



# How to get your Hands on Digital Currency

PlayUp ICO Investorium Presentation

16<sup>th</sup> April 2018

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# BLOCKCHAIN TECHNOLOGY EXPLAINED

## Computer Science Breakthrough

Bitcoin at its most fundamental level is a breakthrough in computer science – one that builds on 20 years of research into cryptographic currency, and 40 years of research in cryptography, by thousands of researchers around the world

## Blockchain is the Trust Machine

Bitcoin is the first practical solution to a longstanding problem in computer science called the Byzantine Generals Problem.

To quote from the original Bitcoin paper defining the B.G.P.:

“[Imagine] a group of generals of the Byzantine army camped with their troops around an enemy city. Communicating only by messenger, the generals must agree upon a common battle plan. However, one or more of them may be traitors who will try to confuse the others. The problem is to find an algorithm to ensure that the loyal generals will reach agreement.”

More generally, the B.G.P. poses the question of how to establish trust between otherwise unrelated parties over an untrusted network like the Internet. This is the Blockchain

# Real-Time Transfer that's Low-Fee

Blockchain Benefits - The Consequences of this Breakthrough are Hard to Overstate.

- The practical consequence of solving this problem is that Bitcoin gives us, for the first time;
  - a way for one Internet user to transfer a unique piece of digital property to another Internet user,
  - such that the transfer is guaranteed to be safe and secure,
  - everyone knows that the transfer has taken place,
  - And; nobody can challenge the legitimacy of the transfer.
- What kinds of digital property might be transferred in this way?
  - Think about digital signatures,
  - digital contracts,
  - digital keys (to physical locks, or to online lockers),
  - digital ownership of physical assets such as cars and houses,
  - digital stocks and bonds ... and digital money.
- All these are exchanged through a distributed network of trust that
  - does not require or rely upon a central intermediary like a bank or broker.
  - And all in a way where only the owner of an asset can send it,
  - only the intended recipient can receive it,
  - the asset can only exist in one place at a time,
  - and everyone can validate transactions and ownership of all assets anytime

# Bitcoin (AUD): The First Blockchain

## Trade History



## Market Depth

### Investors Learned Leading to 2017

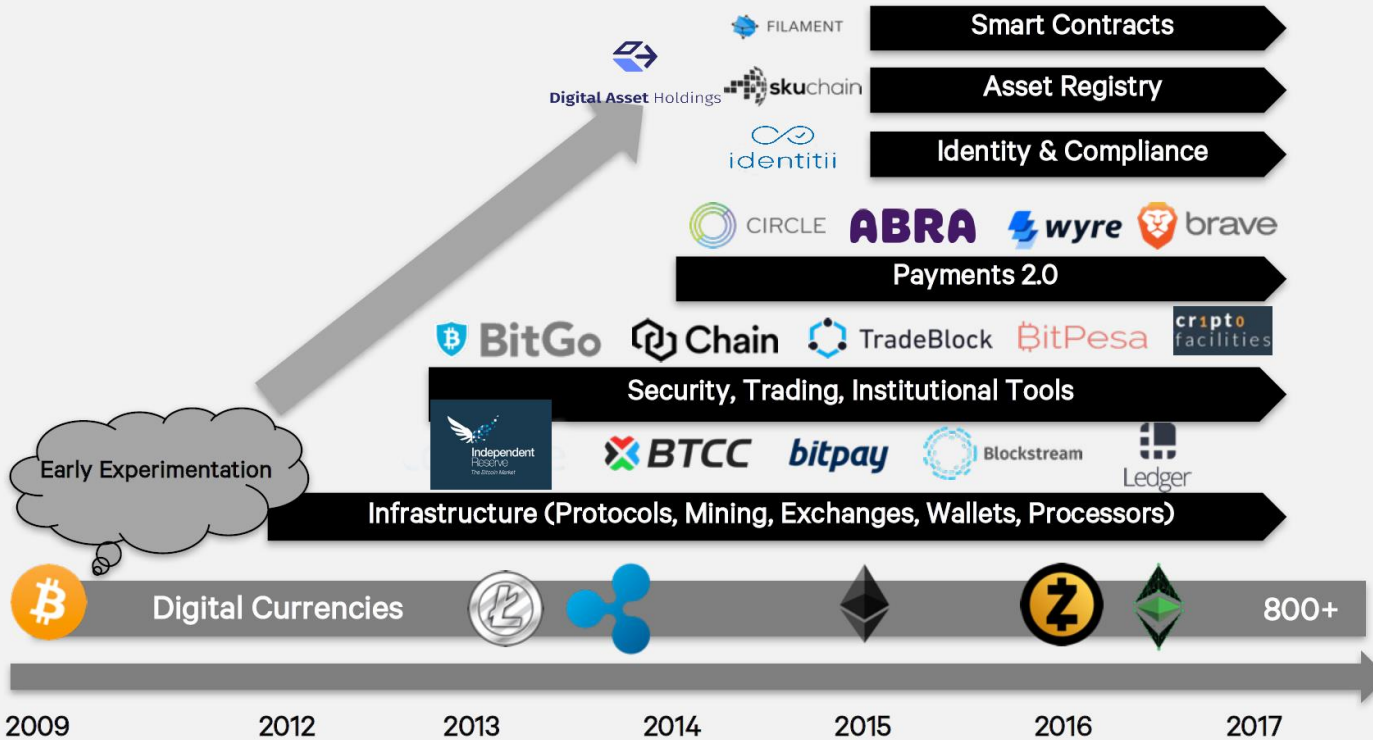
- Exchange rate was originally set at US\$1 = 1,309 BTC
- Exchange trading started July 2010 in the US. Return of BTC **6,476,878%** to date
- Increased media attention use by Silk Road, VC Investment create a spike
- 2014-2016 prices are in a bear market post Mt Gox collapse. Bitcoin infrastructure matures
- 2017 Japan makes Bitcoin legal tender.
- More institutions/banks begin engaging global market marker entry which drives growth

Source: [www.independentreserve.com](http://www.independentreserve.com)

**Bitcoin raises investor awareness of cryptocurrencies as a new investor class**

# Started with Bitcoin 8 years ago then it was Blockchain

## Blockchain Application Ecosystem





# Bitcoin = Tulips

Common analogy by many respected media commentators

- Dutch Tulips were sold for crazy prices – the price of houses – and fortunes were won and lost.
- It was the foolishness of newcomers to the market that set off the crash in February 1637.
- Desperate bankrupts threw themselves in canals.
- The government finally stepped in and ceased the trade, but not before the economy of Holland was ruined.

OPINION  
Nov 16 2017 at 11:00 PM  
Updated Nov 16 2017 at 11:00 PM

☆ Save article

## Why Bitcoin will go the way of the tulips

✉ G+ f t in



Bitcoin will go bust just as the Dutch tulip market did in the 1630s.

by Elmer Funke Kupper

In November 1636, the value of tulip bulbs in the Netherlands started to rise rapidly. At its peak, a single bulb cost more than 10 times the annual wage of an average worker.

The speculation was fuelled further by the introduction of a futures market, allowing people to trade without any bulbs changing hands.

In February 1637, it came to a sudden end. The price collapsed, trading stopped, futures contracts were not honoured, and those who held bulbs lost quite a fortune.

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ALAN KOHLER

### Bitcoin spells the end of certainty for most of us

The Australian | 12:00AM December 9, 2017 | 48 | [f](#) [t](#) [@](#) [...](#) [Save](#)

ALAN KOHLER  
Editor-at-large, The Australian Business Review Melbourne @AlanKohler

The longer the bitcoin mania goes on, the more people are certain about it — that it's a bubble, that it's not a bubble — but the less reason anyone has for certainty about anything any more.

My chart on the ABC News the other night, when bitcoins hit \$US14,000 (the price is now above \$US17,000/\$22,600) showed that it has increased 40-fold in two years while the Nasdaq index only increased 2.8 times in the last two years of 1990s dotcom bubble, before crashing 70 per cent in the following 18 months, causing a recession in the US.

The price of a tulip bulb seems to have increased 60-fold between 1634 and 1637, so bitcoin isn't yet the greatest bubble in history, but it's getting there.

## Bitcoin Compared to Tulips are

- Not durable
- Not scalable
- Not programmable
- Not fungible
- Not verifiable
- Not divisible
- Not easy to transfer globally

But tell me about your analogy to Tulips...

# Tulipmania – Bitcoin & Blockchain

Yes, it makes an exciting story. The trouble is, it is untrue.



Only 37 people  
purchased tulips  
between 300  
guilders and  
5000 guilders

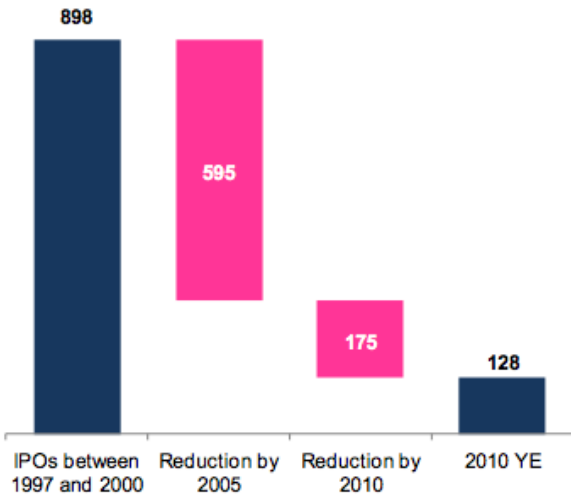
- The most expensive tulips of all cost around 5,000 guilders (the price of a well-appointed house),
- Historians were only able to identify only 37 people who spent more than 300 guilders on bulbs, around the yearly wage of a master craftsman.
- Many tulips were far cheaper and still available in Holland in the drought of 1637.
- Top buyers came from the wealthy merchant class and were well able to afford the bulbs

Source: Tulipmania, Anne Goldgar, King's College London



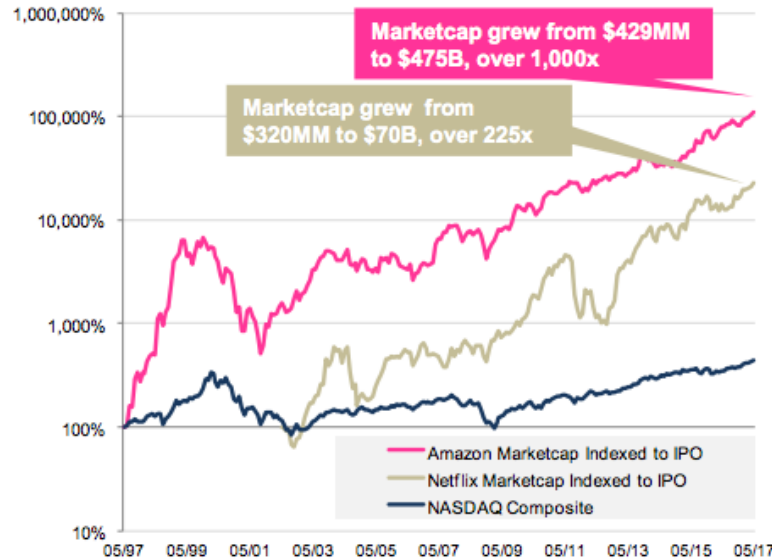
# The Dotcom bubble teaches a valuable lesson – most new ventures die, but survivors become winners that take all

## Tech Company Initial Public Offerings ('97-2000)



- On a per-company basis, IPOs from the Dotcom bubble have done spectacularly poorly, with an 86% company failure rate by 2010
- Annual share-price return for this cohort was -3.7% between 2000 and 2010

## Performance of Dotcom Survivors (logarithmic, indexed to IPO date)



- Yet, the underlying thesis was correct, and individual winners like Amazon and Netflix grew to dominate entire industries
- Timing is extremely important. Pets.com IPOed with \$375 million and shut down later that year; Zooplus was launched in 2006 and in 2017 is worth over \$1 billion

Source: George Samman

# WTF ICOs raised US\$6bn in 12 months

## Web 3.0 Startup Boom



Cloud computing drastically lowers cost of building web companies



Social media networks enable companies to bootstrap user networks



Growth of operator-led micro VC firms to invest in early companies

**92% fail within 3 years**

**Failure tied to inability to raise funding or build user traction**

## Digital Currency 2.0 Boom



ERC20 token standard and platforms lower cost of creating tokens



Social collaboration platforms enable developers and early users to connect



Growth of token funds by early investors who are wealthy from BTC/ETH

**Failure rate unknown**

**Founders and their projects have a large pile of cash and stash of tokens to sell**

**Unlike the Web 3.0 startup boom, these new digital currency projects have massive capital reserves and no real timeline or pressure to deliver product**

Source: Meltem Demirors

# INDEPENDENT RESERVE

## HOW TO GET YOUR HANDS ON DIGITAL CURRENCY

last 8,843.10 high 9,349.99 low 8,759.00 avg 9,129.08 vol 126.52

**Independent Reserve**  
*The Bitcoin and Digital Currency Market*

Trade with confidence

- Who is Independent Reserve?
- How it Works
- News and Education
- The Bitcoin and Digital Currency Market

Independent Reserve is a Bitcoin and Digital Currency exchange where investors, traders and everyday people come to buy and sell Bitcoin, Ether, Bitcoin Cash and Litecoin

👉 XBT    ⬥ ETH    🟩 BCH    🟩 LTC

# Independent Reserve – First Oz Regulated

## First Australian digital currency exchange regulated: Independent Reserve

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3 Apr 2018 12:00

Nicholas Fletcher, Customer Experience Officer

12:00, 3 April, 2018 (Sydney) Independent Reserve, the Australian digital currency exchange, this morning became the first Australian exchange of its kind to be regulated.

Independent Reserve is the first exchange to be regulated by the Australian Transaction Reports and Analysis Centre (AUSTRAC). Set up in 1989, AUSTRAC ensures Australian institutions conform to the required standards around Counter-Terrorism Financing and Know Your Customer rules.

CEO Adrian Przelozny said the regulation represented a huge leap forward for the local digital currency industry. “We have been lobbying for increased regulation since we opened for business in 2014,” he said. “We passionately believe that the digital currency economy will – and should – become just another part of the mainstream economy. In order for that to happen, digital currency needs to be regulated just like any other asset class. This is an excellent new step on that journey.”

Independent Reserve investor Steve James said AUSTRAC regulation would also help exchanges interact more easily with the banking sector. “Coming from a banking background it’s easy to see why banks have seen this sector as a potential AML/CTF risk,” he said. “While in the past we’ve seen the bigger banks showing reluctance to get involved, now we have higher standards for all operators and I am very confident this will result in much stronger partnerships between traditional and digital currency institutions.”

AUSTRAC is among one of the leading regulators globally to put firm rules in place for digital currency exchanges. This development will make the local market more attractive for both retail and institutional investors, said Mr Przelozny. “All investors should be able to feel safe when investing in a new market,” he said. “I’m so pleased that AUSTRAC has shown such leadership in this area, making Australia a more attractive marketplace for investors of all kinds.

“Independent Reserve is already used by many SMSFs and advisors across Australia,” he added. “This new regulation will enable us to work even more closely with these highly regulated market participants.”

# Digital Currency Fiat Currency

To buy and sell digital currencies back into

Australian dollars(Fiat Currency) you need a regulated Australian digital currency exchange with good banking relationship

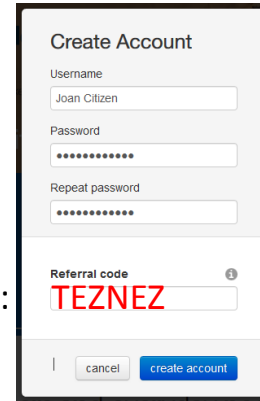
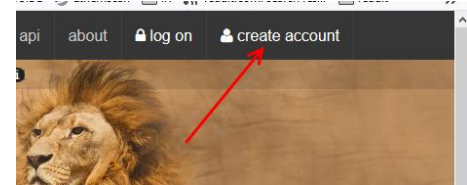
*Little Secret:* Most digital currency exchanges won't allow you to sell and deposit back into an Australian bank account

- Independent Reserve is a sophisticated and Australia's longest running institutional-grade Bitcoin cryptocurrency exchange.
- Independent Reserve allows for digital currency pairs in Australian Dollars, US dollars & NZ dollars back to an Australian bank account
- Independent Reserve provides its 50,000+ customers with high liquidity, fast order execution, low spread and access to high liquidity orderbook for top currency pairs and an integrated API for institutional investors.
- All of this is paired with time-proven financial stability, strong security including protection against DDoS attacks, full data encryption and multiple robust redundancy systems compliant with global standards.



# How to create an account with Independent Reserve

1. Click the *create account* link at the top right of the webpage
2. A *Create Account* window will appear. Decide on a user name and password and enter them in here. The password needs to be complex. Click the *create account* button to proceed.

A screenshot of the 'Create Account' form. The form is white with a grey border. It contains the following fields:

- Username:** A text input field containing 'Joan Citizen'.
- Password:** A text input field with masked characters (dots).
- Repeat password:** A text input field with masked characters (dots).
- Referral code:** A text input field containing 'TEZNEZ' in red text.

At the bottom of the form, there are two buttons: a grey 'cancel' button and a blue 'create account' button.

PlayUP ICO Referral code:



# Independent Reserve

The Digital Currency Market

- The next screen will request your identity details. These include:
  - Account type (Personal, Company, or Super Fund),
  - Personal details (Name, DOB, Country of residence),
  - Email address,
  - Two-factor and mobile phone number (optional).
- The following screen requests your full address, as well as verification documents to prove your identity.
- After submitting this, our verification team will process your account creation request, usually within 1 business day.
- Once approved, your account is now active and ready to trade!

The screenshot shows the 'step 2: identity details' page. It includes sections for 'Account Summary', 'Your Identity Details', 'Email Settings', 'Two-Factor Authentication', 'Verification Documents', 'ID scan up', 'Proof of address', and 'Supporting document with address'. Each section contains various input fields and buttons for saving or proceeding.

The logo for KTM Ventures is centered on a white background. The letters 'KTM' are rendered in a bold, teal-colored sans-serif font, while the word 'VENTURES' is in a lighter, grey sans-serif font. The background is decorated with abstract geometric patterns of overlapping squares and diamonds in various shades of blue and teal, primarily located in the corners and along the right edge.

**KTM** VENTURES