

What is an ICO?

ICOs (Initial Coin Offerings) have become a popular way for companies to fund blockchain projects.

In an ICO a project sells a portion of crypto-tokens in exchange for other cryptocurrencies. Sometimes the tokens being sold are part of a new blockchain, but increasingly, projects are launching 'meta-tokens' built on Ethereum. The tokens can entitle holders to a portion of profits or fees, be an exclusive means of payment for a new application, or serve utility functions such as paying for processing time.

ICO campaigns are conducted online, much like crowdfunding campaigns. There are no requirements for what a project must provide, but at a minimum, most projects offer a website, a white paper, multiple social media accounts, and several active online forums. Each project has a different approach to pricing their token, and almost all have bonuses for early participants. Participant funds are usually collected via a multi-signature wallet or cryptocurrency exchange account. Third party escrow providers can be responsible for releasing funds.

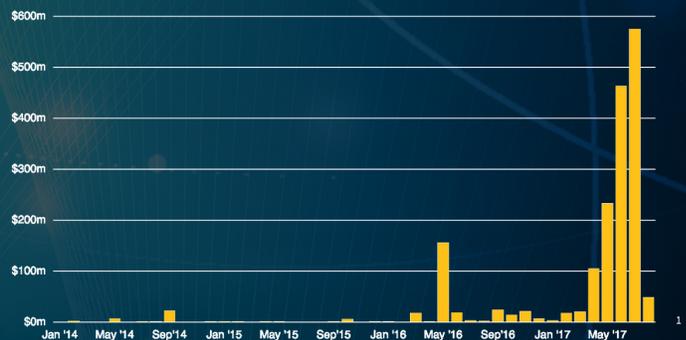
Token sales share elements of other fundraising methods, but they also differ in key ways. Generally, a token sale has the fundraising campaign of a crowd sale, the product maturity of an early stage angel or Venture Capital (VC) investment, and the offering of something tradeable akin to an initial public offering (IPO).

ICOs have rapidly grown to account for more startup funding in blockchain-based companies than all of Venture Capital. To date, nearly \$2.3 billion has been raised via ICOs, with the large majority of that taking place in the first half of 2017.

All-Time Cumulative ICO Funding



Monthly New ICO Funding



Contact us if your business is ready to begin the ICO process. DigitalX can assist with everything from technical due diligence to fundraising.

About DigitalX

DigitalX is a Blockchain Technology Company based out of Perth and New York. We provide ICO advisory services, blockchain consulting services and blockchain-related software development. Our partners can use DigitalX's Blockchain technology expertise to deliver innovative products to global markets. DigitalX has raised approximately \$20m from Investors and is well placed to deliver advice to the Token Sale marketplace.

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¹Per Coindesk