

## EXPRESS REVIEW OF ICO PROJECT

# EDENCHAIN

[edenchain.io](https://edenchain.io)

ICO: май 2018

**MEDIUM**  
Quality Rate

AVERAGE SCORE

4.6 / 7.0

04.05.2018

**DIGRATE**  
digital rating agency



[digrate.com](https://digrate.com)

This information may be distributed with links to [www.digrate.com](http://www.digrate.com)

This evaluation expresses the views of DigRate and does not constitute a statement of fact or recommendation to buy, hold, or sell these or any other assets, or make investment decisions. DigRate assumes no responsibility for any consequences, interpretations, conclusions, recommendations or other actions directly or indirectly related to the evaluation performed by DigRate, or the observations and conclusions contained in the ratings report and press releases, or the absence of any of the above. Current valuations and recommendations can only be found on the official website [www.digrate.com](http://www.digrate.com).

The evaluation is only a reflection of DigRate's review of the documents and other resources available as of the time of the publishing of this report. Any updates and/or changes to the documents following the date of the publication of this document are not considered in the evaluation.

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

<p><b>PROJECT CONCEPT</b></p> <p><b>TEAM</b></p> <p><b>TOKENS</b></p> <p><b>BUSINESS MODEL</b></p> <p><b>PROJECT SUPPORT</b></p>	+
<p><b>JURISPRUDENCE</b></p> <p><b>COMMUNICATION</b></p> <p><b>THE TECH</b></p>	-



**Whitepaper**  
 KYC / Whitelist  
 Terms and Conditions  
 Token Sale Agreement  
 Privacy Policy



<b>ICO dates</b>	2018 Q2
<b>Token</b>	EDN
<b>Price</b>	1 EDN = \$0.06
<b>Bonus</b>	-
<b>Soft cap / Hard Cap</b>	- / \$24 mn
<b>Platform</b>	Ethereum
<b>Accepted</b>	ETH

**CONCLUSION:** EdenChain is an infrastructure blockchain project aimed at digitizing real assets. The project can be compared with the largest similar projects like Ethereum and NEO. The project is able to unite existing blockchain standards in a single solution, allowing them to interact on a cross-chain principle and this allows to count on its success and return on investment. However, the demand for the project can be significantly affected by the blockchain centralization.

EdenChain is a blockchain platform technology that can capitalize and trade all types of assets with the programmable Economy Platform technology. By using the blockchain Smart Contract, you can capitalize all tangible and intangible asset value into a Token (Tokenization). EdenChain uses smart contracts to integrate real and virtual economies, creating a new and enormous economic system and programmable economy. A programmable economy will allow to reduce transaction costs, distribute profits, and create an entirely new market that will enrich lives of many people returning financial benefits.

EdenChain has three important attributes:

- The platform ensures secure interoperability between blockchain services and offline.
- High performance: parallel execution; high speed is based on a parallel transaction process.
- Affordable and reasonable cost of contract processing.

The platform ecosystem includes the following products:

- HelloEden - the first ICO platform oriented to the Korean market
- Cleandeal - B2B platform for open market
- MyCreditChain - financial p2p service

Hardware integration, high security, and optimal resource management (i.e. customization and allocation of necessary computing resources to perform planned workload) will allow small to large enterprises to optimize computing capacities and to scale accordingly.

Criterion	Score
<b>PROJECT CONCEPT</b>	
Does the problem the project plans to solve really exist?	
Is the company's product unique and monetized in the market?	5.0 / 7.0
Has the team identified its competitors and its advantages over them?	
Is the project's solution significantly different from existing solutions?	
<b>BUSINESS MODEL</b>	
Has the project laid out its operating business model?	
Is there a clear roadmap?	5.7 / 7.0
Has the team presented a detailed financial plan for revenues and expenses?	
<b>THE TECH</b>	
Is blockchain technology a solution to the market problem?	
Is there already a working product?	2.5 / 7.0
Has a safety audit of the source code been provided?	
Has the source code been published on GitHub?	

Criterion	Score
<b>TEAM</b>	
Have the project founders already implemented a similar successful business?	
Are the project founders well-known, with established reputations in their professional fields and/or in the blockchain field?	<b>5.0 / 7.0</b>
Does the project team have enough experience to implement the project?	
<b>TOKENS</b>	
Is the issuance of tokens limited?	
Is there mechanism that would protect current holders from token devaluation?	<b>6.3 / 7.0</b>
Do the project participants have clear motivation for owning the tokens?	
<b>PROJECT SUPPORT</b>	
Do the competencies and experience of the advisory board members meet the project goals?	
Are the project's partners large and well-known?	<b>5.3 / 7.0</b>
Is the project attracting large VC investors?	

**Criterion****Score****COMMUNICATION**

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

Is the project widely discussed on blockchain news resources?

**3.0 / 7.0****JURISPRUDENCE**

Is there a clear legal structure? Is it transparent?

Have tests been passed that determine the token is not a security?

Is there an AML policy? Does the company have KYC procedures for token purchases?

Does the project provide tools (for example, the use of escrow) that would guarantee the return of investments if the stated usage of funds is not followed?

**4.1 / 7.0**

Is there a SAFT, a detailed contract/offer, and/or agreement for the token sale?

Is there a detailed Privacy Policy and policy on the processing and storage of users' personal data?

Has the team taken into account the legal risks of an ICO?

How do we rate the quality of the project?



## ADVANTAGES

- Blockchain technology is necessary for the project.
- There is a clear roadmap.
- The issuance of tokens is limited.
- The founders and leaders of the project are recognized professionals in their fields and in the blockchain industry.
- The project has a strong advisory board.
- The project founders have experience of implementing a successful business in the project field.
- The source code is published on GitHub.

**Medium**  
Quality Rate



## DISADVANTAGES

- The competitive landscape and the project's competitive advantages are not sufficiently defined.
- The project is not popular on social networks and in thematic communities.
- The project is not widely discussed on blockchain news resources.
- The team does not have a working product.

**The project offers users the ability to digitize their own assets, transferring them to virtual space gaining the opportunity to interact with other ecosystem participants.**

**THE PROJECT CONCEPT AND THE PRODUCT:** EdenChain is an infrastructure project focused on the implementation of a programmable economy and includes the following services: HelloEden (ICO platform), Cleandeal (B2B trading platform) and MyCreditChain (p2p financial service). The project offers users (including companies) the ability to digitize their own assets, transferring them to virtual space gaining the opportunity to interact with other ecosystem participants. EdenChain will combine separate services for their seamless interaction.

**BUSINESS MODEL:** Information about the business model of the project is practically absent. The system will receive revenues through commission for transactions of the platform users processing the smart contract operations. Thanks to tech solutions, this cost (\$ 2) is lower than that offered by other blockchain platforms, that is one of the key advantages of the project, according to the project's developers. Although the rationale due to which the cost will be reduced in comparison with other projects is absent.

**MARKET AND COMPETITION:** There are a number of big players in the smart contract market. Currently, Ethereum is the most popular platform for ICO launch. NXT, NEO, and WAVES (the launch of smart contracts is scheduled for April 2018) are also worth noting.

**There are three blockchain developers, which is important for a project based on a complex blockchain system.**

NEO and WAVES are very popular among the ICO projects and take second and third place after Ethereum. Yggdrash, Seele and ArkBlock are also worth noting.

The Edenchain's solution differs from existing blockchains offering similar services. Edenchain is a permissioned blockchain that has its pros and cons. Advantages include: higher transaction speed, increased security and lower transaction costs (up to 2% of existing solutions). However, the centralization of this blockchain can significantly affect the relevance and success of the project.

**TEAM AND PROJECT SUPPORT:** Project leaders: James Myong-ho Ahn, CEO (former manager in MHR Inc and Deepnumbers), Jenny Ryoo, co-founder (worked for MHR Inc). Two more tech specialists and two participants are responsible for business development and marketing. A huge IT-experience of other developers cannot be confirmed, and their connection with the blockchain is not even announced in the short presentation on the website. There are 14 advisors with experience in large tech companies (Samsung Electronics, Nokia, SK Telecom).

There are several fintech companies among the project partners: Finger (financial services), Fintech (audit and improvement of credit history), MoneyTag (virtual money transfers), Lending Sciences (broker company), cleandeal.co.kr (digital trading intermediate platform), mnkpr.com (PR and marketing), lotusport.co.kr (web development).

**The EDN token is a key element of the platform ensuring its functioning.**

**THE TECH:** The MVP is currently unavailable and according to the road map it can only be expected after the ICO. A fork of the [CryptoNote](#) project is published on [GitHub](#). Edenchain team did not bring anything new to this fork except for changing of configuration information. Thus, it turns out that there is nothing to discuss regarding the tech including a smart contract. The independent safety audit of the crowdsale smart contract and the platform has not been carried out.

**TOKENS:** Information about the ICO is very limited and the main emphasis is on the tech description. Based on the available information, it can be concluded that the EDN token will perform several functions on the platform. Firstly, it is a means of payment for the services rendered on the platform (purchase of tokens, granted loans, purchased goods), thereby it ensures the interaction of all platform elements among themselves being a monetary equivalent. The EDN token is a key element of the platform ensuring its functioning.

50% of the funds collected during the ICO will be spent on the development of the platform, that is a positive moment. The remaining funds will be equally divided into marketing, security, running costs and legal support for the project.

**JURISPRUDENCE:** The legal structure of the company is not transparent. Eden Partners Inc. registered in an offshore zone in the Virgin Islands, so information about the company is missing in open sources.

**EdenChain is an infrastructure blockchain project aimed at digitizing real assets. The project can be compared with the largest similar projects like Ethereum and NEO. However, the demand for the project can be significantly affected by the blockchain centralization.**

The main legal documents for conducting ICO such as the Privacy Policy, the Token Sale Agreement, etc., have not been developed or published. But [whitepaper](#) contains a small legal disclaimer warning about the risks of participation in the ICO.

**RISKS AND OPPORTUNITIES:** In case of successful implementation of all conceived technologies and ecosystem elements, the project can occupy its niche on a rapidly developing crypto market. The project has strong competitors that is why it is difficult to occupy and retain positions in this market. It is important to note the project risks associated with the low level of thoroughness of legal issues and the blockchain centralization. Public authorities can influence the conditions for using a centralized network regulating the Edenchain or hosting provider work. There are also risks of funds loss during the ICO related to the presence of possible vulnerabilities in the smart contract code.

**CONCLUSIONS:** EdenChain is an infrastructure blockchain project aimed at digitizing real assets. The project can be compared with the largest similar projects like Ethereum and NEO. The project is able to unite existing blockchain standards in a single solution, allowing them to interact on a cross-chain principle and this allows to count on its success and return on investment. However, the demand for the project can be significantly affected by the blockchain centralization.

**What is important  
to improve?**

### **High-priority tasks:**

- describe the competitive landscape and the project's competitive advantages in detail
- actively market on social networks, thematic communities, and blockchain news resources
- submit a product prototype
- carry out a safety audit of the smart contract and publish the results

### What information should be added?

#### More information is required:

- about the financial plan
- about compliance with the legislative requirements for personal data protection and about the development of a Privacy Policy
- about compliance with AML/ CFT) legislative requirements
- about the conditions of the token sale
- about large VC investors in the project
- about legal support for the project and the work carried out in the legal field

# DIGRATE

digital rating agency

+7 495 175-1024 (Russia)

+41 21 588 02 23 (Switzerland)

info@digrate.com

digrate.com

