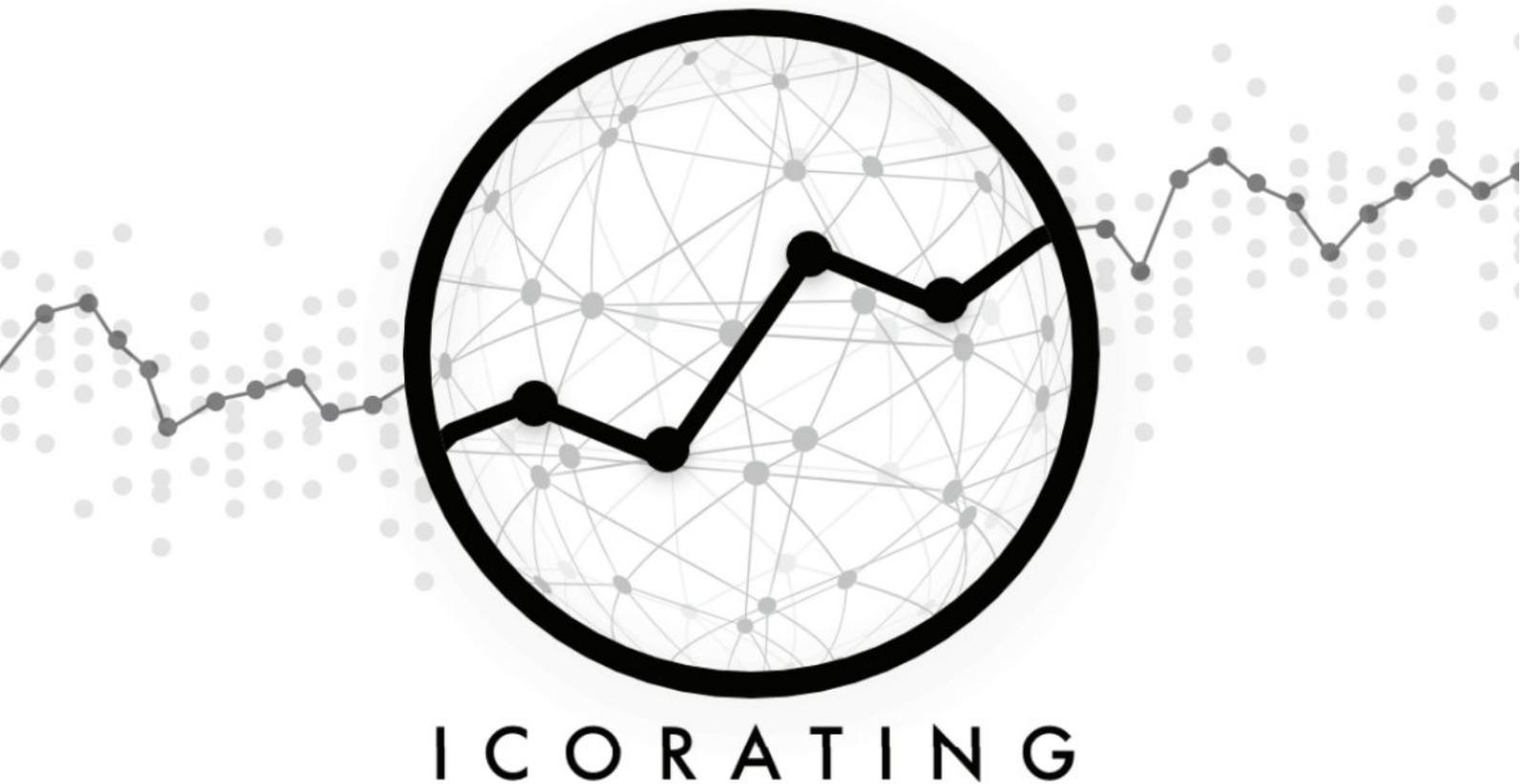


ICOrating

BETHEREUM Rating Review (<https://www.bethereum.com/>)

ICO dates (28.06.2018 - 31.08.2018)



I C O R A T I N G

Web: icorating.com

Email: info@icorating.com

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

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1. Rating

We have rated the Bethereum project as “Stable+”.

Bethereum is a social sports betting platform that excludes the need for middlemen. Implementation of its proposed services will allow its platform to stand out from the competition. However, the online betting market, including both traditional solutions and those that employ blockchain, is highly competitive, and this could hinder the project’s development.

The project’s positive points include an already-functioning MVP, Bethereum Lite, available for iOS. Bethereum’s advantages over its main competitors are the reason the project has garnered attention from investors, with \$4.5 mln (6000 ETH) raised during the presale.

The team has recruited specialists with a variety of backgrounds and experience. Key team members have previously worked together on other projects.

There are also some shortcomings that could negatively affect both the token sale and project development:

- The team have not provided any project development scenarios based on different potential levels of funding raised. There is no information on how the token sale results might affect implementation of phases specified in the roadmap.
- The documentation does not provide a global marketing strategy.
- There are factors that restrict the growth of the token’s market value in the short-term perspective.

These and other factors listed in the sections ‘Investment risk analysis’ and ‘Analysis of factors affecting the future token price’, restrict the project’s rating level.

2. General Information about the Project and ICO

Bethereum is a social sports betting platform that excludes the need for middlemen. Blockchain technology is supposed to ensure a transparent, fair and effective betting process regulated by smart contract. The project aims to create a large-scale online platform that will make betting comprehensible, easy and attractive even to casual bettors.

[Website](#)

[Whitepaper](#)

Smart contract platform: Ethereum blockchain

Contract type: ERC-20

Token: BTHR

Maximum token supply: 1,000,000,000 BTHR

Tokens to be sold: 600,000,000 BTHR

Hardcap: 25,000 ETH

Presale:

Month: April 2018

Token rate: 1 BTHR = 0.00005714286 ETH (1 ETH = 17,500 BTHR)

Accepted currencies: ETH

Bonus: 50%

Hardcap: 6000 ETH

Main sale:

Month: June 2018

Dates: June 28, 2018 – July 31, 2018

Token rate: 1 BTHR = 0.00005714286 ETH (1 ETH = 17,500 BTHR)

Minimum purchase: no limitations

Maximum purchase: no limitations

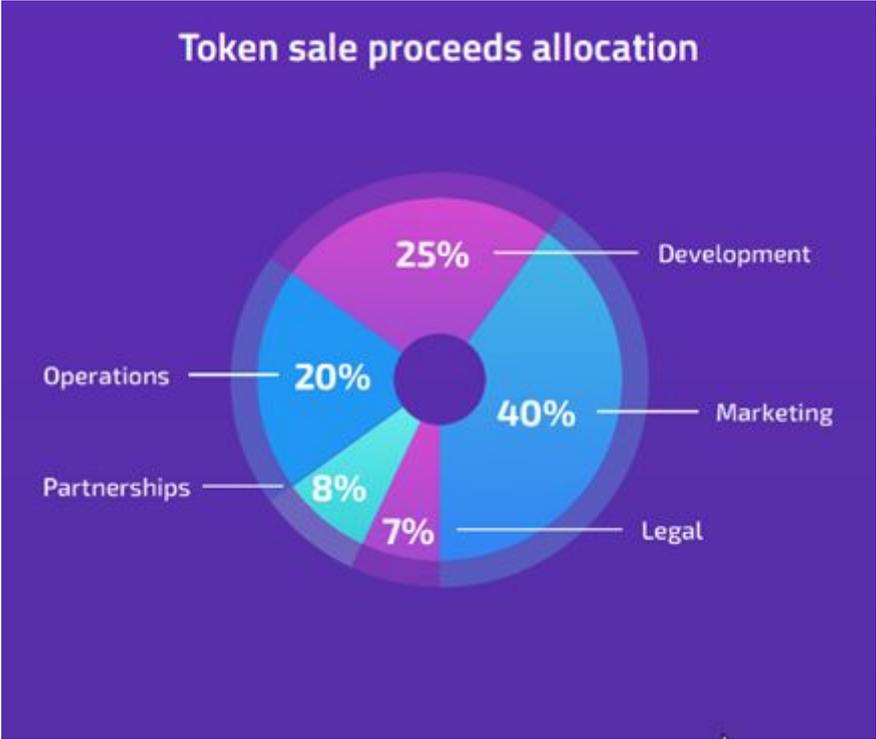
Hardcap: 19,000 ETH

A 15% bonus will be offered during the main sale. Bonus conditions will be announced three weeks prior to the main sale start date.

The tokens are distributed as follows:



The diagram below shows allocation of future token sale proceeds:



According to information available on the project’s website, the hard cap of 6000 ETH was reached during the pre-sale.

PRESALE ENDED
HARD CAP REACHED!

6 000
ETH RAISED

1 342
CONTRIBUTORS

Once the token sale is finished, all unsold tokens will be destroyed. Additional emissions are not envisaged.

3. Market Review

The platform is designed for the following user groups:

- Regular users who place bets on certain events.
- High rollers who can place bets without any limitation on their size.
- Companies and betting operators who provide the platform's functionality by licensing rebranded versions.
- Game and app developers who can integrate their products with the platform.

According to the project's documentation, one key platform feature is [gamification](#). Users and user alliances will receive rewards in tokens for certain achievements and the performance of specific tasks (for example, winning a number of bets); they will advance in rank and improve their leaderboard positions. This approach is intended to acquire new users and engage participants who already use the platform by encouraging them to compete and achieve objectives for rewards.

Users will be able to place bets on various events directly on the platform without the need for bookmakers or agencies. When placing a bet, users will be able to set the following parameters:

- An event (or several events) to place the bet on
- A minimum bet amount in BTHR tokens
- Conditions for the distribution of winnings.

Other participants also place bets based on their own forecasts. All bet parameters are recorded on the blockchain ensuring their transparency and security.

The platform features the following key components:

- The **Bethereum Wallet** is an ERC20-compliant wallet integrated into the platform. It is connected to third-party exchanges so that users can purchase BTHR there. Wallets can be used to place bets. The wallet will be available in iOS, Android, PC and Mac formats.
- **Smart Contracts** will ensure security and transparency in betting, as well as facilitate automated winning payouts based on parameters set (after deduction of the platform's fee, which is 3.75%).
- The **Graphical Smart Contract Builder** is a tool for creating and configuring smart contracts as well as adding new betting options to the platform's functionality.

- The **Developer SDK** is a set of tools, libraries, guidelines and templates for third-party developers. With this they will be able to devise and integrate their apps with the Bethereum platform. Apps will also use BTHR tokens.
- **Third-party business development** will offer modified versions of the platform for third parties. Companies and betting operators will be able to employ the rebranded platform.

The **Bethereum Social Betting App** (available for iOS, Android and Web) will be launched first. It will have the following functionality:

- 24/7 betting on sports teams.
- built-in player chat.
- monitoring of leaderboards, achievements (personal/alliance), betting history and stats, live match results.
- high roller club (large bets).
- wallet and multiple withdrawal options.

The team have released a [Bethereum Lite](#) MVP which is now available for iOS.

The project's gamification solution designed to engage users, as well as the available MVP enable assessment of the product's future potential. The project may stand out from the competition as a result. Gamification is a promising trend for project development; if successfully implemented it will enable Bethereum to acquire and retain customers, as well as effectively compete with rivals, garner attention and ensure efficient performance.

Market overview

3.1. Market analysis

The global sports betting market will show a CAGR of 4.26% between 2016 and 2020. This is according to an analytical report, '[Global Sports Betting Market 2016-2020](#)', published by MarketResearchReports.biz.

The report states that as recently as 2015, 90% of all sports bets were placed offline. This gambling segment will shrink as online sports betting platforms grow ever more popular.

According to a report from the British company [H2 Gambling Capital](#), total revenues for the betting market (including both online bookmakers and offline agencies) are significantly smaller than those of market leaders, i.e. casinos and lotteries (38% and 30% of the market accordingly). The report mentions that the global betting industry is demonstrating steady growth despite problems associated with the economic crisis and a drop-off in clientele.

If sports betting is only in third place in general ratings, it has outdone all competing segments online. Online bookmakers hold around 48% of total gambling revenues, surpassing online casinos by more than 25%.

The online betting market demonstrates a tendency towards financing advertising. For bookmakers, the online segment is an opportunity to attract more clients. Because of relatively relaxed regulation, online bookmakers have no real competitors in this segment.

Lines between different online gaming segments have become more blurred over recent years. It is almost impossible to find a large bookmaker who wouldn't offer additional services such as poker, casino or bingo. Thus, more and more bookmaker platforms can be found on online casino sites. Going online is a top priority for those bookmakers who still have not made this transition.

Growth in bookmakers' revenue is still surpassing that for gambling in general. The average annual growth rate of bookmakers' revenues is 7-9%, whereas it is around 3-4% for gambling in general.

When it comes to different regions, the report states that Asia has shown significant growth in global offline betting revenues over the recent years. Asian markets generate around half of total sports betting revenue.

Gambling activity has also been included in the research. The most popular sport is football (around 43% of all bets). It is followed by tennis, basketball, volleyball and hockey.

According to data from [Focus Gaming News](#), the US online gambling market will have a CAGR of more than 51%, reaching \$4 billion by 2020. The average age of a US casino goer is 45, the average online gambler 34. An increasing number of young bettors who prefer online gambling will be one of the important factors affecting market growth over the specified period.

3.2. Competitor analysis

There are plenty of traditional companies who offer platforms with fiat payouts, for example, 888sport, Ladbrokes, Betfair and Bet365. The Bethereum project also has some competitors who use blockchain:

[BetterBetting](#) is a decentralized online sports betting platform. This solution employs the BETR token, which ensures financial security. Users previously unconnected to each other can place bets against each other online. The team guarantees security, fairness and reliability of its software and transactions.

The project's ICO finished in April 2018 and the raised sum was [\\$13.9 million](#). BETR tokens are available on the HitBTC and Bancor exchanges.

[Wagerr](#) is a bookmaker platform based on blockchain, which guarantees reliability, transparency and protection from third-party intervention. The platform has several features that set it apart from other similar solutions. First and foremost, the Wager developers ignore the common rule that bookmakers always make profit. In order to make the platform viable, the team obliged participants who support the network to pay part of the fee. Secondly, the platform employs so-called oracles that provide forecasts for users. If a prediction is correct, the oracle receives a percentage from the bet. Conversely, the oracle loses its deposit.

The WRG token is traded on Waves, YoBit and Tidex. At the time of writing, the cap is \$43.8 million.

[XWIN](#) is a platform that enables betting with cryptocurrency. XWIN's smart contract acts as an arbitrator, and can fulfill the agreement conditions autonomously and independently. When betting with XWIN, bettors receive all the information on the conditions, which cannot be changed later on as they are fixed in the smart contract. Winnings are frozen on the smart contract account. No party can alter the specified wager or spend the winners' fund.

According to information available on the site, the ICO has finished, gaining the sum of \$2.9 million.

All these online sports betting projects have something in common. They can differ in terms of fee rates; smaller fees are not necessarily a competitive advantage, as reputations and trustworthiness of companies are more important in this industry. Another crucial parameter is the range of sports a platform offers.

The Bethereum project is aiming to create a large-scale B2C and B2B ecosystem and employ a gamification solution. This could help the project attract a large number of users and increase demand for the BTHR tokens. Third-party developers will be able to deploy their apps on the platform, which will also use BTHR tokens. We should mention that investors are starting to show interest in the Bethereum project, supported by 6000 ETH raised during the pre-sale. Nevertheless, a highly competitive environment in the market will impact the project's development.

4. Team

The Bethereum team features more than 10 members. There are 7 advisors in addition. The key members are as follows:

[Peter Gal](#) – Co-founder

Participating in the project since December 2017, Peter has more than 16 years of experience in IT and banking. He is an expert in big data, cloud computing, IoT and e-commerce.

Education:

- Ekonomická univerzita v Bratislave– 1996-2001

[Martin Herman](#) – Co-founder

Martin has participated in the project since March 2017, and has extensive entrepreneurial experience. He has founded several projects (Powerful Medical, Powerful Digital).He specializes in AI, machine learning, UI and graphic design.

Education:

- Gymnazium Jura Hronca – 2005-2014

[Giacomo Tognoni](#) – CEO at Bethereum

Has participated in the project since March 2018. Giacomo is responsible for the project's marketing and financing. He has 20 years' experience in mobile gaming and IT. Giacomo is a marketing and gamification expert, with a C-level background in corporates and startups.

Education:

- INSEAD – 2003-2004
- Maastricht University – 1995-1999

The Bethereum team also includes marketing, blockchain and design specialists.

We highlight the following advisors:

[Philip Staehelin](#) – Strategy advisor. Member of the Board of Directors at Transparency International. Philip was a Managing Partner at Roland Berger.

He is an advisor to Signals.network and Cryptelo.

[Peter Dendis](#) – Token sale advisor. He is Co-founder and CMO of the Biotron Foundation. Peter was responsible for marketing and development at Sophia TXand Decent.

[Monja Prole](#) – Betting advisor. CEO of Junior Game for 9 years.

Monja has also worked as a financial manager at Evona Electronic, a producer of betting hardware and software, as well as electronic roulettes and video lottery terminals.

Stanislav Sebest– Betting and Gaming expert

Has more than fourteen years' experience working in the betting and gaming industry worldwide. Stanislav has organized and managed the betting process for some of the key industry players. His areas of expertise include UX / UI design, CRM and branding, user acquisition, licensing and gaming consulting.

The project founders (Peter Gal and Giacomo Tognoni) previously worked together at Slovak Telekom. Some team members formerly worked together at Powerful Medical, founded by Martin Herman. The Bethereum founders regularly take part in ICO and blockchain conferences. There are also betting and online gambling experts on the team.

5. Project Tokens

The project is open source. The smart contract's code is available on [Github](#).

Token name – Bethereum

Symbol – BTHR

Decimals – 18

BTHR is a ERC20 token. It can be stored in wallets compatible with this standard.

BTHR is an infrastructure token to used on the platform for the following purposes:

Betting in all apps integrated with the platform

Winning payouts

Rewards for third-party developers who integrate their games with the platform

A 3.75% fee on all winnings

Access to additional future services (for example, AI-based forecasts).

According to information available on the project's site, the smart contract has been audited by [ICOs.AI](#).

At the time of writing, the project has completed its presale stage and raised the hard cap of 6000 ETH. The [smart contract address](#) and [multisig wallet](#), where raised funds are transferred to, are available on Etherscan. As the founders have stated, various portions of these funds were allocated to PR, marketing, analytics and preparation for the upcoming main sale.

At the moment, the token's main function is to attract the funds required to launch a fully-fledged product. The tokens are compatible with any ERC20 wallet, which makes it easier for end users to receive them. The need and potential demand for the token are substantiated by the fact that it is employed for all bets and payments on the platform. The presale's success suggests that the community is interested in the product.

6. Analysis of Factors Affecting the Future Value of the Token

All payments on the platform will be made with the BTHR token. The token's attractiveness will depend on its turnover, i.e. how the active participants – bettors - will use it. The larger the number of Bethereum bettors, the higher the BTHR token rate. Subsequently the token's growth could lead to a situation where the amount of tokens being used on the platform becomes smaller, and the number of participants remains the same. This could happen because bettors will juxtapose bet sizes with fiat currencies. At the same time, new bettors will have to buy BTHR tokens at market price, which will have a positive effect on the token's attractiveness.

The online sports betting market is highly competitive. As such, the platform will be able to attract bettors, partners and third-party developers only with a well thought-out and sizable marketing campaign. Despite the fact that the developers have allocated 40% of all funds raised for this purpose, they have not provided any details of the marketing strategy; clearly we cannot say how effective any envisaged campaign might be. An extensive PR campaign aimed at project promotion and raising awareness among a wide array of investors could affect the token's market value in the short-term perspective. We wish to mention that the project team regularly attends various events dedicated to the blockchain industry. Bethereum has participated in d10e and ICO Race pitching competitions, where it was among the top 3 projects. On the cusp of the 2018 World Cup, the Bethereum team have launched the Bethereum World Cup Contest. The contest offers a 6 mln BTHR prize fund and has attracted 20,000 bettors.

As per the roadmap, a closed alpha test is scheduled for Q3 2018, to be followed by a public beta test in Q4 2018. The global launch (WEB/iOS/Android) is planned for Q2 2019. After that the team are planning to focus on the partner program, introduction of non-sporting bets and third-party apps. As such, it is not reasonable to expect an increase in demand for BTHR tokens (as the platform's infrastructure token) until 2019.

The platform profit will be ensured by a 3.75% fee on all bets. According to [the business plan](#) proposed by Bethereum, B2C and B2B market revenues will generate a monthly project profit of up to \$0.8 mln.

The project envisages a token burning mechanism. The smart contract will distribute BTHR tokens automatically, and 10% of tokens received as fees will be burned. Token burning will end either on 31 December 2022 or once 50% of all tokens

distributed during the token sale has been burned, whichever comes first. As a result, the amount of circulating tokens will be gradually reducing. If demand is stable or increases, quotes will be also increasing.

It is worth mentioning that 20% (200,000,000 BTHR) of tokens allocated for the team and advisors will be vested for 72 weeks. 20% (40,000,000 BTHR) of these tokens will be released every 100 days. This is only 4% of the total emission but could nevertheless affect the token price to some extent.

12% of tokens issued will be allocated for the long-term budget. 25% of the long-term budget will be released every 100 days after token sale completion. As the founders state, these funds will be used to finance incentive schemes for key employees (who have worked at least for 3 years), future partnerships or marketing activities.

In the short-term perspective token burning will not drive the price up, as burning and increase in the number of circulating tokens (the tokens allocated for the team and advisors and the long-term budget) will have opposing effects on the token price.

If the hard cap (25,000 ETH = 600,000,000 BTHR) is not reached during the main token sale, 400,000,000 BTHR will be allocated for other purposes (regardless of the sale results). This fact will reduce the amount of tokens sold against those at the disposal of the project, which might negatively affect BTHR market value.

During the presale, \$4.5 million (6000 ETH) tokens were sold with major discounts (up to 50%). This could be an impediment during the public sale, as some early investors will want to leave their positions and lock in the profits to the amount of the bonus received.

7. Investment Risk Analysis

In our opinion the Betherium project has the following risks:

The project is entering the highly competitive online sports betting market. In order to occupy a niche, the project has to offer users something new and interesting, and spend quite a bit of money on development. However, major competitors, whose financial resources are virtually unlimited, might easily adopt these new solutions. This factor prevents small projects furthering their development and attracting a sufficient number of users. There is a risk the project might fail to obtain its desired market share, because its competitors will be adopting new technologies at a fast pace.

Betherium aims to develop a sizable B2C and B2B ecosystem. Legal entities are having problems working with tokens right now because of difficulties associated with cryptocurrency market regulations in various countries.

BTHER's value is fixed against ETH for the period of the token sale. Taking into account high cryptocurrency volatility, this creates additional risk for fiat investors. If the ETH price goes up, the fiat price of 1 BTHER will also become higher.

If the envisaged amount of tokens is not sold during the token sale, the team, advisors and long-term budget will be allocated a fixed volume of BTHER. There is a risk of an overhang supply in the event of the hard cap not being reached.

The team does not provide any information about various project development scenarios depending on token sale results.

No information has been provided on the global marketing campaign; however, the team are allocating 40% of funds raised to this purpose. This is another factor that makes the project risky because, at the moment, investors have no information on how the product will be promoted. Without an efficient marketing campaign, the platform will not attract the desired number of bettors. As a result, expected demand for BTHER might also be less than planned for.

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.