

# Initial Coin Offerings: Financing Growth with Cryptocurrency Token Sales

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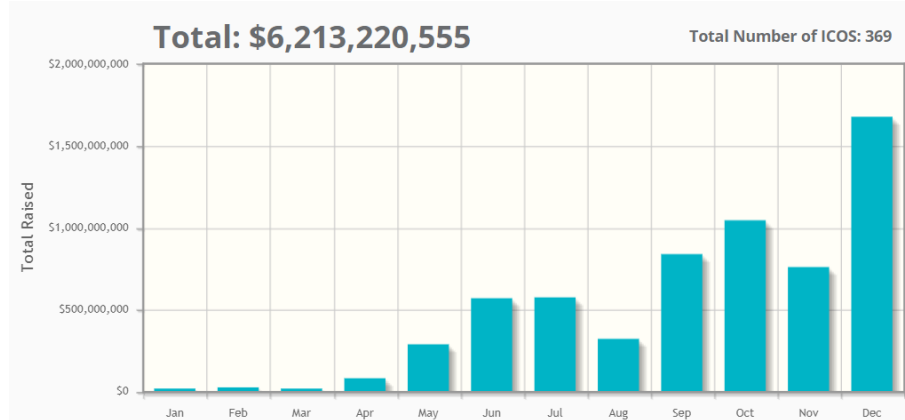
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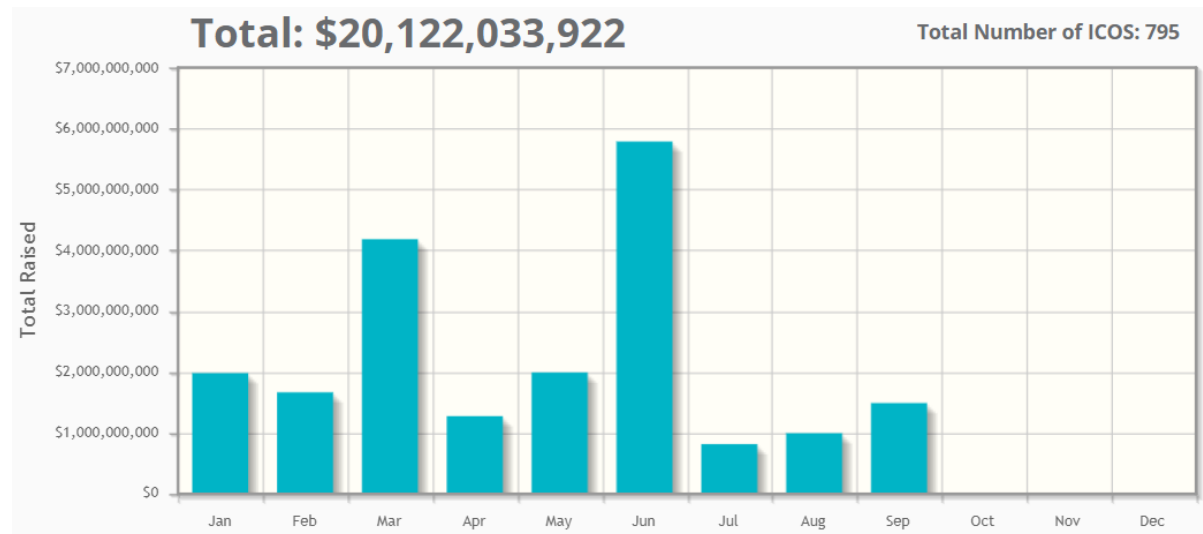


# ICOs in 2017 and 2018 (9 months)

2017



2018



# Largest ICOs by amount raised

- Block.one (EOS) \$4.1 billion
- Telegram Open Network \$1.7 billion
- Dragon Coin \$320 million
- Huobi \$300 million
- Hdac \$258 million
- Filecoin \$257 million
- Tezos \$232 million
- Sirin Labs \$158 million
- Bancor \$153 million
- TheDAO \$152 million

# Precursors of tokens: Social media



## QQ: China's New Coin of the Realm?

Officials Try to Crack Down As Fake Online Currency Is Traded for Real Money

By Geoffrey A. Fowler and Juying Qin  
Updated March 30, 2007 12:01 a.m. ET

HONG KONG -- China's fastest-rising currency isn't the yuan. It's the QQ coin -- online play money created by marketers to sell such things as virtual flowers for instant-message buddies, cellphone ringtones and magical swords for online games.

In recent weeks, the QQ coin's real-world value has risen as much as 70%.

It's the most extreme case of a so-called virtual currency blurring the boundaries between the online and real worlds -- and challenging legal limits. A Chinese Internet company called Tencent Holdings Ltd. designed the payment system in 2002 to allow its 233 million regular registered users to shop for treats in its virtual world. Virtual currencies are in use in many countries -- but nowhere have they taken root more deeply than in China.

# Precursors of tokens: Online gaming



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## MMORPG Gold Prices and Reviews

Hate buying gold, just to find out that you could have gotten it at half the price somewhere else? Can't stand getting ripped off by fraudulent gold sellers? Then MMOBUX can help. MMOBUX compares prices and provides reviews for more than 406 online shops that sell currencies like World of Warcraft Gold, Eve Online ISK or Lord of the Rings Online Gold. On our site you can find the cheapest and most reliable sellers in a matter of seconds.

## Quick Compare

Please select a game, server, and faction to show available shops and prices.

Select game

Game:

## Latest News

[Monthly RMT Roundup: November and December 2016](#)

## Top Rated Sellers

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9.9/10

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# Precursors of tokens: Sports arena seat licenses



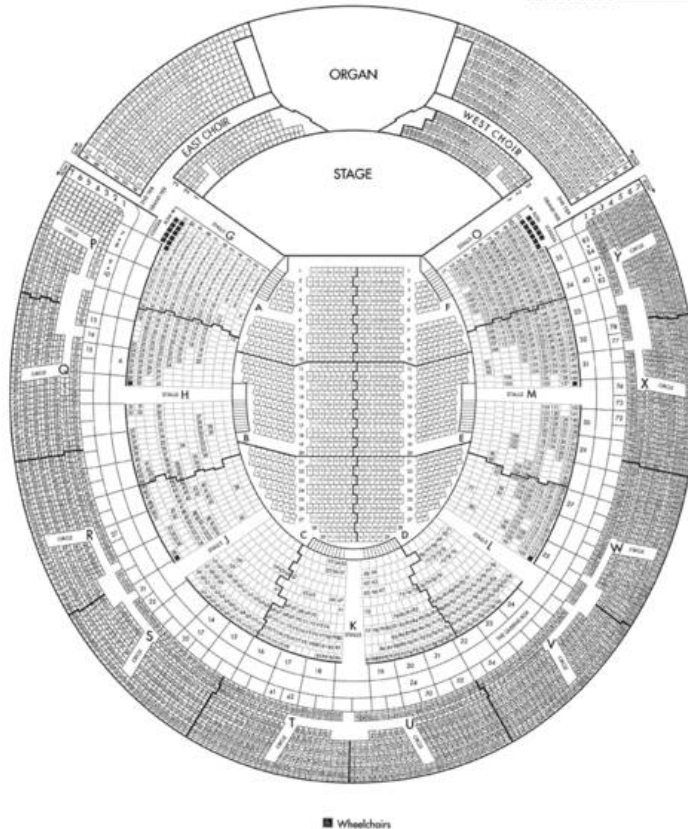




# Royal Albert Hall

## Constructed 1867-1871

Ordinary Let



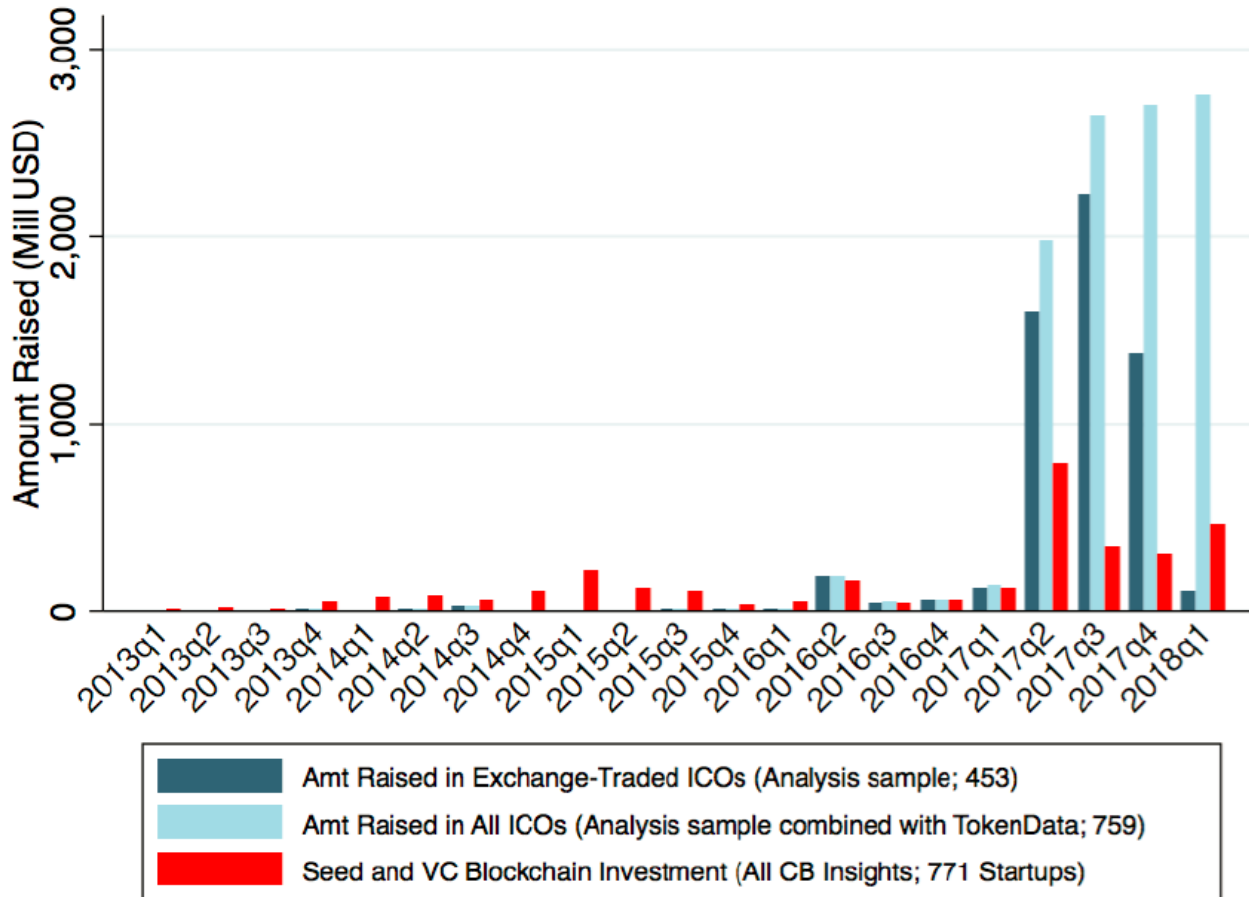
“Known as Members of the Corporation (or Seatholders), these original founders acquired seats. . .

These arrangements continue to this day – currently the Members own 1,270 seats out of the Hall’s 5,272. . .

By acquiring permanent seats at the Hall the Seatholders have private property rights (personal estate, not real estate) which can be given or sold by one party to another. . . The charity exists subject to these permanent private property rights.”

- [www.royalalberthall.com](http://www.royalalberthall.com)

# Sample coverage





# Method of distribution

- Had a pre-sale 45%
- Dynamic pricing 34%
- Auction pricing 5%
  
- Accepted ETH 66%
- Accepted BTC 41%
- Accepted LTC 9%
  
- Accepted USD 10%
- Accepted EUR 3%

# Bonding and disclosure

- Twitter page 97%
- Website 92%
- Telegram group 83%
- White paper 81%
  - Budget for use of proceeds 57%
- **Source code posted on Github 66%**
- Lock-up period for founder 36%
- VC-backed 11%

# Bonding and disclosure

	(1)	(2)
	Liquidity	Volume
White paper	2.3*** (.49)	1.7*** (.37)
Incentive pool	.13 (.75)	.1 (.48)
Insider vesting	.86* (.48)	.81** (.36)
Budget	.73* (.35)	.58** (.24)
VC equity	2.4*** (.45)	1.8*** (.47)
Code on Github (GH)	1*** (.31)	1*** (.21)
Twitter account	-.35 (.62)	-.47 (.75)
Telegram group	1.6** (.58)	1.4** (.54)

# Founder background

	(1)	(2)
	Liquidity	Volume
Male	-.18 (1.4)	-.22 (.9)
Crypto exper.	-.41 (.34)	-.52** (.21)
Finance exper.	.28 (.51)	.00091 (.41)
Comp. sci. exper.	.71 (.42)	.42 (.32)
Entrep. exper.	1.3*** (.31)	1.2*** (.23)

# Token purpose and blockchain

	(1)	(2)	(3)	(4)
	Liquidity	Volume	Liquidity	Volume
Utility value	1.5*** (.31)	1.4*** (.31)		
ETH blockchain	1.4** (.56)	1.2** (.44)		
WAVES blockchain	-1 (.96)	-.61 (.65)		
New blockchain protocol			3.1** (1.1)	1.7** (.7)
Tokenizing real assets			.17 (1)	.76 (.98)

# Conclusions

- Investors clearly respond to aspects of ICO design
  - Utility features
  - Reduction of asymmetric information
  - Background of founder
- ICO market is growing quickly and developing more liquidity