

DATA DISPATCH

# Cryptocurrency demand fuels record level of PE blockchain investment

**Tuesday, April 5, 2022 5:33 AM ET**By Pam Rosacia and Annie Sabater  
*Market Intelligence*

Demand for cryptocurrency is sustaining record levels of private equity and venture capital investment in blockchain, the technology that powers it.

After raising a record \$18.4 billion in 2021, blockchain businesses have attracted a further \$5.03 billion in 2022 as of March 24, double the annual amount invested in most of the five years to 2020, according to S&P Global Market Intelligence data.

Cryptocurrency can hedge against inflation, a major headwind, as it is issued in finite amounts and does not fluctuate or erode in value like traditional currency, said Jackie McGuire, an information security research analyst at 451 Research.

Blockchain is "a promising emerging market with solid traction and growth that is delivering returns in multiples," McGuire said, adding that it has applications in other areas including contracts and copyrights, which could offer bigger investment opportunities for the technology.

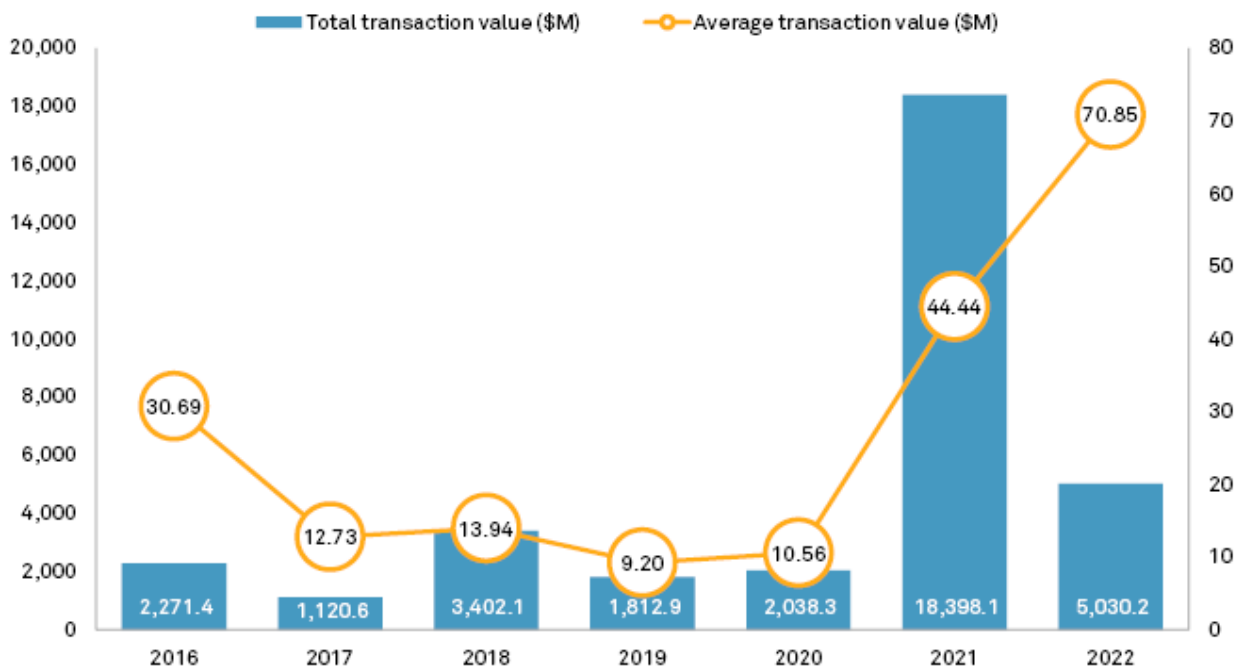
The need to transform global financial infrastructure is one such opportunity. Big banks, asset managers, exchanges and central banks all need to upgrade their technology, Matthew Le Merle of Blockchain Coinvestors said on a panel at the SuperTechnology North America virtual conference on March 29.

Given the economic incentives tied to the technology, some of the largest banks globally "have built out public blockchain-based infrastructure and are just waiting for that regulatory clarity to push it out," Castle Island Ventures' Matt Walsh said during the panel discussion.

In the U.S., President Joe Biden issued an executive order earlier in March to ensure responsible development of digital assets.

## Blockchain investments with private equity, venture capital involvement

Since 2016



Data compiled March 28, 2022.

Analysis includes global whole company acquisitions, minority stake acquisitions, asset deals and rounds of funding announced between Jan. 1, 2016, and March 24, 2022, where the target focuses on blockchain according to its topic tag, and the buyer/investor is a private equity or venture capital firm.

Topic tags are niche industry classifications generated by S&P Global Market Intelligence based on S&P Global business descriptions.

Excludes terminated deals and debt funding rounds.

Source: S&P Global Market Intelligence

The largest blockchain funding round announced globally since 2010 was for FTX Trading Ltd., which raised \$900.0 million in series B financing from investors including Insight Partners and Thoma Bravo LP in July 2021.

Blackstone Inc. and its fund affiliates closed the largest blockchain deal to date, the buyout of India-based Mphasis Ltd. in August 2021.

## Largest blockchain M&A, rounds of funding with private equity, venture capital involvement

Since 2010

Target	Buyer/investor	Announcement date	Transaction value (\$M)	Post-money valuation (\$B)*
Mphasis Ltd.	 Blackstone Inc., Blackstone Capital Partners Asia Fund I and Blackstone Capital Partners VIII LP	04/26/21	1,835.6	NA
Mphasis Ltd.	 Blackstone Inc., Blackstone Capital Partners Asia Fund I and Blackstone Capital Partners VIII LP	04/03/16	1,398.1	NA
FTX Trading Ltd.	 New Enterprise Associates Inc., SoftBank Group Corp., Sequoia Capital Operations LLC, Lightspeed Ventures LLC, Insight Venture Management LLC, Senator Investment Group LP, Altimeter Capital Management LP, Thoma Bravo LP, Standard Investments LLC, Hudson River Trading LLC, Coinbase Inc., Ribbit Management Co. LLC, Sino Global Capital, Third Point Ventures LP, Multicoi Capital Management LLC, Paradigm Operations LP and Willoughby Capital Holdings LLC	07/20/21	900.0	18.00
Forte Labs Inc.	 Tiger Global Management LLC, Warner Music Group Corp., Andreessen Horowitz LLC, Kora Management LP, Animoca Brands Corp. Ltd., Playstudios Inc., Overwolf Ltd., Razer (Asia-Pacific) Pte. Ltd., Solana Ventures Inc., Sea Capital Bvba, Huuuge Games Sp. z o.o., GGP Management LP and Polygon Studios	11/12/21	725.0	NA
Sorare SAS	 Eurazeo SE, Institutional Venture Partners, Accel Partners, Headline, Partech Partners SAS, Hillhouse Investment Management Ltd., Deer Management Co. LLC, Benchmark, Atomico Investment Holdings Ltd., Blisce, Felix Capital Partners LLP, SoftBank Investment Advisers (UK) Ltd., SoftBank Vision Fund LP, Liontree Partners LLC and D1 Capital Partners LP	09/21/21	679.6	4.34
OneConnect Financial Technology Co. Ltd.	 SBI Holdings Inc. and SBI Investment Co. Ltd.	02/02/18	650.0	7.40
Moon Pay Ltd.	 New Enterprise Associates Inc., Tiger Global Management LLC, Coatue Management LLC, Thrive Capital Management LLC, Blossom Capital Ltd and Paradigm Operations LP	11/22/21	555.0	3.40
Fireblocks Inc.	 Bank of New York Mellon Corp., General Atlantic Service Co. LP, Sequoia Capital Operations LLC, Index Ventures SA, Altimeter Capital Management LP, Coatue Management LLC, CapitalG Management Co. LLC, Spark Capital Partners LLC, Ribbit Management Co. LLC, Iconiq Strategic Partners, CenterHarbor Canapi Ventures Investment Advisor LLC, D1 Capital Partners LP, Paradigm Operations LP, SCB 10X Co. Ltd., ParaFi Capital LLC, Mammoth Scientific LLC and ParaFi Growth Fund LP	12/01/21	550.0	8.00
ConsenSys Software Inc.	 Microsoft Corp., Third Point LLC, Marshall Wace LLP, Temasek Holdings (Private) Ltd., True Capital Management LLC, United Talent Agency LLC, Anthos Capital LP, Sound Ventures LLC, SoftBank Investment Advisers (UK) Ltd., CVentures Fund LP, SoftBank Vision Fund 2 and ParaFi Capital LLC	03/11/22	450.0	7.00
Genesis Digital Assets	 Stoneridge Inc., SkyBridge Global Inc., Ribbit Management Co. LLC, Kingsway Capital Partners Ltd., Paradigm Operations LP, New York Digital Investment Group LLC, FTX Trading Ltd. and	09/21/21	431.0	NA

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Electric Capital

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Transaction geography : ● United States and Canada ● Europe ● Asia-Pacific ● Latin America and Caribbean  
Transaction type : ● M&A ● Rounds of funding

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Data compiled March 28, 2022.

NA = not available

\* Only applies to rounds of funding transaction type. When available, post-money valuations is as of the date of the featured funding round.

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Among private equity and venture capital funds with investments in blockchain companies, SoftBank Investment Advisers (UK) Ltd. manages two of the largest, with a combined capital pool of \$206.58 billion.

## Largest private equity, venture capital funds with blockchain-related portfolio companies

By aggregate fund size

Fund sponsor name	Fund name (vintage year)	Number of funds	Aggregate fund size (\$B)*
SoftBank Investment Advisers (UK) Ltd.	● SoftBank Vision Fund 2 (NA) and SoftBank Vision Fund LP (2017)	2	206.58
Blackstone Inc.	● Blackstone Capital Partners VIII LP (2018) and Blackstone Capital Partners Asia Fund I (2018)	2	28.50
CVC Capital Partners Ltd.	● CVC Capital Partners VII LP (2018)	1	18.02
HgCapital LLP	● Hg Saturn 2 (2020) and Hg Genesis 7 (2013)	1	7.49
GCF Partners	● Georgian Co-Investment Fund (2014)	1	6.00
IK Partners	● IK Investment Partners Fund IX (2016) and IK VIII (2019)	1	5.16
SBLA Advisers Corp.	● SoftBank Innovation Fund (2019)	2	5.00
Qianhai Fangzhou Asset Management Co. Ltd.	● Shenzhen Qianhai Fund-of-Funds (NA)	1	4.48
Valor Management Corp. and Vista Equity Partners Management LLC	● Vista Equity Fund 4 (2011)	1	3.47
QHFZ Capital Management Co. Ltd.	● Qianhai Equity Investment Fund (Limited Partnership) (NA)	1	3.38
SDIC Unity Capital Co. Ltd.	● Guotou Chuanghe State Emerging Industrial Venture Capital Guidance Fund (NA)	1	2.80
TPG Capital LP and TPG Growth LLC	● TPG The Rise Fund (2018)	1	2.10
Hangzhou Zheda Future Innovation Investment Management Co. Ltd.	● Zheda Xiaoyou Zijingang Future Innovation Fund (NA)	1	2.00
Carlyle Group Inc.	● Carlyle Japan Partners II LP (2006)	1	1.90
Oak Investment Partners	● Oak Investment Partners X LP (2001)	1	1.62

Fund geography : ● United States and Canada ● Europe ● Asia-Pacific

Data compiled March 28, 2022.

NA = not available

\* Represents the sum value of the fund size of all relevant funds sponsored by the entity.

Analysis includes global private equity and venture capital funds that had or currently has a portfolio company involved in blockchain according to its topic tag.

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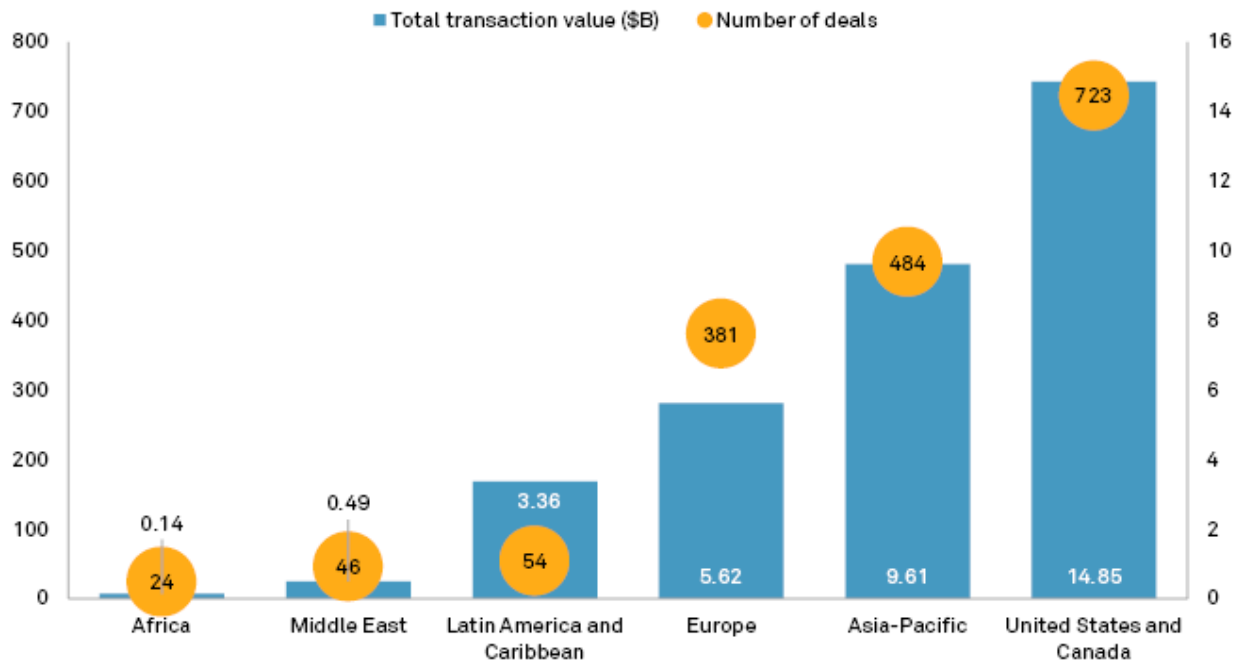
Excludes funds with fund size and sponsor's name not available.

Source: S&P Global Market Intelligence

Geographically, North America dominates blockchain investments, with 723 transactions and \$14.85 billion in gross value since 2016, Market Intelligence data shows.

## Blockchain investments with private equity, venture capital involvement since 2016

By geography



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