

Crypto Fund Due Diligence Report

CONFIDENTIAL: DUE DILIGENCE REPORT

Nebula Capital Partners

Ethereum Layer-2 Investment Opportunity Assessment

Date: April 16, 2025

EXECUTIVE SUMMARY

This due diligence report provides a comprehensive assessment of the Astral Protocol (AST), a Layer-2 scaling solution built on Ethereum that utilizes zero-knowledge rollup technology. Nebula Capital Partners is considering a \$12.5M investment in exchange for 8% of the token supply, with a 36-month vesting schedule.

Key Findings

1. Technical Architecture: Astral Protocol implements a robust ZK-rollup architecture with several innovative cryptographic techniques that improve the verification speed by approximately 67% compared to competitive solutions.
2. Team Background: The founding team has strong technical credentials (MIT, Stanford) and previous experience at Consensusys, Polygon, and Coinbase. The CTO was a key contributor to the EIP-4844 standard.
3. Security Posture: Two independent audits completed by Trail of Bits and Certik with only 3 medium and 12 low vulnerabilities identified, all of which have been remediated.
4. Risk Assessment: Primary risks include Ethereum's transition to a fully scaled Layer-1 potentially reducing the value proposition of Layer-2 solutions, regulatory uncertainty around DeFi applications, and competition from other established L2 networks.