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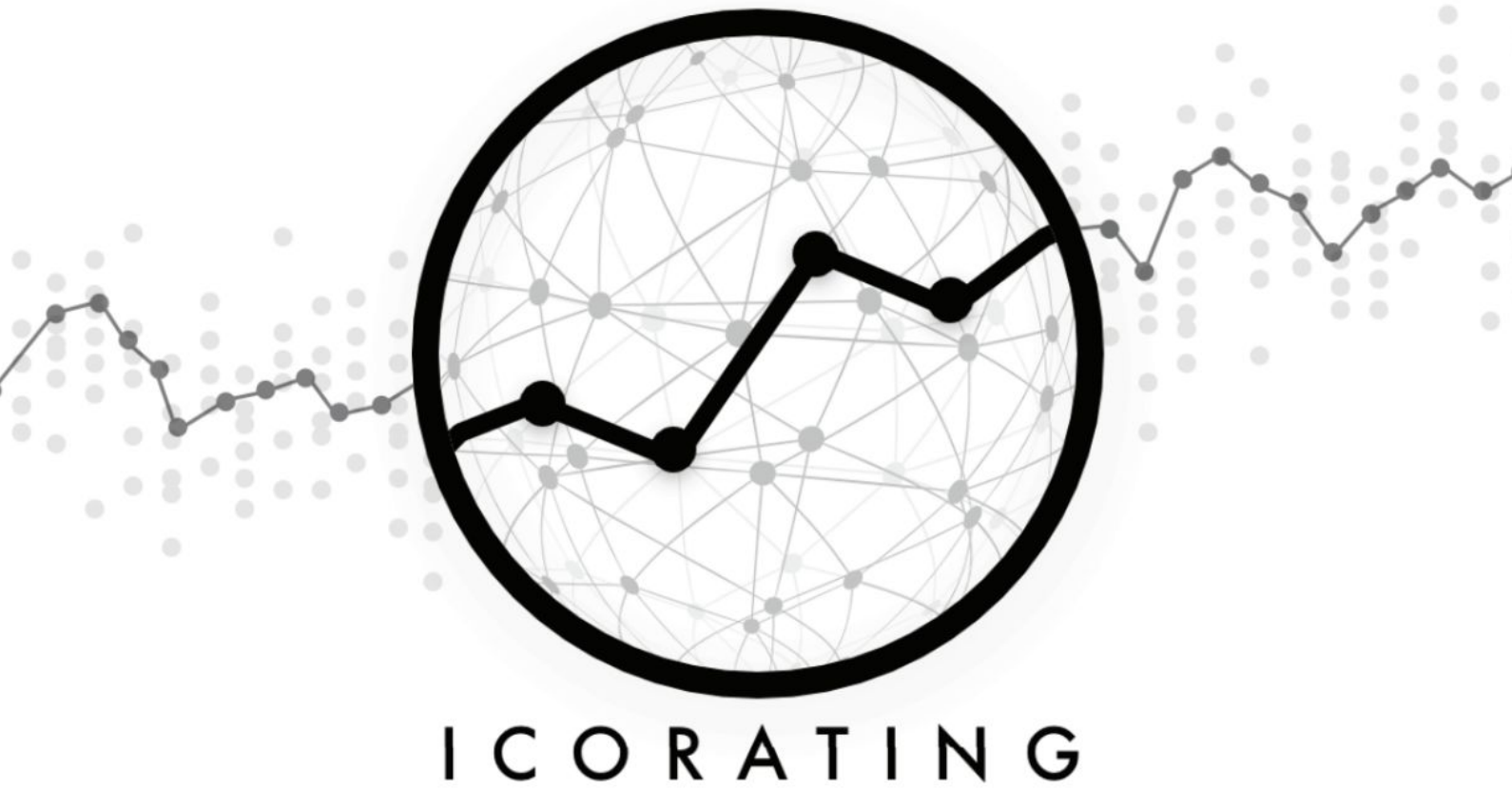
MATRYX Rating Review (https://matryx.ai/)

ICO dates (13.09.2017 — 31.10.2017)



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1. Ratings

The idea of the Matryx project is relatively fresh for the blockchain industry; we believe that it can be implemented and made a reality. This allows us to assign a "Stable" rating to the project. However, the project's token, from our point of view, has no obvious investment appeal; we recommend participation in the ICO only to people who see themselves as participants in the future.

Matryx is a decentralized research collaboration platform. It is assumed that users will jointly seek to solve actual problems in various fields of knowledge. At the same time, Matryx is an integral part of the Nanome project and should be considered in conjunction with other services of the Calcflow project and Nano-one.

The problems Matryx can solve are quite relevant to the academic community. First of all, 3d modeling for pharma companies, biotech and the chemical industry. A strong point is that a number of large companies, for example Solvay, have already expressed interest in Matryx products.

We cite the narrowness of the potential target audience as a weaknesses of the project. This is a niche project aimed at a specific customer, not a mainstream one. In addition, a very long cycle of research activity can become a problem. The longer the cycle, the smaller the turnover of MTX tokens, which carry exclusively a utility function.

The main problem with MTX tokens is the uncertainty of their value in terms of possibilities for further application. Currently it is known that the internal cost of MTX will be supported only by bounty creators, who will buy them for organizing competitions inside the platform. How and for what will platform participants be able to use their received bounty tokens remains unknown.

2. General information about the Project and ICO

Matryx is a decentralized platform for research community interaction. It is assumed that users will work together to find solutions to current problems in various fields of knowledge (STEM); Matryx will act as a marketplace, where initiators will be able to describe these problems and offer remuneration for their solution.

This will ensure a fair assessment of each participant's contribution to the solution of a particular science-intensive problem, and also eliminate negative consequences of the problem of parallel development of the same scientific issues.

The project is implemented by Nanome, the parent company of Matryx. The Matryx project is a decentralized continuation of Nanome's work and is considered as its new service.

Website: https://matryx.ai/

White paper: https://matryx.ai/matryx-whitepaper.pdf

Medium: https://blog.matryx.ai/
Twitter: https://twitter.com/matryx_ai
Facebook: https://www.facebook.com/matryxai/
Bitcoin talk: https://bitcointalk.org/index.php?topic=2141614.0
LinkedIn: https://www.linkedin.com/company/matryx-ai
Telegram: https://t.me/matryxai

ICO start date: September 13, 2017
ICO end date: October 31, 2017
Hard cap: $8 mln
Soft cap: N/A

It is notable that the hard cap of the project looks very adequate against the backdrop of the latest trends in the ICO market. A non-inflated hard cap is a definite advantage of the project.

Token: MTX, standard ERC-20
ICO price: 1164 MTX = 1 ETH
Accepted payment: ETH
Total emission: 52 162 720 MTX

- 60% - ICO
- 40% - Other

On sale: 31 297 632 (60 %)

Distribution:

Incoming revenue from the token sale will be used to expand the platform and conduct in-depth technical research and development with the continued goal of expanding and refining the Matryx platform. Some of this revenue will also be used to develop Calcflow and Nano-one, and integrate them with the Matryx platform[1]. The team has not provided any more detailed information than this.

A traditional bonus (or discount) system has not been published; however, the team is planning to distribute 150,000 MTX tokens among the community: "you can earn MTX by engaging with our community and creating content on Youtube, Twitter, Blogs, and Forums. Of the tokens issued, 20,000 are set aside for special projects that our community comes up with."

It should be noted that there is little project information in the documentation. The white paper is filled with philosophical substantiations of the significance of the idea embedded in the project, as well as a general description of some of the capabilities of the platform being developed. However, information about the ICO, tokens and other important data such as the allocation of tokens or funds attracted are not presented in a convenient form either in the white paper or on the website.

[1] Source: https://matryx.ai/faq/tokensale/how-will-the-revenue-from-the-token-sale-be-used

3. Description of the services and scope of the project

To better understand the meaning of the Matryx project, it makes sense to quote here the words of its founder:

"Our goal is to make Matryx the de facto standard for decentralized collaboration, proving that a global community of collaborators will yield innovation faster than work attempted in silo teams," said Steve McCloskey, Chief Executive Officer, Nanome.

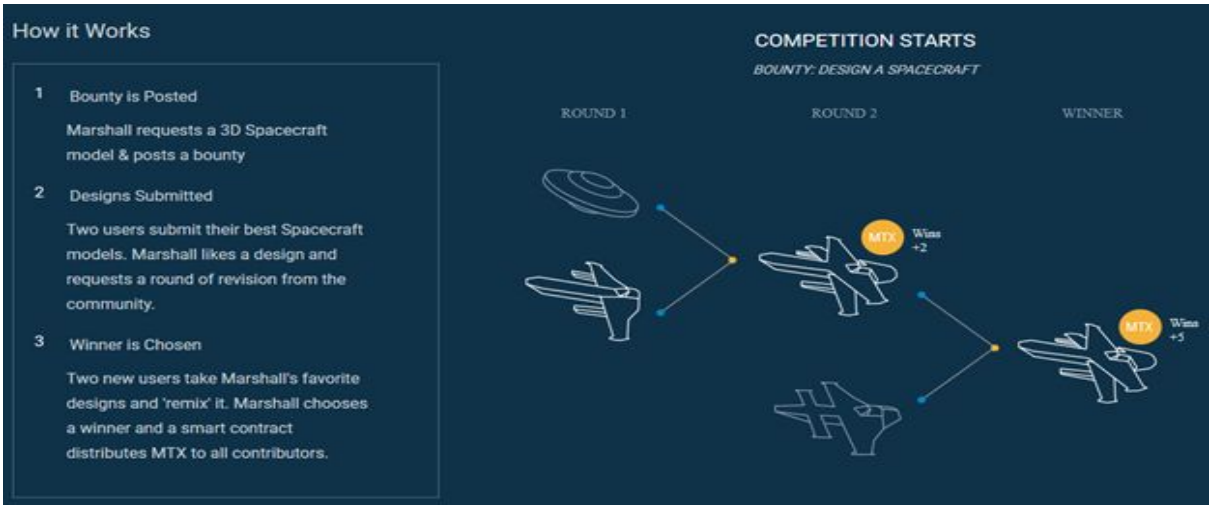
In fact, Matryx is an open source platform for the progressive solution of problems based on the interaction of a large number of participants. Each received task is structured into rounds, during which participants offer their intermediate solutions. After the end of a certain round, the author of the task (bounty creator) determines the winner of the round, and he receives the reward. The next round begins, then the next one, and so on, until the task is completely solved.

Thus, the platform will allow users:

- Firstly, to structure tasks in a smart contract;
- Secondly, to assign the number of rounds, the size of awards for rounds, restrictions on participation (to reduce the likelihood of spam submissions);
- Thirdly, to guarantee the receipt of a reward for the solution obtained.

The platform will allow competing users to participate in an honest competition where all submissions will be hashed and guaranteed in the event of a successful round challenge.

For further illustration, here is an example that the team posted on the project's website:

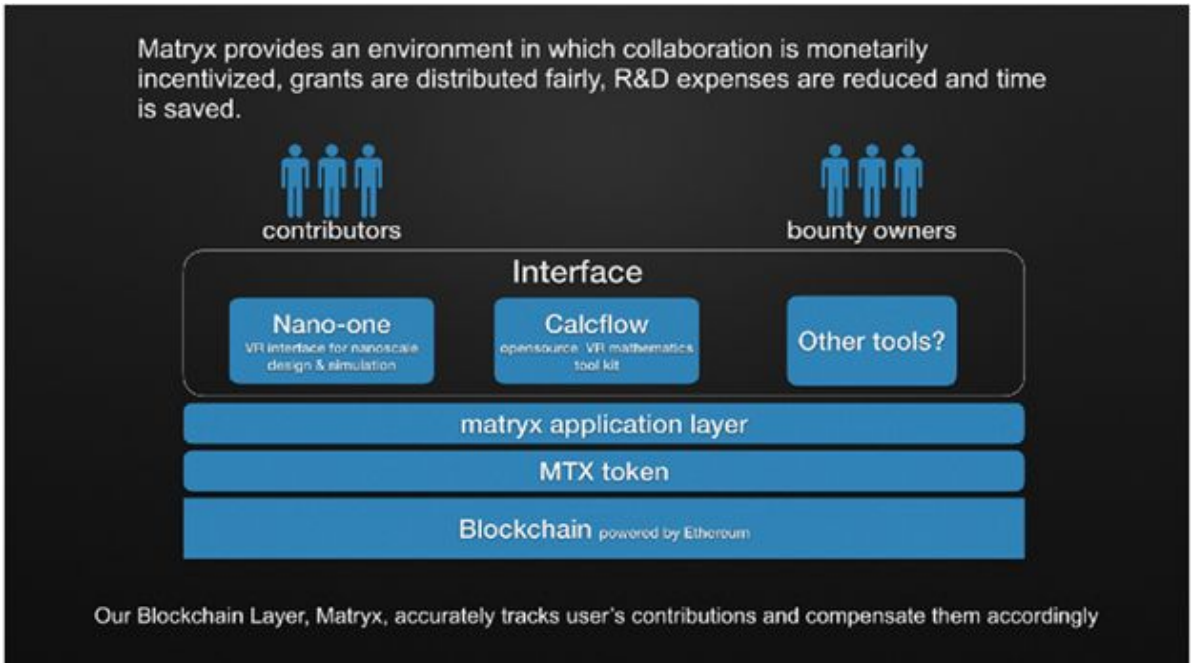


The key advantage of the Matryx approach is the gradual distribution of rewards. In fact, any large project can be divided into subtasks, which fall within the competence of completely different professionals. Thus, passing from round to round, an already selected variant of the best solution is obtained at the entrance.

Among the potential spheres of application for Matryx are the following:

- Mathematics. In addition to Matryx, Nanome has a Calcflow solution that enables performing mathematical modeling in VR. This means a VR library enabling quick and simple realizations of graphic calculations. Such tasks can be formulated for the Matryx platform and can be solved in its environment.
- Bio-engineering. Modeling of proteins and the creation of new medicines can be organized in the Matryx infrastructure.
- 3d modeling. The platform excels in realizing 3d modeling tasks and will be in demand in this segment initially.

Obviously, despite ambitious plans, the Matryx platform so far is well suited only for a limited number of tasks – ones that are amenable to a clear formulation, the research results of which can be unambiguously interpreted. As an initial scheme for the Matryx platform, here is a drawing taken from the project forum:



As can be seen from the diagram, at the initial stage the main interfaces for task solution are Nano-one and Calcflow. These interfaces are ready for work on 3d modeling of nanoscale objects, as claimed by the enterprise[2].

[2]https://blog.matryx.ai/solvay-s-a-uses-matryx-technology-to-analyze-chemicals-in-3d-virtual-reality-f9eb71290774

The type of tasks applicable for Matryx-based solutions is not limited to the use of VR and 3d modeling; over time, other more complex problems can be solved, considering that now any digitized object can be hashed, and therefore written in blockchain.

4. Market Review

The Matryx website has an FAQ section, the first question in which is "What is Matryx?". Distilling the answer to its essence, the idea is as follows:

"Matryx aims to be the de facto standard for decentralized collaboration. <...> It is the first bounty-based platform that rightfully compensates all contributors to a winning bounty. This model can be applied to all forms of collaboration, but Matryx will bootstrap with a focus on STEM and academia".

Thus, it is a decentralized collaboration platform with rewards for participants, through the work of a smart contract, focused on R & D. Statistics show that more than 60% of research and development in the scientific and technical fields is implemented by industries; 20% and 10% respectively are implemented by universities and governments[3].

World expenses on R & D are very significant; according to R & D Magazine, at the end of 2017 costs are estimated at 1.72% of global GDP, more than $2 trillion[4] approximately. At the same time, almost half of these costs are taken by the USA and China, quite natural given the size of their economies.

Collaboration in academic studies is a naturally occuring process, but has its ambiguities. Researchers publish articles and monographs that are accessible to a wide range of readers, and any other research team can use the results in their studies. However, there is a fairly clear division into research centers in the form of leading universities and laboratories, which serve as points of attraction for scientists. There is constant competition between these centers and often the results of research are kept in the strictest secrecy up to the time of the final publication.

Perhaps the most successful example of collaboration is CERN (European Organization for Nuclear Research), as the world's largest particle physics laboratory. Serious projects such as the Large Hadron Collider could not be launched by one individual team, nor even by a single country. Therefore, researchers from different countries must work together to solve the fundamental problems of cosmology and high-energy physics.

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[3] http://www.oecd-ilibrary.org/science-and-technology/oecd-science-technology-and-industry-scoreboard-2015_sti_scoreboard-2015-en

[4] http://digital.rdmag.com/researchanddevelopment/2017_global_r_d_funding_forecast?pg=4#pg4

Regarding the Matryx project, the collaboration platform with its decentralized reward distribution system will be in demand for solving a rather narrow range of tasks; primarily those tasks that can be clearly formulated and whose solution does not require large initial costs.

A good example of a platform for joint task solution is the Kaggle project, which was recently acquired by Google. Kaggle is a platform for solving problems in machine learning and predictive modelling. Customers can place competitions on the platform with a promised reward. Tasks usually look like a training dataset with a known target parameter, which trains the model and test dataset, where the target parameter needs to be predicted. The winner is the one whose forecast will be closest to the actual one. As a result, the customer receives the optimal model, and the community has the opportunity to earn decent money and compete among themselves in improving models. Many users disclose the codes of their models, and, entering a deadlock, unite with each other, so that combined models give the best result. From our point of view Kaggle is a successful and popular example of collaboration. It is possible that Matryx will also be in demand for solving the problems of certain categories in the future.

5. Team

The Matryx project, as the pet-project of Nanome, Inc., is headed and developed by the same team. On the website, the team claimed 15 people and 13 more were declared as advisors. Unfortunately, the team does not have a detailed description, either on the website or in the documentation. Therefore, information on the founders will be given based on LinkedIn profiles. Due to the fact that the team is impressively large, here we give only the management.

Steve McCloskey - Chief Executive Officer

https://www.linkedin.com/in/stevenmccloskey/

Steve McCloskey is an alumnus first class of the UC San Diego Nanoengineering department and is from North Hollywood, CA. Steve's work is at the interface level from both a design approach on the human interface to digital technology and the biochemical interface to nanomaterials. During his time at UC San Diego, Steve worked directly with the founding Chair of the Nanoengineering Department, Ken Vecchio - helping set the foundation for the Nanoengineering Materials Research Center and developing thermodynamic processing methods for Iron-based Superelastic alloys. After graduating with a B.S. in Nanoengineering he enrolled in graduate courses at UCSD in Nanoengineering Materials Simulations and Human Interface Design. He founded Nanome Inc (previously Nano VR) in 2015 to spread Nanoengineering concepts through Virtual Reality and Augmented Reality.

Keita Funakawa - Chief Operations Officer

https://www.linkedin.com/in/keita-funakawa-a380ba72/

As a scientifically minded artist, Keita grew up in Tokyo then moved to Honolulu where he attended middle and high school. As the lead programmer for his high school robotics team, he led his team to two time (2009, 2010) state championships at the East Oahu VEX robotics competitions. As an award winning filmmaker, his film Foliage: Roots of the Tree Barrel won the 2014 HIFF (Hawaii International Film Festival) student showcase and was named San Diego Surf Film Festival's Emerging Filmmaker.

Edgardo Leija - Chief Experience Officer

https://www.linkedin.com/in/edgardoleija/

A User Experience and Interaction Designer with an entrepreneurial spirit.

Graduated from UC San Diego with a B.S. in Cognitive Science specializing in Human Computer Interaction and a minor in Computer Science.

Passionate about developing innovative ideas through a user centered approach and iterative design thinking.

Vincent Brunet - Chief Technology Officer

https://www.linkedin.com/in/vbrunet/

Scott Morgan - Chief Financial Officer

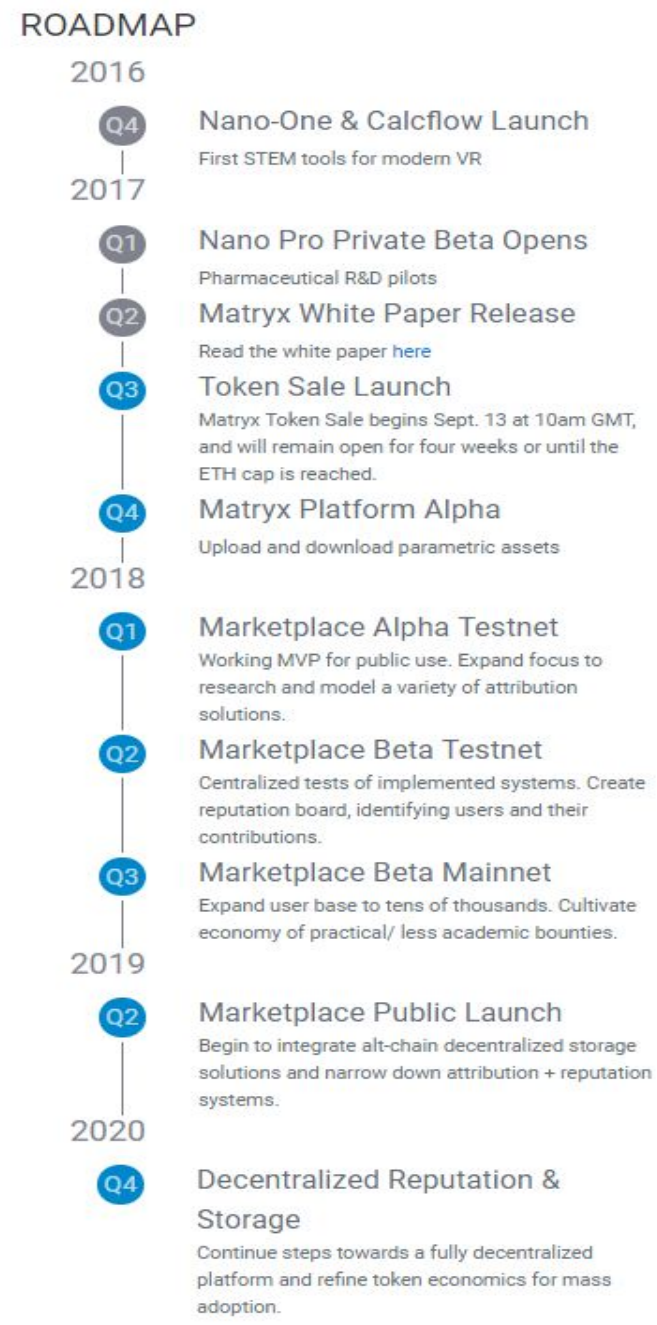
https://www.linkedin.com/in/scottdmorgan/

It cannot be said that the team has a particularly unique background, but it is not that ordinary either. Having organized the Nanome start-up, they continue to develop and have assimilated blockchain technology. According to information from LinkedIn profiles, the team is quite experienced; all its members have worked for several projects in different positions. There is no negative information about the founders.

There are a number of interesting people among the advisors of the project who are well-known in particular circles. Famous venture investor Greg Horowitt, sociologist Benjamin Bratton, science fiction writer David Brin and outstanding mathematician Ronald Graham are among them.

6. Development strategy and roadmap

The road map of the project is available on the website:



More detailed information on development plans is not represented. The illustration above shows that alpha and beta versions of the platform will be tested throughout 2018. A full-fledged launch of the marketplace will take place only in the second quarter of 2019.

7. Marketing strategy

At the time of writing the ICO has already begun. Thus, the marketing campaign to promote the tokensale started some time ago.

On the website, there are a large number of links to publications in the press, among them Cointelegraph, Business Insider, SD Times, etc. For reference, we recommend an article on the Jacobs School of Engineering[5] website and a number of videos posted on the Gizmodo[6] portal.

The project is also conducting quite an interesting forum on Medium, where the founders publish articles about the project. We highly recommend reading Keita Funakawa's article "The Nanome Stack User Story"[7] where the essence of the project is clearly described.

The mother project, Nanome, is also well covered in the media, mainly in university and start-up editions from San Diego. Since Matryx is one of three Nanome projects, their marketing programs have been integrated, and all efforts are aimed at staging a successful ICO.

However, promotion through social media could be conducted more actively. The website contains only three official pages of the project and the number of subscribers is fairly small:

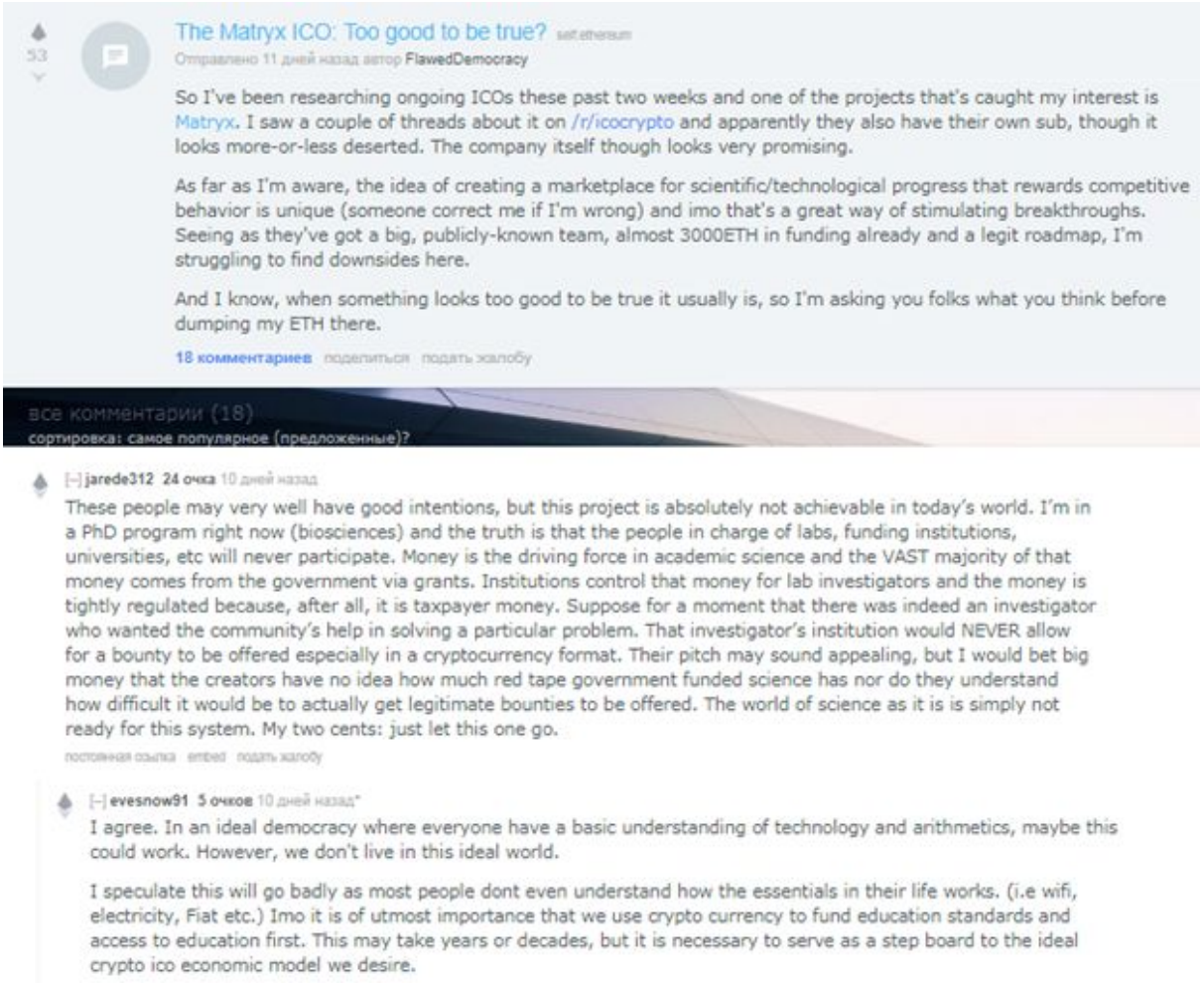
- Telegram – 477
- Twitter – 633
- Facebook – 613

Matryx has an official branch on bitcointalk.org, but discussions there are not very active – there are two pages only. It is ironic that the project, which essentially runs on bounty-awards, did not want to use the classic offer of bounty via bitcointalk in its ICO promotion. We could not fail to draw an analogy with the popular reward system of the well-known forum.

Instead of bitcointalk, there is a ‘Rewards’ section on the website, which describes how to obtain MTX tokens as a reward for publishing on Twitter, YouTube, Reddit or

[5] http://matryx.fyi/l9pgu#http://jacobsschool.ucsd.edu/news/news_releases/release.sfe?id=2081
[6]http://matryx.fyi/2khb0#https://www.gizmodo.com.au/2017/01/you-can-do-maths-in-virtual-reality-now/
[7] https://blog.matryx.ai/the-nanome-stack-user-story-530a95812484

Medium. Perhaps this fact had a positive effect on the community, because we managed to find some very interesting branches on Reddit for discussing the project. Part of the discussion for one of the Reddit topics[8], which in our opinion reflects the main complexities of project development in the current scientific community is given below:



The team actively participates in various blockchain events. Recently, the project was presented at three of them:

- Sept 08, 2017 - VR x Blockchain/Token: Conversation with Fred Ehrsam (Coinbase Co-founder) - San Francisco
- Sept 13, 2017 - Los Angeles Ethereum meetup - Venice, CA
- Sept 23, 2017 - New kids on the Blockchain - Dubai, U.A.E.

More detailed information on past interviews and events can be found on the project website; all links are provided.

[8] https://www.reddit.com/r/ethereum/comments/74qor5/the_matryx_ico_too_good_to_be_true/

8. Competitors and competitive advantages of the project

The main competitive advantage of the Matryx platform is the possibility of a phased solution for rather complex tasks. Decentralization and blockchain are used in an attempt to make distribution of remuneration fairer than it is possible now in the academic world.

Among current blockchain projects it is impossible to find direct competitors for Matryx. The idea of combining and collaborating to solve complex problems or obtaining a synergistic effect from interaction is traced in many projects; we can take Golem or SONM as examples. But collaboration itself as a service is not the main idea for other projects.

On the other hand Matryx is a freelance platform with tools available for developing VR and 3d content. There is competition in this market and it will be more tied to rating of counterparties (which Matryx intend to introduce in the future).

The project does not have one particularly strong point at the moment, but there is a certain potential that can allow it to take its place in the global R & D industry.

9. Economy of the project

There are lacunae within the project economy. For example, the documentation does not provide information on commissions that the platform will charge as a marketplace. There is no information about the proportion in which funds raised during the ICO will be allocated.

It was not clear for a long time what the team would do with the reserved 40% of the total number of tokens. Probably, having received many questions on this topic from the community, the founders decided to publish a separate post on their blog that reveals the question and announces a Matryx Affiliate Program.

In the next ten years the Matryx project will support its community and partners with additional grants and prizes. There will be several areas of activity in this direction in the future and we will outline them briefly; more details can be found by reading the entire post on the forum.

Such a large campaign is aimed at enlisting the long-term support of the global academic community so that the Matryx platform can become the world's largest fund for all areas of R & D.

At the same time, the economic risk of the project still lies solely in the insufficient amount of information provided. It is possible that in the course of project development there will be additional disclosures, and everything will fall into place.

10. Risks

The idea of the project itself is positive and relatively fresh for the blockchain industry; we believe that it can be actualized.

Nevertheless, the risk that the target audience for the developed marketplace will be very narrow can be ignored. This is primarily a risk for MTX tokenholders, as token price correlates with turnover within the platform. However, this is also a risk for the project ICO, since the narrowness of the target audience can be automatically correlated to the narrowness of a potential ICO investor audience.

Another risk factor is the heterogeneity of the academic community. In some countries, the community is very conservative, as a result of which the recognition of modern forms of collaboration, especially blockchain, cannot always be accepted.

And the most important thing is the following - how will the verification of the correctness of the solutions be tested? After all, if this verification is not objective, the platform can become a platform for money laundering, with ensuing negative consequences.

11. Token investment attractiveness

The MTX token is a tool that will be used to reward competitors. This is a kind of payment tool inside the platform being created. Thus, it is obvious that a bounty creator will first have to purchase the required number of tokens in order to run the task and collect the sufficient number of participants for the task's solution.

This is a factor in favor of a growing demand for MTX tokens. However, it is ambiguous: what will be the number of competitions? There will not be many quality tasks; the project lies outside the mainstream and the target audience is narrow. Scientific tasks are not solved in one day; so MTX turnover of tokens inside any bounty program will be low.

Another problem is how to continue using MTX tokens received within the bounty program; this is not obvious. The first method is known: Collection of the necessary amount of MTX to run a bounty program or to sell to an external bounty creator. Regarding a second method, the team writes in the FAQ: "The MTX token can be used to purchase assets on the Matryx platform. As the platform grows, apps within the Matryx ecosystem will use MTX to exchange value in a variety of ways." What assets the user will be able to buy on the platform is not clear. We asked this question on Telegram and got the following answer: "the MTX tokens will be used to track items." This answer did not offer additional clarity.

Thus, we can conclude that the project is interesting and curious, and its concept is viable. However, buying MTX tokens is not a good investment. There is neither investment nor speculative potential for the token; it is an exclusively infrastructural tool. Therefore, if you see yourself in the role of a bounty creator in a couple of years (after completing marketplace testing and reaching the designed capacity), then perhaps it makes sense to support the founders and take part in the ICO. Otherwise, it is advisable to look for other investment opportunities.

The information contained in the document is for informational purposes only. The views expressed in this document are solely personal stance of the *ICOrating* Team, based on data from open access and information that developers provided to the team through Skype, email or other means of communication.

Our goal is to increase the transparency and reliability of the young ICO market and to minimize the risk of fraud.

We appreciate feedback with constructive comments, suggestions and ideas on how to make the analysis more comprehensive and informative.