

Adappter Token

smart contracts
preliminary audit report
for internal use only

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1. Disclaimer

This is a limited report on our findings based on our analysis, in accordance with good industry practice at the date of this report, in relation to cybersecurity vulnerabilities and issues in the framework and algorithms based on smart contracts, the details of which are set out in this report. In order to get a full view of our analysis, it is crucial for you to read the full report. While we have done our best in conducting our analysis and producing this report, it is important to note that you should not rely on this report and cannot claim against us on the basis of what it says or doesn't say, or how we produced it, and it is important for you to conduct your own independent investigations before making any decisions. We go into more detail on this in the disclaimer below - please make sure to read it in full.

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2. Overview

HashEx was commissioned by the Adapter team to perform an audit of their smart contract. The audit was conducted between 28/09/2022 and 28/09/2022.

The purpose of this audit was to achieve the following:

- Identify potential security issues with smart contracts
- Formally check the logic behind given smart contracts.

Information in this report should be used for understanding the risk exposure of smart contracts, and as a guide to improving the security posture of smart contracts by remediating the issues that were identified.

[Standard ERC20](#) token contract. The code is available at the address. The contracts ERC20Burnable, Ownable, ERC20, IERC20, Pausable, and SafeMath are written according to the OpenZeppelin library standard.

2.1 Summary

Project name	Adapter Token
URL	https://adapter.io/
Platform	Ethereum
Language	Solidity

2.2 Contracts

Name	Address
AdapterToken	0xc314b0E758D5FF74f63e307A86EbFE183C95767b

3. Found issues



● High

1 (100%)

C1. AdapterToken

ID	Severity	Title	Status
C1-01	● High	Pause for transfers	? Open

4. Contracts

C1. AdapterToken

Overview

[Standard ERC20](#) token contract.

Issues

C1-01 Pause for transfers

● High

ⓘ Open

This contract has Pausable functionality for transfers, the EOA account owns the token, which means that if the owner's account is hacked, it is possible to stop the token from working for an unlimited amount of time.

Recommendation

Renounce the ownership or transfer it to a secure account, e.g., Timelock+MultiSig.

5. Conclusion

1 high severity issue was found during the audit. No issues were resolved in the update.

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Appendix A. Issues severity classification

- **Critical.** Issues that may cause an unlimited loss of funds or entirely break the contract workflow. Malicious code (including malicious modification of libraries) is also treated as a critical severity issue. These issues must be fixed before deployments or fixed in already running projects as soon as possible.
- **High.** Issues that may lead to a limited loss of funds, break interaction with users, or other contracts under specific conditions. Also, issues in a smart contract, that allow a privileged account the ability to steal or block other users' funds.
- **Medium.** Issues that do not lead to a loss of funds directly, but break the contract logic. May lead to failures in contracts operation.
- **Low.** Issues that are of a non-optimal code character, for instance, gas optimization tips, unused variables, errors in messages.
- **Info.** Issues that do not impact the contract operation. Usually, info severity issues are related to code best practices, e.g. style guide.

Appendix B. Issue status description

- ✔ **Resolved.** The issue has been completely fixed.
- 🔄 **Partially fixed.** Parts of the issue have been fixed but the issue is not completely resolved.
- ⊙ **Acknowledged.** The team has been notified of the issue, no action has been taken.
- ❓ **Open.** The issue remains unresolved.

Appendix C. List of examined issue types

- Business logic overview
- Functionality checks
- Following best practices
- Access control and authorization
- Reentrancy attacks
- Front-run attacks
- DoS with (unexpected) revert
- DoS with block gas limit
- Transaction-ordering dependence
- ERC/BEP and other standards violation
- Unchecked math
- Implicit visibility levels
- Excessive gas usage
- Timestamp dependence
- Forcibly sending ether to a contract
- Weak sources of randomness
- Shadowing state variables
- Usage of deprecated code

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