

Disclaimer

We don't do pitchdecks. Instead we believe in the power of the written word, strung in a sentence, to convey the vision of our message. Numbers and mathematics will provide a single source of truth that is objective and irrefutable, the rest is fluff, and a waste of effort. We want to save your time and ours.

Words that are clear and concise convey their meaning. Powerpoints mask shoddy thinking and paint rosy gardens with blurred spectacles. That's not what we're setting out to build.

*As a Bitcoin blockchain product, we want to pay homage to Satoshi Nakomoto who in **9** pages helped spawn an industry that's **\$2T+** in size. Our goals are not that lofty but we're ambitious - we believe that great execution requires great clarity of mind. Writing does that.*

Sit down, set your phone aside and in less than 5 pages we hope to save you the hassle and confusion of pitch decks.

Now that we got that out of the way, let us tell you about our project.

Zawda

Vision and Values

“People nowadays know the price of everything and the value of nothing.”
Oscar Wilde

Zawda is an Arabic word that colloquially means a “salary bump.”

Our company is providing a path to financial security for all across the Middle East and North Africa (MENA). Our first product is helping businesses and their employees preserve their wealth over time using Bitcoin.

A confluence of trends has made that part of the world one of the lowest hanging fruits for accelerated Bitcoin adoption:

- Crypto-friendly jurisdictions and regulations across places like *Abu Dhabi, Dubai, and Bahrain* have attracted global attention. Dominant players in the industry, constrained by local regulations in their own country have gradually relocated there.
- At the same time, high inflation, capital controls, and currency devaluations, in places like Egypt, Lebanon, Pakistan, and Turkey, have accelerated individual adoption of digital assets alongside gold, real estate, and US dollars to hedge their way out of the local system.

These factors have led to over **\$566B** in cryptocurrency transfers in 2022 where **46M** of the region’s **660M** people hold some form of digital assets.

This is the opportunity we see.

Our value proposition is that a tiny portion of a company’s net worth and employee’s paycheck (<**3%**) invested in Bitcoin will mitigate against much of the economic drawdowns they’ve been subjected to¹.

We understand the value of other digital assets and crypto projects in this space, however, our company builds on Bitcoin, and Bitcoin only. We believe it’s the ultimate store of value and that it holds a sure path towards helping others preserve their purchasing power across time and space.

Bitcoin’s on-going performance since 2009 means that it’s already proven its value, rather than the promise that it will at some point in the future. The properties that Bitcoin engenders: internet, encrypted transactions, blockchain ledgers, hash functions, proof of work, and fixed supply, have created a breakthrough in accounting and money leading to

¹ For countries like Egypt, Lebanon, Pakistan, and Turkey, Bitcoin’s price appreciation since 2019 has surpassed all other conventional hedging assets by at least a factor of 3x.

the first form of “digital scarcity” at scale. We recognize that potential, despite the existing risks².

We’ve selected to start as a B2B service provider for a few reasons:

- 1) We want to reduce the friction between deciding to invest in Bitcoin and the steps required to do it. By simplifying and automating a small portion of a company’s payroll or balance sheet allocation, users won’t have to concern themselves with sign ups, prices, exchanges, storage, and security.
- 2) We want to operate outside of the consumer space where many crypto projects are today. By penetrating the realms of the employer and gaining traction there, we’d be able to best serve and interact with our users in a different setting and format.
- 3) By positioning our product as a hedge against inflation, currency devaluations, and capital controls, we plan to find a niche between two industries: insurance and asset management.

This will be our first distribution channel.

Our product has been created to offer two solutions: a Bitcoin Savings Plan for employees provided as a benefit by the company, and Bitcoin Asset Management for employers that would like to add Bitcoin to their balance sheet.

Today’s MVP offers a simple admin dashboard that interacts with open banking APIs to on/off ramp local fiat currencies whilst instantly purchasing Bitcoin from regulated local exchanges. Settlement times are near instant and at most take **10** minutes. We have also created a separation of duties between the purchase and ownership of the asset, where **90-95%** of Bitcoin will be custodied using Multi-Sig wallet management, requiring 2 out of 3 signatures to access the funds. The employer will be able to nominate the 3rd party.

Our onboarding journey is simple. For employers, we draft a contract to agree on the amount, custody details, and transfer. An account is then created for that employer alongside a dedicated wallet to host their Bitcoin via one-off or recurring transfers to our local bank accounts.

For employees, a sub-account will be created within the dashboard and wallet for their funds. We will plug-in to existing payroll on-ramps to have the funds transferred locally to our accounts.

Depending on the capital controls we’d either use these funds or part of our liquidity to purchase the Bitcoin for them. We don’t plan to hold the local currency or will at least hedge against it in international markets.

Our goal is to onboard the next **5000** businesses to our plan and to impact the lives of millions of individuals and businesses in the region with the following milestones in mind:

- Phase 1(2023-2028): **\$100M** in Bitcoin savings across **5,000** businesses

² Bitcoin’s risks fall into 3 camps: 1) Technical, where a bug can be found and exploited in the existing nodebase, 2) Logistical with the risk of centralization of nodes and concentration of hash rate functions within a geography or a group of miners. 3) Political, where it can be outlawed or its fiat on-ramp cut-off.

- Phase 2(2028-2033): **\$1B** in Bitcoin savings across **50,000** businesses
- Phase 3(2033-2040): **\$10B** in Bitcoin savings across **500,000** businesses

To date, we have **6** clients that have signed Letters of Intent and are willing to be part of our piloting phase: a logistics startup, a brokerage firm, an ad agency, a real estate company, a dev agency, and a trucking business.

Our pricing structure is competitive and in line with many of the offered benefits in the region. For the Bitcoin Savings Plan, we'll charge the employer **\$5** per employee per month and we will accept local currencies. A one time **\$500** activation fee will be charged for on-boarding. Employees will be able to access this service at no cost, with no hidden fees. They will be able to withdraw the assets to their own wallet should they wish to do so, or can convert any amount to fiat and pay the transfer fees. Employers can match their employee's contributions if they wish to do so.

For Bitcoin Asset Management, employers that wish to allocate Bitcoin to their balance sheet will be able to do so for a cost of **0.21%** per month to cover maintenance, security, and audits.

Our assumptions are that the starting average deal size will be between **\$1,000-5000** per employer. We expect to close **5-10** new employers per month based on a monthly outreach of **20-40** businesses. Since this will be a long-term investment offering with a low time preference, we'll be looking at improving our LTV over the years and taking advantage of the "stickiness" of being within a company to maintain our recurring revenue during economic booms and busts.

Our top priorities for the next two quarters include:

- Finalizing our go-to market launch and pilot phase in either Turkey or Egypt
- Validating our product and getting traction with the first **15-20** employers
- Adjusting the payroll streamlining process and exchanges
- Simplifying the MultiSig wallet solution

Over the coming **24** months we have the following milestones and ideas in mind:

- Get the first **10,000** employees on the plan and around **\$30M** in Bitcoin under management on behalf of businesses with a target of 3-600 businesses
- Consider regional and further expansion across Turkey, Lebanon, Egypt, and Pakistan
- Vertically integrate our offering from when the Bitcoin is mined til it is custodied
- Deploy third party audits and ISAE 3402 reports for proof of funds
- Improve our Stablecoin offering on Taproot Assets
- Pilot service add ons from the Bitcoin and Lightning Network that can further improve the experience for employees such as instant transfers, staking, lending etc.

Our team balances a mix of technical and operational expertise with a strong commitment to Bitcoin's ethos:

- *Oday Kamal* is an operational executive with over a decade of experience in the MENA region. He's been part of Careem, Google, and the UN World Food

Programme. His personal experience with hyperinflation in Lebanon was what kickstarted his Bitcoin journey.

- *Javier Vargas* is a senior software engineer at MAPFRE, the largest insurance provider across Spain, and LATAM. He's been at the forefront of Taproot Asset's developments, and has previous experience working with Lightning startup teip.io in El Salvador. His contributions have been recognized by Chaincode and Blockchain commons.

We have no intention of forming a large bureaucratic business that burns VC cash to grow. We don't see the need to grow beyond **150** members (*aka.* Dunbar's number) at our peak. We want to validate our product with the market and seek additional funding that will allow us to turbocharge and scale our operations once demand increases.

Our values and goals are to honor Bitcoin's core proposition and respect low time preferences. We want to build a humanistic enterprise that dignifies the businesses and their workers for the hard work they put in each day into a store of value that grows stronger, and stronger. Our plan isn't to exit in a few years or to fundraise large sums of money. We cannot satisfy such desires. Rather we want to be fiscally responsive and "sip" on outside capital where needed. We are invested in the economic long-term possibilities of this endeavor.

Threats to our business include the provision of similar benefits by large insurance providers and banks. A risk we're happy to face as it'll ultimately increase Bitcoin adoption around the world. We also face regulatory hurdles where some countries have banned promoting cryptocurrencies (Egypt) or been feverishly opposed to it (Morocco).

By focusing on finding early adopters, operating in legal jurisdictions, and being in a niche industry, we hope that we can create a moat to build enough of a tidal wave that will allow us to reach a critical mass at scale and help the most underserved economies of the MENA region.

Finally during bouts of Bitcoin's price volatility we expect to encounter some downward pressure on our liquidity which we plan to manage by keeping **5-10%** of funds across different hot wallets along with some fiat liquidity.

Once we've completed our piloting phase in **Q4 2023**, we will reevaluate our offering and identify new low hanging fruits that can improve conversion rates and other ways to help employees.

Bitcoin has existed for more than **13** years and weathered enough FUD to maintain **100%** uptime since **2013**. Its stability and continuity, despite its volatility, make it a strong bet as a long-term strategy for financial stability for many employees in the region. Bitcoin might not be the solution to everything but it is part of fixing the problem. Our goal is to harness the power of Bitcoin and to provide financial security for all.

"[Bitcoin is] financial sovereignty for long-term saving, which is how one escapes poverty. Not for day2day."
@NickSzabo4