

EXPRESS REVIEW OF ICO PROJECT



et4.io

ICO: 30.01.2018

HIGH

Quality Rate

AVERAGE SCORE

5,6 / 7,0

DIGRATE

digital rating agency



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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.

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According to project's [whitepaper](#): "Eticket4 is an international secondary ticketing platform developed by Israeli entrepreneurs in 2015. Being an intermediary between various entities involved in the ticket re-selling process, the platform serves as a guarantor of transaction security, tickets' validity, timely payment and delivery.

In contrast to large players in the secondary ticket market in Europe and the US, Eticket4 offers:

Last Minute Deals: instead of buying a ticket outside the doors of the venue at a high price, all customers are able to order tickets on the Eticket4 website and get them delivered by courier to the venue.

Sales Analytics: All participants of the platform are able to observe the statistics of ticket sales in the primary market in order to adjust their strategy.

Blockchain-based Functionality: blockchain solution does not solely contribute to transparency and security. Blockchainbased service provides:

- 1) Transaction fee as little as 2% instead of 30%;
- 2) real-time price forecasting and prompts for platform participants;
- 3) Exchange for ticket brokers (B2B channel) with functionality for forward contracts execution;
- 4) Loyalty and sales promotion program based on ET4 tokens."

OFFICIAL INFORMATION

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Token	ET4
Price	1 ETH = 1000 ET4
Soft Cap	–
Hard Cap	13 800 ETH
Bonuses at Pre-Sale	до 40 %
Bounty campaign	–
Platform	Ethereum
Accepted	ETH, BTC
Country	Russia



Criterion**Score****PROJECT CONCEPT**

Does the problem the project plans to solve really exist?

Is the company's product unique and monetized in the market?

6.0 / 7.0

Has the team identified its competitors and its advantages over them?

Is the project's solution significantly different from existing solutions?

BUSINESS MODEL

Has the project laid out its operating business model?

Is there a clear roadmap?

7.0 / 7.0

Has the team presented a detailed financial plan for revenues and expenses?

THE TECH

Is blockchain technology a solution to the market problem?

Is there already a working product?

5.0 / 7.0

Has a safety audit of the source code been provided?

Has the source code been published on GitHub?

Criterion	Score
TEAM	
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?	6.0 / 7.0
Does the project team have enough experience to implement the project?	
TOKENS	
Is the issuance of tokens limited?	
Is there mechanism that would protect current holders from token devaluation?	7.0 / 7.0
Do the project participants have clear motivation for owning the tokens?	
PROJECT SUPPORT	
Do the competencies and experience of the advisory board members meet the project goals?	
Are the project's partners large and well-known?	3.7 / 7.0
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?

5.0 / 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?

5.1 / 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

- The team has studied the competitive landscape and described the project's competitive advantages
- The project founders have experience implementing a successful business in the project field
- Blockchain technology is necessary for the project
- The team described in detail the business model and the roadmap of the project
- There is a detailed financial plan
- The issuance of tokens is limited
- The project has a strong advisory board

High
Quality Rate



DISADVANTAGES

- There are no well-known large companies among the project's partners

CONCLUSIONS

[Eticket4](#) is an international P2P-platform, operating on the secondary market of ticket sales for sports, music and other mass events. The Eticket4 platform acts as a link and arbitrator when making a sale transaction, verifying the seller and transferring tickets to the buyer using courier service, and also blocking the amount received from the buyer until he gets to the event. The Eticket4 ecosystem provides for the interaction of all market participants: investors, event organizers, ticket brokers, as well as ticket buyers.

The project founders have a successful experience, that is confirmed by the functioning business in the field of ticket sales since 2016.

The project team carried out a detailed analysis of the ticket sales market and the competitive landscape. In contrast to the blockchain projects planned for launch in the US and UK in 2018 ([Blocktix](#), [Aventus](#)), Eticket4 is an already operating business, that has experience of entering foreign markets. Also, there are successful companies such as [StubHub](#), [Viagogo](#), [Kyazoonga](#) in the global market. Among the similar projects that conducted the crowdsale in 2017, [Crypto.tickets](#) can be note (A2 score of investment attractiveness - 5.2 points). During the ICO, the project raised \$1.75 mn, and the price of its TKT token rose 3.5 times - from \$0.06 to \$0.21 since the ICO end date.

CONCLUSIONS

The advisory board consists of experienced professionals in the financial, tech and marketing fields. At the time of drafting this review, the activity in social networks and thematic communities is quite high. According to the team, the project is at the stage of negotiations with large VC investors (the list of crypto funds will be officially published after January 30, 2018).

The publication of a legal documents package (Privacy Policy, Terms & Conditions, Token Sale Agreement) is scheduled for mid-February 2018, after the Pre-ICO. [A smart contract code for ICO and Pre-ICO](#) is published on GitHub.

The company describes in detail the advantages of its platform, the growth factors of the ET4 token price and the measures taken to reduce the risks of investors.

The economic nature of ET4 defines a token as a digital unit of Eticket4 service, that is transferred to the buyer as points for the purchase, and it is not a basis for recognizing the token as a security. The team also provided the results of the [Howey test](#).

In order to reduce the risk of tokens devaluation and the manipulation of its price, a number of preventive measures are envisaged: limited issuance of tokens, their buyback by the platform, and ET4 listing on exchanges (after the project enters the European market).

The decentralization of current Eticket4 business model will allow it to enter new markets, and the price of the ET4 token has a high growth potential in the long term with low sensitivity to market conditions.

To maintain liquidity and ensure the buyback of ET4 tokens, a reserve will be formed. The minimum platform fee (2%) for a transaction in company tokens, lottery of the prize fund, and cashback are the main factors of high demand for ET4. An additional motivation for owning tokens for event organizers is the ability to regulate the secondary ticket market for their events, restrict re-sale, set the ticket's limit price, and receive commission from secondary transactions.

Deficit model of the token - passive growth factor of the ET4 price. The foreseeable purchase of ET4 tokens for fiat means that the buyer, when using fiat money, also demands the tokens, and then spends them, that facilitates the turnover of ET4.

The operating Eticket4 ticketing platform with an annual turnover of \$2 mn and an average monthly growth of 2-3% provides ET4 tokens with real, rather than speculative, liquidity.

In general, the decentralization of current Eticket4 business model will allow it to enter new markets, and the price of the ET4 token has a high growth potential in the long term with low sensitivity to market conditions.

What is important to improve?

High-priority tasks:

- publish the source code of the smart contract (no later than 10 days before the start of the pre-sale);
- establish partnerships with large and well-known companies;
- attract large VC investors to the project;
- publish the results of a safety audit of the crowdsale contract;
- Fulfill the legislative requirements for AML / CFT. Introduce the identification of token buyers (Know Your Client).

What information should be added?

More information is required:

- about the readiness of the project's source code;
- about the conditions of the token sale and the development of the Token Sale Agreement;
- about compliance with the legislative requirements for personal data protection and about the development of a Privacy Policy.

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