



# 2025 Web3 Industry Annual Report

This report is authored by RootData Research, aiming to provide in-depth insights for investors, project teams, exchange management, and regulatory authorities.



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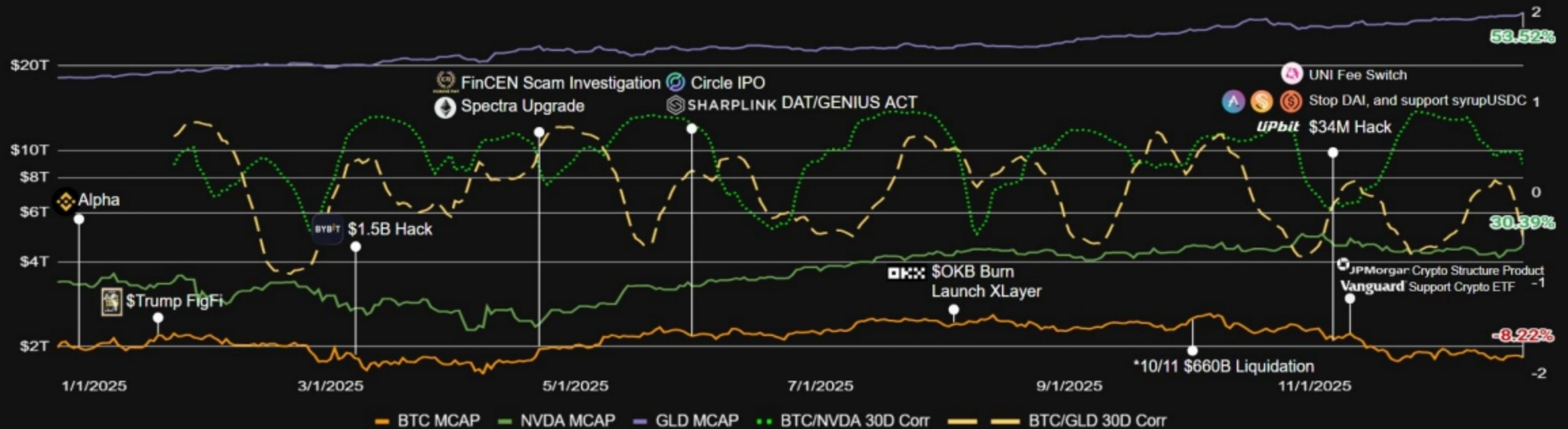
X @RootDataCrypto



01

# Market & Financing

# From Macro Volatility to Institutionalization: BTC Closes Down, Underperforming Gold and Tech Equities



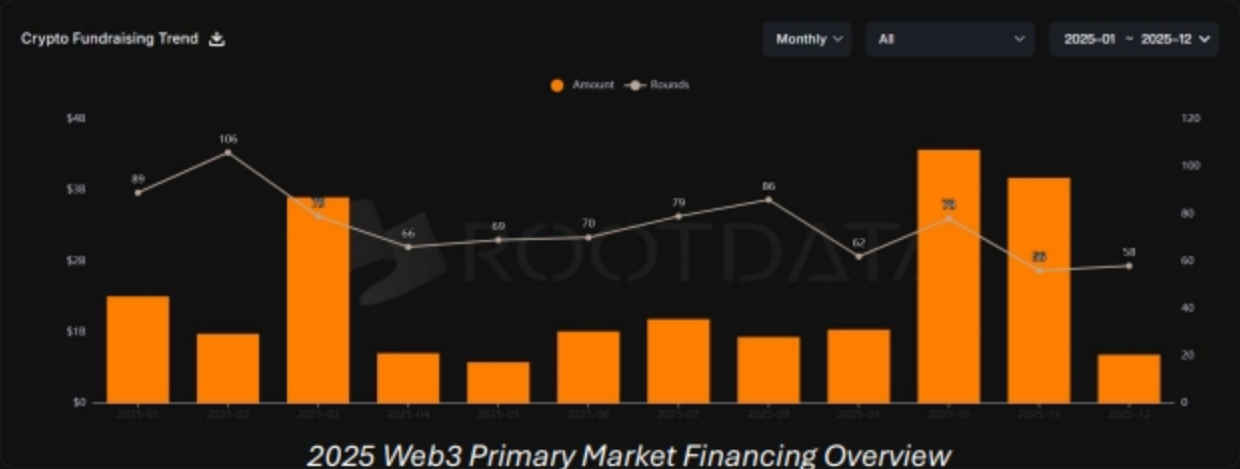
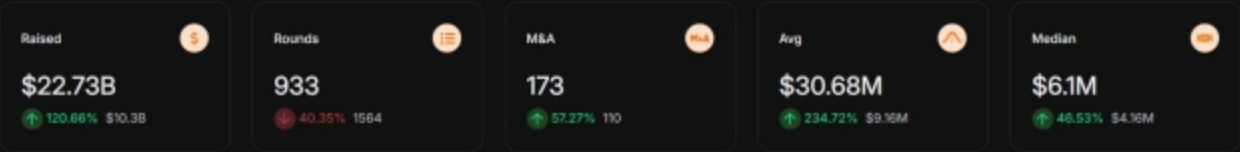
In 2025, the crypto industry pivoted from volatility to institutionalization. Despite hitting a \$126K ATH, BTC ended the year -8.22%, underperforming Gold (+53.52%) and NVIDIA (+30.39%). Volatility remained high (63.56%), with the "October 11 Crash" triggering \$19B in liquidations and a drop to \$90K amid tariff-related macro shocks.

Market highlights included the rise of Digital Asset Treasuries (DAT), led by MicroStrategy, and a brief celebrity-meme frenzy post-Trump's inauguration. Regulatory compliance dominated, evidenced by Circle's IPO and the entry of JPMorgan and Vanguard.

Technologically, Ethereum's Pectra and Fusaka upgrades boosted L2 activity, while Aave and Uniswap optimized governance. AI-crypto also matured from speculation to practical multi-agent infrastructure. Ultimately, 2025 shifted the investment focus toward compliance and transparency as the primary drivers of long-term value.



# Structural Bifurcation in the Primary Market: Mega-Rounds Drive Record Funding Totals Amid Ongoing Early-Stage Shakeouts



Project	Amount	Round	Date	Major Investors
Dunamu	\$ 10.3 B	M&A	Nov 26	
Deribit	\$ 2.9 B	M&A	May 8	
Strategy	\$ 2.52 B	Post-IPO	Jul 30	--
Polymarket	\$ 2 B	Strategic	Oct 7	
Binance	\$ 2 B	--	Mar 12	
Strategy	\$ 2 B	Debt Financing	Feb 19	--
Forward Industries	\$ 1.65 B	Post-IPO	Sep 11	
NinjaTrader	\$ 1.5 B	M&A	Mar 20	
Galaxy Digital	\$ 1.4 B	Post-IPO	Aug 15	--
Hidden Road	\$ 1.25 B	M&A	Apr 8	
Galaxy Digital	\$ 1.15 B	Debt Financing	Oct 28	--
Bullish	\$ 1.11 B	IPO	Aug 13	--
Circle	\$ 1.1 B	IPO	Jun 4	
Kaishi	\$ 1 B	--	Nov 20	

Single financing exceeding 1 billion by 2025

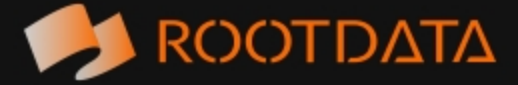
According to RootData statistics, the crypto primary market completed \$22.73 billion in financing in 2025 (excluding Post-IPO, IPO, OTC, and Debt), representing a 120.5% YoY increase. The average funding size surged to \$30.6 million (+234.7% YoY), while the median funding rose to \$6.1 million (+46.5% YoY). However, the total number of financing events dropped to 933, a 40.3% YoY decline. Notably, Mergers and Acquisitions (M&A) reached 173 deals—a 57.2% increase from 2024—marking a new historical high.

While total funding reached a three-year peak, this growth does not signal a broad market recovery. The surge was primarily driven by mega-rounds from a few industry leaders, such as Polymarket and Binance, reflecting a high concentration of capital into projects with high certainty and scalability.

Concurrently, the number of funded projects hit a five-year low, with monthly deal counts following a near-unilateral downward trajectory. This indicates a deteriorating environment for early-stage and small-to-mid-sized projects. The structural trend of "convergence toward the top and contraction at the tail" is becoming more pronounced. The primary market remains in a phase of deep clearing, yet to show signals of a broad cyclical recovery.

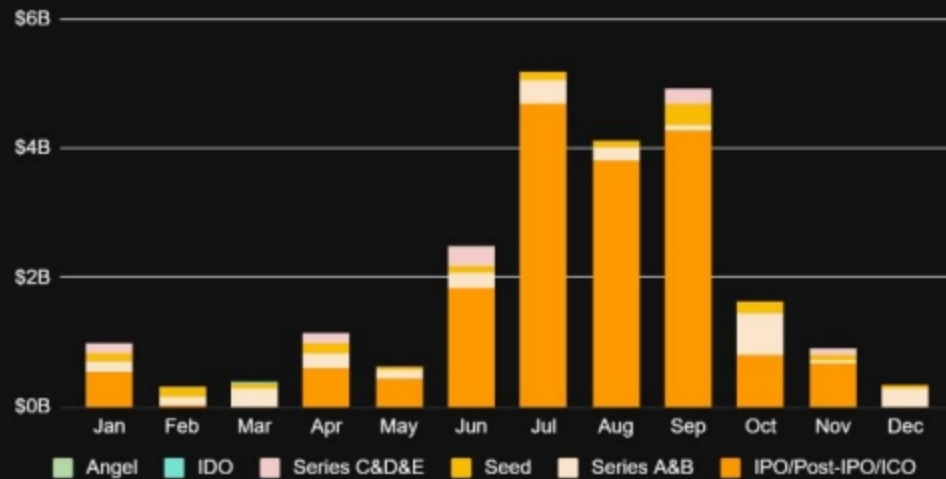


# Strategic Roadmap: Q3 IPO Window Followed by a Q4 M&A Surge

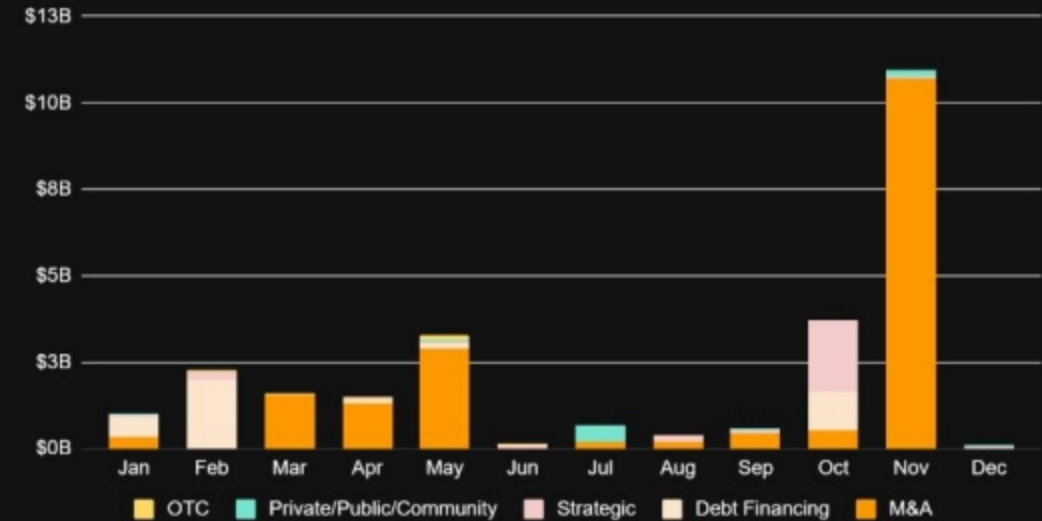


## Rootdata 2025 Total Fundraising – Round Timeline

### Early & Later Round



## Institutions & Community Round



The 2025 monthly timeline reveals a strategic rhythm: "List for capital in Q3, then consolidate for expansion in Q4."

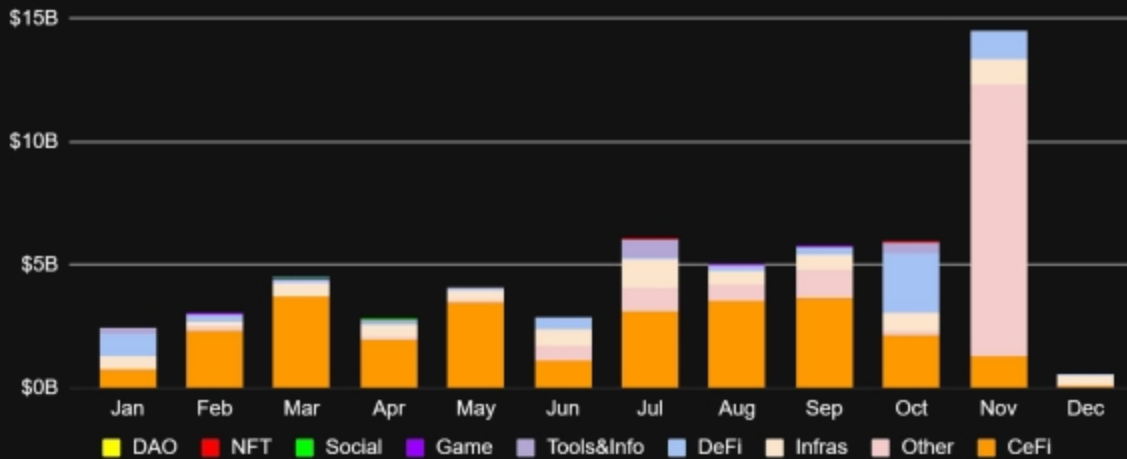
- **IPO/Post-IPO Peak (Q3):** July to September accounted for 72% of the annual total, with monthly peaks reaching \$4.7B, \$3.8B, and \$4.27B. Total Q3 funding hit \$12.77 billion, fueled by BTC surges and retail optimism. This concentrated H2 IPO window followed a relatively stable first half (\$4.67B).
- **M&A Explosion (November):** November alone commanded 59% of the year's M&A volume (\$10.7B of \$18.11B), ignited by South Korean giant Naver's acquisition of Dunamu (Upbit's parent). This year-end surge signals an acceleration of industry consolidation as leaders aggressively capture market share via acquisitions.
- **Funding Rounds:** Private, public, and community rounds peaked in July (\$500M), aligning with the broader IPO window.

Furthermore, project teams utilized OTC markets in Q2 and Q3 for secondary transactions, preparing for subsequent listings and exits. Combined with active debt and strategic financing, the consolidation trend is expected to persist into H1 2026. As leaders build capital "moats," smaller projects face a binary choice: be acquired or be eliminated. The market has entered a definitive "big fish eat little fish" cycle.

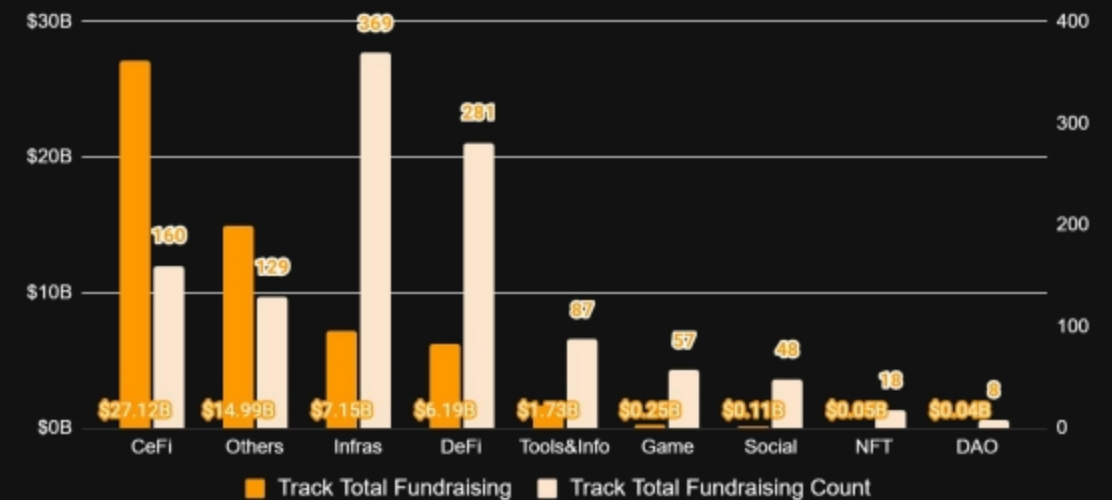
# CeFi Dominates with \$27.12 Billion, Outpacing Infrastructure in Average Ticket Size by 8.7x



Rootdata 2025 Total Fundraising – Track Timeline



Rootdata 2025 Total Fundraising – Track



## 2025 Sector Financing: Extreme Polarization as CeFi Captures Nearly Half the Market, While Web3–Native Sectors Face Marginalization

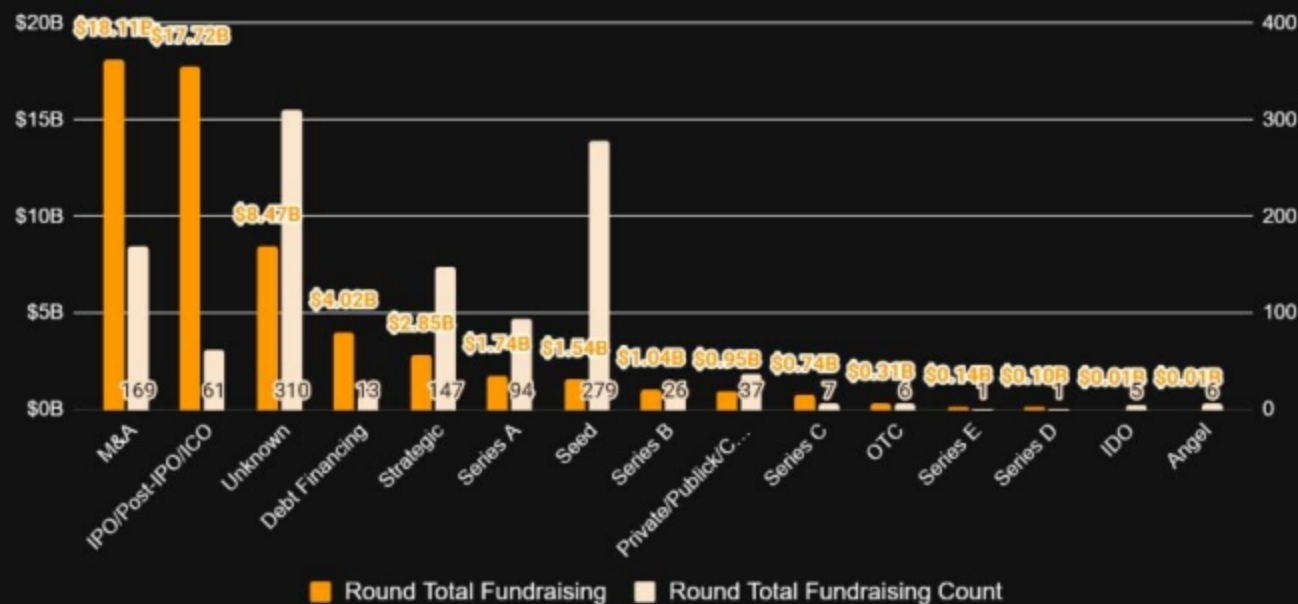
- CeFi:** Led the market with \$27.12 billion (160 deals, avg. \$169.5 million). The average ticket size for CeFi was 8.7 times that of Infrastructure. This underscores a persistent capital flight toward compliant, cash-flow-positive CeFi and RWA (Real World Asset) platforms, driven by the success of Spot ETFs and favorable US legislative frameworks (e.g., "Big and Beautiful" regulatory trends).
- Infrastructure:** Secured \$7.15 billion (369 deals, avg. \$19.4 million). While Infrastructure recorded the highest volume of transactions (32.1% of total deals), it accounted for only 12.4% of total funding, indicating that native crypto capital remains concentrated in early-stage infrastructure plays.
- DeFi:** Captured \$6.19 billion (281 deals, avg. \$22 million). Growth has stabilized but is decelerating, positioning the sector between the institutional-heavy CeFi and the venture-heavy Infrastructure.
- Tools & Information Services:** Raised \$1.73 billion (87 deals). Both investment appetite and total funding showed signs of fatigue.
- Marginalized Sectors:** Gaming (\$247M) and NFT + DAO + Social/Entertainment (\$200M) combined for a mere 0.5% of the annual total, reflecting a significant cooling of interest.



# Institutional activity will dominate in 2025, with the proportion of traditional VC rounds shrinking.



Rootdata 2025 Total Fundraising – Round



*\*Rootdata's statistics do not include mergers and acquisitions/post-IPO data, which may cause discrepancies with this data.*

Market funds are concentrating towards institutionalization and large-scale operations, with institutional activity outpacing traditional VC by 8.4 times. Significant differentiation exists across different funding rounds:

Traditional institutions/exchanges/strategic/whale markets (M&A/IPO/debt/strategic) totaled \$42.7 billion, accounting for 74.3%.

- M&A: \$18.11 billion (169 deals, average \$107 million)
- IPO/Post-IPO/ICO: \$17.72 billion (61 deals, average \$290 million)
- Debt financing: \$4.02 billion (13 deals, average \$309 million)

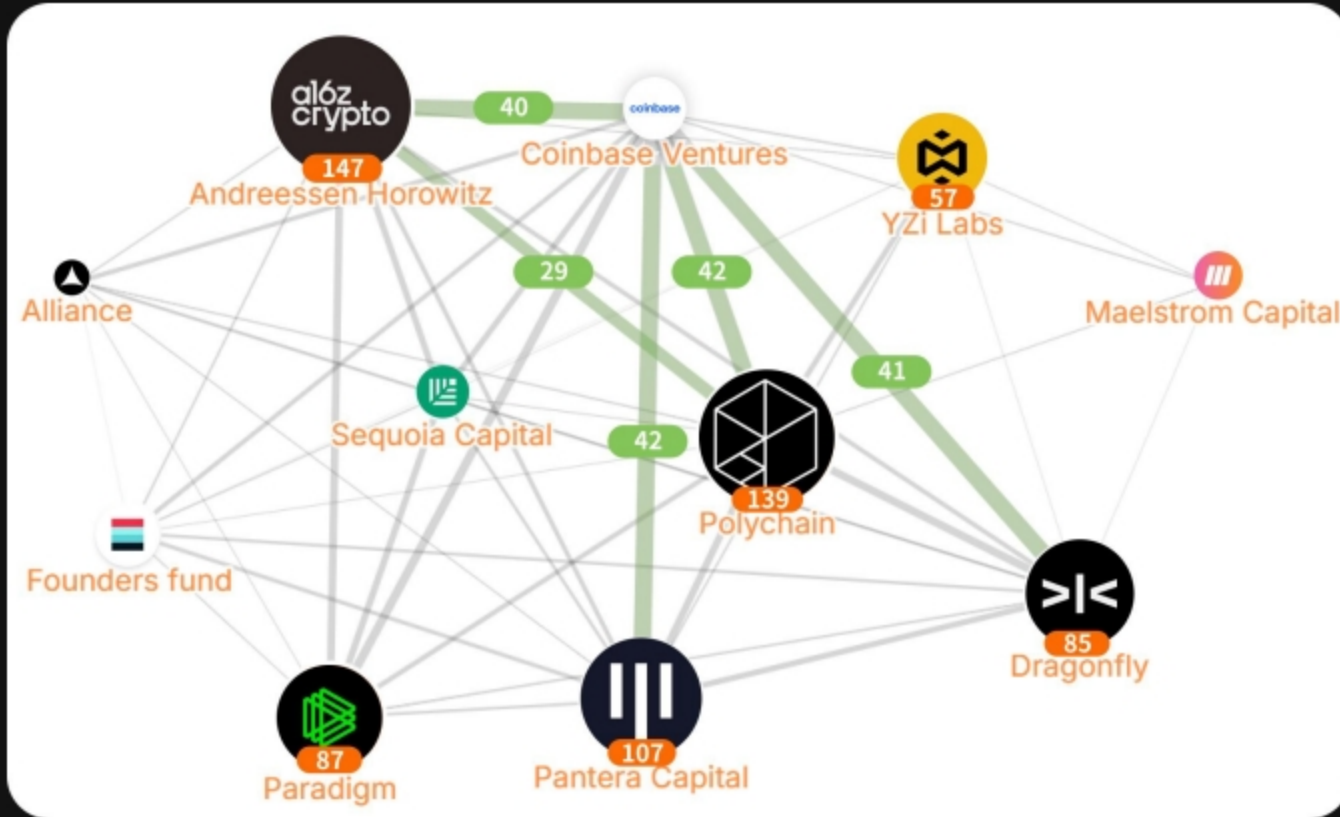
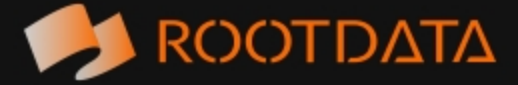
Crypto-native VC (Seed to Series C) only reached \$5.07 billion, accounting for 8.8%.

- Seed round: \$1.54 billion (279 deals, average \$5.5 million)
- Series A: \$1.74 billion (94 deals, average \$18.6 million)
- Series B and above: \$1.82 billion (34 deals)

Early-stage industry investment continues to shrink. The DAT boom has catalyzed debt financing as a new path for large-scale capital. Mining firms and DAT companies expanding their core crypto asset strategies (e.g., BTC/ETH) through bond financing have gained recognition from traditional securities markets.



# Crypto VC Landscape: Co-investment Networks & Lead Capability Analysis



Joint investments and lead investments by top VCs

In 2025, VC focus pivoted from early-stage speculation to AI+Blockchain, DeFi, and M&A-driven Infrastructure. Key Strategic Trends:

- Deep Syndication: Co-investment has become the industry standard to mitigate risk. Coinbase Ventures frequently formed "alliances" with a16z, Dragonfly, Polychain, and Pantera (averaging 40+ joint deals each). With late-stage rounds exceeding 50% of total funding, syndication is now essential for supporting mega-rounds like Berachain and Tempo.
- Lead Capability Bifurcation: a16z maintained absolute dominance with 147 lead investments, reflecting a high-conviction strategy. In contrast, emerging players like Alliance and Maelstrom (4 lead deals) remained highly dependent on co-investment networks.
- The Power Core: A tight-knit network—comprising Polychain, Coinbase Ventures, a16z, Dragonfly, and Pantera—now controls the majority of deal flow. Mid-sized VCs (e.g., YZi Labs) primarily gain access to premium deals through these established clusters.

The concentration of lead authority among a16z, Polychain, and Paradigm reinforces a landscape where resources gravitate toward elite players. This "Professional Alliance" model mirrors the market's shift toward institutional-grade DeFi and AI Agents. By cushioning volatility through deep collaboration, this structure sets the stage for a new wave of AI-DeFi innovation in 2026, fueled by a loosening Fed and improved regulatory clarity.



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# **Compliance & Transparency**

# The Transparency Revolution: From Conceptual Discussion to Systemic Implementation



In recent years, the crypto industry has pivoted from debating transparency to implementing it. Since April 2025, RootData has led this shift through rigorous verification and monthly disclosures, exposing over 20 fraudulent fundraising cases (e.g., Balance, ACM+, Web3Port). These actions have unmasked "fake funding" and established a verifiable benchmark for primary market credibility.

To dismantle data silos, RootData launched bounty programs, incentivizing researchers to standardize critical on-chain and off-chain data. By leveraging community-driven supervision, RootData now compels project teams to provide accurate milestone updates, effectively reducing "vaporware" and developmental delays.

**Submit Calendar Events to  
Get DOUBLE Points, Split 200 USD**



Dec 1, 12:00 - Dec 26, 24:00 (UTC+8)

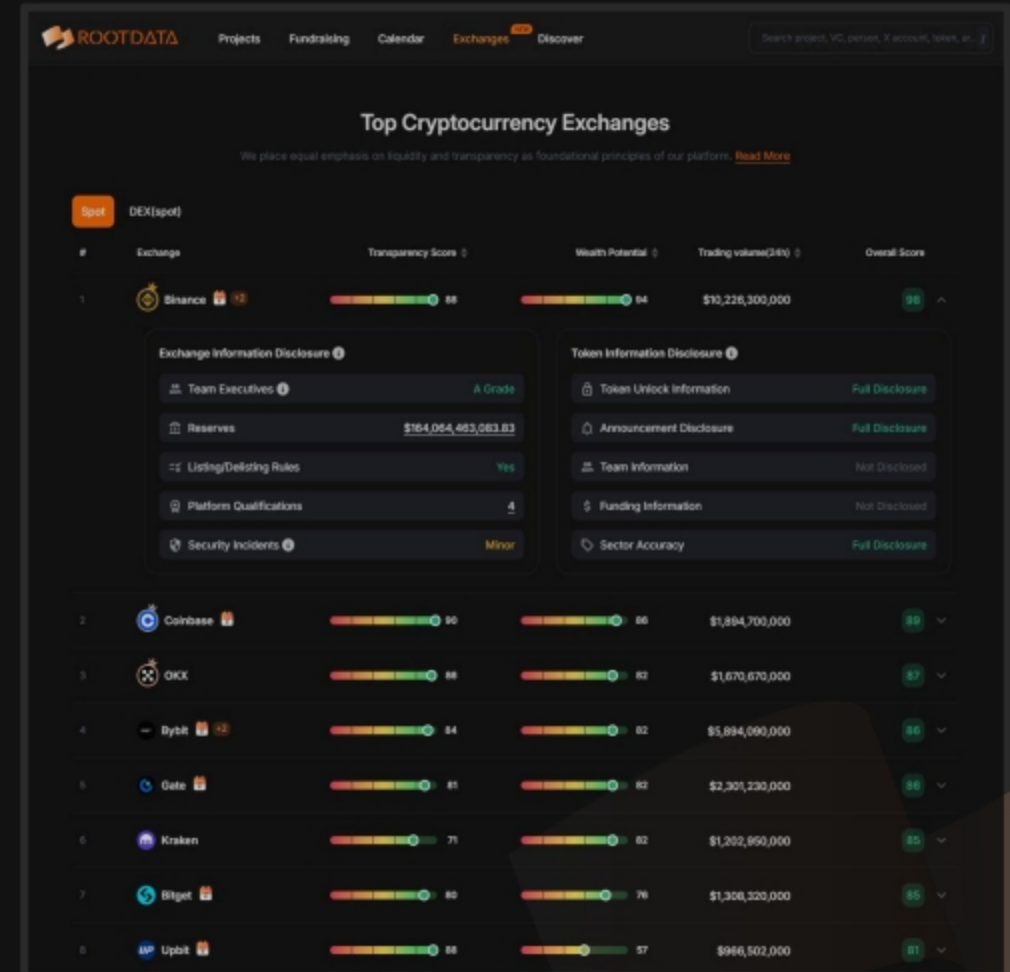
**Submit Now** 

**TOKEN UNLOCK DEEP DIVE**  
*Reject Dump Risks, Guaranteed Investment Transparency*



**\$5,000 Bounty Await!**  
Dec 15th - 24th, 10:00 (UTC)

Looking ahead, RootData will introduce further innovations, including deep-tier on-chain verification tools, public standards for project governance, and cross-platform information-sharing mechanisms. We believe that with compliance and transparency as the bedrock, the crypto industry can achieve the leap from marginal innovation to global financial infrastructure.



RootData's exchange rankings aim to work with exchanges to build a compliant and trustworthy trading ecosystem.



# Exchange Leadership Reshuffle: A Strategic Pivot Toward Global Expansion and Regulatory Maturity



The 2025 leadership reshuffle within major exchanges signals a shift from "wild growth" to **institutional maturity**, driven by regulatory clarity and market recovery. These changes prioritize compliance and expansion over internal restructuring.

- **Legal & Compliance Reinforcement:** Influenced by the Trump administration's easing and new CFTC/SEC guidelines, exchanges are prioritizing legal experts. OKX appointed a new CLO and VP of Global Government Relations; **Coinbase** named a Head of Global Regulatory Affairs; Binance's Head of Legal departed. This reflects a strategic preparation for policy uncertainty and audits.
- **Geographic & Institutional Expansion:** Regional appointments are driving growth in North America and LATAM. Kraken appointed a NA Managing Director, **OKX** established a US CEO, and Bybit hired a LATAM Country Manager. The rise of Institutional Head roles (e.g., Gemini, OKX US) highlights a pivot toward high-net-worth clients.
- **Operational Optimization & IPO Readiness:** Marketing surges at Coinbase, Kraken, and Bitget aim to boost user acquisition. Efficiency was driven by internal promotions and talent acquisitions (e.g., Coinbase buying Opyn). Notably, Kraken's executive exits and layoffs signal cost discipline ahead of a planned 2026 IPO.
- **Stability & Diversity:** He Yi's appointment as **Binance Co-CEO** was a landmark move to decentralize risk. C-suite diversity also improved, exemplified by leaders like Emilie Choi (COO) and Catherine Ferdon (CMO) at Coinbase.

With the full implementation of MiCA and new US market legislation, compliance-centric roles will continue to dominate leadership transitions.



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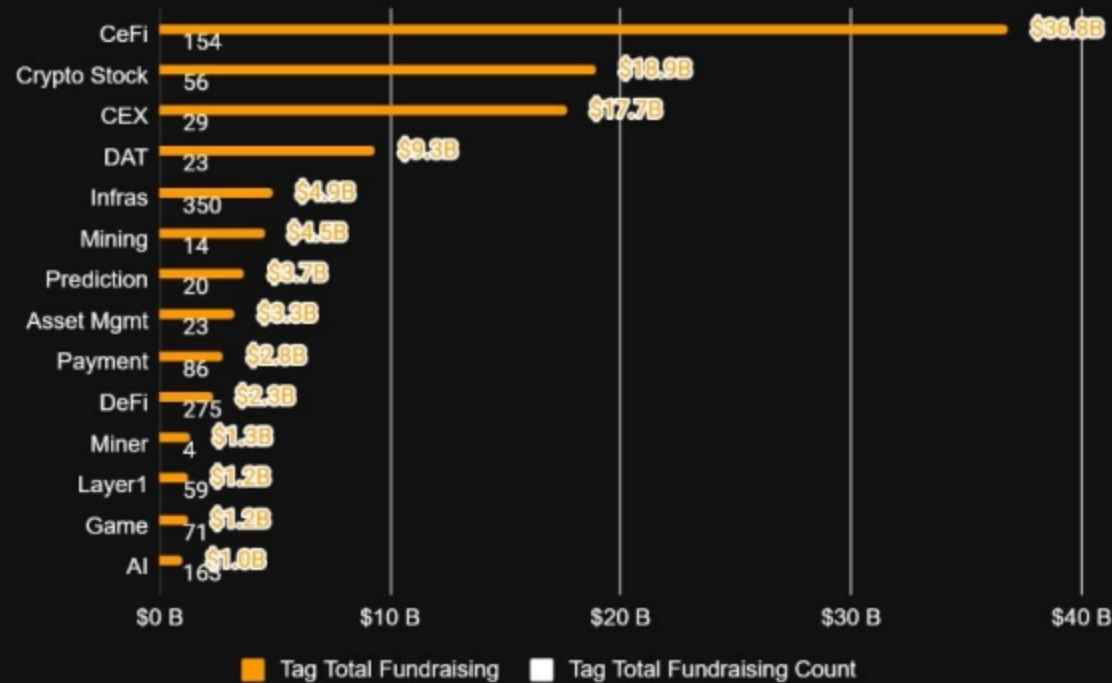
**Ecosystem & Track**

# The Great Divide: CeFi Ecosystem Commands 61.6% as Market Splits Between "TradFi-fication" and "Crypto Native"



## RootData 2025 Total Fundraising – Tag

>\$1B Total Fundraising



IFunding is now heavily concentrated at the top. The top 14 sectors (>\$1B each) attracted \$108.9 billion, with the top three—CeFi, Publicly Listed Entities, and CEXs—monopolizing 63.2% of total capital. In contrast, 24 mid-tier sectors (\$100M–\$1B) secured only \$7.3 billion, creating a massive 25.6x funding gap. Capital is aggressively flowing into "TradFi-fied" projects with clear cash flows and regulatory alignment, largely bypassing crypto-native innovations.

### The "TradFi-fication" Accelerator: IPOs Over Tokens

Integration with Traditional Finance (TradFi) is accelerating. The collective CeFi, CEX, and Asset Management sectors raised \$67.1 billion—29 times more than DeFi.

The "MicroStrategy" Effect: Mining firms are replicating the BTC treasury strategy, shifting valuation logic from "mine-and-sell" to "accumulate-and-list."

Exit Strategy Shift: Publicly listed companies raised \$18.9 billion across 56 deals, validating a new trend: "Nasdaq Exit > Token Exit." The crypto IPO window is expected to align with the broader secular equity bull market.

### The Rise of Prediction Markets

Prediction Markets surged to 7th place with \$3.7 billion. Catalyzed by the US Election, this sector successfully bridged compliant gambling and RWA. Polymarket has proven the viability of combining on-chain execution with strategic regulatory arbitrage.

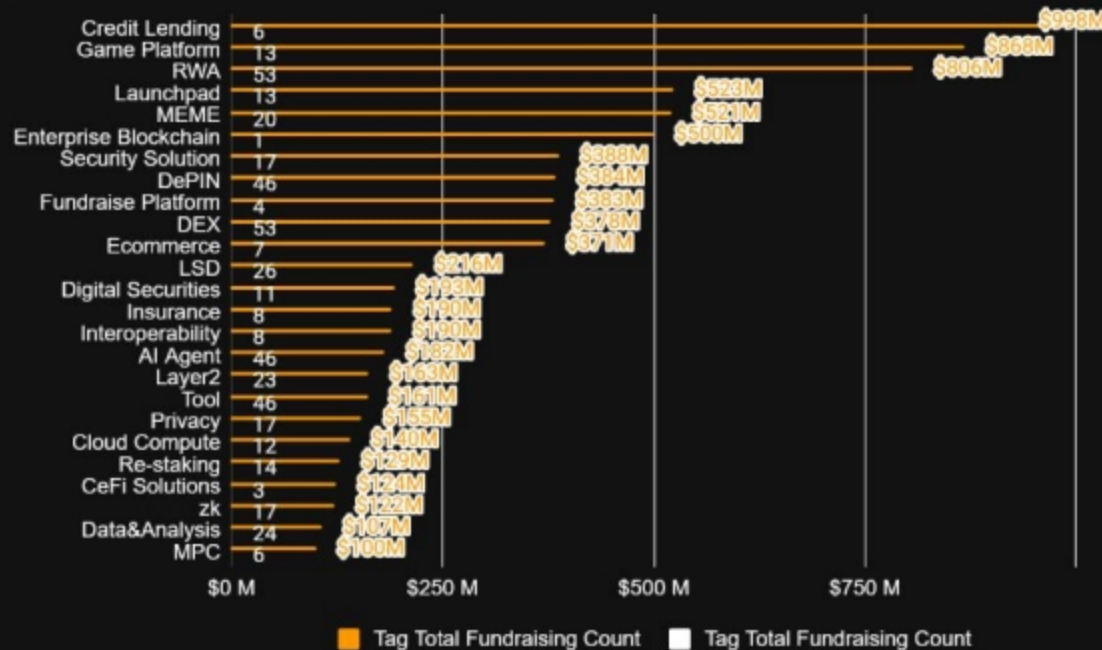


# The "Cash Flow" Era: Pragmatism Rises in Mid-Tier Sectors (\$100M – \$1B)



## RootData 2025 Total Fundraising – Tag

\$100M<Total Fundraising<\$1B



## Pragmatism Rises in Mid-Tier Sectors (\$100M–\$1B)

A shift toward "Pragmatism" is defining mid-tier funding:

- Financial Infrastructure: Credit Lending (\$0.87B), RWA (\$0.81B), and DEXs (\$0.38B) hit a combined \$2.05B. Momentum for migrating traditional finance tools on-chain remains strong, fueled by growing stablecoin supply.
- Memes vs. Technology: The Meme sector (Launchpads \$0.52B + Tokens \$0.52B) attracted \$1.04B, dwarfing Layer 2 funding (\$0.16B). This signals a crypto-native preference for speculation over innovation, intensified by celebrity tokens and platforms like Pump.fun.
- Privacy & Security: Totaling \$0.77B, these sectors are gaining traction as regulatory pressure drives demand for compliance technologies like ZK-proofs and MPC.

The Divergence into "Parallel Universes". 2025 data confirms a fundamental split in the industry, driven by a pivot in investment logic:

Valuation Logic Shift: Capital has migrated from seeking a "Decentralization Premium" to a "Compliance Premium." The market is pivoting from "Tech Narratives" to "Cash Flow Narratives," adopting an "Equity + Token" dual-value model over single-token economics.

Structural Displacement: "TradFi-fied" entities (CeFi and Publicly Listed Firms) now dominate the landscape. Conversely, crypto-native sectors like DeFi, L1s, and NFTs have become "technical sandboxes," forced to integrate concepts like RWA, Compliance, or AI to secure survival funding.

2026 Outlook: The pragmatic shift in mid-tier sectors suggests that capital will further consolidate around projects demonstrating tangible feasibility, sustainable revenue, and regulatory alignment.

# Catalyzed by the US Election: The Breakout of Prediction Markets



## RootData 2025 Tag Total Fundraising –Prediction



Absolute Monopoly: Polymarket & Kalshi Command 98.5% of Funding. The prediction market sector exploded with \$3.69 billion across 12 projects, yet it is defined by a massive "funding chasm":

- Polymarket: \$2.15B (58.3% share).
- Kalshi: \$1.485B (40.2% share).

These two giants monopolize 98.5% of the sector's capital. The drop-off is extreme; 3rd place (TCC) raised just \$15M, and the remaining 8 projects all secured less than \$10M.

### "Compliant Gambling + RWA" as a Strategic Moat

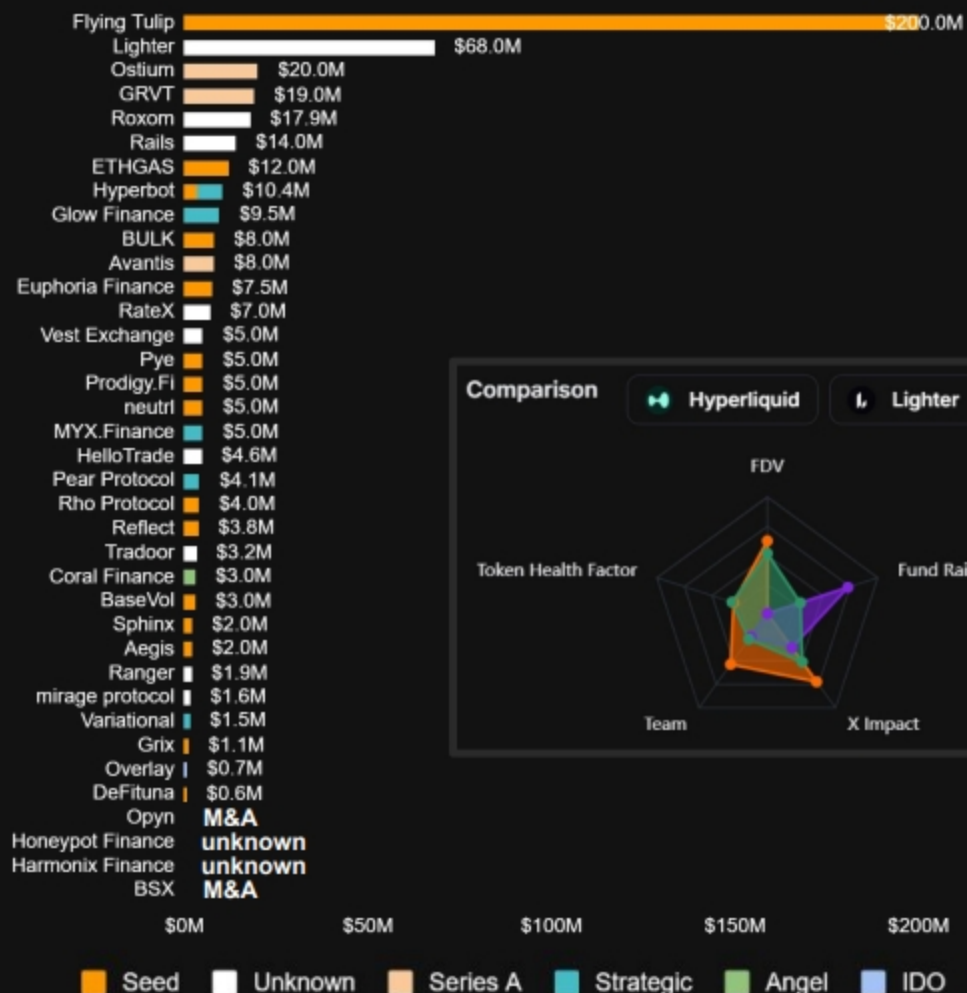
- Validated by 2024 Election volumes, mainstream capital has crowned the "Compliant Gambling + RWA" model. Regulatory alignment is now the primary moat:
- Kalshi's CFTC approval and Polymarket's market dominance provide an insurmountable lead.
- This sector's "breakout" has injected vital trading and arbitrage liquidity into the broader crypto ecosystem.

As election hype fades, the focus shifts to binary options and sports/gaming. While leaders refine UX and liquidity, a new wave of founders is building supporting infrastructure, including data analytics and predictive tools.



# PerpDex: \$460M Raised as Flying Tulip Captures 43% Share ROOTDATA

## RootData 2025 Tag Total Fundraising –Perpdex



**Market Concentration: Mega-Rounds vs. Tail-End Struggles** Fueled by Hyperliquid and Aster, the PerpDex sector raised \$460M across 33 deals in 2025. Flying Tulip dominated with a \$200M Seed round (43.2% share). The Top5 projects captured 70.6% of total capital, while 75.8% of the market struggled with sub-\$10M funding (Median: \$5M).

**Performance Disconnect: VC Backing vs. Organic Growth** RootData reveals a gap between funding and traction. VC-backed Lighter (\$89M, Haun/Ribbit) is gaining mindshare (RD Index 379), while organic leader Hyperliquid maintains dominance via revenue (\$66M/30d) despite no funding disclosure. CZ-backed Aster also remains a key contender without public financials.

**2026 Outlook: Strategic Bifurcation** The sector is defined by scarce funding, fierce competition, and technical divergence:

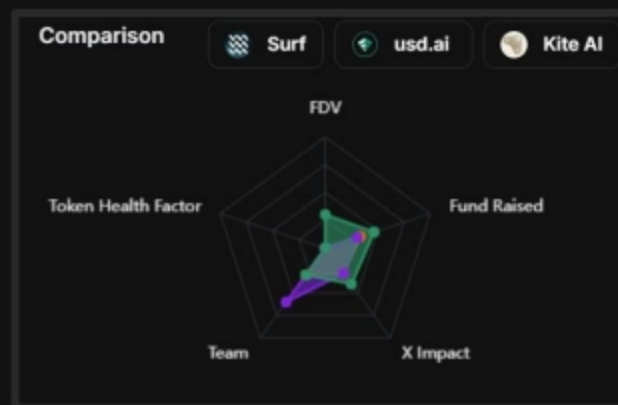
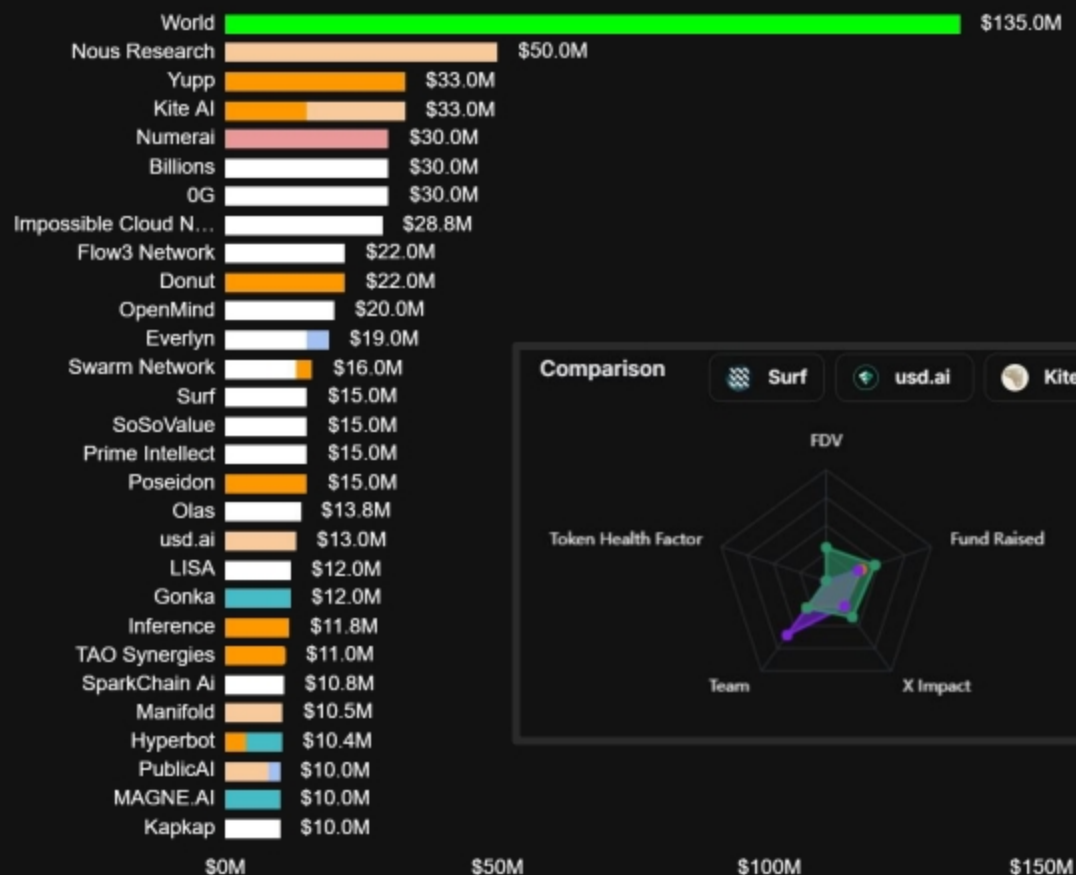
- The "Cronje" Effect: Flying Tulip's outlier round reflects high founder-premium.
- The "Zero-Funding" Path: Hyperliquid proves community-first models are viable.
- Bifurcation: The market will split into community-driven volume vs. institutional-subsidized growth.

**Investor Note:** Prioritize 30-day revenue and RD Growth Index over total funding to identify true winners in the upcoming 2026 consolidation.



# AI Sector: Diversified Landscape & The Impending "Shakeout"

## Rootdata 2025 Tag Total Fundraising – AI Top30



**Fragmented Competition** Unlike the concentrated PerpDex market (70% Top 5 share), the AI sector is highly fragmented with a Top 5 concentration of only 28%. 88% of projects raised <\$20M (Avg: \$10M / Median: \$6M), indicating unverified business models and diverse technical paths.

- **Nous Research** Leading in funding as a research-driven entity.
- **Kite AI (\$33M):** AI + Layer 1 + Payments (backed by General Catalyst & PayPal).
- **Surf (\$15M):** Focuses on AI Agents; RD Popularity Index surged 32.47%, reflecting high community interest in Agentic narratives.
- **usd.ai (\$13M):** AI + DeFi/Stablecoins; holds \$681M TVL, though growth momentum is cooling.

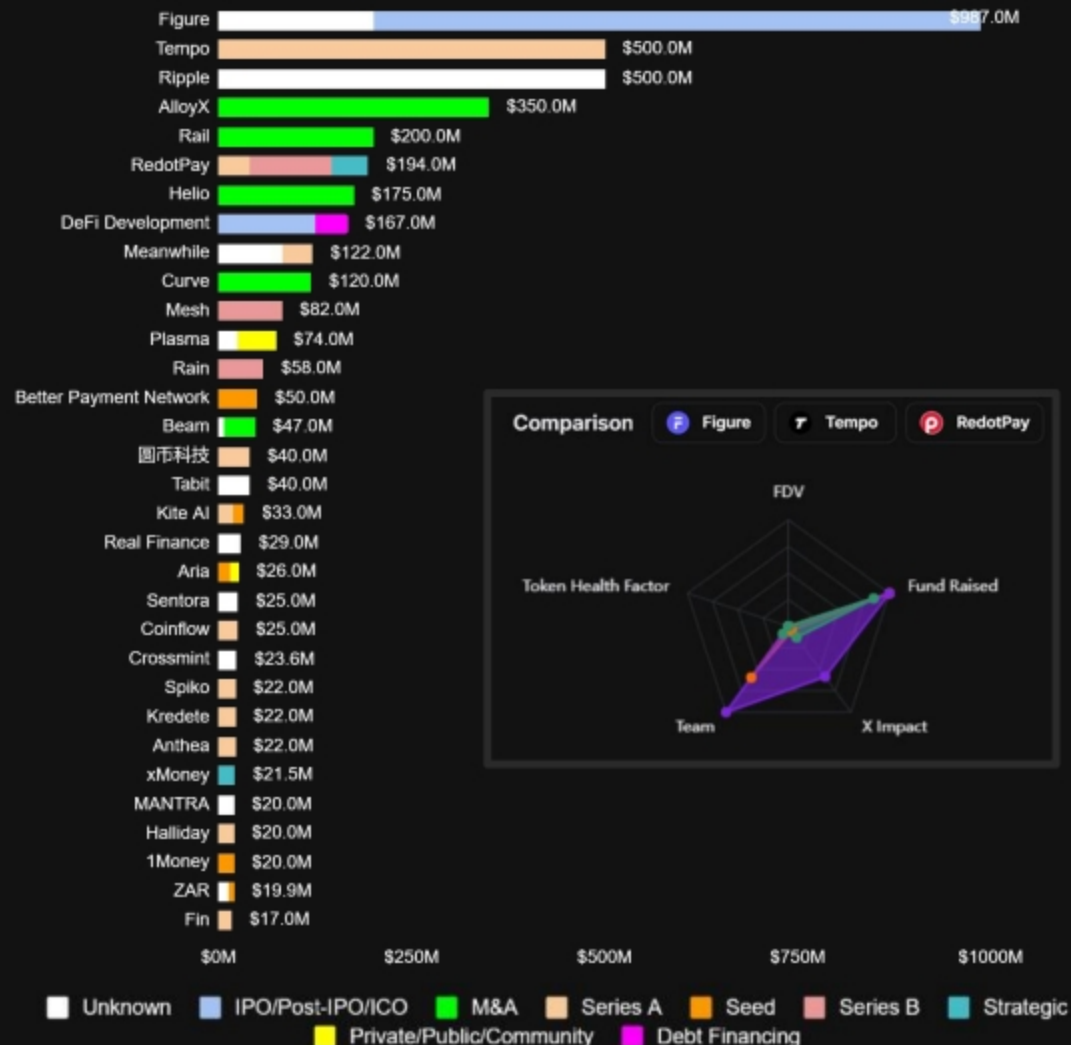
**The "AI+X" Era & Funding Trends** "AI+X" has become the standard, while pure infrastructure remains rare. VC capital is clustering in the **\$30M–\$50M range** (e.g., OG, Numerai) for decentralized training/infra. World stands out with significant OTC activity, bolstered by Sam Altman's backing.

**2026 Outlook:** Separating Wheat from Chaff As Web2 giants (OpenAI, Google) accelerate, Web3 AI faces a "Decentralization Premium" reality check. 2026 will be a "moment of truth" where only projects demonstrating sustainable tokenomics or clear Product–Market Fit (PMF) will survive.

# 2025 Payments & RWA: TradFi Integration Accelerates as Figure Leads



## RootData 2025 Tag Total Fundraising – Payment/RWA Top30



## M&A: The Primary Exit Strategy

Mergers and Acquisitions (M&A) now dominate exit routes, accounting for 5 of the top 10 funding events. Major consolidations among Web2/Web3 giants—such as MoonPay/Helio and Ripple/Rail—signal a maturing landscape.

### Market Leaders:

- **Figure (\$1.4B):** Leads by bridging CeFi, blockchain lending, and real estate.
- **Tempo (\$500M):** Boasts a high RD Growth Index (1,919), fueled by its L1 status and leadership ties to Stripe and Paradigm. Stripe's \$1.1B acquisition of Bridge remains the sector's key benchmark.
- **RedotPay (\$194M):** Focused on institutional-grade digital payments, led by ex-DBS/HSBC executives.

### Strategic Shift: Tech + Licenses

The top 5 projects hold a 57.5% concentration, reflecting a competitive but balanced hierarchy. The strategic logic has shifted to "Acquiring Tech + Integrating Licenses," as giants like Stripe and Ripple turn RWA/Payments into the primary battlefield for blockchain adoption.

The industry will transition from technical validation to massive scaling.

- **Survival of the Fittest:** Projects without regulatory licenses, TradFi partnerships, or deep capital reserves will be flushed out.
- **Value Pivot:** Success will be measured by compliance progress and on-chain asset volume; pure technical concepts will be marginalized.

Abstract geometric shapes in shades of brown and grey, including a large curved shape on the left and a large number '04' in the background.

04

Crypto

Top Rankings

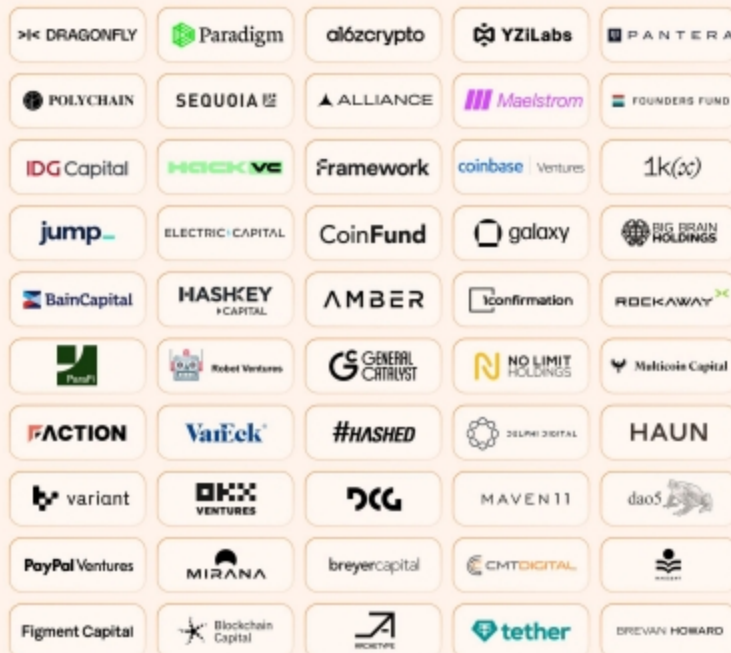


# Annual Top50 VCs & Top100 Projects Lists



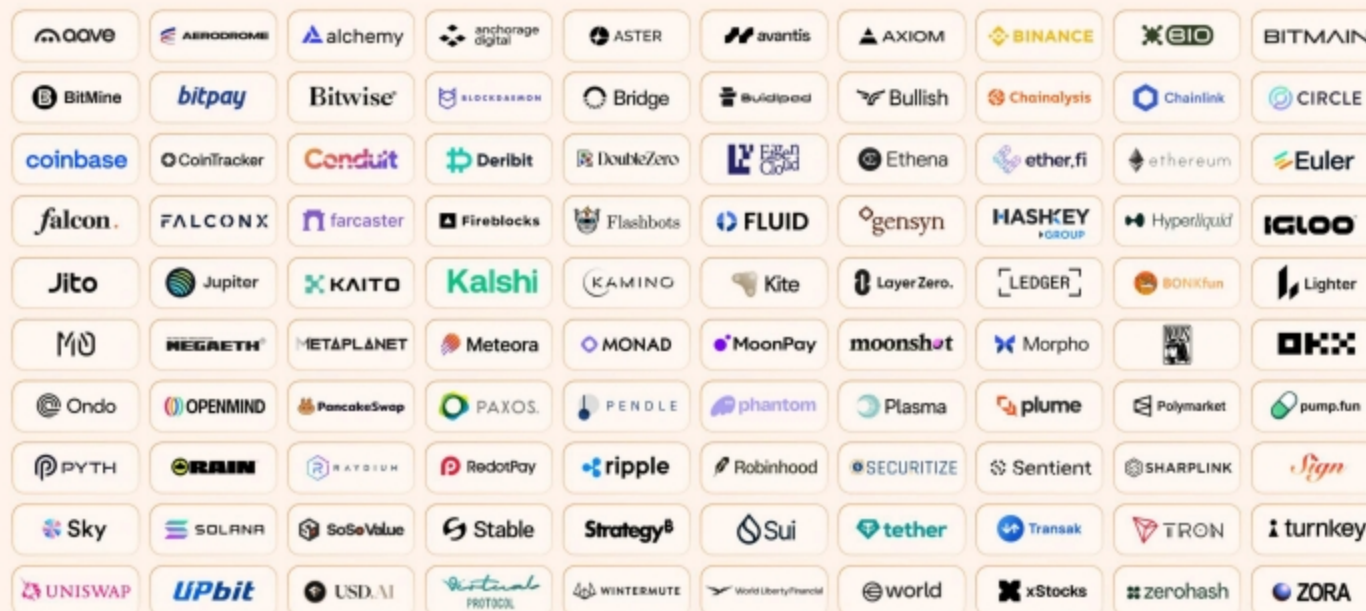
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## Crypto VCs Top 50



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## Crypto Projects Top 100

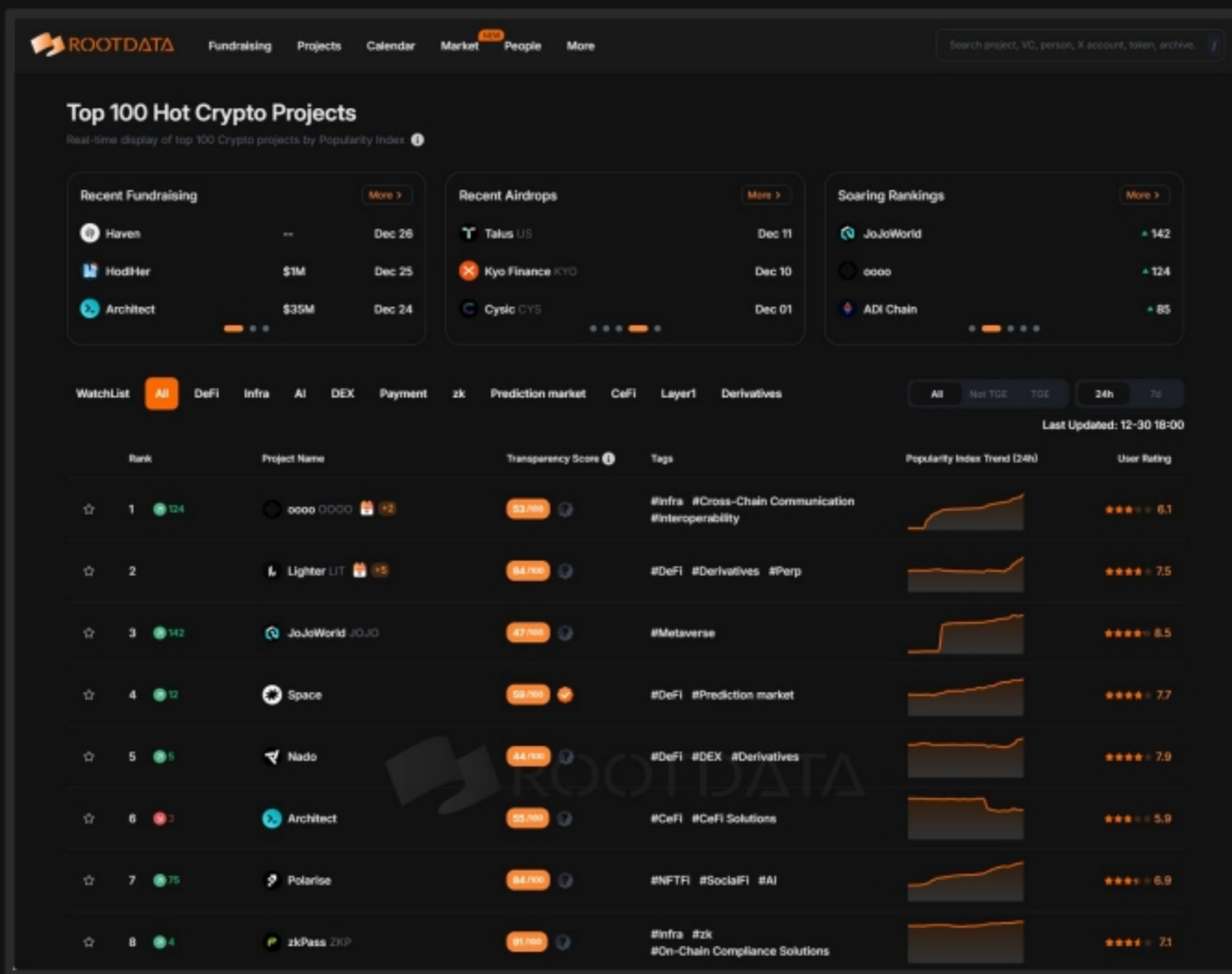


*In October 2025, RootData officially unveiled the "Annual Top 50 VCs" and "Top 100 Projects" lists.*

As the industry's most transparent data benchmark, these rankings are evaluated across multi-dimensional metrics—including investment activity, market reputation, and on-chain performance. They offer a deep reconstruction of the capital landscape and innovation frontiers during the "Institutional Transition." Beyond honoring the year's standout contributors, this list serves as a definitive guide for capturing high-certainty value in 2026.

Explore the full report: [rootdata.com/rootdatalist](https://rootdata.com/rootdatalist)

# About RootData



RootData is a Web3 asset data platform dedicated to making Web3 investing simpler. It has collected data on over 19,000 projects, 2,800 investment institutions, 18,000 individuals, and 9,200 financing events, presenting the data in a highly visualized and structured manner. It has become an essential data platform for over 3 million Web3 users to discover early-stage alpha projects and make investment decisions.

## Disclaimer

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