

How Blockchain Changes Startup Investing

Eddy Travia
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at

July 31st 2017





Eddy Travia

CEO at Coinsilium

Co-founder at Block Chain Space

TEDx speaker

@startupeddy 

Eddy is a pioneer investor in blockchain technologies with experience in private equity and early-stage tech investments.

*In 2013, following 9 years as a private equity fund manager in Greater China, Eddy co-founded **Seedcoin**, the world's first global incubator of bitcoin startups. Seedcoin organized the first digital currency event in Asia 'Bitcoin Singapore 2013' and was recognized as one of the '**Top 3 Most Influential Investors**' at the Blockchain Awards in 2014. As co-founder of Seedcoin and Coinsilium, Eddy has led investments in 18 blockchain companies across the globe.*

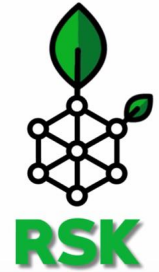
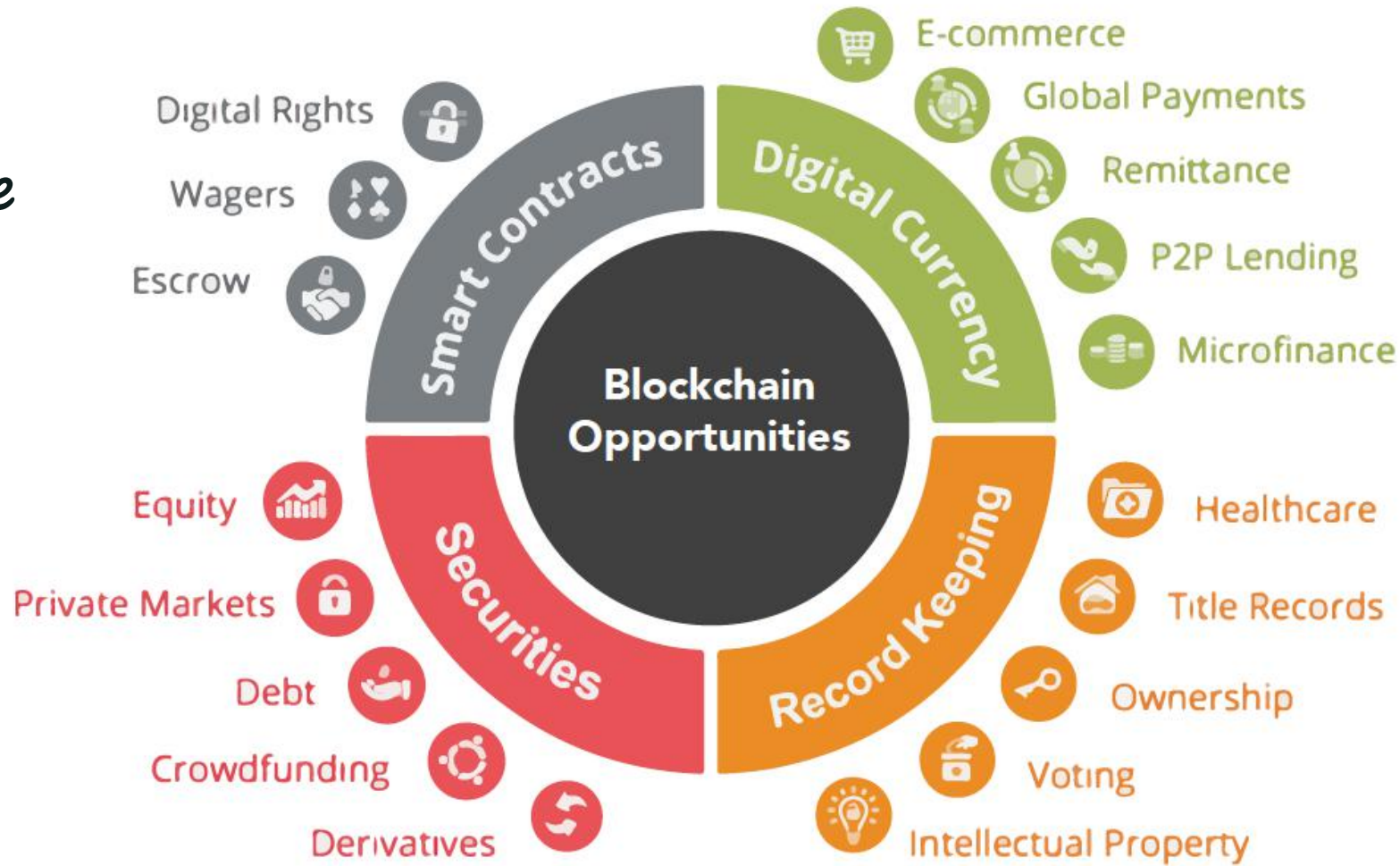


Blockchain Technology

Transactions posted in a shared ledger and grouped into blocks which form a decentralized database of transactions duplicated throughout thousands of network nodes.

“Blockchain is a foundational technology: It has the potential to create new foundations for our economic and social systems.” source: Harvard Business Review [‘The Truth About Blockchain’](#)

Blockchain technologies impacts a wide range of industries



Bitcoin & Blockchain 2.0



FINANCIAL SERVICES



PAYMENTS



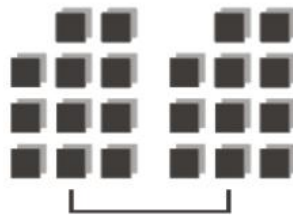
TRADING & MARKETS



REMITTANCES



SECURITY



DATA



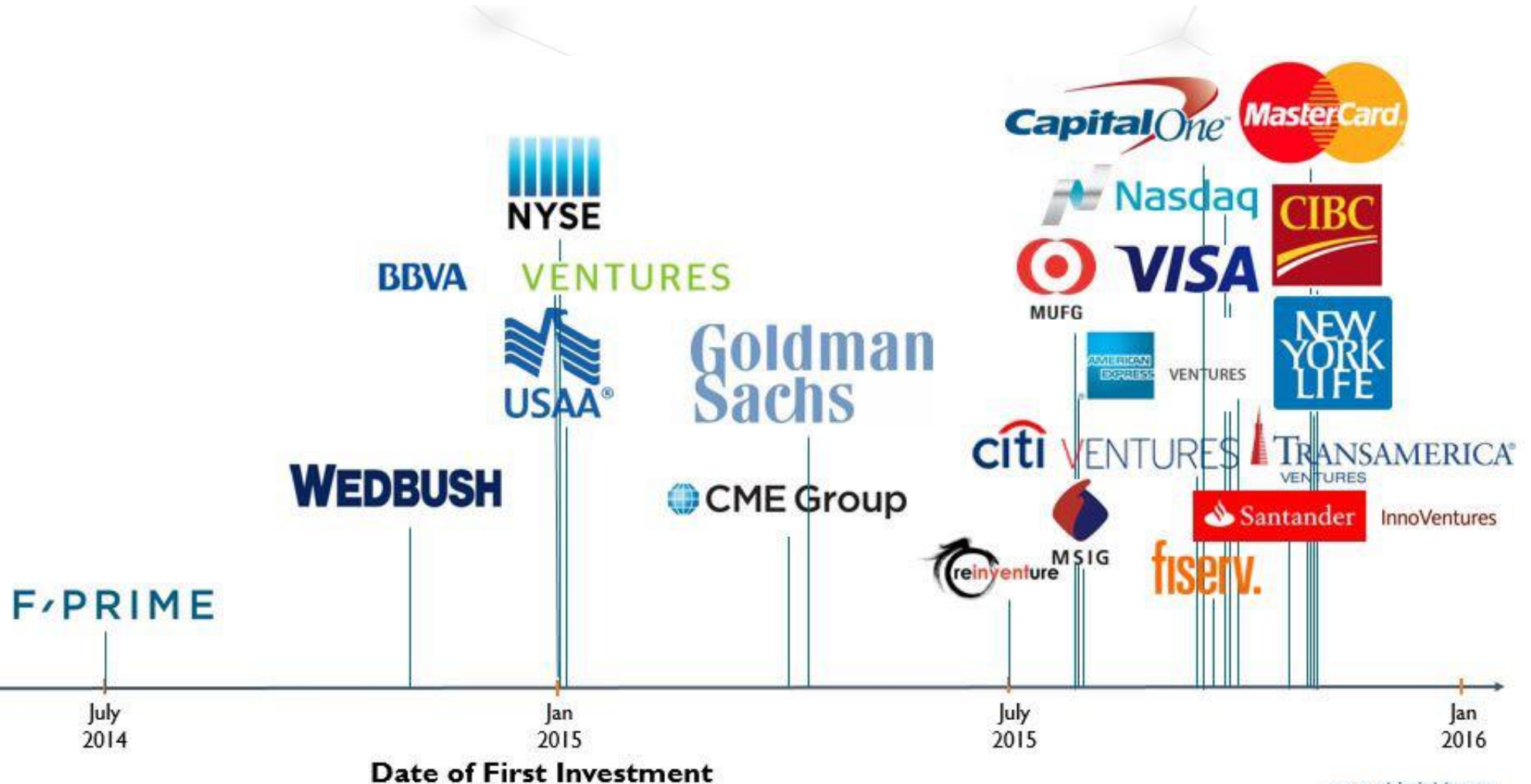
SMART CONTRACTS



INTERNET OF THINGS

First Period of Investments (2013 to 2016)

More than US\$1Bn invested (traditionally) during this period

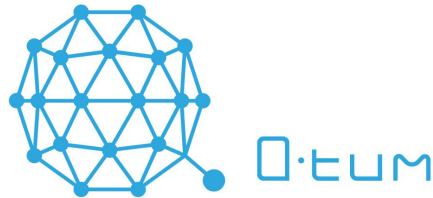


Blockchain used as a funding support method

- In 2016, US\$240m was raised via Token Sales (including DAO)
- In 2017, the trend accelerated and more than \$1bn of tokens have been sold to date
- Multi-million-dollar hedge funds set up to solely invest in blockchain-based Tokens
Faster & Higher

golem

Sold tokens in **\$8.6m**
in less than 2 hours
Nov. 2016



Sold tokens for
\$15.6m in less than
5 days
March 2017

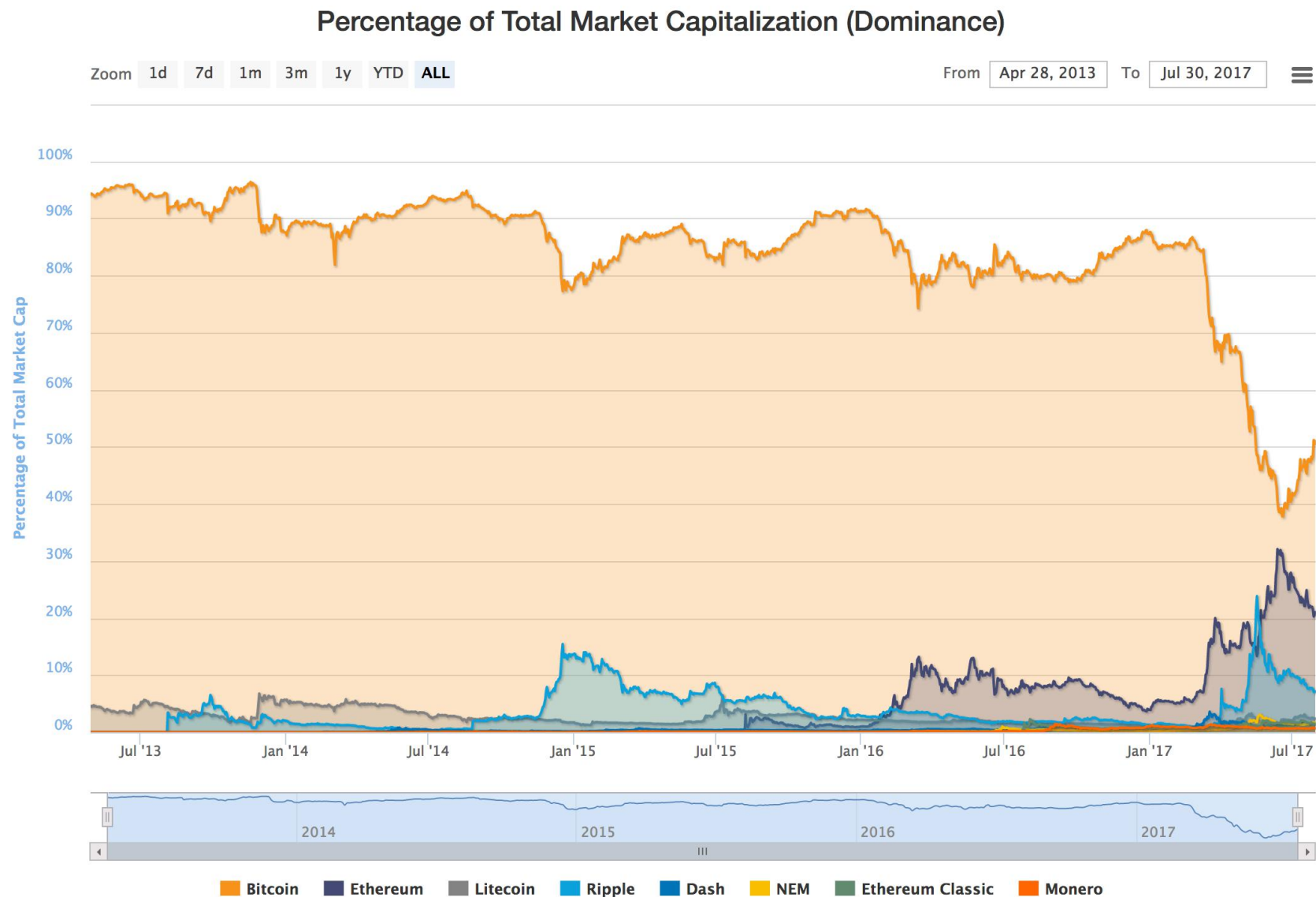
CØSMOS

Sold tokens for **\$17m**
in less than 9 minutes
April 2017



Sold tokens for **\$35m**
of in less than 1
minute
May 2017

Shift in the Bitcoin vs Altcoin Market Cap Dominance



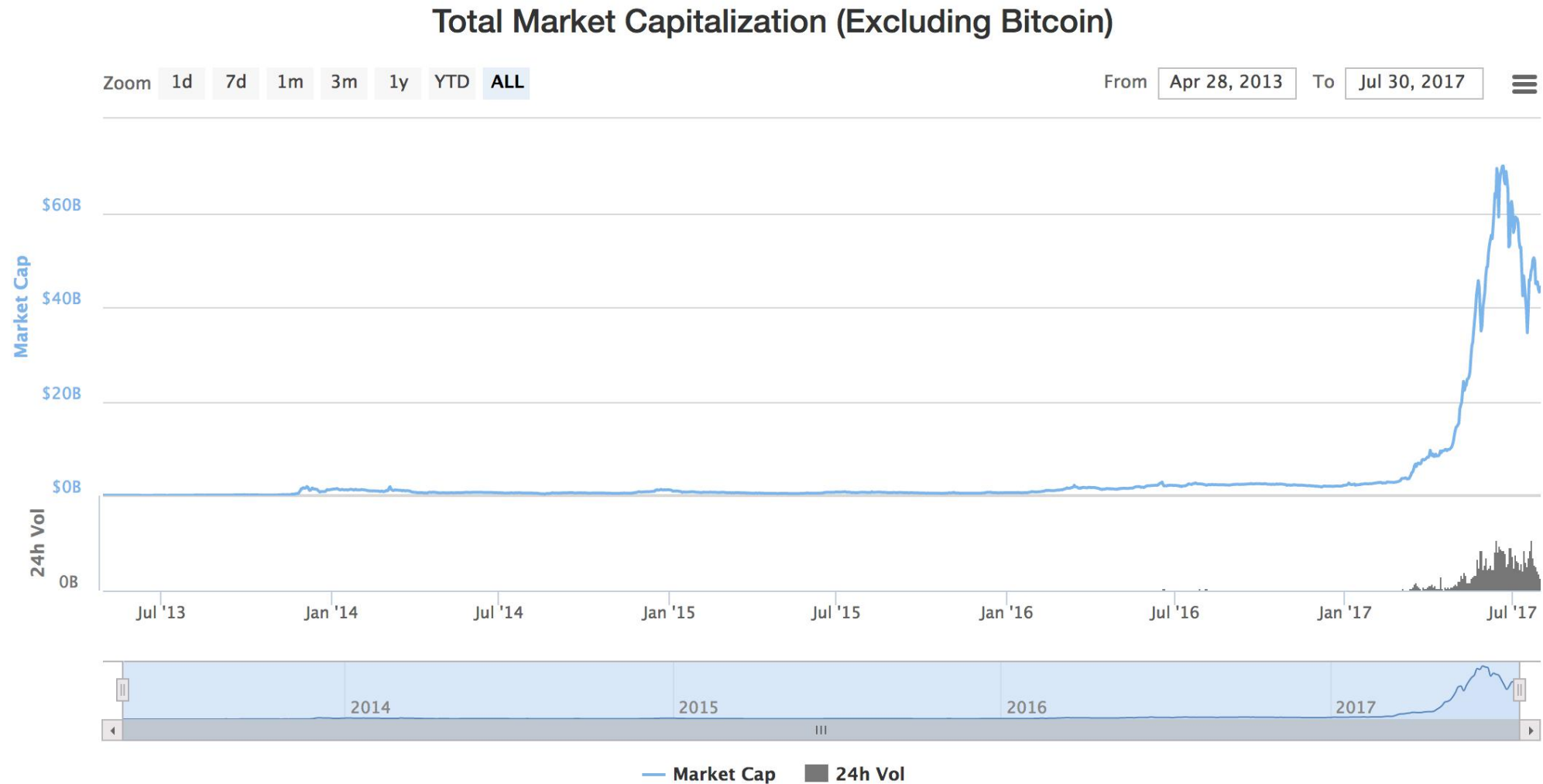
Why a Token Sale or Initial Coin Offering

- Despite recent growth there is still a limited number of VC and fund partners who understand blockchain technologies
- Entrepreneurs have limited options (crowdfunding, VC, angel investors)
- ICO has proven a successful way to get funded in the past (Mastercoin in 2013, Ethereum in 2014)
- Banks are not helping (no accounts, no loans for entrepreneurs)
- New tools are available (Ethereum, smart contracts, ERC20 tokens)

Advantages of Token Sales or Initial Coin Offerings

- Tokens are not shares in a company (non-dilutive way to raise proceeds)
- Tokens enable users to own a fraction of the protocol (in some cases)
- No need to demonstrate existing revenue stream
- Legal costs may be lower than IPOs (but rising)
- Nearly immediate liquidity and potential exit routes (as opposed to crowd funding)
- Network effect created by accessing supporters and future users at a global level
- Development of an ecosystem

Market Cap Spike in 2017



Risks of Token Sales or Initial Coin Offerings

- Market downturn risk : so far 2017 has surprised the market players in terms of volumes and prices
- Security : more and more attacks on wallets, websites and apps
- Unclear regulatory environment
- Undefined relations between token buyers and token issuers (governance)
- Limited due diligence and follow up on ICOs

My Predictions for the next 12 months

- Increasingly popular method of funding for blockchain entrepreneurs and token buyers
- Continuous improvements of technology, security, compliance and governance
- Increasing number of non blockchain-focused companies to issue tokens
- First Mergers & Acquisitions among token communities, protocols and applications
- First regulatory frameworks for blockchain tech companies in the world
- \$10bn of tokens sold
- Emergence of a new asset class and the foundations of a token-based economy

谢谢！

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