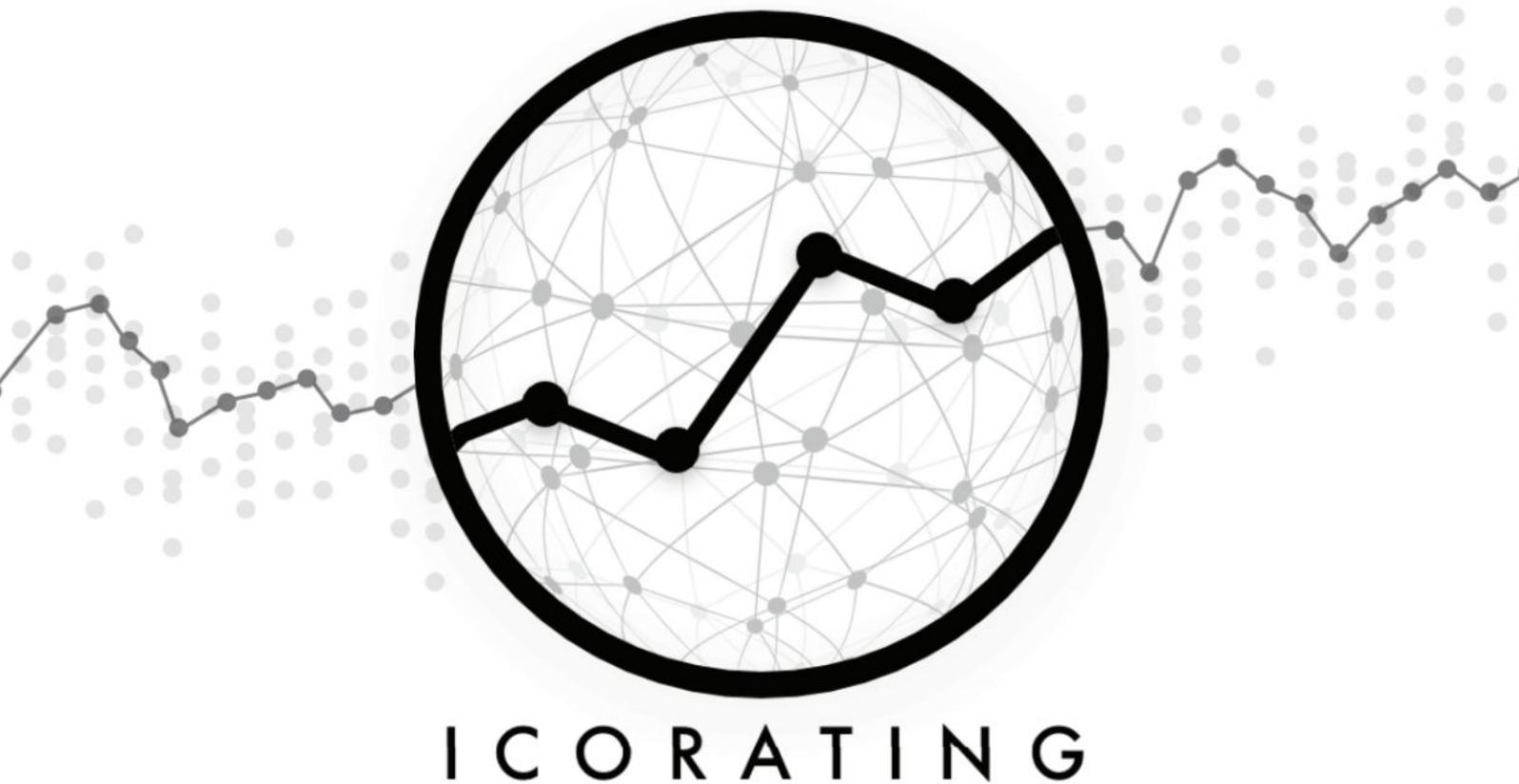


# ICOrating

PLAYKEY Rating Review (<https://playkey.io/en/>)

ICO dates (01.11.2017 — 30.11.2017)



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# 1. Ratings

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**We assign Playkey a "Stable+" rating. We can recommend the project tokens for medium term investors, as we see token growth potential able to compensate for the risks of the project.**

The Playkey project has a clear and potentially popular idea, and the current platform meets all the requirements for quality of services provided in the gaming sector. Our specialists were able to test the platform, and they noted a convenient service and relevance of all claimed characteristics.

Playkey has already functioned for 2.5 years, so the team has enough experience. It should be noted that the team members have been working together for a long time, which we also highlight as one of the strengths of the project.

The market in which the project is planning to expand is growing at a high pace, but at the same time it is a competitive environment. With the current pace of technology development, market participants need quick reactions to new products from competitors for survival, and almost instantaneous adjustment to customers' desires. It is the presence of high competition in the future we highlight as one of the main risk factors for Playkey.

However the economic model is designed in such a way that the Playkey fund can really provide a good cash flow and effectively manage the entire ecosystem, scale the business and make a profit as a result.

As for the investment attractiveness of the token, we note the fact that characteristics of the instrument, placement parameters, pricing policy, and the scheme of interaction between platform participants, can generate interest from medium-term investors. Since Playkey is currently leading in terms of service quality, and the market infrastructure is not ready for a quick switch to the new model offered by Playkey, it will take time for adaptation. That is why growth in the number of users will be able to act as a driver for the momentum of PKT token rates.

We focus investors' attention on the fact that future project development and growth of the price of the token in the long-term is not the same thing. This statement is explained in detail in the "Investment attractiveness" section.

## 2. General information about the Project and ICO

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Playkey is a cloud-based gaming platform that allows gamers to play the most advanced games on lower-powered PCs and Macs using a mechanism that creates an alternative to purchasing expensive hardware. By giving opportunity to play new games on slow computers, Playkey solves a problem for more than a billion people worldwide.

The company is aiming at creating a "Playkey Ecosystem" for cloud games and some other services in which:

- The owners of powerful computers, called "miners", are united in the community and act as providers of cloud gaming services.
- There are integrated high standards for the provision of cloud gaming services, prescribed in a smart contract between "miners" and gamers.
- A single integrated cryptocurrency is used – the PKT token, the emission of which will be implemented via an ICO mechanism.

It is planned to create a Playkey fund to manage the ecosystem, which will be responsible for quality of service for participants, expansion of the services and development of the platform's infrastructure.

Playkey as a platform has been on the market for 4 years (1.5 years of technology testing and 2.5 years on a commercial basis), and has a working business. The development of the project has already attracted investments of \$2.8 mln. The ICO is being staged to assist in a more rapid scaling of the business.

**Website:** <https://playkey.io/en/>

**Website for the platform:** <https://playkey.net/>

**White paper:** <https://cdn.playkey.net/img/playkeynet/ico/Whitepaper.pdf>

**Slack:** No information

**Twitter:** [https://twitter.com/Playkey\\_EN](https://twitter.com/Playkey_EN)

**Telegram:** [https://t.me/playkey\\_io](https://t.me/playkey_io) (646 members)

**Facebook:** <https://www.facebook.com/groups/playkeyICO/> (607 members)

**Bitcointalk:** <https://bitcointalk.org/index.php?topic=2073668.0>

**GitHub:** <https://github.com/Playkey/ico-contracts>

**Reddit:** <https://www.reddit.com/r/Playkey/>

**Medium:** <https://medium.com/@playkey>

**YouTube:** <https://www.youtube.com/watch?v=B76ngD76WEI>

**LinkedIn:** <https://www.linkedin.com/company/3584689/>

**Smart-contract platform:** Blockchain Ethereum

**Contract type:** ERC-20

**Token:** PKT

### **Pre-Sale:**

**Start date:** September 26, 2017

**End date:** October 25, 2017

**Total token emission Pre-Sale:** 18,000,000 PKT

**Bonus:**

- 60–150 ETH: 25%
- 151–500 ETH: 30%
- 501 ETH and more: 35%

**Price:** 1 PKT = 0.004 ETH

**Minimum purchase amount Pre-Sale:** 60 ETH (~\$18,000)

### **ICO:**

**ICO start date:** November 1, 2017

**ICO end date:** November 30, 2017

**Target volume of tokensale:** 60,000,000 PKT (of which 18,000,000 are allocated for Pre-Sale)

**ICO price:** 1 PKT = 0.004 ETH

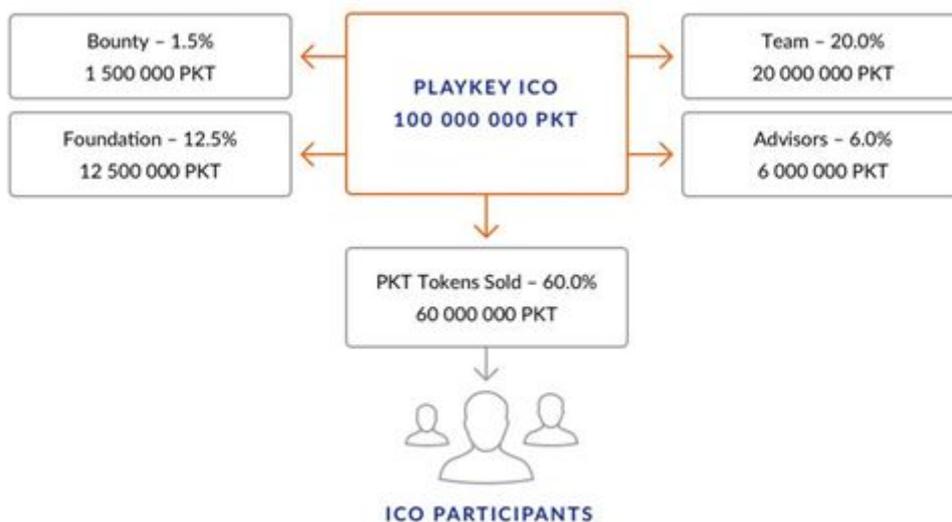
**Soft Cap:** \$5 mln

**Minimum purchase amount:** no restrictions

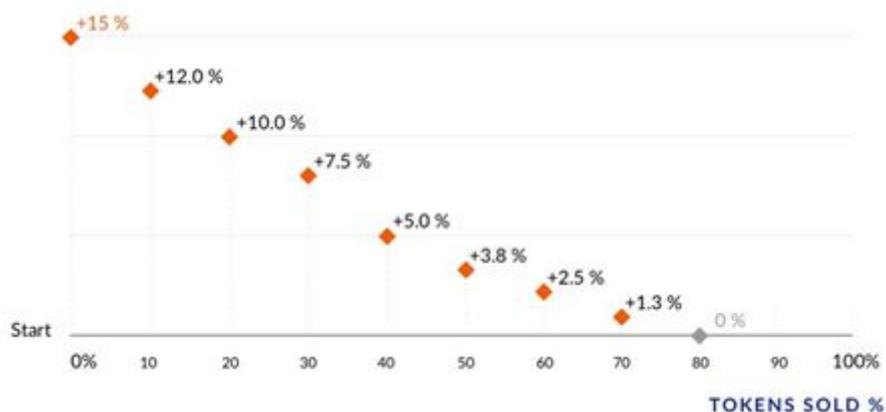
**Maximum purchase amount:** no restrictions

**Maximum token amount:** 100,000,000 PKT

**Token distribution:**



**Bonus program:**



**Accepted payment:** ETH, BTC

**Structure of distribution of funds raised during the ICO:**

- 20% -50% - team extension (new employees, research and development)
- 25% -45% - advertising to attract 20 million players
- 20% -30% - infrastructure development
- 4-5% - operating expenses (office rent, business trips, legal support)

PKT Tokens, provided for the team members, will be blocked for the following terms:

- 90% - for the 1st year
- 70% - for the 2nd year
- 40% - for the 3rd year.

Unsold tokens from the ICO will be burned.

### 3. Project services and their usage

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The Playkey platform is a cloud service on which a gamer can play games of the 'AAA' class, remotely using high-performance equipment provided by "miners" in streaming mode. Game packages used in smart contracts, regulating game duration and resolution will be available for participants. The price for the provision of equipment is assigned by the "miners", based on recommendations from the Playkey fund.

A distinctive feature of the Playkey platform is that it allows gamers to run resource-intensive games on almost any device that has access to the internet - Mac, tablet, TV with Smart TV support, etc. Against the backdrop of the growing processor demands of modern PC games, Playkey service solves the problem of the need for an expensive upgrade, since the cost of platform use is cheaper.

The PKT token is used in platform transactions between gamers and "miners". It is assumed that tokens will be purchased by gamers on crypto exchanges and the official Playkey website.

The main benefits for platform participants are the following:

- For a gamer: it is possible to play AAA games with FullHD image quality on any PC or Mac with the following minimum characteristics: CPU  $\geq$  1.5 GHz and a video adapter supporting H.264 hardware decoding.
- For a "miner": more stable and effective mining of PKT tokens, in respect to other crypto-currencies.
- For Playkey fund: the expansion of the ecosystem at the expense of a percentage, which the miners deduct from income received.

In order for gamers to comfortably play games at maximum visual settings, a service level agreement (SLA) will be developed, which will regulate the minimum requirements for a miner's equipment to ensure the proper quality of service.

After the stage of decentralization of Playkey infrastructure, PKT holders will have the opportunity to become miners, having purchased the necessary computing power. In addition, each "miner" will be able to create his own smart contracts, which will have a beneficial effect on attracting money from users, and will also give gamers the opportunity to finance professional "miners" in their regions to minimize image delay and improve the quality of streaming services.

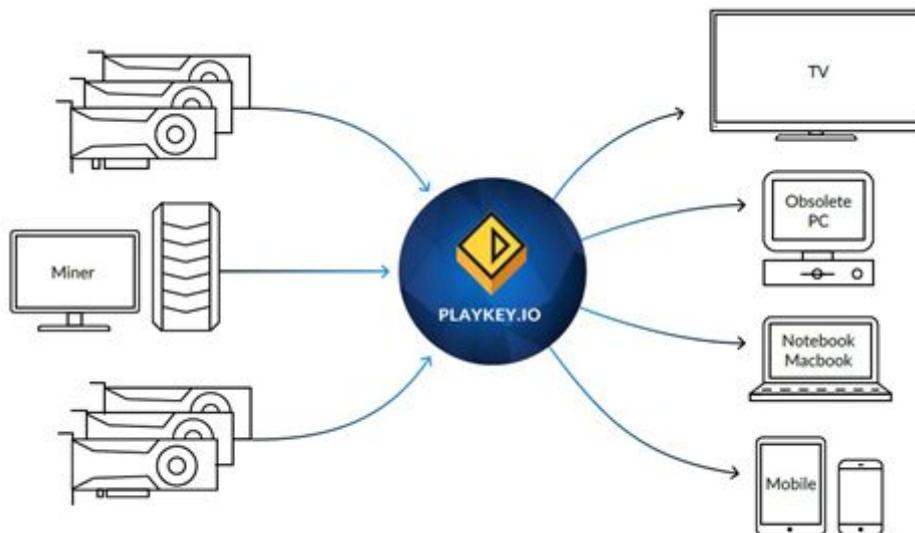
Two categories of “miners” are planned:

- Private “miners” possessing computers that meet the requirements of the SLA
- Professional "miners" who place their equipment in data centers with the required level of service.
- 

The interaction of gamers and "miners" on the basis of smart contracts will be made via a special trading service.

The basic architecture of the service is as follows:

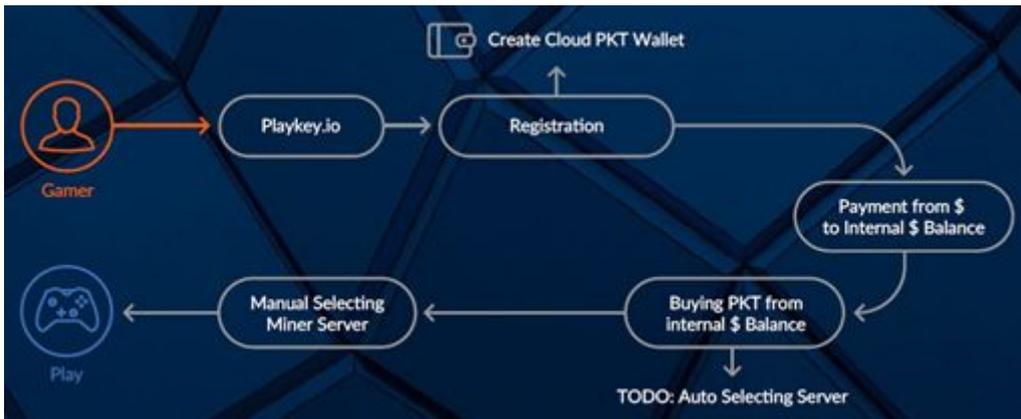
A gamer, using the Playkey application (Desktop for PC and laptops, TV screen for TVs with Smart TV and IPTV / OTT consoles; Phone or Tablet - for smartphones and tablets based on iOS and Android), selects a server on the main web portal [Playkey.io](http://Playkey.io) (on which the game catalog and payment system are located), connects to the server, opens the contract at the beginning of the game and closes it at the end.



In order to use the service, the gamer needs to:

1. Register on the [Playkey.io](http://Playkey.io) website – a PKT wallet will be created automatically.
2. Download the Playkey client application.
3. Add money to the wallet by buying PKT for fiat money (USD, EUR, etc.).
4. Select a server with the required parameters (response time, location, server reputation and rental cost) and conclude a smart contract with the "miner".

In the future, the function of automatic server selection based on user filters will be realized.



To become a "miner", a user needs to:

1. Register on the [Playkey.io](https://playkey.io) website; a PKT wallet will be created automatically.
2. Download and configure the Playkey server application.
3. Check his equipment for performance and compliance with SLA requirements.
4. Download games and set the price for access to them.
5. Register a smart contract on the Blockchain.

It will also be possible to "mine" cryptocurrency during idle time (when equipment is in standby mode of incoming connection).

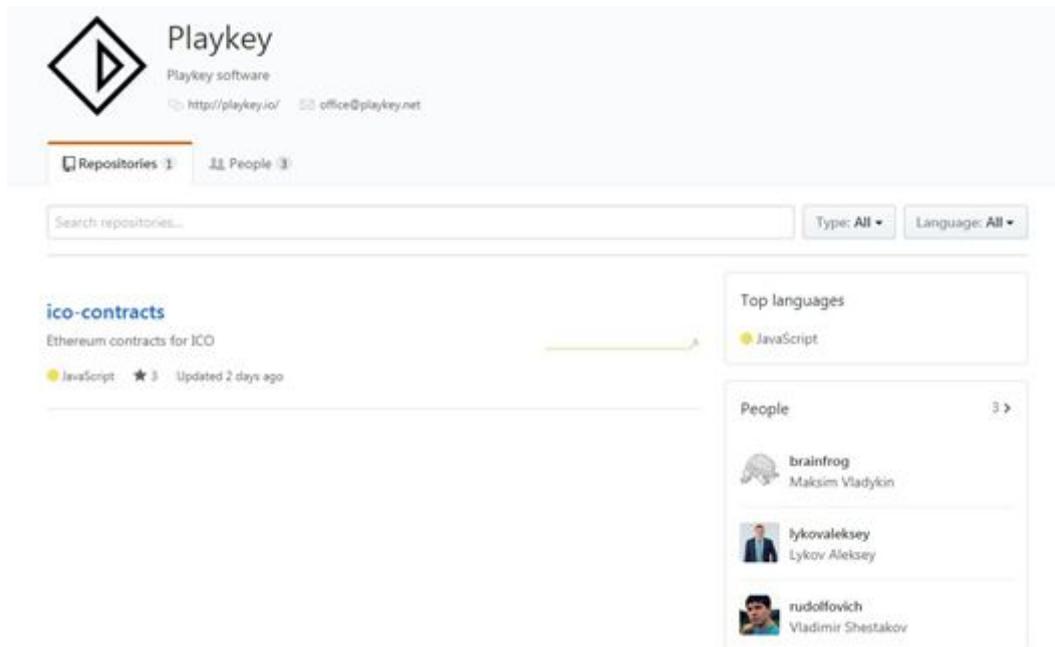


As it develops, the fund will expand the ecosystem beyond the gaming service and will engage in research, advertising, game development, game creation, in-game currencies, e-sports, streaming, as well as applications and content development.

## 4. Engineering solutions

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The PKT token is an open source cryptographic token. There is 1 repository available on the [GitHub](#) website:



Currently, 3 people are involved in smart contract development - Lykov Aleksei (CTO), Vladimir Shestakov (Development Team Leader) and Maksim Vladykin (Smart Contract Developer).

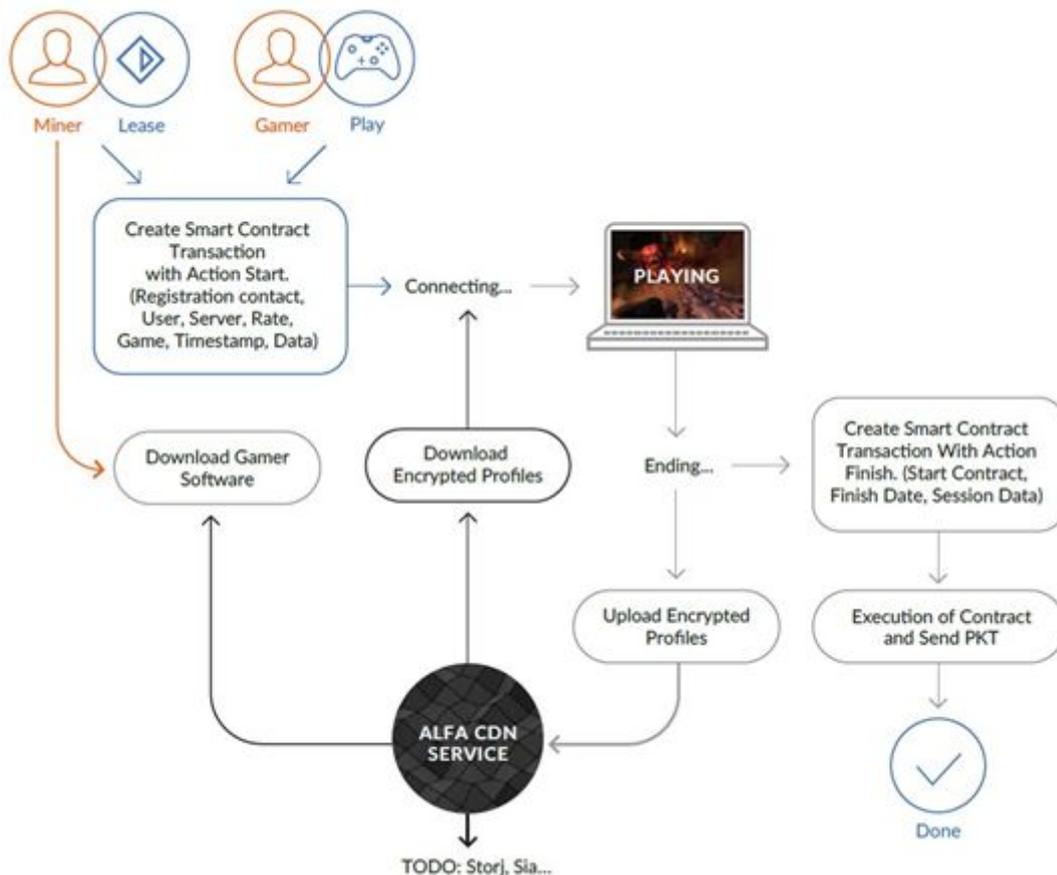
The PKT Token is implemented on the Ethereum blockchain and complies with the ERC20 standard.

Initially, it is planned to create a semi-centralized hybrid service with the ability to conduct transactions both on-chain and off-chain in PKT cryptocurrency. All network partners will have a centralized ledger of off-chain transactions with an API; transactions in PKT will be conducted on the Ethereum blockchain. This method of implementation will help to avoid network congestion, if the volume of transactions exceeds its bandwidth.

Technically, the use of the cloud game service looks the following way - a gamer and a "miner" are registered on the [Playkey.io](#) website and create an account. The gamer replenishes his wallet by buying tokens for fiat. Payment for "miner" services is made in PKT tokens.

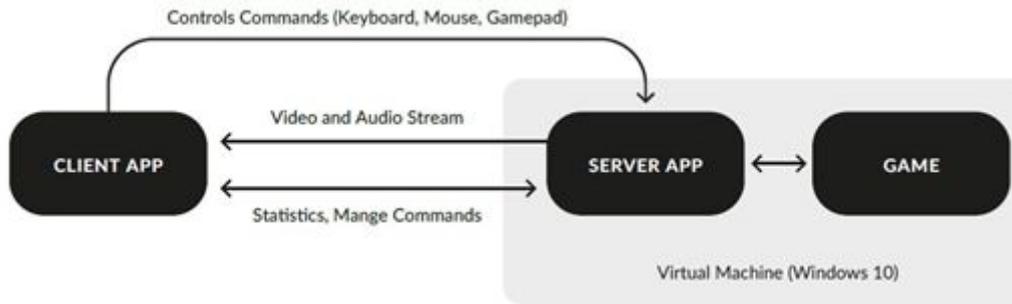
Further interaction between gamer and "miner" occurs in the following sequence:

- The gamer creates a smart contract transaction with a "start" action; encrypted profiles are downloaded from CDN to the "miner's" computer;
- The game session starts, the gamer starts playing;
- After the game is over, profiles are uploaded to the CDN and a smart contract transaction is created with an "end" action, PKT is transferred from the gamer's wallet to the "miner's" wallet.



In the future, it is planned to use decentralized storage facilities, such as [Storj](#), [Sia](#) and other service providers.

Playkey has developed a protocol for data exchange between client and server, based on the UDP protocol. Depending on the quality of the internet connection between gamer and server, the Playkey service will adjust the data rate and resolution quality separately for each user. There is also a configurator in the client application, thanks to which the automatic configuration feature can be disabled and the desired parameters can be set manually. The configurator window is opened when pressing CTRL + F2.



In the future, Playkey is planning to develop its own gaming console, the software for which will be implemented on Linux, with open source coding.

## 5. Development strategy and Roadmap

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The white paper and the website detail all the main points about the development plans of the project.



The team presents 4 episodes, which in turn contain several stages of development; their implementation will occur depending on the outcome of the ICO. These episodes will be implemented strictly in sequence.

**Episode 1: 10 mln PKT.** The goal is to decentralize the infrastructure for integrating blockchain and PKT tokens into business processes, and to create a platform for the “miners”. The episode includes:

- Creation of an infrastructure fund of \$2mln
- Attraction of additional staff
- Coverage Regions: USA, Europe
- Devices: PC, Linux, Mac.

**Episode 2: 25 mln PKT.** The goal is to promote the “miners” with the goal of uniting them into professional organizations capable of providing gamers with higher quality services at lower prices. Attraction of investors for “miners”.

- Development of a specialized platform for “miners”
- Conclusion of transactions between investors and professional “miners” under the guarantee of the Playkey fund
- Coverage Regions: Asian Game Market
- Devices: Android and built-in instant messenger.

**Episode 3: 50 mln PKT.**

- Creating a peer-to-peer cloud storage network for data transfer without the involvement of third-party storage providers
- An API that allows developers to sell games inside Playkey ecosystem
- Coverage regions: USA, Europe, Middle East, Africa, Asia-Pacific and Latin America
- Devices: Smart TV, Android TVs

**Eposode 4: 75 mln PKT.**

- Development of key products and new services within the Playkey Ecosystem
- API that allows creating smart contracts for marketing within the Playkey ecosystem
- Development of a proprietary game console
- Decentralization of marketing

At the last stage, as success in the main regions is achieved, the project will cover new regions with a smaller population.

Thus, the decentralization of the platform itself will be implemented step by step, and various tools will be developed consistently for the "miners" to find users for their computing resources. The team states that these initiatives will lead to the emergence of transparent and fair conditions for all market participants.



Obviously, the founders focus on the long-term development prospects of the project, depending on the results of the ICO. The project has clear plans, but unclear terms for their implementation.

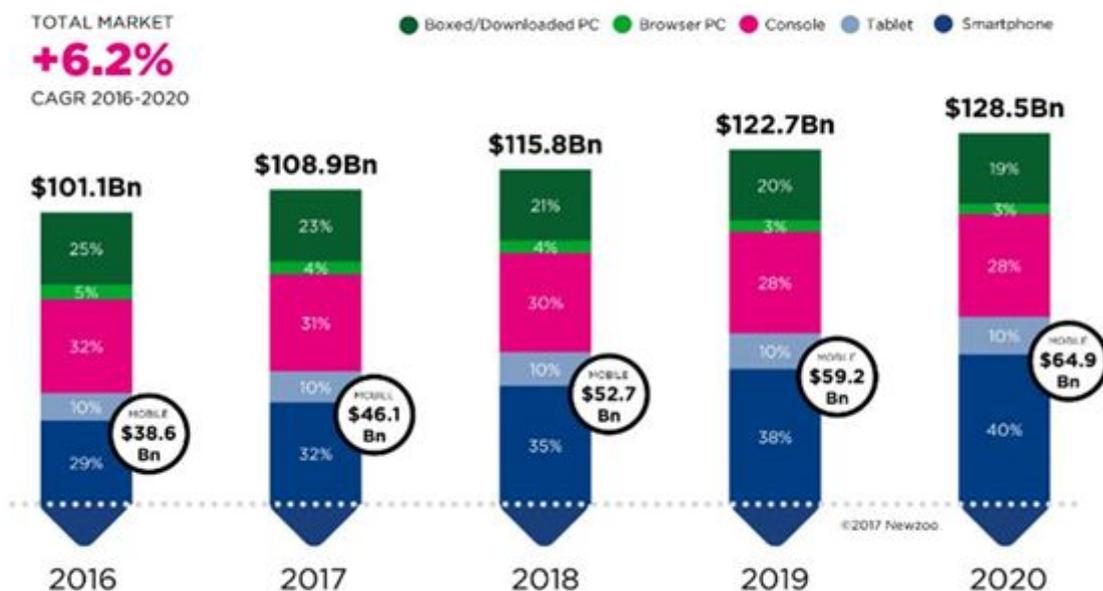
## 6. Market Review

Currently, gamers constitute one of the most wide-ranging audiences worldwide. They buy all variations of digital media - from movies and serials to games and magazines.

International research and consulting company [Newzoo](#), engaged in video game market research, published a forecast for the development of the gaming industry until the end of 2017. According to their analysts, there are 2.2 bln active gamers, 47% of which (1 bln players) bear costs. It is expected that in 2017, gamers will spend \$108.9 bln on games. This is 7.8% more than in 2016.

### 2016-2020 GLOBAL GAMES MARKET

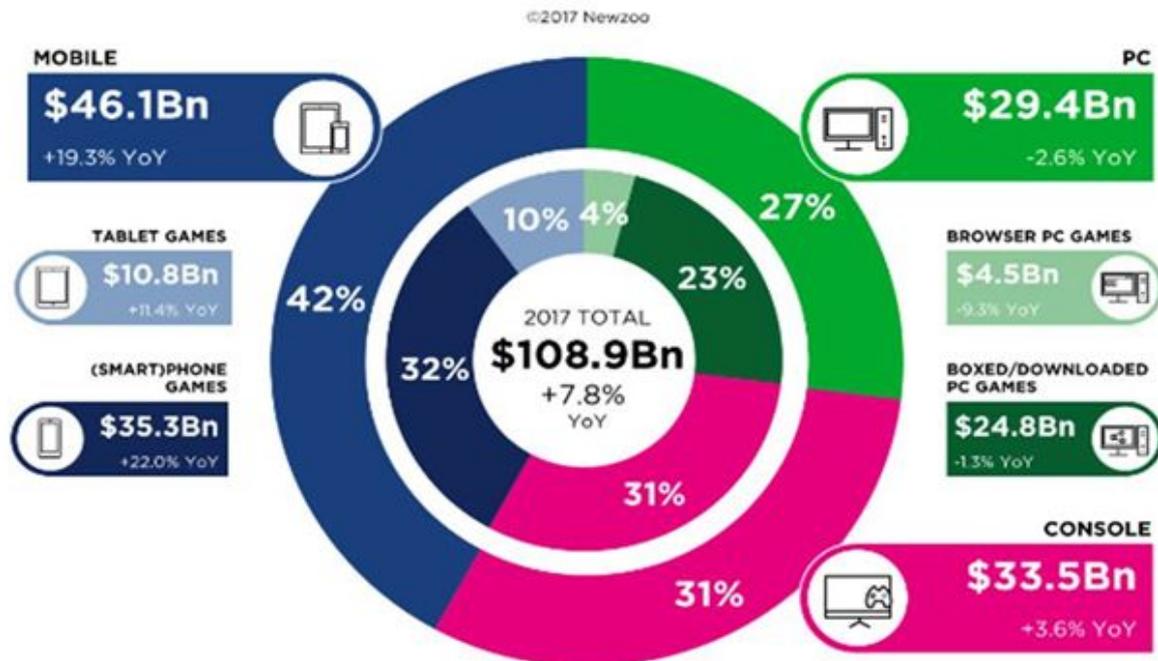
FORECAST PER SEGMENT TOWARD 2020



Revenues from digital games will be \$94.4 bln. This is 87% of the world market. The most popular segment (mobile games) will grow to \$46.1 bln (an increase of 19%), which is 42% of the market. At the same time, \$35.3 bln will be made from games for smartphones and \$10.8 bln will be generated from games for tablets. In 2017 the market for computer and console games will be \$29.4 and \$33.5 bln respectively.

# 2017 GLOBAL GAMES MARKET

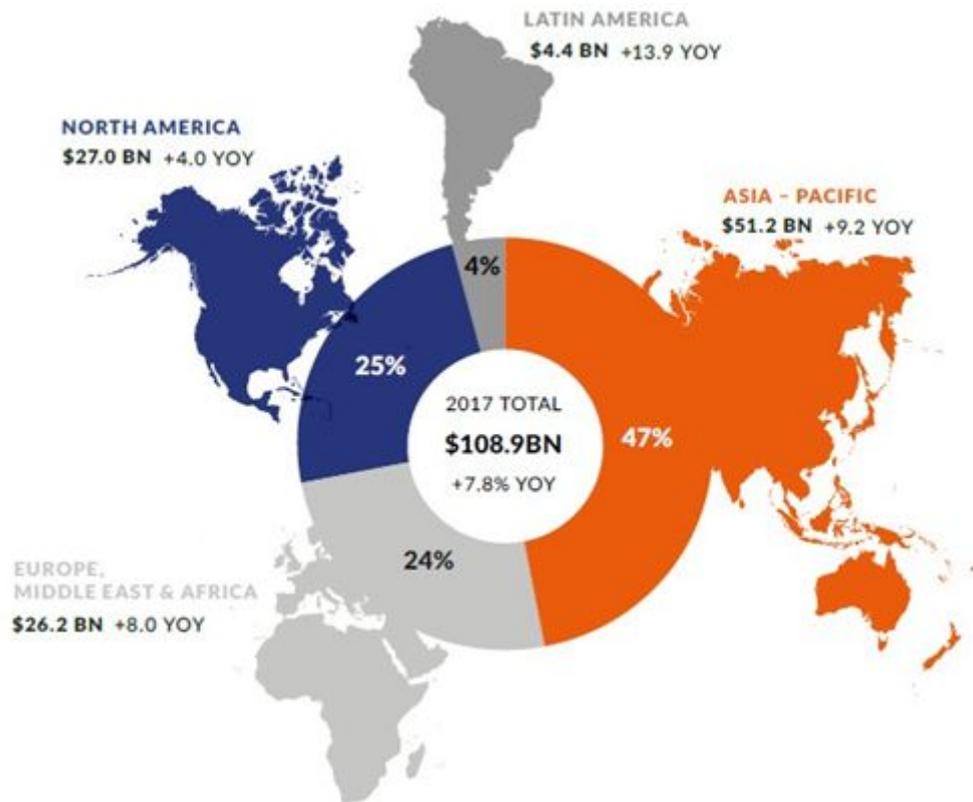
PER DEVICE & SEGMENT WITH YEAR-ON-YEAR GROWTH RATES



The graph shows that the revenues in both gaming segments of PC will decrease. This is due to the transition of games to mobile devices. By 2019, revenues from PC games will reach \$24.5 bln.

Consumers have become more active in playing games, spending more time on their favorite pastime. Let us examine an increase in the interest in the gaming hobby by region. In the Asia-Pacific region, revenue is expected to be \$51.2 bln in 2017 which is 47% of total revenue worldwide. This is 9.2% more than a year ago. China alone accounts for \$27.5 bln; this is a quarter of total world income.

North America is the second largest region with an estimated revenue of \$27 bln in 2017; an increase of 4.0%. Next come Europe, the Middle East and Africa at \$26.2 bln and Latin America, where revenues will grow to \$4.4 bln.



The [Top 25](#) largest companies by game revenues brought the total revenue for the first half of 2017 to \$41.4 bln. This is 20% more than in the first half of 2016. Tencent holds a leading position with revenues of \$7.4 bln. The second line of the rating belongs to Sony, increasing its revenues by 25%, and earning \$4.3 bln.

## H1 GAME REVENUE GROWTH

OF THE TOP 25 PUBLIC COMPANIES BY H1 GAME REVENUES



The gaming industry is developing rapidly; technological progress is not standing still. Each new game exceeds its predecessors in its graphics and technical and functional characteristics. Thus, gamers have to save money for more powerful computers that meet the system requirements for new games. This factor also drives the development of the gaming industry. It's like a vicious circle: new games are coming out - powerful computers are bought; when the specified computers are bought, games with higher system requirements are then released.

An average gamer computer, according to a [Steam](#) survey, has the following specification:

- Windows 10
- Intel 4-core processor with a frequency of 2.3-2.69 GHz
- 8 GB of RAM
- GeForce GTX 970 4 GB video card
- monitor with Full HD resolution
- Hard disk with 1+ TB

A budget variant, owned by 20-30% of [Steam](#) users, looks the following way:

- Intel Core-Duo processor, 2.3-2.69 GHz
- Video card with 1 GB of video memory
- Hard disk with 250 GB capacity
- 4 GB of RAM

From the statistics above, we can conclude that the video game market is growing at a fast pace and it is one of the most profitable markets in the entertainment sector.

## 7. Team

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The Playkey team is represented by 45 specialists among which there are professionals in all the important areas: development, marketing, finance and testing.

### **Founders**

#### **EGOR GURJEV. Co-founder, CEO of Playkey. ([LINKEDIN](#))**

Responsible for development and implementation of global strategy of project development, as well as relationships with key partners.

Has been CEO and founder of [Enaza](#) from February 2010 to August 2017.

#### **Education:**

**Perm State University (PSU).** Specialist. Physics. 2007 г.

**RMC Specialist.** Business Administration. 2007 г.

#### **ALEXEY LYKOV. Co-founder, CTO. ([LINKEDIN](#))**

Responsible for development and implementation of technical strategy, as well as product development.

Alexey has been working for [Enaza](#) as Chief Technical Officer and Lead Programmer since October 2009; he has extensive experience in creating high-tech products.

**Education:** Perm State University (PSU).

#### **Skills:**

- Development of online games
- Cloud computing
- Development of billing systems
- Connection of payment systems
- Connecting providers of digital content
- Development of blockchain.

#### **VADIM ANDREEV. Co-founder, Director of Game Strategy. ([LINKEDIN](#))**

Responsible for support and expansion of business relations with game publishers, as well as development of the company's gaming strategy.

Has been working at [Enaza](#) as Head of the Licensing Department since 2009.

**Education:** Perm State University (PSU).

As members of the team, 9 people are involved as advisers, including marketing and business development specialists, founders and directors of companies in the development and promotion of computer games, as well as professionals in the field of Blockchain Technologies. Among the advisers there are several specialists in Blockchain:

**REUBEN GODFREY.** ([LINKEDIN](#))

Co-Founder of the Blockchain Association of Ireland since October 2016.

In the recent past - ICO Advisor for **Digital Developers Fund**, a project which managed to attract \$2 mln during its ICO, as well as the LAToken project, which collected more than \$18 mln during its ICO.

**ARSENIY STRIZHENOK.** ([LINKEDIN](#))

Co-founder and managing partner of Blockchainuniversity.io. ICO advisor to LAToken.

**ANISH MOHAMMED.**

Dean of Blockchain Engineering and Technosocial Convergence, Ripple, Hyperloop.

**MIKO MATSUMURA** Pantera Capital LP and founder of the Evercoin Exchange.

**DAVID CARLSON** Founder & CEO at GigaWatt,Inc.

Summarizing the above we note that key positions in all areas are occupied by people who have been working together for several years at [Enaza](#), which supplies content (games, software and music) for communication operators with its own [gama-gama.ru](#) gaming portal. Long-term joint work experience, as a rule, positively affects the results of doing business.

## 8. Marketing strategy

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The project team draws the attention of the community to the upcoming ICO via several channels:

- Review articles on Playkey are published on many popular online resources such as: [techcrunch.com](http://techcrunch.com), [gamasutra.com](http://gamasutra.com), [pcgamesn.com](http://pcgamesn.com), [gadgetvibe.com](http://gadgetvibe.com), [dff.ru](http://dff.ru), [dailypaper.co](http://dailypaper.co), [TechnAsia](http://TechnAsia), [ICOweb](http://ICOweb), [MyICObox](http://MyICObox), [Crypto-economy](http://Crypto-economy), [Mining-cryptocurrency](http://Mining-cryptocurrency), [EdLibre](http://EdLibre), [ICO alert](http://ICO alert), [Inc-Asean.com](http://Inc-Asean.com), [HuffingtonPost](http://HuffingtonPost), [Forbes](http://Forbes), [E27](http://E27), [Chipin](http://Chipin), [TerritorioBitcoin](http://TerritorioBitcoin).
- The founders interact with the community on their Bitcointalk, Facebook and Telegram forums.
- Currently, bounty hunters are engaged in project marketing; they have been allocated 1.5%.

There are strong marketers with proven experience in the project team. The white paper discloses the details of Playkey's marketing strategy for future project promotion. Thus, the founders conditionally divide the marketing campaign into 2 phases:

### 1. Acquisition phase:

- Terms: the first 12 months after public launch of the decentralized Playkey platform.
- Goal: 1 million players on the platform.

### 2. Scaling phase:

- Terms: the next 24 months.
- Goal: to attract 10 million players to the platform.

Geography for the marketing campaign:

- North America (NA);
- Latin America (LA);
- Europe (EU);
- Asia.

The marketing campaign has 2 directions, each one having its own goals and methods for their achievement:

#### 1. PR:

- Campaign Budget - \$2,160,000.

#### 2. ADVERTISEMENT:

- Campaign budget at the acquisition phase \$22,840,000
- Campaign budget at the scaling stage \$84,148,127

Regular deductions for marketing will be 20% of the amount that the "miners" will pay into the Playkey Fund.

The project website has the information that Playkey has already attracted \$2.8 mln from the Internet Initiatives Development Fund (IIDF). Received financing will be directed to expansion of the business in the USA, Western Europe and Asia.

Also the documentation provides the information that in order to motivate the "miners" and distribute the platform, the development fund will buy servers and service them; a significant number of servers will be then sold at auctions. The price will be set by the fund, taking into account the profit ratio of the server. Such a scheme should popularize the product among the "miners".

Thus, the project has tools for its successful promotion. The final plan of the strategy will be approved by the results of the ICO.

## 9. Competitive Advantages of the Project

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The current market for provision of services for cloud gaming is competitive. There are dozens of services differing in size and providing similar products worldwide.

Among the main competitors for the Playkey platform in the field of cloud gaming, the following can be identified:

1. [Liquidsky](#) – a service that allows users to remotely access powerful equipment for their own needs, in particular for stream gaming. For an amount of less than \$20 per month, the platform offers 500Gb of disk space for installing user games or any other data and access to this anywhere. To use the platform, you need a PC or device running Android (smartphone, tablet, etc.)
2. [GeForce NOW](#) – a cloud game service that allows playing of computer games by connecting to Nvidia supercomputers, using the Android TV set-top box Nvidia Shield. There is a trial period of 3 months; a monthly subscription of \$7.99 is then required. The service offers more than 100 games; the list is constantly updated.
3. [Vortex](#) – a cloud gaming service, [90 games](#) are available for launch from a PC (an application is available for Windows 10; also the service can be launched from a browser) applications on Android (tablets and smartphones, as well as Smart TV); an iOS app will be released in the near future. The subscription price is \$9.99 per month.

The competitors mentioned above do not use Blockchain technology, however, given the pace of market development and modern technologies, it can be assumed that competitors on Blockchain may appear in the near future.

Each of the above services has some distinguishing features:

- [Liquidsky](#) – the user chooses which game to load into the service; offers support for Android-based devices.
- [GeForce NOW](#) – Offers a subscription for a lower price for 1080p resolution and a 60fps frame rate. However, this advantage is relevant only if you already own an Nvidia Shield console.

- [Vortex](#) – this could be multiplatform, but Liquidsky and Playkey have also added multiplatform to their services.

The [Playkey](#) platform is distinguished from its competitors by the following advantages:

- It does not require the purchase of additional equipment, as in the case of Nvidia Shield, where you also need to buy a game controller (the same configuration with a controller will cost more than a subscription for a year and a half on the most expensive tariff from Playkey). Many computer games are more convenient to play with a keyboard and mouse.
- For owners of powerful equipment, it is possible to become a "miner" and earn money by providing streaming gaming services, as well as "mine" cryptocurrency in the usual way during idle time (when there are no active connections.)
- Decentralization of Blockchain technology.
- Ability to use the platform on a Mac.
- Latest games and only licensed ones - Playkey works directly with copyright owners - for example, Liquidsky allows the installation and use of pirated software.
- At the time of writing the review, Playkey has more than 250 games of different genres, including multi-player games, with [anti-cheat](#) support.
- A variety of tariffs and subscriptions; currently there are 3 options in three main categories.
- The prospects for the platform include the expansion of functional services, support for [VR](#) games, development of Android software and TV with Smart TV (currently a beta test is being conducted), the development of its own console.

In addition to Liquidsky, the listed competitors, in the same way as Playkey do not require the installation and configuration of games; a gamer can play a game with a minimum of effort and time, but Playkey has an advantage since the platform has more users and more games available at this stage.

It is worth noting that stream gaming services are becoming more and more popular. There are more competitors in this segment of the market. Some examples are given below:

[Snoost](#) – a cloud service currently undergoing alpha testing, but built on small capacities.

[PlayInCloud](#) - a moderate cloud service, which has only 3 servers and a small number of users. In addition, to start a game session, you must apply to an administrator and wait for a free server.

The Playkey project is thus in the lead on the quality of service provided, in the number of games and the number of users.

However, given that modern technologies are developing at a rapid pace, and new services will be offered by market participants, the promotion of the product even with the indicated advantages, will be possible only with a large-scale marketing strategy (which has been declared by Playkey).

## 10. Risks of the Project

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The risks are as follows:

The project's success depends on implementing all the Roadmap provisions successfully, and on current legislation. For this purpose the staff should recruit more specialists.

At the time of writing, the staff is too small to implement all intended plans. Numbers will be increased after the ICO of course, but we do not currently know the qualifications of future team members.

We cannot analyze the technological aspect, because the relevant documentation is not available. Innovative ideas could become an advantage, but there are no innovative ideas right now.

Failure of similar projects could cause a bad reputation. No company at ICO stage has implemented the debit card idea so far, so the community does not respect similar projects promising debit cards issued in advance.

## 11. Economy of the Project

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In addition to the typical risks inherent in the crypto market, we note the following:

The risk of high competition. In market conditions the consumer should use the service that can offer the optimal price / quality ratio. Despite the fact that the current Playkey project is one of the leaders in quality of services provided, it still has a small share on the world scale. The growth rate of modern technology and high competition can be additional risks that can affect the success of the project.

## 12. Investment highlights of the token

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The project does not provide for any rights to dividends for tokenholders. Also, PKT tokens do not give their holders ownership or voting rights. The token is infrastructural and is designed solely to pay for services within the platform.

For this reason, the growth of token price is possible due to increase in the number of platform users. However, in this case it makes sense to divide the investment horizon for the medium and long-term periods and give a detailed explanation of each of them:

1. Currently, tariffs for platform users are \$8.4 / week and \$22.2 / month. To raise the cost of services above these prices is possible in the following cases:
  - Growth of prices for services within the whole game market
  - Increased quality of services (current platform services are already on a good level).
  - Offer of new services.

It can be unequivocally said that the prices for these services are formed in market conditions (taking into account the integration of third-party services).

2. Since the token is divisible and pricing within the platform is dynamic, the increase in number of participants will cause token price to increase, since the token offer is limited.
3. In the medium term, we estimate the probability of implementing such a scenario as "high" for a number of reasons:
  - The company has plans to increase the number of users in the first year by 10 times. At the same time, the number of "miners" will not grow so rapidly. The reason for this is the need to adapt the market to the new model. According to the founders, the current number of miners, even with significant increase and the transfer of all capacities to the PKT token, will not cover even 10% of the needs of the growing game market.
  - The market for cloud gaming is only just emerging and the influence of competitors is minimal in the medium term.

In the long term, there is a risk that a large increase in the number of "miners" will become an obstacle to the growth of token quotations. As in any other market, the cloud gaming market has a cap for the growth of the number of users and over time, the number of "miners" will be higher than the number of users, which will naturally lead to a decrease in the PKT price. In the future, the token price will largely depend on the benefits to the "miners" for providing their equipment, in comparison with classic mining.

However, it should be noted that during communication with the team, we were able to clarify that management is aware of this fact and is taking steps to increase the investment attractiveness, including for long-term investment. The following mechanisms are being developed for this purpose:

1. Active Monetary Policy of the Fund.
  - The internal mechanism for monitoring the quality of the "miners" service is arranged in such way that if a "miner" provides poor-quality services, tokens will be written off from him.
  - "Miners" will set a price for their services, and the Playkey Fund will only recommend tariffs for the balance of the economy. The fund cannot influence the number of "miners". However, there is a mechanism in which a greater percentage of contributions to the fund will be taken from "miners" engaged in dumping.
2. ARPU growth from the user due to the launch of new services (game sales, streaming, e-sports), tariffs (VR) and connection of a more solvent audience to the services.
3. Entering new regions and launching new services will help ensure that the growth in the number of users is always ahead of the growth in the number of "miners".

Regarding the above, we can draw the following conclusions:

- Tariffs in fiat will not grow for gamers; otherwise gamers will go to the competitors.
- In the long term, the following scenario is possible: With the growth of token price, the "miners" will simply take fewer tokens for their services; this will lead to a decrease in token demand. If the price of the token falls, the "miners" will charge more tokens for services, which will lead to additional demand. These cycles will continue many times and lead to stabilization of the token, but not to the growth of its price.

However, the founders themselves say that the Fund is focused on maintaining the stability of the token in the long term.

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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.