



# Anzen – Securing Payments

# Overview



- Problem
- Solution
- Opportunity & Target Market
- Technology
- Competition
- Projections & Roadmap
- Marketing & Sales
- Finances

## Product Statement

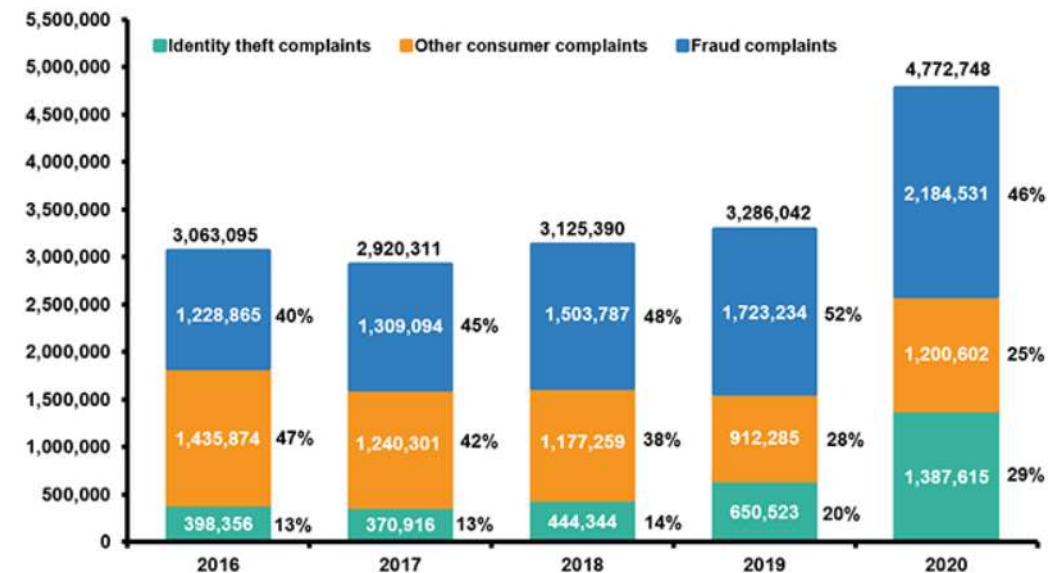
A Blockchain solution to safeguard your payments  
you pay online using 5G and Edge computing



# The Problem : Man-in-the-Middle attacks



- Accounts 30% of all frauds
- Online frauds account 1.8% of total revenue on average
- Direct loss due to these attacks is 0.216% of total revenue
- Cause losses of \$3.6 B annually due to Chargebacks (Fees, legal, investigation, prosecution, lost revenue)

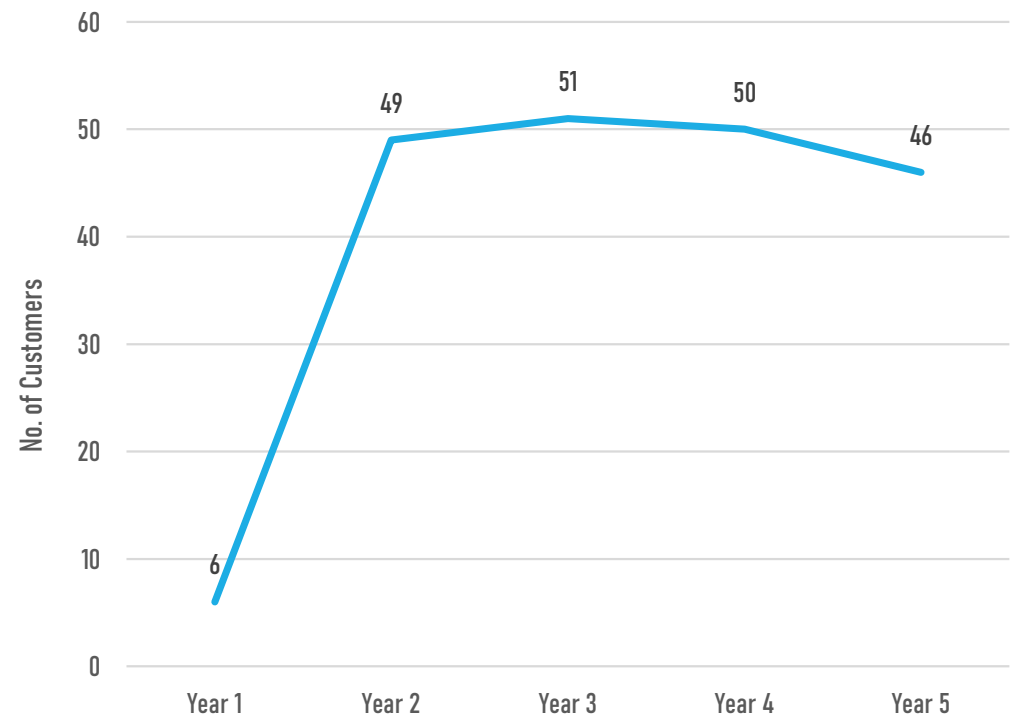


Avg cost as % of revenue: 0.63%, translates to \$5.5 Billion annually

# Opportunity and Target Market



- \$5.5 B annual revenue potential
- Specifically targeting ecommerce and online retail verticals
- Potential to earn \$ 400 M YoY even when targeting ~200 customers



# The Solution



## Value to customers

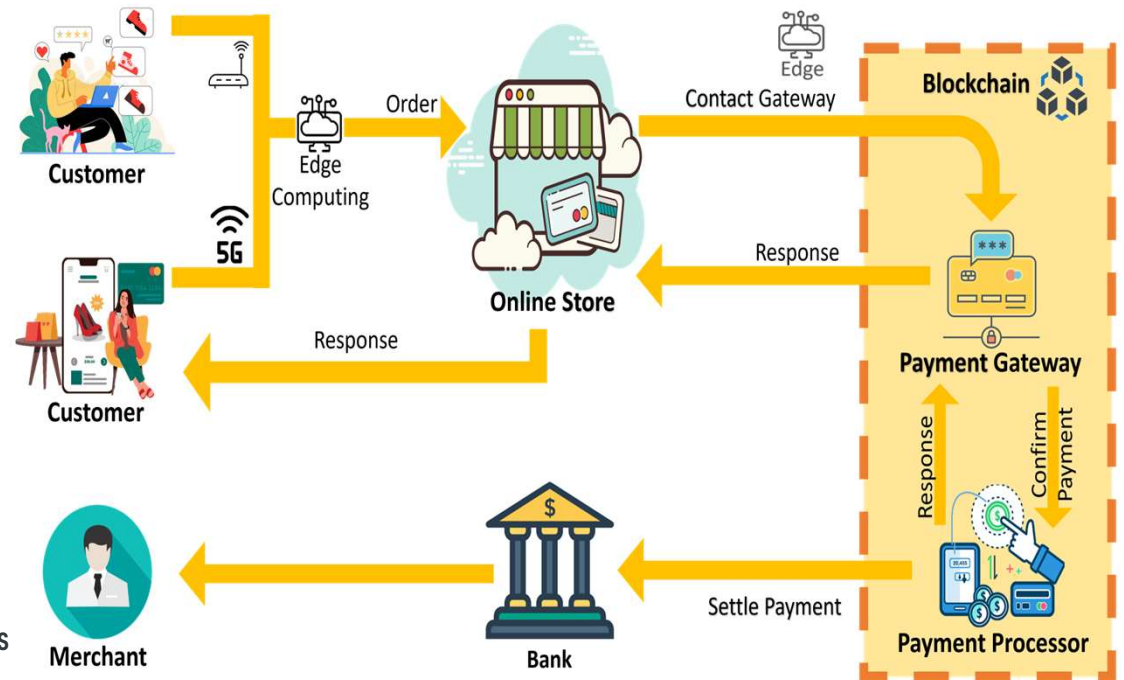
- Prevent a 0.63% of their revenue annually in the E-commerce industry
- Safer payments and checkouts
- Reduced reputation losses, customer payouts, and customer churn

## Product Uniqueness

- Designed for Payments
- Enhanced security with Blockchain
- Low Latency and high throughput through 5G and Edge Computing

## Entry Barriers


- Strategic partnerships – AT&T, AWS, Stripe
- Aggressive pricing & customer retention strategies
- Early moves to acquire the ecommerce giants



# Technology & Demo



## Partners and Responsibilities

- Network and scaling 
- Networking infra and Edge systems 
- Blockchain Solution & Deployment 
- Payment Gateways Integration  
- Payment Processing  

## Deployment and Demo Environments

- Deployed and hosted on AWS EC2 – across-US datacenters
- Controlled environment like AT&T's Foundry simulating a moderated payment hijacking attempt on a Prod-like platform blocked by the solution

## Leveraging 5G and Edge

- Using nodes as blockchain network components. These nodes would be authenticators for blockchain
- 5G to connect to end-users to the payment portals
- Edge computing for the higher computational power of these nodes to code and decode blocks
- Edge for handling millions of transactions

## Technology Considerations

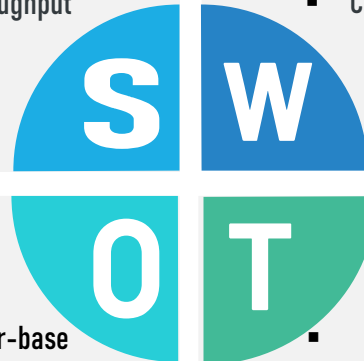
- AWS EC2 – 6 nodes across 3 regions in the US
- Edge Nodes – 20 nodes across Population centers
- AWS S3 – 10 TB of storage



# SWOT Analysis & Porter's Five Forces Analysis



- Security of Blockchain
- Specifically Designed for Payments
- Low Latency and high throughput



- Hiring the right talent
- Integrity of employees
- Churn

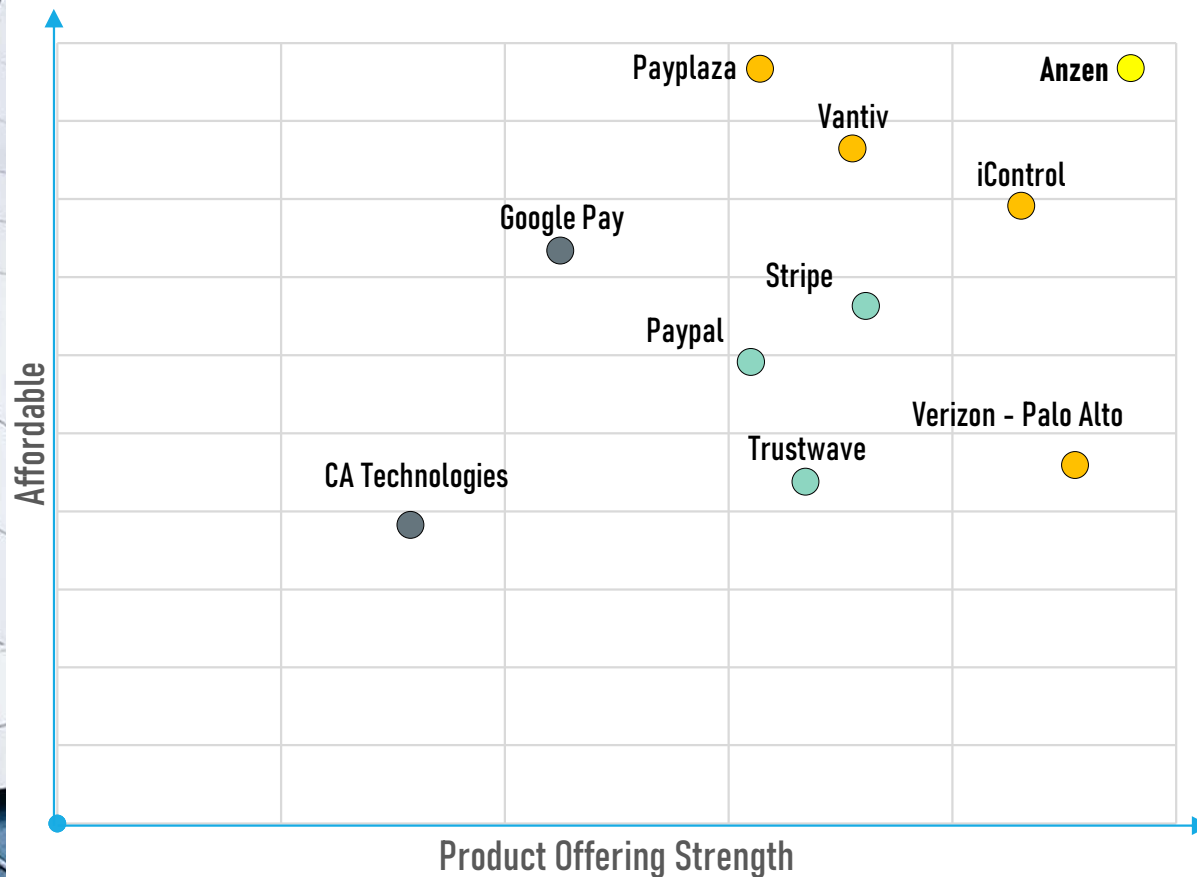
- Wider 5G and Edge customer-base
- Market entry into newer markets through strategic partnerships & innovation

- Regulatory uncertainty
- Multi-party collaboration
- High R&D costs
- Customization of the offering

## Porter's five forces



# Competition



## Advantages

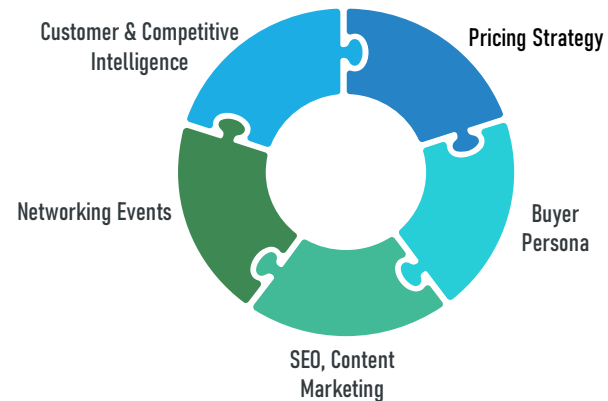
- Only company enhanced with 5G, Edge and Blockchain.
- Focused only on Digital Payments services.
- Wider future scope to expand into different types of security services



# Marketing & Sales Strategy



## Marketing Cycle



## Sales Channel

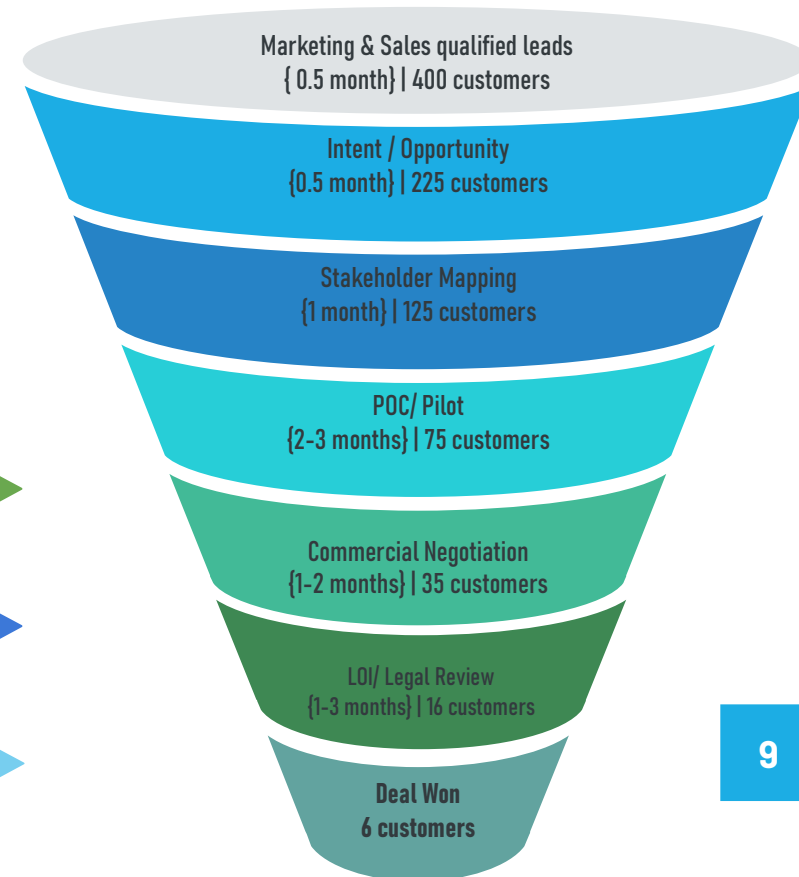
- AT&T Marketplace
- In-house Sales Team
- Channel Partners

## First Customers

Customers with niche market. E.g.  
InkBox, Blue Apron, FEDEX, AT&T,  
Mint Mobile



## Sales and Customer Acquisition Funnel



# Business Model & Revenue Model



	YEAR 1 (in \$M)				YEAR 2 (in \$M)				YEAR 3 (in \$M)	YEAR 4 (in \$M)	YEAR 5 (in \$M)
	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	YEAR 3	YEAR 4	YEAR 5
<b>REVENUE FROM CUSTOMERS</b>											
<1 million	-	-	-	0.3	0.3	0.3	0.3	0.3	0.9	0.72	0.6
1 million to 10 million	-	-	-	0.5	1	2	2.5	2.5	7.5	6.5	5
10 million to 50 million	-	-	-	-	1	2	2	4	10	12	12
50 million to 100 million	-	-	-	-	-	-	5	5	35	40	40
100 million to 500 million	-	-	-	-	-	-	10	10	30	40	50
>500 million	-	-	-	-	-	-	-	-	15	15	15
<b>TOTAL REVENUE BY NEW CUSTOMER</b>	-	-	-	0.8	2.3	4.3	19.8	21.8	98.4	114.22	122.6
<b>RETENTION REVENUE(OLD CUSTOMER)</b>	-	-	-	-	-	-	-	19.04	28.6	88.9	142.4
<b>NET REVENUE (A)</b>	-	-	-	0.8 M	2.3 M	4.3 M	19.8 M	40.9 M	127 M	203.1 M	265 M

	Year 1 (in \$M)	Year 2 (in \$M)	Year 3 (in \$M)	Year 4 (in \$M)	Year 5 (in \$M)	Total (in \$M)
<b>COGS</b>						
INFRASTRUCTURE	22.3	24.4	31.77	31.77	31.77	142.01
<b>TOTAL DEVELOPMENT COST</b>						
Development	1.93	4.83	6.53	7.68	8.02	27.54
Legal	0.13	0.29	0.36	0.36	0.36	1.49
Client Support	0.12	0.48	0.72	1.08	1.08	3.48
<b>MARKETING COST (SG&amp;A)</b>						
Marketing and Business Development	1.12	3.24	1.49	1.54	1.54	8.93

Component	Cost per annum	5 year Cost (in \$M)
AWS EC2	0.463	2.315
AWS S3	0.2	1
AWS Blockchain	0.774	3.87
Testing		0.5
Infra scaling fund		10
Edge Infrastructure	2.4	142.01
Human Capital Cost		36.209
<b>Total Cost</b>		<b>194.894</b>

# Financial Projections I



[USD \$ millions]	Income Statement										
	QTR 1	YEAR 1				YEAR 2				YEAR 3	YEAR 4
		QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	YEAR 3	YEAR 4	YEAR 5
REVENUE FROM CUSTOMERS											
<1 million	-	-	-	0.3	0.3	0.3	0.3	0.3	0.9	0.72	0.6
1 million to 10 million	-	-	-	0.5	1	2	2.5	2.5	7.5	6.5	5
10 million to 50 million	-	-	-	-	1	2	2	4	10	12	12
50 million to 100 million	-	-	-	-	-	-	5	5	35	40	40
100 million to 500 million	-	-	-	-	-	-	10	10	30	40	50
>500 million	-	-	-	-	-	-	-	-	15	15	15
TOTAL REVENUE BY NEW CUSTOMER	-	-	-	0.8	2.3	4.3	19.8	21.8	98.4	114.22	122.6
-											
RETENTION REVENUE(OLD CUSTOMER)	-	-	-	-	-	-	-	19.04	28.6	88.9	142.4
-											
NET REVENUE (A)	-	-	-	0.8 M	2.3 M	4.3 M	19.80 M	40.9 M	127 M	203.1 M	265 M
COGS											
INFRASTRUCTURE	5.40	5.40	5.40	6.10	6.10	6.10	6.10	6.10	31.77	31.77	31.77
NET COGS (B)	5.40	5.40	5.40	6.1 M	6.1 M	6.1 M	6.1 M	6.1 M	31.77 M	31.77 M	31.77 M
-											
GROSS PROFIT (C = A - B)	- 5.4 M	- 5.4 M	- 5.4 M	- 5.3 M	- 2.5 M	- 1.8 M	13.7 M	34.8 M	95.3 M	171.33 M	233.3 M
-											
INDIRECT COST											
DEVELOPMENT COST	0.36	0.50	0.66	0.66	1.39	1.39	1.41	1.41	7.61	9.12	9.46
MARKETING (SG&A)	0.00	0.04	0.54	0.54	0.54	0.54	1.08	1.08	1.49	1.54	1.54
TOTAL INDIRECT COST (D)	0.36	0.57	0.70	0.70	1.93	1.93	2.49	2.49	9.10	10.66	11.00
-											
EARNINGS(C-D)	- 5.76 M	- 5.97 M	- 6.1 M	- 6 M	- 4.43 M	- 3.73 M	11.21 M	32.31 M	86.20 M	161.67 M	223 M
-											
Cumulative Earning	-	-	-	-	-			11.53 M	97.73 M	260 M	483 M

NPV: \$265 M  
IRR: 239%  
ROI: 222%

Break-Even  
Period

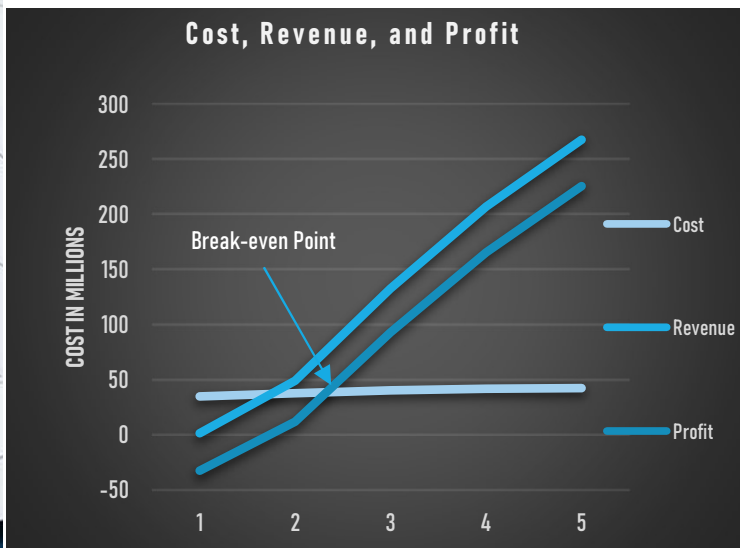
# Financing Sought & Overall Timelines



## Investment Required

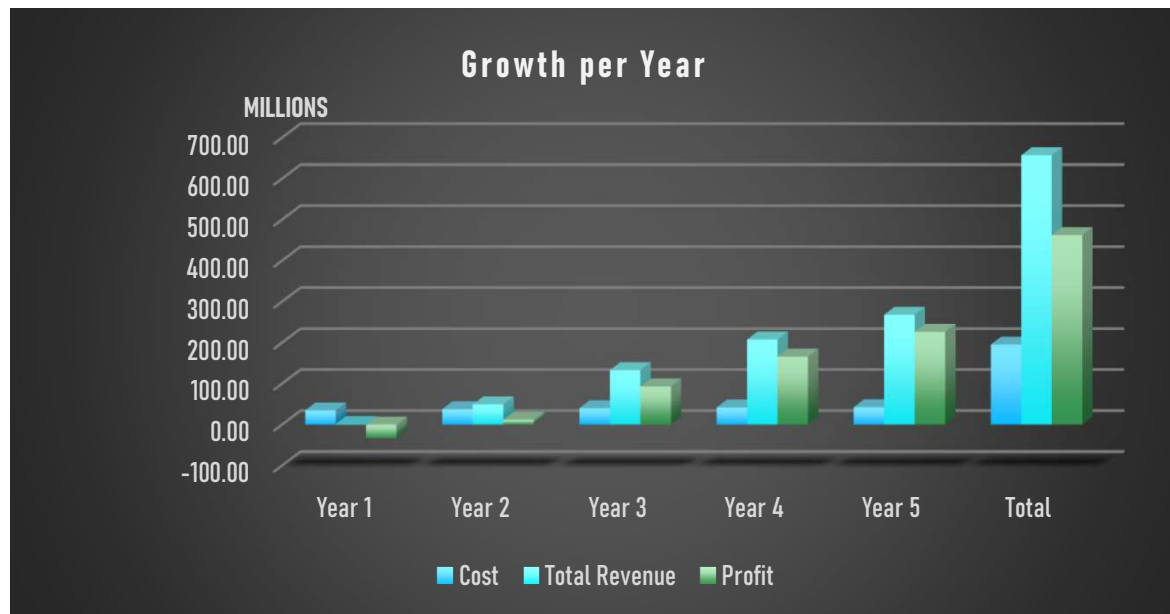
- ~ USD 150 M of investment over 5 years distributed equally
- In return of 15% of equity & 40% YoY profit until USD 150M is recovered by AT&T

## Break-Even Analysis



Timeline	Year 1				Year 2				Year 3	Year 4	Year 5
	1	2	3	4	1	2	3	4			
Product Planning and Research											
Financial & Hiring											
Prototype Development & Testing											
Customer & Market Research											
Sales & Marketing Activities											
Product Development & Testing											
Product Deployment											
Customization Development											
Customer Acquisition Scaling											

# Summary



## Risk Assessment

- **Customer Retention (High)** – The math relies upon the assumption of 70% customer retention YoY
- **Aggressive Customer Acquisition (High)** – The model is dependent on the total acquisition of the customers by the team
- **Threat from competitors (High)**

## Challenges

- Regulatory uncertainty
- Multi-party collaboration
- High R&D costs
- Customization of the offering
- Newer entrants e.g. Verizon + Palo Alto

## Financial Attractiveness

- High percentage of recurring revenue – the client will provide recurring sources of revenue.
- Steady and rapid growth in sales during the first 5 years in a clearly defined market niche.
- Forecasted breakeven by year 2 with a reasonable degree of certainty.
- Loss of any year is targeted to set-off from the profits of subsequent 2 years.
- Steady growth of Profit and Revenue over somewhat fixed cost from year to year comparison.

## Success Factors

- Sustainable and scalable growth over 5 years
- No hijacked payments + Regulatory clean slate for customers and AT&T
- Financially viable business model with recurring revenue from customers
- Multi-party collaboration
- Extension to S, M, & L businesses
- Scalability of Solution capabilities



**Thank You 😊**



# Appendix

*Assumptions:		YEAR 1 (Scalable Demo)				YEAR 2 (1st Set of Customers)				YEAR 3 - (Scaling to several customers)	YEAR 4 - (Scaling to several customers)	YEAR 5 - (Scaling to several customers)	Total 5 year cost of each employee type
Employees		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Developers	Total Employees	3	4	6	6	20	20	20	20	30	35	35	\$ 89,82,000
	Cost	\$ 54,000	\$ 72,000	\$ 1,08,000	\$ 1,08,000	\$ 3,60,000	\$ 3,60,000	\$ 3,60,000	\$ 3,60,000	\$ 21,60,000	\$ 25,20,000	\$ 25,20,000	
Product Managers	Total Employees	1	1	1	1	4	4	4	4	7	9	10	\$ 26,04,000
	Cost	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 5,88,000	\$ 7,56,000	\$ 8,40,000	
QA Testers	Total Employees	0	2	2	2	6	6	6	6	8	10	10	\$ 21,30,000
	Cost	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 4,80,000	\$ 6,00,000	\$ 6,00,000	
DevOps	Total Employees	0	2	2	2	6	6	6	6	8	10	10	\$ 21,30,000
	Cost	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 4,80,000	\$ 6,00,000	\$ 6,00,000	
Business Analysts	Total Employees	1	1	1	1	3	3	3	3	4	6	8	\$ 15,84,000
	Cost	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 2,88,000	\$ 4,32,000	\$ 5,76,000	
Client Support	Total Employees	0	0	4	4	8	8	8	8	12	18	18	\$ 34,80,000
	Cost	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ 1,20,000	\$ 1,20,000	\$ 1,20,000	\$ 1,20,000	\$ 7,20,000	\$ 10,80,000	\$ 10,80,000	
Research Scientists	Total Employees	3	4	4	4	4	4	4	4	4	4	4	\$ 39,50,000
	Cost	\$ 1,50,000	\$ 2,00,000	\$ 2,00,000	\$ 2,00,000	\$ 2,00,000	\$ 2,00,000	\$ 2,00,000	\$ 2,00,000	\$ 8,00,000	\$ 8,00,000	\$ 8,00,000	
AWS Architect	Total Employees	1	1	1	1	2	2	2	2	3	4	5	
	Cost	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 5,40,000	\$ 7,20,000	\$ 9,00,000	\$ 27,00,000
Legal	Total Employees	1	1	1	4	4	4	4	4	5	5	5	
	Cost	\$ 18,000	\$ 18,000	\$ 18,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 3,60,000	\$ 3,60,000	\$ 3,60,000	\$ 14,94,000
Business Development	Total Employees	0	3	3	3	5	5	5	5	7	8	8	
	Cost	\$ -	\$ 40,500	\$ 40,500	\$ 40,500	\$ 67,500	\$ 67,500	\$ 67,500	\$ 67,500	\$ 3,78,000	\$ 4,32,000	\$ 4,32,000	\$ 16,33,500
Marketing	Total Employees	0	3	3	3	6	6	8	8	9	10	10	
	Cost	\$ -	\$ 40,500	\$ 40,500	\$ 40,500	\$ 81,000	\$ 81,000	\$ 1,08,000	\$ 1,08,000	\$ 4,86,000	\$ 5,40,000	\$ 5,40,000	\$ 20,65,500
Hardware Engineer	Total Employees	1	1	1	1	4	4	4	4	4	4	4	
	Cost	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 2,16,000	\$ 2,16,000	\$ 2,16,000	\$ 9,18,000
Project Managers	Total Employees			2	2	3	3	4	4	5	5	5	
	Cost	\$ -	\$ -	\$ 42,000	\$ 42,000	\$ 63,000	\$ 63,000	\$ 84,000	\$ 84,000	\$ 4,20,000	\$ 4,20,000	\$ 4,20,000	\$ 16,38,000
Department/BU Head	Total Employees	1	1	1	1	1	1	1	1	1	1	1	
	Cost	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 1,80,000	\$ 1,80,000	\$ 1,80,000	\$ 9,00,000
		\$ 3,64,500	\$ 5,73,500	\$ 6,51,500	\$ 7,05,500								
Total Human Capital Expenditure in 5 years		\$ 3,62,09,000		Cost to Demo:-	\$ 22,95,000								

# Appendix

No. of Transactions	Amount per transaction (USD)	Tier Price (USD)	Average n(Transactions)	Revenue through online sales (USD)	Our Price vs Client revenue (%)
<1 M	30	0.0003	500k	15 M	0.003
1 M to 10 M	57	500k	5.5 M	313.5 M	0.0008
10 M to 50 M	42	1 M	30 M	1.26 B	0.0008
50 M to 100 M	54	5 M	75 M	4.05 B	0.0012
100 M to 500 M	60	10 M	300 M	18 B	0.0005
> 500 M	43	15 M	1.1 B	430 B	0.00035