



Edited by Sara Jane Kenny

Background and price history

What led to the project's creation?

Silvio Micali, the founder of Algorand is a Gödel Prize, ACM Fellowship and Turing Award winner. While Silvio has been a cryptography pioneer since the 1980s, Algorand was founded only recently when he saw the possibility to achieve the promise of blockchain in our global society. Silvio is the co-inventor of probabilistic encryption, Zero-Knowledge Proofs, Verifiable Random Functions and many of the protocols that are the foundations of modern cryptography. Which are even used on other blockchains like Cardano.

How long has the project been in existence for?

Algorand was founded in 2017, Opened for Test net on April 16th 2019, and launched to main net June 19th 2019.

What are the general functions of the project?

1. Smart Contracts & AVM
2. Algorand Standard Assets
3. Atomic Transfer
4. Rekeying

ALGO Use Cases:

Non-Fungible Tokens (NFTs): As previously said, ALGO is basically Ethereum 2.0, but with more efficient technology that addresses many of the difficulties that Ethereum has. ALGO tokens have been utilized to symbolize collectibles, digital art, sports memorabilia, virtual real estate, and gaming objects since they are unique. In 2021, the NFT boom accelerated ALGO adoption even more. With NFT projects like Algoanna, Yieldy and Algbots.

Decentralized Finance (DeFi): As DeFi became more widely adopted, ALGO developed its own DeFi products. Tether and USD Coin ("USDC"), two stablecoins, were also introduced on the Algorand network in 2020.

Carbon-Neutral Projects: As previously stated, ALGO is dedicated to achieving carbon-neutral goals. This was demonstrated when the International Union for Conservation of Nature (IUCN) announced the development of FLRchain, an Algorand-based system for organizing the application of restoration money to forest landscapes.

The fact that ALGO already has received a lot of critical acclaims and high profile CBCD projects. Shows great promise for this new blockchain.

Is there anything unique you find about this project that stands out to you?

Algorand is the first blockchain to use a pure proof-of-stake (PPoS) protocol. "Each user's influence on the choice of a new block is proportional to its stake (number of tokens) in the system. Users are randomly and secretly selected to propose blocks and vote on block proposals. All online users have the chance to be selected to propose and vote."

Navel Ravikant, Crypto Currency Advisor for Algorand. He is a seed investor in Twitter, Uber, Wish, Thumbtack, Postmates, Kraken, Yammer, Stack Overflow, Protocol Labs, BlockStack, Chia, Basis, and OpenDoor.

Regulatory and Legal outlook

Financial Action Task Force (FATF) "is the global money laundering and terrorist financing watchdog. The inter-governmental body sets international standards that aim to prevent these illegal activities and the harm they cause to society. As a policy-making body, the FATF works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas. More than 200 countries and jurisdictions committed to implementing them."

AML5 "strengthens the existing anti-money laundering and counter-terrorism policies by the EU. It eliminates all the loopholes of AML4 directive that had been powering the financial crimes. AMLD5 brings the anti-money laundering and counter-terrorism efforts by the European Union in line with current FATF Standards."

MiCA "The European Commission's Regulation of Markets in Crypto-assets (MiCA) proposal is a regulatory framework developed since 2018 to help regulate currently out-of-scope crypto-assets and their service providers in the EU and provide a single licensing regime across all member states by 2024."

MiFID II "MiFID II is a legislative framework instituted by the European Union (EU) to regulate financial markets in the bloc and improve protections for investors. Its aim is to standardize practices across the EU and restore confidence in the industry, especially after the 2008 financial crisis."

Use Cases/Value Proposition/Functioning products

Why would someone use the proposed project over another?

Algorand is **the world's first crypto to solve** the blockchain trilemma using its unique consensus algorithm.

Algorand is a superfast blockchain that performs transactions at an incredible rate of **1,300 transactions per second (TPS)** that is soon expected to touch 3,000 TPS.

Algorand is cheap 0.001 algo per transaction \$0.0009
Ethereum network costs **approximately \$2.043** today.

Reliability

In my opinion I find Algorand to be one of the most reliable blockchains out there, an extremely professional team in Algorand and Algorand Foundation, newly appointed Algorand CEO Staci Warden former JP Morgan Executive. As well as the huge ties to MIT and continuing to connect to University's around the world. Aside from the team, what makes me very intrigued is the unique idea of PPOS, I believe this could be a breakthrough to connect the blockchains to the institutional world and it already is, with El Salvador running its infrastructure on Algorand and the \$BTC being used there is wrapped on Algorand. Many many banks are starting to notice the work being done and how much more efficient our world could be with blockchain technology.

It is a bright looking future. 1 crypto = 1 crypto.

Has the protocol been hacked? Algorand has never been down or hacked.

How safe are your funds when using the protocol?

Algorand maintains security against attacks at both the consensus protocol level and the network level—all while protecting the safety of individual users accounts.

How long has the project been around? Algorand has been around for 3 years.

Do the fee's maintain a fixed rate? Many big decisions, like fee rate etc, will be made from the algo governors partaking in the Governance Program.

Fee structure / cost of use

Algorand (ALGO) is the native currency, there is no concept of gas fees on Algorand. The minimum fee for a transaction is only **.001 Algos** (Currently a tenth of a penny). These very low fees are thanks to its Pure Proof of Stake (PPoS) algorithm.

Scalability

Because the Algorand protocol uses pure proof-of-stake to randomly select a small set of block proposers and verifiers, users only need to receive a fixed number of messages in order to reach consensus on the next block.

Authenticity and Security:

How secure is the blockchain? Algorand's protocol is built on Byzantine consensus. The PPoS approach ties the security of the whole economy to the honesty of the majority of the economy, rather than to that of a small subset of the economy. **The system is secure when most of the money is in honest hands.** This means the system can achieve consensus without a central authority and tolerate malicious users as long as a supermajority of the stake is in non-malicious hands.

Key risks and competition/Peer Comparison:

In this section we take a look at how we can assess a project's viability in comparison to other projects of a similar nature:

Metrics	Algo	Eth	Ada	Dot
Launch Date	19/07/19	30/07/15	27/09/17	26/05/20
Circulating Supply	6,616,926,858	119,687,183	33,626,462,852	319,792,628
TPS	1300 TPS	20.13 TPS	250 TPS	1000 TPS
Block Time	4.5 seconds	12 to 14 seconds	20 seconds	6 seconds

Level of centralisation vs decentralisation:

Community Governance enables all Algo holders to participate in the decision-making process on the growth and development of the Algorand ecosystem. The Governance approach for the Algorand community is designed for simplicity and maximum participation:

- Four quarterly Governance periods per calendar year.
- Each governor must commit to keeping a certain Algo balance for each quarterly Governance period.
- There will be at least one voting session in each period.
- Governors must vote in each voting session, but can choose to use a simplified UI to "vote with the Foundation".
- Every measure to be voted on will have an information pack explaining it.
- Compliant Governors claim rewards for their service at the end of each quarterly Governance period.
- Reward levels are tied to the Algo commitment of a governor.
- Specific Rewards pool for each period, decided by Governance vote.

Open/closed source (Transparency):

Open source is source code that is made freely available for possible modification and redistribution. Algorand is Open Source. The node repository of the proof-of-stake blockchain company made it freely available back in 2019.

Network effects/Adoption strategy:

What are they doing to promote their blockchain over the others? 3Billion Algo will instead be devoted to rewarding participation, usage, community governance, and service to the blockchain, while developing the technology and businesses running on the blockchain. Very bullish for early investors.

The bulk of Algos dedicated to Ecosystem Support will be shifted, in the form of a locked stake, to partners that will include universities, institutions, including investment funds, and enterprises committed to ecosystem governance and consensus, resulting in:

1. Economic decentralization, as allocated money will be disbursed from the Foundation to numerous ecosystem partners while they are locked.
2. Decentralization of the network is achieved by consent among ecosystem partners.
3. Decentralization of governance since fund allocation is decided by both ecosystem partners and the community through vote.

This allows great partnerships and incentives people to build within the ecosystem.

The Foundation's 250 million Algo Grant Program is now up and running, with around 50 million Algo pledged and dozens more projects in the works.

The community's input will also apply to the \$400 million Algo Innovation Fund, which will be developed in collaboration with a number of regional organizations, both within and external to the Foundation, that will choose the initiatives with the best chance of commercial success. The distribution is still going on.

Individual partnerships with universities, governmental organizations, and commercial enterprises will be used to implement the Research and Social Good initiative. Throughout 2021 and 2022, this 200M Algo will be gradually distributed to partners.

The Protocol Development, R&D, and Capital Markets R&D fund is implemented as a \$400 million Algo partnership with Algorand Inc., with the goal of continuing to expand the protocol and creating the right conditions for using the Algo currency and the rest of the blockchain's native or tokenized value. The first 70 million Algo has already been spent on development; the remaining 330 million Algo will be spent in conjunction with the advances of our decentralized ecosystem.

Not to mention new grants and incentives are being announced every other day, some big names like borderless capital, hivemind and even scaramucci skybridge are all playing a big role in making sure that Algorand builds a **superpower of an ecosystem**.

Consensus Mechanism

What consensus mechanism does the project have? Algorand's protocol is built on Byzantine consensus. The PPoS approach ties the security of the whole economy to the honesty of the majority of the economy, rather than to that of a small subset of the economy. **The system is secure when most of the money is in honest hands.** This means the system can achieve consensus without a central authority and tolerate malicious users as long as a supermajority of the stake is in non-malicious hands.

Developer Activity/Talent Attraction/Team Involved:

- <https://github.com/algorand> - 63 Repositories
- Founder Social Media - @silviomicali / Twitter 64 thousand followers
- Project's website – <https://www.algorand.com/>
- There are available Liquidity Pools and Dex's. Wrap/wrapping Crypto. Multiple wallets on browser or phones, Nft projects, Community Tokens.

Personal Outlook

Give your final assessment of the asset based on all the research you have conducted.

Headings:

- 5 year outlook
- likelihood of success
- Is it the best option on the market
- Strengths and Weakness
- Price prediction for 2022 End of Year

In 5 years I see the Algorand blockchain being used in many countries for their infrastructure, which currently it is already in El Salvador and as more use crypto currencies as a legal tender or seen as a currency, it will be a wrapped version on Algorand.

There is a high likelihood of success for Algorand with a great team behind the blockchain and immense growth of this new-ish Blockchain, which has got Billions in funds to incentive more building of the ecosystem.

Imagine investing in bitcoin in the first 3 years of its existence, that's Algorand right now.

Strengths:

Solved Blockchain Trilemma

Huge Funding going into the ecosystem

Great connections in MIT + other Uni's around the world

Award winning team

A strong foundation that works side by side with Algorand

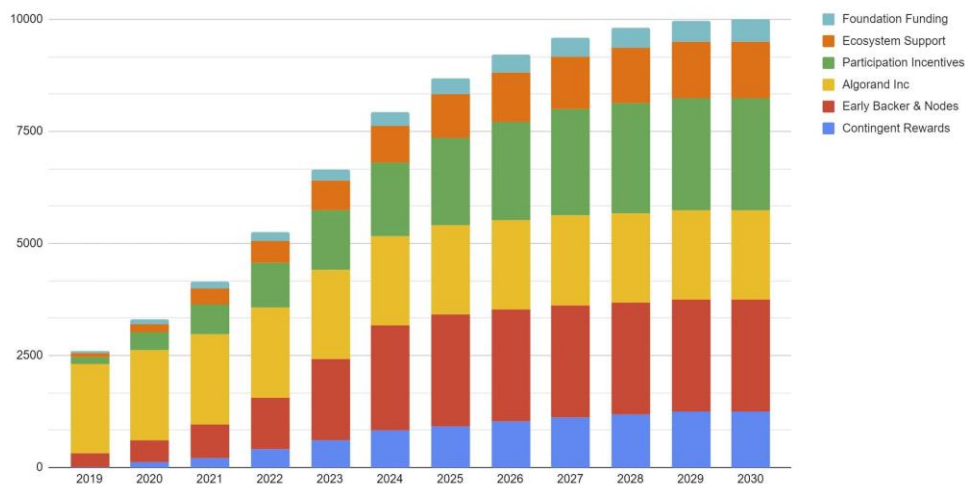
Weakness:

Needs improvement in marketing strategies

My Price Prediction for Algorand 2022 = \$2.40

Long Term Algo Tokenomics

Ecosystem Support	Supply
Innovation Fund	400 M
Protocol R&D and Capital Markets Innovation	400 M
Foundation Algo Grant Program (with community voting)	250 M
Research and Social Good Program	200 M
Total	1250 M
From Initial Allocation	Supply
Algorand Inc	2000 M
Algorand Foundation	500 M
Already Injected for operations and ecosystem	50 M
Total	2550 M
Initial Algo Allocation	Supply
Estimated Algos to be injected into circulation over the first 5 years	3000 M
Early Backers Relay Node Runner Incentives	2500 M
Estimated Participation Incentives	1750 M
Ecosystem Support	250 M
Algorand Inc	2000 M
Algorand Foundation	500 M
Total	10 B



<https://algorand.foundation/governance/algo-dynamics>