DART

Digital Assets Risk and Trustworthiness Assessment

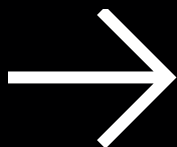ANTI·SCAM TEAM

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TABLE OF CONTENTS

PROJECT INFORMATION

Kylix Finance

Project Category: DeFi Lending Protocol

Official Website: https://kylix.finance/

Blockchain/Platform: Polkadot Network.

Brief Description: Kylix Finance is a substrate multi–chain asset lending platform that connects borrowers and lenders, enabling them to supply and borrow parachain assets across the Polkadot chain to best optimize capital efficiency in the ecosystem. With Kylix, users can also purchase assets from liquidated positions at a discount via their marketplace, which brings a differentiating value proposition to users in the DeFi lending/borrowing asset space, and boasts an open–gov style of managing these lending protocols to suit creator needs as they see fit.

Prelude: This review presents the risk factors associated with the given project and provides an analysis and respective overall risk rating as per a prescribed methodology.

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TEAM COMPOSITION

The Kylix Finance team is comprised of the following individuals:

Gianluigi Davassi, Founder and CEO:
Gianluigi possesses a robust background in financial technology. He is also a graduate of the Polkadot Blockchain Academy, the former CTO of a a payments and debit card services FinTech company, the Founder and former CEO of a FinTech company using financial data and leveraging AI and Machine Learning to provide Financial Institutions and other organizations to make better credit decisions, the Co-Founder and former CTO of a FinTech card services company. He has also held other technology roles at various capacities in organizations that catered to financial services and technology, as well as having held prior roles as a software developer in projects for large well-known corporations.

Kumar Gunjan, CTO:
Kumar is also a graduate of the Polkadot Blockchain Academy, and possesses extensive prior experience developing applications as well as hands-on experience with Zero Knowledge proof technology, having researched fully homomorphic encryption, and other achievements within his roles that included work encompassing on-chain protocol consensus, decentralized storage, architecture solutions for DAOs, Oracles, Wallets, among others.

William Chen, Advisor, Business and Operations:
William is an ex-Talisman COO, and possess experience in treasury management and on-chain organizations. He is also a Polkadot Head Ambassador, and holds a Computer Science degree from MIT and an MBA from INSEAD.

Adrian Ioan Cîrstea, Core team member:
Adrian has held development and systems engineering roles at different companies. He is also a graduate of the Polkadot Blockchain Academy.

Mugzar Akizhanov, Core team member:
Mugzar is also a graduate of the Polkadot Blockchain Academy, he has held several roles as a developer in different companies and included projects related to ground transportation and payment systems. Additionally, he was also a lecturer of programming languages at different Universities, and began his early years as a developer.

TEAM

The Kylix Finance team structure

The Kylix Finance team is led by Gianluigi Davassi, Founder and CEO with a strong background in financial technology, and Kumar Gunjan, CTO specializing in blockchain, cryptography, and zero-knowledge proofs. William Chen serves as an advisor in business and operations, while Adrian Ioan Cîrstea and Mugzar Akizhanov contribute their expertise in software development, finance, and blockchain technologies as core team members. There was no project advisor identified.

The Kylix Finance supporters

The project is supported by Polimec, Harbour Industrial Capital, and Blockdeep labs.

The Kylix Finance connections

The project was noted as having partnerships noted with Acala and Hercle Finance.

The Kylix Finance concerns

While there is credible information available, there is a need for a bit more information. Details about the team, partnerships, and project direction are partially documented by reputable sources like the Web3 Foundation, but the official Kylix Finance website itself is sparse and lacks comprehensive details. This makes it challenging to fully verify key aspects, such as the educational backgrounds and work experiences of some of the team members, as well as the details and nature of the Kylix finance partnerships. The partnerships that the project has with Acala and Hercle Finance are confirmed by some reliable sources, but the gaps and absence of crucial information on Kylix's own platforms (the official website) raise questions about the overall transparency, leaving room for doubt.

When taking into context the recency of the project having been active during the summer of 2024, it is sensible for the team to continue working in developing their website, since it is reasonable to give the project the benefit of waiting for them to put all details in their website or in the social posts. Their backgrounds, especially that of Gianluigi Davassi indicates that he has a track record of successfully building businesses in the FinTech space as an entrepreneur, and having hands-on experience with finance, data, and systems, is a solid foundation to an endeavor such as this one where he and other members have transferable skill sets that they can port onto this new initiative.

The supporters of the project include Harbour Industrial Capital, which is an investment fund catering to the Polkadot ecosystem, and Blockdeep labs, an organization providing various forms of expertise solutions in the Polkadot space. And having this support is a very good sign of how the project is aligning with SMEs and further builds credibility from a user and investor perspective.

GITHUB & CODE QUALITY

Kylix Finance's open–source status on GitHub appears promising but modest in its scale. The project is public with a small yet engaged following, showing signs of community interest. With only 1 repository, the platform is still relatively early in its development phase. However, the good commit frequency and several contributors suggest an active development process, indicating that the team is regularly updating and refining the codebase.

The documentation quality is good, providing clear and comprehensive guidance that aids contributors and users in understanding the project's scope and functionalities. The use of Rust and TypeScript as the primary development languages reflects a commitment to performance, security, and modern development standards. Despite not listing public members, the visible activity and adherence to recognized software development practices hint at a project that is well–managed and focused on growth, albeit still building its open–source community presence.

SOCIAL MEDIA & COMMUNITY

Community size and activity

At the time of writing, Kylix Finance's community size is relatively small across most platforms, with mixed levels of activity. The project's X handle has over 350 followers, and while the engagement is good for its size, it indicates a limited but active following. However, the Telegram group is significantly inactive, with only about 15 members, which raises concerns for a project aiming to build a larger, more engaged community.

Quality of interactions

On Discord, Kylix Finance has just over 30 members, but the activity there is moderate, and interactions between the team and users appear constructive. The team shows a genuine effort to communicate updates and activities, which contributes to a positive interaction environment. However, there are a few unanswered questions in both the Discord server and the X handle, which could benefit from more timely responses to foster stronger community trust and engagement.

Red Flags and Risks

The absence of official accounts on key platforms like Reddit and LinkedIn raises red flags, as it leaves room for unofficial or fraudulent accounts to operate under Kylix's name. This lack of presence could confuse users or investors and lead to misinformation. While the quality of interactions on Discord and X is positive, the small community size and inconsistent activity levels indicate areas for improvement, particularly in ensuring that unanswered questions and concerns are addressed promptly.

BUSINESS MODEL

The Kylix Finance business model is built around a decentralized, non-custodial app that facilitates lending and borrowing of assets across the Polkadot ecosystem. By using a well-established DeFi approach similar to Compound V2, it allows users to earn interest by lending assets or access liquidity by borrowing against collateral. The requirement for over-collateralization and automated liquidation mechanisms adds a layer of security for both lenders and borrowers, which strengthens the model's overall robustness.

Kylix Finance provides a compelling value proposition by enabling users to unlock the value of their crypto assets without needing to sell them. Borrowers can obtain liquidity instantly, while lenders earn a stable passive income through interest. The use of kTokens as a flexible proof of deposit allows liquidity providers to benefit from yield generation while retaining the option to redeem their tokens at any time. This dual offering appeals to a broad range of DeFi participants, from conservative liquidity providers to active traders looking to maximize asset utility.

The potential for growth in Kylix Finance looks promising, especially with its integration into the expanding Polkadot ecosystem, which could allow it to attract a wide user base and cross-chain liquidity. The platform's focus on over-collateralization and automated liquidation ensures that it minimizes the risk of loan defaults, which is critical for building and maintaining trust. However, for sustained growth and profitability, Kylix will need to continuously attract liquidity and users by offering competitive interest rates and seamless user experience.

While the foundational elements of the model are clear, Kylix Finance could benefit from more detailed strategic and financial planning. There is limited visibility on how the platform plans to navigate competitive pressures, market volatility, and potential liquidity risks. Articulating its unique value proposition and outlining specific growth strategies could enhance confidence among potential users and investors. Additionally, understanding its plans to manage interest rate dynamics and maintain market relevance would provide a clearer picture of its path to profitability.

The value accrual model that the team devised is one that is "User and Investor Centric" where the fees from the borrowers, liquidations, and the network are distributed to the following groups:

35% Lender Rewards
30% Kylix Stakers Rewards
20% Governance Public Goods
15% Team & Development

Having such model emphasizes on sustainability of the protocol for continued development, business growth since lenders are further incentivized to provide liquidity in a practical manner, the network participants given that these are rewarded based on the adoption of the protocol, and the open gov DeFi element that it plans to showcase.

CONCLUSION AND SCORE

Conclusion

Based on the above comprehensive review, Kylix Finance shows promise in its business model and the moderate activity observed in its development processes. The team comprises professionals with backgrounds in fintech, blockchain, and cryptography, which provides a foundational level of competence; however, aside from the CEO, it would be desirable for the team to have further credentials in the space shown in public light related to DeFi lending. The project exhibits strengths in its clear value offering and foundational approach to DeFi lending, integrating over-collateralization and automated liquidation mechanisms to maintain security for both lenders and borrowers, as well as marketplace for these discounted liquidated assets and an interesting open gov model that is yet to be implemented at the time of writing this report.

However, there are notable areas for improvement, particularly in community engagement, as Kylix Finance's social media and community presence are currently limited, with inactive or small communities across key platforms. Additionally, the project's GitHub presence, while showing some promising activity, could benefit from further expansion to better support transparency and developer engagement. Given the combination of items previously described, along with the fact that the project is in its initial stages, it is difficult to posit any characteristics to the evaluation of the risks associated with a new project (the product has not gone live as of yet), and as such, this has been taken into account when rating the said project.
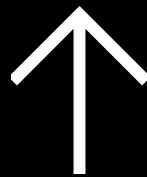
Score

Due to the aforementioned reasons, Kylix Finance achieved **three out of five stars**. While the project has potential due to its integration into the Polkadot ecosystem and a unique offering, its limited community engagement, and incomplete team transparency may pose significant risks. Potential users and investors are advised to monitor the project's developments closely, particularly improvements in community engagement and team visibility. As always, it's essential to conduct further personal research and stay informed through official project channels.

Disclosure: The information in this report is as of Q3 of 2024, all information is subject to change. Please use at your own discretion.

CONTACT US

https://polkadot.antiscam.team/
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Discord Community

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