ABOUT ME

MAY I INTRODUCE MYSELF

- Daniel Galeotti
- Strategy Consultant
WHAT IS BITCOIN?

BITCOIN IS A KIND OF NEW DIGITAL CURRENCY

- Digital currency
- Based on blockchain
- No single point of control
- Not tight to a state or region
SATOSHI NAKAMOTO IS STILL UNKNOWN TO THE WORLD

BITCOIN: A PEER-TO-PEER ELECTRONIC CASH SYSTEM

1. Introduction

Commerce on the Internet has come to rely almost entirely on financial institutions serving as trusted third parties to process electronic payments. While the system works well enough for most transactions, it still suffers from the inherent weaknesses of the trust-based model. Completely non-reversible transactions are not really possible, since financial institutions cannot avoid mediating disputes. The cost of mediation increases transaction costs, limiting the minimum practical transaction size and cutting off the possibility for small casual transactions, and there is a broader cost in the loss of ability to make non-reversible payments for non-reversible services. With the possibility of reversal, the need for trust spreads. Merchants must be wary of their customers, handling them for more information than they would otherwise need. A certain percentage of fraud is accepted as unavoidable. These costs and payment uncertainties can be avoided in person by using physical currency, but no mechanism exists to make payments over a communications channel without a trusted party.

What is needed is an electronic cash system based on cryptographic proof instead of trust, allowing any two willing parties to transact directly with each other without the need for a trusted third party. Transactions that are computationally impractical to reverse would protect sellers from fraud, and routine escrow mechanisms could easily be implemented to protect buyers. In this paper, we propose a solution to the double spending problem using a pure peer-to-peer distributed timestamp network to generate computational proof of the chronological order of transactions. The system is secure as long as honest nodes collectively control more CPU power than any conspiring group of attacker nodes.

Published in 2008
WHAT IS A BLOCKCHAIN

THE BLOCKCHAIN IS A DISTRIBUTED DATABASE WHICH ENABLES SECURE TRANSACTIONS WITHOUT A CENTRALIZED AUTHORITY

- Distributed database
- Peer-to-peer network
- Open source
- Borderless
- Transparent

Transactions are recorded in blocks which are verified by miners.

- String multiple blocks together - Blockchain
HOW IT WORKS

1. Alice wants to send Bitcoins to Bob

2. Every transaction in the last 10 minutes is included in the next block

3. The block is propagated to everyone in the network

4. The network approves the transaction is valid

5. The block is then added to the chain and provides a transparent record of transactions

6. Bob received the Bitcoins from Alice
Q. Who owns the Internet? Who runs it?

A. Nobody owns it. It is a cooperative but more often chaotic federation of independent networks. Some regulatory bodies set standards for the way information flows over the Internet, but they are about as effective as the United Nations.
No bitcoin CEO
Supply limited to 21 million bitcoins
Every 10 minutes new 2.5 BTC
10 - 15 million user worldwide
20 billion USD market cap
GLOBAL UNCERTAINTY IS FUEL FOR BITCOIN
STILL FIGHTING THE FINANCIAL CRISIS OF 2007/08

- Negative interest rates
- Efforts to ban cash
- Capital controls
- Currency wars
- Mobile growth
TURKEY IN CRISIS - BITCOIN TRANSACTION VOLUME STRIKES

TURKISH LIRA IS LOOSING FAST IN VALUE SINCE THE COUP

Weekly LocalBitcoins Volume (Turkish Lira)

Putsch
July 2016

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STORAGE OF VALUE

BITCOIN COULD TAKE OVER WHERE NATIONAL CURRENCIES ARE IN CRISIS

Source: Coin.Dance
EXPONENTIAL GROWTH – 12/2015

DIGITAL ASSETS NEEDED 7 YEARS TO REACH 10 BILLION MARKET CAPITALIZATION
EXPONENTIAL GROWTH – 12/2016

DIGITAL ASSETS NEEDED 1 MORE YEAR TO REACH 20 BILLION MARKET CAPITALIZATION
DIGITAL ASSETS NEEDED 4 MORE MONTHS TO REACH 40 BILLION MARKET CAPITALIZATION
DIGITAL ASSETS NEEDED 2 MORE MONTHS TO REACH MORE THAN 100 BILLION MARKET CAPITALIZATION

EXponential GROWTH – 06/2017

Bar chart showing the market capitalization of various companies in Billion USD:
- Twitter: 10 Billion USD
- Deutsche Bank: 20 Billion USD
- Sony: 30 Billion USD
- Digital Assets: 100 Billion USD
PROMISING BLOCKCHAINS

THERE ARE MORE THAN 700 OTHER CRYPTOCURRENCIES WITH VERY SPECIAL FEATURES
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SMART CONTRACTS
IT IS SIMPLY “IF X HAPPENS, DO Y,” – E.G. UNLOCKING BICYCLES, RENTAL CARS OR APARTMENTS

An option contract between parties is written as code into the blockchain. The individuals involved are anonymous, but the contract is in the public ledger.

A triggering event like an expiration date and strike price is hit and the contract executes itself according to the coded terms.

Everyone can verify that the initial coded rules have been executed by the parties.
Golem is a global, open sourced, decentralized supercomputer that anyone can access.

Anyone will be able to use Golem to compute (almost) any program you can think of, from rendering to research to running websites, in a completely decentralized & inexpensive way.

The Golem Network is a decentralized sharing economy of computing power, where anyone can make money 'renting' out their computing power or developing & selling software.
DATA VERIFICATION—PROOF OF EXISTENCE

Blockchain enables the possibility to create a unique digital value.

DIGITAL FINGERPRINT

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DATA VERIFICATION – PROOF OF EXISTENCE

BLOCKCHAIN ENABLES THE POSSIBILITY TO CREATE A UNIQUE DIGITAL VALUE
DATA VERIFICATION – PROOF OF EXISTENCE

Blockchain enables the possibility to create a unique digital value.
DATA VERIFICATION– PROOF OF EXISTENCE

BLOCKCHAIN ENABLES THE POSSIBILITY TO CREATE A UNIQUE DIGITAL VALUE

![Diagram of blockchain with digital fingerprints and verified and unverified data]

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ACCEPTING BITCOIN TARGETS NEW CUSTOMERS

- Who is accepting bitcoin

  ![Logo Images]

- According to a survey from expedia
  - Customers are booking mainly first & business class
  - Male 20 - 40 years
  - TECH-SAVVY
AIRBNB NEXT TO ACCEPT BITCOIN?

THE CEO OF AIRBNB WASN’T AWARE OF THE HIGH BITCOIN DEMAND

Brian Chesky @bchesky · 25 Dec 2016
If @Airbnb could launch anything in 2017, what would it be?

Brian Chesky @bchesky · 26 Dec 2016
@jamesidamico @desantis I’m surprised by how popular this is in this thread (has overtaken loyalty program)

Brian Chesky @bchesky · 25 Dec 2016
@sthenc wow didn’t realize this

Brian Chesky @bchesky · 30 Dec 2016
Thanks for the 2,000 submissions. Most popular: Bitcoin, Guest Loyalty, upgraded homes & services, group travel, things to do, and Mars
PAYMENT PROCESSING

- Customers choose to pay with Bitcoin
- Customers pay invoice at locked-in exchange rate
- Payment processor converts the Bitcoin no volatility risk
- Direct deposit to bank account
THANK YOU

ANY QUESTIONS?
CONTACT US
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TAKE PART

VISIT US AT OUR PRODYNA BOOTH AND WIN A WIRELESS DR. DRE HEADSET