DART

Digital Assets Risk and Trustworthiness Assessment

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PROJECT INFORMATION

Manta Network

Project Category: Privacy Protocol

Official Website: https://manta.network/

Blockchain/Platform: Polkadot and Ethereum (Layer 2)

Brief Description: Manta Network is a privacy-focused layer 1 blockchain built on Polkadot, designed to protect user privacy in decentralized finance (DeFi). It uses cutting-edge cryptography like zkSNARKs to enable private transactions and a secure, anonymous decentralized exchange (DEX). Manta allows users to transfer and trade assets across blockchains while keeping their financial activity confidential, making it a leading solution for privacy in the Web3 space. For the purposes of relevant overview, this will only cover the Layer 1 blockchain and not the L2 solution.

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 Manta Network team is comprised of the following individuals:

Kenny Li, Co-Founder & COO
Kenny co-founded Manta back in 2020 and is also the co-founder of p0x labs, a software development company focused around zero knowledge proofs. He also possesses an MBA from MIT.

Victor Ji, Co-Founder
Victor co-founded Manta alongside Kenny during 2020 and prior to that he held a few research assistant roles at Harvard University, and before that he held an investment analyst role as well as internships at well-known consulting firms. He also holds an MBA from Peking University and an MPA from Harvard Kennedy School.

SuMin Kwon, Ecosystem Growth
SuMin has previously held partnership and marketing roles with Sandbox, in addition, she was also the South Korean country lead for Tezos. SuMin also held research and business development roles at different companies.

Sean Xiao, Senior Recruiter
Sean previously held multiple human resources roles at different companies, as well as having initially been a business development intern.

Other members:
Shumo Chu is also a co-founder of the project, however, he appears to have ceased his senior-level relationship with the project. There were also a few more individuals identified, however, they appear to be community managers/ambassadors of the project.

TEAM

The Manta Network team structure

The Manta Network team structure brings together a mix of experienced leaders and specialists, each with distinct roles. At the core are the Co-founders Victor Ji and Kenny Li who guide the project's vision and overall strategy. They're supported by Sean Xiao who focuses on building the team by recruiting top talent, while SunMin contributes to the ecosystem's partnerships and adoption.

The Manta Network supporters

The Manta network is powered by Polkadot network, Polygon, the OP stack, and Celestia. Some of the investors include: Binance Labs, Polychain Capital, Qiming Venture Partners, Alliance DAO, CoinFund, The Spartan Group, CMS Holdings, ParaFi Capital, Multicoin Capital, Genblock Capital, Hypersphere Ventures, AU21 Capital, LongHash Ventures, Advanced Blockchain, Three Arrows Capital, Alameda Research, and several other VCs. Santiago Santos, Laura Inamedinova, OxMaki, and Kevin Hu are Angel Investors of the project.

The Manta Network connections

There were no other connections to the project other than that of the entities mentioned above.

The Manta Network concerns

There were allegations associated with the project's token listing where the MANTA token appeared to be listed at a much higher price than that of its initial price and the team allegedly moved their tokens to Bithumb where these were dumped for a profit of about $5 Million USD (in ethereum) and then transferred to their South Korean Business Development representative's wallet to which the team referenced that this allocation stemmed from the token's economic model. As per the factors above, these money laundering allegations appear to be associated with South Korean Securities matters, rather than money laundering given the nature of the transactions. However, given the complex and gray area of securities in the cryptosphere, no further determinations can be safely made.

The connection to some of their initial VCs such as Three Arrows Capital and FTX do not appear to indicate any other relationship other than the project receiving funds from said entities, and thus, appears normal.

Manta network team key members like Victor Ji and Kenny Li have publicly shared information that highlights their roles and background in blockchain. They are joined by specialized professionals as mentioned above. This lineup shows that Manta Network has a well-rounded, somewhat public-facing team, which lends credibility to their expertise. While the team is relatively new in the field of privacy solutions for DeFi transactions (prior to starting the Manta network), they do show consistent and open communication as to their development as well as successful pivoting with different technology that will keep the project in the direction of competitiveness in their particular niche.

GITHUB & CODE QUALITY

Manta Network maintains an open-source status on GitHub, which fosters transparency and community collaboration. With over 800 followers and a solid number of contributors, the project shows active participation from developers. The commit frequency is strong, indicating continuous development and updates. The documentation quality is high, providing clear and helpful resources for users and developers, which is essential for effective open-source projects. The project's GitHub activity reflects a healthy and committed development environment, essential for its success in the blockchain space.

The project was also noted to have included multiple Audit reports in its GitHub account, some of the companies that provided the audits were Halborn, Secure3, and Veridise Inc., all of which were provided in 2023. In addition, the project also has a screening by Certik according to the Auditor's project database, and which garnered a BBB score.

Having multiple Auditing companies conducting reviews in the project's code is a very good indicator of team transparency and goodwill, which begets user, community, and investor confidence.

SOCIAL MEDIA & COMMUNITY

Community size and activity

Manta Network has a substantial community presence across multiple platforms, with nearly 800K followers on X and over 7K posts. However, engagement on X is relatively low for the follower count, which may indicate that a portion of the audience is inactive or inorganic. Their Telegram, with around 41K members, functions as a read-only channel, limiting direct user interactions and potentially restricting urgent support. On YouTube, Manta Network has a smaller audience of just over 2K but garners decent views, showing genuine interest on that platform. Their Medium account has around 47K followers, with posts receiving good engagement in claps but limited comments.

Quality of interactions

Discord is where Manta Network's community shows the most direct interaction, with over 200K members and active engagement in the technical support channel. Admins respond promptly and manage a dedicated scam-reporting channel, indicating the team's focus on maintaining a secure environment. This interaction stems partly from the transition of two-way communication from Telegram to Discord, where the team remains active and responsive. The attention given to Discord engagement shows a solid commitment to addressing user concerns and technical issues.

Red Flags and Risks

The low engagement levels on platforms like X and Medium raise concerns about active user involvement, as it may indicate that much of the following is not actively engaged. The read-only nature of Telegram could also limit support options, reducing accessibility for immediate help outside of Discord. These aspects, along with the limited interaction on some channels, highlight potential areas for improvement in real-time support and community accessibility across all platforms to strengthen overall user engagement.

BUSINESS MODEL

Manta Network's business model is both innovative and forward-thinking, anchored in its dual-layered, modular approach to zero-knowledge (ZK) applications. By catering to both Layer 1 and Layer 2 ecosystems, Manta Network effectively taps into Ethereum's broad EVM base with Manta Pacific while leveraging the scalability and compliance benefits of Polkadot with Manta Atlantic. This dual approach increases its reach and appeal, enhancing robustness and sustainability by meeting diverse developer and user needs across the Web3 landscape. The platform's value proposition centers on privacy, scalability, and ease of integration for developers, which is powerful in the current blockchain environment where privacy and data management are key user demands. With features like ZK-as-a-Service and zkAddress Systems, Manta addresses these needs directly, making it attractive for developers and enterprises looking to offer private and compliant Web3 solutions. Furthermore, the utility of the $MANTA token for governance, staking, and transaction functions strengthens the platform's economy and user engagement, which can drive long-term sustainability. There is significant growth potential as more dApps integrate ZK functionalities, and Manta's financial planning appears aligned with this vision. The ecosystem incentives, including grants and retroactive funding, are smart moves to stimulate developer activity and ecosystem expansion. However, profitability will ultimately depend on widespread adoption, particularly if Manta can position itself as the go-to for privacy-focused Web3 applications. Again, Manta Network's clear strategy, developer-friendly infrastructure, and built-in growth incentives create a compelling foundation for both short-term traction and long-term resilience.

Manta Network's business model has some areas for improvement: Enhancing user accessibility by simplifying onboarding can attract a broader audience. Expanding cross-chain compatibility beyond Ethereum and Polkadot would diversify its user base. Increasing the utility of the $MANTA token by developing more use cases can enhance its value within the ecosystem. Diversifying revenue streams through premium ZK services could improve financial sustainability. Strengthening regulatory compliance mechanisms will help Manta navigate the evolving landscape and build user trust.
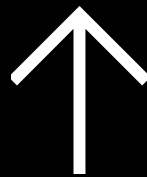
CONCLUSION AND SCORE

Conclusion

Based on our comprehensive review, Manta Network exhibits notable strengths in its innovative approach to privacy in decentralized finance and its robust business model centered around zero-knowledge applications. The project's team, led by dedicated co-founders and supported by skilled professionals in marketing and community management, adds credibility to its operations. However, there are areas for improvement, particularly in community engagement, team members transparency and the clarity of partnerships, which may impact user trust and interaction.

Score

Due to the aforementioned reasons, the Manta Network has achieved five out of five stars. While the project shows promising potential in enhancing privacy solutions within the Web3 ecosystem, it must address its community engagement strategy and ensure transparency in its partnerships and team to build further credibility. We recommend that potential investors and users closely monitor Manta Network's developments, particularly in the areas identified for improvement. As always, it's essential to conduct your own research and stay updated with the project's official communications.

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

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TEAM