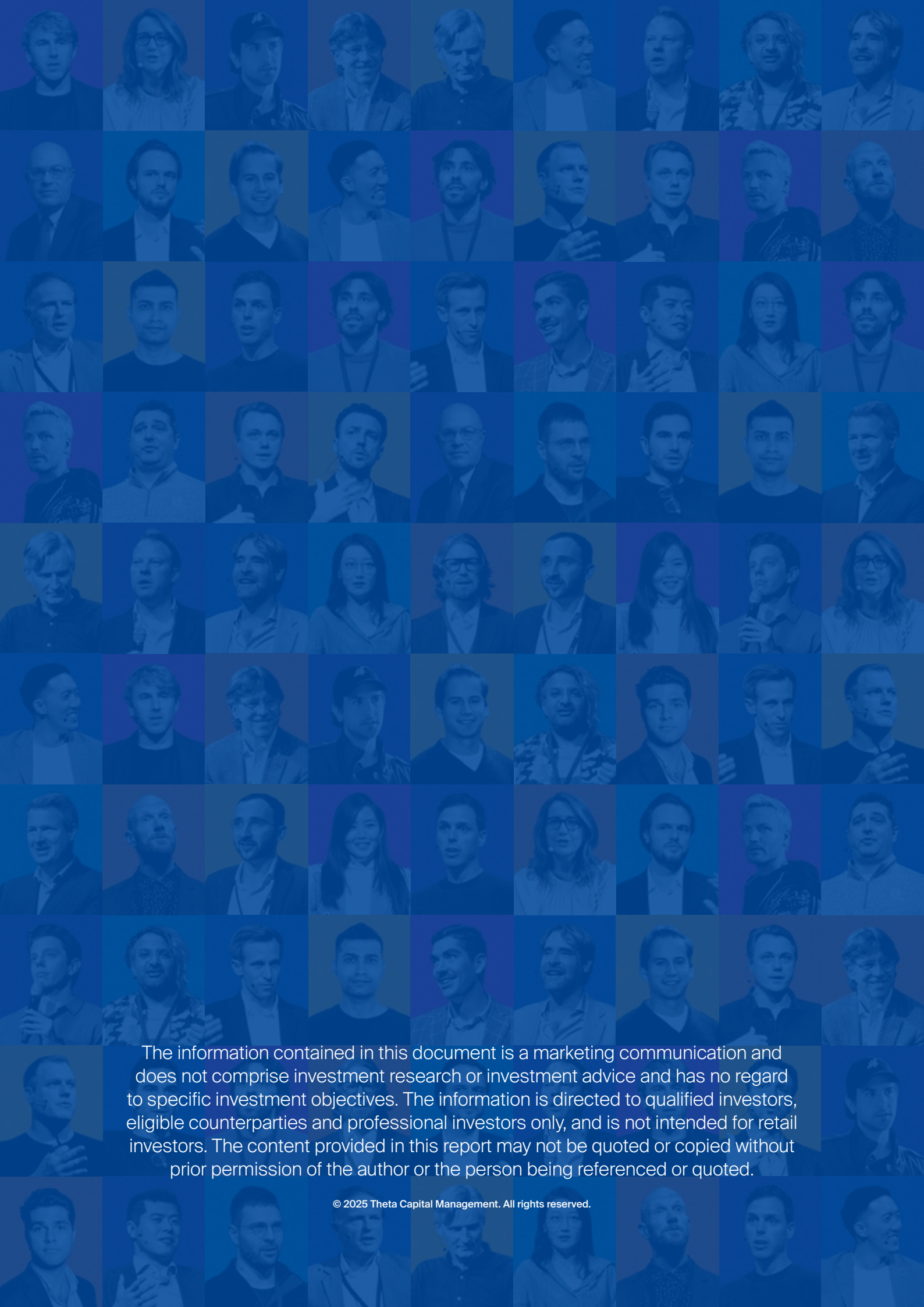
The Satellite View

Insights and Outlooks from Blockchain Technology's Leading Investors

BY THETA CAPITAL



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Contents

Introduction

RUUD SMETS
Managing Partner & CIO
Theta Capital

> "Blockchain is taking center stage—not as a niche technology, but as foundational infrastructure for a new era of economic coordination.

2025: A Year of Transformation

As we enter 2025, I see blockchain taking center stage as the foundational infrastructure for a new era of economic coordination. The seismic shift in the U.S. government's regulatory stance—marked by a 180 degree pivot from cautious opposition to active support—cannot be overstated. Coupled with strong advancements in infrastructure, this shift means product builders can move beyond engaging early adopters to now set their sights on the masses. As the curtain parts for the opening act of, what we like to call the **True Internet Economy,** we are excited to share with you a front row seat to witness this transformation.

From our vantage point, we can see blockchain technology beginning to revolutionize financial infrastructure—a transformation that is long overdue in this digital age. Whereas markets rely on centralized intermediaries to facilitate transactions, verify trust, and coordinate economic activity, blockchain networks offer a decentralized alternative—global, permissionless, and always operational. They enable near-frictionless exchanges of value without geographic, economic, or operational constraints. Just as the internet revolutionized the dissemination of information and media, blockchain will redefine how we exchange value. The scale and scope of financial activity that will emerge from this shift, along with the novel behaviors it will introduce, are likely to surpass what we can imagine today.

The disruption, while only starting to unfold, is already evident in sectors where intermediaries have long failed to meet the needs of the market. A case in point: the global cost of remittance payments still averages a staggering 6.5% of the transaction amount[1], due to layers of fees by rent-seeking intermediaries. Blockchain networks turn this on its head, enabling near-zero-cost, instant, peer-to-peer payments with no geographic or time-zone limitations. Now, imagine applying this to all value transfers, gradually incorporating more complex economic activity. The result? A financial system where most transactions run on blockchain networks—more efficient, more accessible, and fundamentally fairer.

From our investor's perspective, we are still in the crucial zero-to-one phase, a brief but pivotal period when foundational infrastructure is being built. It is clear from our conversations with investors around the world that for most non-blockchain-natives, the magnitude of this transformation is not yet fully visible. In fact, a staggering 95% of early funding for leading blockchain projects continues to flow from a narrow group of specialized venture capitalists—many of whom participated in our Legends4Legends event and are featured in this report.

We believe this nascent investor landscape—combined with our early insight into the space—presents a generational investment opportunity with a uniquely compelling risk-reward profile. Not something we say lightly given our 25-year investing history with many of the world's most successful money managers across all asset classes.

As the players take the stage, we are energized by the opportunity to operate at the forefront and to contribute, in our own way, to this once-in-a-lifetime transformation that promises to deliver the **True Internet Economy** to all.

[1] According to the World Bank's Remittance Prices Worldwide database, as of June 2024, the global average cost of sending remittances is 6.65% of the amount sent. For reference, the United Nations' Sustainable Development Goal 10.c, aims to reduce remittance transaction costs to less than 3% by 2030. Given the advancements in financial technology and the critical role remittances play in supporting families worldwide, it is incomprehensible that these costs remain so high.

How We Built The Satellite View

OLGA VAZQUEZ
Head of Research
Theta Capital

> "Our mission is clear: to cut through the noise and follow the real developments driving this industry forward, focusing on the opportunities that matter most to allocators.

At Theta, we call our unique vantage point **The Satellite View.** During our 2023 conference, 1kx's Lasse Clausen noted to the audience: *'If we as a fund have a helicopter view, then Theta has a satellite view, because they basically get the best intel',* and the name stuck. Our mission is clear: to cut through the noise and follow the real developments driving this industry forward, focusing on the opportunities that matter most to allocators and investors.

We hope **The Satellite View** will provide the go-to high-level summary for professionals, structured around key themes that capture the major shifts and opportunities in 2025. We craft these by identifying the recurring themes and key insights across our managers' outlooks and predictions. There's a lot of nuance in how industry leaders view 2025. Our job is to distill a cohesive, high-impact piece that captures not only consensus, but also contrarian takes.

In 2025, we see clear patterns emerging. Crypto x AI is a dominant narrative, regulatory shifts offer a massive tailwind, and DePIN, stablecoins, and new financial structures (like secured credit and tokenized assets) are clearly positioned for significant growth. But great controversies also loom. A strong divide has formed around the "casino vs computer" debate, between insiders who see memecoins as a fleeting trend and those who believe that "social speculation" is foundational to market attention dynamics, and therefore a core primitive of the next evolution of media and consumer markets. Are explosive memecoins a distraction or a form of cultural innovation? We hope to offer both takes.

Methodology

Putting together **The Satellite View** is both simple and deliberate: we start with the best minds in the blockchain space and let their insights speak for themselves. This report is not a collection of abstract opinions—it's built on the knowledge, experience, and forward-looking views of the VC managers and thought leaders who are shaping this industry.

Following our annual conference, we invited our speakers to look ahead to 2025. We asked them three key questions: What is your outlook for the year? What should we expect from the topic you discussed at the conference? And, in a single sentence, what's your boldest prediction for 2025? Simple questions, but the answers we received were anything but ordinary.

Contributors tackled the top issues capturing the industry's mindshare: What role will AI play in this cycle? And what might be the largest systemic risk to watch out for? The result is a carefully curated collection of insights—each one enriched with summaries and quotes from the speaker's Legends4Legends keynote, panel, or fireside discussion. Our job was to distill and organize this material into something both clear and actionable for investors: unfiltered, direct, and deeply informed.

Beyond the Hype

Key themes & takeaways from the Satellite View

2025 is shaping up to be one of the most transformative years in crypto's history. Blockchain development has always moved in cycles, sometimes driven by its internal mechanisms, sometimes by media hype and speculation. But 2025 isn't just another market upturn.

Across two dozen outlooks from leading VCs and founders, one theme emerges: **we are entering an era of accelerated transformation**—a fundamental shift in how the industry operates. Regulation is clearer. Institutions are here. The technology is more capable, and talent and projects are ready to scale. The convergence of institutional adoption, innovations in AI, and the 'tokenization of everything', is creating a powerful tailwind. Product builders can now step in to create user experiences that are on par or better than Web2. This will be a time of structural change.

Yet, while the opportunities are vast, so are the risks. The market faces headwinds from macro instability and unpredictable geopolitical shifts. Speculation—fueled by celebrity and AI-themed memecoins—remains the primary driver of adoption, even though it undersells the true promise of the technology. But no matter how people enter the space, one thing is certain: **the merger of traditional markets and crypto isn't a theory anymore, it's happening now.**

Through a deep synthesis of these insights, we distill this season into the key themes and defining takeaways that cut through the noise and are crucial for investors to appreciate.

1 Finance is Changing and Blockchain is at its Center

Crypto is no longer a fringe asset class—it is being integrated into global financial markets. Regulation has transformed from obstacle to tailwind overnight. Legislation is being pushed in every market. Next to institutions, sovereign funds are joining the race to enter ETFs. Stablecoins now hold hundreds of billions in U.S. Treasuries, establishing themselves as a key source of global liquidity. Institutional DeFi is on the rise. Banks are harnessing blockchain's efficiency in trading and settlement with new products—allowing digital assets to be used seamlessly as collateral for loans and other instruments. Tokenized treasury bonds and real-world asset (RWA) securities are no longer just an experiment—these are functioning markets. It is only a matter of time for stocks and other asset classes to follow suit. These innovations are bridging the gap between crypto-native capital markets and legacy financial systems, creating an interconnected financial ecosystem.

Investor takeaway: **Crypto Is becoming a core market structure.** The question for investors is no longer whether blockchain has a place. It's *where* it fits within a portfolio. Expect explosive growth in institutional DeFi, tokenized markets, and the infrastructure powering them across this 'pick and shovels' category. **Go down the rabbit hole** with BlackRock's Case Study, C. Giancarlo's Spotlight on Regulation, and Lasse Clausen on the Applications of Decentralized Trust.

2 AI x Crypto Is the New Meta

No trend stands out more than the intersection of AI x Crypto. AI agents are using blockchains to transact, trade, and even launch tokens autonomously. While some argue this is the peak of speculative excess, others believe it is crypto's next trillion-dollar market. More importantly, AI is confronted with problems only crypto can solve. Crypto wallets enable the participation of autonomous agents in financial markets. Decentralized token networks are bootstrapping the supply side of key AI infrastructure for compute, data and energy. Cryptography is the most reliable technology to solve verifiable inference (creating trust) in AI. Finally, blockchain is the only force able to counter the challenges of increased centralization of AI, fake news and AI governance.

Investor takeaway: **Crypto is the inevitable backbone of AI, ensuring transparency, security, and economic coordination.** Distinguishing real value from narrative-driven hype will be will be a key focus for blockchain venture capital. The sector has the potential to become one of the most explosive growth areas ever witnessed, and we are still in the very first inning—autonomous agents are only months old. **Go down the rabbit hole** with Olaf Carlson-Wee's keynote on AI Agents & Crypto, and the Grass Case Study around Decentralized AI.

3 DePIN: The Rise of Real-World Crypto Infrastructure

Decentralized Physical Infrastructure Networks (DePIN) are no longer theoretical and have moved from proof-of-concept to full-scale deployment. From AI compute and data to decentralized energy grids, crypto is beginning to underpin real-world infrastructure at scale. If previous cycles were about supply-side growth, 2025 will be the year of demand. DePINs present a fundamental shift in how infrastructure is deployed, maintained, and monetized. Networks use token incentives to mobilize underutilized resources—whether that's bandwidth, compute power, or renewable energy—and allocate them efficiently through blockchain-based marketplaces. This isn't about speculation. These networks can bootstrap growth by providing real services that compete with traditional infrastructure.

Investor takeaway: **DePIN is set to have a breakout year, with many promising projects preparing to launch.** Expect capital to flow into high-demand networks, while everyday people increasingly participate as both users and providers. **Go down the rabbit hole** with Mike Zajko's Introduction to DePIN, Vance Spencer's Crypto x Energy, and the Grass Case Study around Decentralized AI datasets.

4 Infra vs Consumer Layer: Thousands of New Applications will Emerge

With scalability constraints effectively solved, using a blockchain is becoming as seamless as opening a web browser. Developers are shifting their focus from infrastructure to applications, and with that, brand and economic value accrual are following from the base layer and onto the application layer. Success is no longer about making people 'use crypto'—but about making crypto disappear, abstracting the complexity away for users. This shift is already driving explosive growth in user-friendly ecosystems like Base and Solana, setting the stage for thousands of new applications. In this cycle technology will fade into the background in favor of adoption.

Investor takeaway: **Breakout innovations of this cycle will be apps and tools that achieve 'better-than-Web2' experiences**—think sector-specific rollups and frictionless onboarding. A Facebook or Uber moment for consumer crypto may be on the horizon—something entirely new, likely in social or gaming, with unprecedented financialization built in. **Go down the rabbit hole** with the discussion Beyond Ethereum: Solana & Modularity, the Consumer Adoption Panel, and the Spotlight on Gaming.

5 Attention Markets: The Productive Uses of Speculation

The "casino vs. computer" debate has long divided those who see speculation as crypto's gateway to adoption and those who dismiss memecoins as a dangerous distraction. But both ends of the spectrum are shaping blockchain's evolution. On one side, utility-driven DeFi innovations are financializing productive assets—stocks, bonds, commodities, intellectual property—while decentralized networks coordinate resources like compute, energy, and storage through internet capital markets. On the other side, speculation itself is becoming a market, turning engagement into capital. New use cases in social trading and prediction markets are transforming speculative participation into capital, creating entirely new economic primitives. As speculation shifts from pure gambling to an economic coordination tool, we project crypto adoption will be most strongly tied to its ability to dominate attention markets.

Investor takeaway: **Crypto's next wave of growth will be driven by attention markets, where trading, content, and social engagement merge into investable assets.** The ability to capture and financialize attention at scale will define the most explosive opportunities of this cycle. **Go down the rabbit hole** with the Pump.fun Case Study, Olaf Carlson-Wee on content markets for social media and Nick Tomaino's Crypto x Culture.

DeFi will surpass its TVL all-time high and go over $200 billion.

TARUN CHITRA
Managing Partner Robot VC + Founder, Gauntlet

US Stables will surpass $500B and be a top 5 holder of US Treasuries.

CHRIS PERKINS
President, CoinFund

A transformative crypto application—unlike anything we see today—will surpass $30B in market cap and attract 10 million daily active users.

JASON KAM
Founder, Folius Ventures

2025 Bold Predictions

2025: A Year of Transformation

Our experts highlight significant market growth and mainstream adoption in 2025. We will see a strong influx of new mobile-first consumer applications and gaming experiences. There are signs that old narratives—crypto as an isolated asset class—are losing relevance. The industry is integrating with global markets, with the convergence of AI and crypto driving innovation, while DeFi and stablecoins mature. Trends like speculative memecoins will inform market structure regulations developing in the US and major markets. Meanwhile, Decentralized Physical Infrastructure Networks (DePIN) will address real-world problems, and community-driven fundraising will challenge the position of institutional VC.

1. Market Growth & Mainstream Adoption

The general mood is optimistic and there is generalized consensus that the industry will experience remarkable growth. Predictions from Olaf Carlson-Wee, Franklin Bi, Shaishav Todi, Jason Kam, Greg van den Bergh, and Tyler Spalding all paint a picture of **massive market expansion** in 2025. From crypto's total market cap surpassing $5 trillion (equal to a 44% increase from Jan 1 in 2024) to a transformative new application amassing tens of millions of daily active users, these predictions capture the sense that crypto will break firmly into the mainstream. The recurring theme is **greater accessibility and consumer appeal.** Expect to see this play out via mobile-first on-chain experiences, financialized social media platforms, and global retailers accepting payments in digital assets. **Blockchain will become a familiar part of everyday life.**

2. AI x Crypto Synergy

There is also a shared view that AI x Crypto will be—already is—the main driver of this cycle. Olaf Carlson-Wee, Carlos Pereira, Mike Dudas, Alex Pack, and Andrej Radonjic all emphasize how **AI-driven innovation** will supercharge the growth of blockchain technology. From AI-powered gaming worlds to a $75 billion AI-agent token sector (a 6x increase), there is a clear sense that these two technologies will converge into a new sphere of innovation, one where blockchain runs and verifies AI compute and data networks and solves for proof-of-personhood. Some examples: Alex Pack expects this crossover to become the largest category

Rollups will explode in usage, driven by more and more companies launching their own layer 2s.

LASSE CLAUSEN
Founding Partner, 1kx

Gaming will 3x+ and one AI-powered game will break into Top 20 protocols by market cap as agentic-AI finds traction in virtual worlds.

CARLOS PEREIRA
Partner, Bitkraft

At least one DePIN network will hit $50M in annualized revenue. DePIN networks will continue to scale and friendlier US regulation will drive enterprise adoption, exponentially increasing revenue.

REGAN BOZMAN
Co-Founder, Lattice

for early-stage crypto investment this year, and Andrej Radonjic envisions major AI labs relying on edge nodes (distributed architecture networks) governed by crypto's fairness and transparency. **AI x Crypto will redefine products, protocols, and investing paradigms alike.** However, there are also contrarian takes. Nick Tomaino predicts AI x Crypto to be massively overhyped, and Vance Spencer believes "crypto-dominated" narratives will surpass AI during this cycle, proving the more fundamental nature and structural importance of blockchain as an internet-wide standard vs AI.

3. Infrastructure & Scaling

The debate on rollups (modularity) vs. monolithic blockchains vs. app or sector-specific chains is very much alive. Lasse Clausen, Clay Robbins, Catrina Wang, and Balder Bomans tackle **scalability and architecture** views in their predictions. Lasse envisions an explosion in rollups and Layer-2 usage, while Clay believes monolithic blockchains will outpace modular approaches in attracting developers. Catrina sees sector-specific chains outcompeting generalized L1s and L2s, and Balder predicts that the application layer will soon capture more fees than the base layer itself. These calls reflect the ongoing race to figure out **which design—modular or monolithic—will drive innovation,** with value capture shifting up or down the stack accordingly. The current public debate regarding Ethereum's growth strategy, which has raised the issue of how to market a public good to achieve sustainable value accrual, is a case in point. While scalability has been largely solved for, the **key question remains: which architecture solution will prove most competitive over time** and end up defining the infrastructure standards for the projects to come.

4. DeFi, Stablecoins, Tokenization Mature

Tarun Chitra, Chris Perkins, and Nic Carter highlight how **Decentralized Finance (DeFi)** and **stablecoins** may drive much of blockchain's next wave of adoption. Tarun anticipates DeFi's total value locked surpassing $200 billion (a 37% increase from $146bln as of end Jan), and Chris foresees stablecoins reaching $500 billion in circulation (a 132% increase from $215bln as of end Jan) and even ranking among the top holders of U.S. Treasuries—an extraordinary sign of integration with traditional finance. Nic's prediction goes further, suggesting that stablecoins could lead to a "spontaneous dollarization" event in an emerging market, pointing to potential impacts on monetary policies on a global scale. With the U.S. expected to lead stablecoin regulation and a market-structure bill likely to hit Congress this year, dollar tokenization will be a key indicator to watch out for. **Stablecoins and DeFi are becoming pillars of global finance.**

5. DePIN: Solving Real-World Problems

Many crypto-native VCs have been showing conviction in DePIN use cases (Decentralized Physical Infrastructure Networks) for some time now, however the numbers are still lagging behind. 2025 could be the year where this trend catches up. Vance Spencer, Mike Zajko, Regan Bozman and Andrej Radonjic predict excitement around enabling real-world resource networks and services (energy, mapping data, telecommunications, compute) to proliferate and coordinate behaviour via token incentives. Vivid examples of this potential are projects like **Glow** (tokenized incentives for solar farm deployment) and **Grass** (incentivized distributed data scraping). In a celebrity-powered prediction, Mike Zajko (Lattice) suggests that Elon Musk could endorse an energy token and instantaneously bring this vertical under the spotlight. **Physical infrastructure networks run by central governments are a thing of the past.**

6. Changing Role of Crypto-Native Venture Capital

ICOs are back! Recent community-driven raises by new crowdfunding platforms like Echo are signaling a fundamental shift in how blockchain projects secure capital. This could challenge the classic VC-led startup playbook, creating more competition among VCs, and placing greater power in the hands of users and token holders. This theme also ties in with the question of token distribution methods and what is a fair launch. Hootie Rashidifard (Hash3) predicts that community token sales will capture as much as 1/3 of venture funding this year. **VCs will have to add significant value to stay competitive.**

7. Shock-induced Use Cases & Centralization Risks

When it comes to risks, some are predicting shock-induced scenarios that could reframe the industry. The centralized influence of stablecoin issuers, exchanges and some public figures raises concerns. Michael Jordan (DBA) is thinking further outside of the box, foreseeing that a major cyberattack could cause the world to rethink the digitization of society and its critical infrastructure, leading to a discovery of key crypto practices like the use of Yubikeys for authentication and the separation of devices, and pushing crypto security companies into broad enterprise and national security markets in response. **With growth comes risk, but in disruption markets find new opportunities.**

Tier 1 protocols will raise at least a third of Series A+ funding from the community, e.g. non-institutional capital sources.

HOOTIE RASHIDIFARD
Managing Partner, Hash3

Social media will transform into a financialized ecosystem, where posts become investable assets, enabling users to stake, trade, and earn revenue directly from their engagement.

OLAF CARLSON-WEE
CEO & Founder, Polychain

Continued “crypto dollar-ization” via stablecoins leads to a spontaneous dollarization event in a highly crypto-adopted emerging market country, causing a currency crisis.”

NIC CARTER
Founding Partner, Castle Island

Crypto applications will collect more fees than the underlying blockchain infrastructure.

BALDER BOMANS
Managing Partner & CIO, Maven 11

Sector-specific chains will eat general-purpose L1/L2s' lunch.

CATRINA WANG
General Partner, Portal Ventures

Crypto supplants AI as the main technology zeitgeist.

VANCE SPENCER
Co-Founder, Framework Ventures

Monolithic blockchains will decisively outpace all others in attracting new developers.

CLAY ROBBINS
General Partner, Colosseum

The majority (50%+) of on-chain transactions will originate on our smartphones, turning the on-chain economy into a mobile-first experience.

FRANKLIN BI
General Partner, Pantera

Crypto x AI will be the largest category by dollars invested for early-stage VCs in 2025.

ALEX PACK
Managing Partner, Hack VC

AI labs will begin relying on edge nodes run by millions of people globally, and crypto will emerge as the only technology able to ensure this is done fairly and transparently.

ANDREJ RADONJIC
Founder, Grass

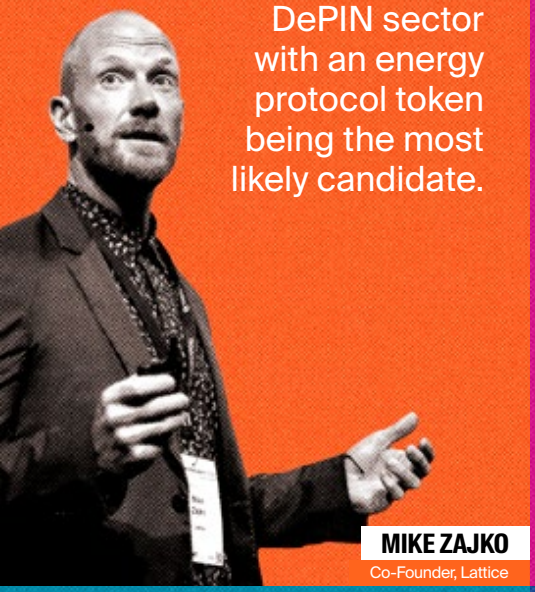
At least two of the top 10 global retailers (by sales) will accept some form of digital asset payments.

TYLER SPALDING
Founder, Acronym Foundation

By the end of 2025, Blockchain VC will emerge as the most commonly shared investment priority among institutional allocators.

RUUD SMETS
Managing Partner & CIO, Theta Capital

Elon Musk will publicly take an interest in the DePIN sector with an energy protocol token being the most likely candidate.



MIKE ZAJKO
Co-Founder, Lattice

A major cyberattack will force a reassessment of digital infrastructure, pushing crypto security firms into enterprise and national security markets.

MICHAEL JORDAN
Co-Founder & General Partner, DBA

A nation state will announce the first strategic ETH reserve this year.

NICK TOMAINO
Founder, 1confirmation

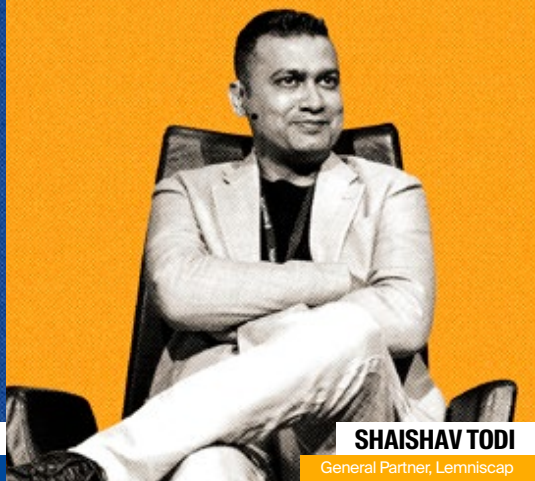
The fastest-growing consumer app of 2025 will be an App Protocol, redefining how we think about growth, engagement, and monetization.

GREG VAN DEN BERGH
Founder, Panga Capital

AI x Crypto token market cap will exceed $75B. Base and Solana will account for more than 80% of the on-chain activity of this sector.

MIKE DUDAS
Managing Partner, 6th Man Ventures

Total crypto market cap will break $5 trillion. The intersection of AI and crypto will spawn multiple unicorns.



SHAISHAV TODI
General Partner, Lemniscap

The Conference

Legends4Legends is Europe's premier investor event on blockchain technology. In our eighth edition of this annual charity conference, we welcomed the best and boldest minds in the space—29 leading VC investors, technology founders, and senior figures in the regulatory field to present to a curated investor audience. The result? A one-day program that gives you a **Satellite View** of where the industry is headed and what to expect next.

MARC DE KLOE
Managing Partner & COO
Theta Capital

> "We are pleased to announce that our 2024 conference raised over $160,000 for the 'Alternatives4Children' charity.

2024 Conference Theme

Unlocking the True Internet Economy

Program

The 1-day program was structured into 4 thematic sessions: (1) The Great Unlock, (2) Use Cases, (3) Investment Trends, and (4) The Market Cycle.

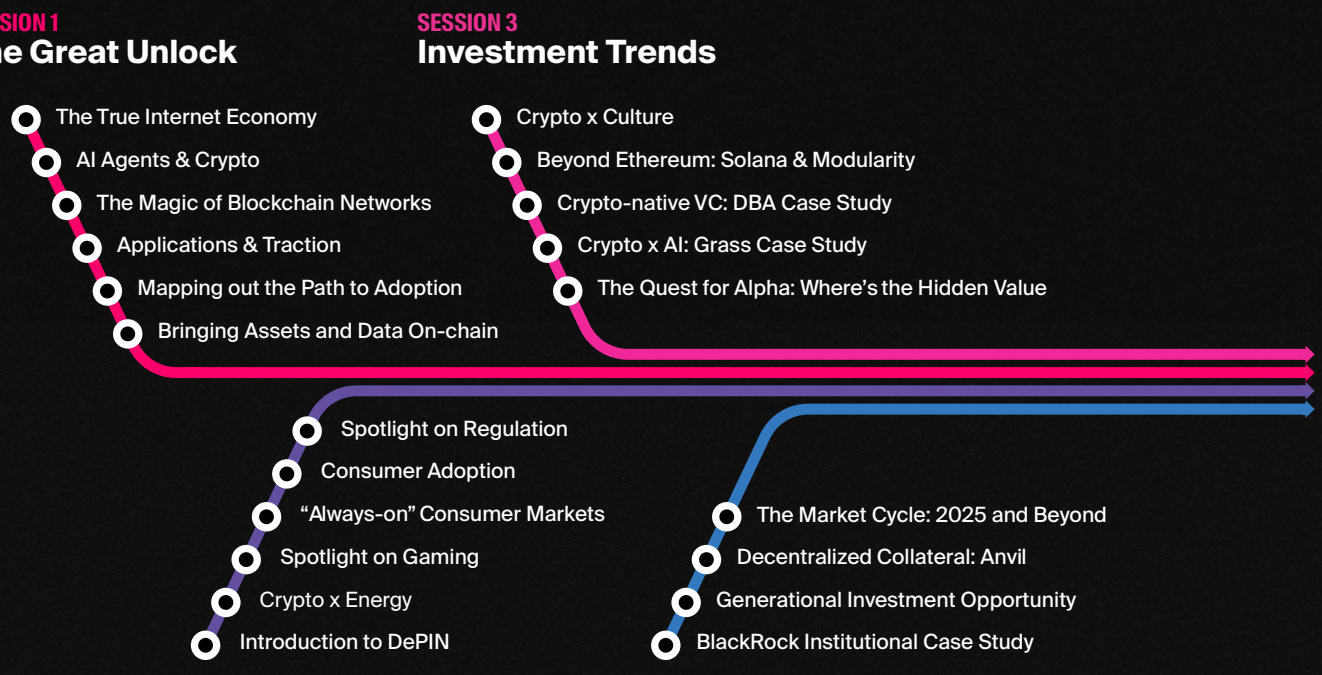
Highlights

Welcome to the future. To kick off the program, Ruud Smets asked us to imagine a True Internet Economy in which all people share one global infrastructure backbone where trust is fully embedded into every transaction. Robot Ventures' Tarun Chitra followed by breaking down how and why the technology works in The Magic of Blockchain Networks, and 1kx's Lasse Clausen highlighted the traction of Decentralized Trust use cases today.

Regulatory shift. Keeping the results of the U.S. elections in mind, the standout discussion providing context to this new pro-blockchain reality was the Spotlight on Regulation. CoinFund's Chris Perkins hosted former CFTC chair Christopher Giancarlo for a premonitory debate on U.S. crypto policy.

Infrastructure vs Apps. Throughout the day, new infrastructure use cases and consumer-ready applications were the driving force behind the program, and keynotes and panels were classified accordingly. To see how crypto infrastructure connects with AI and physical networks like energy grids, watch Polychain's Olaf Carlson-Wee on AI Agents & Crypto, Lattice's Mike Zajko on DePIN, and Framework's Vance Spencer on Crypto x Energy. To understand the what, how, and where of consumer applications, check out 1confirmation's Nick Tomaino on Crypto x Culture, Bitkraft's Carlos Pereira Spotlight on Gaming, and the Consumer Adoption Panel discussion on trends and best positioned geographies with the founders of Lattice, Folius, and Panga Capital.

Market perspectives. For a complete investor's perspective on 2025, check out the closing panel, The Market Cycle: What to Expect in 2025 and Beyond, where seven top VCs share their predictions. Also, check out the Investment Trends Panel for insights on uncovering hidden value with partners from DBA, Portal Ventures, and Hash3.



Program

SESSION 1
The Great Unlock

L4L24 #1
The True Internet Economy
Ruud Smets, Theta Capital
WATCH HERE

L4L24 #2
AI Agents & Crypto: Building for the AI Takeover
Olaf Carlson-Wee, Polychain
WATCH HERE

L4L24 #3
The Magic of Blockchain Networks
Tarun Chitra, Robot VC
WATCH HERE

L4L24 #4
Decentralized Trust: Applications & Traction
Lasse Clausen, 1kx
WATCH HERE

L4L24 #5
Mapping out the Path to Adoption
Franklin Bi, Pantera
WATCH HERE

L4L24 #6
Panel 1. Bringing Assets and Data On-chain
Franklin Bi, Pantera
Min Teo, Ethereal
Shaishav Todi, Lemniscap
Olga Vazquez, Theta Capital
WATCH HERE

SESSION 2
Use Cases

L4L24 #7
Introduction to Decentralized Physical Infrastructure Networks(DePIN)
Mike Zajko, Lattice
WATCH HERE

L4L24 #8
Crypto x Energy
Vance Spencer Framework
WATCH HERE

L4L24 #9
Spotlight on Gaming
Carlos Pereira, Bitkraft
WATCH HERE

L4L24 #10
“Always-on” Consumer Markets: Pump.fun Case Study
Mike Dudas, 6th Man Ventures
Noah, Pump.fun
WATCH HERE

L4L24 #11
Panel 2. Consumer Adoption of Blockchain Technology
Regan Bozman, Lattice
Jason Kam, Folius
Greg van den Bergh, Panga Capital
Olga Vazquez, Theta Capital
WATCH HERE

L4L24 #12
Spotlight on Regulation
Chris Perkins, CoinFund
Christopher Giancarlo, Former CFTC Chairman
WATCH HERE

SESSION 3

Investment Trends

L4L24 #13

Crypto x Culture: In Need of Creative Thinking

Nick Tomaino, 1confirmation
WATCH HERE

L4L24 #14

Beyond Ethereum: Solana & Modularity

Clay Robins, Colosseum Fund
Balder Bomans, Maven 11
Leopoldo Ochoa, Theta Capital
WATCH HERE

L4L24 #15

Building a Crypto-native VC: DBA Case Study

Michael Jordan, DBA
Jon Charbonneau, DBA
John van Marle, Theta Capital
WATCH HERE

L4L24 #16

Crypto x AI: Grass Case Study

Alex Pack, Hack VC
Andrej Radonjic, Grass Network
WATCH HERE

L4L24 #17

Panel 3. The Quest for Alpha: Where's the Hidden Value

Michael Jordan, DBA
Catrina Wang, Portal Ventures
Hootie Rashidifard, Hash3
Leopoldo Ochoa, Theta Capital
WATCH HERE

SESSION 4

The Market Cycle

L4L24 #18

BlackRock: The Case for Institutional Adoption

Nic Carter, Castle Island
Robert Mitchnick, BlackRock
WATCH HERE

L4L24 #19

Capturing Blockchain's Generational Investment Opportunity

Ruud Smets, Theta Capital
Jeroen Tielman, Theta Capital
WATCH HERE

L4L24 #20

Decentralized Collateral: Anvil

Tyler Spalding, Acronym Foundation
Douwe Lycklama, Innopay
WATCH HERE

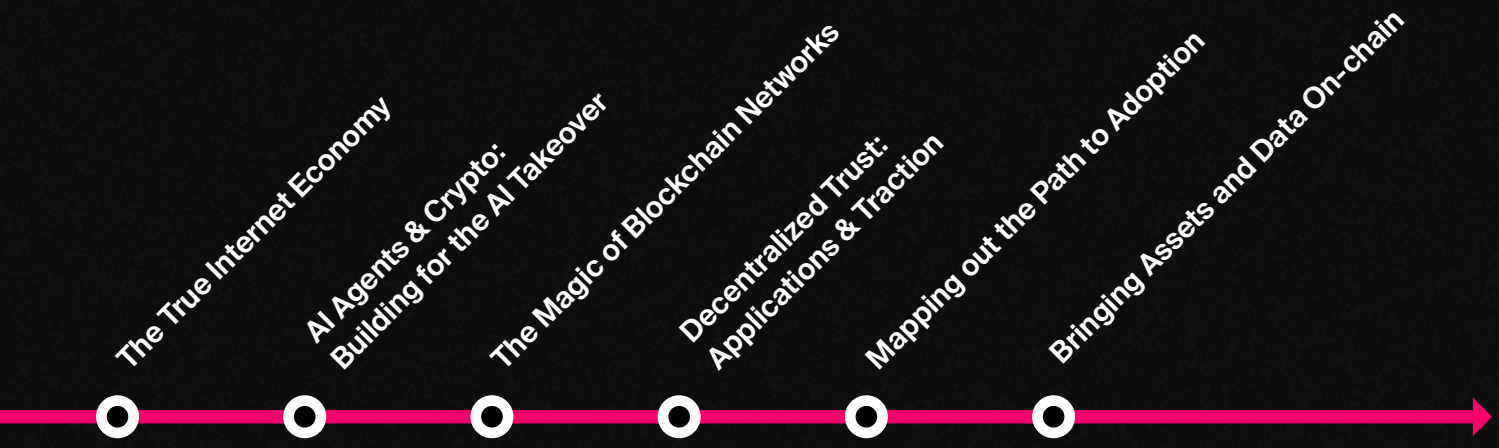
L4L24 #21

Panel 4. The Market Cycle: What to Expect in 2025 and Beyond

Vance Spencer, Framework
Lasse Clausen, 1kx
Tarun Chitra, Robot VC
Nic Carter, Castle Island
Nick Tomaino, 1confirmation
Mike Dudas, 6th Man Ventures
Alex Pack, Hack VC
Ruud Smets, Theta Capital
WATCH HERE

SESSION 1

The Great Unlock



Blockchain introduces a powerful concept: **Decentralized Trust,** allowing people to interact, trade, and collaborate without relying on intermediaries. But how does this actually work? What can be built with it? And is adoption keeping up with the vision?

This session explores blockchain's core strengths and how they translate into real-world traction and applications. From the intersection of AI and crypto to bringing assets and data on-chain, we break down the forces shaping what comes next.


THETA CAPITA


Tanuj
Chitra
Speaker


THETA
BLOCKCHAIN
VENTURES

RUUD SMETS

Venture Capital Investor

Managing Partner & CIO, Theta Capital

VIDEO

Conference Theme

The True Internet Economy

L4L24 #2

> "One-third of global GDP is tied to establishing and maintaining trust. Blockchain disrupts these institutions and goes beyond. It enables entirely new markets and behaviors that were once too expensive or impossible to sustain.

When the internet emerged, it revolutionized how we share information and communicate, breaking free from centralized control. It gave individuals the ability to exchange ideas and connect without relying on intermediaries. Yet, while information has become decentralized, value—money, assets, and contracts—remains stuck in a pre-internet world.

Think about it: the average cost of remittances is still 7%, and they can take up to a week to process. One in four adults worldwide has no access to banking services. Even in developed markets, financial transactions can take days to settle. And on top of that, 75% of internet data is controlled by just seven companies, with giants like Facebook and Google controlling 60% of online advertising. These centralized systems stifle competition and share nothing with the users who create the data in the first place.

Then, in 2008, Bitcoin changed everything. It introduced the first decentralized trust network, creating a currency that operates without intermediaries. The underlying technology achieved something altogether transformative—it unlocked trust as a primitive. For the first time in history, we can create systems where trust doesn't rely on a central authority. That's mind-blowing.

Imagine a world where every person shares one global infrastructure—a secure backbone with trust embedded into every interaction. Transactions happen seamlessly, 24/7, without borders or intermediaries.

This vision isn't a far-off fantasy. By 2040, I see a world where every individual controls their assets, data, and identity. We've arrived at a **True Internet Economy,** where people can interact securely on a global scale. All our intangible assets—our data, reputation, even our time and attention—become monetizable in countless new marketplaces.

It's an economy where incentive mechanisms make it possible to align people, machines, and resources in ways we've never seen before. We've found ways to tackle global challenges like climate change, and we've empowered individual sovereignty and created tools to resist oppression and hold centralized power accountable.

In this economy, I trade seamlessly with people and devices all over the world, paying with my asset of choice. Every purchase contributes to my loyalty program. I share resources like surplus electricity, browsing data, and even health data—and I get paid for it. Researchers use these data sets to solve global issues, and cryptographic signatures ensure I can trust the news I consume.

Switching costs are near zero. Captive social networks and closed financial systems are relics of the past. Privacy is integral to every transaction, and zero-knowledge proofs protect my identity while enabling seamless interactions. My AI assistant manages the details in the background, leaving me free to focus on what matters.

This isn't just about efficiency—it's about unlocking boundless new possibilities. One-

> “Imagine a world where every person shares one global infrastructure—a secure backbone with trust embedded into every interaction. Transactions happen seamlessly, 24/7, without borders or intermediaries.

third of global GDP is tied to establishing and maintaining trust. Blockchain disrupts these institutions and goes beyond. It enables entirely new markets and behaviors that were once too expensive or impossible to sustain.

At the heart of this transformation is decentralized trust. Blockchains let us trade, collaborate, and innovate without intermediaries. This infrastructure isn't controlled by any centralized authority. It's being built by a grassroots movement of passionate developers, and no one can stop it.

I believe this decentralized infrastructure will become immensely valuable over time and represents a once-in-a-generation investment opportunity. Blockchain isn't just a better internet—it's a new way to organize society. It's a way forward at a time when trust in institutions is at an all-time low and existential challenges like AI loom large.

In the next pages, you will read from the brightest minds investing in this technology and discover how it works, what the early use cases are, what the investment trends are, and what we can expect moving forward in 2025 and in the years to come.

Welcome to the future. Welcome to the **True Internet Economy.**

Olaf Carlson-Wee is the Founder and CEO of **Polychain Capital**, one of the first crypto-native VC firms, established in 2016. Focused on advancing blockchain technology, Polychain manages billions in assets. Previously, Olaf was Coinbase's first employee and Head of Risk, actively taking part in the early industry landscape. A recognized thought leader in the blockchain industry, Olaf has helped shape the future of decentralized technologies. His contribution to "The Great Unlock" session focuses on how blockchain technology enables AI agents to function autonomously, interact with smart contracts, and behave like businesses.

OLAF CARLSON-WEE

Venture Capital Investor

CEO & Founder, Polychain

VIDEO

L4L24 #2

AI Agents & Crypto: Building for the AI Takeover

> "For the first time, AI agents can collect money, enter contracts, and behave like businesses using smart contracts and crypto addresses.

A New Economy: Bot-to-Bot Capitalism

Thanks to blockchain, AI agents can now manage cryptocurrency accounts, execute financial agreements, and learn over time using **fitness functions**—essentially improving their behavior based on profit. For the first time, AI systems can collect money, iterate, and operate independently of human intervention.

The rise of autonomous AI agents introduces a new economy where bots interact directly with other bots, businesses, and people. These agents will not only **trade in existing markets** but also **create entirely new ones.** AI-driven derivatives, far more complex than what humans conceptualize, will become common. Bots will also generate and sell content—NFTs, art, stories—and optimize liquidity and trading strategies in financial markets.

A fascinating possibility is fractional ownership of these AI agents. For example, a highly successful chatbot offering romantic advice could tokenize its revenue streams and sell fractional shares to raise capital. Just like companies issue shares for growth, AI agents will raise funds through tokenized ownership.

Addressing AI Risks: Spam and Authenticity

AI risks include flooding the internet with low-cost, AI-generated content, creating a **"spam problem"** and confusion about authenticity. How do we tell whether an image is real or AI-generated? Or whether the person we're chatting with is human or a chatbot?

Blockchains provide solutions:

Sybil resistance: Proof-of-humanity mechanisms to verify that a user is human.

Micropayments and staking: Small financial disincentives for spam. For instance, if sending an email costs one cent, it would destroy the economics of spam while remaining affordable for average users.

AI and Financial Markets

AI agents will outperform humans in financial markets. Short-term predictions—seconds, minutes, or weeks—will likely come first. Over time, AI systems will evolve into long-term capital allocators, predicting trends and opportunities years into the future. Humans will, logically, entrust their funds to AI because of its superior ability to make data-driven decisions. The "AI takeover" will not come through force but as a **voluntary shift**—humans choosing to hand over global capital allocation and other strategic decisions to AI agents: **Why would I trust a human investor when a hyper-intelligent AI can predict market prices better than anyone?**

Investment Opportunities in an AI-Blockchain World

Value capture will happen as AI and blockchain converge:

- AI Co-Processor Infrastructure: Software tools that enable AI agents to interact with blockchains.
- Open AI Models: Decentralized AI systems like Bittensor, which challenge centralized platforms.
- AI-Powered Interfaces: Natural language systems simplifying blockchain use (e.g., "buy this NFT"), where AI handles complex back-end processes seamlessly.
- Social Media Content Markets: Systems that financialize content creation and curation, where users pay, stake, or invest in high-potential content.

Conclusion: The Bot Takeover

This is a bold vision of the future: AI agents will dominate digital and financial systems. However, this transition will not be dystopian or forced; it will happen because humans willingly adopt AI systems that perform better. What is important to remember is that blockchains are an integral part of this scenario, as they will both enable this future and provide safeguards to mitigate its risks. **The AI takeover won't be a war we lose—it will be a suggestion we agree to.**

2025 BOLD PREDICTION

"Social media will transform into a financialized ecosystem, where posts become investable assets, enabling users to stake, trade, and earn revenue directly from their engagement."

Olaf's 2025 Outlook

In 2025 crypto is so sprawling that there are dozens of low-level protocols, even more infrastructure systems, and literally millions of assets being created. Here I will zoom in on just three trends I find particularly interesting. Of course at Polychain other partners may have different focuses, and we are always refining our thesis of the future based on new information.

The first trend is **autonomous agents that use blockchains** as their bank account, their ownership structure, their access to financial markets, and/or their governance mechanism. These agents can do anything you can imagine: social media posting, investing and trading, launch assets, and even advise projects on strategy. Infrastructure tailored to the launch and management of these agents I find particularly interesting.

The second trend involves **content markets for social media,** where posts or content itself become investable assets. This allows both the creators and promoters of content to get paid directly through market mechanisms. Rather than simply "liking" or "reposting," retail users actually invest in their favorite content. Roughly, imagine an Instagram or TikTok combined with a Pump-fun style mechanism where every post creates an investable coin. As users prove themselves as successful creators or curators of content, other users could "stake" with specific creators to boost their content and earn a share the revenue it generates.

The third trend is, broadly, **the tokenization of everything.** This includes traditional assets like equities and real estate, as well as enabling new asset classes that don't exist on legacy financial substrates: for example things like identity, reputation, art, or memes. Major examples of legacy assets being ported to blockchains include Tether and USDC. A similar architecture is possible for virtually any asset from the legacy financial system: stocks, bonds, options, or currencies. Putting legacy assets onto blockchains is not primarily a technological breakthrough, but rather a change of legacy legal and regulatory systems, and depends on institutional adoption. Conversely, tokenizing new asset classes (NFTs, memecoins, etc) usually stems from the tip of the spear of experimental consumer behavior.

At Polychain we are particularly interested in projects or business models that are uniquely possible with blockchains, rather than simply an efficiency improvement of an existing business process or consumer application. Additionally, we tend to believe **value will be captured by the best infrastructure which supports these new consumer behaviors and business models.**

> "This trend involves content markets for social media, where retail users actually invest in their favorite content. Imagine an Instagram or TikTok where every post creates an investable coin.

Tarun Chitra is the Founder and CEO of **Gauntlet**, a leading simulation platform optimizing crypto networks, and Managing Partner at **Robot Ventures**, which backs early-stage blockchain and DeFi startups. Known for his technical contributions, Tarun leverages expertise in quantitative research and decentralized finance to drive innovation in blockchain scalability and risk management. Tarun's keynote explores the technical and philosophical underpinnings of decentralized trust networks, emphasizing consensus algorithms, security properties, and innovations like restaking and advanced cryptography.

TARUN CHITRA

Managing Partner Robot VC + Founder, Gauntlet

Venture Capital Investor
Project Founder


VIDEO

The Magic of Blockchain Networks

L4L24 #3

> "Decentralized trust reduces the cost of insuring against invalid transactions while protecting users from the risks of centralization and fraud.

How Blockchains Quantify and Deliver Trust

Let's demystify the core principles of blockchain technology while addressing its practical applications and challenges. Blockchains can be seen as digital state machines that use consensus algorithms to determine 'state transitions', or accepted changes over a timeline. In essence, they answer the critical question of "who decides what happens next." Consensus protocols, combined with open participation, verifiability, and incentivization, create trust in these networks, as they coordinate what changes are accepted and recorded. This trust reduces the cost of insuring against invalid transactions—those which cannot be verified—and protects users against the risks of centralization and fraud.

Core Properties of Blockchains

There are four essential properties that define blockchain systems:

1. Safety: Once a transaction is confirmed, it cannot be altered unless the user initiates a change. This ensures high confidence in transaction finality.
2. Liveness: The network processes all valid transactions within a reasonable timeframe, even under spam attacks.
3. Decentralization: The security of a blockchain improves with more validators and value locked into the system, though this creates trade-offs with scalability and efficiency.
4. Censorship Resistance: Transactions cannot be delayed, reordered, or excluded maliciously, such that verifiable data cannot be altered, though achieving absolute censorship resistance is mathematically impossible in all cases.

Quantifying Security

There are complexities in quantifying blockchain security. The cost of attacking a network must outweigh the potential profit to deter malicious actors. This balance is achieved through over-collateralization and advanced cryptographic techniques. Networks evolve continuously, increasing attack surfaces but also enhancing defenses.

Innovations like **restaking** and **advanced cryptography** enhance security and capital efficiency. Restaking allows security resources to be reused across multiple networks, improving yields and cost-effectiveness, while cryptographic guarantees, like **zero-knowledge proofs,** provide robust assurances for cross-chain interactions and asset safety.

The Future of Blockchain Networks

Blockchain systems are increasingly becoming more efficient and accessible. Innovations such as zk-TLS (Zero-Knowledge Transport Layer Security) and zk-email enable seamless integration between Web2 credentials and blockchain actions, paving the way for practical applications like verified digital identity and decentralized coordination. And there is also the potential of decentralized AI as a transformative use case. The combination of AI and blockchain will drive adoption by automating decision-making processes in ways that are secure, transparent, and efficient.

The evolution of blockchain technology leads toward "cheap blockchains" that maximize security while minimizing costs. These systems will not only enhance existing applications but also open doors to innovative use cases, such as enabling decentralized governance for Web2 platforms. The interplay of advanced cryptography and restaking will define the future of blockchain, creating systems that are simultaneously more secure and capital-efficient.

2025 BOLD PREDICTION

"DeFi will surpass its TVL all-time high and go over $200 billion."

Tarun's 2025 Outlook

Every crypto cycle, whether bull or bear, begins with specific, large-scale capital inflows and outflows into certain sectors. Last year, we saw a huge amount of inflows into restaking and memecoins, whereas 2025 is looking to be the year of inflows into AI agents. Unlike restaking and memecoins, however, the expected time for products to go from first investment to live feels much shorter for AI agents. With the proliferation of development environments like Eliza, Solana Agent Kit, and the Coinbase Agent SDK, there is a much lower barrier to entry for non-crypto native developers to join the ecosystem.

But don't take my word for it — the level of developer activity within the on-chain AI agent ecosystem is so high that Eliza has nearly 3 times the number of Github stars than Uniswap's highest-starred repository, despite it being many years older. I was a judge at the January Solana AI Hackathon where there were over 500 submissions. I personally have not seen this much developer enthusiasm for crypto since 2020, and in a world with regulatory sunshine, I foresee a very bright 2025 on-chain.

In terms of predictions for 2025, I believe there will be a yield-bearing stablecoin that challenges the market dominance of USDC and USDT, especially given the regulatory tailwinds. At the same time, I also believe that ebullience within the high-yield stablecoin market is likely the source of future systemic risk. I'm hoping that the market remembers some of the lessons of 2022 as we head into this year of what seems to be continual crypto prosperity.

> "I personally have not seen this much developer enthusiasm for crypto since 2020, and in a world with regulatory sunshine, I foresee a very bright 2025 on-chain.

Lasse Clausen is Founding Partner at **1kx**, a pioneering Blockchain VC firm based in Europe. Known for its early-stage focus, 1kx supports transformative projects across the full stack, from infrastructure to consumer applications, playing a significant role in shaping the global blockchain ecosystem. Lasse discusses the transformative potential of blockchain technology in reducing an often-overlooked $35 trillion cost-of-trust market, highlighting traction in the rise of stablecoins and decentralized finance (DeFi), and projecting 1.5 billion users by 2030.

LASSE CLAUSEN

Founding Partner, 1kx

Venture Capital Investor

VIDEO

L4L24 #4

Decentralized Trust: Applications & Traction

> "Blockchain adoption is already outpacing the internet's growth rate at a comparable stage, with projections of 1.5 billion users by 2030.

Blockchains are Trust Machines

From banks safeguarding money to notaries verifying contracts, trust underpins much of modern society—but at a significant cost. **Cost-of-trust is a $35 trillion market.**

Blockchain technology fundamentally transforms this by manufacturing trust at near-zero cost. Open-source blockchain systems allow users to verify every line of code, ensuring cryptographic guarantees of security. Unlike traditional institutions, blockchain-based trust doesn't rely on brands or regulators but instead on math and technology. This system also eliminates platform risk, putting control directly into the hands of users rather than central authorities.

Traction in Blockchain Adoption

There are compelling metrics on blockchain adoption and scalability. The number of active blockchain wallets surged from 30 million to 125 million within a year, and users paid over $31 billion for blockchain transactions. Layer 2 and Layer 3 scaling solutions, which make blockchain usage more affordable and efficient, are contributing to this growth. This can be compared to the "broadband moment" of the internet, marking a phase of exponential adoption and usability improvements.

One standout use case is stablecoins, which provide a stable digital representation of fiat currencies like the US dollar. Stablecoins have surpassed Visa, MasterCard, and PayPal combined in transaction volume for two consecutive quarters, showcasing their unmatched utility. **Stablecoins let you transact globally, programmatically, and 24/7 at a fraction of a cent.**

Blockchain's Financial Disruption

Blockchain technology is disrupting finance by eliminating inefficiencies and intermediaries. Borrowing and lending, for example, can now occur directly on platforms like Compound and Aave, bypassing banks and traditional financial systems. These protocols have facilitated over $21 trillion in borrowing and lending volume, while decentralized exchanges have handled $6 billion in trading fees, proving the viability of on-chain finance. Decentralized finance (DeFi) innovations like spot and derivatives trading, simplify processes that are traditionally complex and expensive. **Trading, clearing, and settlement can now occur in a single blockchain transaction, reducing counterparty risks, fraud, and delays.**

The Growth Trajectory

Blockchain adoption is already outpacing the internet's growth rate at a comparable stage, with projections of 1.5 billion users by 2030. Projects seeking investment are now achieving significant traction and revenue even at early stages, demonstrating the maturing ecosystem, and framing the sector as an essential opportunity for forward-thinking investors. **Every time prices stay flat, the opportunity cost of not investing in blockchain increases.**

2025 BOLD PREDICTION

"Rollups will explode in usage, driven by more and more companies launching their own layer 2s."

Lasse's 2025 Outlook

Being at the forefront of blockchain technology, what is your outlook for 2025?

Rollups will explode in usage as Solana congestion pricing kicks in further. Solana congestion pricing is already happening as transaction volume increases. If Solana fees exceed retail-friendly levels, there will be chances for other ecosystems. Rollups are especially well-positioned here.

What do you expect to be the key innovation that draws people in this cycle?

AI agents are a novel form factor capturing people's attention. There are unique synergies between AI agents and crypto. For one, AI agents can transact more freely on crypto rails than traditional ones. Second, the community ownership and governance model commonly seen in crypto is especially powerful for AI agents, since most current AI products are centralized with no way for retail investors to gain exposure.

We see three main properties of crypto being leveraged synergistically with AI: permissionless innovation, financialization, and infrastructure resiliency. For Web2 AI, the underlying model is either closed-source or completely open, like the Llama models. While in crypto, we are seeing efforts to combine the ability to access permissionless innovation while enabling value accrual via tokens. AI agent launchpads are a good example of this. Decentralized protocols offer a level of resiliency that is impossible with centralized counterparts. Crypto x AI can provide a similar level of services without the platform risk.

"The community ownership and governance model commonly seen in crypto is especially powerful for AI agents, since most AI products are centralized with no way for retail investors to gain exposure.

Franklin Bi is General Partner at **Pantera Capital**, a leading U.S. investment firm and the first to focus on blockchain VC since 2013. Joining Pantera in 2019, Franklin has led investments across DeFi, infrastructure, and Web3 gaming. Previously, he was a founding member of J.P. Morgan's blockchain team, known as Onyx, spearheading initiatives in digital assets and payments. In his keynote, Franklin addresses the critical question of what's needed to bridge the gap between blockchain's potential and its mainstream adoption.

FRANKLIN BI

Project Founder

General Partner, Pantera

VIDEO

Mapping out the Path to Adoption

L4L24 #5

> "There are three core pillars driving blockchain adoption: gateways connecting traditional finance, developer tools for easier application building, and user-friendly applications that provide real value.

Gateways: Bridging Traditional Finance and Blockchain

There are three core pillars driving blockchain adoption: gateways connecting traditional finance, developer tools for easier application building, and user-friendly applications that provide real value. The first pillar is formed by gateways linking traditional financial systems to blockchain. With $500 trillion in global net worth still sitting on outdated, inefficient financial rails, integrating these assets into blockchain networks will be key to unlocking significant value.

Companies like Bitso, the leading centralized crypto exchange in Latam and a Pantera portfolio firm, are pioneers in this space. Bitso processes 11% of all U.S.-Mexico remittances, which are among the world's largest. This could grow to 50%, eliminating the 7–8% fees charged by legacy firms like Western Union. Similarly, tokenization protocols, such as Ondo Finance, are transforming the landscape by digitizing U.S. Treasuries and enabling seamless, global distribution of a traditional investment product among a retail audience.

Stablecoin infrastructure plays a vital role in this respect, simplifying on-chain interactions by offering digital currencies familiar to everyday users. Many startups are working to integrate traditional and crypto financial rails through stablecoins, and this will prove essential for widespread adoption. We will reach a tipping point when **"on-chain net worth surpasses off-chain net worth,"** both on an aggregate and individual level.

Developers: Unlocking Creativity and Scalability

The second pillar centers on enabling developers to build blockchain applications as easily as websites are built today. This requires improved scalability through technologies like Layer 2 and Layer 3 solutions (e.g., Arbitrum and Starkware) and better development tools for tasks like MEV optimization and cross-chain interoperability.

In the early blockchain-building days tools were rudimentary, and developers struggled trying to express new functionality in networks like Bitcoin. Today, blockchain technology has evolved greatly, offering highly-adaptable ecosystems such as Ethereum, Solana, and other customizable chains. Launching the chain you need is exponentially easier than ever.

Reliability is another key improvement area. Simplifying blockchain development by reducing bugs and security risks will make the space more accessible to the next generation of developers. The ultimate goal is to scale from 100,000 blockchain developers globally to 100 million.

Applications: Reaching Everyday Users

The final core pillar focuses on applications that create value for everyday users. To grow from 120 million on-chain users today to billions, blockchain must transcend financial use cases. We envision a future where diverse applications provide tangible utility, from gaming to payments. Our metric for success is simple: **"When the average person spends 60 minutes a week on blockchain applications, adoption has arrived."**

We are on a practical path to blockchain adoption. Stronger gateways will connect traditional finance to blockchain networks. Better tools will enable developers to innovate more easily. Real-world applications will offer value to everyday users. Achieving these steps will transform blockchain from niche technology to essential global infrastructure, a transformation that is both necessary and within reach.

2025 BOLD PREDICTION

"The majority (50%+) of on-chain transactions will originate on our smartphones, turning the on-chain economy into a mobile-first experience."

Franklin's 2025 Outlook

It's hard to overstate how dramatically the landscape for blockchain technology will be changing in 2025. Imagine the state of the Internet if Jeff Bezos had been sent to jail for online book sales, or if Steve Jobs had been sanctioned for launching the App Store. That's the twilight zone that our industry is emerging from. This will be the first year in blockchain's history that entrepreneurs, regulators, and policymakers can finally unblock the path to crypto adoption. The migration of the "global balance sheet" to blockchain rails will accelerate through stablecoin payments and tokenized markets. The total number of blockchain developers will increase by 2-3 times this year. A new class of "productive" applications will emerge, ushering in a new Industrial Revolution where corporations give way to "industrial networks," often referred to as "DePINs." They'll drive new capital, new users, and new business models on-chain.

Crypto is accelerating toward its "FarmVille moment." FarmVille was Facebook's first social gaming hit. It drove the network's first exponential growth, turning it from a photo-sharing app into a global platform by onboarding 80 million players. That's more than the total number of on-chain users today.

On-chain features are being integrated into new games and social applications. Gaming studios like InfiniGods are creating first-time on-chain users. Their mobile casual game, King of Destiny, has already over 2 million app downloads over the past year, bringing people on-chain who spend more time on Candy Crush than Coinbase.

On-chain gaming, social, and collectibles activity already comprise ~50% of today's unique active wallets. As we onboard a diverse user base that engages in on-chain commerce, it will become more clear than ever that blockchains will disrupt more than just Wall Street.

Today, we use AI primarily for information synthesis and content creation. In a couple years, we'll use AI's for financial optimization and portfolio management. When that happens, people will realize that the crypto-financial system is the only system capable of keeping up with AI. Our traditional banking system is still struggling to migrate to the cloud. The legacy system simply won't adapt quickly enough. But blockchains will provide a battle-tested financial "stack" of payments, capital markets, and global on/offramps that can operate at the speed of software—the only speed that is acceptable for AI.

As 2025 unfolds, regulatory hurdles remain, and we will need to see if the short-term political wins turn into long-term policy gains. The momentum behind crypto adoption is real—fueled by innovative applications, a growing developer community, and the relentless pace of AI—suggests that this is not just a technological evolution, but a societal shift.

> "Blockchains will provide a battle-tested financial stack capable of operating at the speed of software, the only system ready to meet the demands of AI-driven financial optimization.

PANEL 1

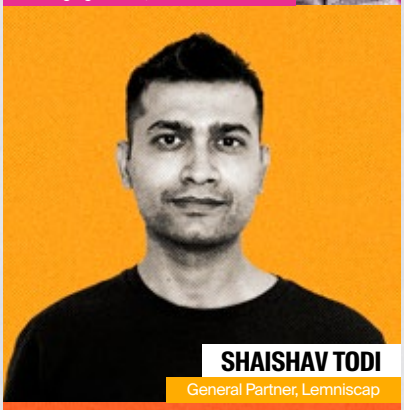
Bringing Assets and Data On-chain

L4L24 #6

VIDEO

FRANKLIN BI
General Partner, Pantera

MIN TEO
Managing Partner, Ethereal Ventures



SHAISHAV TODI
General Partner, Lemniscap

OLGA VAZQUEZ
Head of Research, Theta Capital

Blockchain technology promises a transformation in financial markets, but the immediate question remains: how do we integrate real-world assets and data into this new paradigm?
We ask partners from Pantera, Lemniscap and Ethereal, three leading venture capital investors. Their conversation explores the market fit for tokenized assets, the demand for blockchain-native financial instruments, and the transformative power of decentralized data.

Moderated by **OLGA VAZQUEZ**

Tokenizing Real-World Assets

What key factors have driven the evolution of bringing existing assets on-chain?

Min: The fundamental driver is access. While traditional markets provide a variety of financial products to investors in Europe and the U.S., emerging markets often lack the same opportunities. Blockchain-native financial instruments offer a solution, broadening access to treasuries and money markets. The global reach of tokenized assets enables individuals to participate in financial systems previously unavailable to them. Tokenization is particularly impactful for those in high-inflation environments, where traditional financial products are either inaccessible or inefficient. Additionally, as global economic instability increases, having digital financial tools that are not tied to any single jurisdiction becomes a necessity rather than a luxury.

Shaishav: The supply and demand dynamics play a significant role in asset tokenization. On the supply side, U.S. Treasuries are leading the way, with both crypto-native protocols like Ondo and traditional financial giants like BlackRock experimenting in this space. But merely bringing assets on-chain is not enough. The real breakthrough comes with composability—the ability to integrate these assets seamlessly into decentralized finance (DeFi) applications. Assets must be more than just tokenized; they need to be usable, transferable, and liquid within an open ecosystem. Smart contract programmability allows for enhanced financial products that can be tailored dynamically based on market conditions, adding new layers of flexibility and utility.

Bridging Institutional and Retail Demand

What are the key differences in how institutions like BlackRock versus crypto-native startups approach tokenized assets?

Franklin: One of the biggest distinctions is how these assets are distributed and accessed. Institutions like BlackRock target accredited investors and large-scale capital pools, while crypto-native platforms offer a decentralized alternative that caters to a wider retail audience. The institutional approach is more controlled, with strict compliance requirements, whereas decentralized finance allows for permissionless participation. The ability to connect to blockchain APIs makes asset distribution significantly easier for businesses in emerging markets.

INSIGHTS

"Is bringing assets on-chain enough in itself? Or is the real opportunity in keeping them open and composable? Blockchain allows for instant settlements and integration into DeFi, and that's what makes it so transformative."

FRANKLIN BI

"To serve customers in emerging markets, businesses today need to find partners, custodians, and issuers willing to work with them. But with tokenization, all of that changes. It becomes as simple as connecting to an API."

SHAISHAV TODI

"Imagine verifying your identity at an airport without ever handing over a physical ID—just a simple cryptographic scan. That's the power of decentralized identity."

MIN TEO

However, institutions are beginning to recognize the benefits of blockchain efficiency and transparency, which could drive more traditional players toward integrating DeFi principles into their existing frameworks.

Shaishav: There's also a clear difference in how these assets function within the financial ecosystem. Institutions focus on traditional, structured investment vehicles that meet regulatory requirements. On the other hand, crypto-native projects prioritize the programmability of assets—enabling integration with DeFi applications such as lending, staking, and derivatives. If institutions become more open to leveraging smart contracts and DeFi rails, we could see a convergence between these two models. The key will be whether institutions adopt decentralized approaches or attempt to build walled-garden solutions that mimic blockchain efficiencies while keeping strict gatekeeping measures in place.

On-Chain Data Markets

We've heard about bringing financial assets on-chain, but what about data? How do you see blockchain transforming data markets?

Franklin: The next big opportunity lies in tokenizing data. Decentralized Physical Infrastructure Networks (DePIN), which I prefer to call industrial networks, are transforming how we collect and monetize data. These networks distribute the cost of data collection across a broad set of participants, enabling the creation of entirely new economic models. For example, industries that rely on weather and geolocation data can now gather it in a decentralized way, making it both cheaper and more accessible. Tokenized data markets create an incentive model that ensures high-quality information is supplied, verified, and used efficiently.

Min: Decentralized identity is another major innovation. Projects like Spruce are leading the way by working with governments to issue verifiable, privacy-preserving digital IDs. This eliminates the need for physical identification in sensitive situations, such as airport security or financial services onboarding. By bringing identity verification on-chain, we can create a more secure, user-controlled authentication system. Furthermore, identity-linked financial instruments could allow users to build financial histories on-chain, improving access to credit and investment opportunities for the underbanked.

Privacy-Preserving Verification and Zero-Knowledge Proofs

How do zero-knowledge proofs and other privacy technologies fit into this landscape? What are some real-world applications?

Shaishav: Zero-knowledge proofs (ZKPs) and ZK-TLS (Transport Layer Security) are among the most promising developments in privacy-preserving verification. These technologies allow users to prove specific attributes—such as membership in a loyalty program or financial solvency—without revealing additional sensitive information. This has massive implications for credit scoring, identity verification, and consumer authentication in digital markets. More importantly, it places control of personal data back into the hands of individuals, reducing dependence on centralized authorities and mitigating data breaches.

Franklin: The ability to verify without disclosing personal data is a game-changer. A great example is how ZKPs can be used in financial applications. Imagine proving you have sufficient funds in a bank account for a loan without exposing your entire transaction history. This drastically reduces fraud risks while improving the user experience. More broadly, businesses adopting ZKPs can streamline their compliance processes by proving regulatory adherence without exposing full datasets, improving both security and efficiency.

Min: Beyond finance, ZKPs will have major implications for internet privacy. Businesses and individuals will soon be able to authenticate their credentials without storing personal data on centralized servers. This is a major step towards a more secure and decentralized web. Additionally, new forms of digital interactions, such as private voting and confidential business negotiations, can be conducted with full transparency and security while maintaining individual privacy.

KEY TAKEAWAYS

- **Tokenized financial products are gaining traction**, with clear demand for assets that can be seamlessly integrated into DeFi. Composability and accessibility are key differentiators for successful implementations.
- **Institutional and retail adoption strategies diverge**, with large financial players targeting high-net-worth individuals and institutions, while crypto-native solutions prioritize decentralized, permissionless participation.
- **Blockchain-enabled data markets unlock new economic models**, particularly for industries that rely on distributed data collection and verification.
- **Zero-knowledge technology is a game changer**, allowing businesses to verify information without exposing sensitive data, paving the way for more privacy-centric applications in finance and beyond.

2025 BOLD PREDICTION

"Total crypto market cap will break $5 trillion. The intersection of AI and crypto will spawn multiple unicorns."

Shaishav's 2025 Outlook

In 2025, AI agents will likely remain the top narrative in crypto, representing the cycle's next big innovation frontier. The combination of AI, memes, and 24/7 social media distribution effects has proven to be potent, capturing mindshare towards rapid capital formation. A large part of the enthusiasm centers around the idea that intuitive, AI-powered natural language interfaces could supplant traditional, clunky crypto GUIs (graphic user interface), not only making crypto easier and more accessible but superpowering what people can do on-chain.

In particular, I expect Autonomous Financial Agents (AFA)—the convergence of AI and decentralized finance—to be the new key innovation in this cycle. Autonomous Financial Agents will improve and start outperforming the average trader. In general, strategies packaged into simpler products abstracting DeFi complexities will boost composability, as well as adoption by opening the door to non-technical users. Given the low startup costs and influx of AI developers into the space, we can expect intense competition—only the most capable and well-capitalized projects are likely to endure.

The other major narrative of 2025 will be around the pro-crypto Trump administration that just took office. Crypto markets will largely hinge on macro and politics in 2025. Trump and the first family have already dramatically shaken things up. It's also finally going to be the year where based rollups become dominant. And there is going to be an influx of consumer DePINs (decentralized physical infrastructure networks). With the first breakthroughs hitting the market, regular consumers will get their first taste of crypto through regular daily use consumer devices.

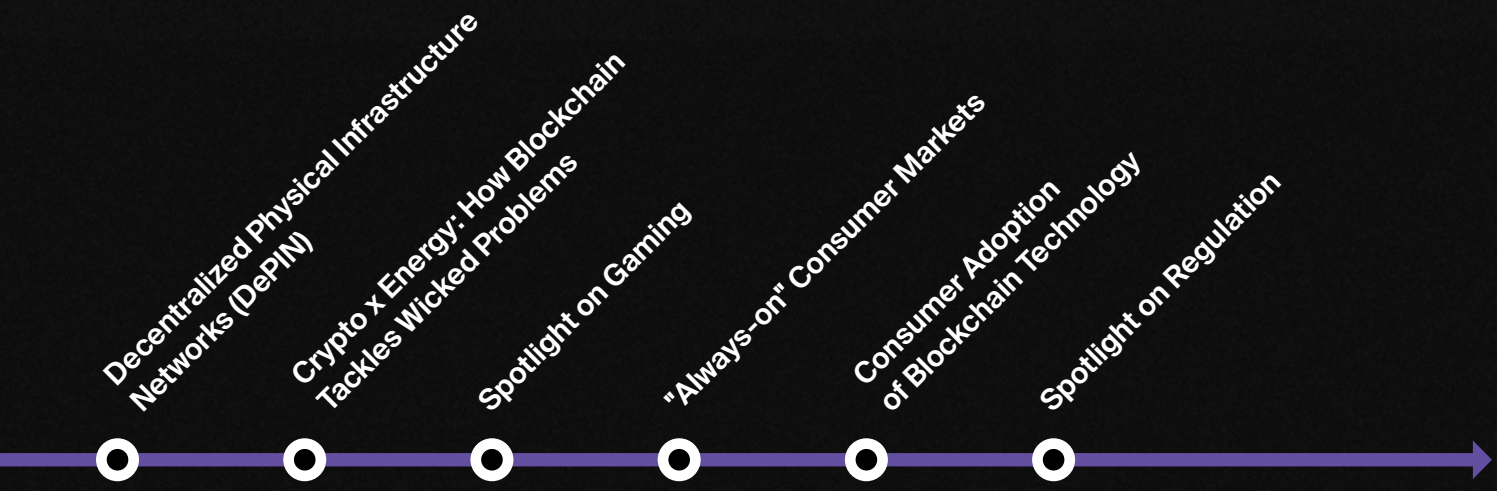
By 2025, on-chain asset tokenization will likely surge with America's new crypto task force providing clarity and reducing fears around U.S. companies building tokenized products, further bridging the DeFi-TradFi divide. We also can expect the continuation of more data being brought on-chain. Data privacy solutions will enable privacy-preserving operations and computation which will help break down the wall keeping institutions wary of broadcasting their activities publicly from participating.

I see systemic risks facing the industry in the next 12 months in the emergence of mini bubbles that form too quickly and in the potential for rapid regulatory shift to backfire. Although everything seems to point to U.S. regulation being favorable for crypto, uncertainty remains. Certain regulations may be perceived as counterproductive or introduce systemic risk to the crypto ecosystem, eroding confidence in the valuation of specific crypto sectors affected the most.

> "The combination of AI, memes, and 24/7 social media distribution effects will drive rapid capital formation and capture the mindshare of the crypto industry in 2025.

SESSION 2

Use Cases



Blockchain has promised transformation, but where is it delivering? Are we finally seeing large-scale applications, or is the infrastructure still evolving?

This session examines the **real-world use cases proving blockchain's value.** From gaming and DeFi to the possibility of decentralized infrastructure tackling global challenges, we explore what's being built, and the key steps on the path to mainstream adoption.


Carlos
Pereira

Mike Zajko is Co-Founder and General Partner at **Lattice Capital**, an early-stage crypto venture fund established in 2021. Prior to founding Lattice, he was Head of Sales & Partnerships at CoinList, overseeing hundreds of millions in token launches. In his keynote, Mike introduces the concept of Decentralized Physical Infrastructure Networks (DePIN). This emerging sector combines crypto-economic incentives with the deployment and management of real-world physical infrastructure.

MIKE ZAJKO

Co-Founder, Lattice

Venture Capital Investor

VIDEO

Introduction to Decentralized Physical Infrastructure Networks (DePIN)

L4L24 #7

> "DePIN is a permissionless protocol leveraging crypto-economic incentives to build real-world infrastructure.

DePIN: A New Frontier for Blockchain

DePIN definition: **A permissionless protocol leveraging crypto-economic incentives to build real-world infrastructure.** While much of blockchain innovation has focused on digital native assets and applications like NFTs and gaming, DePIN targets physical infrastructure, such as energy systems, wireless networks, and internet-of-things (IoT). One could argue that Bitcoin was the first DePIN. Its network catalyzed advancements in chip manufacturing, data centers, and renewable energy integration. These innovations not only supported Bitcoin mining but also laid the groundwork for technologies like Nvidia's H100 chips and efficient data center cooling systems. **Because of Bitcoin, AI is actually possible.**

Helium: A DePIN Pioneer

Helium is a key pioneer in the DePIN space. With a purpose to build a long-range wireless IoT network, Helium struggled to incentivize hardware deployment until it adopted a crypto model launching its blockchain and HNT token in 2019. And within two years, network participants deployed over a million hotspots globally, turning Helium into the largest IoT wireless network in the world. Entering 2025, Helium has a fully-diluted valuation of close to $1 billion. The Helium story demonstrates the power of crypto incentives to bootstrap large-scale infrastructure. Partnerships with AT&T and T-Mobile further validate the network's utility, enabling millions of customers to offload data onto Helium's decentralized network.

Why DePIN Matters

There are three core benefits of DePIN:

Speed: DePIN networks grow rapidly. GeodNet, a decentralized GNSS network providing sub-centimeter precision for autonomous vehicles and farming, scaled to over 6,000 nodes globally within two years—outpacing established multinationals.

Localization: DePIN empowers communities to contribute to infrastructure deployment. Using maps to identify coverage gaps, networks incentivize participants to install hardware in needed locations, creating hyper-local solutions.

Cost Efficiency: By leveraging community contributions, DePIN networks avoid traditional costs like property rights, installation fees, and maintenance. This model fosters resilient networks while minimizing expenses.

The DePIN Flywheel

In the DePIN flywheel, crypto incentives drive infrastructure deployment, generating token rewards that further attract participants. This self-reinforcing cycle enables rapid scaling and fosters innovation. There are several promising projects that illustrate the breadth of DePIN applications, from energy to telecommunications, with founders inspired by Helium's success.

Filecoin and Render Network: Virtual infrastructure networks for decentralized storage and computing. These systems are location-agnostic, providing fungible resources.

Dawn Wireless: A fixed wireless network operating across ten U.S. states, serving over 10,000 customers with mid-seven-figure revenues. Its token launch is expected in 2025.

Daylight Energy: A distributed energy resource network aggregating solar panels, batteries, and thermostats to enhance grid flexibility.

The Future of DePIN

By combining blockchain's transparency and efficiency with physical infrastructure, DePIN offers a sustainable, cost-effective alternative to traditional centralized systems. This points to an optimistic outlook for DePIN, driven by its ability to tackle real-world challenges at scale. **This sector is exploding, I encourage everyone in the audience to explore the space and consider contributing to its growth.**

2025 BOLD PREDICTION

"Elon Musk will move beyond DOGE and publicly take an interest in the DePIN sector with an energy protocol token being the most likely candidate."

Mike's 2025 Outlook

The crypto industry is poised for a landmark year in 2025, with the convergence of accelerating technological innovation, growing institutional adoption, and, for the first time, a crypto-friendly regulatory regime in the United States. These factors create a highly optimistic outlook, but what truly stands out is the explosive growth of use cases for decentralized protocols and applications. From established sectors like DeFi (Decentralized Finance) to emerging ones like DePIN (Decentralized Physical Infrastructure Networks), crypto's strength lies in its transformative impact across diverse industries.

DePIN is set to have a breakout year in 2025, with many of the most promising projects preparing to launch tokens. The momentum for DePIN in 2025 mirrors the high-performant smart contract protocol boom of 2021. Ethereum's rise in 2016 spurred massive capital flows into competing layer-one blockchains, culminating in the launch of platforms like Solana, Avalanche, and NEAR in 2020 and 2021. Similarly, Helium's success in 2022 inspired entrepreneurs across sectors—from wireless and energy to food delivery and mapping—to innovate within the DePIN ecosystem. This entrepreneurial wave led to exponential growth in fundraising, with $350 million invested in DePIN projects from pre-seed to Series A stages. Unlike the largely duplicative launches of new layer-one blockchains, the 2025 DePIN launches will span a dozen or more distinct sectors, making this wave uniquely diverse.

Another reason for optimism is the evolution of DePIN 2.0, which emphasizes building demand before launching tokens and bootstrapping supply. A prime example of this approach is Lattice portfolio company DAWN Internet, a fixed wireless DePIN set to enter the market with over 10,000 subscribers from day one. DAWN connects nodes directly to the internet core, enabling users to access home internet services and provide coverage for their neighbors.

The energy sector is one of the most promising areas within DePIN, driven by AI's insatiable demand for electricity. Lattice portfolio company Daylight exemplifies this potential with its protocol that coordinates and incentivizes distributed energy resources, such as home batteries, to enhance grid flexibility and capacity. Daylight's protocol is positioned to impact all facets of the energy value chain, a vast and rapidly expanding market.

Speculation on increasingly sophisticated AI agents is likely to be the next innovation that will draw new people into crypto markets. Given the ability for AI agents to impact a diversity of sectors & use cases, we'll see tokens representing these agents lead to the next big boom. At Lattice we are looking for projects that have the potential to massively expand the addressable market of crypto. Crypto and AI are two breakthrough technologies that will impact every human on the planet and their combination will lead to fundamentally new businesses, we intend to continue to seek out the founders that will enable this vision.

On the cautionary side, the crypto industry is witnessing the emergence of two powerful nexuses in Michael Saylor and Donald Trump. Never before in the history of the sector have two individuals wielded such significant influence. So far it has been to our benefit but, this concentration of power introduces an element of unpredictability and risk.

"The energy sector, driven by AI's insatiable demand for electricity, is emerging as one of the most promising areas in DePIN, with protocols like Daylight revolutionizing grid flexibility and capacity.

Vance Spencer is Co-Founder of **Framework Ventures**, a leading crypto-native VC firm. Framework was among the first to fully commit to the emerging DeFi ecosystem in the previous market cycle, making early investments in multi-billion dollar projects like Chainlink, Aave, Maker and Synthetix. In his keynote, Vance describes how blockchain, with its inherent transparency and efficiency, can address the growing global demand for clean energy unlocking new pathways for adoption.

VANCE SPENCER

Co-Founder, Framework Ventures

Venture Capital Investor

VIDEO

Crypto x Energy

L4L24 #8

The Energy Landscape

Global energy demand is expected to grow by 2–5x by 2050, fueled by industrialization in countries like India, AI-driven data centers, and broader economic activity. This growing demand presents both a challenge and an opportunity. The energy sector, currently dominated by fragmented, legacy systems, is undergoing a critical transition from fossil fuels to renewable sources like solar and nuclear energy. The energy market has unique characteristics: it is liquid, dynamic, and constantly in demand. Unlike other sectors targeted by decentralized networks, **energy is always in demand, making it ideal for blockchain-based solutions.**

> "By leveraging blockchain's transparency, tokenized incentives, and scalability, Glow aligns economic incentives with environmental goals.

Glow Protocol: A Decentralized Solar Utility

Glow, a Framework portfolio company, exemplifies how blockchain can drive sustainable energy deployment. Glow operates as a decentralized utility that pools revenues from solar providers and distributes economic benefits through tokenized incentives. Solar farm operators contribute ten years of their projected revenue into a common pool, discounted upfront at a specified rate. In return, they receive Glow tokens, which represent their share of the economic and environmental rewards generated via carbon credits. Glow's focus on solar energy is deliberate. Over the past five years, solar costs have dropped by 90%, making it one of the fastest and most scalable renewable energy sources. **Solar moves at the speed of crypto,** aligning perfectly with the instant reach of blockchain technology.

Real-World Impact: Scaling Solar in India

The protocol is designed to incentivize deployment where it is most needed. Regions with heavily polluted grids generate more carbon credits when transitioning to solar, leading to higher rewards for participants. India serves as a prime example of Glow's potential. With a grid heavily reliant on coal (50%) and oil (25%), the country faces a critical need for clean energy solutions. Glow is partnering with the Indian government to accelerate solar deployment. Using Glow's model, the government can transform limited subsidies into substantial solar investments by leveraging the protocol's incentives. Glow's regional structure also enables governments and utilities to direct rewards to specific zones. For example, if India stakes Glow tokens, it can allocate emissions reductions and carbon credits to its regions, generating both environmental and financial benefits, needed to ensure long-term viability for solar adoption in developing nations.

The Glow Flywheel: Incentivizing Sustainable Energy

As more solar capacity is deployed, the protocol's fee pool grows, generating more carbon credits. This increases demand for Glow tokens, which are used to stake and direct rewards, creating a reinforcing cycle of incentives. **Glow is the Green Bitcoin,** if we compare its structure to the early days of Bitcoin mining, but with a focus on sustainability and global impact. This flywheel effect is already producing results. Glow has facilitated $30 million in solar projects in India, with plans to expand to 10 gigawatts of power by 2025. This would represent a 100x increase from today's capacity, and position Glow as a leader in decentralized energy solutions. By leveraging blockchain's transparency, tokenized incentives, and scalability, Glow aligns economic incentives with environmental goals. **Deploying solar at scale, at the speed of crypto, is a once-in-a-generation opportunity.**

2025 BOLD PREDICTION

"Crypto supplants AI as the main technology zeitgeist by the end of 2025."

Vance's 2025 Outlook

Bitcoin and Ethereum double or triple in value. Berachain emerges as the strongest challenger to Solana and Sui. And fundamentally-driven DeFi will likely lag in adoption until the current memecoin season is over. By mid-year, we will witness the beginning of a new epoch for crypto, led by the launch of energy-driven protocols such as Glow.

At **Legends4Legends,** I focused on the intersection of Crypto x Energy. In 2025, I expect to see 100 megawatts of power enabled by Crypto x Energy initiatives, illustrating how blockchain can drive real-world infrastructure networks at scale. This is a tangible example of how the industry is evolving beyond financial speculation and into meaningful contributions to global challenges.

Looking ahead, the key innovation of this cycle will be Crypto x Energy, providing clean, reliable power at scale to the grid. While AI has been a dominant narrative, the innovations and real-world applications emerging in the crypto space—particularly in energy and decentralized infrastructure—will become the main technology zeitgeist and captivate the broader public imagination. The largest systemic risk to watch, however, will be the market overheating. If prices run too hard, too fast, it could destabilize progress and erode trust in the ecosystem.

> "We will see 100MW of power enabled by Crypto x Energy in 2025, showcasing blockchain's ability to power real-world infrastructure.

Carlos Pereira is Partner at **Bitkraft Ventures**, a global investment firm specializing in gaming, media, and interactive entertainment. With a background in private markets, he leads blockchain VC investments globally. In his keynote Carlos provides a spotlight on the intersection of gaming and blockchain. He explores gaming's technological evolution, consumer trends, and the unique advantages crypto offers in creating digital economies and property rights.

CARLOS PEREIRA

Partner, Bitkraft

Venture Capital Investor

VIDEO

Spotlight on Gaming

L4L24 #9

> "Crypto is a better system for digital money and digital property rights. Every time we connect a successful game to the internet, a black market emerges—crypto turns that bug into a feature.

The Gaming Industry is a $336 Billion Giant

The scale, resilience, and growth of the gaming sector cannot be overstated. At $336 billion, gaming is the largest category in media, surpassing all other entertainment sectors combined. Its appeal lies in affordability and engagement, with players often spending $50 for experiences lasting thousands of hours. Even during economic downturns, gaming maintains strong growth due to its value proposition and consumer loyalty. Digital goods comprise 57% of this massive market, pointing to a natural synergy between gaming and crypto. **Crypto is a better system for digital money and digital property rights, making it a perfect fit for gaming.**

Gaming as Sandbox for Technological Innovation

Historically, games have driven technological breakthroughs, offering a low-stakes testing environment. Cases include Nvidia's origins in 3D rendering for games and Zynga's creation of the now-ubiquitous free-to-play model. Similarly, AI advancements have often debuted in gaming, from smart agents assisting players to virtual economies. This makes gaming an ideal sandbox for blockchain technology. Today, **35% of unique active wallets in crypto are tied to gaming** applications, generating more on-chain transactions than DeFi. Despite this, gaming represents only 0.35% of crypto's market cap, which underscores its untapped potential.

The Web3 Opportunity in Gaming

There are three transformative areas where crypto enhances gaming:

1. Monetization: Web3 expands revenue models beyond traditional in-game purchases. Example: *EVE Online,* an MMORPG with a complex economy that mirrors real-world logistics, politics, and resource management. By integrating crypto, *EVE* legitimizes its robust black market of digital goods and labor, turning an economic "bug" into a feature. Players can now build on-chain businesses within the game, enabling broader economic participation.

2. Distribution: Blockchain enables decentralized ownership and governance in gaming ecosystems. Example: *Karate Combat,* a mixed martial arts league in Bitkraft's portfolio, uses crypto for fan engagement and governance. Fans vote on rule changes, such as ring dimensions and fighter eligibility, while using tokens for on-chain predictions. This model fosters deeper fan participation and bridges Web2 and Web3 experiences.

3. Game Design: Crypto expands the creative possibilities for game developers. Example: Fusion Point Studios, led by veteran developers who pioneered genres like MMORPGs *(EverQuest)* and battle royale *(H1Z1).* Their upcoming game combines role-playing and shooter elements in a persistent world, emphasizing player-driven economies and asset protection.

Games Sit Close to the Consumer's Heart

Games are able to monetize emotional and immersive experiences, and are uniquely positioned to drive a value shift from infrastructure to the application layer in crypto over the next decade. Recent successes, like *Off the Grid* by Gunzilla Games attracting four million new wallets within 72 hours, illustrate this growing traction. Bitkraft's strategy focuses on investing in rich, innovative content where economic complexity is supported by equally sophisticated gameplay. By aligning crypto with gaming's digital economies and innovation potential, Web3 gaming offers unparalleled opportunities for creators, players, and investors.

2025 BOLD PREDICTION

"The gaming sector will 3x+ in 2025. As agentic-AI finds traction in virtual worlds, at least one game harnessing AI will break into Top 20 Protocols by market cap."

Carlos's 2025 Outlook

We see the market operating in cycles, alternating between applications and infrastructure. New infrastructure enables new products, which then evolve and outpace the existing infrastructure. This, in turn, drives demand for upgraded infrastructure, which once delivered unlocks a new wave of products, etc.

We believe the market is at a tipping point in a long shift towards "consumer crypto" - i.e., mass market crypto apps. We've already seen products like Polymarket and Karate Combat break into mainstream Web2 culture, attracting millions of users who are largely unaware of the underlying crypto "backend".

Abstraction technologies, improvements in blockchain performance, and the sustained efforts of app builders will likely meet a pro-crypto regulatory push that will expand the design space for apps and redefine crypto's role in global markets.

Gaming is a $300B+ market that is primarily centered on digital assets, and often leads the way in major tech waves. Games are already the most used crypto applications, representing ~35% of crypto's Unique Active Wallets. We believe that games are the killer app for crypto, and that they'll represent a large share of the market over time.

In 2024 we saw the 1st Web3 gaming "hit" with *Off The Grid,* which reached 11M players after its launch. We continuously hear of Web3 games breaking through 1M players. And we think there are many more great games coming.

Just as once tech was eating the world, games are increasingly eating tech, and the world with it. More and more of our experiences are becoming digital-first, driving a secular trend of digital life and entertainment that has gaming at its core, and digital money rails (crypto!) as an obvious fit. The "metaverse" will find in LLMs its strongest new ally. As most of history is consumed, models will increasingly look at Synthetic Reality for training data that's infinitely scalable.

AI impacts games & crypto in 3 core areas:

Cost & Speed: it's getting much quicker and cheaper to make a great game. We have teams today building at ~25% the cost of only a few years ago. And improvements keep coming.

Data Value: games generate a crazy amount of digital data. We believe this data, and the ability to generate it, will become increasingly valuable in providing synthetic data for LLM model training.

New Forms of Play: we'll see new types of games emerge. AI agents are likely to play a key role here. We expect a revival of the "Tamagotchi era" on steroids, where many games are about playing God (to a world of AIs) rather than direct character control. We also think Fully On-chain Games will be particularly interesting as they provide maximum interactivity space for AI agents to engage directly with, and by consequence will become a key field for AI experimentation.

> "AI is driving a new era of gaming by slashing costs, unlocking the value of digital data for synthetic model training, and creating entirely new forms of gameplay centered around AI agents.

Mike Dudas is the Founder and Managing Partner of **6th Man Ventures** (6MV), a venture capital firm investing in Web3 applications and infrastructure. Prior to 6MV, he founded The Block, a leading media and information brand in the blockchain ecosystem. Mike's extensive experience includes roles at Google, PayPal, and Venmo, focusing on mobile commerce and payment systems. **Noah** is the founder of **Pump.fun**.

MIKE DUDAS

Venture Capital Investor

Managing Partner, 6th Man Ventures (6MV)

NOAH

Venture Capital Investor

Founder Pump.fun

L4L24 #10

"Always-on" Consumer Markets: Pump.fun Case Study

Mike Dudas of 6th Man Ventures and Noah, founder of Pump.fun, argue that speculation is the primary driver of user adoption, not just technology. Their discussion leads to the fusion of trading and media as the next frontier to expand crypto's reach. Pump.fun aims to merge the functionality of an exchange with social media dynamics, creating a fun and interactive trading experience.

> "Crypto is fast and unforgiving—24/7, 365 days a year. If you're not adapting, you're falling behind."
>
> **MIKE DUDAS**

> "Exchanges like Binance and Coinbase succeeded because they made speculation easy and accessible. If we want crypto to grow, we need to bring in new users."
>
> **NOAH**

"Always-On" Consumer Markets

Crypto never stops. It's a 24/7, always-on ecosystem where users react and adapt in real time. The power users—the ones tracking on-chain activity, parsing Twitter sentiment, and engaging in Telegram groups—drive the space forward. If you hesitate, you lose.

Looking at past cycles, we see explosive growth followed by rapid decline. OpenSea surged to billions in volume, only to collapse as interest faded. Moonbirds raised over $100 million before failing to deliver, plummeting from 30 ETH to nearly nothing. In consumer crypto, the hype cycle is brutal and unforgiving. Success doesn't come from a single moment of traction—it's about staying relevant through reinvention.

The key to survival? Adapting faster than the market. Magic Eden, for example, started as a Solana NFT marketplace but quickly pivoted into a cross-chain platform, expanding into fungible tokens when the NFT market softened. Meanwhile, projects that failed to evolve simply disappeared.

DeFi, too, has shifted dramatically. In 2021, Ethereum was the epicenter of yield farming, but high fees pushed users toward cheaper, faster chains like Solana and Base. The current wave of DeFi is more consumer-friendly—projects embrace rapid iteration, lower costs, and better user experiences.

Social finance is emerging as a major trend. Fantasy Top, for example, turned influencer engagement into a tradable market, allowing

INSIGHTS

"Today's most successful platforms are not just marketplaces; they're media platforms, engagement tools, and communities all in one. The platforms that integrate these elements effectively will define the next wave of crypto adoption."

MIKE DUDAS

"Crypto trading is inherently social. Most people buy their first crypto because a friend told them about it. The problem is, right now, people must piece together information from Twitter, Telegram, and exchanges. If we unify trading and social interaction into one platform, we can onboard a whole new audience."

NOAH

users to speculate on tweets' impact. This hybrid of social interaction and financial speculation is reshaping crypto engagement.

The blending of trading, content, and social activity is becoming the new norm. Today's most successful platforms are not just marketplaces; they're media platforms, engagement tools, and communities all in one. The platforms that integrate these elements effectively will define the next wave of crypto adoption.

Pump.fun Case Study

Mike: *What's wrong with crypto today?*

Noah: The biggest issue is that crypto is a closed-loop ecosystem. It's mostly the same 100,000-200,000 people trading among themselves. Exchanges like Binance and Coinbase succeeded because they made speculation easy and accessible. If we want crypto to grow, we need to bring in new users.

Mike: *How do we break out of that cycle?*

Noah: By making speculation effortless and engaging. Pump.fun makes launching tokens instant and free. Anyone can create and trade a token with zero friction. We also integrate live streaming so traders can engage in real-time. That mix of social and financial engagement keeps people coming back.

Mike: *You emphasize live streaming and social interaction. Why do these matter?*

Noah: Crypto trading is inherently social. Most people buy their first crypto because a friend told them about it. The problem is, right now, people must piece together information from Twitter, Telegram, and exchanges. If we unify trading and social interaction into one platform, we can onboard a whole new audience.

Mike: *Pump.fun has grown incredibly fast. What made it work?*

Noah: We failed eight times before this. Pump.fun succeeded because we built it around the user. The experience is seamless, fun, and rewarding. That's why we became the fastest company ever to hit $100 million in revenue.

Mike: *What's next for Pump.fun?*

Noah: We've captured the on-chain degen market, but to grow further, we need to expand beyond it. That means becoming a centralized exchange. It will allow easier onboarding while keeping the speculative, entertainment-driven experience that sets us apart.

Mike: *So you're merging a centralized exchange with social media dynamics?*

Noah: Exactly. Right now, people jump between exchanges, Telegram, Twitter, and Discord, trying to gather fragmented information. Our goal is to unify everything in one place, where users can trade, interact, and share insights in real time. Imagine TikTok's infinite scroll, but instead of just consuming content, you're trading and investing directly.

Mike: *That's a big shift. What's the biggest challenge?*

Noah: Adoption. We've captured the on-chain trading market, but expanding means bringing in an entirely new audience. Making trading and speculation feel familiar—integrating social mechanics and making it as engaging as social media—is key. If we can combine entertainment with finance seamlessly, we can build something truly generational.

Conclusion: Speculation as a Growth Driver

Speculation isn't just a byproduct of crypto—it's what drives adoption. Binance and Coinbase didn't grow by promoting blockchain ideals; they succeeded by making trading easy and rewarding. Pump.fun is following the same model but layering in social engagement, making crypto more interactive and entertaining. The next wave of innovation will belong to platforms that combine finance with culture and real-time engagement. Projects that recognize this shift will define the future of crypto.

KEY TAKEAWAYS

- **Crypto is fast and unforgiving: 24/7, 365 days a year.** These markets move at breakneck speed, and projects must continuously reinvent themselves.
- **Speculation can become the primary driver of user adoption**, not just technology. Blending traditional exchange models with social engagement is the next frontier.
- **Accessibility is key.** Lowering barriers to entry will bring in new users beyond the current technology echo chamber.
- **Platforms that integrate social mechanics** will lead the next wave of adoption.

As we move forward, the boundaries between finance, media, and social engagement will blur even more. The future isn't just about creating better trading tools—it's about building ecosystems where users feel engaged, connected, and empowered to participate. Crypto will no longer be just a market; it will be an experience, and those who design for that reality will lead the next decade of digital finance.

Pump.fun is a viral, permissionless token launch platform that allows anyone to create and trade tokens instantly. Built on Solana, it simplifies token creation, making speculative trading more accessible and engaging. By integrating social features and gamification, Pump.fun has rapidly become one of the most active platforms in crypto.

PUMP.FUN AT A GLANCE

- **Founded:** in 2023 by an anonymous team led by Noah
- **Launch**: March 2024
- Built on **Solana** for low-cost, high-speed transactions
- **8 million tokens** launched, attracting over **13 million users**
- **Revenue:** over **$500 million** generated in less than **1 year**

Want to launch a token? No experience needed. **Learn more at** Pump.fun.

2025 BOLD PREDICTION

"AI x Crypto token market cap will exceed $75B. Base and Solana will account for more than 80% of the on-chain activity of this sector."

Mike's 2025 Outlook

2025 is shaping up to be an incredible year for growth and adoption of the crypto economy. Buoyed by the tailwinds of a more favorable political and regulatory climate in America following the election of Donald Trump, crypto markets rallied at the end of 2024 and into the new year. At 6th Man Ventures (6MV), we're excited about many things, including 3 key trends we expect to carry crypto forward in 2025: 1) significant adoption of stablecoins, 2) an acceleration of DePIN demand, 3) growth at the intersection of Crypto & AI.

1. Stablecoin adoption is inevitable

Driven by businesses and individuals globally desiring to maintain balances in dollar denominations and have access to a global, low cost, 24/7/365, open network for value transfer and storage. Stablecoin issuance recently passed $200 billion globally, up from $125 billion in mid-2024. With regulatory clarity in Europe via MiCA and a stablecoin bill expected in the US, volumes should increase significantly this year.

2. DePIN demand accelerates

DePIN has seen great success over the past few years on the supply side as protocols such as Hivemapper in mapping, Helium in mobile and IO in compute have created networks using distributed supply that offer lower cost or new access to customers. 2025 is the year that demand will follow in spades, as all of these protocols and many more saw demand and revenue increase significantly over the past 6 months after professionalizing their sales, marketing and distribution.

3. Growth at the intersection of Crypto & AI

This sector faced great skepticism entering 2024 but took up more than half of social discourse around crypto by the end of the year, according to Kaito. Numerous use cases thrived including decentralized compute (IO, Render, Akash), data (Grass), machine learning (Bittensor) and training. Consumer applications in the form of AI agents exploded in popularity on Solana (ai16z) and Base (Virtuals), leading to significant developer exploration and consumer trading activity of agent tokens. All of these areas will expand significantly in 2025, taking up more mind share, developer activity and incremental trading activity than any other crypto sector.

Along with all of the incredible innovations above, crypto will continue to remain a highly speculative environment with the majority of on-chain activity still being driven by trading of memecoins and AI agent tokens. It will also remain a highly risky environment for projects and their users. Many projects continue to use multisig wallets and other risky methods to secure billions of dollars in user funds. The risks of hacking continue to be ever present. However, we expect that the entirety of 2025 will be as bullish a year as 2024. The external and internal catalysts are simply too strong, and we believe that an extended cycle of strength is likely across numerous new themes that build upon the bedrock of Bitcoin, Ethereum, Solana and the core DeFi primitives that were built in prior cycles.

> "We expect that the entirety of 2025 will be as bullish a year as 2024. The external and internal catalysts are simply too strong.

PANEL 2

Consumer Adoption of Blockchain Technology

L4L24 #11

VIDEO

GREG VAN DEN BERGH
Founder, Panga Capital

JASON KAM
Founder, Folius Ventures

REGAN BOZMAN
Co-Founder, Lattice

OLGA VAZQUEZ
Head of Research, Theta Capital

How does blockchain reach consumer adoption at scale and become a part of everyday digital life? We ask the founders of Panga, Folius, and Lattice, three top-tier VC firms with a focus on consumer applications and deep knowledge of trends in both the U.S. and Asia. Their answers revolve around three key themes: the long-term vision for blockchain adoption, the most critical short-term developments, and the consumer categories most likely to tip things into the mainstream.

Moderated by **OLGA VAZQUEZ**

Consumer Crypto in 2040

Close your eyes and imagine consumer crypto reaching its full potential in 2040. What do you see?

Greg: I envision an **"everything marketplace"**—a world where every asset, both digital and physical, is tokenized and seamlessly tradable on a blockchain. Marketplaces will be open 24/7, with full liquidity and transparent order books across all asset classes. The biggest change will be in **how** people interact with these assets. Just as smartphones made the internet mobile, **AR and brain-computer interfaces** will make blockchain-based ownership feel effortless and intuitive. The next wave of adopters will be **Gen Alpha (born after 2010)**—an AI-native generation that prefers digital ownership over physical goods, further accelerating blockchain's role in daily life.

Jason: I see blockchain evolving into **"wealth-enhanced entertainment"**—a paradigm where financial incentives make digital experiences even more compelling. Many of the most successful blockchain applications will integrate earning potential with entertainment. Human psychology is wired to prefer variable, high-reward incentives—when users can **earn from engagement rather than just spend,** they are far more likely to stay within an ecosystem.

Regan: I believe blockchain will become **invisible** in consumer applications. The most successful Web3 apps will run in the background, providing economic opportunities with minimal user friction. Take **Grass,** for example—our portfolio company lets users **monetize their excess bandwidth** without realizing they're engaging with blockchain. The best blockchain applications won't require users to think about wallets or tokens; they'll just work.

Long-Term Vision vs Today's Priorities

What are you working on today to make this vision happen? What should the industry focus on this year?

Greg: My focus is on **opaque markets that blockchain can make liquid.** One example is **recycled steel markets**—an inefficient industry where small suppliers lack pricing transparency. Blockchain can introduce order books and **turn fragmented markets into digital exchanges,** just as it has done for financial assets. Another area is **biobank data DAOs,** where users can monetize

INSIGHTS

"Gen Alpha doesn't care about traditional ownership in the way previous generations did. They don't want to buy houses or cars—they want to own digital assets. A Web3-native consumer brand will be bigger than Nike or Gucci in the next decade."

GREG VAN DEN BERGH

"Crypto is fundamentally about wealth-enhanced entertainment. If you can make people feel like they're earning while they engage, they'll keep coming back. The most powerful consumer apps will integrate financial incentives seamlessly into entertainment."

JASON KAM

"The future of Web3 isn't about making people 'use crypto'—it's about making crypto disappear. The best blockchain apps will be the ones where users don't even realize they're interacting with blockchain."

REGAN BOZMAN

genetic and health data for AI-driven marketplaces. As AI shifts toward **vertical specialization (doctor AI, lawyer AI, etc.),** proprietary data sets will become crucial, and blockchain will provide the incentives to power this new data economy.

Jason: I prioritize **removing friction** and **funding experiments** in Web3 consumer adoption. The biggest hurdles today are **fiat on/off ramps, mobile UX, and regulatory uncertainty.** My approach is to **place many bets**—throwing a thousand darts at the board, knowing that while most will fail, one or two will hit. I'm especially excited about **"use-to-earn" models,** where users get rewarded in tokens for everyday activities like browsing, gaming, or social interactions.

Regan: I focus on **reducing adoption barriers in the onboarding process.** One portfolio company, **Privy,** allows users to **log in with Google or Apple ID** instead of manually setting up a wallet. Another, **Rhinestone,** offers **session keys** that let users pre-approve transactions instead of signing each one individually. Small UX improvements like these will **dramatically improve retention** and bring more users into Web3.

Getting Around Distribution

A major obstacle to consumer adoption is distribution. Web2 platforms scaled through advertising and centralized app stores. How can Web3 solve its distribution problem?

Greg: I see **Telegram as the key Web3 distribution platform.** With 1 billion users and built-in crypto wallets, it has the potential to become the **WeChat of crypto.** Telegram's **open API** allows developers to build decentralized applications within an existing social ecosystem, making it a natural hub for Web3 adoption.

Jason: I believe **token incentives** are Web3's version of **paid advertising.** Instead of spending cash on customer acquisition, projects can **distribute tokens to early adopters.** The challenge is **structuring incentives correctly**—poorly designed giveaways lead to user drop-off. But when done right, they drive organic growth and engagement.

Regan: I focus on **on-chain behavioral analytics** as a **crypto-native marketing tool.** Since blockchain interactions are public, we can **target users based on their past activities.** At Lattice, we back **Layer3 and Galxe,** which help Web3 projects acquire the right users through precise on-chain data insights.

The Tipping Point: What Consumer Category Will Drive Mass Adoption?

Which consumer category is likely to tip consumer crypto into the mainstream?

Greg: I bet on **Web3-native consumer brands. Gen Alpha has no brand loyalty,** making them a prime audience for new digital-native brands that start with NFTs and virtual goods, then expand into physical products.

Jason: I think **gamified social applications** will bring billions of users into Web3. A tokenized version of **TikTok,** where engagement is rewarded, could be the catalyst that **tips blockchain into the mainstream.**

Regan: I'm convinced that **Decentralized Physical Infrastructure Networks (DePINs)** will be the tipping point. Users earning tokens for **contributing real-world resources** (bandwidth, storage, compute power) is the easiest way to **onboard people into crypto**—earning is a much stronger incentive than spending.

KEY TAKEAWAYS

- **Blockchain adoption will be driven by Gen Alpha**, who are digital-native and prioritize digital ownership over physical goods.
- **The best blockchain applications will be seamless and invisible**, users won't realize they're engaging with crypto.
- **Tokenized incentives will be critical for Web3 growth**, but designing sustainable engagement models remains a challenge.
- **New distribution models are needed.** Telegram TON integration, on-chain marketing, and Web3-native incentives are leading the way.
- **Mainstream consumer crypto breakouts** will likely come from gamified social experiences, Web3-native brands, or decentralized resource-sharing networks.

2025 BOLD PREDICTION

"The fastest-growing consumer app of 2025 will be an App Protocol, that will redefine how we think about growth, engagement, and monetization."

Greg's 2025 Outlook

In 2024, we witnessed a significant shift in the U.S. crypto landscape, driven by a more favorable regulatory stance following a Republican victory. In 2025, other regions—most notably Asia and the Middle East—will adopt similar pro-crypto policies, which will lead to more investors in those regions allocating to the asset class. Although the US is the most important capital market, it only contains less than 5% of crypto's potential user base.

A key area benefitting from policy change in Asia will be stablecoins. Upcoming regulations in Hong Kong, Singapore and the UAE are expected to pave the way for conventional financial institutions to enter the Real-World Assets (RWA) market, leveraging stablecoin innovations. Payment companies across the continent will increasingly embrace crypto, enabling traditional export-oriented businesses to adopt efficient, cost-effective cross-border settlement solutions for goods and services trade.

The Rise of App Protocols in 2025

While Web3 has made significant strides, its applications often failed to demonstrate value to non-crypto-native users in Web2. To bridge this gap, crypto must shift its focus from speculation and asset appreciation to user engagement and practical utility. In 2025, we anticipate the emergence of App Protocols as a transformative force within the crypto ecosystem.

The breakthrough lies in entrepreneurs demonstrating how blockchain can drive user engagement and growth in consumer-facing mobile apps. We foresee a standout mobile app in 2025 that integrates digital assets from its inception, using them as a cornerstone for user acquisition and retention. These can be any type of consumer app such as AI influencers, AI agents, games, AR apps, video platforms, social networks, etc, that have digital assets.

These apps will target Web3 asset holders initially, generating early revenue through having Web3 consumers buying the digital assets from the App ecosystem such as the token, NFTs etc. This income can then be reinvested into traditional growth-hacking techniques like digital advertising (e.g., Google Ads) to attract Web2 users who engage with the app for its intrinsic value rather than speculation. The main source of revenue off the App is in-App consumption, subscription etc. The App creates real value for users that users are willing to pay for, and not revenue from selling digital assets.

Once a critical mass of Web2 users is established, the app will transition from a traditional business model reliant on advertising to a true composable protocol. Unlike Web2 apps that operate within walled gardens, App Protocols open their ecosystems to third-party developers by default. This composability enhances the user experience, amplifies network effects, and fosters innovation. For instance, third parties can expand the app by creating additional worlds and digital objects or enhancing the autonomous world utilized by the app. Instead of relying on intrusive ads for monetization, App Protocols create value by enabling external contributors to build on the app, amplifying the network effect and fueling exponential user growth. Moreover, third parties must invest in the decentralized App Protocol stack to develop extensions, further integrating their contributions into the ecosystem.

This model will allow startups to achieve billion-dollar valuations with minimal initial funding, potentially raising only a few million dollars. By leveraging digital assets and community-driven ecosystems, these projects can achieve liquidity far faster than traditional Web2 companies.

We have seen in the past 10 years the infrastructure of crypto emerge as Infrastructure Protocols. We believe 2025 will see the birth of the App Protocols.

> "Unlike Web2 apps that operate within walled gardens, App Protocols open their ecosystems to third-party developers by default, amplifying network effects and fostering innovation.

2025 BOLD PREDICTION

"A transformative application—built on crypto-rails and unlike anything we see today—will surpass $30 billion in market cap and attract over $10 million daily active users."

Jason's 2025 Outlook

Perhaps a consensus amongst many, we believe crypto is about to enter its golden age the next 4 years starting with 2025 as Trump becomes president. The shackles that plagued adoption, valuation, and talent-formation may finally loosen, with waves of tier-1 entrepreneurs as well as Web2 behemoths rushing into the industry. While we don't believe China will loosen its crypto policy any time soon, we feel that the greenlight from the West will greatly encourage the engineers with the means jumping into this industry one way or another. While the unwillingness to leave the country or launching tokens persist (for obvious onshore regulatory reasons), we suspect that a handful of entities that enjoy both Trump policies tailwind and Eastern access will be in a significantly advantaged position to capture the Western valuation / capital formation surplus and the Eastern talent surplus.

It appears likely to us that the next phase of Web3 application is upon us – and carrying the baton of the likes of StepN / Pump.fun / HyperLiquid, I believe we will see an aggressive Web3-native app reaching the top-10 market-cap ranking in 2025. We very much suspect it would be social / entertainment / AI-related, very much benefiting from the wealth / speculative hook crypto enables. Once regulation is out of the way, we suspect the user-experience will rapidly align with Web2 standards, especially when block space / throughput is no longer an issue thanks to years of scaling efforts.

On the outlier end, we believe that once Web3-enabled AI agents mature enough to (a) create and operate sustainable business models with cash-flow generation, (b) launch and operate tokens, and (c) capture cash-flow value on said tokens, we enter a world where unregistered securities can be created by the thousands on-chain without human interference (and certainly without intention of registering with the SEC). We don't believe the current regulatory bodies have the means or frameworks to deal with such situations, and believe this "gray area" to be the biggest gold mine in crypto the next 12-24 months as well as the biggest area of regulatory contention / risk. So, here's a bold prediction: a new crypto app project will reach $30+ billion in market cap by end of 2025 with 10+ million DAUs leveraging crypto-rails, and it will be unlike anything we see today. Pay attention to this space.

> "We enter a world where unregistered securities can be created by the thousands on-chain without human interference—this 'gray area' will be the biggest gold mine in crypto over the next 12–24 months and the biggest area of regulatory contention.

2025 BOLD PREDICTION

"At least one DePIN network will hit $50M in annualized revenue. DePIN networks will continue to scale and friendlier US regulation will drive enterprise adoption, exponentially increasing revenue."

Regan's 2025 Outlook

Being at the forefront of blockchain technology, what is your outlook for 2025?

Tokens are set to become more compelling financial assets and attract interest from a broader group of investors. As the U.S. regulatory backdrop becomes friendlier, tokens will start to look more like equities as they generate cashflows and are able to govern profitable protocols.

Can you specifically address the topic of Consumer Adoption of blockchain technology?

Consumer blockchain applications will have a breakout year and at least one will hit 10 million MAUs (monthly active users). We ended 2024 with a handful of blockchain applications in the 1-3 million MAU number. I expect that a 'DePIN' application that allows users to earn crypto —rather than buying it—will be the first to hit breakout scale this year. Grass, which allows consumers to monetize their unused bandwidth through a browser extension, is already at 2M+ MAUs.

In one sentence: what is your boldest prediction for 2025?

My boldest prediction for 2025 is that at least one DePIN network will hit $50 million in annualized revenue. 2024 was a breakout year for the sector with multiple networks including Geodnet, Glow, Helium, and Hivemapper earning seven figures in revenue. These networks will continue to scale and a friendlier U.S. regulatory regime will drive enterprise adoption, exponentially increasing revenue in 2025.

"Tokens will start to look more like equities as they generate cashflows and govern profitable protocols, attracting broader investor interest.

Christopher Giancarlo served as the 13th **Chairman of the U.S. Commodity Futures Trading Commission (CFTC)** from 2017 to 2019. A blockchain advocate, he later co-founded the Digital Dollar Project to explore a U.S. central bank digital currency. **Chris Perkins** is President and Managing Partner at **CoinFund**, bridging crypto-native investing and traditional finance. He currently serves on the CFTC's Global Markets Advisory Committee.

CHRIS GIANCARLO

Author, Former CFTC Chairman

Institutional Leader, Former Regulator

CHRIS PERKINS

President, CoinFund

Venture Capital Investor

VIDEO

Spotlight on Regulation

L4L24 #12

Christopher Giancarlo and Chris Perkins have both served in the U.S. Commodity Futures Trading Commission (CFTC), as chairman and advisor respectively. From this unique vantage point, they explore blockchain's regulatory landscape, focusing on the generational and political dynamics shaping policy decisions in the United States and globally.

> "This is a new architecture of finance. To think the internet wouldn't transform finance is just naive."
>
> **CHRISTOPHER GIANCARLO**

> "The [2008] financial crisis wasn't caused by defaults. It was caused by a lack of transparency. If swaps had been on a blockchain, the crisis would have been averted."
>
> **CHRISTOPHER GIANCARLO**

Giancarlo's Entry into Crypto

Chris, you got excited about cryptocurrency back in 2018 when you were CFTC chairman. What got you so excited, and are you still excited today?

My journey into crypto started from my experience in the financial crisis. I helped build one of the largest trading platforms for credit default swaps, and when Lehman Brothers collapsed, we had real-time insight into the exposure. The Federal Reserve estimated Lehman's default would trigger $400 billion in losses, but in reality, it was under $9 billion. That crisis wasn't caused by defaults but by a lack of transparency. When I read the Bitcoin white paper, I had an epiphany—if these transactions were on a blockchain, we could have seen the real risk instantly. This is why I pushed for Bitcoin futures as CFTC chairman in 2017. Back then, the U.S. was ahead. Sadly, we've fallen behind, but I remain convinced that blockchain is the future of financial markets.

U.S. Regulatory Hostility

Why are some officials in the U.S. government trying to destroy the crypto industry, despite bipartisan support and market resilience?

The divide isn't just political; it's generational. Douglas Adams once said that anything invented after you turn 35 seems suspicious and dangerous. Many in power today grew up in a world where the dollar reigned supreme, American banks ruled global finance, and the Federal Reserve was the global lender of last resort. Crypto challenges that world, and they see it as a threat. But time is on our side. A younger generation that understands digital networks intuitively is rising. Over time, they will replace the skeptics.

INSIGHTS

"One of the things that we get very excited about as venture investors is the fact that this technology is instantaneously global. You deploy it and there it is. Anyone can access it."

CHRIS PERKINS

"A digital dollar must stand for what the dollar has always represented: free markets, free trade, and free economic expression without surveillance."

CHRISTOPHER GIANCARLO

Role of the 2024 Elections

Trump has declared himself the pro-crypto candidate. How important is this election for crypto, and what will happen if he wins?

Long-term, crypto's rise is inevitable. But short-term, leadership matters. A hostile U.S. stance affects not only America but also global regulatory bodies like IOSCO and the Financial Stability Board. If Trump wins, he will aggressively push for the U.S. to be the global leader in crypto. I've been involved in shaping his plans—he's serious about ending regulatory hostility and fostering innovation. If Kamala Harris wins, expect continuity: Elizabeth Warren's anti-crypto stance will likely be reinforced. However, even under Harris, the U.S. position is unsustainable. The resistance to innovation is simply un-American.

Why has crypto become a major election issue, and do you see the same happening globally?

Because this is a generational shift. Younger voters are telling politicians: "Either lead, follow, or get out of the way." And politicians respond to votes and campaign spending. Across the world, younger generations want financial freedom, and crypto enables that. Governments can't suppress it forever.

SEC Leadership and Regulatory Approaches

If you were SEC Chair, what would you do differently?

Day one, I'd stop enforcement actions based on failure to register—because there's no clear registration process! Right now, companies are penalized not for harming investors but for lacking a path that doesn't exist. I'd also establish a blue-ribbon panel to develop clear regulations within 18 months, working with Congress. We need structured, transparent rules, not arbitrary enforcement. Lastly, I'd repeal SAB 121, which prevents traditional financial institutions from entering crypto.

The U.S. has looked backward, trying to fit crypto into old rules. Europe has moved forward with MiCA. What did they get right?

Europe takes a "regulate first" approach; the U.S. usually lets innovation develop before regulating. Both have strengths. MiCA will shape global disclosure standards, which is positive. However, Europe's model often discourages innovation by forcing companies to conform to pre-set rules instead of market needs. The U.S. approach, though slow, will likely create a more innovation-friendly framework once we get moving.

How do you see stablecoins and central bank digital currencies (CBDCs) evolving?

It's not either-or—it's both. Stablecoins have revealed massive global demand for digital dollars. CBDCs are coming, like it or not, especially from China and Europe. The real question is: How do we ensure that a future digital dollar upholds democratic values—privacy, free trade, and financial freedom? The U.S. must lead here, or we risk ceding influence to surveillance-heavy models like China's digital yuan.

Prediction Markets and Crypto's Future

You're a fan of prediction markets.

Do you think they can accurately predict the 2024 election?

They don't predict outcomes; they reflect expectations. But prediction markets, like all decentralized finance innovations, are inevitable. The old guard resists them, but younger generations demand them.

Any advice or final thoughts for the audience?

Don't stop. Keep building. The road is rough, but when we look back in 30 years, we'll know we built something revolutionary.

KEY TAKEAWAYS

- **Crypto regulation in the U.S. has fallen behind**—early leadership has been lost.
- **The resistance to crypto is generational, not just political**—younger policymakers will eventually embrace it.
- **The result of the 2024 election will determine how quickly the U.S. adopts crypto-friendly policies**—Trump is poised to accelerate innovation.
- **Europe's MiCA regulation is setting global disclosure standards,** but the U.S. model may foster greater long-term innovation.
- **Stablecoins and CBDCs will coexist,** but the U.S. must ensure a digital dollar protects financial freedom.
- **Prediction markets and decentralized finance (DeFi) are unstoppable**—governments may resist, but younger generations will drive adoption.
- **The crypto industry should stay resilient**—regulatory clarity is coming, and the long-term future is bright.

2025 BOLD PREDICTION

"My big call: US Stables will surpass $500 billion and be a top 5 holder of US Treasuries."

Chris's 2025 Outlook

For the crypto industry, 2025 is shaping up to be an extraordinary year. For the first time in its history, the crypto industry finds itself being supported—rather than fought—by the U.S. government. **Regulatory normalization will usher in a multi-year cycle of explosive growth** as new capital collides with accelerated innovation. A new generation of entrepreneurs and developers, no longer threatened by personal liability or sanction, will join the fewer than 25,000 developers currently building in the crypto space. User experience will vastly improve, opening the door to greater mainstream adoption with high fidelity safeguards across infrastructure, consumer applications and decentralized finance.

Governments around the world will accelerate competitive policies of their own to stay relevant and compete. As the U.S. makes strides toward creating an official bitcoin reserve in 2025, it will struggle to navigate the legislative process. However, **several nations will establish a bitcoin reserve** of their own, and regulatory reforms and reasonable crypto taxation policies will serve as an additional tailwind to drive growth.

Against this backdrop, the **market capitalization of the crypto industry will increase by $1.5 trillion** in 2025, ending the year at approximately $5 trillion.

In the U.S., stablecoin legislation will pass in the first half of the year. This will lead to a proliferation of dollar-backed stablecoins, and the **stablecoin market will more than double to $500 billion** by year end. Combined, stablecoin issuers will become a top 5 holder of US Treasuries in 2025, up from a top 20 holder in 2024. U.S. dollar denominated stablecoins will retain their 98% dominance. This dominance will begin to fade starting in 2026 as liquidity emerges in nascent tokenized FX markets.

SEC-approved ETFs will proliferate in 2025 with numerous tokens including: Litecoin, Dogecoin, Solana, Avalanche, Polkadot, Chainlink, Stellar, and Shiba Inu coming on the scene. Also, expect yield bearing ETFs and total return futures (inclusive of yield) to launch on global exchanges. Yield will drive the narrative in 2025 as global traditional interest rates ease.

Regulatory derisking, macro and the rise of AI agents will create the perfect conditions for a DeFi renaissance as market participants seek opportunities for incremental yield. Integrations with Telegram will proliferate, driving global retail distribution. Fixed income markets will be one of the fastest growing verticals in the crypto space as a new generation of futures, swaps and structured products come on the scene.

New market participants will also be attracted to the obvious utility of decentralized physical infrastructure (DePIN) projects. This vertical will see exponential growth in 2025.

2025 will also be a year of merger and acquisition activity. There will be multiple multi-billion dollar deals involving custodians, infrastructure providers, exchanges and stablecoins, as traditional players seek to leapfrog competitors against the backdrop of normalization.

Finally, 2025 will be the year of decentralized AI. Breakthroughs across decentralized training, compute and data will showcase the utility of the crypto sector and provide a viable alternative to a world dominated by AI models of the centralized, Web 2.0 behemoths. And, **an AI agent explosion will overrun social media bringing the imperative of proof of personhood in focus.**

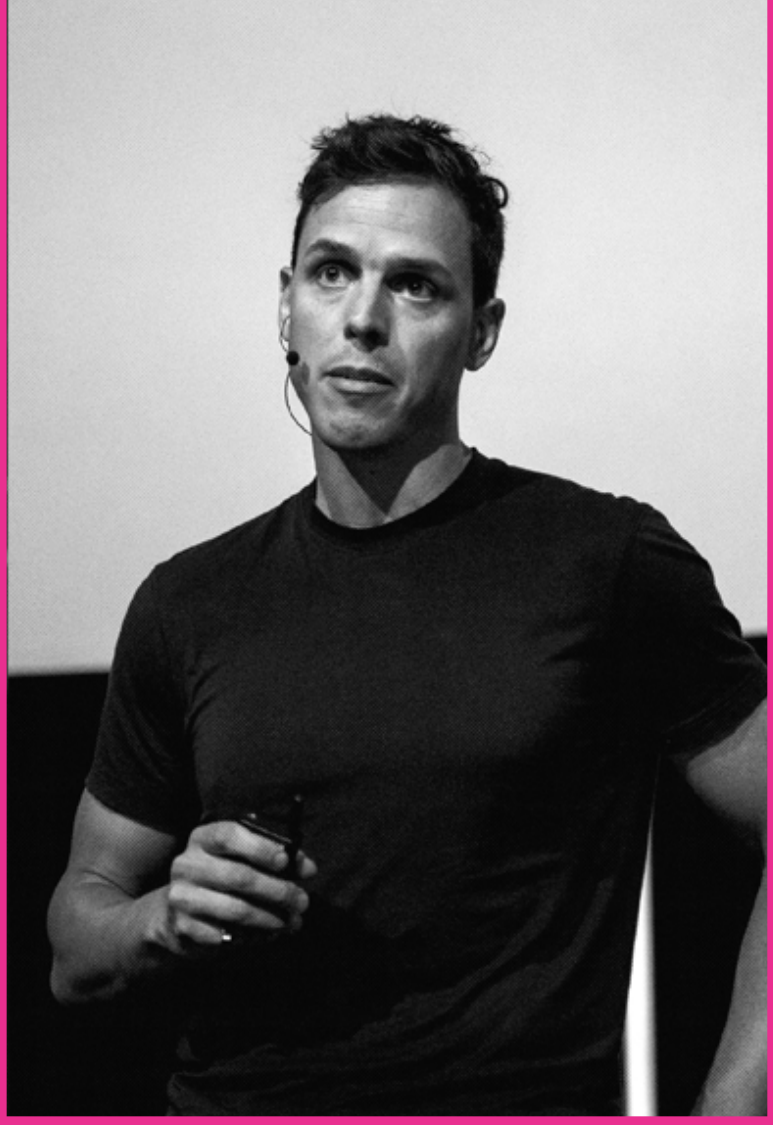
"2025 will also be a year of merger and acquisition activity. There will be multiple multi-billion dollar deals involving custodians, infrastructure providers, exchanges and stablecoins, as traditional players seek to leapfrog competitors.

SESSION 3

Investment Trends

Where is capital flowing in the blockchain industry? What technology paradigms are winning, and which sectors present the most compelling opportunities?

This session dives into the **trends shaping crypto-native venture capital.** From emerging investment themes to identifying hidden value, we explore how specialized investors are navigating this evolving market and where the next wave of growth is likely to emerge.




THETA
BLOCKCHAIN
VENTURES


Legends4Legends
Alternatives
4 children

Nick Tomaino is the founder and general partner of **1confirmation**, a venture firm investing in early-stage crypto projects. In his keynote Nick emphasizes prioritizing products and people over hype, predicting that crypto's next phase will emerge from its collision with culture. Prediction markets like Polymarket and stablecoins will be key areas of growth. Nick calls for creativity over copycats, urging builders to focus on real-world impact and adoption.

NICK TOMAINO

Venture Capital Investor

Founder, 1confirmation

VIDEO

L4L24 #13

Crypto x Culture: In Need of Creative Thinking

> "There's so much narrative bullshit in crypto. But the products and people that push the space forward, those are what matter.

A Philosophy of Product, People, and Authenticity

At 1confirmation, my investment philosophy is simple: I prioritize **products and people over narratives.** Too many investors chase trends like "the next scalable L1," but long-term success comes from backing projects that **make a real dent in people's lives.**

I take inspiration from **Virgil Abloh,** who believed that the biggest cultural impact happens at the intersection of "purists" (deeply knowledgeable insiders) and "tourists" (outsiders who just want something that works). Crypto products that strike this balance will move beyond our niche and achieve mass adoption.

The Next Decade: Crypto and Culture Collide

The past 15 years were about **infrastructure and financial applications**—deep tech and DeFi. Looking ahead, the biggest opportunities will come from **the collision of crypto and culture.** To reach a billion users, we need to move beyond profit-driven narratives and focus on applications that are creative, cultural, and meaningful. The next 15 years aren't just about making money with crypto—they're about making an impact.

Prediction Markets: A Breakout Use Case

One of the most exciting examples of this cultural shift is **prediction markets.** I see Polymarket as the first crypto application where many users engage without even realizing blockchain is involved. It's not just a betting platform—it's an **information source** where markets become a powerful way to surface truth.

Think about it: during the 2024 U.S. presidential election, Polymarket recorded **over $2 billion in volume.** People weren't just gambling; they were using it as a tool to gauge real-time sentiment. Markets, when designed well, are an important source of truth, and Polymarket has found the right balance between decentralization and user experience.

I believe prediction markets will grow **100x in the next five years,** becoming as big as NFTs and DeFi. And beyond that, I see massive potential for platforms that allow **anyone** to create their own markets and earn fees—just like NFTs enabled influencers and creators to monetize directly.

Stablecoins and Cross-Border Payments

Another major opportunity is **stablecoins in cross-border business payments.** A company I'm excited about is **Bridge,** which enables businesses to move money across borders using stablecoins.

Take SpaceX—they use Bridge to transfer funds out of Zimbabwe back into U.S. dollars. That's real-world utility. If you look at global crypto exchanges, you'll see **USDT replacing Bitcoin as the dominant trading pair.** In many markets, the most traded asset isn't BTC anymore—it's Tether and the local currency. This signals a major shift in how stablecoins are being used in global finance.

A Call for Creativity

I'll end with this: **we need more creativity in crypto.** Too many projects today chase short-term incentives. I see capital pouring into **copy-paste projects**—another Layer 1, another DeFi fork—because that's where liquidity flows. But **real adoption won't come from repetition.**

If we want crypto to reach its full potential, we need to **think outside the box.** We need applications that **connect with people in ways beyond finance.** Let's stop copying what's already been done and start building what's next.

2025 BOLD PREDICTION

"A nation state will announce the first strategic ETH reserve this year."

Nick's 2025 Outlook

On a macro level, institutional adoption of cryptocurrency will accelerate. Many governments around the world will follow El Salvador and create strategic cryptocurrency reserves. Most countries will start with BTC, but **a country will announce the first strategic reserve of ETH** this year, and others will follow.

On a micro level, consumer use cases beyond pure store of value will accelerate. Adoption of DeFi, NFT, prediction market and decentralized social network apps will grow. Prediction market adoption in particular will continue to grow in categories beyond politics, like sports and news, and **trust in Polymarket as an alternative information source will increase.**

Making money will continue to be the primary driver of new user growth, but we will start to see real new user adoption for reasons beyond purely making money. Stablecoin adoption will be a big driver of that, led by Stripe's acquisition and integration of Bridge. Consumer apps and businesses **will increasingly use stablecoins to move money efficiently** and banks and apps will also launch new stablecoins at an accelerated rate.

The tribal L1s wars will not stop, but the best developers and companies will build their own chains rather than building on any existing L1 chain. App chains will become en vogue and **Ethereum's vertical approach to scalability will have the most success** attracting great developers and Wall Street companies who want to build on-chain with more control and better economics.

Crypto x AI will prove to be massively overhyped. It's a good narrative and will attract speculative activity, but in terms of real product usage Worldcoin will be the only crypto x AI product that has meaningful user activity in 2025.

Main characters who soullessly suck up money and attention and then get exposed will continue to be the biggest risk for the industry. Michael Saylor, whose company now owns over 2% of BTC, and is now the public face of Bitcoin, is one who comes to mind.

> "Many governments around the world will create strategic cryptocurrency reserves, starting with BTC, but a country will announce the first strategic reserve of ETH this year, and others will follow.

Clay Robbins is General Partner at **Colosseum**, a venture platform focused on growing the Solana ecosystem through large-scale online hackathons that help identify high-potential blockchain startups. **Balder Bomans** is Managing Partner & CIO at **Maven 11**, an early investor in Celestia and a key proponent of modular blockchain architecture. Maven 11 has been instrumental in shaping the modular ecosystem, organizing Modular Summits, and supporting early-stage founders.

CLAY ROBBINS

Venture Capital Investor

General Partner, Colosseum

BALDER BOMANS

Venture Capital Investor

Managing Partner & CIO, Maven 11

VIDEO

L4L24 #14

Beyond Ethereum: Solana & Modularity

Clay Robbins of Colosseum and Balder Bomans of Maven 11 debate the strengths and challenges of monolithic vs. modular architecture approaches, and how they engage builders and developers to fuel ecosystem expansion.

Moderated by **LEOPOLDO OCHOA**

> "The transition from Ethereum to Solana is like moving from on-premise servers to the cloud. Developers just want to build, not configure infrastructure."
>
> **CLAY ROBBINS**

> "Modularity is about choice. With Celestia, you're not locked into one system, you can pick the best execution and data availability layers."
>
> **BALDER BOMANS**

Developer Ecosystem Growth in Solana & Modular Blockchains

Clay, can you share the background story of Colosseum. Why did you choose the hackathon route, and how has venture capital evolved in the Solana ecosystem?

Clay: Colosseum emerged from a decade of my co-founders and I following each other through roles at Square and Stripe, working on payments, and facing frustrations trying to build on Ethereum. That led us to focus on growing the Solana developer ecosystem from scratch. Our primary tool for sourcing and investing in projects is large-scale online hackathons—six-week events that filter for technical talent without the usual bias in accelerator applications. Solana's monolithic structure makes it easy and low-cost for developers to experiment. This allows for rapid startup formation and a more diverse range of participants.

Balder, how did the modular blockchain investment thesis evolve, and what role did you play in creating the category?

Balder: We were early believers in modularity. Back in 2019, no one was talking about modular blockchains or rollups. We found Mustafa Al-Bassam's PhD research on the topic, and Celestia was born. Unlike monolithic chains like Solana, modular chains decouple execution from consensus, offering developers greater flexibility. We've contributed to the ecosystem through hands-on involvement—helping with hiring, organizing the first **Modular Summits**, and funding early-stage founders. Today, Celestia is at the forefront of the modular stack, but we're constantly refining the approach to solve key pain points, like composability.

Strengths and Challenges of Monolithic vs. Modular Architectures

What are the advantages of Solana's monolithic approach versus the modular stack?

Clay: Solana's strength is its **simplicity and efficiency.** Developers don't have to choose and configure separate components—they can just start building. It's like moving from on-premise servers to cloud computing. This structure supports rapid experimentation, making it perfect for application-layer development. However, monolithic chains do trade off some flexibility.

Balder: Modularity allows **greater customization and scalability.** It's like being able to choose between iOS, Windows, or Linux within a single stack rather than being locked into one system. Developers can pick the best execution and data availability layers. That said, composability remains a challenge. How different modular components interact is still being optimized.

How do you measure developer traction?

Clay: Colosseum hosts **six-week online hackathons** with over **30,000 developers from 160 countries.** This gives us a snapshot of developer sentiment. We see recurring trends, like waves of projects inspired by Pump.fun, but also breakout innovations that emerge from the long tail of experimentation. The low cost of development in Solana fosters this rapid iteration.

Balder: For modular blockchains, **Modular Summits** are our main funnel. Our events have drawn over **2,000 in-person attendees** in 2024 alone, and we've backed multiple founders directly from them. Our goal is to lower barriers for early-stage modular builders, so we've allocated a portion of our fund to fast-track their development.

Future Trends in Blockchain Architecture

Within your respective ecosystems, what are you most excited about? What's an overlooked development that could change the industry?

Clay: Solana has weathered the FTX collapse and come out stronger. **DePIN** (Decentralized Physical Infrastructure) is particularly exciting. Real-world asset issuance tied to decentralized networks is a growing trend. Projects like DeCharge, which funds EV charging infrastructure in emerging markets, show how blockchain can improve capital efficiency for physical assets. Apple opening its **NFC chip and Secure Enclave** to third-party developers is massive. Crypto transactions, digital identity, and payments could integrate seamlessly across **billions of devices.** This could be a game-changer for user experience and accessibility across all blockchain ecosystems.

Balder: Modular blockchains are still early, but momentum is building. Rollups are launching, projects like Movement Labs are **experimenting with programming languages** (MOVE), and **DeFi lending is seeing a resurgence.** Platforms like **Maple Finance** have survived the 2022 lending crisis and are now offering **secured loans at 10-14% yields,** rebuilding trust in on-chain credit markets.

KEY TAKEAWAYS

- **Solana's monolithic design offers simplicity and rapid experimentation**—attracting startups building at the application layer.
- **Modular blockchains, led by Celestia, provide greater customization and scalability**—but composability challenges remain.
- **Developer traction is strong in both ecosystems**—through Colosseum's Solana online hackathons and Celestia/Maven11 in-person Modular Summits.
- **Tokenized physical infrastructure (DePIN)** in an emerging trend in Solana, while modular ecosystems are seeing a **DeFi lending resurgence** and experimenting with MOVE as a programming language.

2025 BOLD PREDICTION

"Monolithic blockchains will decisively outpace all others in attracting new developers."

Clay's 2025 Outlook

In 2025, on-chain experimentation and startup formation will accelerate significantly. The convergence of scalable blockchains, AI-augmented developer tools, and a favorable regulatory environment will attract a massive influx of developers. As a result, I expect **thousands of new applications** to emerge for end users.

Architecture Debate: Modular vs. Monolithic

In the modular vs. monolithic thesis debate, I believe monolithic architecture will remain dominant because it is simpler for applications to abstract their "backend" to chains like Solana rather than piecing together a modular stack. While L2s and other modular components will advance, 2025 will mark the first year where net new developer inflows favor monolithic chains on an absolute basis. My boldest prediction is that **monolithic blockchains will decisively outpace all others** in attracting new developers.

Key Innovations

I believe the field will be equally split between speculative innovation (e.g., memecoins) and non-speculative innovation (e.g., stablecoin-based payment systems). At the same time, AI will enhance and amplify all aspects of crypto. Speculative asset issuance will grow exponentially, and the range of capabilities users can access through AI-driven agents will broaden. Security, too, will benefit from automated testing of smart contracts, both before mainnet release and on a continuous basis. However, AI will also democratize and accelerate exploitation. From my seat at Colosseum, **what I find most compelling is the increased capital efficiency for teams launching new projects on-chain.**

On the other hand, underwhelming regulatory progress may prove to be the largest systemic risk facing the industry. If creating a strategic Bitcoin reserve is the only policy outcome in the U.S. by the end of the current administration, we will have missed a major opportunity as an industry.

"In 2025, on-chain experimentation and startup formation will accelerate significantly. The convergence of scalable blockchains, AI-augmented developer tools, and a favorable regulatory environment will attract a massive influx of developers. As a result, I expect thousands of new applications to emerge for end users.

2025 BOLD PREDICTION

"In 2025 crypto applications will collect more fees than the underlying blockchain infrastructure."

Balder's 2025 Outlook

We expect continued institutionalization of the asset class, mostly through ETFs and the new stance from the U.S. administration. This will lead to a comeback of **credibility in the crypto industry.** Payment use cases will continue to see traction leading to more stablecoin growth and more profit for asset issuers like Circle and Tether. On a more technical level, breakthroughs in ZK over the past few years will culminate in **widespread adoption of real-time zero-knowledge proving** in not just infrastructure, but more importantly at the application layer.

AI x Crypto Overlap

The one vertical that will benefit most from these technical advancements in cryptography will be the domain of **decentralized AI.** This vertical will see significant growth as traditional companies at the forefront of machine learning make their biggest push towards AGI in 2025, and will be able to uniquely leverage cryptography for verifiability and transparency.

Let's elaborate: AI and crypto overlap on a few axes. First, AI will lead to a massive oversupply in the generation of digital media, content and just data in general. This will lead to the demand for verifiability. **Crypto is the only way to achieve verifiability of digital goods.** We believe this is one area in which AI x Crypto will make a large impact and create great value both for businesses and society at large.

The second component relates to another promising category, DePIN. Regardless of improvements of recent LLMs such as DeepSeek, AI will consume huge amounts of compute and energy. There are crypto protocols—one of which is Gensyn—that allow you to share the compute among devices and data centers and therefore create a more powerful compute network. If LLMs constantly get bigger and more power-hungry, at some point there will be a limit to what a single company can invest and build in terms of compute infrastructure as costs soar to the 100s of billions. These massive models will NEED to be decentralized in order to outcompete each other in both ability and price to end-user.

Areas of Innovation

On the modularity thesis, we expect traction on alternative VMs (virtual machines). Projects like Eclipse and Movement will consume the abundance of blockspace that was created in prior years. This will lead to innovative applications beyond the financial use cases we have seen so far. We also fully expect ICOs to make a comeback, although in a form that adds more oversight through platforms like Echo or Legion. Blockchains remain an excellent technology for capital formation and this is proven by these platforms.

Centralization Remains the Largest Risk to Decentralized Systems

Somewhat ironically the largest systemic risk that could affect the industry continues to be its centralized components. While we have no reason to believe this will happen, any large asset issuer or any of the larger centralized exchanges getting in trouble will remain a risk for the foreseeable future.

"AI will create a massive oversupply of digital media and data, driving demand for verifiability—a problem only crypto can solve.

Michael Jordan and **Jon Charbonneau** are the co-founders of **DBA**, a research-driven crypto venture firm. Michael, formerly at Galaxy Digital, brings deep institutional investing experience, while Jon, a former structured credit banker, gained recognition through technical research on blockchain architectures. Together, they focus on high-conviction, long-term investments in foundational crypto projects.

MICHAEL JORDAN

Venture Capital Investor

Co-Founder & General Partner, DBA

JON CHARBONNEAU

Venture Capital Investor

Co-Founder & General Partner, DBA

VIDEO

L4L24 #15

Building a crypto-native VC: DBA Case Study

Michael Jordan & Jon Charbonneau discuss with John van Marle the origins of DBA's research-driven VC approach. Post-FTX, they saw a need for high-conviction investing and deep technical expertise. DBA's strategy relies on spotting core foundational technology, engaging in ecosystem debates, and saying no to everything else.

Moderated by **JOHN VAN MARLE**

> "DBA is this combination of a very specific moment in time, right after FTX happened. We had to build a brand that capital could trust again."
>
> **MICHAEL JORDAN**

> "There's a very small sliver of people who can translate between the deeply technical side of crypto and the big-picture storytelling side. That's where we try to add value."
>
> **JON CHARBONNEAU**

Origins & Entry into Crypto

How did you both get into crypto, and what made you decide to start a VC firm?

Michael: I started in 2017 at Galaxy Digital, where I built trading systems and helped create the **first Bloomberg crypto index.** That experience gave me a front-row seat to how institutional capital was deployed in crypto. I saw how large firms operated across credit, equity, and mining, but I also saw what was missing—real stewardship in a rapidly evolving space.

Jon: I came from **structured credit banking,** but during COVID, I went deep into crypto research. My first major project was on Celestia, a modular blockchain no one had written about at the time. That research put me on the map and showed me something critical—crypto is a space where, if you put in the work, you can **quickly become an expert** in a new sector.

Michael: We launched DBA in the wake of the FTX collapse, when **institutional trust in crypto had been shattered.** The industry needed a new kind of VC—one that combined deep expertise, clear communication, and a long-term view.

Investment Strategy & Differentiation

What was your thinking when you shaped DBA's strategy? What makes your approach unique?

Michael: DBA is built on a simple principle: **focus on foundational ideas** and say no to everything else. Rather than spreading

capital across every trend, we concentrate on high-impact opportunities. We ask ourselves: will this project will still matter in a decade? We're focused on Ethereum, Solana, Bitcoin, and modular blockchain designs like Celestia. The big questions that interest us are **scalability, governance, and economic sustainability**—because those are the things that will determine the long-term success of this space.

Jon: We operate with a **research-first mindset.** Crypto moves fast, and the only way to stay ahead is to go deep. I've spent months writing 60-70 page research reports just to fully understand one topic. That level of focus is what gives us conviction in the areas we invest in.

Founder Expectations & DBA's Role

What do crypto founders actually look for in a VC, and how does DBA support them?

Michael: Founders often say they need help telling their story, but what they actually need is clarity: **What is the core innovation?** Why does it matter? How do we communicate it effectively?

Jon: Many of the best builders in crypto are incredibly technical, but they struggle to frame their ideas in a way that resonates with different audiences—developers, researchers, investors. That's **where we add value.**

Engaging with the Crypto Community

How does community engagement factor into your investment approach?

Michael: In crypto, **credibility isn't just about knowledge**—it's about being loud, opinionated, and right. You need to be engaged in the conversation. Each blockchain ecosystem has its own values. Ethereum leans into decentralization and governance, while Solana is more practical and engineering-driven. To be effective in crypto, you have to **understand and engage with these communities on their terms.**

Jon: The industry thrives on **open debate.** I spend a lot of time pushing conversations forward, often challenging both Ethereum and Solana advocates. It's not about being contrarian—it's about having done the work so that when we critique something, people know we have the expertise to back it up.

The Future of DBA

How do you see DBA evolving in the years ahead?

Michael: We never set out to build a massive firm. **DBA is designed to be lean, high-conviction, and deeply engaged.** We keep our portfolio concentrated so we can go all-in on the areas we believe in. We're not trying to grow just for the sake of growth. The goal is to stay focused on the work we love, continue investing in the most fundamental ideas, and keep pushing forward the conversations that matter in crypto.

Jon: That selectiveness extends to our research. We only dive deep when we see long-term significance. This persistence—whether in the projects we back, the knowledge we accumulate, or the reputation we build—is what will make DBA durable. At the end of the day, that's how we believe **long-term value is built**—not just for our investors, but for the entire ecosystem.

KEY TAKEAWAYS

- **DBA was founded in response to a post-FTX trust crisis.** We aimed to rebuild credibility with a research-driven, high-conviction approach.
- **Deep research is a competitive advantage.** The ability to become an expert in emerging areas within months is core to DBA's strategy.
- **Selective investing is key.** DBA focuses on fundamental, long-term ideas rather than chasing hype, with key areas of interest include Ethereum, Solana, Bitcoin and modularity.
- **Helping founders communicate complexity is central to DBA's role.** Many of the best builders are highly technical but need support in refining their messaging for general audiences.
- **Community engagement is essential in crypto.** Being credible means actively participating in debates and being willing to express strong, well-researched opinions.
- **DBA remains intentionally small and high-conviction.** The firm's goal is to stay lean, deeply engaged, and focused on foundational ideas rather than expanding for the sake of growth.

INSIGHTS

"It's impossible to agree with everyone. The only way to gain credibility is to actually know what you're talking about. People need to see that when I criticize something, it's because I've done the work."

JON CHARBONNEAU

"We say no to most things. The question we ask is: 'Is this a fundamental idea that will exist for the next decade and be really important to understand?' If the answer is yes, we go all-in on becoming the best people in the world at that."

MICHAEL JORDAN

2025 BOLD PREDICTION

"A major cyberattack will cause the world to rethink digital infrastructure, elevating key crypto practices like Yubikey authentication and device separation. We will see crypto security firms expand into enterprise and national security markets in response."

Michael's 2025 Outlook

Being at the forefront of blockchain technology, what is your outlook for 2025?

This is the least predictable future for blockchain we have seen since its creation in 2008. No one understands the consequences of what is coming, especially the experts. Slices of **the world will change more in the next 18 months than the last 18 years.** The time, cost and capability of software generation tools will collapse the time and cost to build a CRUD App[1] (what most SaaS businesses are). Crypto adoption will be most strongly tied to its ability to dominate attention markets. The world has shifted from editorial discretion to recommendation algorithms (Monolith at TikTok, and Lattice at Meta)[2] that reward applications that generate rapid new information (sports, news, memes, crypto, etc). We saw a preview of this with prediction markets, but we will see an explosion in the creation, propagation and financialization of new internet native properties. A single new breakout application (demand driver) will reshape the entire market. The demand side for crypto will be rewritten in the next 24-36 months and reshape the supply side.

The only predictable lane in crypto is Bitcoin. It is competing with nothing else. Its growth as an "ecosystem" will become obvious to most market participants as L2s launch with $10+ billion valuations and significant economic activity executed.

What do you expect to be the key innovation that draws people in this cycle?

This is highly uncertain. We know what properties it'll express. It'll consume your attention, have frequent updates, and will be journalistic catnip in subject matter that will contribute to its rapid spread.

From the perspective of your fund mandate, what is your take on the convergence of crypto and AI?

Open source vs closed source will be a more predictive delineation of how founders chose their investment firms than AI vs non-AI as all software developed going forward will be AI-native. The best closed source AI teams will not raise from crypto funds. Crypto funds will need to develop expertise in go-to-market, distribution, and managing the chaotic profile of the best open source teams. These teams will be NYC/SF based founders with discords full of anime PFPs from all over the world. The organizational chaos will be a dual edged sword as it'll tap into international talent but lead to slower development.

Software generation tools will make starting companies significantly cheaper if you aren't in the capex sensitive position of either training or test-time compute. This suggests most funds are completely wrong-sized for the opportunity set.

These tools are lagging for crypto as most software development patterns for CRUD-like applications are significantly less complex than writing secure smart contracts.

AI tools for secure code development will be a double edged sword. We will see a short term increase of in-the-wild exploits followed by fewer issues as code coverage increases and audit times collapse as they're replaced by expert tools.

What do you believe is the largest systemic risk facing the industry in the next 12 months?

The usability of crypto apps has to improve 5x before we have general adoption. This means better authentication, KMS[3], better transaction inclusion guarantees, and user fault tolerance around the entire stack in terms of forgetting passwords and other access material.

> "Crypto adoption will be most strongly tied to its ability to dominate attention markets.

1 A CRUD app is an application that allows users to perform the four basic operations on data: 1) Create – Add new data or records to a database (e.g., adding a new user to a system). 2) Read – Retrieve or display data from a database (e.g., viewing a list of products). 3) Update – Modify existing data (e.g., editing a user profile). 4) Delete – Remove data (e.g., deleting a comment from a post).

2 Monolith and Lattice are sophisticated deep learning frameworks that support the algorithmic recommendation systems within TikTok and Meta, respectively.

3 KMS refers to Key Management Service, a system or tool used for managing cryptographic keys and ensuring secure access to systems or data.

Alex Pack is Managing Partner at **Hack VC,** a venture firm specializing in early-stage crypto and AI investments. **Andrej Radonjic** is the founder of **Grass,** a decentralized network that rewards users who contribute internet bandwidth for AI data scraping, offering a highly scalable and ethical alternative to corporate data extraction models. Their discussion covers AI's increasing centralization, data access efficiency and ethical issues, and Web3's role in open AI ecosystems.

ALEX PACK

Managing Partner, Hack VC

Venture Capital Investor

ANDREJ RADONJIC

Co-Founder & CEO, Grass Network

Project Founder

VIDEO

L4L24 #16

Crypto x AI: Grass Case Study

Alex Pack, founder of Hack VC, and Andrej Radonjic, founder of Grass, explore the intersection of Crypto x AI, focusing on decentralized data networks. Using Grass as a case study, their discussion covers AI's increasing centralization in the hands of tech giants, data access efficiency and ethical issues, and Web3's role in open AI ecosystems.

> "Grass is competing with Google and Microsoft in real-time web data access. That's a big TAM, big vision."
>
> **ALEX PACK**

> "Five years from now, AI won't just need big datasets—it will need access to the live internet in real time."
>
> **ANDREJ RADONJIC**

The Case for Web3 AI

Alex: "The biggest source of alpha in investing today is Web3 AI." Hack VC's Managing Partners have been investing in AI at and prior to Hack VC since 2017, well before most crypto or traditional VC firms. AI's rapid evolution is creating massive efficiencies, but also increasing centralization. The intersection of Crypto x AI—Web3 AI, is by far the biggest investment opportunity in the space, offering an open, decentralized alternative. That is why 41% of Hack VC's latest fund is dedicated to this vertical, and Grass **is a key example.**

Unlike traditional AI, where infrastructure funding now starts in the billions, Web3 can enable low-barrier participation in open, permissionless infrastructure that serves both AI and the broader internet. Blockchain can ensure ethical, decentralized access to AI's most critical resource: data, the lifeblood of AI.

Why is Web3 essential for AI?

Andrej: "AI is accelerating the trend toward a more closed internet, and that's a problem." Web3 isn't just about crypto—it's about reversing this trend. AI is exacerbating the centralization of digital power, with a handful of companies controlling access to information. This is similar to how search engines have commoditized curiosity. Web3 and open-source models help correct this by restructuring incentive systems and ensuring decentralized access to critical AI resources. A prime example is personal AI assistants. If proprietary, they will inevitably serve corporate interests, subtly influencing users' choices. Open-source AI models and crypto-pow-

ered incentive structures ensure AI remains a tool for individuals, not corporations.

What problem does Grass solve?

Andrej: "Grass lets real users own part of the network, instead of being exploited by hidden SDKs." Companies with better access to data make better decisions. But today's dominant data-scraping methods are ethically dubious. Large firms secretly integrate SDKs—software code—into apps, covertly turning millions of devices into scraping nodes. Users unwittingly donate their bandwidth without compensation.

Grass provides an alternative. Users voluntarily install a Grass node on their devices, earning rewards while contributing bandwidth for real-time internet scraping. Over 2.5 million people are currently operating a Grass node from their devices. This forms a massive, opt-in, peer-to-peer network able to produce high-quality data at the scale of Google and Microsoft.

What is the demand for this kind of decentralized data?

Andrej: Today, demand is heavily focused on **multimodal datasets**—text, video, audio, and image data. While large language models (LLMs) have reached a point of diminishing returns with increased scale, multimodal models (e.g., video generation) are still in an active phase of rapid scaling.

In a matter of months, Grass has already compiled one of the world's largest multimodal datasets using its decentralized network. Looking ahead, the long-term play is not just accumulating massive amounts of training data but **real-time data access.** AI models will always need fresh information from the internet, and Grass aims to provide a **live context retrieval engine** that enables AI systems to fetch real-time information in **under half a second.**

Who are Grass's customers?

Andrej: Grass already serves major enterprises. Clients include **Fortune 500 companies, startups, and AI labs,** all of whom need real-time internet data for various use cases:

- Retailers: Competitive price tracking.
- Travel Companies: Aggregating flight and hotel pricing.
- AI Labs: Improving model training by integrating live information.

These companies previously relied on ethically questionable scraping methods. Grass provides a compliant, decentralized alternative, and demand currently outpaces network capacity.

How does decentralization impact enterprise adoption?

Andrej: Most decentralized protocols struggle to attract enterprise users because they often sacrifice performance for decentralization. Grass avoids this trade-off. In fact, its architecture is nearly identical to **existing centralized scraping networks,** except:

1. Users **opt-in** instead of being unknowingly exploited.
2. Participants **own** part of the network and are rewarded for their contributions.
3. The process is **transparent and ethical,** making it more attractive for businesses concerned with compliance and public scrutiny.

Enterprises are eager for solutions that allow real-time data access without shady practices. Instead of struggling to convince businesses to adopt decentralization, we find that enterprises are proactively reaching out, relieved to have an ethical alternative.

Grass Protocol is building a decentralized, community-owned knowledge graph of the entire internet to democratize AI development. It rewards people for contributing their unused internet band-width and offers trustless verifiability on the precise sources and timestamps of the data to the users of the datasets.

GRASS AT A GLANCE

- Founded in June 2023 by Andrej Radonjic
- GRASS **token network launched** in **October 2024**
- More than **2.5 million people** from **195 countries** currently earning rewards as node operators
- **100 terabytes of data** collected **daily** (one of the largest daily datasets in the world—potentially ranking third behind Google and Microsoft)
- 1 billion token supply at **$1.4 billion FDV** (Fully Diluted Valuation) Spent on **Advertising: $0**
- **Technical:** Grass Protocol Documentation
- **Get involved:** Want to contribute to the Grass network and start earning a stake in AI? Visit getgrass.io

2025 BOLD PREDICTION

"Crypto x AI will be the largest category by dollars invested for early-stage crypto VCs in 2025."

Alex's 2025 Outlook

Heading into 2025, the entire ecosystem seems primed for transformation. Rather than returning to the brief hype cycles of 2021 and before, we expect this next phase to usher in more deliberate, infrastructure-driven growth, propelled by regulatory clarity in the U.S., stablecoin adoption abroad, and the rapid convergence of Crypto and AI.

Crypto x AI Convergence

Our thesis is simple: the protocols and developer tooling being built at the **Crypto x AI intersection** represents arguably the **most disruptive technical innovation** happening in the entire startup ecosystem. Together, they enable everything from tokenized data and compute marketplaces to autonomous AI agents that can transact and do business on their own. On the bottom of the Crypto x AI tech stack, we see the entire suite of **centralized AI being rebuilt** in an open-source, modular way—from platforms for sharing and crowdsourcing GPUs, data, and models, all hundred billion dollar markets. On the top of the stack, we see the promise of novel applications for **AI inference on-chain and AI agent** that are truly financially autonomous.

Hack VC has been one of the most active investors in this category to date. Of the five venture-backed AI unicorns minted in 2024, we were early investors in four. One of those unicorns is Grass, a decentralized data protocol for AI, where we led the Series A. AI models feed on data, lots of it. Grass steps in, giving these models access to a dataset of the entire internet, scraped by a network of millions of people around the world that volunteer their unused internet bandwidth. Grass then sells this data to AI companies and, in turn, shares the revenue with its user community at scale. Grass launched its token last year, and it's now trading at around a $2 billion valuation.

What to Expect this Cycle

Historically crypto's two biggest risks have been deleveraging shocks and regulation. At present, leverage in the crypto markets is modest compared to prior cycles, although this can always change, especially as rates fall. On the regulatory front, it's hard to overstate the impact of the U.S. election. It was probably the single biggest derisking event in crypto's history. There's still plenty of work to do—we need real legislation, and China, the second largest economy in the world, is still very anti-crypto. But in the medium-term, we expect crypto will begin to behave like any other tech sector; it will go up and down alongside macro trends, but it won't have as significant idiosyncratic shocks as it once had.

Many have wondered whether the U.S. election would actually impact crypto regulation or usage. This fear has been put to bed by the launch of $TRUMP, a ~$40 billion self-described memecoin launched just prior to his inauguration. This was swiftly followed by $MELANIA, a memecoin launched by the First Lady. Whether the $TRUMP or $MELANIA coins have any fundamental value or will be of much worth years from now is unimportant. What it means is that anyone in the U.S., the global center for capital formation and finance, now has arguably a lower regulatory overhang to launch a token. **The "tokenization of everything" era has begun.**

"Whether $TRUMP or $MELANIA coins will have any fundamental value is unimportant. What it means is that anyone in the U.S., the global center for capital formation and finance, now has implicit permission to launch a token. The "tokenization of everything" era has begun.

2025 BOLD PREDICTION

"In 2025 major AI labs will begin relying on edge nodes run by millions of people globally, and crypto will emerge as the only technology able to ensure this is done fairly and transparently."

Andrej's 2025 Outlook

Decentralized AI is often divided in two categories: protocols that are customers of AI companies (such as token-powered agents), and infrastructure protocols like Grass that are either disrupting AI companies or selling services to them.

Across both of these categories, the biggest winners will be those that are solving problems that cannot be serviced through centralized means. Decentralized AI protocols that solve specific problems will be the best positioned for vertically integrating other parts of the AI stack, as well as having the most real AI innovation being built on them. Decentralization for the sake of decentralization will continue to be more heavily scrutinized.

In 2025, several notable open source AI labs will issue tokens. This will be driven by a combination of clearer regulatory frameworks for launching tokens as well the increased ability to crowdsource capital. Some of these projects will do incredibly well, but those that emit tokens to incentivize certain behaviors without a clear roadmap for protocol value accrual may struggle to find sustainable product market fit.

2025 is also the year in which major AI labs need to rely on edge nodes run by millions of people globally, and crypto will emerge as the only way to ensure this is done fairly and transparently.

"In 2025, several notable open source AI labs will issue tokens. This will be driven by a combination of clearer regulatory frameworks for launching tokens as well as the increased ability to crowdsource capital.

PANEL 3

The Quest for Alpha: Where's the Hidden Value

L4L24 #17

VIDEO

MICHAEL JORDAN
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CATRINA WANG
General Partner, Portal Ventures

HOOTIE RASHIDIFARD
Managing Partner, Hash3

LEOPOLDO OCHOA
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The Quest for Alpha explores how top crypto VCs think about opportunity. The discussion covers new categories of investment, the balance between narrative-building and fundamentals, contrarian investing, and momentum strategies. Whether through exploring latent markets, anticipating the next infrastructure wave, or refining investment theses via research, the common theme is being early.

Moderated by **LEOPOLDO OCHOA**

The Next Big Opportunity

What emerging investment categories are the most promising, and which will gain traction in the next 24 months?

Catrina: At Portal Ventures, we refine our thesis every quarter, ensuring we focus only on areas where we have an edge. One of the biggest opportunities we see is in tokenizing latent markets. These are assets with value but without financial infrastructure to support them. We are backing companies that tokenize air rights and uranium, creating new financial products rather than merely digitizing existing ones. Tokenized real-world assets will be one of the most significant value unlocks in crypto.

Hootie: Hash3 is focused on identifying projects that fully leverage emerging blockchain ecosystems like Monad, Berachain, and MegaETH. The key is not just investing in new ecosystems but ensuring the teams we back are uniquely using their properties. Copy-pasting models from existing chains won't generate the best returns. I also believe that Decentralized Physical Infrastructure (DePIN) projects like Helium and Hivemapper, funded two to three years ago, are now entering their scaling phase. These projects will soon demonstrate their true market potential.

MJ: At DBA, we're focused on Bitcoin's ecosystem, which we believe will become the most dominant crypto market. The most exciting opportunity today is backing teams that are building DeFi infrastructure and novel financial instruments for Bitcoin. Bitcoin has the liquidity and network effects, but it lacks the full suite of financial tools that exist on Ethereum. The next 24 months will be critical in closing this gap.

Narratives vs. Fundamentals

How much do VCs influence the narrative, and when do fundamentals take over?

MJ: The best investors aren't just predicting the future—they're seeing the present clearly. The supply side of blockchain, such as consensus mechanisms and block production, is relatively predictable, with a three-to-five-year timeline from research paper to commercialization. The demand side, on the other hand, is much harder to predict. Applications and consumer adoption don't follow the same structured timeline. While we monitor new opportunities closely, we're cautious about pushing narratives too far ahead of their time.

Hootie: Early-stage investing naturally requires some level of narrative-building. When there's little market validation, VCs

"Winning the hardest deals matters more than spotting obscure trends."

MICHAEL JORDAN

need to articulate why an investment thesis makes sense. However, it's crucial to transition from storytelling to execution. Overhyping too early can result in companies being overfunded, which can lead to inefficiencies and misaligned incentives. Founders need to ensure that market demand eventually aligns with the narratives that get them funded.

Catrina: Publishing research is one of our biggest advantages at Portal. When we put a thesis into the public sphere, we attract the brightest founders working on that problem. The best investments come from deep, ongoing research rather than simply following short-term hype. When we identify a category early, we position ourselves to lead the most promising deals before they become obvious to the rest of the market.

Contrarian Investing

The moment an investment narrative is created, it becomes consensus. So what is your best contrarian bet for this cycle?

Catrina: Hardware-based moats in crypto are an underappreciated opportunity. Unlike software, which can be easily forked, hardware investments create defensibility. We've seen how hardware adoption has given projects like Helium staying power. While many investors overlook these areas due to capital intensity, we see this as an asymmetric opportunity where being early and contrarian can pay off significantly.

Hootie: I think infrastructure remains critical, even though many investors are now shifting their focus to applications. If we truly believe that assets and services will move on-chain, then we need to ensure that the underlying blockchain infrastructure can scale. High-throughput environments will be necessary, and we should be funding the teams that can deliver those advancements today.

MJ: My contrarian bet is that contrarian investing isn't as effective as it used to be. Information spreads too fast, and the best opportunities are now highly legible. Venture capital today is about winning the most competitive deals, not just spotting obscure trends. The best projects don't stay under the radar for long. Our job as investors is to position ourselves to access those opportunities before they become overbid.

Asymmetric Bets: Where Are the Hidden Gems

What's an example of a high-upside, under-the-radar bet from your portfolio?

Hootie: One of our biggest asymmetric bets is Felix, a margin trading protocol in the Hyperliquid ecosystem. Hyperliquid itself is an emerging L1 that raised no traditional venture funding. Its core team came from a market-making background and built one of the most successful on-chain perpetuals exchanges. Despite having significant trading volume and liquidity, it's largely ignored by the broader venture community. By investing in Felix early, we've positioned ourselves to capture a major piece of this ecosystem as it grows.

MJ: When we first backed Solana and SVM, they were considered dead by most of the market. The industry had largely written them off, but we saw the underlying technology and community strength as indicators of long-term success. The best asymmetric bets often look like bad ideas at the time—they require patience and conviction.

Catrina: One of the areas we've bet on is Bitcoin-native financial infrastructure. While many investors focus on Ethereum-based DeFi, we are backing teams building solutions for Bitcoin that introduce new capital efficiencies. A truly fungible Bitcoin-native token standard, for example, hasn't emerged yet, and we believe the team we're backing is positioned to create a foundational layer that will unlock significant liquidity in the ecosystem. The market often underestimates how much potential Bitcoin still has beyond simple store-of-value applications.

KEY TAKEAWAYS

- **New investment categories are emerging.** Tokenized latent markets, such as air rights and uranium, are creating financial products in untapped sectors.
- **Bitcoin's financial infrastructure is still underdeveloped.** While Bitcoin dominates in liquidity, it lacks DeFi solutions and native token standards that could unlock significant value.
- **Narrative-building is crucial but must transition to execution.** Early-stage investing requires that companies prove demand and product-market fit.
- **Contrarian investing does not always work.** The speed of information flow has made it difficult to find hidden gems. Winning the most competitive deals might be more important than contrarian bets.
- **Asymmetric opportunities still exist in overlooked sectors.** Underfunded ecosystems and hardware-based moats provide high-upside potential.

"Publishing research early allows us to attract the best founders before their ideas even become mainstream."

CATRINA WANG

2025 BOLD PREDICTION

"Sector-specific chains will eat general-purpose L1/L2s' lunch."

Catrina's 2025 Outlook

2024 marked the culmination of blockchain technology's "installation phase," characterized by regulatory legitimization, institutional adoption, and technological maturity. In 2025, we anticipate the rapid onset of the "deployment phase," as outlined in Carlota Perez's technological cycle. Tether's $12.7 billion in revenue since Q4 2022—outpacing BlackRock's $9.8 billion—served as a compelling wake-up call to skeptics of crypto's real-world adoption.

Market Integration vs. Market Creation

We foresee significant momentum in blockchain applications across two critical areas: market integration and market creation. **Market integration** involves deploying blockchain technology to enhance operational efficiency and drive revenue growth in established and proven use cases, such as cross-border remittance and payment and settlement systems. **Market creation,** by contrast, focuses on entirely novel use cases made possible by crypto-enabled incentive mechanisms. This includes tokenized marketplace platforms—commonly referred to as decentralized physical infrastructure networks (DePIN)—which address unmet demand by connecting distributed supplies of commodities like GPUs, storage, data, and bandwidth. Another promising frontier within market creation is the burgeoning Bitcoin economy, aiming to evolve Bitcoin from a passive store of value into a capital-efficient and productive ecosystem.

Shift from Memecoins to Fundamentals

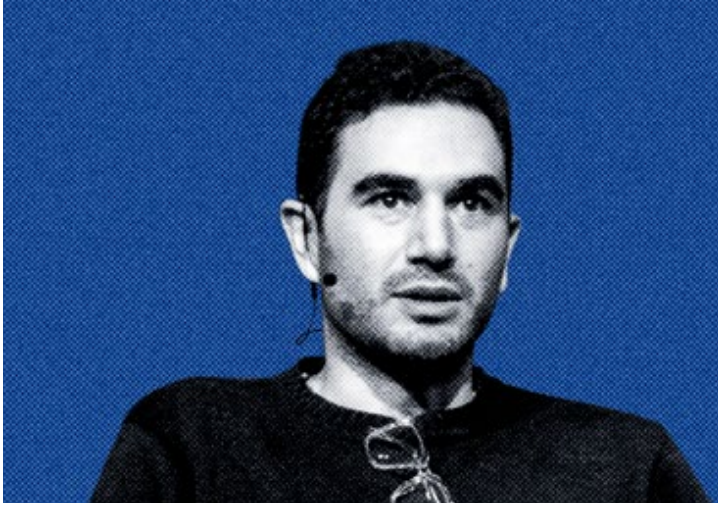
By late 2025, we also expect the memecoin craze to loosen its grip on the market. While the trend initially emerged as a retail pushback against low-float, high-FDV token launches over the past 18 months, the unrestrained speculation—entirely divorced from fundamentals—has fueled a wave of on-chain gambling. This cycle is likely to culminate in psychological and emotional fatigue among speculative traders, both retail and institutional. As the pendulum swings back to fundamentals, we believe attention will shift to genuine projects that demonstrate resilience, tangible value, and sustainable adoption.

Crypto Rails for Latent Markets

This refers to leveraging blockchain technology and crypto incentives to unlock entirely new solutions for markets that have historically been dormant or inefficient. This approach offers a unique advantage powered by blockchain through three key mechanisms: 1) Bootstrapping adoption via token design that incentivizes early participation, 2) Overcoming adoption inertia by removing payment infrastructure frictions, and 3) Enabling a global go-to-market strategy from the outset, as crypto rails operate on inherently borderless infrastructure. Unlike traditional technology companies that must navigate market entry strategies and partnerships with local infrastructure providers, crypto rails simplify these challenges through blockchain-based instant transaction settlement & verifiability, as well as smart-contract based automation.

A compelling example of this concept in action is **Uranium Digital** (UD), a trailblazer at the **intersection of blockchain and nuclear energy.** UD utilizes blockchain to financialize uranium, transforming it from an illiquid, opaque commodity into a tradable asset class. By introducing tokenized spot markets, transparent price discovery mechanisms, and a suite of derivative products, UD eliminates inefficiencies traditionally caused by intermediaries and slow settlement processes. Blockchain's ability to enforce rigorous tracking and compliance, essential for a highly regulated commodity like uranium, makes it an ideal solution for this market. Through its innovations, UD not only addresses the pain points of uranium's existing market structure but also establishes a new on-chain economy. This initiative highlights the transformative potential of blockchain in revitalizing dormant markets and driving financial innovation.

"Tether's $12.7 billion in revenue since Q4 2022—outpacing BlackRock's $9.8 billion—served as a compelling wake-up call to skeptics of crypto's real-world adoption.



2025 BOLD PREDICTION

"In 2025, tier 1 protocols will raise at least a third of Series A+ funding from the community (i.e. non-institutional capital sources)."

Hootie's 2025 Outlook

The stage has been set for 2025 to be a pivotal year for the crypto industry—a true watershed moment where a decade's worth of progress manifests in a short period of time. The enormous success of crypto ETFs has shown that access to crypto exposure is paramount for institutional and retail investors. iShares Bitcoin ETF crossed $50 billion of assets in just 227 days, five times faster than the previous record holder.

With the new U.S. administration, we have already seen very favorable policy changes for crypto: Gary Gensler has departed SEC, Paul Atkins nominated as SEC Chair, and a pro-crypto leaning House and Senate. In 2025, pro-crypto policy is already making progress in the forms of a Digital Asset Market Structure bill, a Stablecoin bill, the repeal of SAB121, and an investigation into Operation Chokepoint 2.0. The new administration and the policies they will put forth will be a crypto dream finally realized.

Ultimately, these tailwinds for innovation, talent, and capital will result in deeper crypto penetration and on-chain activity from both the top-down and bottom-up. For example, **banks can custody digital assets, payment providers can lean heavily into stablecoins, and financial institutions may start exploring DeFi integrations.** Clearer rules also give developers a guidebook for how to be compliant, essentially "unlocking" a huge talent pool. Developers will no longer have to spend significant resources navigating an intentionally gray regulatory zone.

Given Hash3 is largely focused on infrastructure, it comes as no surprise that we believe we should continue investing in infrastructure. Even if you believe crypto will only replace financial rails, the demand for on-chain activity would require a 100-1,000x increase in transaction throughput. To satisfy that demand, crypto's existing infrastructure will need meaningful step function improvements. Improvements can come from new highly performant ecosystems like Monad, MegaETH, or Berachain (all launching in 2025) or existing ecosystems (Ethereum, Solana, Aptos, Sui). For the former, funding core primitives and applications that are uniquely suited to a particular ecosystem can yield eye-watering returns if that ecosystem is successful. Nevertheless, new ecosystems still have much to prove.

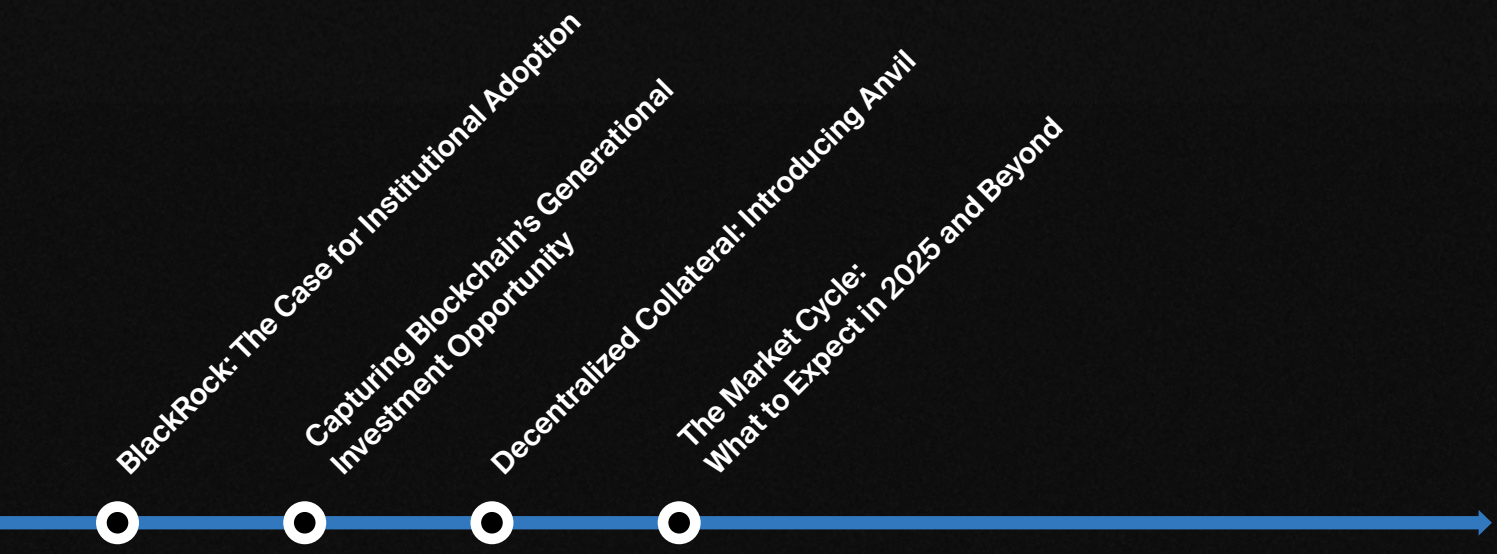
However, the opportunity doesn't just lie with L1s/L2s. With anticipated regulatory clarity, the design space for blockchains expands and we will witness additional composable infrastructure blocks to augment core logic ecosystems. For example, if regulation demands that DeFi protocols have KYC'd frontends, it makes sense to have a separate fully composable and encrypted KYC protocol for integration.

Outside of new performant ecosystems, I am excited to see capital formation continue to improve. In 2025, I believe that tier 1 protocols will raise at least a third of Series A+ funding from the community (i.e. non-institutional capital sources). After witnessing the success of Hyperliquid's launch and MegaETH's community sale in Q4 2024, tier 1 founders will embrace the community round in full force. There is no better way to build a long-term community (and thus the highest chance at long-term protocol success) than to give users and participants early skin in the game.

"[In 2025] banks can custody digital assets, payment providers can lean heavily into stablecoins, and financial institutions may start exploring DeFi integrations.

SESSION 4

The Market Cycle



Markets move in cycles, but blockchain's long-term trajectory remains clear. What's driving today's trends, and what signals should investors be watching for?

This session unpacks where we stand in the market cycle, why blockchain remains a **generational investment opportunity,** and **what to expect in 2025 and beyond.** From institutional adoption to shifting investor sentiment, we explore the the road that lies ahead.


ds4Legends

Nic Carter is a founding partner at **Castle Island Ventures,** an investment firm focused on blockchain-based financial infrastructure, and before that was Fidelity's first cryptoasset analyst. A leading voice in digital asset research, he is particularly known for his work on stablecoins, Bitcoin adoption, and institutional engagement in the crypto sector. **Robert Mitchnick** is the **Head of Digital Assets at BlackRock,** overseeing the firm's strategy across crypto, stablecoins, and tokenization.

Institutional Leader

ROBERT MITCHNICK

Managing Director, Head of Digital Assets, BlackRock

Venture Capital Investor

NIC CARTER

Founding Partner, Castle Island

VIDEO

L4L24 #18

BlackRock: The Case for Institutional Adoption

Nic Carter and Robbert Mitchnick discuss BlackRock's efforts to bring institutional-grade digital asset products to market, including Bitcoin ETFs and tokenized investment funds, offering insights into how traditional finance is gradually integrating blockchain-based assets.

> "Blockchains aren't just about sending Bitcoin and Ether around—they're about sending dollars—99% of stablecoins are dollar-backed, and 50% of all blockchain transactions by value are now settled in USD."
>
> **NIC CARTER**

> "Bitcoin ETFs have exceeded even the most optimistic of expectations, and that's with only one of the three engines really firing."
>
> **ROBERT MITCHNICK**

Stablecoins: Blockchain's Killer App

Stablecoins have proven **resilient across market cycles,** growing even when broader crypto trading volumes declined. They offer **a unique financial primitive: a digitally native U.S. dollar asset that is global, interoperable, and programmable.** Unlike traditional money, stablecoins **enable instant, near-zero-cost transfers,** making them indispensable in emerging markets and crypto-native ecosystems. Despite regulatory scrutiny, stablecoins **settle around $5 trillion annually,** rivaling traditional financial networks. They have **become crypto's killer app,** proving that blockchains are not only about sending Bitcoin and Ethereum, **they're about sending dollars:** 99% of stablecoins are dollar-backed, and 50% of all blockchain transactions (by value) are now settled in USD.

Crypto is **driving global dollarization** in a way never seen before. To learn more about trends in institutional adoption and use cases like stablecoins, Nic is joined by **Robbie Mitchnick,** Head of Digital Assets at **BlackRock,** who has been at the center of institutional engagement with digital assets, including **Bitcoin ETFs, tokenized securities, and stablecoin integrations.**

Bitcoin ETFs Are a New Institutional Gateway

Nic: *The launch of Bitcoin spot ETFs was a huge milestone. Did demand meet your expectations?*

Robert: We expected **strong pent-up demand** from investors looking for **turnkey, low-cost Bitcoin exposure,** but the reality has **outstripped even our most optimistic expectations.**

The sheer scale of inflows has been remarkable, and records have been shattered

INSIGHTS

"Bitcoin's long-term correlation to traditional assets is low—its real role is as a portfolio diversifier, not a risk asset."

ROBERT MITCHNICK

"The biggest hurdle is education. For many, it's the first time they've really looked at this in any sort of serious way. So it can start as simple as, what the heck is this? Like, how does the technology work? Where did it come from?"

ROBERT MITCHNICK

along the way. But what's even more important is how this demand has been segmented: in the ETF world, there are **three core demand engines:**

1. Direct retail investors – This segment has already driven huge inflows
2. Institutional investors – Many are still working through their internal processes
3. Wealth advisory platforms – Still early in their education journey

Right now, we've seen huge demand from direct retail investors, but institutions and wealth advisors are still working through key questions. The biggest challenge is **narrative confusion.** Many market commentators **lump Bitcoin into the "risk asset" category,** which undermines its fundamental role as a **decentralized, non-sovereign, scarce store of value.**

Bitcoin's Correlation with Traditional Assets

Nic: *Would you emphasize the evolution over time of Bitcoin's correlation with assets like gold and the S&P 500?*

Robert: Correlation is **a critical input for portfolio sizing analysis.** Bitcoin's long-term correlation to traditional assets is **low, averaging between 0.1 and 0.2—similar to gold.** However, it fluctuates. The primary macro factor is real interest rates. **Bitcoin is structurally short real rates,** meaning it performs well when real rates decline and suffers when they rise. Many other so-called risk assets (equities, fixed income) are also sensitive to real rates, so when there's a major move in real rates, Bitcoin's correlation with them can temporarily spike. This played out during **COVID, interest rates collapsed,** going deeply negative, and **Bitcoin soared 1300%.** As real rates began rising, Bitcoin corrected sharply.

Despite short-term trading correlations, Bitcoin **behaves more like an uncorrelated hedge** over time, making it a valuable **diversification tool** for institutional portfolios.

How Institutions Approach Bitcoin

Nic: *What are the key factors that institutions consider when deciding to make a bitcoin allocation?*

Robert: The biggest hurdle is **education.** For most institutions, it's their first time seriously evaluating Bitcoin. The journey usually starts asking: **What is Bitcoin?** How does it work? Where did it come from? What drives demand? **How should we think about supply, security, and risks?**

Once those foundational questions are addressed, the focus shifts to thinking about portfolio integration. This is an asset that's been the top performing asset in the world in seven of the last 10 years, averaged 100% annualized return over the last decade. And the other three years, out of 10, it's been the worst performing asset in the world. So how do we think about returns going forward? Or about volatility which is trended downward over time? And that starts to inform the potential to make an allocation and at what size.

Options on Bitcoin ETFs: Market Structure Implications

Nic: *With options on Bitcoin ETFs now available, could this impact market structure?*

Robert: Absolutely. The introduction of regulated Bitcoin options is a major development because it provides **risk management tools for institutions,** more precise exposure customization, and new ways to structure trades. Bitcoin is **highly volatile and positively skewed,** meaning it has **fat right tails in its return distribution**—not a normal pattern. Options **offer more customization,** allowing investors to:

- Hedge downside risk by purchasing **protective puts**
- Enhance yield by writing **covered calls**
- Create structured exposure with **risk-adjusted profiles**

For many conservative investors, Bitcoin's volatility was a blocker. The ability to use **options to mitigate risk** helps neutralize that concern, making Bitcoin ETFs **more accessible to institutions.**

Perspective on Tokenized Securities

Nic: *Tokenized dollar-yield products are gaining traction. What's your take?*

Robert: Tokenized securities are still early-stage, but their adoption is accelerating. While stablecoins and Bitcoin have already achieved **product-market fit, tokenized money market funds, bonds, and treasuries** are now emerging as **institutionally viable digital assets.** Right now, usage is mostly driven by crypto-native firms, but the real unlock will happen when institutional investors **start seeing stablecoins and tokenized funds as complementary,** and traditional finance integrates these assets.

Interest Rates and Stablecoin Growth

Nic: *How do you see the relationship between interest rates and stablecoin adoption?*

Robert: The assumption has been that lower rates drive more stablecoin growth by increasing trading activity. However, **stablecoin adoption remained** strong even as U.S. interest rates rose from 0% to 5.25%. This suggests that **the utility of stablecoins outweighs the opportunity cost of foregone yield.** Their ability to **move value instantly, globally, and at near-zero cost** continues to drive demand, even in high-rate environments.

BlackRock's Long-Term Strategy

Nic: *BlackRock is involved in multiple areas of crypto. What excites you most?*

Robert: At BlackRock, we view digital assets in **three distinct categories:**

1. **Crypto** – Direct market exposure via Bitcoin ETFs
2. **Stablecoins** – Expansion of partnerships (e.g., with Circle)
3. **Tokenization** – A long-term bet on financial infrastructure transformation

Each of these categories **represents a different stage of institutional adoption.** Bitcoin ETFs and stablecoins are already scaling, while tokenization is the next frontier, one we believe will be **critical for the future of capital markets.**

KEY TAKEAWAYS

- **Stablecoins are the first "killer" use case for blockchains.** They now settle $5 trillion annually and are driving global dollarization. Also, half of all blockchain transactions are settled in stablecoins.
- **Bitcoin ETFs have exceeded expectations, but institutional adoption is still unfolding.** Wealth advisors and institutions are still in their education and diligence phase before fully engaging.
- **Bitcoin's real role is as a portfolio diversifier, not a risk asset.** While short-term correlations fluctuate, Bitcoin's long-term correlation to traditional assets is low (~0.1-0.2), similar to gold. Its value lies in its scarcity, decentralization, and lack of exposure to traditional financial risks.
- **Education is the biggest hurdle for institutional adoption.** Many investors are still learning how blockchains works, what drives demand, and how to model future returns.
- **Tokenization is still in its early stages, but its potential is transformative.** While stablecoins and Bitcoin have achieved product-market fit, the next step for tokenized securities is to become an industry standard, transforming global financial infrastructure.

2025 BOLD PREDICTION

"Continued "crypto-dollarization" via stablecoins leads to a spontaneous dollarization event in a highly crypto-adopted emerging market country, causing a currency crisis."

Nic's 2025 Outlook

Overall, the outlook for digital assets in the 15-year history of this industry has never been better. Trump's Executive Order is a clear sign of intent. Of course, the U.S. is not the only market that matters, but it is the most important, and we expect other countries to follow America's lead on digital asset policy.

Specifically, the **overturning of SAB121,** the bad piece of SEC rulemaking which prohibited banks from custodying crypto, will permit banks to enter the industry as custodians which will vastly improve the credibility of the space.

On stablecoins, I expect **U.S. banks will be permitted to both issue and transact in stablecoins.** Fed guidance from 2023 alongside the FDIC's "pause letter" campaign had made this virtually impossible. I expect that U.S. banks will issue stablecoins in 2025 and start to get active in utilizing them as a parallel settlement infrastructure. This will compress spreads and make stablecoin remittance and payment businesses more viable.

On the legislative front, I expect **steps will be made towards stablecoin legislation,** which would make domestic stablecoins more credible and appealing to institutional users, although I give it even odds that this passes in 2025. A market structure bill is further off. The odds of "Strategic Bitcoin Reserve" legislation are weak.

On the financial regulatory front, we will see Congressional investigations into "Operation Choke Point 2.0", a scheme designed to debank crypto firms and entrepreneurs. Debanking activity will cease.

On the stockpile front, I do expect that the President's Working Group established by the Jan 23 executive order ultimately establishes **a Bitcoin stockpile**—meaning that existing seized Bitcoins will be held. No additional purchases will be made.

The **SEC will cease punitive litigation** against major crypto firms like Coinbase and Ripple, while continuing to prosecute cases of fraud. I expect a spate of no-action letters issued by the SEC, allowing crypto firms to do business.

We continue to get favorable, **pro crypto appointments** at the major agencies, following strong appointments at the SEC and Treasury. Specifically, pro (or at least, non-hostile) regulators will be appointed to lead the FDIC and the OCC. An investigation at the FDIC reveals that there was a concerted, coordinate effort led by the agency to debank crypto firms under Biden.

We continue to see meaningful adoption of Bitcoin and major cryptoassets like Solana from the institutional perspective. **A Solana ETF is approved.** Stablecoins continue to penetrate fintech, especially in emerging markets, and eventually make their way into domestic banks.

On the use case of **stablecoins for remittances,** I expect major remitters will be forced to either adopt stablecoins or risk being outcompeted by cheaper, more nimble stablecoin-based remitters. I expect a spate of acquisitions in the category.

"U.S. banks will issue stablecoins in 2025 and start to get active in utilizing them as a parallel settlement infrastructure. This will compress spreads and make stablecoin remittance and payment businesses more viable.

Jeroen Tielman is Head of Institutional Relations at **Theta Capital** and **Ruud Smets** is Managing Partner & CIO at **Theta Capital**, the world's largest fund-of-funds allocator dedicated to early-stage blockchain VC, managing well over $1bln AuM in blockchain VC since 2018. In this conversation, Jeroen and Ruud explore why blockchain venture capital presents a generational investment opportunity and how traditional investors can navigate this emerging sector using the Theta Funds strategy as a case study.

RUUD SMETS

Venture Capital Investor

Managing Partner & CIO, Theta Capital

JEROEN TIELMAN

Venture Capital Investor

Head of Institutional Relations, Theta Capital

VIDEO

L4L24 #19

Capturing Blockchain's Generational Investment Opportunity

In this conversation, Jeroen Tielman and Ruud Smets explore how traditional investors can navigate this emerging sector using the Theta Funds strategy as a case study, with well over $1 billion AuM in blockchain VC since 2018.

> "Stablecoins are to finance what email was to communication. A universal tool that removes friction and empowers anyone to transact globally, instantly, and permissionlessly."
>
> **RUUD SMETS**

> "Blockchain is at the 'greenfield' stage, similar to telecom in the 1990s—back when no one believed mobile penetration could exceed 10%. We all know what happened next."
>
> **JEROEN TIELMAN**

Why Blockchain VC

Jeroen: *Ruud, how did it all come about in 2017? What got you interested in blockchain?*

Ruud: I have a background in information technology and a programmer's mindset. What fascinated me about blockchain was that it allows you to **program business models directly into the internet**—just like publishing a website but with real value flowing through it. Entrepreneurs can now launch a business globally, instantly, and permissionlessly. That realization made it clear to me that this technology would generate enormous value.

At the same time, blockchain felt highly contrarian. I approached the hedge funds and tech investors we had worked with for over 20 years, and it was obvious that **most of them didn't fully grasp the implications of the technology.** Some knew about Bitcoin but hadn't considered the broader possibilities of decentralized networks. Even those who understood the potential often lacked the means to invest, as traditional funds weren't structured to buy tokens or participate in early-stage blockchain projects.

The Role of Specialized VCs

Jeroen: *You mentioned that generalist investors were slow to embrace blockchain. How does that shape the investment landscape today?*

Ruud: Even now, **95% of the most promising blockchain projects are funded by crypto-native venture capital firms,** not generalist investors. Traditional VCs largely ignored blockchain due to regulatory uncertainty and the unconventional nature of investing in public networks. Meanwhile, specialized VCs have become the dominant

> The opportunity in blockchain VC is clear: 100% of innovation in this space is coming from startups. Legacy institutions can't reinvent themselves as decentralized networks without dissolving their own business models.
>
> **RUUD SMETS**

players, shaping ecosystems by backing key technologies early.

When a specialist fund supports a project, it **sends a strong signal to builders and entrepreneurs.** This means that when a blockchain network launches, there are often hundreds of teams already building on top of it, creating immediate adoption.

Why a Fund of Funds Approach

Jeroen: *Why did Theta Capital choose a fund of funds strategy rather than direct investments?*

Ruud: First, because **specialized investors outperform** in this space. We work with over 50 crypto-native VCs, and none of them had exposure to FTX or Celsius—unlike most generalist funds that dabbled in crypto in 2022.

Second, blockchain is a broad and fast-moving field. There are multiple tech ecosystems and application areas, making it impossible for a single early-stage investor to capture everything. Instead, we **identify high-potential areas** and back the best early-stage funds specializing in those verticals.

A fund of funds approach also provides **diversification and risk management.** Blockchain moves at 100x the speed of traditional finance, introducing unique operational risks—like self-custody of assets and smart contract vulnerabilities. By spreading investments across multiple top-tier managers, we **mitigate exposure to these risks while still capturing upside.**

The Advantage of Multiple Vintages

Jeroen: *Theta Capital raises new blockchain VC funds annually. What's the rationale behind this high-speed investment cycle?*

Ruud: Blockchain markets move much faster than traditional VC cycles. Instead of multi-year capital deployment, we call capital in 12-15 months, and **early liquidity begins in about three years.** This is unheard of in traditional venture capital.

One key reason is that blockchain startups have liquid markets from day one. Unlike traditional tech startups, which take years to go public, **blockchain projects launch with active tokens,** meaning early investors can realize gains much sooner. For institutional investors, regular vintages provide a structured way to gain exposure. Many start small, learn about the space, and then **increase their allocations over successive funds as they gain confidence.**

Why This Is a Once-in-a-Generation Opportunity

Jeroen: *This session is about blockchain being a once-in-a-generation investment opportunity. Why do you believe that?*

Ruud: Blockchain is **not just another technology—it's a fundamental shift in how trust is created and maintained.** Instead of centralized intermediaries controlling value, decentralized networks enable trustless transactions and automated agreements.

That means two things:

1. **Disrupting traditional intermediaries**—from financial services to supply chains. Even if blockchain replaces just 5-10% of these industries, it's a trillion-dollar opportunity.

2. **Expanding market potential**—because decentralized finance, global payments, and tokenized assets create entirely new markets that didn't exist before.

Blockchain is as transformative as the internet itself, but with one key difference: **most investors are still on the sidelines.** The technology is complex, and the media focuses on volatility and speculation, making it easy to ignore. That creates a rare window of opportunity for those willing to do the work before institutional capital floods in.

The Energy of the Blockchain Space

Jeroen: *What drives the strong sense of energy and excitement in this space?*

Ruud: The people in blockchain **are deeply committed to what they're building.** Many come from technical backgrounds and have a strong **belief in decentralized systems.**

Everything in this space is a rabbit hole—whether it's DeFi, AI-driven smart contracts, or new governance models, you quickly realize how massive the possibilities are.

Another unique factor is **how open and collaborative the industry is.** On crypto-Twitter (X), Telegram, or open-source communities, anyone can contribute and directly engage with the top minds in the field. It's an industry that thrives on inclusivity and **radical transparency,** making it a **counterforce to financial centralization.**

Blockchain is also inherently ESG-aligned. Like email, it's a permissionless system accessible to anyone on the same terms. Over time, I believe institutions will come to see **blockchain as the most ESG-friendly technology available.**

5 Keys to Capturing Blockchain's Investment Opportunity

1 Understanding Blockchain's Disruptive Potential

Blockchain technology enables **programming business models onto the internet**, making value transfer as seamless as publishing a website. With this shift, **entrepreneurs can launch businesses globally, instantly, and permissionlessly**—a massive unlock. Despite this potential, **most traditional VCs and hedge funds have overlooked blockchain's disruptive nature**, creating an open field for specialized investors.

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2 Leaning on Specialized VCs

Most **generalist investors have failed to grasp blockchain's implications**—either due to regulatory uncertainty or an inability to invest in public protocols. Today, **95% of the most promising projects are funded by crypto-native VCs**, who send critical signals to the market. When **specialized funds back a technology, builders and entrepreneurs rally around it**, accelerating adoption.

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3 Fund of Funds Risk-Managed Approach

Investing in blockchain requires deep expertise. **Theta Capital works with over 50 specialized VCs**, in a strategy that **diversifies risk across ecosystems, application areas, and market cycles**, ensuring exposure to the most promising innovations while **avoiding operational pitfalls**.

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4 The Advantage of Multiple Vintages

Crypto markets move at an accelerated pace, requiring a **more dynamic approach to venture capital**. Theta Capital's strategy **deploys capital faster and sees distributions sooner than traditional VC funds**, reflecting the liquidity and speed of blockchain-based investment cycles. Institutional investors benefit from this structure, gradually increasing exposure as they gain confidence in the space.

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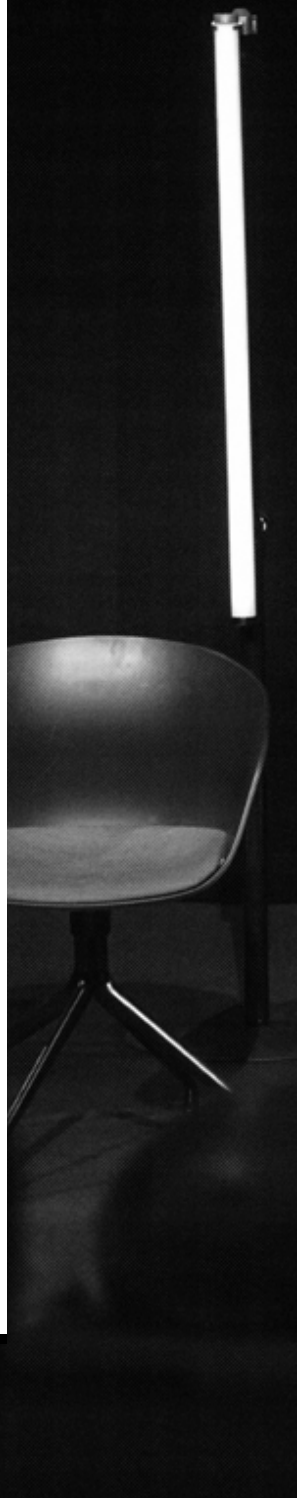
5 Long-term Conviction

The Theta strategy is built on long-term conviction, not short-term speculation. Blockchain attracts **builders with radical conviction**—technologists who see beyond speculative hype. The open-source nature of the industry fosters **collaboration, transparency, and accessibility**, positioning blockchain as one of the most **transformative technologies** of our lifetime. Yes, having a 24/7 price feeder on digital assets can create a lot of noise, so we like to say: **"Zoom out from short-term price action. Focus on the long-term transformation."**



> Blockchain isn't just a new technology—it's a new model of trust. It removes centralized intermediaries, allowing global markets to emerge organically. Like email democratized communication, stablecoins and digital assets democratize finance. Despite this, many investors remain hesitant due to complexity and misinformation, creating an asymmetric investment opportunity for those who act early.

Tyler Spalding is President of the **Acronym Foundation**, a blockchain-focused organization that invests in and develops Web3 infrastructure. A co-founder of Flexa—and the AMP token, he has a deep background in crypto payments and decentralized finance. **Douwe Lycklama** is co-founder of **Innopay**, a digital payments consultancy specializing in transaction ecosystems, digital identity, and open banking.

TYLER SPALDING

Founder, Acronym Foundation

Project Founder

VIDEO

Decentralized Collateral: Introducing Anvil

L4L24 #20

Anvil is a decentralized collateral protocol designed to revolutionize credit issuance in Web3. Tyler Spalding & Douwe Lycklama showcase how Anvil's digital credit instruments can be applied in real world scenarios.

> "Collateral is the entire heart of DeFi itself. The primary metric we use to evaluate protocols—TVL—is just a measure of how much collateral is locked in the system."
>
> **TYLER SPALDING**

> "The opportunity for collateral-backed digital credit is huge. We don't think about collateral every day, but it underpins everything from mortgages to trade finance—and now, Anvil makes it programmable."
>
> **DOUWE LYCKLAMA**

The Role of Collateral in Financial Markets

Collateral is the backbone of the global financial system, underpinning credit markets worth over a quadrillion dollars. Traditionally, it enables secured credit, lowers borrowing costs, and fuels derivatives, bonds, and various lending structures. Yet, despite its importance, collateral management remains fragmented, inefficient, and costly. **Web3 technologies are uniquely suited to transform this system,** offering verification, transparency, and automation at a scale never seen before.

Collateral as the Heart of DeFi

At its core, DeFi is built on collateral. **Total Value Locked (TVL), the key metric of any DeFi protocol, is ultimately a measure of collateral**—how much capital is deposited and "locked" into a smart contract. During recent financial crises, decentralized markets—DEXes—operated flawlessly while centralized counterparts crumbled. This resilience, he explains, proves that collateral-backed smart contracts offer unparalleled security and reliability.

Introducing Anvil: Digital Credit Without Banks

Anvil is a **live Ethereum-based protocol designed to issue credit through collateral pools and digital Letters of Credit.** These instruments function like bank checks but operate entirely on-chain, ensuring instant and verifiable transactions. Users can deposit assets, generate credit guarantees, and transact without intermediaries. By eliminating settlement risk and counterparty dependency, Anvil streamlines credit issuance, making capital more accessible across industries.

Anvil's design revolves around a **two-contract system**—a vault for asset deposits and a Letter of Credit mechanism. Users can collateralize assets, issue credit guarantees, and interact with DeFi markets in a seamless, decentralized manner. If a letter of credit becomes undercollateralized, liquidators autonomously restore balance through predefined mechanisms, ensuring systemic stability. This process mimics traditional banking but without centralized gatekeepers.

Expanding Use Cases: Lending, DeFi, and Payments

Beyond traditional loans, Anvil unlocks new credit opportunities for DeFi protocols, businesses, and individuals. It enables:

- Instant Credit on Exchanges: Traders and market makers can access liquidity without waiting for bank approvals.
- Seamless Asset Bridging: Reducing settlement delays between Layer 1 and Layer 2 networks.
- Collateralized Payments: Flexa, the team's original project, has already integrated Anvil to collateralize digital payments, ensuring merchant security and seamless transactions.

Unlike conventional lending platforms, **Anvil isn't about borrowing—it's about enabling the issuance of secured credit.** We envision a future where smart contracts autonomously qualify assets and issue guarantees to universally prove creditworthiness. With decentralized governance and a transparent, permissionless framework, **Anvil redefines credit in the digital economy.**

2025 BOLD PREDICTION

"At least two of the top 10 global retailers (by sales) will accept some form of digital asset payments."

Tyler's 2025 Outlook

In 2025, the issuance of secured credit will become one of the most significant use cases for distributed ledgers and digital assets. This evolution will drive substantial growth within the blockchain ecosystem, as the global credit market—encompassing derivatives, bonds, and both public and private debt—represents the second largest financial market in the world, with an estimated value of approximately 0.25 quadrillion USD.

The primary component of this shift will be the increasing use of digital assets as collateral for secured credit. Bitcoin will be particularly utilized due to its substantial market capitalization, decentralization, and absence of traditional counterparty risk. However, other cryptocurrencies will be recognized as high-quality collateral, supported by the growing adoption of exchange-traded funds (ETFs). Concurrently, traditional financial assets such as bonds and equities are becoming more accessible on-chain through platforms (e.g., Superstate and Ondo) which provide secure mechanisms for tracking and managing registered securities. Interoperability (e.g., Wormhole, Across) and security (e.g., EigenLayer) protocols will further accelerate the seamless integration of cross-chain collateral into the financial ecosystem.

In the intermediate term, the issuance of traditional loans secured by Bitcoin and other crypto assets will dramatically increase, alongside the adoption of commercial secured credit backed by tokenized assets. Examples include institutional "repo" transactions on enterprise blockchain platforms, treasury operations, and derivatives trading. These advancements will be bolstered by regulatory developments, such as permitting banks to hold digital assets on their balance sheets and accepting tokenized non-cash collateral in global financial markets. As mainstream adoption increases, **digital collateral will expand into a broader range of use cases.** For instance, collateralization processes are becoming more versatile, offering generalized assurances that support innovations such as novel stablecoins (e.g., Ethena USDe and USDtb), and digital letters of credit that can replace traditional security deposits and down payments.

Improvements in user experience are also making these processes more accessible and intuitive. Projects such as Burner.pro exemplify this progress, offering simple, disposable cards that function as fully featured hardware wallets. Transparent and decentralized financial services, enabled by on-chain protocols, are now complemented by seamless, user-friendly interfaces that are essential for driving mainstream adoption. Together, these developments represent a **pivotal shift in how secured credit and collateral are managed within the global financial system.**

> "As mainstream adoption increases, digital collateral will expand into a broader range of use cases, including novel stablecoins and digital letters of credit that can replace traditional security deposits and down payments.

What to expect in 2025 and beyond

PANEL 4

L4L24 #21

The Market Cycle: What to Expect in 2025 and Beyond

VIDEO

RUUD SMETS
Managing Partner & CIO
Theta Capital

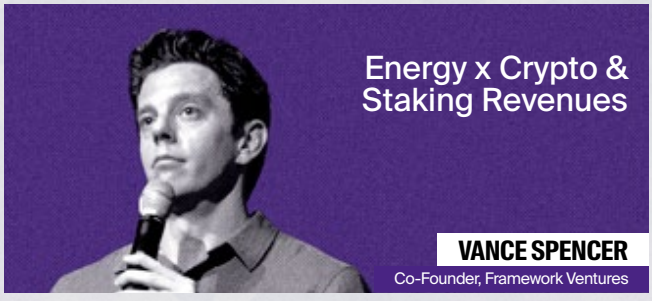
With blockchain emerging from years of regulatory headwinds and shifting sentiment, we stand on the cusp of a new wave. To explore this pivotal moment, Ruud Smets has assembled seven top-tier investors for our largest panel. They'll reveal how developments in AI, scalability, stablecoins, and more could redefine the sector—and where they're placing their bets.

Moderated by **RUUD SMETS**

Question 1

If you had to condense your portfolio to a single theme and a single investment, which one would you choose?

> "We've effectively solved the scalability issues with new rollup solutions—using a blockchain has become as seamless as opening a web browser."
>
> **LASSE CLAUSEN**

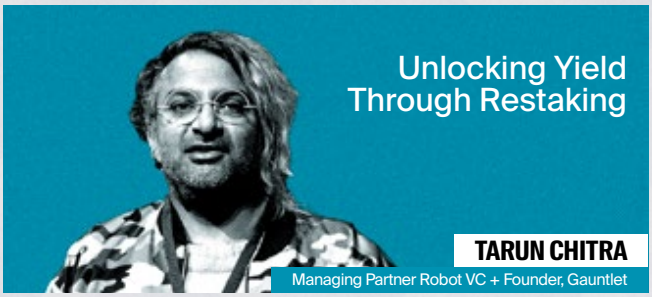


Energy x Crypto & Staking Revenues

I'm a big believer in **energy** as an untapped area in crypto, but in the near term, **staking** stands out for actual revenue generation. Solana's **Jito** is a prime example; it's deeply integrated into Solana's infrastructure, capturing significant fees. This real revenue flow—and the potential for token buybacks—gives investors confidence. While I expect energy-focused crypto projects to mature over time, staking-oriented protocols look like the best bet for immediate returns.

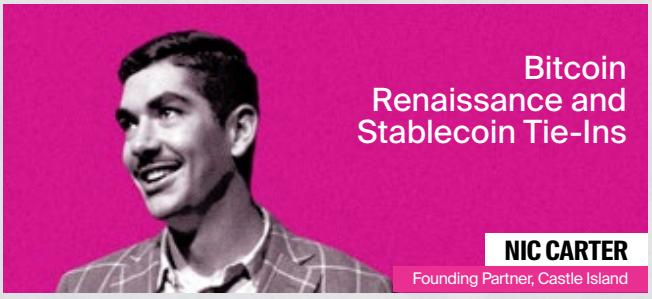
Scaling Solutions with zkSync

I'm convinced that **scalability**—especially zero-knowledge (ZK) rollups—is the key to bringing crypto into the mainstream. Layer 2 solutions are finally hitting that "broadband moment," allowing for much lower transaction fees and smoother user experiences. My pick is zkSync, which is already making waves with innovative launches like Abstract chain, an L2 that focuses on user-friendly abstractions. By tackling the biggest pain points in blockchain usage, zkSync and similar technologies can unlock the next wave of adoption, making crypto accessible to far more people.



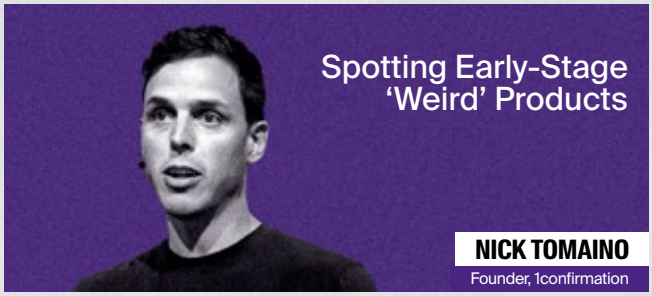
Unlocking Yield Through Restaking

I'm most excited about **restaking,** where staked tokens in a proof-of-stake network can be pledged again in a different protocol. In Ethereum and any EVM-compatible L2, restaking could create fresh opportunities for yield by letting me earn rewards in more than one place with the same collateral. Once restaking becomes standardized, I believe it will reshape staking-based projects by enabling more robust economic activity, along with derivatives and other financial instruments built around stakeable assets.



Bitcoin Renaissance and Stablecoin Tie-Ins

While stablecoins are a huge part of my overall strategy, if I have to pick another focus, I turn to **Bitcoin-based Layer 2s.** I see developing rollup solutions—like BitVM—as a way to spark a "Bitcoin renaissance." These solutions can layer smart-contract functionality on Bitcoin without altering its base protocol, potentially unlocking trillions in "idle collateral" for DeFi-like use cases. By bridging Bitcoin more closely to the rest of crypto, I expect a surge in both liquidity and innovation.

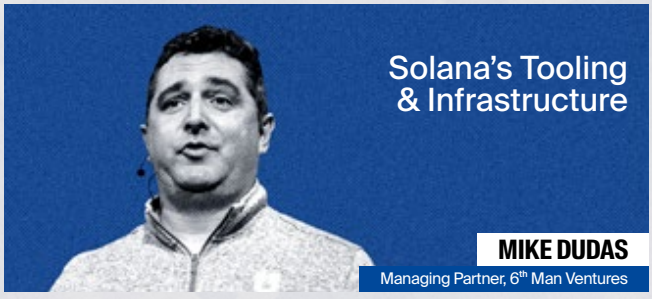


Spotting Early-Stage 'Weird' Products

I prefer to seek out niche, "weird" products well before they become mainstream. OpenSea illustrates my point: it was just an under-the-radar marketplace charging lower fees than Crypto-Kitties back in 2017, but eventually grew into the dominant NFT trading platform. I'm convinced that investing early—rather than chasing hot trends—delivers the biggest upside. When the market finally catches on, the payoff can be enormous, which is why I concentrate on finding these emerging hidden gems.

AI-Powered Decentralized Compute

I'm putting my focus on **decentralized compute networks** for AI. For me, io.net is a prime example—a blockchain-based platform that taps GPU power to support a wide range of internet services. Because it's built on Solana, it provides transparent, on-demand access to GPUs for AI and machine-learning tasks at a lower cost than traditional cloud providers. In my view, the convergence of AI and decentralized infrastructure is poised to redefine how we handle data and compute resources, which is why I see it as the most significant growth opportunity.



Solana's Tooling & Infrastructure

My focus is on **critical infrastructure** within the Solana ecosystem. I've backed Squads, a multisig solution securing billions in on-chain value. Many crypto businesses still struggle to find reliable banking, so Squads fills a huge gap by providing a secure way to manage funds on-chain, interact with DeFi, and facilitate off-ramps. By solving such a fundamental need in the Solana ecosystem, I see Squads as a pillar that can support substantial growth and adoption across the network.

Question 2

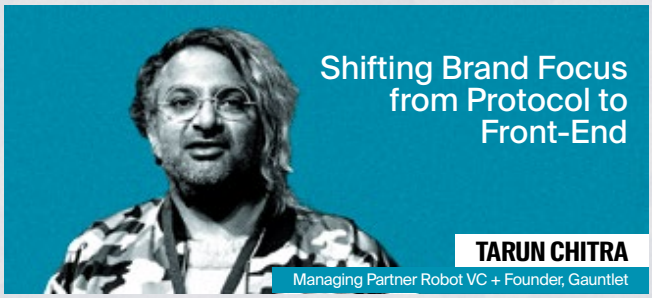
Looking back over the past year, what do you see as the biggest shift in the crypto investing landscape? And looking ahead, what is your boldest prediction for how the industry will evolve in the next 12 months?

Global Regulatory Balance & AI Millionaires

I've found a new sense of reassurance in the global regulatory environment, which I compare to Europe's 19th-century "Concert of Europe," where powerful nations held each other in check. Even countries like the U.S. and China, which attempted to ban crypto, haven't succeeded—while smaller jurisdictions are seizing the chance to become crypto hubs. This balance gives me confidence in a more stable playing field. As for my bold prediction, I expect autonomous AI agents to amass serious wealth. I've already seen it happen with the GOAT memecoin experiment, and I believe we'll witness more AI-driven projects thriving under these conditions.

Middleware Unlock & Better-than-Web2 Onboarding

Over the coming year, I'm placing my bets on user-experience breakthroughs—especially streamlined account abstraction and frictionless gas payments. I envision a world where someone can download an app, log in with Face ID, and seamlessly hold a crypto wallet that spans different blockchains without even realizing it. If we get this onboarding right, I'm convinced it will outperform traditional Web2 logins, finally pushing us toward hundreds of millions or even billions of active blockchain users.

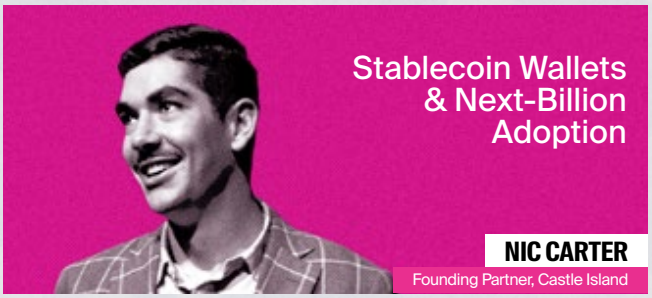


Shifting Brand Focus from Protocol to Front-End

What caught my attention this past year is how dramatically brand perception has shifted among new users. Whereas newcomers once identified with a chain like Binance Smart Chain, they're now latching onto wallets or front-ends—Phantom is a great example—more than the underlying protocol. Going forward, I see a standoff: leading protocols want to hold onto their user base with in-house wallets and integrations (like Uniswap's wallet), but powerful front-ends will also compete for the same audience. This tug-of-war between protocol branding and interface branding is, in my view, about to redefine how we build and market blockchain tech.

Government Infiltration & Prediction Markets

What struck me is how quickly people stopped talking about major crises like FTX, which I see as a symptom of short memory and "soulless greed" in crypto. This year, I've been thinking a lot about how governments might be quietly influencing the space, with law enforcement creating fake coins to ensnare bad actors—or to steer narratives. I anticipate more revelations about such subversion ops in the near future. On a different note, I'm also expecting a big rise in prediction markets, extending well beyond politics into sports and cultural events, as people look for new ways to speculate on real-world outcomes.



Stablecoin Wallets & Next-Billion Adoption

I'm especially excited about recent advances in stablecoin wallets—particularly those with "abstracted" features so users can pay gas directly in stablecoins. Opera's MiniPay stands out to me as a great example. By eliminating the need for separate chain tokens and logins, this approach can onboard millions, if not hundreds of millions, across emerging markets. Another factor fueling this surge is the growing willingness of local banks outside the U.S. to facilitate stablecoin on- and off-ramps, which helps shrink fees and makes the user journey that much simpler. From my perspective, it's a clear route to crypto's next billion users.

Protocol Branding & Developer Consolidation

In my opinion, the brand identity of protocols themselves is still a huge draw for developers, and chains like Base—tied to Coinbase—and Solana are standout examples. Clear messaging, strong documentation, and an active community are what pull developers in. My expectation is that we'll see the ecosystem consolidate around a few major chains, with Solana and Base leading the way. Later on, once certain applications become massive, they might spin off into their own L3 chains. But for the next year or so, I think devs will likely focus on building where the brand, tooling, and community support are strongest.

ICO Revival & Venture Capital Shakeout

I predict a comeback for token launches—ICOs, in essence—even if a portion will inevitably fizzle. The idea of raising capital through tokens is just too compelling to disappear, and I see it re-entering the mainstream conversation soon. Alongside that, I expect a big split in how venture funds perform. History shows that a few VCs always catch the right narrative—like DeFi or Solana before—and they'll see outsized gains again. The rest may not fare as well. In a bull market, there'll be a handful of breakout winners, so the real challenge is finding those diamonds early.

> "I believe we're entering a 'Concert of Europe' era for crypto, where major powers realize they can't simply ban it, and smaller states compete to become hubs. That dynamic creates a more balanced environment for cross-border innovation."
>
> **ALEX PACK**

The Next Frontier

Building The True Internet Economy

Blockchain is not just another emerging asset class—it is a fundamental shift in how value is created, exchanged, and secured. This transformation represents one of the greatest generational investment opportunities of our time. Yet, like all paradigm shifts, it remains widely misunderstood. Its permissionless nature creates both extraordinary potential and overwhelming noise—akin to the early internet.

Navigating this complexity requires deep expertise. Specialist blockchain investors—those embedded in the space—hold a decisive edge, as they understand the nuances of innovation cycles, network effects, and infrastructure development. We have structured our strategy to embrace this reality, building long-term partnerships with the leading venture firms in blockchain, ensuring access to the highest-quality opportunities, while staying above the short-term distractions.

As a fund-of-funds, we occupy a unique position. We do not just invest—we curate, connect, and interpret. By bringing together the best market participants and deciphering technical complexity for investors, we help make sense of this rapidly evolving landscape. The Satellite View reflects this mission: offering a clear lens on where the industry is headed and where the real value lies.

While we know blockchain will reshape the world, its trajectory is impossible to project. Just as the internet revolutionized media, commerce, and communication in ways unimaginable in its early days, blockchain's impact will be profound yet unpredictable. The best investment strategy is not about making singular bets, but about securing early ownership across the highest-quality projects and ecosystems—positioning ourselves for inevitable, exponential growth.

The opportunity in front of us is extraordinary, and we feel privileged to play a leading role in this transformation. This frontier attracts some of the brightest minds, the boldest builders, and the most relentless innovators. It is a world of deep technology, economic reinvention, and endless intellectual rabbit holes—all converging toward the rise of the **True Internet Economy.**

We wouldn't want to be anywhere else. Would you?

What our speakers say about us

At **Legends4Legends,** industry leaders share their biggest takeaways from the previous year and bold predictions for what's ahead. From regulatory shifts to stablecoin adoption, VC trends, and AI-driven wealth, their insights reveal the key forces shaping the future of blockchain investing.

'The trick is to get both a combination of innovators, founders and investors [...] you've done a fabulous job in doing that.'

J. CHRISTOPHER GIANCARLO
Former CFTC Chairman

'You get so much information in such a dense period of time. It's a really efficient, thorough, intelligent group.'

MICHAEL JORDAN
Co-Founder and General Partner, DBA

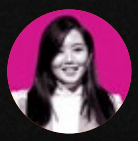
'The range of speakers is impressive, from top revenue-generating CEOs to seasoned regulators, offering a fantastic mix of insights and expertise.'

REGAN BOZMAN
Co-Founder, Lattice

'Such a diverse set of perspectives on what the current state of the on-chain economy looks like, and also what the future will look like.'

CLAY ROBBINS
General Partner, Colosseum

'There's a lot of exchange of ideas and ways that we can collaborate.'

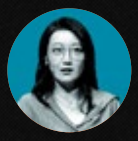


MIN TEO
Managing Partner, Ethereal Ventures

'It's special to bring together such a brain trust of individuals from around the world to talk about crypto.'

MIKE ZAJKO
Co-Founder, Lattice

'One of the highest signal to noise events I've been to.'



CATRINA WANG
General Partner, Portal Ventures

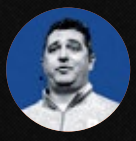
'Legends4Legends is ahead of the curve when it comes to financial innovation and technology.'

FRANKLIN BI
General Partner, Pantera

'The event has been wonderful. I've met a lot of high quality institutional LPs. It's the best LP and crypto focused digital asset event in Europe.'

VANCE SPENCER
Co-Founder, Framework Ventures

'Unbelievable, to be honest, the amount of content that you guys have packed in and the quality of people.'



MIKE DUDAS
Managing Partner, 6th Man Ventures

'Couldn't think of a better place to have this event. Theta is by far the largest fund of funds in crypto investing globally.'

GREG VAN DEN BERGH
Founder, Panga Capital

Save the date

16 October 2025

We are delighted to announce **Legends4Legends 2025,** the exclusive Theta Blockchain Ventures Allocator Conference, taking place on October 16th.

Legends4Legends has established itself as Europe's premier blockchain conference for allocators by bringing together an exceptional line-up of crypto-native venture capital professionals, startup founders, and thought leaders in the blockchain space, and offers an opportunity to connect allocators with a carefully selected group of peers—all within an intimate, high-caliber setting.

Now in its ninth year, the conference will be held at the iconic EYE Film Museum in Amsterdam, and invites up to 300 allocators, including family offices, institutional investors and wealth managers—to explore what it means to invest in the blockchain revolution.

For more information visit **legends4legends.org**

Legends4Legends

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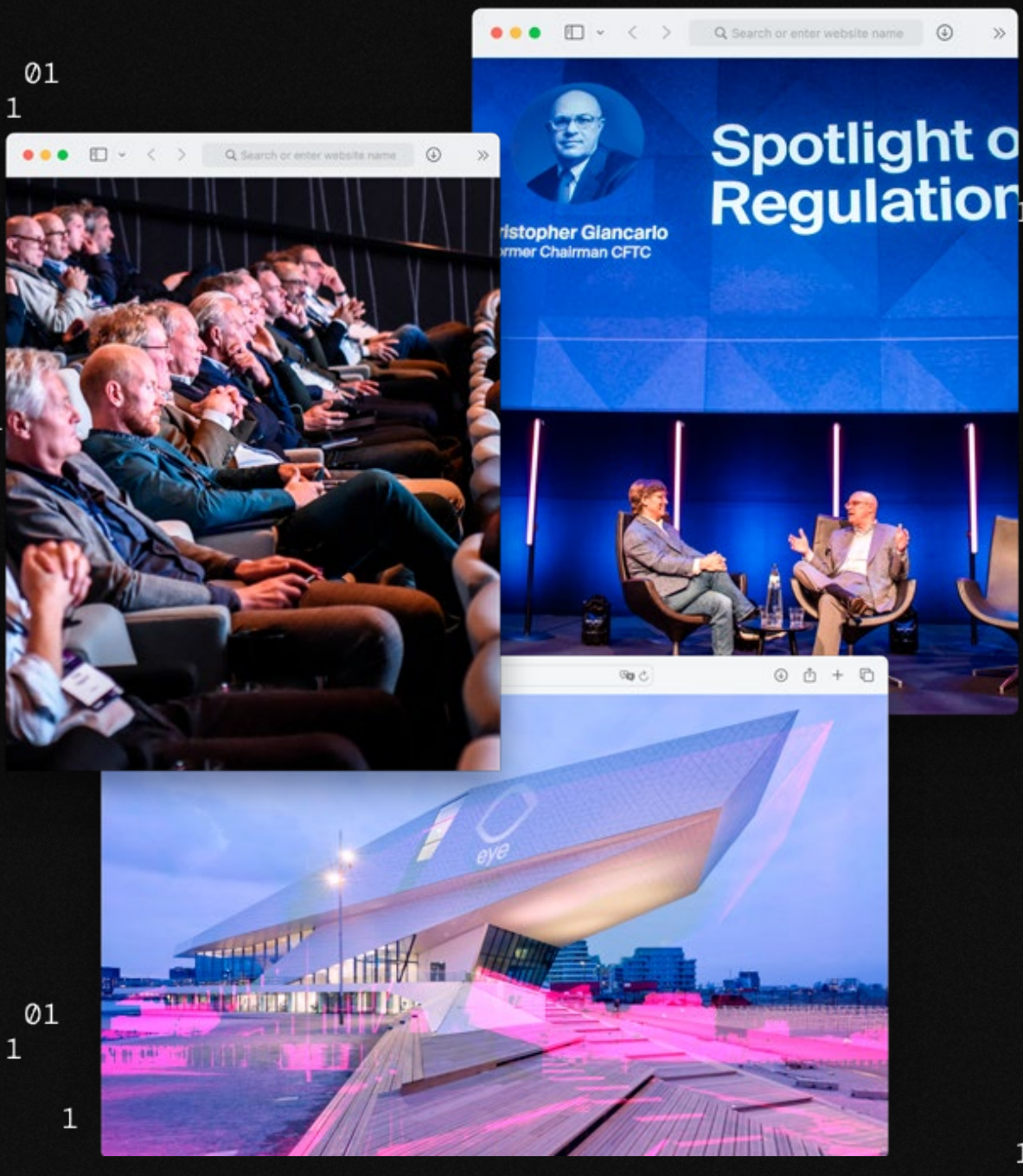

About

Legends4Legends is the leading annual alternatives investor conference in Europe with an in-depth focus on blockchain technology and the digital asset class. Legends4Legends raises money for **Alternatives4Children** (A4C). A4C is an independent charitable foundation established in 2011 in the Netherlands supporting small scale educational projects with high impact potential. **Theta Capital** is the main sponsor of the event and curates the agenda. Theta Capital manages **Theta Blockchain Ventures,** the leading fund of funds program for blockchain venture capital with over $1 billion of assets under management since 2018. Theta Capital is the first AIFMD licensed manager in the space.

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Before making any investment decisions, please refer to the relevant offering documents. Past performance is no indication of future performance. Investing into blockchain or crypto related investments entails very high risks and investors may lose all of their investment.

Credits

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THE FINANCIAL INDUSTRY CHARITY

Alternatives 4 children

250 million children and youth are out of school worldwide, including 58 million primary school-aged children.

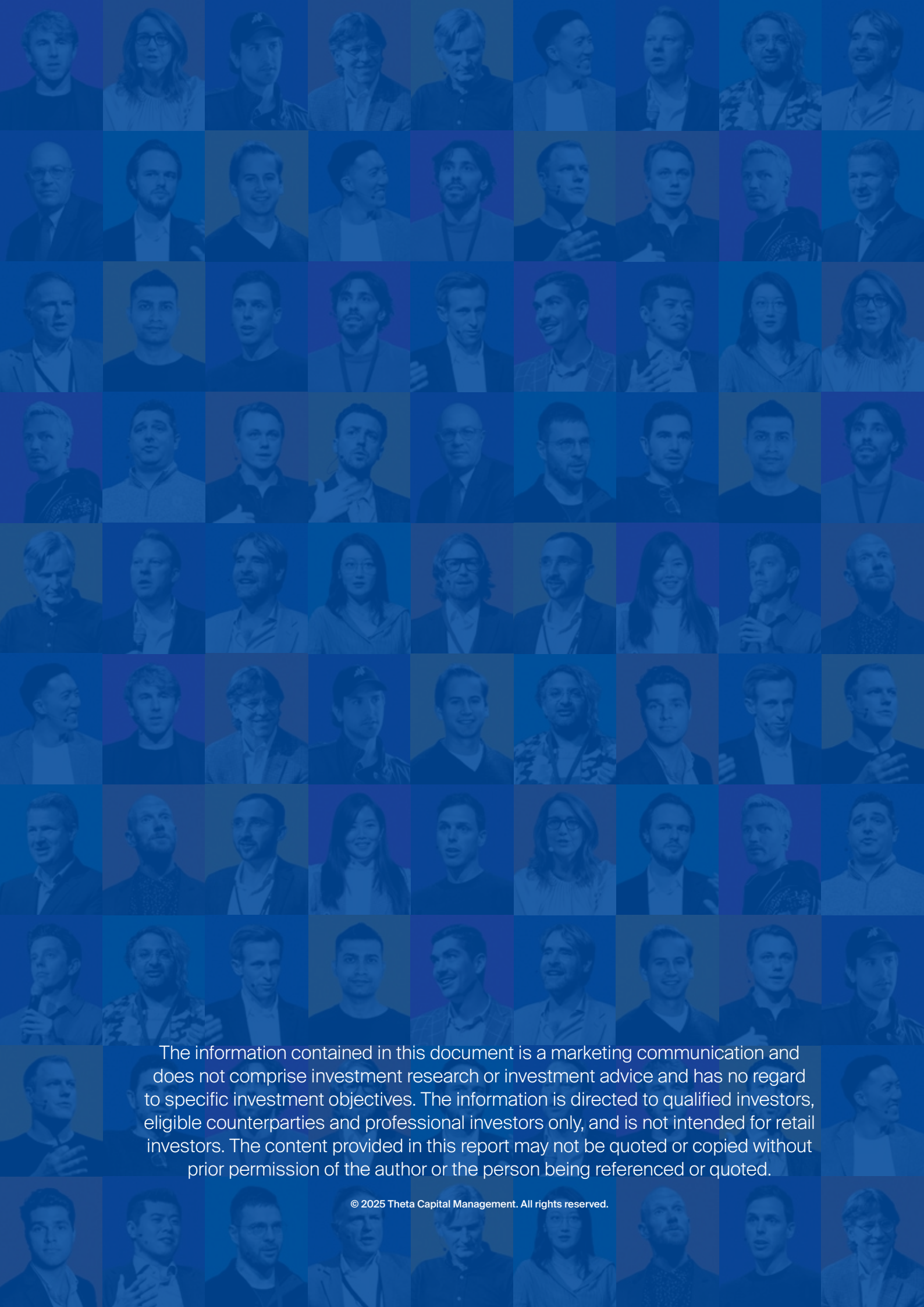
Our mission is to transform lives and break the cycle of poverty through access to quality education for children in developing regions.

Alternatives 4 Children (A4C) is an independent charitable foundation established in 2011 in the Netherlands with the aim to involve professionals from the Investment industry. Originally founded by professionals from the Dutch Alternative Investment Industry, we are now open to all countries and people from the financial industry and have a full United Kingdom Chapter which launched in June 2019.

Goal & Vision. A4C will support sustainable projects and raise money for charities involved in improving the living standards of children in need with a focus on education.

This year's **Legends4legends** event raised **€160,000** which goes to support the educational needs of over **1,000 children** that A4C supports through its projects.

For a full update on our impact see our annual reports here: www.alternatives4children.com



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