensions Europe (2016) [TOP-1000 Global Institutional Investors](#).

Markus Savvy

40, married with 1 kid - Lives in Amsterdam

Markus Savvy is looking to invest directly into promising companies, commodities, real estate, stocks, and all with 24/7 tradability and with no lock-up periods. Furthermore, he wants to have quick access to his funds for days to day expenses.

PROFILE

- Strong financial literacy
- Tech-savviness (not coding)
- Experienced trader
- Monitors crypto and stock prices multiple times per day

CHALLENGES

- Lack of assurances from his high street bank about crypto activities
- Reporting taxes from crypto trading
- Wants to trade traditional assets but with blockchain-based trading functionality
- Wide range of offered assets
- High liquidity (the number of active traders and the overall volume of trading)



INTERACTION WITH BITWALA

- Premium account
- Connecting his Bitwala bank and MTF trading accounts
- Expected trading volume: €25,000/month

Family Inc.

Institutional Investors

Family Inc. invests in a wide range of asset classes with different risk profiles including equity in promising companies. They have very high standards in regards to compliance and safety and expect a tailored service.

PROFILE

- €50 million - €1,000 million in assets
- Increasing investments in private equity¹¹¹
- Team of 10 + 4 part time

CHALLENGES

- Finding a trusted and fully regulated entity to invest through
- Over-the-Counter (OTC) trade service including a strict screening to fulfill future crypto compliance laws
- Secure crypto wallet set up
- Multi-user setup with permission settings



INTERACTION WITH BITWALA

- Bitwala custody services to secure clients' wealth when making considerable crypto investments
- Expected trading volume: €1.4 million - €28 million in 2.5 years

¹¹¹ Insecurity Analysis (2018) [Family Offices: The New Deal Masters?](#)

Token Sale Inc.

Startup/ small business

Token Sale Inc. is a promising company looking for a affordable and quick way to raise capital in a crowdfunding addressing both venture capital and private investors.

PROFILE

- Current investment round series A/B
- Amount to be raised €3.5 million - €25 million
- Team of 5 to 50

CHALLENGES

- Combining a traditional investment round with a crowdfunding with minimal investment amounts (invested users become loyal brand ambassadors¹¹²)
- Finding a trusted and fully regulated entity to facilitate its crowdfunding
- AML screening of received tokens and fiat by a regulated entity
- Legal setup guidance
- Token minting and distribution setup

INTERACTION WITH BITWALA

- Expected one time trading volume: €2 million - €10 million
- Bitwala custody services to secure clients' wealth during its crowdfunding



INTERACTION WITH BITWALA

- Bitwala custody services to secure clients' wealth during its crowdfunding
- Expected one time trading volume: €2 million - €10 million

112 David Bloom (2018) [Five Reasons Venture Capitalists Are Becoming Fans Of Equity Crowd Funding.](#)



Financials



Summary Consolidated Financials Forecasts and Other Data

The following selected consolidated financial forecasts are an extract and are complemented by our audited consolidated financial statements under the standard accepted accounting principles in Germany, or HGB standards, with our firm's characteristics. These documents are not included in this report.

These five-year projections are presented for the years ended December 31 2019, 2020, 2021, 2022 and 2023. The summary of our consolidated financial, done pro forma, does not derive from our consolidated financial statements.

The historical performance of any prior period does not necessarily indicate our projected expectations.

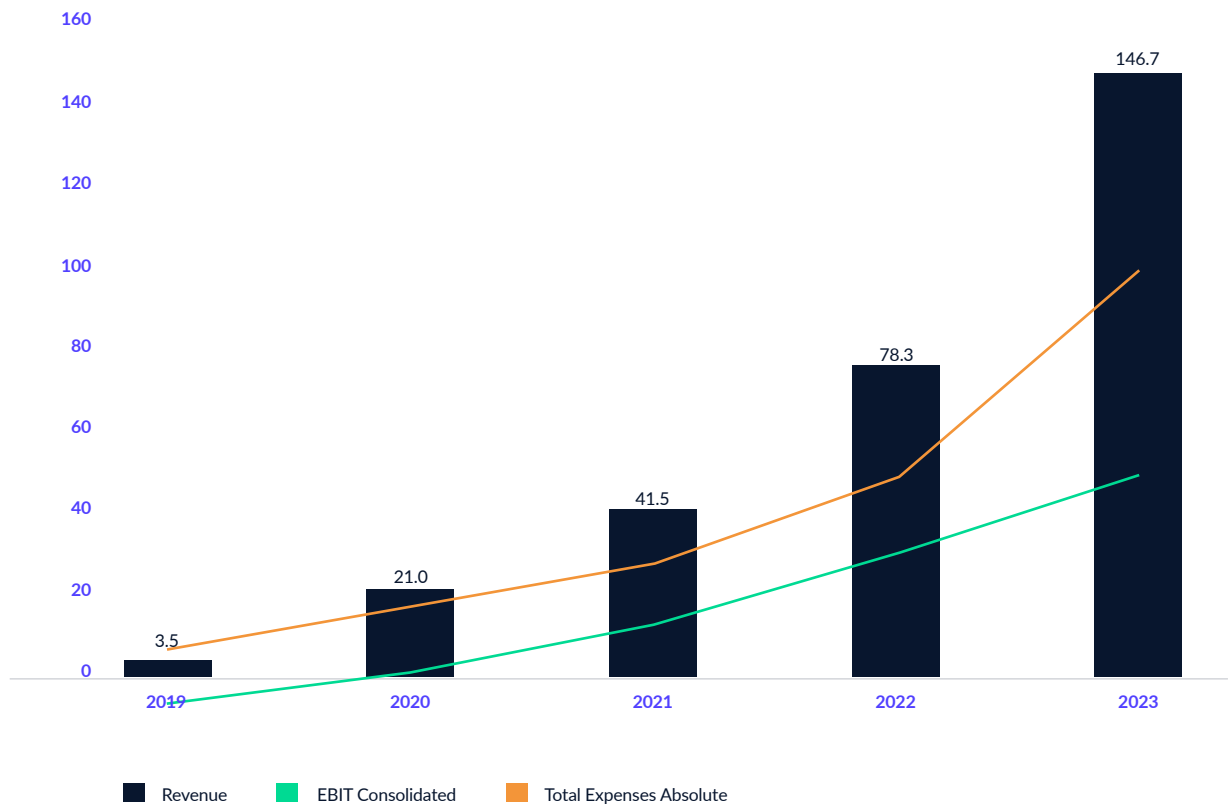
Below follow three financial projections according to each funding scenarios: (i) Hard-Cap, (ii) Middle-Case and (iii) Soft-Cap. Cases (i) and (iii) are described in the Bitwala Token Sale segment.

Hard-Cap Scenario

75M tokens distributed - max 67.5M EUR raised

Profit & Loss Forecast	Units: Million €	2019	2020	2021	2022	2023
Revenue		3.5	21.0	41.5	78.3	146.7
Costs of Revenue		(2.2)	(8.6)	(13.1)	(23.9)	(52.5)
Gross Profit		1.3	12.4	28.4	54.4	94.2
Sales and Marketing Expenses		(0.4)	(1.4)	(3.4)	(13.3)	(30.0)
General and Administrative Expenses		(6.2)	(8.5)	(9.3)	(11.7)	(17.8)
EBIT		(5.3)	2.5	15.7	29.4	46.4
MTF		(1.7)	(2.1)	(1.5)	0.4	3.2
EBIT Consolidated		(7.0)	0.4	14.2	29.8	49.6

P&L Forecast: Hard-Cap [Million €]

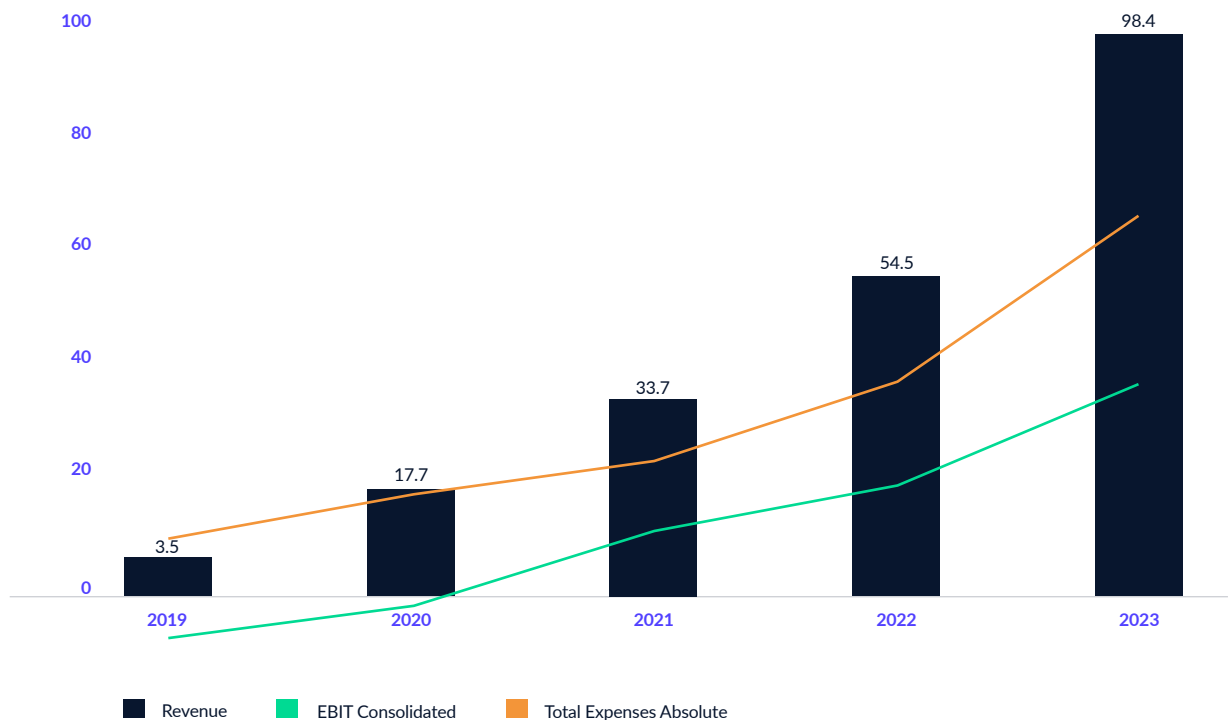


Middle-Case Scenario

35M tokens distributed - max 31.5M EUR raised

Profit & Loss Forecast	Units: Million €	2019	2020	2021	2022	2023
Revenue		3.5	17.7	33.7	54.5	98.4
Costs of Revenue		(2.2)	(7.5)	(10.3)	(16.1)	(32.6)
Gross Profit		1.3	10.2	23.4	38.4	65.8
Sales and Marketing Expenses		(0.4)	(1.4)	(2.7)	(8.9)	(18.2)
General and Administrative Expenses		(5.9)	(8.2)	(8.9)	(10.7)	(15.0)
EBIT		(5.0)	0.6	11.8	18.8	32.6
MTF		(1.7)	(2.1)	(1.5)	0.4	3.2
EBIT Consolidated		(6.7)	(1.5)	10.3	19.2	35.8

P&L Forecast: Middle-Case [Million €]

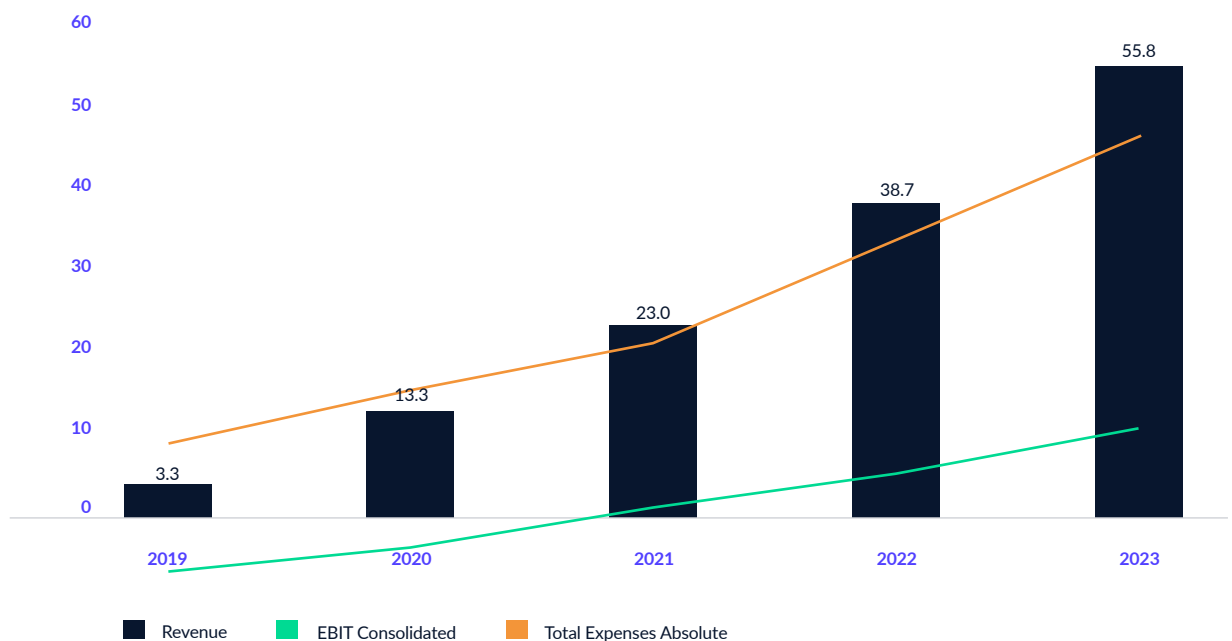


Soft-Cap Scenario

15M tokens distributed - max 13.5M EUR raised

Profit & Loss Forecast	Units: Million €	2019	2020	2021	2022	2023
Revenue		3.3	13.3	23.0	38.7	55.8
Costs of Revenue		(2.2)	(7.2)	(11.8)	(17.9)	(24.5)
Gross Profit		1.1	6.1	11.2	20.8	31.3
Sales and Marketing Expenses		(0.4)	(1.4)	(2.7)	(7.3)	(9.9)
General and Administrative Expenses		(5.5)	(7.2)	(7.3)	(8.9)	(12.4)
EBIT		(4.8)	(2.5)	1.2	4.6	9.0
MTF		(0.7)	(0.8)	(0.3)	(0.2)	1.2
EBIT Consolidated		(5.5)	(3.3)	0.9	4.4	10.2

P&L Forecast: Soft-Cap [Million €]





Components of Results of Operations

In this document, we display certain financial measures that are not recognized by IFRS and/or German accounting principles. We define EBIT as earnings before net financing and income tax expenses. We believe EBIT is appropriate to our management and investors as a measure of equivalent operating performance from period to period and against other companies.

Our management also uses EBIT for planning purposes, including the preparation of our annual operating budget. EBIT has limitations as an analytical tool. EBIT should not be construed as a representation to attest its attainability as our future results could be affected by unusual or non-recurring events. In addition, EBIT is not intended to be a measure of discretionary cash to invest in the growth of our business, as it does not reflect tax payments, debt service requirements, capital expenditures, and certain other cash costs that may recur in the future.

Revenue

Currently we operate and manage our business in one reportable segment - Consumer Accounts. According to the roadmap, we are planning to incorporate Corporate Accounts in end of 2019. We identified our reportable segments (i.e. personas) as described in Our Clients section.

The bulk of Bitwala's current revenue comes from our core brokerage model. Bitcoin is sold and bought directly by our end-users through our partners (i.e. a Bank-as-a-Service provider, an exchange platform and a wallet provider).

The present revenue is generated given two components: (i) Trading fee: this fee is the product of the amount of the input currency (e.g. bitcoin or Euros) and a percentage which is currently set at 1%; (ii) Network fee: in the event of a trade with the input currency set in Euros, there is a €1 flat fee, whereas if the input currency is bitcoin, this amount is paid in bitcoin according to the Bitcoin network under variable conditions.

Cost of Revenue

The principal components of our cost of revenue include: (i) Cryptocurrency costs: Variable banking fees, wallet provider's fee, exchange fees on volume per trade and KYC/AML per user, and fraudulent transactions; and (ii) Digital banking costs: White label banking partner's fees per account, issued card, customer behaviour, (e.g. cash withdrawals, transfers in Euro and card payments, etc.) and KYC/AML per customer.

Sales and Marketing Expenses

Sales and marketing expenses primarily consist of online and offline advertising expenses and promotion expenses.

General and Administrative Expenses

General and administrative expenses consist mainly of salaries, professional services fees, office facilities, IT infrastructure, and other support overhead costs.

MTF

EBIT resulting from our MTF (i.e. Multilateral Trading Facility) subsidiary's activity.



Security Token Offering (STO)

Security tokens are cryptographic digital tokens which represent the rights attached to securities and the contractual terms underlying them. With regards to the rights represented by a digital token, a tokenised security is not different from a non-tokenised security. The digital tokens and the underlying securities form a unit, especially when it comes to the transfer of a security token and the rights attached to it via blockchain transactions.

A Security Token Offering allows us (and many other companies¹¹³) to raise funds by issuing digital security tokens backed by blockchain technology.

There are multiple advantages to STOs:

FOR INVESTORS

1. An illiquid asset becomes liquid
2. Assets which can be traded with minimal or no vesting periodLow or minimum investment

113 George Nicholson (2019) [2019 Will Be the Year of the Security Token Offering \(STO\)](#).

barrier

3. Easier access for foreign investors (as far as local regulatory requirements are met)

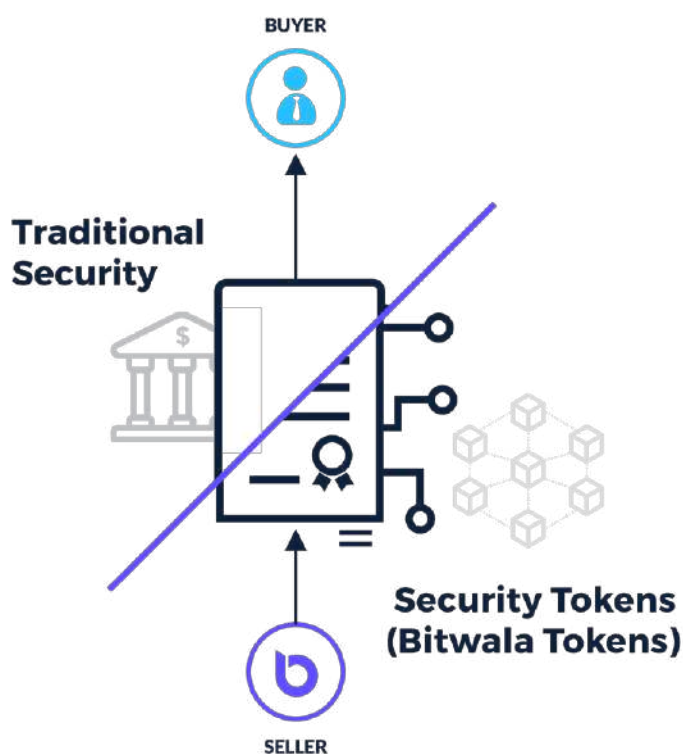
FOR ISSUERS

1. Both traditional VCs and private investors can participate
2. Investors are incentivised in becoming loyal users and brand ambassadors
3. A cost-effective alternative to an IPO

The Bitwala Token Offering

Bitwala will allow any individual or entity who passes the KYC and AML verification to participate in the Security Token sale, except for investors from specific countries in which the offer of token is not permitted or from high financial risk countries.

Bitwala Tokens (BWL) are security tokens regulated



in Germany and are comparable to Genussrechte (Profit Participation Rights). Bitwala will publish a capital market prospectus approved by the German BaFin.

BWL Tokens will be conveniently and safely tradable. 2019 promises to be a great year with several new regulated exchanges for security tokens launching¹¹⁴. Our roadmap at Bitwala is to launch our own regulated exchange within six months of the STO close date, where token holders can easily and securely trade BWL and other tokens.

Investors in Bitwala STO, also referred as token holders, will have the following rights:

- Participation rights over 15% of Bitwala's distributed annual profits and exit proceeds;
- Liquidation preference to receive payout before all other investors;

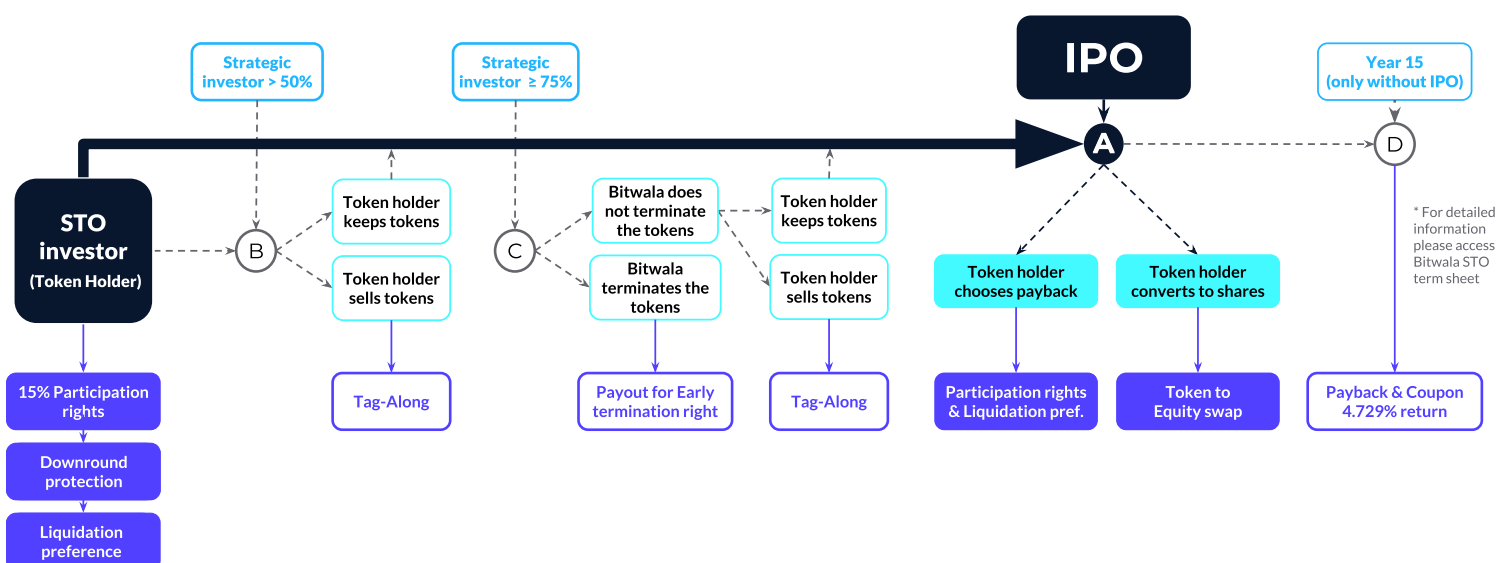
114 Tamer Sameeh (2018) [An Overview of Security Token Exchanges Expected to Launch in 2019](#).

- Tag-along rights in case 50% or more of the company's equity is transferred to one singular entity;
- Anti-dilution protection against new investment rounds below the STO company valuation;
- A minimum of 2x return on their investment after 15 years;
- If Bitwala successfully goes public, token holders choose between payout at IPO price or stocks.

Valuation of the Bitwala STO

The Bitwala security token offers the best of three worlds: the certainty of a debt instrument, the economic chances of similar equity-like investments, and the advantages of tokenised assets.

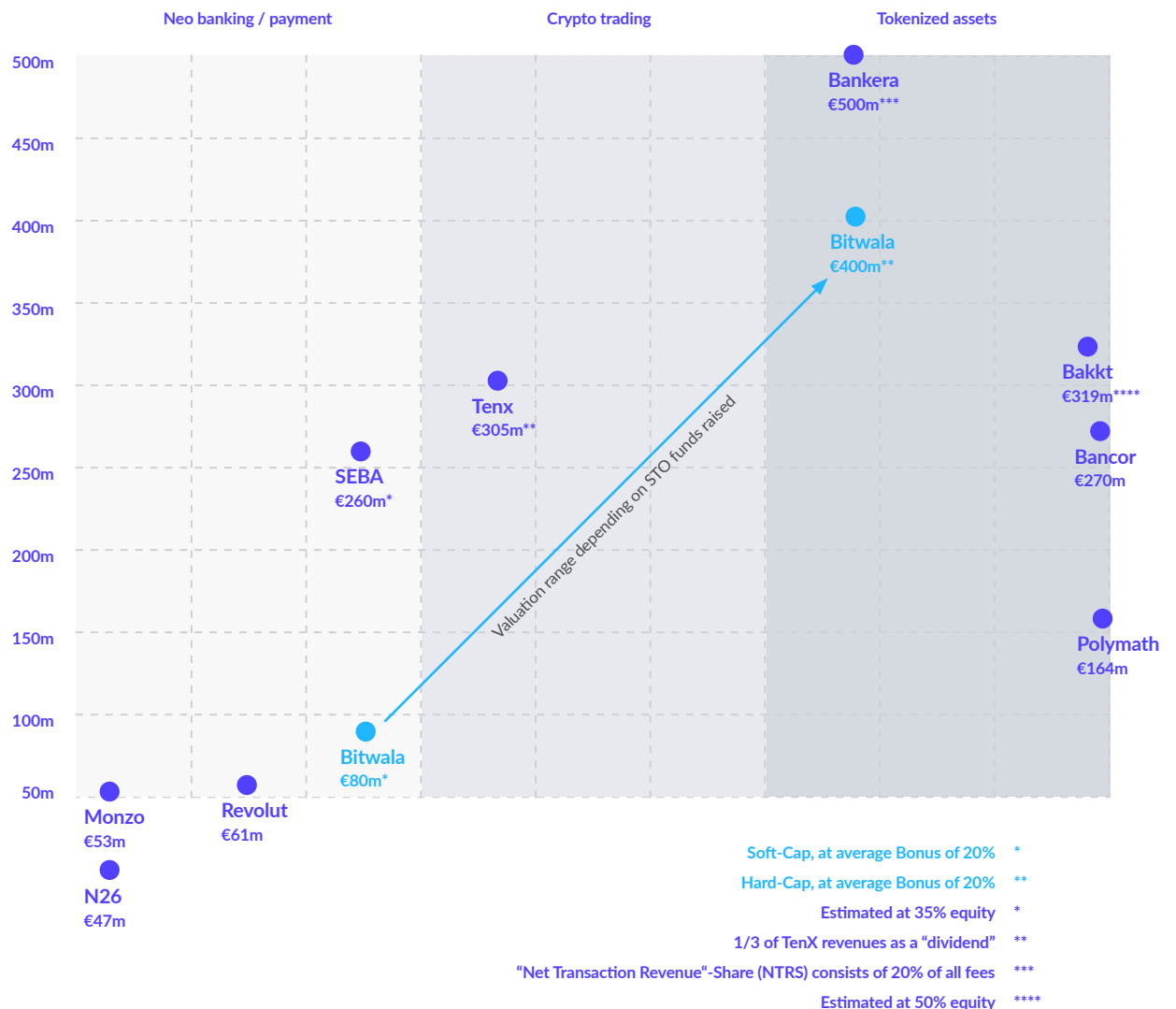
Both crypto trading, as well as the revolution in digital token [tokenisation of assets], promise to provide higher margins than traditional banking services and therefore might offer a higher potential return on investment.



Advantages of tokenised assets

1. Stability on downside	2. Full upside opportunity	3. Tokenized asset class
Full payback after 15 years (on nominal value)	Distribution of 15% of Dividends and Exit proceeds to Bitwala Token holders	Full advantage of tokenized asset class
Fixed additional payment of 100% of nominal value at end of term (depending on bonus)*	Conversion of Token into up to 15% of shares in case of IPO	Easy investment
Limited downside compared to equity investment	Downround protection, Liquidation Preference	Low transaction cost
Preference to equity in liquidation case	Full participation in economic success	Potential for easy tradability
Characteristics of debt instrument	Characteristics of equity investment	Chance for higher Liquidity
		Fully transparent
		Potential for crowd sale
Adequate Valuation: Bond valuation	Adequate Valuation: Equity investment	Adequate Valuation: Preference on tokenization

Bitwala's estimated valuation in comparison to our competitors at the same stage [series A]



Bitwala Token Details

Bitwala's token will be BaFin-approved through a prospectus. A public sale will be launched as soon as the BaFin has granted approval to this public offering. This way, we offer a product that is compliant to EU regulations and should conform to the highest European standards in regards to information disclosure.

If you are interested in participating in the upcoming

STO in an early stage, please let us know. We'll get in contact with you.

Disclaimer: As of March 2019, a securities prospectus has not yet been finalised, an approval procedure has not yet begun. The final details of the token sale will result solely from the terms and conditions (in progress) and the prospectus. The token details shown below may therefore be subject to change. The following Token-Details are neither an offer nor a solicitation of an offer to purchase token or securities.

Token name	BITWALA Token (BWL)	
Issuing entity	Bitwala GmbH	
Blockchain	The Tokens are created on the Ethereum blockchain according to the ERC-20 token standard (or compatible such as the ERC-1400) using a smart contract.	
Nominal value per Token	EUR 1.00	
Eligible means of payment	Selected fiat currencies, Bitcoin (BTC), Ether (ETH)	
Tokens for team & ambassadors	For every nine (9) Tokens sold, one Token is generated for free distribution among the BITWALA team, advisors and business partners.	
Soft-cap (minimum number of Tokens)	The soft-cap will be reached if 15M Tokens are generated in the STO, which is the case when 13.5mn Tokens are sold and 1.5mn Tokens are freely distributed.	
Hard-cap (maximum number of Tokens)	The hard-cap and maximum number of Tokens will be 75mn meaning a maximum of 67.5mn Tokens are sold and 7.5mn Tokens are freely distributed.	
Company valuation	The pre-money equity equivalent (15% participation) company valuation, only considering Tokens effectively sold (including average bonus) and excluding team Tokens (comparable to stock options) is 80M EUR at soft-cap and 400M EUR at hard-cap.	
Token sale stages	<p>1. Pre-sale: Investors, who are prepared to subscribe for a minimum amount of EUR 100,000.00, shall be attracted for the subscription of future Tokens yet to be minted. Investors can express their interest in the token offering as part of a pre-whitelisting process.</p> <p>2. Whitelisting: Upon submission of the prospectus to the BaFin for approval, a so-called whitelisting for the public sale is initiated providing for the possibility to register potential investors as well as a non-binding reservation of a certain number of Tokens for each of these future investors.</p> <p>3. Public offering: Upon approval of the prospectus, the whitelisting ends and the public offering commences presumably for a period from June to July 2019 (can be subject to changes). In this stage, Tokens are publicly offered for subscription and can be purchased according to a defined subscription process. The public offering runs until the hard-cap is reached or the end of the offering period, whichever event occurs first.</p>	
Allotment of Tokens	After the end of the public offering plus a further minimum 14 days or latest after 30 days, the minting as well as the allotment of the Tokens to all investors (pre-sale investors as well as public offering investors) shall take place, provided that the respective investor has duly submitted all required KYC and AML documents to BITWALA.	
Private sale Bonus	BONUS	MINIMUM INVESTMENT
	25%	€2,500,000
	20%	€1,000,000
	15%	€100,000
Public sale Bonus	BONUS	PUBLIC SALE MAX AMOUNT
	10.0%	6.25%
	5.0%	18.75%
	No bonus	75%

Fixed interest payment	None
Token Term	<p>15 years</p> <p>1. Initial profit participation of 15%</p> <p>Token holders are entitled to a performance-related reward amounting and limited to 15% of the distributable annual profits which BITWALA's shareholders resolved at the shareholders' meetings. The payment amount is distributed pro rata among the issued Tokens.</p> <p>Example:</p> <ul style="list-style-type: none"> • Distributable profit: EUR 1mn • Total Tokens issued: 15mn • Token holding of the individual investor: 5,000 • Distribution to investors: $\text{EUR } 1,000,000.00 \times 15\% = \text{EUR } 150,000.00$ • $\text{EUR } 150,000.00 \times 5,000 / 15\text{mn} = \text{EUR } 50.00$ <p>If there have been no profits in the preceding year or no profit distribution is resolved, no payment is made to the Token holders. There is no loss participation (reduction of the nominal value of the Tokens). Likewise, investors are not obliged to make additional contributions.</p> <p>2. Adjustment of profit participation quota</p> <p>The profit participation quota of 15% corresponds to the ratio between the soft-cap (EUR 13.5mn) and BITWALA's initial enterprise value (Unternehmenswert) of EUR 90mn ("Token Offering Valuation") when no bonus applies. In case the amount of Tokens subscribed ("Total Token Subscribed") exceeds the soft-cap, BITWALA's enterprise value is set at a higher amount ("Final Token Offering Valuation") calculated as follows:</p> <p>$\text{Final Token Offering Valuation} = \text{Total Token Subscribed} / 0.15$</p> <p>In case of a future capital increase after the STO by issuance of common shares in BITWALA for a pre-money valuation exceeding the Final Token Offering Valuation, the profit participation quota of the Token holders will decrease at the same scale as the average percentage dilution of existing shareholders. The assessment base is the cap-table filed with the register court after the closing of the capital investment.</p> <p>Example:</p> <p>Valuation of EUR 120mn (higher than Final Token Offering Valuation), average dilution of existing shareholders 20 % based on a comparison before and after a capital investment, profit participation of Token holders will decrease from 15 % to 12 % (20 % of 15 %) while the value per Token will increase 6.67% through the higher valuation.</p> <p>If, at the future capital increase, the pre-money valuation of BITWALA falls short of the Final Token Offering Valuation, the profit participation quota of the Token holders remains at 15% or the previous (lower) value.</p>
Profit participation rights	
Change of majority: termination right and redemption of Tokens	<p>In the event of a sale of shares in BITWALA prior expiration of the Token Term to an existing shareholder or third party that leads to a majority of the existing shareholder or third party of 50% plus one share, the Token holders have the right to redeem and sell the Tokens to BITWALA within 90 days after the publication of the transfer of shares in the commercial register. To facilitate the redemption, BITWALA will place a repurchase offer for a duration of at least 45 days but not longer than 90 days for each Token on the BITWALA MTF or a comparable platform for a repurchase price corresponding to the price paid per share by the acquirer in accordance to the percentage of profit distribution from the participation right allocated to a token. After the redemption the redeemed Tokens will be invalidated ("burned").</p> <p>In the event of a sale of shares in BITWALA prior expiration of the Token Term to an existing shareholder or third party that leads to a majority of the existing shareholder or third party of 75%, BITWALA has the right to terminate and liquidate all rights attached to the Tokens within 90 days after the publication of the transfer of shares in the commercial register. The declaration will be published on the BITWALA website within a period of two (2) weeks (termination period) after the publication of the transfer of shares in the commercial register. To execute the termination, BITWALA will place a repurchase offer for a duration of at least 45 days but not longer than 90 days for each Token on the BITWALA MTF or a comparable platform for a repurchase price corresponding to the price to be paid per share by the acquirer in accordance to the percentage of profit distribution from the participation right allocated to a token and reflecting the preferred liquidation preference of the Token holders. Investors have to redeem their Token(s) to BITWALA. Upon expiration of the repurchase period, all - whether redeemed or not - Tokens will be invalidated and all rights attached to the Tokens extinguish.</p> <p>In case BITWALA does not declare the termination within a period of two (2) weeks (termination period) after the publication of the transfer of shares in the commercial register, the Token holders have the right to redeem and sell the Tokens to BITWALA within 90 days beginning at the end of the termination period. To facilitate the redemption, BITWALA will place a repurchase offer for a duration of at least 45 days but not longer than 90 days for each Token on the BITWALA MTF or a comparable platform for a repurchase price corresponding to the price paid per share by the acquirer in accordance to the percentage of profit distribution from the participation right allocated to a token. After the redemption the redeemed Tokens will be invalidated ("burned").</p>



Transformation to AG or SE and token/ equity swap	<p>In the event of a sale of shares in BITWALA prior expiration of t</p> <p>If BITWALA GmbH changes its legal form into an AG or SE prior to the expiration of the Token Term, the Token holders may choose to convert their Token(s) into common shares in the then existing BITWALA AG or SE at a conversion rate which shall reflect and provide an overall shareholding of the Token holders in BITWALA AG or SE in the same proportion as the then applicable profit participation quota. The conversion rate definition shall take into account the then existing share capital, the Total Token Subscribed as well as the then applicable profit participation quota. In case of a change of the legal form, Token holders may instead of converting Token to shares also choose to terminate all rights attached to their Tokens, redeem the Tokens and receive a payment of the nominal value of the Tokens plus a fixed additional payment of 100% of the nominal value. Whether and to what extent an IPO will be carried out later is a decision of the shareholders.</p>
Repayment of investment	<p>If, at the end of the fixed term, Token holders have neither redeemed nor converted their Token(s), they are entitled to (re-)payment of the nominal value of the Tokens plus a fixed additional payment of 100% of the nominal value.</p>
Subordination of claims	<p>For regulatory reasons and in order to avoid a potential insolvency of BITWALA, all payment claims of Token holders will be subordinated to all existing or future claims of other creditors of BITWALA.</p>
Target group	<p>Primarily, the STO shall address domestic (German) investors.</p> <p>Excluded from subscription shall be US citizens, US Green Card holders, other persons or companies subject to US taxation as well as other investors from countries in which the offer of the Token is not permitted or that are filed on the current country list of high-risk and other monitored jurisdictions of the Financial Action Task Force (FATF).</p> <p>Active addressing of investors domiciled abroad who are not excluded is planned, provided that all relevant regulatory requirements will be met.</p>
Public trading	<p>The Tokens shall be fully fungible and either listed on an MTF to be established by BITWALA (currently planned in the jurisdiction of Liechtenstein) or listed and traded on another MTF, provided that all regulatory requirements will be met.</p>
Governing law	<p>German law</p>



Competitiveness

In the last 10 years, crypto trading platforms have focused on professional day traders resulting in more than 50 exchanges worldwide with a daily trade volume of €50+ million¹¹⁵.

Many of which are unregulated¹¹⁶ and unsecured¹¹⁷

when buying, trading and selling digital assets. Furthermore most users must traverse multiple platforms to move funds to and from their bank account.

Bitwala is the world's first regulated crypto banking platform; allowing users to trade bitcoin and Euro directly between a wallet and a fully licensed European bank account.

115 CoinMarketCap (2019) [Top 100 Cryptocurrency Exchanges by Trade Volume](#).

116 Divisions of Enforcement and Trading and Markets (2018) [Statement on Potentially Unlawful Online Platforms for Trading Digital Assets](#).

117 Eric Larcheveque (2018) [2018: A Record-Breaking Year for Crypto Exchange Hacks](#).



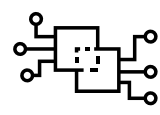
Neo banking / payment

	BANKING	PAYMENT CARD	CRYPTO TRADING	SECURITY TOKEN ISSUANCE	SECURITY TOKEN TRADING
Revolut	✓	✓	✗	✗	✗
Monzo	✓	✓	✗	✗	✗
N26	✓	✓	✗	✗	✗



Merging banking, crypto & tokenized assets

	BANKING	PAYMENT CARD	CRYPTO TRADING	SECURITY TOKEN ISSUANCE	SECURITY TOKEN TRADING
Bitwala	✓	✓	✓	€80m - 400m	⌚



Tokenised assets

	BANKING	PAYMENT CARD	CRYPTO TRADING	SECURITY TOKEN ISSUANCE	SECURITY TOKEN TRADING
Bankera				€500m	
Bakkt				€318m	
TenX				€305m	
Bancor				€270m	
SEBA				€260m	
Polymath				€164m	





Company name series A valuation

✓ = Live

✓ = Restricted functionality

⌚ = Planned

✗ = Has not been announced

		Services provided	Limitations + Issues
 Neo Banks	Revolut	<ul style="list-style-type: none"> - Investment in Bitcoin, Litecoin and Ether at 1.5% per trade 	<ul style="list-style-type: none"> - Users have no direct access to their wallets - Users are bound to revolut's exchange rates - Only have a E-money license (safety issue)
	Bitcoin.de and Fidor	<ul style="list-style-type: none"> - Express trade op on on Bitcoin.de marketplace (0.8-1% fee) if both users have an account with Fidor 	<ul style="list-style-type: none"> - Risk (not all vendors are fully iden fied) - Worse rates than on tradi onal exchanges - Users need to be verified by both companies
 Traditional Banks	Deutsche Bank	<ul style="list-style-type: none"> - No cryptocurrency services 	<ul style="list-style-type: none"> - Banks have a strong core business to focus on - In comparison crypto is (s ll) a small market - They are missing the crypto knowledge to offer services in this field (e.g. cryptocurrency analyza on regula on)
	Commerzbank		
 Crypto Payment Services	TenX	<ul style="list-style-type: none"> - Payment services are not live at the moment but have announcement virtual and physical "cards" 	<ul style="list-style-type: none"> - Company held wallets (no user-held keys)
	Wirex	<ul style="list-style-type: none"> - Prepaid virtual cards (EUR, USD, GBP) - Investment in Bitcoin (1.5% fee) - Bitcoin wallets 	<ul style="list-style-type: none"> - Only have a E-money license (safety issue) - Company held wallets (no user-held keys) - Small limits both for payments and trade
 Crypto exchanges	Bitfinex	<ul style="list-style-type: none"> - Investment in cryptocurrencies - Express transfer to bank account (+ 1.0%) 	<ul style="list-style-type: none"> - High complexity level - Risks of service being hacked (hosted wallets) - No instant transfer of funds to bank account - No deposit insurance
	Kraken		



Go to Market

We are aware that an exponentially growing number of consumers and businesses want convenient and frictionless access to cryptocurrencies and all forthcoming kinds of digital assets¹¹⁸.

Bitwala's offer intends to dominate a sizable share of this fast-growing market by:

- Removing friction and becoming the leading gateway to digital assets.
- Increasing convenience by merging banking and trading as one platform.
- Enabling new use cases such as crypto-backed lending and long-term investment plans by leveraging blockchain technology.
- Expanding into new countries and markets.

Bitwala was launched, initially as invite only, in late December 2018. Two months after launch we reached more than €1 million worth of assets

traded¹¹⁹ and our monthly increase (in %) of new accounts is in the triple digits.

Bitwala is and will always be a product first company. Our historical growth (Bitwala 1.0¹²⁰) has been organic, our current explosive adoption is organic, and will remain predominantly organic in the future. We provide a unique service to a clear target audience. Growth flourishes in the excellence of our platform.

Marketing plans

We predict that a quarter of our future customers will be acquired via data driven marketing campaigns, with the rest coming from organic growth and referrals. We track and observe the full set of relevant metrics and are basing our planning on clearly defined KPIs, such as conversion rate from initial leads through completed onboardings, and calculate cost per acquisition at several steps throughout the funnel.

Our marketing strategy is persona based (see "Our clients" for more reference). For example, we

118 Mark Suster (2018) *Fundstrat Bitcoin & Blockchain presentation for Upfront Summit (Millennials)*.

119 IT Finanzmagazin (2019) *Bitwala: Knapp 2,5 Monate und schon 1 Mio. Euro Bitcoin-Handelsvolumen; Ausweitung auf Firmenkonten?*

120 Ref. to chapter Company History

Acquisition	Conversion	Retention
<ul style="list-style-type: none"> - Referral programs <ul style="list-style-type: none"> i. 8.5, current net promoter score - High level press exposure <ul style="list-style-type: none"> i. Min. bi-monthly - Performance marketing <ul style="list-style-type: none"> i. Conversion based optimization - Influencer marketing - Search Engine Optimisation 	<ul style="list-style-type: none"> - Targeted in-web and in-app messages - Funnel optimization - Onboarding A/B testing 	<ul style="list-style-type: none"> - User segmentation - Lifecycle marketing <ul style="list-style-type: none"> i. email, push and in-app campaigns - Retargeting <ul style="list-style-type: none"> i. Conversion based targeting
Business intelligence		
<ul style="list-style-type: none"> - Raw user level data collection - Attribution aggregated dashboards <ul style="list-style-type: none"> - Signup cohort analysis 		

create and distribute content targeted to attract and onboard a user with the 'Newton' persona, while running retargeting campaigns to push an 'Oscar' to process their funds with us.

The pillars of our marketing efforts are in the table before.

User acquisition costs for traditional banks and financial services are typically in the range of thousands of Euros¹²¹. Neo-banks (also referred as 'challenger banks') and similar modern, mobile-first and quick-onboarding platforms have managed to drive these costs down massively, to as low as €20 per user¹²². We are positioned squarely in the latter segment and estimate a blended user acquisition

121 Tanaya Macheel (2017) [Why customer acquisition is so difficult for financial startups](#).

122 Heinz-Roger Dohms (2019) [Exklusiv: Erträge, Kosten, Cashburn – wir enthüllen die N26-Zahlen!](#)

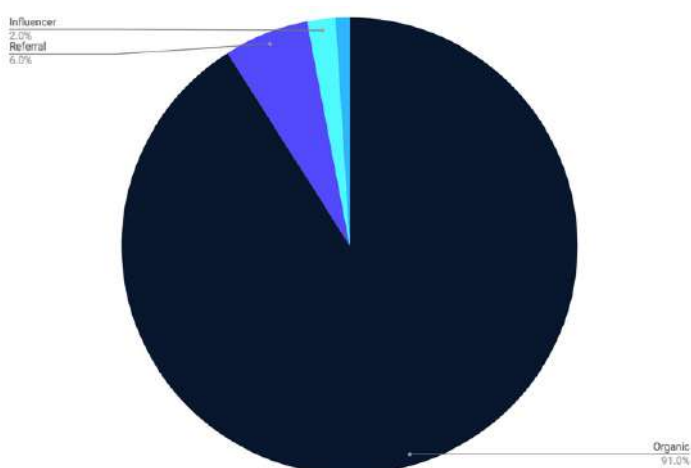
cost, from first contact to completed onboarding, as between €15 and €40 depending on the country.

For a full estimation of projected user base please refer to the Financials chapter.

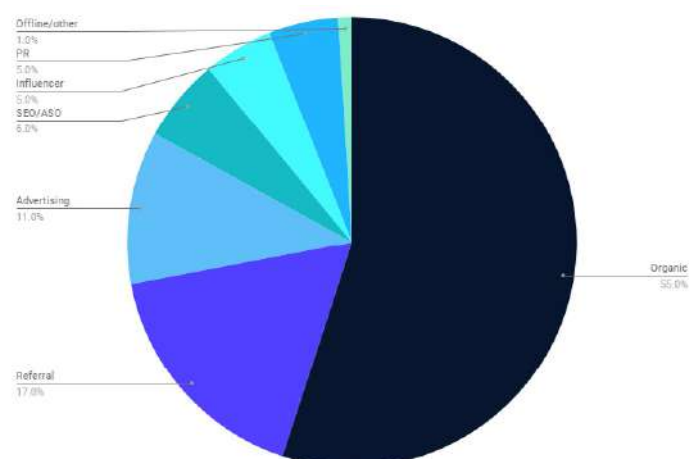
Business Intelligence

Our business intelligence layer is comprehensive and multi-faceted. Privacy and security compliance always comes first at Bitwala, however this has not hindered our measurement or BI infrastructure. Every person responsible for growth has continuous access to KPI dashboards and to in-depth database analysis when needed for deeper insights, all without exposing PII and while maintaining the strictest compliance with privacy regulations.

User growth by source (Q1 2019)



Planned user growth by source (2023 mid and hard-cap scenario)





Geographical expansion

Bitwala was conceived with an international approach to growth. , As of Feb 2019, we've received comparably far more organic exposure in German speaking regions, while only half of our users live in Germany. Bitwala's consumer base is far-reaching by design, and our users reside in about 30 different European Economic Area countries.

All resident persons of the EEA can sign up and open an account with Bitwala, but due to regulatory restrictions we are not allowed to directly market (online or offline advertising) in a country until we've opened a subsidiary there.

Parts of the funds obtained with this STO are planned for internationalization as we've described in the Roadmap chapter of the White Paper. This entails translating platform and app communication material, and running targeted campaigns.



Team & Advisors



The Bitwala team (as of Feb 2019) combines 38 highly skilled professionals (34 full time employees and 4 working students), from both the crypto and traditional financial worlds.

This equips us with the skills necessary to understand and execute regulatory needs, unlocking our potential to revolutionise finance with the available blockchain technology. Every member on the Bitwala team is a passionate startupper, determined to build the next leading product on the market.

TEAM - EXECUTIVES



Benjamin Jones 

**Co-founder & CTO (Chief Technology Officer)
& Board Member**

Ben Jones is a self-taught programmer with over 5 years in the Bitcoin / Blockchain space. Graduating from the London School of Economics with a B.Sc in Philosophy and Economics, Ben was frustrated by the abstract nature of macroeconomic models this drove him to be a passionate advocate for cryptocurrencies. As Bitwala CTO, he chooses the technology stack, optimising the codebase for security, scalability and performance. He manages the product, creating high quality financial products with an emphasis on usability. Ben has built and coordinates a team of 10+ engineers, using agile and scrum methodology.



Jan Goslicki 

Co-founder & CCO (Chief Compliance Officer)

Jan graduated as B.Sc. in Industrial engineering and Economics from the University of Technology in Dresden with the focus on statistical modeling and volatility measures. Jan has been actively involved in Bitcoin full-time since late 2012 as an executive for blockchain e-commerce and payment solutions. Before founding Bitwala with Jörg von Minckwitz and Benjamin Jones, he worked at PwC finance and regulation and at the collaborative research center for economic risk in Berlin. Jan has a strong focus on customer happiness, business intelligence and quality assurance. As CCO he is responsible for the corporate governance, compliance, Anti Money Laundering and data protection. His compliance team manages operational risks e.g. fraud and information security, handles legal issues and ensures transparency across departments.

TEAM - EXECUTIVES



Christoph Iwaniez

CFO (Chief Financial Officer)

Christoph joined Bitwala in 2018 after working for over nearly 10 years at the Landesbank Baden-Württemberg (LBBW), one of Germany's biggest banking groups. At the LBBW he worked in risk management, finance and M&A projects. Before working at Bitwala, Christoph was the CFO at GIZS, a company connecting the German Sparkassen Group to the paydirekt payment scheme. In his leadership role, he had a team of more than 10 employees and was in charge of building a fully-compliant and German banking regulated (KWG and MaRisk) company from scratch.

Christoph brings the necessary skills and experience to Bitwala to successfully apply for a banking licence and build a fully-functional bank.



Konstantin Wehrhahn

Interim CPO (Chief Product Officer)

Konstantin brings an extensive amount of banking and FinTech experience to the leadership team. In his previous position, he oversaw the product development of the FinTech Group AG and helped to restructure the 450 employee large group into a white-label platform banking provider. Before the FinTech Group AG, he was the Head of Product at the FinTech startup Barzahlen.de and helped it to become an established payment provider. Konstantin contributes with banking and financial infrastructure know-how as well as the experience of building successful FinTech companies and products.

ADVISORS



Jörg von Minckwitz

Co-founder & Board Member

Jörg brings more than eight years of experience in blockchain and crypto. He founded Europe's first crypto consulting company, a crypto incubator and a first crypto e-commerce shop. His work has been recognized and awarded by the Paris Fintech Forum, ICT Spring, Pioneers Festival and with the The German Innovation Prize, among others. As former CEO of Bitwala, Jörg now acts as representative of the co-founders in the advisory board which has a supervisory function. Jörg also supports the operational business as advisor and is closely connected to the board of directors.



Andreas Hörr

Andreas has been an advisor for Bitwala since 2016, specialized in digital marketing and validation of innovative business models, expert in deep competitive intelligence analysis, independent digital marketing audits and growth hacking. He is passionate about intrapreneurship and entrepreneurship and coaching promising startups especially in the area of product-market fit validation and defining and executing the digital marketing strategy.

ADVISORS



Niels Dörje 

Niels being an entrepreneur himself founded companies like Ryte and HolidayInsider and brings his first-hand experiences to the Bitwala management team. Nils helps avoid mistakes when scaling the company, advising in the companies strategy, KPIs, company structure, OKRs, strategic partnerships, and executive mentoring.



Dr. Ricardo Schaefer 

Ricardo has a long history of investing and advising FinTech companies in all stages of their life circle. After working for over five years for Merrill Lynch in M&A/Investment Banking, he moved on to work for the likes of Seedcamp and Cherry Ventures. In 2016, he invested in Revolut as an angel investor.

HEADS OF DEPARTMENTS



Alessandro Avagliano

Head of Security

Joining Bitwala on the 1st of April, Alessandro comes from over 10 years of experience driving the security department of successful and established companies. Previous to joining Bitwala, Alessandro was head of security at Rocket Internet and its portfolio companies, and before that as Solution Architect, Identity and Access Management at Oracle.



Dennis Daiber

Head of Trading

A true Bitcoin veteran, since 2011. Dennis is a gold-bug and proprietor of the world's oldest Crypto-to-Gold shop BitcoinCommodities. Co-founder of the Bundesverband Bitcoin, part of the cypherpunk think tank Crypto Economic Consulting Group. Working 17+ years in a Trading Bank, Dennis has experience as stock broker and market maker/market specialist in international stocks, blue chips, and ETFs.

HEADS OF DEPARTMENTS



Jörg Müller 

Head of Banking Operations

Jörg is an experienced project leader with over 10 years in the banking sector. He managed a team of specialists in IT and online payment projects for the German Sparkassen Group. His current responsibilities are managing our external service providers, improving our banking processes and ensuring a high level of customer support.



Robert Mark Harrison 

Head of Business Development & STO Lead

Robert, a prize-winning entrepreneur, joined Bitwala in mid-2016 and is Head of the Business Development department. As such he is responsible for strategic partnerships, governmental grants and competitor analysis. He currently leads the STO project, where his contacts to both legal and industry insiders make him an invaluable asset.



Jeremy Lefèvre 

Head of Design

Jeremy is a full-stack UX designer and problem solver. Holding a B.Des in Industrial and Product Design, the analytical left-brained and creative soul relocated from New Zealand to Germany and has established himself in multiple companies as Head of Design prior to joining Bitwala. A creative with a passion for branding, user experience and product design excellence, Jeremy takes tangled business information, organize and reduce it into simple beautiful user experiences.



Board of Directors

A board's mandate is to establish policies for corporate management and oversight, making decisions on major company issues.

BOARD OF DIRECTORS



Dr. Christian Nagel 

Chairman of the Board

The Co-founder and Managing Partner at Earlybird Venture Capital is investing for more than 20 years in European technology companies. With over €1 billion under management, seven IPOs and 23 trade sales, Earlybird is one of the most successful venture capital firms in Europe. As lead investor in ShapeShift and Protos, Christian believes in a future where the blockchain fundamentally changes the financial technology industry.



Clemens von Bergmann 

Board Member

The Managing Partner at ALSTIN Capital has more than 10 years' experience investing venture capital in innovative companies. ALSTIN Capital provides support in building professional and scalable B2B sales organizations in addition to substantial equity funding. During his tenure as a Managing Director at Germany's largest online comparison portal CHECK24 he gained executive experience in running a financial services business. As an Investment Director with High-Tech Gründerfonds Clemens was involved in the financing of numerous digitization startups across industries and the buildup of one of Europe's most active technology funds. He believes in the vast potential of bridging the traditional banking world seamlessly with innovative and decentralized cryptocurrency services.

Benjamin Jones

(representing the founders)
- See above -

Jörg von Mickwitz

(representing the founders)
- See above -



Additional content

In the media

"This recent development will mark another milestone achievement for blockchain industry as a whole in terms of achieving mainstream recognition and adoption."



"While cryptocurrency exchanges can be confusing and daunting to most people, 'nothing is more easy to explain than a normal bank account'"



"40,000 clients signed up for the new crypto banking service."



"Anyone who wants to trade cryptocurrencies will soon find out that it's rather complicated. [...] Startup Bitwala wants to change that and make Bitcoin accessible for all."



"There's a Bright Future for Cryptocurrencies."
Founder and President Jörg Von Minckwitz
interviewed by Bloomberg



"The Bitwala account comes with a bitcoin wallet. Users can manage both their BTC and EUR deposits in one place."



Investors and partners



Telegram

Twitter

Bitcoin Talk

Reddit

Youtube



PRIVATE SALE LIVE

Contact us:
invest@bitwala.com