



INVESTMENT EVALUATION OF ICO PROJECT

5,5



AVERAGE SCORE

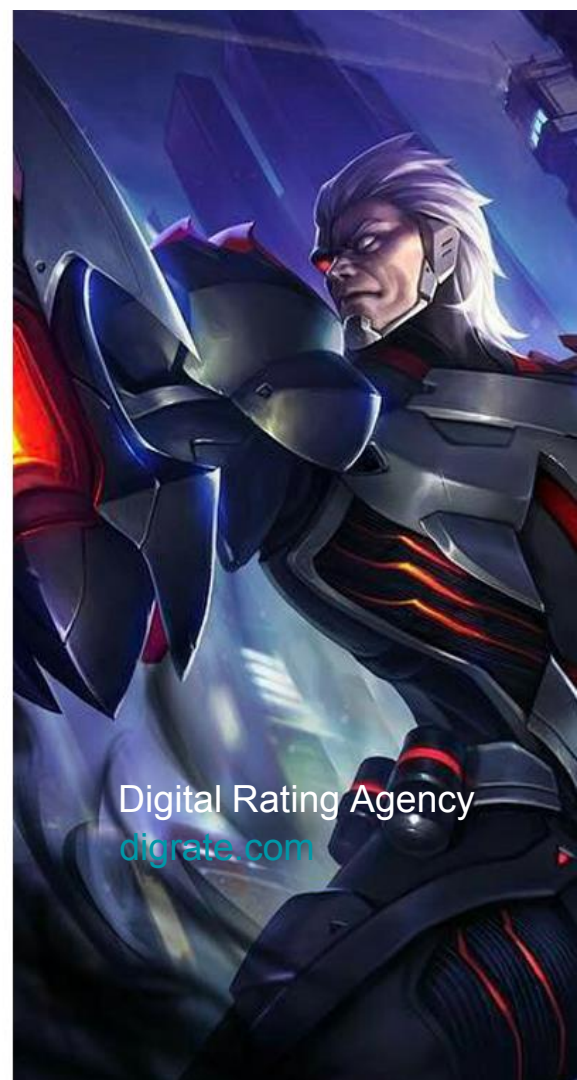
A2 5,5 / 7,0

High
Quality Rate

[Moontoncoin.Co](https://moontoncoin.co)

ICO 01.12.2017 - 01.01.2018

Инвестиционная оценка ICO проекта
DREAMTEAM



Digital Rating Agency
digirate.com

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This evaluation is only a reflection of Moonton'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.

The legal opinion was prepared by [New Lawyers](#).



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- MoontonCoin is an independent, online, blockchain-based collaboration platform that seeks to connect to the video games economy, bringing together various stakeholders to achieve growth for the Moonton network.
- Using a new NOX cryptocurrency based on blockchain technology and smart contracts, this economic platform is to allow everyone to participate in the video games economy. NOX is to be converted to Moonton Dollars (MOO), which are pegged to the dollar exchange rate at a price of 1 MOO = 1 USD, and are to be used as internal currency for purchasing game products, within the MOONTONCOIN Marketplace platform.
- MOONTONCOIN is to be the world's first blockchain-based open economy supported by an incorporated mobile games studio group publicly listed on the Australian Securities Exchange, iCandy Interactive Limited (ASX: ICI). Australia-incorporated iCandy Interactive is a leading Southeast Asian mobile games studio group listed on the Australian Securities Exchange. After the NOX and the MOONTON Marketplace launch, iCandy Interactive is to facilitate the publication of all video games funded by MOONTONCOIN and continue to provide its resources on an ongoing basis for the gamer community as part of the MOONTONCOIN Marketplace.



**Medium-to-high
probability of
investment return,
considerable
sensitivity to
market
environment**

The MOONTON project aims to unite all participants in the gaming industry into a single ecosystem to solve the problem of lack of financing for developing gaming studios that cannot afford to realize their ideas due to the monopolization of the gaming industry. The decision to fund each project is to be made by NOX holders, which should involve an enormous number of players, whose dream of directly participating in the process of launching games would finally come true.

MOONTON has an experienced and professional team supported by iCandy Ventures Ltd, a subsidiary of iCandy Interactive Limited, which is publicly listed on the Australian Securities Exchange (ASX: ICI). The company is supported by veterans of the gaming industry and VC professionals. Despite the fact that the team members have experience in launching projects and management in the industry, at the moment, the project does not have a working product.

The project's key advantage is its business model, which allows it to support the natural growth of the token rate. However, the success of the project as a whole will likely mostly depend on interest from the gaming community in MOONTON.



How do we evaluate the quality rate?

Advantages:

- Strong project team, with extensive experience in the gaming industry
- Concrete problems and solutions have been formulated
- Motivation to own tokens is clearly defined
- There is a well-thought-out business model
- Existing community - over 20 million active players daily

Disadvantages:

- There are numerous mistakes on the official website
- There is no working product or information about the current stage of development
- The specific roles of the advisory board members and their involvement in the project have not been specified

HIGH Quality Rate



**What can
be improved?**

1. Provide a more detailed roadmap and financial plan;
2. Provide an alpha version of the product, indicate what stage the product development is in;
3. Take concrete preventive measures to avoid problems with ICO market regulators;
4. Suggest mechanisms for protecting investors (escrow).



Criteria	Score
Does the problem the project plans to solve really exist?	6
Is the company's product unique?	6
Does the team understand its competition?	5
Is blockchain technology a solution to the market problem?	5
Has the project laid out its operating business model?	6
Is there already a working product that can be sold to customers?	3
Is there a clear roadmap and financial plan?	6
Is the issuance of tokens limited?	6
Is there an asset base that would protect current holders from token devaluation?	6
Do the project participants have a clear motivation for owning the tokens?	7
Is the company's legal structure transparent?	6
Has the company taken preventive measures to avoid problems with ICO market regulators?	5
Is the project popular on social networks and in thematic communities?	5
Is the project widely discussed in blockchain news resources?	6
Does the project team have extensive experience and a strong track record?	7
Does the project have a strong advisory board?	4
Are the project's partners large and well-known?	5
Is the project attracting large VC investors?	5

AVERAGE SCORE

5,5

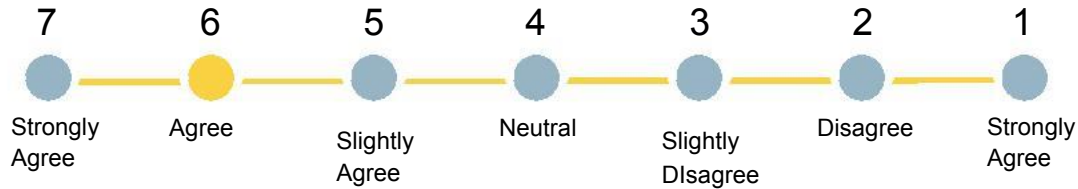




Project Concept



Does the problem the project plans to solve really exist?



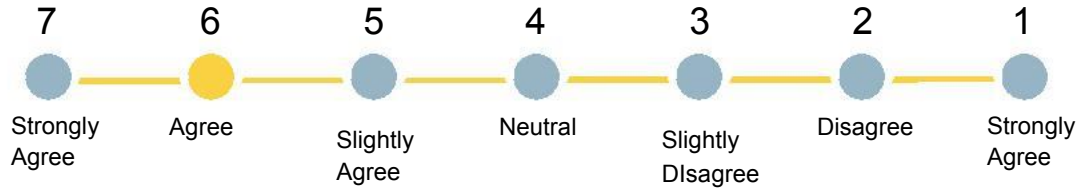
MOONTON aims to solve problems associated with the entire video games economy.

The MOONTON team sees the following problems in the video games ecosystem:

- poor interaction of participants in the video games ecosystem;
- oligopoly of the video games market;
- difficulty attracting investment for early-stage game development studios;
- difficulties with investments related to geographical issues.

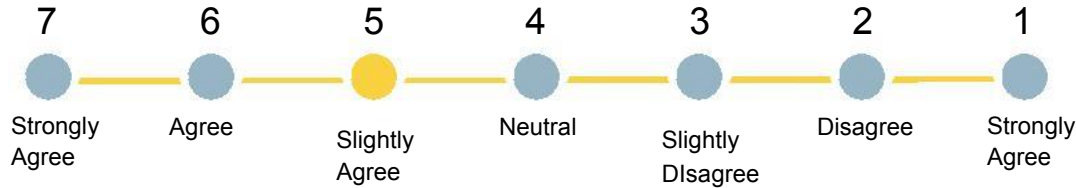


Is the company's product unique?



The problems associated with trust and safety are a significant impediment to the development of the video games market. Blockchain technology should help provide safety for investors, improve communications and trust between players, game developers and publishers, and create a single efficient operating ecosystem for the gaming industry. The MOONTON team plans to launch a marketplace where MOONTON members can not only exchange and trade game items, as in other similar projects (e.g. Mobilelegend), but also provide a platform where the players themselves determine which gaming studio projects will be financed for further development.

Does the company understand its competition?



The MOONTON team identifies its competitive advantages as follows:

- **Infrastructure** - The network includes iCandy Interactive (23 million users around the world), and other partner companies;
- **Project support** - According to the creators, MOONTON is the first blockchain-based cryptocurrency ecosystem to be backed by a publicly traded company;
- **Team** - The team consists of professionals in the gaming, IT, investment, corporate, and marketing industries, as well as veterans of blockchain projects.

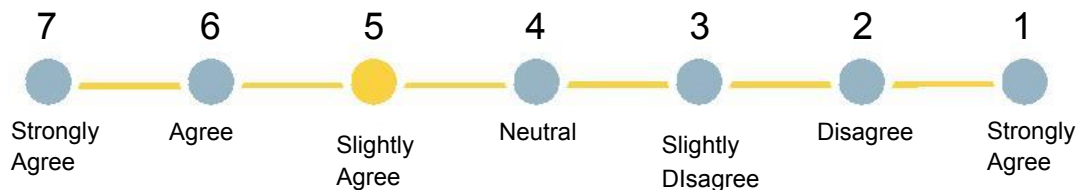
However, the company has not performed a full SWOT analysis to identify factors that could threaten the project in the long term.



Business Model



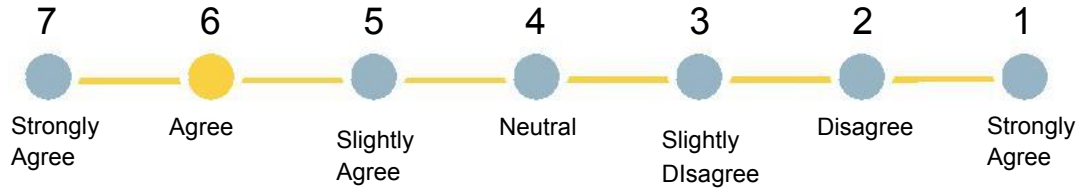
Is blockchain technology a solution to the market problem?



According to the official whitepaper, the blockchain implemented into the MOONTON Marketplace will allow all participants of the project ecosystem to enjoy the following advantages of a decentralized system:

- transparent financing for games on the website;
- direct participation of NOX holders in the creation of new projects;
- direct communication between game creators and users;
- fund generation to finance new games and ensure the vital activities of the platform due to the closed system of token circulation inside the ecosystem.

Has the project laid out its operating business model?



The business model developed by the project team identifies two activities:

1) Player participation in game creation. MOONTON experts select the most promising games offered by gaming studios. Then these projects are presented to all owners of the NOX token for voting and subsequent publication on the MOONTON Marketplace platform. Token owners vote for their favorite games with NOX tokens by transferring them to the MOONTON platform fund, and then the funds, in fiat or crypto currency form, are transferred to the games that receive the most votes. Players are to be able to use the NOD token (MOONTON Dollar) in equal proportion to US dollars as the internal currency, while NOX holders are to receive a 10% discount on the purchase of NOD.



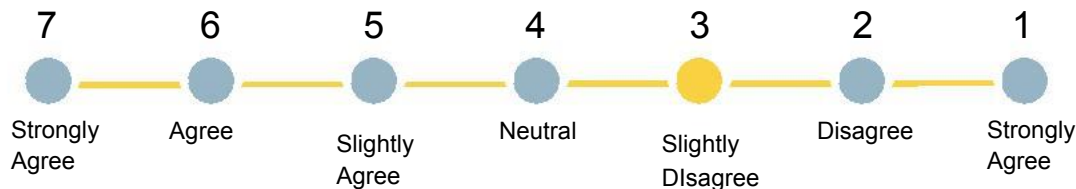
After the game chosen by NOX holders is developed and begins bringing in revenue, 30% is to be distributed to MOONTON quarterly. Of the net proceeds received by MOONTON, 60% is to be channeled to finance new games, while 40% is to be used for marketing and operating expenses, as well as to reward NOX owners for their participation in the MOONTON Marketplace. Additionally, the game's developers are to return part of their income from NOX tokens purchased on the exchange to MOONTON, which MOONTON will then sell for

fiat or crypto currency for the subsequent financing of new games. The value of NOX tokens is expected to increase due to the constant flows of the tokens within the MOONTON ecosystem.

2) **Communication between all platform participants.** The MOONTON Marketplace is to have an open API for the exchange of information between industry stakeholders, such as financiers, gamers, gaming studios, publishers, and promoters. Game studios will be able to reward players with NOD tokens for active participation in the development of media environments, voting, and testing. The MOONTON commission for making transactions inside the game and conducting marketing campaigns is to be set at 10%.



Is there already a working product that can be sold to customers?

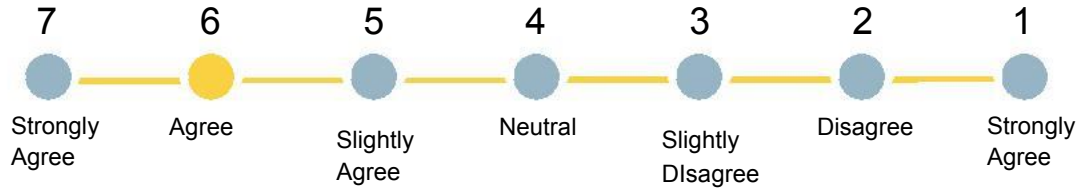


There are mobile games for iOS and Android, developed by iCandy Interactive. iCandy Interactive also won "best developer" from Google, and has awards from major industry exhibitions. Due to pre-developed games and the existing audience of MOONTON team players, it should be relatively easy to create the MOONTON Marketplace.

According to the MOONTON team's plans, the final version of the platform will be presented in April 2018, and the release of the final version of the marketplace is scheduled for November 2018.



Is there a clear roadmap and financial plan?

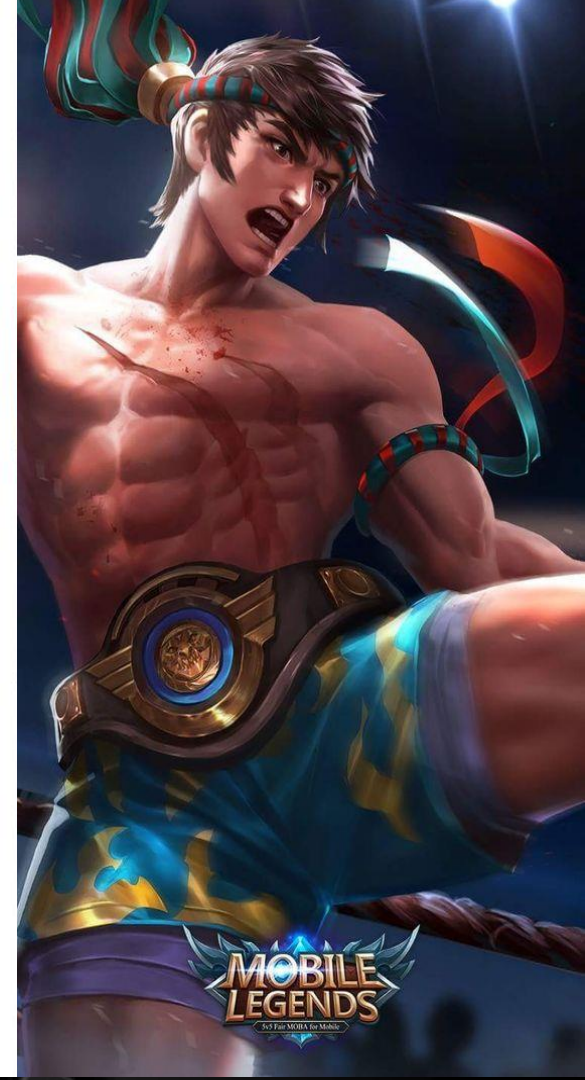


There are general ideas around which a plan for the development of the project is currently being built. The MOONTON team developed a roadmap, which indicates the stages and timing of the development of the MOONTON platform and the MOONTON Marketplace. The financial plan is presented in the budget allocation scheme that was produced for the ICO. The roadmap does not specify exact steps and targets.

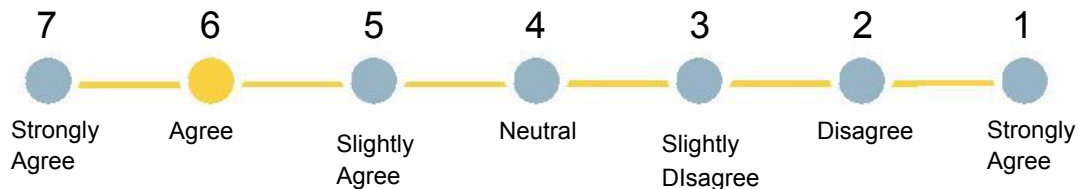
However, in the course of communications with Moonton, experts from the team showed a clear understanding of all stages for developing the project, as well as the fund volumes and distribution necessary for the implementation of each stage.



Tokens



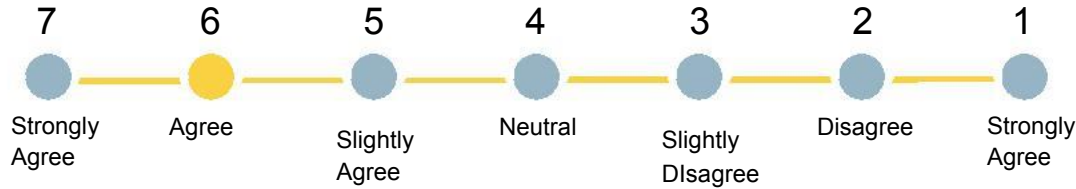
Is the issuance of tokens limited?



The total number of tokens is set at 120 million NOX. The initial distribution of tokens is to be as follows: 60 million NOX (50% of the total) are available for presales and crowdsales, and 17.4 million NOX (14.5% of the total) is to be distributed between the project team, advisers, Nitro Interactive and iCandy Ventures Ltd. Details of the distribution are available on the official project website and in the whitepaper. Additionally, 4.0 million NOX (3.33% of the total) is to be sent to the fund to reward NOX Holders for participating in the platform, while 38.6 million (32.17% of the total) NOX is to be retained as a reserve reserve, with details on when it will be sold to be announced at a later date.



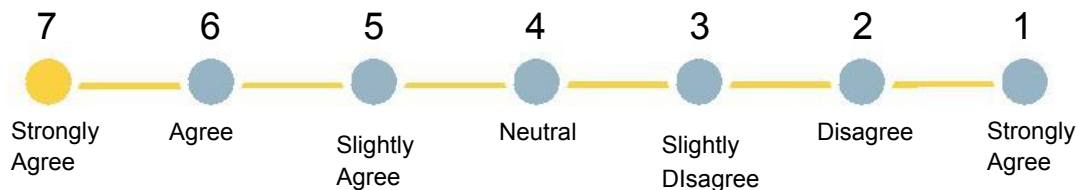
Is there an asset base that would protect current holders from token devaluation?



The organizers are planning to lock two-thirds of NOX held by the MOONTON team for a duration of six months following the crowdsale.

Additionally, the continuous circulation of NOX within the MOONTON ecosystem among all participants should benefit holders. Game studios are expected to purchase NOX from the exchange constantly to return part of revenues to MOONTON. In turn, the platform itself will sell NOX on the exchange to receive funds for the further financing of new projects.

Do the project participants have clear motivation for owning the tokens?



NOX holders are to have access to the following rights:

- voting on games funded by MOONTON;
- discounts when purchasing NOD, to be used as a form of ingame currency.
- bonuses for activities on the network.

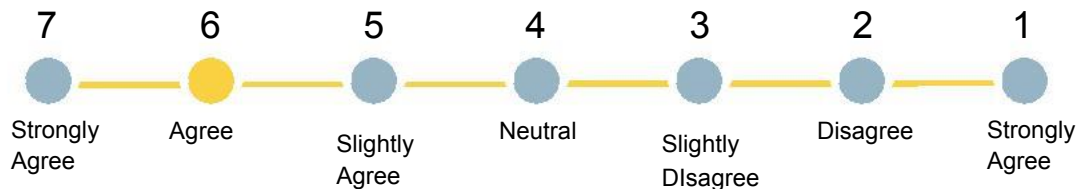
Due to the turnover of tokens within the system, the growth of the exchange rate is to be maintained naturally, which is a clear advantage for token holders.



Legal Documentation



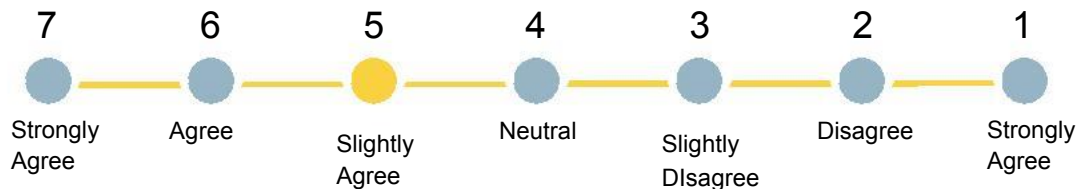
Is the company's legal structure transparent?



The MOONTON project is supported by iCandy Ventures Ltd, a subsidiary of Australia-incorporated iCandy Interactive Limited, which is listed on the Australian Securities Exchange (ASX). iCandy Interactive Limited is a leading Southeast Asian mobile games studio group. The head office is located in Australia at Level 4, 91 William Street Melbourne Vic 3000, Australia.

MOONTON Interactive Limited is the acting issuer of NOX tokens, and is registered in the British Virgin Islands.

Has the company taken preventive measures to avoid problems with ICO market regulators?



The whitepaper of the project states that, although NOX does not guarantee token holders rewards, NOX tokens could be considered securities under securities laws in certain jurisdictions.

There is detailed information on legal and regulatory risks in the whitepaper.

Additionally, there is information on restricting token purchases for US, Australian, Singaporean and Japanese citizens, and a direct ban on Chinese citizens participating.





Legal Opinion

A2



By New Lawyers, a Digital Rating Agency partner.

NEWLAWYERS

1. Entity responsible for token

The issue of tokens is carried out by NITRO Interactive Limited ("NIL"). This is a positive element, as it allows us to identify the entity to whom the claims of token holders ("Holders") may potentially be presented. NIL is registered in the British Virgin Islands (BVI). Legislation specifics for BVI state that it does not have free access to data on shareholders and directors of companies registered in BVI. Potential investors may need to pay and wait a few days to access this information, and even then there is no certainty that sufficient information will be obtained.

The project team ("Team") also does not provide the information. Additionally, the documents do not contain data on the financial status of NIL, planned campaigns and tools for monitoring the proper use of funds received during the token sale (there are separate comments on this issue in the Team's responses), the availability of sufficient resources for the implementation of the project, or information on tools that ensure the fulfillment of NIL's obligations to Holders.

It is advisable for the Team to further elaborate these points in more detail and describe them in the documents.

It should be noted that the Team's documents repeatedly state that the project is supported by iCandy Ventures and iCandy Interactive Limited, but it is not clear what exactly this support means. From the context, it appears that iCandy Ventures will act as the publisher of games funded under the project. However, the use of "backed by", and "supported by" could potentially be considered misleading by potential Holders, as in addition to performing the functions of the publisher, the company may, for example, provide financial support.

2. Probability of Token's qualification as a security

Holders' funds will be invested, among other things, in the development of the infrastructure ("ecosystem") of the project and the NITRO Marketplace. Thus, the Holders receive, among other things, the following opportunities:

The impact on the games' contents in which the Holders' funds will be invested and, subsequently, the funds accumulated in the project;
Receiving part of the profit from investing funds received from Holders, and, in the future, funds accumulated within the project. This distribution will be relatively systematic;

Alienation of tokens and gaining income from an increase in its value.

Taking into account the above factors, it is impossible to completely exclude the possibility of the tokens qualifying a type of security.

The Team is making efforts to minimize the consequences of this risk.

1) Thus, according to the Team, it has received reviews from lawyers in Singapore and Australia, as well as informal confirmation from Japanese lawyers that the tokens are not a security in accordance with the laws of the respective jurisdictions.

The Singaporean lawyers' review is provided by the Team. It can indeed be inferred from this conclusion that the token is not a security, but it could be considered a share in a collective investment scheme. The key reason the token offer is not considered an offer of securities in Singapore is that it is not addressed to individuals in Singapore.

The documents do not contain information on obtaining legal opinions on the status of the tokens in other target markets (for example, China, Japan, South Korea, etc.), as well as in the US and BVI.

2) The documents state that the tokens are not intended for sale to US, Singaporean, Australian and Chinese citizens. In particular, the token offer is not a prospectus for the purposes of the laws of Singapore and Australia, and has not been defined with regulators in the United States, Singapore or Australia.

To some extent, this reduces the risk of negative consequences, if the token qualifies as a security in accordance with the law of any of the above-mentioned countries. Nevertheless, it seems that the team does not plan to make significant efforts to identify the individuals acquiring the tokens. Additionally, there is no information in the documents that token marketing will be restricted for IP addresses related to the specified jurisdictions.

Thus, there is a risk that a significant portion of tokens will be acquired by citizens of the above-mentioned nations, which could have extremely negative consequences for both the Team and the project as a whole.

3. Holding structure of the project

It is not clear from the documents who the shareholders of NIL are. This leads to uncertainty about the plans of shareholders regarding the profits of NIL, in particular, what the probability is that the shareholder could try to acquire profits in accordance with the law, bypassing the NIL obligations to the Holders.

Also, it is unclear from the documents in which companies NIL itself is a shareholder. Meanwhile, the documents state that NIL will be the place of employment for the Team and it is mentioned that the organization will be based in Australia / Singapore. Accordingly, the Team will need to consider the issue of ensuring a local presence of NIL employees in Australia / Singapore, which will require the establishment of organizational units in these nations (branches, subsidiaries, etc.). The documents do not specify any such implementation plans.

4. Regulatory aspects of the project's operational activities

Much attention is paid to what will be done within the framework of the project in the documents. However, because of the ambiguity regarding the location of the Team, the following questions remain open:

- 1) There is no clear understanding of the legal status of the members of the Team listed in the documents, in particular, specifically at which company they are formally employed (e.g. NIL) and in which positions.
- 2) It is unclear to what extent the project will be managed from Singapore, and to what extent from Australia. As the tokens could be classified as securities (in particular, shares in the collective investment scheme), what is the probability the Team's activities in Singapore or Australia will qualify as securities management activities, and whether a license will be required.
- 3) The question of financing the Team's activities needs to be clarified, in particular, what funds will come from NIL and what taxes will be paid in this regard in Singapore and Australia
- 4) Outside of the documents, there are legal mechanisms the Team will use to finance promising games, which leads to the question: What exact methods of protecting investments does the Team plan to apply?

5. Protection of intellectual property

When implementing the project, there are a significant number of intellectual property objects, from the logo and the name of the token to software solutions and the technology as a whole.

The documents do not specify the extent to which certain objects have already been created, who has the rights to them, what specifically will be created and who will be registered as the copyright holder, taking into account the specificity of the blockchain technology.



6. Counteraction to the laundering of proceeds from crime and financing of terrorism

The documents do not contain information on the planned mechanisms that will be used to identify the Holders, and whether such identification will be implemented. In particular, this means that the Team has not addressed the potential risks associated with using the project for laundering proceeds from crime and the financing of terrorism. Meanwhile, this is one of the key issues with projects of this kind for regulators, in particular, in Singapore.

Restrictions on the usage of this conclusion

This conclusion is intended as a general assessment of legal elaboration of the project details in accessible documents and is not a conclusion on the rights of Russia, the USA, Singapore, Australia, Japan or any other countries.

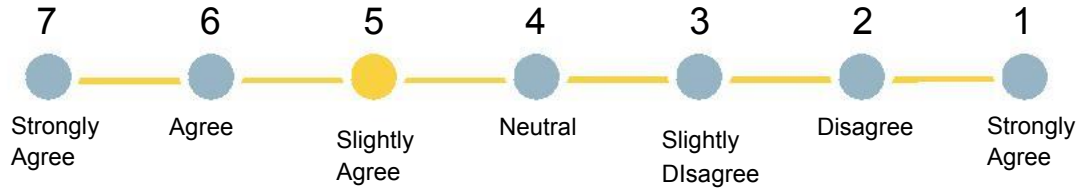




Media Environment



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



The project is quite popular on social networks, especially Twitter and Facebook; however, on one of the main blockchain resources, BitcoinTalk, the project has a relatively small number of views.

Active advertising channels on social networks and performances at the Asia PE-VC Summit 2017 are also present.

Project subscribers on popular social networks:



members in two
(Russian and 21,557
Subscribers
English) channels



11,100
Followers



Over 2,500



1,027
Readers

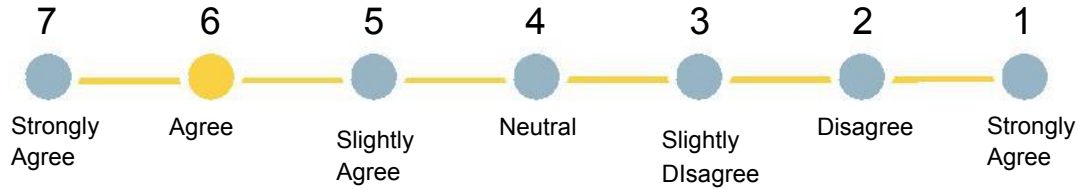


55
Subscribers



3,558
Views

Is the project widely discussed in blockchain news resources?



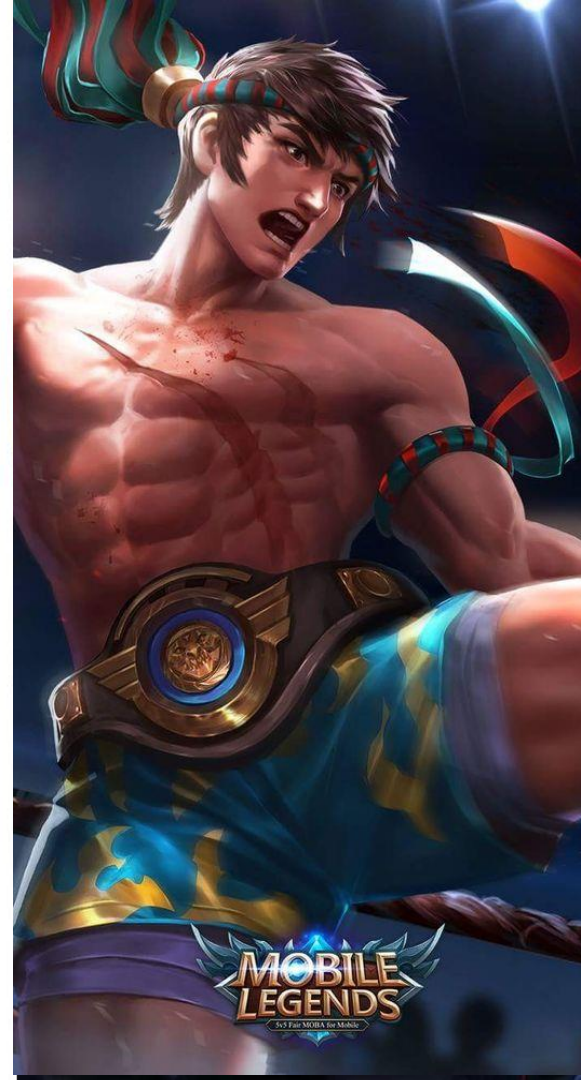
The project is not only discussed in crypto news resources, but also in articles in gaming and financial industry media. Additionally, Kin-Wai Lau (Chairman of iCandy Interactive) was interviewed by CNBC.

News resources that have published articles about the project:

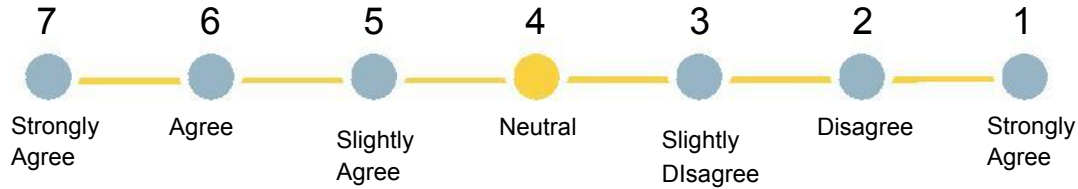




Project Support



Does the project have a strong advisory board?



Top specialists and one VC fund, BB Fund by Life.Sreda, are included in the advisor pool. The advisors are mostly acquaintances and business partners of the project founder Kin-Wai Lau; however, none of the members of the advisory board have specified forms of participation in the project, except for the investment fund.



Konstantin Gorozhankin

Advisor

President of the Association of Kazakhstan Internet Business and Mobile Commerce, founder of successful e-commerce startups and mobile banking solution provider.

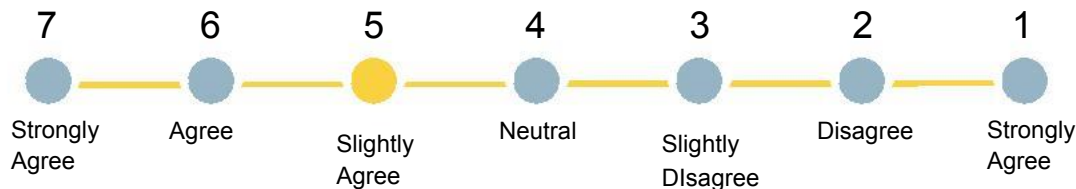
BB Fund by Life.Sreda

Advisor & Early Stage Investor

Dedicated blockchain fund launched by renowned FinTech VC Life.Sreda.

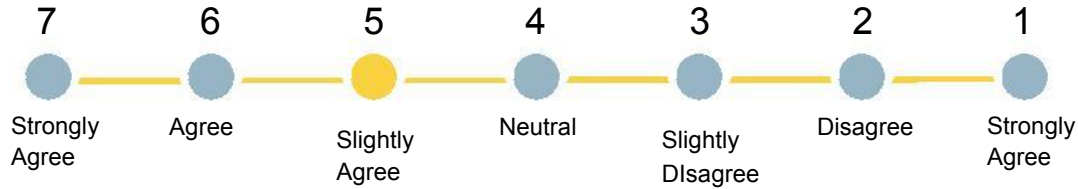


Are the project's partners large and well-known?



The MOONTON project is supported by iCandy Ventures Ltd, a leading Southeast Asian mobile games studio group listed on the Australian Securities Exchange. iCandy Interactive owns a network of game studios in Southeast Asia. The company's studios have developed games that are played by more than 23 million gamers internationally.

Is the project attracting large VC investors?



There are two major VC investors in the project:

Based on Blockchain Fund (BB FUND) is a recently launched blockchain fund and subsidiary of the Life.SREDA VC fund, specializing in investing in financial, mobile, and Internet start-ups.

Fatfish Internet Group is an investment and development company in the field of Internet investments in Southeast Asia and Australia.

RATING SCALE OF INVESTMENT ATTRACTIVENESS

49

A1

Very high

High probability of investment return,
low sensitivity to market conditions.
Score: 6.1-7

A2

High

Medium-to-high probability of investment
return, considerable sensitivity to market
environment.
Score: 5.1-6

B1

Satisfactory

Considerable risk exposure, high sensitivity
to market conditions.
Score: 4.1-5

B2

Low

Low development potential, highly
speculative investment.
Score: 2.1-4

C

Low

High default risk in the short term.
Score: 0-2

D

Low

In default, with little-to-no prospect for
recovery



Investment evaluation of Moonton ICO

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