

Swarm Market

ICO & Token Sales:
A Viable Replacement
for Early Stage Equity
Funding?



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Token sales:
3B USD raised
in 2017 so
far.

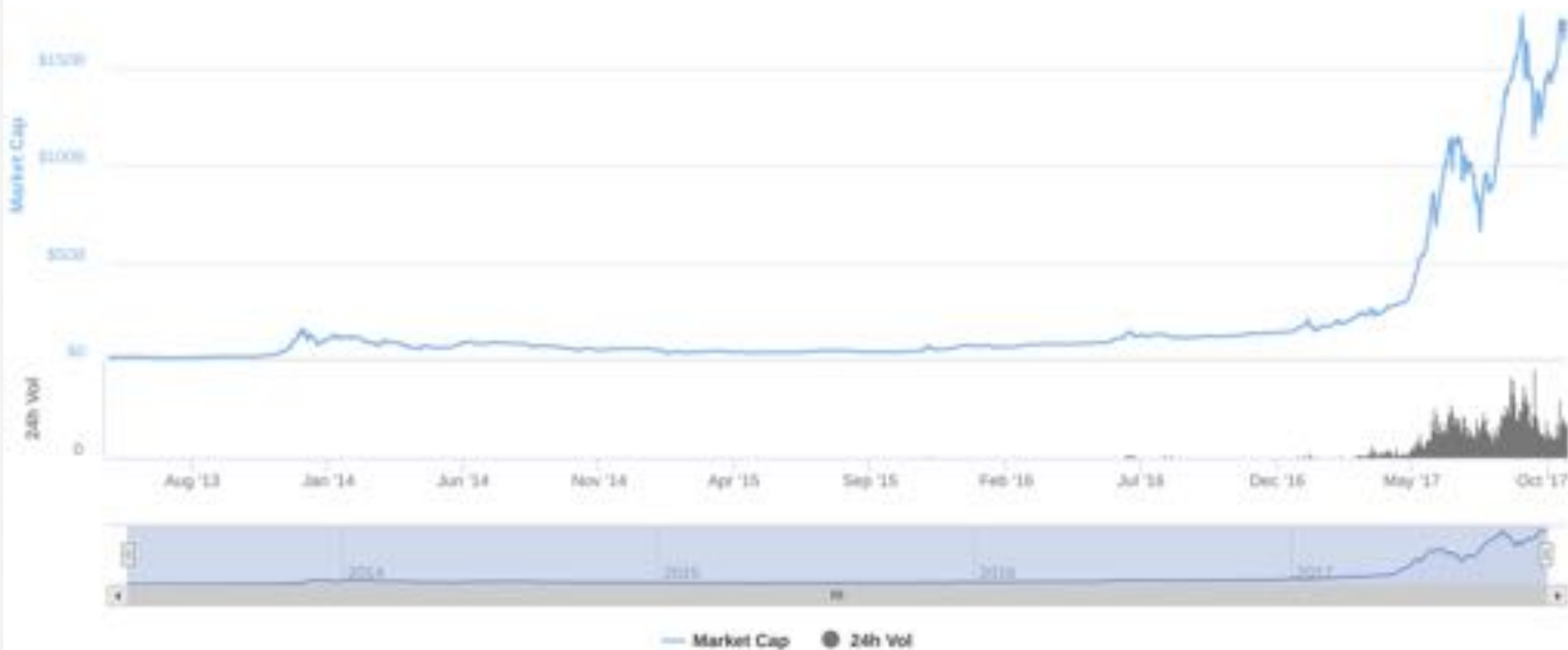


Global Charts

Total Market Capitalization

Zoom 1d 7d 1m 3m 1y YTD **ALL**

From To 



Cryptocurrency ICO Stats 2017



Total raised are grouped by the ICO closing date and are valued using BTC exchange rate at that time. Data correct on 16th October 2017 14:03:17C

Total Raised: \$3,071,120,416

Total Number of ICOs: 202

Top Ten ICOs of 2017

Position	Project	Total Raised
1	Filecoin	\$257,000,000
2	Tezos	\$232,319,985
3	EOS Stage 1	\$185,000,000
4	Bancor	\$153,000,000
5	Kin	\$97,041,936
6	Status	\$90,000,000
7	TenX	\$64,000,000
8	MobileGO	\$53,069,235
9	KyberNetwork	\$48,000,000
10	MCAP	\$45,192,400

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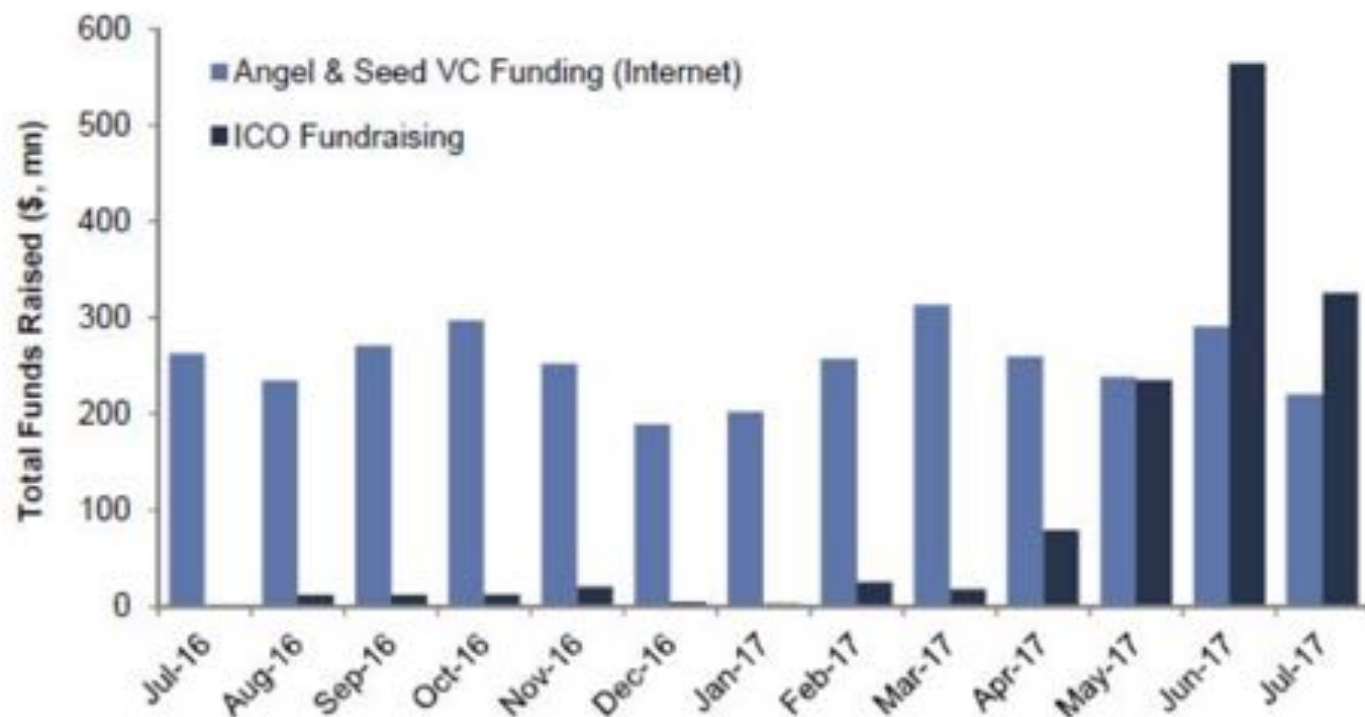
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Exhibit 8: The pace of ICO fundraising has now surpassed Angel & Seed stage Internet VC funding globally

Total Funds Raised by month (\$, millions)



Note: ICO fundraising as of July 18th, 2017, per Coin Schedule. Angel & Seed VC funding data as of July 31st, 2017 and does not include "crowdfunding" rounds.

Source: CoinSchedule, CB Insights, Goldman Sachs Global Investment Research.



■ June 14, 2017, 7:28 PM PDT

Digital Coins Are So Hot, Startups Are Selling Them Like an IPO

Be careful!





#BUSINESS NEWS

OCTOBER 18, 2017 / 3:06 PM / 3 DAYS AGO

Special Report: Backroom battle imperils \$230 million cryptocurrency venture



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Qatar Makes Accounting Change Ahead of Bond Sale



CURRENCIES

Tezos Raised \$232 Million in a Hot Coin Offering, Then a Fight Broke Out

Management battle is threatening the deal and highlighting the risks of initial coin offerings



Traditional VC Funding vs Token Sales

	Equity VC Funding	Token Sales
Acronym	IPO	ICO (Initial Coin Offering*)
What is Being Funded	company	protocol , application, community
Mechanics	capital for equity in company	cryptocurrency for token (may be utility or security)

Security vs Utility Tokens

	Security token	Utility
Regulated by Law?	yes; SEC in USA, others elsewhere.	"It depends".
Return Strategy	dividends, company value appreciation	project gains traction, token naturally appreciates with demand, increasing utility and / or value
Primary Motivation	return on investment	platform users and developers building on the platform / application

Choosing a Good Project

1. real, accountable people
2. solid technical plan
3. token sale limit
4. period of vesting



Swarm Market

the first
decentralized threat
intelligence market



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Swarm Market:
the **people**.





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CHRIS EAGLE
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DAN GUIDO
CO-FOUNDER & CEO,
TRAIL OF BITS



STEVE BASSI

CEO, DEVELOPER, FOUNDER



PAUL MAKOWSKI

CTO, DEVELOPER, CO-FOUNDER



BEN SCHMIDT

DIRECTOR OF PRODUCT SECURITY,
DEVELOPER, CO-FOUNDER



NICK DAVIS

COO, DEVELOPER, CO-FOUNDER



MAX KOO

SENIOR BACKEND DEVELOPER, CO-FOUNDER

Swarm Market:
the **plan**.

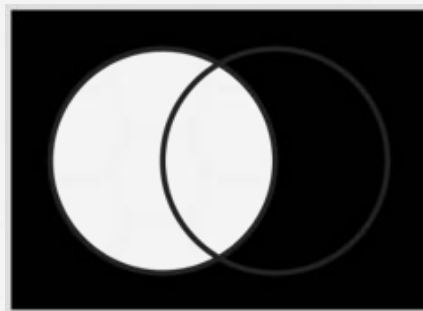


Today's market is broken.

Today's market:

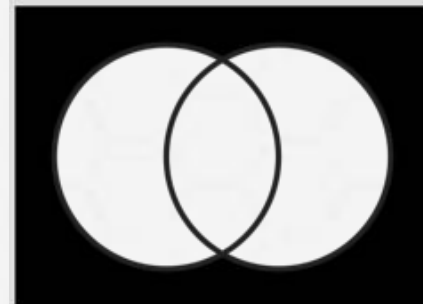
- **mandates duplication of effort.**
All AV must detect WannaCry. This is duplication of effort and cost.
- **disincentivizes specialized offerings.**
Lowest common denominator wins: invest in ubiquitous threats.
- **discourages interoperability.** You can't run both McAfee and Symantec if you wanted to. And you don't want to.

Figure B (Old)



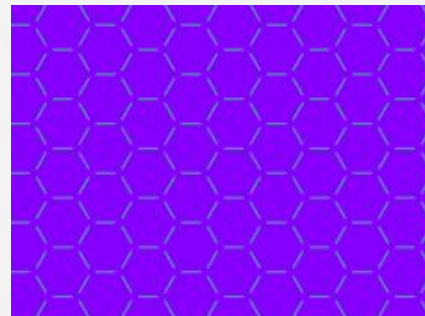
you went with AV 1
black is still your blind spot

Figure A (Old)



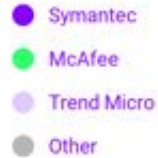
left circle: AV 1 coverage
right circle: AV 2 coverage
black: blind spot

Figure C (Swarm)



The Swarm Market encourages
full, combinatorial coverage

Fragmented market. Fragmented coverage. (Antivirus, \$8.5B)



Incentives for up-to-date threat protection are fragmented across the market.

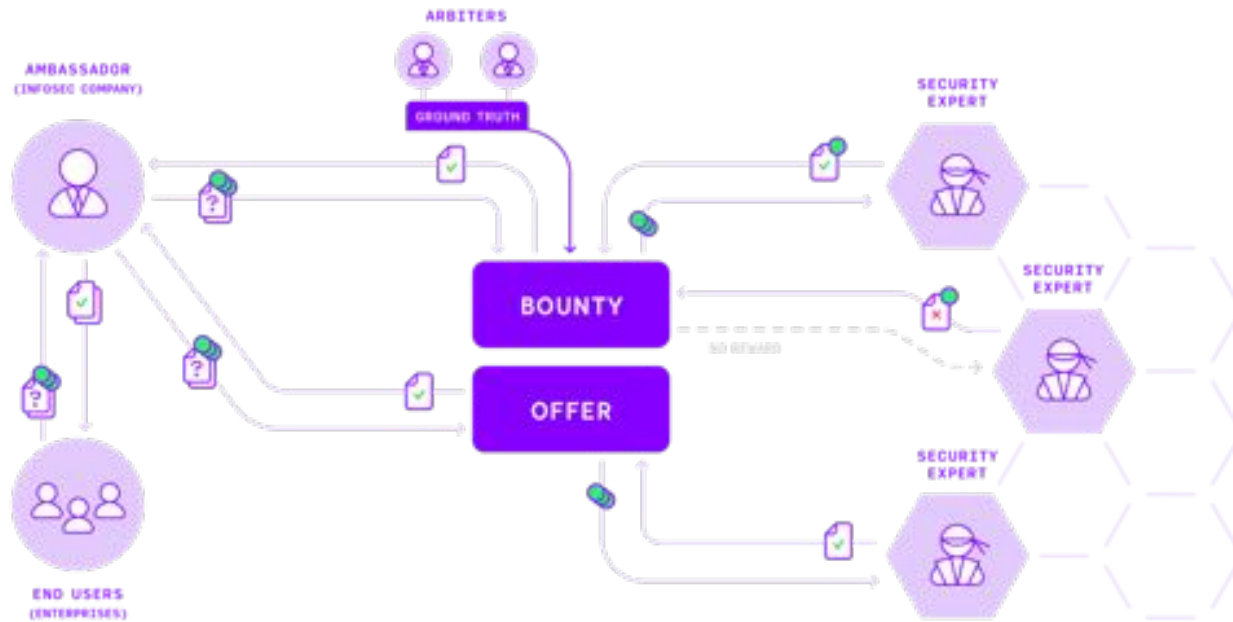
Every provider duplicates some amount of coverage.

Majority of subscription revenue goes to overhead, not user protection.

Swarm rewards:
timely,
unique
accuracy.



Threat protection **redefined**



Swarm Market:
the token sale.



Token Sale Driven Development

Swarm Technologies, Inc. builds the Swarm Market and engages with the community to create demand on both sides.

We connect initial participants via public competitions, meetups, hackathons and dev grants.

Our token sale starts **February 6th** on the Ethereum blockchain.

15% of total tokens **airdropped to experts**.



\$5M

minimum

Bootstrapping a New Market

After the token sale, we focus on market development and security expert onboarding via:

- open tooling
- blockchain-based reputational transparency
- passive income opportunities that ensure the network grows quickly



Transactions & Future Revenue

- Swarm Market tokenizes fees and revenue; Swarm Technologies, Inc. takes tokenized fees for bounty arbitration from day 1.
- Open tooling doesn't mean free support. Our open endpoint agent support becomes a source of enterprise revenue.
- Appliance integrations: Cisco / Juniper / Palo Alto sit at the edge, lack broad and constant intelligence feeds



Thank *you!*



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