

The first-ever comprehensive  
startup research on  
24 countries of Central  
and Eastern Europe

# STARTUP INVESTMENT & INNOVATION IN EMERGING EUROPE

**PART 2:**  
The Token Spring  
of Central & Eastern  
Europe

VERSION 1.2 – APRIL 2018

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A M O N G R E S E A R C H A N D M E D I A P A R T N E R S



Global Corporate Venturing



# ABOUT THIS REPORT

The result of a one-year-long research across 24 countries, this report highlights the main facts, numbers and trends of startup investment and innovation in Central and Eastern Europe. It can be downloaded at no charge from <http://cee.ewdn.com>

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# ABOUT THE PUBLISHER



East-West Digital News is a news and research agency dedicated to the vibrant tech markets of Central and Eastern Europe.

Founded in 2011, the agency publishes news sites (Russia: [www.ewdn.com](http://www.ewdn.com) , Ukraine: [www.uadn.net](http://www.uadn.net)) and industry reports (<http://ewdn.com/reports>).

A consulting branch, East-West Digital Consulting, provides international players with assistance for business development in Eastern-European companies, and advises local companies on their international strategies (<http://www.ewdn.com/services>).

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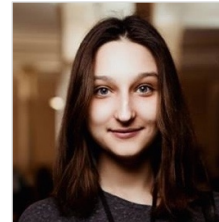
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## DEVELOPMENT AGENCIES



## EVENT ORGANIZERS



## VENTURE FIRMS AND FUNDS



## LOCAL PLAYERS



## GLOBAL COMPANIES



# THIS REPORT CONTAINS:



## PART 1: Regional Trends

- Trend analysis & executive interviews
- Venture deals & VC market data
- How EIF supports venture activity in CEE
- How corporations are getting involved
- Key regional events and industry resources

[http://ewdn.com/files/cee\\_trends.pdf](http://ewdn.com/files/cee_trends.pdf)



## PART 3: Artificial intelligence: The New Powerhouse of Europe?

- Trend analysis & expert opinion
- Case studies & entrepreneur interviews
- Select articles

[http://ewdn.com/files/cee\\_ai.pdf](http://ewdn.com/files/cee_ai.pdf)



## PART 5: Special Russia section

- Country data & trend analysis
- Executive interviews & expert opinion
- Select articles

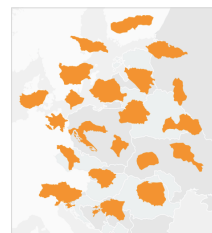
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## PART 2: The Token Spring of Central & Eastern Europe

- ICO market data
- Trend analysis & expert opinion
- Case studies & select articles

[http://ewdn.com/files/cee\\_tokens.pdf](http://ewdn.com/files/cee_tokens.pdf)



## PART 4: Local landscapes

Discover the startup and venture ecosystems in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czechia, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine

[http://ewdn.com/files/cee\\_countries.pdf](http://ewdn.com/files/cee_countries.pdf)



## PART 6: Featured startups & entrepreneurs

Case studies and interviews to discover some of the region's most remarkable entrepreneurs and technologies!

[http://ewdn.com/files/cee\\_featured.pdf](http://ewdn.com/files/cee_featured.pdf)

**PRESENTATION & SUMMARY:** [http://ewdn.com/files/cee\\_report.pdf](http://ewdn.com/files/cee_report.pdf)

Startup Innovation & Investment  
in Emerging Europe



# The **Token Spring**

## of Central and Eastern Europe

Version 1.2 - April 2018

WITH PARTICIPATION FROM





# INTRODUCTION

BY ADRIEN HENNI, CHIEF EDITOR  
EAST-WEST DIGITAL NEWS



*The area of Central and Eastern Europe seems overrepresented on the global ICO map. With more than \$1.2 billion raised in 2017 by companies registered or founded in it, the region now accounts for more than 20% of the global ICO market – compared with an insignificant proportion of the venture market.*

*The numbers are particularly impressive in such countries as Russia (130 identified ICOs and pre-ICOs out of 237 identified across the region), and Estonia (22 ICOs and pre-ICOs) – though this is hardly surprising, given the intense startup activity that characterizes these countries in blockchain and many other areas.*

*Specially dedicated to pioneering blockchain projects and ICOs, this section provides fresh market data, expert insight and several cases illustrating the region's remarkable record in these new industries.*



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Section 1:

# CEE ICO market data



Join the discussion:  
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# ICOs FROM CEE COMPANIES IN 2017: KEY FINDINGS



WITH SUPPORT FROM  **ICO bench**

- **237 ICOs and pre-ICOs identified**

We have identified 237 companies registered in CEE or with roots in the region having completed or started a pre-ICO or ICO in the course of 2017. This number accounts for around 17% of the number of operations held worldwide during the same period.

- **More than \$1.28 billion raised**

These identified companies claim to have raised \$1.28bn in total as of Dec. 31, 2017. This amount does not take into account the ICOs or pre-ICOs which were not completed at that date; those with an undisclosed amount; those non identified; and those non attributed to the region. Nevertheless, this amount accounts for nearly 22% of the funds raised globally ([http://ewdn.com/files/cee\\_report.pdf](http://ewdn.com/files/cee_report.pdf))

- **Average amount raised: \$4.9 million**

The amounts raised in ICOs or pre-ICOs vary from \$741 to \$70.6 million, according to the information provided by companies.

- **Russia leads country ranking**

With 130 identified ICOs or pre-ICOs out of 237 operations in total Russia appears to be, by far, the ICO leader in the region. Next come Estonia (22 operations), Slovenia (13) and Ukraine (12).

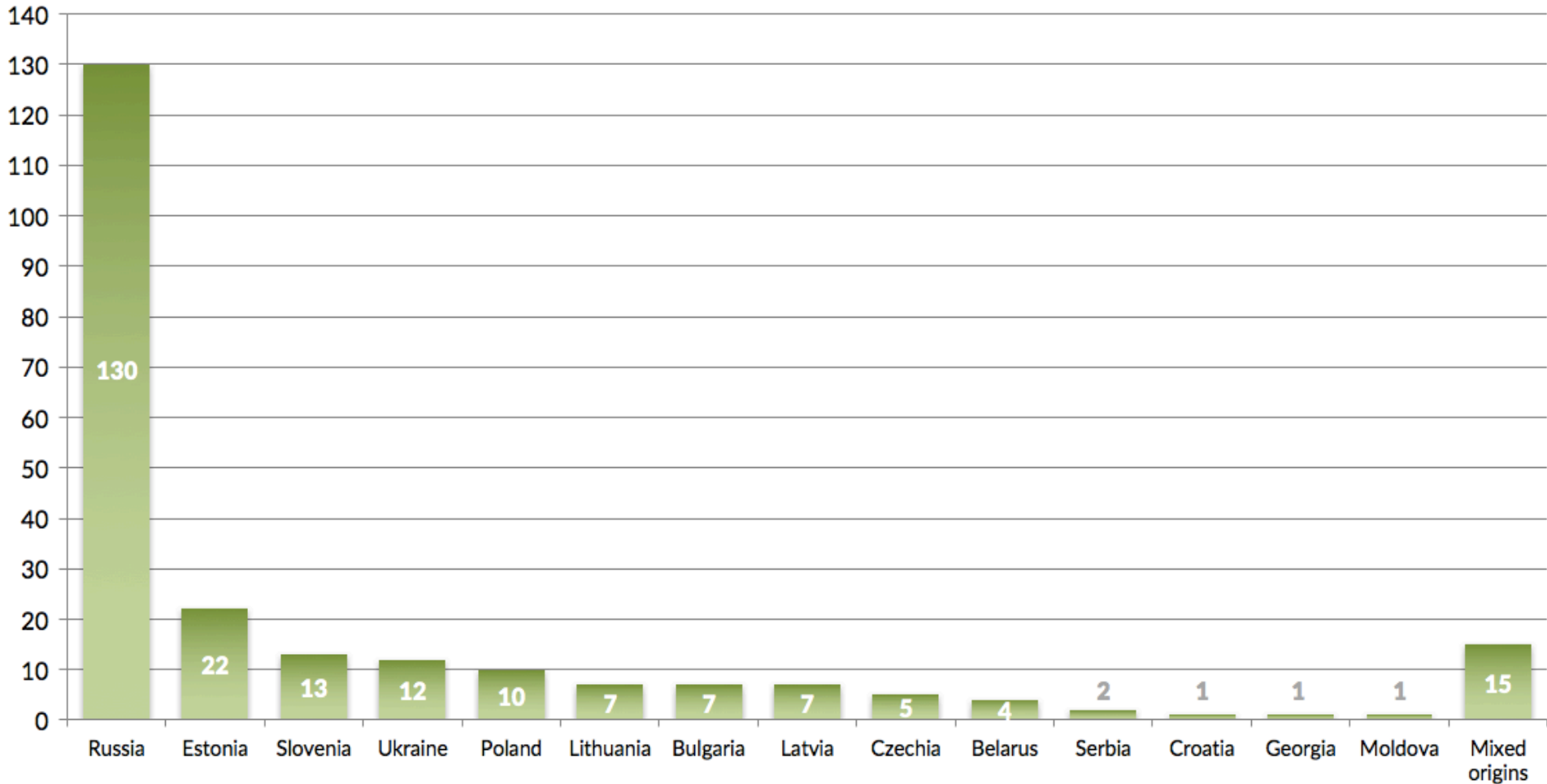
- **Focus on cryptocurrencies and business services**

Many CEE companies having conducted or conducting ICOs or pre-ICOs in 2017 focus on cryptocurrencies (19 identified cases), business services (18 cases), investment (13 cases) and entertainment (9 cases).

# ICOs FROM CEE COMPANIES IN 2017: COUNTRY RANKING



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NUMBER OF IDENTIFIED ICOS AND PRE-ICOS CONDUCTED BY COMPANIES FROM CEE OR WITH CEE ROOTS, BASED ON COMPANY REGISTRATION OR FACTUAL ORIGIN.

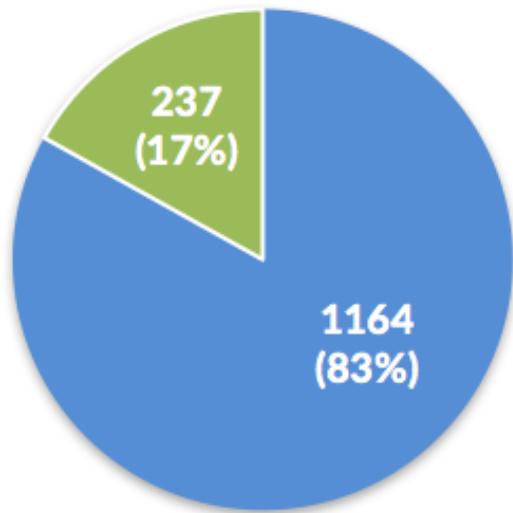
SOURCES: ICOBENCH, EWDN, COMPANY INFORMATION

# CEE IN THE GLOBAL ICO MARKET IN 2017



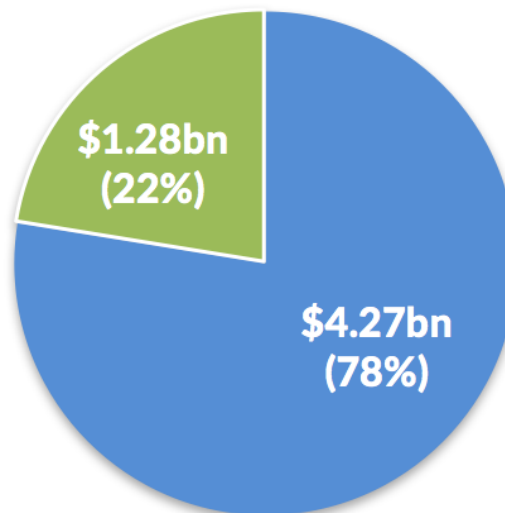
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## NUMBER OF IDENTIFIED ICOs AND PRE-ICOs



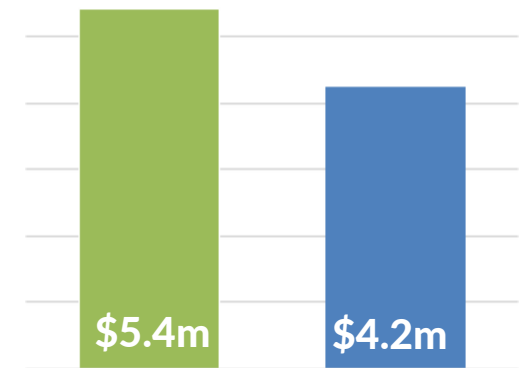
■ CEE ■ Rest of the world

## RAISED AMOUNTS IN IDENTIFIED ICOs AND PRE-ICOs



■ CEE ■ Rest of the world

## AVERAGE AMOUNTS RAISED IN IDENTIFIED ICOs AND PRE-ICOs



■ CEE ■ Rest of the world

NUMBER OF IDENTIFIED ICOs AND PRE-ICOs CONDUCTED BY COMPANIES FROM CEE, OR WITH CEE ROOTS, BASED ON COMPANY REGISTRATION OR FACTUAL ORIGIN.

AMOUNTS RAISED THROUGH IDENTIFIED ICOs AND PRE-ICOs BY COMPANIES FROM CEE, OR WITH CEE ROOTS, BASED ON COMPANY REGISTRATION OR FACTUAL ORIGIN. (DOES NOT INCLUDE UNIDENTIFIED OPERATIONS AND UNDISCLOSED AMOUNTS.) BY COMPARISON, CEE ACCOUNTS FOR LESS THAN 1% OF THE GLOBAL VENTURE MARKET [HTTP://EWDN.COM/FILES/CEE\\_REPORT.PDF](http://ewdn.com/files/cee_report.pdf)

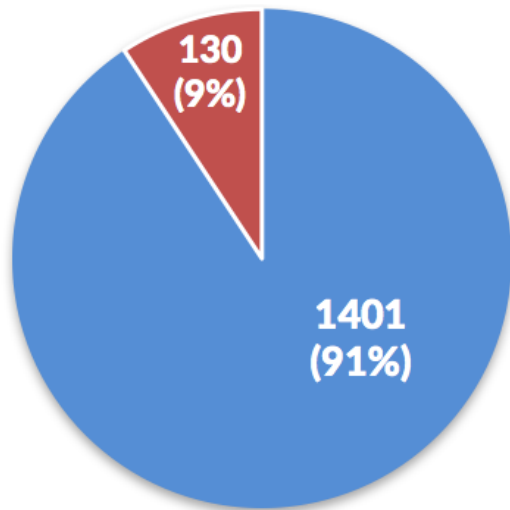
SOURCES: ICOBENCH (GLOBAL), ICOBENCH+EWDN (CEE), COMPANY INFORMATION

# RUSSIA IN THE GLOBAL ICO MARKET IN 2017

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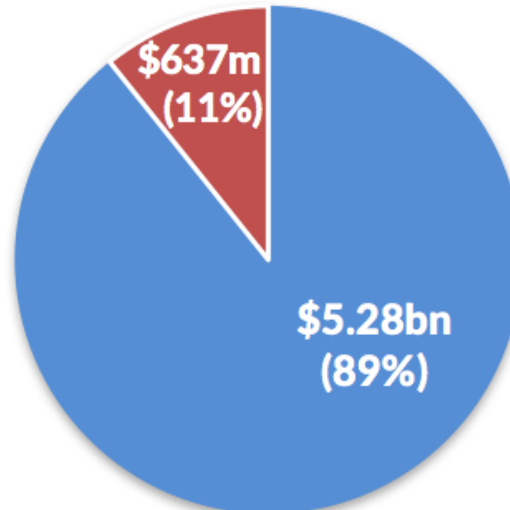
## NUMBER OF IDENTIFIED ICOs AND PRE-ICOs



■ Russia ■ Rest of the world

NUMBER OF IDENTIFIED ICOS AND PRE-ICOs CONDUCTED BY COMPANIES FROM RUSSIA, OR WITH RUSSIAN ROOTS, BASED ON COMPANY REGISTRATION OR FACTUAL ORIGIN.

## RAISED AMOUNTS IN IDENTIFIED ICOs AND PRE-ICOs

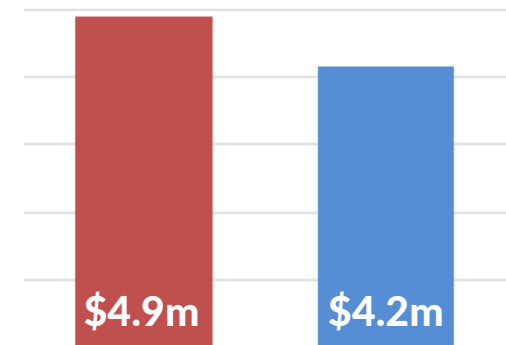


■ Russia ■ Rest of the world

AMOUNTS RAISED THROUGH IDENTIFIED ICOS AND PRE-ICOs BY COMPANIES FROM RUSSIA, OR WITH RUSSIAN ROOTS, BASED ON COMPANY REGISTRATION OR FACTUAL ORIGIN. DOES NOT INCLUDE UNIDENTIFIED OPERATIONS AND UNDISCLOSED AMOUNTS. BY COMPARISON, RUSSIA ACCOUNTS FOR LESS THAN 1% OF THE GLOBAL VENTURE MARKET [HTTP://EWDN.COM/FILES/CEE\\_REPORT.PDF](http://ewdn.com/files/cee_report.pdf)

SOURCES: ICOBENCH (GLOBAL), ICOBENCH+EWDN (CEE), COMPANY INFORMATION

## AVERAGE AMOUNTS RAISED IN IDENTIFIED ICOs AND PRE-ICOs



■ Russia ■ Rest of the world



# AB-CHAIN

## Promote your ICO with proven efficiency!

AB-CHAIN is the first international advertising network serving the needs of the crypto community. We target crypto audiences using cutting-edge AI and SMM tools. We accept payments in major cryptocurrencies.

**Our clients order repeat campaigns:  
Their satisfaction is our pride!**

Get to page 52 to meet  
AB-Chain founder Vladimir Dyakov!

<https://net.ab-chain.com>

✉ [team@ab-chain.com](mailto:team@ab-chain.com)

📧 [https://t.me/ab\\_chain](https://t.me/ab_chain)

WeChat



# ICOs FROM CEE COMPANIES IN 2017: METHODOLOGICAL NOTE



The list of CEE ICOs and pre-ICOs presented in this report has been compiled based on open sources, in particular the online database ICO Bench ([www.icobench.com](http://www.icobench.com)) and the EWDN expert network.

**The information presented here is purely indicative. In no way can it be considered as fully accurate, for the following reasons:**

- Some ICOs or pre-ICOs may not have been identified
- The information on the country of origin is, to a large extent, arbitrary. Presenting themselves as international, many companies based in CEE or with roots in the region have been registered in a country outside the region (typically, a Western or an Asian country). Some of these companies are truly international, with a significant part of their team coming from countries outside CEE. Our list generally indicates the country of registration; in certain cases, we have indicated what we consider to be the “real”

country of origin in CEE, even though the company has been registered outside the region.

- The information on the raised amounts is based on company statements – which may be inaccurate, misleading or even false. This may lead to an overestimation of certain amounts.
- In many cases, the amounts raised in ICOs and pre-ICOs which started in 2017 but were still ongoing as of Dec. 31, 2017 are not indicated. Moreover, the amounts raised in certain ICOs completed before this date has not been disclosed. For all these reasons, the total amount (\$1.28 billion) raised in the ICOs and pre-ICOs featured in our list does not fully reflect the actual amount raised by CEE companies in the course of 2017.

**In no way do we endorse the companies mentioned in this list, or their projects. Neither can this list be considered as investment analysis recommendation or analysis.**



# ICOs FROM CEE COMPANIES IN 2017



WITH SUPPORT FROM 

COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
AB-Chain (pre-ICO)	<a href="http://www.ab-chain.com">www.ab-chain.com</a>	Russia	Q4 2017 -Q1 2018	\$370,000	Payment of campaigns on ad networks in cryptocurrency with a token mechanism to increase the value of advertisers' investment. The company claims to have raised \$370k in its pre-ICO
Acebusters	<a href="http://www.acebusters.com/">http://www.acebusters.com/</a>	Estonia	Sept-Dec	N/A	Acebusters is a decentralized poker platform made by obsessive poker and cryptography fans.
Adelphoi	<a href="https://adelphoi.io/">https://adelphoi.io/</a>	Czech Republic	May	\$1,672,391	Adel is a global cryptocurrency community that is self-sustained, and offers its own economic ecosystem with the Adelphoi token.
AdEx	<a href="http://adex.network/">http://adex.network/</a>	Russia	June	\$10,000,000	A decentralized ad exchange aiming at disrupting the existing online advertising landscape.
aeternity	<a href="https://www.aeternity.com/">https://www.aeternity.com/</a>	Bulgaria	May-June	\$24,426,689	æternity is a scalable blockchain platform that enables high bandwidth transacting, purely-functional smart contracts, and decentralized oracles.
Agrello	<a href="http://www.agrello.org/">www.agrello.org/</a>	Estonia	July-Aug	\$35,000,000	Agrello creates and manages smart-contract-based legal agreements by engaging your own AI counselor.
Ahoolee	<a href="https://ahoolee.io/">https://ahoolee.io/</a>	Russia	Aug-Sept	N/A	Ahoolee, which intended to become "the world's first search engine for products" with price comparison and confirmation of authenticity based on the blockchain technology, failed its ICO ( <a href="http://goo.gl/BxoNga">http://goo.gl/BxoNga</a> )
AltoCar	<a href="https://altocar-ico.com/ru/">https://altocar-ico.com/ru/</a>	Russia	Oct-Nov	N/A	The project of personalized taxi aggregator failed to raise enough funding through its ICO ( <a href="http://goo.gl/uLb9n3">http://goo.gl/uLb9n3</a> )
Anryze	<a href="https://tokensale.anryze.com/">https://tokensale.anryze.com/</a>	Ukraine	Sept-Oct	\$1,600,000	Distributed computing network for speech recognition.
AR Token	<a href="https://artoken.io">https://artoken.io</a>	Russia	Sept	\$15,000,000	Mobile accessibility using advertising and microloans on the blockchain.
ARNA Panacea (pre-ICO)	<a href="https://token.arnagenomics.com/">https://token.arnagenomics.com/</a>	Russia	Dec 2017-Feb 2018	\$883,323	Blockchain biotech ecosystem inspired by 1st disruptive breast cancer test Arna BC.
Artex (pre-ICO)	<a href="https://artex.global/">https://artex.global/</a>	Russia	Dec	N/A	The Artex platform records the provenance of works of art in the blockchain, enabling investors and collectors to receive information about exhibitions.
Athena	<a href="http://www.athenacoin.io/">www.athenacoin.io/</a>	Czech Republic	Oct-Nov	N/A	A system for daytraders combining blockchain technology and neural data to eliminate emotional influences at critical moments.
Atlant	<a href="https://atlant.io/">https://atlant.io/</a>	Russia	Sept - Nov	\$6,500,000	World's real estate blockchain platform
Atrix	<a href="https://atrix.io/">https://atrix.io/</a>	Slovenia	Nov-Dec	N/A	Atrix is a protection system for the Initial Crowdsale contributors.

\* COUNTRY OF REGISTRATION OR FACTUAL ORIGIN \*\* TAKES INTO ACCOUNT ONLY PRE-ICOS AND ICOS COMPLETED OR STARTED BEFORE JAN. 1, 2018. BASED ON UNVERIFIED COMPANY INFORMATION

# ICOs FROM CEE COMPANIES IN 2017



WITH SUPPORT FROM  **ICO bench**

COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
B2BX	<a href="https://www.b2bx.pro">https://www.b2bx.pro</a>	Russia	Sept-Nov	\$9,500,000	B2BX is an aggregator of cryptocurrency liquidity for marginal trading, trading with physical delivery and distribution of liquidity.
Bank of memories/BMC	<a href="https://bmcoin.io/">https://bmcoin.io/</a>	Ukraine	Nov 17 -Jan 2018	Ongoing	Bank of Memories is the world's first service for creating, storing and sending emotional content to the future
Bankera (pre-ICO)	<a href="http://bankera.com/">http://bankera.com/</a>	Lithuania	Sept 2017	\$30,000,000	A digital bank to last for the blockchain era. This controversial company ( <a href="http://goo.gl/xVG7yS">http://goo.gl/xVG7yS</a> ) claims to have raised €25m in pre-ICO in Sept. 2017. The ICO started in Nov.
Bankex	<a href="https://bankex.com/">https://bankex.com/</a>	Russia	Nov-Dec	\$70,600,000	Bankex is building a new blockchain technology that enables the creation of Smart Assets, which is the beginning of developing a new generation of decentralized capital markets.
Bazista	<a href="https://bazista.io/">https://bazista.io/</a>	Russia	Dec 2017 – March 2018	Ongoing	An easy and reliable way to exchange goods and services for more than 5 different digital assets.
BEEQB	<a href="http://beeqb.com/">http://beeqb.com/</a>	Russia	Nov-Dec	N/A	BeeQB – ecosystem for turning every company around the world into a crypto currency market.
BeOne	<a href="https://be-one.co/">https://be-one.co/</a>	Russia	Sept-Oct	N/A	This project of decentralized online education platform failed to raise enough funding through its ICO ( <a href="http://goo.gl/DRQgBt">http://goo.gl/DRQgBt</a> )
Betmaster	<a href="https://betmaster.io/">https://betmaster.io/</a>	Estonia	Sept-Nov	\$5,244,000	An innovative online sports betting platform.
Betrium (pre-ICO)	<a href="http://betrium.co/">http://betrium.co/</a>	Russia	Dec 2017 -Jan 2018	\$421,398	Betrium is the solution developed by group of entrepreneurs and MIT & MIPT graduates offering the first partly-decentralized worldwide betting service.
BIG Foundation	<a href="http://big.foundation/">http://big.foundation/</a>	Russia	Oct 2017 – Nov 2018	Ongoing	BIG (Basic Income Guarantee) is a concept of unconditional basic income implemented using blockchain technology.
BioCoin	<a href="https://biocoin.bio/ru">https://biocoin.bio/ru</a>	Russia	Nov 2017 -Feb 2018	Ongoing	BioCoin creates a bustling ecosystem that supports local communities and green businesses, creating a network of socially responsible companies all over the world.
Bitclave	<a href="http://www.bitclave.com/">www.bitclave.com/</a>	Russia	Nov-Dec	\$25,547,000	A decentralized ecosystem directly connecting consumers and businesses.
BitCoen	<a href="https://bitcoen.io/">https://bitcoen.io/</a>	Russia	Oct-Nov	\$2,013,597	BitCoen - the first official crypto token, business platform and system of services, created for interaction between representatives of the Jewish communities around the world
Bitcomo	<a href="https://ico.bitcomo.com/">https://ico.bitcomo.com/</a>	Poland	Dec 2017 -Jan 2018	Ongoing	Bitcomo is the first decentralised platform in the CPA partner network based on Blockchain technology to use smart contract algorithms.

\* COUNTRY OF REGISTRATION OR FACTUAL ORIGIN \*\* TAKES INTO ACCOUNT ONLY PRE-ICOS AND ICOS COMPLETED OR STARTED BEFORE JAN. 1, 2018. BASED ON UNVERIFIED COMPANY INFORMATION

# ICOs FROM CEE COMPANIES IN 2017



WITH SUPPORT FROM 

COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
BitDegree	<a href="http://www.bitdegree.org">www.bitdegree.org</a>	Lithuania	Dec 2017 -Jan 2018	\$23,616,000	The world's first blockchain-powered online education platform with token scholarships & tech talent acquisition.
Blackmoon Crypto	<a href="http://www.blackmooncrypto.com">www.blackmooncrypto.com</a>	Russia-US	Sept	\$30,000,000	Blackmoon Crypto provides a tokenization platform for real-world as well as crypto investment funds.
Blocksquare	<a href="https://blocksquare.io">https://blocksquare.io</a>	Slovenia	Nov-Dec	N/A	A simple and secure way to buy or sell fractional commercial real estate properties running on a blockchain.
BMChain	<a href="https://bmchain.io/">https://bmchain.io/</a>	Russia	Sept-Dec	\$1,546,156	The project presents a decentralized platform for active participants of the largest business community in Russia and the CIS, which will allow to apply in practice the advantages of blockchain technologies.
Bondkick Syndicate	<a href="http://www.bondkick.com">www.bondkick.com</a>	Estonia	Nov	N/A	New form of hedged investing into assets, covered by smart contracts.
BTCsearch	<a href="https://btcsearch.net/">https://btcsearch.net/</a>	Russia	Sept-Nov	N/A	BTCsearch is a search engine. For each entered query or viewing ads Satoshi are accrued.
CamX	<a href="https://camx.io/">https://camx.io/</a>	Bulgaria	Nov 2017 - Jan 2018	Ongoing	Affiliate program of online broadcasts with transaction fixing using the blockchain technology.
Cappasity	<a href="https://cappasity.com/">https://cappasity.com/</a>	Russia	October - November	\$1,800,000	Decentralized ecosystem to create, exchange and embed AR/VR/3D content powered by CAPP.
CarTaxi	<a href="https://cartaxi.io/">https://cartaxi.io/</a>	Russia	Aug-Oct	\$8,700,000	World's first operating car towing platform on blockchain.
Cash Poker Pro	<a href="https://cashpokerpro.io/">https://cashpokerpro.io/</a>	Russia	Oct-Nov	N/A	Cash Poker Pro is a modern poker room with a network structure and a mechanism for fast and confidential money transfers based on blockchain technology.
Ccore	<a href="http://ccore.io/">http://ccore.io/</a>	Armenia	Nov	\$1,200,000	Ccore is a crypto payment platform to spend cryptocurrencies / altcoins on various fiat based online services and stores. The company claims to have raised 3k ETH or approx. \$1.2m
Change Bank	<a href="https://www.change-bank.com/">https://www.change-bank.com/</a>	Estonia	Sept-Oct	\$17,500,000	Change Coin is a revolutionary financial proposition that materializes the vision of finance without borders through cryptocurrency.

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# ICOs FROM CEE COMPANIES IN 2017



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COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
ChronoBank	<a href="https://chronobank.io">https://chronobank.io</a>	Russia	Dec 2016 - Feb 2017	\$5,400,000	This Blockchain project is aimed at disrupting the HR/recruitment/finance industries.
Cindicator	<a href="https://cindicator.com">https://cindicator.com</a>	Russia	Sept-Oct	\$15,000,000	Cindicator creates the social and technological infrastructure needed to make effective decisions under the conditions of the high uncertainty.
Cofound.it	<a href="https://cofound.it/">https://cofound.it/</a>	Slovenia	June	\$15,018,573	Cofound.it is a distributed global platform that connects exceptional startups, experts and investors worldwide.
Coinloan	<a href="https://coinloan.io/">https://coinloan.io/</a>	Estonia	Nov-Dec	\$3,561,415	Platform for loans secured by cryptoassets.
Confideal	<a href="https://confideal.io/">https://confideal.io/</a>	Russia	Nov	N/A	Confideal, a service that allows you to create smart contracts with no coding skills as well as solve disputes with in-built arbitration module.
Connectius	<a href="http://www.connectius.com">www.connectius.com</a>	Russia	Nov 2017 - Jan 2018	\$5,112,201	Connectius is Blockchain as a service solution, that can be easily integrated in the any existing e-commerce.
Consolo (pre-ICO)	<a href="http://consolo.network/">http://consolo.network/</a>	Russia	Nov 2017 - Unknown	Ongoing	A logistics platform designed to connect senders and receivers in a completely new manner: no entry barriers, no shipping option limitations, new participants.
CopPay	<a href="https://coppay.io/">https://coppay.io/</a>	Belarus	Oct-Nov	N/A	Multi-cryptocurrency payment platform for businesses, consumers and community. After the ICO failed to reach its fundraising target, the company announced plans for a private placement round ( <a href="http://goo.gl/QvhEjw">http://goo.gl/QvhEjw</a> )
Crassula	<a href="https://crassula.io/">https://crassula.io/</a>	Latvia	Unknown	N/A	Crassula Wallet is a secure and convenient toolkit that allows cryptocurrencies to be held, pay for goods and services, send transfers and more.
CrazyBET	No website	Latvia	July-Aug	\$2,595,076	This dubious online betting project (inactive website, no available information in public sources about the founding team) claims to have raised more than \$2.5m in its ICO.
Credits (pre-ICO)	<a href="https://credits.com">https://credits.com</a>	Registered in Singapore	Dec	\$3,002,165	Platform for creation of financial services.
CrowdWiz	<a href="https://crowdwiz.io/">https://crowdwiz.io/</a>	Bulgaria	Nov-Dec	\$5,832,620	CrowdWiz Fund is the pioneer in our line of investment products, allowing participants to offer, assess and act on investment opportunities as one against the market, thanks to their collective wisdom and insight.
Crypterium	<a href="https://crypterium.io/">https://crypterium.io/</a>	Estonia	Oct 2017 - Jan 2018	\$51,656,963	Revolutionary digital cryptobank with credit token and open platform.
Crypto.Tickets	<a href="https://crypto.tickets/">https://crypto.tickets/</a>	Russia	October-Nov	\$1,750,926	The crypto.ticket is the next phase of the evolution of the ticket, transforming it into a secure digital asset using blockchain.

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COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
Cryptum	<a href="https://cryptum.co/">https://cryptum.co/</a>	Bulgaria	Oct-Nov	N/A	A games design and publishing project.
Crypviser	<a href="https://ico.crypviser.net">https://ico.crypviser.net</a>	Russia	May-June	\$4,025,989	The encrypted network for social and business communication based on Blockchain Crypviser is a disruptive, encrypted all-in-one network.
Crystal Clear	<a href="http://crystal-clear.io/">http://crystal-clear.io/</a>	Russia	Sept-Oct	\$3,377,550	Decentralised service system.
DA Powerplay	<a href="http://www.dapowerplay.com">www.dapowerplay.com</a>	Croatia	Sept	N/A	By utilizing the platform's features and building blocks, users will gain an advantage over the market - boosting returns, trading and investment opportunities.
Daneel (pre-ICO)	<a href="https://daneel.io/">https://daneel.io/</a>	Estonia	Dec	N/A	Daneel is an intelligent personal assistant based on "Watson", the most powerful Artificial Intelligence.
DAO Playmarket 2.0	<a href="https://ico.playmarket.io">https://ico.playmarket.io</a>	Russia	Nov-Dec	\$4,001,760	DAO PlayMarket 2.0 is a decentralized Android App Store that accepts payments in cryptocurrency and is combined with an ICO platform for developers.
DARFChain	<a href="http://www.darfchain.com">www.darfchain.com</a>	Russia	Nov-Dec	N/A	It is the robust state of the art technology integrated solution for business planning, resource management, accounting and analysis resources.
Data Trading (Pre-ICO)	<a href="https://token.data-trading.com/">https://token.data-trading.com/</a>	Ukraine	Dec 2017 -Feb 2018	\$2,600,000	DataTrading is a platform based on artificial intelligence for analytics and forecasting of exchange markets.
DateCoin (pre-ICO)	<a href="https://datecoin.io/">https://datecoin.io/</a>	Russia	Dec	\$1,663,194	DateCoin is the dating for successful men and beautiful women looking for relationships of convenience.
Decentralized Escrow (pre-ICO)	<a href="https://descrow.com">https://descrow.com</a>	Estonia	Nov-Dec	\$1,211,925	DES allows investors to keep their project investment process under control and make themselves safe from financial losses.

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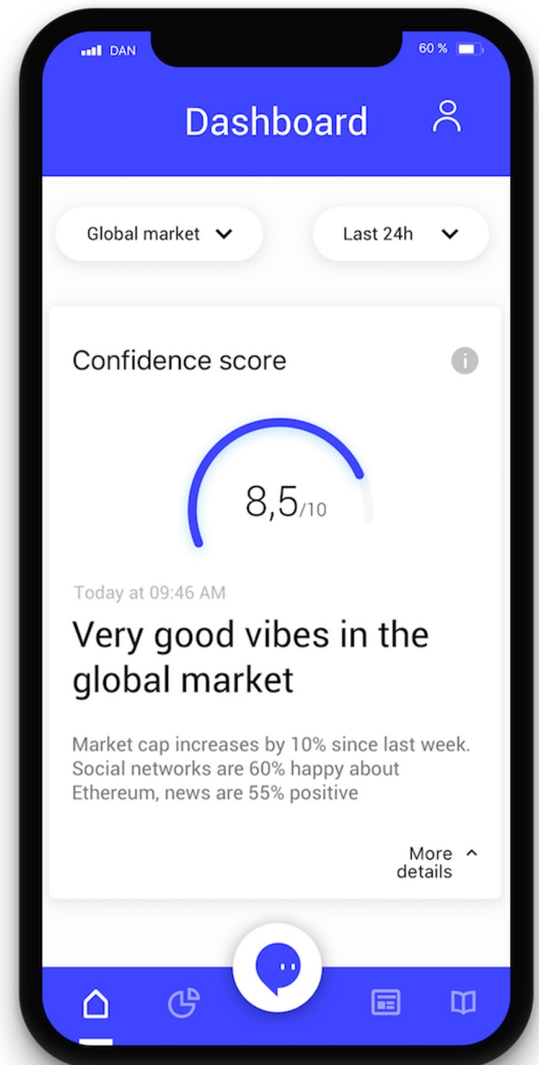
COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
DetectorToken	<a href="https://detectortoken.com/">https://detectortoken.com/</a>	Poland	Aug-Sept	\$290,000	Detector is a bot that monitors cryptocurrency & betting markets.
DigiPulse	<a href="http://www.digipulse.io">www.digipulse.io</a>	Latvia	October	N/A	Digital asset inheritance service
Digmus (pre-ICO)	<a href="https://digmus.io/">https://digmus.io/</a>	Russia	Nov-Dec	\$10,246	Decentralized anti-counterfeit platform.
DMarket	<a href="https://dmarket.io">https://dmarket.io</a>	Ukraine	Aug + Nov-Dec	\$19,069,984	The world's first cross-game marketplace based on blockchain technology.
Dolphin Blockchain Intelligence	<a href="https://presale.dolphin.bi">https://presale.dolphin.bi</a>	Russia	Oct	N/A	Dolphin BI is a crypto-asset investment analysis platform based on a smart-contract.
DreamTeam	<a href="https://token.dreamteam.gg/">https://token.dreamteam.gg/</a>	Ukraine	Dec	\$6,000,000	DreamTeam is the first global platform that will skyrocket the growth of Esports by providing an all-in-one solution to build, grow, manage, and monetize your team.
EasyMINE	<a href="https://easymine.io/">https://easymine.io/</a>	Poland	Aug-Oct	\$1,057,892	A comprehensive software platform for building and managing small-to-medium sized cryptocurrency mining operations.
ELCoin (pre-ICO)	<a href="https://elcoin.io/">https://elcoin.io/</a>	Latvia	Nov-Dec	\$2,500,000	The goal of the project is to combine innovative developments in the field of production of medical equipment and modern blockchain technologies.
Eloplay	<a href="https://ico.eloplay.com/">https://ico.eloplay.com/</a>	Ukraine / Estonia	Oct-Nov	\$469,301	Esports platform Eloplay.com allows players to organize and participate in tournaments with decentralized prize pools.
Emphy	<a href="https://emphy.io/">https://emphy.io/</a>	Estonia	Oct-Nov	\$900,000	Emphy is decentralized blockchain lodging ecosystem. The company claims to have raised 3k ETH, or approx. \$900k
EMU Project (pre-ICO)	<a href="http://emuproject.org/">http://emuproject.org/</a>	Estonia / Ukraine	Dec	\$109,000	The EMU application for smartphones is designed to bring communication between the visitor and the restaurant to a whole new level.
EncryptoTel	<a href="https://ico.encryptotel.com">https://ico.encryptotel.com</a>	Russia	April-May	\$4,429,212	Encrypto Telecom offers solutions for communication, contributing extensively to the ongoing global debate around privacy and civil liberties.
Enjoy Life	<a href="https://ico.enjoy-life.world/">https://ico.enjoy-life.world/</a>	Ukraine	Dec 2017 - Jan 2018	Ongoing	Enjoy Life is a multicurrency based financial platform, which combines in itself 5 main elements: multicurrency wallet, payment system, trading platform, international marketplace and discount program.
EQUI	<a href="http://equiplatform.io/">http://equiplatform.io/</a>	Georgia	Aug-Sept	N/A	Equi is an unique communication network that can be used for virtually any purpose.
Eristica	<a href="https://eristica.com">https://eristica.com</a>	Russia	Dec 2017 - Feb 2018	Ongoing	Eristica is a revolutionary P2P-platform that drives participation in challenges and online competitions.

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COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
ESR Wallet	<a href="https://esrwallet.io">https://esrwallet.io</a>	Russia	Sept-Oct	\$1,507,910	Universal payment and credit service with support of popular cryptocurrencies.
Etheal (pre-ICO)	<a href="https://etheal.com">https://etheal.com</a>	Estonia	Nov-Dec	\$445,006	Blockchain-based incentivized global list of health professionals and content platform, helping patients save on care costs.
Etherecash	<a href="http://www.etherecash.io">www.etherecash.io</a>	Estonia	Nov-Dec	\$30,000,000	This blockchain platform aims to provide access to finances through a P2P system, allowing borrowers owning crypto wealth to borrow up to 80% of their wallet's value.
EthLend	<a href="https://about.ethlend.io">https://about.ethlend.io</a>	Estonia	Nov-Dec	\$16,200,000	Fully decentralized peer to peer lending smart contract on Ethereum block-chain for lending Ether by using tokens as a collateral.
Exscudo	<a href="https://exscudo.com">https://exscudo.com</a>	Estonia	April-May	\$5,389,491	Exscudo is the next-gen financial ecosystem. Its main goal is to integrate cryptocurrencies into the traditional financial world and to create a single gateway to the market for common users, traders, investors and financial institutions.
FinShi Capital	<a href="http://finshi.capital">http://finshi.capital</a>	Russia	Sept.	\$21,420,275	FinShi Capital is the first venture fund formed on blockchain technology.
FinTab (pre-ICO)	<a href="https://fintab.io">https://fintab.io</a>	Russia	Oct-Dec	\$78,363	FinTab is an analytical system based on the financial accounting service for cryptocurrency but in addition there are other interactions that perfectly complement our system.
Forty Seven Bank	<a href="http://www.fortyseven.io/">www.fortyseven.io/</a>	Latvia	Nov-Dec	N/A	The mission of Forty Seven Bank and management team is to provide safe, innovative and user-friendly financial services and products to our customers.
FUELDApp (pre-ICO)	<a href="http://www.fueldapp.io">www.fueldapp.io</a>	Belarus	Nov-Dec	N/A	A full cycle tool based on blockchain targeted to make the interaction between the driver and the fueling station perfect.
Fund Platform (pre-ICO)	<a href="https://fundplatform.io">https://fundplatform.io</a>	Russia	Dec	\$275,840	The service will allow traders to create funds quickly and cost-effectively and provide a convenient tool for investment to private investors.
Galactikka	<a href="https://ico.galactikka.com">https://ico.galactikka.com</a>	Russia	Oct-Nov	N/A	The social network of the future, that shares 50% of income to active users and promotes your blog and community for free.
Game Machine	<a href="https://gamemachine.io">https://gamemachine.io</a>	Russia	Dec 2017-Jan 2018	Ongoing	Game Machine is the global open ecosystem for a game industry constructed on the basis of the blockchain technology.
GameCoin	<a href="https://gamecoin.global">https://gamecoin.global</a>	Russia	Sept	\$8,855,329	We found a way that will allow to monetize free users and will let gamers earn on their hobby.
Geens	<a href="https://tokensale.geens.com">https://tokensale.geens.com</a>	Lithuania	Nov-Dec	N/A	Encrypted document storage with blockchain timestamping services.
Genesis Vision	<a href="https://genesis.vision/">https://genesis.vision/</a>	Russia	Oct-Nov	\$2,836,724	Genesis Vision is the platform for the private trust management market, built on blockchain technology and smart contracts.

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# ICOs FROM CEE COMPANIES IN 2017



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Global Metrology Project	<a href="https://gmp.im/">https://gmp.im/</a>	Russia	Oct-Nov	N/A	GMP is an ambitious international project aimed at creating a network of metrology centers and innovative technology clusters.
Goal Bonanza	<a href="http://www.goalbonanza.com">www.goalbonanza.com</a>	Serbia	Nov-Dec	\$9,219,576	Goal Bonanza is a football betting platform based on the ethereum blockchain framework.
Goldea	<a href="https://goldea.io/">https://goldea.io/</a>	Serbia	Dec 2017- Jan 2018	\$1,501,239	Project created to neutralize worldwide inaccessibility, eliminate intermediary costs, and reduce overall risk of investing in gold mining.
Goldmint	<a href="http://www.goldmint.io">www.goldmint.io</a>	Russia	Sept	\$7,000,000	Blockchain-based platform which operates gold-backed cryptoassets GOLD.
Hacken	<a href="https://hacken.io/">https://hacken.io/</a>	Russia	Oct-Nov	N/A	Dedicated cryptocurrency for white hat hackers. Invest in future. Invest in your side of firewall.
Hackspace	<a href="https://hackspace.capital/">https://hackspace.capital/</a>	Russia	Sept	\$12,712,788	Hackspace Capital is a fund based platform that finances innovative hardware startup teams with cutting edge products and technologies.
Hamilton	<a href="http://hamilton-coin.io">http://hamilton-coin.io</a>	Russia	Nov-Dec	N/A	Sports and leisure complex mainly focused on tennis has been working for 6 years already.
Handelion	<a href="https://handelion.io/">https://handelion.io/</a>	Latvia	Dec 2017 – Feb 2018	Ongoing	Handelion is facilitating trade, allowing any business to benefit from transparency, reliability, speed and equal opportunities.
Hash Rush	<a href="http://www.hashrush.com">www.hashrush.com</a>	Latvia	Sept-Oct	N/A	Hash Rush is a first of it's kind game in which your performance earns you real world cryptocurrency.
HD platform	<a href="https://hdplatform.io/">https://hdplatform.io/</a>	Russia	Nov-Dec	\$368,173	Decentralized system to create complex methods of human personality analysis powered by blockchain.
Health Monitor	<a href="https://healthmonitor.io">https://healthmonitor.io</a>	Czech Republic	Nov 2017 – Jan 2018	Ongoing	Health Monitor is the world's first device for non-invasive diagnostics of lung cancer, stomach ulcer and diabetes.
Hedge	<a href="https://www.hedge-crypto.com/">https://www.hedge-crypto.com/</a>	Slovenia	Sept-Oct	\$2,100,000	Hedge Project is focused on developing the ideal platform to serve as a backbone for diversification through our flagship products.
HIPE (pre-ICO)	<a href="https://ico.hipe-me.com/">https://ico.hipe-me.com/</a>	Russia	Nov	\$78,945	Dozens of unique useful services integrated into one convenient platform.

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Hive Project	<a href="https://www.hive-project.net/">https://www.hive-project.net/</a>	Slovenia	July-Aug	\$8,949,421	Hive (HVN) uses Blockchain (distributed ledger) technology to give every issued invoice a unique fingerprint.
Honestis Network	<a href="http://honestis.network">http://honestis.network</a>	Poland	Sep 2017 - Unknown	Ongoing	Portable identity provider with artificial smart companion to help you all day.
HOQU	<a href="https://www.hoqu.io/">https://www.hoqu.io/</a>	Russia	Nov 2017 - Feb 2018	Ongoing	HOQU is the world's first decentralized blockchain affiliate marketing platform.
iBuildApp	<a href="https://ibuildapp.io/">https://ibuildapp.io/</a>	Russia	Nov 2017 - Jan 2018	Ongoing	iBuildApp Network is building blockchain-based platform and marketplace for the mobile advertising industry.
ICO box	<a href="https://icobox.io/">https://icobox.io/</a>	Ukraine	Aug-Sept	N/A	ICOBx is the first and the biggest new generation Blockchain Growth Promoter and Business Facilitator for companies seeking to sell their products via ICO crowdsales.
IcoBasis	<a href="http://en.icobasis.io/">http://en.icobasis.io/</a>	Russia	Dec 2017- Feb 2018	Ongoing	BASIS is a new building material which can make a revolution in construction.
ICOS	<a href="https://icos.icobox.io/">https://icos.icobox.io/</a>	Russia	Aug-Sept	\$14,600,000	First token which allows blockchain community to vote for the best projects to be brought to life through their own ICOs.
indaHash	<a href="https://indahash.com/">https://indahash.com/</a>	Poland	Nov-Dec	\$4,500,000	indaHash is currently the biggest automated platform for digital influencers marketing in the world that enables brands to conduct campaigns.
INS World	<a href="https://ins.world/">https://ins.world/</a>	Russia	Dec	\$41,500,000	INS is the decentralized consumer ecosystem powered by Blockchain.
Inspeer	<a href="https://inspeer.io/">https://inspeer.io/</a>	Russia	Nov-Dec	\$430,004	A peer-to-peer lending service that works with cryptocurrency and fiat
Intelligent Trading Technologies	<a href="http://intelligenttrading.org/">http://intelligenttrading.org/</a>	Czech Republic	Aug-Sept	\$2,012,440	Applying artificial intelligence and technical analysis, our fleet of data bots follow real-time data sources and send you actionable alerts for success in cryptocurrency markets.
Intellium	<a href="http://intellium-ico.com/">http://intellium-ico.com/</a>	Russia	Aug-Nov	N/A	Intellium is a think tank and research center which investigates implications of the blockchain technology for companies and their business models.
Izetex (pre-ICO)	<a href="https://izx.io/">https://izx.io/</a>	Russia	Nov 2017 - Jan 2018	\$93,058	IZX provides a monetization platform for independent developers of games with elements of augmented or virtual reality.
Jincor	<a href="https://jincor.com/">https://jincor.com/</a>	Russia	Dec 2017 Jan 2018	Ongoing	Smart contracts and cryptocurrency transactions for any business.

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Jury.Online (pre-ICO)	<a href="https://jury.online/">https://jury.online/</a>	Russia	Oct	\$1,055,993	Jury.online enables users to make deals that, if any party is dissatisfied, are reviewed by a panel of jurors that deliver a judgement.
Just Dating Site	<a href="https://ico.justdatingsite.com">https://ico.justdatingsite.com</a>	Lithuania	Aug-Sept	\$328,397	A new project of the EU (Lithuania) based professional team with large experience in social networking.
Karma	<a href="https://tokensale.karma.red">https://tokensale.karma.red</a>	Russia	Nov-Dec	\$10,000,000	Global decentralized blockchain-platform, where people and companies can interchange directly to each other
kevin.	<a href="https://www.getkevin.io/">https://www.getkevin.io/</a>	Lithuania	Oct-Dec	N/A	kevin. is an innovative online banking service, that allows to easily link and manage different crypto accounts and bank accounts, including bank accounts located in different banks.
Kick ICO	<a href="https://www.kickico.com">https://www.kickico.com</a>	Russia	Aug-Sept	\$20,000,000	Unified platform for ICOs, crowdinvesting & crowdfunding powered by smart contracts.
Kolionovo	<a href="http://Kolionovo.com">Kolionovo.com</a>	Russia	April-May	\$750,000	This project uses Blockchain in the agriculture.
KYC.LEGAL	<a href="https://kyc.legal/">https://kyc.legal/</a>	Russia	Dec 2017 – April 2018	\$13,700,000 (interim result)	Service that allows to verify users and to prevent fraud.
LAtoken	<a href="https://sale.latoken.com">https://sale.latoken.com</a>	Russia (registered in Singapore)	Aug-Oct	\$20,000,000	LAToken is a blockchain protocol and platform for creating and trading asset tokens.
Lescoin (pre-ICO)	<a href="https://lescoin.io/">https://lescoin.io/</a>	Russia	Nov-Dec	\$34,700	DAO Lescoin is the investment fund based on Ethereum blockchain that allows its participants to benefit from the timber enterprise in Russia
Live Show	<a href="http://www.liveshow.io/">http://www.liveshow.io/</a>	Russia	Nov-Dec	\$232,470	LIVESHOW is creating a webcam platform of a new generation, which is based on blockchain technology.
Lockchain	<a href="https://lockchain.co/">https://lockchain.co/</a>	Bulgaria	Oct-Nov	N/A	Hotel booking and vacation rental marketplace.
Lordmancer II (pre-ICO + ICO)	<a href="http://lordmancer2.io/">http://lordmancer2.io/</a>	Russia	Nov-Dec	\$1,202,902	The first open-world MMORPG on mobile where players can mine cryptocurrency.

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MDK	<a href="https://mdk.is/">https://mdk.is/</a>	Russia	Nov-Dec	\$66,560	One of the largest Russian-speaking entertainment communities that unites more than 20 million young adults.
MicroMoney	<a href="https://micromoney.io/">https://micromoney.io/</a>	Russia / Singapore	Oct	\$10,500,000	An open source credit and Big Data bureau that connects new customers to all existing financial services.
Minex	<a href="https://minexcoin.com/">https://minexcoin.com/</a>	Ukraine	May-June	\$789,859	A global payments system based on a low volatility cryptocurrency which is a part of Minex ecosystem.
MiniApps	<a href="https://tokens.miniapps.pro">https://tokens.miniapps.pro</a>	Russian-founded	Oct-Dec	\$4,608,072	A next-gen chatbot platform built around the concept of decentralized network of template developers, clients, hosting providers and partners.
Mining now (pre-ICO)	<a href="https://miningnow.online/en">https://miningnow.online/en</a>	Bulgaria	Dec	\$1,433,345	Created by AA:LAB, this association aims to favor industrial mining of cryptocurrencies.
Mirocana	<a href="https://mirocana.com/">https://mirocana.com/</a>	Russia	Nov-Dec	\$2,908,410	Artificial Intelligence for accurate financial markets predictions.
MITO	<a href="https://mito.ipci.io/">https://mito.ipci.io/</a>	Russia	Sept-Oct	N/A	First token based on the DAO IPCI Protocol scaling up green economy and environmental assets trade.
MobileGo (Games Credits)	<a href="https://gamecredits.com/mobilego/">https://gamecredits.com/mobilego/</a>	Russia-Serbia-India-USA	Apr-May	\$53,000,000	MobileGo is a smart token that can facilitate peer-to-peer matchplay and decentralized tournaments for millions of competitive gamers worldwide. The success of the ICO (which was confirmed by the Waves platform on which it was processed) sparked controversies ( <a href="http://goo.gl/VYwCDv">http://goo.gl/VYwCDv</a> )
Monetha	<a href="http://www.monetha.io/">www.monetha.io/</a>	Lithuania	Aug	\$37,000,000	Powered by smart contracts, decentralised trust and reputation system (DTRS) works with Monetha's payment processor.
MoneyTech	<a href="http://www.moneytech.farm/">www.moneytech.farm/</a>	Ukraine	June-Aug	N/A	MoneyTech Ltd. provides professional service of mining ETH and ZCash cryptocurrencies with its own capacities and equipment located in Ukraine.
Mothership	<a href="https://mothership.cx/">https://mothership.cx/</a>	Estonia	July	\$5,406,897	Mothership is building Blockchain financial services around the Estonian e-Residence government program.
Multibot	<a href="https://multibot.io/">https://multibot.io/</a>	Russia	Oct-Nov	N/A	Multibot platform is aimed at solving the problem of user interaction with cryptocurrency exchanges and continuous monitoring of the market.
MyWish	<a href="http://www.mywillplatform.io">www.mywillplatform.io</a>	Russia	Oct-Nov	N/A	An ecosystem of smart contracts accumulating a complex of blockchain solutions designed to integrate high technologies into the real sector.

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# ICOs FROM CEE COMPANIES IN 2017



WITH SUPPORT FROM  **ICO bench**

COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
NAU (pre-ICO)	<a href="https://tokensale.nau.io/">https://tokensale.nau.io/</a>	Russia	Nov	N/A	A platform that directly connects customers and retailers using blockchain technology to guarantee transparency and reliability.
Nedviga (pre-ICO)	<a href="http://www.nedviga.realty/">www.nedviga.realty/</a>	Russia	Nov 2017 – Jan 2018	\$102,271	A crossline-platform for investing in high-yield real estate around the world.
NeuroBot	<a href="https://neurobot.trading/">https://neurobot.trading/</a>	Russia	Oct-Dec	N/A	Neural network algorithm for forecasting exchange rates of cryptocurrencies.
Neuromation (pre-ICO)	<a href="https://neuromation.io/en">https://neuromation.io/en</a>	Estonia / Russia/ Ukraine	Oct 2017- Jan 2018	\$50,000,000	The Neuromation platform will use distributed computing along with blockchain proof of work tokens to revolutionize AI model development.
Nimfamoney	<a href="https://nimfamoney.io/">https://nimfamoney.io/</a>	Russia	Aug-Sept	\$152,515	The world's first 100% decentralized cryptocurrency lending platform.
Notary	<a href="https://www.notary-platform.com/">https://www.notary-platform.com/</a>	Slovenia	Oct-Nov	N/A	A mobile application which enables you to engage in contracts on the go.
NOVAcool	<a href="https://novacool.io/">https://novacool.io/</a>	Russia	Oct-Nov	N/A	First immersion cooling system for home PC with affordable price, high efficiency and reliability.
ODMCoin	<a href="https://odmcoin.com/">https://odmcoin.com/</a>	Russia	Dec	\$329,000	The project to implement the world's first investment financial blockchain product in the oil and gas sector.
Open Longevity (pre-ICO)	<a href="http://en.openlongevity.io">http://en.openlongevity.io</a>	Russia	Oct-Dec	N/A	An online platform for developing a personal anti-aging strategy and conducting clinical trials.
OpenZen	<a href="http://openzen.co/">http://openzen.co/</a>	Russia	Oct-Nov	N/A	A desktop application which is an alternative to web browser.
Opus	<a href="http://opus-foundation.org/">http://opus-foundation.org/</a>	Poland	July-Aug	\$5,800,000	The world's first decentralized music platform. Monetize your work. Get 100% of revenue.

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Papyrus	<a href="http://papyrus.global">http://papyrus.global</a>	Russia	Oct	\$500,000	The world's first fully comprehensive and highly scalable decentralized ecosystem for digital advertising.
PAquarium	<a href="https://ico.paquarium.com/">https://ico.paquarium.com/</a>	Latvia	July-Aug	\$619,807	The largest Aquarium in the world.
Paragon Coin	<a href="https://paragoncoin.com/">https://paragoncoin.com/</a>	Russia	Sept-Oct	N/A	Paragon seeks to pull the cannabis community from marginalized to mainstream by building blockchain into every step of the cannabis industry.
ParkApp Pay (pre-ICO)	<a href="https://parkapp.io/">https://parkapp.io/</a>	Russia	Dec 2017-Jan 2018	\$120,000	A smart city platform of an automatic decentralized payments the driver could make behind the wheel.
Payfair	<a href="https://payfair.io/">https://payfair.io/</a>	Russia	Nov-Dec	\$238,546	A decentralized escrow platform for making cryptocurrency transactions between two parties.
PlayKey	<a href="http://www.playkey.io">www.playkey.io</a>	Russia	Nov	\$10,512,361	A decentralized cloud gaming platform for miners and gamers, based on P2P and blockchain technologies.
PlusCoin	<a href="https://pluscoin.io/">https://pluscoin.io/</a>	Estonia	Sept-Dec	\$4,792,435	DS Plus is an Ethereum-based mobile platform for customer attraction and retention.
Polybius	<a href="https://polybius.io/">https://polybius.io/</a>	Estonia	May-June	\$31,000,000	Polybius Bank project will operate on the principles of an Open API, employing reputable innovations and services.
Polymerium (pre-ICO)	<a href="https://plmico.com/">https://plmico.com/</a>	Russia	Dec 2017-Jan 2018	\$562,450	A manufacturing company that produces motor, transmission and other oils.
PopulTrade	<a href="https://popultrade.com">https://popultrade.com</a>	Slovenia	Dec 2017-Jan 2019	Ongoing	In PopulTrade you can create, join or invest in any kind of business. PT will bring the possibility to access investments to anyone who has an idea for a business.
PrimalBase	<a href="https://primalbase.com/">https://primalbase.com/</a>	Netherlands - Russia	June	\$7,600,000	Distributed workspace for tech community.
Privatix	<a href="https://privatix.io/">https://privatix.io/</a>	Russia	Oct-Nov	\$3,377,316	Decentralized and 100% autonomous P2P VPN Network on blockchain with the first Internet bandwidth marketplace.

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Propy	<a href="https://tokensale.propy.com">https://tokensale.propy.com</a>	Ukraine / Russia	Aug	\$15,077,000	Propy.com is dedicated to solving the problems of purchasing property across borders.
Prosense	<a href="https://ico.prosense.tv">https://ico.prosense.tv</a>	Russia	Nov-Dec	N/A	Prosense is a global leader in the field of broadcasting sporting, cultural and business events in virtual reality.
Prospectors	<a href="https://prospectors.io/">https://prospectors.io/</a>	Ukraine	Aug-Sept	N/A	Prospectors is the first MMORTES (massively multiplayer real time economic strategy) game based on the Ethereum Blockchain.
Pulsar VC	<a href="https://pulsarico.com/">https://pulsarico.com/</a>	Russia	Nov 2017 - May 2018	\$15,628,725 (interim result)	Early stage venture fund and business acceleration program #1 in Russia
Quantum	<a href="http://www.quantumproject.org">www.quantumproject.org</a>	Slovenia	April-March	\$4,122,700	Quantum is one of the first real deflationary currencies in the world.
Rasputin	<a href="https://ico.rasputinonline.com/">https://ico.rasputinonline.com/</a>	Estonia	July-Aug	\$3,027,311	RasputinOnline is a global premium live broadcast Entertainment hub.
Rega risk sharing	<a href="https://rega.life/">https://rega.life/</a>	Russia	Oct-Dec	N/A	The world's first crowdsurance platform on blockchain.
Revain	<a href="https://revain.org/">https://revain.org/</a>	Russia	Aug-Sept	\$12,513,346	First trustless review platform, built with the Blockchain technology.
Rialto.AI	<a href="https://www.rialto.ai/">https://www.rialto.ai/</a>	Slovenia	July	\$10,000,000	Rialto.AI is a team of data scientists designing proprietary algorithms for arbitrage and market making.
Robomed Network	<a href="https://robomed.io/">https://robomed.io/</a>	Russia	Nov-Dec	N/A	Robomed Network issues its own tokens to support smart contract between healthcare providers and patients.
Rocket	<a href="http://Rocketico.io">Rocketico.io</a>	Belarus	Nov 2017 - Feb 2018	Ongoing	This platform is built using DAO principles to unite investors, experts and startup teams.

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# ICOs FROM CEE COMPANIES IN 2017



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COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
Russian Miner Coin (RMC)	<a href="https://rmc.one">https://rmc.one</a>	Russia	Sept.	\$43,000,000	An ecosystem scholars, producers of devices for mining, data centers and the community of miners
Santiment	<a href="https://santiment.net/">https://santiment.net/</a>	Russia	July	\$12,215,250	The datafeeds and market intelligence platform.
Sand Coin	<a href="https://ru.sandcoin.io/">https://ru.sandcoin.io/</a>	Russia	Oct	\$5,369,250	The first ever sand quarry project funded through raising cryptocurrency via creating a blockchain option for mining non-metallic materials.
Satoshi Brewery	<a href="https://ico.satoshibrewery.com">https://ico.satoshibrewery.com</a>	Russia	Nov-Dec	\$3,060,363	The largest regional craft brewery in the north-west of Russia.
SGA Consulting	<a href="https://sgaico.com/">https://sgaico.com/</a>	Russia	Dec 2017 – Jan 2018	Ongoing	Innovative, fully automated service providing trade recommendations for opening/closing positions on the financial markets with for profit clients.
Share Estate (pre-ICO)	<a href="https://sharestate.io/">https://sharestate.io/</a>	Russia	Oct-Nov	N/A	A platform for investment in commercial real estate objects all over the world, built on the basis of the Ethereum platform operating on the principle of the closed-end fund.
Signals (pre-ICO)	<a href="https://signals.network">https://signals.network</a>	Czech Republic	Nov-Dec	\$1,726,280	A futuristic marketplace to help you discover, create and monetize cryptocurrency trading strategies driven by data science.
Silent Notary	<a href="https://silentnotary.com/">https://silentnotary.com/</a>	Russia	Aug-Sept	N/A	The world's first hybrid Blockchain notary
Sintez (pre-ICO)	<a href="https://sintez.global">https://sintez.global</a>	Russia	Dec 2017- Jan 2018	Ongoing	A decentralized blockchain platform for the economy of the future, combining traditional and innovative mechanisms for building economic relations and modern methods of ensuring security.
SKinCoin	<a href="https://skincoin.org/">https://skincoin.org/</a>	Russia	June-July	\$3,292,183	A universal crypto currency in the gaming industry. This is a new secure payment method, which emerged to replace the skins.

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Snovio	<a href="https://snov.io/">https://snov.io/</a>	Ukraine	Sept-Nov	\$2,129,220	Snovio is the world's first decentralized lead generation service.
SocialMedia.Market (pre-ICO)	<a href="https://socialmedia.market/">https://socialmedia.market/</a>	Ukraine	Dec	\$1,627,874	The first decentralized ecosystem to discover, create, run and analyze advertising campaigns with social media influencers.
SOFIN	<a href="http://sofin.io/">http://sofin.io/</a>	Russia	Dec	\$197,415	A marketplace platform which brings together creditors and borrowers.
Sola	<a href="https://sola.foundation/">https://sola.foundation/</a>	Lithuania	Nov-Dec	\$2,233,700	The next-gen decentralized social platform governed by users.
SONM	<a href="https://sonm.io/">https://sonm.io/</a>	Russia	June	\$42,000,000	A decentralized worldwide fog computer for any general purpose computing – from site hosting to scientific calculations.
Sosnovkino	<a href="https://sosnovkino.info/">https://sosnovkino.info/</a>	Russia, Czech Republic	July-Aug	\$163,800	Secured by a land asset, it is a high profitable project of a cottage settlement with a quality infrastructure.
SportyFi	<a href="https://sportyfi.io/">https://sportyfi.io/</a>	Slovenia	Nov-Dec	\$5,087,896	Decentralized sports investment and funding ecosystem.
SRG	<a href="https://srg.io/">https://srg.io/</a>	Russia	Nov 2017 – Jan 2018	\$1,052,909	International loyalty program in the world of online games.
Stable	<a href="https://stable.foundation/">https://stable.foundation/</a>	Russia	Sept-Oct	N/A	Stable is a project dedicated to stabilising digital tokens markets.
Starta Capital accelerator	<a href="https://startaico.com">https://startaico.com</a>	Russia-USA	July-Aug	\$5,058,033	Starta Accelerator is an acceleration program launched by Starta Capital VC Fund in 2015.
STeX (pre-ICO)	<a href="https://stex.exchange/">https://stex.exchange/</a>	Poland	Aug-Sept	\$11,070,000	A cryptocurrency exchange that will aggregate all other exchanges and provide the best rates.
StoneToken	<a href="https://stonetoken.io">https://stonetoken.io</a>	Russia	Oct-Nov	N/A	The first token which secures the real raw material by 300%.

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# ICOs FROM CEE COMPANIES IN 2017



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COMPANY	URL	COUNTRY*	PERIOD OF ICO	AMOUNT RAISED**	BASIC PROJECT INFORMATION
Storiqa	<a href="https://ico.storiqa.com/">https://ico.storiqa.com/</a>	Russia	Nov 2017 -Feb 2018	\$11,597,479 (interim result)	Storiqa is a marketplace with a wide range of functions for effective sales in the world of a new digital economy.
Sudan Gold Coin (pre-ICO)	<a href="https://sudangm.com/">https://sudangm.com/</a>	Russia	Dec	\$250,000	The world's first blockchain option for gold mining project's aim is to establish the high-technological and profitable gold-mining business in Sudan.
SunContract	<a href="https://suncontract.org/">https://suncontract.org/</a>	Slovenia	June-Aug	\$2,000,000	SunContract is an energy trading platform that utilizes blockchain technology to create a new business model for buying and selling electricity.
SunMultiwallet	<a href="http://www.sunmultiwallet.com/">www.sunmultiwallet.com/</a>	Poland	Oct-Dec	N/A	New free multiwallet on the cryptocurrency market.
Suretly	<a href="http://www.ico.suretly.com/">www.ico.suretly.com/</a>	Russia	July-Aug	\$2,800,000	Suretly is an international crowdvouching platform.
Swiscoin	<a href="http://www.swiscoin.com/">www.swiscoin.com/</a>	Russia, Ukraine, Greenland, Poland and the USA	Feb	\$500,000	This controversial company ( <a href="http://goo.gl/8XC76u">http://goo.gl/8XC76u</a> ) claims to have raised more than \$500k in its ICO. It aims to develop crypto technologies that can be used by everyone for financial transactions.
Telegraf.Money	<a href="https://blog.telegraf.money/">https://blog.telegraf.money/</a>	US-Russia	Oct-Nov	N/A	Telegraf Money allows members to communicate with each other, instantly send funds and cryptocurrencies, issue/receive loans online, and earn money.
The Abyss (pre-ICO)	<a href="http://www.theabyss.com/en">www.theabyss.com/en</a>	Russia	Dec	N/A	Digital distribution platform with a strong accent on browser and client F2P MMO games, referral and motivational programs
The Memessenger	<a href="https://themem.io/">https://themem.io/</a>	Russia	July 2017-Apr 2018	\$400,000	World's first messenger with memes instead of words.
Ties.Network	<a href="https://ties.network/">https://ties.network/</a>	Russia	Sept-Oct	N/A	Allows securing business deals within your professional network.
Tokenbox	<a href="https://tokenbox.io/">https://tokenbox.io/</a>	Russia	Nov	\$7,334,268	Tokenbox is a multi-fund, which unites crypto-market players under one robust ecosystem.

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United Traders	<a href="https://uttoken.io/">https://uttoken.io/</a>	Russia	Nov-Dec	\$31,736,214	United Traders is a modern investment and financial company.
Universa	<a href="https://www.universa.io">https://www.universa.io</a>	Russia	Oct-Dec	\$28,800,060	A contract execution machine and distributed state ledger designed to improve on Bitcoin and Ethereum technologies for business adoption.
Viberate	<a href="https://www.viberate.io/">https://www.viberate.io/</a>	Slovenia	Sept-Oct	\$10,714,285	Viberate is a crowdsourced live music ecosystem and a blockchain-based marketplace where we're matching musicians with event organizers.
VISO	<a href="https://viso.global">https://viso.global</a>	Georgia / Russia	Nov 2017 – March 2018	\$328,876 (interim result)	Viso is a payment system that combines cryptocurrency and generally accepted payment cards and terminals into a single environment.
Viuly	<a href="https://viuly.com/">https://viuly.com/</a>	Moldova	Nov	N/A	Decentralized video sharing platform.
Votes	<a href="https://votesplatform.com">https://votesplatform.com</a>	Russia	Oct-Nov	N/A	International platform for taking votes of any level.
VRT (pre-ICO)	<a href="http://vrt.world/">http://vrt.world/</a>	Russia	Dec	\$721,082	VR platform for global integration of developers, consumers and business.
WaBi	<a href="https://www.wacoin.io/">https://www.wacoin.io/</a>	Russia	Nov 2017- Jan 2018	\$741	WaBi is the world's first crypto coin that engages consumers to combat counterfeits. WaBi is backed by a real demand for safe products.
Webcoin	<a href="https://webcoin.today/">https://webcoin.today/</a>	Bulgaria	Oct-Dec	\$357,650	Webcoin creates the synergy between the digital marketing and cryptocurrency world.
Wings	<a href="https://fly.wings.ai/">https://fly.wings.ai/</a>	Russia	Nov 2016 -Jan 2017	\$1,706,156.00	Wings is a cross Blockchain secentralized autonomous organizations management platform that allows easy DAO setup, participation or administration.

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WisePlat (pre-ICO)	<a href="https://oswiseplat.org/">https://oswiseplat.org/</a>	Poland	Oct-Nov	N/A	Wiseplat is software that introduces a blockchain architecture designed to enable vertical and horizontal scaling of decentralized applications.
WordCoin	<a href="https://wordcoin.io/">https://wordcoin.io/</a>	Russia	Sept-Nov	N/A	Freelance platform for translation, copywriting, SMM, ORM.
World WiFi (pre-ICO)	<a href="https://worldwifi.io">https://worldwifi.io</a>	Russia	Nov	\$500,000	A global decentralized free WiFi network powered by blockchain
Xaurum Gamma	<a href="https://xaurum.org/gamma/ico.html">https://xaurum.org/gamma/ico.html</a>	Slovenia	Aug-Sept		First crypto smart street.
Xchange	<a href="https://xchange.io/">https://xchange.io/</a>	Russia	Dec 2017 - Jan 2018	Ongoing	xChange is an Ethereum blockchain based platform with a simple user interface for anonymous and decentralized exchange of assets.
Zempa	<a href="http://zempa.io/">http://zempa.io/</a>	Ukraine	Oct-Nov	N/A	This cryptocurrency pool will enable users to initiate transactions using currencies they don't own themselves but are contributed into the Pool.
Zeus	<a href="https://zeus.exchange/">https://zeus.exchange/</a>	Russia, Ukraine, US	Dec 2017 -Jan 2018	Ongoing	Enables everyone not only to help solving garbage utilization problem but also profitably invest and make this world better.
Ziggurat Token	<a href="https://ico.ecex.exchange">https://ico.ecex.exchange</a>	Estonia	Nov 2017- April 2018	Ongoing	The Ecex.Exchange Platform is an online blockchain technology-based assignments exchange platform.
Zonto	<a href="https://ico.zonto.world/">https://ico.zonto.world/</a>	Estonia	Sept-Oct	\$5,108,563	The digital ecosystem of the future. A single tool for interacting in various sphere of usage.
ZR Coin	<a href="https://zrcoin.io">https://zrcoin.io</a>	Russia	June	\$7,000,000	The world's first commodity-backed blockchain option.

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Section 2:

# Trend analysis & expert opinion



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## ARSENIY STRIZHENOK: “THE BIGGEST PROBLEM WITH ICOs IS THAT THEY’RE USUALLY LAUNCHED BY STARTUPS AT THE VERY EARLY STAGES OF DEVELOPMENT”



*Arseniy Strizhenok, a Russian ICO advisor to several companies and an EWDN blockchain expert, comments on the latest evolutions of the ICO market, regulators’ moves and investors’ attitudes.*

### **What are the main risks associated with ICOs?**

The biggest problem is that the vast majority of ICOs are launched by startups that are still at very early stages of development – unlike IPOs, which are done by already established companies. As a result, those startups face a high risk of failure.

Again, unlike IPOs, ICOs are not subject to strict regulation in many markets, which makes investors less protected. Predictably, ICOs are more vulnerable to fraud or illegal activities because of their relative anonymity and the procedure allowing startups to raise significant amounts of money within a short time period

### **What are regulators saying about ICOs in different markets?**

In most major markets, the issue of ICO has recently raised all kinds of concerns. For instance, in China and South Korea, ICOs have been banned outright.

The European Securities and Markets Authority (ESMA) recently warned that because ICOs often fall outside of the regulated space, investors fail to enjoy protection that comes with traditional investments. Overall, ESMA branded ICOs as extremely risky and highly speculative investments and the blockchain technology as largely untested and prone to flaws.

In the USA, the Securities and Exchange Commission (SEC) has warned investors about endorsements of ICOs coming from celebrities on social media, such as Twitter and Instagram.

The SEC said such endorsements may be illegal, unless they disclose the nature and amount of compensation paid by the company to the endorser.

Japan's Financial Services Agency (FSA) expressed concerns about price volatility and fraud associated with ICOs. The regulator also stressed that investors should be aware that they purchase tokens at their own risk.

### **Does that mean that investors should avoid ICO opportunities?**

Surely not. There are numerous examples of legitimate ICOs and successful ICO investments. Take, for instance, Ethereum’s ICO back in 2014: they raised \$18 million and rewarded the investors with ownership of what became a major digital coin. This year, the capitalization of Ethereum hit a \$40 billion mark and is still going up.

And investors are keen on ICOs. In 2017 alone, ICOs have attracted over \$5 billion, and the ICO market doesn’t seem to be losing steam. Of course, not all ICOs have been successful, and there are enough investors who have lost their money and are now discouraged.

### **What is specific in investing in ICOs?**

First of all, investors need to realize that just about any ICOs is a risky investment. As there is a lot of hype around ICOs, there is a lot of scam and fraud involved, and there are a lot of poorly developed projects that are unlikely to ever be successful and bring return to investors. So, investors have to be very thorough when assessing ICOs.





## ARSENIY STRIZHENOK: “THE BIGGEST PROBLEM WITH ICOs IS THAT THEY’RE USUALLY LAUNCHED BY STARTUPS AT THE VERY EARLY STAGES OF DEVELOPMENT”



**What is the first thing investors should consider, in order to be able to tell a promising ICO from a scam or a bad project?**

Start with reading the whitepaper and try to figure out how realistic the company's goals are, how strong the founding team is, what competition it is facing and what its plans for post-ICO are – basically, how the cash will be spent.

If the white paper doesn't clearly answer those questions but contains a lot of fluff, that should immediately alert you. You don't have to be a cryptocurrency expert, it is often enough to use your common sense to see if it is likely to be a good investment.

The best ICOs are those which start not with just an idea, but have a working prototype or a minimal viable product (MVP). Participation of major consultants and large investors is also a positive sign, although they make mistakes, as well.

One other thing to watch out for is the legitimacy of using blockchain technology. Is blockchain really necessary for the project, or is it just mentioned because of the "blockchain craze"?

**What is more important – the idea behind an ICO or the team that is going to execute it?**

There is no simple answer to this. The idea and a roadmap for its execution are very important, and the founding team is vital. So, once you've evaluated the idea and execution strategy, try to learn as much about the team as you can. You should check their backgrounds and their LinkedIn profiles to see how qualified they are to successfully launch the project. Education, previous experience with blockchain and cryptocurrencies, management experience – everything matters.

**Are there any other factors to take into account?**

It is good to check if the new coin is listed on an exchange. The idea or the company could look very attractive, but you still need to know when you'll be able to exchange the coins you bought for a profit.

When a company says which exchanges will offer its tokens once the ICO ends, it's a sign that the startup behind the ICO has already sorted this issue.

And, finally, try to gauge the general sentiment and speculation about the project. Quantitative tools, such as Google Trends, will show you how many people are interested in a particular ICO. You will also be able to easily compare people's interest in different ICOs. Check the social media to see how many people are reacting to the ICO and what their sentiment is.

Never forget that speculation and feelings, rather than rationality, tend to drive the markets!

- *A blockchain enthusiast and expert, Mr. Strizhenok has been an ICO advisor at AB-Chain, LAToken, Playkey, Play2Live, and other projects. He is also a contributing expert to several industry publications, including East-West Digital News. He has more than five years of hands-on experience in IT and marketing, as well as in co-organizing international blockchain events. You may reach him by email at [arseniy.strizhenok@gmail.com](mailto:arseniy.strizhenok@gmail.com)*



## PAVEL KOROLEV OF PULSAR VENTURE CAPITAL: “VCs ALSO WANT ICOs”



Noting venture investors' rising interest in ICOs, Pavel Korolev, the founder and CEO of Russian fund Pulsar Venture Capital, analyzes the opportunities and challenges of this new method of financing.

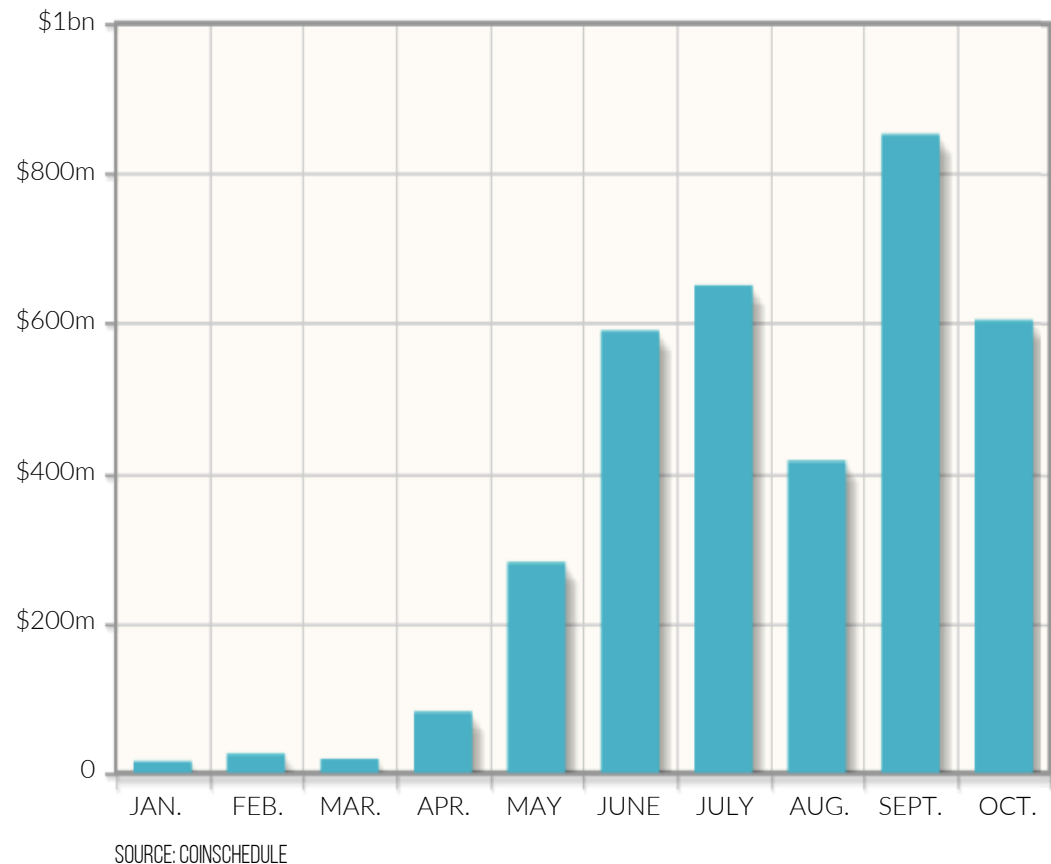
While some say that ICOs will break venture funds' monopoly on startup funding, a growing number of these funds are experimenting with token sale. Since fundraising through ICOs can be arranged differently, traditional venture capitalists now have a window of opportunity. In the past six months, the market has seen several cases where a 'slice' of fund portfolios was sold in cryptocurrency.

Venture capitalists can no longer overlook the ICO phenomenon: In July 2017, for the first time, ICOs provided more funding to startups seeking capital than venture funds did, and the trend has been growing stronger ever since. Since the year start, according to the Coinschedule ICO tracker startups of all kinds have attracted \$3.2 billion of investment through ICOs (<http://goo.gl/epsnvv>).

Meanwhile, a study by Silicon Valley Bank indicates that, in the second and third quarters of 2017, ICOs accounted for 90% of investment in blockchain projects – for which this instrument was primarily intended (<http://goo.gl/Wx38oB>).

In theory, ICOs organized by VC funds provide new opportunities for all participants in the process: the fund itself, investors, and projects.

### GLOBAL MONTHLY AMOUNTS RAISED THROUGH ICOs (JAN-OCT 2017)





## PAVEL KOROLEV OF PULSAR VENTURE CAPITAL: “VCs ALSO WANT ICOs”



For the fund, ICOs is an opportunity to raise funds and to get involved in projects which could not fall into their venture orbit before. For large investors, they are a way to use cryptocurrency assets. For projects, ICOs are not only an additional funding method: they may mobilize a community to support the project in a long-term perspective.

In practice, launching an ICO is not easier for a venture fund than for a startup. Among the questions that VC funds still need to answer are these ones: Can one and the same fund raise money from both traditional “fiat” investors and ICO investors? How will the exit mechanism look like in this case? What will investors get when one of the portfolio companies will be acquired?

The market has already witnessed the first cases of ICO failures — but this has not happened yet with ICOs conducted by VC funds.

True, this might be simply because there have been few fund ICOs so far, compared with the incredible number of startup ICOs. But this might also indicate that ICO investors tend to be more receptive to token sales carried out by VC funds than to startup ICOs. The market is still testing ICOs as a financial instrument, so the future will tell which type of ICO will establish itself more firmly.

In startup ICOs, investors are particularly disturbed by the significant regulatory risks. No one wants to get his name associated with an illegal fundraising operation. Besides, the terms of the offering are rarely favorable to investors.

### Examples of funds having conducted or preparing to launch an ICO



This venture fund conducted an ICO in May 2017 to launch Blockchain Capital III as an experiment of a “liquid venture fund.” Some \$10 million were raised within the first six hours. The fund will subsequently invest in ICOs of blockchain projects. Blockchain Capital hopes to be an industry benchmark, with its token sale fully compliant with the requirements of US securities laws.



Having launched its 6-month ICO in November 2017, Pulsar Venture Capital, a Russian fund, raised more than \$15 million as of late January 2018. The funds raised through the ICO will be partly invested in 29 tech startups within the fund’s portfolio and partly go to new investment. Pulsar aims to increase its portfolio by adding another 30 startups specializing in IT, IoT, blockchain, cryptocurrencies and advanced materials. All investors (token buyers) will get shares in the portfolio companies. All the projects supported by Pulsar will participate in a dedicated acceleration program, organized by the fund.



In August 2017 Blockstack, a US-based decentralized Internet and developer platform, facilitated the launch of Blockstack Signature Fund, a \$25 million fund backed by several VC groups. The fund will invest in apps built in the Blockstack ecosystem.



## PAVEL KOROLEV OF PULSAR VENTURE CAPITAL: “VCs ALSO WANT ICOs”



For example, the company's obligations to token investors are much less 'binding' than those to shareholders. Even security tokens (as opposed to utility tokens) may not make an investor a full-fledged company shareholder. And this lack of investor protection will remain until tokens are not equated to securities.

For ordinary investors, ICOs have a curious 'side effect:' the unprecedented democratization of tech investment. When conducting an ICO, a VC fund lets virtually anyone become a minority 'shareholder' – and benefit from the future success of the fund's startups.

- *Pavel Korolev has been working in the field of early-stage VC financing in Russia, Western Europe and the United States for more than 10 years. His industry specialization includes IT, electronics and energy efficiency. In 2006-2013, Mr. Korolev was an executive at the Investment and Venture Fund of the Republic of Tatarstan, the largest regional innovation support institution in Russia. He also served as Managing Partner at Volga Venture Partners, the first international fund in Russia, which successfully invested in Silicon Valley in the early 2010s. He held executive positions in several Russian and international technology companies. Mr. Korolev started his career as a radio-electronics engineer and a startup entrepreneur. He graduated the Kazan State Technical University and received business education at the MIT Sloan School of Management.*



A fund with Russian roots, FinShi Capital registered in Singapore and launched its ICO in September 2017. It claims to have raised \$21.4 million at \$1 per token. The fund intends to invest in blockchain projects. FinShi Capital and the Skolkovo tech hub have inked preliminary agreements to conduct ICOs jointly but, so far, no concrete steps have been announced.



**Starta Accelerator**  
NEW YORK

Starta Accelerator, which provides support to Eastern European startups in New York, claims to have collected \$5 million (of which \$1.5 million were provided in the first 15 minutes) through its ICO in July 2017. This accelerator is not a venture fund, but it is associated with the Russian venture fund Starta Capital. The funds collected through the ICO will go to further startup investment.



The British fund SPiCE Capital launched its token sale in late 2017 without disclosing the targeted amount. Similarly to Blockchain Capital, they aim to create a "liquid venture fund" and change the traditional venture capital model – with investors providing capital for projects on several years (average duration of 5-7 years). Given that not everyone can afford to actually freeze projects for that long, SPiCE Capital came up with a hybrid model which includes the best of traditional VC mechanisms and the opportunities offered by blockchain. Each investor's invested amount will be recorded in the blockchain and the corresponding tokens can be exchanged for other crypto assets at any time, allowing the investor to "exit" the fund.



# THE RUSSIAN ICO MARKET EXPLAINED

BY ADRIEN HENNI AND ARSENIY STRIZHENOK, EAST-WEST DIGITAL NEWS



## 1 – How many ICOs did Russian companies launch in 2017?

A research by ICObench and East-West Digital News has identified 130 ICOs or pre-ICOs from Russian companies (or companies with strong Russian roots) started or completed in the course of 2017. This is roughly half of the number of ICOs and pre-ICOs from Central and Eastern Europe (CEE), and almost 10% of the global number. These numbers are indicative, since many companies with Russian roots are more international than Russian; yet they provide an indication of Russia's weigh in the global ICO market.

In terms of funding, Russian companies account for around 50% of the total amounts raised in CEE, and around 11% of the amounts raised globally.

## 2 – Why so many ICOs from Russia?

Venture capital in Russia has been scarce and expensive in the recent years as a result of the economic crisis and the international sanctions. Russian funds have lots of money, but they tend to invest more and more abroad, leaving fewer means available for domestic startups.

In this context, an ICO is a way for many startup founders to raise funds under much more favorable terms. This is not only a question of valuation: a startup's obligations before ICO investors are defined by the startup itself rather than imposed by venture investors and their lawyers. Perhaps even more importantly, Russia has plenty of blockchain and crypto developers. They want to try their chance with an ICO.

Needless to say, many ICO projects fail. According to the Russian Cryptocurrencies and Blockchain Association (RAKIB), of around 1,000 ICO plans announced in Russia in 2017, 25% failed even before ICO launch, 67% did not reach the fundraising target, 5% reached the target but froze the project after the ICO, and just 3% actually realized their plans (<http://goo.gl/GDXtNy>).

## 3 – Are ICOs legal in Russia?

ICOs are not regulated yet, which means they are neither forbidden nor explicitly allowed. In this gray zone, it is easy to launch an ICO, but also to lose money in a scam.

The authorities' position about ICOs and cryptocurrencies has been subject to wide uncertainty and contradictory signals so far, but it should be clarified soon, according to President Putin's decision to develop a legislative framework by July 1, 2018.

Such notions as “distributed ledger technology,” “digital letter of credit,” “digital mortgage,” “cryptocurrency,” “token” and “smart contract” should be defined by law; however, the way in which these notions should be “defined” has not been specified yet, leaving a wide range of options to legalize and regulate them or not.

The current tone in the discussions about this future legal framework is not negative. Undoubtedly, the authorities will regulate these operations with certain restrictions, but they seem to be aware of the fact that ICOs are useful to develop innovation, and therefore should not be discouraged. Rather than forbidding ICOs, the considered measures would target, first of all, ICO investors. These might no longer be able to remain anonymous, while the amounts they will invest might be subject to limitations.

Lawmakers will not necessarily impose hard administrative requirements to ICOs, since such requirements could be easily overpassed by just registering the company under an other jurisdiction).

There is also the idea of creating one or several ‘official’ rating systems to assess the quality of projects. Ratings already exist, but they might not all be trusted; the new rating system would be provided by an impartial organization on a non-commercial basis.



# THE RUSSIAN ICO MARKET EXPLAINED

BY ADRIEN HENNI AND ARSENIY STRIZHENOK, EAST-WEST DIGITAL NEWS



## 4 – Which were the largest ICOs from Russian companies in 2017?

The largest amount in fiat equivalent (\$70 million) was raised by Bankex at the end of the year – a record arguably biased by the exceptionally high value of cryptocurrency at the time of the ICO.

In spring, GameCredits collected the equivalent of \$53 million for its project MobileGo. Their intended smart token will facilitate peer-to-peer matchplay and decentralized tournaments for competitive gamers worldwide. The success of this ICO has sparked controversies.

With the equivalent of \$43.2 million raised in the third quarter, Russian Miner Coin (RMC) also did very well. This project aims to develop mining farms in Russia with high-performance equipment. RMC initially hoped to raise \$100 million, but what they secured is certainly enough to develop something substantial in this field.

SONM raised the equivalent of \$42 million in three days of June to develop a worldwide decentralized fog computer for any general purpose – from site hosting to scientific calculations. Blackmoon Crypto got the equivalent of \$30 million in September. Their solution will allow asset managers to create and manage legally compliant tokenized funds. KICKICO received the equivalent of nearly \$21 million to build a smart contract platform for ICOs and other forms of crowdfunding.

## 5 – Are Russian projects generally healthy, or do scams dominate the market?

Scams may come from anywhere: we have no reason to believe that they are more proportionately numerous in Russia than in other countries. But even more frequent than scam are immature projects, those poorly designed with virtually no chance to survive.

This risk is common to the majority of startups, independently from ICOs; but as far as these are concerned, one should be particularly weary of projects that don't even have a prototype yet, but try to attract investors with a white paper and a nice-looking website.

On the other side, a range of strong projects have emerged from Russia. Why not mention Blackmoon Crypto, which has gathered top level VC and IT professionals in its team and spent considerable amounts to ensure the security of the platform; Latoken, which intends to tap a huge potential with its concept of asset tokenization, and attracts new team members virtually every week; Playkey, which was already an established and well-funded company before its ICO; RMC, led by established industry figures and combining the capacities of several tech companies; Bankex, if judging by their high-level team; and also Goldmint, which has an interesting concept and serious development plans, although they didn't fully reach their funding target.

Among younger, less established but serious and maybe promising projects are AB-Chain, Play2live and VRT.world, among many others. It is also worth mentioning Starta Capital and Pulsar VC, two respected venture funds, which completed or launched their ICOs this year.

## 6 – Does it make sense for international projects to promote their ICOs in Russian-speaking countries?

Russia is usually among the top five countries of origin of crypto investors, as far as Russian ICOs are concerned. We don't know the figures for foreign ICOs, but we did notice in 2017 a growing number of foreign ICO campaigns held in Russian language, among others. In this globalized world, Russian crypto investors are likely to invest in any project which they believe is attractive. So foreign companies should certainly pay attention to Russia as a possible source of funding.



## THE RUSSIAN ICO FRENZY CONTINUES

ADRIEN HENNI, EAST-WEST DIGITAL NEWS, FEB. 23, 2018



The Russian ICO frenzy – which marked last year with more than 130 ICOs and pre-ICOs conducted by companies with Russian roots, some 10% of the global numbers, according to data collected by ICObench and EWDN – is going on, with fundraising successes announced every week in a variety of fields.

Thus BioCoin, which touts itself as “the first eco-cryptocurrency and international Blockchain-based loyalty platform,” announced earlier this week that it raised the equivalent of \$16 million through its ICO, overreaching its initial target of \$15 million.

The token sale, which ended on Feb. 18, was held in partnership with Voskhod, which in September last year became the first authorized cryptocurrency platform in Russia (<http://goo.gl/XiEUxm>).

BioCoin was launched a mere six months ago by LavkaLavka, a network of small and mid-sized farms across Russia that offers “fresh, natural, seasonal food.” Under the slogan “Support the green economy,” the BioCoin project consists in developing an “ecosystem of local communities” and “socially responsible businesses” across the world.

Working together, these actors will contribute to accelerate “the adoption of organic agriculture, sustainable development and responsible consumption at the global scale,” reads Biocoin’s one-pager.

The initiative targets craftsmen, farmers, e-commerce sites, eco-entrepreneurs, associations, shops, restaurants, manufacturers and producers, among others.

Among the other Russian ICO successes announced recently were:

- **Faceter**, a blockchain project that aims to make video surveillance systems affordable to everyone. This startup claims to have raised the equivalent of more than \$10 million in the first 20 seconds of its pre-ICO and reached \$16 million as of Feb. 22.
- **Play2live**, an eSports platform that plans to deploy blockchain-based decentralized P2P networks to increase Internet speed and create “a new eSports economy.” Its founder Alexey Budyrko, a Belarusian serial entrepreneur, told us that his company attracted the equivalent of \$16 million during the 12 days of its pre-ICO, which ended on Feb. 6.
- **Simdaq**, a community trading platform, which claims to have raised the equivalent of \$5 million in just a day in late January, reaching its hard cap target. The project aims to “democratize crypto trading” by providing a set of tools for trading strategies, including training on historical data, a framework to develop trading robots, and a space for sharing experience with others.

VRT World, a startup that aims to gather VR content developers, consumers and related businesses on a global platform, announced a more modest record. Its token pre-sale brought “just” \$721,000 in late December and early January – but the company aims to raise as much as \$16 million in the public phase of its ICO in March.



# THE RUSSIAN ICO FRENZY CONTINUES

ADRIEN HENNI, EAST-WEST DIGITAL NEWS, FEB. 23, 2018



## International traction

These and other companies with Russian roots usually manage to attract investors far beyond Russia. In the case of Play2live, “30% of the money came from China, about 20% from Vietnam, 15% came from South Korea, 8% came from the US,” Budyenko told us, “while just about 10% came from Russia.”

As for VRT World’s investors, they came from no less than 21 countries, the company’s CEO Konstantin Negachev confirmed in an exchange with East-West Digital News.

AB-Chain, whose ad network platform — launched just two months ago — uses cryptocurrencies and smart contracts, had its latest pre-sale investor come from China.

Dbrain, a Russian-Belarusian blockchain startup that offers to “collectively build full-stack AI apps,” secured a \$2.5 million pre-ICO seed round at the beginning of the year. The funding came from funds based in Moscow, New York, Singapore and Sydney, as well as from Russian business angels Eduard Gurinovich (CarPrice, CarMoney and mytime ) and Leo Batalov (DLA Piper), Dbrain CMO Ivan Gorshunov told us.

## Legitimate projects, marketing fluff and unscrupulous scams

In Russia as elsewhere, not all fundraising announcements correspond to any reality. “The market, still largely unregulated, is infected by fraudulent ventures or simply dubious PR strategies. Some announcements just aim to create some buzz and attract naive investors,” notes a Moscow blockchain entrepreneur who wishes to remain unnamed.

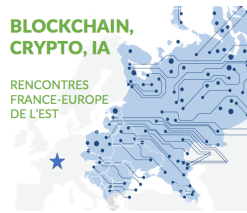
“That kind of things could kill the market,” he fears, while conceding that there’s a number of fully legitimate projects, too, on the scene.

At a completely different scale, Telegram — whose Russian founder Pavel Durov left his country a few years ago — is discreetly conducting a second private token sale, having raised \$850 million from 81 investors (including Silicon Valley funds Benchmark and Sequoia Capital) during the first one.

Telegram is already going down in history as the largest ICO to date, breaking the record set by Tezos last year (\$232 million). This giant ICO is controversial, too, with skeptics seeing in it just marketing fluff, while enthusiasts believe in Durov’s plans to create a new type of blockchain.

*Read the original story in East-West Digital News:*  
<http://goo.gl/wBSuau>





# HOW EASTERN EUROPEAN STARTUPS ATTRACT CRYPTO INVESTORS AND PARTNERS IN FRANCE

EAST-WEST DIGITAL NEWS, APRIL 6, 2018



In late March in Paris, half a dozen of startups with roots in Russia, Slovenia, Ukraine and Estonia met the French blockchain and crypto community through a dedicated conference (<http://goo.gl/MdAWWj>).

Organized by East-West Digital News with the support of local community leaders and media, this event aimed to stimulate knowledge exchanges and to create investment and partnership opportunities.

The idea of bridging Eastern European startups operating in these fields with the French market was not so obvious: “The French crypto community knows little about opportunities from the opposite part of the continent, they rather tend to look at Western or Asian countries,” said EWDN co-founder Adrien Henni.

“This is not to mention the specific case of Russia: people heard there’s a strong tech and blockchain community there, but in the current geopolitical context, Russia is also associated with real or imaginary business risks,” he added.

As for Eastern European players, they usually do not put France on the top list of their international destinations. “France is perceived as a small market – which has been true so far if judging by the small number of ICOs, or the lack of concrete blockchain projects from the corporate world,” Henni notes.

## Russian-style golden token for French crypto-investors

Yet, the East-West connections proved successful. The conference attracted such figures of the French tech and blockchain communities as Jean-Michel Billaut, Vidal Chriqui, Hervé Hababou, as well as influencers from YouTube, Forbes and other media outlets.

A crypto investor meetup in the preceding evening gathered more than 100 participants, who did not show any prejudice against companies from Russia or other Eastern European countries.

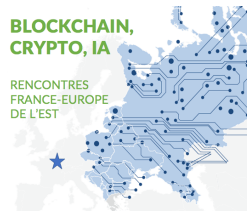
As a result, the Eastern European startups did not waste their time in Paris. For Goldmint, a startup with Russian roots which has just launched a gold-backed crypto asset, the roadshow even “exceeded expectations.”

“Following our pitch at the meetup, the demand for our utility MNTF token surged on the Yobit.net exchange. We also engaged a dialogue with major French players interested in exploring new opportunities in the crypto world,” said Olga Syatotchenko, Director of Operations at Goldmint.

Another company, Slovenian MoneyRebel, presented its project of a crypto asset investment and management platform with expert support intended for a wide audience.

“Our business meetings in Paris with several key industry players confirmed that the MoneyRebel concept corresponds to growing market needs. As a result of this roadshow, we’re developing a promising network of partners in France, and hope to attract as well French investors to our ICO next month,” said the startup’s co-founder Nataša Kozlevčar.

The French market, however, should not be regarded as a gold mine for all, warned Henni. “Some of our guests targeted investment funds, and this didn’t really work. French venture funds are busy enough with a plethora of local startups. It’s difficult to draw their attention on Eastern European startups, or practically impossible when it comes from projects from Russia. As for cryptofunds, they are still extremely few in France.”



# HOW EASTERN EUROPEAN STARTUPS ATTRACT CRYPTO INVESTORS AND PARTNERS IN FRANCE

EAST-WEST DIGITAL NEWS, APRIL 6, 2018



The other startups participating in the conference included:

- **AB-Chain**, whose cryptocurrency-based and AI-enhanced ad network drew attention from leading French media groups;
- **Arcona**, whose 'Digital Land' project seemed one of the most appreciated at the conference;
- **CryptoRobotics**, a startup developing AI tools for cryptotrading, which agreed cooperations with local players;
- **Eligma**, whose General Counsel Luka Planinc pitched his blockchain-based e-commerce project in Silicon Valley-style and unveiled an astonishing real-world 'Bitcoin city' opening this month in Ljubljana;
- **Let It Play**, which seduced several French online media companies with its text-to-speech solution;
- **VRT World**, which impressed the audience with futuristic videos from its blockchain project intended for virtual reality content makers and consumers.



Eastern European companies pitched in an overcrowded Paris meetup. On the picture: Eligma's General Counsel Luka Planinc. (Photo credit: EWDN)

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## AB-CHAIN FOUNDER VLADIMIR DYAKOV: “BLOCKCHAIN TECHNOLOGIES WILL REVOLUTIONIZE TRANSACTIONS ACROSS INDUSTRIES – INCLUDING ADVERTISING”



Vladimir Dyakov is the founder of AB-Chain ([www.ab-chain.com](http://www.ab-chain.com)), a startup which aims to introduce cryptocurrency and blockchain technologies in the field of advertising networks.

### Why would advertising need blockchain and cryptocurrencies?

Few people doubt today that blockchain technologies will bring sweeping changes to entire segments of the economy. In a way, blockchain is now like the Internet in the mid-1990s: even though the latter's actual impact was almost unnoticeable at that time, it was already clear that big changes were ahead. After a few years, the Internet did revolutionize the way information circulates and is created.

I believe blockchain will have no less impact on the way transactions are made, since this is its core function. Advertising should be no exception, since a large part of this industry relies on transactions.

### What kinds of changes or “revolutions” are you expecting?

Blockchain and smart contracts could make a number of intermediaries irrelevant by connecting advertisers and publishers directly. They could make online advertising more transparent, efficient and secure. A number of startups are already working in this field, like Adex, Adledger, Amino or Faktor, to name just a few.

Blockchain may also impact the way advertisers and publishers interact with users. We see the emergence of platforms aiming to reward users' exposure, attention or actions with tokens.

To develop such a platform and an associated browser, a US startup named Basic Attention Token raised the equivalent of \$35 million in an ICO in mid-2017. The project is headed by Brendan Eich, a co-founder of Mozilla and the inventor of the JavaScript language. Another project with Russian roots, mytime, aims to follow a similar path.

One may also expect advertising to be impacted by the growing use of cryptocurrencies in the economy. A fraction of these flows will translate, at a certain point, into marketing budgets in bitcoins or other cryptocurrencies. We've already got a spectacular example with the big amounts raised by startups through ICOs in 2017: if judging by their business plans, these companies will spend on marketing up to 40% of the cryptocurrencies they have raised. This is the segment which my company, AB-Chain, is addressing.

We're talking about a market of several dozens of billions USD in just 3 or 4 years, according to our cautious estimates (*see p. 98*).

### Are you sure there will be a significant cryptocurrency ad market, putting aside the specific case of ICOs?

This might seem a little bit exotic to those who aren't familiar yet with cryptocurrencies. But these are in the process of becoming a rather common payment mean to remunerate freelancers and small businesses. Cryptocurrencies offer a much easier, quicker and less costly way to make settlements than the traditional payment means, or even PayPal. (I'm talking about legitimate businesses and transactions, putting aside the dark or grey segments). These advantages are just compelling when talking about cross-border settlements, and are bound to gain more and more importance due to globalization. The middle and bigger business will follow, also because this compelling ease of use.

The fact that even states are now considering introducing various forms of “national cryptocurrencies” is worthy of note. This is an illustration of the extraordinary benefits and appeal of these new currencies. The transformation of a part of these cryptocurrency flows into ad spending in cryptocurrency is inevitable. Why would businesses convert their crypto money to dollars if they can pay for advertising in crypto?



## AB-CHAIN FOUNDER VLADIMIR DYAKOV: “BLOCKCHAIN TECHNOLOGIES WILL REVOLUTIONIZE TRANSACTIONS ACROSS INDUSTRIES – INCLUDING ADVERTISING”



This is even more true for large amounts: today you can easily convert a few bitcoins to fiat money, and vice versa, but the exchange market is not liquid enough to give you instantly \$1 million in exchange for your bitcoins.

So, the question is not whether or not a part of the ad market will switch to cryptocurrencies, but when this process will reach significant levels – and how advertisers, agencies, ad networks and publishers should to get prepared to work with these new currencies.

### **Well, are they getting prepared?**

Obviously, most industry players are still unfamiliar with blockchain and its possible applications in the field of advertising. Some are even skeptical about this potential – which is justified in certain cases, since some industry segments may indeed be less affected than others by the looming changes.

However, the discussion about blockchain, smart contracts and cryptocurrencies isn't involving just a few 'crazy' startup entrepreneurs and visionary thinkers. For example, in June 2017, Comcast's Advanced Advertising Group announced its "Blockchain Insights Platform."

This initiative aims to develop a new technological solution in the field of premium video advertising, it is being developed in partnership with such players as NBC Universal, Disney, Channel 4, Italia's Mediaset and France's TF1.

Look also at the IAB: they've recently launched a working group dedicated to blockchain. In the list of participants, you can see Amazon, CBS Interactive, comScore, Google, Oracle, Publicis, Twitter, UberMedia, and many others...

These 'serious' people perfectly understand that the advertising industry is receptive to innovation; they remember that, in the past century and the past decade, this industry was revolutionized several times by new technologies, and intend to get ready for it.

### **Tell us a bit more about your project, AB-Chain.**

AB-CHAIN targets the new, fast-growing global market of advertising paid in cryptocurrency. The basic idea of AB-Chain may be summarized as follows: payment in cryptocurrency (as a competitive advantage against traditional players); and a utility (not security) token mechanism that allows our participants in the platform to increase the value of their investment with mathematical certainty.

To achieve this, I have gathered a team that combines deep experience in the online advertising industry with critical knowledge of the emerging cryptocurrency and blockchain technologies.

After raising some \$370,000 in a token pre-sale in October 2017, we will raise funds both from crypto and classic investors in the first quarter of 2018. We'll also develop partnerships with players from the advertising industry worldwide, including ad networks, advertisers, DSPs, SSPs, agencies, and others.

### **Are you a Russian or an international company?**

Our two core team members (CEO and CTO) are from Russia, but our development is international, with partners and advisors from a variety of countries including China and Hong Kong, the USA, France, Brazil, Mexico, Malaysia and others.

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# RUSSIA'S BLOCKCHAIN REVOLUTION

BY BEN ARIS, CHIEF EDITOR AT BNE INTELLINEWS



*This is an adapted version of a story which first appeared in bne Intellinews in October 2017 (<http://goo.gl/JaSV4G>).*

Russia has gone a bit blockchain bonkers. President Vladimir Putin has been looking for something for Russia to be good at for a while, but hasn't had much luck so far. Now it's Blockchain's turn and here Putin actually has a very good chance of making a difference.

Back in 2006, Putin gave a speech in which he said: "Russia's greatest asset is not oil and gas, but its people. Russia's human capital is its most valuable resource." And given Russia is the country that put the first man into space while working under a totalitarian regime that was run on central planning lines, he probably has a point.

Putin followed through by launching a complete reform of higher education that has been one of his unsung successes and seen the previously corruption-riddled universities start to climb back up the international rankings. He also authored a public health reform to promote natal and maternity care that resulted in ballooning birth rates well ahead of even the most optimistic international forecasts that led to the first population growth since 1991. (The population is now shrinking again because the demographic crisis of the 90s has caught up with Russia's demographics recently.)

But on the innovation front he had a lot less success. While Russia has long been, and still is, a world leader in military technology, with the S-400 anti-missile system that the Kremlin just sold to Turkey and the new fifth generation SU37 fighter being prime examples, it has failed miserably with innovation for civil purposes.

The Kremlin's first big idea was to promote nanotechnology, and the state poured billions of dollars into one state agency after another to promote research into the sector.

Nothing came of it. The Russia Venture Capital Fund was founded to bootstrap into existence the private equity and venture capital funding that drives so many innovations, but that failed to find any significant projects to back.

But the latest craze – for blockchain – could be different from these earlier attempts. The technology is only a few years old and by lucky happenstance Russia (well, a Russian) is already a leading innovator. Blockchain is so new no one has a lead yet and the whole of Eastern Europe has embraced the virtual tech so completely it is already holding its own against the developed world.

## "Ill" with interest

This year's St Petersburg International Economic Forum (SPIEF) is where the Kremlin's commitment to blockchain became obvious. Those in the industry say they suddenly started getting calls from the Kremlin ahead of the event, pestering them to attend Russia's premier business showcase.

Government officers who were unconvinced by blockchain before SPIEF (or simply had never heard of it) were not afterwards. The blockchain panel session made it clear that developing the technology is now top of the Kremlin's priority list.

"Blockchain is now the number one task," First Deputy Prime Minister Igor Shuvalov, probably the third most powerful man in Russia, said at the session. "The president is completely ill with this idea and understands that ... significant growth rates are based on the digital economy and technological leadership."

Shuvalov told journalists the president had kept advisors up until well after midnight one evening discussing the issue. Now Shuvalov has been put in charge of the working group to make it happen.



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Shuvalov is reportedly focusing on big data and lobbying for the introduction of the technology in public procurement and the provision of public services – a theme common to all the governments in Eastern Europe. The central idea is to remove officials from the process and hence the source of corruption and inefficiency.

But it is still very early days and Blockchain's currency, bitcoins, are barely in circulation, even though Russia's state-owned retail banking giant Sberbank reportedly has a coffee machine in its lobby that accepts payment in cryptocurrencies.

Last year Russia's first bitcoin exchange point opened on central Moscow's Novy Arbat Street, but shut again within four months due to lack of demand. And most recently the entrepreneur Anton Fridel set up a cryptocurrency ATM that sells bitcoins in a Siberian café. It took him three months to develop the idea and 2 million rubles (approximately \$35,000) of capital to launch the business, but the venture has been fraught with problems.

"We expected to succeed quickly thanks to our advertising efforts. However, due to the unstable legal environment, most media resources have refused to promote us," said Fridel. One of the biggest problems is no one is certain of the tax status of a cryptocurrency-based business. "We'll provide the tax services with all the required documentation. However, we're not sure it will be accepted," the entrepreneur added.

## Ethereum's got the smarts

Part of the reason for Putin's enthusiasm is that Russia is already a pioneer in blockchain technology – something that was not true for its push into nano-technology.



Bitcoin is the best known of the cryptocurrencies, but the Russian-made Ethereum is its main rival and growing fast. While Ethereum works on the same principles, the main difference between the two coins is that you can attach a "smart contract" to Ethereum, which is legally binding, whereas you can't to bitcoin.

Jacob Drzazga is one of the co-founders of Brickblock, that is about to offer an ICO and has already raised \$20 million to develop a blockchain platform that allows everyone from around the world to invest into German real estate based on Ethereum, not bitcoin, tokens.

"The problem with real estate investment is it is usually very national. I, as a German, cannot invest into US real estate and they cannot invest into German real estate, unless you go through the hassle of setting up legal entities and bank accounts," Drzazga told bne IntelliNews.



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The smart contracts on Ethereum get round this problem as it is in effect a proxy investment that can be made internationally, similar to a global depository receipt used to buy stocks in an emerging market that are traded on other exchanges in developed markets.

“If you invest then once you have registered you are issued with a token that you can trade. The token is a share of a building in Berlin that pays rent. The smart contract not only registers your ownership of the token and all sales and transfers of that token in the future, but it also takes your share of the rent and sends it to your account each month,” says Drzazga.

Brickblock is about to offer its first real estate asset for investment and in the pre-offer raised a lot of money from Russia. “I was surprised as we had very heavy traffic from Russia during the pre-offer although we did almost no marketing there,” Drzazga says. Despite the lack of effort, his concept was well covered in the Russian press which is hot for any cyryptotech related story.

In effect Brickblock is offering a new distribution channel to real estate funds and opening up their list of potential investors to the whole world. On the obverse side of the coin, Russian investors – including the middle class – are very keen to park their savings in something safe outside of Russia, and according to recent polls real estate is currently the asset of choice.

Since the Cypriot banking crisis, the previous favourite offshore haven for middle class Russian savings, money has flooded into the German property market with prices rising over 30% in the last three years.

“The last appeal of the blockchain technology for a real estate investor is the transaction is riskless,” says Drzazga. “As the transaction is instantaneous and the record immutable there is no counterparty “delivery vs payment” (DvP) risk in this investment. The smart contract records both sides of the deal at the same time.”

The second part of the appeal of Brickblock is that there is no lower limit on investment. Drzazga used to work in real estate, raising investment for projects and offering properties to investors.

The typical German real-estate fund has a minimum investment requirement of €5,000, as they need to cover the admin costs of bringing in new people, but as the smart contracts attached to Ethereum take care of all that work the minimum investment is no longer necessary.

While some in the Russian government and elsewhere have likened bitcoins to a Ponzi scheme, the advantage of Brickblock tokens is they are backed by bricks and mortar, which has an intrinsic value.

Governments have become interested in blockchain as a way of keeping public records and cutting down on corruption, however, the extinction of the DvP risks in these real estate transactions is extremely appealing for any sort of trading. Typically exchanges offer settlements that are guaranteed in three days (known as T plus 3), or less, but potentially a smart contract enhanced Ethereum token could eradicate the need for much of a broker's back office and massively reduce both risks and costs.

This point has not been lost on the Russians who will, if they launch cryptocurrency-based trading, insist that it goes through an exchange so the development of these contracts will remain under the control, or at least supervision, of the financial regulators.





# RUSSIA'S BLOCKCHAIN REVOLUTION

BY BEN ARIS, CHIEF EDITOR AT BNE INTELLINEWS



## Central bank collywobbles

And that is going to take a while. The Kremlin may be “ill” with the idea of blockchain and its applications, but all the central bankers in Eastern Europe have the collywobbles from the unregulated cryptocurrencies that come with it. Russia’s financial authorities are very nervous about backing a fiat currency that they have no control over and is underpinned by nothing.

“I would like to clarify – we do not prohibit cryptotechnologies, we study them. Still, there is a big difference between the cryptocurrency and cryptotechnologies,” Central Bank of Russia (CBR) governor Elvira Nabiullina said at SPIEF.

But the orders have come down from above and the pieces are being put into place. The CBR’s deputy governor Olga Skorobogatova has been put in charge of overseeing cryptocurrencies and announced at SPIEF the central bank was considering launching its own cryptocurrency.

At the end of August, Russia’s finance ministry was working on a bill on cryptocurrencies that is aimed at protecting buyers and sellers of cryptocurrencies legally, Deputy Finance Minister Alexei Moiseyev said on August 28. The bill should be submitted to the Duma soon.

“What we see, for example, with bitcoin, this information wave around this whole story, the enthusiasm of citizens who are not qualified investors, is dangerous, because if we look at the dynamics of bitcoin, it is very similar to the dynamics of the value of MMM shares,” Minister of Economy Maxim Oreshkin said on September 27 referring to the Yeltsin-era Ponzi scheme that duped millions of Russians.

- *Ben Aris is Chief Editor at bne Intellinews, an online resource providing business news and data on emerging markets. Amongst the longest serving foreign correspondents in Eastern Europe, Mr. Aris has been covering Russia since 1993, with stints in the Baltics and Central Asia. He co-founded bne and is a former Moscow bureau chief for the Daily Telegraph and was a contributing editor at The Banker and Euromoney for a decade.*

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# UKRAINE'S MURKY REAL ESTATE MARKET MAY SOON FACE BLOCKCHAIN REVOLUTION

BY DENYS KRASNIKOV, REPORTER AT KYIV POST



The purchase of a \$60,000 apartment in Kyiv by U.S. citizen Michael Arrington doesn't at first sound like a real estate deal that would merit global attention.

But when you add in the facts that Arrington is the founder of the popular U.S. tech news website TechCrunch, and that he purchased the property with a cryptocurrency, using blockchain technology, from across the Atlantic, via the internet, the significance of the deal becomes apparent.

The media entrepreneur struck the historic deal without the use of banks or real estate brokers: it was arranged through a smartphone application called Propy that runs on blockchain – a public ledger of all transactions done through cryptocurrencies, a technique used to secure the integrity of recorded data.

Blockchain is a relatively new technology, initially designed to verify the ownership of assets and exchange digital information without the need for intermediaries. The same technology is now being tested as a potentially reliable method to record transactions of physical assets like land and real estate.

The technology makes details of the transaction available to the public, with an online ledger being updated on thousands of computers at the same time, while the buyer and seller remain anonymous. Anyone who wanted to tamper with past transaction information would have to alter all of the thousands of copies of the blockchain data – a virtual impossibility.

Still being tested by the real estate market, blockchain deals in this field are slowly gaining popularity due to their transparency and security. The United States, for example, has already had its first home sales via blockchain in Miami, California, and Texas. In the United Arab Emirates, a real estate developer has started to accept cryptocurrency as payment as well.

Arrington's purchase of a Ukrainian apartment, however, was the first transatlantic electronic agreement involving real estate. Arrington paid 212.5 units of a cryptocurrency called Ethereum (RTH), the equivalent of about \$60,000 when the agreement took place, and used smart contracts to sign all necessary documents online.

The arrangement still involved intermediaries – the Ukrainian law firm Juscutum and U.S. firm Velton Zegelman – to make sure the deal complied with U.S. and Ukrainian law.

Juscutum managing partner Artem Afian told the Kyiv Post that after his company completed the agreement, lots of people in Ukraine had started asking him about the legal possibility of buying property using cryptocurrency.

"It means people who sell and who buy property are looking for new ways to do it," Afian said.



# UKRAINE'S MURKY REAL ESTATE MARKET MAY SOON FACE BLOCKCHAIN REVOLUTION

BY DENYS KRASNIKOV, REPORTER AT KYIV POST



## Blockchain skeptics

But Eduard Brazos, head of the committee of information systems and analytics at Ukraine's Association of Real Estate Experts, is skeptical. The real estate agent agrees that blockchain could bring some changes to the industry, but doubts that Ukraine will embrace them.

"Ukraine's real estate industry is super-regulated," Brazos told the Kyiv Post. "Our (Justice Ministry) still requires physical documents signed by buyers or their representatives in the presence of an attorney."

Brazos does not believe that Arrington's purchase is actually secure, since he views it as a simple barter exchange, meaning that after the buyer and seller agreed they would exchange digital money and the apartment, they both signed gift certificates to secure the transaction, without anything else.

And he sees no point in using blockchain while Ukraine's laws still require lawyers to be involved in real estate transactions, and do not recognize cryptocurrency transactions.

"I don't see why anybody needs to use it anyway, except just to show off," Brazos said.

## Unreliable documents

Nevertheless, for countries like Ukraine, which rely on paper records to register land and other real estate rights, blockchain does make sense as a way to avoid corruption.



Traditional real estate systems ensure the integrity of information by placing it in the hands of state entities they trust. In the United States, courthouses and city halls are charged with the safekeeping of land deeds. The United Kingdom entrusts this responsibility to the government-controlled Land Registry. In Ukraine, it is the responsibility of the Ministry of Justice.

The trust people put in cryptocurrencies has pushed up the value of most popular virtual money a lot over the last year. The popular virtual currency Bitcoin, for example, was valued at \$7,269 as of Nov. 3, while it was at only about \$750 at the beginning of 2017.



# UKRAINE'S MURKY REAL ESTATE MARKET MAY SOON FACE BLOCKCHAIN REVOLUTION

BY DENYS KRASNIKOV, REPORTER AT KYIV POST



However, any government representative or lawyer who can access the register on behalf of their client, if corrupt, can alter the content of paper records such as deeds and claims. Considering that Ukraine is 131st out of 176 states in the world's ranking of the least corrupt countries, according to Transparency International, the country's registries may not be secure.

Apart from corruption, the process of conveying and confirming property ownership on paper is considered to be costly, opaque, bureaucratic, and highly vulnerable to fraud.

Acting Minister of Agrarian Policy and Food Maksym Martyniuk agrees. "For the average person, (blockchain) means a better level of control over their property, because if you only have a piece of paper to verify your right to a piece of land, that can be a little worrying," Martyniuk told the Kyiv Post on Oct. 21.

"It's more reassuring when all your property is recorded in an electronic database."

## Blockchain on the rise?

Work to put such registries in Ukraine in a blockchain format is already going on.

In cooperation with blockchain company BitFury, Ukraine transitioned the registration of land ownership records into the company's blockchain system in October. State authorities are sure that the property registry information is now secure and transparent.

The system also allows the use of smart contracts — automated online documents that work algorithmically, allowing the transfer of money or property only if all the conditions of a contract are fulfilled. This can automate some bureaucratic functions and help reduce the number of staff needed to carry out the process.

But even though real estate agent Brazos believes that blockchain will indeed make the register more secure, future success still depends on how the Ukrainian authorities implement the technology.

"If you give savages the best tools, you might not achieve anything," Brazos said. "Give the most accurate tool to officials and they could spoil everything."

Private lawyer Ruslan Chernolutsky agreed with Brazos. He thinks that while blockchain does secure information once it's in a registry, it still doesn't ensure that all the information is correctly entered initially. Some people deliberately enter false data into registries for purposes of deception, Chernolutsky said.

"Obviously, blockchain is powerless here. It's just a tool," he said.

*Read the original story in The Kyiv Post: <http://goo.gl/TYRvKv>*

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Section 3:

# Case studies & select articles



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# RUSSIAN STARTUP AIMS TO BUILD “UNIVERSAL AR INFRASTRUCTURE” AND DEPLOY ITS “DIGITAL LAND” ACROSS THE WORLD”

EAST-WEST DIGITAL NEWS, MARCH 19, 2018



A Russian startup named Arcona is developing a “universal augmented-reality infrastructure,” aiming nothing short of building “a blockchain ecosystem” and “an AR layer to merge together real and virtual worlds.”

Arcona says its project makes use of the latest scientific achievements in the fields of computer vision, prototyping and neurobiology.

It is also building upon the technologies developed by its parent company, Pilgrim XXI, an established Russian startup in the field of augmented reality. Since 2014, Pilgrim XXI’s projects have included AR-reconstructions of the Bastille in France, Pompeii in Italy, a Teutonic Knights’ castle in Latvia and several other projects in Estonia, Russia and Bulgaria.

Arcona’s new project is far more ambitious, with the AR layer deployed across several popular cities around the world. These destinations include Barcelona, Beijing, Istanbul, London, Mexico City, New York, Paris, Rome, St. Petersburg and Tokyo.



Arcona plans to cover them by the end of this year, recreating them in what it calls a ‘Digital Land.’

In this ‘Digital Land,’ users will be able to rent, buy or sell plots of land, and “open the most popular cities to [their] business.” Thus, users will be able to generate real advertising revenues by placing an ad on a virtual building, while AR content creators and amateurs will create and sell 3D objects. All transactions will be made on blockchain to increase transparency, secure ownership rights and trace their transfers.

To make this project come true, Arcona has launched an ICO. Having already raised 3,080 ethers (around \$1.6 million at the current value) in a recent pre-sale, the startup now aims to collect up to \$25 million in a further token sale starting from mid-April.

The company also plans to make available its AR technology to developers in open source. “The algorithms may be useful for scientific purposes as well as by developers in related fields, such as computer vision, robotics etc.,” Arcona’s press service told us.

Thus, the development of AR projects will be “much easier” than before, claims Dr. Alexander Emelyanov, R&D Lead at Arcona. “Until recently, new AR projects relied on standard solutions offered by libraries for AR apps, such as OpenCV, and inherited their drawbacks, because there were no new solutions on the market. Our algorithms, based on neural networks and AI, allow for a much faster analysis of a huge amount of data and images to create the most accurate virtual impression of any physical environment in real time.”

Right now developers communities can contribute and offer improvements to the solution, which is scheduled for release in the summer of 2018.

Read the full story in East-West Digital News: <http://goo.gl/WJBXsE>





## BLOCKCHAIN STARTUP BESTMETA AIMS TO FREE ESPORTS FROM THE CONTROL OF MAJOR STREAMING PLATFORMS



*This is a sponsored article, which means it was written by the EWDN team in an independent spirit but financially supported by the company.*

Still little known outside the gaming industry, eSports – these video gaming competitions usually involving professional players – is among the fastest-growing types of digital entertainment. In 2017, this activity generated some \$1.5 billion in revenues, and might grow up to \$2.3 billion by 2020, according to Superdata.

This nascent industry is on the radars of big players – as witnessed in January by spectacular moves involving Russia’s Mail.Ru Group and MTS (<http://goo.gl/nfw3S9>). In March 2018, Mangrove, a leading Western European venture fund, took part in the ICO of DreamTeam, a Ukraine-based eSports project. A few weeks earlier, Russian project Play2live claimed to have raised the equivalent of \$30 million in its ICO (<http://goo.gl/yu1Xn5>).

Millennials under 35 with full-time jobs and relatively high income are at the core of the eSports audience – which currently reaches some 200 million people across the world and might exceed the 300 million mark in a mere three years.

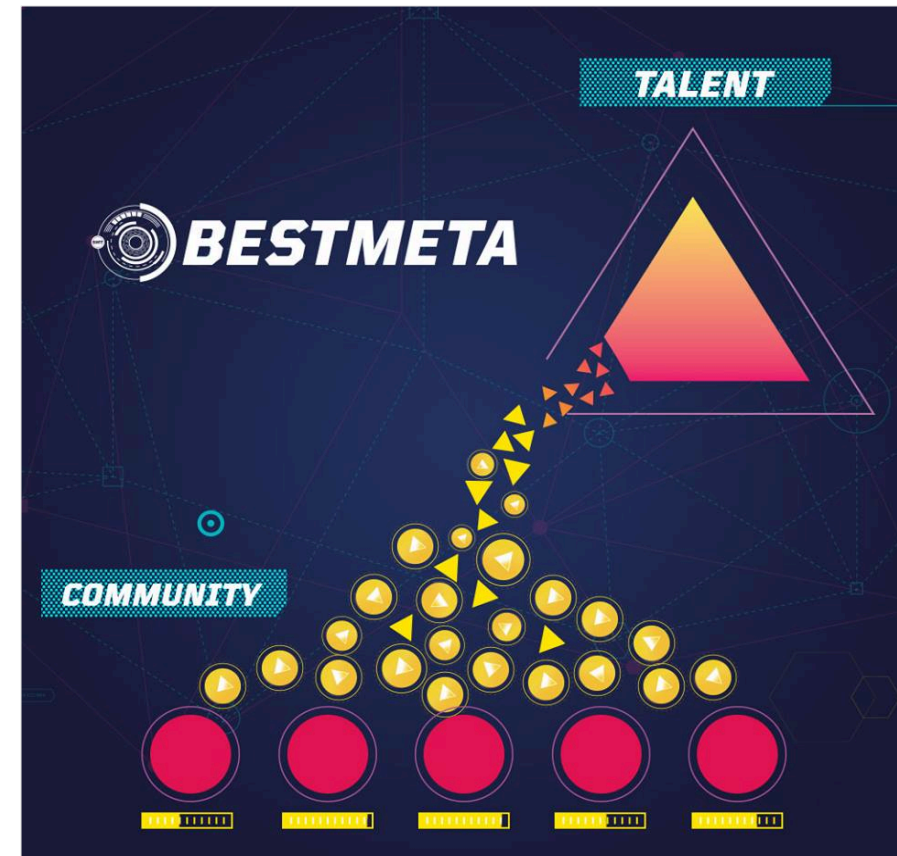
eSports talents and fans, however, do not have the opportunity to interact directly since major streaming platforms – such as Twitch, a subsidiary of Amazon – currently tend to control content distribution and the related revenues in an opaque way.

BestMeta (<http://bestmeta.gg>) a startup founded last year by eSports professionals from the UK, the US, Asia and Russia, aims to unlock the potential of this new industry using the blockchain technology.

“Thanks to the blockchain, we can develop a reliable and transparent set of tools allowing users to directly engage with projects and talents and fund them – in contrast with the current system where direct donations aren’t possible,” explains BestMeta CEO Michele Pes.

Thus the BestMeta platform will also allow talents to grow more creatively and independently, while fans will receive full accountability and transparency regarding their contributions,” Pes adds.

Pes is a long-time player in the gaming industry with such projects as CARS, Red Bull Airrace and World of Speed on his resume.





## BLOCKCHAIN STARTUP BESTMETA AIMS TO FREE ESPORTS FROM THE CONTROL OF MAJOR STREAMING PLATFORMS



Two major e-sports talents were also brought onboard, Dota 2 caster Toby "TobiWan" Dawson, who became BestMeta's esports director, and Vincent "Deathsie" Chu, the star of Ginx Esports TV's The Bridge.

BestMeta aims to gather eSports talents – including content creators, streamers and popular players – their fans, subscribers and followers as well as sponsors in a massive community.

For all transactions within the community, BestMeta Tokens (BMT) will be used. A public presale of BMT is underway this month, and will be followed by a token sale until June 15.

### A tokenized ecosystem for eSports

Once the platform is up and running, BMT holders will be able to use them to support talent and content creators, including direct funding for projects pitched by creators. The completion of funded projects will be guaranteed by smart contracts, and all costs for those projects will be made public.

"BestMeta breaks down the barrier between talents and their supporters, with the tokens working almost like credit for talents to create content," says Pes. "As a talent gets more exposed, famous and popular over time, the return on investment for his or her fans may be considerable," he adds.

Under plans, the platform will also include crowdfunding and tokens exchange, creation of individual closed ecosystems for talents and their engaged audiences, access to exclusive content and events, purchase talents' branded merchandise, participation in community events and exclusive talents' projects and peer-to-peer interaction between members.

BestMeta will also develop AI tools to analyze and predict the achievements of players or teams, as well as the outcome of tournaments, both physical and virtual.

### Overcoming challenges of the new economy

Still, challenges lie ahead, Pes admits.

"Tokenization via ICO might be affected by regulations at any point in the future," he says. "To mitigate risks, BMT is being developed under strict supervision of expert lawyers, following forecasted regulations and existing security protocols."

Another major task for BestMeta will be to integrate with other platforms, including social network accounts and streaming platforms through applications and APIs.

BestMeta's success will also depend on the pace of development of the eSports industry. "We are still situated outside the mainstream entertainment industry," Pes concedes.

"But with the increasing digitization of the world, faster broadband, constantly improving technological infrastructure and a steady shift of younger users from mainstream media to alternative online sources, eSports will one day become a truly mass market;" Michele believes.



## STARTA VENTURES LAUNCHES HYBRID FUND TO INVEST VIA SMART CONTRACT SECURITY TOKENS

EAST-WEST DIGITAL NEWS, APRIL 9, 2018



Starta Ventures, a tech investment group with Russian roots operating internationally, has launched a venture fund with original characteristics. Investors may not only join the new fund, dubbed Starta Capital Fund II, as LPs, they may also take directly their own equity stake in any company in which the fund will invest.

This mechanism is based on smart contract security tokens which are “aligned with equity stakes in the companies,” the fund stated. Alexey Girin, co-founder and general partner of Starta Ventures, hopes to “attract through this syndicated investment mechanism, three to five times as much co-investment capital than the value of the fund itself.”

When joining a deal, co-investors will be requested to pay a setup fee and an up to 15% fee on exits or sales. Meanwhile, Starta Capital Fund II will not charge management fees to its LPs – another original characteristic of this fund.

The fund will invest up to \$200,000 at the seed stage and up to \$1 million in rounds A, not co-investors.

“We’ll focus on high-tech startups with global potential from Eastern Europe – which includes Russia, Belarus, Ukraine, Poland, Estonia, Lithuania, Latvia and others,” said fund representative Elena Shushunova in an exchange with East-West Digital News.

Blockchain startups at the pre-ICO stage are among the targets: “Thus, we hope to receive additional exit opportunities as the tokens issued by the startups will be listed token exchanges.”

Starta Capital Fund II is also interested in HR-tech, medtech, fintech, adtech and media, with a preference for those based on AI technologies and blockchain.

The fund is in the process of raising funds with a \$20 million target. Under plans, the first deals will be completed in May.

The Starta Ventures group includes Starta Capital Fund I (launched in 2013), the Starta Accelerator in New York (launched in 2015, completed an ICO in 2017), a blockchain startup accelerator named Token Rockets, and a co-working space named Sputnik Space, also located in New York.

*Read the original story in East-West Digital News:*  
<http://goo.gl/Lqm52B>



# CROATIA'S FIRST ICO DEMOCRATIZES CRYPTOCURRENCY INVESTING

150SEC.COM, SEPTEMBER 19, 2017



By Zac Laval

Croatian fintech company Digital Assets Power Play (DA Power Play) kicks off the country's first-ever Initial Coin Offering (ICO) for its DPP token with a two-day pre-sale lasting until 5:00PM CEST on September 21.

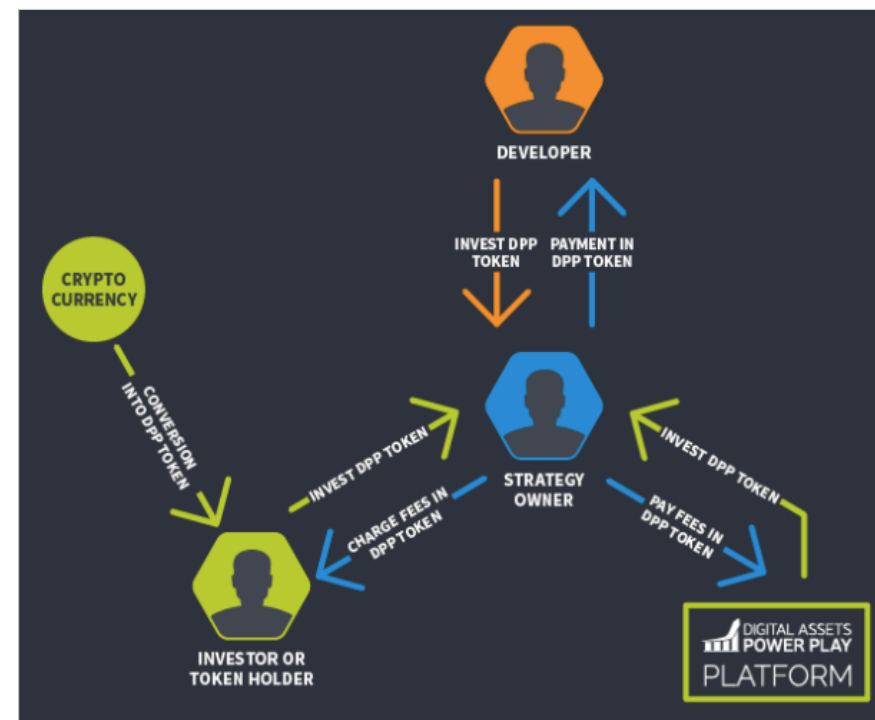
The pre-sale will be immediately followed by a public offering from September 21 to 25 that will allow cryptocurrency traders, funds, and investors the opportunity to use the company's platform to build, share, and execute automatic algorithmic trading strategies.

As reported to Crypto Hustle by founder Matej Ujevic, automated trading in the cryptocurrency market currently accounts for only 30 percent of all trades, whereas it accounts for over 70 percent in traditional stock markets. Within the next three years, the company expects to have captured three to four percent of all cryptocurrency transactions using its platform.

DA Power Play's goal is to do this by removing some of the obstacles associated with crypto-trading, thereby placing additional decision-making and execution power in the hands of novice and professional investors alike.

One of the most notable features of the platform is the "drag and drop" interface, which allows users of all skill levels to easily design an investment strategy that best suits their wants and needs, as shown in the video below.

"The DA Power Play platform simplifies crypto trading for everyday people and professionals alike by replacing the need for strict discipline with automated, artificial intelligence algorithms," said Ujevic.



"By combining blockchain technology with scalable system architecture, trading can be easily accessible to anyone, regardless of their programming skill," he added.

For many individuals and institutional investors, the decision to begin trading in the cryptocurrency market has been a challenge. Opening accounts with the exchanges, executing trades quickly, planning a strategy, and building tradeable financial instruments are just some of the difficulties these parties have faced.



# CROATIA'S FIRST ICO DEMOCRATIZES CRYPTOCURRENCY INVESTING

150SEC.COM, SEPTEMBER 19, 2017



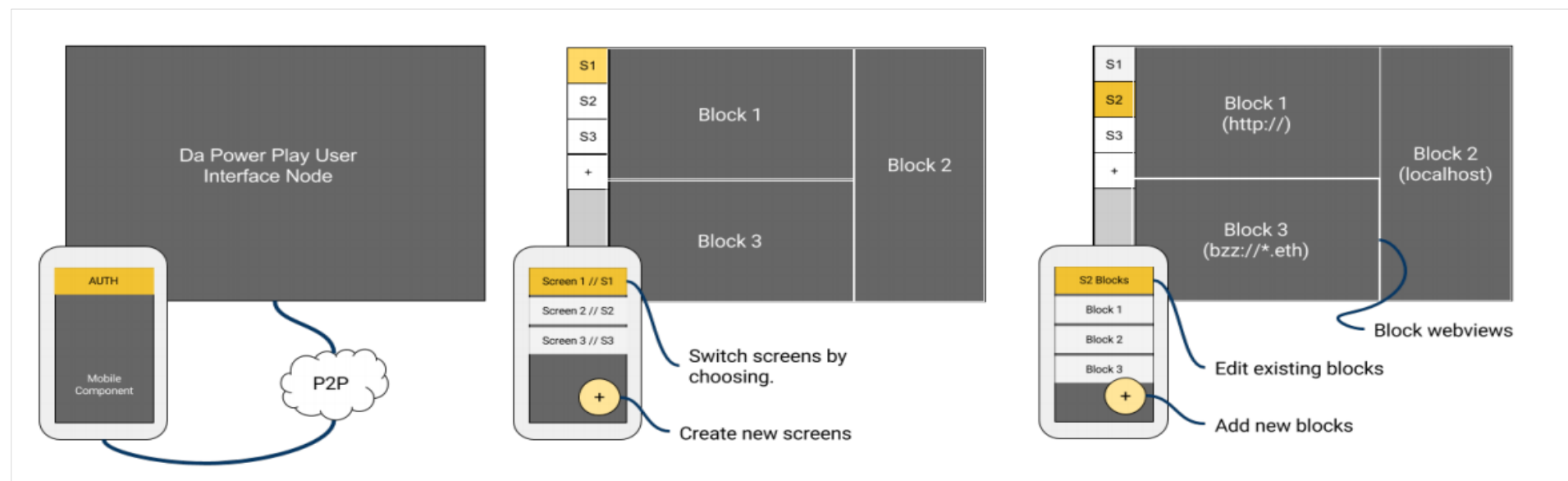
DA Power Play, along with Krypto Investment Partners (KIP), developed KIP's Eye System, which brings investors, developers, and strategists together to automate trading and boost returns by providing access to historical and live market data.

On the company's platform, developers can create automated investment strategies and earn DPP tokens by offering their strategies to other investors and fintech companies. Similarly, fintech companies can also create investment strategies and make them available to other users, earning DPP tokens along the way. Lastly, investors can access various cryptocurrency exchanges by leveraging the strategies put forth by the other users or building their own. (see video: <http://goo.gl/yJmF3H>).

The ICO crowdsale for DPP will represent 25% of the total tokens available. The minimum target to be raised is \$2.1 million, which will be used for further development of the company's platform. The maximum is \$5.1 million, of which the money raised would go to the company's Operational Wallet for development of advanced artificial intelligence strategies and platform features.

DA Power Play is the fourth startup to pass through Cofound.it's training platform for some of the world's most promising blockchain startups. The two companies are working in conjunction for the ICO process.

Read the full story in 150sec.com:  
<http://goo.gl/hGkBUK>





# UKRAINIAN STARTUP DMARKET RAISES OVER \$10 MILLION THROUGH ICO TO “MATCH THE VIRTUAL AND REAL ECONOMIES”

UKRAINE DIGITAL NEWS, AUGUST 30, 2017



By Jane Kuhuk

The Ukrainian startup DMarket, which presents itself as the first global marketplace for in-game content, raised almost \$11 million, bonus tokens excluded, in just four days through an ICO (Initial Coin Offering) launched in mid-August.

The first million was secured just 17 minutes after the launch of the public token sale, reports Ukrainian tech blog AIN.UA based on its exchanges with the startup.

Nearly \$9 million were contributed in Ethereum (ETH). The rest of the funding have come in bitcoins or through the Skins.cash platform. Pantera Capital, a San Francisco-based investment firm focused on blockchain technologies, is one of DMarket's early backers.

Initially, from 5 to 50 million tokens were expected to be sold as part of the first ICO campaign. Dmarket, however, has managed to sell over 30 million tokens.

“We can already say that this is one of the most successful projects in the CIS (post-Soviet) countries by the amount of the raised funds, even judging by the first fundraising phase. Initially we expected to secure one million dollars, but have managed to pull down over \$10 million,” AIN.UA quoted DMarket as saying.

The second tokens distribution phase is scheduled for November.

According to the startup, 94% of gamers in the world are not involved in global trading at all. This is because there is no safe and easy way to trade between game universes.

To address this issue and help gamers “make virtual assets real,” DMarket is creating a decentralized marketplace based on blockchain and smart contracts, where one can trade all in-game items globally.

## Two billion gamers to satisfy

“With DMarket, gamers will be able to make their virtual items available on the global economy, creating a new billion-dollar market. We are utilizing the blockchain technology to act as a matchmaker between the virtual and the real economies,” DMarket cofounder and CEO Volodymyr Panchenko said in an exchange with VentureBeat.

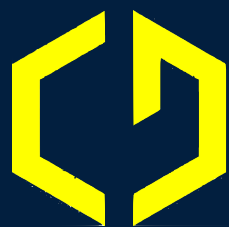
The platform enables one-click sale, exchange or evaluation of every virtual item between all games on any platform. It connects all game worlds and universes without any third party needed.

The startup's founders Panchenko and Alexander Kokhanovskyy believe that the DMarket tokens will become the main currency of the new game economy. “DMarket token will be used across the DMarket platform, and will not be limited by the platform in the future,” the startup says.

DMarket coins, which represent the DMarket tokens, will be used as a currency to buy and sell in-game items, to deduct fees for trading in-game items, to distribute profits among digital property copyright holders, among other uses.

The startup expects to launch the alpha version in October 2017, while the “first steps of global market influencing” are planned for December 2018.

Read the original story in Ukraine Digital News: <https://goo.gl/L8NsKz>



# CONFIDEAL

<https://confideal.io>

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## A WIDE RANGE OF APPLICATIONS:



### Cryptocommunity

- TGE (ICO) contracts
- Creating custom ERC20 tokens
- Affiliate system
- E-commerce
- Online services



### Individuals

- Freelancing (online services)
- Lending an apartment (with a smart lock)
- Escrow for deals with real estate
- Car leasing
- Cryptocurrency as collateral (crypto pawnshop)



### Small business

- Internal trade
- International trade
- Automatic royalty payments
- Ordering services from agencies
- Offline services



### Large enterprises

- Delivery of containers
- Internal deals
- Long-term contracts with delayed or step-by-step payment
- Chained contracts (derivatives)
- Multilateral contracts

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## THIS 19-YEAR-OLD RUSSIAN TECH GENIUS WANTS TO “MAKE THE WEB DECENTRALIZED AGAIN”



*This is a sponsored article, which means it was written by the EWDN team in an independent spirit but financially supported by the company.*

DeNet ([www.denet.pro](http://www.denet.pro)), a startup co-founded by a 19-year-old programmer and senior industry professionals, aims nothing short of disrupting the way web hosting works today.

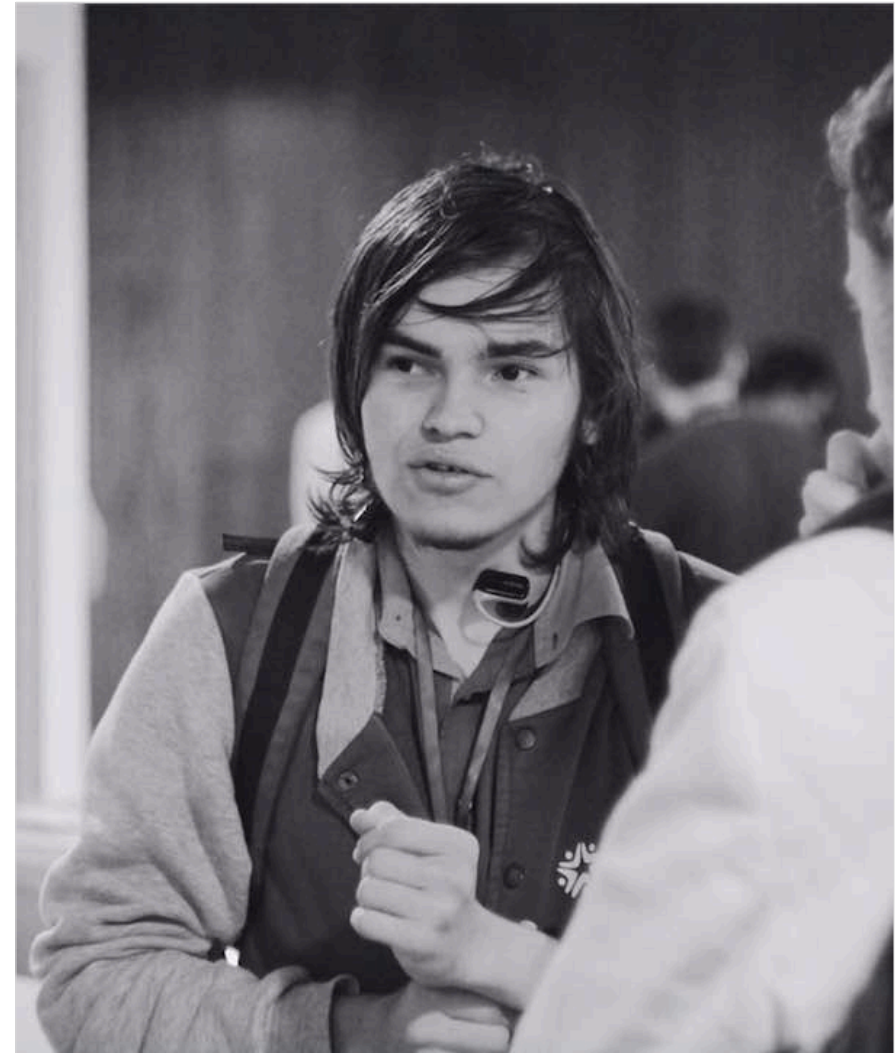
“We are bringing it back to the original idea of decentralization,” says Denis Shelestov, the company's young CTO.

DeNet believes the way the Internet operates these days is a vast digression from its original concept; and that decentralization should start with one of the most centralized areas, web hosting.

Operating from Moscow, Kazan, Minsk and Hong Kong, the company plans to provide and lease IT capacities for hosting, storing and processing of data all over the world, enabling every Internet user to rent private and secure web-hosting.

“The biggest difference between centralized and decentralized networks is in the way they store and process information. In a decentralized system, data fragments are encrypted and distributed along the nodes (devices from around the world which will be lend out by other users) – therefore there is no central center for information processing like in centralized networks, meaning that there it is not possible to gain access to the personal information of others”, says Rafik Singatullin, DeNet co-founder and CEO.

As a large proportion of computing power and bandwidth remains unused, DeNet's rationale is that it could be rented out in exchange for a fee; and the company sees its mission as helping users to do that with minimal difficulties. “The idea of peer-2-peer communication is far from new, but with new tools like cryptocurrencies and blockchain it got a new life,” says Pavel Litvyakov, DeNet Co-founder/CBDO.







## THIS 19-YEAR-OLD RUSSIAN TECH GENIUS WANTS TO “MAKE THE WEB DECENTRALIZED AGAIN”



“Brainstorming on where we can implement p2p, we decided to build a network of devices, assemble this power using advanced algorithms, and use it as decentralized services. Thus, people will have the opportunity to earn money for renting out computing power and bandwidth, while users will be given a choice,” explains Rafik Singatullin.

The targeted market is considerable. A Market Research Future study cited by DeNet has estimated the volume of the global web hosting market at some \$154 billion by 2022 with a 16% annual growth rate.

According to Litvyakov, possible applications for the DeNet platform stretch beyond web hosting: users may also execute any other tasks that need huge computing power, such as machine learning or training of neural networks.

### From school to CTO

It was not Litvyakov, however, who came up with the idea for DeNet, but Shelestov.

“I created my first web site at the age of seven, mastered coding in PHP, Python and C++ at 14 and raised investment for a personal project,” says the CTO.

He added that, from the age of 10, he had been observing repeated hackings and intrusions in data bases, and analyzing vulnerabilities in hosting, web sites and assemblers.

According to him, centralization of the web has led to a situation when online information is no longer private.

“I would like for every individual to restore their right to Internet privacy which has been the 21st century,” he says.

Singatullin first met the teenager last year at an IT event for high school students in Shelestov's native city of Kazan, Russia, where he was giving lessons.

The entrepreneur was impressed; and when later Shelestov told him about the decentralized hosting concept, he seized the idea.

Litvyakov and Singatullin, who had both long track records in non-tech businesses, jumped into the project head-on, quitting their previous jobs and putting aside their family lives in order to launch DeNet.

### The benefits of blockchain technology

To execute the decentralized hosting idea, DeNet chose to use the blockchain technology and to issue tokens.

“We use blockchain in two aspects,” explains Singatullin. “First of all, we need complete transparency as there is no central node that would control the entire platform. We know that there are other ways to do it, but with blockchain, it works in a perfect way.”

The DeNet tokens will be used as a universal currency for all network users, regardless of their location, for various types of micropayments while using the platform.

### On the road to token sale

The initial investment in the project was a mere \$10,000, which the founders took out of their own pockets. That amount allowed the startup to set up offices and hire personnel in May 2017.



## THIS 19-YEAR-OLD RUSSIAN TECH GENIUS WANTS TO “MAKE THE WEB DECENTRALIZED AGAIN”



Another investment round with an undisclosed amount enabled the startup to accelerate R&D and support its first branding and marketing campaigns.

Andrei Kulik, a Google manager, and Andrei Bogomolov, a resident of Minsk Technopark and representative for MIT Lab Italy, were the first advisors joining the project. Several other advisors and mentors followed, bringing additional technical expertise to the project.

DeNet launched its minimum viable product (MVP), a network for decentralized web hosting and file storage, in late October 2017, after months of work.

"I must admit it was the best and hardest summer in my life so far," Litvyakov says. "Every single day I learned more than in entire previous months, and my contact list increased to include more than 100 new people monthly. I had a feeling that the day is much more than just 24 hours."


Currently, the alpha version of the system is already operable, showing how decentralized hosting works – yet on an infrastructure made up by servers owned by the company.

The next portion of funding is coming from a private pre-sale of DeNet tokens, taking place in January and February 2018, which will be followed by a public sale.

But "unlike 99% of all startups launching a token sale or an ICOs, which have no product to show their investors, we already have an alpha version," Singatullin says confidently.

The soft cap target (minimum funding) is set at \$6 million – not far from the average amount raised through token sales in the region and globally (see Section 1).

*(February 2018)*



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etherecash

## “STRANGE INDIVIDUALS” FROM ESTONIA RAISE OVER \$30 MILLION TO HELP CRYPTOCURRENCY HOLDERS SECURE FIAT LOANS

BASED ON COMPANY INFORMATION



The 2008 financial crash has opened a wide void of distrust across the world and there are over 2 billion people around the world who don't have access to bank accounts or basic financial services, due to the current state of modern banking.

“A revolution is needed within the financial industry,” believe the founders of Estonia-based Etherecash, which aims to help cryptocurrency holders secure fiat loans.

On December 9, the company announced that it raised the equivalent of more \$30 million and that, due to this success, the ICO was completed ahead of schedule, on December 12, having attracted more than 46,000 contributors.

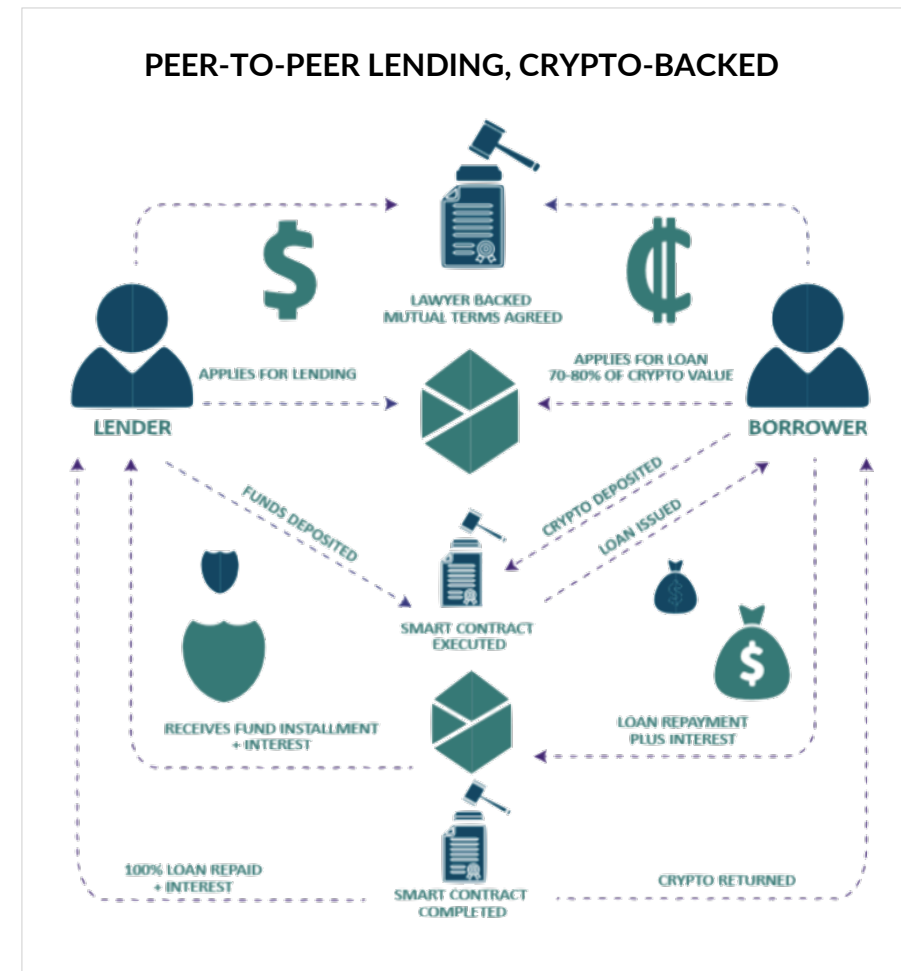
Etherecash plans to use the funding to expand its development team, begin alpha and beta testing of the platform, prepare for mobile apps and, finally, start the alpha testing of its multi-crypto debit card.

The Etherecash platform boasts an adaptable framework within the cryptocurrency market, making P2P lending “easier than ever.” Through the platform, borrowers owning crypto wealth will be able to borrow up to 80% of their wallet's value, according to the company's plans. Etherecash will also allow users to send and receive a wide range of cryptocurrencies “for a very minimal cost.”

The platform uses lawyer-backed smart contracts and blockchain technology, aiming to offer full transparency and security for all its users.

CEO Jacky Thanh Ly, COO Miguel Aguirre, ITE Silvan Gebhardt present themselves as “strange individuals” with a common passion for “disregarding bank fees.” They believe that Etherecash will cause “a rampage of revolution that is needed within the financial industry.”

Read the press release: <http://goo.gl/iQi7FP>





# SIBERIAN VENTURE FIRM TEAMS UP WITH CHINESE INVESTORS TO LAUNCH CRYPTOCURRENCY FUND

COMBINED REPORTS BY EAST-WEST DIGITAL NEWS AND MARCHMONT NEWS, JUNE 15, 2017



Kapinvest 21, a VC company in Tyumen, in Russia's Southeast Urals, has partnered with a group of unnamed Chinese investors, Asia LP, to launch FinShi Capital, a venture fund based on cryptocurrencies. The fund will target blockchain and fintech projects in Russia and beyond.

The fund began selling pre-ICO (Initial Coin Offering) tokens today, June 15, with token owners becoming investors in the fund "in accordance with the Ethereum contract."

FinShi Capital's tokens will be collateralized with the fund's shareholdings in startups, with token investors receiving 80% of the fund's profits, FinShi Capital pledges.

## From tokens to "huge companies"

"The fund's young team will help startup teams manage and develop their projects, which are expected to "grow into huge and expensive companies." The fund will pay dividends to token owners each time the fund will exit a portfolio company. Token holders will also be able to sell their tokens on stock exchanges.

FinShi Capital intends to select at least 15 fintech and blockchain projects on Seed and early-stage rounds over the next two years.

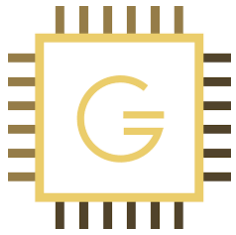
"We are currently reviewing more than 30 rapidly growing fintech projects, any of which might be invested in after ICO," the fund indicate on its website.

"As a classic venture fund we can provide you with 120% per annum income (judging by the growth of portfolio companies in the previous years), and taking into account rapid development of fintech and blockchain markets we are planning on getting 520% per annum income for all of our investors," claims FinShi.

Read the original story in East-West Digital News:  
<https://goo.gl/iECXXp>

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# “AS GOOD AS GOLD:” THE RUSSIAN-DESIGNED TOKEN THAT AIMS TO ADDRESS CRYPTOCURRENCY VOLATILITY

EAST-WEST DIGITAL NEWS, SEPTEMBER 16, 2017



*This is a sponsored article, which means it was written by the EWDN team in an independent spirit but financially supported by the company.*

In this blockchain era where technology promises to digitize virtually any type of assets, the emergence of gold-backed tokens is no surprise. The concept is not new, but we are now witnessing its first applications.

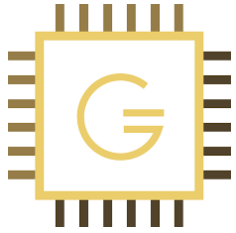
One of these projects is propelled by Goldmint, a company with Russian roots now preparing for its ICO and the subsequent launch of a gold-backed crypto asset. Christened ‘GOLD,’ the token will have its value equal to that of one ounce of gold on the LBMA exchange.

GoldMint's real gold reserves "be equal to or exceed its mined amounts of ‘GOLD.’" Thus GoldMint will "buy, sell and repurchase ‘GOLD’ at the current market price for physical gold, using exchange-traded funds (ETF) or physical gold (of 999 quality) as its security."

## Her Majesty's government in the running

No such gold-backed crypto assets seem to be available yet to individual investors – but Goldmint is not the only startup in the running. One of its strongest future competitors could be Singapore-based DigixDAO, which plans to launch its 'Digix Gold Tokens' (DGX) in the near future. These crypto-assets are set to become "the future gold standard for value exchange in the Ethereum ecosystem," claims the company. Launched in 2014, DigixDAO raised \$5.5 million in Ethereum's first on-chain crowdsale in March 2016.





# “AS GOOD AS GOLD:” THE RUSSIAN-DESIGNED TOKEN THAT AIMS TO ADDRESS CRYPTOCURRENCY VOLATILITY

EAST-WEST DIGITAL NEWS, SEPTEMBER 16, 2017



## What ‘GOLD’ tokens can be used for

- While bitcoin and other traditional cryptocurrencies have demonstrated their volatility, Goldmint promotes its ‘GOLD’ as a stable financial instrument to pay employees, conduct transactions or even ICOs. "If the cryptocurrency you receive in the ICO varies too sharply, there are two possible outcomes: either the currency becomes too expensive, in which case investors will be dissatisfied, or it becomes much cheaper, which is very bad for the founders who started the ICO," Goldmint explains.
- Traders and other cryptocurrency users may use ‘GOLD’ to "hedge their gold commodity with ‘GOLD’ on any cryptocurrency trading exchange, without leaving that particular platform. Traders can also diversify their trading portfolio with ‘GOLD’ assets," according to the company.
- ‘GOLD’ may be a means to purchase and transport physical gold: "You can convert your physical gold into ‘GOLD’ in any bank that uses the GoldMint blockchain platform. This does not only protect your gold in cross-country transportation, it also simplifies the process."
- ‘GOLD’ may also be used by traders and other cryptocurrency users to "hedge their gold commodity with ‘GOLD’ on any cryptocurrency trading exchange, without leaving that particular platform. Traders [will also be able to] diversify their trading portfolio with ‘GOLD’ assets," according to the company.

Chinese ZenGold (ZGC) also successfully completed an ICO in May 2017, raising over 2,000 BTC in less than a minute. Its plan is to launch "a smart asset system backed by physical gold" using the Metaverse blockchain, but the current activities of the company and its platform are unclear at least to non-Chinese speakers.

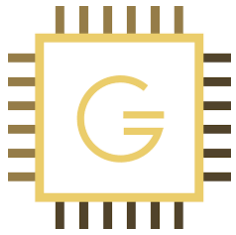
The Royal Mint, a company owned by the UK government, has put its "more than 1,000 years of experience" in a project of gold-backed tokens, scheduled for launch in late 2017. Dubbed ‘Royal Mint Gold’ (RMG), these tokens are intended for investors through third party investment intermediaries such as banks and brokers instead of being sold to individual directly.

Another player, LAToken, comes from Russia. Having just raised the equivalent of \$10 million in the first phase of its ICO, this platform aims to tokenize virtually any kind of assets including stocks, real estate, works of art, and of course silver and gold.

## Tokenizing \$100 billion worth of gold

Even though the success of new types of cryptoassets is yet to be confirmed, the startups propelling them are not short of ambition.

"Our idea is revolutionary," claims Goldmint: "We plan to convert [dozens of thousands of tons of gold] into blockchain-encrypted tokens to help owners protect their valuables, to help investors move their gold rapidly and easily from one part of the world to another, and to help companies and individuals hedge their gold against market volatility."



# “AS GOOD AS GOLD:” THE RUSSIAN-DESIGNED TOKEN THAT AIMS TO ADDRESS CRYPTOCURRENCY VOLATILITY

EAST-WEST DIGITAL NEWS, SEPTEMBER 16, 2017



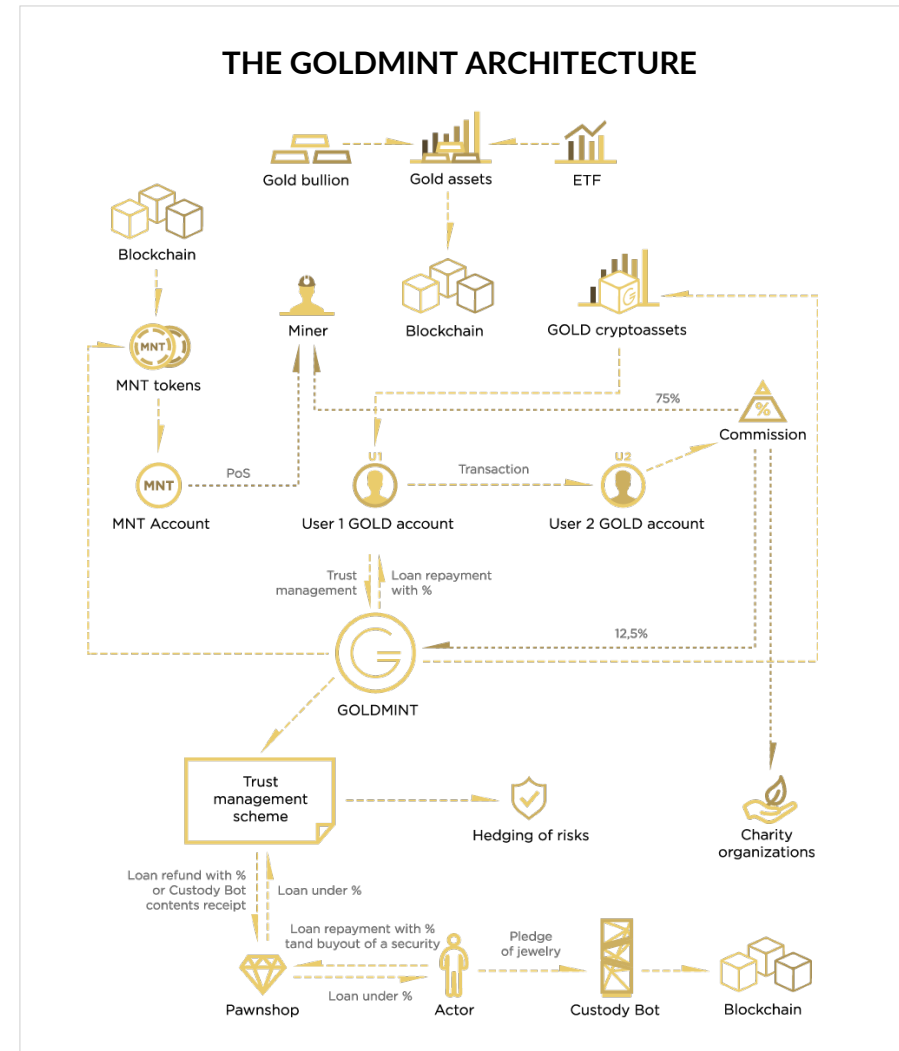
Thus, the company aims to "gain access to 1% of global gold circulation (over 300 tons)" by launching its Custody Bot automated storage facilities in pawnshops around the world; "another 5%" of gold circulation by introducing them in shopping centers, with the ultimate goal of controlling "10% of gold reserves, worth more than \$100 billion."

Goldmint will initially target Asia and Eastern Europe: "We have many robust partnerships in these areas, which will help us to run our business faster. Then we see India and OAE as very interesting countries where our Custody Bot and the gold-backed crypto asset will be very in-demand," the team says.

Goldmint has requested Deloitte, as well as Elina Sidorenko in Russia and Julia Zegelman in the USA, to establish the legal status of 'GOLD' in different countries.

"Once banks decide how to legally and fiscally regulate GOLD, clients will be able to exchange dollars, foreign currency, and gold bullion to 'GOLD' and to fully benefit from all aspects of the cryptocurrency market," Goldmint claims.

Read the original story in East-West Digital News:  
<https://goo.gl/kx3EsF>



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# ICO PR SUPPORT

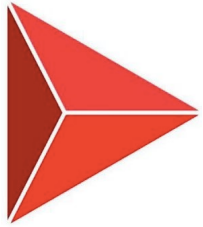
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# LETITPLAY: AN AUDIO SOLUTION TO THE “CRISIS OF VISUAL PERCEPTION”



*This is a sponsored article, which means it was written by the EWDN team in an independent spirit but financially supported by the company.*

Too much online visual content creates oversaturation, and consumers no longer have time to appreciate – or even consume – the better part of it.

"People are tired of visual content," says Andrei Durakov, the founder of Russian startup Letitplay (<http://letitplay.io>). "YouTube and TV, books and blogs, Facebook and video games have overtaxed our sight. As content keeps growing larger and better, we [simply] don't have the time to take it all in."



To address what Durakov calls “the crisis of visual perception,” Letitplay aims to change the way online content is consumed: its project consists in creating an ecosystem for blockchain-monetized audio.

"We believe the audio format has a bright future," Durakov continues. "Content available on the screens of smart phones or other devices is all well and good, but a lot of information could be consumed perfectly well in an audio format – while people are driving, for instance, or exercising or doing household chores."

"Given the growing success of voice interfaces, content that is suitable for the audio format will be consumed mostly as audio," he says. "This will apply primarily to news and information. Of course, there are types of content that would still need visual support, such as technical material spiked with formulas or illustrations."

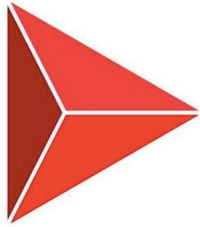
The quality of voice interfaces is also improving, allowing users to interact with audio content platforms using only their voices.

## Blockchain as a monetization tool

But there is a major obstacle to the widespread promotion of audio content. Production is expensive, which makes it economically unviable for most content providers except the largest news outlets.

Yet even those don't pay much attention to podcasts and other forms of audio content, viewing it mostly as a less-important addition to more traditional text, picture and video materials.

Addressing this issue, Letitplay's idea is to create, on the one hand, an ecosystem that would offer the marketplace audio-production services at reasonable prices while, on the other hand, providing a blockchain-based system for monetization of audio content. Both of the two most widespread monetization models, paid subscription and advertising, have drawbacks that have turned many users away.



# LETITPLAY: AN AUDIO SOLUTION TO THE “CRISIS OF VISUAL PERCEPTION”



At the same time, the concept of monetizing content on the blockchain is not new. Steemit.com (based on Steem.io) is an example of how the “attention economy” can be implemented, with content providers being rewarded with tokens for consumer attention such as views, likes, comments and reposts.

"The attention model is the most viable to monetize content," says Durakov. "A content provider should not be dependent on the viewer's watching of an unrelated ad in the middle of their content."

Durakov sees in Steem a model for Letitplay's monetization – but he says he will improve it and adapt it to audio content.

## Overcoming obstacles

One of the main challenges for the Letitplay team will be the creation of a system that ensures that every user is offered the most relevant content, Durakov concedes.

"Users will be able to subscribe to specific channels. But if their requests are unspecific, like “Tell me the latest news in 30 minutes,” we'll use our in-house recommendation system, the PlayPower indicator. Similar to SteemPower on Steem, this system will facilitate the competition between content providers for user attention," he explains.

Even more advanced tools for content optimization, based on artificial intelligence (AI), will have to be developed too.

Among other issues that Letitplay will have to deal with are copyright, plagiarism and illegal content. In part, these may be addressed by the PlayPower indicator; however, the emphasis will be on decentralized administration, where agents receive rewards to monitor content and make sure it complies with copyright regulation and laws.

In addition, there are technical challenges. The EOS technology, which Letitplay intends to use for its blockchain, is still a work in progress. "We are dependent upon the EOS development team," Durakov admits.

Beyond this, Letitplay will have to store large amounts of audio content to make them available on the platform. Durakov is betting on IPFS-like technologies, with miners receiving an opportunity to use their hard drives to support all the audio storage.

## Stepping cautiously

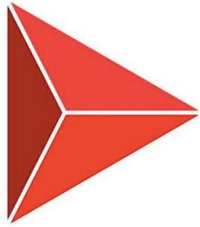
Still, Letitplay is gradually moving ahead.

It took only three months for the startup – which was launched in September 2017 – to introduce its MVP (minimum viable product), an app for iOS to listen to audio content.

"We are currently working on the key component: an oral assistant that will allow users to communicate with the app solely with their voices," says Durakov. In the future, the app will be monetized based on Letitplay's blockchain platform.

"We want to get fully prepared for our ‘attention-driven’ ecosystem: we are collecting data for economic modeling and testing all our ideas before implementing it in a blockchain," he says.

Designed to reward users' attention, the platform's tokens are scheduled for launch next spring through an ICO – even before the blockchain platform's planned roll- out in mid-2018



## LETITPLAY: AN AUDIO SOLUTION TO THE “CRISIS OF VISUAL PERCEPTION”



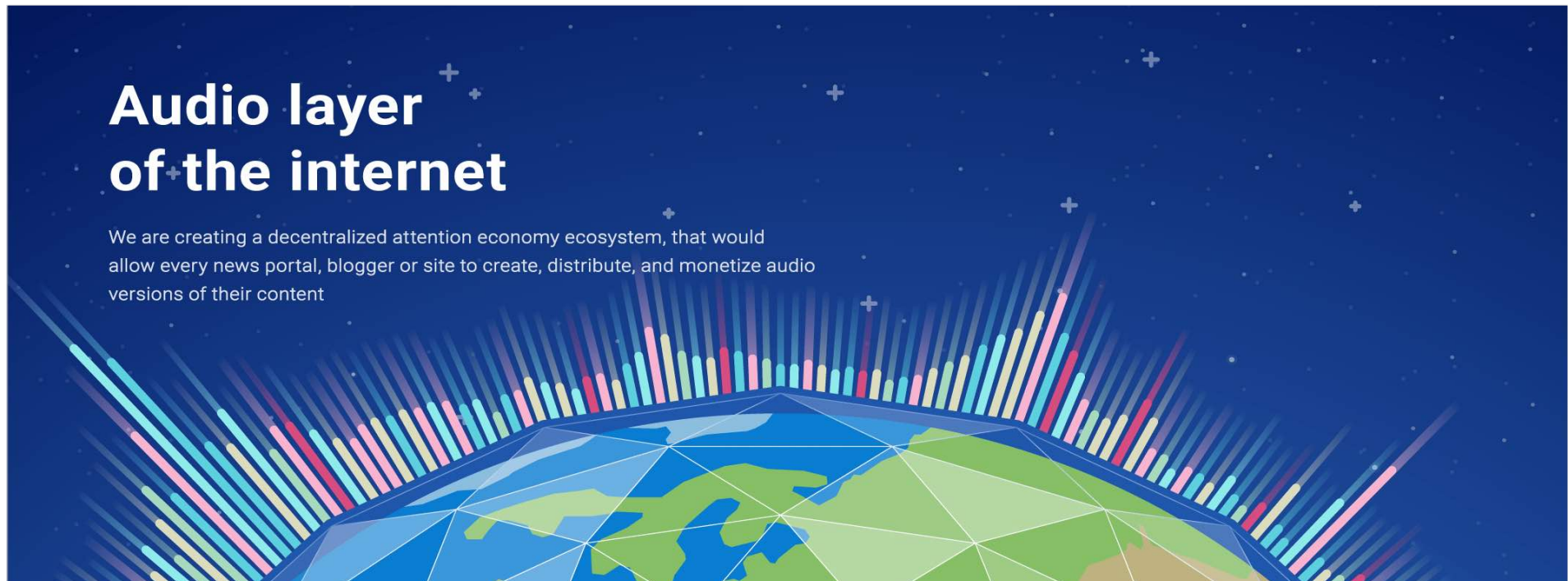
A voice assistant is slated for launch in late 2018; in 2019, the platform is expected to be opened up for advertisers.

"This will be a key phase in the project's development, balancing demand for the tokens, as they will be the only means of payment for advertisers," Durakov explains.

In contrast to the traditional advertising model, advertisers will pay users directly for the consumption of their ad content rather than a platform that delivers ads to users.

Content in Letiplay apps is currently available in Russian and English. Upon the completion of its ICO, Letitplay plans to add other languages to expand its community.

*(February 2018)*





## PLAYKEY: ONLINE GAMING FOR ALL, FROM CLOUD TO BLOCKCHAIN



*This is a sponsored article, which means it was written by the EWDN team in an independent spirit but financially supported by the company.*

The Russian gaming technology startup Playkey, which has asserted itself as notable player on the global cloud gaming scene, was born just five years ago out of a child's dreams. Its founder, Egor Guriev, has been passionate about computer games since he was a schoolboy, when he saved on meals and textbooks to buy his favorite games and gaming hardware.

Guriev's idea was to make online gaming accessible to the largest possible number of people – including those whose low-performance computer doesn't support the latest video games. Each new generation of games requires stronger computer capacities – but gamers can't afford upgrading their machine or buying a new one all the time.

Guriev and his team found a solution in the cloud. For a fee of \$10 or \$20 per month, the Playkey application can be installed on any computer, leveraging cloud capacities to run even the most sophisticated games out of the Playkey roster.

Playkey is not the only provider of cloud gaming solutions. Among its most notable competitors are LiquidSky, Nvidia GeForce Now, Playstation Now. These companies have different business models, different solutions and approaches to the problem but share one goal – allow users to play top-notch games without spending a lot on a high-end gaming PC.

The Russian startup has tried to go further than others in optimizing server runtime – thus lowering operating costs. Playkey also presents as distinctive advantages some of its monitoring tools – in particular, those that allow users to see packets lost, game FPS, resolution and other parameters.

There's no less than 1.8 billion gamers in the world who can't run the most recent games on their computers – and as many potential Playkey customers. Enough to fuel a startup's big ambitions.

### Classic startup path

Until its ICO, Playkey had made its way on a rather classic path of startup development. After establishing itself in Russian-speaking countries, the company expanded to Europe and the United Kingdom. It has grown steadily, serving more than 250 000 paid subscribers (as of November 2017) with a hundred of servers across Europe.

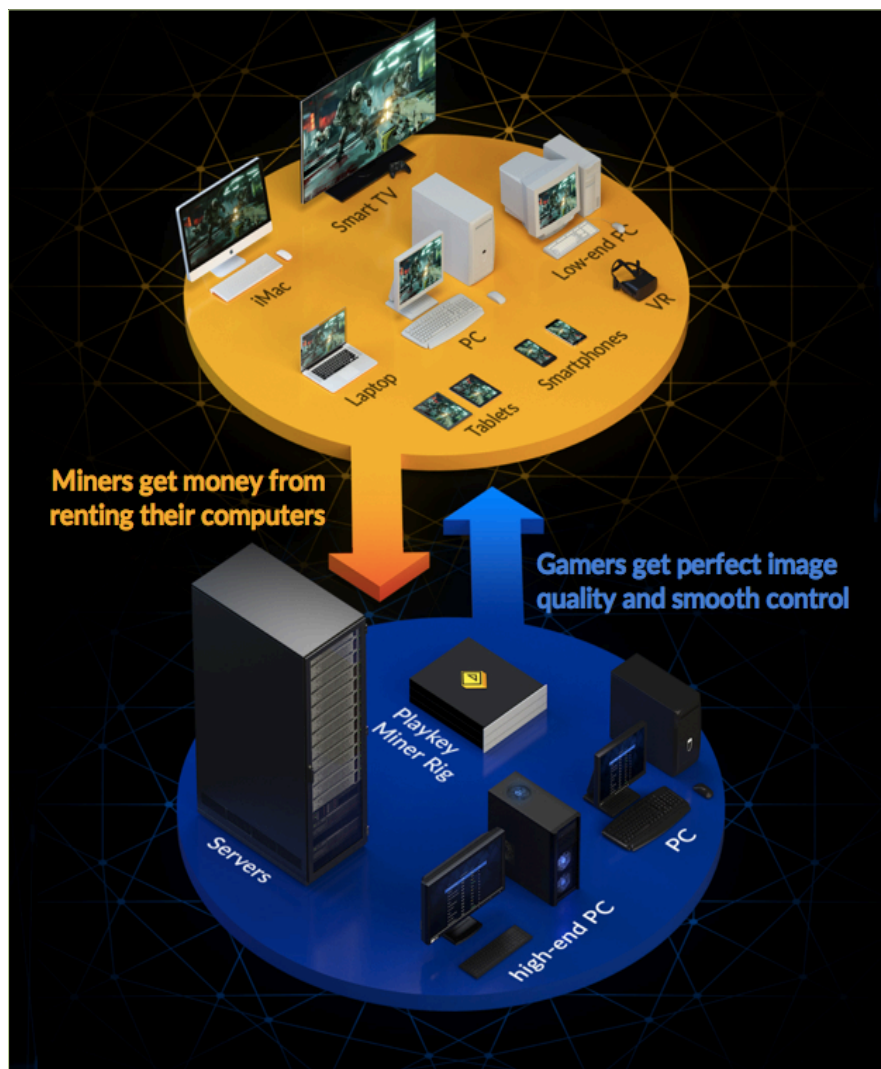
Guriev claims that Playkey's profits has increased 300% over the past year.

Playkey has got partnership agreements with such top gaming businesses as Ubisoft, Bethesda and Wargaming.

On the financial front, the Russian startup raised more than \$5 million in equity funding from inception to 2017. The latest capital injections came from Darz, a major German data center company (\$1.5 million in February 2017 – <http://goo.gl/Jqg4Qs>) and IIDF, Russia's largest startup investment fund (\$2.8 million in July 2017 – <http://goo.gl/WJ4mxt>). This funding aimed to fuel expansion on the global market, including Asian countries.



# PLAYKEY: ONLINE GAMING FOR ALL, FROM CLOUD TO BLOCKCHAIN



## Cloud no longer the limit

But Playkey has undertaken to reach new goals. It is now introducing blockchain technology, bringing together gamers and cryptocurrency miners in a bid to create a decentralized gaming network.

In that environment, gamers will pay miners with Playkey's tokens, PKTs, implemented on the Ethereum blockchain, for using their computer capacities.

When a sufficient number of miners are on board, gamers will be able to stream from a computer that is in their neighborhood. As a result, Playkey will be able to continue expansion without investing in physical server infrastructure.

To strike minds, the startup also announced that Oculus VR co-founder Dillon Seo joined the project as an advisor. Also joining the company as advisors have been David Carlson, CEO and founder of the biggest mining farm, GigaWatt; Michael Kim, CEO and founder of CoinInside, and former executive of Blizzard, Wargaming and Havok; and Ruben Godfrey, cofounder of the Blockchain Association of Ireland, Albert Castellana, board member of NEM, one of the largest cryptocurrencies for market capitalization.

After collecting some \$4 million in a pre-ICO campaign (<http://goo.gl/4k2kno>), Playkey completed its ICO in November 2017. No less than 100 million tokens of Playkey's proprietary cryptocurrency (PKT) were released, 60% of which were available for sale (<http://goo.gl/rnKWw4>).



## PLAYKEY: ONLINE GAMING FOR ALL, FROM CLOUD TO BLOCKCHAIN



According to the company, the amount came essentially from individual investors, but three investment funds – Uncharted Capital, Allrise and G2H2 Capital – also got involved, buying over \$1 million dollars worth of tokens each.

Playkey raised nearly \$11 million the crowdsale, pre-ICO and ICO both included. This amount was far from the initially considered \$40-60 million target – but it is large enough to develop the new blockchain platform and accelerate international development, Playkey's press service told us.

### The end of consoles?

The company also plans to set up the Playkey Foundation, which will fund itself by acting as a toll gate for the entire network. The money will be used to develop an ecosystem of gamers with low-end PCs, miners with high-end PCs and mining-farms and game publishers.

Following the ICO, Playkey's operational model will change, switching to a P2P arrangement where any owner of a powerful computer can rent out their hardware to another user. In this ecosystem, gamers can rent the miner's PC capacity paying with PKT as well as use already existing Playkey servers.

As Phil Spencer of E3 said: "The next generation of [gaming] consoles could be the last one that is based on hardware".



*Playkey's founder Egor Guriev has been a fan of computer games since childhood. At that time, he used to save on meals and textbooks to buy his favorite games and gaming hardware.*

# PLAY2LIVE: AN ESPORTS STARTUP DRIVEN BY AN INDUSTRY BOOM

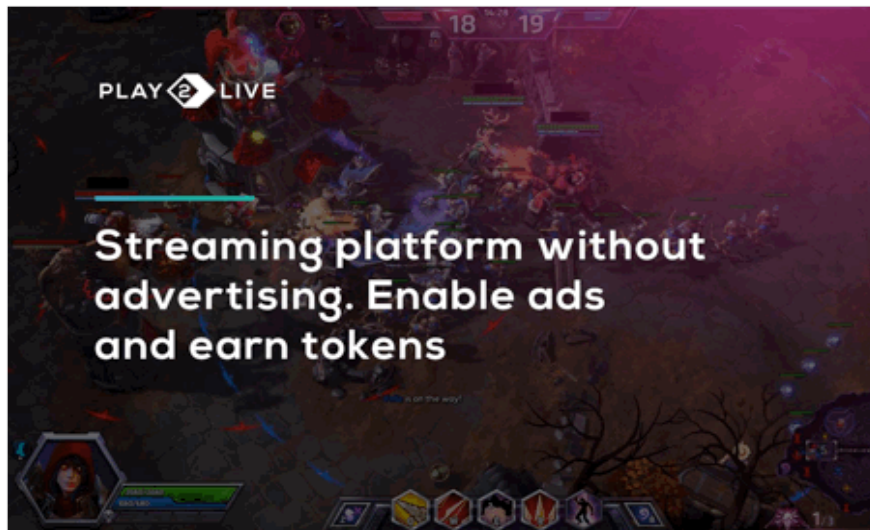
EAST-WEST DIGITAL NEWS, MARCH 21, 2018



*This is a sponsored article, which means it was written by the EWDN team in an independent spirit but financially supported by the company.*

Play2live has just announced the completion of a token sale which it claims generated the equivalent of \$30 million in less than two months. Launched last year, this startup with Eastern European roots offers an original approach to eSports in terms of both technology and business models.

The platform wants to attract eSports aficionados by increasing Internet speed. To achieve this goal, Play2Live is set to deploy blockchain-based decentralized P2P networks. In the scheme, only one user gets data from the traditional centralized CDN, and all users then share content with each other. Thus users of the same content join together to pool their resources and bandwidth.



*Play2live aims to “create a new economy” based on a revenue-sharing model.*

The startup also aims to “create a new economy” based on a revenue-sharing model.

“Streamers will be able to monetize their content in 11 ways instead of only the four or five on existing streaming platforms. They can earn right from their very first stream, regardless of the size of their follower base,” Play2Live’s founder and CEO Alexey Burdyko told East-West Digital News.

Viewers, on their side, can monetize their content in several ways – a first in the eSports video-streaming industry, Play2Live claims.

“They can earn tokens by watching ads, performing tasks set by streamers, voting for content, and sharing their internet bandwidth via peer-to-peer CDN,” Burdyko explains.

Called Level Up Coin (LUC), these tokens will be the only means of payment in use on the platform. They can be used to buy games from partner stores, participate in tournaments, bet on teams and competitions or make donations directly to streamers.

The tokens can also be converted to other cryptocurrencies or to fiat money through a gateway/API.

Play2Live says it works with tournament organizers to set up tournaments that match the wishes of users – and also organizes its own. For example, by the end of February 2018, Play2Live will host the world’s first eSports tournament with a crypto prize pool in Minsk, Belarus.

Viewers can thus influence the content and end-results of tournaments: for a few LUCs, they can vote for the teams they’d like to see competing against each other and have their say on the tournament format, commentators and even locations.

# PLAY2LIVE: AN ESPORTS STARTUP DRIVEN BY AN INDUSTRY BOOM

EAST-WEST DIGITAL NEWS, MARCH 21, 2018



Meanwhile, streamers can set tasks for viewers – such as watching other streamers or watching ads – and reward them for completed tasks.

“We treat streamers as B2B partners, incentivizing them to attract new viewers and offering other forms of monetization,” says Burdyko.

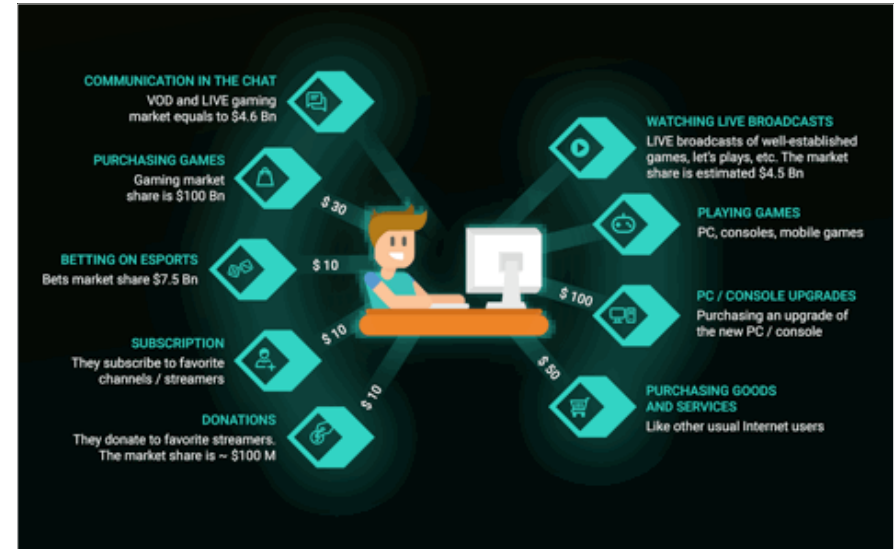
## Industry veterans go ICO

Play2Live’s founders aren’t new to eSports. Before launching Play2Live in June 2017, Alexey Burdyko founded one of the largest eSports holdings in the region, the Minsk-based Game Show Media Holding. This company was valued by EY at \$36.8 million in 2016, according to the entrepreneur.

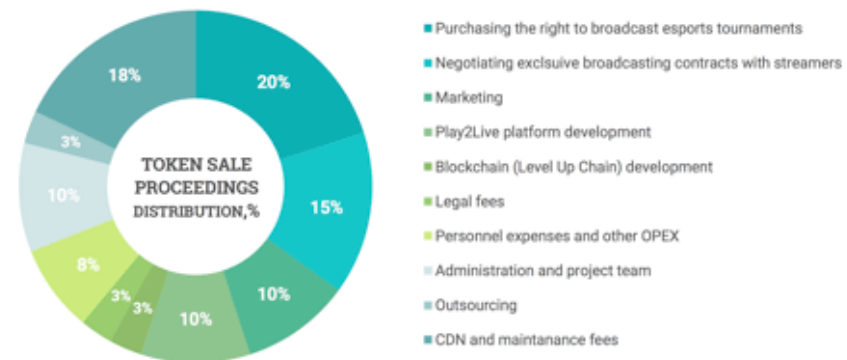
Burdyko has also organized eSports tournaments, including intercontinental eSports show matches, and headed GSL.tv, a Lithuanian tournament platform.

In November 2017 Play2Live released its minimum viable product (MVP); two months later, the company launched 24/7 live rebroadcasts in six languages – English, Korean, Japanese, Spanish, Russian and Chinese (<https://p2l.tv>).

In addition, Play2Live has already started an early adopters program for streamers and eSports fans in their official Telegram-chats that allows users holding their own streams to provide a full live-streaming experience.



Play2live offers a variety of features – some of them being totally new on the market – to assert itself on the global eSports markets.





# PLAY2LIVE: AN ESPORTS STARTUP DRIVEN BY AN INDUSTRY BOOM

EAST-WEST DIGITAL NEWS, MARCH 21, 2018



The startup claims to have raised the equivalent of \$18 million over a few weeks in January 2018 through private and public token pre-sale events, then another \$12 million (hard cap) in the last stage of its ICO in March.

## Amid industry boom

Play2Live arrived on the market at a time when the global eSports industry is booming.

In 2017, the industry reached \$1.5 billion and is forecasted to grow up to \$ 2.3 billion in 2020, according to data from Superdata Research cited by Russian mobile phone company MTS.

Russia, in turn, is among the front runners of the global eSports industry. A study by PayPal and Superdata Research revealed that the Russian eSports market is the second largest in Europe after Sweden, amounting to \$35.4 million in 2016 (<http://goo.gl/8iYUE5>).

Major local players have set their eye on this market, making large investments and major acquisitions.

Thus, in 2015, Russian billionaire Alisher Usmanov announced an investment of “\$100 million or more” in Virtus.pro (<http://goo.gl/EvpFZa>).

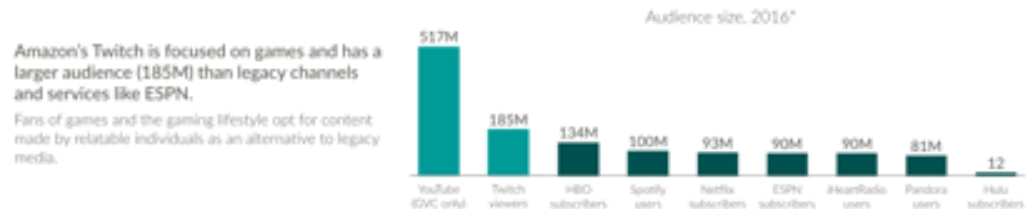
More recently Winstrike, a Russian globally-oriented eSports company, attracted \$10 million from private investor Nikolai Belykh and several business angels.

In early 2018, Mail.Ru Group – an LSE-listed Internet company which controls the largest Russian-language social networks and a range of online gaming companies – announced the full acquisition of ESforce (<http://goo.gl/Fe3o3p>).

This company owns two world-class clubs (SK and Virtus Pro) and controls a plethora of websites and social media groups as well as video production studios, an event company, global database, trading and analytics platforms.

Just days before, MTS, a leading Russian mobile operator, announced the acquisition of Gambit Esports for an undisclosed amount. With its four teams (16 players in total), Gambit Esports participates in the most popular cyber game disciplines, repeatedly earning world and European championship titles (<http://goo.gl/Fe3o3p>).

## More people watch GVC than HBO, Netflix, ESPN and Hulu combined.



GAMING VIDEO CONTENT, 2017 | © 2017 SuperData Research. All rights reserved.





# ESTONIA'S POLYBIUS RAISES OVER \$6 MILLION IN 3 DAYS TO DEVELOP CRYPTOBANK PROJECT

PRESS RELEASE, JUNE 15, 2017



The Polybius cryptobank project ICO managed to raise over \$6 million in less than three days into the ICO that went live on May 31, thus meeting the requirements to receive a European banking license and start operations in the EU.

According to the calculations made by the Estonian established Polybius Foundation, the amount raised will be sufficient to obtain a full banking license and launch the bank in an EU nation, currently in the process of narrowing down on the exact location for registering the banking entity – so far having shortlisted Lithuania, Luxembourg, Finland and Switzerland (the final decision will be announced following the conclusion of the ongoing ICO).

Now, in the second week, the ICO has raised about \$17 million from over 14250 participants, in response to the latest opportunities created by modern European legislation, aiming to meet the demand for a financial institution which combines the high speed of crypto technologies and the rigor of modern banking legislation. It is firmly targeted at developing the financial technologies sector both in the EU and Switzerland.

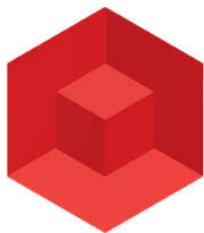
Polybius makes use of blockchain as the basis for documentation and recording of bank transactions while working on specialized artificial intelligence for crediting, and Digital Pass – a key element in the ecosystem and an independent environment serving as a storage for encrypted individual information. The security of access will be enabled by SSL certificates, dynamic PINs and to an extent biometric data, in compliance with the PSD2 RTS requirements as issued by the EBA Authority.

EU legislation has for the first time allowed for facilitating the implementation of projects like Polybius, which can function as a full-fledged universal bank within the legal regulatory framework, having all the functions of a classical bank, but without hosting any branches nor physical front-offices, but rather fully relying on the latest digital technologies.

The Polybius Bank project is aimed at establishing an online scalable financial infrastructure for businesses and individuals, providing electronic identity and trustee services across the EU, and a user authentication and payment processing gateway for online merchants, as well as commercial, corporate and governmental services.

The tokens have not and will not be registered under the United States Securities Act of 1933, and may not be offered or sold in the United States or to or for the benefit of US citizens (as defined in Regulation S under the Securities Act) unless they are so registered or an exemption from the registration requirements of the Securities Act is available.

The Polybius Foundation is issuing Polybius Tokens (PLBT) through the smart contract system operated by Ethereum and the funds raised by the sale of tokens will be retained by the Polybius Foundation until they will be used. The Polybius Foundation is a public registered body with legal responsibilities and is subject to audits, ensuring the transparency of operations and secure custody of funds.



## RUSSIAN MINER COIN AIMS TO CREATE MORE PROFITABLE AND ECO-FRIENDLY CRYPTOCURRENCY MINING SYSTEM



*This is a sponsored article, which means it was written by the EWDN team in an independent spirit but financially supported by the company.*

Today, cryptocurrency mining is made difficult by a several technical issues. Times when it was possible to mine coins on your own with just a desktop computer are long over. Now you either have to assemble a 'farm' from several computers, or to buy a specifically designed device.

The mining process requires considerable energy consumption, essentially due to the technological limitations of the type of processors used for mining – not to mention the cost of removing the heat generated by the machines involved in the process.

Addressing these issues, a group of Russian entrepreneurs aims to enter the global cryptocurrency mining market – which is currently dominated by China – with a new generation of mining devices and a more efficient, Russia-based mining ecosystem.

Russian Miner Coin, or RMC, claims that its mining devices show better hash rate per chip than devices used in China, while lower power rates in Russia will make Russian miners' work even more profitable.

What's more, RMC's mining devices have a double purpose: in addition to mining, they also operate as boilers, heating people's homes and making them more ecologically friendly.

The idea of RMC first surfaced in early 2016 in discussions between two experienced IT entrepreneurs: Sergey Bobylev, founder of SmartHeat, and Boris Zyryanov.

The latter's company, MultiClet, was already working on a mining device, based on the multiclet approach, that could be used for mining altcoins (cryptocurrencies other than bitcoin)

However, the project did not start immediately since market conditions did not look favorable yet. "The value of cryptocurrencies was relatively small at the time, so it wasn't economically vital," Bobylev recalls. "And the development of a mining device that could switch between cryptocurrencies was too costly."

When cryptocurrency value surged in 2017, Bobylev and Zyryanov revisited the project and decided to fund it through an ICO.

### Expertise with a bit of luck

RMC's multiclet mining device, under development, is scheduled for release in the course of 2018. Unlike its predecessors, the 28 nm chip used in the device will not be based on von Neumann-architecture, "making it 35 to 200 times more efficient than the currently available equipment," according to the company. The device can be used for mining all main cryptocurrencies.

Bobylev admits that a certain degree of luck was involved when developing the new device.

"We didn't have to develop the chip from scratch," he says. "It had been in development since 2001. All we had to do was to get rid of everything superfluous and change the technical process from 180 nm to 28 nm. Creating a chip from scratch would have taken between five and seven years of hard work with substantial investment."

However, the total cost of developing and launching the next-gen multiclet chip-based device is about \$10 million, according to Bobylev.



## RUSSIAN MINER COIN AIMS TO CREATE MORE PROFITABLE AND ECO-FRIENDLY CRYPTOCURRENCY MINING SYSTEM



RMC is also relying on another device, Sunrise S11i, to mine bitcoins, the oldest and best-known cryptocurrency. Based on the mining algorithm SHA256, Sunrise has “the best ROI in its class,” claims RMC. The first batch of these devices was released in September 2017.

### "ICO investors as a customer base"

Although they have substantial investment means, the three companies behind RMC decided to launch an ICO to fund the project.

In contrast with many young ICO projects, RMC had substantial things to show investors: high-performance mining devices (or sound plans to achieve their development) and experienced project stakeholders. SmartHeat and MultiClet were joined by Radius Group. This major data center company is headed by Dmitry Marinichev, a serial IT entrepreneur and figure of the Russian Internet scene (*see interview in the Russia section of this report [http://ewdn.com/files/cee\\_russia.pdf](http://ewdn.com/files/cee_russia.pdf)*).



RMC claims that its mining device, the S11i, has “the best ROI in its class.”

On the business side, the RMC project features an innovative approach: turning ICO investors into minors, with a mining club using RMC’s next-generation devices to produce cryptocurrency. The club members will be able to buy a Sunrise miner in privileged price conditions, or to exchange the RMC token for an RMC multiclet mining device. (They will also be able to sell an RMC token to anyone.) In addition, they will be able to participate in the cryptocurrency mining community Bitcoin-russia.ru. Thus, “this ICO can be compared to generating a large customer base,” Bobylev says.

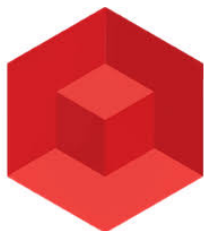
Twenty percent of the mining rewards will go to a special fund and is subsequently divided between the equipment manufacturer and RMC investors, allowing the latter to collect a revenue.

In August and September 2017, the pre-ICO and ICO brought in the equivalent of \$43 million – and impressive amount and one of the largest ICO by amount raised in CEE in 2017. This was well below the initial \$100 million ICO target – but the spectacular increase of cryptocurrency exchange rates in the subsequent months might have provided RMC with a certain financial comfort.

Still, not all went rosy in the course of the project. The production of Sunrise S11i hit a speed bump when RMC began searching for suppliers of a matrix to produce needle radiators. It turned out that the component was not manufactured in Russia. The solution of placing an order with a Chinese manufacturer didn't turn out to work out as the company failed to deliver equipment at the required level of quality.

"So, we had to place another order in Italy, overpaying for it," Bobylev recalls. "The delivery was still significantly behind schedule, and, as a result, mass production of miners was delayed by three to four months."

The issue was eventually solved by establishing a manufacture of needle radiators within Russia.



## RUSSIAN MINER COIN AIMS TO CREATE MORE PROFITABLE AND ECO-FRIENDLY CRYPTOCURRENCY MINING SYSTEM



### Taking advantage of cheap electricity rates

The project will substantially benefit from subsidized electricity rates for private individuals in Russia, Bobylev says.

"Russia has probably the cheapest electricity rates in the world. And in the country's entire regions, such as the Irkutsk or Krasnoyarsk regions, only electric heating is available."

Bobylev is apparently unperturbed by the prospect of government efforts aimed at stopping cryptocurrency miners from using subsidized electricity. "If electricity rates are raised, they will be raised for everyone, and what will the majority of the population do? Leave the country?" he asks.

In addition, with the mining devices used to heat people's homes, "there is no extra power consumption. Using our miners will not change the energy balance of a building," Bobylev says.

RMC has already been approached by smaller power generating companies, which see ways to collaborate, taking advantage of this feature of the mining device. The company says the double-purpose devices could also be used outside Russia, in any country where electricity is used for heating purposes.

However, there are no immediate plans to take the device to the global market.

Overall, Bobylev is optimistic about the future of cryptocurrency mining in Russia. "This is the new oil – and an opportunity for Russia to occupy a deserved place in the world as a major cryptocurrency mining center."

(December 2017)



*RMC has launched a mining center in the Technopolis tech park in Moscow with an electric capacity of 20 MW to accommodate up to 20,000 Sx6 miners. Two other mining centers are to be opened under plans.*



## RUSSIAN STARTUP AIMS TO MAKE VR CONTENT CREATION AND DISTRIBUTION ACCESSIBLE TO ALL DEVELOPERS



*This is a sponsored article, which means it was written by the EWDN team in an independent spirit but financially supported by the company*

Over the last several years, augmented reality (AR) and virtual reality (VR) have been regarded as promising segments in the entertainment industry, with all major technology firms vying for a foothold in the market. According to Digi-Capital, total VC and corporate investment in the field of AR and VR totaled \$2.3 billion in 2016, a threefold increase in comparison with 2015.

Behind this increase lies a sound rationale as, according to Digital Data Corporation, global spending on AR/VR-related goods and services may grow from \$11.4 billion in 2017 to almost \$215 billion by 2021, with the compound annual growth rate exceeding 113% (<http://goo.gl/GZZKuF>).

However, what has prevented the VR sector from attracting mass customers so far is the lack of quality content. This is a direct consequence of the fact that developers lack adequate development tools and a sufficiently broad customer base.

Technology giants have attempted to solve this problem by launching their own products (Youtube VR by Google and Oculus Story Studio by Facebook, for example) – but these services have issues of their own. One of them, for instance, is that each VR content provider tends to develop content optimized for its own hardware.

### Combining on online and offline

VRT World (<http://vrt.world>), a startup launched three years ago to develop VR conversion technologies, aims to bring a more universal solution to the issue – a decentralized virtual reality marketplace.

The platform is intended for game and application developers, video makers, and streamers of live and recorded content, who will all be able to create content for the platform.

Their work will be made easier by VRT's SDK and API: "Content creators will not be restricted developers to a single company or type of device," VRT World CEO Konstantin Negachev tells us.

What's more, the platform will use blockchain technology to guarantee fair and transparent distribution of the generated revenues, as well as proper IP rights protection.

To stimulate content demand and motivate developers, a chain of VR parks is being developed. In November 2017, VRT World launched its first park in Moscow, followed by four more parks on a franchise basis.

The company also has partnership agreements to open 30 VR parks based on its technology in various European cities – from London, to Cyprus, to Barcelona – over the next 18 months, following two parks scheduled for launch in Dubai in April 2018.

These VR parks are meant to become an 'offline gateway' to the marketplace, allowing outside developers to sell their content without purchasing costly equipment. An emulator for developers to test their products before launching them on the platform will also be made available.

Content buyers will include HMD owners who purchase VR content for entertainment or educational purposes, companies and non-commercial organizations that use VR technology in various contexts from VR parks to telepresence.



## RUSSIAN STARTUP AIMS TO MAKE VR CONTENT CREATION AND DISTRIBUTION ACCESSIBLE TO ALL DEVELOPERS



### VR democracy

In another move towards decentralization, VRT World claims that the platform will be regulated by its community, which will decide the development strategy.

“Thus, the platform will incentivize new content that reflects the needs of the platform’s users and not the interests of a small group of owners,” says Negachev.

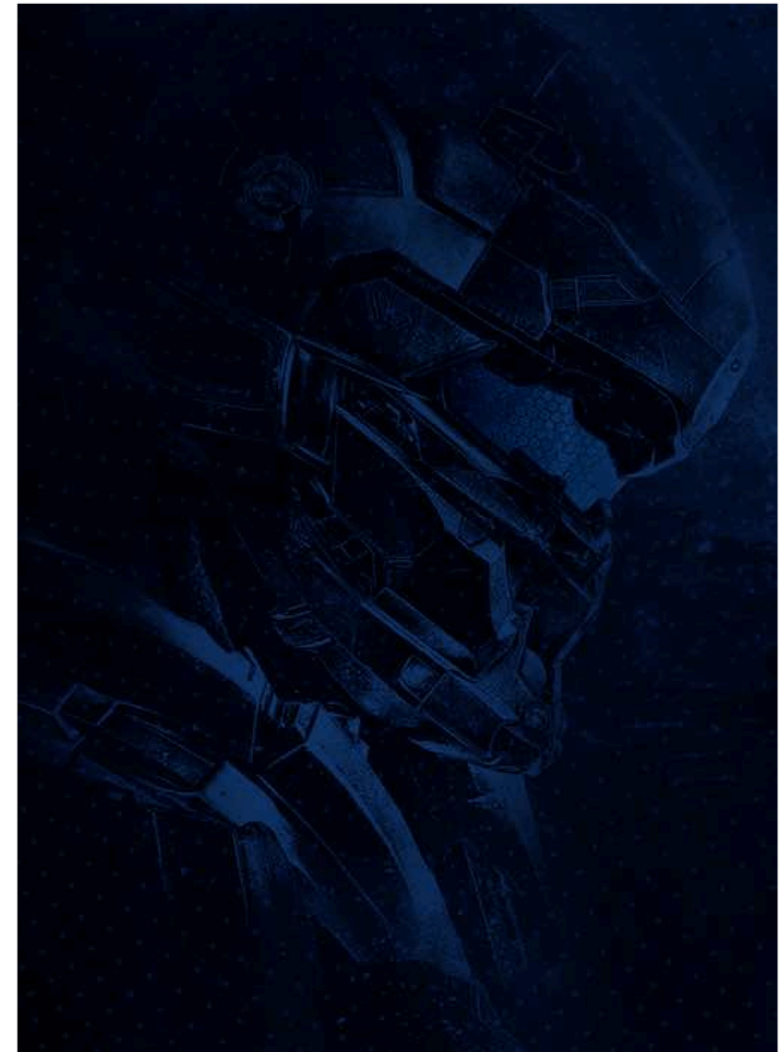
One of the main elements of the platform is the marketplace, an area where the platform’s content and services can be bought, sold, or rented. Content creators will be able to set their own prices and price models, including free distribution, freemium, and one-time-subscription payment. Other models are possible as well, including auctions, crowdfunding, and donations.

Blockchain and smart contracts will be used to support the transactions on the platform.

The platform will feature genuine content ratings based on users’ votes. “Artificially inflated vote counts and paid releases will become a thing of the past,” Negachev claims.

Community members who ensure content safety and compliance with platform guidelines will become Platform Moderators, while other community members will be able to rent out their hard drive space to store the platform’s content, becoming storage providers.

Finally, VRT World expects to attract advertisers, including agencies and other parties interested in advertising their VR content.





# RUSSIAN STARTUP AIMS TO MAKE VR CONTENT CREATION AND DISTRIBUTION ACCESSIBLE TO ALL DEVELOPERS



## VR for space exploration

Striking partnerships is an important part of VTR World's strategy. Among the company's most recent deals is an agreement with Spacebit for developing of VR applications for space exploration, astronaut training and education.

Among specific collaboration projects by Spacebit and VRT World will be developing a realistic Soyuz Capsule landing experience that would help to inspire future astronauts.

Meanwhile, to develop and promote further the platform, VRT World is running a token sale. The operation began in September 2017 with a group of private investors bringing the equivalent of \$350,000.

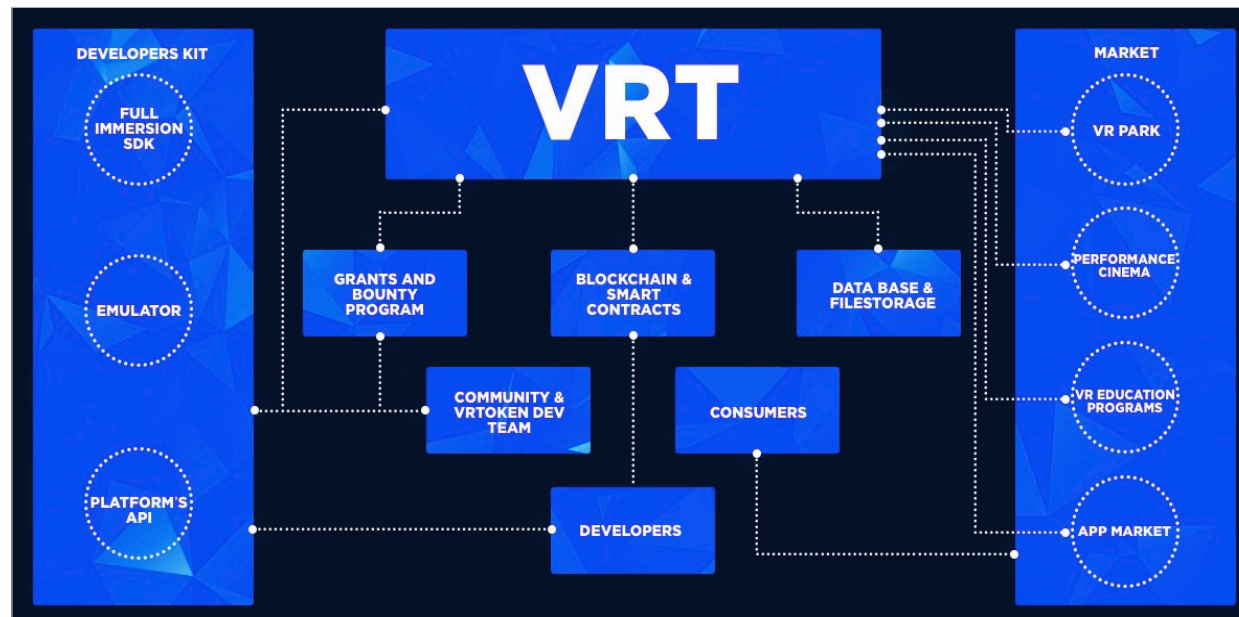
Then, in a public presale from December 5, 2017 to January 5, 2018, the startup attracted the equivalent of \$721,000 from 294 investors from 21 countries.

A public crowd sale is to run from February 27 to April 27, 2018. VRT World hopes to raise up to \$16 million (hard cap) in the token offering.

Thirty percent of the proceeds are to be used for creation and promotion of the company's virtual reality parks, 25% to be spent on creation of the platform, SDK and upgrading technology, 18% and 15% to be allocated for content creation and marketing activity, respectively.

Should the ICO succeed, the startup will deploy its technology in a variety of new fields. "We are looking forward to integration and application of VR in scientific research, education, healthcare, real estate, advertising and other business sectors over time," Negachev says.

(February 2018)





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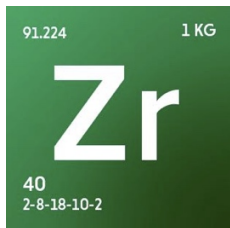
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## RUSSIAN TEAM SECURES \$7 MILLION IN ICO TO “REVOLUTIONIZE ZIRCONIUM DIOXIDE PRODUCTION”

EAST-WEST DIGITAL NEWS, JUNE 16, 2017



Illustrating the growing traction of blockchain technologies in the country, a team of Russian scientists and financial experts has just raised the equivalent of \$7.07 million from 3,955 backers on the Waves crowdfunding platform.

Dubbed ‘ZrCoin,’ the project consists in building a factory to recycle metallurgical waste using an innovative technology.

The team presents their project as “the first-ever blockchain option for investing in the production of an in-demand industrial material.”

The sum was secured through an Initial Coin Offering (ICO), a new blockchain-based investment mechanism, on the Waves crypto-platform.

“We raised twice as much funding as planned [\$3.5 million]. This is a huge success for the first ICO of its kind on the market,” commented ZrCoin’s co-founder Andrey Nikonorov.

The facility will consist in two production lines transforming industrial waste into synthetic zirconium with a total capacity of 800 tons per month in Magnitogorsk, Siberia. The first line is scheduled to deploy in the spring of 2018.

Each ZrCoin token is backed with one kilogram of zirconium dioxide. After the production starts, the tokens will be bought back by ZrCoin at the market price of the final product (\$2.80).

Backers, however, will be able to either sell their ZrCoin to the company or on the open market. Alternatively, they may receive the zirconium dioxide equivalent of their investment.



The project team claims to have already injected around \$1 million of their own funds in R&D.

Last month ZrCoin announced that it launched an office in China.

Launched by Russian entrepreneur Sasha Ivanov in 2016, Waves is a crypto-platform for asset and custom token issuance, transfer and trading on blockchain. Among the platform’s partners is Boris Titov. This Russian billionaire politician intends to use Waves for entrepreneurs and companies to raise money in cryptocurrency for their projects.

Read the original story in East-West Digital News :  
<http://goo.gl/wyi1eU>



## THREE CASES OF FAILED ICOs FROM RUSSIA



*By Jane Kuhuk, East-West Digital News*

Not all companies succeed in their effort to raise funding from crypto investors. Companies from Central and Eastern Europe are no exception, here are a few notable examples from Russia.

These cases of ICO failures should be confused with mixed fund raising strategies, where companies target classic and crypto investors as well. They should not be confused either with scam ICOs, of which we have seen many cases in Central and Eastern Europe and virtually all other geographies.

### **Ahoolee's ICO fails after securing \$200,000 in 30 minutes**

Touted as “the world’s first search engine for products,” Russian startup Ahoolee (<https://ahoolee.io>) was designed to compare prices for any goods in any online store worldwide. It was to use a decentralized platform for collecting and indexing information from open sources with confirmation of authenticity based on the Blockchain technology.

This past summer, Ahoolee managed to raise \$200,000 in pre-ICO in just 30 minutes, two months after the launch of its MVP. Despite this success, however, Ahoolee failed to reach its soft cap target during the subsequent ICO campaign in late August and early September. The money raised was returned to investors.

Among the causes for the failure, Sergey Ryabov, Ahoolee’s CEO, sees the following: no personal communication with major investors, a complicated ICO mechanism and project description, and insufficient communication with the community.

“It may seem from outside that you can get easy money through an ICO. If you have a look at the list of ongoing ICOs, however, you will see that 95% of all the projects do not attract anything, while spending plenty of time and money,” Ryabov said in an exchange with Firm.ru (<http://goo.gl/KPxZdK>).

Despite the failure, the team is determined to launch another ICO for its upgraded project in the future.

### **AltoCar: \$5 million not enough**

In mid-November AltoCar (<https://altocar-ico.com>), a personalized taxi aggregator from Kazan, Russia, announced the failure of its ICO launched one month earlier. The startup AltoCar had attracted the equivalent of \$300,000 in a pre-sale campaign; then it claims to have raised the equivalent of more than \$5 million in the ICO – but this was still below its soft cap objective. The invested funds will be returned to the investors, said the startup.

The startup sees several reasons for the failure, including the fact that investors would prefer to invest in tokens based on Ethereum, as opposed to Waves, a Russian-based Blockchain platform. Besides, AltoCar’s ICO simply drowned in the sea of ICOs launched at the same time.

### **No decentralized education platform for Russians**

In October, BeOne (<https://be-one.co>) announced that the project had not reach its minimal goal and that the funds will be returned to investors. BeOne aimed to develop a decentralized online education platform enabling users to make money by sharing skills, knowledge and experience.



# AEROFLOT CONSIDERS USING CRYPTOCURRENCIES AND BLOCKCHAIN IN ITS PAYMENT OPERATIONS

EAST-WEST DIGITAL NEWS, JULY 24, 2017



Cryptocurrency-based projects are springing up in Russia, as President Putin sees in these technologies a potential instrument for the country's modernization and the central bank has officially recognized bitcoin a "digital currency."

One of the latest initiatives from the private sector came earlier this month from Aeroflot. The giant Russian airline company is investing 24.6 million rubles (some \$400,000 at the current exchange rate) to study the possible applications of cryptocurrencies and blockchain in its operations, and the associated risks.

As reported by FinanceFeeds, Aeroflot has published a procurement notice for "modeling the development of the crypto-currency market in the Russian Federation and its influence on payments for Aeroflot's air transportation services".

The closing date for applications is July 18, 2017. All the work on the projects should be completed by December 10, 2017.

Another Russian airline, S7, has announced the start of ticket sales on the ethereum blockchain, in partnership with Alfa-Bank. In December 2016, the airline had executed the first of its kind service payment using the ethereum blockchain smart contracts through a letter of credit with Alfa-Bank.

Two months ago Chronopay, a major online payment provider operating in Russia, announced the use of bitcoin in its payment gateway. The company's clients will thus be able to accept the popular cryptocurrency.

In March Qiwi, a NASDAQ-listed Russian payment company, created a subsidiary dedicated to blockchain products. Qiwi may invest nearly \$1.7 million this year in such technologies.

*Read the original story in East-West Digital News:*  
<https://goo.gl/7ivGMx>



# THE BIRTH OF A MARKET: MAIL.RU GROUP NOW ACCEPTS BITCOIN PAYMENTS FOR ADS, SEVERAL STARTUPS IN THE RUNNING

EAST-WEST DIGITAL NEWS, MARCH 9, 2018



By Adrien Henni, chief editor – Disclaimer: the author is a strategy advisor at AB-Chain, one of the companies mentioned in this article.

Mail.Ru Group, an LSE-listed leading Russian Internet company, has just announced that its ad platform myTarget began accepting Bitcoin (BTC) and Bitcoin cash (BCH) as payment means for running ads on the group’s properties.

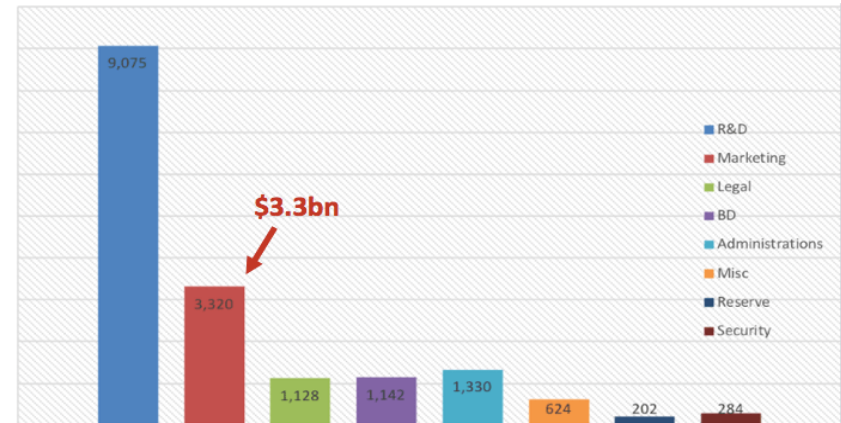
These properties include Russia’s top social networks Vkontakte (VK) and Onoklassniki (OK) as well as two dozens of online resources related to the Mail.ru and AM.ru portals. In January, according to Mediascope/TNS, the total audience of these properties exceeded 51 million desktop users aged 12-64 across Russia (not taking into account mobile-only users and users from outside Russia). Last year Mail.Ru Group’s advertising revenues amounted to some \$412 million, up 28.9% from 2016.

The move also concerns MyTarget’s ad network. Even publishers who already signed up with this network will receive the option to get paid in cryptocurrency, said the group.

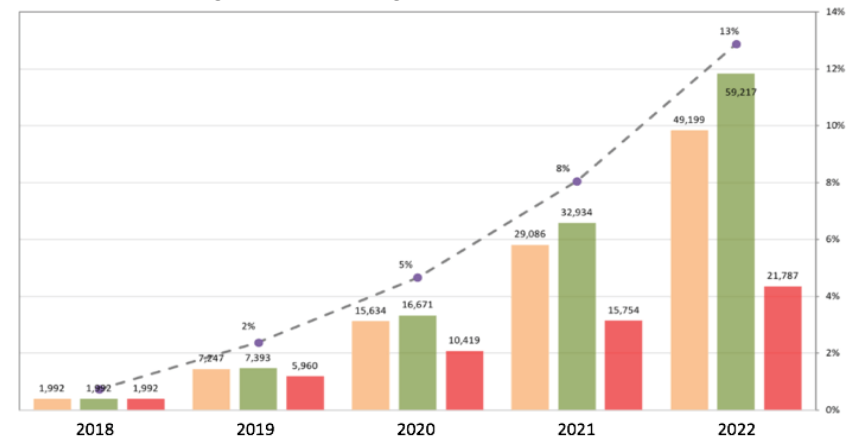
The Russian group is partnering with BitPay, a global bitcoin payment processor, to convert cryptocurrencies into cash. For the moment, Mail.Ru Group will not accept other cryptocurrencies, such as ethers, “because BitPay doesn’t process them,” the group’s press service told us. “But BitPay will take the exposure.”

Mail.Ru Group’s move will not remain unnoticed in the advertising industry, which will inevitably be affected by the irruption of cryptocurrencies. A Russian startup called AB-Chain has estimated the size of digital advertising budgets in cryptocurrency in the next coming years. AB-Chain analysts found that this new market could reach anything between \$16 and \$32 billion globally by 2021.

Planned expenditures of companies having conducted an ICO in 2017



Estimated total digital advertising market in cryptocurrency, 2018-2022



Source: AB-Chain. The calculations are based on the amounts already or expectedly raised by startups through ICOs, and on the planned post-ICO marketing expenditures of a sample of 30 companies in late 2017.



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Such numbers would account for a non negligible fraction of total global digital advertising expenditures, \$375 billion that same year according to eMarketer's predictions (<http://goo.gl/tMsNkZ>).

When asked about cryptocurrency ad budgets putting aside the specific case of ICOs, AB-Chain's founder Vladimir Dyakov told me that cryptocurrencies are in the process of becoming "a rather common payment means" to remunerate freelancers and small businesses."

"Thus, when marketing their services, freelancers and SMBs will have cryptocurrency to spend, fuelling the development of this new market," Dyakov believes.

One must admit that settlements in cryptocurrency are much easier, quicker and less costly than traditional payment means – and even PayPal, where transfers are immediate but commission fees are high for businesses (4.7% in the case of a transaction our company made recently).

"The advantages of paying in cryptocurrency are even more compelling when talking about cross-border settlements, so cryptocurrencies bound to gain more and more importance due to globalization," added Dyakov.

"So, the question is not whether or not a part of the ad market will switch to cryptocurrencies, but when this process will reach significant levels – and how advertisers, agencies, ad networks and publishers should to get prepared to work with these new currencies," Dyakov concluded (*see interview above in this report*).

## Russian startups in the running

AB-Chain launched its ad network with crypto payments months before Mail.Ru Group's announcement. But it is not the only Russian startup operating at the intersection of blockchain, cryptocurrency and advertising.

BitClave, which claims to have raised the equivalent of \$25 million in an ICO in November last year (see EWDN's regional ICO report), is building what it calls "an anti-Google search engine where all money goes directly to users." The BitClave Active Search Ecosystem is intended for customers to "control their identity, decide who has access to their data, and get remunerated in tokens each time their data will be used for marketing purposes."

BitClave told us they're actively developing their platform, but could not specify any launch date.

Another Russian startup in this field is mytime (see EWDN's story), a platform designed to reward online buyers of services for their time. For example, a video game aficionado may receive tokens for every minute of online fun, while a taxi passenger may get these tokens from the taxi company based on the time he spent on the road.

Meanwhile, service partners will be able to earn tokens by attracting loyal users to the platform, says mytime. mytime's concept is very close to that of Basic Attention Token (BAT), a US startup which raised the equivalent of \$36 million in less than a minute in May last year.

Read the original story in East-West Digital News:  
<http://goo.gl/xNNBLZ>



# MEGAFON AND RAIFFEISENBANK COMPLETE FIRST BLOCKCHAIN BOND PLACEMENT IN RUSSIA

EAST-WEST DIGITAL NEWS, OCTOBER 31, 2017



*By Jane Kuhuk*

Earlier this month MegaFon, a major Russian mobile operator, announced the completion of a 500 million ruble (around \$8.6 million) bond issue with blockchain settlement. The entire issue was purchased by Raiffeisenbank.

The system, which was developed in the course of this year, is intended for bond placement and circulation of digitized assets, making accounting for transactions simple and transparent. Participants in transactions can exchange and sign documents in real time, and track transactions.

“We have become the first in Russia and among the first in the world to place blockchain-settled commercial bonds,” commented Gevork Vermishyan, MegaFon’s CFO.

The deal, which “exemplifies MegaFon’s efforts to demonstrate its leading role in the development of a digital economy in Russia,” was a testbed for the technology rather than a commercial project, Vermishyan told the Russian media.

“We were pleased to work with National Settlement Depository [an early adopter of the blockchain technology in Russia] and Raiffeisenbank to take the first steps in the digital transformation of the Russian securities market,” he added.

“This milestone deal is the first important step in testing the broad spectrum of opportunities using the blockchain technology on the Russian securities market,” said Andrey Popov, head of the IT Directorate and board member at Raiffeisenbank.

However, he noted, “the legislative framework in this area in Russia is still to be fine-tuned.”

This past summer German automaker Daimler A issued a corporate bond worth €100 million as part of a pilot blockchain project. The project, one of the first of its kind in the world, was executed in cooperation with Landesbank Baden-Württemberg, Germany’s largest state-backed wholesale bank group.

*Read the original story in East-West Digital News:  
<https://goo.gl/KbakCE>*



# IN AN UNPRECEDENTED MOVE, PRESIDENT LUKASHENKO LIBERALIZES CRYPTOCURRENCY MINING AND ICOs IN BELARUS

EAST-WEST DIGITAL NEWS, DECEMBER 23, 2017



On December 22, Belarusian president Alexander Lukashenko signed a law “On the Development of a Digital Economy” which introduces thorough changes in the legislation, aiming to liberalize the high tech sector in the country.

A variety of activities are concerned, including those related to blockchain projects, cryptocurrencies and ICOs.

“Belarus will become the first government in the world that opens wide opportunities for the use of blockchain technology. We have every chance of becoming a regional center in this area,” Lukashenko said in a statement in his website.

The main provisions of the law in these fields may be summarized as follows:

## 1. Blockchain and cryptocurrency activities eligible to special startup benefits

The law specifies that the following types of project – among many others – are eligible to become resident companies of High-Tech Park (HTP), the state-back tech park launched in Minsk in 2005:

- Design, development, support, sale, maintenance of software and (or) firmware based on or using the Blockchain and distributed database
- Cryptocurrency mining;
- Cryptocurrencies exchange activity, cryptocurrency converter activity, other activity using tokens.

The law reinforces the privileged legal and tax regime of HTP residents, creating unprecedented conditions for them. In particular:

- New tax benefits are being introduced as part of the HTP’s special legal status. Specific additional benefits aim to stimulate IT product development. Foreign entities will enjoy a 0% income tax rate.

- HTP residents’ activities will be simplified. In particular, companies will be able to open and use accounts in foreign banks without the authorities’ permission, while most restrictions to electronic money operations are being lifted.
- International investment deals involving HTP residents can be made according to English Law.

## 2. ICO liberalization and regulation

The authorities claim they are creating “an unprecedented regulatory environment for the circulation of cryptocurrencies and tokens.”

The law defines the rights of physical and legal entities in terms of token circulation. Legal entities are entitled to possess tokens, create and list their own tokens through HTP residents, buy and exchange tokens, and perform other operations using tokens only through cryptocurrency exchanges and cryptocurrency exchange operators.

As for individuals, not only are they allowed to perform cryptocurrency mining and possess ICO tokens. They can also exchange tokens, buy and sell them for Belarusian rubles, foreign currency and other electronic currencies.

## 3. No taxation

Mining and token trading operations will not be subject to taxation. These operations will not be considered as entrepreneurial activity, and the revenues they will generate will not be subject to declaration by individuals.

Turnovers, profits (income, proceeds) from various operations with tokens will not be taxable until January 2023.

For more information: <http://goo.gl/xBAZrp>





# ESTONIA CONSIDERS DEVELOPING “ESTCOIN” AND BECOMING FIRST COUNTRY TO LAUNCH AN ICO

150SEC.COM, DECEMBER 28, 2017



*By Markus Skagbrant*

Estonia is considering launching its own state-backed cryptocurrency called “estcoin” via an Initial Coin Offering (ICO), a crowdfunding platform adjusted for the digital coin community. The move would make Estonia the first country to develop an ICO.

This is the latest development in Estonia’s quest to become the biggest player in the world as far as digital innovation is concerned. The country already launched the E-residency program, which enables anyone to become a digital citizen of Estonia and run a business in the country remotely – a move that has already proved to be a big success.

With estcoins, Estonia would have a cryptocurrency that anyone in the world could have access to thanks to the E-residency program.

The plan was announced in the conditional tense by the managing director of Estonia’s e-residency program, Kaspar Korjus, who revealed the impact that he believes the estcoins could have for the country and in general.

“A government-supported ICO would give more people a bigger stake in the future of our country and provide not just investment, but also more expertise and ideas to help us grow exponentially,” Korjus wrote in a blog post (<http://goo.gl/ZxPAzZ>).

One person who proved to be highly supportive of Estonia’s proposed initiative was Vitalik Buterin: “An ICO within the e-residency ecosystem would create a strong incentive alignment between e-residents and this fund, and beyond the economic aspect makes the e-residents feel like more of a community since there are more things they can do together,” Ethereum’s founder wrote in a blog post.

“Additionally, if these estcoins are issued on top of a blockchain (they could possibly be issued in multiple formats at the same time, nothing wrong with this), then it would become easy and convenient to use them inside of smart contracts and other applications,” Buterin added.

*Read the original story in 150sec.com:*

<http://goo.gl/hKedvw>



# PUTIN SETS DEADLINE TO LEGALIZE ICOs AND CRYPTOCURRENCIES IN RUSSIA

EAST-WEST DIGITAL NEWS, OCTOBER 25, 2017



The Russian authorities' position about ICOs and cryptocurrencies, which has been subject to wide uncertainty and contradictory signals so far, should be clarified at last, according to President Putin's decision to develop a legislative framework by July 1, 2018.

Following a meeting on October 10 with Finance minister Anton Siluanov, Bank of Russia Head Elvira Naibullina and Qiwi CEO Sergey Solonin, the Russian president ordered the government and the central bank to prepare the required legislative amendments.

Initial coin offerings should be "regulated in a similar way to the regulation of initial public offerings," while such notions as "distributed ledger technology," "digital letter of credit," "digital mortgage," "cryptocurrency," "token" and "smart contract" should be defined by law.

The way in which these notions should be "defined" has not been specified, leaving a wide range of options to legalize and regulate them or not.

## Taxes for miners and "sandbox" for innovators

The president has also requested government and the central bank to define a legal framework and tax regime for mining activity, as reported by VC.ru.

Putin also wants to create a "sandbox" to test innovative financial technologies, products and services – which he asked to be implemented by December 20 of this year.

In an international perspective, the Russian president envisions the creation of a single payment area for Blockchain technologies across the Eurasian Economic Union (which includes Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan). Putin has asked the Russian government to prepare a plan for such a unification by March 30, 2018.

Last month Siluanov already announced the government's intention to regulate cryptocurrencies like securities, in a full reversal from earlier proposals to punish people who use digital currencies. Almost simultaneously, however, the central bank issued a public notice on the risks associated with cryptocurrencies and ICOs. "Cryptocurrencies are issued by an unlimited number of anonymous entities. Hence, citizens and legal entities can get involved in illegal operations, including laundering of illegal income and terrorism financing," the notice read.

*Read the original story in East-West Digital News :  
<http://goo.gl/YNHiyC>*



# RUSSIA AIMS TO LAUNCH CRYPTOCURRENCY ERSATZ

EAST-WEST DIGITAL NEWS, OCTOBER 18, 2017



Last week, following a period of mixed signals from the authorities about cryptocurrencies, the Russian communications minister Nikolay Nikiforov said that President Vladimir Putin has officially endorsed a Russian cryptocurrency, the 'CryptoRuble.'

"We're launching CryptoRubles for one simple reason: if we do not, then after two months it will be done by our neighbors in EurAsEC," said Nikiforov, referring to the Eurasian Economic Community, an association of former Soviet republics around Russia.

This official blockchain-based currency cannot be mined. In contrast with 'traditional' cryptocurrencies like bitcoin, which are decentralized, the CryptoRuble will be issued and fully controlled by the state.

CryptoRubles will be exchanged for regular rubles at any time, but "when buying and selling a CryptoRuble, the rate will be 13% from the earned difference," said the minister.

The 13% tax will also apply to CryptoRuble-to-ruble transactions "if the owner cannot explain the reason for the appearance of his CryptoRubles," Nikiforov announced.

The national digital currency will be moved to international markets, according to the Russia's Deputy Minister of Economic Development Oleg Fomichev, stressing that there is no point in the currency circulating only inside the country.

The idea of a CryptoRuble was aired this past summer by Igor Shuvalov, Russia's First Deputy Prime Minister, while Russia's central bank was already working on a national digital currency.

## "Another form of the ruble"

Amid mixed reactions, some experts are hoping for the best. Alexander Shevtsov, founder of Jury.Online, believes that a national cryptocurrency can simplify e-money turnover.

"This will make it much easier to accept payments without the need to deal with traditional banking procedures," Russia Beyond The Headlines quoted Shevtsov as saying.

The CryptoRuble can make transactions more transparent, easy and cost-efficient for both individuals and organizations, he believes.

Eldiyar Muratov, president of the Castle Family Office in Singapore, believes the CryptoRuble will most likely be used by state companies rather than individuals.

The CryptoRuble will be anchored to the real ruble by a ratio of 1 to 1. "It will not be a cryptocurrency in the usual sense, but rather another form of the ruble," Muratov said in an exchange with Russia Beyond The Headlines.

Other experts, however, believe that the rate of the CryptoRuble could go higher. Oleg Bogdanov, chief analyst at Teletrade, said a limited emission of the CryptoRuble might create artificial demand. "For example, if Russia follows the example of Bitcoin and issues only 22 million CryptoRubles then the cryptocurrency's rate will be higher," Bogdanov told Russia Beyond The Headlines.

Read the original story in East-West Digital News :  
<https://goo.gl/eR25r4>



# BITCOIN SEIZED BY BULGARIA'S GOVERNMENT NOW WORTH \$3 BILLION

VENTUREBEAT, DECEMBER 8, 2017



By Chris O'Brien

We may have a winner in this year's game of Bitcoin Lotto. It seems a stash of Bitcoin that Bulgarian investigators took from some crooks back in the spring is now worth \$3 billion.

Billion, with a "B."

That calculation was made by CoinDesk today (<http://goo.gl/7aZqGn>). The cryptocurrency news site noted that back in May officials seized what seemed like a pretty decent haul: About 200,000 Bitcoin, then worth about \$500 million. Investigators busted a ring of nefarious do-badders who were conspiring with customs officials throughout Southeast Europe to fake customs documents in order to avoid taxes.

The criminals were using Bitcoin as part of the scheme. At the time, one Bitcoin was worth a mere \$2,354. Today? North of \$15,000 per Bitcoin. If those criminals have internet in the pokey, you can bet they are banging their heads against the bars pretty much nonstop.

As for the Bulgarian government, well, who knows? CoinDesk noted that a local Bulgarian blog (<http://goo.gl/SZyE7d>) asked the government what it was doing with its Bitcoin windfall, but didn't get an answer.

Still, if Bulgaria can unload those Bitcoins, it could be good timing for the country, which is facing an annual budget deficit of about \$600,000 for 2018. So, \$3 billion could help balance the checkbook for the next several years.

However, the Bulgarian government also likely faces the same dilemma as every holder of Bitcoin: Is this a bubble?

If yes, the government should dump all those Bitcoin ASAP. If no, and the currency goes to \$30,000 per Bitcoin, government leaders will be banging their heads against a wall for decades if they sell now.



*In May 2017, the Bulgarian police didn't only seize "classic" money from tech savvy do-badders*

Read the original story in VentureBeat: <http://goo.gl/1yqi9m>

## Opening the doors of the Russian market



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