

ICO DR  PS

Transcend the Crypto Universe



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Business Development

What will we talk about

01

Small intro

What's ICO Drops all about

02

ICO thoughts

Not the world most excellent
analysis of what's there on the ICO
market

03

Market thoughts

Quick opinion on where we are

04

Future framework

What do we think about next
steps in ICO

The purpose of **ICODrops** is to find and share good projects with the community at an early stage.



New version of the website
 Post ICO rating
 One ecosystem for investor

ICODR PS
 More is coming
 New track tools
 Built-in reports
 Broader project stats

Ethereum – main ICO engine, suffers most on the downtrend. Current ICO market shows weakness. Top ETH sellers – recent projects with low cap and trading volumes.

Too fast-paced ICO market

01. 2018 quantity and quality require correction¹

- Q1: 412 ICOs with \$3,3 bn raised
- Q2: 827 ICOs with \$8,3 bn raised
- But: 192 ICOs with \$7,3 bn raised
=> 635 ICOs low cap / quality



- YTD: more than \$12 bn raised



- Average funds and # of projects doubled in 2018/2017 (\$28M/\$14M; #827 / 514)



- 50% collected less than \$100k



- Only 7% listed on exchanges



- No open source / low quality of code (from 487 projects selected by Sina News 80% forked / plagiarized code)



More pressure during non ICO period

02. Recent ICO has weakened ETH with sell-off²

	# of Projects	Volume, M usd	Market cap, M usd	Eth spent
Others	483	388	4 061	194 809
Eth spent - No	431	359	3 551	0
Eth spent - Yes	52	29	510	194 809
Top 45	45	307	6 058	94 490
Eth spent - No	37	263	5 077	0
Eth spent - Yes	8	44	980	94 490
Общий итог	528	695	10 119	289 299

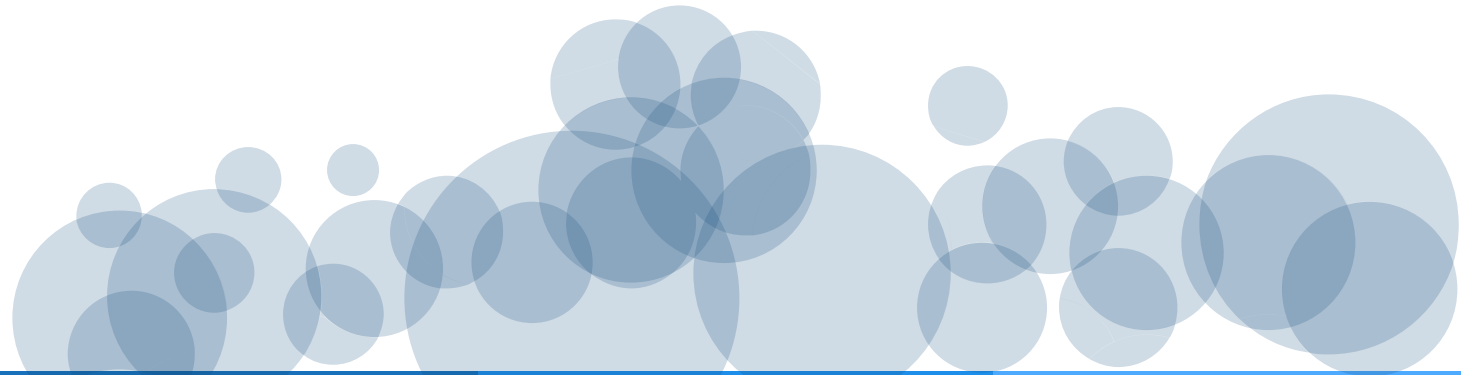
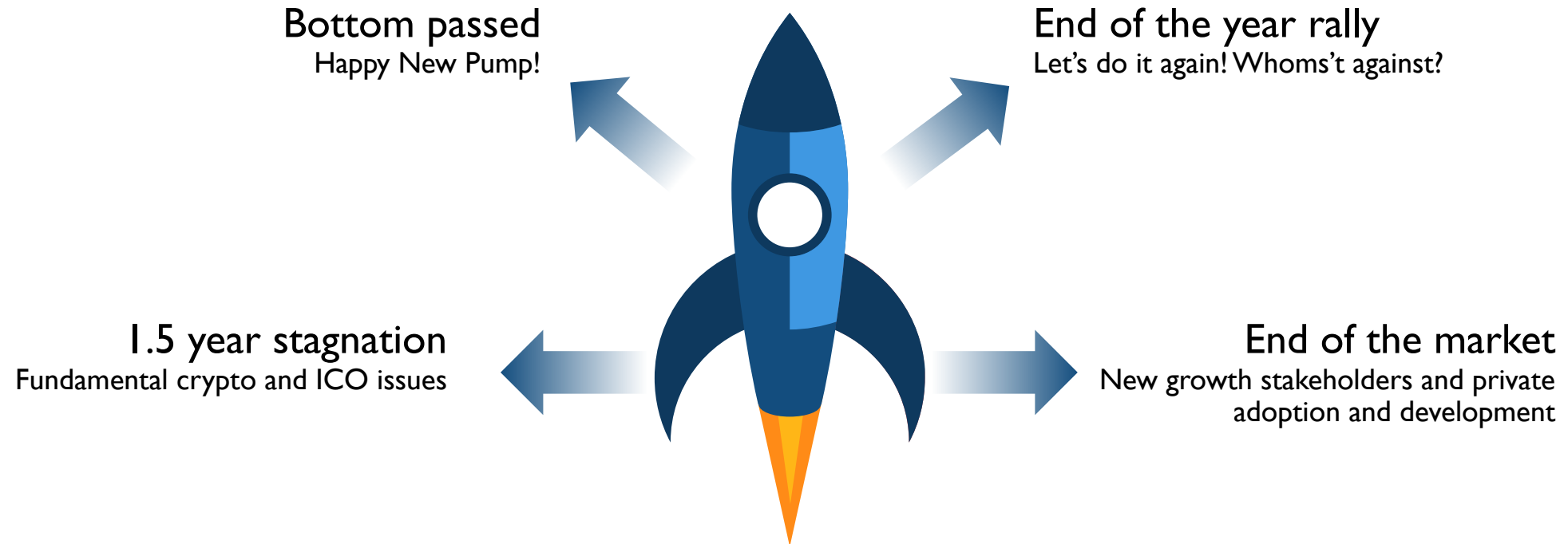
Chart 1. ICOs volumes, caps and eth spent for the last 3 moths.

	"Others"		Top 45	
	Spending ETH	Not spending ETH	Spending ETH	Not spending ETH
1. Average market cap, \$M	9,8	8,2	122,5	137,2
2. Eth (\$200) spent / market cap	8%		2%	
2. Eth (\$200) spent / volume	136%		43%	
3. % of total ETH spent	67%		33%	

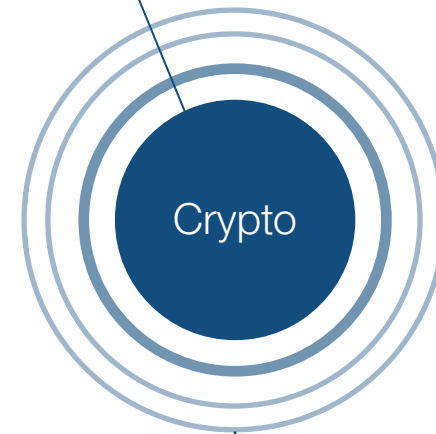
Chart 2. Portrait of ICO selling eth.

^{1,2} Data source: ICO Drops, ICO Rating Q2/Q1 Market Research, SANbase, Coindesk Q2/Q1 State of Blockchain.

One \$M question – “when next pump”. No one knows. History – does.



Let's talk bubbles.



Lot's of bubble comparisons.

Nevertheless, there are dozens of comparisons chats, did we really face the real bubble?

12% internet penetration ins USA

Dotcom solutions already changed peoples routine and solved business inefficiency

Start

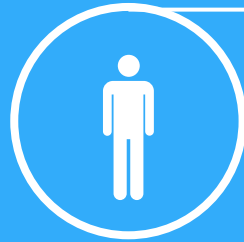
1995

.com bubble

2000

42%
penetration
End of the bubble.

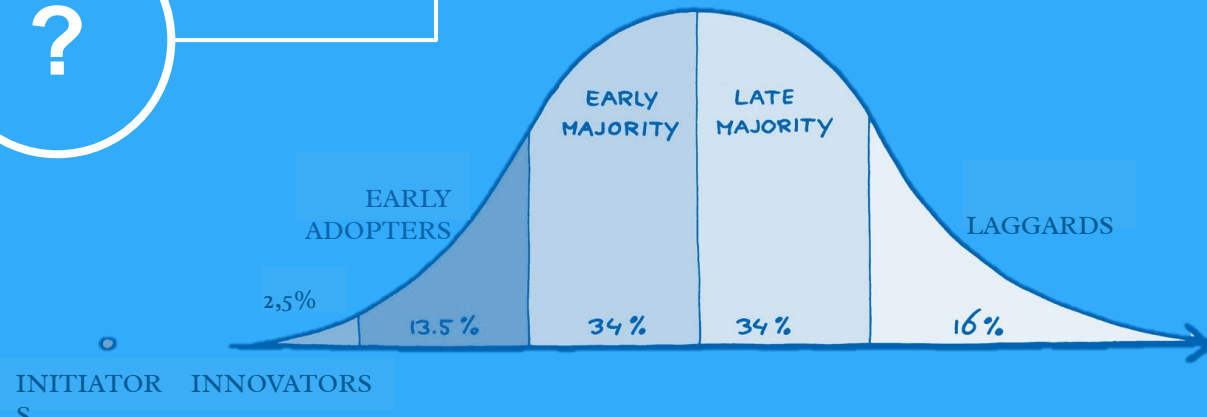
5% of USA population owns crypto
Or 16M people (20% of total crypto holders)



2018

Crypto "bubble"

Where we are
right now?



Some thoughts why it's too early
to speak about bubble crash

No use cases
and adoption yet

01

- Internet as technology and “.com” companies were solving real business issues.
- Crypto haven't yet showed any value based bullrun. When one will come – we going to

Institutionals
just enter the
market

02

- Big capitals haven't yet made profits on crypto. If there is something more that hype from tech side – they will try.
- Good news are everywhere. Bear

Size of the
whole market
is minor

03

- Market size during bubbles is significant (~101% USA GDP).
- Total crypto Jan bubble was close to 4%.
- Population

No impact on
economy /
businesses

04

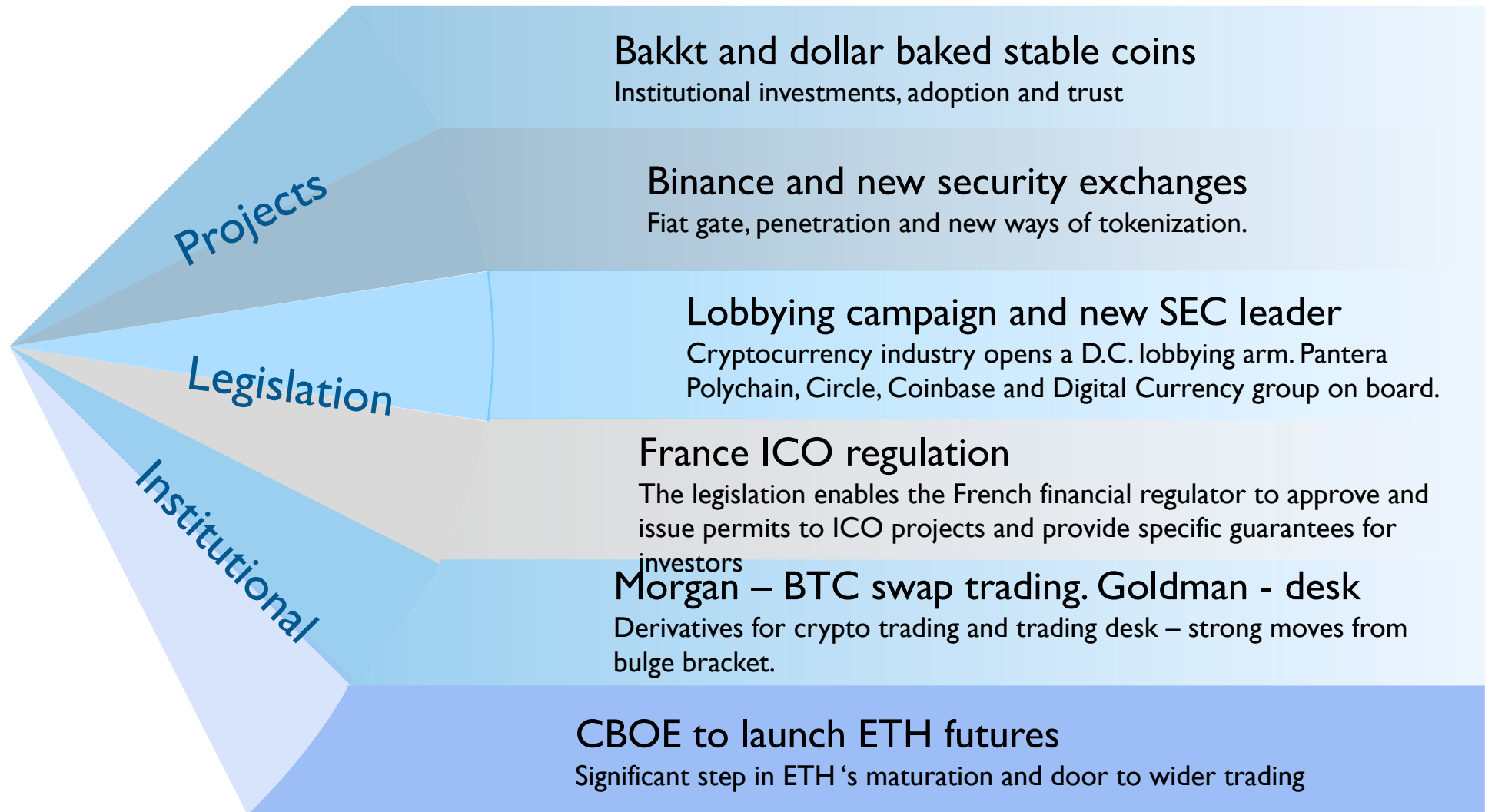
- Projects were overrated and just have started to move to normal valuation.
- 1 year holders only loose. Years of profits from crypto growth and ICOs are still on

Amazing
projects
upcoming

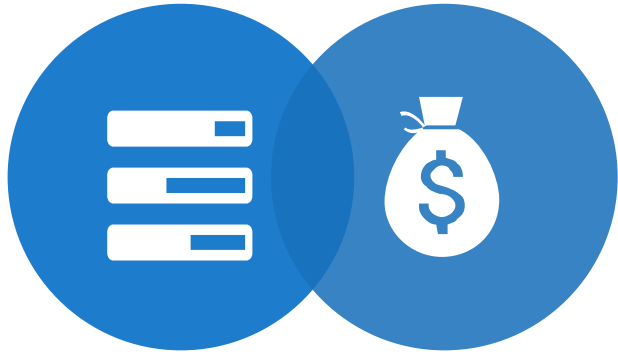
05

- There are amazing teams and technologies that show dev and biz progress.
- Our goal is to find them.

Market is developing: legislation, infrastructure and business progress.

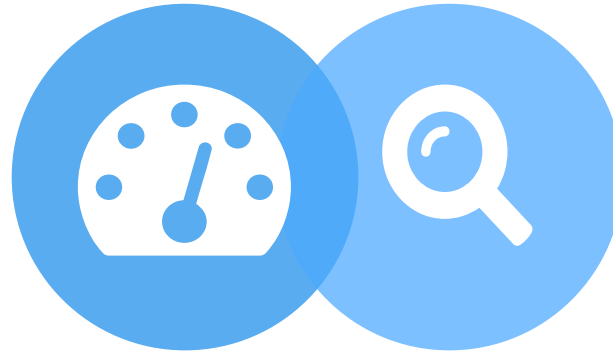


Developing ICO models haven't yet been largely distributed. Overheated market still there.



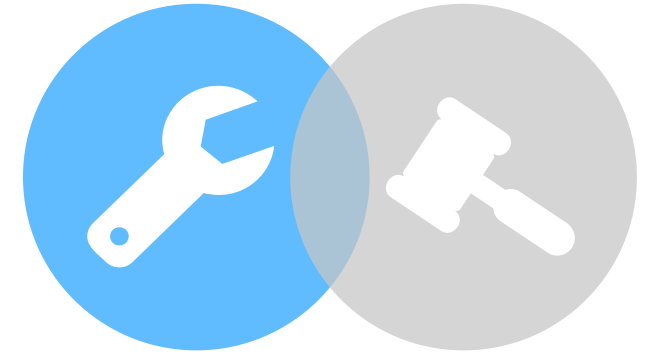
01 ICO Structure and metrics

1. Current ICO structures show weakness when dozens of protocol based projects sell-off ecosystem token without any vested investments. New models like Interactive Coing Offering, DaICO, buyback and continuous models, percentage based distribution and etc. are not widely used.
2. If we speak about working solutions great capital structure has only few models, perfect token metrics – even less. No fundamental research / position has been yet made.



02 Valuation and transparency

1. Protocol valuation models starting from Burniske GDP approach ($M=PQ/V$) and it further Alex Evans risk-free rate of return variant and also ratio based Network Value to Transactions (NVT) Rethinking with moving average smoothing by Dmitry Kalichkin and other variants are emerging and developing. Looking forward to see data based research.
2. Echoes of “January” market allow projects (great amount actually) hide their actual valuation from the market and circulation supply approach by CMC should be rethought.



03 Utility / security and regulation

1. SCO is the most hyped way of token usage as a right and safe choice for investor. But security offering for bad project with well regulated “face” of the project but with the same low quality tech and biz part would change nothing.
2. Security exchanges are not world wide ready for institutional usage and institutions themselves have not clear opportunities of investing.



Thank you!

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