

AQSE Issuer Spotlight: Coinsilium

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coinsilium

Could the Covid-19 virus paradoxically give a boost to Coinsilium, which is quoted on the AQSE Growth Market? As maintaining social distance, encouraging remote banking, remote working – remote everything in an effort to contain the viral spread – has become de rigueur, this should play into Coinsilium's business strategy.

For at the core of Coinsilium is blockchain technology, a decentralised system which sprang up in 2009, following the last major global financial crisis. From blockchain the digital currency Bitcoin rapidly evolved, followed by thousands of imitators.

For many people blockchain seems remote, mystifying, psychologically challenging. Yet just as machinery that transformed the English textile industry in the 19th century could not be halted by the machine-smashing, blockchain cannot be un-invented. It will enter into so many walks of life and transform them utterly.

Eddy Travia, Coinsilium's CEO, says the blockchain/Bitcoin relationship is analogous to that of the internet and emails. Most of us do not know how the internet works – but none of us needs to know how the internet works for us to be able to use emails, perhaps the internet's most-used tool.

We spoke to Travia to learn more about the company he founded, Coinsilium, which was the first blockchain group to go public in the UK, in 2015. Coinsilium is a Blockchain DeFi (Decentralised Finance) and Crypto Finance venture operator.

The first question is the most obvious – is anyone making any money from

blockchain? To get real traction surely it's going to need lots of people to 'get it' and use it? "It's normal that there is a bit of confusion about blockchain," says Travia. "The confusion comes about because there are many blockchains today – thousands have been created since Bitcoin. It's the same as how we use the internet – we don't understand the whole thing but we are using it anyway," says Travia.

Bitcoin is just one of thousands of digital or crypto-currencies around today. But apart from speculative investors in what remains a tiny and very volatile market – an estimated maximum of 800,000 people today have in a digital 'wallet' a whole Bitcoin (BTC), with a single BTC trading at around \$5,000 in late March and above \$11,000 today – it can feel that the whole cryptocurrency market is quite frothy.

Selected hedge funds investing in cryptocurrencies, all of which are based on blockchain, have done very well this highly unusual year, with returns exceeding 50% during January to the end of July. But

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Eddy Travia, Chief Executive Officer/Co-Founder



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what will take blockchain beyond the niche and into the mainstream? That seems a necessary step to monetising blockchain, and one that Coinsilium is aiming to achieve.

Says Travia: "We had a very good year in 2018, because there was a lot of hype around the issue of many of these new coins. It was an exceptional year, when we advised many new companies." As of 19 August 2020 the value of Coinsilium's fully vested cryptocurrency and token treasury, excluding cash at bank, was \$575,134.

The move to digital cash, to cryptocurrencies, threatens the control of central banks and governments over fiat money, paper and coins issued by governments and made legal tender by them by decree. Central banks however are becoming very interested in developing their own forms of digital currency. Does Coinsilium regard this growing interest by central banks in CBDCs (central bank digital currencies) as a threat or an opportunity? "It's not a threat, more an opportunity," says Travia. He goes on: "We are actively speaking to certain Government departments. Governments are mainly looking for technical support – obviously they don't want to give up control over their money supply but they sense a natural evolution towards digital; everybody is drawn to an easier way to deal with money. We see this as an

opportunity because central banks have to use blockchain technology and they have to know what we are experts in, how to navigate what are new waters for them."

Governments "really like" cryptocurrencies argues Travia because using blockchain means that cash moving around a society is entirely traceable, one cannot go back and change or modify transactions. "It's a good tool against money-laundering and fiscal evasion and so on" he adds. "Once you start having a very clear vision of what people do with cash in a country, that's a tool governments would love to have."

Choosing to list Coinsilium on the AQSE Growth Market had two main motives, says Travia. "In 2015 blockchain was really just nascent, and we felt that such a listing would bring some legitimacy to this whole sector; and at the same time we also wanted to provide retail investors with exposure to the sector. Being on this market gives our shareholders access to a wider market. Anything that the exchange can do to expand the reach to investors will be great."

Digital cash, digital payments, the cashless society – all are headed our way, whether we like it or not, and despite obstacles. Central banks have yet to dip their toes into the creation of their own digital currencies and digital commerce – although moving fast – remains a private



sector phenomenon. But blockchain is more than cryptocurrencies – it could be utilised to consolidate and systematise payments for charging electric vehicles, for example. Connected devices will increasingly use cryptocurrencies; digital pounds or euros are closer than we think. The real breakthrough up to now has been cryptocurrency; we are still in what Travia calls the "speculative mode" but slowly the application of blockchain technology will spread across many areas of life. "We are very optimistic about blockchain's potential," concludes Travia.

Luddites ended up as footnotes in the history books; the machinery they loathed swept them aside. Blockchain technology may be little understood right now but it – and CBDCs, possibly powered in part by Coinsilium – are headed your way. ■