

Director Briefing with John O'Shea from Helio Lending Pty Ltd

John O'Shea
Founder
Helio Lending
Pty Ltd



In this Director Briefing, John O'Shea, Founder of Helio Lending Pty Ltd ("Helio Lending", "the Company") discusses:

- Helio being the First Company in Australia with an Australian Credit Licence to offer Asset backed cryptocurrency loans
- How Australians bought \$4 billion of cryptocurrency in 2017 alone. Each day, Australia averages transactions totalling \$2.8 million
- Helio has become the First White Label partner of Ethlend (Europe) to manage live currency exposure

We spoke to John O'Shea, Founder of Helio Lending, an innovative company that provides holders of cryptocurrency with a safe and secure way to access FIAT funds, without selling any of their cryptocurrency.

EdenExchange: Thanks for speaking with us, John. Firstly, can you tell us a bit about the spark that ignited Helio Lending? What is your background and experience?

John O'Shea: I'm excited to be connected with your network and to introduce Helio Lending. Thank you for the opportunity.

I love being an early adopter of technology and building solutions for people. There is a massive market for cryptocurrency within Australia with some estimates stating that over \$20 billion of cryptocurrency assets are held here. Currently, there are no service providers and no finance

companies willing or able to support this market. I see this as a great opportunity to take advantage of being first to market and capitalise on something that is so highly sought after yet so under serviced.

I have over 25 years experience within the financial services industry. My first large scale business was with a financial planning group that I built up and then later sold to Bendigo Bank. I then went on to become a Senior Executive at Bendigo Bank. After a few years there I left and established a stock broking business that I also built up and later sold to Saxo Bank, just before the financial crises.

EdenExchange: What brought you to a leadership position at Helio Lending?

John O'Shea: I was working at a midsize lending company and was searching for alternative markets for this type of business. I pitched the idea of cryptocurrency asset backed lending to the owners of that company but then through my own independent research I decided the opportunity was too good to hand over and I took it on myself. I then established Helio Lending.



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EdenExchange: What does Helio Lending do?

John O'Shea: We provide finance to both individuals and businesses through cryptocurrency asset backed lending. This means that clients who hold Bitcoin, Ethereum, Litecoin or Ripple are able to use their assets as collateral for loan financing. Helio has already secured the software and end to end

solution to manage and control our clients' portfolio. This software provides us with the ability to manage our risk in real time, in the event that the value of the underlying asset was to drop.

We offer a 30-50% Loan To Value Ratio (LVR) with 17-24% interest per annum, payable by the client with interest only or interest and principal repayment options. The different interest rates vary depending on our risk evaluation of each client individually.

EdenExchange: How big is the market?

John O'Shea: There are an estimated \$20 billion of cryptocurrency assets held within Australia. In 2017 alone, Australians bought \$4 billion worth of cryptocurrency. Each day, Australia averages transactions totalling \$2.8 million, so the market is huge and currently there are no service providers to finance or loan against these type of assets. This leaves a massive gap in the market, and Helio is capitalising on this.

EdenExchange: What are your strengths and advantages compared to more traditional ways of lending?

John O'Shea: Our first strength is the low risk lending model. Through my experience with traditional lending, both secured and unsecured financing run the risk of default. In the event of default, clients' assets can be hard to liquidate and are often expensive to repossess or sell. With Helio, our clients transfer their cryptocurrency asset to our secured collateral wallet where we have the right, through our loan contracts, to sell their assets in the case of a margin call or if they do not pay their interest.

This streamlines the liquidation process to happen within moments of a margin call, securing our interests and ensuring no loss.

Another benefit of this type of lending allows us to charge relatively lucrative interest rates of up to 25% while the repayments remain interest only. This is a massive advantage over traditional lending as they are both principal and interest, which locks the doors for a lot of clients who do not stack up to the strict affordability testing that is required through an Australian Credit License. Meaning a wider share of the market is able to be serviced as clients who are asset rich but cash poor can still afford a loan.

Another benefit being that we are licensed in Australia so all of our clients are protected by ACL and ASIC laws and regulations.

We can also transfer funds within 1 hour of completing a loan application.



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EdenExchange: *What has the interest been like from clients holding cryptocurrency who have reached out to you?*

John O'Shea: The demand has been overwhelming and we have no shortage of clients who want to free up their assets and access their value. As an example, SALT, a peer to peer lender in the USA, garnered over \$550,000,000 worth of loan applications in its first week of operating and has since had over \$2 billion worth of applications.

EdenExchange: *Where do you expect to see the greatest demand for the product to be from? How has the market response been like to date? In which markets do you see the most potential growth and reach?*

John O'Shea: We have established partnerships with both local and international cryptocurrency exchanges and brokers. These companies are excited to refer us their clients and work hand in hand to offer a complete solution which benefits both parties. These partnerships reduce our cost of marketing and allows us to focus on their channels in the early stage of the company. As an example, one of our referring clients is Caleb and Brown, a cryptocurrency broker who have over 1,000 active clients with an average account balance of \$40,000. We have also established relationships with cryptocurrency education groups, crypto payment gateways, card payment suppliers, crypto tax

consultants and more. Our market reach is not limited to any border or country, cryptocurrency is worldwide and so is Helio. We have no restriction on lending overseas and expect to see massive demand from across Asia and Europe.

EdenExchange: *How does the lending process work? What kind of software are you working with - have you sourced it from suppliers or have you built your own software?*

John O'Shea: We have outsourced the majority of our operational software with our main lending software coming out of Switzerland through a group called ETHLend. By utilising ETHLend's software, we have avoided having to develop a loan management software from scratch, saving millions of dollars and a substantial amount of time. ETHLend provide an end to end solution that allows us to fund, hold collateral, manage margins, liquidate and clear accounts with ease.



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EdenExchange: *What are the next steps in the development for the company?*

John O'Shea: Our next step is to go live in the market. Firstly, we will be doing a soft launch or pilot with a number of early stage clients who have already been organised. Once we have done live testing it will be full steam ahead with public relations and marketing, building brand presence and awareness to let the market know we are here and ready for business.

All of this will be happening this side of Christmas.

EdenExchange: *Can you tell us a bit more regarding the management team and board in place - what strengths do they bring to the company? What opportunities does this create?*

John O'Shea: We have an extensive team with a mix of financial services, legal and cryptocurrency expertise as well as a very strong marketing team.

Don Christy is a co-founder and lawyer, he has worked in financial services for over 40 years. A short list of his current and previous engagements:

- Managing Director of Equity Trustees Ltd.
- Served as President of the Australian Trustee Corporations Association.
- Served as the Chairman of Mariner Corporation Limited and served as its Director.
- Been a Non-Executive Director of Becton Property Group Limited.

Michael Bacina is recognised as the number one advisor in the crypto industry. Michael has advised all the major ICOs and other new businesses in the space for the last few years. Michael's knowledge and contacts never ceases to amaze me and we are extremely lucky to have him on the team.

Sam Westaway is such a strong believer in his own skills and Helio Lending that Sam is taking an equity only payment for his role as Marketing Director. This is a massive cost saver and strength to have Sam and his team from Bohemia leading our marketing program.

EdenExchange: *Can you tell us a bit more about some key achievements and challenges the company has encountered so far? Do you see any potential future challenges?*

John O'Shea: The first major hurdle was finding a partner that was able to build or had already built the software to manage the secured collateral wallet and margin calls. I had to fly to New York, Switzerland and Italy until I found ETHLend.

As the crypto industry is only very young and the media love telling the world about all the negative, it has been difficult to get the attention of some key supporters. But once they have been educated on the business and our background they become huge supporters.



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EdenExchange: *Where do you see your business in three months as well as a year from now? What does the expansion plan look like and what do you need in order to scale significantly?*

John O'Shea: The next few months is about focusing on processes and procedures to make sure all our systems work seamlessly and we understand the clients' needs. We can then adapt to better service them in the future.

The next 12 months is going to be exciting, we aim to grow our loan book value substantially and focus on funding and really penetrating the market. We will focus on our referral partners and achieving success for all parties. I will also be working on international partnerships that have already been established and look to expand our reach into other countries.

EdenExchange: *Thank you.*



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