



 EMERGING TECH RESEARCH

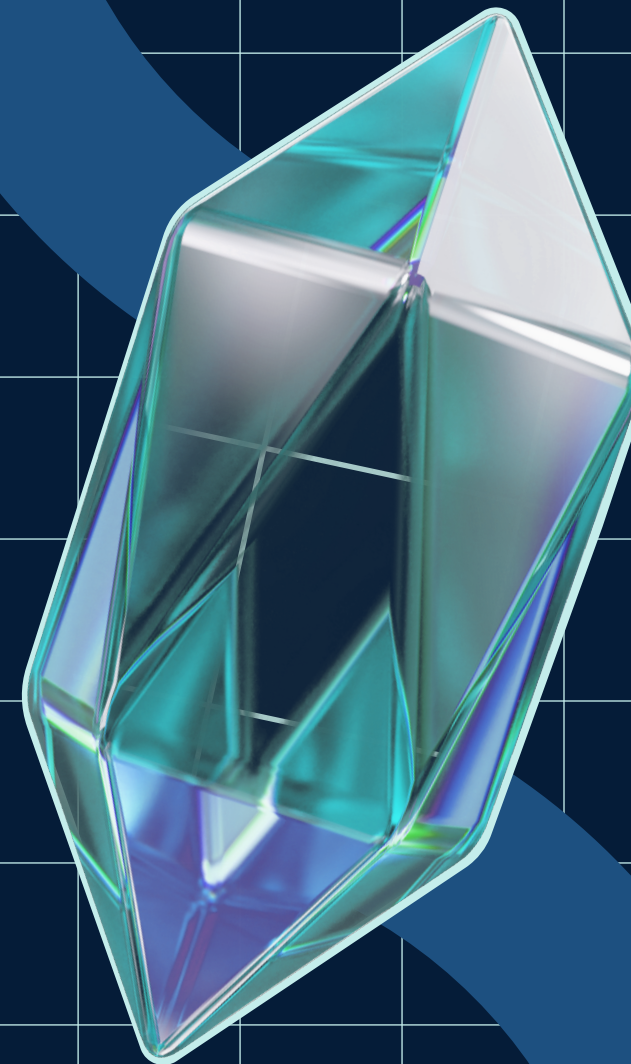
Crypto Report

VC trends and innovation spotlights

Q2
2024

REPORT PREVIEW

The full report is available through the PitchBook Platform.





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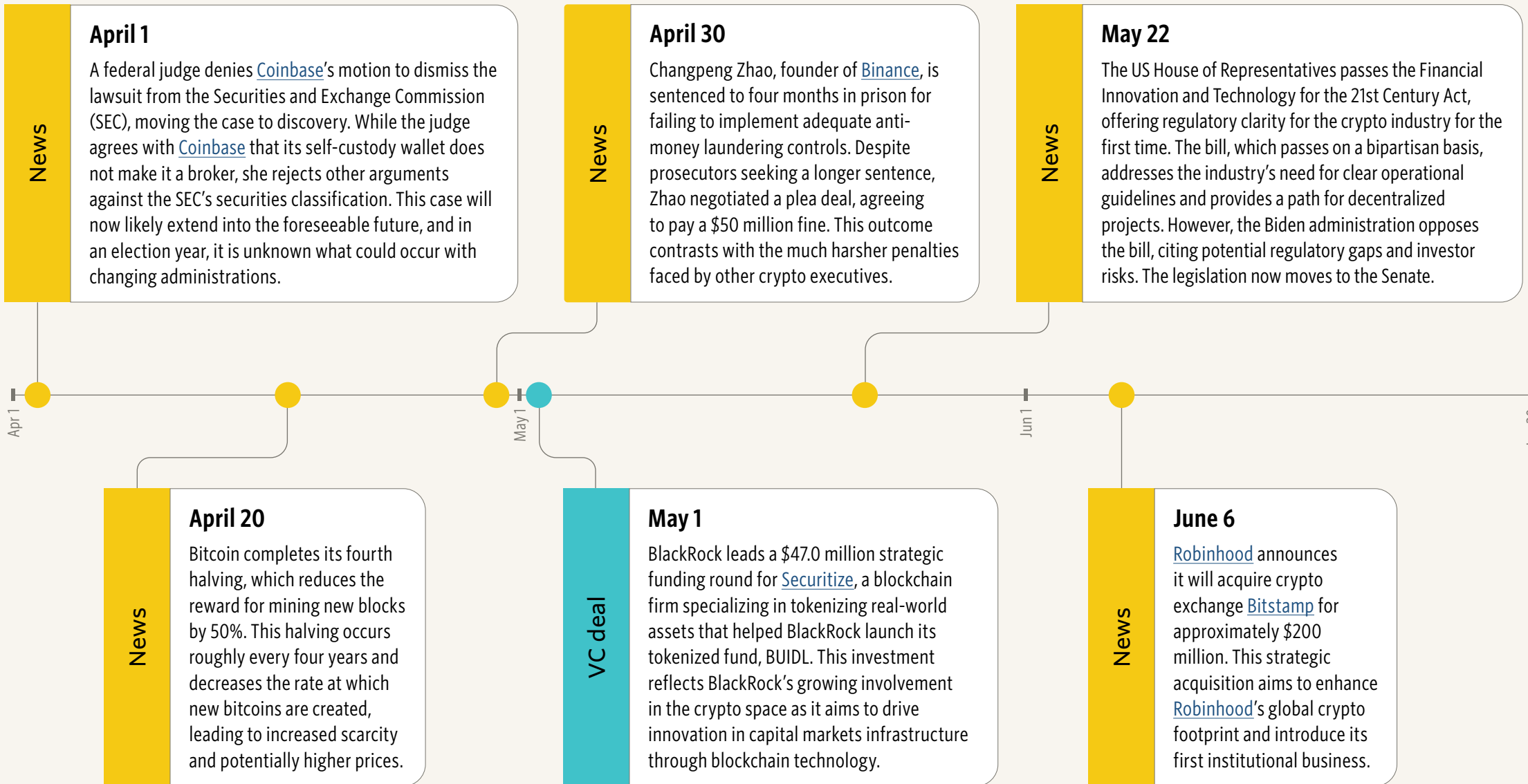
Publishing

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Q2 2024 timeline



Q2 VC deal count summary

503
total deals

-12.5%
QoQ growth

4.6%
YoY growth

-3.1%
YTD growth

Q2 VC deal value summary

\$2.7B
total deal value

2.5%
QoQ growth

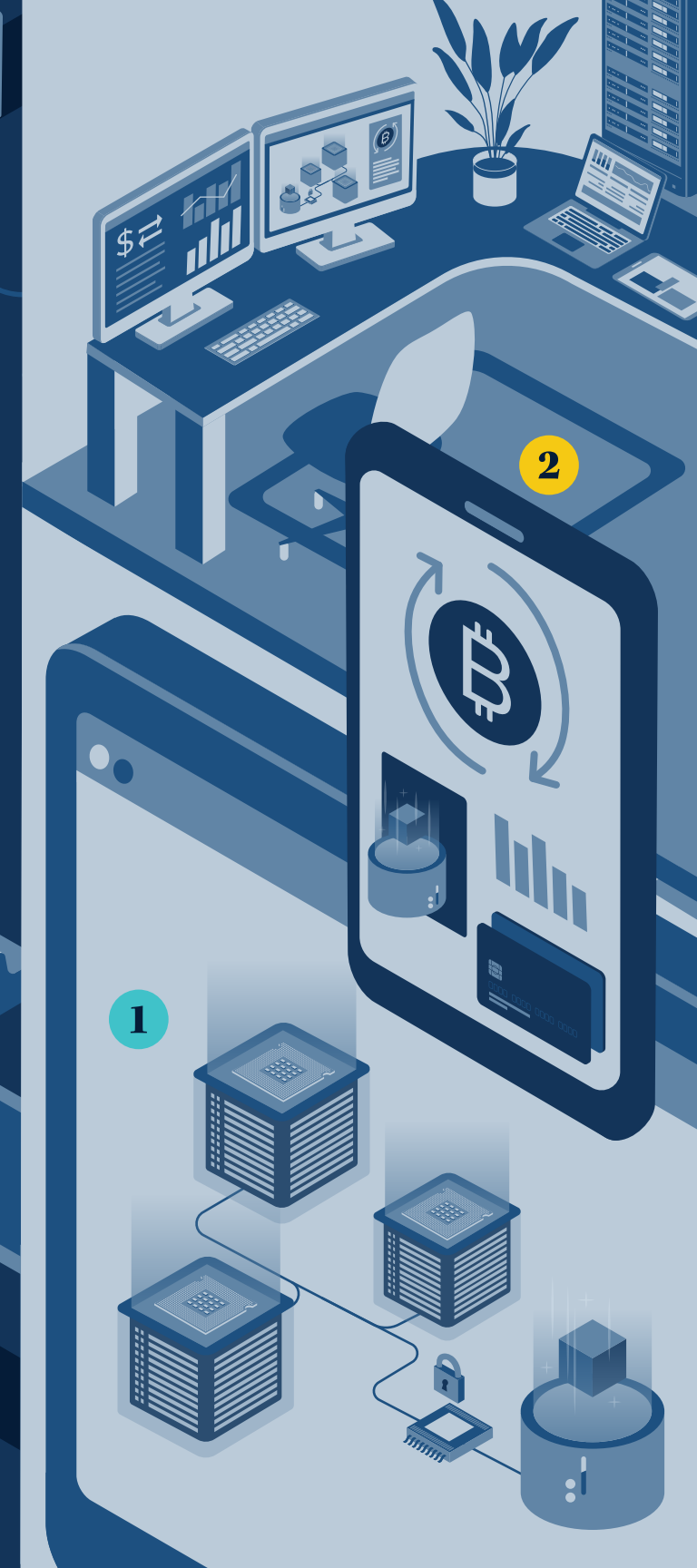
-9.8%
YoY growth

-11.7%
YTD growth



Crypto landscape

- 1** Blockchain networks
- 2** Infrastructure & developer tools
- 3** Access
- 4** Web3
- 5** DeFi





Crypto VC ecosystem market map

This market map is an overview of venture-backed or growth-stage companies that have received venture capital or other notable private investments. [Click to view the full map on the PitchBook Platform.](#)

1 Blockchain networks

Bridges & interoperability



Layer 1



Layer 2 & scalability



2 Infrastructure & developer tools

Crypto corp management & finance



Data storage & accessibility



Development platforms



Institutional services



Node & validator management



Security, risk management & compliance



3 Access

Asset management & taxes



Exchanges, wallets & crypto financial services



Onboarding & payments



Research & data tools



4 Web3

Content & social



Decentralized communities



DePINs & hardware



Enablement platforms & marketplaces



Metaverse & gaming



NFT platforms & collectibles



5 DeFi

Asset tokenization



Insurance



Lending, borrowing & yield generation



Trading, derivatives & liquidity



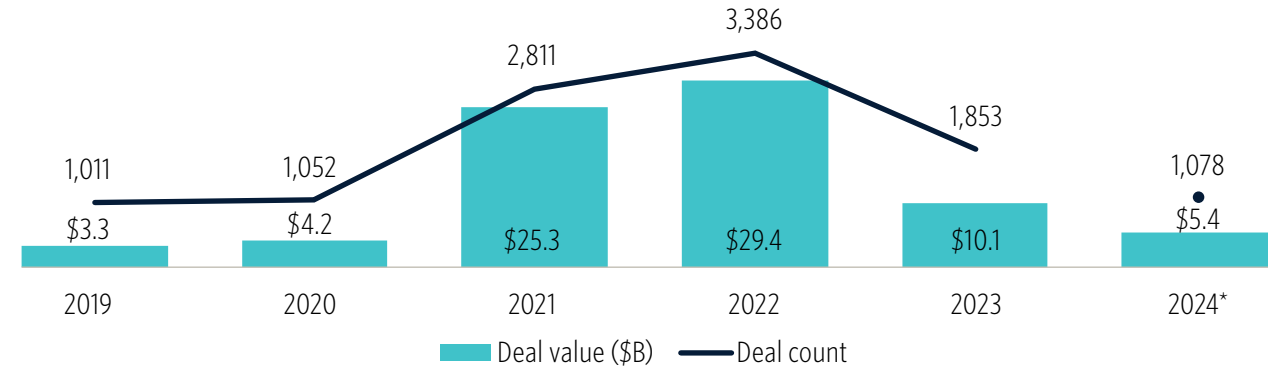


VC activity

In Q2 2024, crypto fundraising increased slightly as startups secured \$2.7 billion across 503 deals. This represents a 2.5% increase in invested capital but a 12.5% decline in deal volume compared with the previous quarter. The increasing deal value yet lower deal count suggests that deal sizes increased overall during the quarter. With positive investor sentiment returning to crypto and barring any major market downturns, we expect the volume and pace of investments to continue increasing throughout the year. Infrastructure startups continued to lead the way in funding during the quarter, with the largest rounds raised by parallelization Layer 1 platform [Monad](#) (\$225.0 million Series A), DeFi-specific Layer 1 platform [Berachain](#) (\$100.0 million Series B), and bitcoin restaking platform [Babylon](#) (\$70.0 million early-stage round). The other two mega-rounds of the quarter went to [Farcaster](#), which raised a \$150.0 million Series A round at a \$1.0 billion post-money valuation, and to blockchain-based gaming platform [Zentry](#), which raised a \$140.0 million early-stage round.

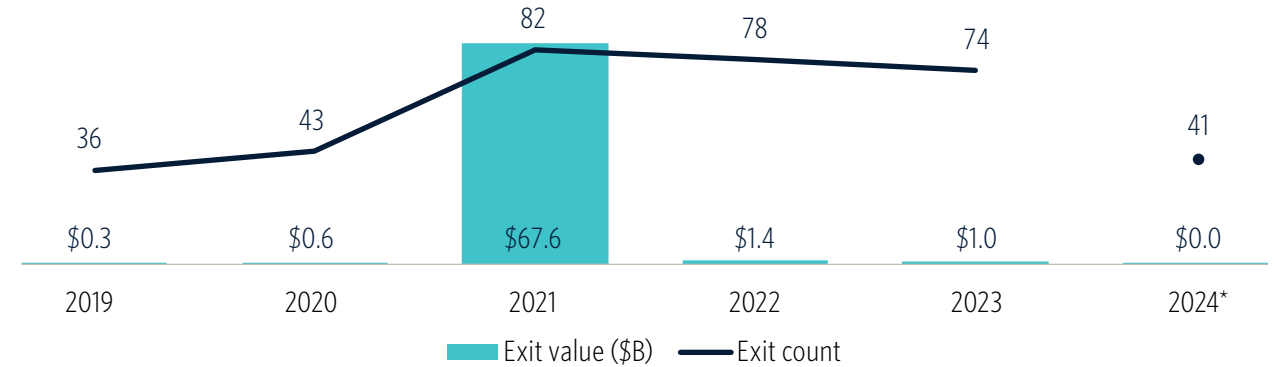
Compared with full-year 2023, valuations were up for the seed stage and the early stage yet were down for the late stage. The median pre-money valuation for the seed stage was \$23.0 million; the early stage, \$63.8 million; and the late stage, \$40.8 million, representing changes of +97.0%, +166.0%, and -36.0%, respectively, from full-year 2023. These numbers indicate that investment rounds have become highly competitive at the earlier stages but less so at the late stage. This trend is on par with the broader venture market. Deal sizes also reflected the valuation trends, with median figures registering at \$2.8 million for the seed stage, \$4.5 million for the early stage, and \$6.5 million for the late stage, representing changes of +27.3%, +13.3%, and -7.4%, respectively, from full-year 2023.

Crypto VC deal activity



Source: PitchBook • Geography: Global • *As of June 30, 2024

Crypto VC exit activity



Source: PitchBook • Geography: Global • *As of June 30, 2024



VC ACTIVITY

Key crypto pre-seed/seed deals in Q2 2024*

Company	Close date	Deal value (\$M)	Segment	Category	Post-money valuation (\$M)	Lead investor(s)
Arbelos Markets	May 8	\$56.0	Infrastructure & developer tools	Institutional services	N/A	Dragonfly Capital
MegaETH	June 27	\$20.0	Blockchain networks	Layer 2 & scalability	N/A	Dragonfly (San Francisco)
Morph	May 14	\$19.3	Blockchain networks	Layer 2 & scalability	N/A	Dragonfly (San Francisco)
Lagrange	May 8	\$13.2	Blockchain networks	Layer 2 & scalability	N/A	Founders Fund
Sortium	April 10	\$12.0	Infrastructure & developer tools	Development platforms	\$50.0	Signum Growth Capital
Agora	April 2	\$12.0	Infrastructure & developer tools	Institutional services	N/A	Dragonfly (San Francisco)
LightLink	June 6	\$11.5	Blockchain networks	Layer 2 & scalability	N/A	Magnolia Quality Development Corporation, T&B Media Global
Botanix Labs	May 7	\$11.5	Blockchain networks	Layer 2 & scalability	N/A	N/A
Fintopio	April 17	\$10.0	Access	Exchanges, wallets & crypto financial services	N/A	N/A
GaiaNet	May 28	\$10.0	Web3	DePINs & hardware	N/A	N/A

Source: PitchBook • Geography: Global • *As of June 30, 2024



VC ACTIVITY

Key crypto early-stage VC deals in Q2 2024*

Company	Close date	Deal value (\$M)	Segment	Category	Post-money valuation (\$M)	Lead investor(s)
Monad Labs	April 9	\$225.0	Blockchain networks	Layer 1	\$3,000.0	Paradigm (Crypto Fund)
Farcaster	May 21	\$150.0	Web3	Content & social	\$1,000.0	Paradigm
Zentry	April 24	\$140.0	Web3	Metaverse & gaming	N/A	N/A
Berachain	May 18	\$100.0	Blockchain networks	Layer 1	N/A	Brevan Howard Asset Management, Framework Ventures
Babylon	May 30	\$70.0	DeFi	Lending, borrowing & yield generation	N/A	Bullish Capital, Paradigm (Crypto Fund), Polychain Capital
Sophon	April 1	\$60.0	Web3	Metaverse & gaming	N/A	Maven 11, Paper Ventures
Avail	June 4	\$43.0	Blockchain networks	Layer 1	N/A	Dragonfly (San Francisco), Founders Fund
TradeAlgo	June 6	\$41.8	Access	Research & data tools	N/A	N/A
Movement Labs	April 25	\$38.0	Blockchain networks	Layer 2 & scalability	N/A	Polychain Capital
Conduit	June 26	\$37.0	Blockchain networks	Layer 2 & scalability	\$220.0	Haun Ventures, Paradigm (Crypto Fund)

Source: PitchBook • Geography: Global • *As of June 30, 2024



SELECT COMPANY HIGHLIGHTS: RHINESTONE



Overview

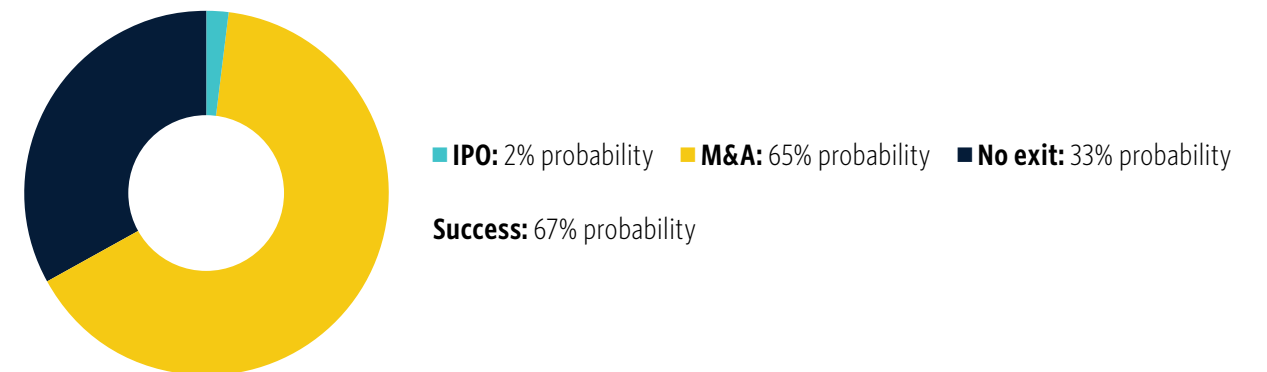
[Rhinestone](#) is a decentralized system that emphasizes modular account abstraction on the [Ethereum](#) blockchain. The protocol allows for the creation of smart accounts that are both flexible and extensible. Unlike traditional static accounts, [Rhinestone's](#) modular accounts empower users to dynamically add, remove, or modify functionalities, providing a tailored experience. Developers also can seamlessly introduce new features or adjust existing ones. The protocol's design is inspired by various architectures, including the Safe architecture and the Multi-Facet Proxy Standard (ERC-2535).

One of the main features of [Rhinestone](#) is its transformation of smart accounts into an open platform. This openness ensures that developers are not confined to a predetermined set of features but can craft functionalities specific to their product and user needs. This adaptability extends to decentralized applications (dApps), offering them an enhanced user experience. Furthermore, the protocol supports the development of specialized wallets tailored to distinct market segments, such as DeFi. An emerging trend also sees dApps integrating their experiences within dominant wallets, and [Rhinestone's](#) modular approach is poised to facilitate an open marketplace for such integrations. In our view, [Rhinestone's](#) potential competitive advantage is in its focus on user-centric customization and security. By offering a platform that caters to both end users and developers, [Rhinestone](#) addresses the growing demand for adaptable and secure smart account management in the decentralized space. Its commitment to flexibility, combined with a robust security framework, positions the [Rhinestone](#) Protocol as a promising contender in the ever-evolving world of blockchain and decentralized applications.

Key company information

Founded 2023	Last financing valuation N/A	Total raised N/A
HQ location Oxford, UK	Last financing Seed round	Lead investor(s) N/A

Exit Predictor



Note: Probability data is based on [PitchBook VC Exit Predictor methodology](#).



SELECT COMPANY HIGHLIGHTS: RHINESTONE

Leadership

[Rhinestone](#) was co-founded by CEO Konrad Kopp. He previously founded Signet, which aimed to revolutionize loyalty programs by bringing them onto blockchains, and Hedgefox, an education technology data infrastructure company. His academic credentials include an undergraduate degree in philosophy, politics, and economics from the University of Oxford. He also studied law at the University of Vienna. Kopp has been involved in various projects, including ChainBook, an on-chain contact book designed to enhance Web3 user experience, and Terminal Portfolio, a platform to query portfolio data. He also played a pivotal role in the establishment of the Oxford Blockchain Society's public website and member dashboard.

Financing history

[Rhinestone](#) raised an undisclosed amount of pre-seed funding from 1kx in January 2021. The company subsequently raised an undisclosed amount of seed funding from Safe, Heartcore Capital, and Lattice Capital in December 2023. 1kx and other investors also participated in the round.

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