

d-core

ASSET REVIEW SUMMARY: APTOS NETWORK

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Asset Review Summary

Aptos Network

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Executive Summary

Aptos Lab's mission is to build the safest and most scalable Layer 1 (L1) blockchain. The project was inspired by the foundational work done at Diem by a team of engineers, who later launched Aptos with the discontinuation of Diem by Meta (Facebook). Avery Ching and Mo Shaikh led Aptos with a group of highly skilled engineers, designers, researchers, and advisors.

The original motivation of team building Aptos was to create a blockchain that advanced the decentralization movement without sacrificing reliability, safety, and usability.

The smart contracts platforms' niche market capitalization today stands at \$313 billion. The leading L1 blockchain in this category is Ethereum, followed by Binance Chain, Cardano, Solana, and Polkadot. Aptos is part of this group of Ethereum competitors and seeks to address the issues with scalability, speed, and transaction fees.

A core element of the Aptos project is the Move language, a framework initially developed in the context of Facebook but which has been gaining widespread adoption within the information technology industry.

Aptos was launched in 2021 but is already on its second incentivized testnet. The company is planning to launch its Mainnet in Q3 2022. Security is a central feature of the Aptos blockchain. It is based on the DiemBFT v4 consensus mechanism, which is based on the HotStuff protocol developed by VMware Research Group.

In March 2022, Aptos Labs announced its seed funding round of \$200 million led by a16z at a valuation of one billion dollars. The company is currently building its team and hiring for various software engineering, marketing, business development, and management positions.

The company is currently building its team and hiring for various positions across software engineering, marketing, business development, and management.

The Aptos Blockchain is a trademark of Matonee, Inc., a company registered in Palo Alto, California (USA). The United States is a crypto-friendly jurisdiction with leading investors and research in the Silicon Valley, where Matonee is based.

The company applied for patent registration with the USPTO in February 2022. The application is due to be reviewed in August 2022.

The company has not issued any tokens yet. Aptos has a growing social media presence and implements measures to engage its community and encourage developers to build on its ecosystem.

Our researchers gave Aptos a final rating of B+. The rating scale is available at the end of this report.

Product & Company Description

Introduction to Aptos

Aptos Labs is building a new, independent project focused on delivering the world's safest, fastest, and most production-ready Layer 1 blockchain. In other words, it is a direct competitor of Ethereum, Solana, Cardano, and other infrastructure blockchains. Aptos' mission is to create universal and fair access to decentralized assets for billions of people.

The Aptos Team comprises Diem's original creators, researchers, designers, and builders, the blockchain that was first built at Meta (formerly Facebook) to serve this purpose.¹

Aptos company vision: where cutting-edge research meets world-class engineering.²

The research methodology adopted by Aptos Labs is based on the following steps³:

- It first identifies challenging problems that block it from achieving the performance, security, and usability in the Aptos blockchain and its surrounding ecosystem.
- It then focuses on solving these problems, tracking the effort all along to drive significant production impact, and
- Publishes and celebrates the achieved results at top-tier venues.

The central technical element of Aptos is the Move language. It is used to deliver the main elements of the blockchain, such as accounts, configuration, transaction fees, a standard library, and validator node management. Besides Move, security and reliability are guaranteed by the DiemBFT v4 consensus mechanism,⁴ which is based on the HotStuff protocol. In other words, the

¹ "Aptos Labs company information, funding & investors - Dealroom.co." 1 Mar. 2022, https://app.dealroom.co/companies/aptos_labs. Accessed 19 Jul. 2022.

² "The Aptos Vision. By: Avery Ching | by Aptos | Aptoslabs - Medium." 15 Mar. 2022, <https://medium.com/aptoslabs/the-aptos-vision-1028ac56676e>. Accessed 18 Jul. 2022.

³ "Aptos Research Vision: Cutting-edge Research Meets World-class ..." 6 Jun. 2022, <https://medium.com/aptoslabs/aptos-research-vision-cutting-edge-research-meets-world-class-engineering-347e7ecba22c>. Accessed 18 Jul. 2022.

⁴ "DiemBFT v4: State Machine Replication in the Diem Blockchain." 18 Aug. 2021, <https://developers.diem.com/papers/diem-consensus-state-machine-replication-in-the-diem-blockchain/2021-08-17.pdf>. Accessed 25 Jul. 2022.

consensus mechanism aims to be Byzantine Fault Tolerant (BFT).⁵ This protocol ensures the smooth functioning of the network while at the same time maintaining ultra-fast speeds.

In Aptos, peers can validate and synchronize over 10k transactions per second (TPS), with sub-second latency, and the research team stresses that it is bound to achieve 100k TPS.⁶ Aptos' execution engine leverages the preset order of transactions and combines Software Transactional Memory (STM) techniques with a novel collaborative schedule. The technical aspects of this engine can be found in the Block-STM paper⁷ and in the project's codebase, which is open-source.⁸

The Aptos blockchain is a trademark of Matonee Inc. The company applied for a patent registration with the USPTO in February 2022, and the application review should be completed by August 2022.

Aptos is launching its mainnet in Q3 of 2022. However, the company already has several partnerships with leading companies in the crypto industry. This has allowed the development of foundational dApps for the Aptos ecosystem, such as the Liquidswap Automated Market Maker (AMM), Move Code Playground, and implementation for Ethereum Virtual Machine.⁹

Aptos Labs planned and built its blockchain to be upgradable as a critical feature and have successfully carried out several significant upgrades without downtime in the past years.

Success Factors

Based on our understanding, the project has several success factors. These factors are listed below:

- Aptos was designed with an emphasis on absolute safety, extensible scalability, and credible neutrality.

⁵ "HotStuff: BFT Consensus in the Lens of Blockchain - arXiv." <https://arxiv.org/abs/1803.05069>. Accessed 25 Jul. 2022.

⁶ "The Evolution of State Sync: The path to 100k+ transactions per" 7 Jun. 2022, <https://medium.com/aptoslabs/the-evolution-of-state-sync-the-path-to-100k-transactions-per-second-with-sub-second-latency-at-52e25a2c6f10>. Accessed 25 Jul. 2022.

⁷ "[2203.06871] Block-STM: Scaling Blockchain Execution by Turning" 14 Mar. 2022, <https://arxiv.org/abs/2203.06871>. Accessed 25 Jul. 2022.

⁸ "Aptos Labs - GitHub." <https://github.com/aptos-labs>. Accessed 25 Jul. 2022.

⁹ "The Future of Pontem with Aptos. Where We've Been - Medium." 18 May. 2022, <https://medium.com/@pontem/the-future-of-pontem-with-aptos-fd38566250b7>. Accessed 15 Jul. 2022.

- The team has years of experience developing and deploying systems at scale.
- The innovative character of the project across many dimensions: performance, functionality, and user experience.
- Its ecosystem is not restricted to the participation of big brands or companies: it's an open infrastructure for the world.
- Aptos can be classified as an ultra-fast chain: its time to finality (TTF) is less than one second.

Market Conditions and Competition

Market Conditions

Today's global cryptocurrency market is valued at ~\$1.05 trillion, with smart contract platforms totaling a staggering capitalization of ~\$313 billion. Ethereum leads this group of blockchains, currently with a market capitalization of \$175.81 billion, followed by BNB Chain (BNB) at \$42.11 billion; Cardano (ADA) at \$16.18 billion; Solana (SOL) at \$13.98 billion and Polkadot (DOT) at \$8.35 billion.¹⁰

In recent years, many novel projects for Layer 1 platforms have emerged to establish themselves in the web3 ecosystem, motivated mainly by the need to solve Ethereum's issues with scalability, speed, and fees. Although many of them aggregated substantial capital and popularity – problems persist.

Solana, the most famous "Ethereum killer," for example, did not manage to surpass Ethereum in market capitalization or adoption, and there is no sign that it could do so soon. Ethereum still leads by far in transaction volume, notably in fields such as NFTs, and ETH developers are working to implement improvements to the network, such as the transition to proof-of-stake and sharding deployment. These new features are bound to give Ethereum an edge in terms of scalability.¹¹

The main rationale for investing in new Layer 1 blockchains has been the argument that they can compete with Ethereum in the long run. However, the current market conditions —characterized by a full-fledged crypto winter— allow for skepticism that investors will continue to support these new platforms.

Competition

As stressed in the previous section, the smart contract platforms' landscape is currently dominated either by Layer 1 blockchains such as Ethereum, Avalanche, and Cardano or by more novel solutions, among which Sui, Agoric, Linera, just to mention a few. However, important bottlenecks still persist concerning smart contracts execution: present blockchains either execute

¹⁰ "Top Smart Contract Platform Coins by Market Cap | CoinGecko."

<https://www.coingecko.com/en/categories/smart-contract-platform>. Accessed 18 Jul. 2022.

¹¹ "New Layer 1 Blockchains Are Expanding the DeFi Ecosystem But" 17 Jun. 2022,

<https://blog.chainalysis.com/reports/web3-layer-1-blockchains/>. Accessed 18 Jul. 2022.

in a sequential way or demand a parallel workload (i.e., no internal conflicts) for better performance.¹²

The main objective of Aptos is to develop - through the use of a parallel execution engine - a truly decentralized platform capable of managing billions of users and upholding the network even under high traffic. Aptos Labs' goal is also to provide an infrastructure for developers to deploy safe and secure smart contracts with Move Language. Unfortunately, most of the current blockchains have experienced difficulty in carrying on relevant protocol improvements after deployment.¹³

Aptos aims to quickly deliver many important breakthroughs in performance, functionality, and an improved user experience, while at the same time capitalizing on its ability to do major unified upgrades. Below are some of the current areas where Aptos stands out among competitors:

- **Move language: a safe and flexible blockchain language.**
- **Production-grade, high assurance BFT consensus protocol.**
- **Aptos Core implementation and testing.**
- **Safer account key recovery and rotation protocols.**
- **Multi-agent transactions.**

Blockchain	Ticker	Time to finality	Max TPS	Current TPS
Solana	SOL	2.34s - 46s (different tests)	120.000 (710.000 on a 1 GB network)	2.000
Aptos	N/A	less than 1s	160.000	1000 (in testnet)
Avalanche	AVAX	0.15 (record) 1.3-3.4s	4.500 per subnet	4.4
Internet Computer	ICP	1-2s	11.500	3000
Fantom	FTM	1s	4.500	7.3
Ethereum	ETH	78s (6 confirmations)	45	12.9
Terra	LUNA	6s	10.000	11.5
Bitcoin	BTC	60m (6 confirmations)	7	3
BSC	BNB	75s	160	50

Comparison between Aptos and other Layer 1 blockchains. Source: [Pontem Network](#)

¹² "Block-STM: How We Execute Over 160k Transactions Per Second ..." <https://medium.com/aptoslabs/block-stm-how-we-execute-over-160k-transactions-per-second-on-the-a-ptos-blockchain-3b003657e4ba>. Accessed 25 Jul. 2022.

¹³ "The Aptos Vision. By: Avery Ching | by Aptos | Aptoslabs - Medium." 15 Mar. 2022, <https://medium.com/aptoslabs/the-aptos-vision-1028ac56676e>. Accessed 25 Jul. 2022.

A set of factors can explain how Aptos achieves these speeds:

- It has decoupled the consensus mechanism from the execution pipeline.
- Aptos has perfected the HotStuff BFT engine to validate most transactions in just two network trips.¹⁴
- The blockchain storage and data structures are enhanced to improve speed and guarantee low fees.

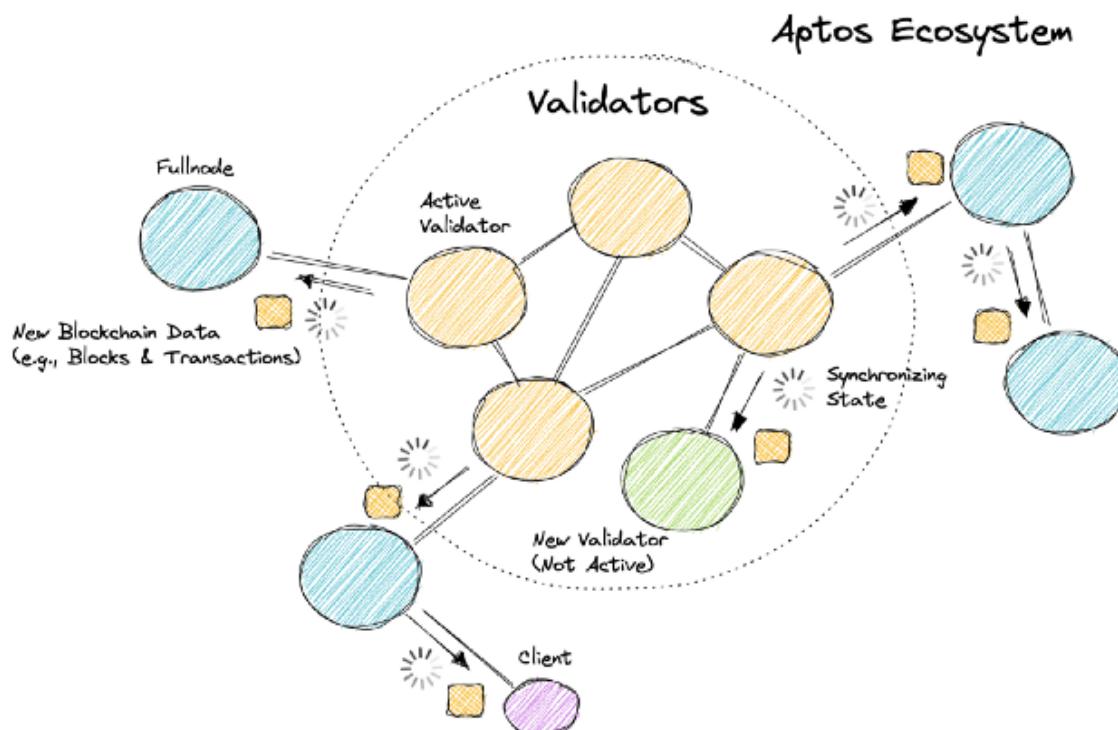
¹⁴ "HotStuff: BFT Consensus in the Lens of Blockchain - arXiv." <https://arxiv.org/abs/1803.05069>. Accessed 25 Jul. 2022.

Technology Review

Product

Aptos is a new Layer 1 blockchain. Most existent blockchains are structured hierarchically, with a set of active validators at the network's core. The validators grow the blockchain by executing transactions, producing blocks, and achieving consensus. The rest of the elements in the network (full nodes and clients) replicate the blockchain data produced by the validators (blocks and transactions).¹⁵

State synchronization (or “state sync”), at the core of the Aptos blockchain, is the protocol that allows non-validator peers to distribute, verify and persist this blockchain data and guarantees that all peers in the ecosystem are synchronized. In the diagram below, you can find a more detailed explanation of these features in the Aptos ecosystem:



Aptos ecosystem and technology. Source: Aptos Labs Medium blog

¹⁵ "The Evolution of State Sync: The path to 100k+ transactions per ..." 7 Jun. 2022, <https://medium.com/aptoslabs/the-evolution-of-state-sync-the-path-to-100k-transactions-per-second-with-sub-second-latency-at-52e25a2c6f10>. Accessed 18 Jul. 2022.

Diem's main technical aspect carried on to Aptos is [the Move programming language](#). This language was initially developed at Meta to deliver security and scalability for Diem. Currently, it's applied to Aptos in a similar context. A central element to understanding Move's potential is its use of "resources." In other words, resources are a highly secure way of storing key information in a system. In the Aptos blockchain, tokens and smart contracts are stored as resources, making it infinitely more secure than other blockchain programming languages. These elements cannot be copied or unintentionally deleted.

Move is used to deliver all of the central components of Aptos, including:

- Accounts
- Transaction fees
- A standard library
- Validator node management
- Configuration



Companies that integrate the Aptos Ecosystem. Source: [CryptoViet](#)

An interesting security feature of the Aptos blockchain is that it allows users to change private keys. Furthermore, wallet owners are protected by new, secure methods for recovering their keys, not to mention key rotation systems which enhance fraud prevention.

Blockchain

Aptos is a blockchain developed based on a BFT variant called Hotstuff, a high assurance BFT consensus protocol, and state machine replication algorithm.

Aptos is a fork of Diem (previously Libra) developed at Meta (Facebook) that was discontinued due to reasons untold. Following the same consensus with few modifications, developers at Aptos

Labs are making Aptos a blockchain capable of performing 100k TPS. With only 10k TPS as of now, it claims to be on the path to it.¹⁶

As the company explains on its Medium blog, it is well known that high transaction fees, low throughput, and high finality rates limit blockchain use cases and have driven up the demand for performance-optimized L1 and L2 blockchains. A less popular aspect of scalability is that on-chain storage is costly and has performance challenges: for example scaling to billions of accounts and trillions of on-chain and off-chain assets.

Aptos Labs' goal is to focus holistically on performance to deliver a superior user experience. It believes that L1 blockchains should bear more scalability responsibility to simplify and mainstream the user experience.¹⁷

Consensus Mechanism

Aptos Labs has developed a production-grade, low-latency, and high assurance Byzantine Fault Tolerant (BFT) consensus protocol.

It has implemented the fourth iteration of the protocol (the most advanced HotStuff derivative) over the past three years. During that time, it has upgraded the consensus protocol in a private mainnet environment with a diverse set of operators and zero downtime.¹⁸

This protocol ensures that the network runs smoothly, irrespective of the actions of one validator, while at the same time keeping world-class speeds.

Security Audit

The company has not disclosed any security audit to the network, which is currently in the test phase (second incentivized testnet).

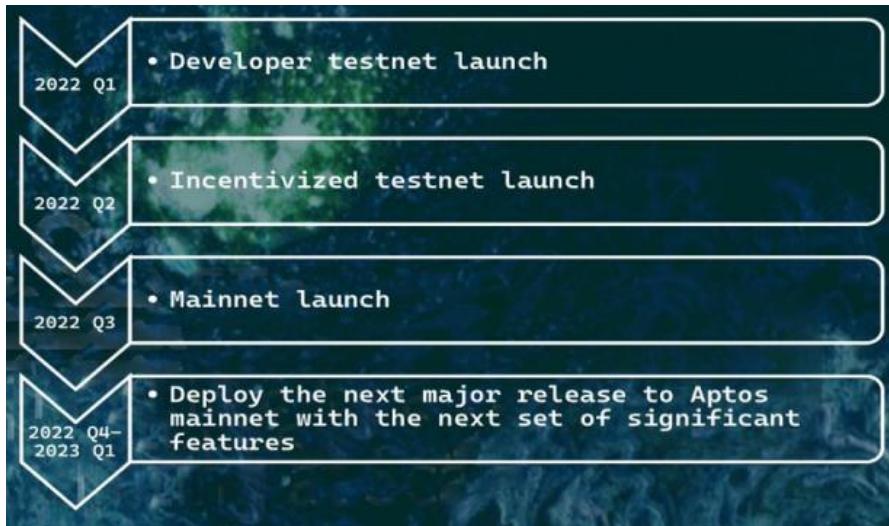
¹⁶ "Block-STM: How We Execute Over 160k Transactions Per Second ..." <https://medium.com/aptoslabs/block-stm-how-we-execute-over-160k-transactions-per-second-on-the-apatos-blockchain-3b003657e4ba>. Accessed 18 Jul. 2022.

¹⁷ "The Aptos Vision. By: Avery Ching | by Aptos | Aptoslabs - Medium." 15 Mar. 2022, <https://medium.com/aptoslabs/the-aptos-vision-1028ac56676e>. Accessed 18 Jul. 2022.

¹⁸ "Aptos Incentivized Testnet Roadmap | by Aptos | Aptoslabs - Medium." <https://medium.com/aptoslabs/aptos-incentivized-testnet-roadmap-209be695c77c>. Accessed 18 Jul. 2022.

Roadmap

The road to the Aptos mainnet passes through a series of incentivized testnets.



Aptos project roadmap. Source: [Medium blog](#)

In 2022, its goals are:

IT1 (Incentivized Testnet 1): Decentralized Startup

- Registration: May 13th
- Beginning: May 16th
- Completed: May 27th

IT2: Staking

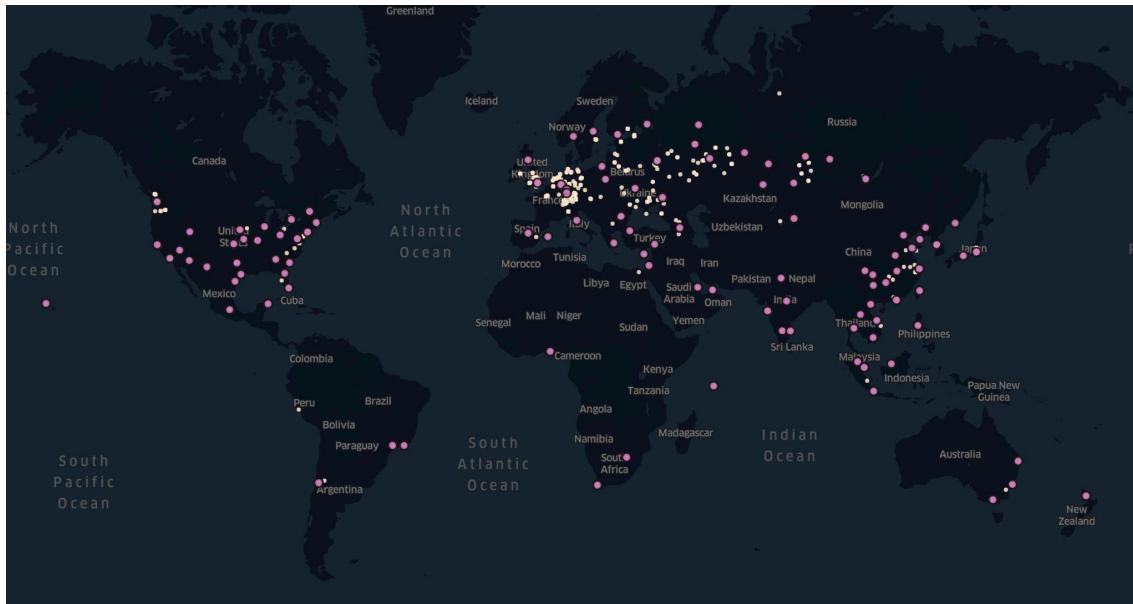
- Registration: June 30th
- Beginning: July 12th
- Completed: July 22nd

IT3: Governance and upgrades

- Estimated start time: July

IT4: Dynamic validator topology

- Estimated start time: August



Aptos incentivized testnet nodes (phase 1). Source: [Aptos Twitter](#)

The Aptos Developer Testnet achieved a peak of 18,000 full active nodes, making it the biggest known proof-of-stake node community.¹⁹

¹⁹ "Completing AIT1 // AIT2 in Hot Pursuit | by Aptos | Aptoslabs - Medium." 9 Jun. 2022, <https://medium.com/aptoslabs/completing-ait1-ait2-in-hot-pursuit-3f159f4bfb8b>. Accessed 26 Jul. 2022.

Team

The Aptos team comprises original creators, researchers, designers, and builders of Diem at Meta (formerly Facebook).

Mohammad Shaikh,²⁰ CEO and Co-founder, is an entrepreneur and expert in scaling products with knowledge of building products, fundraising, developing business strategy & scaling teams. He has over a decade of depth in capital markets, private equity, and venture capital across the US, EU, and Middle Eastern markets.

Avery Ching,²¹ CTO and Co-founder, was Principal Software at Facebook and worked at the company for more than ten years. Avery also worked at Yahoo for four years and obtained a Ph.D. in Computer Engineering from Northwestern University. He has been a member of the Apache Foundation since 2012.

Josh Lind,²² Software Engineer (Founding Team), worked with Avery and Mo on the Diem project on Facebook. He completed his Ph.D. at Imperial College London in the Large-scale Data and Systems (LSDS) group and the Center for Cryptocurrency Research and Engineering (IC3RE).

Rati Gelashvili:²³ Blockchain Researcher (Founding Team), Rati also integrated the Diem team at Facebook. His research focuses on decentralization, distributed algorithms, and the complexity of synchronization. He holds a Ph.D. from the Massachusetts Institute of Technology (MIT) and has published in numerous top-level journals in computer science.

The world-class team at Aptos also includes the following members: [Alden Hu](#), [Alin Tomescu](#), [David Wolinsky](#), [Greg Nazario](#), [Jake Skinner](#), [Josh Lind](#), [Max Kaplan](#), [Mo Ahmed](#), [Neil Harounian](#), [Rustie Lin](#), [Sasha Spiegelman](#), [Sherry Xiao](#), [Sital Kedia](#), and [Zekun Li](#).

²⁰ "Mo Shaikh - Co-Founder & CEO - Aptos - LinkedIn." <https://www.linkedin.com/in/moalishaikh>. Accessed 19 Jul. 2022.

²¹ "Avery Ching - Co-Founder & CTO - Aptos - LinkedIn." <https://www.linkedin.com/in/averyching>. Accessed 19 Jul. 2022.

²² "Josh Lind - Software Engineer (Founding Team) - Aptos | LinkedIn." https://www.linkedin.com/in/joshdavidlind/es?trk=people-guest_people_search-card. Accessed 19 Jul. 2022.

²³ "Rati Gelashvili - Blockchain Researcher (Founding Team) - LinkedIn." <https://www.linkedin.com/in/rati-gelashvili>. Accessed 19 Jul. 2022.

Advisors

The company has not listed or announced any advisors to the project.

General Comments on the Team & Advisors

The team is highly qualified and led by pioneers of the Diem project from Facebook. It hires for various software engineering, business development, and top-level financial management positions.

However, there were reports that an investor filed a lawsuit against Mo Shaikh and Matonee, Inc. (dba Aptos Labs), claiming \$1 billion. The plaintiffs decided to sue the Aptos Labs CEO after the seed round earlier this year, alleging plaintiffs were unlawfully excluded from the equity pool. The reports also disclose that Shaikh was seeking a dismissal of the complaint by the investor.²⁴

²⁴ "Aptos CEO faces billion dollar lawsuit by Glazer family member over" 20 May. 2022, <https://www.theblock.co/post/147991/aptos-ceo-faces-billion-dollar-lawsuit-by-glazer-family-member-over-equity>. Accessed 18 Jul. 2022.

Legal and Compliance Specifics

The company applied for a patent with the USPTO on February 16th, 2022, under number 97269137.²⁵ The application review is currently pending.

After Meta discontinued the Diem project earlier this year, its code-base was made open-source, so Aptos endeavor is compliant with the legislation of intellectual property.

Jurisdiction

Aptos Labs is a trademark of **Matonee Inc.**, registered in Palo Alto, California (USA).

The United States is one of the most crypto-friendly jurisdictions in the world. Many companies in the crypto industry are based in the USA, where the government and legislators have a positive attitude towards cryptocurrencies. As a country that hosts leading universities and research centers in information technology, the United States is at the forefront of blockchain development.

Partnerships

On March 15th, 2022, Aptos announced a \$200 million seed round led by a16z crypto, with the participation of Multicoin Capital, Katie Haun, 3 Arrows Capital, ParaFi Capital, IRONGREY, Hashed, Variant, Tiger Global, BlockTower, FTX Ventures, Paxos and Coinbase Ventures. Additionally, it announced a supporting cast of other reputable firms, executives, and angels across the Web2 and Web3 ecosystems – without giving further details about these partnerships. Shortly after the announcement in March, Binance Labs made public its plans to realize a strategic investment in Aptos.²⁶

²⁵ "APOTOS BLOCKCHAIN - Matonee Inc. Trademark Registration." 16 Feb. 2022, <https://uspto.report/TM/97269137>. Accessed 15 Jul. 2022.

²⁶ "Binance Labs Makes Strategic Investment in Aptos Labs for the"Aptos Medium blog 28 Mar. 2022, <https://www.binance.com/en/blog/ecosystem/binance-labs-makes-strategic-investment-in-aptos-labs-for-the-industry-adoption-acceleration-421499824684903620>. Accessed 18 Jul. 2022.



andreesen
horowitz

coinbase | Ventures



Aptos Labs' partners. Source: [CryptoViet](#)

PayPal announced earlier in 2022 that it will invest in a solution using the Aptos Blockchain. It is the first Layer 1 investment of PayPal Ventures. Additionally, Pontem Network is a partner of Aptos and is developing foundational dApps for its ecosystem, such as Liquidswap Automated Market Maker (AMM), Move Code Playground, and an EVM implementation. It is expected that these products will increase the adoption of Aptos.

Aptos Labs announced a partnership with Google earlier this year, which makes it possible to set up a node in the network in less than 15 minutes.²⁷ On July 25th, 2022, the company announced the conclusion of an extra funding round led by FTX ventures and Jump Crypto - amounting to \$150 million. It includes new investments from Apollo, Griffin Gaming Partners, Franklin Templeton, Circle Ventures, Superscript founded by Temasek, and the extended support from a16z crypto and Multicoin.²⁸

²⁷ "Aptos Labs partners with Google Cloud to enable further ... - Medium." <https://medium.com/aptoslabs/aptos-labs-partners-with-google-cloud-to-enable-further-decentralization-of-the-aptos-network-f6eae47d4c65>. Accessed 25 Jul. 2022.

²⁸ "Entering The Next Phase of The Aptos Journey With Added Funding" 25 Jul. 2022, <https://medium.com/aptoslabs/entering-the-next-phase-of-the-aptos-journey-with-added-funding-and-new-partners-d4daa03dd17c>. Accessed 25 Jul. 2022.



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Companies that are already building on Aptos Devnet. Source: [Aptos Website](#)

Legal Advisors

Peter Nadimi²⁹ functions as the Deputy General Counsel at Aptos. His professional background spans geographies (U.S. East Coast, Southwest, Midwest), sectors (private, public, nonprofit), industries (healthcare, restaurant, technology), and settings (law firm, in-house).

²⁹ "Peter Nadimi - Deputy General Counsel - Aptos - LinkedIn."

<https://www.linkedin.com/in/peter-nadimi-8a72224>. Accessed 18 Jul. 2022.

Token Offering

As per data made available by team members on the Aptos Discord server and the projects' online documentation, there is no information on when the token will launch.

Social Media and Virality

The project currently has 55.1k followers on [Twitter](#) which is scouted to be active at the research time. Aptos is also active on Discord, with 62.8k subscribers at the time of the study.³⁰ These channels are showing rapid growth figures.

Aptos Labs has a company profile on LinkedIn with 2.3k followers.³¹

There are numerous mentions on YouTube, particularly on how to install a validator node. It has a presence on the platform due to other channels people posting videos and reviews, but it does not have its own account or video. Aptos Labs has been mentioned on YouTube by:

- Crypto Early Bird: 532 subscribers. This video reached 2,535 views.³²
- Coindesk: 73.5K subscribers.³³
- ANTPAD Official: 27K subscribers. The review video on this channel reached more than 10k views.³⁴

Aptos also has a Twitch channel with 291 subscribers. Its presence on this platform is new, with only two live streams. Aptos recently opened an additional communication channel with the team, a Forum section on its website.³⁵ This forum will be a venue for discussions on Suggestions, Education, Development, Node Operations, and Projects.

³⁰ "Aptos - Discord." <https://discord.com/invite/aptoslabs>. Accessed 18 Jul. 2022.

³¹ "Aptos - LinkedIn." <https://www.linkedin.com/company/aptoslabs>. Accessed 19 Jul. 2022.

³² "Upcoming New Crypto APTOS - YouTube." 25 Mar. 2022,

<https://www.youtube.com/watch?v=senfFnK-2JE>. Accessed 19 Jul. 2022.

³³ "Ex-Meta Coders Raising \$200M to Bring Back Diem - YouTube." 26 Feb. 2022,

<https://www.youtube.com/watch?v=38L-2xFe4mg>. Accessed 18 Jul. 2022.

³⁴ "[Review] Aptos | Next unicorn in Crypto? - YouTube." 20 May. 2022,

<https://www.youtube.com/watch?v=teCF4HET98A>. Accessed 19 Jul. 2022.

³⁵ "Aptos - Aptos Forum." <https://forum.aptoslabs.com/>. Accessed 19 Jul. 2022.

Aptos posts regularly on Medium, where it has over 4.3k followers. A hackathon in May 2022 had impressive participation from the community, including projects such as wallets, AMMs, games, NFT infrastructure, order books, and more.

Risks to the Project

The following list of risks is not an exhaustive one. Some of these risks are internal, and others are external to the organization. Some risks may be minor/not materialized.

- **Funding shortfalls:** market conditions have deteriorated significantly since the project's inception. A share of the original capital endowment is no longer available for Aptos Labs: 3 Arrows Capital has gone bankrupt. Moreover, large partner companies in the crypto industry, such as Coinbase, are downsizing investment globally, not to mention marketing activities in the United States.
- **Legal challenges:** there is a one billion dollar pending lawsuit against Aptos Labs' CEO and the Company. Any adverse developments in this regard could be a significant reputational risk.
- **Competition:** the major part of development activity in the blockchain is still centered on the Ethereum Ecosystem. Over the last five years, it has grown exponentially, and it is highly doubtful that developers would migrate to a different ecosystem, including the Move programming language. Above and beyond, Ethereum and Cardano upgrades in the near future will improve their standing against competitors.
- **Limited adoption:** Aptos' success largely depends on its widespread adoption because it's an infrastructure project. There are important risks associated with this process, considering that most internet users are still unfamiliar with Web 3.0 concepts such as composability, ownership, decentralization, digital currency, and wallets. In this sense, the level of community engagement with the project might be below the necessary to assure its viability.

Ratings

Everything you see in this report is the aggregate result of an extensive research process carried out by a distributed team of researchers and crypto enthusiasts around the world. The process consists of 60 questions divided into three phases. Researchers are called to answer these questions about a project, while providing links or screenshots as evidence to support their answers. For every answer, they also provide a rating from zero to ten. The average of their ratings is detailed below.

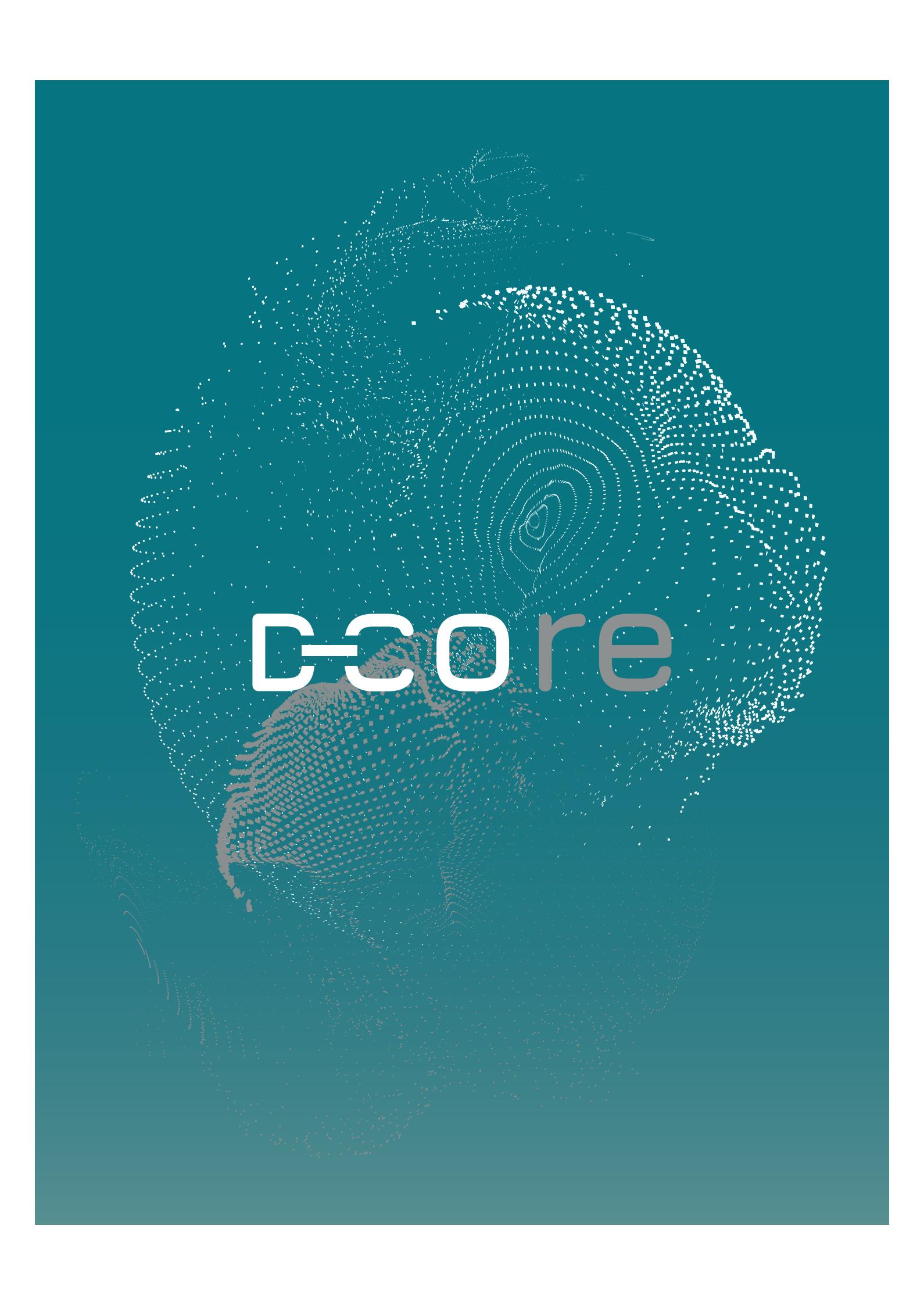
Our researchers gave Aptos a final rating of B+.

SCORE BRACKET	PROJECT RATING
86 - 100	AAA
81 - 85	AA+
76 - 80	AA
71 - 75	A+
66 - 70	A
61 - 65	B+
56 - 60	B
50 - 55	C
31 - 49	D

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