

Big risks in ICO market

Flawed token valuations, unclear regulations, heightened hacker attention and congested networks



Fear of missing out (FOMO) drives token valuations without any connection to market fundamentals

Investors are transferring funds at record speeds. In some cases, ICO investors are contributing capital at an average rate of over US\$300,000 per second.

More than 10% of the US\$3.7B ICO funds are lost or stolen in hacker attacks (almost US\$400 million)

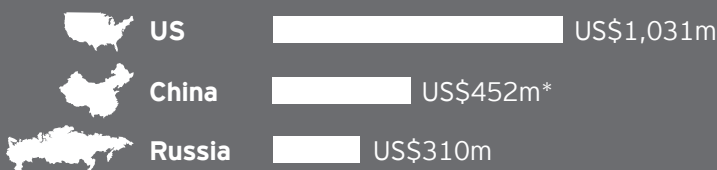
Phishing is the most widely used hacking technique.



The ability for ICOs to meet fund raising goals is declining

Ninety percent of projects with funds raised via ICOs reached fund raising goals in June 2017, compared with 25% in November 2017.

Top three countries leading in originating ICO projects



* Includes Hong Kong

More than 70% of the 110 ICOs surveyed are on Ethereum



Note: EY research conducted in collaboration with Group iB on 372 projects that have conducted an ICO. Data based on public sources across exchanges, data aggregators, ICO reports, ICO trackers, news sites, blockchain network scanners/platforms and dedicated blockchain social media.