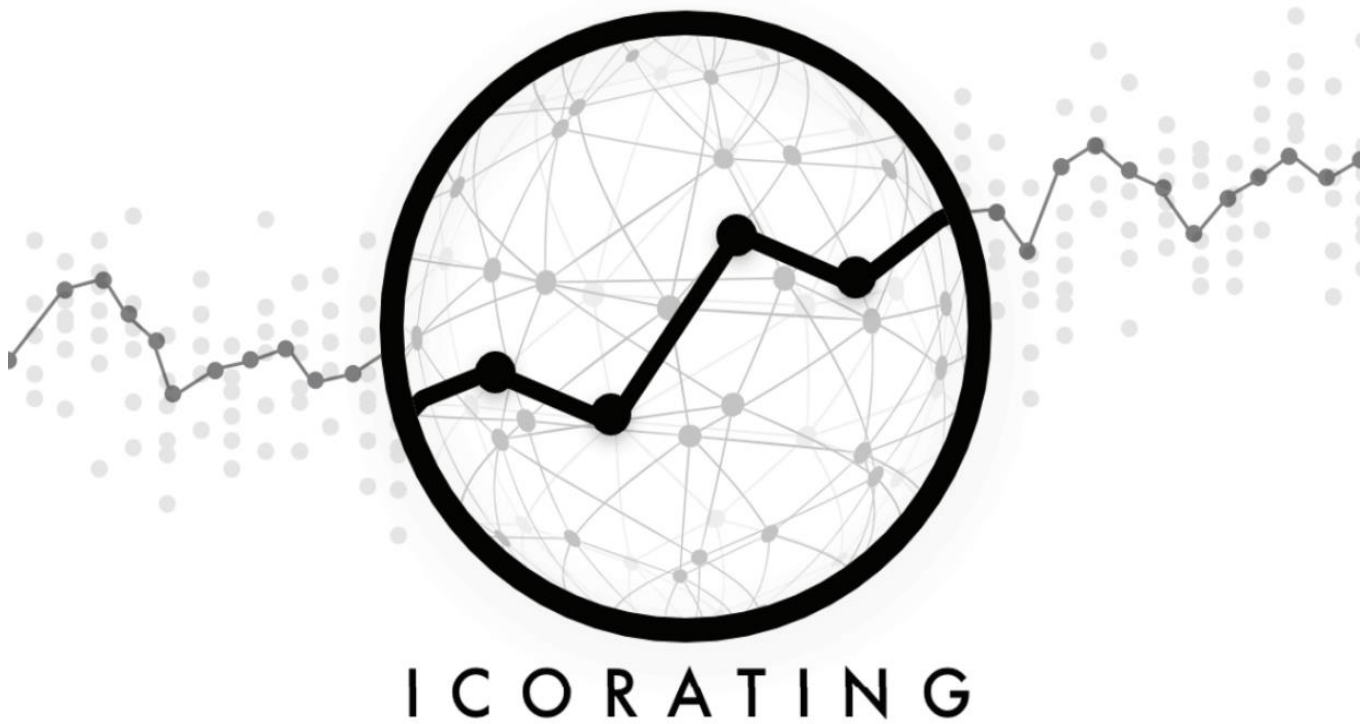


ICOrating

HEARTBOUT Basic Review (<https://heartbout.com/>)

ICO dates (01.04.2018 - 30.06.2018)



I C O R A T I N G

Web: [icorating.com](http://icorating.com)

Email: [info@icorating.com](mailto:info@icorating.com)

Twitter: [@IcoRating](https://twitter.com/IcoRating)

## Project details

**Name:** HeartBout

**Ticker symbol:** HBC

**Project Type:** Social Media and Communication

**Extended Company Description:** HeartBout is a social network featuring a decentralized reward system for user activity based on blockchain technology.

**Company:** HeartBout LP

[Website](#)

[Whitepaper](#)

## ICO details

**Public ICO starts:** 01.04.2018

**Public ICO ends:** 30.06.2018

**Token Sale Duration (weeks):** 12.8

**Token Type:** ERC20

**Total Number of Tokens:** N/A

**Tokens available for sale (Pre-Sale + Public ICO):** 44,197,720

### Investment Goals:

- Marketing - 47%
- Development - 40%
- Operational costs - 5%
- Equipment – 1.3%
- Other – 6.7%

**HBC Price:** 1 ETH = 6863 HBC

**Accepted payments:** ETH

**Bounty:** The program started on December 11, 2017 and runs until February 28, 2018.

**Token Role:** Functional

## Team

**Team (number of people): 3**

**Number of advisors and partners: 3**

[GitHub](#)

## Social media

**Twitter:** Posts: 35, followers: 428

**Telegram:** Subscribers: 151

**Facebook:** Subscribers: 415

# Project information

HeartBout is a social network with a decentralized system for rewarding user activity based on blockchain technology.

Users of HeartBout take part in the creation and promotion of content, as well as mining. They receive rewards in the form of the project's own cryptocurrency, HBC.



## Emission

The issuance of HBC tokens is done on a daily basis. All emitted tokens during the day are distributed between authors, voters and miners. The issuance of HBC tokens, is limited to 200 per day. Voting with hot hearts affects the amount of emitted HBC tokens. Voting with cold hearts does not affect the emission, but can recover the power of "hot hearts" of the voter.



## Award author

The author of a post or comment gets 65% of the HBC tokens from the total emission. The award from a publication depends on the number of positive ratings – "hot hearts" and their power. The calculation takes into account "hot hearts", received in the 24 hours after publication.



## Voters reward

The reward for voting with a "hot heart" is 15% of the HBC tokens from the emission for voter. The reward is distributed between users, who voted for the publication, subject to sequence number, "hot heart" and its power. To prevent attempts to drive up hot and cold hearts, a special mechanism is used to limit the amount of hearts available and the power of hearts, by establishing a dependence between the number of used hearts and their power.



## Reward for participants during bout.

Bets are placed by a challenger and must be confirmed by another participant. Thus, the prize fund is formed and consists of the challenger's and the recipient's amount of tokens. The winner gets a prize fund minus a commission for HeartBout social network.



## Miner reward

The miner's reward is 20% of the HBC tokens from the emission when blocks in blockchain are made in accordance with the schedule. Blockchain Heartbout is able to make a schedule for the production of blocks every 3 seconds among the 21 delegates according to the rounds.

The HeartBout social network monetizes users' activity including the publication of

articles, voting or making comments, providing advertising opportunities in exchange for HBC tokens. HBC tokens can be spent on the promotion of a publication, for example. It is also possible to withdraw tokens to an accredited exchange and subsequently exchange for other currencies. A user evaluates content with "hot" (like) and "cold" (dislike) hearts; therefore the more often someone uses the social network, the more HBC they receive.

The following functionality will be available:

- The registration, creation and viewing of profiles.
- A configurable news feed.
- Comments.
- The creation of articles.
- Calling.
- Chat service.
- The ability to place advertising.

#### **Advisors:**

**Valentin Bezuglenko** ([LinkedIn](#)) — Co-founder and CEO of Paladin Engineering, formerly the head of the IT department at Medifarmservis and engineer-programmer at Stavropoljenergo.

**Mihail Tarasev** ([LinkedIn](#)) — Co-founder of Blockchain Systems [1].

**Danar Podkopaev** ([LinkedIn](#)) — Development director at Paladin Engineering, formerly sales manager at SKB Contour and assistant director of the cartography department of the Russian Geographical Society.

**Project partners:** N/A.

#### **Attracted investments:**

- Alexander Eroshevskij (n/a) — sum of investment is \$400,000.

## Summary

The project is based on a social network. Attention from the blockchain community on the project is currently low.

### **Strengths of the project:**

- The market for advertising on social media is dynamically developing.
- The project has a well-designed budget and mechanism for the calculation of user rewards.

### **Weaknesses of the project:**

- The big players in the project's chosen market have already occupied a large proportion of it
- There is no MVP (minimum viable product) at the time of the crowdsale, which could alienate potential investors.

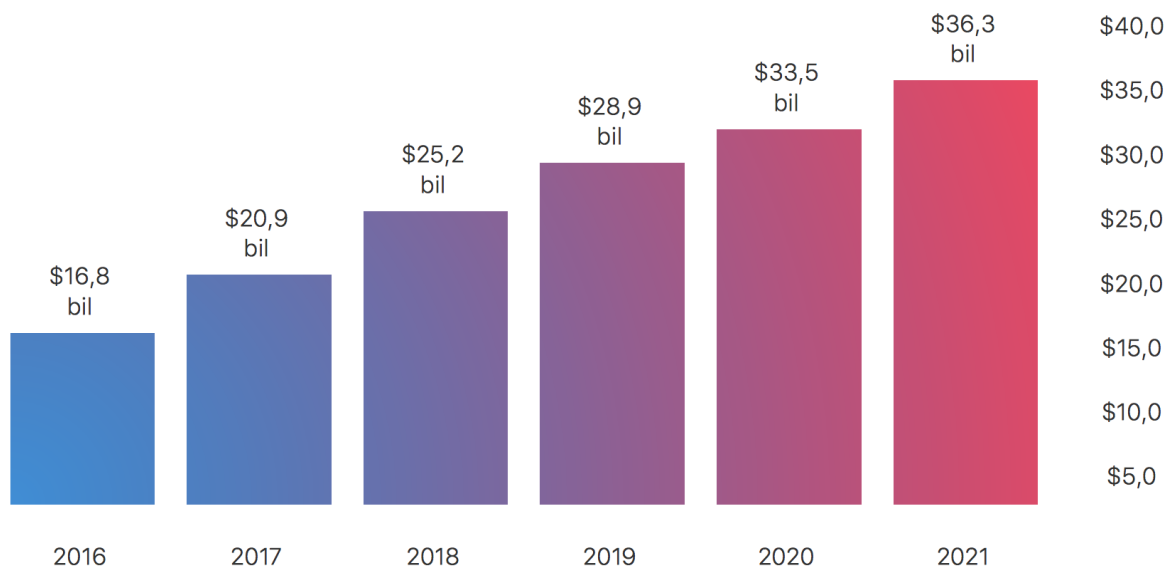
# Market and Industry

According to Statista, social media income from advertising is steadily growing, reaching \$41 bln in 2017, a 24.5% increase on 2016.

The number of users on social media is also growing steadily: annual growth in user numbers is about 7%, therefore, by 2019 2.77 bln people will be using social media. Regarding the cost of advertising on social media, the advertising agency of Zenith Optimedia, owned by France Publicis, predicts that in 2019 these costs will comprise 20% of total internet advertising, reaching \$50 billion. The annual growth rate (CAGR) will be 26%. [<https://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/>], [<https://finance.yahoo.com/news/social-media-ads-hit-50-billion-2019-zenith-000740056.html>], [<https://www.statista.com/statistics/256911/Global-online-advertising-spending/>], [<https://www.statista.com/statistics/271406/advertising-revenue-of-social-networks-worldwide/>]

According to the team, in recent years there is an increase in spend on mobile native advertising worldwide:

Over the past years there has been growth in spending on mobile native advertising around the world. The graph reflects the growth of mobile native advertising spending in the United States.



*Comments:* The market for advertising on social media is dynamically developing. However, there are large players which have already seized most of the market: According to a 2016 assessment, Facebook and Twitter together occupy almost three quarters of the advertising market on social media.

# Competitors

The team identifies the following competitor:

[Steemit](#) — A social media platform and a platform offering rewards for content.

There is also:

[Golos](#) — A social media platform that enables the rewarding of users for creating interesting content.

**Summary:** The main difference from competitors is that the token is tied to advertising and to DAU (the number of unique users who have entered the system at least once within a 24 hour period). In addition, the cost of advertising on HeartBout will be significantly lower than on social media that do not use blockchain technology.



# Engineering features of the platform

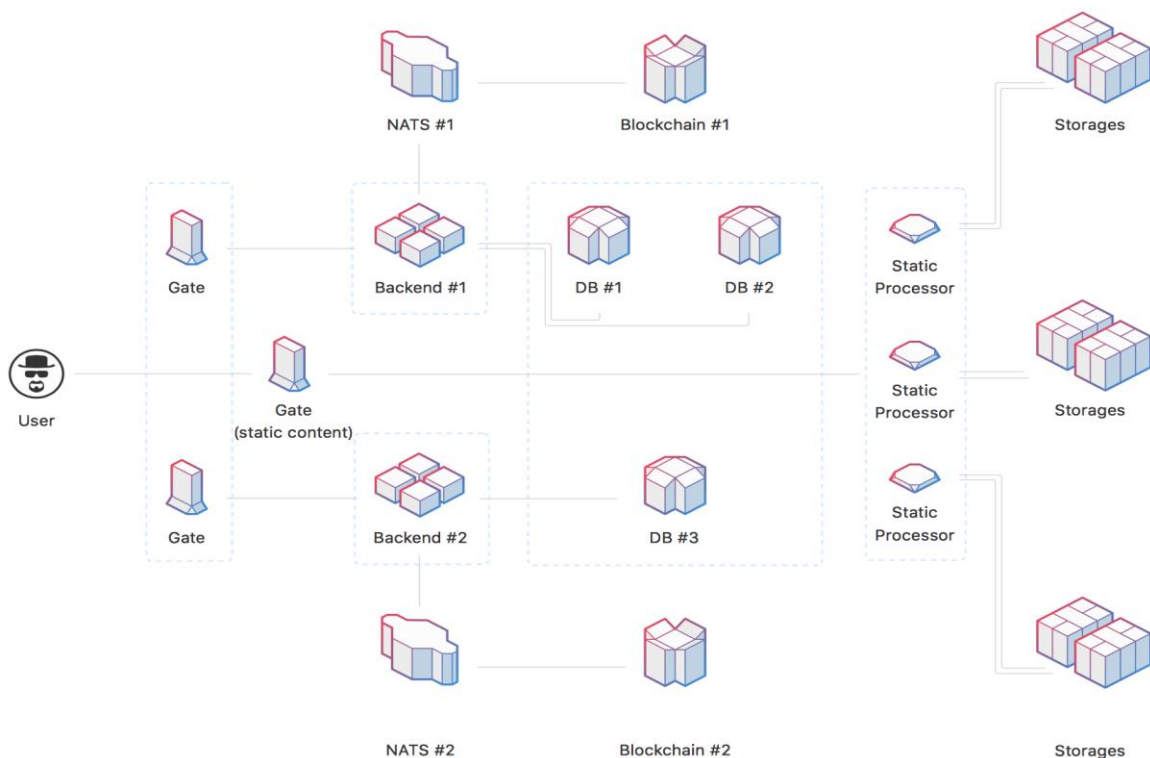
The issue is distributed in the form of rewards to authors, miners and voters.

- **Authors.** Receive 65% of the issue. Only the number of "Hot Hearts" (likes) received within a day of publication are taken into account for the estimation of a reward.
- **Voters.** 15% of the issue will be for rewards for "hot heart" voting.
- **Miner.** The generation of blocks on the HeartBout blockchain is carried out in rounds. For each round of block creation and signing with transactions, 21 candidates are chosen. Thus all interested parties will be able to participate in the issuance process.

## Technical description

The platform is built on the basis of blockchain technology. The token is issued once every 24 hours. Delegates synchronize the production of blocks through the NTP protocol. A variation of this algorithm was also used by the Bitshares network.

The architecture of the network is presented below. It is a distributed network, so many servers are duplicated in order that the system can expand dynamically. A detailed description can be found in the project's white paper. [\[Whitepaper\]](#)



A message queuing process is configured to transfer large amounts of data between HeartBout blockchain nodes and the HeartBout project server. Connection and communication between a client and the MQ server occurs through a TCP/IP socket managed by MQ protocol commands. This solution will enable increasing the system's capacity in the future with the growth of the application's popularity and increase in number of requests.

*Comments:* The team intends to use proven technologies. According to the roadmap, HeartBout will use the Steemit project blockchain as a prototype. On a separate note, in order to prevent attempts of "Hot Hearts" (likes) fraud and other manipulation, a mechanism limiting total number of "Hot Hearts" and "Cold Hearts" will be in place.

## Technical roadmap

With the development of the technology and amount of data it is planned to implement the following:

**4th quarter, 2017** — Adjusting application design and adapting to iOS 11, commencing blockchain design, creation of technical specifications for development of the advertising engine. Development: registration, tape, search, create and edit categories, profile, editing / settings, creating a publication, analysis of the Steemit blockchain, development of the blockchain on the basis of fork stream.

**1st quarter, 2018** — Design for advertising promotion in the application, design of the wallet. Development: streaming of videos, creation of final post, activity / chat, calls, animation and testing, beta version (April), development of blockchain using fork of Steemit.

**2nd quarter, 2018** — Finalizing, testing and release of the application (June), development of Android version.

**3rd–4th quarter, 2018** — Launch of advertising engine and Android version; Formulation of technical assignment for the development of other types of advertising.

*Comments:* There is a comprehensive strategy for improving the system. However, the group of developers is not large, and there are no blockchain developers on the team; since the plans are quite extensive there is a risk that these activities will not be implemented on time.

The following active modules are presented in the open repository:

- Smart Contract.

The screenshot shows the GitHub profile for the user 'heartbout'. The profile header includes navigation links (Features, Business, Explore, Marketplace, Pricing), a search bar, and 'Sign in or Sign up' buttons. The user's profile information shows 1 repository, 0 stars, 0 followers, and 0 following. The 'Popular repositories' section lists 'SmartContract' as the only repository, described as 'Smart contract for HeartBout ICO'. Below this, a '2 contributions in the last year' heatmap shows two contribution points: one on September 10, 2017, and another on December 10, 2017. The 'Contribution activity' section is currently set to 'December 2017'.

*Comments:* - SmartContract — this module contains information about the smart contract; the repository belongs to HeartBout. Last updated on December 10, 2017. The HeartBout blockchain is being developed by [Blockchain Systems](#).

# Documentation

We have analyzed the HeartBout site and documentation for sufficiency and consistency for making an investment decision.

Information about the project is given in the white paper in English and Russian. The project is described in sufficient detail in the white paper. The main emphasis is placed on the functional and technical aspect of the social media platform's operation.

The website also provides information on the project, architecture, ecosystem, the staging of the public ICO, the roadmap, advisors and the team. The site is presented in Russian and English. A preview of the mobile application is available on the site.

**Summary:** The documentation provides insight into the project, and the principles of operation of the social network are described in sufficient detail.

# ICO

**Tokens to be issued for sale, %:** 0.815

**Public ICO start date:** 1st April, 2018

**Token type:** ERC20

**Accepted payments:** ETH

**Price of 1 HBC:** 1 ETH = 6863 HBC

**Crowdsale duration:** 12 weeks, until 30 June 2018

HeartBout Coins (HBC) are tokens designed to promote user activity on the HeartBout social network and are directly linked to the social network's advertising capabilities; i.e. they enable payments for ad views.



Advertising

With HBC tokens, ad views can be purchased of native advertising that will be placed in the feed of HeartBout social network. The advertiser can increase the cost per 1000 impressions (CPM) in HBC tokens to increase the priority, if one-time demand for advertising will exceed the capabilities of the system. However the advertiser retains the right to select the base cost, not exceeding \$2 for every 1000 views at the current rate for HBC in the system, but in such case, the advertisement is shown in a priority sequence.



Exchange

On completion of sale of tokens (ICO) 30 of June 2018, in July, the token HBC blockchain HeartBout will be available on the most reliable cryptocurrency exchanges. Distribution of HBC tokens will increase steadily. For maximum convenience, it is planned to develop its own internal exchange for the exchange of HBC tokens to other currencies.

**Token limit:** n/a

**Advantages for token holders:** Tokens are functional, enabling use of the platform's services and receipt of incentives for online activity; they can also be sold.

**Dividends:** no

**Additional token issue:** possible

**Escrow:** no

Tokens are sold in several stages:

- Pre-ICO:
  - 15<sup>th</sup> December 2017 – 31st December 2017
  - 30th January 2018 – 28th February 2018
- ICO:
  - 1<sup>st</sup> April 2018 – 30<sup>th</sup> April 2018

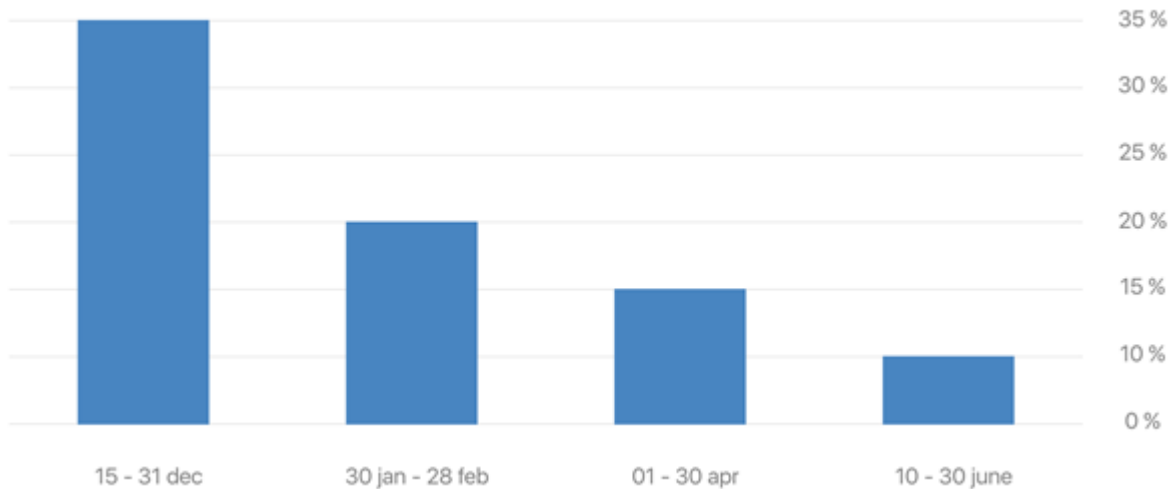
- 10<sup>th</sup> May 2018 – 30<sup>th</sup> June 2018

**Max goal:** 6440 ETH ~ \$4,617,480

**Currently raised:** 138668.9 HBC ~ \$7072

### **Bonuses:**

Weekly bonus amount after start of ICO



*Comments:* The token sale ends on 30<sup>th</sup> June 2018; in July, HeartBout's cryptocurrency will be available on various exchanges. The HB token is divisible up to 0.000000000001.

## Bounty

### [Link to bounty program](#)

The project has allocated 2,169,213 HBC to the bounty program. The program will be open in the following directions:

- Bitcointalk signatures — 542 303 HBC — 25%
- Facebook — 325 382 HBC — 15%
- Media/Articles/Youtube — 542 303 HBC — 25%
- Twitter — 325 382 HBC — 15%
- Translations and moderation — 433 842 HBC — 20%

**Summary:** The project has an extensive bounty program. All the terms of the program are specified at the link above.

## Token and capital distribution

Tokens and capital are distributed according to the following scheme:

- Pre-ICO and ICO — 81.5%
- Initial investors — 5%
- Team — 6%
- Advisors — 5%
- Bounty — 4%
- Marketing — 1.5%

**Summary:** Tokens do not affect the distribution of shares in the company. The reward system is set up so that it is more advantageous to buy tokens earlier.

# Development plans

Roadmap for the project: [\[Website\]](#)

2017	2018	2018	2018
4 quarter	1 quarter	2 quarter	3 – 4 quarter
Adjusting application design and adapting to iOS 11 start of blockchain development the formation of technical specifications for the development of the advertising engine registration tape search create and edit categories profile, editing / settings creating a publication analysis of steemit blockchain development of blockchain on the basis of fork stream	Advertising promotion design in the application design of the wallet streaming videos creating of the final post activity / Chat call animation and testing beta version (April) development of blockchain using fork steemit	Finalizing testing release of the application (June) development of the android version	Launching of the advertising engine release of the Android version analysis of the possibility of integration of other advertising types into the application formulation of the technical assignment for the development of other types of advertising development

**Summary:** The roadmap only contains a technical description. Regarding the marketing and promotion of the product, new users are intended to be attracted through advertising on social media and special mechanisms for promotion in categories and keys on the Appstore, according to a project representative. The planned metrics are presented in the WP.



# Team

The team consists of 3 people and 3 advisors. Information on the core members of the team (LinkedIn) is as follows:

**Ekaterina Eroshevskaja** (n/a) — CEO.

**Dmitriy Doroshchuk** ([LinkedIn](#)) — Head of Mobile Development. Formerly Senior iOS Developer at Cardsmobile, Magora Systems, Neocom Software, e-Legion.

**Vladislav Feuerbach** ([LinkedIn](#)) — Head of Server Development. Formerly head of the development team at CashBack Service, lead developer at F. Exchange, senior PHP developer at Daimler AG.

**Summary:** All staff members have indicated their affiliation to HeartBout. The team is mainly from Russia. The developers have extensive experience in their fields. An external company, Blockchain Systems ([blockchainsystems.ru](http://blockchainsystems.ru)), is responsible for the development of the blockchain.

# Marketing

Information about the project is available on a variety of popular services such as Twitter, Telegram, Bitcointalk, Github and Facebook. The project has a bounty program.

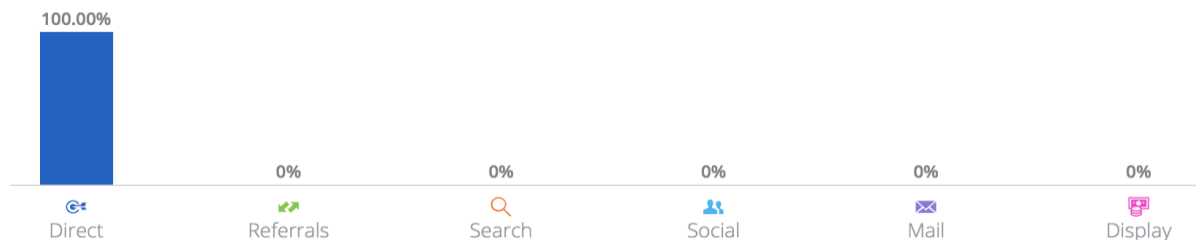
The project is active on social media. News on Twitter, Facebook and Telegram is regularly updated.

The format of articles on the project suggests that they were primarily ordered by the project.

*Comments:* Interest in the project is not yet sufficiently high. The marketing campaign is mainly being developed on Twitter and Facebook.

An analysis of HeartBout's website traffic based on Similarweb.com data showed the following:

Traffic sources: [\[Similarweb\]](#)



Comments: direct: 100, referrals: 0, search: 0, social: 0

Search traffic: 0

Referral Links: 0

Analysis of HeartBout's website traffic based on analysis data showed that:

**Traffic sources:** [\[https://a.pr-cy.ru/heartbout.com\]](https://a.pr-cy.ru/heartbout.com)

**Site evaluation:** 0.62

**Traffic:** visitors: 1840, views: 7350

**Social activity:** Total social activity is 14 points. VKontakte: 2, Facebook reposts: 12.

**Summary:** Based on available data on the project, it can be concluded that users are not yet sufficiently interested in the project. However, the team is leading an advertising campaign on Twitter and Facebook, and communicates with users via Facebook.

# Contacts

You can contact the developers through the following links:

[Website](#)

[Twitter](#)

[Telegram](#)

[Facebook](#)

[Github](#)

[Bitcointalk](#)

The information contained in the document is for informational purposes only. The views expressed in this document are solely personal stance of the ICOrating Team, based on data from open access and information that developers provided to the team through Skype, email or other means of communication.

Our goal is to increase the transparency and reliability of the young ICO market and to minimize the risk of fraud.

We appreciate feedback with constructive comments, suggestions and ideas on how to make the analysis more comprehensive and informative.