

DART

Digital Assets Risk and Trustworthiness Assessment

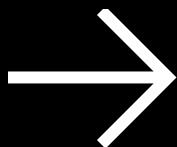


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PROJECT INFORMATION

Algem

Project Category: DeFi dApp

Official Website: <https://www.algem.io/>

Blockchain/Platform: Astar (Polkadot Network)

Brief Description: Algem is a DeFi protocol on Astar Network that allows users to stake ASTR tokens while retaining liquidity through liquid derivatives. This enables users to earn staking rewards and participate in other yield-generating activities within Astar's ecosystem, enhancing flexibility and maximizing returns.

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 Algem team is comprised of the following individuals:

Igor Poroshin, Founder & CEO

Igor is currently founder and CEO, with no information available on his prior experience.

Aleksey Zhelyabin, Developer

Aleksey is solidity developer at Algem, as well as a solidity developer at Guide DAO. He was also a solidity developer at Defimoon in 2023 (a web3 DeFi and smart contract security firm). Aleksey graduated from Moscow Aviation Institute with a Bachelor's degree in power industry and electrical engineering.

Artur Makhnach, CTO

Artur Makhnach is the CTO of Algem, as well as the current CTO of Defimoon, where he leads a team of engineers. With a background in industrial design from Art.Lebedev Studio, Artur emphasizes user-centered design and functionality. He also teaches blockchain, blending technical knowledge with honed communication skills.

Gianluca Rospo, Community Manager

Raspo is Algem's Community Manager and former Social Media Manager at Yardhub. Raspo holds a Higher National Diploma in Electrical and Electronics Engineering from Hertford Regional College.

TEAM

The Algem team structure

The Algem team is structured to leverage expertise across development, community management, and strategic leadership. Igor Poroshin serves as Founder and CEO, bringing a background in civil and industrial engineering. Aleksey Zhelyabin is the Solidity developer, working with both Algem and other projects like Guide DAO and Defimoon, with a technical background from the Moscow Aviation Institute. Artur Makhnach, CTO and co-founder of Defimoon, leads engineering efforts with knowledge in blockchain and cryptography, combining technical and user-centered design insights. And Gianluca Rospo manages community engagement.

The Algem supporters

Sirius, Arthswap, SiO2, AstridDAO, Starlay, and Astar Degens. There were no notable investors identified.

The Algem connections

Same as the projects mentioned above.

The Algem concerns

Igor Poroshin (CEO) and Artur Makhnach (CTO) have leadership and technical backgrounds, however, there is further information users and investors would like to see, such as documentation vis-a-vis their DeFi journey. Aleksey Zhelyabin is an active Solidity developer across multiple projects, and Gianluca Rospo adds experience in community management. However, there are no high-profile advisors, and the team's collective track record appears to be skewed towards developing. Adding team achievements, experience, and accolades would go far in terms of building transparency with the community.

GITHUB & CODE QUALITY

Algem is an open-source project with a GitHub that hosts 7 repositories. However, the activity level appears to be relatively low, with infrequent commits and a limited number of contributors involved. The development is primarily in Solidity, which is suitable for DeFi projects, but the low activity suggests limited progress or community engagement. While being open-source is a positive step for transparency, the project doesn't yet show strong adherence to widely accepted software development practices, like regular updates or an active contributor base, which could help foster reliability and trust among users/investors.

The Algem project has been audited by a good number of auditors and auditing companies. The project possesses the following audits: Algem audit certificate by Quantstamp; Sirius Finance adapter Contract by Defimoon; Algem Smart Contract Security Assessment by Dedaub; Algem Lending Adapter Contract by Dedaub; Algem Adapter Audit by PeckShield; Algem Lending and Adapter Contract by Hashlock. In addition, the Algem project Tokenomics is audited by Dr. Stylianos Kampakis.

SOCIAL MEDIA & COMMUNITY

Community size and activity

The Algem community has a solid following across platforms, with over 9K followers on X, more than 2K posts, and over 1K members on Telegram. However, engagement levels do not align with follower numbers. On Telegram, the channel primarily serves as an announcement platform with minimal user participation. Discord stands out with over 4K members, featuring an active general chat and higher levels of interaction compared to other platforms.

Quality of interactions

The Discord server demonstrates better interaction quality than other platforms. Admins respond promptly to user queries, fostering a sense of trust and community involvement. The active participation in general chats further adds to the positive user experience. Additionally, the presence of a dedicated scam report channel, with swift moderator actions, reflects the platform's commitment to maintaining a safe and engaging environment for its members.

Red Flags and Risks

Despite its strengths, the Algem community exhibits some red flags. Engagement on X and Telegram is notably low, suggesting a potential lack of active user involvement. Furthermore, the absence of an official handle on platforms like Reddit leaves the project vulnerable to impersonation and scams. These gaps pose risks to community trust and the project's overall reputation.

BUSINESS MODEL

Algem's business model is well-rounded and thoughtfully designed, targeting ASTR token holders who want both staking rewards and liquidity.

The model is built around liquid staking, a feature that directly addresses the common issue of locked capital in staking. By issuing nASTR tokens, Algem lets users earn staking rewards while keeping assets liquid for DeFi activities like lending and farming. This dual function of staking and liquidity offers strong user appeal and is a sound foundation for sustainability. Additionally, the unstaking options (regular and immediate) add flexibility, with immediate unstaking fees creating a revenue stream that supports Algem's long-term sustainability.

For users, Algem's biggest draw is the liquidity-with-yield benefit, a balance in DeFi. By holding nASTR tokens, users participate in the Astar ecosystem, contribute to dApp growth, and earn rewards while maintaining liquidity. Algem simplifies the DeFi experience with an all-in-one interface, letting users manage lending, farming, and staking without constantly switching platforms. The security-focused measures against flashloan and LP manipulation give additional confidence to users, which can help drive adoption.

Algem's ending vaults and partner rewards present clear opportunities for growth. The tiered vault durations (100, 200, and 300 days) incentivize users to commit assets for longer, helping Algem capture sustained liquidity and potentially stabilize token value. Partner rewards are also a smart way to align Algem's growth with the broader Astar Network, which could attract more partnerships, boosting Algem's visibility and usage. In terms of profitability, the combination of unstaking fees, ALGM incentives, and potential collaborations with dApps for rewards distribution creates a diversified revenue model. This structure, which does not solely rely on transaction volume, enhances Algem's ability to remain financially viable, even through market volatility.

Algem's strategy is cohesive and well-aligned with Astar's ecosystem. Allowing users to choose specific dApps for staking strengthens community ties and benefits the network overall. The financial structure, particularly around vault incentives and ALGM rewards, is straightforward and encourages both short- and long-term user engagement, enhancing loyalty and retention.

CONCLUSION AND SCORE

Conclusion

Based on the above comprehensive review, Algem shows strong promise in its business model and value proposition, particularly in offering liquid staking options within the Astar Network. The project's model is well-designed to attract ASTR holders looking for both yield and liquidity, which could drive significant user interest and ecosystem participation. Additionally, its focus on flexibility and user-centric features, such as nASTR tokens and tiered vault durations, indicates a brilliant approach to DeFi.

However, Algem has areas for improvement, particularly in its GitHub activity and community engagement, though the project has scaled through a good number of audits. Limited GitHub contributions suggest a need for community involvement in the codebase, which could enhance credibility. Furthermore, while social channels like Discord are active, engagement on other platforms is low (X) and the absence of a Reddit platform, which may affect community perception and growth. The team has notable strengths in leadership and technical skills, though a clearly stated industry presence and their elaborate biographies displayed on the project website could strengthen their reputation in the DeFi space.

Score

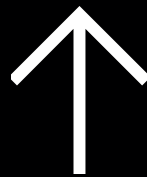
As per the reasons mentioned above, Algem has achieved three out of five stars. Potential users and investors are encouraged to monitor the project's progress, especially improvements in community engagement, team visibility, partnerships and code transparency. As always, it is essential to conduct additional due diligence and follow official project updates closely.

CONTACT US

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[Discord Community](#)



ANTI·SCAM
TEAM