



ICON

Initiating Coverage
November, 2018

Key Findings

→ ICON provides blockchain solutions for private enterprises and is perceived within South Korea as the leader in blockchain development.

→ The ICON Network proposes a decentralized governance within the network, thus facilitating a network of networks where each self-governed blockchain can interact with other networks through ICON.

→ ICON has secured strategic partnerships with the municipality of Seoul and has begun implementing its Chain ID technology in Samsung devices.

Vleppo Rating



Average with
Strong Bias

Borrow up to
40% against
Icon tokens

KEY INFORMATION

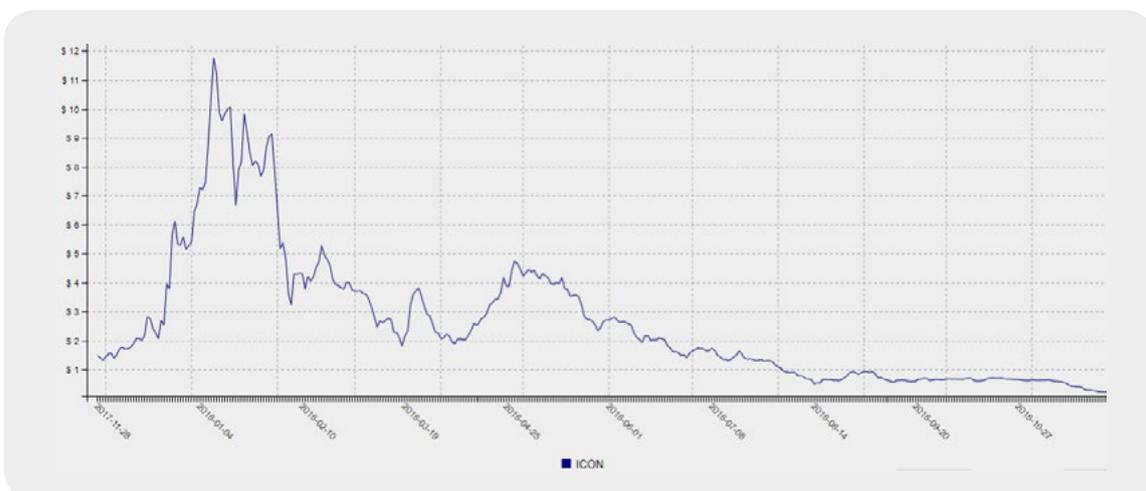
Token Code: ICX
Exchange(s): Binance, Huobi
Bithumb, UpBit
Founded: 2017
ICO Status: Closed 22
September 2017
Token Price: \$0.107
Raised: \$42,750,000

Current Price: \$0.223
12mth High: \$12.19
12mth Low: \$0.223

Return Since ICO: 1.96x
Current Market Cap: \$105.245.993

Company Domicile: South Korea
Location of Team: South Korea

TOKEN PRICE PAST 12 MONTHS



Source: <https://www.cryptocurrencychart.com>



Background

ICON is a decentralized Gen 3.0 distributed ledger technology blockchain, that seeks to create a hyperconnected digital network, in order to facilitate interconnectivity between different communities that adhere to the same evolutionary principles. The project is an initiative by TheLoop, a South Korean blockchain subsidiary of the Dayli Group, a technological consortium with business initiatives in the Asian market, to provide technological data solutions on a national scale.

TheLoop is a for profit blockchain provider, offering private blockchain integration for South Korean organizations, through loopchain, while ICON itself is a public blockchain network that brings together a multitude of online communities to enhance communication and the exchange of value in the digital medium. The, ICON Network encompasses a wide range of services that construct the entire ICON Republic that is founded on the sum of all communities that adhere to a single overarching network within South Korea.

The ICON Foundation is the sole driver of the entire ICON Network and oversees the development and implementation of loopchain protocol for both public and private organizations, ensuring all entities are linked into an interoperable network. The foundation was created in 2017 in South Korea, following a successful crowdfunding ICO campaign which amounted to a total of \$42 million USD. They have since undertaken the necessary steps to implement ICON's technology into local community structures as well as notable flagship enterprises.

Business Model

The value proposition of ICON is to create an encompassing decentralized ecosystem through leveraging loopchain technology to interlink a wide array of communities, each with an independent governance, in order to increase communication and the exchange of value between fundamental structures within a nation. ICON aims to convey a new digital standard through their technological implementation, in order to facilitate the integration of diverse blockchain protocols into a universal network, also described as the ICON Republic. This meeting of public and private entities facilitates the exchange of information in an effective and transparent manner. Such an approach is an indicator of the increased demand for an interoperable network that adheres to similar beliefs by generating trust within each organization. Their approach towards identifying active users within their network as communities, solicits participation in a public digital space governed by a dissimilar governance model throughout each individual blockchain. It is clear from the above that the goal of ICON is to create an interlinking model of communication across various blockchain protocols.

By examining ICON's activities, it seems that their target audience are organizational structures that offer fundamental services within each nation. In that sense, their offering is designed to fit the requirements of the financial, healthcare, insurance and education sectors.

ICON aims to maintain and reinforce client relationships by creating a practical system that interlinks existing organizations with the purpose of increasing cost efficiency between digital communities. And so ICON provides an avenue for each community, regardless of their chosen governance model and existing protocols, to operate within the norms of the ICON Network and engage users on a global scale. They incentivize user adherence to the network by offering secure smart contract processes and scalable solutions to increase interoperability.

The envisioned revenue model is directly linked to the ability of TheLoop to offer customizable private solutions for any organization. That said, the revenue model of ICON Network lies in their





ability to cater to the needs of private institutions to integrate blockchain technology in their processes, which will further align with the public ICON Network. The ICON Network will raise awareness of their technological ability through nationwide partnerships within South Korea, which serve to increase blockchain adoption to both users and organizations. Their pilot projects of implementing loopchain protocol within the healthcare and insurance standards has increased awareness of both ICON and ICON's technological capability. Hence ICON is described through the digital media space as the Ethereum of South Korea, a description which conveys a high degree of influence in the blockchain space.

Competition

The ability of ICON to interconnect diverse blockchain protocols through a universally governed ICON Network is one of the many attributes of Gen 3.0 blockchains which also focus on their ability to scale according to market demand. In that sense, ICON is a unique approach within the Gen 3.0 blockchain solutions given their interoperability and their proposed governance structure for each individual community. Other blockchain initiatives such as Cardano seek to provide a similar solution to the ICON Network with notable difference within each project.

Cardano's approach towards blockchain implementation is from an academic standpoint, whereas ICON takes a more practical approach toward their implementation. And while Cardano does provide valid arguments regarding their ability to generate a worthwhile blockchain solution, their offering is currently in development, whereas ICON is already providing public and private blockchain solutions on a national level. Both projects deploy a similar consensus algorithm, rooted within Proof Of Stake, however each project presents a different reiteration of their consensus mechanisms. The ability to interrelate transactions through the ICON Network due to the Loop Fault Tolerance mechanism developed by ICON mitigates Proof Of Stake using the Byzantine Fault Tolerance system.

Furthermore, the capacity to enable the exchange of value through the ICON Network is due to smart contract implementation which is the core characteristic of Gen 2.0 blockchain platforms such as Ethereum or NEO. However, while Ethereum and NEO do have a large market capitalization in their designated market segments, they lack the ability to scale in accordance with market demand, a characteristic of blockchain to link to different protocols. In that sense, ICON does provide a solution for the Gen 2.0 challenges of how to increase scalability throughout the network and facilitate communication between distinct protocols. ICON therefore has been able to meet the challenges that its competitors face of scalability, interoperability and being able to meet the needs of community diversity in both the public and private sectors on a national level through using one connecting network.

Marketing Capability

Our research indicates that ICON leverages its value propositions as a means of marketing its offering on a national level. The rebranding strategy of subsuming their technical subsidiary, TheLoop, into ICONLOOP means that the company is able to increase their market position by using ICON in all of their visual marketing, thus strengthening brand recognition. This directly correlates to their active participation in community digital initiatives by the South Korean government. That said, their marketing capabilities integrate with their ability to underpin ICON as an innovator in the digital space through implementing loopchain protocol in real case situations. This serves as an ongoing PR campaign where ICON leverages both their product implementation and their ability to increase users' understanding of their offering.



Average with Strong Bias



Average with Strong Bias

Vleppo ICON - Made on November 2018



Furthermore, the ICON Foundation utilizes acknowledged digital media outlets to communicate their partnerships with the public. While ICON does not have a consumer designed marketing campaign, they effectively leverage governmental initiatives to prolong their offering to enterprises that seek to interconnect through blockchain technology.

Moreover, the ICON foundation utilizes adjacent means of increasing their audience reach by sponsoring blockchain conferences within South Korea, as well as organizing hackathons to increase blockchain awareness throughout the country. Similarly, Delock, an ICON founded VC firm and accelerator, invests into blockchain start-ups and has provided guidance for over 300 projects during the course of one year. Such an approach serves to reinforce ICON’s ability to be perceived as a blockchain driving force within South Korea. ICON leverages their blockchain knowledge and ability to contract governmental institutions as a marketing capability in projecting strong market capitalization in the region.

Technology

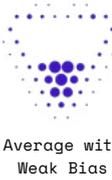
Existing technical documentation provided by ICON Foundation is focused on the network’s ability to interoperate the sum of all distinct blockchain protocols onto Nexus, which is a Multi-Channel blockchain protocol build on the Loopchian protocol framework. As described by ICON development core, distinct governance communities connect to the main Nexus network through portals, which assign a community representative to validate the course of action in the interoperability process.

Another essential point in ICON’s technology is underlined through Loopchian being the overarching protocol that drives the entire ICON ecosystem. After examining ICON’s technological capabilities, Loopchain is described as a high performance blockchain that utilizes the blockchain Gen 2.0 features of smart-contract deployment and decentralized app development. While Loopchain is a private distributed ledger solution, provided by ICONLOOP, the core of the ICON Network is rooted in their ability to generate a public Nexus Channel where decentralized applications can interconnect with each-other. Their ChainID product is an example of cross-chain data transfer and its ability to interconnect with different communities through the public Nexus Network. What is worth noting is that nodes within the public channel are on a light client basis where each transaction confirmation is done internally, while validation is processed on the main node. Interestingly enough, smart contracts within Loopchain run in real time, separated for basic blockchain processes. Therefore, Loopchain’s Smart Contract on Reliable Environment (SCORE) can facilitate a higher degree of transactions per second.

Equally important, the decentralized governance model proposed by ICON is reflected in their core value proposition to existing self-governed blockchain protocols. As previously stated, interoperability on the network is facilitated through portals, which are described as single community representatives (C-Rep) that interact with the Nexus Network in order to validate transactions between linking communities. Their proposal is achieved through the implementation of a Loop Fault Tolerance consensus algorithm at the core of the network which is a synergetic process between Delegated Proof of Stake and Byzantine Fault Tolerance, also referenced in existing research as Tendermint.. ICON facilitates hyperconnectivity on a network level through a new symbiotic governance model that increases the value exchange within the network.

Financial

Existing research does not provide an overview of their revenue model, however ICONLOOP is a for profit blockchain subsidiary of a large technological consortium, the Dayli Group. That relationship means that ICON adjusts their revenue model in accordance with the ability of the parent company





to fund the platform's development. What is worth noting is that while the ICON Network is a public blockchain network powered by loopchain technology, ICONLOOP provides customizable solutions on an organizational level. In that sense, the revenue model is reliant on the ability of ICONLOOP to generate revenue based on their services.

Furthermore, as emphasized by the ICON Foundation on their website, the company has partnered with a wide range of venture capital firms such as Pantera Capital and Kenetic Capital, that focus on the development of blockchain initiatives worldwide. Thus, our findings point to the fact that the ICON Network does not provide an overview of their envisioned monetization process, however they are focused on testing and further enhancing the development of a complete ecosystem that can interlink both public and private organizations. Perhaps in the future, a revenue model will be developed as adoption within the public space increases.

Governance

Information concerning the decision-making process within the ICON network, is scant. The ICON Foundation does not provide a clear overview of individual involvement in the decision-making process, however ICON Network's decision-making ability relies on the ICON Foundation selecting a number of decision-making committee members. The decision committee is composed of industry specialists in the technological, entrepreneurial and organizational field in order to increase the efficiency and ability of the ICON Network to reach its intended goals.

Existing technical documentation provided by ICON points to governance within the entire digital network varied on the basis of each community's designed protocol. Each individual community that adheres to the ICON Republic elects a Node representative that communicates and validates transactions throughout the ICON Network. These community representatives are incentivized to secure the ICON Republic. And so the ICON Network consists of a decentralized governance system dependent on the active application of distinct community governance models.

Transparency

Our research indicates that the ICON Foundation does project a fairly transparent communication process. Given their target market, ICON does utilize new digital media outputs to provide information and company updates that build on their decision through process and technological advancement for international stakeholders. ICON offered a clear overview within their technical documentation for their ICO crowdfunding campaign token allocation. Interestingly, the ICON Foundation increased the total token supply without any preliminary arguing their decision to stakeholders. This lack of community involvement in their decision process is at times detrimental to ICON's perception by stakeholders, however, their technical documentation does indicate foundation reserves. The ICON Foundation has argued their decision to increase token supply as a drive to increase trust within stakeholders due to a lack of confidence in the declining cryptocurrency market.

Summary

The ICON Network is a highly practical ecosystem that applies a network to network approach to the blockchain space while using a decentralized governance model within the network, facilitates interoperability on a larger scale between a wide array of private and public organizations. Their ability to enter the South Korean market which has a high adoption rate of blockchain and digital technology, provides ICON with a secure testing environment as seen in their partnership with governmental institutions and technology giants such as Samsung. In essence, ICON can create a



Average with
Strong Bias



Average with
Strong Bias



demand for their high performance ecosystem through their business model approach where user demand increases in accordance to blockchain integration on an institutional and governmental level. The ICON Foundation does possess the necessary tools to increase blockchain adoption within South Korea as it is able to meet the demands of both users and businesses in generating an interoperable and secure ecosystem.

ICON - Assessment

Business Model



Competition



Marketing Capability



Technology



Financial



Governance



Transparency

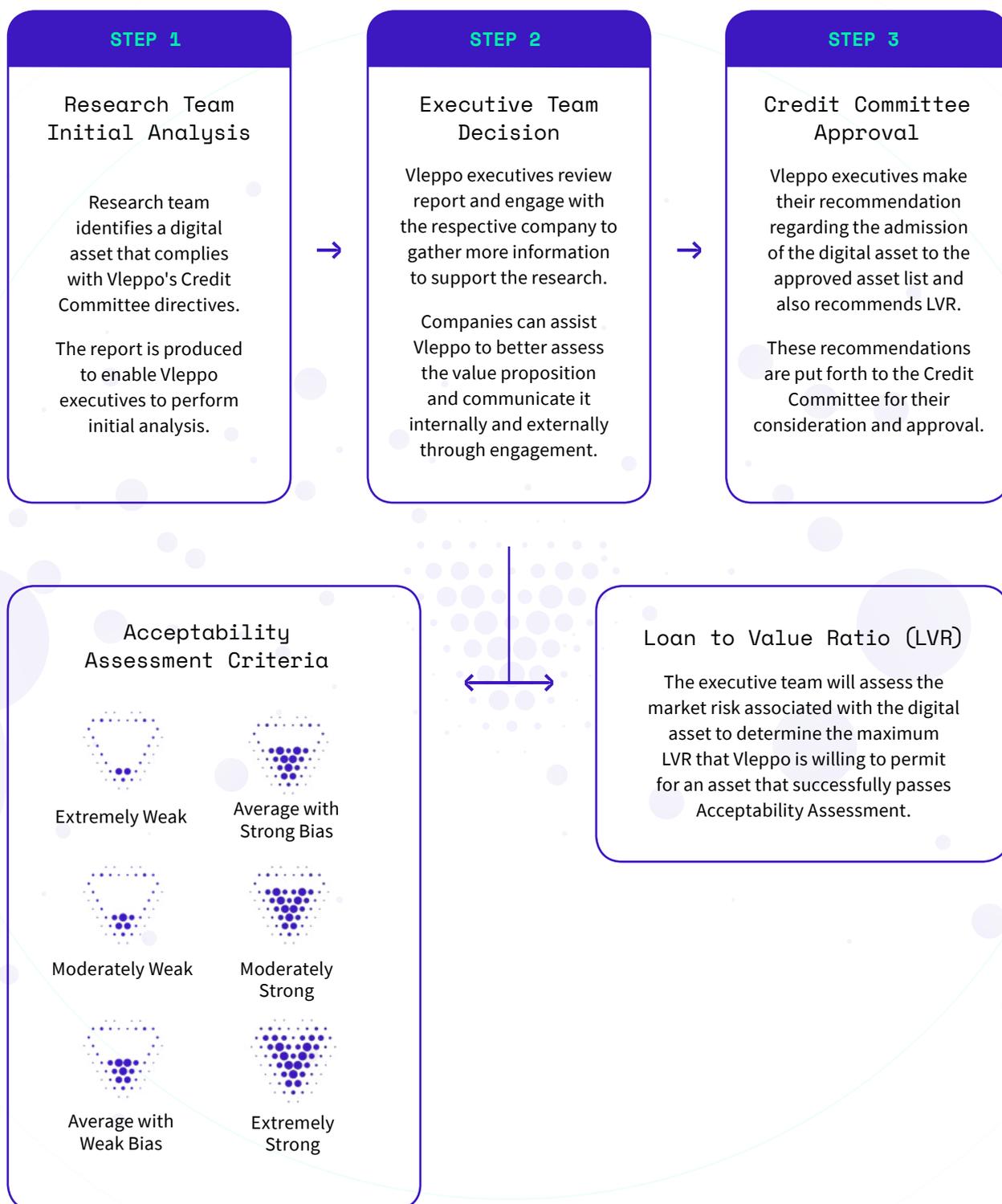


Final Score





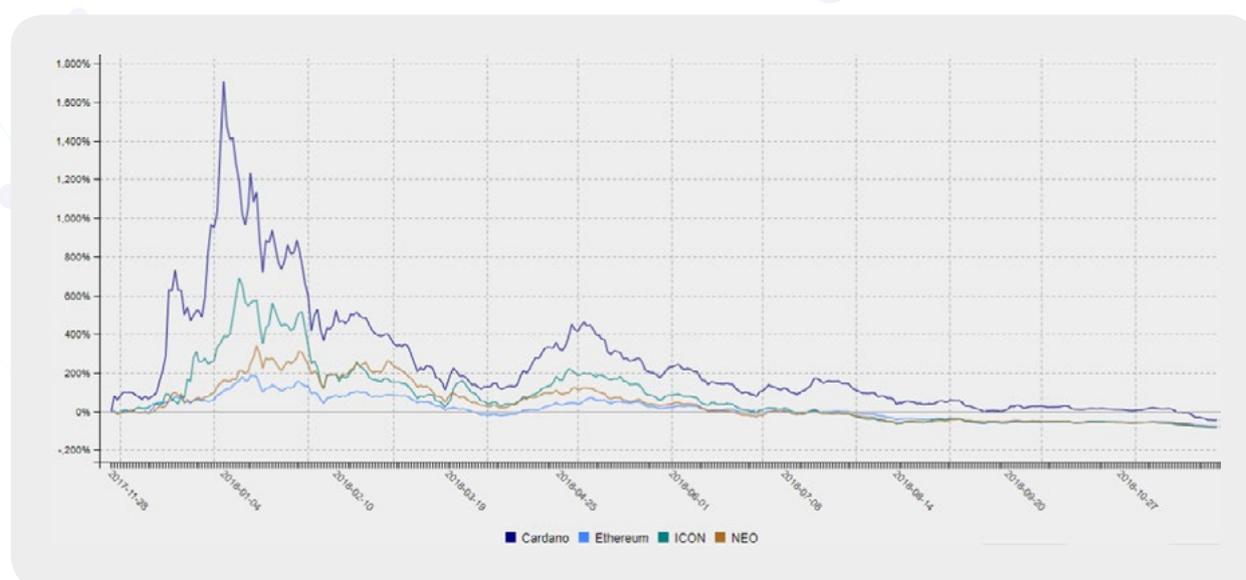
Vleppo Digital Asset Assessment Process





HIGH LEVEL COMPETITOR ANALYSIS

Competitor	Code	Whitepaper	Difference to ICX	Strength vs ICX	Weakness vs ICX
NEO	NEO	https://whitepaperdatabase.com/neo-whitepaper/	The main difference is in the fact that NEO does not aim to increase interoperability within their network.	The strength of NEO is their ability to connect to the Chinese market and provide blockchain 2.0 solutions on a national level,	The weakness of NEO is their lack of platform scalability which can hinder NEO adoption within the Chinese market.
Ethereum	ETH	https://github.com/ethereum/wiki/wiki/White-Paper	The difference of Ethereum is that their smart contract programming language focuses on Solidity.	The strength of Ethereum is their ability to create a functional high valued Ethereum ecosystem.	The weakness of Ethereum are in existing shortages in the Gen 2.0 blockchain that lack interoperability and scalability
Cardano	ADA	https://whitepaperdatabase.com/cardano-ada-whitepaper/	The difference of Cardano lies in their ability to have an academic approach to blockchain development.	The strength of Cardano is based on their deductive blockchain research initiative where they leverage existing data to enhance blockchain performance.	The drawbacks are that Cardano does not yet have a working product and their academic approach to blockchain solutions is not fully tested.



Source: <https://www.cryptocurrencychart.com>



RELEVANT CONTENT

Content	Title	Link	Summary
Publication Date: 09/08/2017 Medium: Article Classification: Commercial	Could This Blockchain In Korea Be The First To Connect An Entire Country?	https://www.forbes.com/sites/elaineramirez/2017/08/09/dayli-icon-blockchain-south-korea/#323af87425a7	This article provides insight into ICON and how the blockchain ecosystem is interconnected with the Dayli Group with an overview of the value proposition proposed by ICON.
Publication Date: N/A Medium: Article Classification: Commercial	Blockchain in Korea – Samsung SDS and ICONLoop	https://gilga.io/2018/08/29/blockchain-in-korea-samsung-sds-and-iconloop/	This article provides a comparison between ICON’s offering and the initiative by Samsung DDS stating that ICONLoop is focused on providing an enterprise strategy using private blockchain solutions.
Publication Date: 28/05/2018 Medium: Article Research Classification: Marketing	The Comprehensive ICON Report Part 1: ICON Facts & Commentary	https://medium.com/blockhack-research/the-icon-report-part-1-icon-facts-commentary-fdcc45609b18	This research article offers an overview of key strategic partnerships initiated by ICON and how they aim to implement their technology on a national level and describes ICONLOOP and ICON as two companies that serve the same purpose.
Publication Date: 29/05/2018 Medium: Research Article Classification: Technological	The Comprehensive ICON Report Part 2: ICX Token Utility & Valuation	https://medium.com/blockhack-research/the-comprehensive-icon-report-part-2-icx-token-utility-valuation-d2626f9f3cbd	This article provides an overview of key blockchain offering implementation provided by ICON and how the ICON network can facilitate a larger number of transactions within its network, compared to existing Gen 2.0 blockchains such as Ethereum.
Publication Date: 21/11/2018 Medium: Article Classification: Commercial	How ICON will connect & scale Private ICONLOOP Networks	https://medium.com/helloiconworld/how-icon-will-connect-scale-private-icon-loop-networks-76fe64ecce21	This article offers an overview of how ICON aims to scale their solution on a national level and describes the functionality of Chain ID and its ability to use ICONLOOP to connect public and private blockchain and facilitate data exchange.



RELEVANT CONTENT

Content	Title	Link	Summary
Publication Date: 22/11/2018 Medium: Article Classification: Technological	ICONLOOP, blockchain-based Disease Prediction beta service launches	https://medium.com/helloiconworld/icon-loop-blockchain-based-disease-prediction-beta-service-launches-63aa50165e32	This article is a means to inform stakeholders of the functionality of ICON within the insurance and healthcare industry. Their “Lifelong Healthy Life” utilizes loopchain protocol to facilitate communication between users within the field.
Publication Date: 25/10/2018 Medium: Blog Post Classification: Commercial	The Token Swap has Ended	https://medium.com/helloiconworld/the-token-swap-has-ended-33da57b302d0	ICON utilizes digital technology outlets to engage with stakeholders and inform them about the token swap process and the outcome of their initiative.
Publication Date: 15/11/2018 Medium: Blog Post Classification: Marketing	ICON Foundation: Addressing the Community	https://medium.com/helloiconworld/icon-foundation-addressing-the-community-7cec5e852d42	This blog post is a means to provide updates to community members and inform them about key milestones reached by ICON and also to inform them about new community sessions where they invite participation, to increase involvement and understanding of the direction taken by ICON.
Publication Date: N/A Medium: Website Classification: Commercial	ICON	https://coinmarketcap.com/currencies/icon/historical-data/?start=20171127&end=20181127	This website page will be used for key information in the research report.
Publication Date: N/A Medium: Website Classification: Commercial	ICON	https://icodrops.com/icon/	This website page provides key information regarding the company’s domicile as well as ICO data used inside the report.
Publication Date: 11/08/2018 Medium: Article Classification: Commercial	ICONLOOP, ICX Buyback Program, and ICON Open Sourcing	https://decrypto.net/2018/08/iconloop-icx-buyback-program-and-icon-open-sourcing/	This article provides information regarding the increase in total supply of ICON using the “bear market” as their main decision trigger and also discusses the ICONLOOP re-branding decision.



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