



ATHENA INTELLIGENCE

DUE DILIGENCE

Celestia

30 July 2023



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KEY RISK INDICATORS	YES/NO/NOT APPLICABLE	SCORE
Does the project have a well-defined use case or utility?	Yes	4/4
Are there any references to the project in business directories, commercial databases, official announcements, or similar sources of business information for the relevant sector(s)?	No	0/5
Is the list of shareholders/investors publicly disclosed?	Yes	5/5
Is the corporate structure unorthodox or unduly complex?	N/A	N/A
Is there an offshore element in the corporate structure?	N/A	N/A
Are the project's financial returns available from online research?	N/A	N/A
Is the project making a loss?	N/A	N/A
Are the project's assets publicly disclosed?	Yes	7/10
Have the project and its key individuals a proven track record of developing successful projects?	Yes	10/10
Has the project and its critical individuals been mentioned in the media regarding illegal business practices or any negative or controversial context?	Yes	7/10
Is there any evidence that the project and its key individuals have been involved in litigation?	Yes	5/10
Is there any evidence that the project and its key individuals are listed on blacklists?	No	8/10
Is there any evidence that the project and its key individuals have been involved in credit or bankruptcy issues?	No	10/10
OVERALL RISK ASSESSMENT & TOTAL SCORE	MODERATE	56/100



EXECUTIVE SUMMARY

Launched in 2021, **Celestia** is a blockchain ecosystem with a modular architecture. This is a distributed ledger concept where the blockchain focuses exclusively on organizing and guaranteeing the availability of transaction data. Celestia, therefore, offers only a base on which different execution layers can be plugged in. Celestia also has its cryptocurrency, the **TIA**.

Mustafa Al-Bassam, the project's co-founder and Chief Executive Officer ('CEO'), leads its team of around 35 employees. He is supported by **Ismail Khoffi**, the Chief Technical Officer ('CTO'), **John Adler**, the Chief Revenue Officer ('CRO'), and **Nick White**, the Chief Operation Officer ('COO').

Celestia is also attracting a **significant presence on social media and in the press**, thanks to the way it conceives blockchains via its modular architecture. It is particularly active on X and boasts a substantial following. The project also provides several chat platforms for exchanging views with its community. In addition, Celestia is supported by investors such as Interchain Foundation, Binance Labs, Maven 11 Capital, KR1, Signature Ventures, and P2P Capital.

According to our review, Celestia has not been involved in civil or criminal litigation. We can also confirm that the project has not been featured on anti-money laundering, debarment, prohibitive, or international sanctions lists.

However, it is important to highlight that Mustafa Al-Bassam was a **notorious computer hacker** in his teens and was **convicted in the UK**.

Based on the above elements, Athena Intelligence has assessed the Celestia as an **overall moderate risk**.



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PROFILE

Celestia¹, initially known as LazyLadger (until 15 June 2021), was launched in September 2019 to solve the blockchain trilemma (combining security, scalability, and decentralization simultaneously).² Unlike traditional monolithic blockchains, Celestia defines itself as the first modular blockchain network.³ It separates the consensus, execution, and settlement layers (known as scalability). Celestia delegates transaction execution to specialized blockchains called rollups, offering a base on which different execution layers can be plugged.

Celestia is, therefore, a proof-of-stake blockchain built using the Cosmos SDK⁴ (an open-source Software Development Kit), supporting Inter Blockchain Communication ('IBC').⁵ Celestia's focus on data storage without verification reduces the required information, enhancing efficiency. Additionally, its scalability allows developers the flexibility to choose different execution environments.

Although the execution layer is minimal, Celestia still uses its native cryptocurrency, TIA⁶, to power its ecosystem. The TIA secures the network via the Proof of Stake, enables holders to participate in governance (by voting on critical decisions), serves as a currency for new rollups (inciting developers to use it), and is the primary payment instrument for accessing the data provided by Celestia (the Blobspace).

Total TIA tokens are set at 1 billion⁷, allocated as follows: 26.8% for R&D and the ecosystem (mainly to the Celestia Foundation and developers), 20% for public allocation (including the Genesis Drop, incentivized Testnet, and future initiatives), 19.7% for Series A and B investors, 15.9% for seed stage investors, and 17.6% for Celestia Labs early crucial contributors. However, this distribution has been criticized in the crypto-community as excessively favoring private investors at the expense of the community.

The creation address of Celestia is `ibc/F51BB221BAA275F2EBF654F70B005627D7E713AFFD6D86AFD1E4`

¹ arxiv.org/abs/1905.09274

² learn.swyftx.com/blockchain/blockchain-trilemma

³ celestia.org/what-is-celestia

⁴ docs.cosmos.network

⁵ ibcprotocol.dev

⁶ coinmarketcap.com/currencies/celestia

⁷ docs.celestia.org/learn/staking-governance-supply



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3CAA886149F4. At the time of writing, TIA's market price is USD 6.8⁸, giving it a market capitalization of almost USD 1.3 billion.⁹ The largest holder of TIAs is celestia1qm2u6nyv7kg6awdm46caccgzn5h7mdkd5s434s, with approximately 33,700,000 TIAs¹⁰, or about 5.8% of the offering outstanding at the time of writing.

MANAGEMENT PROFILES

According to various sources, Celestia has around 35 members and associates overall.¹¹ Its team and advisors have extensive experience in Web2 companies and Web3 native blockchains, including notable organizations such as Tendermint, Interchain Foundation, Cosmos, and Harmony.¹²

Mustafa Al-Bassam – Co-founder & CEO

Mustafa Al-Bassam co-founded Celestia and serves as its CEO.¹³ Before this, in 2018, he co-founded Chainspace, a company specializing in innovative contract platforms, which Facebook later acquired.¹⁴ He co-founded the hacking group LulzSec in his earlier years, which is known for its high-profile cyberattacks (see the 'Litigation' section below).¹⁵ Additionally, Mr. Al-Bassam has been linked to the hacktivist group Anonymous. Despite his controversial past, his transformation from hacker to respected entrepreneur has been widely recognized; in 2016, Forbes named him one of the 30 under 30 entrepreneurs in technology.¹⁶ Al-Bassam earned his BSc in Computer Science from King's College London and completed his PhD at University College London, focusing

⁸ coinmarketcap.com/currencies/celestia

⁹ mintscan.io/celestia

¹⁰ mintscan.io/celestia/address/celestia1qm2u6nyv7kg6awdm46caccgzn5h7mdkd5s434s

¹¹ directory.plnetwork.io/teams/cldvnueku00htu21kova1reug

¹² coinstash.com.au/blog/celestia-launches-why-it-could-fill-a-serious-need

¹³ linkedin.com/in/musalbas

¹⁴ youtube.com/watch?v=y9d2FpmoiE

telegraph.co.uk/technology/2019/06/26/inside-tiny-london-start-up-heart-facebooks-push-reinvent-world

¹⁵ archive.org/details/2014TheManyFacesOfAnonymous

¹⁶ forbes.com/profile/mustafa-al-bassam



on blockchain scalability. His research areas include information security, blockchain technologies, and distributed systems.

Ismail Khoffi – Co-founder & CTO

Ismail Khoffi co-founded Celestia and is its CTO.¹⁷ He has a strong background in IT security, cryptography, key management, and blockchain infrastructure.¹⁸ Before co-founding Celestia, Mr. Khoffi worked as a senior engineer at Tendermint¹⁹ (an open-source blockchain launcher that enables applications to be developed in any language) and at the Interchain Foundation²⁰ (which develops and maintains foundational, decentralized protocols and supports organizations building an internet of shared resources, security, and value creation), where he contributed to the development of the Cosmos network²¹ and the IBC protocol.²² Finally, Ismail Khoffi also holds a Master's in Mathematics and Computer Science from the Rheinische Friedrich-Wilhelms-Universität Bonn, Germany.

John Adler – Co-founder & CRO

John Adler co-founded Celestia and is its CRO.²³ He is also a consultant to Essential (the first declarative blockchain, utilizing constraints to eliminate the need for execution, enabling developers to build scalable applications that optimize user outcomes).²⁴ Before joining Celestia, Mr. Adler worked extensively on hybrid scalability and Layer 2 solutions for Ethereum at ConsenSys.²⁵ He is the inventor of the optimistic rollup design paradigm and co-founded Fuel, a leading player in the blockchain space, where he was instrumental in advancing blockchain scalability and data availability solutions.²⁶ Finally, John Adler holds a Bachelor of Applied Science in Engineering Science, a Master of Applied Science in Electrical and

¹⁷ [linkedin.com/in/ismailkhoffi](https://www.linkedin.com/in/ismailkhoffi)

¹⁸ scholar.google.com/citations?user=9gAIMQsAAAAJ&hl=en

¹⁹ tendermint.com

²⁰ interchain.io

²¹ cosmos.network

²² ibcprotocol.dev

²³ [linkedin.com/in/john-adler](https://www.linkedin.com/in/john-adler)

²⁴ blog.essential.builders

²⁵ [linkedin.com/in/john-adler](https://www.linkedin.com/in/john-adler)

²⁶ fuel.network



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Computer Engineering, and a PhD in Electrical and Computer Engineering, all from the University of Toronto, Canada.

Nick White – COO

Nick White is Celestia’s COO.²⁷ Before joining Celestia, he co-founded Harmony, a blockchain platform to improve scalability and decentralization.²⁸ White also worked as an AI specialist at Zeroth.ai²⁹, an AI startup gas pedal, where he helped develop and mentor AI-focused startups. He holds a Master’s in electrical engineering from Stanford University, specializing in signal processing, optimization, and control.

REPUTATION

Celestia is recognized in the industry for its blockchain scalability and modularity approach. Its main net launch was positively received as a milestone in blockchain technology development.

Celestia’s approach has attracted significant investment from notable venture capital firms and individual investors. The project reportedly raised USD 55 million in two funding rounds, led by Bain Capital Crypto and Polychain Capital. Other notable investors include Placeholder, Galaxy Digital, Delphi Digital, Blockchain Capital, NFX, Protocol Labs, Figment, Maven 11, Spartan Group, FTX Ventures, and Jump Crypto.³⁰ Angel investors such as Balaji Srinivasan, Jutta Steiner, and Eric Wall also contributed to the funding.

However, the project’s token distribution has been criticized for being too favorable to private investors. Nonetheless, the overall sentiment toward Celestia remains positive. The project is viewed as an

²⁷ [linkedin.com/in/nickwh8te](https://www.linkedin.com/in/nickwh8te)

²⁸ [harmony.one](https://www.harmony.one)

²⁹ [crunchbase.com/organization/zeroth](https://www.crunchbase.com/organization/zeroth)

³⁰ pitchbook.com/profiles/company/454358-17#overview
siliconangle.com/2022/10/20/celestia-labs-raises-55m-build-modular-blockchain-networks
cointelegraph.com/news/celestia-foundation-raises-55m-for-modular-blockchain-architecture



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innovative player in the blockchain space, advancing modular blockchain architecture and attracting a growing community of developers and investors.

Meanwhile, the TIA token, which powers Celestia’s network, has experienced significant market activity, including a surge in value following its launch and subsequent airdrop.³¹ A significant fall in its price has been noted in recent months.³²

Celestia maintains an active presence on several major social media platforms, ensuring effective communication and engagement with its community. On X – where over 283 thousand people follow it – Celestia provides real-time announcements and updates on its latest developments, market insights, and events, engaging with the broader blockchain community.³³ Discord³⁴ and GitHub³⁵ serve as hubs for technical support and community discussions, fostering detailed conversations about modular blockchain development. Telegram is also used for immediate updates and broader interaction with the community.³⁶ In addition, Celestia’s blog provides comprehensive information on company developments, technical updates, and community initiatives, reinforcing their commitment to transparency and decentralization.

KEY RISK INDICATORS IDENTIFIED BY ATHENA INTELLIGENCE	YES/NO/NOT KNOWN
Does the project and its critical individuals have any discernible media profile in the general or specialized press?	Yes
Have the project and its critical individuals been mentioned in the media in connection with illegal business practices (money laundering, corruption, tax evasion, fraud, misappropriation of public property, etc.) or any negative or controversial context?	Yes

³¹ coingecko.com/en/coins/celestia

³² binance.com/fr/square/post/7373218050626

³³ x.com/CelestiaOrg

³⁴ discord.com/invite/YsnTPcSfWQ

³⁵ github.com/celestiaorg

³⁶ t.me/CelestiaCommunity



LITIGATION

Athena Intelligence has conducted litigation checks on Celestia and its management team to determine whether they have been involved in civil or criminal lawsuits.

In 2013, Mustafa Al-Bassam was convicted by British Courts for his role in various high-level hacking activities as 'tflow', a vital member of the LulzSec hacking group. At 16, he participated in a 50-day hack targeting significant organizations such as Sony, Fox, News International, Nintendo, and the CIA. He also collaborated with Anonymous in hacking HBGary Federal to expose unethical practices. Arrested in 2011, he pleaded guilty to misuse of a computer. He was given a 20-month suspended prison sentence, 320 hours of community service, and a ban on internet access for almost two years.³⁷

KEY RISK INDICATORS IDENTIFIED BY ATHENA INTELLIGENCE	YES/NO/NOT KNOWN
Have any of the project's key individuals been involved in litigation as a claimant or plaintiff?	Yes

SANCTIONS & WATCH LISTS

Athena Intelligence reviewed approximately 700 global records, including official anti-money laundering lists, international sanctions, debarment lists, and prohibitive lists. Celestia and its management team are not on these lists or sanctions.

The consulted lists include, among others, the Specially Designated Nationals and Blocked Persons list ("SDN List") and all other sanctions lists administered by OFAC; all US-related issued sanctions, also at the state level; all UN/WorldBank/IMF Watchlists and Sanctions; all EU Sanctions, including national state financial ministry sanctions; and all LATAM and Asian continent watch lists.

³⁷ 01net.com/actualites/la-justice-britannique-condamne-trois-membres-de-lulzsec-a-de-la-prison-ferme-595319.html



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KEY RISK INDICATORS IDENTIFIED BY ATHENA INTELLIGENCE	YES/NO/NOT KNOWN
Has the project been listed in any international regulatory blacklists?	No
Have any of the project's key individuals been listed on any international regulatory blacklists?	No