

EXPRESS INVESTMENT EVALUATION  
OF ICO PROJECT



[token.dreamteam.gg](https://token.dreamteam.gg)

ICO: 20.11.2017



Medium  
Fraud Rate

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The DigRate team expresses its respect to all enthusiasts of the cryptocurrency world.

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The Dreamteam project was founded in 2017, with the goal of creating a global, all-in-one platform as a service (PaaS) for the creation, development, management, and monetization of e-sport teams, and to build a system to manage relations between players, teams, coaches, analysts, and sponsors based on the trust and transparency of smart contracts.

The project founders state that the company plans to transform the online gaming and e-sports market:

- All DreamTeam contractual obligations use smart contracts and are paid for with DreamTeam tokens (based on the Ethereum protocol), eliminating the need for costly intermediaries for fund transfers. Additionally, transactions are carried out instantly, meaning that once the requirements of the smart contract are fulfilled, the participants receive payment.
- The team plans to integrate DreamTeam tokens into the global gaming ecosystem and e-sports ecosystem, for both the virtual and physical segments.
- The ratings system for platform participants is to employ artificial intelligence and machine learning.
- The company also plans to implement a monitoring system for media rights and regulating relations with sponsors (sponsor searches, selling media rights, reporting, etc.).

## GENERAL INFORMATION

5

According to Newzoo research reports published in Global Games Market Report 2017 and Global e-Sports Market Report 2017, gaming industry revenue is to grow 18% over 2017-2020, to USD 128.46bn. By 2020, Newzoo expects revenue from computer browser games to fall 9.3% to USD 4.5bn, as players continue to switch to mobile devices, while revenue from the PC games is to contract by 1.3% to USD 24.6bn.

Revenues from the e-sports industry are to increase by 35.6% over 2017-2020, to USD 1.5bn. The largest source of income in the e-sports market is sponsorship, from which revenue is expected to grow to USD 655mn by 2020. Advertising is the second largest revenue stream, and is forecast to grow to USD 224mn by 2020.

The virtual and augmented reality games (AR & VR) industry has experienced rapid growth over the last four years (2014-2107), with revenue rising tenfold from USD 100mn to USD 1bn. The rise of AR & VR games should put pressure on the distribution of gaming and e-sports market revenues.

\*All estimates and forecasts are from Newzoo.

**Considerable risk  
exposure, high  
sensitivity to  
market conditions**

**B1**

- The DreamTeam founders have extensive experience in e-sports and gaming, as well as the necessary skills to build a business model. The project participants are active in various thematic forums, meaning the project is known in professional circles. However, the proposed solutions show blockchain technology is not a necessary condition to accomplish the company's goals.
- DreamTeam collaborates with major players in the gaming industry.
- The price of the token directly depends on market demand for the company's services, meaning investment returns depend on decisions made by the team, and the marketing strategy, among other factors.
- The company's legal structure had limited transparency at the time of drafting this report.
- Although the team shared some of the information with us during the course of our communications, we believe the information should be available to all project participants.

## How do we evaluate the fraud rate?

### Advantages:

- Dynamic development of the online games and e-sports market
- Founder - ex-CEO of a successful e-sports team
- The project team has an operating business in e-sports
- Widespread fame in professional circles

### Disadvantages:

- The business plan does not take into account the development of the competitive AR & VR games field
- Incomplete information about project participants
- There is no financial plan for project development
- There is no information on regulatory risks
- Team members are participating in two major ICO projects in parallel
- GitHub does not have a fully fledged smart contract code

Medium  
Fraud Rate

### **What can be improved?**

1. Prepare a detailed financial plan and strategy in different scenarios;
2. Publish a fully fledged smart contract code on GitHub;
3. Increase marketing activity to attract attention to the ICO, organize a bounty campaign;
4. Provide a plan and strategy for keeping the DTT exchange stable;
5. Provide a clear ICO strategy that determines how and under what conditions citizens and residents of China (including Hong Kong) will be worked with;
6. For increased legal transparency, identify in which countries and how activities will start, as well as which contracts will be signed and with whom;
7. Disclose information on major VC investors and publish a full list of advisory board members on the official website;
8. Timely updates of whitepaper information.



Criteria	Score
Does the problem the project plans to solve really exist?	5
Is the company's product unique?	6
Does the team understand its competition?	6
Is blockchain technology a solution to the market problem?	4
Has the project laid out its operating business model?	3
Is there already a working product that can be sold to customers?	3
Is there a clear roadmap and financial plan?	4
Is the issuance of tokens limited?	3
Is there an asset base that would protect current holders from token devaluation?	4
Do the project participants have a clear motivation for owning the tokens?	6
Is the company's legal structure transparent?	3
Has the company taken preventive measures to avoid problems with ICO market regulators?	5
Is the project popular on social networks and in thematic communities?	3
Is the project widely discussed in blockchain news resources?	3
Does the project team have extensive experience and a strong track record?	5
Does the project have a strong advisory board?	4
Are the project's partners large and well-known?	5
Is the project attracting large VC investors?	1

AVERAGE SCORE

**4,1**

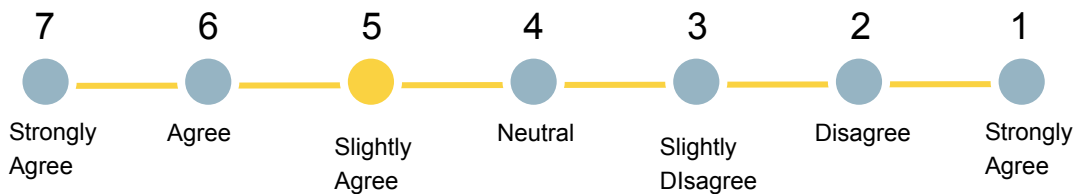


# Project Concept



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**Does the problem the project plans to solve really exist?**

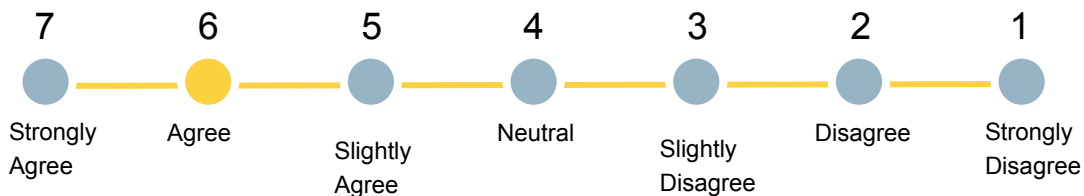


Currently, in the e-sports and gaming industry it is difficult to create a team. Organizers must open a bank account, register a legal entity and make monthly payments. To ensure the basic functioning of the team, it is necessary to hire an accountant and a lawyer; prepare documents, including contracts for players, sponsors and other employees; and employ dozens of different services for research, recruiting, management, etc.

Qualitative segmentation of players helps optimize advertising budgets and make services more relevant to each individual.

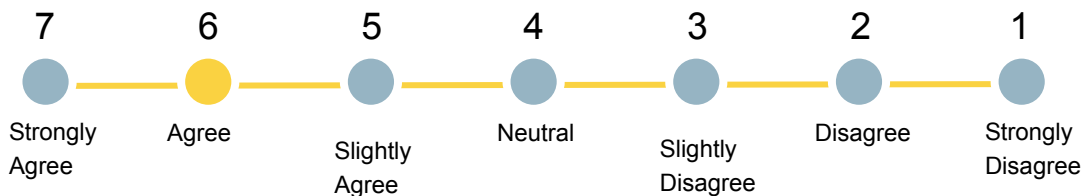
The team states that the DreamTeam project is to use blockchain technology as a mechanism for storing and distributing data between users, which should resolve safety concerns.

## Is the company's product unique?



Technologies in the field of e-sports and gaming are developing dynamically, but the company already operates in a competitive centralized and decentralized environment. Competitor projects offer partial solutions, but are limited to searching for players and coaches. Only with the full set of platform functions, appropriate technical background, and strong marketing support can DreamTeam have a chance of taking the leading position on the market.

## Does the company understand its competition?



As noted in the whitepaper, DreamTeam’s main competitors are centralized platforms [TeamFind](#), [Seek-Team](#), [Gleetz](#), and [Guided](#), which provide recruitment services, but are limited to searching for players and coaches. The only popular and convenient platform is TeamFind, as other platforms lack understandability, high-quality user interfaces / UX and, as a consequence, users. Other competitive projects (e.g. [eSports.com](#), and [Eloplay](#)) are not mentioned in the whitepaper.

However, the project team has demonstrated extensive knowledge of the competitive environment, and provided its vision of competition with Eloplay: "Eloplay is a very interesting project, but it covers only one element of the whole e-sports ecosystem - tournaments. We focus on the entire eSports ecosystem - from creating teams to providing opportunities to safely conclude any type of 'e-sport deal' - from the player's salary to the sponsorship contract, including the payment of prize money from tournaments." - DreamTeam whitepaper.

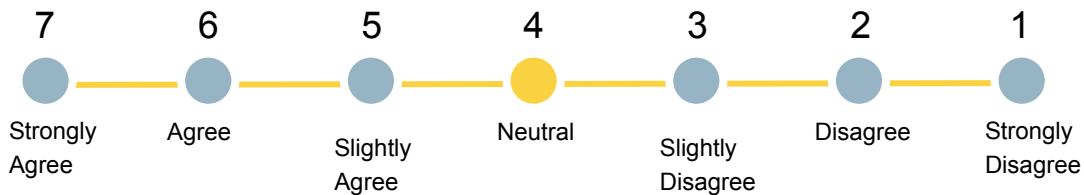
# Business Model



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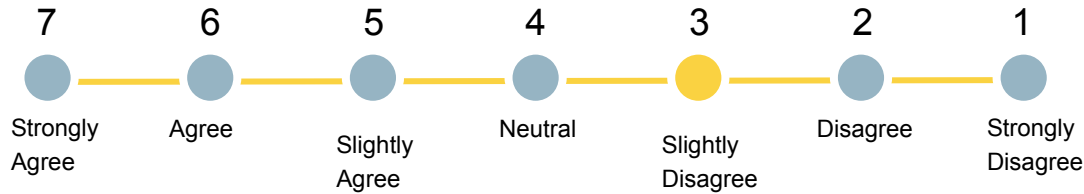


## Is blockchain technology a solution to the market problem?



The blockchain technology at the heart of the DreamTeam platform could truly be a solution to safety concerns for financial transactions and the regulation of a new financial ecosystem. However, it is not entirely clear if the technology will significantly reduce the role of intermediaries in the gaming and e-sports market, and combine management, analytics, coaching, marketing and media tools, as well as qualitative analysis of vast amounts of data. To implement a set of platform tools such as player searches and recruitment; gaming practice development; tournament organization and planning; and reports for sponsors, blockchain technology and smart contracts seem unnecessary.

## Has the project laid out its operating business model?



The team plans to implement a wide range of paid services using blockchain technology for the purpose of safe operations management. The DreamTeam token is positioned as a universal currency for making all payments on the platform.

According to [roadmap](#) data, paid services are to be implemented systematically through 2019.

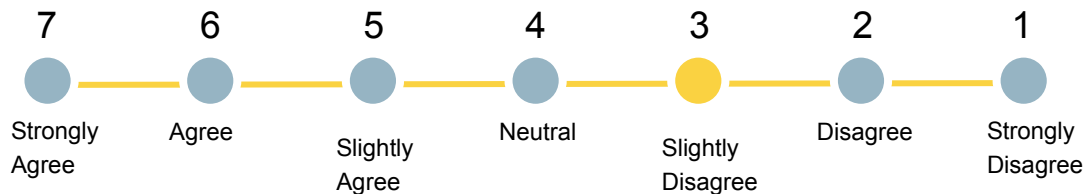
The launch of platform version 1.2. in the second half of 2017 does not entail monetization, as its sole purposes are to generate active users to the platform and inform the community.

In the first quarter of 2018, the team plans to introduce version 1.3: monetization and integration of DreamTeam tokens into a basic version of premium accounts, services (management, analytics, recruiting, etc.) and smart contracts.

In the second and fourth quarters of 2018, the team plans to add advanced features to current services, such as rank checks (version 2.0.) and futures (version 3.0.).

In 2019, the goal is to fully implement the entire set of tools and paid services, including analysis of a large amount of data, research and crowdfunding.

## Is there already a working product that can be sold to customers?

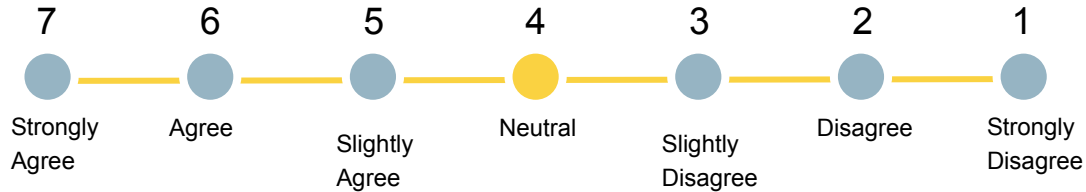


Currently, there is a beta version 1.0 of the [Dreamteam.gg](https://dreamteam.gg) website, with limited functionality and no special differentiation from similar existing centralized projects. The website has more convenient navigation and usability than its competitors.

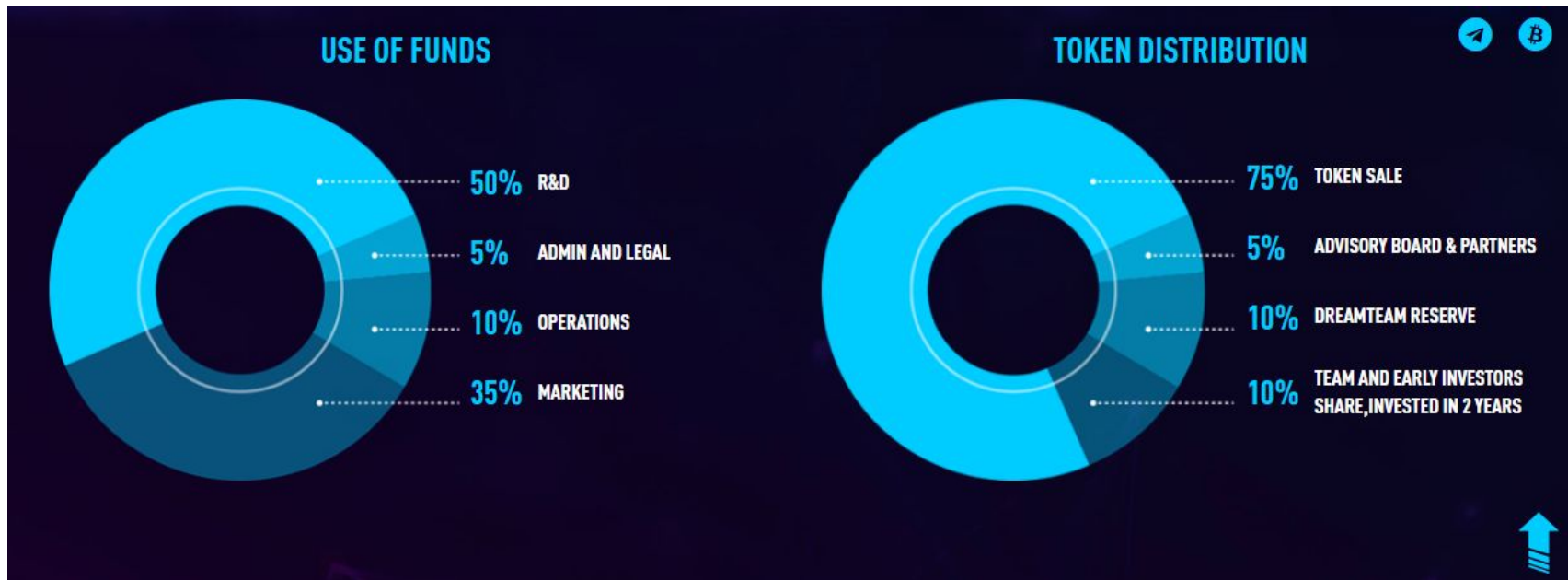
The introduction of a smart contract is planned for the end of 2018, and in 2019 the team plans to launch a full version of the platform.

A simple one-line code smart contract that initiates a new DTT token was published on GitHub.

## Is there a clear roadmap and financial plan?



A thorough [roadmap](#) is available on the project website. There is no extended financial development plan in public resources, only information on the distribution of tokens. In response to our request for a detailed financial plan, the marketing department provided the following information: "There is information on how we will distribute the funds raised for token sale in the 'use of funds' column. There will be a separate page with details regarding the distribution of funds in the next version of the whitepaper."

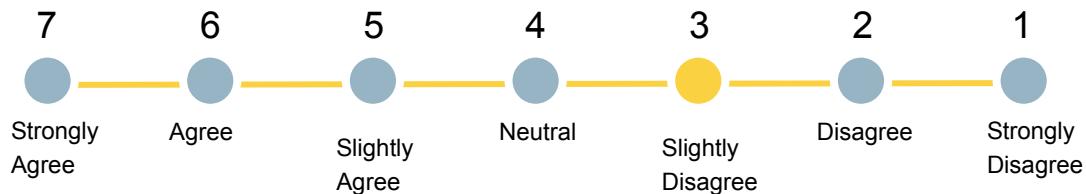


# Tokens



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## Is the issuance of tokens limited?



Public information on the restriction of issuance of DreamTeam tokens is absent.

Pre-sale of the DreamTeam tokens begins on November 13, 2017, with a maximum value of pre sales of USD 10mn. The minimum transaction amount is USD 50,000, with a bonus of 7% of the asking price (1 ETH = 2,000 DTT). The initial sale of the DreamTeam tokens begins on November 20, 2017, with a minimum goal of selling 10mn DDT. For late-stage investors, the second phase of the sale of DreamTeam tokens is to take place in January 2018. The declared price for 1 ETH is 1,600 DTT. The maximum amount (OVERALL CAP) planned for collection is stated as USD 45mn. A minimum goal for the second phase of the sale will be announced later.



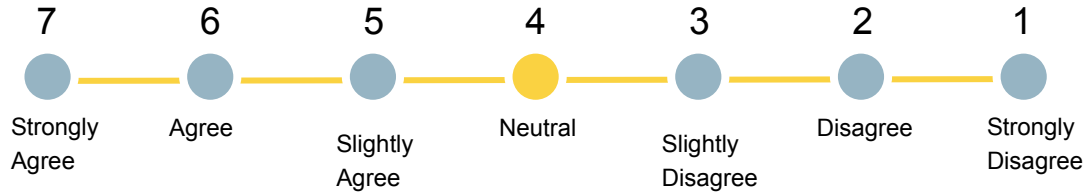
The minimum amount (SOFT CAP) planned for collection in the second phase of sales is to be announced later. In the first phase of token sales, ETH and BTC are to be accepted as payment. In the second phase of token sales, ETH, BTC, ETC, and LTC. The project does accept fiat currencies.

Tokens can be used within the DreamTeam platform, trading on exchanges, as well as for third-party services and platforms. To sell tokens, the Ethereum ERC20 standard is used. In 2018, all tokens are to be exchanged at a ratio of 1 to 1 in order to switch to a more convenient platform - EOS / Tezos / Waves or DreamTeam platforms.

Due to the lack of a bounty program and marketing campaign, low popularity on social networks, blogs, and in thematic communities and lack of public support from large VC investors, we see the hard cap of USD 75mn as too high.

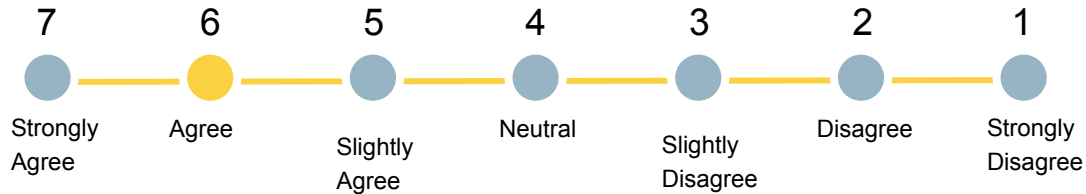
On the project's official website, [the terms for the purchase of tokens](#) are detailed in the agreement on the sale of tokens in English (translations into other languages is not available). The terms also indicate the project's tokens do not amount to ownership of the business, and that the company prefers that citizens of the US and Singapore are not involved in the sale. However, the project does not make mention citizens of China and Hong Kong, whose investments could cause serious problems for the entire project.

**Is there an asset base that would protect current holders from token devaluation?**



Information on the strategy for maintaining DTT exchange rate stability, as well as on the "lock-in service" for the team and investors over a limited period tokens is absent. The team provided the following information on the request for investor protection from the devaluation of tokens: "By purchasing tokens on the platform, our payment gateway will redeem tokens at the exchange on current orders, thereby ensuring that its liquidity will always be maintained from the first day of turnover of tokens on the platform."

## Do the project participants have clear motivation for owning the tokens?



All operations on the network are to be conducted using DTT tokens. Thus, the tokens are to be used inside the system to perform smart contracts, and network participants will have to buy them.

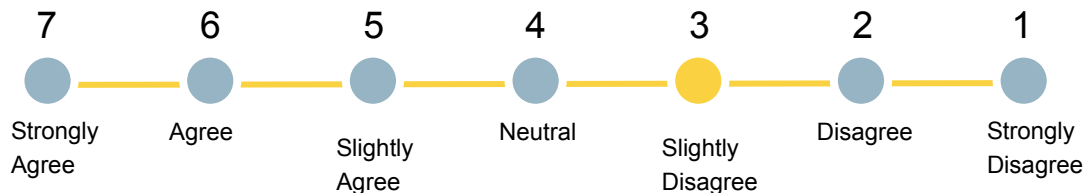
The team assumes that until 2019, the tokens will be purchased by network participants on crypto-exchange exchanges and on the official website. In 2019, the team aims to systematically integrate the DDT token into the entire gaming and e-sports ecosystem (in-game venues, with in-game items; characters, and computer equipment; other game products; and payment for gaming event tickets).

# Legal Documentation



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## Is the company's legal structure transparent?

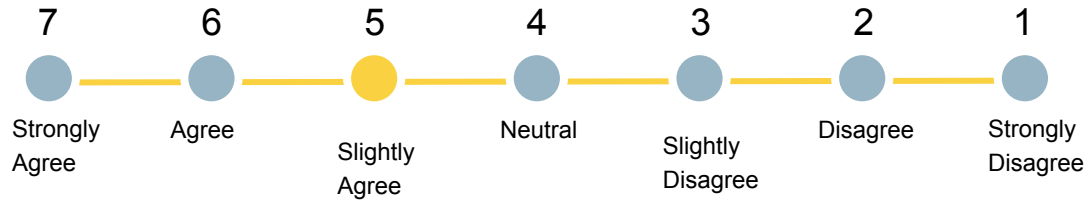


ZeroGravity Ltd. is registered in the British Virgin Islands at: Geneva Place, Waterfront Drive, PO Box 3469, Road Town, Tortola, and is the sole shareholder of 2Skilled4U Incorporated (160 Greentree Drive, Suite 101, Dover, Kent County, Delaware, USA, 19904).

According to [legal documents](#) on registration and legal structure, ZeroGravity Ltd, the only beneficiary and manager is Alexander Kokhanovsky, the one-man board of directors. The project does not provide information on escrow intermediaries.

In response to our request for legal confirmation of the owners, the company provided the following information: "Alexander Kokhanovsky is the owner and manager of DreamTeam. Vladimir Panchenko is a minority shareholder. We are in the process of forming the structure of the company, so, legal documents will be updated. "

## Has the company taken preventive measures to avoid problems with ICO market regulators?



Under the US Securities Law Framework for Blockchain Tokens, the Howey test indicated the DreamTeam token has a low risk of being classified as a security.

Under [the terms of the agreement on token sales](#), it is indicated that any fiat investment from countries that prohibit these operations (Singapore, and the US) is prohibited. The company emphasizes that the aforementioned countries are not being targeted, with no local marketing campaigns. Data on regulatory risks in the whitepaper are unavailable. The company has not identified any investors.

In response to a request for the company to take preventive measures to avoid problems with ICO market regulators, the following information was provided by the company: "We pay great attention to the legal part of the token sale. Now we are consulting with more than seven law firms around the world to ensure the safest possible process for our token sale. Among them are recognized leaders - Cooley and Latham & Watkins."

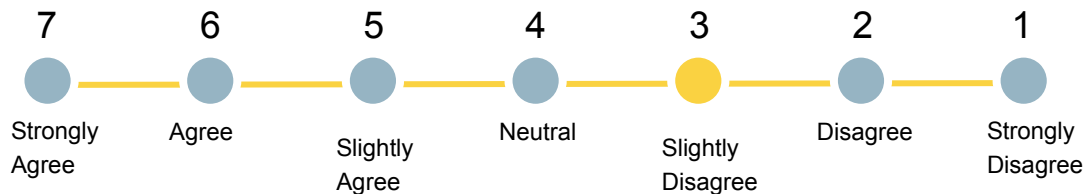


# Media Environment



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## Is the project popular on social networks and in thematic communities?



The number of views and discussions on thematic communities and social portals is below average, with the exception of Facebook. Additionally, the company has failed to attract much attention on Reddit and Medium. There are no followers on GitHub.

## Project subscribers on popular social networks:



**10,996**  
Subscribers



**2,813** Views

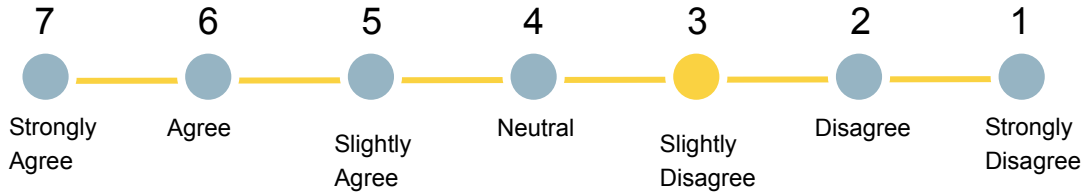


**1,475**  
Subscribers



**352** Members

**Is the project widely discussed in blockchain news resources?**



On the main thematic news portals there are publications, but no discussions or detailed information. The PR department is working with large companies and has published announcements of articles on social networks. The publications are available in the links below:

News resources that have published articles about the project:

THE ESPORTS OBSERVER

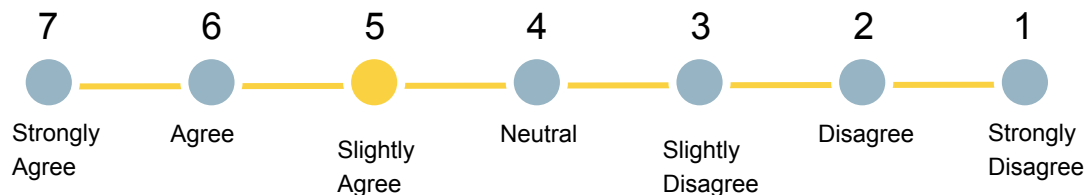
ESPORTS INSIDER



# Team



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**Does the project team have extensive experience and a strong track record?**

In October 2017, DreamTeam team won the prestigious "Blockchain Best Industry Award" at the Global Fintech & Blockchain China Summit 2017.

The company is active at thematic conferences and forums. For example, DreamTeam CEO and founder Alexander Kokhanovsky spoke at a number of blockchain events: Global Fintech & Blockchain China Summit 2017; Credit Suisse Blockchain & Cryptocurrency Symposium in New York; and the d10e conference in Kiev.

Marketing Director Andrei Cherednichenko gave a talk entitled "Blockchain and Smart Contracts as part of the ecosystem of gaming and e-sports" in Las Vegas, USA.

In total, the whitepaper lists seven team members, three of whom have no information on their professional competencies and experience in public sources. We sent the team a request to provide a full list of project participants, with descriptions of professional experience, and the marketing department gave the following response: "In the coming days we will update the website and publish a full list of participants with links to LinkedIn."

Additionally, on October 24, 2017 the team announced Mustafa Seyrek, former Director of Technology at Sony Pictures, as the company's chief technology director, but references to the information are absent on the website and in official documents. Alexander Kokhanovsky, Vladimir Panchenko and Andrey Khavruchenko are also the founder, co-founder and blockchain architect, respectively, of the [DMarket](#) ICO project.

When asked how realistic it is to pursue two large projects at concurrently, the team responded as follows: "Alexander Kokhanovsky is a minority shareholder and a member of the the DMarket board. Its main goals are to create networks and develop strategic projects. He does not participate in DMarket's operations. The same applies to Vladimir Panchenko, a minority shareholder and board member of DreamTeam. Vladimir handles strategic planning and advises on machine learning and artificial intelligence. DreamTeam and DMarket teams are completely separate. The only specialist involved in the production of both products, is Andrei Khavruchenko. DreamTeam will provide a significant impetus for DMarket from the point of view of users, transactions, etc., and vice versa. Both projects have gained amazing synergy!"

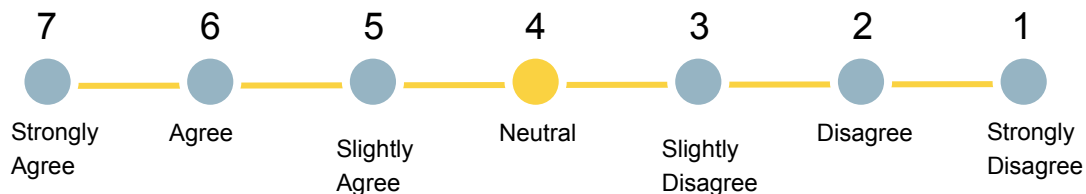


However, DreamTeam team's knowledge, experience and staff of experts in the field of cryptocurrencies and blockchain technology cannot be unequivocally defined.

# Project Support



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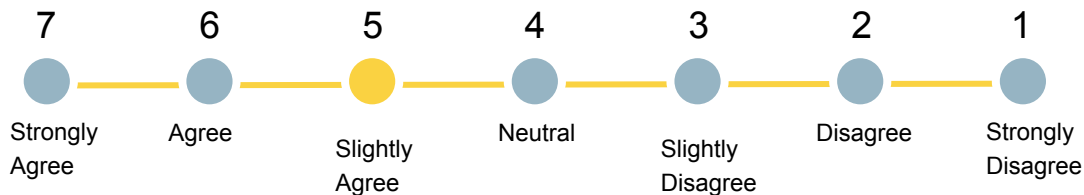
**Does the project have a strong advisory board?**

A full list of advisory board members is absent from the whitepaper and official website.

On November 2, 2017 the team announced that [Kim Rom](#) (co-founder of Skylar and former marketing director at SteelSeries) joined the DreamTeam advisory board. It was not possible to confirm Kim Rong's experience from public sources.

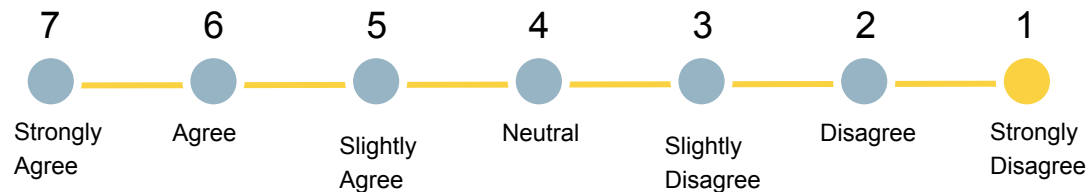
On November 6, 2017 DreamTeam announced [Dr. Moe Levin](#) (CEO of [Keynote](#)) and [Sundance Digiovanni](#), co-founder and CEO of [Major League Gaming](#) (MLG) had joined the advisory board. The professional competencies of the new participants has been confirmed by a multitude of articles and interviews. A request was sent to the new participants asking to confirm their membership on the advisory board.

## Are the project's partners large and well-known?



The company has announced a strategic partnership with [ESL](#), a large international gaming network, and [StarLadder](#), a social network for gamers and a global e-sports league, although there is no information about the partners in the whitepaper. A request for confirmation of this information has been sent to the team.

## Is the project attracting large VC investors?



The project is supported by private investors. Information on project support from major VC investors is absent.

**A1**

**High**

High probability of investment return,  
low sensitivity to market conditions.

Score: 6.1-7

**A2**

**Satisfactory**

Medium-to-high probability of investment  
return, considerable sensitivity to market  
environment.

Score: 5.1-6

**B1**

**Satisfactory**

Considerable risk exposure, high sensitivity  
to market conditions.

Score: 4.1-5

**B2**

**Low**

Low development potential, highly  
speculative investment.

Score: 2.1-4

**C**

**Low**

High default risk in the short term.

Score: 0-2

**D**

**Low**

In default, with little-to-no prospect for  
recovery

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