ICOrating

CEEK Rating Review (https://www.ceek.io/)

ICO dates (16.04.2018 - 28.05.2018)

Web: icorating.com

Email: info@icorating.com

Twitter: @IcoRating

1. Rating

We assign a "Stable+" rating to the CEEK project.
The CEEK team is creating a so-called Entertainment Metaverse — a virtual world of interconnected Smart Devices and VR Platforms, operating with the use of Ethereum smart contracts and blockchain technologies. It is planned to create a large-scale 360 VR capture facility for creating high-quality virtual reality, augmented and mixed reality experiences within the project.

CEEK users can access live performances and other exciting experiences via smart devices including Smart TVs, Mobile phones, AR and VR headsets while physically being anywhere in the world where there is an internet connection. CEEK also presents opportunities for performers and anyone with premium content to sell unlimited virtual tickets together with physical and digital merchandising.

An unconditional plus for the project is the finished prototype of CEEK CITY, represented by the virtual concert hall, Victorian Theatre, already available through the project's mobile application. Currently, users can watch performances by Katy Perry, Sting and U2 in VR format.

CEEK has involved professionals with significant experience in the film industry, as well as in IT development, Sales, R&D and marketing; some of them have MBA degrees. We estimate the potential of the team as high.

Opportunities in the VR market are colossal, however the review given in the WP does not enable an objective estimate of CEEK's potential share, nor under what terms the project plans to occupy this share. In addition, a complete absence of a financial model, and an unelaborated roadmap, prevent potential investors from assessing the viability of the project after its ICO or predict demand for CEEK tokens in the medium term.

These factors prevent us assigning a higher rating to the project.

2. General Information about the Project and ICO

CEEK is a project for the creation of a virtual entertainment ecosystem in which users can attend concerts and other events by their favorite musicians and artists with the help of VR technologies, whilst physically being anywhere. The project involves transfer of an existing virtual city to a decentralized platform and the introduction of several types of role for its "residents" who, through transparent voting, will moderate and manage the life of the ecosystem.

With the help of CEEK tokens it will be possible to create so-called Celebrity Coins, which will open new opportunities for revenue streams for celebrities.

The ICO is being staged by CGI World Ltd, located in the jurisdiction of the British Virgin Islands.
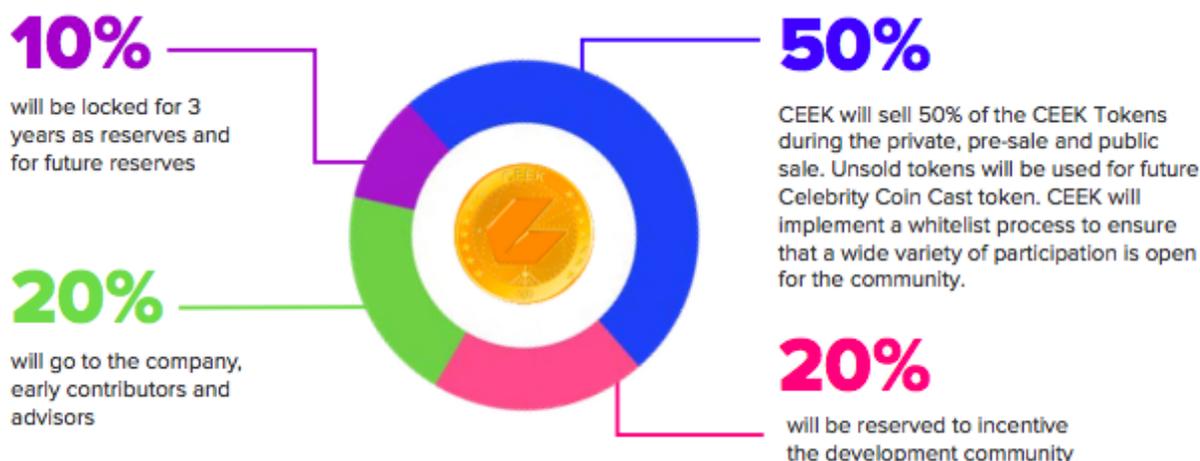
The crowdsale aims to raise funds to launch a decentralized VR streaming platform. A portion of funds will also go to the construction of the first CEEK 360 Megastudio VR studio, where future company partners and other platform users will be able to create high-quality 3D content.

Website

White paper

Token: CEEK

Token distribution: 1,000,000,000 CEEK

10%
will be locked for 3 years as reserves and for future reserves

20%
will go to the company, early contributors and advisors

50%
CEEK will sell 50% of the CEEK Tokens during the private, pre-sale and public sale. Unsold tokens will be used for future Celebrity Coin Cast token. CEEK will implement a whitelist process to ensure that a wide variety of participation is open for the community.

20%
will be reserved to incentive the development community

Round 1: Private sale (March 19th, 2018 – March 25th, 2018)

Round 2: Pre-sale

Start: April 2nd, 2018 (12:01 AM EST Time, UTC-5)
End: April 15th, 2018 (11:59 PM EST Time, UTC-5)
Price:

• 7 days from April 2nd, 2018 to April 8th, 2018: 1 CEEK Token = US$0.15**.**

• 7 days from April 9th, 2018 to April 15th, 2018: 1 CEEK Token = US$0.25.

Cap: no.
Bonuses: 10–20%% + extra bulky discounts:

> $10m — 20%

> $5m — 15%

> $1m — 5%

Minimum Buying Transaction: US$250
Maximum Buying Transaction: no.

Round 3: Public sale

Start: April 16th, 2018 (12:01 AM EST Time, UTC-5)
End: May 28th, 2018 (11:59 PM EST Time, UTC-5)
Soft Cap: US$10m
Hard Cap: US$50m
Price:

• 12 days from April 16th, 2018 to April 27th, 2018: 1 CEEK Token = US$0.35;

• 7 days from April 27th, 2018 to May 28th, 2018: 1 CEEK Token = US$0.50.

Bonuses: no, bulk discounts only (Consideration is given to large purchases):
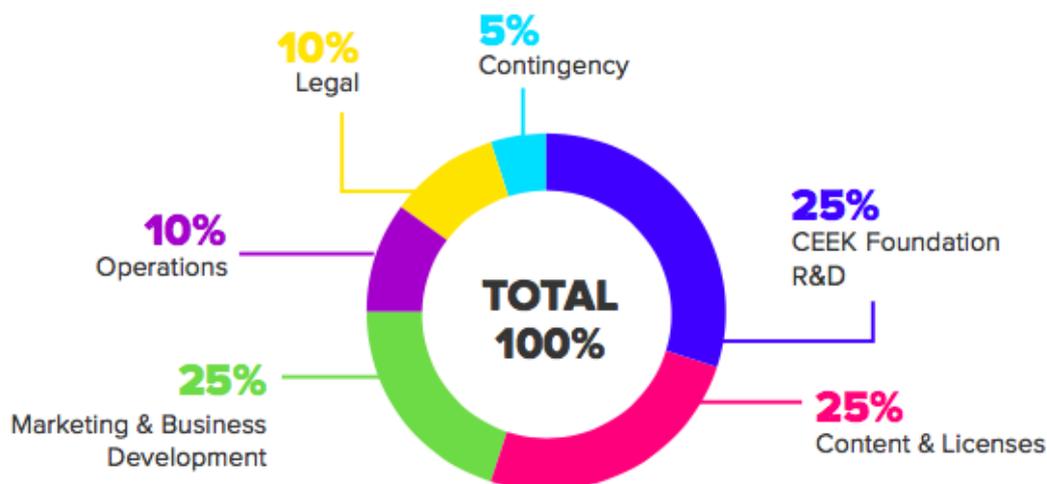
> $10m — 20%

> $5m — 15%

> $1m — 5%

Minimum Buying Transaction: US$250
Maximum Buying Transaction: No.
Accepted currencies: ETH, BTC, Dash

Funds allocation:

Token Issue Date: 4th June, 2018
Vesting: 1–3 years

Unfortunately, we have not been able to find out how the founders intend to proceed with unsold tokens in case the hard cap is not reached. It is not clear to us either whether in this scenario the share of tokens intended for the team, developers and reserve fund will be reduced in proportion to the realized quantity. The project has not disclosed information about who will act as escrow within the framework of the ICO.

Users are required to register on a whitelist to participate in the crowdsale.

3. Description of the Services and Scope of the Project

The existing centralized VR platform CEEK[1], founded in 2015, is an already-functioning virtual reality business, focused on the entertainment industry. Currently, CEEK allows artists to create VR events for their fans. The platform is already collaborating with several major film and music corporations and headlining musicians to provide users with the opportunity to gain VR experience through hardware and software. For example, CEEK's partnership with Universal Music Group already gives the platform rights to broadcast live performances of artists such as Rihanna, Lady Gaga, U2, Sting and Neyo.

In the last few months the company has been actively working on the implementation of blockchain solutions within its business. The creators plan to create a virtual city consisting of several locations, such as:
- A theatre
- Concert Arena
- Sports Complex
- Lounge Area

Each location will have a sponsor with registered rights to it.

Participants in the decentralized Ceek City platform fall into the following categories:
- Ceekers (CEEK holders)
- Content creators
- Partners (content providers)

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[1] https://www.ceek.com

- Developers
- Curators

Ceekers are "inhabitants" of the CEEK virtual city. In addition to regular users, the system will include a number of executive bodies and positions:

- The governor may issue Executive Orders and veto decisions of other bodies. The first governor will be elected for a two-year term immediately upon completion of the ICO.
- The Congress is a group of users of CEEK with the right to vote, appointed to draw up various proposals for voting.
- The Executive Committee consists of key members of Ceek VR Inc., who have corporate governance powers with respect to elected members of the Blockchain Congress and the voters themselves.
- The City Manager will monitor Ceek City, coordinate the work of each location together with sponsors, and control voting processes.
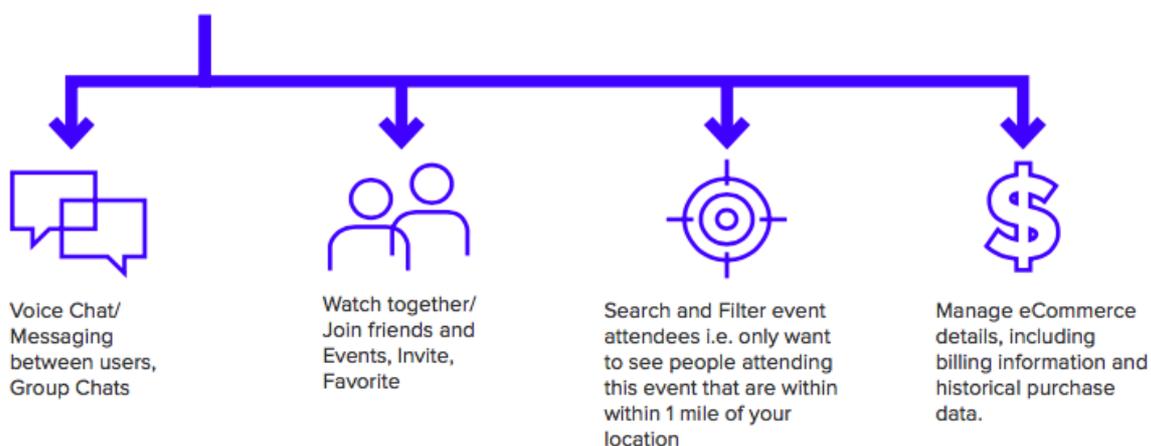
In addition to the inhabitants themselves, in the system it will be possible to create CEEK Virtual Pets, which will follow their virtual masters everywhere.

CEEK's developers are the backbone of the ecosystem, creating a wide range of applications that contribute to the creation of a reliable VR economy. The aim of the project is to reduce the cost of developing and accelerating the capabilities of all CEEK ecosystem processes.

Curators are receive payments in CEEK tokens to motivate them to play a crucial role in the life of Ceek City — to search for and present a wide range of high-quality VR-content for further approval by the CEEK community, to compile lists of demand for artists to confirm live shows, to dive into training courses, etc.

For effective interaction between users within the system, CEEK facilitates realistic synchronous communication, giving users the opportunity to obtain VR experience together despite being physically far apart:

MULTI-USER SOCIAL FUNCTIONS

Voice Chat/ Messaging between users, Group Chats

Watch together/ Join friends and Events, Invite, Favorite

Search and Filter event attendees i.e. only want to see people attending this event that are within within 1 mile of your location

Manage eCommerce details, including billing information and historical purchase data.

Thus, CEEK simulates a user's social environment, providing an opportunity to attend virtual music, sporting and other events and share experiences with friends. The system will also provide several features to support a certain atmosphere of unpredictability — Golden Ticket (lottery tickets which can be found in a variety of places in the virtual city) and Ceeker Albert (an AI aimed at the development of tags for city objects).

The project's architecture is presented below:
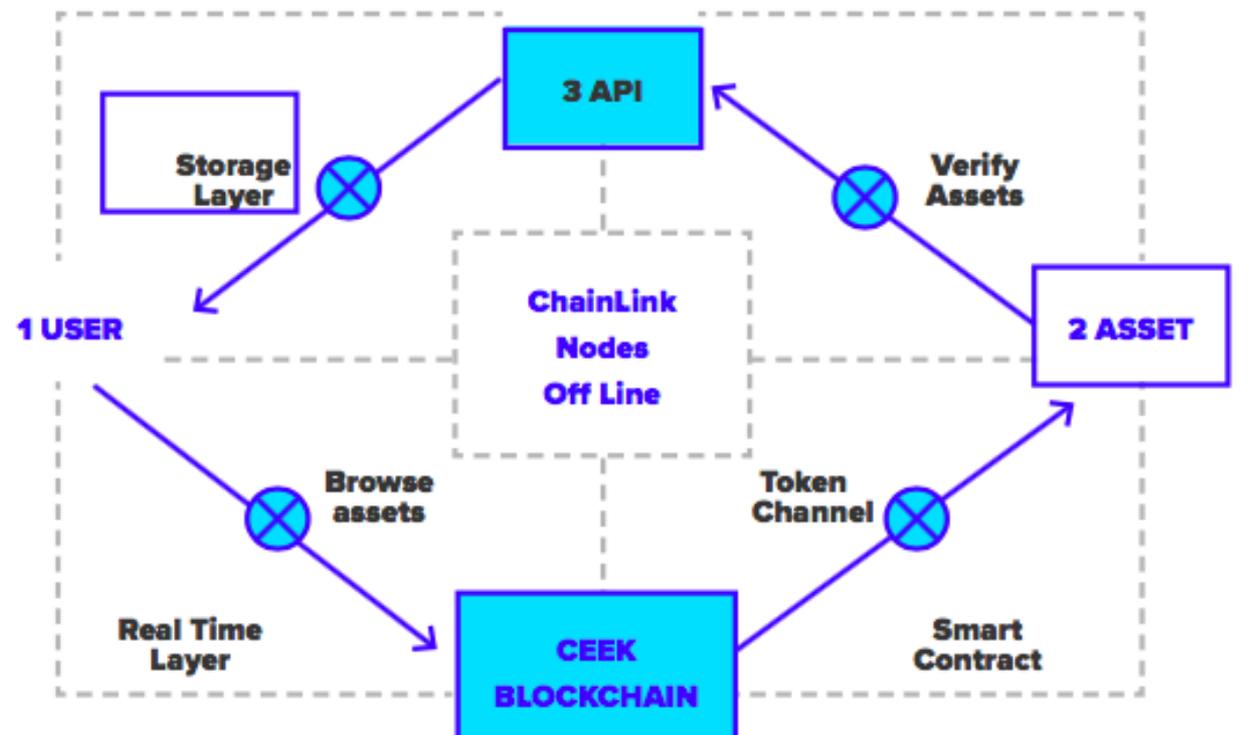
The system provides for the use of Tendermint[2] technology to create a secure network. CEEK will use the Tendermint consensus mechanism to vote via proof-of-stake mechanisms.

In addition, the platform will interact with external data sources through ChainLink[3], secure blockchain-based software enabling Ethereum smart contracts to connect to external resources offline through external data transfer triggers. This will allow CEEK to perform direct sales of services such as online subscriptions using smart contracts.

Together with the implementation of blockchain, the team plans to create a MegaStudio for industry partners at its Sacramento headquarters. If the project's fundraising exceeds its soft cap, CEEK plans to build a number of partner Mega- and Micro-Studios, which will allow the project to integrate faster into the mass market and accelerate the process of creating and acquiring quality VR content from the best entertainment partners and Ceekers.

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[2] https://tendermint.com
[3] https://www.smartcontract.com/link#chainlink

In general, we believe that blockchain technology will organically fit into the structure of the CEEK platform, offering the project significant benefits. First of all, blockchain will enable CEEK to receive payment for VR concerts with minimal commission from audiences worldwide. The platform's own token will also enable effective voting among viewers on the further development of the system and the addition of certain artists' performances to the content directory.

4. Market Review

The global volume of the virtual reality market in 2016 was estimated at US$960.9 mln [4] and is expected to grow rapidly in the coming years due to the fact that sales of VR equipment are rapidly rising. The predicted growth of VR technology and its associated devices can also be explained by their ability to be used in completely different fields, from the aerospace and defense industries to the commercial and entertainment industries.
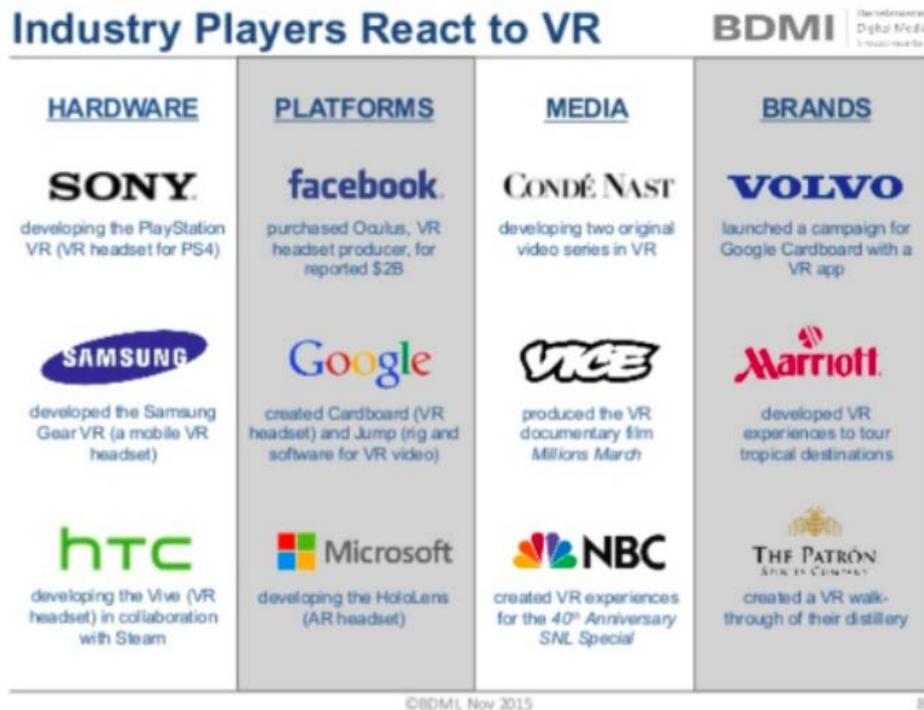
According to Statista[5], VR today is also one of the fastest growing industries. Since Oculus VR, HTC, Sony, Samsung and Google will offer more affordable, mass-production VR products in the near future, it is expected that in 2018 the total number of active virtual reality users will reach 171 million.

This rapidly growing interest is the driver of the increase of the flow of investment to the VR industry. According to Digi-Capital[6], the total volume of venture and corporate investments in the AR/VR sphere amounted to more than US$3 bln by the end of 2017.
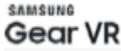
To experience virtual reality, a user needs specialized equipment. The most important device that helps immersion in the virtual environment is the head display (HMD), a headset that prevents light or images from the real world to interfere with virtual reality.

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[4] https://www.grandviewresearch.com/industry-analysis/virtual-reality-vr-market
[5] www.statista.com/statistics/528739/virtual-reality-software-revenue-share-worldwide-by-category/
[6] https://www.digi-capital.com/news/2018/01/record-over-3b-ar-vr-investment-in-2017-1-5b-in-q4/#.WsyLna2ZOu4

CEEK offers users to purchase its own equipment for immersion in virtual and/or augmented reality; in the middle of 2017 sales of CEEK's headset commenced. According to information in the white paper, the CEEK helmet seems to be the best one in comparison with major manufacturers of such equipment:

	CEEK	oculus	htc VIVE	Samsung Gear VR	ZEISS
Platform Agnostic	✓	✗	✗	✗	✗
Mobile Compability	✓	✗	✗	✓	✓
Smartphone (iOS and Android)	✓	✗	✗	✗	✓
Unthethered to Computer	✓	✗	✗	✓	✓
Content Platform	✓	✓	✓	✓	✗
Retail Integration (CD/DVD Slot)	✓	✗	✗	✗	✗
Price	Starts at: $15	$599.99	$799.00	$99.99	$129.99
Additional Equipment Nedded	$0	$2,500	$2,500	$649	VR Trays ($10)
FOV (Field of View)	105°	110°	110°	96°	100°

On Amazon[7] the price of the CEEK helmet is US$95, and rating for the product according to reviews is 3.5 out of 5. An interesting observation is that for some reason reviews over the last 3 months were more likely to be negative than positive or neutral.

In our opinion this comparative table is biased, with no data on the quality of sound and the picture itself. Also Oculus and HTC for example offer a possibility of connecting additional equipment such as joystick controls and motion detection sensors. CEEK does not offer such possibilities.

In addition to the equipment, particular VR content is required, recorded in 360 HD format. Currently, several large companies already have or are creating platforms for users to obtain Virtual Reality content online. Examples include NBA VR, Netflix VR, Google Daydream, HBO GO VR, and YouTube VR.

One project which in our opinion has a high potential is Next VR[8] — the leader in virtual reality live events broadcasts. NextVR's platform provides fans with extraordinary access to

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7 https://www.amazon.com/CEEK-Virtual-Reality-Headset-Comfortable/dp/B071X5M7C7

8 https://www.nextvr.com

and deep immersion in sports and music events worldwide. Launched in 2009, the NextVR project already has more than 26 patents (both received and awaiting receipt) to compress, transmit and display virtual reality content. The platform enables users to fully download content in its original quality using current home and mobile internet connections. On the other hand, Next VR content is limited to desktop devices and Daydream, while Ceek provides trans-platform content distribution to all devices, including Android and iOS mobile devices.

Within the blockchain community there are several projects aiming to implement a decentralized VR streaming platform. Among them are the following:

- VIBEHub[9] is one of the world's first decentralized markets for virtual and augmented reality. The project's functionality includes streaming concerts in a special VR application, and in the near future it is also planned to introduce educational streams, social events, games and virtual dating. The company claims that their platform is designed for up to 1 billion users. During their ICO in September 2017 the project raised US$1,435,724. At the moment, the price for the VIBE token has stabilized slightly and is kept above the price level during the ICO[10]:

- Prosense[11] is a VR streaming company engaged in the creation of video clips with 360 degree views, as well as the development of equipment for VR shooting. In December 2017, the team launched an ICO, but unfortunately the project did not reach its soft cap. A feature of Prosense is its ability to provide a full range of VR broadcasting

[9] https://www.vibehub.io
[10] https://coinmarketcap.com/currencies/vibe/
[11] https://www.prosense.tv/en/

services: from specialized equipment for VR/360 filming, innovative software to maintain high quality content, expanded list of distribution channels, including the Prosense application for VR-devices.

It is important to pay attention to the fact that, in addition to implementing a virtual city based on blockchain, the CEEK project also plans to create a unique scale complex for creating high-end VR-events. The creators want to equip and run several 360 Mega- and Micro-Studios where anyone can create their own VR content. In addition, the idea of creating a virtual city with social orientation has no current analogs.

5. Team

The core team consists of 8 members supervising all activities and development of the CEEK project. Some of them in our view have very extensive experience in VR and other related fields, which could potentially help the project become successful. They include:

Mary Spio[12] — CEO and Founder
Mary started her career as an aerospace and satellite applications engineer, after which she took the position of Head of Satellite Communications Systems at the Boeing Corporation[13]. According to the recommendations on Mary's LinkedIn page, she recently joined the advisory board of Oculus VR (Facebook) and Amazon.

Mary has been the leader and founder of CEEK since the beginning of 2016. For 4.5 years until the end of 2014, Mary was the founder and president of the Next Galaxy Corp.[14], a leading company in technology and content development, creating innovative experiences in augmented and virtual reality for consumers. It seems that it was during this period that she had her initial experience in the field of VR.

Jason King - CTO & Chief Technical Advisor
Known as a pioneer in applying blockchain technology to humanitarian work, Jason is the founder of both Sean's Outpost[15] and Unsung.org[16], two of the world's first cryptocurrency-based charities.

Jason also co-founded Academy[17], the world's first accredited blockchain university, which launched its first class on January 29th, 2018. In addition to offering his technical expertise, Jason will enable access to the best and brightest talent in the industry.

Christopher J Kramer[18] — Blockchain Strategist
Kramer has extensive knowledge of blockchain technologies and, according to information on the project website was recently featured on the cover of an industry magazine.

In parallel with the project Christopher is the CEO of Onename Global, Inc.[19], and also holds the position of President of the Eclipse Solutions[20] telecoms company, which provides

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[12] https://www.linkedin.com/in/maryspio/

[13] http://www.boeing.com

[14] http://www.nextgalaxycorp.com

[15] https://seansoutpost.wordpress.com

[16] http://www.unsung.org

[17] https://www.academytoken.com

[18] https://www.linkedin.com/in/onenameglobal/

[19] https://coinmarketcap.com/currencies/ongsocial/

[20] https://ong.social/eclipsesolutions

services for B2B virtualization, cloud computing, MPLS, management of expenses on telecommunications, negotiations on contracts, and services in other aspects of outsourcing.

Ray Gagnon[21] — Director of Sales

Unfortunately, information about Ray Gagnon's experience on his LinkedIn page is limited. However, according to the project's website, Ray played a significant role in increasing the income and market share of movie corporations such as DreamWorks SKG[22], 20th Century Fox[23] and Walt Disney Studios[24].

Ray's track record includes Executive Vice President of Worldwide Sales at Starz Inc[25] and Anchor Bay Entertainment[26], corporations owning a number of paid U.S. television channels, which are also media distribution companies and engage in animated TV and filmmaking.

Laurie Clark[27] — COO

Laurie has extensive experience in merchandising, at various times holding the position of Senior Vice President of Merchandising — Retail and Contract Commercial for Staples[28] (during this period, the company's revenues grew more than 2.5 times, from US$3.5 million in 1995, up to US$8.8 mln in 2000[29]), as well as the Executive Vice President of Transworld Entertainment[30], an operator of retail entertainment media stores in the United States (NASDAQ: TWMC).

At the moment, Laurie combines work on the project with a presidential position at Product solutions, Inc., which she has occupied for the last 14 years. This company provides services in Brand Development, International Company Market Development, Retail Merchandising and Marketing, Business Development Strategy, Sales Management, Inventory Planning and Management.

Mrs Clark holds an MBA degree from Harvard Business School.

Saibaba Talluri[31] — Vice President Strategy

Saibaba is also a co-founder of the disruptrs.co project, which has created an innovative ecosystem providing cross-border innovation, the main purpose of which is to inform viewers about interesting novelties and creative personalities in the fields of business, science and technologies.

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[21] https://www.linkedin.com/in/ray-gagnon-2b62b25/
[22] https://en.wikipedia.org/wiki/DreamWorks
[23] https://en.wikipedia.org/wiki/20th_Century_Fox
[24] https://en.wikipedia.org/wiki/Walt_Disney_Studios
[25] https://www.starz.com
[26] https://en.wikipedia.org/wiki/Anchor_Bay_Entertainment
[27] https://www.linkedin.com/in/laurie-clark-10b75b2/
[28] https://www.staples.com
[29] http://media.corporate-ir.net/media_files/NSD/SPLS/reports/ar1999.pdf
[30] https://en.wikipedia.org/wiki/Trans_World_Entertainment
[31] https://www.linkedin.com/in/talpa-saibaba-talluri-v-s-1926313/

Previously worked as Senior Technical Program Manager at Amazon [32] and Program Manager at Microsoft[33].

The project has 8 advisors, working directly with the company on technical and business direction:

- Mukhtar Mussabetov (Founder & CEO BlockSpace Labs Inc.[34]);
- Tony Lustig (CEO Rural Investments Ltd[35], served as the Director and Head of Mergers & Acquisitions at Lockheed Martin Space for an $8B business).
- Dr Harry Kloor (PhD in Physics and in Chemistry, bold innovator and futurist who created the Avatar Xprize[36]).
- Chris Hunichen (Former n.1 Ranked online poker player).
- Peter Moore (Co-Founder of PRB Media Former Product Manager, SONY).
- Jae Kim (Cryptocurrency expert and ICO adviser).
- Gopi Prashanth (Director of Software Development at AMAZON GO[37]).
- Dr Carri Allen Jones, MD. (Blockchain and Data Analytics Expert at Stanford University, Triple board certified in stem cell regeneration and Data Analytics Expert).

In our opinion, the team is distinguished by extensive experience and necessary knowledge, and the project has every chance of benefitting from a synergy effect arising from the interaction of its participants.

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[32] https://www.amazon.com
[33] https://www.microsoft.com/en-gb/
[34] http://blockspacelabs.io
[35] https://www.linkedin.com/in/tony-lustig-110b03/
[36] https://avatar.xprize.org
[37] https://www.amazon.com/b?ie=UTF8&node=16008589011

6. Token Analysis

The ERC20-compatible CEEK token will, in fact, have two key functions – payment (for all operations related to the ecosystem activity) and providing voting rights for or against various types of proposal created within the framework of the platform.

Users will be able to use CEEK tokens to participate in events, access VIP communication with their favorite artists, as well as to purchase virtual goods and vote for desired performances within the CEEK system.

CEEK interactive voting will give fans an opportunity to play a significant role in the programming process of the platform. Ceekers will be able to perform transactions on the CEEK blockchain, or via offline VR channels (ChainLink).

According to the project's creators, CEEK will be easy to use; it will become multifunctional — Ceekers will be able to earn via the platform (for example, through trading virtual goods) and experience all sorts of interactive entertainment on the online VR platform.

The token will also enable celebrities to use a special tool called "Celebrity Coin Mint", which enables artists to generate additional revenue from ticket sales for their virtual concerts and other digital goods.

Of course, the main advantage for CEEK is its ready-functioning business, which has collaborated with a music industry giant, Universal music. CEEK also works with T-Mobile and the Apple Store.

The very idea of creating a huge complex for the creation and development of VR including a virtual city, CEEK City, as well as VR-studios, in our opinion is quite promising. A virtual space with a social focus will definitely attract users, and the production capacity of 360 Mega- and Micro-Studios provides unlimited opportunities for creating exciting VR content.

Unfortunately, however, the financial model is completely ignored by the documentation. For this reason, we have no practical opportunity to generate any forecast of potential demand for tokens in the medium and long term.

The documentation does not even provide a brief description of the marketing strategy, a description of the competitive advantages of the project, or a detailed roadmap; for example, even approximate terms for construction and commissioning of the CEEK City complex and other important steps are missing.

These factors are likely to prevent the project from attracting the attention of potential investors interested in short-term investments.

7. Risks

During our analysis of the project we have identified a number of risks and shortcomings that have a significant impact on the development of CEEK:

1. The key risk for the project, in our opinion, is technological, due to the early stage of overall development of VR technologies and devices. At the moment the image quality of most VR devices, and as a consequence, user experience are at a relatively low level, which could negatively affect the influx of new users to the CEEK platform and their retention rate, which, in turn will negatively affect its economic performance. In addition, penetration of VR devices into the population is also small, which does not help the emergence of large amounts of quality VR content. Certainly, these technologies are being developed very quickly, but it is still quite difficult to predict how quickly inexpensive access to quality VR experience will become available.

2. Technical implementation of the platform involves the use of Chainlink and Tendermint, which are still in development; this automatically increases risks of successful implementation of CEEK's ideas. In our opinion, the Roadmap of the project is not described in sufficient detail either, which prevents us objectively evaluating all the potential factors for CEEK token demand. In particular, dates for the implementation of CEEK tokens as a means of payment on the platform are not specified, the current stage of product development is not described; nor are the terms of its final implementation and transfer to the blockchain.

3. Based on the market review provided in the documentation, it is impossible to draw clear conclusions regarding current demand for VR concerts and other performances, about the tendencies of this demand, nor regarding the market share potentially claimable by CEEK. Since the project has no financial model, it remained unclear to us what share the project might hope to occupy, and within what time frame it is planning to occupy it.