



Investment Thesis

Algorand ALGO

Token type	Cryptocurrency
Price	\$0.322
Sector	Smart Contract Platform (Layer 1)
Market Cap	\$2.17B

Key Figures

52-Week Range	\$0.275 - \$2.82
Market Rank	#28
Market Capitalization	\$2.17 billion
Total Value Locked (TVL)	\$109.49 million
Annualized Protocol Revenue	\$159,700
Circulating Supply	6,972,614,217
Volume (24h)	\$88,885,502
ATH	\$3.24
ATH Date	June 21, 2019
Down from ATH	-90.10%

Overview

Algorand is a **smart contract platform** that aims to solve the "**blockchain trilemma**," a belief that blockchains can only provide two of three benefits with respect to **decentralization, security, and scalability**. The founder of Algorand, Silvio Micali, received the Turing Award – the "Nobel Prize of computer science" – for his contributions to cryptography, including co-inventing probabilistic encryption, Zero-Knowledge Proofs, and Verifiable Random Functions. Algorand's primary innovation is a consensus mechanism dubbed **Pure Proof-of-Stake (PPoS)**, which works by randomly selecting committees from the participating ALGO holders using a unique cryptographic randomization tool called the VRF, or **Verifiable Random Function**. PPoS can tolerate an arbitrary number of malicious users as long as honest users hold more than two-thirds of the total stake in the system. As a result of this design, Algorand is able to **finalize blocks in seconds with immediate finality, without forks, and with low fees**. Algorand is powered by the **Algorand Virtual Machine (AVM)**, which supports smart contracts with Turing-complete languages (i.e., it can solve any computational problem). The utility of the blockchain's native token – ALGO – is to secure the network, pay for fees, and yield voting rights in an imminent on-chain governance process.

- On May 26, 2017, **Silvio Micali** and **Jing Chen** published Algorand's theoretical paper. That same year, Micali founded **Algorand Inc.**, a for-profit company focused on the ongoing development of the network.
- On June 19, 2019, the **Algorand Foundation** held a token sale of ALGO on CoinList, marking the official mainnet launch of Algorand's network.
- On March 2, 2022, Algorand announced "**State Proofs**," a new **interoperability standard** that securely connects blockchains to the outer world without trust in an intermediary.

Key takeaways

- Created by Silvio Micali, Algorand is a smart contract platform based on a novel consensus mechanism dubbed Pure Proof-of-Stake (PoS).
- **Algorand claims to have solved the blockchain trilemma**, achieving decentralization, security, and scalability.
- Currently valued at **\$2.17 billion**.

Risk factors

- **Adoption Risk.** User and developer adoption need not necessarily follow superior technology. Algorand has not generated the adoption that similar emergent high-speed blockchains such as Solana and Avalanche have achieved.
- **Smart contract risk** aggravates as total value locked (TVL) grows across decentralized finance (DeFi) applications.
- **Macroeconomic and regulatory uncertainty.**

Figure 1:
Price Performance (3-years)

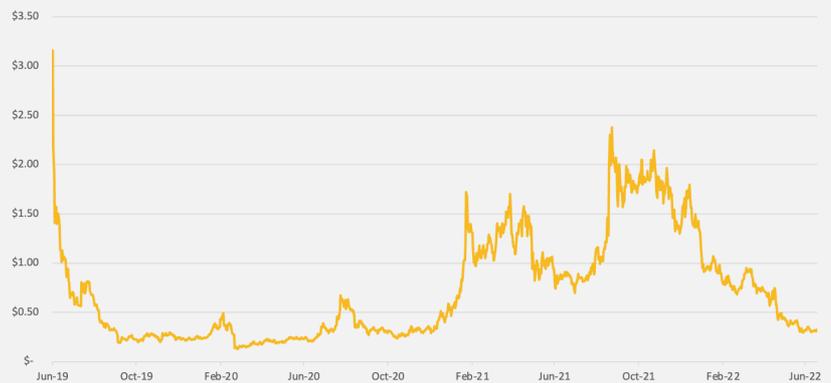


Figure 2:
Total Value Locked (TVL)



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