Chapter 1: Celsius, Next Terra?

“If you don’t know the source of the yield, you are the yield” - Jerome Powell

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October 8, 2021, Celsius Network reported that their assets under management have crossed $25 billion.

Before the fall of Terra, Celsius had already been experiencing violent client deposit withdrawals. In May, the firm's AUM was reported to be around $11B ~ 56% decrease in 6 months.

After the Terra collapse, the firm found itself in an even worse situation as people have lost their trust in “risk-less” 10% + yields. Terra ecosystem was a major revenue generator for Celsius as they had $535M deposited in Anchor protocol.

Luckily, they were able to withdraw their funds on time due to their exposure to the terra ecosystem downfall on-time to avoid the catastrophe.

On the investor portal, bnktothefuture, where Celsius have previously successfully raised $20m+, some investors raised a concern about Celsius’s exposure to Terra. The CEO said that the firm had “limited exposure to UST and Terra.

Nansen recently published a report analyzing on-chain activity of Terra De-Peg. According to the report, Celsius wallet’s withdrawal of funds from the Terra Ecosystem from UST might have played a role in de-pegging of the stable coin..

Nansen also showed the firm’s exposure to be near $530M, which is far from “minimal.” Even if the company did not experience significant losses as they were able to limit their exposure on-timely, “$535M” of deposits must have served as a significant source of revenue for Celsius. Currently,

Celsius is offering up to 7-9% yield on stalbecoins while the USD prime rate is at 3.25%. After the market conditions have worsened, the demand for leverage in crypto has decreased.

The firm previously released their annual financial statement for the year of 2019 and 2020, but never released such numbers for 2021 despite historical AUM inflows. Various investors have previously inquired about the lack of transparency, but no reasonable answers were provided.

The annual financial statements released in 2019 and 2020 had some interesting figures:

In

	Note	Period ended 31 December 2020 $000	As restated year ended 29 February 2020 $000
Turnover	4	51,165	15,332
Cost of sales		(24,063)	(14,620)
Gross profit		27,102	712
Distribution costs		(408)	(891)
Administrative expenses		(35,448)	(10,065)
Other operating income	5	46,459	1,594
Other operating charges	6	(42,661)	(145)

2020, The firm has spent 47% more on “Administrative expenses” than they did on “Cost of Sales”, which includes their “Reward paid to community” aka yields). Such astronomical figures are especially surprising given that the firm only had 2 directors and 2 employees at the time.

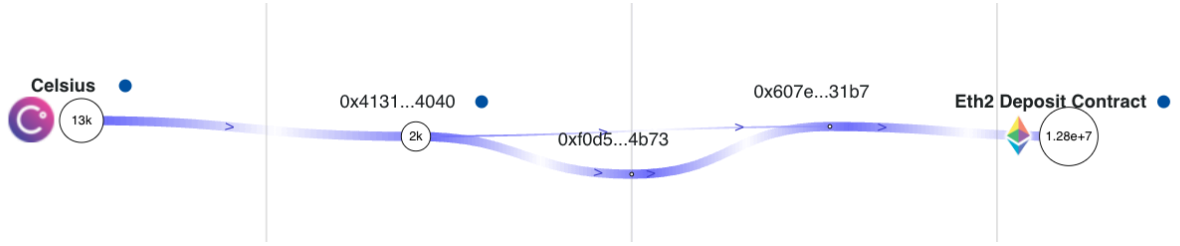
	Group Period ended 31 December 2020 No.
Directors	2
Employees	2
	4

How can a lending company with 4 employees spend more on administrative expenses than on interest paid to customers?

There are several other examples where the leadership team at Celscius decided not to be “fully transparent.”

In 2021, Stakehoud, a custody firm, lost its access to their private keys. The table below shows the public wallet addresses that deposited the most amount of ETH into the Stakehound staking contract.

#	Wallet Address	ETH deposited into Stakehound
1	0x3c79d7e8a5d6b49336f0fd2f3adde745954bc9f7	20,597.00
2	0xf0d54551a359d5b57b7035d847b5c8d8eb374b73	14,297.51
3	0xb90e50f2b083bb236c9c5d31997ed4e9f9e1dacd	10,555.25
4	0xef22c14f46858d5ac61326497b056974167f2ee1	10,242.00
5	0x41318419cfa25396b47a94896ffa2c77c6434040	5,407.56
6	0x62ffb5b8f6c6e3dc949f4e7b163831fe6d2ed423	1,815.45



Nansen, on-chain analytics firm, links the Wallet #4 to “Celsius Trading”. Over 50% of incoming and outgoing ETH for wallets #3 and #4 are associated with known Celsius public wallets, making it extremely likely that these are also Celsius Wallets. Wallet #2 and #5 also demonstrates such a pattern of behavior.

Based on information based on the public ledger, we can speculate that the firm has lost around 35K of ETH deposits in the Stakehound incident. No information about $70M losses has been acknowledged by the firm. According to CoinDesk, the company also lost $120M on the Badger Dao hack.

Based on the prior events, an investor has a right to be skeptical about the numbers that the company is currently presenting.

In December of 2020, the firm collaborated with Chainanalysis to produce a report confirming the accuracy of net funds collected by Celsius. Chainanalysis verified that Celsius had for $7.6B in deposits and $4.2B in withdrawals since it launched its services in June of 2018. This report is currently not publicly available.

At the time, the firm's public filings were audited by Nyman Libson Paul, a chartered audit firm based in the UK. Since the firm has not released their financial statements, the firm has never undergone an audit. Even though Chainanalysis verified the firm's assets and withdrawals in 2020, no such reports have been done since then.

In 2021, the firm raised $20.2 million of equity crowdfunding via BnkToTheFuture. The equity crowdfunding in the UK and US is largely unregulated and does not require stringent public disclosures. In Business School, we were taught that some firms will intentionally try to raise capital through equity crowdfunding platforms to avoid disclosing their financials.

Currently, Celsius Network claims to have $11B in AUM, but such numbers have not been confirmed.

The firm also releases "CelsiusByTheNumbers" report on social media. It is unclear how the firm calculates its TVL and if this is the same number as their AUM.



I manually combined the numbers reported in the "CelsiusByTheNumbers" reports and summarized the figures in the table below.

You can see a striking difference in 5 weeks before and after the terra ecosystem collapse. The platform had Net inflow of ETH every week.

Weekly outflows for March/April

	Mar 18th - Mar 24th	Mar 25th - Mar	April 1 - April 7	April 8 - April 14	April 15 - April 21
Net BTC(coins)	(523)	(1,916)	867	2,100	241
Net BTC (USD)	($15,986,018)	($58,564,456)	$26,485,439	$64,188,600	$7,366,406
Net ETH(coins)	5,543	16,946	5,818	14,446	6,294
Net ETH(USD)	$10,376,496	$31,722,912	$10,891,296	$27,042,912	$11,782,368
NET STABLES	($22,690,000)	($82,450,000)	($32,020,000)	($34,640,000)	($3,560,000)
Inflows	$312,020,000	$393,530,000	$358,170,000	$471,640,000	$239,650,000
Outflows	($307,330,000)	($491,400,000)	($435,320,000)	($354,740,000)	($225,990,000)
Net Inflow/Outlfow	$4,690,000	($97,870,000)	($77,150,000)	$116,900,000	$13,660,000

Weekly outflows for April/May

Please note, the report was not released for the week of May 12 to May 17
(hint: the previous week had $750M of outflows).

	April 22- April 28	pril 29 - May 5t	May 6 - May 12	May 12- May 17	May 20 - May 26	May 27 - Jun 2n
Net BTC(coins)	(1,382)	(755)	(4,967)	N/A	(3,824)	(5,343)
Net BTC (USD)	($42,242,212)	($23,088,701)	($151,821,322)	N/A	($116,884,384)	($163,314,138)
				N/A		
Net ETH(coins)	(9,016)	(9,598)	(89,031)	N/A	(41,593)	(52,052)
Net ETH(USD)	($16,877,952)	($17,967,456)	($166,666,032)	N/A	($77,862,096)	($97,441,344)
				N/A		
				N/A		
NET STABLES	($1,370,000)	$10,900,000	($384,000,000)	N/A	$35,000,000	($22,000,000)
Inflows	$180,340,000	$201,700,000	$396,780,000	N/A	$192,000,000	$194,000,000
Outflows	($276,100,000)	($263,120,000)	($1,150,000,000)	N/A	($364,000,000)	($498,000,000)
Net Inflow/Outlfow	($95,760,000)	($61,420,000)	($754,000,000)	N/A	($172,000,000)	($304,000,000)

Even without the Terra Collapse, the firm was experiencing net outflows at the end April.

The week after the Terra meltdown (May 6th- May 12th), there was outflow of $750M of funds (150M in ETH and $150M in BTC). Last two weeks of May, the firm experienced $450m of net

outflows. Even if we ignore the week, where the outflows were not reported, Celsius experienced $1.2B of outflows.

Monthly Outflows

Monthly Inflows/Outflows						
	Dec 31- Jan 27th	**Jan 28 - Feb 24**	**Feb 25th - Mar 24t**	**March 25t to Apr**	**Apri 22 to May 26th**	**1st week of June**
Inflows	$1,829,780,000	$1,822,780,000	$1,266,070,000	$1,462,990,000	$970,820,000	$194,000,000
Outflows	($1,506,480,000)	($1,122,730,000)	($1,366,200,000)	($1,507,450,000)	($2,053,220,000)	($498,000,000)
Net Inflow/Outlfow	$323,300,000	$700,050,000	($100,130,000)	($44,460,000)	($1,082,400,000)	($304,000,000)
Net BTC(coins)	855.00	8,861.00	(3,038.00)	1,291.50	(10,928.37)	(5,343.00)
Net BTC (USD)	$26,133,930	$270,845,326	($92,859,508)	$39,475,989	($334,036,619)	($163,314,138)
Net ETH(coins)	(7,394)	8,183	5,039	43,504	(149,238)	(52,052)
Net ETH(USD)	($13,841,568)	$15,318,576	$9,433,008	$81,439,488	($279,373,536)	($97,441,344)

HODL MODE.

The firm recently activated “HODL Mode” which prevents its users from withdrawing their deposits from the platform. The firm previously stated that “You control when HODL Mode is activated.” Such feature gave users ability to temporarily disable outgoing transactions from their Celsius accounts. No reasonable explanation has been made why so many users are locked from withdrawing their funds.

“HODL mode” + 1.5B withdrawals in a month = NOT HODL MODE

Given the aggressive outflows, how long can Celsius Survive?

On-chain analysis of Celsius’ public wallets:

The following public wallets are known to be associated with Celsius Network based on information from Nansen and based on transactions history of such wallets. Even though Wallet #10 is not marked as a “Celsius wallet” by the Nansen, we can see that 100% of all ETH received (43K ETH) and 100% of ETH sent (16k ETH) has been to and from other confirmed Celsius wallets. Other wallets also demonstrate similar behavior.

Wallet 1(Comp+AAVE)	0x8ACeaB8167c80CB8b3DE7fa6228b889bB1130Ee8
Wallet 2(Maker)	0x87a67e7dc32fdc79853d780c6f516312b4a503b5
Wallet 3(Convex+Curve)	0x73cae59e9d6e73b43ad32de120b456783f72b7aa
Wallet 4 Staked ETH Wallet	0x1CeDC0f3Af8f9841B0a1F5c1a4DDc6e1a1629074
Wallet Celcius 5	0x4f6742badb049791cd9a37ea913f2bac38d01279
Wallet 6(Bancor)	0xc926c5803b9337013232bc36cdf2d82608c62466
Wallet 7	0xda36468efd3c09b6e52a9dc73cf7863a5e5671c4

Wallet 8	0xdbaa0bCEC419c47A75EfBb93C745aebAE3fE9C7b
Wallet 9	0xef22c14f46858d5ac61326497b056974167f2ee1
Wallet 10	0xc131701ea649afc0bfcc085dc13304dc0153dc2e
Wallet 11	0x3473779Fd4D366774fE7D2Ceb089B30d94D7F1d1
Wallet 12	0x41318419cfa25396b47a94896ffa2c77c6434040
Wallet 13	0xf0d54551a359d5b57b7035d847b5c8d8eb374b73
Wallet 14	0xb90e50f2b083bb236c9c5d31997ed4e9f9e1dacd
Wallet 15	0x41318419cfa25396b47a94896ffa2c77c6434040

Table #1 Shows Wallet #'s Assets and Labilities:

Since the majority of the wallet's funds have been deposited into AAVE and COMP, the wallet has 1) assets: funds that are deposited into a platform and loans taken against deposits. Currently, they have $1.8B of assets dominated in ETH, WBTC and StETH and $800M of loans denominated in stable coins.

Wallet 1(Comp+AAVE)	0x8ACeaB8167c80CB8b3DE7fa6228b889bB1130Ee8			Comp + AAVE wallet		
Assets Deposited into AAVE						
AAVE Assets	Asset		CurrentUSD Value	*AAVE Liabilities*		CurrentUSD Value
ETH	76,086.00	$	126,683,190.00	USDC	482,197,770.00	$ 482,197,770.00
WBTC	15,914.00	$	465,993,748.00	USDT	11,469,850.00	$ 11,469,850.00
stETH	409,080.00	$	681,118,200.00	DAI	98,876,066.21	$ 98,876,066.21
Total AAVE Assets		$	1,273,795,138.00	Total AAVE Liabilities		$ 592,543,686.21
Total AAVE Equity		$	681,251,451.79			
Assets Depostied into COMP						
COMP	Asset		CurrentUSD Value	Comp Liabilities	Asset	CurrentUSD Value
ETH	85,584.00	$	142,497,360.00	USDC	103,970,730.00	$ 103,970,730.00
WBTC	13,578.00	$	397,590,996.00	USDT		$ -
Comp	13,244.00	$	781,396.00	DAI	103,866,864.00	$ 103,866,864.00
Total COMP Assets		$	540,869,752.00	Total COMP Liabilities		$ 207,837,594.00
Total COMP Equity		**$**	**333,032,158.00**			
Wallet Assets AAVE +COMP		**$**	**1,814,664,890.00**	**Wallet Liabilities**		**$ 800,381,280.21**
Total Equity AAVE +COMP		**$**	**1,014,283,609.79**			

Wallet #2

Wallet 2(Maker)	0x87a67e7dc32fdc79853d780c6f516312b4a503b5			Maker wallet		
Deposited Assets						
Maker Asset	Asset		CurrentUSD Value	Maker Liabilities	Asset	CurrentUSD Value
WBTC	17,753.96	$	519,871,456.72	DAI	18,131,622.00	$ 18,131,622.00
LINk	6,748,089.00	$	53,309,903.10	DAI	278,378,560.00	$ 278,378,560.00
Total Maker Assets		$	573,181,359.82	Total Maker Liabilities		$ 296,510,182.00
Maker Total Equity		$	276,671,177.82			

Wallet #2 is the main wallets used on Maker, where they have deposited $570M of WBTC and LINK and taken a loan worth around $300m.

Wallet #3 has $30M deposited into Convex

Wallet 3(Convex+Curve)	0x73cae59e9d6e73b43ad32de120b456783f72b7aa		
CONVEX Asset	Asset		CurrentUSD Value
USDT	15,530.00	$	15,530.00
WBTC	530.00	$	15,519,460.00
ETH	9,382.00	$	15,621,030.00
Total Convex Assets		$	31,156,020.00

The summary of all wallets is given below. Based on the public ledger information, we estimate the firm to have $3.1B in assets versus $1b of AAVE loans.

Total Assets and Liabilities are summarized in the graph below:

	Assets	Liabilities	Equity
Wallet 1(Comp+AAVE)	$ 1,814,664,890.00	$ 800,381,280.21	$ 1,014,283,609.79
Wallet 2(Maker)	$ 573,181,359.82	$ 296,510,182.00	$ 276,671,177.82
Wallet 3(Convex+Curve)	$ 31,156,020.00		$ 31,156,020.00
Wallet 4 Staked ETH Wal	$ 525,294,765.00		$ 525,294,765.00
Wallet Celcius 5	$ 58,964,141.35		$ 58,964,141.35
Wallet 6(Bancor)	$ 6,851,988.00		$ 6,851,988.00
Wallet 7	$ 13,528,284.00	$ 11,888,492.00	$ 1,639,792.00
Wallet 8	$ 26,630,010.00	$ -	$ 26,630,010.00
Wallet 9	$ 26,444,722.00	$ -	$ 26,444,722.00
Wallet 10	=		
Wallet 11	$ 49,950,000.00		
Wallet 12	$ 8,826,165.00		
Wallet 13	-		
Wallet 14	$ -		
Wallet 15	$ -		
Total	**$ 3,135,492,345.17**	**$1,108,779,954.21**	**$ 1,967,936,225.96**

The assets that we see on-chain are not an exhaustive list of all firm's assets. Celsius can have assets on centralized exchanges such as FTX or Kraken, the balance of which are impossible to track. The firm can also hedge their market exposure through various instruments such as derivative contracts or they can have other OTC arrangements, which are not reflected on-chain.

Having said that, on-chain analytics shows that Celsius currently has $3.1B of assets with $1.1B worth of debt, leaving the firm with $2B of Equity. The firm also has the asset denominated in crypto while its loans are denominated in stables, which exposes the firm to currency risk against the dollar.

We are unsure what the firm's AUM is and it can range somewhere between $7B to $11b,

We only see $3B of assets on-chain, which have $1b of loans against them. The firm also participates in exchange lending and institutional lending and assets used in such activities are beyond our on-chain analytical endeavors.

Even if at 11$b AUM mark, the $1.5B of monthly withdrawals will not keep the firm alive for a long time, especially after customers were put on a forced “HODL” mode.

In 2020, per the firm's Income Statement (attached below), you can see that the firm was operating at a loss despite its historic rise in net deposits. It is not hard to imagine how the firm will do with net deposits dropping by billions.

Total Revenues	**51,165**
	(24,063)
Gross Profit	**27,102**
Expenses	
Distribution Cost	(408)
Administrative Expenses	(35,448)
Total Admin and Distribution Expenses	**(35,856)**
Utilisation of treasury cryptocurrencies	
Other operating income(Utilisation of treasury cryptocurrencies	46,459
Other Operating Charges(Treasury cryptocurrencies utilised)	(42,661)
Total from Utilization of Treasury crtypto	**3,798**
Operating Income (EBIT)	**-4,956**
Fair value movements	
Unrealised gain/(loss) on cryptocurrency debtors	384,168
Unrealised gain/(loss) on cryptocurrency creditors	(2,581,578)
Total Fair Value Movement	**(2,197,410)**
Income From Investments	
Net realised losses and income from investments	(10,692)
Unrealised gains/(losses), amounts written off and impairment of investments	
Unrealised gains/(losses) on investments	493,286
Impairment of fixed asset investments	(506)
Amounts written off investments	
Total	**492,780**
Interest receivable and similar income	
Interest receivable from group companies	3,679
Other interest receivable	212
	3,891
Interest payable and similar expenses	
Other loan interest payable	(3,644)
Other finance income	1,424
	(2,220)
Income before income taxes	**(1,718,607)**
Income tax expenses	322,199
Loss for the financial period	**(1,396,408)**

Another concern regarding Celsius' liquidity is its staked ETH position.

		ETH	*stETH(Lido)*	*ETH 2,0*	*st(ETHStepHound)*
1	**Wallet 1(Comp+AAVE)**	161,670.00	409,080.00		
2	**Wallet 2(Maker)**				
3	**Wallet 3(Convex+Curve)**	9,382.00			
4	**Wallet 4 Staked ETH Wal**	11,130.00		324,000.00	
5	**Wallet Celcius 5**	17,615.00			
6	**Wallet 6(Bancor)**				
7	**Wallet 7**				
8	**Wallet 8**	15,994.00			
9	**Wallet 9**				
10	**Wallet 10**	26,680.00			
11	**Wallet 11**	30,000.00			
12	**Wallet 12**				*5,301.00*
13	**Wallet 13**				*14,297.51*
14	**Wallet 14**				*10,555.25*
		272,471.00	409,080.00	324,000.00	30,153.76

ETH	272,471.00	27%	$ 453,664,215.00	Liquid
stETH	409,080.00	41%	$ 681,118,200.00	Low stETH-ETH liq
ETH2	324,000.00	32%	$ 539,460,000.00	Illiquid
st(ETHStepHound)	30,153.76	3%	$ 50,206,012.28	Keys lost
Total ETH	1,005,551.00	1,665.00	$ 1,674,242,415.00	

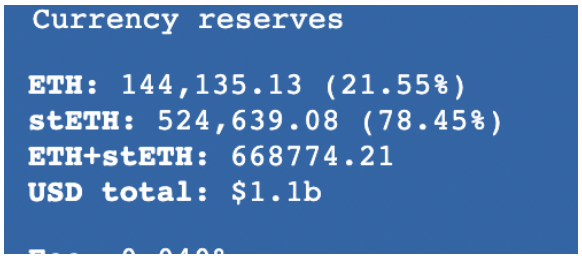
Celsius public wallets have around 1M of ETH coins, but most of these coins are staked in liquid and non-liquid stacking platforms.

1) Liquid ETH: Most of liquid ETH is deposited into AAVE and COMP. Both deposited positions have a loan against the assets with around 45% TLV. Given the loan against the deposited position, the Celsius will have to pay off the loans before being able to withdraw their liquid ETH position.

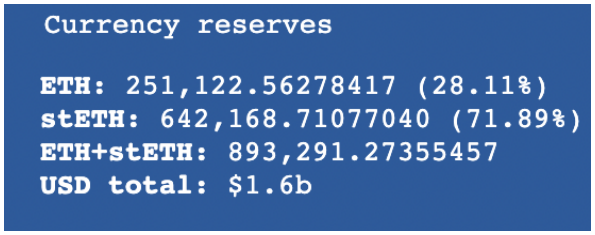
2) 409k of ETH is in StETH tokens, which means it is in liquid staked format.

The liquidity pool on Curve, st-ETH vs ETH is highly imbalanced and there is only 150k of ETH available for 524 of stETH. This balance decreased from 80% to 20% in one day.

Screenshot from June 11:



Screenshot from June 10:



If the firm becomes a market seller of St ETH on public pools, the firm can only get 144K for 524k of stETH. Such a scenario is highly unlikely as the firm could potentially work out private deal on OTC markets.

3) 324K of ETH has been deposited into ETH 2.0 contracts and Celsius will not have access to this position for at least 1-2 years.

- 158K staked through Figment
- 166,400 staked through Ethereum Foundation ETH 2.0 Contract

4) Celsius also experienced a loss of 30k ETH when Stahekound lost their private keys

Currently, around only 27% of firm's 1M ETH coins are liquid~270k coins; the firm had 50k withdrawals in the last week when the numbers were reported. In addition, the liquid ETH is deposited into AAVE, which has a USD loan taken against it, exposing the firm to currency risk.

Monthly ETH Inflows/Outflows						
	Dec 31- Jan 27th	**Jan 28 - Feb 24**	**Feb 25th - Mar 24t**	**March 25t to Apr**	**Apri 22 to May 26th**	**1st week of June**
Inflows	$1,829,780,000	$1,822,780,000	$1,266,070,000	$1,462,990,000	$970,820,000	$194,000,000
Outflows	($1,506,480,000)	($1,122,730,000)	($1,366,200,000)	($1,507,450,000)	($2,053,220,000)	($498,000,000)
Net Inflow/Outlfow	$323,300,000	$700,050,000	($100,130,000)	($44,460,000)	($1,082,400,000)	($304,000,000)
Net ETH(coins)	(7,394)	8,183	5,039	43,504	(149,238)	(52,052)
Net ETH(USD)	($13,841,568)	$15,318,576	$9,433,008	$81,439,488	($279,373,536)	($97,441,344)

The firm might find itself in a complicated position if ETH depositors try to redeem their ETH from the platform. Realistically, this issue could be resolved if another bigger institution is willing to exchange the StETH for another asset.

Forced selling of stETH into the imbalanced St-ETH/ETH pool could further derail the St-ETH/ETH peg, which could cause a cascade of liquidations across DeFi and further decoration of sentiment in the market.

addendum:

In 2020, one of the biggest impacts on their income statement was from “Revaluation surplus,” which is split among two items:

- Traded crypto
- Treasury crypto

Based on the filings, only CEL tokens can be held in the treasury. Revaluation surplus updates the price of the treasury based on $CEL token.

At the time, Celsius Network had about 270M treasury tokens (117M in treasury reserves and 155m in treasury). On Dec 31, the $CEL price closed at $5.45 and with ~272M CELS = $1.4B. So, a huge chunk of the valuation came from just the treasury tokens.

The price is currently at $.3 - .$.4~$95M. They have been using their tokens as collateral for various loans(See below). Back in June, the CEO made a post saying that they have $4B worth of CEL tokens, which will be earning yields soon, implying 650M tokens given the price at the time. I think the number referred to customer deposits + treasury. So, if their valuation and the LTV of the loans were dependent on a large number of their own $CEL tokens, I don’t see how the company can pay any of its liabilities back. Here is an example. They moved $100M worth of tokens to be used as collateral. I am having a hard time imagining how this company can have any capital unless they raise from investors. Celsius also received a cease-and-desist letter from NJDA. The letter said that they recently changed their terms and agreements so if a company goes bankrupt, anyone who deposited could potentially get zero recovery. Let alone being a token holder, I don’t think depositors are getting their capital out. Even if they survive, I don’t see any accrual to token holders. I think the token will probably have some type of option value like how ghost chains trade/or equity of distressed firms.

I think given the firm's rate of asset outflows; the firm might not have enough assets to meet incoming withdrawal by clients.

Chapter 2: Nexo, Next Celsiius?

“Rebalance your portfolio or will the market do it for you”

Applying the same methodology to Nexo:

We are going to look at on-chain assets of Nexo. From Nansen and breadcrumbs, I identified the following wallets to be related to Nexo.

Nexo 2(Nansen)	0xffec0067f5a79cff07527f63d83dd5462ccf8ba4
Nexo(Deposit)	0x199f1aa9bbaa539c589c6f09b05e0c540e183cae
Nexo(xb60)	0xb60c61dbb7456f024f9338c739b02be68e3f545c
Nexo	0x9bdb521a97e95177bf252c253e256a60c3e14447
Nexo (investor protection)	0x1c433cbf4777e1f0dce0374d79aaa8ecdc76b497
Nexo: Wallet	0x65b0bf8ee4947edd2a500d74e50a3d757dc79de0
Nexo 1	0x00ee047a66d5cff27587a61559138c26b62f7ceb
Nexo 3	0x0031e147a79c45f24319dc02ca860cb6142fcba1
NEXO	0x57793e249825492212de2aa4306379017301e1da
Nexo(font confirmed)	0x4d7f1790644af787933c9ff0e2cff9a9b4299abb
NEXO(not confirmed)	0x463e5b673d1029989c9b059d36393c539bef9094
NEXO 100M	0x9099ffbbe0f127741d58760fbaf644def3cccd07
Nexo	0x8Fd589AA8bfA402156a6D1ad323FEC0ECee50D9D

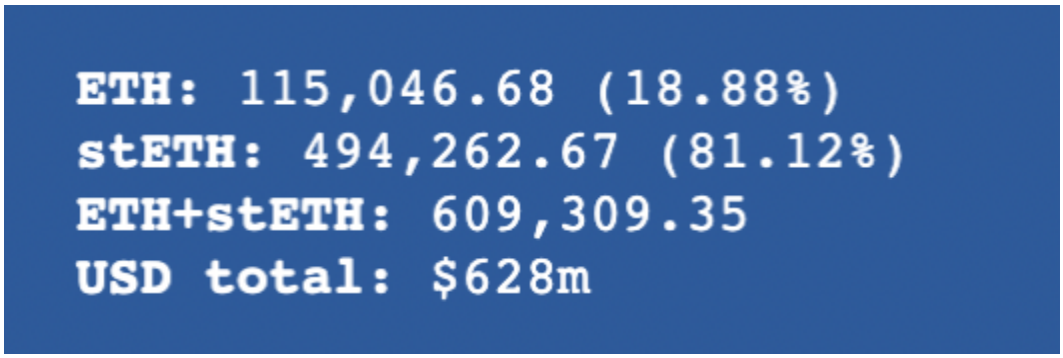
I used on-chain data to look at Nexo's assets and liabilities. Overall, it looks #Nexo has around $1.8B in assets and has only around $100M of Debt in DAI.

Nexo Chain Assets				
Maker ETH	446,200.00	1,206.72	538,438,464.00	MaketETH
WBTC	27,543.00	22302	614,263,986.00	WBTC
USDT	155,000,000.00	1	155,000,000.00	Stable
NEXO	267,592,281.53	0.77	206,046,056.78	NEXO
ETH	62571	1,206.72	75,505,677.12	ETH
USDT	12,614,620.46	1	12,614,620.46	Stable
LINK	1,956,460.00	7.04	13,773,478.40	Other Liquid
DAI	26,000,000.00	1	26,000,000.00	Stable
USDC	22,000,000.00	1	22,000,000.00	Stable
TUSD	6,187,893.87	1	6,187,893.87	Stable
MAKER	7,969.66	807.82	6,438,052.84	Other Liquid
MANA	5,460,294.00	0.9	4,914,264.60	Other Liquid
stETH	88,450.05	1,206.72	106,734,444.34	stETH
PAXG	9,271.00	1836	17,021,556.00	Other Liquid
APE	492,677.00	4	1,970,708.00	Other Liquid
			1,806,909,202.40	
		DAI DEBT	107,000,000	

The firm's assets can be broken down into Stables, WBTC, Nexo token, stETH, ETH in the Market Vault and other liquid tokens.

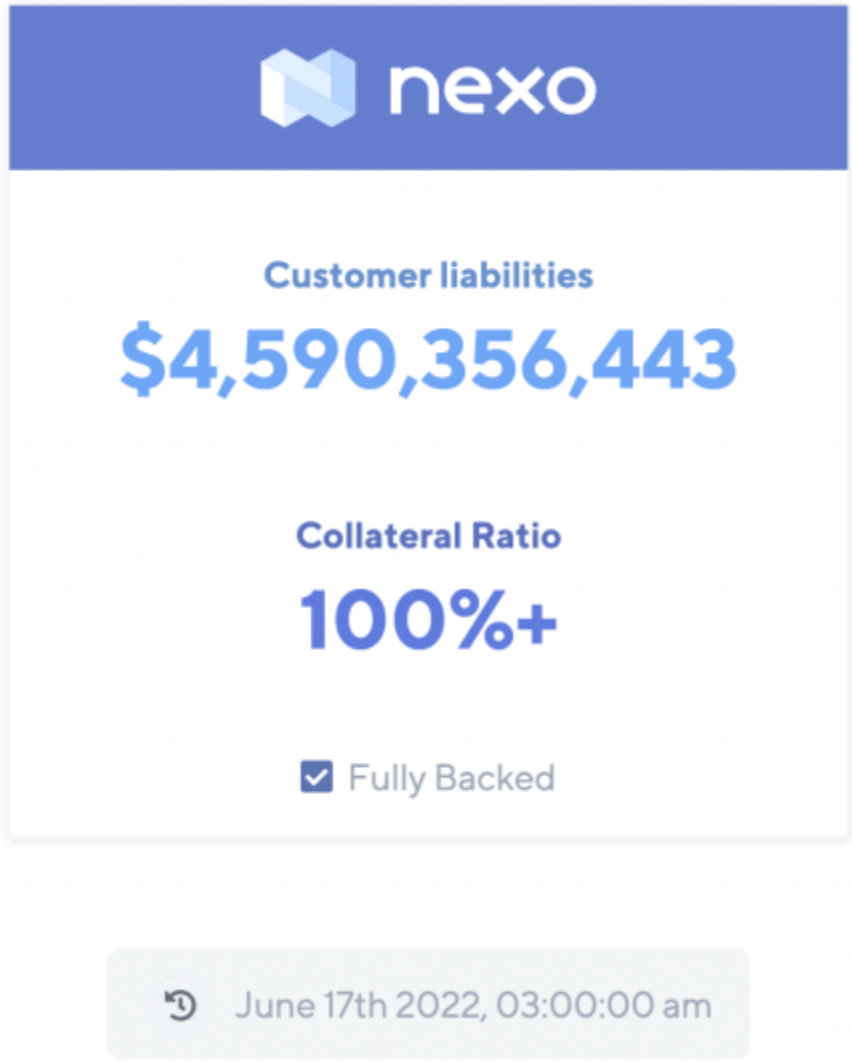
Nexo Assets on-chain			
MaketETH	$	538,438,464.00	30%
WBTC	$	614,263,986.00	34%
Stable	$	221,802,514.33	12%
Nexo	$	206,046,056.78	11%
stETH	$	106,734,444.34	6%
ETH	$	75,505,677.12	4%
Other Liquid	$	44,118,059.84	2%
	$	**1,806,909,202.40**	**100%**
Nexo Assets on-chain			
Non-Nexo	$	1,600,863,145.62	89%
Assets ex NEXO & stETH	$	1,494,128,701.29	83%

Of the assets on their balance, about $200M of value is linked to the price their own #nexo token. It creates a circular logic in valuation since the firm's valuation affect the token price and visa versa.About $106M of their assets are in stETH, which is highly illiquid due to imbalance on the curve pool. If the firm is forced to sell stETH on the curve market pool, the firm will be selling at a huge discount(same way 3AC did)



Keep in mind, these are only assets & liabilities on-chain. The firm can have a lot of assets and liabilities which are not reflected on-chain(assets on exchanges, price hedges expressed through derivative products, etc)

Nexo, security pages lets anyone to monitor their customer liabilities. The latest number shows $4.5B of customer deposits.



"Customer liabilities" from Nexo's standpoint are funds Nexo is holding on deposit.

The following table shows the same number over a period of time. The number has decreased by $360M from June 15 and by $1.6B from June 13. How can a lender that has $4.5B in customer assets experience $1.6B of asset outflows in one week? Even if the firm has $4.5b in liquidity- how long #nexo going to last if they are experiencing billions in outflow? Given the high amount of leverage lenders usually undertake, a small erosion in equity can cause a great distressed on lenders. Should the customer be worried?

Date	Assets as of date	Change from prev period
3-Dec-21	$ 13,605,917,444.00	
17-Dec-21	$ 11,413,129,071.00	$ (2,192,788,373.00)
27-May-22	$ 7,241,338,127.00	$ (4,171,790,944.00)
13-Jun-22	$ 6,199,140,000.00	$ (1,042,198,127.00)
14-Jun-22	$ 5,320,364,155.00	$ (878,775,845.00)
15-Jun-22	$ 4,962,216,484.00	$ (358,147,671.00)
17-Jun-22	$ 4,590,356,443.00	$ (371,860,041.00)