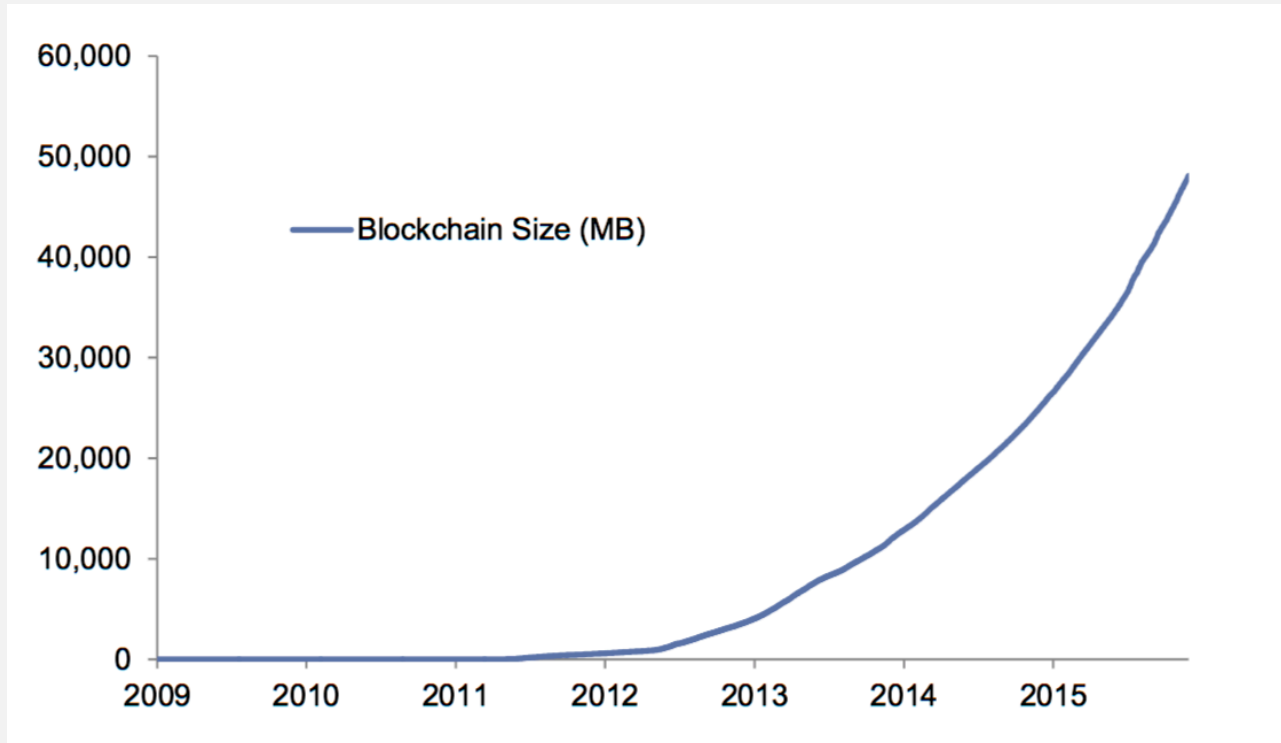


BLOCKCHAIN AND AI STARTUPS

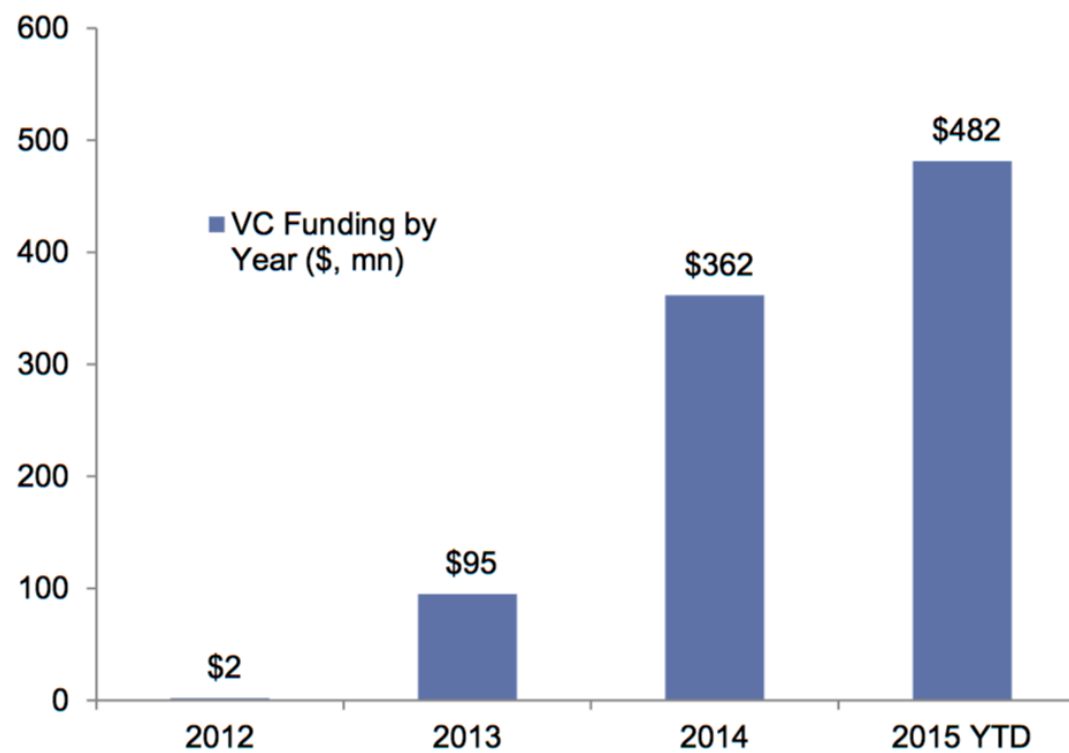
Joshua Elkington

BLOCKCHAIN

GROWTH OF BITCOIN



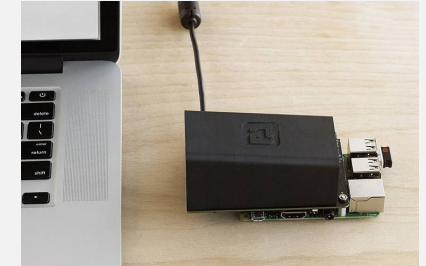
FUNDING OF BLOCKCHAIN STARTUPS





21

- 21 is building a pluggable \$399.99 Bitcoin computer to allow an individual to mine small amount of bitcoins for micropayments and other applications.
- The computer gives a user a full copy of the Blockchain and a CLI to mine, buy, and sell bitcoin



Potential Market:

The potential impact of this device is huge if enough people begin to use it. Once enough people collect some bitcoin, other applications could be developed to use bitcoin as a token for applications such as financial transactions and identity verification

Risks:

The device is probably too expensive for most people and there is no killer application for people to mine bitcoin



COINBASE

- Coinbase is a service to buy, sell, and securely store bitcoin
- With a sterling reputation of security and a great brand, Coinbase is in the position to dominate the bitcoin market and become the medium by which all applications go through

Potential Market:

If bitcoin/blockchain applications find a product/market fit and gain significant market, Coinbase will most likely become the de facto method to store bitcoin or related tokens

Risks:

If Bitcoin ceases to exist, Coinbase will need to pivot to storage of other tokens. Moreover, security of blockchain tokens is still a huge issue that has not been fundamentally solved.



CHAIN

- Chain develops APIs and SDKS to help clients create their custom blockchains based on bitcoin or other tokens
- Their biggest customers have been financial institutions such as NASDAQ and State Street

Potential Market:

Chain is the market leader for developing standard protocols connected to Bitcoin or similar blockchains to help firms and people create custom applications

Risks:

The model may not scale exponentially; however, Chain has hedged its risk from Bitcoin by offering services for other tokens.



BLOCKSTREAM

- Blockstream is developing innovative but risky technology called sidechains
- The company is creating blockchains that fork off from the Bitcoin blockchain, but still are verified on the Bitcoin network

Potential Market:

If sidechains are work reliably and securely, the company could offer its product to financial firms and upsell other support services

Risks:

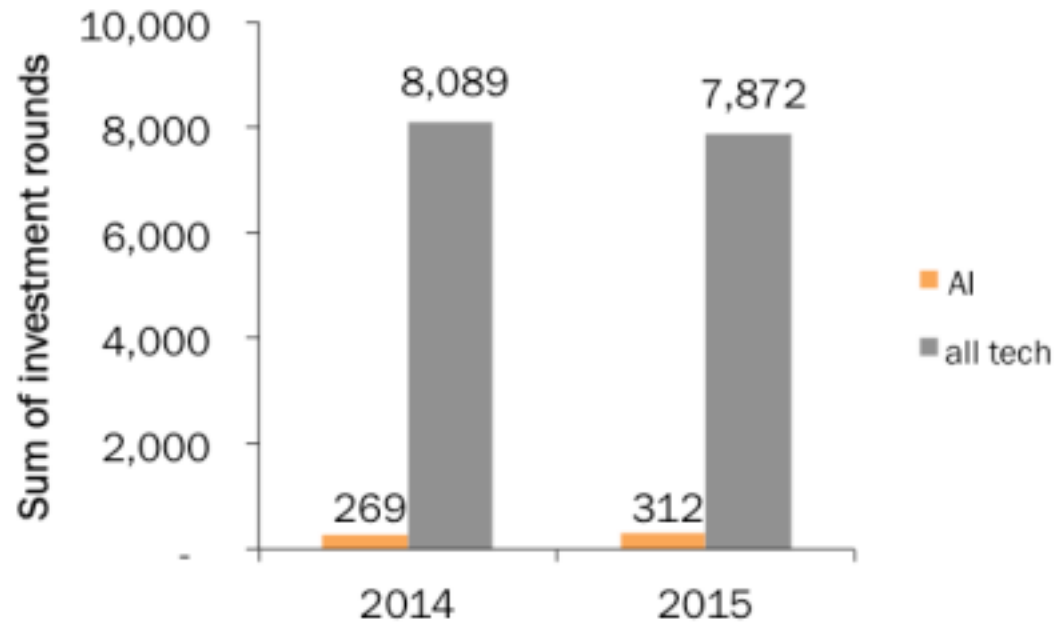
The technology is very risky and verification/security still remain to be worked out

AI

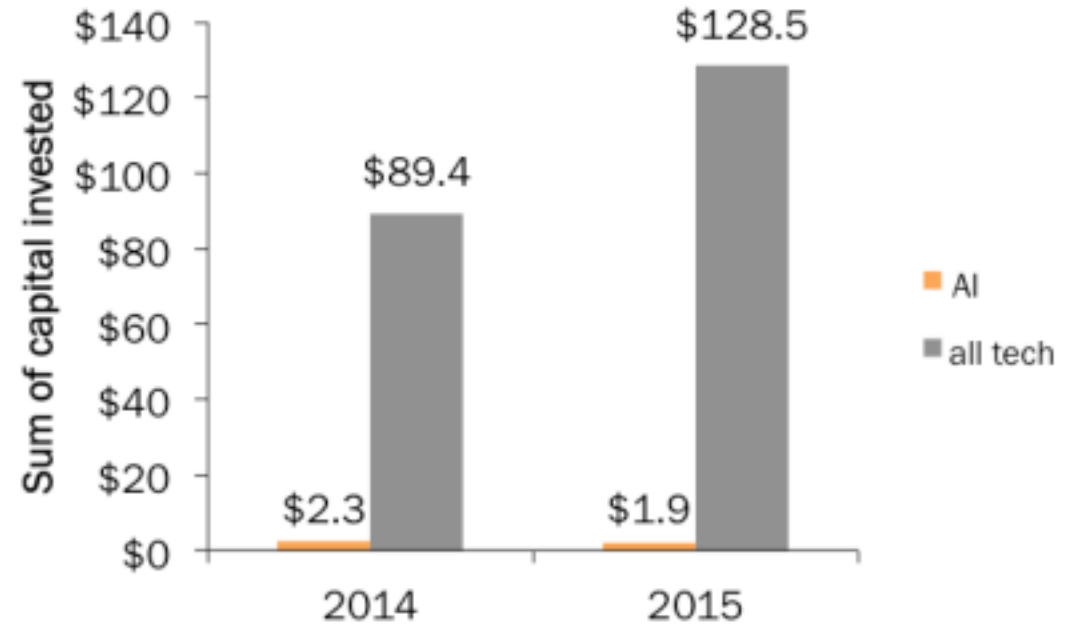
Mostly for enterprise

VENTURE INVESTMENT IN AI

Investment rounds in AI vs all VC-backed tech

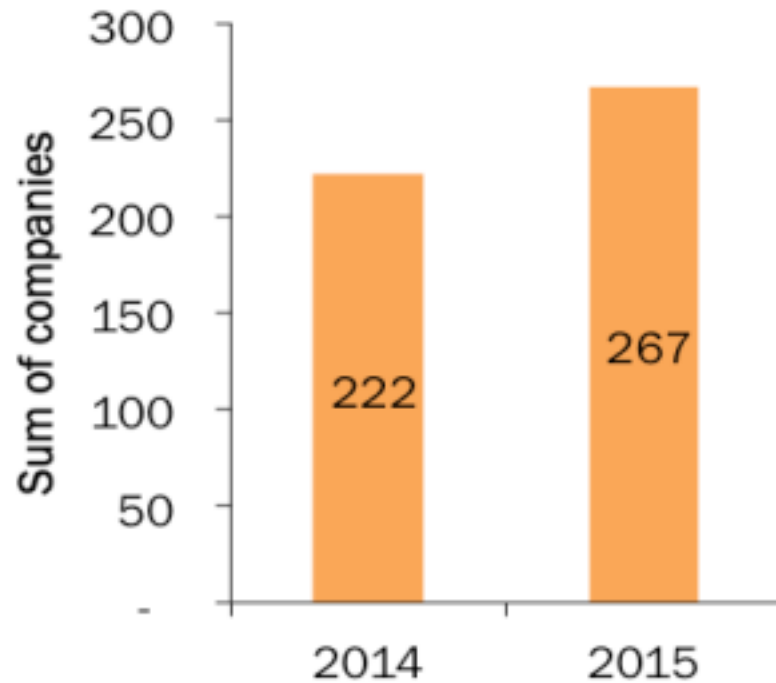


Invested capital in AI vs all VC-backed tech

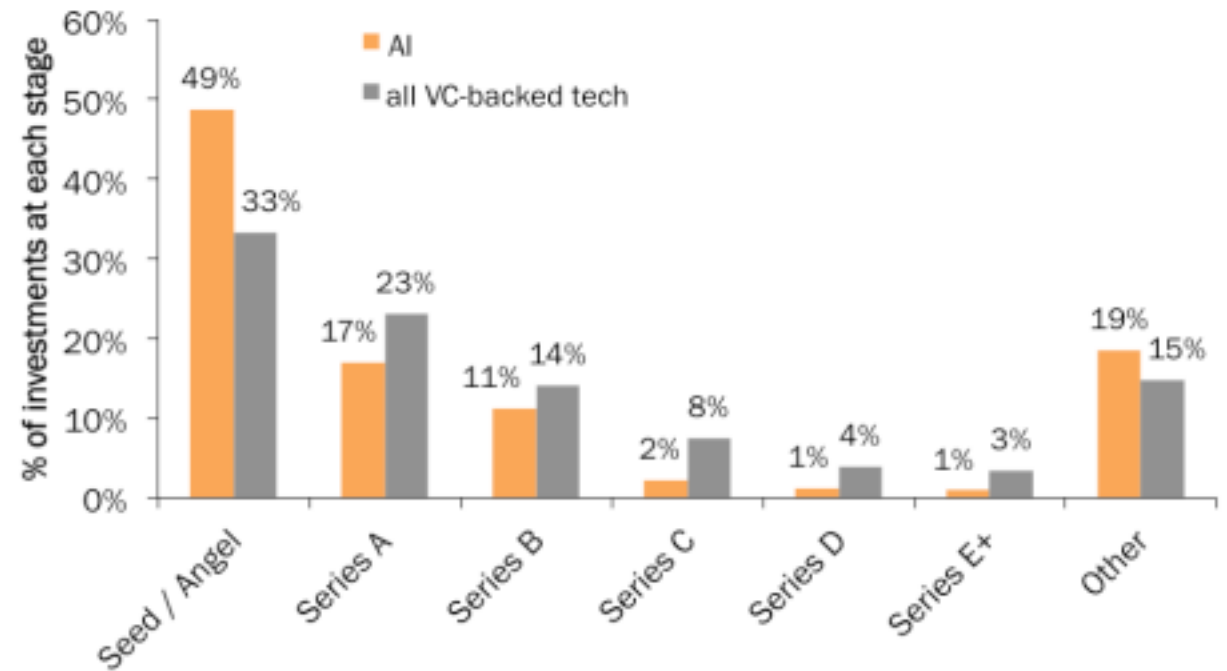


AI STARTUP FUNDING IS IN THE EARLY STAGES

AI companies raising capital

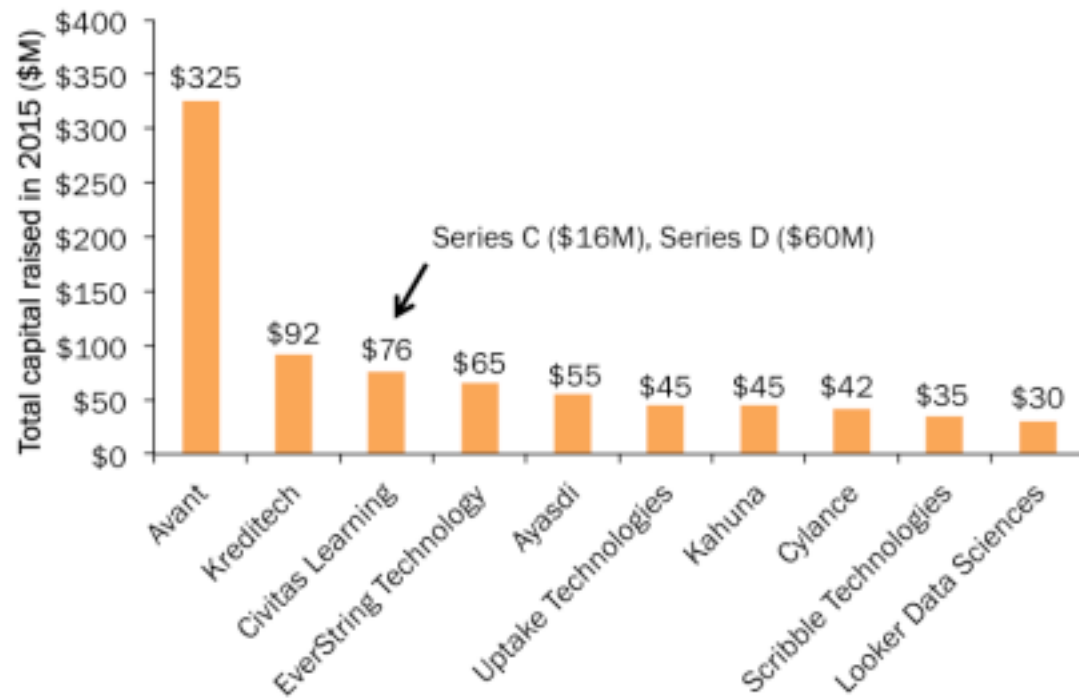


Investment round stage distribution: AI vs. all VC-backed tech

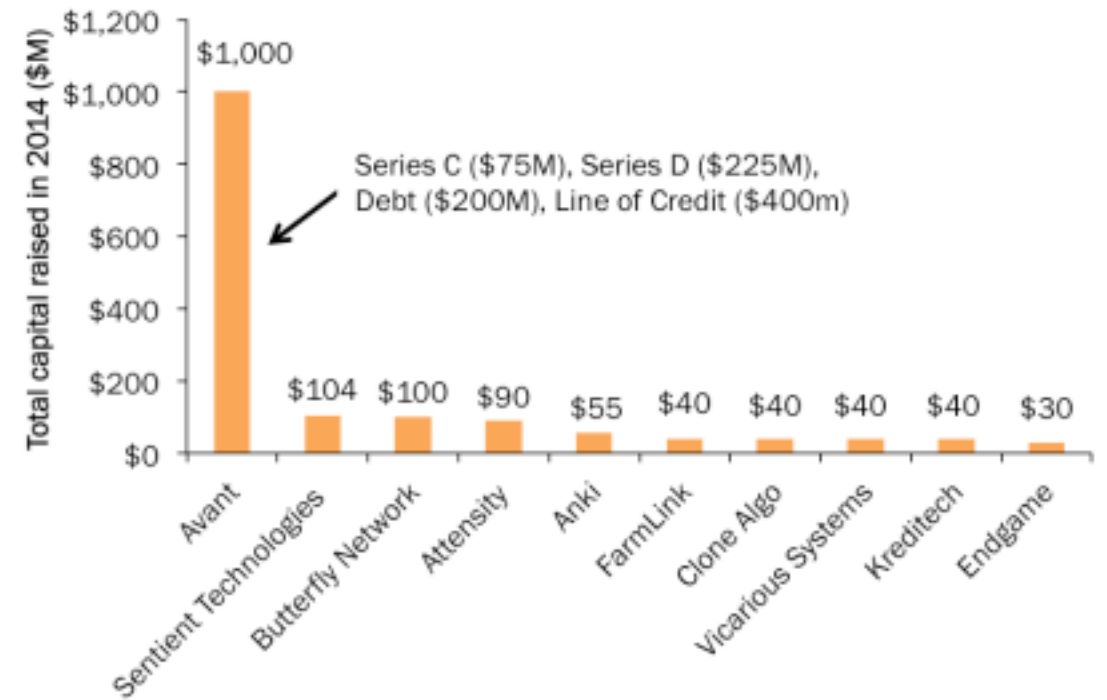


TOP FUNDED AI STARTUPS

Top 10 of capital raised by AI companies in 2015

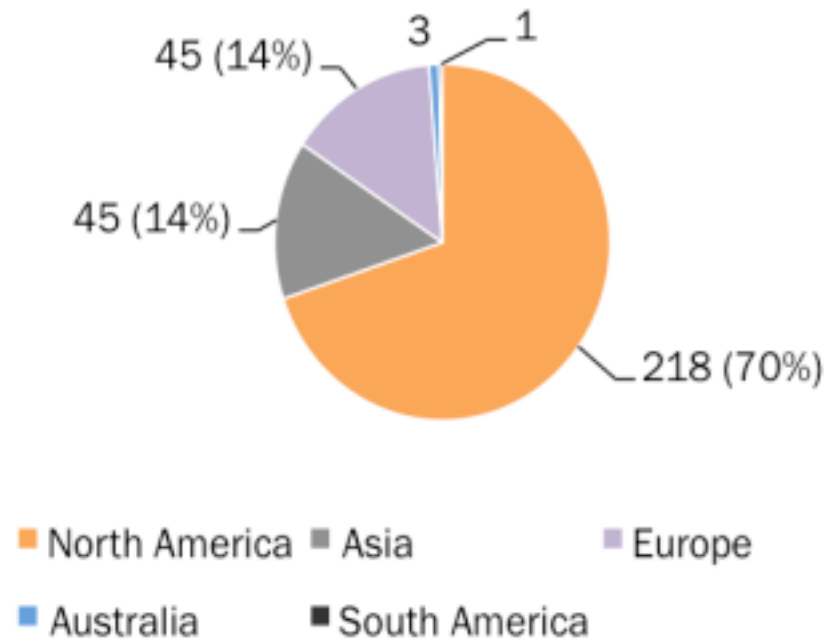


Top 10 of capital raised by AI companies in 2014

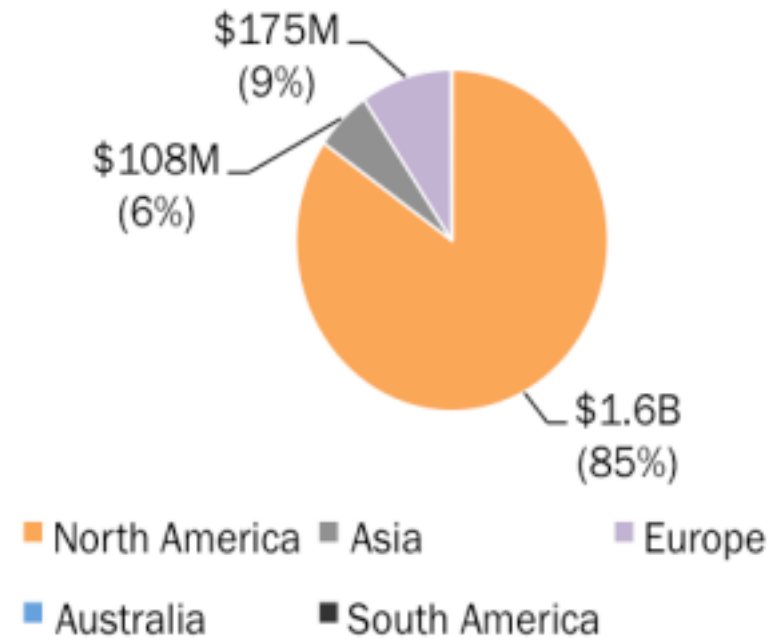


US DOMINATES AI MARKET

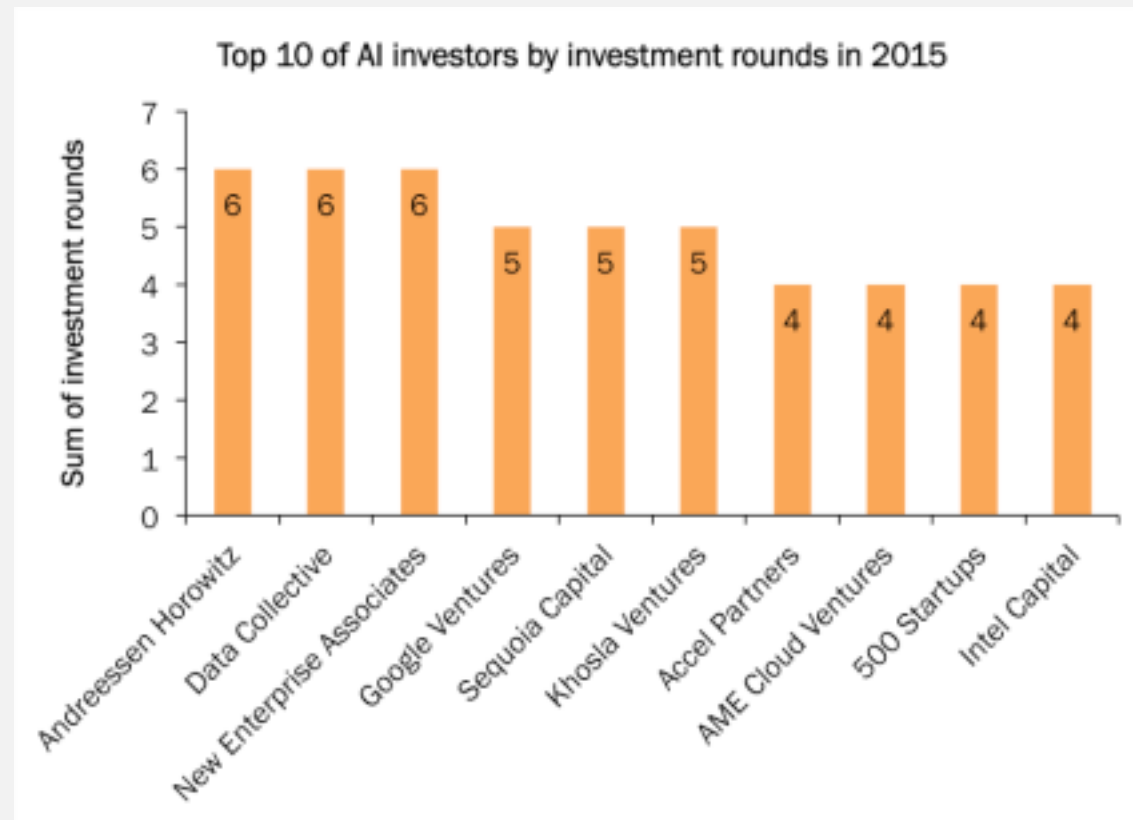
Investment rounds per continent



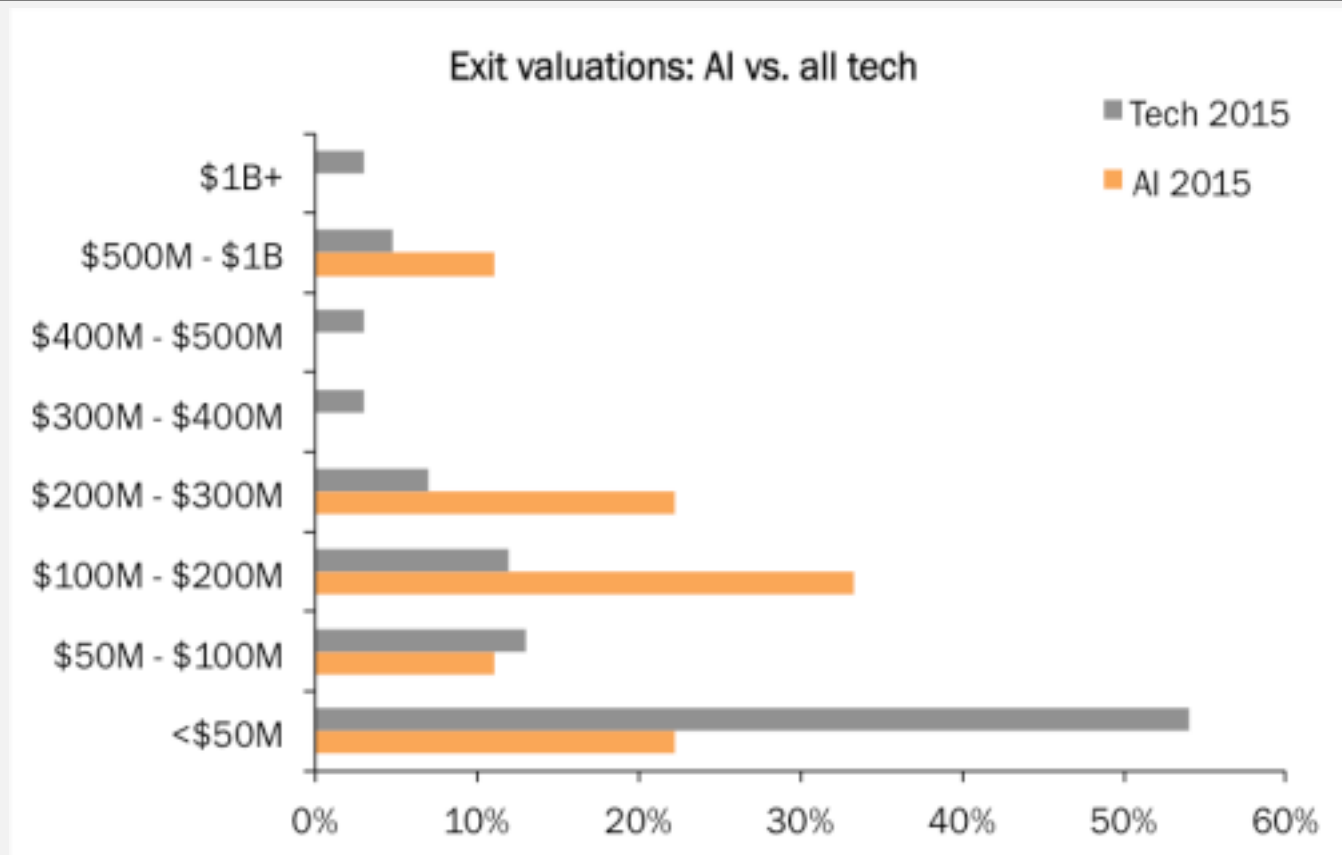
Invested capital per continent



TOP AI VCS



AI EXITS





RECASTAI

- Develops the platform to help people build their bot conversational bot
- Bespoke solutions for enterprise with a big market focused on Slack integration

Potential Market:

With the hyper-growth of Slack, Recast's product could develop a solid moat around its users and data.

Risks:

The biggest risk is that Slack's own bots will outperform Recast. Risk could be reduced if the team is of the highest quality and mission is clear.



API.AI

- API.AI is building an infrastructure to help group build custom NLP applications
- Their product creates brand-unique, natural language interactions for devices, applications and services with a focus on enterprise
- The product uses speech recognition, natural language processing, and conversation management to keep track of customer experiences and optimize marketing and sales

Potential Market:

The enterprise market for using proprietary data for custom applications will unseat current targeting methods of surveys and ads

Risks:

The company does not have proprietary power because they do not own the data so enterprises or new arrivals could develop their own methods based on widely available ML libraries

DATAMINR

- Dataminr transforms the Twitter stream and other public datasets into actionable signals
- Products: Finance, Public Sector, News, Corporate Security and Crisis Management
- Dataminr analyzes all public tweets and other publicly available data to deliver the earliest signals for breaking news, real-world events, off the radar context and perspective, and emerging trends
- Has a great relationship with Twitter (inside source from director at Twitter)

Potential Market:

The product has a great reputation and is experiencing solid growth in financial services and could become a buyout target for Bloomberg and similar services.

Risks:

Even though the data is public, services such as Twitter could be cut off from Dataminr and use the data themselves



X.AI

- X.ai is a personal email assistant that helps users schedule meetings with other people
- The service is widely popular with people involved in technology
- The service will experience network effects and improved products as more people use it

Potential Market:

Email dominates anywhere between 10%-50% of any individual's day. As the ML algorithms of X.ai see more messages, the service ought to expand into other applications

Risks:

A competitor, Clara Labs may take too much market share away for X.ai's algorithms to improve themselves quickly enough

SCALED INFERENCE

- SI is trying to develop a general AI solution
- Little information has been shared, but the company has assembled an impressive technical team
- Goal is to build a intelligence platform for people to build AI/ML applications

Potential Market:

If they make or have made a significant step forward in AI/ML, their platform could take a large share of the growing AI market

Risks:

General AI is far off due to a lack of understanding of our own brains; however, an innovated ML solution would be very valuable



ALATION

- Analytics product helps companies structure firm's work and allow it to be analyzed
- Search product gives businesses the ability to find related information within their own datasets
- Data product helps businesses automatically organize their data
- Has a list of impressive customers

Potential Market:

If the team is high quality and with proper marketing and distribution, the product itself could form a deep moat and power in enterprise

Risks:

Similar product offerings without ML probably work adequately for most purposes so Alation will have to focus on businesses with large and unstructured data

TRIFACTA

- Wrangler product helps individuals and enterprises analyze unstructured data
- Gives the user an application to explore and transform data
- Gives the user more control of analysis and management process

Potential Market:

Similar to Alation, the product has tremendous potential and is giving users more control for simplicity tradeoffs

Risks:

Also similar to Alation, Trifacta will have to focus on selling to enterprises with large amounts of data and improve on their in-house applications