EXPRESS REVIEW OF ICO PROJECT

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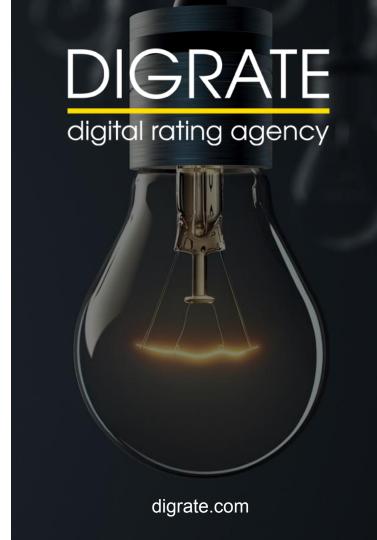digital rating agency

THE WORLD NEWS™

theworldnews.net

ICO: 01.03.2018

MEDIUM
Quality Rate

AVERAGE SCORE

5.1 / 7.0

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

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According to project's whitepaper: "The goal of the TheWorldNews project is to become the largest decentralized news aggregator in the world with free access to the most objective information from around the world. Using neural networks, will provide people all over the world with verified and reliable news content. The scalable platform that identifies fake news and plagiarism will force the leading media giants to ensure the authenticity of information before publication.

The NewsBOT collects and in parallel checks, on the subject of, alterations of all the news that are gathered from all over the world from the open media sources. All collected content is stored in distributed, non-relational database that provides compact storage and quick access to data. The hash tags of all news reports are stored in the blockchain bitcoin network. The self-learning neural network analyzes the content in the database and, based on morphological inconsistencies, identifies poor-quality content, namely, deleted or modified and automatically assigns the appropriate rating to the media source - reliable, dubious and unreliable."

"Within the framework of the project, we are developing a decentralized marketplace that will allow independent journalists and reporters to offer media their unique content, specifically, news, photos and video content. Additionally, the media will be able to receive truthful and unique information from around the world, even from places where they do not have full-time employees. According to the alleged data, the marketplace will daily generate several thousand unique news reports, photos and video materials daily."

The project has a classic model of monetization of the news portal through the placement of third-party advertising, monetization of a number of services for the media, as well as a commission fee for the sale of content.

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Token	TWN
Price	1 ETH = 50,000 TWN
Soft Cap	-
Hard Cap	100,000 ETH
Bonuses at Pre-Sale	PreICO - up to 40 %, ICO - up to 25 %
Bounty campaign	yes
Platform	Ethereum
Accepted	BTC, ETH, fiat
Country	Lithuania

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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?	**5.0 / 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?	**5.5 / 7.0**
Has a safety audit of the source code been provided?	
Has the source code been published on GitHub?	

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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? Does the project team have enough experience to implement the project?	**5.7 / 7.0**
TOKENS	
Is the issuance of tokens limited? Is there mechanism that would protect current holders from token devaluation? Do the project participants have clear motivation for owning the tokens?	**5.3 / 7.0**
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? Is the project attracting large VC investors?	**4.7 / 7.0**

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Criterion	Score
COMMUNICATION Is the project popular on social networks and in thematic communities? Is the project widely discussed on blockchain news resources?	**6.0 / 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? 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?	**4.0 / 7.0**

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How do we rate the quality of the project?

Medium
Quality Rate

ADVANTAGES

- The project team has extensive experience and a strong track record.
- Blockchain technology is necessary for the project.
- There is a clear roadmap.
- The team has a working product.
- The source code of the project is published on GitHub.
- The issuance of tokens is limited.
- The legal structure of the company is transparent.
- The project is popular on social networks and in thematic communities.
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DISADVANTAGES

- There are no tools (for example, the use of an escrow) that would guarantee the return of investments, if the stated usage of funds is not followed.
- There is no detailed financial plan.
- There is no safety audit of the platform's smart contract.
- Low speed and quality of the feedback from the team.

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**Experts predict 11.1% annual growth rates of Internet advertising by 2020.
Thus, the volume of this market in 2020 will reach $ 260 billion.**

TheWorldNews project positions itself as the first anti-fake news platform, where a bot gathers news from around the world. The bot stores the collected content in a distributed database, the technology of which ensures simplicity of scalability. A hash is generated for each news, the hashes are stored as a chain in the bitcoin blockchain. Further, with the help of the neural network algorithm, the reliability of the news content is analyzed with the awarded reliability rating.

According to the data of openbusiness.ru, "the Internet and television are increasingly popular channels for disseminating media information throughout the world. In these segments, a significant portion of the total market revenues is concentrated. " The revenue of the global media industry in the field of Internet advertising in 2015 was more than $ 153 billion, and the revenue forecast for 2020 is more than $ 260 billion, that indicates the rapid growth of the Internet advertising market."

According to the Statista portal, an increasing number of people prefer the online media as a source of news: in 2016, 73% of the US population used online news resources. But it is worth noting that in 2016-2017 the topic of information reliability and dissemination of fake news has become one of the most discussed. The US citizens have increased their distrust of online publications: more than 25% said they distrust the online media.

Issuing its own TWN token (in addition to fundraising) is a guarantee of project independence from governments of different countries and financial-industrial groups.

The business model of the TheWorldNews assumes the monetization of the news platform by selling advertising displays on theworldnews.net. An in-depth analysis of user metrics will be available for advertisers, with broad targeting capabilities for the target audience of interest.

Whitepaper also identifies the following revenue sources for the platform:
- including the media in the list of feeds;
- information marketplace services for the media (photo bank, video content, and access to unique news from around the world);
- placement of commercial articles, both on the project website and on partner resources;
- purchase a translation of a news item into the required language in only two clicks.

It should be noted that the documentation for the project does not indicate neither specific figures for the estimated cost of the platform services, nor detailed information on the financial plan of the project.

Accounting inside the TheWorldNews platform will be made by TWN tokens, and all unsold tokens will be destroyed. In addition to fundraising, the team notes the importance of issuing its own TWN token as a guarantee of project independence from governments of different countries and financial-industrial groups.

Release of the beta version and test of the neural network with development of the algorithm for identifying unreliable news sources are scheduled for March 1, 2018.

The legal structure of the project is transparent. TheWorldNews belongs to the European company Pasaulio naujienos JSC (Lithuania), it is a registered media and it is regulated by EU legislation. There is no information about passing the test for the non-recognition of the token as a security. There is also no information on the compliance with the AML policy and the passage of KYC procedure by token buyers.

The ICO smart contract code is published on GitHub, although the results of the independent safety audit of the smart contract are not presented. The main advantage of the project is the already-working alpha version of the news platform with the implemented news aggregator: the news feed is processed from 200 countries and more than 2500 media. Release of the beta version and test of the neural network with development of the algorithm for identifying unreliable news sources, based on the roadmap, are scheduled for March 1, 2018. For the time being, the alpha version of the platform processes more than 60 thousand news in many languages daily.

Currently, there is a large number of news content aggregators in the Internet. The main competitors of the project among the centralized news platforms are: Google News - more than 500 million visits; Rambler News - more than 115 million visits; Yahoo News - more than 5 billion visits.

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TheWorldNews has a great development potential, that is facilitated by the urgency of the fake news publication and wide coverage of the target audience.

The main competitive advantage of TheWorldNews platform is the algorithmization of the process of determining the reliability of news using neural networks. A significant difference from traditional news aggregators should be the creation of an ecosystem based on their platform for the interaction of participants involved in creating news content.

The team of the project has analyzed the competitive landscape among the blockchain projects. There is the SNIP project among the indirect competitors, but it only provides verification of the news headlines and is significantly different in concept.

TheWorldNews project is widely covered on the thematic news resources and is popular in social media (more than 226,000 subscribers on Facebook).

The urgency of the problem of spreading fake news, as well as multilinguality of the platform, are likely to attract plenty of international Internet traffic. These factors will contribute to the growth of demand for platform services, and, accordingly, to its TWN token.

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**What is important
to improve?**

High-priority tasks:

- implement tools (for example, the use of an escrow) that would guarantee the return of investments if the stated usage of funds is not followed;
- fulfill the legislative requirements for AML. Introduce the identification of token buyers (Know Your Client).

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What information

should be added?

More information is required:

- about the financial plan,
- about the conditions of the token sale,
- about compliance with the legislative requirements for personal data protection and about the development of a Privacy Policy,
- about large VC investors in the project,
- about the safety audit of the smart contract.

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