

# How Blockchain Changes Startup Investing

Eddy Travia  
Co-founder & CEO  coinsilium  
at

July 31<sup>st</sup> 2017





## **Eddy Travia**

*CEO at Coinsilium*

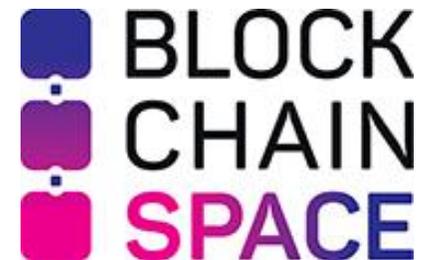
*Co-founder at Block Chain Space*

*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

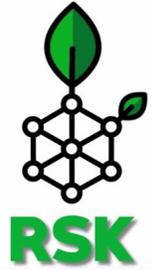
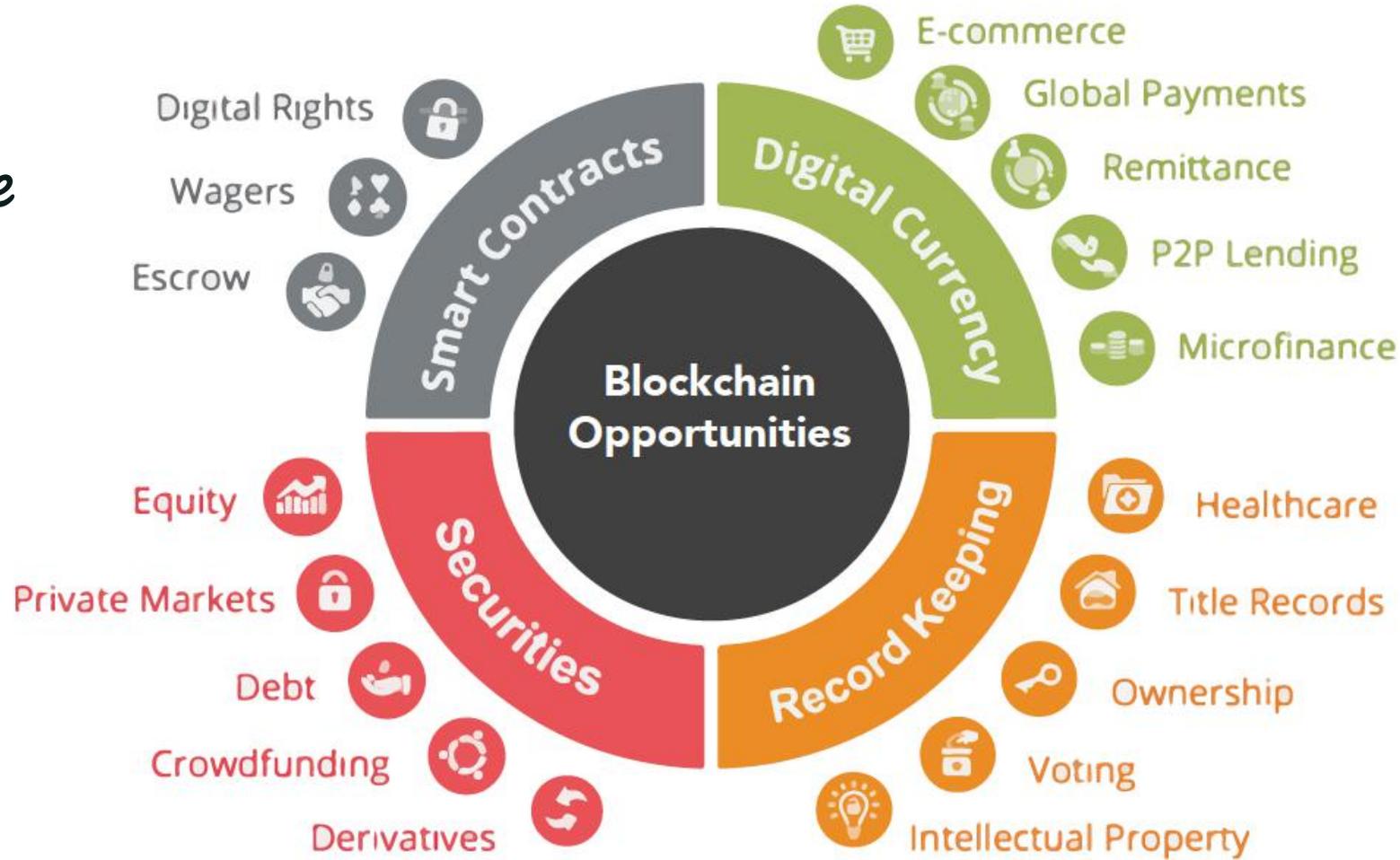
Transactions posted in a shared ledger and grouped into blocks which form a decentralized database of transactions duplicated throughout thousands of network nodes.

*“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



ORACLIZE



FACTOM

# Bitcoin & Blockchain 2.0



FINANCIAL SERVICES



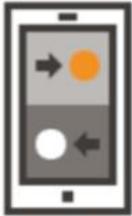
PAYMENTS



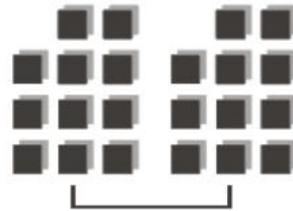
TRADING & MARKETS



REMITTANCES



SECURITY



DATA



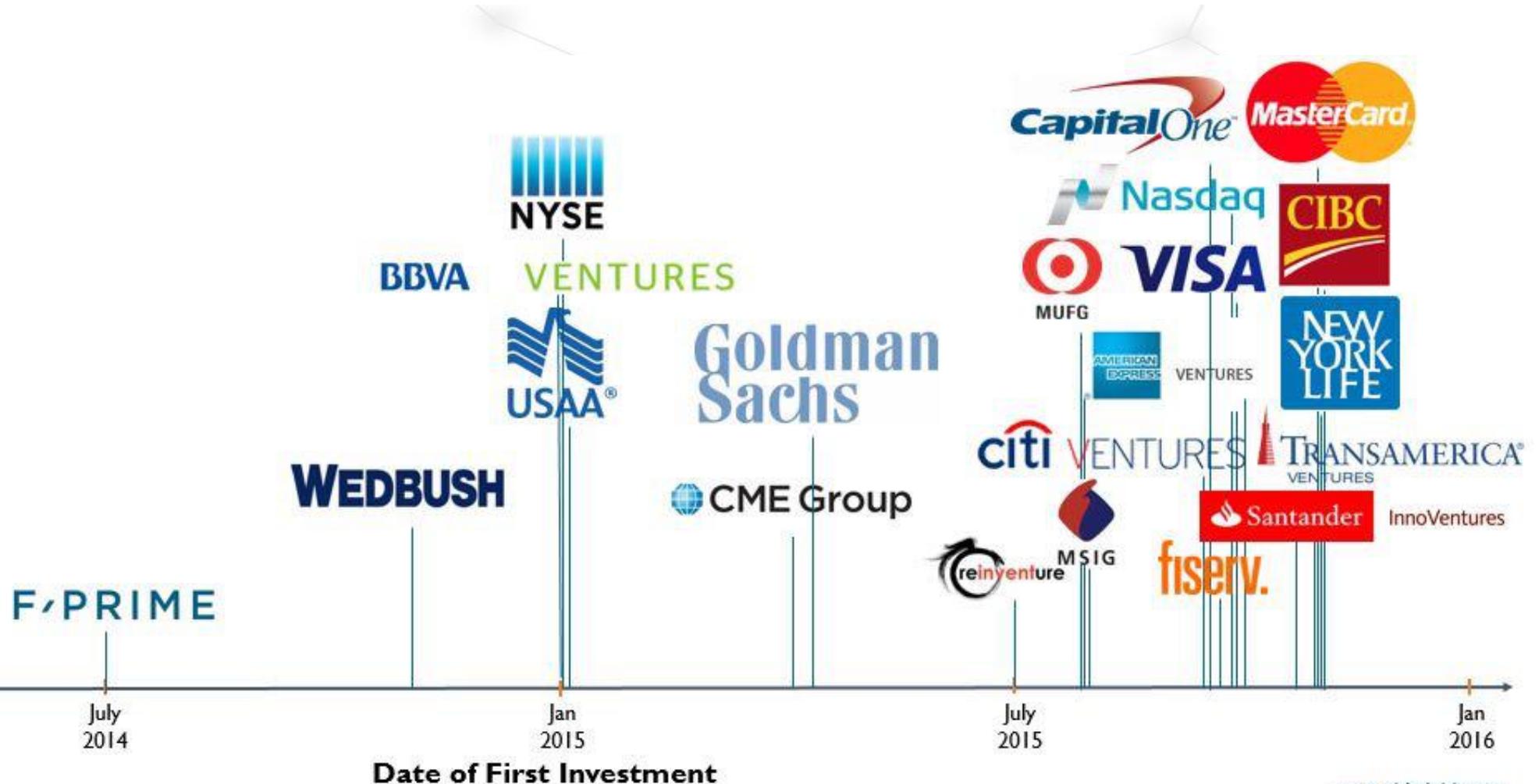
SMART CONTRACTS



INTERNET OF THINGS

# First Period of Investments (2013 to 2016)

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

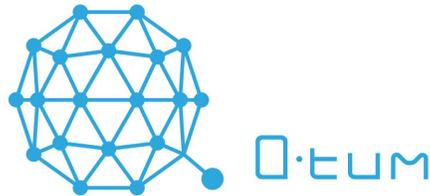


# Blockchain used as a funding support method

- 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*

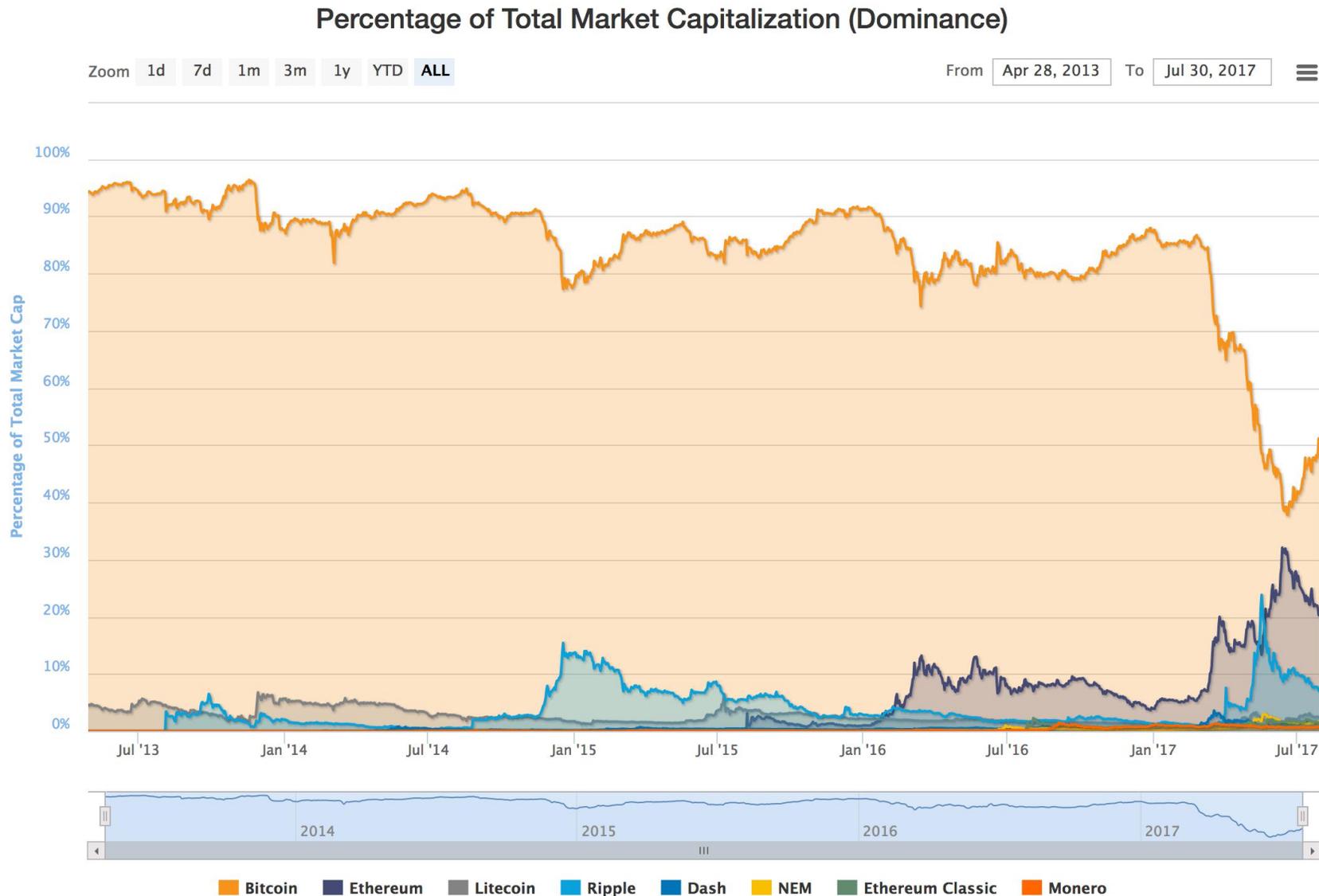
COSMOS

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



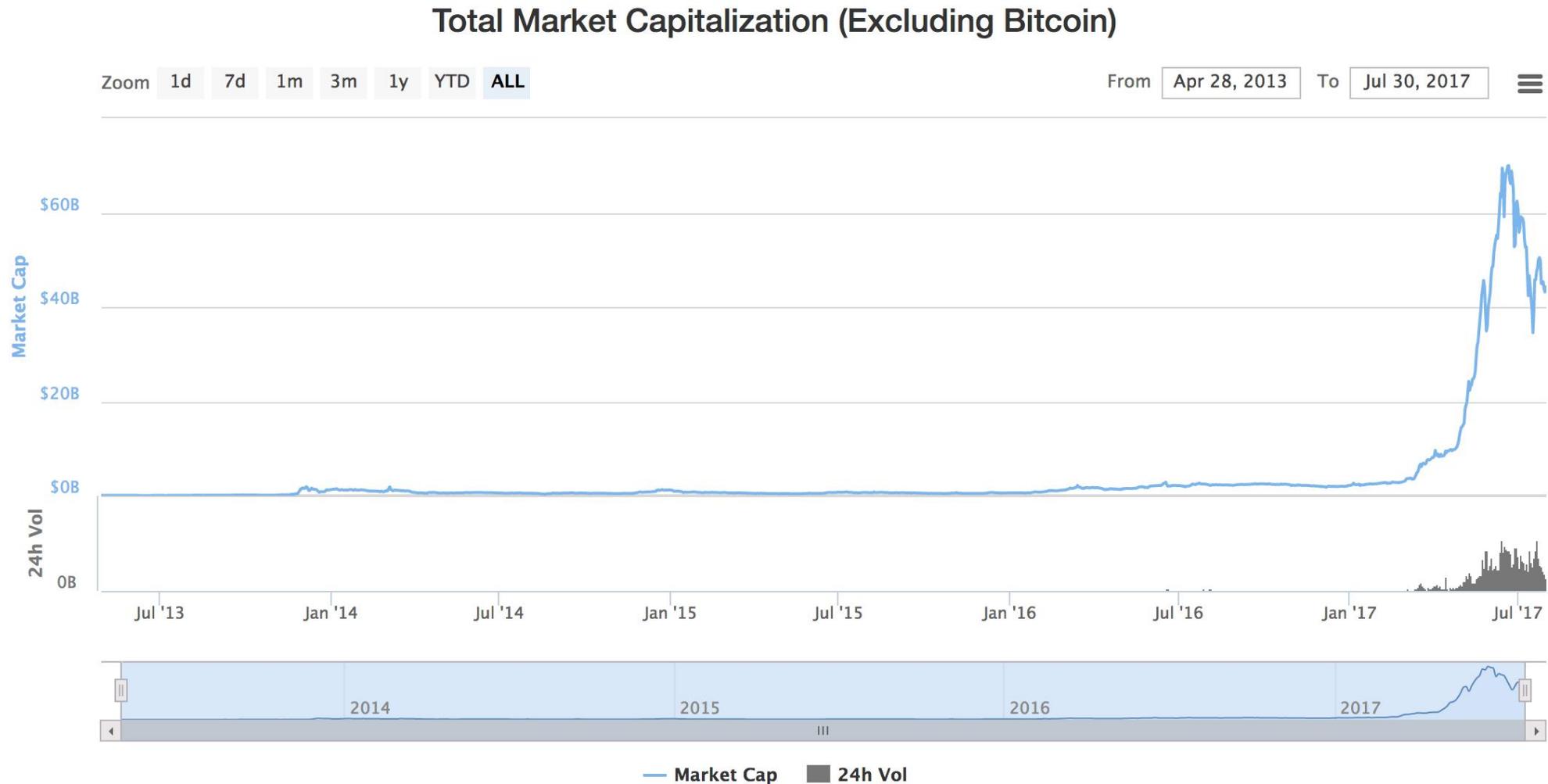
# Why a Token Sale or Initial Coin Offering

- *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!

Coinsilium Group Limited  
32 Threadneedle Street  
EC2R 8AY  
London

Eddy Travia  
[eddytravia@coinsilium.com](mailto:eddytravia@coinsilium.com)  
Twitter: @startupeddy

