

TeleX AI 2018 Q2 Public Progress Report

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TeleX AI has continued to build the founding blocks of a positive-cashflow and scalable business venture in the second quarter of the year. Our activities are concentrated in several areas; product development, market research, banking relationships, and preparation for further funding.

Product

We have faced numerous hurdles in establishing a well-architected codebase for the exchange infrastructure. Despite the lost time due to different trials and errors, we deem it a success to have built a software conforming to the industry standards, which allows swift collaboration for the development of additional features. On the other hand, unfortunately, we could not make fiat integration as planned, not due to technical limits but due to regulatory barriers, as will be explained below.

Market

At the beginning, as is the case with startups, TeleX AI was an idea and no more. After extensive market research and with the refinements of our value proposition according to the data with the help of third-party valuation experts, we have adjusted our business plan to have a market-driven approach. A very brief summary of the key points in our business plan is provided below under the “Value Proposition” section.

Banking

Domiciled in the UK, TeleX AI Company Ltd. belongs to a heavily regulated climate and as much reputable jurisdiction, and unfortunately, obtaining a UK bank account is impossible for a pre-product crypto startup. We have tried many alternatives, yet still do not have a bank account whose API we can integrate with the chatbot. As a result, we understand that the only way forward is to obtain a license, and we have already initiated the process of applying for the Estonian cryptocurrency wallet and exchange licenses. Obtaining a bank account can take, as the licensing agencies suggest, up to 4-5 months to complete.

Funding

In order to cover the licensing costs and to pursue product development in the meantime, we have started accepting private offers. We have an equity offering as well as a token wholesale offering. The equity offering is only for accredited investors, whereas anyone can get in touch with us at info@telexai.com to get more information about the TLX Bulk Buy program.

Value Proposition

Assumptions

- Crypto market will continue to grow in the following years.
Rationale: Despite a heavy drop in the total market capitalization of cryptocurrencies, ICO totals are higher and more institutional interest and regulatory improvements are being seen around the world.
- “Nocoiners” will play an important role in the next bull run.
Rationale: The correlation between Google trends “what is bitcoin?” and the bitcoin price, together with the statistics showing that there is a gradual shift of bitcoin reserves from long-term holders to newcomers,¹ suggest that the price movements of bitcoin depend largely on “nocoiners”—those who are yet to buy their first coins.

Facts

- The transaction fees collected by crypto exchanges is estimated to be \$3.2bn in 2017.²
- Properly managed exchanges can achieve product/market fit quickly.
 - Example 1: Liqui
 - Example 2: Tidex
- As messaging applications have surpassed social media networks, the chatbot concept is regarded by some analysts to be the next paradigm for online services.³
- Chatbots have proved to be extremely useful in the fintech industry.
 - Example 1: TD Ameritrade’s chatbot broker on Facebook Messenger
 - Example 2: Interactive Brokers’ IBot.php
 - Example 3: American Express’ account bot on Facebook Messenger

Problems & Solutions

1. Nocoiners hesitate to buy crypto due to its non-regulated nature.
→ TeleX AI will be licensed in a EU country to benefit from regulatory supervision.
2. Nocoiners think it’s technically hard to obtain crypto.
→ Chatbot interface will make crypto readily available and intriguing to try.
3. It’s hard to sustain resiliency against cyber attacks.
→ Our black-box model uses messaging applications as the communication layer, blocking direct access to the backend servers.
4. Newly formed exchanges have hardships in maintaining banking relationships.
→ Our license will make sure that our banking relationships remain secure, reliable and consistent.

¹ ft.com/.../29259448-69b3-11e8-b6eb-4acfcfb08c11

² jbs.cam.ac.uk/.../2017-global-cryptocurrency-benchmarking-study.pdf

³ chatbotsmagazine.com/once-in-a-decade-paradigm-shift-messaging-dec665593e49

Competitive Advantages

- Advantages over non-chatbot exchanges:
 - The easy-to-use chatbot interfaces will highlight the streamlined process, removing the learning curve associated with exchanges.
 - Offering services on Facebook Messenger will speed up adoption.
- Advantages over other chatbot exchanges:
 - Product plan fitting its purpose—compare with Exenium, fully-functional crypto exchange on as many messaging platforms as possible.
 - Already available liquidity—the chatbot back-end is integrated with Bitfinex and uses the exchange for its liquidity.

Roadmap

Milestone #1: Licensing & launch

- Licensing
 - Incorporation in Estonia
 - Obtaining cryptocurrency wallet & exchange licenses
 - Opening bank & payment accounts
 - Corporate accounts at crypto exchanges
- Product development
 - Bank API integration
 - Final security audit before the initial public beta release
 - Beta version launch on Facebook Messenger and Telegram with USD, BTC and ETH.

Milestone #2: Feature enhancements

- Affiliate program: “Refer a friend, get bonus TLX.”
- Tokens made easy: The easiest way to create tokens on Ethereum.
- Automatic buy/sell: Limit orders.
- Crypto basket: Lets user buy a basket of cryptocurrencies at once.
- Inline use of the bot in Telegram groups: tipping, unit conversion, market data.

version 1.0.0 - end of beta

- Payments made easy: Accept BTC payments, collect funds in USD.
- ICOs made easy: Participate in ICOs directly from projects' Telegram groups.
- Pre-ICOs made easy: Participate in presales with exclusive deals.
- Mining made easy: Buying and selling hashing power in TH/s units.

Milestone #3: Cross-platform standalone application

- Android
- iOS
- Windows
- macOS
- Ubuntu
- Web version
- Chrome extension

Milestone #4: Further developments

- Natural language processing
- Voice interface
- Google Assistant and Siri integrations