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Celestia Deep Dive

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I Executive Summary

Blockchains are databases. The first blockchain, Bitcoin, processed very simple transactions: “send this amount to that person.” But as blockchains have matured, they’ve come to handle much more complex transactions and data. Downloading and storing data has become exponentially more challenging. Congestion and costs build up. It’s like a company outgrowing its on-site servers. Hence, cloud computing has allowed companies to outsource their storage and processing needs.

Celestia aims to be that cloud service for crypto. It’s called “Data Availability” (DA), or, in other words, it makes “data available” for blockchains and applications that need bandwidth and storage capacity to perform the services they offer. Celestia’s target users, such as gaming and payment apps or decentralised exchanges, require immense capacity at low cost for fast and cheap transactions. Other target users, such as businesses that want to migrate operational functionality on-chain, require the reliability of a private data centre with the elasticity of the cloud.

As such, the prevailing investment narrative for Celestia has evolved into “the AWS of blockspace”: the infrastructure provider that quietly powers the next decade of blockchain adoption. As banks, asset managers, and internet apps move on-chain for cheaper and faster operations, the need to ensure that data capacity is available for such use cases increases dramatically. This demand could funnel into Celestia, with green shoots—such as an increasing number of clients and frequency of usage—already visible.

A bet on the future of crypto requires an understanding of DA. It is necessary to capture future demand; otherwise, the industry can’t scale as it should. Celestia is the earliest mover and has the longest track record. Combined with an aggressive roadmap, its current positioning sets it up for success. Celestia, as such, is the purest DA play in the crypto market.

II Understanding Celestia

The Problem Stems from the Industry's Natural Maturation

To understand Celestia, you must first understand what “data availability” is and why it is critical to blockchains.

When a new block is created, all the information it contains must be shared, so other participants can download it and confirm that it is valid. Data availability means that nodes in the network can access and check this transaction data. In other words, it ensures the data is really “there” and makes it “available” for people to verify.

In blockchains that were not inherently designed to scale like Bitcoin or Ethereum, this wasn't a challenge. Every full node downloaded all the transaction data in every block. If your node could replay the transactions, then the data was available—full stop.

But that design has an obvious ceiling. If every node has to download every byte, the system scales no faster than the slowest validator's hardware. As adoption grows, the need to scale blockchains whilst keeping decentralisation is paramount. If the cost of running a full node rises, fewer people can afford to verify the network, which reduces the security of the overall system. **The data availability problem arises from this bottleneck: How can we prove data is available in order to keep the system trustless without requiring every node to download it in full?**

This issue came to the forefront in the Ethereum ecosystem with the rapid growth of rollups. Optimistic rollups like Optimism and Arbitrum were designed to scale Ethereum. They execute many transactions off-chain, bundle them together, and regularly post the resulting data back to Ethereum. This is so the nodes on Ethereum can understand and verify what is going on in the rest of the ecosystem. The way Ethereum keeps tabs on the honesty or, conversely, the maliciousness of the chains and applications using Ethereum for settlement and DA is often through the use of “fraud proofs.” These use a challenge mechanism; or in other words, an alarm bell gets activated if rollups post false transactions, such as unauthorized or data-tampering transactions. But without data availability, fraud proofs are useless—observers cannot challenge the rollup's state if they cannot see the underlying data. In other words, rollups only work if DA is guaranteed. That's why DA is not a side issue. It is the lynchpin of scaling via rollups.

But the Alternatives Are Not Good Enough

Data availability sounds mundane, but without it, blockchains fail. It ensures that the data underlying transactions are available to the network. If participants can't verify that data exists, they can't check validity. And if they can't check validity, the system ceases to be trustless.

Ethereum has approached the DA problem with “blobs.” Blobs are delivery trucks attached to the side of each Layer 2 block that are fast and cheap, yet they are also large, and they carry the data to Ethereum for transaction validation and state purposes. Each block has a target of six blobs (delivery trucks), and once demand exceeds the target, fees begin to rise rapidly, as users have to pay more to get their transaction included into the next delivery truck ahead of others. The cost for users increases until demand subsides. The analogy is a **toll road at rush hour**. At low traffic, the road is smooth and affordable. As traffic builds, congestion pricing kicks in. Soon, only those willing to pay premium rates can use it. This means Ethereum DA is premium but scarce by design.

That scarcity shows up in costs. Historically, DA represented between 90—99% of transaction costs for rollups like Arbitrum, Optimism, Base, and Unichain, because their whole business model was built upon providing users with very fast and cheap transactions with the guaranteed security of Ethereum. So they had no choice but to post data to Ethereum. In December 2023, posting one Optimism block on Ethereum cost \$140.53. On Celestia, the same block would have cost \$0.046—more than 3,000× cheaper. This delta makes Celestia an attractive alternative for Ethereum rollups to route their transaction data to an “offsite, cheap, reliable, public filing cabinet” before rerouting and settling it back onto Ethereum for its settlement guarantees, leaning on its 100% uptime and long track record. Some of the main rollup tech stacks, such as Arbitrum, Optimism, Starknet, and Polygon, can connect to Celestia.

To Solve This, Celestia Is Designed Differently

Celestia is a Layer 1 blockchain, meaning it provides all the core functions needed to operate a blockchain. These include execution (where user activity takes place), consensus and settlement (how nodes verify blocks and agree on the network's state), and data availability (ensuring all information is accessible for consensus and settlement).

Data availability is largely a commoditized service—different providers offer similar capabilities, and switching between them involves relatively low friction. However, the true differentiators lie in each provider's architecture and reputation.

Celestia stands out as a pioneer of restaking and holds market-leading mindshare among investors, developers, rollups, and chains. Its design carefully balances security (through many independent checks), scalability (via lightweight verification that anyone can perform), and trust minimization (by avoiding unnecessary external dependencies). This balance makes Celestia one of the most robust and trusted data availability solutions for both enterprises and application-specific chains.

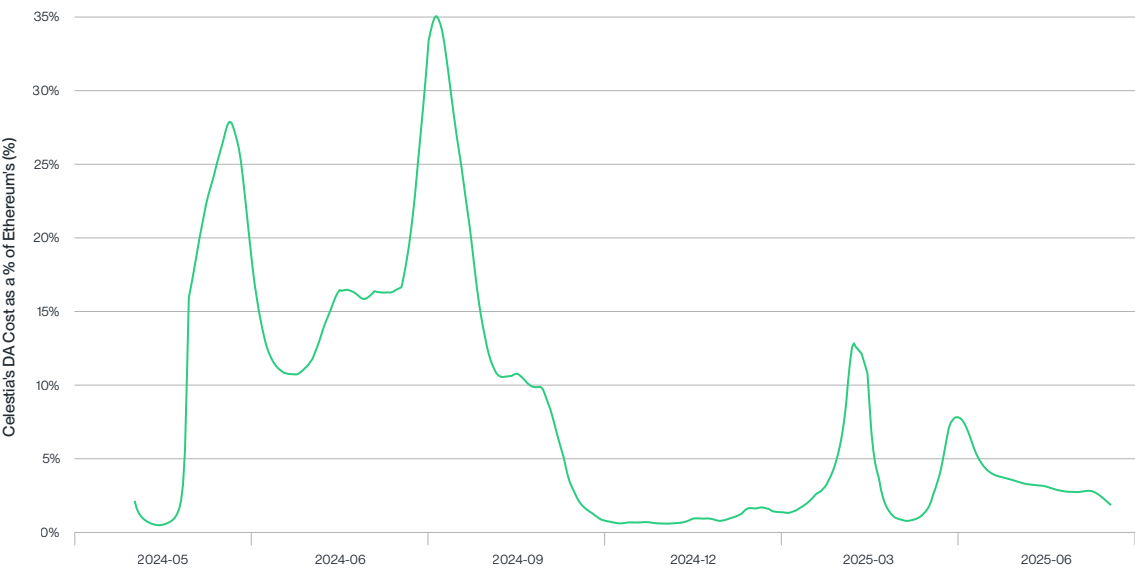
A few elegant approaches include:

- **Organisation:** Each rollup's data is put into its own "namespace," so light clients only need to verify the data that matters to them. Think of it as a warehouse with clearly labeled shelves, so you can audit just the section you care about.
- **In-built redundancy:** Each block's data is split up so that even if some chunks go missing, the whole block can be reconstructed. This is like a puzzle where any large-enough subset of pieces lets you recreate the full picture.
- **Verification efficiency:** Instead of downloading every byte, Celestia light nodes only need to check small random samples. Think of it as spot-checking packages in a warehouse: You don't need to open every box to know the shipment is intact.

Together, these innovations mean Celestia gets more probabilistically secure as it grows because light client sampling means higher assurance of availability. It's a virtuous cycle.

Celestia's cost advantage over Ethereum (2w rolling average)

Celestia's DA is increasingly cheap vs Ethereum despite Danksharding rollouts



Source: Bitwise Europe, Blockworks, data as of 20th August 2025

III Celestia Today

There Is Impressive Adoption Under the Hood

Celestia is already seeing meaningful use. This graph below shows that namespaces—Celestia’s version of folders for posted data—have grown 5x year-over-year, hitting a peak of almost 8x year-over-year. That’s significant: It means more rollups are posting, and existing ones are posting more frequently. Namespace growth is a proxy for customer growth, just like the number of AWS S3 buckets was a proxy for adoption in the early cloud days.

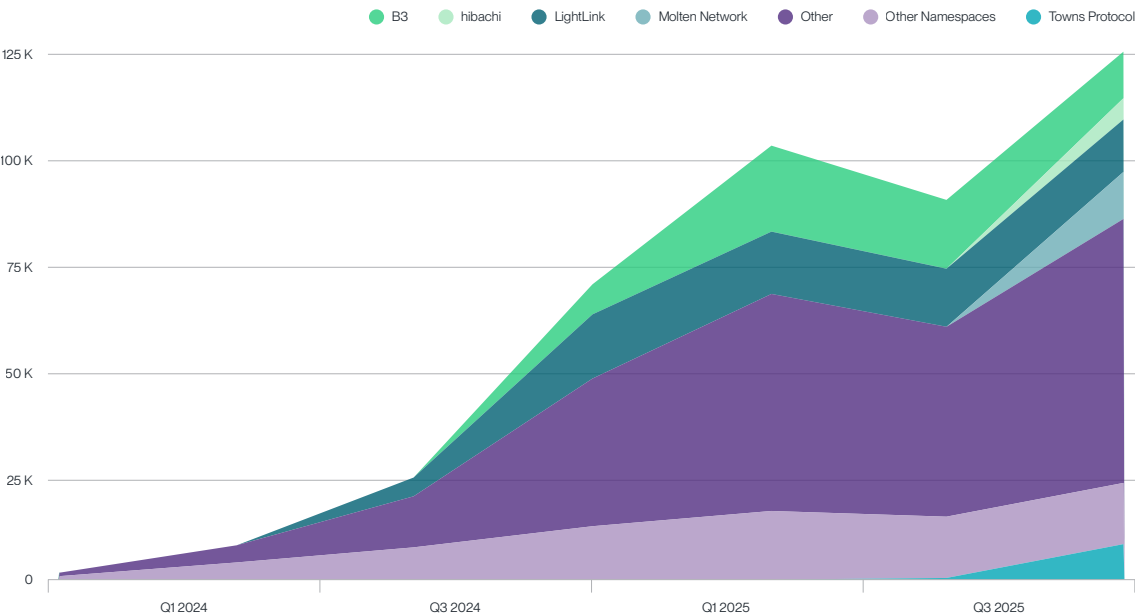
Yet, Ethereum isn’t standing still. Near-term incremental increases in blob count from a target of six to nine blobs are in sight, while additional technical upgrades like full danksharding could expand capacity substantially. The metaphor here is powerful: Ethereum’s toll road may evolve into a freight train—moving much more data at lower cost. If Ethereum dramatically increases DA capacity, it can retain rollups that might otherwise migrate to Celestia.

Recently, Ethereum managed to maintain its position in the data availability market, with its market share increasing from ~51.5% in June to 53.0% in July and 70% in August. The reclaiming of DA market share since May has primarily been driven by a sharp 95% decline in data posted to Celestia by Eclipse, whose large application, TurboTap, wound down. Eclipse is a Layer 2 that uses Ethereum for settlement and Solana’s programming environment for execution.

TurboTap’s decline slowed the pace at which Eclipse needed Celestia for available data and storage and at which it posted data to Ethereum. As a result, data volumes fell, prompting short-term pessimism. But this is exactly what early adoption curves look like. Over time, Amazon’s AWS usage diversified. Celestia’s broadening namespace growth is the stronger signal. The bottom line: Adoption is happening, albeit unevenly.

Namespaces are a proxy for DA growth

As a key KPI: namespaces have grown +254% Year-over-Year (excl. Eclipse)



Source: Bitwise Europe, Blockworks, data as of 20th August 2025

IV Celestia Tomorrow

1GB Blocks, 1M Rollups, 1B devices

Celestia's road map is very ambitious. It imagines a world where businesses transform their back-end operations by moving on-chain, and it is therefore building infrastructure to handle massive demand. It wants to be able to support 1 billion devices using 1 million rollups, and to do so it is scaling its blocks from 124,800 MiB/day to an end goal of 14.745 million MiB/day (based on 1 GB/block and its current block time of ~6 seconds, according to the Ginger upgrade).

Ethereum can cautiously raise its blob count from six to nine, then perhaps 12, but every step is contested and meticulous. Celestia compounds. Its vision is laser-focused on DA, not fazed by the distractions of consensus, settlement, and execution. It is AWS's growth story written in blockspace.

The most important part is that the design allows elastic demand matching. In Ethereum, once demand exceeds target, fees spike. In Celestia, governance can raise block size and change parameters as hardware and network conditions improve, aiming to keep per-byte costs low even as demand grows. In economic terms, Celestia is offering a supply curve that shifts outward with adoption, therefore keeping costs down.

One piece Celestia may still need is its own execution layer, such as a rollup, to provide a place where applications and DeFi can run directly. This would give the ecosystem a cultural and liquidity center while keeping Celestia's base layer fully focused on being the most efficient data provider for rollups. The execution layer would attract users, apps, and liquidity, while governance and core data capacity remain simple and easily accessible at the base.

Separately, Celestia's upcoming "lazy-bridging" feature means different rollups can talk to each other and share assets smoothly. Ethereum has struggled here since its rollups (L2s) don't have strong incentives to solve cross-communication on their own. If Celestia achieves this natively, it could create powerful network effects that strengthen the ecosystem long-term.

Put together, the outlook is this: Celestia is not building for today's rollups. It is building for the next wave of applications that don't yet exist—just as AWS was not built for MySpace but for Netflix, TikTok, and more to come.

V Tokenomics

From Down-Only to Tailwind

Over the last two years, Celestia's valuation was weighed down by three headwinds. The first was tokenomics: TIA's total supply ballooned, growing nearly 2.7x year-over-year. This growth had a number of sources: investors (173% growth year-over-year), team (86% growth year-over-year), the Foundation (348% growth year-over-year), and total protocol emissions (~110% growth year-over-year).

The second was market overhang. A single large investor, Polychain, was a consistent seller into the market, amplifying downward pressure on price. That chapter is now over. The Celestia Foundation worked with Polychain to assign Polychain's entire remaining TIA holdings to new investors. Structural sell pressure will no longer hang over the asset.

The third was perception. For much of this period, investors did not appreciate how central DA is to blockchain scaling. Rollups were still proving themselves, DA limits were not consistently tested, and adoption looked niche. At the same time, DA supply was expanding quickly, making it seem like overcapacity. The mismatch was not fundamental weakness but a timing problem—supply ramped faster than visible demand. That picture is shifting now, as namespaces grow 5x year-over-year and real-world applications begin to consume bandwidth at scale.

Looking forward, the Proof-of-Governance (PoG) upgrade is set to flip tokenomics from a headwind into a tailwind. Today, most of the yield for TIA stakers comes from inflationary emissions—essentially new tokens printed into existence. PoG sharply reduces that inflation, from ~5% annually to just 0.25%, a 95% cut. That means supply growth slows dramatically, removing one of the biggest sources of selling pressure on the token.

On the demand side, PoG strengthens the link between protocol revenues and tokenholders. Under the new system, stakers and delegators earn a larger share of the fees that rollups and apps pay for data availability, rather than relying on subsidies from new issuance. In effect, PoG shifts TIA from being bond-like—where returns came mostly from inflation—to equity-like, where returns are tied to actual usage of the network.

With PoG, TIA becomes a cleaner investment asset. Dilution is no longer the main story; instead, returns scale with real demand for Celestia's blockspace. That alignment matters: it means every uptick in DA usage flows more transparently into staking rewards and long-term holder value. For tokenholders, the economics move from defensive, bracing against constant emissions, to offensive, with value capture tied directly to adoption.

VI The Price Forecast

Celestia Is the Purest DA Play in Crypto

The way value accrues to TIA is straightforward. Every byte of data that businesses or users post to Celestia generates fees. The clearest proxies for this are data throughput, which tracks capacity and amount of data consumed, measured in MiB/day; and namespace growth, which tracks how many distinct applications are using Celestia for data storage purposes. Throughput shows how much bandwidth is being used; namespaces show the depth and breadth of adoption.

Throughput capacity is where the difference between Celestia and Ethereum becomes most visible. Celestia's current throughput headroom is ~127,000 MiB/day, compared to Ethereum's 9-blob target capacity of only ~8,100 MiB/day, or ~13,500 MiB/day if extended to 15 blobs. In other words, Celestia can already handle an order of magnitude more demand than Ethereum's near-term roadmap allows.

Looking further ahead, Ethereum's proposed full danksharding upgrade could raise this ceiling to ~109,000 MiB/day, but even that falls short of Celestia's roadmap. Soon, Celestia's Matcha upgrade increases capacity 16x. Achieving the goal of 1GB blocks would expand Celestia's potential capacity to ~7.4 million MiB/day, effectively pulling the supply curve outward so that costs stay low even as adoption grows. This is the cloud-like elasticity that Celestia is designed to deliver.

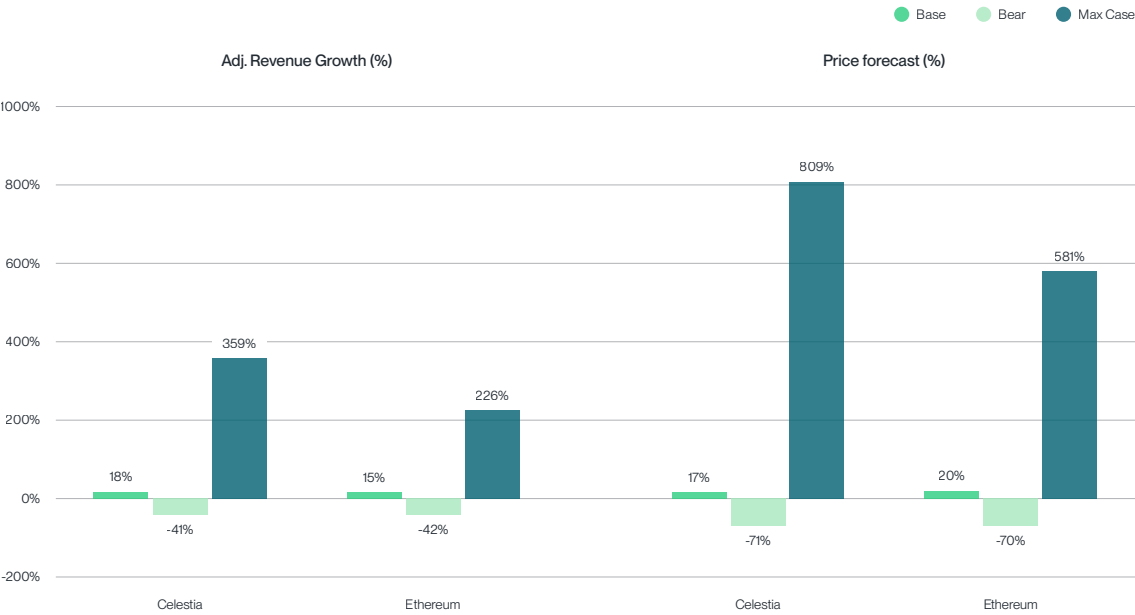
Our base case scenario builds on realized throughput from Ethereum rollups and apps today: Base, Robinhood, existing L2s, and a long tail of roughly 50 smaller apps and chains. Together, this produces an estimated median of ~3,800 MiB/day of data settled, which annualizes to around \$55k in projected DA revenue. To keep the model conservative, we assume DA remains ~50% of total revenues, in line with the last three months, and that the market cap-to-revenue multiple stays flat. On those assumptions, Celestia is valued relative to the DA portion of Ethereum, its main competitor. Whilst it is possible that rollups use Celestia, they need to make an active choice not to use Ethereum's available data. This is likely to become an ever more pertinent choice for rollups as Ethereum's capacity becomes strained.

The bear and max cases extend naturally from the base. The bear case cuts throughput in half, to ~1,910 MiB/day, which still produces meaningful revenues but highlights the impact of slower adoption. The max case doubles peak throughput to ~14,900 MiB/day, which fits comfortably within Celestia’s headroom but already pushes beyond Ethereum’s 9—15 blob target range. In other words, Ethereum’s ceiling is reached quickly, while Celestia’s is far off in the distance. For investors, the asymmetry is clear: downside is cushioned by Celestia’s capacity advantage, while upside remains open-ended as adoption compounds.

The conclusion is simple. More data posted means more fees, which means more revenues, which translates directly into value for TIA holders. With PoG reducing inflation and strengthening the link between protocol revenues and tokenholders, every unit of DA demand now accrues more cleanly to investors. Celestia’s total addressable market, capacity headroom, and growth profile are all larger than Ethereum’s, making it not just the purest DA play, but also the one with a higher upside.

Celestia is a better DA play than Ethereum

Higher revenue growth and higher MOIC demands higher valuation premium



Source: Bitwise Europe, Blockworks, Arkinvest, L2Beat, data as of 20th August 2025

VII Conclusion

Celestia: “The AWS of Blockspace”

Celestia’s architecture turns DA into a shared utility: cheap, scalable, and verifiable by anyone. Businesses and applications can build utilise blockchains with the throughput of a private data center but with the flexibility and cost of the cloud.

Ethereum will remain premium, vertically scaled, and fee-constrained. Celestia is horizontally scalable and designed to host every use case that wants autonomy, plentifully available data, and security.

The story is the same as cloud computing. Early on, enterprises ran their own data centers. Then AWS emerged, elastic and cheap, powering both Fortune 500s and scrappy startups. Celestia is following that path.

For investors, the takeaway is clear: Celestia is the purer DA play. With higher capacity, higher revenue growth, and greater upside, it represents the infrastructure layer that could quietly power the next decade of blockchain adoption.

Appendix

Throughput Scenarios	Median TPS	Amount of Data Settled (MiB/day) ¹
Bear Case		
Base ²	31	320.3451605
Robinhood ³	31	320.3451605
L2s (excl. Base) ⁴	—	1429.0030630
Others ⁵	50	1749.3482240
Total	—	3819.0416080
Bear Case ⁶	—	1909.5208040
Bull Case ⁷	—	14895.8960400

¹ Median Daily Data settled to ETH

² Median MiB/day = 16/06/2025; MiB/Tx (data settled per day / (TPS*Seconds per day)) = 0.000120586

³ Median TPS = Hypothetical; using Base-equivalent bytes per transaction

⁴ Median MiB/day = 23/07/2025

⁵ Long tail equivalent to L2 + base settlement

⁶ -50% from base case

⁷ -Double max throughput

Capacity Scenarios	Celestia	Ethereum
Capacity Utilisation (MiB/day)	86%	13500
Base case ⁸	127,370	5400
Base *	0	0.05932317787
L2s (excl. Base) *	0.01121930916	0.26463019690
Robinhood *	0.002515076061	0.05932317787
Others *	0.01373438523	0.32395337480
Total *	0.02998384651	0.70722992740
Bear ⁹	127369.9692	5400
Total ¹⁰	0.01499192326	0.35361496370
Max ¹¹	254739.9385	10800
Total ¹²	0.05847491416	1.37924963300

⁸ Celestia 3m average, ETH = 6target blobs per block * 0.125MiB/day * 7200blocks per day

* Base Case MiB/day / Capacity

⁹ Capacity utilisation stays the same (although unrealistic)

¹⁰ Bear Case MiB/day / Capacity

¹¹ Both have higher max throughput but for sake of timeline, easiest assumption is to double capacity

¹² Bull Case MiB/day / Capacity

Financials	Celestia	Ethereum
Realised DA cost (USD/MiB/day) ¹	0.03952509756	0.000000003791363002
DA Revenue (USD '000s/year) ²	46.76850442	0.000004582050594000
DA Revenue, % of REV ³		
Base Case ⁴	0.5085133875	0
Bear Case ⁵	0.2542566938	0
Bull Case ⁶	0.7627700813	0
Projected Revenue (USD '000s) ⁷		
Base Case	55.09601713	0.000005284971165
Bear Case	27.54800856	0.000002642485582
Bull Case	214.8980366	0.000020613648420
Adj. Projected Revenue (USD '000s)		
Base Case	55.09601713	0.000005284971165
Bear Case	27.54800856	0.000002642485582
Bull Case ⁸	214.8980366	0.000014945552950
Adj. Revenue Growth (%)		
Base Case	0.1780581356	0.1534074224
Bear Case	-0.4109709322	-0.4232962888
Bull Case	3.594930696	2.2617607808

¹ 3m Annualised so not skewed and captures the trend of DA cost

² 3m Annualised so not skewed; Celestia // Ethereum = only blob fees

³ Blob fees / total REV

⁴ 3m Annualised so not skewed and captures the trend of DA cost

⁵ Halve

⁶ Double

⁷ NB: Revenue growth is based on average cost (USD/MiB)

⁸ Revenue is capped at 100% capacity; doesn't consider "congestion pricing" above target

Valuation Model	Celestia	Ethereum
Current MC (USD bn)	1.24	546
Adj. Current MC (USD bn) ¹	–	0.000000020118731850
Current MC/Rev Multiplier		
Base Case	26513.56966	4390.770341
Bear Case ²	13256.78483	2195.385171
Bull Case ³	53027.13932	8781.540683
Current Price (USD)	1.64	4359
Adj. Current Price (USD) ⁴	–	0.000000160618227300
Adj. Projected Valuation (USD Bn)		
Base Case	1.460792088	0.000000023205094640
Bear Case	0.365198022	0.000000005801273661
Bull Case	11.39542813	0.000000131244981300
Supply (Bn)	0.764	0.12
Price Forecast (USD)		
Base Case	1.912031529	0.000000193375788700
Bear Case	0.4780078822	0.000000048343947170
Bull Case	14.91548184	0.000001093708177000
Price forecast (%)		
Base Case	0.1658728835	0.2039467245
Bear Case	-0.7085317791	-0.6990133189
Bull Case	8.094806	5.8093652600

¹ Only Ethereum's MC adjusted based on base case DA Blob Revenue, % of REV

² Halve

³ Double

⁴ Adjusted ETH based on DA Blob Revenue, % of REV; Celestia not adjusted as non-blob fees are still key to overall valuation

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Product materials, analysis, and due diligence collateral including SFDR information are available upon request.

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