

Hi AAVE Community,

The Celsius team would like to call upon all of you loyal AAVE users to support the listing of our CEL token as a collateral asset. We are confident that having CEL on AAVE would facilitate tangible growth in both of our ecosystems.

Link between the author of this AIP and the Asset?

John Amorosana works under the Partnerships and Strategy arm of Celsius to foster the growth of the Celsius Partner ecosystem, while also working to grow the reach of the CEL Token and Celsius services through various deployment, listing strategies, and in-house product suites.

Brief high-level overview of the project and the token

The Celsius Network is a leading retail savings platform for interest-bearing and borrowing accounts with fiat on-ramp, as well as a market-leading lending provider. Celsius Network operates on a community-first mandate, giving 80% of its revenue back to its users in the form of additional earnings on saving and borrowing. Combining attractive interest rates, low fees, and a strong community, the platform has experienced considerable [growth](#) since inception with over 500K registered users and \$10B in assets held in the platform.

What distinguishes Celsius Network from other lending and borrowing platforms?

- The CEL token is the platform token for the Celsius ecosystem, offering holders increased reward rates on deposits, lower rates on loans, and in the future CEL token holders will also have special access to new products and services.
- Celsius has the largest cross-chain inventory of any crypto lender, with a current customer asset pool of \$10 Billion, distributed across 45 of the most liquid assets and altcoins.
- Celsius returns up to 80% of its revenue to users in rewards, while the other ~20% funds project expansion. This business model challenges conventional banking by prioritizing the Celsius customer community.
- Celsius charges customers no fees on deposits, withdrawals, and loan origination.
- Celsius customers can withdraw their funds at any time without penalty or fees
- Celsius has in-house expertise in De-Fi and staking, enabling us to earn yield for our users and source hard to borrow assets for our customers.

CEL Token Economics

The CEL token is an ERC-20 token that runs on the Ethereum Network. Utilization of the CEL token affords each Celsius user group unique benefits:

1. Holders: Celsius customers that hold the CEL token qualify for various 'bonus reward tiers' based on the ratio of CEL relative to their overall account balance:

[

Screen Shot 2021-03-26 at 7.44.00 AM

1150×454 80.7 KB

](<https://europe1.discourse-cdn.com/business20/uploads/aaave/original/1X/8f3da4dc7e3438ec513ef11dae22f4df7682d6e5.png>)

More details behind how this dynamic drives the economic model are described here:

[CEL Token Flywheel w/ Formula & Math Defined](#)

1. Earners: By accepting rewards in the form of CEL tokens, earners receive up to 25% more rewards on all deposits of non-CEL tokens.
2. Borrowers: By paying interest with CEL tokens, borrowers receive up to a 25% discount on interest payments.
3. Institutions: By paying interest with CEL tokens, institutions borrowing tokens from Celsius receive a 25% discount on their interest payments.

More details on the token can be found here: [CEL Token Explained | Cryptocurrency Services - Celsius](#)

Positioning of the token in the AAVE ecosystem. Why it would be a good borrow or collateral asset.

CEL Token finds its foothold within the AAVE ecosystem as a collateral asset with both deposit and borrow capabilities. Due to the nature of the CEL Tokenomic Flywheel explained in the link above, combined with the ratio of Celsius users who choose to earn in CEL (> 58%), there is a rapidly growing demand for both CEL Token deployment and acquisition. As

Celsius crosses half a million users and over \$10 billion in assets, the consistent growth and traffic for CEL Token would be complemented elegantly by AAVE's platform, allowing Celsius and AAVE to establish a symbiotic relationship - empowering the users of both platforms to thrive financially, as well see palpable platform growth, security, and longevity for both parties.

As a supplemental point, Celsius has launched an internal initiative towards financial transparency and auditability by third parties with the aim to have over 90% of our financial transactions settling on an open distributed ledger. Our goal being that any individual, regardless of if they are a Celsius user, have the ability to understand Celsius' financial position at any given time. This on-going incentive is aptly named "proof of community".

As a step in this direction, we will provide AAVE and its community with its ERC20 addresses to enable all AAVE users the opportunities to self-audit transactions on chain. The clarity this provides to both the community and your own internal risk assessment includes:

1. Close the gap on some of the information asymmetry
2. Allow AAVE, its team, and the community to have visibility into the "ownership concentration"

It is an amalgamation of both the CEL Tokenomics, the parallel growth of two industry leading platforms, as well as the ability to move forward with transparency, hand-in-hand, that we believe CEL would be a great collateral asset on AAVE.

A brief history of the project and the different components & how it overcame some of the challenges it has faced.

2018 ICO Information

Project Sector

:

Finance

ICO Start Date

:

Feb 21, 2018

ICO End Date

:

Mar 21, 2018

Total Cap

:

700,000,000

Hard Cap

:

50,000,000

ICO Price

:

\$0.30

When Celsius launched its product in June 2018, the CEL Tokens from the ICO were locked for ICO investors for 6 months, in order to stay as compliant as possible in an uncertain regulatory landscape. Additionally, the decision was made to lock all employee CEL tokens for 1 year from ICO investors unlock date. Due to a lack of clarity regarding the classification of tokens as a security, Celsius also decided to forego exchange listing for a year after product launch in compliance with Rule 144 of the securities act. The first listing of CEL on a centralized exchange occurred in August of 2019.

All of these factors presented major challenges for CEL trading and the correlating price appreciation. However, the choices made by the Celsius executive team also prevented the speculative trading and price manipulation common among other tokens released during this time.

Though this path was uncommon and met with resistance it also protected the Celsius community and allowed the product to mature to the point of natural price support through the functionality of CEL utility as laid out in the original white paper. As a result, today CEL has experienced steady sustained growth through organic demand and community utilization as was

originally intended.

To summarize

CEL Tokens delayed price appreciation was the result of:

- Post ICO lock for 6 months
- Employee lock for an additional 12 months
- Voluntarily forgoing exchange listings for 1 year (in compliance with rule 144)

The above prevented speculative trading, but also allowed for the product to catch up to the utility vision laid out in the whitepaper which ultimately created a sustainable foundation of organic market supply and demand to enable future growth.

Additionally, another challenge we had experienced occurred in 2019. As our company grew across all facets of the business, including AUM, users, and partnerships, we noticed that our token price did not correlate to the internal growth, and price dropped more and more. In November 2019, we realized that this stagnation in token price may be correlated to a market sentiment that we were withholding transparency surrounding the token and Celsius's actions. So we opened up our doors to the fullest extent and showed the community how we were buying back tokens on a weekly basis to pay back interest. We showed the community our wallets, and encouraged everyone to follow us along in our journey. These actions directly resulted in a noticeable price appreciation, and allowed Celsius to scale efficiently, successfully, and transparently.

How the asset is currently used.

CEL token offers holders multiple benefits including:

- Higher reward rates;
- Lower dollar loan rates;
- Lower coin/token loan rates;
- Priority in loan processing;
- Premium support.

You can read more about these benefits [here](#).

For more information on the CEL token "Utility and Value" you can also watch the video linked [here](#) where this topic is explained by our CEO, Alex Mashinsky.

Emission schedule

2018 ICO: 700,000,000 CEL

*At launch, there were 700 million tokens (slightly less as any tokens not sold were burned).

50% of the tokens (~325 million) were sold between the presale and public sale, and were distributed shortly after the close of the public sale.

An additional 50 million tokens were placed into a smart contract, with 25m tokens being released to the Celsius Treasury when CEL Token's price in the secondary market stayed above an average of \$1.50 for ten (10) days (meaning the price of CEL has increased 5x from the time of the Crowdsale).

An additional 25 million CEL Tokens will be released in three separate distributions only if the CEL Token price in the secondary market remains above an average of \$5, \$10, and \$15 for thirty (30) days (meaning the price of CEL has increased 17x, 33x, and 50x from the time of the Crowdsale).

Token (& Protocol) permissions (minting) and upgradability

Celsius cannot produce any more CEL Tokens. Once they were minted, the only functionality in the burning of tokens. All were minted in our Token Generation Event (TGE) in March 2018.

Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)

Total Supply: 695,658,160.9671 CEL

Fully Diluted Market Cap: ~\$3.4B

Circulating Supply: 383,306,566 CEL

Market Cap: ~\$1.9B

24h Volume: ~\$8,000,000

30-Day Volatility: 0.818

90-Day Volatility: 1.07

1-Y Volatility: 1.08

Maturity: CEL has considerably less selling pressure due to demand from new customers who sign up, purchase and deposit our utility token. Further amplifying the demand, Celsius purchases CEL tokens in the open market on a weekly basis to pay interest payments to customers who have elected to pay interest rewards in CEL token.

The demand for the CEL Token has improved drastically as we now have over half a million users. As we gain more users, some percentage of those users purchase CEL tokens to benefit from the loyalty tiers, and some percentage of users choose to have all rewards paid in CEL token. These dynamics help to power demand loops for our token. .

Exchanges:

- Uniswap
- Liquid
- FTX
- Bitfinex
- Bittrex
- And more on the way :)

Explorers:

- Etherscan
- <https://etherscan.io/token/0xaaaeb6fe48e54f431b0c390cfaf0b017d09d42d>
- <https://etherscan.io/token/0xaaaeb6fe48e54f431b0c390cfaf0b017d09d42d>
- Ethplorer
- [\[CEL\] Celsius Network Token viewer and price chart - Ethereum contract address 0xaaAE66Fe48E54f431b0C390CfaF0b017d09D42d | Ethplorer](#)
- [\[CEL\] Celsius Network Token viewer and price chart - Ethereum contract address 0xaaAE66Fe48E54f431b0C390CfaF0b017d09D42d | Ethplorer](#)

Social channels data (Size of communities, activity on Github)

Website: <https://celsius.network/>

Youtube: 38,000 Subscribers

Twitter: 129,000 Followers

Instagram: 10,400 Followers

Facebook: 25,000 Followers

Github Activity: [Celsius Network · GitHub](#)

Audits: [Celsius Network Partners with Chainalysis To Confirm Audit of \\$3.31 Billion in Assets](#)

Contracts date of deployments, number of transactions, number of holders for tokens

More details on the Token contract:

[Ethereum \(ETH\) Blockchain Explorer](#)

[Celsius \(CEL\) Token Tracker | Etherscan](#)

Celsius (CEL) Token Tracker on Etherscan shows the price of the Token \$4.92, total supply 695,658,160.9671, number of holders 37,170 and updated information of the token. The token tracker page also shows the analytics and historical data.

Number of CEL Token Holders: 54,080 users with more than 2 CEL

*one CEL is given to all users upon opening of an account (excluding US)

Number of Transactions: 488,909

Thank you for your consideration, we are so excited to build our future in DeFi in tandem!