Investment Memo: Flash

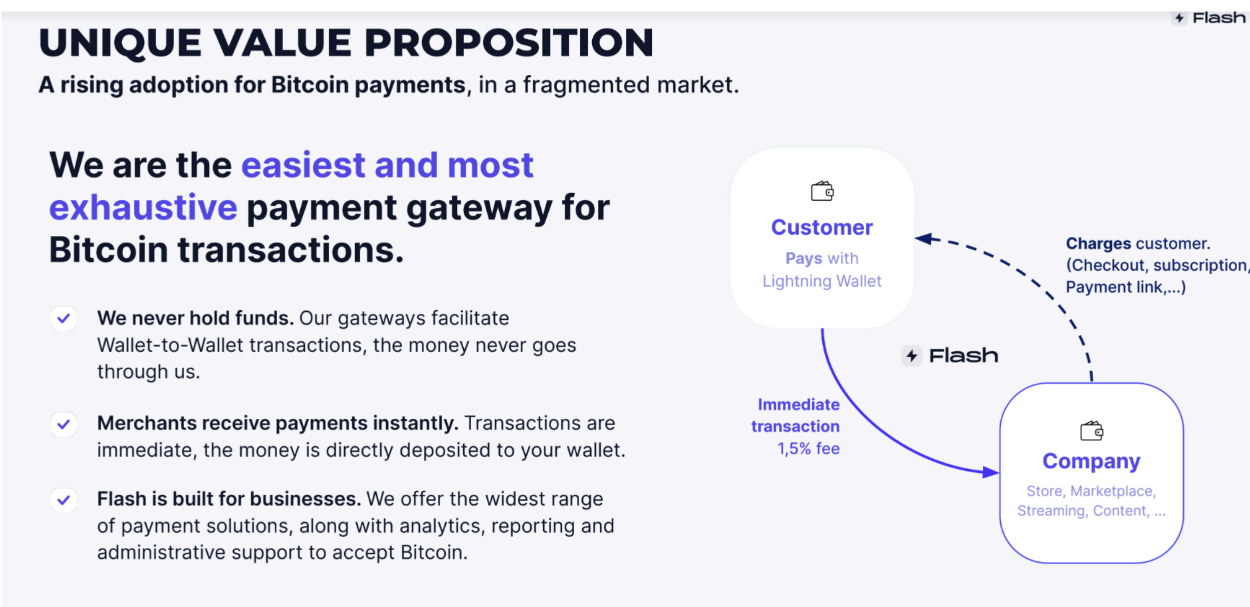
Flash is the easiest and most comprehensive way for any business to charge and receive payments in Bitcoin. Flash enables businesses to charge and instantly accept Bitcoin payments online or offline, with a competitive 1.5% fee. Compatible with various business models (POS, checkouts, or subscriptions), Flash can be integrated with any wallet through QR codes or browser integration, and seamlessly incorporated into existing services with minimal API requirements.

Founding Story

The journey to launching Flash began with the founders' initial project, Talk2Satoshi—an AI chatbot that emulated the voice of Satoshi Nakamoto, which quickly gained traction. As user interest surged, so did server and IT costs. To manage this, they developed a simple payment gateway, allowing users to contribute small amounts of Bitcoin while interacting with the chatbot. That's how Flash began, gradually expanding the solution by building payment gateways across various industries, and pioneering an innovative approach to subscriptions, where they were the first to enable businesses to accept Bitcoin for recurring payments.

Product

Flash is a gateway for Bitcoin payments, offering the easiest way for businesses to accept payments online and offline for Bitcoin, including checkout, subscriptions, paywalls, widgets, and point of sales products. Flash utilizes Nostr Wallet Connect to facilitate non-custodial wallet to wallet transactions, allowing instant payments for merchants. Flash has also developed their proprietary wallet for ease of onboarding customers and merchants, as well as ensuring stronger brand recognition and loyalty.



Market Overview

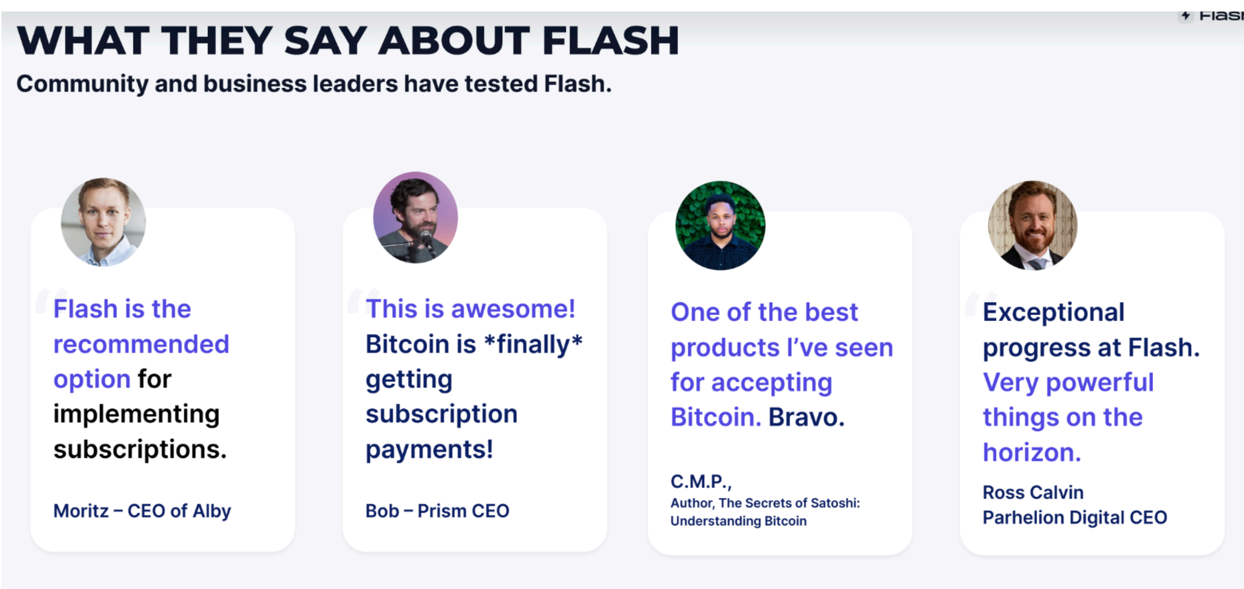
The online payments industry is expansive and rapidly growing, while current solutions for businesses using traditional online payments are often costly and slow. Flash presents a more economical and swift alternative to credit card payments, offering a comprehensive solution for businesses to charge in Bitcoin while ensuring a seamless customer experience. We anticipate substantial growth in the Bitcoin payments market as adoption increases and tools like Flash become more readily available.

Customers

Enterprises are always looking for ways to attract more new customers, and over 2% of people have already paid merchants in Bitcoin or crypto. Flash caters to businesses and organizations that recognize the value of receiving payments from customers in Bitcoin and seek simple yet comprehensive ways to do so. For early adopters, Flash offers solutions to easily implement a Bitcoin payment gateway for any online or offline business. The company plans to develop its own wallet and leverage Nostr Wallet Connect to tap into a larger social network of users interacting with the Bitcoin Network.

Flash has already established seamless integrations with Vimeo, Shopify, and WooCommerce. The company has on boarded large companies such as streaming platforms with 10+ million users as their exclusive payment provider.

Looking ahead, Flash also intends to introduce stablecoin payments through Lightning, targeting enterprises in developing nations that currently lack access to modern payment technologies.



Market size

The current online payment market is valued at $25T, with $1.3B in Bitcoin/crypto transactions and $50m in Lightning payments. By 2030, we project $530B in Bitcoin/crypto payments and $320B in Lightning and layer two transactions. We anticipate Flash will capture 3% of the Lightning and layer two transaction market share, processing approximately $16B in payment volume.

Competition

Flash offers a unique product as the only company providing the ability to invoice on the Bitcoin Network. The capability to offer subscriptions is crucial in a digitally native world, which we believe sets Flash apart. Flash's primary competitors are businesses that accept Bitcoin and Lightning payments but cannot invoice customers, as well as credit card companies. Flash distinguishes itself with a more innovative product offering and a more cost-effective business model.

Flash

COMPETITORS

Direct competitors feature analysis

	Flash	opennode	BTCPAY	zaprite	Speed
Non-custodial	✓	✗	✓	✓	✗
Lightning support	✓	✓	✓	✓	✓
On-chain support	✗ 🕒	✓	✓	✓	✓
Fiat support	✗ 🕒	✓	✗	✓	✗
Online checkout/products	✓	✓	✓	✓	✓
Recurring models (subscriptions)	✓	✗	✗	✗	✗
Nostr Integration	✓	✗	✗	✗	✗
Offline payments (Point of Sale)	✓	✓	✓	✗	✗
1-click payments (monetization, gaming)	✓	✗	✗	✗	✗
Pricing Model	1.5% fee (non-custodial)	~ 1% fee (custodial)	Free	Subscription (in fiat)	~ 1% fee (custodial)

🕒 New wallets integrating Nostr Wallet Connect will allow us to offer such products too.

Business Model

Flash generates revenue through a flat 1.5% transaction fee on each payment processed via its platform. In addition to this core service, the company offers premium features such as invoicing and payment splitting for an extra 0.5% fee. Beyond serving online consumer-facing subscription services and small-scale content creators, Flash sees substantial growth opportunities in partnering with larger enterprises. By leveraging existing client use cases, the company can develop advanced tooling and infrastructure to meet the needs of medium to large businesses. This expansion will enable Flash to capture incremental market share as larger entities increasingly adopt Bitcoin's monetary rails, which can lower costs and reduce frictions.

Funding Uses

The raised capital will be allocated toward several strategic initiatives aimed at scaling the business. A significant portion will fund the development of a mobile wallet to enhance user accessibility and engagement. Additionally, resources will be invested in business development efforts targeting not just small and medium-sized businesses but also larger corporations. This includes creating specialized tooling and infrastructure to help these companies manage digitally-native payment systems effectively. By focusing on these areas, Flash aims to extend its reach beyond smaller-scale content creators and position itself as a key player in providing robust payment solutions for larger enterprises willing to embrace more efficient payment rails.

Founding Team

Pierre Corbin began his career in a Big Four consulting firm, focusing on finance, project management, and team leadership. Driven by his passion for Bitcoin, he later moved fully into the sector, directing the documentary *The Great Reset and the Rise of Bitcoin* to explore its transformative role in the global economy. As CEO of Flash, Pierre leverages his strategic insights and leadership to drive the company forward.

Hugo Ferrer, an experienced tech and data consultant, has spent over a decade advising both large corporations and SMEs on technology and data strategy. With a background in finance, he brings a balanced mix of technical and user experience expertise to Flash, where he oversees core operations and shapes product design to ensure a seamless user experience as the company grows.

We decided to back the founders given the combination of technical, financial, and artistic skills needed to create a user-friendly service with the ultimate goal of creating a differentiated long-term successful business.

Key Opportunities

As the first company to offer subscription payments and invoicing on the Bitcoin Network, Flash should initially focus on online consumer-facing subscription services, Bitcoin/crypto-focused firms, and the rapidly growing creator economy. By reducing friction for creators to receive payments, Flash can address significant pain points faced by content creators on centralized platforms, where funds are often held for 30 to 90 days or sometimes never disbursed. Providing immediate and reliable payment solutions, Flash empowers creators to gain financial stability and independence. Following initial success, Flash has a significant opportunity to integrate with website providers and e-commerce platforms like Shopify, enabling businesses to seamlessly incorporate Flash and Bitcoin into their checkout processes in unprecedented ways. All businesses can benefit from immediate revenue collection in Bitcoin, improving companies' working capital positions, risk of late collections, and payment default.

Key Risks

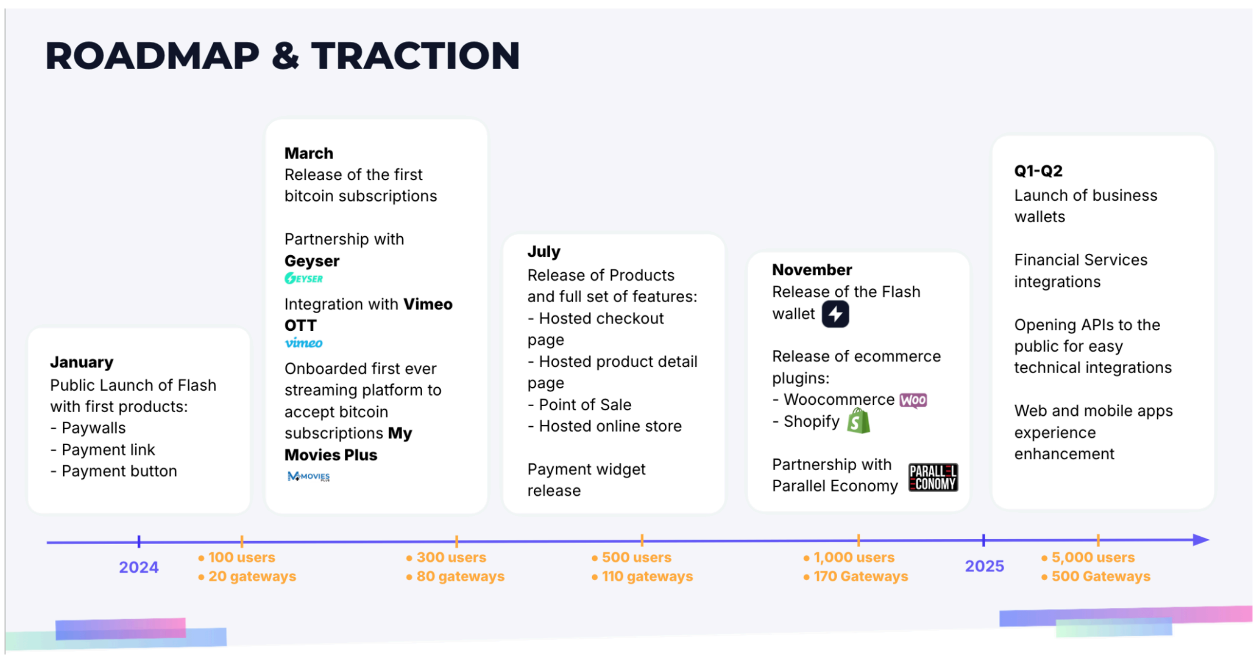
Adoption of Lightning Network Payments

Currently, the Lightning Network facilitates an estimated $50m in annual payments. If adoption of the technology does not increase over time due to user interest, protocol changes, or associated risks, Flash may struggle to maintain a sustainable business model. Flash can minimize this risk by offering payment gateway services on the Bitcoin main chain, and other layer two Networks.

Fraud & Cybercrime
By never holding the end user's funds, Flash is not required to provide KYC / AML for users. Flash has internal AML / KYC strategies in place to mitigate risk from the business clients they service.

Competition
If established competitors like Shopify rapidly adapt to integrate Bitcoin payments and invoices, Flash could face intense competition from potential partners. However, as a first mover, Flash would still maintain a substantial advantage even if other Bitcoin wallets and exchanges were to offer similar product suites. Presently, Flash has a superior offering compared to competitors, as it provides the ability to send invoices in addition to receiving Bitcoin payments.

Traction



The company has announced a strategic partnership with Parallel Economy, a growing payment processor prioritizing the free speech and privacy rights of its customers. This partnership aims to provide merchants with seamless Bitcoin payment solutions, further expanding Parallel Economy's offerings in the decentralized financial ecosystem. Moreover, Flash has already established seamless integrations with Vimeo, Shopify, and WooCommerce.

Summary

Early Riders has invested in Flash given its pioneering approach to invoicing customers on the Bitcoin Network. We believe that as Bitcoin payments increase, Flash will be well-positioned as the first mover in this space. Furthermore, we are confident that Flash's revenue model offers a sustainable long-term business strategy.

Early Riders & Flash

We anticipate that many of our portfolio companies will utilize Flash as one of their payment reception methods. Additionally, Flash will partner with Onramp as a recommended solution for businesses to withdraw their Bitcoin into a cold-storage multi-institution custody solution. We foresee Acropolis collaborating with some Flash customers to provide treasury services advisory, given that these enterprises will already be receiving Bitcoin. We also anticipate mutual client introductions across portfolio companies in the future, fostering a synergistic ecosystem within our investment portfolio.

Media & Podcast Content

Pierre Corbin’s Keynote at BTC Prague 2024
Pierre Corbin’s Appearance on Final Settlement, from Onramp Media