

INDUSTRY INSIGHT 1: CRYPTOCURRENCIES



In 2017, SBR's biggest ICOs raised a total of US\$381.42m.

Meet Singapore's cryptocurrency czars

What do these former bankers, doctor and magazine publisher have in common? One, they ditched their hefty paying jobs to venture into the world of cryptocurrency. Two, they are now multi-millionaires.

In our last issue, *Singapore Business Review* rounded up the biggest ICOs of 2017 raised in Singapore. Based on our compiled list, these major deals amounted to US\$381.42m in funding, with average funding around US\$25.43m. In this issue, we

present you with the people behind the whopping numbers. We've rounded up the most promising cryptocurrency-backed startups, and we give you a glimpse into the lives of these cryptocurrency kings. For feedback, you may reach us at research@charltonmediamail.com



1. QUOINE, \$105m

Providing next generation financial services through blockchain technology, QUOINE started out in 2014 through Quoine Exchange (QUOINEX), one of the largest bitcoin exchanges in the world by transaction volume. According to QUOINE, they may have

cracked the liquidity code, probably one of the biggest problems of cryptomarkets, through its QASH and LIQUID platforms.

Co-founder and CEO Mike Kayamori started QUOINE after finding inspiration from the innovative disruptions that blockchain brings. Previously Senior Vice President at SoftBank Group, Mike has 22 years in global experience from the US to Japan and India. With a combined 40-year experience in all things business and IT, Mike and his co-founder Mario Gomez Lozada pack a punch in terms of their global expertise on the field. Lozada, now the CTO of the group, was previously Japan CIO and head of fixed income IT Asia at Credit Suisse.

2. TenX, \$80m

Imagine a digital card that you may use to spend your crypto-assets anywhere in the world, online or offline, without the burden of forex or transactions fees. Thanks to TenX, financial and geographical boundaries blur as the company strives to make multiple virtual currencies instantly spendable anytime anywhere.

Founded by Julian Hosp, Toby Hoenisch, Michael Sperk, and Paul Kittl and a graduate of the PayPal startup incubation program, TenX boasts of its one-of-a-kind TenX card, which can be used through the TenX mobile wallet in almost 200 countries and 36 million points of acceptance online and offline. And guess what? They raised \$80m in their first token sale.

A former doctor and professional kitesurfer, Hosp decided to capitalise on digital revolution and become an entrepreneur. According to Hosp, he and his colleagues toyed with an idea in 2015 and went full speed in 2016, aiming to bring cryptocurrency into the real world and make it easily spendable.



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3. KyberNetwork, \$48-50m

When cryptocurrencies started to gain traction, users found it difficult to send a token to recipients who wish to receive the payment in another token, all in a single transaction. KyberNetwork found

the right solution by coming up with a decentralised exchange that facilitated instant conversion between crypto-assets, allowing the company to raise \$60m in just 24 hours during its initial coin offering.

Co-founder Loi Luu has been involved in blockchain for as long as he can remember and previously developed Oyente, a security analysing tool designed for executable distributed code contracts (EDCCs). Also heavily into research, Luu works on studies of cryptocurrencies, smart contract security and distributed consensus algorithms, focusing on improving security to enhancing the scalability and usability of public cryptocurrencies.



6. Qlink, \$19m

With more than 2000 mobile network operators around the world, users have become increasingly limited in terms of communication outside of their home country. Raising almost

\$19m during its initial coin offering, Qlink aims to construct an open-sourced public chain dedicated to the telecom industry, underpinning all internet or data access-related scenarios. Co-founded by Roger Lim and Susan Zhou, Qlink benefits from a combined 30 years experience of its founders in the IT and investment banking domains. Lim was co-founder and former CEO of Webvisions, one of the leading hosting companies in Singapore.

Lim and Zhou expect to achieve 10 million dApp users worldwide and support at least 50 project developments within the next five years. In 2018, Qlink will launch the public chain and base station and provide SDK and API for other projects.

4. Everex, \$26.70m

The remittances space is probably one of the most outdated areas of financial services, at least according to the founders of Everex. CEO Alexi Lane and CTO Alex Kakunov founded Everex in 2015, with the goal to operate a fast settlement and cost-efficient blockchain payments system for money transfers. With \$26m raised in their initial coin offering, Everex has grown to 10,000 registered users today.



Lane said that their solution is unique to other blockchain companies, as what they offer lies outside of the cryptocurrency space and is designed for the mainstream financial industry. The cash-heavy remittance industry consumes great amounts of time and resources for the end user, thus preventing users from breaking the existing financial inclusion barriers. Everex is headquartered in Singapore with offices in Bangkok.

7. Qtum, \$15.6m

Qtum's core technology combines Bitcoin Core, an account abstraction layer for multiple virtual machines, and proof-of-stake consensus aimed at tackling industry use cases. Having raised \$15.6 in its initial coin offering, Qtum plans to be the public blockchain for business.



Founders Patrick Dai, Neil Mahi and Jordan Earls believe that the combine technology will allow smart contracts and decentralised applications to run on a single familiar foundation whilst offering a robust environment for developers. For Qtum founder, combining the UTXO model and the account abstraction layer offers all the gains of both interoperability and simplicity. Further development of Qtum may allow it to penetrate as far as the telco, counterfeit protection, logistics, and manufacturing industries.



5. Bluzelle, \$19.5m

Twenty-four hours may not look much to many, but for Bluzelle, it meant giving buyers a chance to invest in what could be a pioneering solution in data storage and management systems. The company's three-day initial coin

offering (ICO) in January raised \$19.5m in fresh funding from 165 million tokens made available.

Founder and CEO Pavel Bains capitalised on his expertise as co-founder of Storypanda, a digital book platform that published titles by various independent authors and mediabrands such as DreamWorks and Warner Bros. According to Bains, Bluzelle solves the great need for data storage and management systems that are flexible enough to allow fast and simple data queries on the decentralised internet. "Selling out the crowdsale is a huge milestone in the growth of our company and our journey to deliver a product that will be a key component of the new, better Internet," he said.



8. Aptoide, \$15m

Step aside Google Play and Amazon--Aptoide has just raised \$18m in its initial coin offering in Singapore, officially the first app store to use blockchain. Founded by Álvaro Pinto and Paulo Trezentos in Portugal in 2011, Aptoide has accumulated a total of 1.5 billion downloads and 50 million monthly active users with 315,000 apps on offer.

What makes Aptoide unique? App developers and brands on the platform can actually create and manage their own customised stores and channels within the platform, and gives them, OEMs, and telco companies access to a worldwide competitive revenue share model.

Pinto and Trezentos previously ran another IT company, with Aptoide being just one of the many projects in the company. After realising that the app market is getting more attention than anticipated, the founders decided to develop Aptoide, thanks to a US\$1m seed investment from Portugal Ventures.

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9. Enjin Coin, \$12m

From payments to creation of virtual goods to real-time subscription, Enjin Coin packs several functionalities into a single coin. When founders Maxim Blagov and Witex Radomski launched Enjin

Coin in 2009, they aimed to solve several pain points: high fees by credit card companies and Paypal, payment fraud, slow transactions, lack of virtual ownership, and no open standards.

Blagov and Radomski bring a total of 25 years of technical engineering and creative direction expertise to the digital floor, with Blagov specifically working on content & strategy development and Radomski on software design, security and testing. In the payments space, Enjin Coin provides users with minimised fraud, faster settlement time, and lower transactions cost. What more, users can also create and manage virtual goods by issuing custom tokens, unique items, or privilege tokens.

10. Indorse, \$10m

“Indorsing” is a new buzzword in the blockchain space, thanks to Indorse’s social network that verifies whether personal claims made are true. Racking up \$10m in funding during its initial coin offering last year, Indorse utilises blockchain technology for users to verify and “indorse” a certain users’ skills. In turn, Indorse awards users for endorsing the skill sets of other users.

Co-founder and CEO David Moskowitz said that for instance, if someone is an expert in NodeJS, they put up a claim and attach proof such as their GitHub repos. Afterwards, other members in the same domain on Indorse verify the claim through “indorsing” or “flagging.” Moskowitz added that the token sale has helped Indorse gather traction for their pioneering idea. “Token sales allow ventures to reach out to and directly build their community,” he said.



11. Aditus, \$7m

Substantial growth in his publication business led Oliver Burlot to co-found Aditus, a decentralised online platform bridging the needs of luxury merchants and crypto-affluents. Aditus is Burlot’s response to the need of luxury brands to access new wealth through cryptocurrencies and at the same time connect crypto-affluents with these luxury brands. With Aditus in tow, Burlot raised US\$7m in an initial coin offering.

Publisher of Elle magazine in the 1990s, Burlot co-founded publishing company Adkom in 2001 and eventually sold the business to Singapore Press Holdings in 2008. After five years, Burlot acquired Heart Media Pte Ltd in 2013 with Julian Peh, growing the company to a total of 20 publications in Singapore, Malaysia, and elsewhere in Southeast Asia. In 2015, they acquired luxury portal Luxuo, which helped them focus on consumer goods.



12. Hubii, \$6.56m

A spare time project--that’s what founder and CEO Jacobo Toll-Messia called Hubii back in 2010. Eight years later, the startup that began with a focus on news content has now grown to a full-time job for Toll-Messia, having racked up \$6.56m in its initial coin offering last year.

Toll-Messia’s extensive background in investment banking, oil & gas, and telecommunications has paid off, as Hubii’s lean team of five boasts of a distribution network reaching up to 50 million users everyday. In fact, Hubii now has 560 publishers and syndication partners around the globe, built on a seven-year interaction with blockchains and industry partners. Inspired by the deluge of information, Toll-Messia and his team aim to create a new Ethereum-based decentralised content marketplace without the need for middlemen and with the help of blockchain.



13. Digix, \$5.56m

Three years ago, Kai Cheng and Anthony Eufemio, both full-time employees, met in New York with Shaun Djie, then an exchange student, and toyed with the idea of a gold asset tokenisation business. Now, the team has recently hit their Q12018 release of their gold token.

Focused on tokenising physical assets on the blockchain, Digix created DGX, gold tokens backed by physical gold from LBMA-approved refiners on a 1:1 and fully allocated basis, with 1 token by 1g of gold. Cheng, Eufemio, and Djie, now the CEO, CTO, and COO respectively, run the business from Singapore and Seattle.

According to them, Digix did not do an ICO, but rather crowdsale for the creation of Decentralised Autonomous Organization (DAO). DigixDAO funders sent 465,000 ethers into the crowdsale contract (around \$5.56m) in return for DigixDAO tokens (DGD).



14. MegaX, \$2m



Backed by iFashion Group, MEGAX’s MGX token aims to provide cryptocurrencies that can be used in retail transactions targeting millennial-facing brands.

The founders, all in their late 20s and early 30s, boast of years of experience in e-commerce, retail, marketing, manufacturing, space management, events, and brand and product development. This has enabled them to succeed where other companies fell short due to a lack of retail experience. Currently spendable on more than 30,000 products, the MGX token gathered \$2m during its ICO. When investors saw a four to five-fold growth on their investments, it resulted in more purchases in the recently launched MGX mall. “MEGAX will create much more than just a new, innovative product. We will create a movement fashioned and wired specifically for the millennial,” Jiawen Ngeow, co-founder, MEGAX said.