



 EMERGING TECH RESEARCH

# Crypto Report

VC trends and emerging opportunities

**Q4**  
**2022**

## REPORT PREVIEW

The full report is available through the PitchBook Platform.





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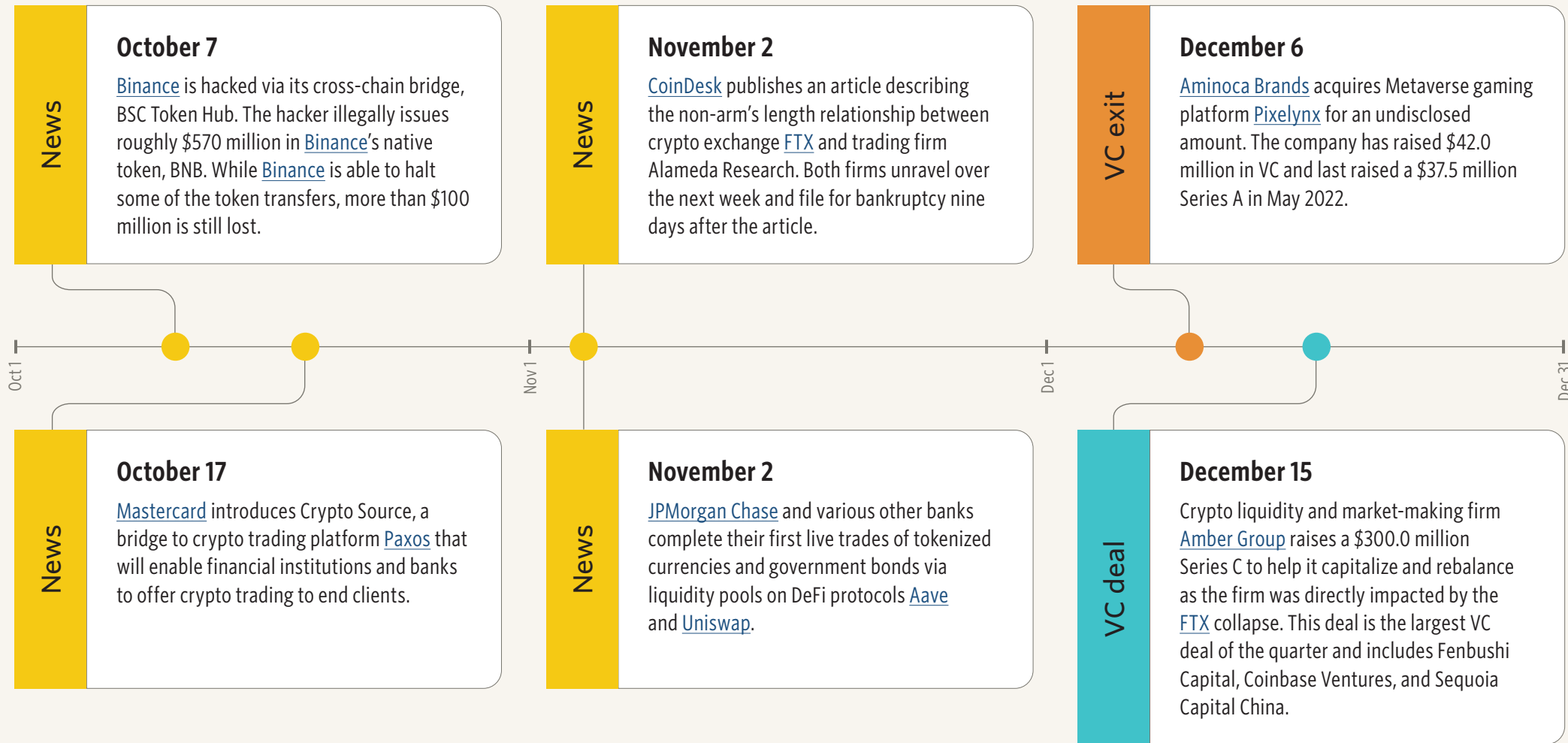
## Publishing

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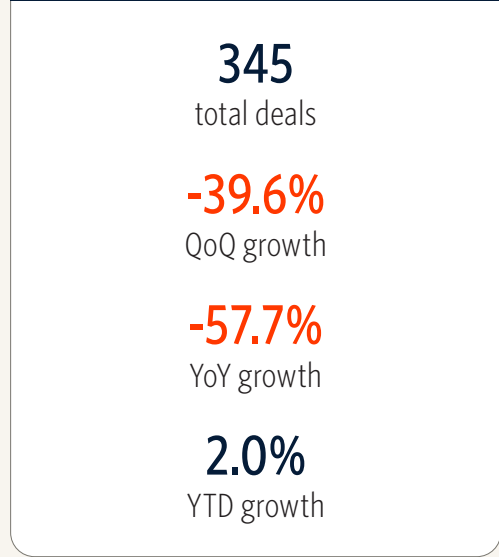
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# Q4 2022 timeline



## Q4 VC deal count summary



## Q4 VC deal value summary





# Crypto emerging technology landscape

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

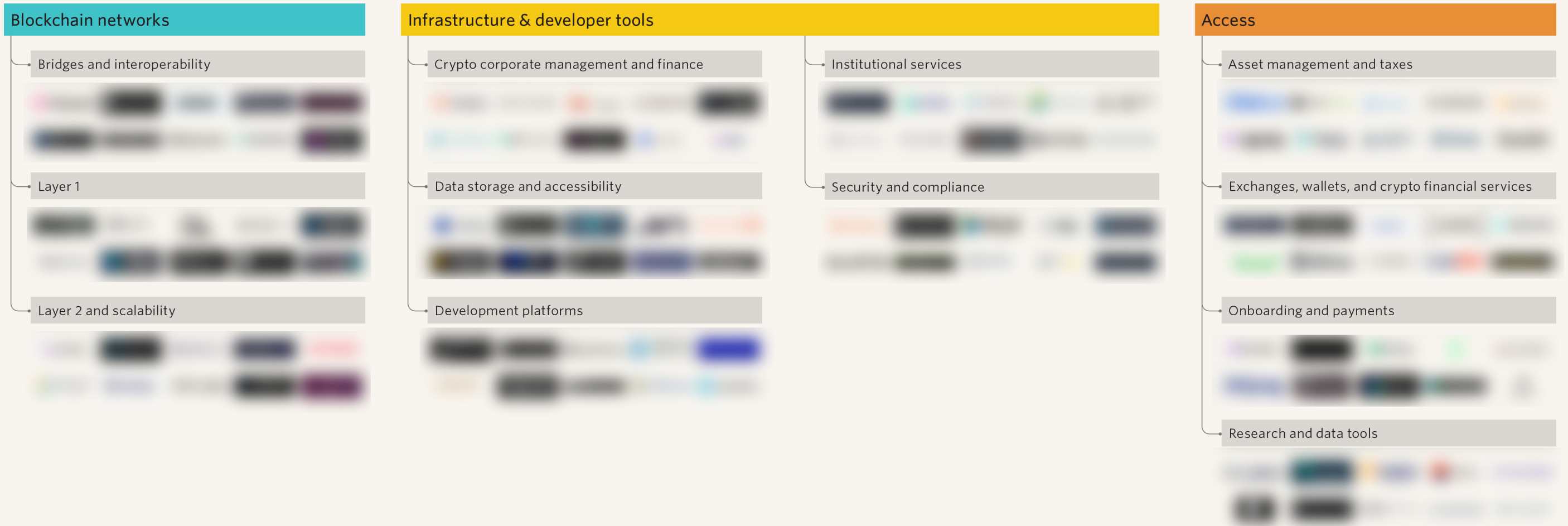






# Crypto VC ecosystem market map

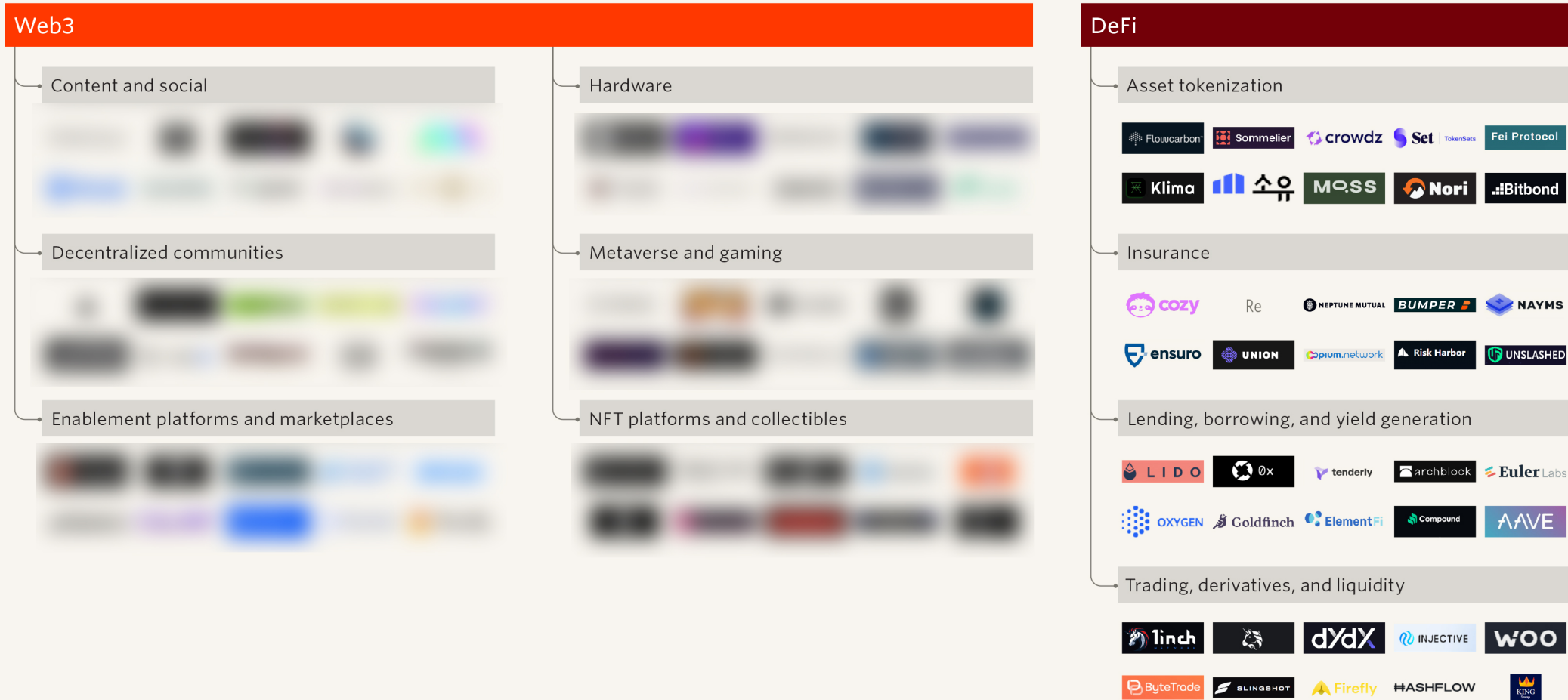
Market map is a representative overview of venture-backed or growth-stage providers in each segment. Companies listed have received venture capital or other notable private investments.





# Crypto VC ecosystem market map

Market map is a representative overview of venture-backed or growth-stage providers in each segment. Companies listed have received venture capital or other notable private investments.



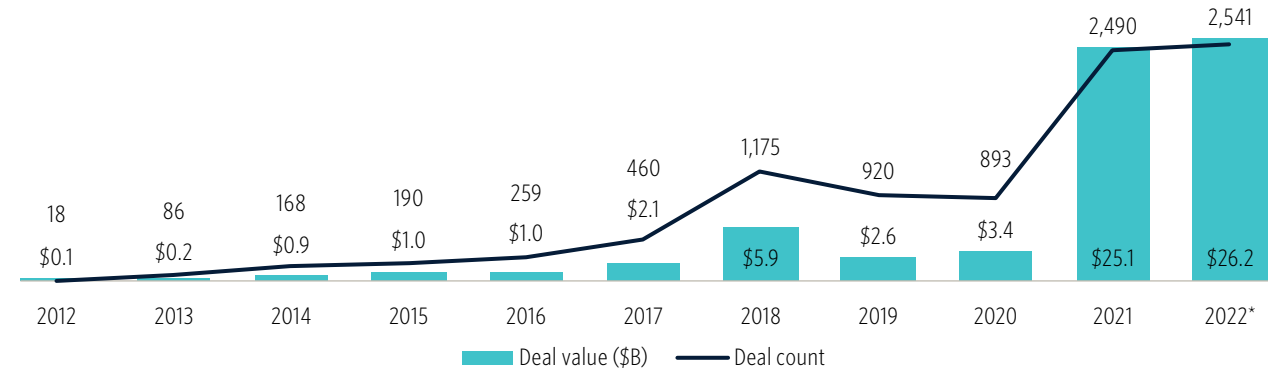


# VC activity

At -47.9%, crypto VC deal activity continued to decline sharply in the fourth quarter of 2022. The vertical's third consecutive QoQ decline to \$2.5 billion is the lowest amount of capital invested since Q4 2020. Deal count also reached its lowest level since Q4 2020, at 345 deals, representing a QoQ decline of -39.6%. While we expect investments to continue to decline in 2023, as discussed in our [2023 Industry and Technology Outlook](#), there were a few bright spots in Q4 2022. Blockchain platforms, including Layer-1 and Layer-2 networks, continue to attract investors. Modular L1 [Celestia](#) raised a \$52.3 million Series B, and [Matter Labs](#)—developer of L2 protocol [zkSync](#)—raised a \$200.0 million Series C during the quarter. Blockchain games also received significant investments, including sizable early-stage rounds from [Fenix Games](#), at \$150.0 million; [Future Star](#), at \$140.0 million; and [M.a.n.c.](#), at \$50.0 million.

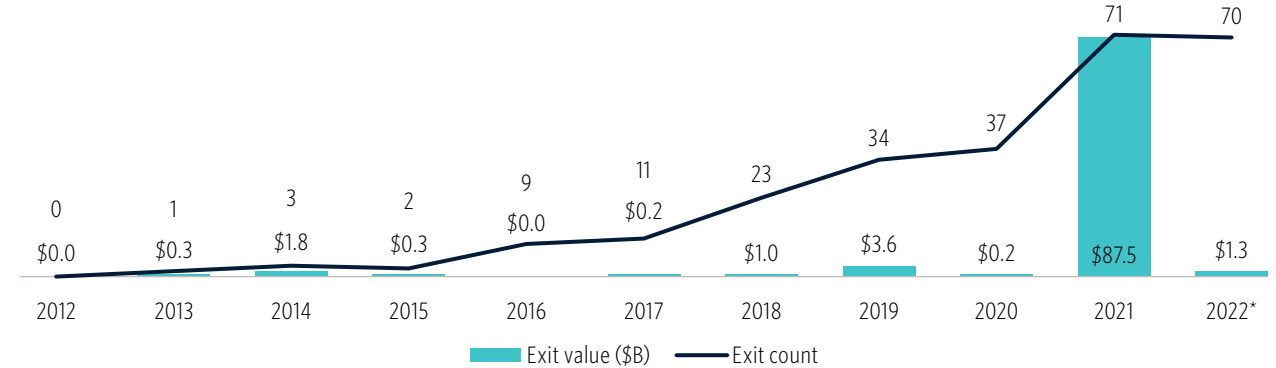
Despite the deteriorating investments into crypto throughout 2022, the year in aggregate set records in both invested capital, at \$26.2 billion, and number of deals, at 2,541. The previous record was set in 2021, at \$25.1 billion across 2,490 deals. Q1 2022, an outlier quarter, buoyed much of this investment, as \$11.4 billion was invested across 917 deals. Deal sizes across all stages were up in 2022, with seed rounds seeing the highest accretion, at 53.8%, with a \$3.0 million median invested per deal. The early stage was up 50.0% to \$6.0 million, and late-stage VC was up 22.2% to \$15.0 million.

## Crypto VC deal activity



Source: PitchBook | Geography: Global | \*As of December 31, 2022

## Crypto VC exit activity



Source: PitchBook | Geography: Global | \*As of December 31, 2022



## VC ACTIVITY

### Key crypto seed-stage VC deals\*

Company	Close date (2022)	Segment	Category	Deal value (\$M)	Post-money valuation (\$M)	Lead investor(s)
<a href="#">Fordefi</a>	November 8	Infrastructure & developer tools	Institutional services	\$18.0	\$73.0	Lightspeed Venture Partners
<a href="#">Ping</a>	November 9	Infrastructure & developer tools	Crypto corporate management & finance	\$15.0	N/A	N/A
<a href="#">Thred</a>	November 20	Web3	NFT platforms & collectibles	\$14.9	\$34.9	N/A
<a href="#">Fun</a>	October 27	Blockchain networks	Bridges & interoperability	\$10.3	\$59.0	JAM Fund
<a href="#">Braavos</a>	October 31	Access	Exchanges, wallets & crypto financial services	\$10.0	N/A	Pantera Capital
<a href="#">Decentralized Engineering Corporation</a>	October 27	Web3	Hardware	\$9.0	N/A	Foundation Capital, Road Capital
<a href="#">CyVers</a>	December 1	Infrastructure & developer tools	Security & compliance	\$8.0	N/A	Elron Ventures
<a href="#">EXEVerse</a>	December 9	Web3	Metaverse & gaming	\$7.5	N/A	N/A
<a href="#">Courtyard</a>	November 2	Web3	Marketplaces & enabling services	\$7.0	N/A	New Enterprise Associates
<a href="#">Web3 Builders</a>	October 18	Infrastructure & developer tools	Security & compliance	\$7.0	N/A	Road Capital

Source: PitchBook | Geography: Global | \*As of December 31, 2022





## VC ACTIVITY

### Key crypto early-stage VC deals\*

Company	Close date (2022)	Segment	Category	Stage	Deal value (\$M)	Post-money valuation (\$M)	Lead investor(s)
<a href="#">Uniswap</a>	October 13	DeFi	Trading, derivatives & liquidity	Series B	\$165.0	\$1,660.0	Paradigm, Polychain Capital
<a href="#">Fenix Games</a>	November 24	Web3	Metaverse & gaming	N/A	\$150.0	N/A	Cypher Capital, Phoenix Rising Investment Group
<a href="#">Future Star Technology</a>	October 1	Web3	Metaverse & gaming	N/A	\$140.0	N/A	N/A
<a href="#">Celestia</a>	October 19	Blockchain networks	Layer 1	Series B	\$52.3	\$1,000.0	Polychain Capital
<a href="#">M.a.n.c</a>	October 25	Web3	Metaverse & gaming	N/A	\$50.0	N/A	GEM Digital
<a href="#">Xanpool</a>	November 25	Access	Exchanges, wallets & crypto financial services	N/A	\$41.0	\$400.0	Target Global
<a href="#">Archax</a>	November 8	Access	Exchanges, wallets & crypto financial services	Series A	\$40.2	\$136.2	Abrdn
<a href="#">nxyz</a>	October 12	Infrastructure & developer tools	Data storage & accessibility	Series A	\$40.0	N/A	Paradigm
<a href="#">Stardust</a>	October 18	Infrastructure & developer tools	Development platforms	Series A	\$30.0	N/A	Framework Ventures
<a href="#">Fleek</a>	December 1	Infrastructure & developer tools	Development platforms	Series A	\$25.0	\$0.0	Polychain Capital

Source: PitchBook | Geography: Global | \*As of December 31, 2022



## SELECT COMPANY HIGHLIGHTS



**Founded:**  
2021

**Location:**  
New York, NY

**Total raised:**  
\$6.2M

**Last financing:**  
Raised \$6.2M in Series A

**Last financing valuation:**  
\$23.2M

**Lead investor:**  
Ethereal Ventures

## Overview

[Obol](#) is a researcher and developer of PoS infrastructure on public blockchain networks. PoS blockchains can be vulnerable to 33% attacks should any validator control enough staked tokens, and this can lead to an intentional or unintentional attack on the network. With The Merge, the largest smart contracts blockchain, Ethereum, is now potentially exposed to validator concentration risk. [Obol](#) currently focuses on decentralizing Ethereum's validator ecosystem through the development of Distributed Validator Technology (DVT).<sup>16</sup> DVT is a method of distributing the resources of a validator among multiple nodes. These nodes operate together while requiring multiple signatures to command a validator, thereby lowering a risk of attack, control of a network, or single point of failure through a single validator. DVT allows validation to be orchestrated together with multiple nodes versus standalone validator nodes.

With the staking provider ecosystem continuing to grow, [Obol's](#) technology will benefit staking pools, LSPs, exchanges, and institutional providers, as well as individual, at-home validators. DVT

<sup>16</sup>: DVT was earlier referred to as secret shared validator (SSV).

has the potential to increase performance and availability—thus elevating staking rewards—while lowering risks such as centralization, security, and slashing.<sup>17</sup>

## Leadership

The company is led by CEO and Cofounder, Collin Myers, CTO and Cofounder, Oisín Kyne, and Head of Product, Chris Battenfield. Myers was previously in DeFi product strategy at [ConsenSys](#) and head of business development at [Token Foundry](#). Kyne also previously worked at [ConsenSys](#) as a full-stack developer, and prior to that, at [Accenture](#) as a consultant. Battenfield came to [Obol](#) first as an advisor before leading its product full time in June 2022. Battenfield previously held engineering roles at multiple crypto and Web3 companies including [Keep Network](#), [ConsenSys](#), and [Layer](#).

<sup>17</sup>: Slashing involves penalty mechanisms coded into PoS blockchains that remove part of the stakes of a validator for misbehavior such as signing two blocks at once or being offline.



## SELECT COMPANY HIGHLIGHTS

### Financing history

[Obol](#) raised a \$6.2 million Series A in October 2021 in a deal led by Ethereum Ventures, placing the company's post-money valuation at \$23.2 million. Coinbase Ventures, Archetype, Figment Capital, and other investors participated in the round. The company recently raised a \$12.5 million Series A1 led by Archetype and Pantera Capital in January 2023; this data will be included in the Q1 2023 edition of this report.

# About PitchBook Emerging Tech Research

## Independent, objective and timely market intel

As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors and companies driving the asset class.

Our Emerging Tech Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

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