



**EUROPEAN
STARTUPS**

Is a decentralised future possible?

Going beyond crypto,
why blockchain matters



29 JULY 2021

SUPPORTED BY





Global data platform for intelligence on startups, innovation, ecosystems and venture capital.

X



Financial Times-backed new media site telling the untold Stories of European Tech.

EUROPEAN STARTUPS

Created by Dealroom and Sifted, and supported by the European Commission and European Parliament, European Startups is a two-year project aimed at facilitating informed conversation and collaboration among European tech ecosystem stakeholders, to take Europe's startup economy to the next level.

At the centre of the initiative is the [European Startups database](#), a definitive platform providing macro-level trends. We also publish several [research reports](#) and organise a few events each year.



Previous reports:

» Startup cities (July '8)

» Corporate innovation (June '21)

» Deep Tech (Jan '21)

» Index Ventures / Not Optional (Oct '20)

» Covid-19 Startup Survey (July '20)

» Europe stepping up (June '20)

» Launch report (April '20)

Why this Blockchain report.

On 15th July 2021, Dealroom and Sifted co-hosted an expert panel on the future of blockchain. While blockchain-related headlines often focus on the wild west of volatile crypto prices, high-profile memecoin adoption, scams and token crazes, we wanted to explore the diverse applications of burgeoning blockchain technology, beyond crypto.

[Watch again for the full discussion.](#)

As the European Union itself is a largely decentralized community, the European Commission understands more than many the potential of blockchain technology for our future. The European Blockchain Services Infrastructure (EBSI) has applications for notarization, educational qualifications, self-sovereign identity and trusted data sharing.

Startup investment and innovation in blockchain is undergoing a step change in Europe and around the world. The ecosystems that can successfully connect public and private realms, as well as digital and physical worlds, will be the first to capitalize on the freedoms, efficiency and transparency of a decentralized future.

Event participants



Éanna Kelly
Contributing Editor
Sifted



Jessi Baker
Founder & CEO
Provenance



Peteris Zilgalvis
Head of Unit
DG Connect, EC



Nicolas Brand
Partner
Lakestar

“Blockchain is the ideal technology for the EU because it is multilevel, and enables multilevel distributed governance”

“Sometimes it's said that Blockchain is a team sport. Connecting up nodes is relatively straightforward. Bringing forward lots of different actors, organising how they interact and getting them to work together for real world applications, that's the hard part. Just like in the real world!”

“That is why the European Blockchain Partnership of EU Member States, Norway and Liechtenstein is building together the European Blockchain Services Infrastructure and deploying on it use cases on self-sovereign identity, the publishing of audited documents for transparency, access to finance for SMEs, education diploma portability and regtech application for reporting among others.”

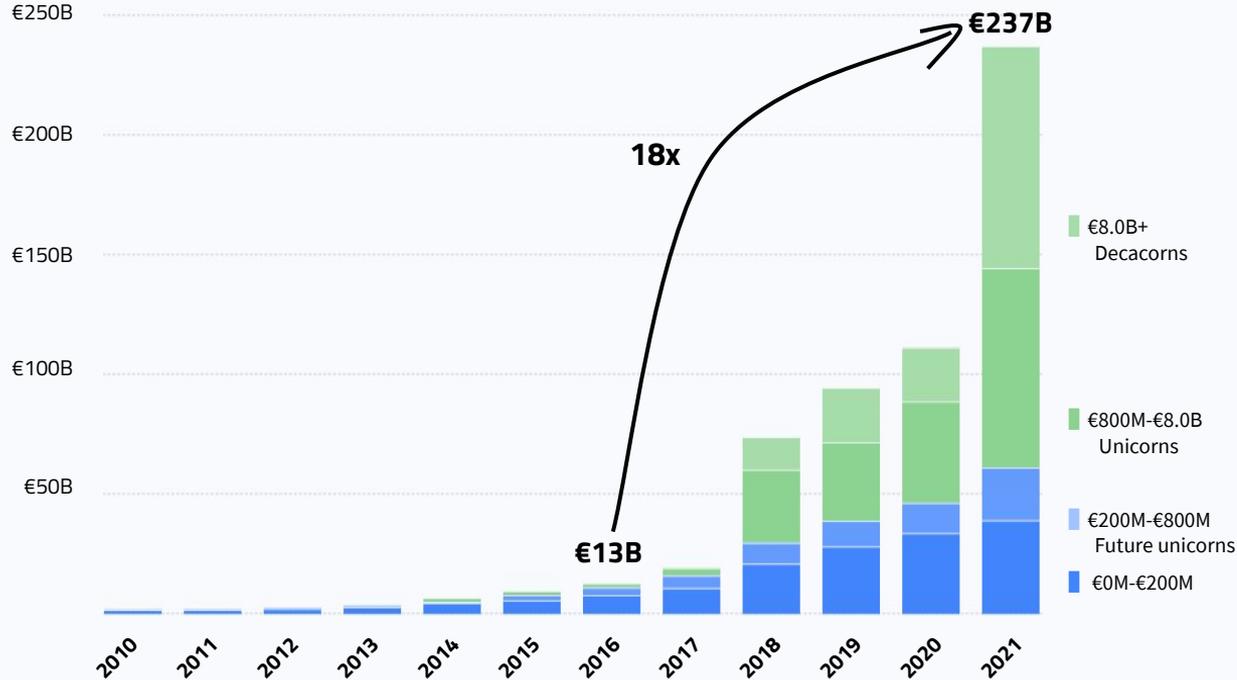
Peteris Zilgalvis

Head of Unit,
**Digital Innovation and
Blockchain DG CONNECT**



Blockchain startups are now worth a combined €237B, an 18x increase since 2016.

Global combined enterprise value of blockchain startups [» view online](#)



Most valuable blockchain startups

coinbase

€45B
Public

FTX

€16B
Private

BITMAIN

€14B
Private

ripple

€9B
Private

Bullish

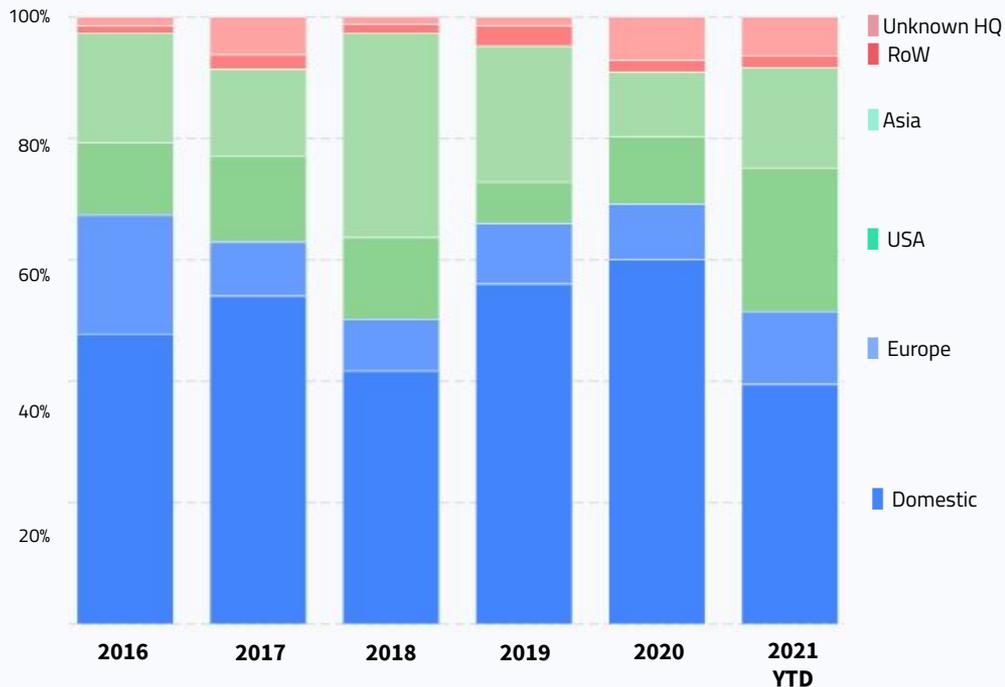
€8B
Public*

Linklogis

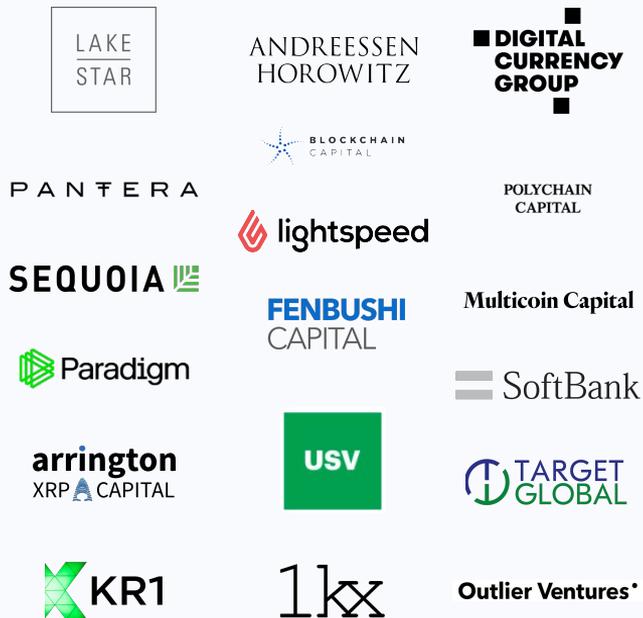
€5.5B
Public

US and Asian investors are most active when it comes to cross-border investment in the space.

% of investment by source of capital [» view online](#)

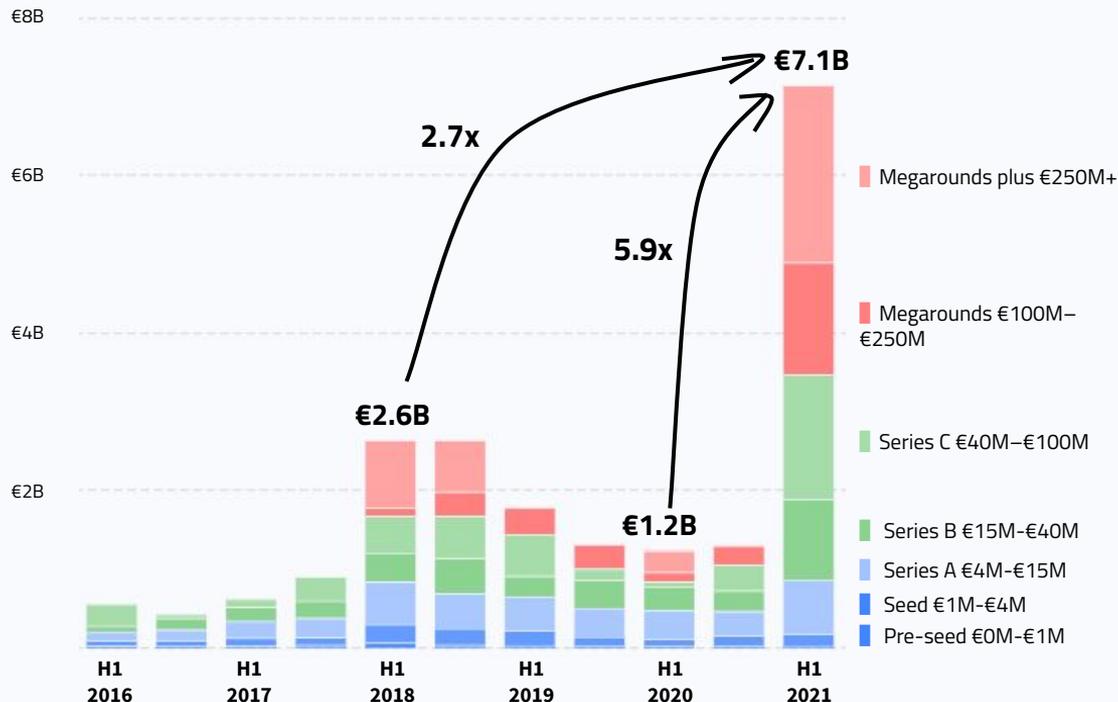


Notable investors in blockchain

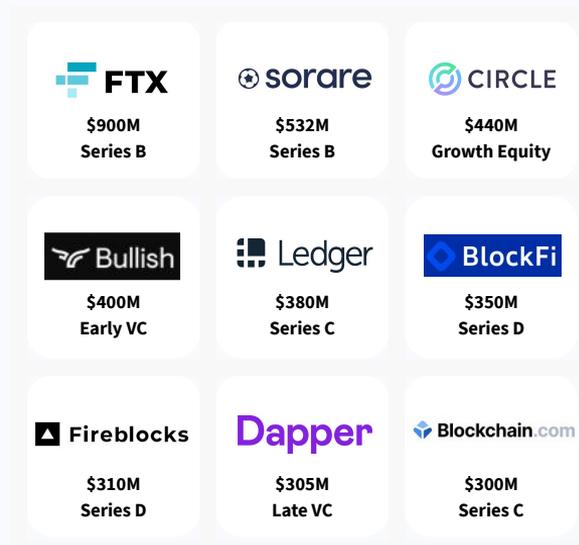


VC funding in blockchain grew 5.9x to €7.1B in the first half of 2021, crushing previous records from 2018.

Global VC investment in blockchain [» view online](#)

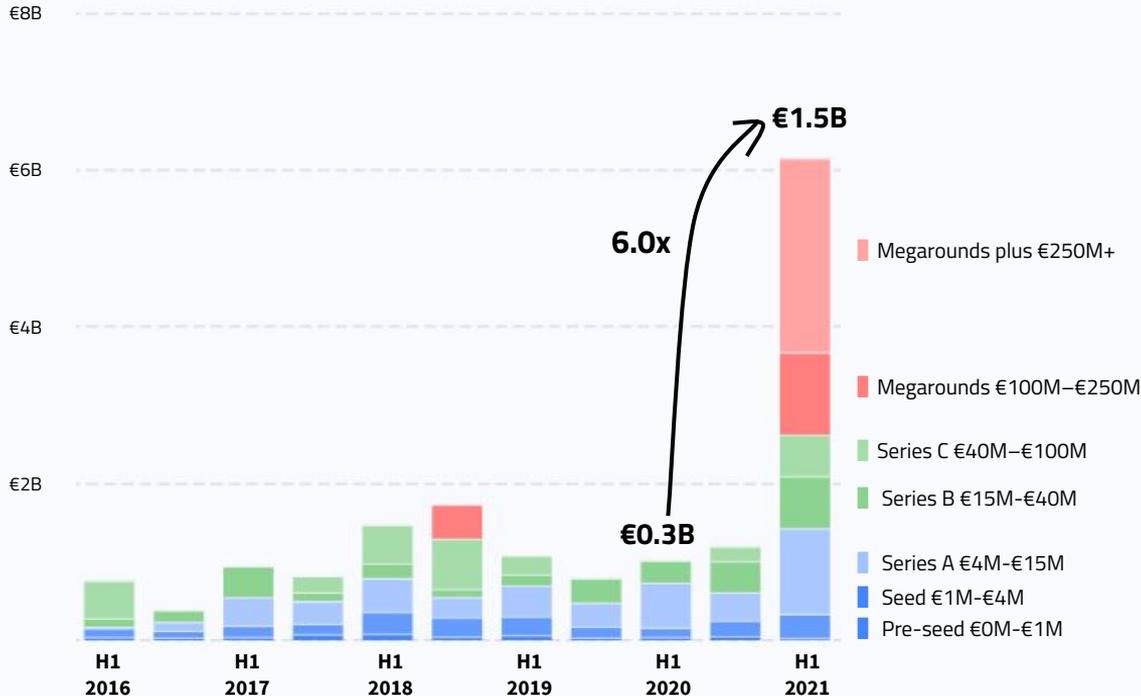


Top rounds in 2021

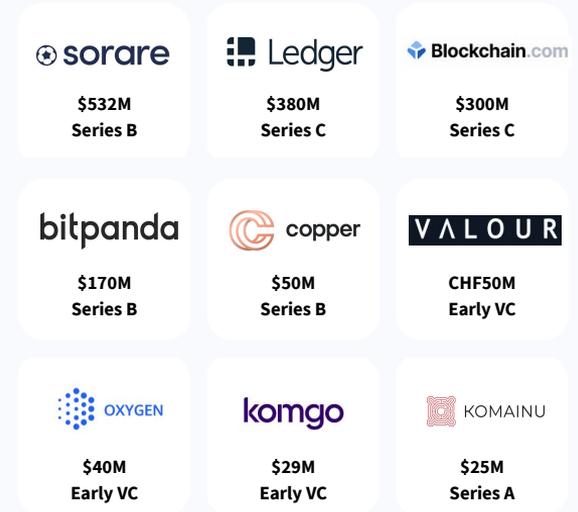


In Europe, VC investment in blockchain is also booming, up 6x year on year.

VC investment in European blockchain [» view online](#)



Top rounds in 2021



“Where Blockchain is currently causing the most amount of havoc is around the question “What is money?”.

“Most of our societies work with the idea of a central bank and commercial banks. That is over 100 years old, and we would expect some change in a 100 year period.

“Especially in fintech, there is this narrative of DeFi as the new world and CeFi as the traditional old way. I think going forward we will see a lot of interaction between centralized and decentralized networks, just like the mesh of networks of the Internet. This will bring efficiency to our costly and inefficient financial system made of legacy system over legacy system.”

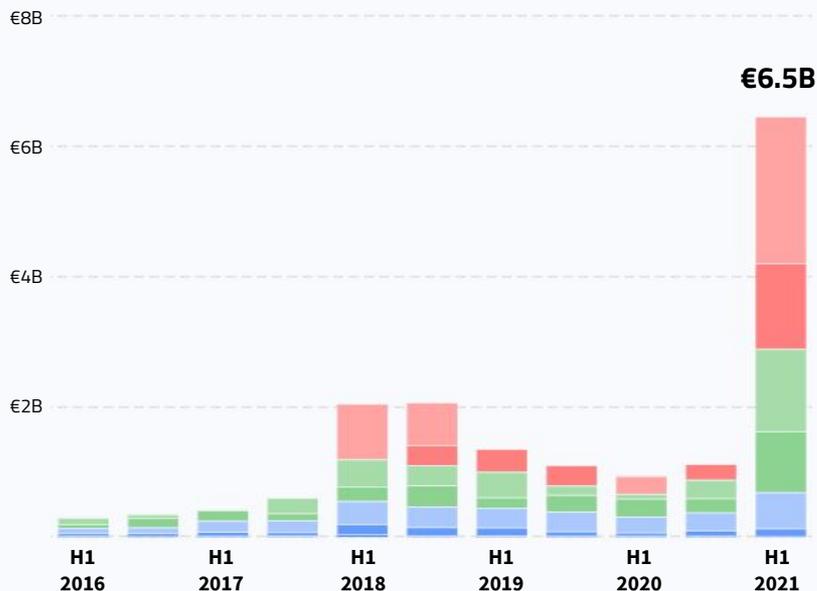
Nicolas Brand

Partner
Lakestar

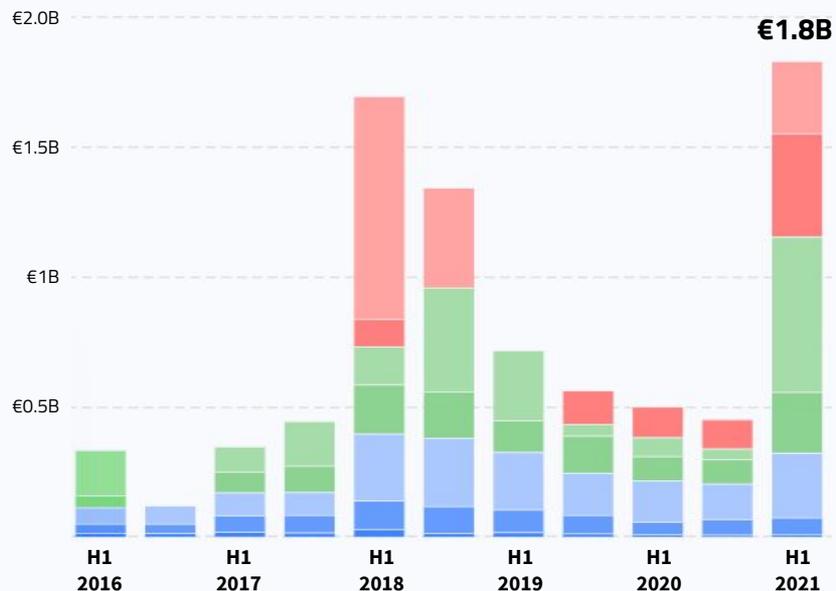


Fintech has attracted 3.5x more blockchain investment than all other industries combined in H1 2021.

Global VC investment in blockchain for fintech [» view online](#)



Global VC funding in blockchain for other industries [» view online](#)



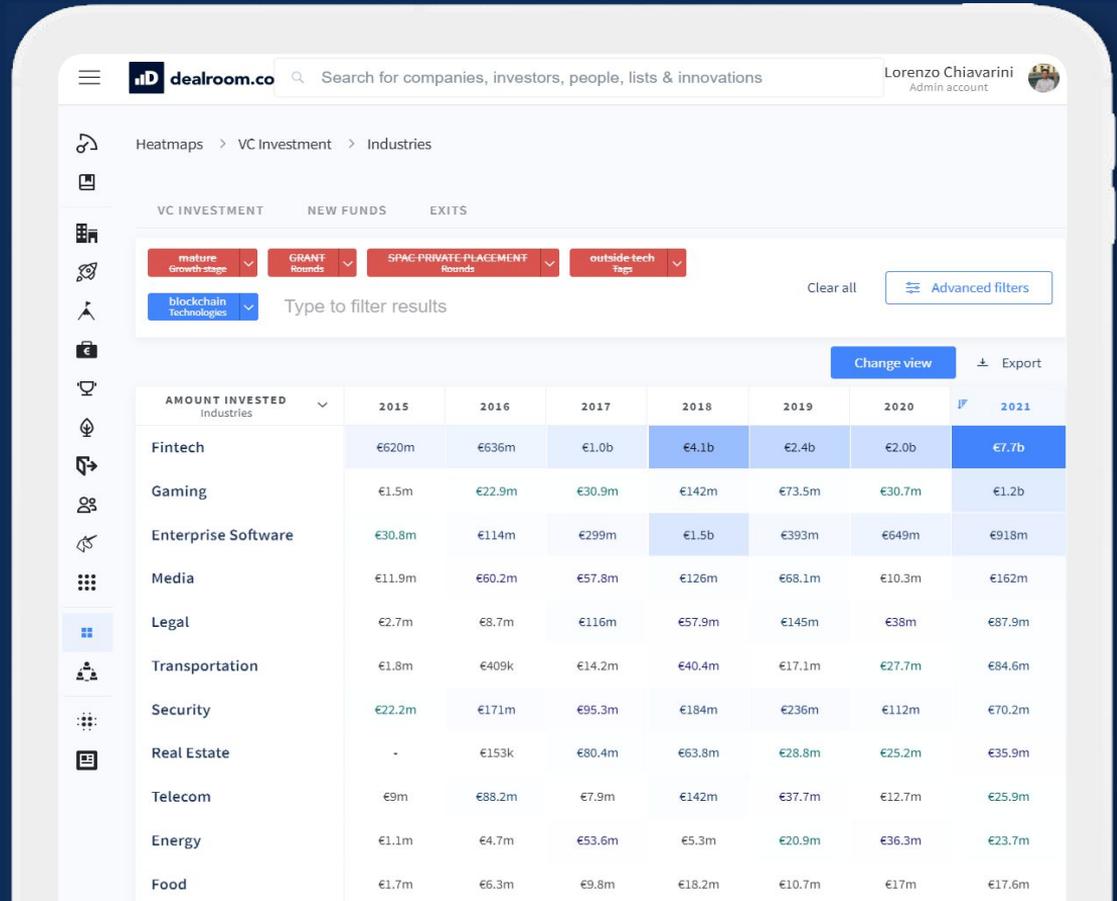
But blockchain is increasingly finding applications in many other industries.

» Investment by industries

» investment by sub-industries

» investment by business model

More ...



“Everything is going to be tokenized, but the we have to think beyond just the digital world.

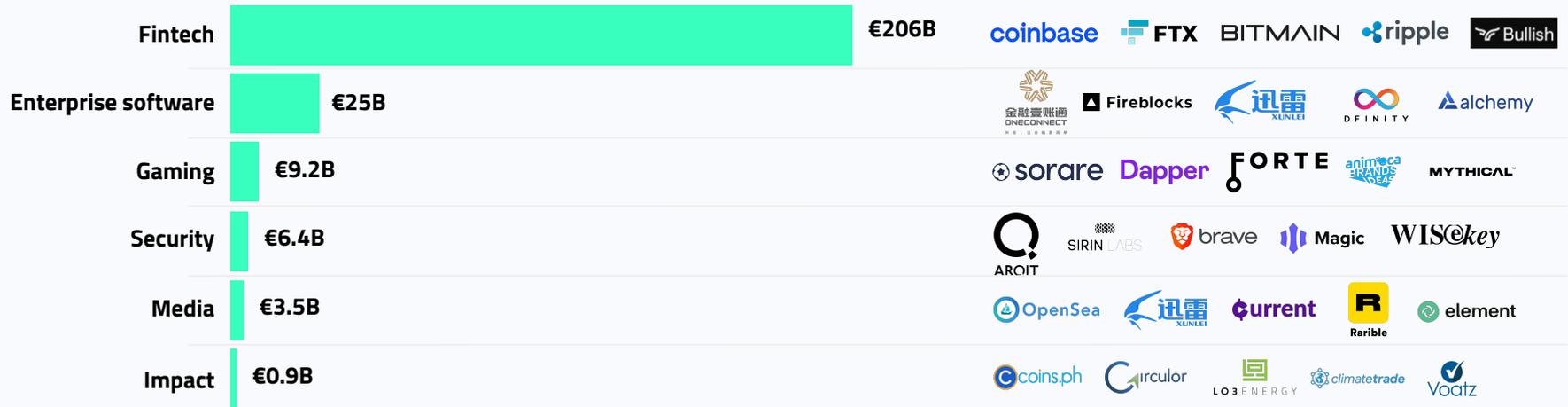
“One of the most important imperatives we have to think about right now is how do we protect our natural world. It’s difficult, since connecting digital and physical is still nigh on impossible, but we have to think about how tokens can incentivize preservation of natural ecological systems.

“I see in blockchain a chance to recalibrate capitalism. We have destroyed the planet and we need increasing big step change innovation to align as humanity and tackle the problems we have ahead of us. But will blockchain really be a force for good? Still this is ahead of us to see”

Jessi Baker
Founder & CEO
Provenance

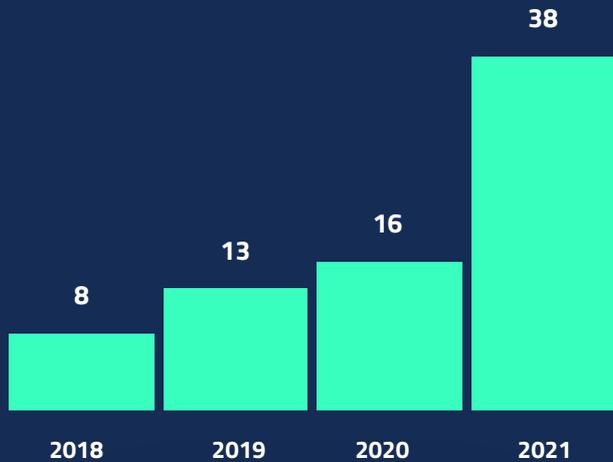


The most valuable blockchain applications have been built in fintech, but other huge value is being created also in other verticals.



There are 38 blockchain unicorn startups. 80% of them are finance/crypto, while gaming is also capitalizing through the rise of NFTs.

Cumulative number of blockchain unicorns



» Blockchain unicorns

The screenshot shows the dealroom.co website interface. The main heading is "Blockchain unicorns" with a last update of 21 Jul 2021. The page is divided into several categories, each with a combined funding amount:

- Crypto & Defi** (Combined funding € 1.1B): Includes logos for Circle, Paxos, Blockchain, BlockFi, Bakkt, Ripple, Coinbase, Chainalysis, Binance, Amber Group, Block.one, and Kraken.
- Gaming (NFTs)** (Combined funding € 1.1B): Includes logos for Forte, Sorare, Dapper Labs, and Animoca Brands.
- Fintech beyond Crypto & Defi** (Combined funding € 617M): Includes logos for Figure and Linklogs.
- Crypto hardware** (Combined funding € 1.2B): Includes logos for Ledger, Bitfury, Canaan, and Ebang Internati.
- Security** (Combined funding € 6M): Includes the logo for Arqt.
- Art and Media/Crypto: NFT marketplace** (Combined funding € 116M): Includes the logo for Opensea.io.
- Hosting (decentralized servers)** (Combined funding € 148M): Includes the logo for DFINITY.

The vast majority of blockchain unicorns has been created in the Crypto & Defi space, including here players who bridge between traditional finance and the crypto world. Gaming has also seen four unicorns, driven by non-fungible tokens (NFTs). Fintech beyond Crypto & Defi and Security have also bred unicorns. We also included unicorns from hardware manufacturing around crypto such as Ledger, which focuses on cold storage, and Canaan, Bitman and Ebang which build crypto mining hardware.

→ Continues at the bottom

We included in this list a broad definition of unicorns. We included: rumours

“One of the areas we are most excited is the intersection of blockchain and virtual worlds, such as with Non-fungible tokens (NFTs).

“The pandemic has shown that actually people hang out a lot more in virtual spaces, and the pandemic has been a tailwind of that. If you talk to Gen Z about when are you online and when are you offline, they don't understand the question. The same ways that we curate ourselves offline with clothes and handbags etc, the same laws and behaviours apply online too.

“NFTs are mainly a way to bring technological functionality and create digital scarcity. Apart from a small fraction of NFTs creators, popular artists and rock stars that can actually monetize it, they are going to be technology in the background, powerful but people won't recognize they are using it.”

Nicolas Brand

Partner
Lakestar



Investment into non-fungible tokens (NFTs) is already up 30x this year

Global VC funding into NFTs startups



»NFT startups

A screenshot of the DealRoom.co website interface. The page displays a grid of startup profiles, each with a logo and a brief description. The categories and their combined funding are as follows:

- Art, media and music marketplaces**: Combined funding € 72M. Includes Opensea.io, Rare Bits, Nifty Gateway, SuperRare, Audius, Crypto.com, and V-ART.
- Gaming platform**: Combined funding € 148M. Includes Sorare, Gamee, Animoca Brands, Mythical Games, The Sandbox, Cryptomotors, Sky Mavis, Rare token, CryptoFighters, Spells of Games, Etherbots, and Ethereum.
- Others (certificates, registry, support...)**: Combined funding € 20M. Includes Arianee, MetaMask, Codex Protocol, DappRadar, BitCrystals, NonFungible, Polkamarkets, Unico, State of the DAO, Roll, FlamingoDAO, CoinMarketCap, and CoinGecko.
- Museum of crypto art**: Includes MoCA Museum of Crypto.
- Virtual reality for NFTs marketplaces...**: Includes Somnium Space.
- Entertainment giants launching NFTs...**: Includes Fox Networks and Warner Bros.
- Marketplaces planning to add NFTs...**: Combined funding € 6.1M. Includes eBay and Taobao.
- Payment infrastructure**: Combined funding € 1B. Includes Circle.
- Token creators**: Combined funding € 312M. Includes Dapper Labs, ChiliZ, Larva Labs, EulerBeats, and Makers.
- Insurance**: Combined funding € 1.8M. Includes YAS Digital Lim, Tidal Finance, and Insured.finance.

Thu 15 July | 4PM BST

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[Rewatch the event](#)



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