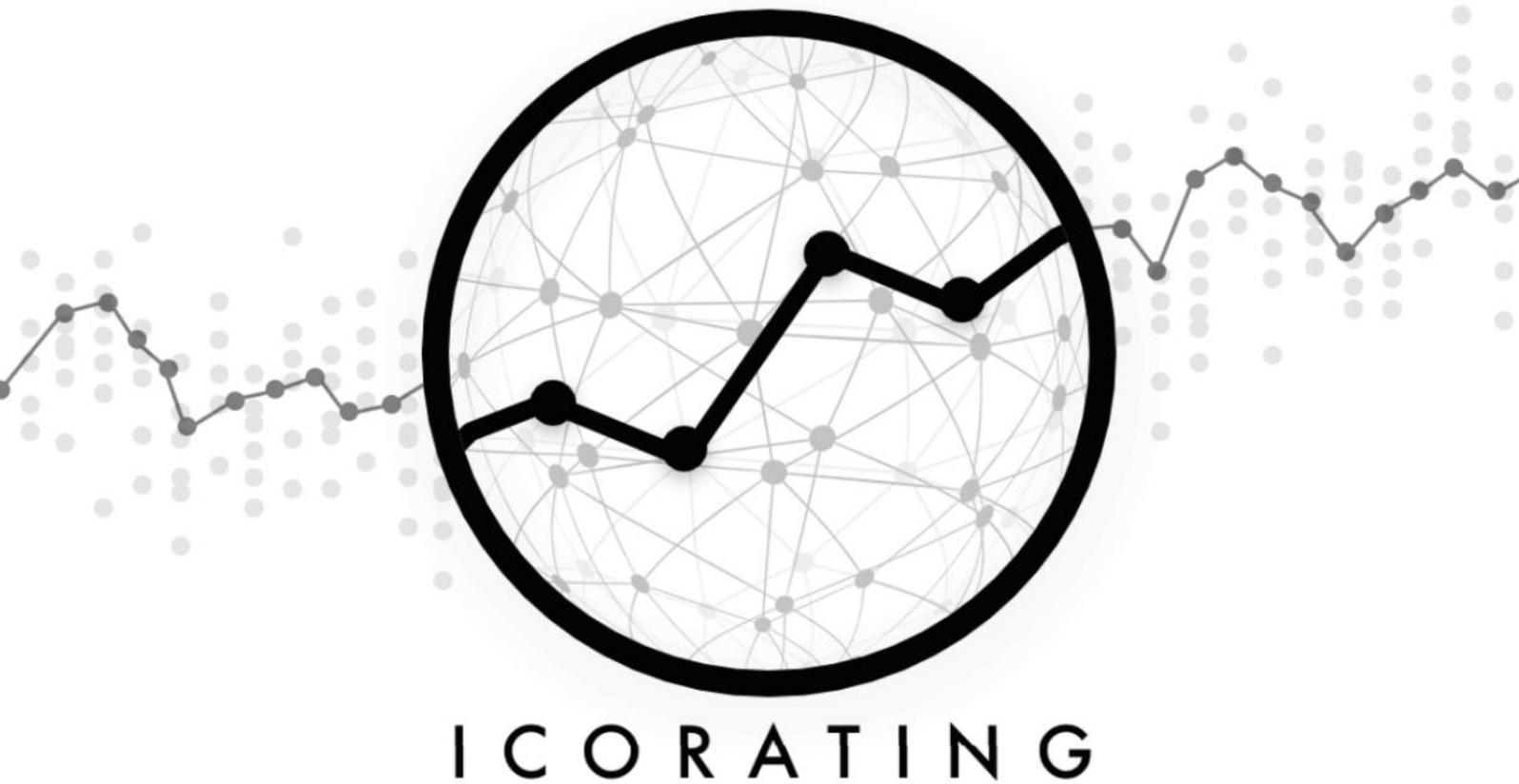


ICOrating

BITGUILD Rating Review (<https://bitguild.io>)

ICO dates (15.03.2018 — 05.04.2018)



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# 1. Rating

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**We rate the BitGuild project as "Stable".**

BitGuild is a multifunctional platform aimed at the development of blockchain-based games. The founders view the development of blockchain-based games as a major future trend for the global gaming industry. The BitGuild platform primarily intends to promote the popularization of blockchain-based games and become a source of financing for developers.

The project is still at an early stage of development, and this should be taken into account in a detailed consideration. What it already benefits from is an extraordinary team, led by Jared Psigoda. In our opinion, the team has all the necessary skills to implement all the declared services.

It is the team's experience in developing and producing computer games, including mobile ones, that should help BitGuild competently develop its platform and carve a niche in this competitive market.

After all, huge competition is the main risk for BitGuild. Blockchain applications in the gaming industry are one of the hottest themes in project development. Therefore, only clear positioning and founders' vision can help individual projects make it to the top and gain the attention of a portion of the enormous gaming audience.

In terms of risk, the project is not very different from others at this phase of development. The ICO is currently being staged, feedback from the community is being gathered, while the launch of an MVP is scheduled for Q2 2018. So far, we have to evaluate the idea itself and believe in the team's abilities.

Summarizing the above, we note that the BitGuild project is somewhat different from the majority of gaming projects. Some of the future platform's functionality, primarily the possibility for crowdsourcing gaming projects and a focus on blockchain-based games, could attract developers. And if decent gaming content is included, the BitGuild platform itself will be at an advantage.

## 2. General Information About the Project and ICO

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Bitguild is a project aimed at creating a gaming platform and a marketplace based on blockchain technologies, with its PLAT token at the core of the ecosystem. BitGuild will create several gaming services at once and connect its system with an internal platform wallet. Eventually, the BitGuild ecosystem will include a game of the same name and a gaming platform, a marketplace for virtual items, a wallet, plus crowdfunding and crowdsourcing platforms.

Unlike many projects in the gaming industry, where platforms are integrated into existing game engines or into processes around games, BitGuild plans to create a platform for game development within its own ecosystem, including creating games itself. That is, the team has no plans to use existing games and engines as yet.

On the one hand this may be a strength; when creating successful "hype" games, their popularity could make the creators rich, but the risks here are high - competition in the industry, especially between games, is strong, and most gamers are reluctant to change their preferences. Besides, the phenomenon of cryptokitties is a result largely of circumstance and is short-term, whilst long-lived projects are always built on an interesting idea, have high quality of realization, and a strong game engine.

From a legal point of view the project is represented by BitGuild Technology Inc., a company incorporated in the Cayman Islands. Besides the standard "package" of documents for an ICO — terms of use and a privacy policy, no legal information is provided.

The BitGuild ICO has three stages — a private round of fundraising, a pre-sale and a public sale. The first two rounds have already been completed, as a result of which 30,937.5 ETH were raised. This is a considerable amount, twice exceeding the hard cap, but the team does not confirm this in any way. The main crowdsale parameters are given below:

ICO

**Start:** 15 March 2018

**End:** 05 Apr 2018

**Soft Cap:** 5000 ETH

**Hard Cap:** 14,062.5 ETH

**Price:** 1 ETH = 80,000 PLAT

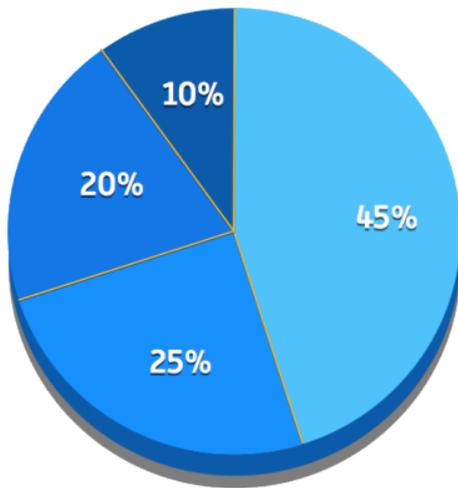
**Minimum Investment:** 0.5 ETH

**Token:** PLAT, ERC-20 standard

**Accepted Currencies:** ETH

**Total Issue:** 10,000,000,000 PLAT

**Allocation of Funds:**

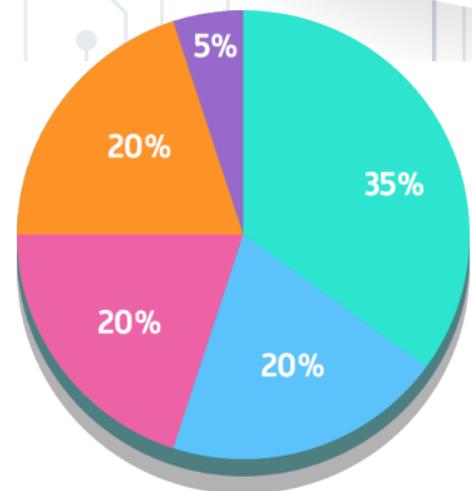


### PLAT Distribution - 10 Billion Tokens Total

- Token Sale: 45%
- BitGuild Foundation: 25%
- Contributors & Advisors: 10%
- Early Investors, BitGuild Team & Founders: 20%

### Allocation of Funds

- Platform Development - 35%
- First-Party Game Development - 20%
- Third-Party Game Investment - 20%
- Marketing & Community Building - 20%
- Legal & Contingency Reserves - 5%



- The tokens, distributed by the BitGuild Foundation, will be used to motivate developers to create games within the BitGuild ecosystem and to market these games. Tokens will be locked for 2 years, while 1/5 of the issue will be available after the ICO with further unlocking of a 1/5 portion every 6 months.
- Tokens reserved for the project team and founders will be frozen: after the crowdsale 20% will be available, and the remaining 80% will be gradually unlocked in even shares every 6 months over a period of 2 years.
- Contributors' and advisors' tokens will also be frozen, but over what period is not specified. It is specified that a share of these tokens will be available for realization immediately after the crowdsale.
- Unsold tokens will be burnt.

The ICO provides bonuses depending on the size of investment:

- >= 5 ETH — 1.25%
- >= 15 ETH — 2.50%
- >= 50 ETH — 3.75%
- >= 100 ETH — 5%
- >= 250 ETH — 7.50%
- >= 500 ETH — 10.00%

### 3. Description of the Services and Scope of the Project

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Within the framework of the BitGuild project, several services and auxiliary architecture for gaming are being developed at the same time. The main focus for all these services is blockchain in the gaming industry. For this purpose, BitGuild will evidently use Ethereum smart contracts or other distributed networks.

The following services have been announced:

- **Game Platform**

This is the project's key service, because it has huge market potential for all parties — BitGuild, developers, and gamers. Development of a gaming platform that is friendly to a wide range of developers could be a relatively easy way to develop the business. Along with external developers, BitGuild intends to develop games on their own as well.

All games on the platform will meet the following standards:

- Use of blockchain and smart contracts
- Support of PLAT token as a single payment instrument
- Tokenization of gaming assets and game store
- Support for a marketplace for in-game items
- Compliance with content standards (preventing the creation of illegal or malicious content)

As a platform for games in the early stages of business development, BitGuild will use a web-only platform; in the future mobile platforms will be added.

As a reward for the development of games and their administration, users will receive income from the sale of game items. For example, income will be divided between "Design House" contributors (if applicable), game developers, and the BitGuild platform. The token ratio may vary, but platform commission cannot be higher than 10% of each transaction.

Players will be provided with a single account which may be registered on the BitGuild website; this will be linked to an internal platform wallet. An account will be assigned a level, starting at 1 when a user creates it. Here we could draw an analogy with current gaming platforms such as Garena and Steam.

PLAT tokens will be used to receive EXP; experience will be calculated using the period of retention of tokens in the wallet. The wallet level will count towards being able to obtain in-game and platform rewards, various achievements and additional access to chat with developers, etc. In general, analogously to traditional platforms, level will contribute to a user's social status within the ecosystem.

An additional achievements system independent from accounts level will also be built. Achievements will be attained for completing platform and in-game tasks; users will receive EXP and a special form of non-transferrable tokens for this.

- **Wallet**

The internal platform wallet will be created and assigned by default to each account registered. The wallet will reflect not only crypto tokens or other currency, but also non-fungible tokens (game items and equipment), so the user may view all their virtual assets.

Information about the configuration of the wallet, its functionality and characteristics is practically non-existent in the documentation. Only its functionality within the BitGuild ecosystem is described; even the currencies to be supported (apart from the PLAT token) are not specified.

- **Virtual Asset Exchange**

The virtual goods exchange is intended for sale of game items for PLAT tokens. The scheme for generating and linking the smart contract with game objects will be similar to the model used by Cryptokitties, where the game engine has a built-in connection with the smart contract. This scheme is easily implemented for small and easy to develop games; this category includes browser games, mobile applications, etc.

Given that the list of traded assets may differ for each game, BitGuild does not provide a more detailed description of the marketplace. The commission for trade, possibilities for combining tokenized and game property (in order to avoid commissions when transferring items within a game), etc., are not described either.

- **Community**

BitGuild provides an abstract description of the gaming community developed around the platform, which will be created by the interest in games developed on the game platform, within BitGuild's own games and the marketplace for tokenized assets. BitGuild hopes to recruit both blockchain enthusiasts and gamers by creating the largest "community of blockchain gamers on the web".

- **Design House**

This service is a crowdfunding platform for game development. Game developers who want to release a game and are looking for financial support will be able to publish their own work in Design House. This could be ideas, concepts, stories, etc. The community reviews the materials and can vote for the project using PLAT. Tokens are blocked in the appropriate smart contract and released as the developer's roadmap is being completed. In return, contributors receive achievements, bonuses, skins, etc., also possibly financial bonuses from a part of the proceeds from sales of in-game items. In general, all this is similar to traditional crowdfunding, but using cryptocurrency instead.

Design House can also be used for crowdsourcing ideas for already developed games. For example, if a game developer needs a new weapon designed, they can offer the idea to the community for a reward; the designer of the most suitable skin will receive the reward.

In addition to these services, BitGuild is also developing its own game: "**BitGuild – The Game**", one of the key products of the project. There is very little information on this game; the description in the documentation is limited to three paragraphs, which state that the game will be focused on the blockchain component where all property will be tokenized, and its value based on the principles of collecting and strength of character.

## 4. Market Review

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Gaming is a frequent subject for ICOs. Most often, developers are focused on the trading of in-game objects, fantasy sports and blockchain-based games themselves. Quite often, teams work in related areas of business, such as broadcasts of eSports events, VR and gambling. Cryptoslate, an aggregator of ICOs, has collected 115 projects in the category of "Gaming Coins" to date, a significant number<sup>1</sup>.

The BitGuild project will offer its clients several services, including a platform for the development of blockchain games. The team places its main stake on this particular service. In the market review presented in the WP, the reader is encouraged to think that this segment will be promising in the coming years. To better understand the team's position, we strongly recommend that you read the interview with the founder, Jared Psigoda<sup>2</sup>.

Deviating a little from the topic, the success or failure of particular gaming projects is very difficult to predict. Given the history of game development since the 1950s, it is possible to identify two main factors that have led to the failure of most "unrealized" projects. The first factor is technical progress, when one platform changed another and forced players to switch to the newer one. This is what happened with arcade slot machines, with 8-bit consoles and with later generations.

There is no sense in guessing technical progress; one could only believe in it. In the past Nintendo did not believe in the potential of optical discs and continued to release their Nintendo 64 consoles on expensive ROM cartridges, which eventually led to the decline of this famous company and the loss of competition to Sony. But even here there is a silver lining, because the Nintendo 64 was used to release the game of all time — 'The Legend of Zelda: Ocarina of Time.'

Another reason for the decline of particular game series could be due to the developers and their business skills. Very many developers and publishers went bankrupt, and as a result, whole series of well-known games have ceased to exist, have degenerated or morphed into other products. There are many examples of large companies that have ceased to exist: Atari, THQ, EDO, etc.

In fact, there is nothing special about failure for many projects. This happens in any business; many factors need to be present for a project to succeed. And it is not always the most worthy ones that remain on the pedestal; many things are decided by chance. Thus, it is mostly the fans that have regrets about discontinued games.

Nevertheless, the gaming market is large and diverse; according to different estimates its current cumulative volume for all platforms is about US\$100 bln. In SuperData's report of December 2017, monthly revenue for the gaming industry was estimated at

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<sup>1</sup> <https://cryptoslate.com/category/gaming/>

<sup>2</sup> <https://howtotoken.com/career/blockchain-future-development-of-gaming-industry/>

US\$ 10 bln<sup>3</sup>. Below is the list of the top games by revenue, with a breakdown of their platforms:

### Top Grossing Titles by category Worldwide, ranked by December 2017 earnings

|    | PC                                 | CONSOLE                       | MOBILE                   |
|----|------------------------------------|-------------------------------|--------------------------|
| 1  | League of Legends                  | Call of Duty: WWII            | Honour of Kings          |
| 2  | Dungeon Fighter Online             | FIFA 18                       | Fantasy Westward Journey |
| 3  | Crossfire                          | PlayerUnknown's Battlegrounds | Monster Strike           |
| 4  | Fantasy Westward Journey Online II | Star Wars Battlefront 2       | Clash Royale             |
| 5  | PlayerUnknown's Battlegrounds      | Grand Theft Auto V            | Lineage M                |
| 6  | Fortnite: Battle Royale            | NBA 2K18                      | Candy Crush Saga         |
| 7  | World of Warcraft                  | Destiny 2                     | Clash of Clans           |
| 8  | World of Tanks                     | Fortnite: Battle Royale       | Fate/Grand Order         |
| 9  | Roblox                             | Madden NFL 18                 | Pokemon GO               |
| 10 | Overwatch                          | Assassin's Creed Origins      | King of Chaos            |

Source: SuperData Arcade. Top selling games by total digital game sales, December 2017



At the same time, the market is constantly providing new opportunities for the development of game content. Only 10 years ago there was virtually no mobile market; now it is a serious competitor for PCs and Consoles. More and more developers are paying attention to the "free-to-play" gaming segment, and most of the top grossing cross-platform games are of this type.

The BitGuild project team knows the current state of the gaming industry first-hand, and in what direction it is moving. Experience of releasing mobile games via R2Games has not been for naught, and instinct suggests that games based on blockchain have great prospects. The founder Jared Psigoda has stated the following in this regard:

"I honestly feel that blockchain gaming will be the next major evolution after free-to-play".

Therefore, the BitGuild project currently intends to solve two problems: on the one hand to popularize blockchain among game developers, and on the other hand, to offer a convenient marketplace for development and crowdfunding for gaming projects.

Once again, there is no point in predicting the focus of the gaming industry over the next few years, but blockchain for games could become a new trend. In this case, platforms such as BitGuild will help small studios raise funds for their projects and provide support via their marketplace.

Currently, there are a number of gaming projects in which blockchain plays an integral role. The best-known is Cryptokitties, which has already conquered a large audience. In

<sup>3</sup> <https://venturebeat.com/2018/01/24/superdata-digital-game-revenues-were-nearly-10-billion-in-december/>

the near future, collectable card games will be the first candidates for blockchain integration.

The BitGuild project will operate in a very competitive environment, and some of the functionality of their marketplace for game items is covered by a large number of other startups. As usual, there are no absolute leaders in this sector yet, but the first to develop convenient and high-quality functionality can count on a large share of the potential audience.

## 5. Team and Stakeholders

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The team is one of the strongest aspects of BitGuild. The founder of the project, Jared Psigoda, is an interesting professional in many respects. Mr. Psigoda has extensive experience in the gaming industry; his main achievement could be considered to be the R2Games project, where he was co-founder. R2Games is a developer and publisher of both mobile and browser-based games that has launched many projects<sup>4</sup>.



### **Jared Psigoda, CEO**

Prior to founding BitGuild, Jared was the co-founder and CEO of Reality Squared Games (R2Games), an international developer and publisher of browser and mobile games which he took public in China in 2016. He is also the founder of Livestar, a development studio focused on building live streaming and other social media apps for a global audience. In 2014, Jared was recognized as the only non-Chinese member of the Forbes China “30 under 30.”

More Detail: [LinkedIn](#)



### **Curtis Chiu, COO**

With 17+ years of gaming industry experience, Curtis’ skillset spans across development, publishing, and operations over every major gaming platform. He has worked with various top gaming companies in the US and Asia as an executive producer and product manager such as Kabam, Outspark, Sega, and Konami. He previously held a position as the COO of Livestar, a development studio focused on live video streaming.

More Detail: [LinkedIn](#)

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<sup>4</sup> <https://en.wikipedia.org/wiki/R2Games>



### **Mikhail Larionov, CTO**

Mikhail is a full-stack product and engineering leader with over a decade of experience in gaming and cryptocurrencies. Prior to BitGuild, Mikhail led the Messenger Platform engineering team at Facebook, overseeing the product from inception to public launch. Previously, he worked at the Walt Disney Company as a product lead on Playdom games such as Gardens of Time. Mikhail recently launched a decentralized cryptocurrency exchange as a hobby project.

More Detail: [LinkedIn](#)



### **Sean Keith, Vice President, Business Development**

Sean has a wealth of experience in business development, with a focus on Asian markets. He entered the gaming industry as Director of International Business Development for Reality Squared Games. Later, Sean went on to work for FoxNext, where he was responsible for leveraging FOX IP to create, foster, and execute strategic partnerships with game developers and publishers. He most recently worked as Vice President of Asian Business Development at Xsolla, an international payment solutions provider.

More Detail: [LinkedIn](#)

## Advisors

|  |   |
|--|---|
| Brock Pierce<br><a href="#">LinkedIn</a> | Chairman, the Bitcoin Foundation; Co-founder, Blockchain Capital, Block.one |
| Justin Sun<br><a href="#">LinkedIn</a>   | Founder, TRON   |
| Kevin Chou<br><a href="#">LinkedIn</a>   | Chairman & CEO, KSV eSports   |
| Leo Wang<br><a href="#">LinkedIn</a>     | Founding Partner, PreAngel  |
| Yi Shi<br><a href="#">LinkedIn</a>       | Chairman, oBike, DotC United Group  |

## 6. Token Analysis

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The PLAT token issued at the BitGuild ICO has a utility function within the framework of the ecosystem under development. It is a single payment currency for all services and marketplaces, used for the crowdfunding of games. Another important feature of the token is its function in gaining EXP, which affects the level of a user's account on the single BitGuild platform. EXP is calculated based on time and amount of token ownership, meaning that a user has a direct incentive to hold and retain tokens.

There is no other functionality or mechanism of supply and demand regulation in the market for the PLAT token. Commission pricing for services is not disclosed.

## 7. Analysis of Factors Affecting the Future Value of the Token

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The future of the PLAT token is directly related to the prospects for the BitGuild business, since the token is the basis of payments within the ecosystem, and users are motivated to accumulate and retain it in their wallets.

In terms of business and obtaining a market share, BitGuild's situation is ambiguous — the project is entering one of the most competitive industries having an extremely positive perception of blockchain technologies and various startups. At the same time, consumers' preferences are difficult to guess, and many gamers have difficulties switching from their favorite games or platforms to other ones; other gamers are susceptible to "hype" projects which could become a success for any game.

Having reviewed BitGuild's documentation and materials for investors, many questions concerning the services and their description have arisen, and we have to highlight very scarce information about this aspect. At the same time, the description of the industry issues is more detailed, which could be proof of the early stage of the platform's development.

As there is currently no clear understanding of BitGuild's final product, only a general concept, it is difficult to predict demand from the gaming community or developers. The long-term potential of PLAT will depend on the flexibility of the team and the adoption of BitGuild's solutions by the community, and it is still early to talk about this.

In terms of current feedback on the project from the community and investors - this is an important factor, as gamers and blockchain enthusiasts, geeks, and investors are often the same person, there is also no definite answer. The public pages and social media of the project are full of activity, but large numbers of subscribers are problematic when reviewing discussions with the community, where most of the messages are clearly fake. This is normal for the ICO sphere, but in the case of BitGuild we were unable to find any meaningful discussions among the fake messages on Bitcointalk, for example. In contrast with the current amount of funds raised during the pre-ICO and the private round, this all seems odd.

We would also like to discuss the roadmap for the project, as this will affect the emergence of fundamental factors in the demand for PLAT.



According to the roadmap, all the milestones will occur in 2018–2019. Most of the project’s services will be launched by the 3rd quarter of 2018, and by the beginning of 2019 5 or 6 blockchain games will be launched, localization in 5 languages will be provided, and the Design House will be launched as well. These launch horizons are quite close, which is a positive moment, although this contrasts somewhat with the volume of documentation and descriptions of services.

Summarizing, we have not formed a clear opinion on factors for investment attractiveness of the BitGuild project and its PLAT token. The information provided is often controversial, insufficient, and the team does not provide clear advantages or triggers of future growth in value. Thus, with regards to each of the modelling horizons, based on available information it is possible to see both potentially positive factors and risks.

## 8. Investment Risk Analysis

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The BitGuild project is prone to most of the risks that accompany projects in their early stages. So far, the project has a clear idea of the marketplace and good positioning in the market for development of blockchain-based games. However, many other important aspects of BitGuild currently exist only on paper.

The scope of application for blockchain in the gaming industry is quite competitive. At this point there are a dozen decent projects that are attempting to launch marketplaces for in-game content. We estimate this factor as the most significant for serious consideration of BitGuild.

In a sense, the project's winning idea is to create a "kickstarter" for small studios aiming to develop blockchain-based games. However, this could also be replicated by other projects.

We can therefore only rely upon the strong project team, whose experience and professionalism may enable them to launch a high-quality service before their competitors do. In this case, the project would be able to count on a share of the large gaming market.

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.