

DART

Digital Assets Risk and Trustworthiness Assessment



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PROJECT INFORMATION

Sio2 Finance

Project Category: Lending Protocol (DeFi)

Official Website: <https://www.sio2.finance/>

Blockchain/Platform: Astar Network (Polkadot network)

Brief Description: SiO2 is a lending protocol on Astar Network, designed for users to easily deposit and borrow assets. It allows depositors to provide liquidity and earn stable passive income through interest, while borrowers can leverage their assets without needing to sell them. As a core building block of DeFi, SiO2 offers a decentralized marketplace that's open to users, bots, and other DeFi protocols, focusing on a comprehensive set of lending features tailored to Astar's assets.

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.



TEAM COMPOSITION

The Sio2 Finance team is comprised of the following individuals:

The only mention of the team was noted as being the same development team behind AstridDAO (also within the Astar ecosystem), and these in turn, only identified one person as “Joe” who is the Co-Founder of the development company and former tech lead at Google HQ.

The other team members were only mentioned as being experienced in web3 and Blockchain with past experience at institutions and companies which include Stanford, UC Berkeley, UCLA, Google, IBM, Nike, and others.

TEAM

The Sio2 Finance team structure

There were no team members identified for Sio2 Finance.

The Sio2 Finance supporters

Astar network, PeckShield, AstridDAO, Next Web Capital, SubQuery Network, Avault Finance, Onfinality, Algem, zenlink, and Sirius Finance. These partnerships are verified as there are links embedded behind the listed partner projects logo that leads to individual partner projects' official website.

The Sio2 Finance connections

The team was noted to have a nexus to AstridDAO.

The Sio2 Finance concerns

There is no publicly available information about the SiO2 Finance team members on their official website or elsewhere. This lack of transparency makes it challenging to assess their backgrounds, experience, or reputation within the industry. Without this crucial information, it's difficult to verify whether the team has the expertise needed to manage a DeFi project such as lending protocol effectively or if they have any history of negative media. The anonymity or unavailability of team details raises concerns about the project's credibility and trustworthiness, which may lead to a lower confidence level among potential users and investors.

However, it was ascertained that the team behind it is the same one as AstridDAO, which at least provides a lead on some of the individuals having deployed a stablecoin vault DeFi protocol on the Astar Network.

While the SiO2 Finance partnerships with projects like Astar Network, PeckShield, and others are supported by links to the official websites of these partners, there is still a lack of detailed information about the team itself. The partnerships do lend some credibility to the project, showing that SiO2 Finance is integrated within the broader DeFi ecosystem. However, without clear, verifiable details about the team's members or their experience, there is still an element of uncertainty.

GITHUB & CODE QUALITY

SiO2 Finance's open-source status on GitHub is public, which is indeed a positive sign for transparency. However, the level of activity is quite low, with only 2 followers, a few contributors, and just 4 repositories, and the last updates taking place back in 2023. The primary development languages used are JavaScript, TypeScript, and Solidity, which are common and well-regarded for DeFi projects. Despite this, the commit frequency is moderate, and it's concerning that the most recent commits are a year or two old, indicating a lack of ongoing development or maintenance. This inactivity could raise red flags for potential users and investors, as it suggests that the project may not be actively supported or updated. Additionally, the absence of recent commits and the limited number of contributors suggest that the project may not have a strong or active development community, which is crucial for the continuous improvement and security of any open-source project in the cryptosphere.

SOCIAL MEDIA & COMMUNITY

Community size and activity

SiO2 Finance has a modest online presence with over 6,000 followers on X, around 1,600 members on Telegram, and over 3,000 members on Discord. However, the level of engagement across these platforms is low relative to the community size. While there are regular posts on X, the interaction doesn't align with the follower base, and Telegram engagement is similarly low, with minimal reactions and interaction.

Quality of interactions

The Telegram group, moderated by "Matt," an Astar Network builder and ambassador, offers a sense of trust due to his involvement. However, the group suffers from low activity, with many posts going unanswered and some appearing to be automated bot responses. On a more positive note, the Discord server shows better engagement, with active discussions and timely responses from admins. The presence of a dedicated scam report channel highlights the team's commitment to addressing community concerns and maintaining security.

Red Flags and Risks

Despite its presence on X, Telegram, and Discord, the absence of official SiO2 Finance accounts on key platforms like Reddit and LinkedIn presents risks. Without these channels, scammers could potentially impersonate the project and exploit unsuspecting users. The low engagement on key platforms also raises concerns about the project's ability to maintain an active and engaged community, which is essential for building trust and long-term success.

BUSINESS MODEL

SiO2 Finance's decision to support both EVM and WASM on the Astar network is a significant move. By bridging these two environments, the platform opens itself up to a larger user base and a wider range of decentralized applications (dApps). This is a smart way to future-proof the platform, ensuring it remains relevant even as technology evolves and user preferences shift. The introduction of features like one-click short positions and flash loans is a clever approach to simplifying complex DeFi operations. These features make the platform more accessible, particularly to those who might be intimidated by the technical aspects of traditional DeFi platforms. This ease of use can drive user growth and engagement, which is essential for long-term sustainability. The veStaking model rewards users who hold tokens for the long term, which can help stabilize the token price and reduce market volatility. Moreover, the strategy to use protocol revenue to buy back tokens shows a commitment to maintaining token value, which is a positive sign for potential investors and users.

By offering one-click solutions for actions like short selling and flash loans, SiO2 Finance significantly lowers the barrier to entry for new users. This is a major value-add, especially for those who might find DeFi too complicated or cumbersome. It positions SiO2 as a user-friendly platform that caters to both beginners and more experienced traders. Being the first platform to offer multi-VM lending within the Astar and Polkadot ecosystem is a significant advantage. This unique feature makes SiO2 Finance the go-to option for users who want flexibility and a seamless experience across different environments. It's a compelling reason for users to choose SiO2 over other platforms. Integrating with multi-signature tools like AstarSafe shows that SiO2 is thinking about the needs of larger players—like institutions and DAOs—who require more secure and collaborative ways to manage assets. This is a strategic move that could attract substantial, longer-term deposits from these entities.

As the first multi-VM lending hub on Astar, SiO2 Finance has a head start in establishing itself as a leader in this niche market. This first-mover advantage could help the platform capture a significant share of users within the Astar and broader Polkadot ecosystems, providing a solid foundation for growth. SiO2 Finance's potential revenue streams include interest on loans, fees from one-click transactions like flash loans, and other service fees. The buyback strategy funded by protocol revenues could help maintain a healthy token economy, potentially leading to long-term profitability. However, the platform will need to maintain high transaction volumes to sustain these revenue streams. Given its user-friendly design and multi-VM support, SiO2 Finance is well-positioned to expand beyond Astar into other blockchain ecosystems. If the team executes well on partnerships and cross-chain integrations, the platform could see substantial growth in both user base and transaction volume.

The strategy to develop simple, one-click DeFi solutions aligns well with the broader market trend towards making DeFi more accessible. Additionally, the focus on multi-VM support and institutional features indicates a well-rounded approach that could appeal to both retail and institutional users. The use of veStaking and buybacks to manage the platform's tokenomics shows a thoughtful approach to financial planning. These mechanisms are designed to encourage long-term engagement and support token value. The SiO2 finance tokenomic is well structured, upon which the SiO2 Finance can leverage on to foster a strong, engaged user base, which is vital for the project's sustained growth.

CONCLUSION AND SCORE

Conclusion

Based on our comprehensive review, SiO2 Finance shows promise in several key areas, particularly in its innovative business model, which supports both EVM and WASM environments on the Astar network, and offers unique features such as one-click short positions and flash loans. This user-friendly approach and the platform's first-mover advantage as a multi-VM lending hub on Astar could position it well for growth within the Astar and Polkadot ecosystems. However, there are notable areas for improvement, including the transparency of the team's composition, a relatively inactive GitHub repository, and limited community engagement on social media platforms.

Score

Due to the reasons mentioned above, Sio2 Finance achieved **two out of five stars**. While it has potential due to its strategic positioning and unique features, the lack of publicly available team information and limited development activity could pose concerns for potential users and investors. We advise cautious monitoring of the project's developments, particularly regarding team transparency, community growth, and ongoing code quality. As always, conduct thorough research and stay informed with the project's official updates to make an informed decision.

CONTACT US

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[Discord Community](#)



ANTI·SCAM
TEAM