Rating Report

ADA - Cardano

Q4 2024

Free report

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Issued by

c4r

The purpose of this report is to gather all the important characteristics of the cryptocurrency or token. The report is performed in the following order:

1. Basic information
2. Analysis
3. Conclusion

Note that the result of this report should be interpreted as an independent analysis, not as a signal to buy or sell an asset. Please, always DYOR.

1. Basic information

ADA (Cardano) is a cryptocurrency created by Input Output (formerly IOHK), founded by Ethereum co-founder Charles Hoskinson. Its primary purposes are:

- **Transaction currency**. Serves as the native token for the Cardano blockchain, used to pay for transaction fees and participate in network operations.
- **Governance**. Allows holders to stake their ADA to help secure the network and earn rewards, while also participating in governance decisions through voting.
- **Smart Contract Platform**. Powers the execution of smart contracts and decentralized applications (dApps) on the Cardano blockchain, which uses a peer-reviewed, academic approach to development.

The cryptocurrency has evolved from a simple transfer-of-value token to a comprehensive utility token supporting a full ecosystem focused on scalability, sustainability, and interoperability, with particular emphasis on real-world applications in education, agriculture, and government systems, especially in developing regions.

2. Analysis

In the following tables we will show the different areas researched, such as tech, strategy and economy.

ADA						
Tech	**Type**	**Cryptocurrency**		Token		Others
	Layer	0	**1**	2	3	Others
	Blockchain	Ethereum	Cosmos	Solana	BNB Chain	**Others**
	Category	**Utility**	Security	Stable	Meme	Others
	Consensus	PoW	**PoS**	PoA	PoB	Others
	ISO	Yes			**No**	
	Bug Bounty	**Yes**			No	
	Audits	**Yes**			No	
	Auto Audit (1)	0	1	2	**3**	4	5

*(1) The auto audit score is performed by 6 different digital audits: Certik Skynet, Quick Intel, Go Plus, Honeypot, Token Sniffer and StaySAFU through the DEXTools app

On the one hand, the tech block shows that the project is a layer 1 cryptocurrency with a Proof of Stake consensus protocol. This makes it independent, innovative, and environmentally conscious, thanks to its energy-efficient design and being hosted on its own blockchain, Cardano, which was developed with a unique peer-reviewed approach. The project demonstrates strong technical credibility, being categorized as a 'utility' token with comprehensive audits from multiple respected firms including Root9B and Quantstamp.

Additionally, Cardano maintains a bug bounty program to encourage security researchers to identify and report vulnerabilities, further enhancing its security. However, like many blockchain projects, it has not pursued ISO certifications, which prevents it from achieving a perfect score in this technical block.

ADA					
Strategy	**Governance**	Centralized	**Decentralized**		Others
	Open Source	Yes		No	
	Roadmap	Yes		No	
	Partnerships	Yes		No	
	Public Team	Yes		No	
	Social media	Abandoned	**Active**		Others
	CAPED (2)	0	**1**	2	3	4	5

*(2) The CAPED score is an analysis of capitalization, trader's activity, price performance, development and engagement. This analysis was deployed initially by the Alpha Intelligence team of Hacken

On the other hand, regarding the strategy block, Cardano shows exceptional strength. With a clear roadmap, transparent team led by Charles Hoskinson, and impressive partnerships including government entities and international organizations, it demonstrates strong institutional credibility.

The project also features decentralized governance through its Voltaire system, allowing ADA holders to propose and vote on protocol upgrades, funding decisions, and other key changes, ensuring community-driven development. Moreover, Cardano is partly open source, with much of its codebase publicly available for review and collaboration, though some components may remain proprietary.

ADA					
Economy	**Supply**	**Limited**		Infinite	
	Burn	Yes		**No**	
	Collateral	Yes		**No**	
	Buybacks	Yes		**No**	
	Tokenomics (3)	0	1	2	**3**	4	5

*(3) The tokenomics score is performed by COIN4RATING considering factors as supply, burn mechanism, distribution, vesting and possibility of staking/liquidity pools

Finally, looking at the token economy, ADA presents a solid framework with its fixed supply cap of 45 billion tokens. While it doesn't implement burning mechanisms or collateralization, its well-thought-out tokenomics, including staking mechanisms and governance features, justify its medium score of 3 out of 5. It's worth noting that Cardano does not currently have a buyback program in place, which could otherwise influence token scarcity and value.

Overall, the analysis has been carried out satisfactorily.

3. Conclusion

The report provides a comprehensive yet concise analysis of the project's key characteristics. After thorough investigation, we confidently assess the project's performance as achieving the following rating:

(*) Note: Rating is from AAA+ to C- scoring.

QR verification: