

Rainfall Report

Overall Project Quality Amber

Executive Summary

5.6 – Team with ambiguous experience in crypto is building an AI-powered L1 to empower users to share their data and get rewards from its use by external parties. The idea is not as innovative and there are competitors in the sector, but they have some technical differences. There are a few number of backers. Expected revenue was not mentioned, nor the use of proceeds. Tokenomics were not provided despite providing some few details about use case and economy. They have been building for around 2 years yet there is no product that is publicly available and social media traction is low.

Report



Details

Summary

Rainfall is a privacy-first, personal AI, real-time intelligence platform that enables users to monetize their data in a safe and self-sovereign, and secure way.

Narrative

AI

Stage

Seed & Staking Round 2 / [Invite-only MVP](#)

Detail

Rainfall is a privacy-preserving AI platform that lets any user to earn recurring income from their self-sovereign data.

How it Works

1. Users give consent to provide data into Rainfall. Data is sourced from different places and provided in data sets called droplets.
2. Via a computing network of nodes, Rainfall AI creates Insights from droplets.
3. Proof of Value algorithm determines the value of such insights.
4. Allocation Value apportions this value to the involved creator.
5. Via a dashboard, buyers can request different insights (category, type, location, etc.)
6. Buyer wallets (called Prime Wallets) need to be topped up with the necessary Raindrops (token) to make the purchase of insights. Raindrops can be purchased directly from the market.
7. Via smart contracts, the payment is automatically made and the insight is delivered to the buyer.

Monsoon Blockchain

Rainfall created a native blockchain called Monsoon which is a Delegated Proof of Stake (DPoS) blockchain. The blockchain is based on Polygon's CDK meaning it inherits security traits but is still customizable to integrate their mechanisms.

Validators create and validate blocks of transactions and earn fees to secure the network. Stakers are able to stake or delegate tokens to validators for them to maintain the network. Apart from delegation, there is a General Staking Pool where anyone can stake.

- Validators earn 2.5% of each transaction.

NEA (Net Ecosystem Activity) is the term assigned to the mining (or creation) of Raindrop tokens based on economic principles of actual work done in the entire ecosystem which is measured in Work Units.

Kindred Bits

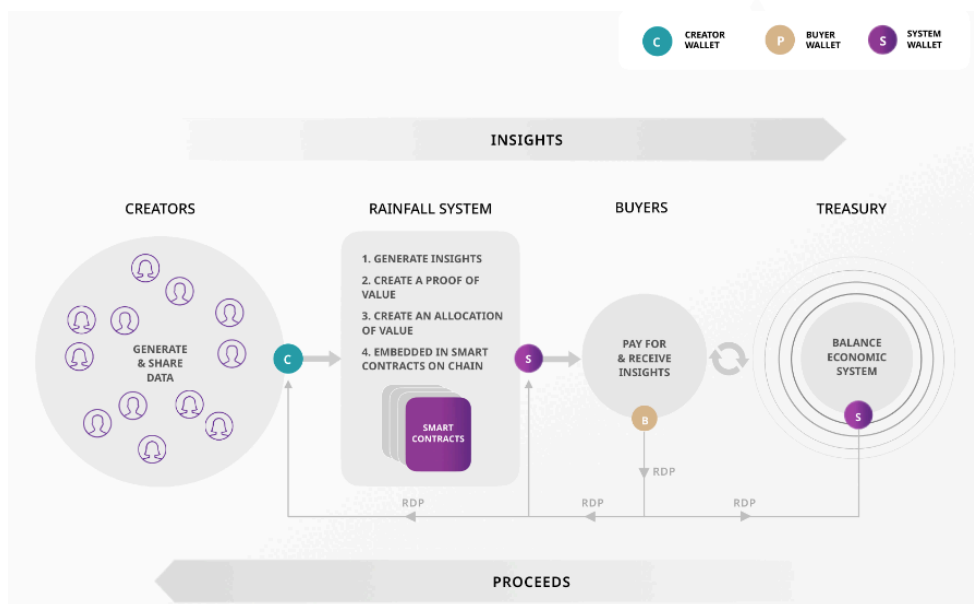
These are digital twins that represent users' real-world selves digitally. Users generate a Personal Intelligence Model (PIM) where their raw data won't be monetized, but used to generate their PMI and derive value from insights and not data directly.

Kindred Bits are generated by Rainfall's 'cognitive edge AI' which interprets and brings raw data into context from users and third-party data sets. This data is then transformed into Real-Time Social Intelligence (RSI).

Real-Time Social Intelligence (RSI)

Their AI utilizes raw data and transforms it for it to have monetary value without compromising privacy. How they achieve not compromising security is by not selling raw data, and instead, selling contextual intelligence from the data events, enhancing decision-making capabilities without revealing personal information.

To value the how much data is worth, they use the Proof of Value system which is basically like a Cost of Goods Sold (COGS) metric that accounts the work units that went in to the data including compute and storage, and the data management costs to determine the value of the RSI.



Additional Comments

Details section score is 2

Industry

9

Problem/Solution

Problem:

Raw data has little value by itself therefore it has to be tailored through various models in order for it to be monetizable. There is friction in negotiating the sale of data between seller and buyer. And for users, the cost of surrendering their data in exchange for some income is too high. Existing business models centralize income from data, giving no returns to participants.

Solution:

A platform to empower users to take control of their data and derive value from it, safely and securely by using advanced AI to transform raw data into Real-Time Social Intelligence (RSI) which has high monetary value without compromising privacy.

Comments:

Only a few companies control or have heavy influence in the monetization of AI and the majority of time, users are not rewarded for the use of their data. Rainfall is one of the projects working on solving the data sovereignty problem to give users back the control over their data.

USPs/ACAs

N/A

Competitors

1. [Vana](#) | Network for user-owned data.

Features:

- They are working to reward users for their own data and the AI models they contribute to.
- Similarly, they developed an L1 designed for private and user-owned data.

Difference: they make more emphasis on allowing users to earn from the AI models that their data was used to train.

2. [Doppl](#) | Users can create digital simulations of themselves.

Features:

- Similarly to Rainfall, Doppl allows users to create a digital twin using their own data.

Difference: their documentation is limited at the moment, but Rainfall does list them as a direct competitor.

3. [Bittensor](#) | protocol for decentralized subnets which can produce decentralized intelligence via an incentive-based competitive market, to produce the best decentralized intelligence.

Features:

- It operates on a peer-to-peer network architecture for decentralized communication between nodes and it provides a marketplace for ML algorithms and models.
- Bittensor achieves higher prediction accuracy and handles larger volumes of data effectively by leveraging the collective power of multiple expert models.
- Users are rewarded on Bittensor for contributing valuable data or computational resources with TAO tokens.

Difference: similar project but not as direct competitor because they focus on democratizing access to resources necessary for developing AI.

SWOT/Analysis

Strengths:

- While there are many AI protocols in the market, they are tackling not only AI but also sovereign data and data economy markets.

Weaknesses:

- Financials were missing some aspects and tokenomics were not provided.
- No social media traction.
- The infrastructure is very robust indeed, but it feels somewhat repetitive at times.
- It seems like they have been developing for some time, yet no product is available although they allegedly have accomplished milestones in the backend.
- Team has no background in crypto and weak background in AI.

Opportunities:

- Launch an MVP

- The AI and data economy sectors are profitable and heavily supported at the moment.

Threats:

- While the most direct competitors seem to be in similar development stages, there are other indirect competitors with similar approaches, the competition for the first mover advantage relies on which project develops their solution first and grows it.

Additional Comments

Industry section score is 9

Team

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Reach

Amit Pradhan – Executive Chairman

[LinkedIn](#): 7,158 followers | 500+ connections

[Twitter](#): 1,582 followers

Rajesh Pradhan – Chief Architect & CTO

[LinkedIn](#): 331 followers | 324 connections

[Twitter](#): followers

Mark Strehlow – Chief Experience Officer

[LinkedIn](#): 2,476 followers | 500+ connections

[Twitter](#): 291 followers

Experience

Amit Pradhan – Executive Chairman

- Founder & President at Silicon Valley Blockchain Society | 7 years and 1 month – present
- Responsible Leader at BMW Foundation Herbert Quandt | 5 years and 1 month
- Chairman at Zero Labs | 16.5 years – present
- Managing General Partner at JetVentures | 8 years and 9 months – present
- Board Member – USA at Norwegian Refugee Council | 5.5 years – present
- Advisory Board Member at Arowana Capital | 9.5 years – present
- Investor at TOK.tv | 8.5 years – present
- Investor at Mezi.com | 8.5 years – present
- Founder & President at lopsis Software | 8 years and 1 month

Rajesh Pradhan – Chief Architect & CTO

- Co Founder & CTO at Zero Labs | 15 years and 10 months – present
- CTO at lopsis Software | 8 years and 8 months
- Software Developer at Tata Motors | 2 years

Mark Strehlow – Chief Experience Officer

- Global Venture Partner at BootstrapLabs | 9 years and 3 months – present
- Founder, Managing Partner at Msdo | 13 years and 2 months – present
- Mentor at Galvanize | 5 years and 10 months
- VP, Design and Brand at Truvalue Labs | 7 years and 8 months
- Advisor at ClearlyNext | 5 years
- Mentor at The Refiners | 2 years and 2 months
- Advisor at Flare.is | 2 years

- Co-Founder, Head of Product and Design at Buildmark | 2 years and 5 months
- Head of User Experience Design at Cisco | 2 years
- Senior Director of User Experience at Vuze | 1 year
- Director of User Experience at Wallop | 1 year
- Director of User Experience at Yahoo | 2 years
- Director of Information Architecture at Agency.com | 1 year
- Senior Designer at Red Sky Interactive | 2 years
- Designer at Razorfish | 3 years

Background

Amit Pradhan – Executive Chairman

- He has many ongoing ventures or roles which raise concerns regarding commitment to the project.
- He claims being Founder of Silicon Valley Blockchain Society, yet the real founders are David Ellington and Jan D'Alessandro.
- Amit serves on multiple boards like JetVentures, Norwegian Refugee Council, Arowana Capital, and is a “Responsible Leader” at BMW Foundation.
- No previous experience in crypto.
- Regarding AI, he’s Chairman at Zero Labs (which the project’s CTO founded).

Rajesh Pradhan – Chief Architect & CTO

- Has a solid background in software engineering/development, with ~20 years of experience.
- He founded Zero Labs which is a AI startup that initially worked on voice recognition for its use in applications.
 - o Seems like they [rebranded](#) into a ReFi project.
 - o Got [\\$100k in funding](#) and while it seems to be active, doesn’t appear to have gained traction.

Mark Strehlow – Chief Experience Officer

- His background is made up of experiences in varied industries including venture capital, product innovation, AI, fintech, and user experience design.
- Regarding AI, he’s currently working at BootstrapLabs which is a VC firm focused on applied Artificial Intelligence for investment strategies.
- He is also the Founder and Managing Partner at Msdo, providing product strategy and design services to startups across different sectors such as media, crowdfunding, cryptocurrency, and digital content.
- Has 2 ongoing roles at other companies apart from Rainfall.

Additional Comments

Team section score is 5

Backers

5

Partnerships

- Nillion | decentralizes trust for sensitive data
- Casper Labs | decentralized blockchain solutions for businesses
- Verses AI | cognitive computing company
- Cudos | cloud infrastructure
- Akash Network | Decentralized compute marketplace

Investors

Confirmed:

- [CSPDAO](#)
- [Cypher Capital](#) | not in their portfolio yet, but Cypher follows Rainfall's Twitter.
- [NewTribe Capital](#) | not in their portfolio yet, but Cypher follows Rainfall's Twitter.
- [Katapult Foundation](#) | confirmed via [Crunchbase](#)
- D3 Jubilee | confirmed via [Crunchbase](#)

Not Confirmed:

- [BlackDragon](#)

Investors in the equity round prior to the token sale:

- Charly Kleissner (NeXt, Ariba, Toniic, KL Felicitas Foundation)
- Tharald Nustad (Katapult of Norway)
- Doug Lee (D3Jubilee a \$3B South Korean Fund)
- Brigitte Mohn (Bertelsmann heir and head of the Bertelsmann Foundation)

Launchpads

N/A

Exchanges

None confirmed yet, but they are working on getting Tier 1 exchanges like Binance, Coinlist, Coinbase, OKX, or ByBit as plan A. Plan B consists of targeting Tier 2 exchanges.

Additional Comments

Backers section score is 5

Financials

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Business Revenue Model

- Value generated by monetization of insights

Revenue will be distributed among different actors:

Actors	Percent Distribution	Description
Rainfall Operations	5.0%	Rainfall Income
Reserve Wallets	5.0%	Reserve
Stake Investors (SR1, SR2)	2.5%	Service Fee to Staking in SR1 and SR2 +
Validators	2.5%	Validation of the primary transactions
Creators Data Creators Compute Storage Networks	85%	Majority of income goes to the Data Creators.
TOTAL	100%	Total proceeds earned from RSI

Expected Revenue

N/A

Raise and Valuation

They have raised \$1M according to [Crunchbase](#). But according to their deck, the total raise sits at around \$8.8M and are raising another \$15M.

There are 3 options for the rounds that's currently open:

- Option 1: \$0.20 with lock only until Public Sale and a 12-month linear vest. This is 50% of the sale in terms of allocation.
- Option 2: \$0.30 with a 6-months post Public Sale lock and no vesting period. This is 25% of the sale in terms of allocation.
- Option 3: \$0.40 with lock only until Public Sale and no vesting period. This is 25% of the sale in terms of allocation

Rainfall states they allow investors to choose the option or a combination of terms that they like and considering the different prices mentioned above, they will raise between \$10-\$12M in this round.

- At \$0.20 | \$800k
- At \$0.30 | \$600k
- At \$0.40 | \$800k

Regarding valuation, their FDV is depends on the round as each has a different price ranging from \$0.20 and \$0.40 on a 250M supply. For the lack of tangible progress, their valuations are very high, but the narrative is benefited by the market.

- At \$0.20 | \$50M
- At \$0.30 | \$75M
- At \$0.40 | \$100M

Additional Comments

Financials section score is 4

Tokenomics

3

Token Purpose/Utility

- Medium of exchange
- Staking
- Securing the network

Economy

The Raindrop token is the native utility token currency of the ecosystem and is the medium of exchange within the ecosystem.

Staking is implemented to support operations within the Raindrop ecosystem and in exchange, stakers are rewarded with staking rewards for their contributions made in the NEA calculations (refer to details section).

There will be governance to manage the project's treasury.

Tokenomics

Ticker: \$RDP

Total Supply: 250M

Type: ERC-20

No token distribution.

Additional Comments

There is a lack of information regarding the token other than the sporadic mention in parts of their documentation.

Tokenomics section score is 3

Market Strategy

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Market


How big is the market?

The global AI market size [is expected to reach \\$1.3T by 2032](#), and the market is expected to grow at an average annual rate of 42% from 2023 to 2030. On the other hand, cryptocurrency market is growing at a CAGR of 10.09% from 2024-2027 which shows there is enough market interest in both narratives, Crypto and AI.

Additionally, as of 2024, the global data broker market is valued at approximately [\\$336.7B](#) and is projected to grow to \$561.5B by 2029, growing at a CAGR) of around 7.58%.

What is their GTM strategy?

Their GTM indicates their strategy consists of partnering with big entities that have an existent user-base which they can leverage by integrating Rainfall into those companies operations. No partnership can be confirmed yet and it seems that most are still in talks.



IN PROGRESS


Established Financial Services Provider

\$40B South Asian Financial Services provider

Their existing consumer app is accessible to about **40M users**

Rainfall SDK to be embedded into their Consumer app.

Platform will act as the counter-party to RDP earned by users to redeem, purchase and exchange value.



IN PROGRESS


Premium Automotive Company

Leading European car manufacturer with new focus on EV vehicles

In 2022, sold **360,000 EV units** with 42% YoY growth. Most buyers use their App to manage vehicle interactions.

Rainfall SDK to be embedded into their Consumer app.

OEM and Charging Station partners will act as the counter-party to RDP earned by users.



IN PROGRESS


Massive Influencer Platform

Influencer Platform representing 25 sports & entertainment icons

Total accessible fanbase across all icons **1.4B users**

Rainfall SDK to be embedded into their Consumer app.

The Influencer platform and the icon sponsors will act as the counter-party to RDP earned by users.



IN PROGRESS

Premier League Sports Team

Premier football club recognized as one of the leading worldwide sports brands

Total accessible global community of **1.1B fans & followers**

Rainfall SDK to be embedded into their Consumer app.

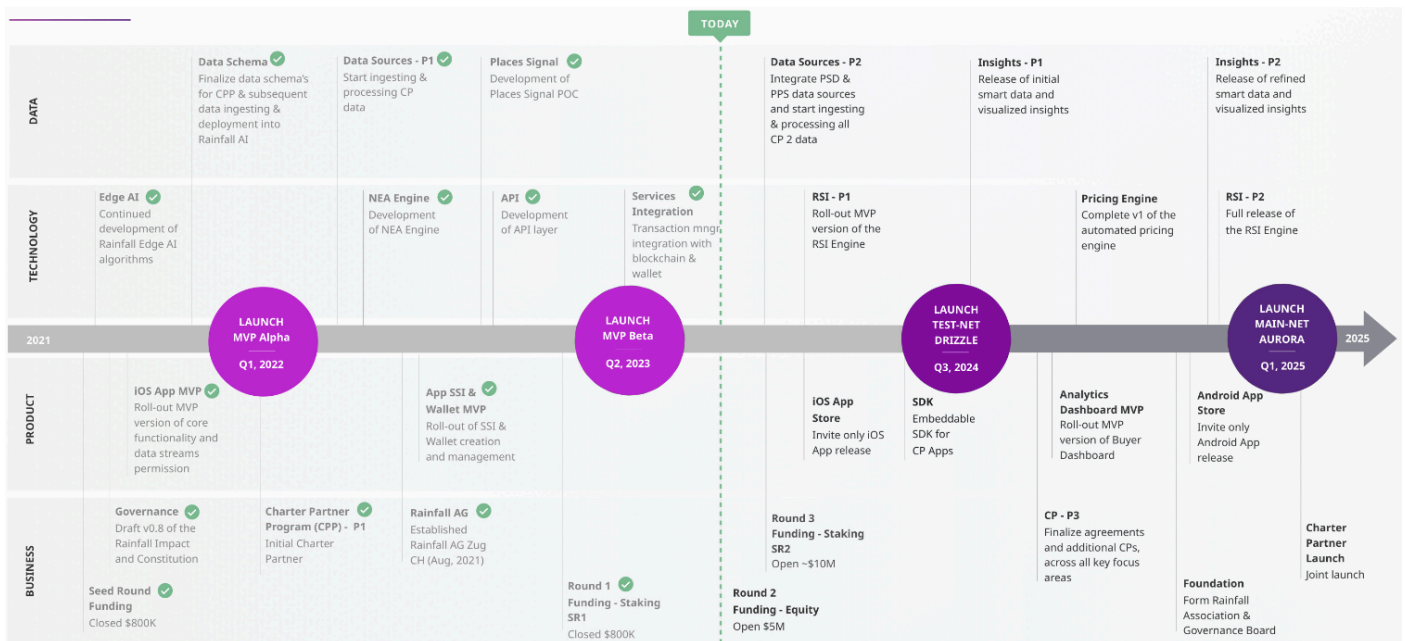
The fan platform and the icon sponsors will act as the counter-party to RDP earned by users.

- Established partnership opportunities with the strategic charter partners with large existing network of customers and businesses to enable a circular model for RDP demand
- Provide access to over **100 million potential users**
- Rainfall SDK embedded into their Consumer App include: SSI/Wallet, EIM model, and RDP used as the native currency across their ecosystem
- Each of the pilot projects represent immediate value for the partners and their users

Roadmap

Roadmap

Detailed roadmap that indicates that while a product is not publicly available yet, they have been achieving development milestones that are in the backend of the project but are crucial for the project.



Execution

- They are targeting listing early fall of 2024. No launchpads or exchanges confirmed yet, but they're still in talks with some allegedly.
- Rainfall has been under development since 2022, traction is really low and there is no product publicly available yet.
 - o The idea seems to be the same as when it was initially created though, a project to let users take control of their data, but now they've added the AI aspect in more recently.
 - o Based on their roadmap, they could be launching soon.
- Social media traction is low.

Socials

[Twitter](#) | 912 followers and following 72 | Joined February 2021

[LinkedIn](#) | 303 followers & 11-50 employees

[Telegram](#) | 112 members

[Medium](#) | 10 followers

Additional Comments

Market Strategy section score is 6

Red Flags & Questions

Red Flags

N/A

Concerns

- Execution so far isn't the best based off from what is seen, but there could be progress made behind the scenes.
- Traction is really low and they have been working on the project for years.

- The team doesn't have the best background in crypto or AI.
- The tokenomics aren't provided, but it seems like a large allocation is destined towards investors.
- Considering the concerns, their raise and valuations are high.

Questions

Project:

- What is the current state of development? When will you launch?
- What's your GTM strategy apart from partnering with other companies/projects?
- Are there any confirmed launchpads or exchanges?

Team:

- How many full-time members are in the team?
- Who's more experienced in blockchain or related areas?

Financials:

- How much have you raised and how much more are you raising?
- What's your expected revenue?

Tokenomics:

- Have you developed your tokenomics yet?