

MVC Web3

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01

Deal Flow

FTX / Trade Republic / Sorara / MoonPay / Fireblocks



FTX is a Bahamas-based cryptocurrency exchange. It enables customers to trade digital currencies for other digital currencies or traditional money, and vice versa. Visa is teaming up with global crypto exchange FTX to offer debit cards in 40 countries with a focus on Latin America, Asia and Europe. FTX makes money through various trading fees, including maker fees, taker fees, NFT fees, and margin borrower interest.

Date	Lead Investors	Funding Round	Money Raised
Aug 29, 2022	Limit Break	Venture Round	\$200M
July 18, 2022	Meow	Series A	\$22M
July 17, 2022	Empiric Network	Seed Round	\$7M



Trade Republic Bank GmbH is a German online broker in Berlin. Shares, derivatives and cryptocurrencies can be traded on a mobile app. Trade Republic cooperates with renowned partners such as HSBC and solarisBank. Trade Republic makes money from payments for order flow, various trading and account fees, as well as interest on cash held within its user accounts.

Date	Lead Investors	Funding Round	Money Raised
Jun 3, 2022	Ontario Teachers' Pension Plan	Series C	€250M
May 30, 2022	Sequoia Capital	Series C	\$900M
Apr 16, 2019	Accel, Founders found	Series B	\$75M



Sorare is a football fantasy game where players buy, sell, trade, and manage a virtual team with digital player cards. The game uses blockchain technology based on Ethereum and was developed in 2018 by Nicolas Julia and Adrien Montfort. Sorare signed a multi-year partnership with the National Basketball Association (NBA) and the National Basketball Players Association (NBPA). Sorare makes money by the issuance and sale of new NFT playing cards on its platform, with auction prices starting.

Date	Lead Investors	Funding Round	Money raised
Sep 20, 2021	SoftBank	Series B	\$680M
Feb 25, 2021	Benchmark	Series A	€40M
July 16, 2020	Headline	Seed Round	\$10M



MoonPay offers a fast and simple way to buy and sell cryptocurrencies. Moonpay is the only company in the world that allows people to buy crypto with credit card, bank transfers or Apple Pay. Crypto payment provider MoonPay has partnered with hardware wallet firm Trezor to allow users to purchase crypto directly from their hardware wallets. MoonPay makes money via processing fees, payment fees, as well as a concierge service offered to wealthy clients.

Date	Lead Investors	Funding Round	Money raised
Apr 13, 2022	/	Series A	\$87M
Mar 1, 2022	/	Venture Round	/
Nov 22, 2021	Coatue, Tiger Global Management	Series A	\$555M



Fireblocks is an easy to use platform to create new blockchain based products, and manage day-to-day digital asset operations. Fireblocks hopes to enable every business to easily and securely support digital assets and cryptocurrencies.

Date	Lead Investors	Funding Round	Money raised
Dec 1, 2021	D1 Capital Partners, Spark Capital	Series E	\$550M
July 27, 2021	Coatue, DRW Venture Capital, SCB 10X, Sequoia Capital, Spark Capital, Stripes	Series D	\$310M
Mar 18, 2021	Cpatue, Ribbit Capital, Stripes	Series C	\$133M



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Web3 Knowledge Base

Liquidity / Staking

Liquidity

- The availability to liquid asset to a market or company
 - Good liquidity: Enough buyer and seller in the market to accommodate the transaction, any transaction will not affect the price of the token.
 - Bad Liquidity: The imbalance between buyer and seller. The seller will need to lower asking price or wait for the market to become more liquid. Individual transaction will affect the market price of the token.
- A key factor in the ease of entering or exiting the market. Whether the market is liquid or not are mainly based on three important indicators:
 - 24-hour trading volume
 - Order Amount
 - Difference between the ask price and the bid price (The bid-ask spread)

Staking

- POS (Proof of Stake) is a mechanism that whoever solves the puzzle first gets the right to add the next block to their blockchain
- Staking refers to the process how token holders can earn rewards.
 - Amount of tokens staked by validators; the length of time validators pledge equity; total number of tokens staked on the network; inflation rate
- Stake the tokens from a cryptocurrency wallet such as Trust Wallet; Trust Wallet



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Protocol Research

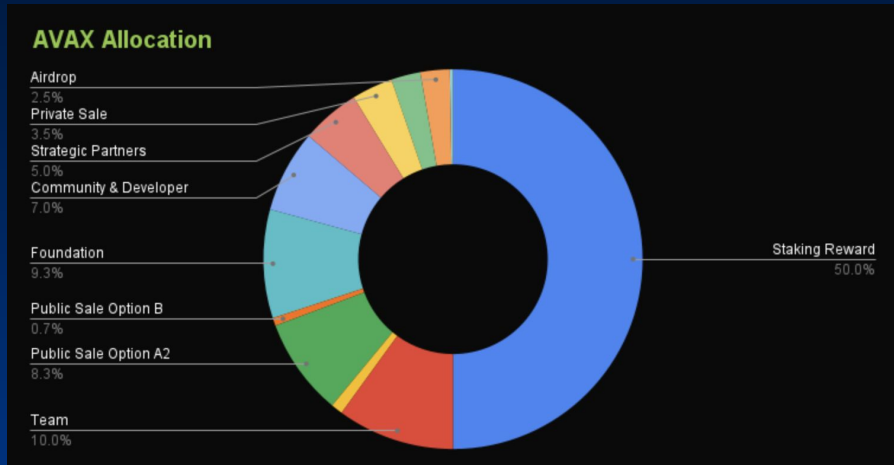
Avalanche / NEAR / Polygon / Cosmos

Avalanche(AVAX)

Rank: 20

Market Cap: \$ 4,249,800,851

Tokenomics



- Launched in September, 2020, Avalanche is a competitor to Ethereum that prioritizes scalability and transaction processing speed. Avalanche's smart contracts platform supports both dApps and autonomous blockchains.
- AVAX is used to pay transaction processing fees, secure the Avalanche network, and act as a basic unit of account among blockchains in the Avalanche network.
- Avalanche is an open-source project, meaning anyone can view and contribute to the platform's code.

Speciality

Coin creation rate

- The maximum supply of AVAX is capped at 720 million tokens, but AVAX users govern how fast new coins are minted.
- AVAX holders can control the rate of new coin creation by voting to adjust the amount of AVAX paid as a reward for adding a new block to the Avalanche blockchain.

Transaction fee structure

- Transaction processing costs vary depending on the type of transaction and Avalanche's network congestion.
- All fees are burned—removed from circulation, which reduces the number of coins in use—to enable AVAX to become scarcer over time.
- Avalanche users vote to decide the Avalanche transaction fee, making AVAX fees subject to change.

Speciality

Consensus mechanism

- Transactions on the Avalanche blockchain are using their own Snow consensus protocol that requires many small, random subsets of network participants to confirm transactions before the transactions are considered finalized.

Participation incentives

- High uptime and fast response times can both boost the amount of AVAX rewards that a network participant can earn for processing AVAX transactions.

proof-of-stake (PoS) governance mechanism

- Avalanche is generally governed by the proof-of-stake mechanism.
- AVAX holders are required to stake—agree not to trade or sell—AVAX in exchange for the right to validate AVAX transactions.
- AVAX holders with the most staked, and who actively participate as validators, are the most likely to be chosen as validators for new Avalanche blocks.
- Holding AVAX tokens is also required to vote on Avalanche governance proposals.

Key Takeaways

Prons

- Fast transaction processing times: The Avalanche blockchain reportedly can process 4,500 transactions per second.
- Reward structure incentivizes participation
- Capable of supporting many blockchain-based projects

Cons

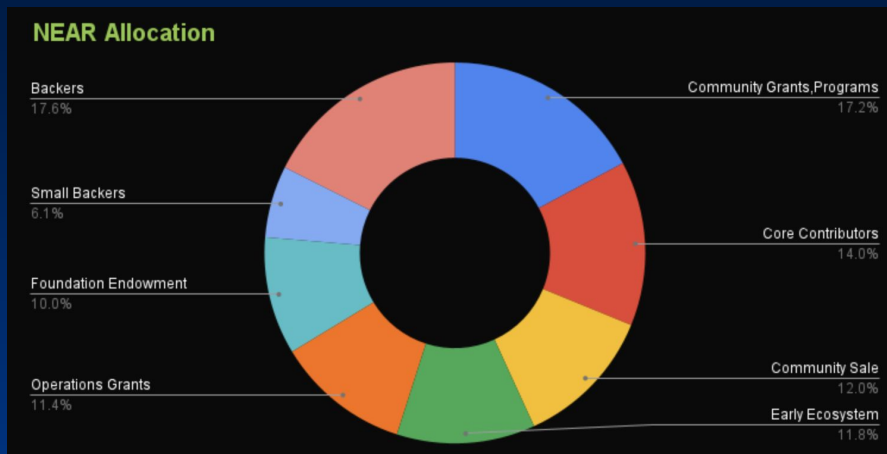
- Stiff competition from platforms like Ethereum
- Avalanche validators must stake 2,000 AVAX tokens
- Malicious or careless validators are never penalized by losing their AVAX

NEAR protocol (NEAR)

Rank: 35

Market Cap: \$ 1,416,201,072

Tokenomics



- Launched in April, 2020, Near Protocol is a layer 1 blockchain network. It provides a platform on which developers can build decentralized applications (dApps).
- Near has built technology to enable transactions that are fast (~1 second), quick to finality (~1-2 seconds), cheap (less than a penny), and secure

Speciality

TPS (transactions per second)

- Faster and cheaper than Ethereum, especially faster than some of the other largest challengers.
- Near is expected to be able to process up to around 100,000 transactions per second (TPS).
- Solana's averages TPS is less than 3,000. Ethereum averages double-digit transactions per second. Bitcoin does less than 10.

Wallet (payment)

- Near also has excellent Visa's (V) capacity.
- The global payments giant processes around 7,000-8,000 TPS, based on its claim of 232.5 billion transactions over a 12-month period.
- Near Protocol could eclipse that, though it has not yet realized its theoretical potential as of July 2022.

Speciality (technical)

“sharding” technique

- Designed to improve transaction speed and capacity. Near Protocol is by no means the first network to use sharding.
- It involves breaking up the blockchain into sub-chains with different validators working on them.
- Near Protocol is starting to implement a new version of sharding. Instead of simply dividing up the responsibilities of the validators, it actually divides the blockchain itself up into smaller parts.
- Near began introducing it in phases in late 2021, as the transaction volume on the network increased.

proof-of-stake (PoS) consensus mechanism

- In proof-of-stake, bad actors are deterred from corrupting the system by a requirement to "stake" a certain volume of tokens to validate blocks.
- Near currently sets the number of nodes at 100 and requires a minimum threshold of 67,000 NEAR tokens in order to participate in the validation of new blocks of legitimate transactions and get rewarded with more tokens.

Ecosystem

Currently 973 projects, include 84 DAOs

Sub-ecosystem

Aurora: NEAR-based EVM compatible ecosystem.

Octopus: NEAR-based multichain interoperable Network and Appchains Ecosystem.

Infrastructure (210 projects)

Wallets, Validators,
Explorers, Bridges,
Storage

DApps (454 projects)

Defi, DEX, Exchanges,
Launchpads, Gaming,
Social, Music, ect.

NFT (284 projects)

Marketplaces,
Collectibles

Utilities (90 projects)

Oracles, Security, Data,
Analysis, Payments,
Dev Tooling, Profolio

Ecosystem (123 projects)

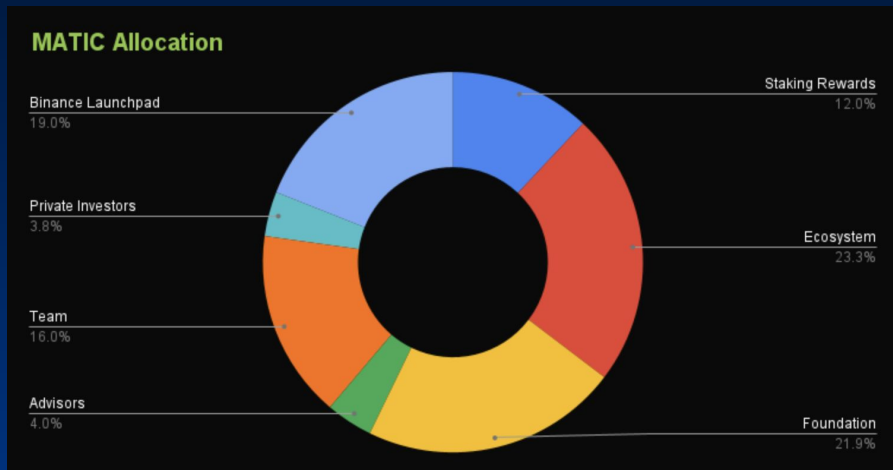
DAO, Regional Hub,
Funding, Guilds. Education,
Refi, Events

Polygon (MATIC)

Rank: 10

Market Cap: \$ 8,094,846,585

Tokenomics



- The Polygon was launched in 2017 to connect and grow Ethereum-compatible projects and blockchains. There are now more than 19,000 decentralized apps (dApps) running on Polygon.
- Polygon is able to deploy existing blockchain networks and develop custom blockchains; enable communication between Ethereum and other blockchains; help existing blockchain networks to become compatible with Ethereum.
- MATIC is an ERC-20 token, meaning that it's compatible with other Ethereum-based digital currencies. MATIC is used to govern and secure the Polygon network and to pay network transaction fees.

Speciality

Ability to process transactions quickly

- By using a modified proof-of-stake consensus mechanism that completes the transaction confirmation process in a single block, Polygon can maintain fast transaction processing speeds.
- Achieving consensus using traditional proof-of-stake requires processing many blocks to achieve consensus.
- Polygon's average block processing time is 2.1 seconds.

Transaction fees are consistently low (cheap)

- Polygon keeps its fees to use the platform low, with a typical transaction fee of around \$0.01.

Investor Perspective

Widespread Adoption

- There are now more than 19,000 decentralized apps (dApps) running on Polygon, it's a vibrant ecosystem.
- Polygon PoS is now home to some of the biggest Web3 projects like Aave and Uniswap V3, OpenSea and Animoca Brands' games.

Full Suite of Solutions

- Polygon is building a complete suite of solutions that is similar to what Amazon Web Services offers Web2 developers -- a tool for every possible use case and scaling at a click of a button.

The Team

- Founders are from Google and YouTube, hires hail from Microsoft, Amazon, Bloomberg, and Electronic Arts.

Collaborative & Sustainable

- Polygon created Ethereum Adoption DAO (EAD), aimed at supporting education of future builders, formation of new projects and development of public goods and unicorns on the Ethereum ecosystem.

Disadvantages

Not an autonomous blockchain

- Polygon is a Layer 2 solution that works atop the Ethereum platform.
- If the Ethereum platform experiences serious disruptions or ceases to exist, then Polygon would likely lose its value.

Limited use cases for MATIC

- The MATIC token is designed to govern and secure the Polygon platform and pay transaction fees.
- Unlike some digital currencies, MATIC is not generally used for everyday purchases.

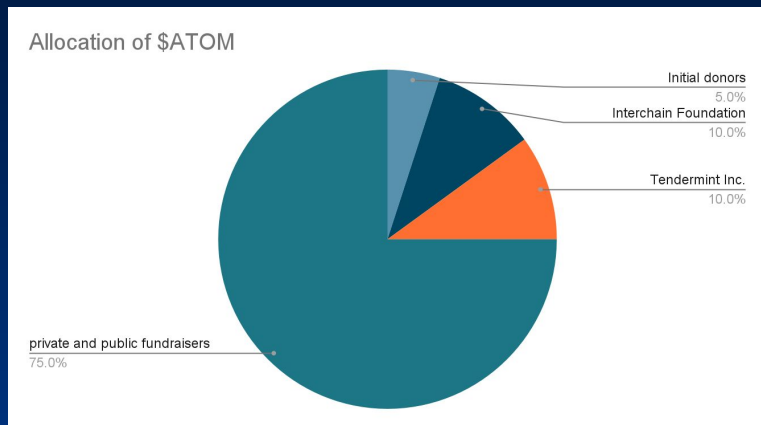


Cosmos Hub (ATOM)

Rank: 24

Market Cap: \$ 2,984,883,564

Tokenomics

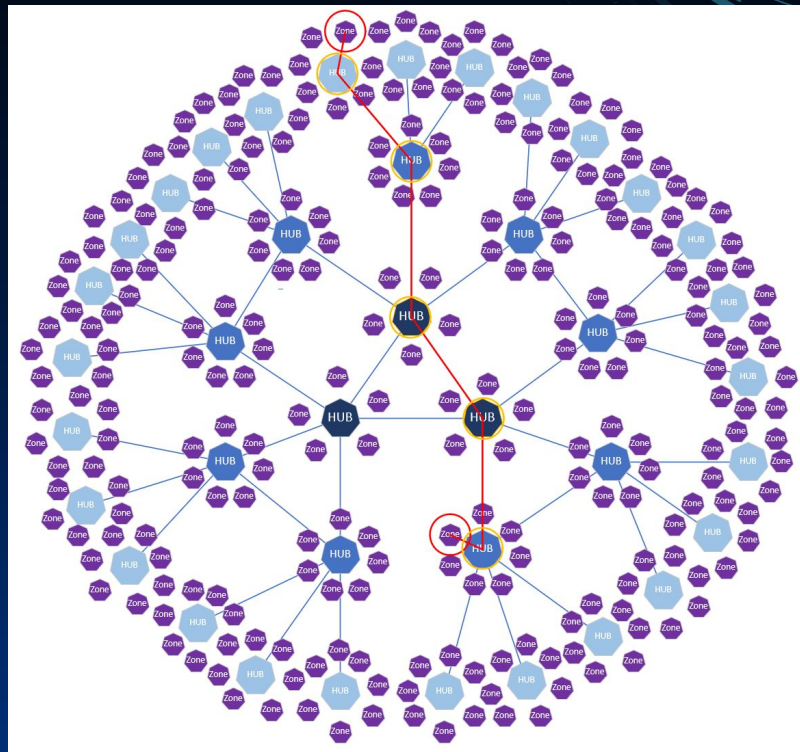


- Cosmos is the infrastructure that allows to connect several layer 1 blockchains like Osmosis, dYdX in a network of blockchains.
- They are a platform trying to fix the problem that most of the cryptocurrencies can't communicate with one another (a user can't send TRON over the Dogecoin network, for instance), by allowing blockchains to connect to each other.
- These blockchains communicate through the Inter-Blockchain Communications (IBC) protocol, with the Cosmos Hub and its ATOM token being one of the blockchains in this network.

Speciality

Unique Scaling

- Instead of scaling linearly (like monolithic chains such as Solana) or with modularity (like Ethereum is trying by separating the execution layer and settlement layers), Cosmos scales by allowing different blockchains to communicate in a trust-minimized way.
- Each blockchain (or **hub**) can connect with different hubs in an archipelago of blockchains. Furthermore, each blockchain can have its own application-specific blockchains, or app-chains (called **zones** in the Cosmos ecosystem) to scale its hub.



Cosmos 2.0

Cosmos released its Cosmos 2.0 white paper in September 2022.

Liquid Staking

- In Cosmos 2.0, ATOM stakers will be able to use their staked tokens across the Cosmos ecosystem. This incentivizes staking on Cosmos, which over the long-term will change ATOM issuance from an inflationary to a deflationary model.

Interchain Security

- Zones (app-chains) will be able to rent security from the Cosmos Hub validators. This enables smaller app-chains to defend themselves against validator attacks while retaining decentralization.

Interchain Scheduler

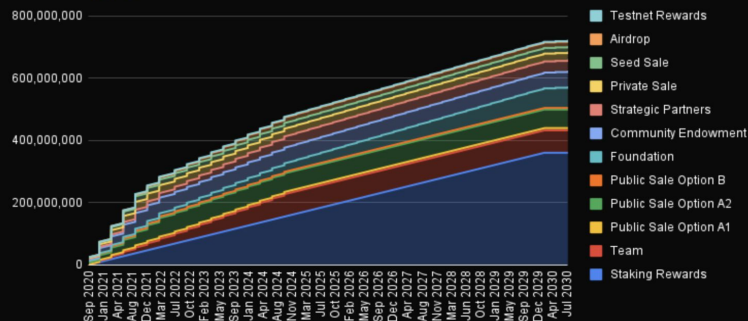
- A cross-chain marketplace for blockspace. App-chains will be able to trade blockspace in, thereby allowing users to execute block transactions in a trust-minimized manner.

Interchain Allocator

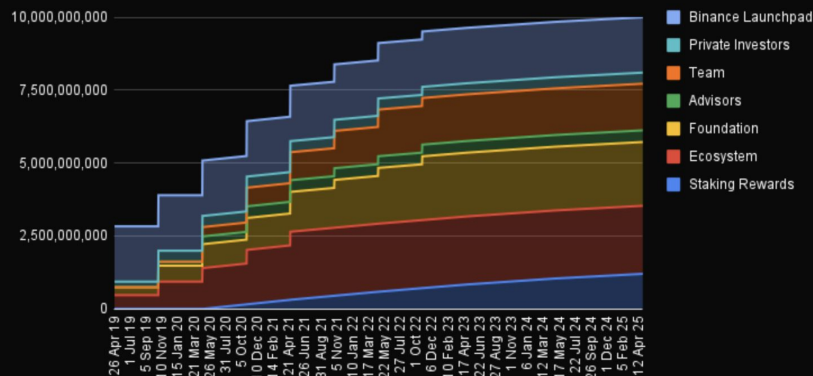
- Cosmos Hub's treasury will actively look to fund DAOs to create public goods for the ecosystem.

Tokenomics analysis

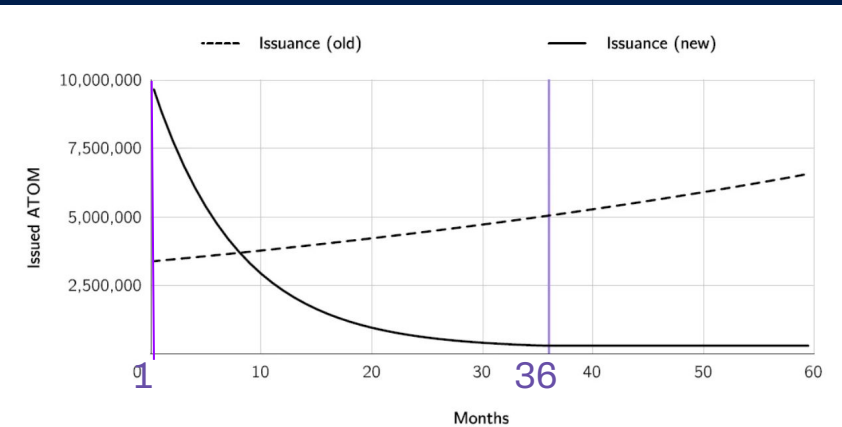
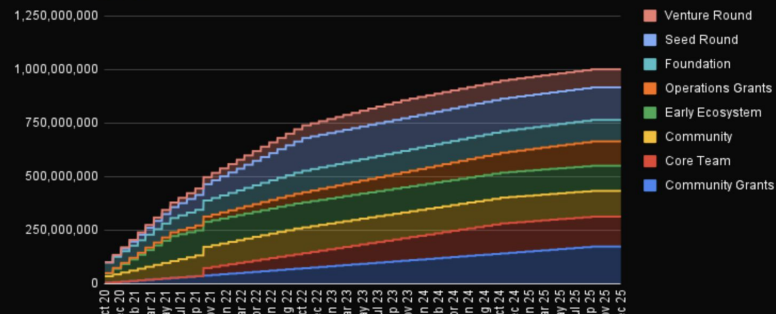
AVAX Supply Schedule



MATIC Supply Schedule



NEAR Supply Schedule



Thanks

Do you have any questions?