

CRYPTOCURRENCY REPORT			Date report:	16 Jul 2023
Project Name	Arbitrum	Score	8.04	
Tiker	ARB	Rating	Excellent	
Project Sector	Layer 2	Percentage in Circulation	N/A	
Listing Date	21.03.2021	Website	https://arbitrum.io/	

Score Details

Conclusions based from artificial intelligence - Chat GPT

The opinion of artificial intelligence (AI), based on the fundamental analysis of the Arbitrum cryptocurrency:

The Arbitrum project, an Ethereum layer-two scaling solution, has positioned itself as a significant player in the crypto world with a comprehensive score of **8.04 out of 10** from our fundamental analysis. By leveraging its unique technology like optimistic rollups and broadening the blockchain ecosystem with the inclusion of programming languages like Rust and C++, it has caught the attention of many. The fundamental analysis of the Arbitrum cryptocurrency paints a promising picture of its future, thanks to its strategic goals, engaged team, and ambitious roadmap for 2023.

SOCIAL & MASS MEDIA: Score 7.5 out of 10
Despite excellent scores in attracting followers and media presence, the project could do more to boost community activities and administrator engagement on its social media platforms. While the size of its communities on chat groups is commendable, increased interaction would enhance the fundamental analysis of the Arbitrum cryptocurrency and its standing in the crypto community.

AUDIT & SECURITY: Score 7.6 out of 10
Arbitrum's transparency, audited results, and excellent liquidity on exchanges have garnered it a favorable score in audit and security. A more detailed auditing process might further enhance investor confidence.

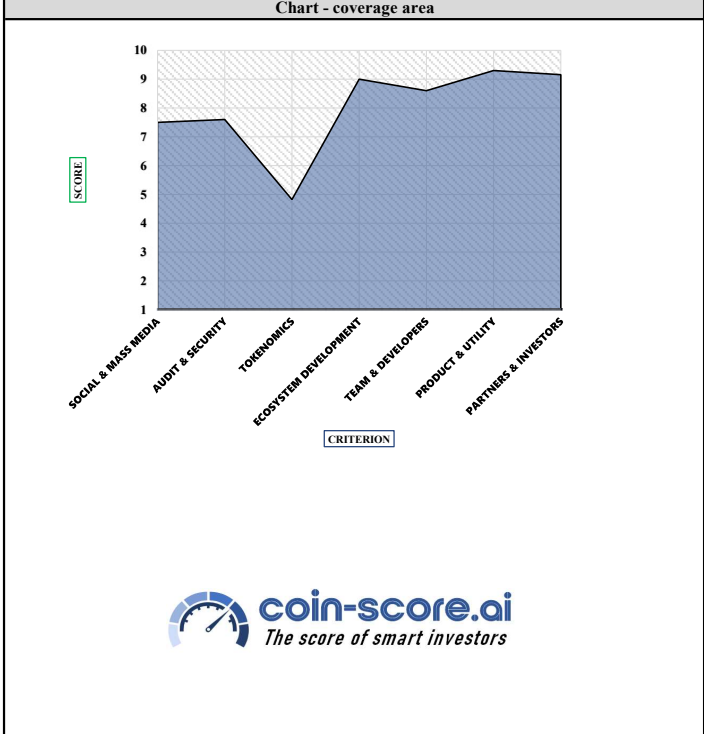
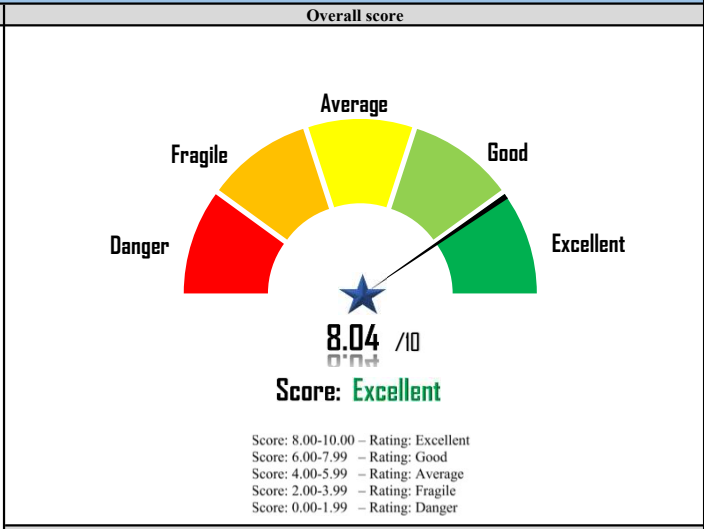
TOKENOMICS: Score 4.83 out of 10
The tokenomics of the Arbitrum cryptocurrency, while not disastrous, leave room for improvement. The score reflects concerns about its inflationary aspect and centralization of the monetary mass. This area requires close monitoring and possible strategic adjustments to increase the project's viability and attractiveness to investors.

ECOSYSTEM DEVELOPMENT: Score 9 out of 10
Arbitrum shines in the realm of ecosystem development, showing clear progress towards its goals and plans for future developments. These developments are likely to further solidify its position in the crypto market and add significant value to the fundamental analysis of the Arbitrum cryptocurrency.

TEAM & DEVELOPERS: Score 8.6 out of 10
The Arbitrum team's experience is undeniable, contributing positively to the overall project's potential. However, expanding the number of software developers could propel the project even further in the crypto space.

PRODUCT & UTILITY: Score 9.3 out of 10
Arbitrum scores highly in product utility and the utility of tokens in the ecosystem, showcasing a successful balance between technological innovation and practical usage. The ARB token's usage within the Arbitrum ecosystem contributes significantly to this score.

PARTNERS & INVESTORS: Score 9.15 out of 10
With a high number of capable investors and quality partners, Arbitrum solidifies its presence and future prospects in the crypto market. These partnerships and investments are likely to continue to contribute positively to the fundamental analysis of the Arbitrum cryptocurrency.



Fundamental analysis of the Arbitrum cryptocurrency – The final conclusion (The personalized conclusion)

An in-depth analysis of the Arbitrum Project (ARB) shows that it presents a significant potential within the crypto space. Its scalability and efficiency features, along with its reliance on Ethereum security and compatibility, give it a solid position within blockchain technology. On the other hand, it should be noted that only 12.5% of ARB coins are currently in circulation, and by 2025 this number is expected to rise to about 37%. This massive increase in supply can have an impact on the price rise.

Given our estimates, we predict that Arbitrum could reach a market capitalization of approximately \$40 billion in a bull market around 2025, which could bring the price to around \$6.

Coin-score.ai recommends that investors who want to have in their long-term Arbitrum portfolio make a phased accumulation of the currency. In 2023, buy a maximum of 30% of the budget allocated to Arbitrum, continuing to accumulate the remaining 70% between March 2024 and December 2024. This is suggested following the observation that in March 2024 will begin an aggressive release of coins in circulation.

Being a newly launched project in 2023, Arbitrum has no buyers that have accumulated at high prices and that could slow the price rise. In terms of the ratings offered by coin-score.ai, Arbitrum achieved a final score of 8.04 out of 10, with remarkable scores for ecosystem development, product and utility, partners and investors.

In conclusion, Arbitrum is a promising project with a solid team and a growing ecosystem, with the potential to bring significant changes to the world of cryptocurrencies. Interested investors are urged to approach with caution and take into account the associated risks, including the expected increase in currencies in circulation. It is essential that any investment decision is made on the basis of careful analysis and a well-defined strategy.

General criteria		Score	Score Size	
SOCIAL & MASS MEDIA		7.50	SOCIAL & MASS MEDIA	7.50
AUDIT & SECURITY		7.60	AUDIT & SECURITY	7.60
TOKENOMICS		4.83	TOKENOMICS	4.83
ECOSYSTEM DEVELOPMENT		9.00	ECOSYSTEM DEVELOPMENT	9.00
TEAM & DEVELOPERS		8.60	TEAM & DEVELOPERS	8.60
PRODUCT & UTILITY		9.30	PRODUCT & UTILITY	9.30
PARTNERS & INVESTORS		9.15	PARTNERS & INVESTORS	9.15
<p>Disclaimer: The opinion expressed here is not investment advice – it is provided for informational purposes only. Every investment and all trading involves risk, so you should always perform your own research prior to making decisions. We do not recommend investing money you cannot afford to lose</p>				

Full Report

Next, I attach the results (scores) obtained by it, following a fundamental analysis, as follows:

The fundamental analysis:

1. Social and media: score **7.5 out of 10**, this criterion consisted of the following subcriteria which obtained the following notes:

- Ability to attract followers on social media pages: score 10 out of 10
- Activities of social media administrators: score 6 out of 10
- Community activity on social media pages: score 1 out of 10
- Presence in the media: score 10 out of 10
- Size of communities on chat groups: score 10 out of 10

2. Audit and security: score **7.6 out of 10**, this criterion consisted of the following subcriteria which obtained the following notes:

- Results of audits: score 7 out of 10
- Transparency of information available to the public: score 8 out of 10
- Liquidity on Exchange: score 10 out of 10

3. Token economy: score **4.83 out of 10**, this criterion consisted of the following subcriteria which obtained the following notes:

- If the project is inflationary and inflation per year: score 2 out of 10;
- How centralized is this monetary mass: score 6.5 out of 10;

4. Ecosystem development: score **9 out of 10**, this criterion consisted of the following subcriteria which obtained the following notes:

- Achievement of objectives: score 8 out of 10;
- If you plan to bring new developments to the project: score 8 out of 10;

5. Team: score **8.6 out of 10**, this criterion consisted of the following subcriteria which obtained the following notes:

- Experience of the team: score 10 out of 10;
- Number of software developers: score 3 out of 10;

6. Product and utility: score **9.3 out of 10**, this criterion consisted of the following subcriteria which obtained the following notes:

- Utility of the product: score 9.5 out of 10;
- Utility of tokens in the ecosystem: score 9 out of 10;

7. Partners and investors: score **9.15 out of 10**, this criterion consisted of the following subcriteria which obtained the following notes:

- Number and capacity of investors: : score 9.7 out of 10;
- Number and quality of partners: : score 8.6 out of 10;

Project Description

What is Arbitrum ?

Arbitrum is a Layer 2 scalability solution for Ethereum, developed by Offchain Labs. The primary goal of the project is to significantly increase the speed and reduce the cost of transactions on the Ethereum network.

Arbitrum achieves this through a technique known as „rollup“. With this technique, computations are processed off-chain while keeping the data on-chain. It separates the computation and storage layers of Ethereum, which allows for increased efficiency.

In the Arbitrum system, validators submit proofs of execution to the Ethereum network. These proofs can be challenged by other validators if they believe there's a mistake or malicious action. This challenge system helps to ensure the security and correctness of the computations.

The protocol

This protocol is designed to be fully compatible with Ethereum, meaning that existing Ethereum contracts can be deployed on Arbitrum without any modifications. Additionally, Arbitrum is designed to be secure under any circumstances, assuming at least one honest validator exists.

Arbitrum Rollup, the main product of Offchain Labs, creates a protocol that optimizes scalability by batching multiple smart contract transactions into a single, solvable dispute. Each batch of transactions is submitted as a single „rollup“ block to the Ethereum network. The goal of this process is to alleviate the congestion on Ethereum's network by reducing the number of transactions that need to be processed directly on the Ethereum mainnet. Furthermore, it allows developers to work with a system that behaves like Ethereum, but with much higher capacity and lower transaction fees.

Another notable feature of Arbitrum is its Interoperability.

While some Layer 2 solutions create siloed ecosystems that are disconnected from the wider Ethereum network, Arbitrum maintains full compatibility and interoperability with Ethereum.

It supports all Ethereum developer tooling out of the box, which allows developers to port their decentralized applications (dApps) to Arbitrum without needing to learn new tools or languages. It also enables seamless asset transfers between Ethereum and Arbitrum, offering users and developers an efficient and fluid Layer 2 experience.

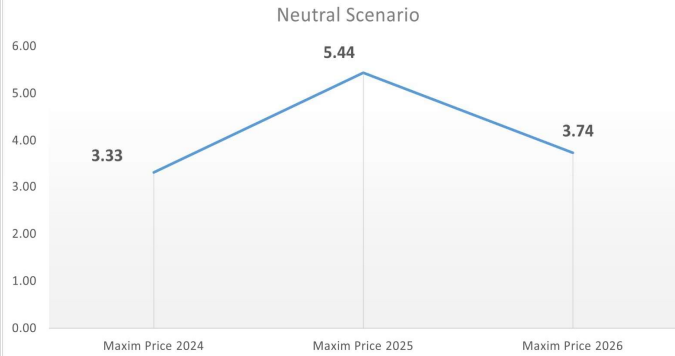
This interoperability is critical for maintaining the open and synergistic nature of the Ethereum ecosystem, and is a key selling point for Arbitrum.

PRICE PREDICTION BY COIN-SCORE.AI

Price prediction and estimated value Arbitrum ARB for year 2024

In the dynamic landscape of cryptocurrency, the price prediction and estimated value Arbitrum ARB for the year 2024 offers insightful perspective. Navigating through various market factors, we anticipate a neutral maximum price scenario of \$3.33. However, under more optimistic circumstances, the value might escalate to as much as \$3.69. On the contrary, a less favourable situation may see the value dip to a pessimistic estimate of \$2.79. It's worth noting that 2024 is significant as it's the year of Bitcoin reward halving, generally signaling the onset of a bull market, which could significantly impact the value of Arbitrum ARB.

Maxim price for the year - neutral scenario (USD) - ARB



Price prediction and estimated value Arbitrum ARB for year 2025

Following the trend, the price prediction and estimated value Arbitrum ARB for 2025 carries optimism. Historically, this year is expected to be a full-blown bull market where all projects tend to witness growth. Under the neutral scenario, the ARB's peak is predicted to reach \$5.44. An optimistic view, however, sees this climbing to a robust \$6.04, while a downturn in market sentiment could lead to a lower estimate of \$4.57. The effect of a global bull market could significantly influence these predictions.

Maxim price for the year - optimistic scenario (USD)



Price prediction and estimated value Arbitrum ARB for year 2026

Finally, the price prediction and estimated value Arbitrum ARB for 2026 suggests a market correction. Following the surge of 2025, a slight retraction is expected in the cryptocurrency sector. Under a neutral outlook, the Arbitrum is projected to hit a peak of \$3.74. An optimistic trajectory might see this price climb up to \$4.15, while a bearish market could potentially push it down to \$3.14. It's crucial to understand the cyclical nature of cryptocurrencies and the likelihood of these predictions based on past market behavior.

Maxim price for the year - pessimistic scenario (USD)



Annex to the Report

Project verification methodology and useful information

INTRODUCTION

Coin Score, performs a fundamental analysis using 2 analysis tools namely:

Algorithm-based analysis:

In this section, a multi-criteria analysis is performed using a unique calculation algorithm, in the cryptographic domain, containing 7 general criteria, 22 sub-criteria, as well as 167 variables related to them, to which calculation coefficients are applied according to the importance of each parameter, in order to improve the quality of the decision to invest in a project. After analysing a project, an overall score from 1-10 and a rating will be obtained.

Analysis based on artificial intelligence:

After performing the multi-criteria analysis based on the computational algorithm, the resulting data is entered in the form of a standardized, well-defined text for each project in the input section of the GPT Chat, owned by Open AI, and the result is provided in the form of an overall conclusion about the project, related risks and investment opportunities.

Explanation of the criteria analysed:

Social & mass media

In this criterion we analyse projects with regard to exposure on social media networks, interaction with members of social media communities or chat platforms.

The Coin-Score team analyses the speed at which the community joins projects via chat and social media platforms, from the moment their accounts are created to the moment of analysis. Behind the analysis are complex criteria on channel adoption over time, the evolution of adoption curves and analysis of specific periods in the market cycle.

Since there are projects that grow their communities artificially without having real activity on the accounts, the results are summarised and the activity of the community members and the interaction of the admins with the members are evaluated.

The interest and interaction of the project team's posts by the community is measured by the number of comments, shares and likes over reasonable and measurable time intervals.

Media is an important point here because media interest in a project in the crypto space is a qualitative indicator. The number of news stories on certain time intervals analysed and the websites mentioning the projects in the articles, the number of hits on news platforms, is an essential marketing indicator.

The more major news platforms around the world mention certain projects, the more interest they generate around cryptocurrencies.

In conclusion, appearance on news and social media platforms is an important quantitative and qualitative criterion in Coin-Score analyses, and is of major importance for the users of the site to receive an objective and reality-based evaluation.

Audits & Security

Within the analysis of Audits & Security a number of sub-criteria are assessed objectively and subjectively as described below:

In the first phase the project compliance is analyzed in terms of exposing all general data about the team, tokenomics with all its aspects, products offered, whitepaper, blockchain data and website, all of which must have traceability to receive a good score.

Audits on the security of the software developed within the smart-contracts registered on the blockchain, posted by the project team on their website, are verified by the Coin-score team. Depending on the auditors' findings, the quality of the auditors, the expertise and conclusions of the auditors, the resolution of issues in the audits, the project receives an appropriate score. It is also checked whether incidents are recorded on the platform and how they are resolved. If the project has not been audited it will receive the minimum score in this case.

In the opinion of the experts at Coin-score, a cryptocurrency that provides an audit and the auditors' findings are positive is a perspective project, will receive a good score and deserves the attention of investors.

Tokenomics

The analysis of the economics of the project is based on data provided by the team and other data identified on the blockchain.

There are 4 important pillars that deserve attention when talking about tokenomics, namely:

- Whether it has maximum supply and the inflation rate of the token;
- The distribution and proportion of coin quantities in the top 10 wallets;
- Past price volatility;
- Length of time until vesting;

If a maximum supply is established by smartcontract it scores well in Coin-score analysis but it is not enough, it is also very important how many coins are in circulation and the annual inflation rate of the coin. A project that inflates by more than 10% per year can affect the price substantially and investors will suffer, practically devaluing their investment over time.

A cryptocurrency where more than 60-70% of the currency is centralized in less than 10 wallets has vulnerabilities in terms of liquidity on exchanges, the possibility of pump and dump, high centralization, these criteria are thoroughly checked and properly noted.

Volatility caused from printing of currency and substantial price impact, generates a consistent drop in the Tokenomics category score.

If no data is published on the time to vesting, the score will be minimal. If we do have published data, it looks at how investors access their funds to sell them and the proportions of coin released relative to time.

Ecosystem Development

In this chapter we consider whether the roadmap has been respected, i.e. whether past objectives have been achieved on time as specified, whether new ecosystem developments are proposed or whether existing ones are improved. A project cannot grow if we cannot check developments on the software development side on the relevant websites. Also the degree of community participation in project governance is an important indicator in ecosystem development because they are centralised projects and decisions are made by a very small number of people.

Low scores are given to projects that did not comply with the roadmap and the ecosystem development was not as expected, but if we have projects that have delivered ahead of schedule, projects will receive high scores.

If the proposed development areas are multiple and in line with the competition, the Coin-score team will score the project high.

Team & Developers

The publication of the founding team that is at the time of the analysis at the head of the project, the training and experience of the team and the number of software developers that are part of the team are important criteria in determining the quality of a project in the crypto space, so Coin-score analyses according to the following sub-criteria:

- Experience of the team and advisors in finance, software development, cryptography, blockchain, development of similar projects and past success;
- Whether the team is public and data can be found on profile sites and social networks;
- The number of developers working on developing the ecosystem;
- Number of team members and existence of important departments within the company (e.g. marketing, operational, design, etc.);

Product & Utility

There are two main aspects that Coin-score evaluates in this chapter, namely:

- Whether there is a finished product that brings revenue into the company, the number of products and what are the annual revenues of the company;
- Whether the token or cryptocurrency has a utility within the ecosystem operation;

Whether a project has developed products that bring constant revenue to the company means that the project is sustainable and healthy in the long term, which substantially reduces the chances that the project will fail. Examples of revenue generating products are: smart-contract blockchain, wallet, CEX, DEX, Dapps, Liquidity pool, Marketplace, etc.

The usefulness of the token or cryptocurrency within the ecosystem is vital in raising the price, as users are incentivised to buy the coin and hold it at stake, which can bring considerable benefits to the project.

Partners & Investors

Partners and associates of projects in the crypto space can give important clues about the quality and future of the company.

Coin-score analyzes partners, their level of involvement in the business, their number and quality. If there are no partners the project will receive a low score and if there are important partners in the project, the project will receive a high score;

Last but not least, large investors or large investment funds present in the list of buyers and token holders are an important aspect of future development capabilities.

Explaining the overall score

Score 9.00-10.00 – Excellent

The project is excellent and the level of risk is extremely low. It is based on exceptional technology and the ecosystem is stable. The token in the project follows the basic principles of the crypto space and has a high adoption in society as well as extremely high usefulness for the large mass of the population;

Score 8.00-8.99 – Excellent

The project is stable and the risk level is very low. The final products of the project are functional, the technology is secure and the ecosystem is strengthened; the token in the project has a high adoption in society.

Score 7.00-7.99 – Good

The project is in development and the level of risk is limited. It has functional products or is going to have and the technology used is largely stable; the token is useful in the ecosystem; The token in the project has a good probability of being adopted in society.

Score 6.00-6.99 – Good

The project is promising and the risk level is acceptable. The project is at an early stage of development but can have very good results if it follows the roadmap and the auditors' guidelines; The token in the project has an increasing adoption in society.

Score 5.00-5.99 – Average

The project is a reasonable one with moderate risk associated with it. The project is average but the stage of development of the project is really in its infancy; the technology provided is in testing and has not been used by the general public; the token in the project does not have an average adoption in society.

Score 4.00-4.99 – Average

The project is an unpromising one with a slightly increased level of risk. The idea of the project in society has low chances of being implemented and sometimes it can be considered useless or without means to be put into practice, the team does not seem ready to carry out the project. The project token has a low adoption in society.

Score 3.00-3.99 – Fragile

The project is an extremely limited one with a high level of risk. Project progress is small compared to the road map, team members no longer respond to community requests, idea cannot be implemented. The token in the project does not have adoption in society.

Score 2.00-2.99 – Fragile

The project is a non-performing project with an extremely high level of risk; the project does not propose a solution to a problem or does not aim to produce a final product, the team is not public, it does not have a road map, the level of risk is high; the token in the project does not have adoption in society.

Score 1.00-1.99 – Danger

The project is very likely to close in the next period due to lack of activity around the project and very low trading volumes; the token in the project has no adoption in society.

Below 1.00 – Danger

The project presents an extremely high level of risk, the team is not public, there is no activity around the project. The token in the project has no adoption in society.

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