

INVESTMENT REVIEW
OF ICO PROJECT

**PARSEC
FRONTIERS**

parsecfrontiers.com

ICO: 01.04.2018

MEDIUM
Quality Rate

AVERAGE SCORE

4.3 / 7.0

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

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Parsec Frontiers is a massive persistent multiplayer online world, with a virtual-economy blockchain. Players can explore the Milky Way galaxy, extract and trade resources, transport goods, attack others at their own peril, manufacture new and more advanced objects, research technology, create or join alliances and utilize space stations and resource extraction rights to expand their empire and wealth. All in-game items and resources are stored on a blockchain.

The in-game currency is to be Parsec Credits [PARSEC], a utility token which will also be tradable on some of the world's largest cryptocurrency exchanges, which lowers the threshold for investing in the virtual economy, knowing that all players can cash out their in-game assets for BTC/ETH or fiat at any time.

The game economy will become an analogue of the real economy. In fact, all actions in the game are to lead to financial consequences that are transferable to the real world through the conversion of PARSEC into fiat currency.

The platform's revenue is to consist of game content sales, paid access to exclusive platform services, and commission fees for all transactions that take place in the ecosystem.

OFFICIAL INFORMATION

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Token	Parsec Credits
Price	1 ETH = 1,300,000 PRSC
Soft Cap	400 ETH
Hard Cap	16,615 ETH
Bonuses at Pre-Sale	30%
Bounty campaign	Yes
Platform	Ethereum
Accepted	ETH, BTC, fiat
Country	Switzerland



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?	4.3 / 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?	4.3 / 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?	2.5 / 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?	5.7 / 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?	5.7 / 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?	4.7 / 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?

4.0 / 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?

4.0 / 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

Medium
Quality Rate



DISADVANTAGES

- A high-quality business model has been presented by the company
- There is a clear roadmap
- The issuance of tokens is limited
- The project team has extensive experience and a strong track record
- The project has a strong advisory board
- The project founders have experience implementing a successful business in the project field

- The competitive landscape is not sufficiently defined
- The project's innovative component and competitive advantages are not clear
- There is no detailed financial plan
- The project is not widely discussed on blockchain news resources
- The team does not have a working product
- The working code for the project has not been published on GitHub

CONCLUSIONS

The Parsec Frontiers team is developing a multiplayer online game centered on the colonization of planets in the Milky Way. The blockchain economy is fully controlled by players and is to allow users to mine and use rare metals, create modern ships and defense systems, as well as buy and trade resources for profit.

The project team has described the business model and the game universe in detail. The project website has information that the game is already developing, although, the prototype and the source code for the product has not been published on GitHub.

The game is to use its own currency - Parsec Credits [PRSC]. This is a classic crypto token, which is to be traded on exchanges, while all users are to be able to exchange tokens for other cryptocurrencies or fiat currency. The issuance of PRSC tokens is limited and the team has described a mechanism in accordance with which a portion of the tokens is to be withdrawn from circulation and destroyed. The project team has presented [the results of a Howey Test](#), according to which PRSC tokens are not securities.

The Parsec Frontiers business model contains considerable risk, as the innovative component of the project and the benefits are unclear.

Escrow is not used by the project. Additionally, there are no legal documents (for example, Terms & Conditions, SAFT) and information about the legal structure of the company.

The project is supported by strong consultants and well-known experts in the blockchain field. Information on project support from VC investors has not been disclosed.

At the time of drafting this review, marketing activity was insufficient. Furthermore, the project is not widely discussed on blockchain news resources.

The described game world is not a unique idea, and the project has several successful competitors, such as [EVE Online](#) and [Star Citizen](#). Star Citizen, which has been being developed since 2012, has sets records for fund raising through crowdfunding and has a huge fan base. Using the EVE Online example, the introduction of blockchain technology is not a prerequisite for successful monetization of an in-game economy. The business model of Parsec Frontiers contains considerable risks, as the innovative component of the project and the benefits are not obvious.

What is important to improve?

High-priority tasks:

- Describe the competitive environment in detail
- Develop a detailed financial plan
- Initiate marketing on blockchain news resources
- Submit a product prototype
- Publish the project code on GitHub
- Fulfill the legislative requirements for AML. Introduce the identification of token buyers (Know Your Client)
- Carry out an independent smart contract audit and present the results
- Organize professional legal support for the project

What information should be added?

More information is required:

- about the need for blockchain technology in the project,
- about the regulation of fund dispersal (for example, the use of escrow),
- about the legal structure of the company,
- about large and well-known project partners,
- about the conditions of the token sale,
- about large VC investors in the project.

DIGRATE

digital rating agency

+7 (495) 175-1024 (Russia)

+41 21 588 02 23 (Switzerland)

info@digrate.com

digrate.com

