Protocol: Zerion
Version: 2.0
Previous Report:
https://gateway.pinata.cloud/ipfs/QmTbc2o3FCzAMvrD8Z56iU4wU6pccsQRPoLjjEEEf9SzLT

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Reviewed by: Lavi
Season/competition: Rate-athon #2

1. Value Proposition

The Value Proposition section describes the value a protocol delivers to its users. Based on the proportion of the problem the protocol aims to solve and the potential of the protocol to effectively solve the problem - better than other industry solutions - a Value Proposition rating is created.

a) Novelty of the solution (15 points)

This score evaluates the novelty (uniqueness) of the protocol. Has the protocol introduced any new innovations that help solve user's problems more efficiently? Is the project a fork? To what extent did they copy/fork the original?

Answer: The protocol has introduced both technical and organizational innovations. Zerion is a tool to build and manage your DeFi portfolio in one place. Connect a wallet and the protocol will auto generate the on chain activity. This is a non custodial solution which is not only a dashboard wallet tracker but also is integrated into many major DeFi applications. Thereby it facilitates access to over 60 DeFi applications. Zerion is one of the original DeFi aggregators in the space with a very clean user interface reminiscent of Robinhood in traditional finance.

Score: 12

b) Market fit/demand (15 points)

This score evaluates the degree to which the protocol satisfies a strong market demand. The market fit evaluates if the protocol is able to satisfy the needs of a specific market (can also be measured by user adoption/ #of users). To what extent has the protocol proven to meet the demand of a specific market? Is the timing of the product right for the market? Is the protocol targeting the right market?

Answer: The protocol achieved clear market fit with solid demand in a promising market. With the

rapid development of DeFi, Zerion has seen strong growth over the past year. According to coin telegraphic (as of July 2021), Zerion has processed more than $600 million worth of volume in 2021 so far with a median trade of $1,000. The Block crypto news source cited 200,000 users as of the same time. Of note, Dune analytics showed a volume of 91,200,000$ in trades for the month of November 2021, down from a high of 192,500,000 in May 2021. This demonstrates good product market fit as users do desire one platform to view all their DeFi activities.

Score: 11

c) Target market size? (10 points)

The target market size evaluates the current and future size of the problem the protocol is aiming to solve. The category of the Open Finance solution can be used as a reference to the target market (for example: Lending). Because Open Finance is by definition global, the global market for a specific problem equals the target market size.

Answer: Zerion's target market is all users of DeFi. At the time of writing, over 3 million addresses exist on-chain. Currently Zerion is limited to Ethereum, and other EVM chains with the recent addition of Arbitrum, Optimism and Polygon. With the roll out of the NFT tracking and pricing tools, Zerion is targeting users outside of DeFi, which will increase the target market size. As a US company Zerion looks to grow the American market, as seen by its tools to aid in formulating US taxes for DeFi. Zerion measures growth by number of users with connected wallets and amount of transactions originated from its interface.

Score: 8 The target market size is substantial and shows signs of sustainable growth

d) Competitiveness within market sector(s) (10 points)

This score evaluates the competitiveness of the protocol within the market sector(s) it operates in. This score offers a relative comparison of the protocol and other protocols operating in the same market sector(s). To evaluate this, metrics to directly compare with the competition can be used (e.g. TVL, trading volume, number of users).

Answer: The number of Defi aggregators and dashboards are limited. Zerion is currently number two in the space. Zapper is the clear leader in the space with over 1 million active monthly users (according to zappers medium post). To reiterate, this is a significant leap ahead of the activity on Zerion. Smaller competitors such as DeFi Saver and Debank (Chinese) have struggled to find traction. Zerion's roll out of open sourced SDK's for integrating DeFi protocols have multiple competitors with the biggest being 0x, InstaDapp, the Graph, and Covalent.

Score: 7 The protocol functions as a top alternative to the benchmark in the market segment(s)

e) Integrations & Partnerships (15 points)

Due to crypto's open-source nature, the code of most protocols can easily be forked. This score represents a piece of "unforkable value". Some indicators to look at are the number of applications built on top of the protocol (vertical integration), other entities integrating the protocol's services (horizontal integration) or the number of relevant partnerships (be careful of logo collections/ partnerships without much purpose).

Answer: Zerion has built a sizable moat through good partnerships, integrations, and front end development. Tracking ERC20 tokens can be done just as effectively with Etherscan, but the UX of Zerion is much more functional. Zerion (along with metamask and zapper) uses 0x as its decentralized trading back end tool. Zerion's ability to plug into various DeFi protocols is two fold through 1) custom purpose build plugins and 2) open source SDK's. It does not use the Graph for back end, rather utilizes its own SDK tools. The recent partnership with [Gelato](#) also gives Zerion access to deep liquidity for its users. Overall Zerion built a system which is difficult but possible to fork, but it is not an irreplaceable part of the crypto ecosystem and many of its core functions can be replicated by existing wallets.

Score: 7

2. Team

The Team section describes the quality of the team behind the protocol. The current version of Prime Rating favors teams that are publicly identifiable. In the case of an anon team, the track record of the specific anons involved can be taken into account

a) Is the team credible and public? (15 points)

Are the identities of the core contributors and team publicly identified? In the case of anon team members, is there any way to track their background/record?

Answer: The team is public and well known in the DeFi space with the founding members having a long history with Ethereum. The team founded Zerion in 2016 as a bootstrap from a hackathon. The team is public and credible, but Zerion is the first and only crypto project they have worked on. Below is the founding team.

[Vadim Koleoshkin](#) *business side of the team *previously founded Jufy Projects *a consulting firm, and app development studio.

[Evgeny Yurtaev](#) *engeineer of the team *worked as a software engineer at Google and Jufy Projects.

[Alexey Bashlykov](#) *CTO *developer.

The full team can be found here. https://blog.zerion.io/about

Score: 11

b) Does the team have relevant experience? (10 points)

Are there any documents or trails available to showcase the track record of the team? Do the team members have relevant backgrounds and skill sets?

Answer: They are a skilled team with some relevant experience. All three built a web2 consulting firm called Jufy. Zerion is the first blockchain project they have built. To their credit, they bootstrapped the

beginning of the project and never launched a token while building through bear markets.

Score: 7

c) Does the team participate and help shape the public debate? (5 points)

To what extent do the protocol contributors participate in the public debate around open finance? Are the team members giving presentations, sharing their thoughts and opinions, and do they help raise the collective intelligence of the industry?

Answer: The Zerion team are not on center stage as thought leaders in the public debates. Much of their communication is directed at the Zerion community. The founding team is not heavily featured by the primary podcasts in the space. In early 2021 the team held an AMA with Bankless podcast. On Twitter the protocol has over 50k followers, but does not participate heavily in thought leadership.

Score: 1

d) Is the team able to effectively attract and coordinate resources? (10 points)

How effective is the team at attracting and coordinating resources for the benefit of the protocol? Has the team raised sufficient funding or are there mechanisms in place to attract resources when needed?

Answer: The team has raised over 10 million from Venture Capital in two funding rounds. They have used this money to expand the team to over 20 people. Mosaic Ventures and Placeholder have joined Zerion's board of directors through their series A investment. Additionally Gelato secured a board seat by its late August partnership to provide liquidity to Zerion. The company is fully funded by VC money, charging users no spread for use of the platform. Zerion receives a small compensation from 1inch for user transactions.

Score: 8

3. Regulatory

The Regulatory section describes the extent and quality of the regulatory environment that affects the Protocol. To be able to guarantee functionality, security, and legality the protocol should comply with regulatory requirements, or limit itself to facilitating services to users who are willing to operate outside of the traditional regulatory environment.

a) Does the protocol have any legal accountability? (15 points)

Does the protocol have any form of legal accountability? Can users and partners hold the protocol accountable in case of a breach of the agreement?

Answer: Zerion is a private company with headquarters in San Francisco, USA. According to Crushbase Zerion has 23 investors and a board of directors.

Score: 13

b) What is the quality of the legal jurisdiction? (10 points)

If the protocol has a legal entity, what is the quality of the jurisdiction the entity is established in? Will the jurisdiction be able to facilitate the legal framework for the protocol to expand while remaining accountable.

Answer: Incorporation in America means there is a strong legal framework to hold the company accountable. According to Pitchdeck, Zerion's office is located at 1412 Market Street San Francisco, CA 94102 United States.

Score: 10

Scorecard

1. Value Proposition	Points
a) Novelty of the solution	12/ 15
b) Market fit/demand	11 / 15
c) Target Market Size	8 / 10
d) Competitiveness within market sector(s)	7 / 10
e) Integrations & Partnerships	6 / 15
Total Points - Value Proposition	**44 / 65**
2. Team	**Points**
a) Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	11/ 15
b) Does the team have relevant experience?	7/ 10
c) Does the team participate and help shape the public debate?	1 / 5
d) Is the team able to effectively attract and coordinate resources?	8/ 10
Total Points - Team	**27 / 40**
3. Regulatory	**Points**
a) Does the protocol have any legal accountability?	13 / 15
b) What is the quality of the legal jurisdiction?	10 / 10
Total Points - Regulatory	**23 / 25**

Total	94 / 130

About the Author: SicarioNonce larps in the crypto world - and in real life.