

The current state of ICOs

– H2 2018

A concise overview of ICO overall developments, regions, raised capital and the biggest projects

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Preface

It is a shared opinion that ICOs already surpassed their hype at the end of 2017 and the beginning of 2018. EOS closing its ICO in the mid of this year was establishing a huge milestone with a funding of 4.2 billion US-Dollar. However, the float of ICO projects makes it harder for investors to distinguish promising from unpromising ones.

Security Token, in the opinion of many, seem to be the new way of funding not only Blockchain based projects. Hence, Blockchain based fundraisings are getting more regulated and interesting for traditional enterprises.

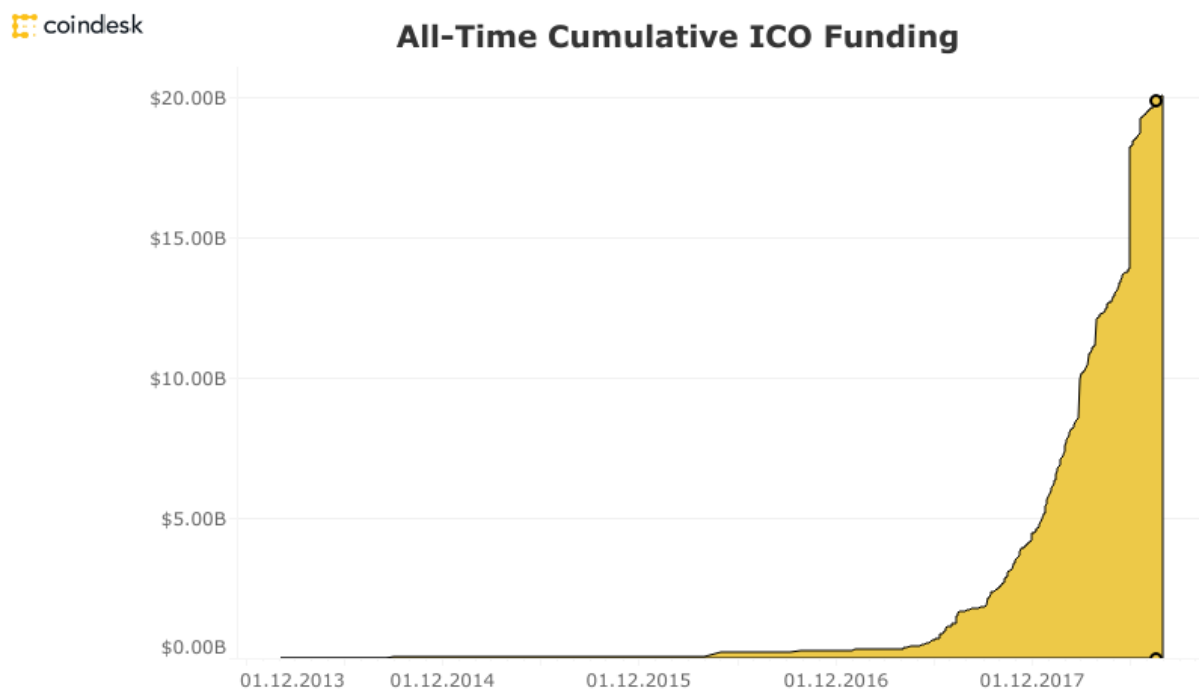
This comprehensive sheet delivers a mostly quantitative overview of the current ICO and STO market in 2018, focusing on the second half of the year we are currently in.

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1. Current ICO developments in H2 2018

Looking at the all-time cumulative ICO funding, the hype at the end of 2017 brought a great amount of capital into the market. Followed by the closing of EOS in 2018, the overall sum was increasing fast. However, keeping an eye on the last three months without considering EOS, the ICO volume was growing very slowly.

1.1 Raised ICO funds in 2018 so far



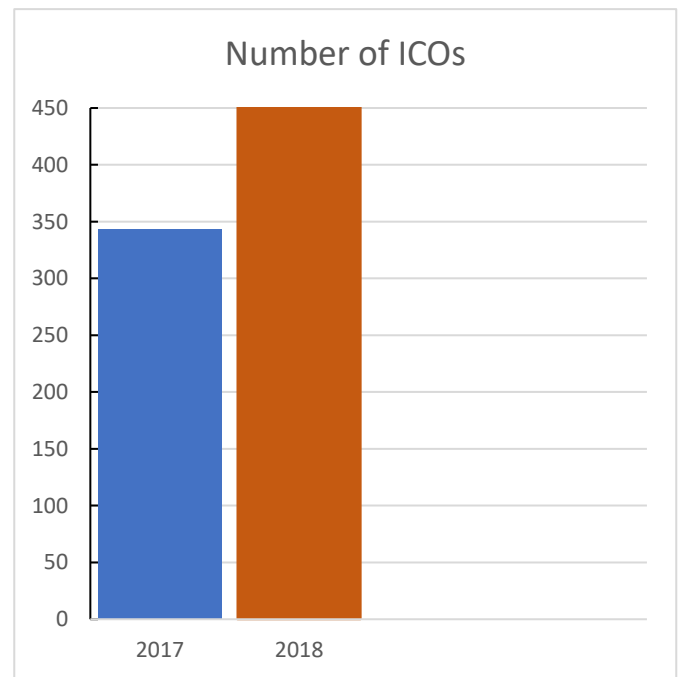
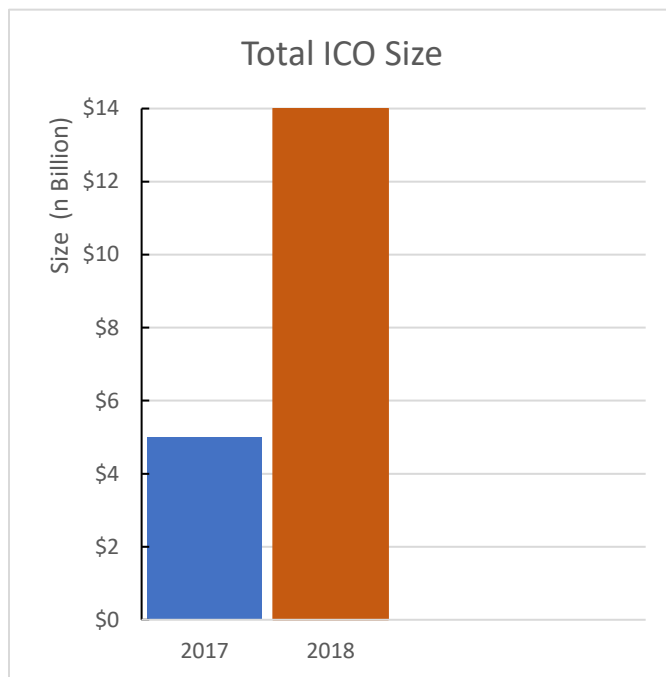
Graph 1: source <https://www.coindesk.com/ico-tracker> (09/09/2018)

2018: 14.925 billion USD (09/09/2018)

2017: 5.482 billion USD

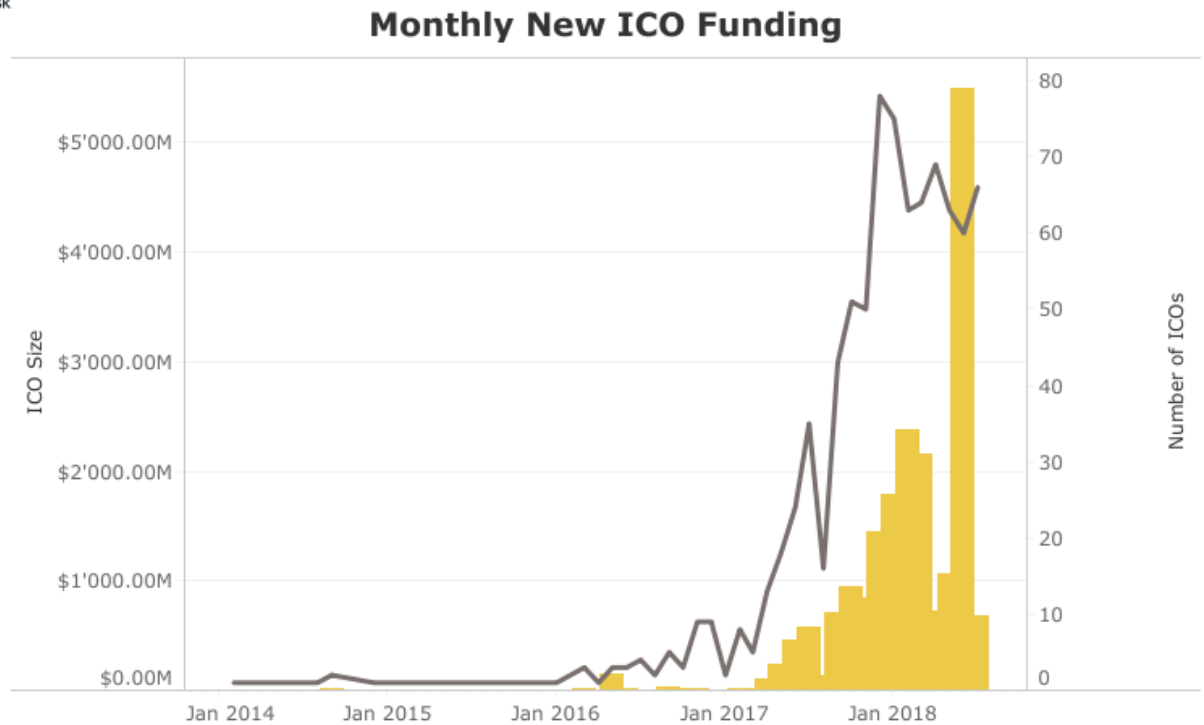
1.2 ICO market in 2017 vs. 2018

Both in the volume, as well as in the number of projects, the ICO market already exceeded the last year's results.



1.3 Monthly ICO investment amounts

coindesk



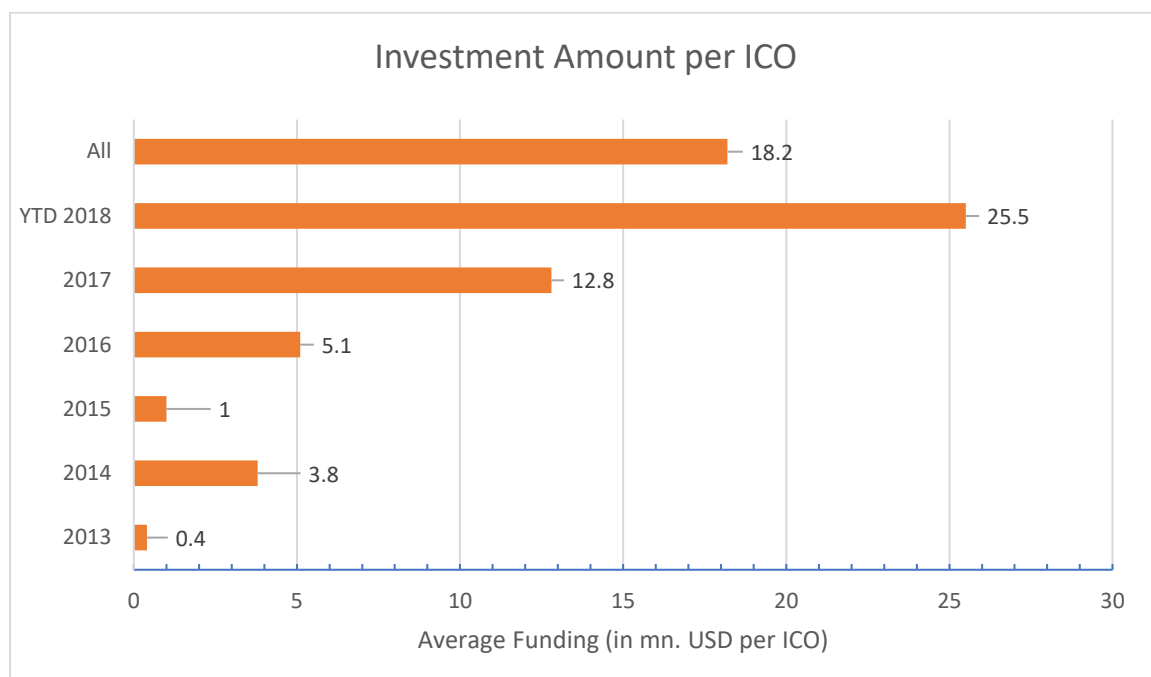
May 2018: 1062 million USD

June 2018 5,499 million USD

July 2018: 679 million USD (25/02/2018)

The closing date of the ICO is the relevant date to measure the time-related fundings. In June, EOS (the biggest ICO ever happened) was closing the fundraising with a sum of approx. 4.2 billion USD.

1.4 Average ICO size



Year	Avg. Funding (million USD/ICO) ¹
All	18.2
2013	0.4
2014	3.8
2015	1.0
2016	5.1
2017	12.8
YTD 2018	25.5

2018: 25.5 million USD (+12.7 million USD)

2017: 12.8 million USD

¹ https://cryptovalley.swiss/wp-content/uploads/20180628_PwC-S-CVA-ICO-Report_EN.pdf (page 2)

2. Distributions of Tokensales between regions

The five most significant ICO destinations (all-time)²

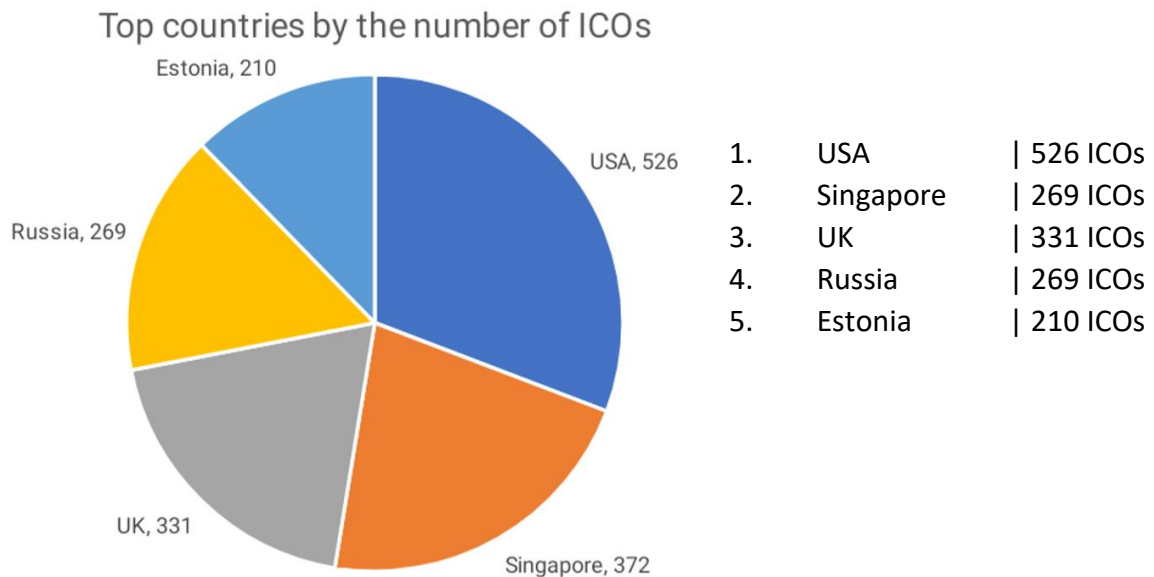


Figure 1: Top countries by the number of ICOs (source: <https://icobench.com/stats>)

The US market

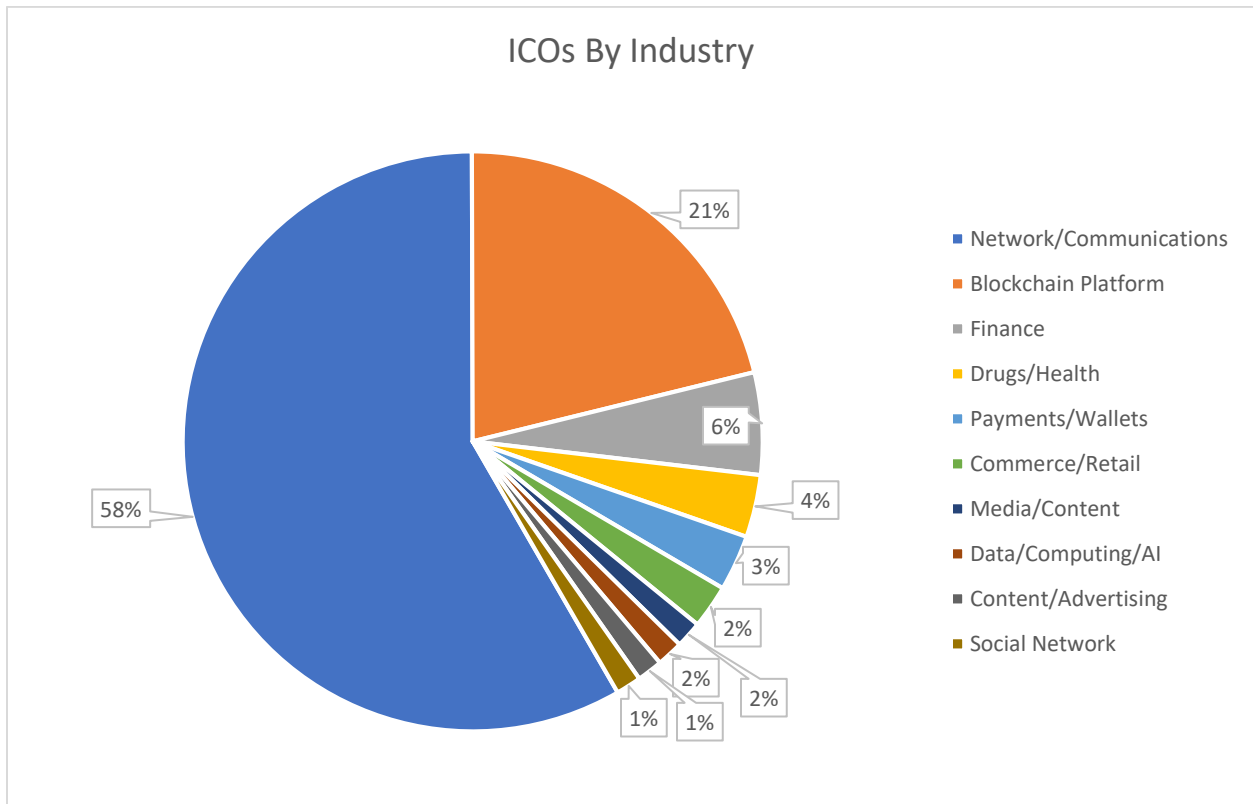
The US market still seems to be the special: Many ICOs and STOs do not allow investors from the US to contribute if they did not file it officially at the regulators such as the SEC. Therefore, 70% of the ICOs do not have any US residents among their investors³. However, the USA remains on the first place of the most ICOs executed.

² <https://icobench.com/stats>

³ <https://medium.com/@kerya/ico-statistics-countries-traffic-and-investors-79d934591b4b>

3. ICOs by Industry

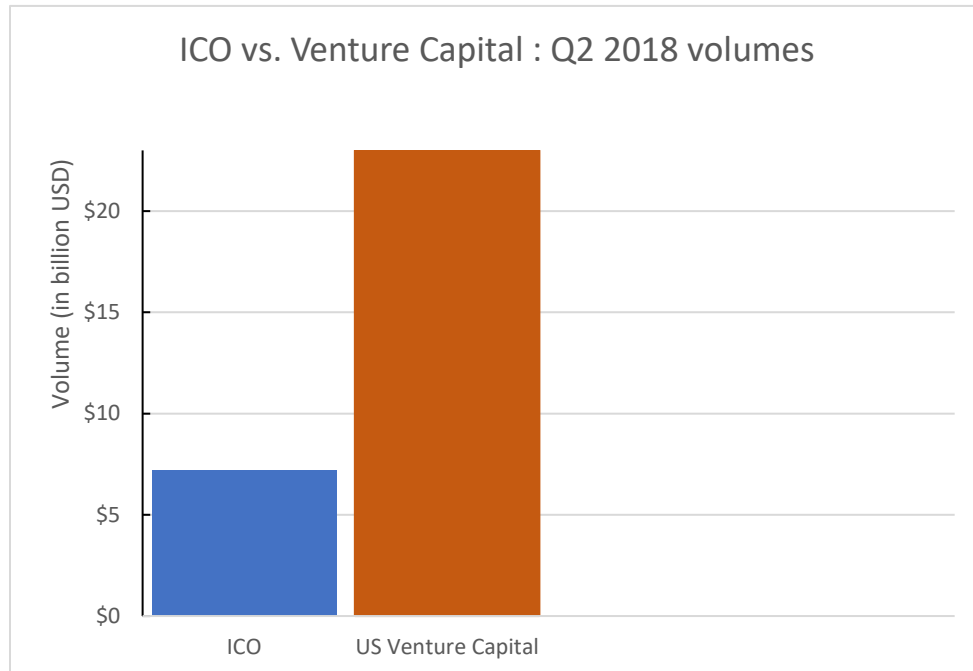
The largest portion of ICOs is associated with the category of Network & Communication Platforms, followed by the related category of Blockchain Platforms. The third most-relevant category of all ICOs is the field of finance.⁴



⁴ <https://icowatchlist.com/statistics/categories>

4. ICO vs. IPO vs. Venture Capital

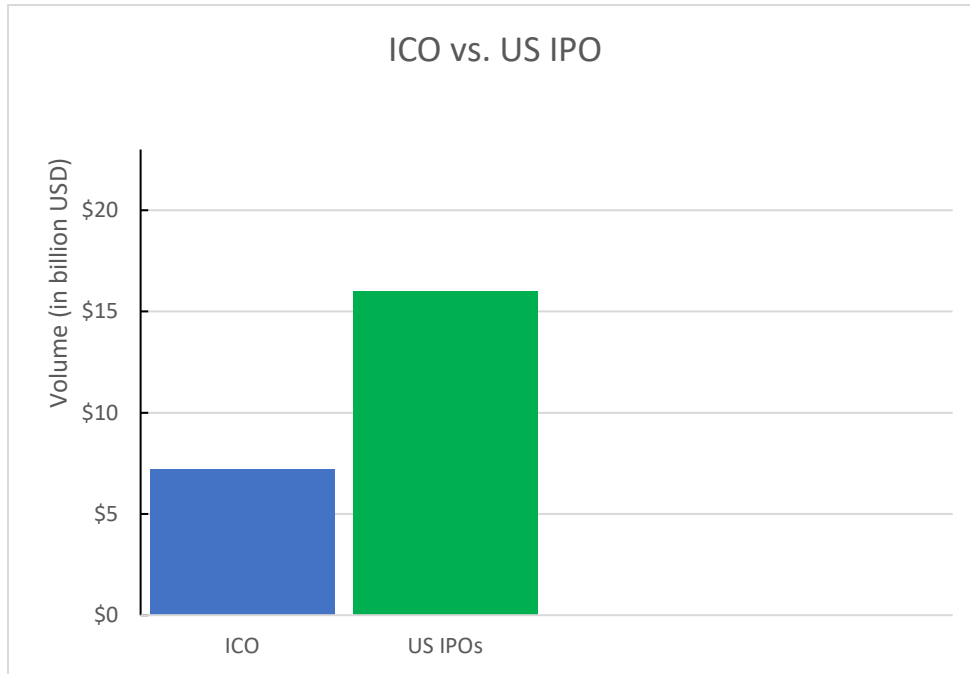
4.1 ICO vs. Venture Capital (Q2 2018 volume)



ICO vs. Venture Capital

- ICO: 7.2 billion USD
- US Venture Capital: 23 billion USD

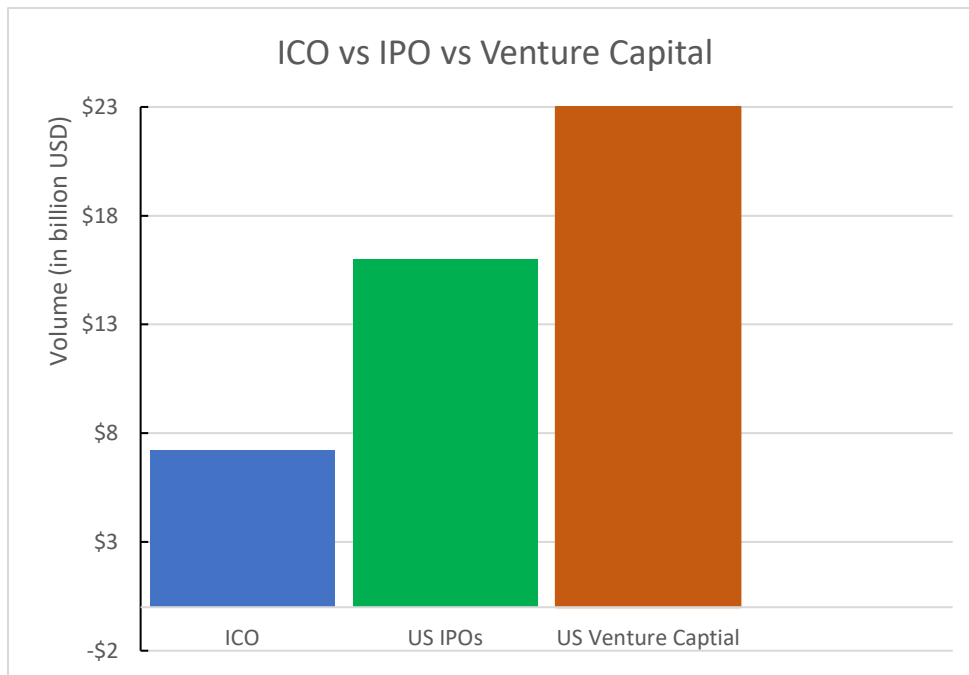
4.2 ICO vs. US IPO



ICO vs. US IPO

- ICO: 7.2 billion
- US IPOs: 16 billion

4.3 ICO vs. IPO vs. US IPO vs. Venture Capital



ICO vs. IPO vs. Venture Capital

- ICO: 7.2 billion USD
- US IPOs: 16 billion USD
- US Venture Capital: 23 billion USD⁵

⁵ Sources of chapter 4: <http://usblogs.pwc.com/deals/q3-2018-capital-markets-watch/>

5 The biggest ICO projects

The biggest ICO projects ever executed reach from 150 million USD up to several billions of USD collected. Compared to the first quarter of 2018, Telegram got replaced by EOS as the biggest ICO ever executed. Furthermore, all the top five ICOs ever (according their funding) were executed in 2018.⁶

5.1 EOS

Infrastructure for decentralized applications

Raised amount: 4,200 million USD

Year: 2018

5.2 Telegram

Existing Messaging-Service that aims to build a broader decentralized network with the raised funds.

Raised amount: 1,700 million USD

Year: 2018

5.3 Petro

Digital Currency for Venezuela

Raised amount: 735 million USD

Year: 2018

Top Ten ICOs of 2018

Position	Project	Total Raised
1	EOS	\$4,197,956,136
2	Telegram ICO (Private Pre-sale 1 & 2)	\$1,700,000,000
3	Petro (Private Pre-Sale)	\$735,000,000
4	TaTaTu	\$575,000,000
5	Dragon	\$320,000,000
6	Huobi token	\$300,000,000
7	Bankera	\$150,949,194
8	Basis	\$133,000,000
9	Orbs (Private Sale)	\$118,000,000
10	PumaPay	\$117,019,041

⁶ https://cryptovalley.swiss/wp-content/uploads/20180628_PwC-S-CVA-ICO-Report_EN.pdf

6 Success rates of ICOs

Up to 81% of the executed ICOs were classified as pure scam, while also only a portion of the tokens that made it to an exchange are *promising* or *successful*⁷.

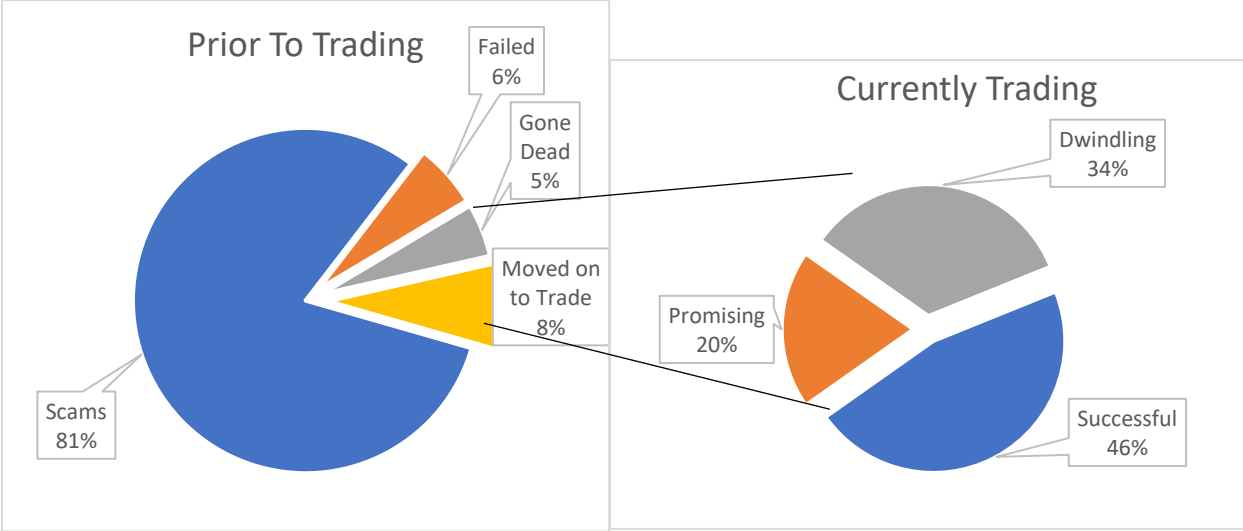


Figure 2: % of projects which reached their hard cap (sources: CoinSchedule, Architect Partners, TokenData)

⁷ <https://medium.com/satis-group/ico-quality-development-trading-e4fef28df04f>

7 What's next?

ICOs are getting larger, the market gets more regulated and projects are seeking the attention of institutional investors, traditional enterprises and banks. Not only that banks start to register patents for launching tokens shows that token-based methods of finance are evolving out of their experimental stage.

In my opinion, I believe that security tokens will be most relevant in the next year(s), followed by equity tokens specifically.

If you like to follow the ICO and STO market without missing relevant information about the movements, register for my newsletter [here](#). No spam, just content.

Sincerely,

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Sources: CoinDesk ICO Tracker <https://www.coindesk.com/ico-tracker/>

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