

ICO Review: WaBi (WABI)

Token For Safe Consumer Products

November 15, 2017



What is Walimai?

- Walimai, the company behind WaBi, develops solutions to ensure product authenticity. It places secure anti-counterfeit labels on consumer products in China and internationally.
- Walimai's operations are mainly in China, which suffers from counterfeit in products such as baby formula, cosmetics, and alcohol. In order to solve this problem, the company has developed RFID labels with anti-reuse design, as well as mobile apps that integrate with the labels.



PROJECT OVERVIEW

How it works



What is WaBi?

- A digital cryptocurrency that supports Walimai's counterfeit system and is backed by sales of products protected by Walimai technology.
- Consumers around the world are able to purchase products protected by Walimai technology.
- The use of blockchain technology helps securely link a physical item to its digital representation in a cost effective manner to protect every day consumer goods.



Development roadmap

Milestones

Sep 2013: Idea of Walimai was conceived.

2015: Won an innovation grant from Jiaxing city municipal government.

2016: iOS and Android app was launched and online sales began on JD.com.

May 2017: Began selling through physical stores.



Dec 2017

Activating sales of Walimai protected products through WaBi.

More baby shops sell Walimai protected products.

Start of sales of alcohol with Walimai labels.



2018

Regional expansion into 3 new markets in Southeast Asia.

Achieve breakeven on a monthly basis (EBITDA).



2019

Blockchain-based loans for SMEs and communities.

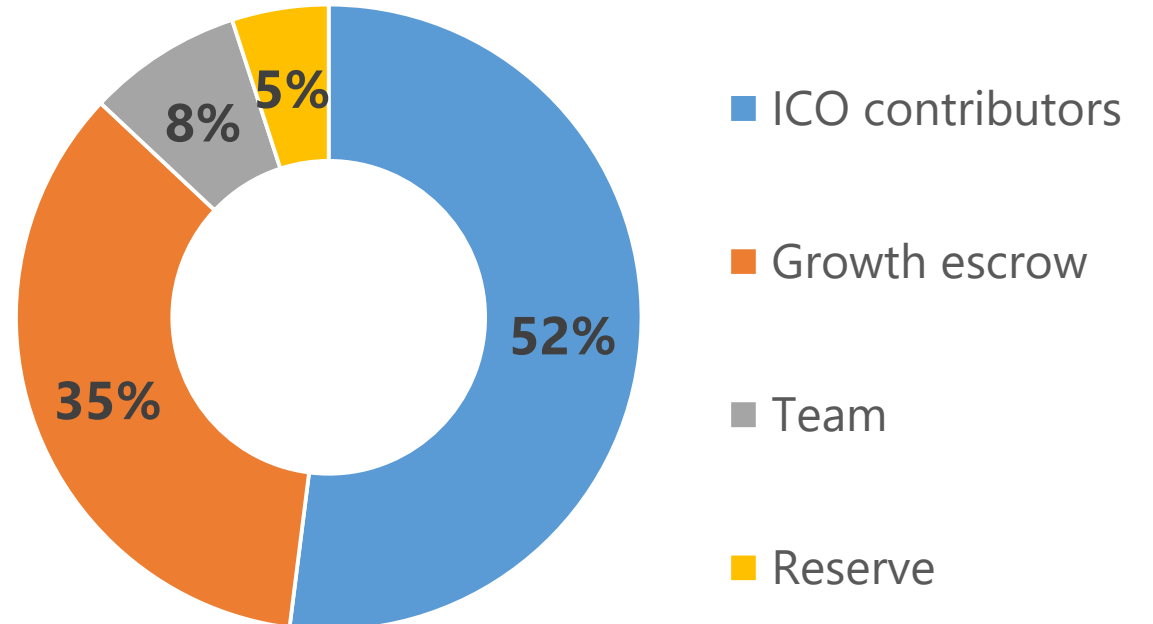
Achieve breakeven on a monthly basis in Q4 2019 (net income after taxes).

WABI token sale summary

ICO SUMMARY

- **Project name:** WaBi
- **Token symbol:** WABI
- **Website:** <https://www.wacoin.io/>
- **Hard cap:** US\$11.5M (public crowdsale ICO contributors own 52% of total token supply if hard cap is reached)
- **Conversion rate:** 1 WABI = \$0.25
- **Total supply:** 100M tokens
- **Max market cap at ICO (fully diluted):** US\$22M
- **Bonus structure:** None
- **Whitelist:** Registration ongoing
- **Timeline:** November 28, 2017
- **Token distribution:** Within 7 days after the end of the ICO

TOKEN ALLOCATION



Use of WABI tokens

- Merchants
 - Required to use WABI tokens as loyalty points in order to sell through Walimai's channels.
 - Can use the token to indirectly give a discount or other promotions.
- Consumers
 - Can use tokens to receive discounts on products sold in Walimai's channels. (Customers need to top up their WABI balance to be able to use discounts, thus creating additional demand for WABI tokens.)
 - Can scan Walimai products to earn WABI tokens, which can be used for discounts on products.
 - The company plans to enable users to have gift cards where they could buy WABI as a gift for someone else to use.

THE TEAM

Who are the people behind WaBi?



Alex Busarov
CEO

Previously Strategy / Sales Director for a leading baby food company, founder of EarlyBird, a fundraising platform for startup projects in China, and Consultant of McKinsey in Moscow and Dubai.



Yaz Belinskiy
Co-founder

Previously Associate Consultant of Bain, and Business Development Manager of LP Amina Energy and Environmental.



Kitty Xu
Marketing Director

Previously Business Advisor of Wofaro, a floral design startup, Marketing Manager of RS Components, and Senior Account Manager of Text100, a global marketing communications agency.

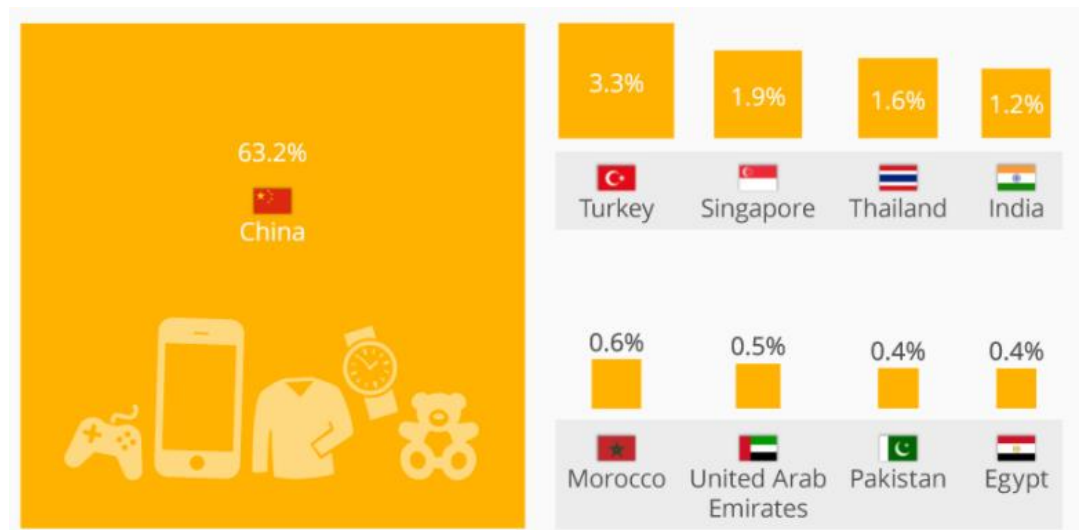
ADVISORS

- Mario Pazos, former Regional Prepaid & Personal Payments Head at MasterCard
- Igor Livant, former Executive Director of Goldman Sachs and Associate Principal of McKinsey
- Long Chiu, former Director of Digital Commerce Development of Mead Johnson Nutrition
- Mark Zavadskiy, Business Development Director of Aliexpress.

The opportunities

- Walimai is a good candidate to benefit from the macro trends in China.
 - China just phased out its one-child policy in 2015, which will boost the demand for baby products.
 - China suffers from counterfeit products and the Chinese are willing to pay a premium for quality. For example, they pay a premium for baby formula imported from overseas partly because the authenticity is guaranteed.

WHERE COUNTERFEIT GOODS ORIGINATE



Source: Statista

The opportunities

- WaBi's closest blockchain competitor, Walton (\$WTC), has a huge market cap of \$130M while WaBi is more advanced in terms of development. Walton has signed MOUs with many companies, but MOUs mean very little in China as the parties of the MOU are not contractually committed.
- The project has solid team members and advisors who have relevant expertise to help with the business development of the project.
- The company has put in place a procedure to prevent dumping of pre-ICO participants (who contributed \$300,000 at \$0.03 per token in August 2017). WaBi offered two options for those participants:
 - Lock tokens for 3-6 months and get 5-10% bonus.
 - Sell the tokens back to WaBi Project at the ICO price.

Our concerns

- Even though the WaBi Project is based in Singapore, Walimai's operations are mainly in China, which is subject to a lot of regulatory risks relating to cryptocurrency.
 - Dec 2013: China bans financial companies from Bitcoin transactions.
 - Jan 2016: PBoC said it will have its own cryptocurrency.
 - Jan 2017: PBoC warns citizens about the risks of using Bitcoin and announces the formation of a task force to inspect Bitcoin trading platforms.
 - Feb 2017: PBoC meets with major crypto exchanges to push for full AML compliance. Two major exchanges halted withdrawals afterwards (resumed a few months later).
 - Sep 2017: China bans companies from raising money through ICOs and halts yuan-denominated cryptocurrency trading.

What do we recommend?

For flipping: **Positive.**

- The project's hard cap, team, business idea, and market awareness are all above average. However, due to the hype surrounding the project, the individual cap for the ICO is probably going to be low.

For long-term holding: **Positive.**

- As mentioned above, Walimai is a good candidate to benefit from the favorable macro trends. We believe it has a good chance to be successful.

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