

The emerging Bitcoin-native venture capital landscape.

TVP Research Brief 2021 - 2023

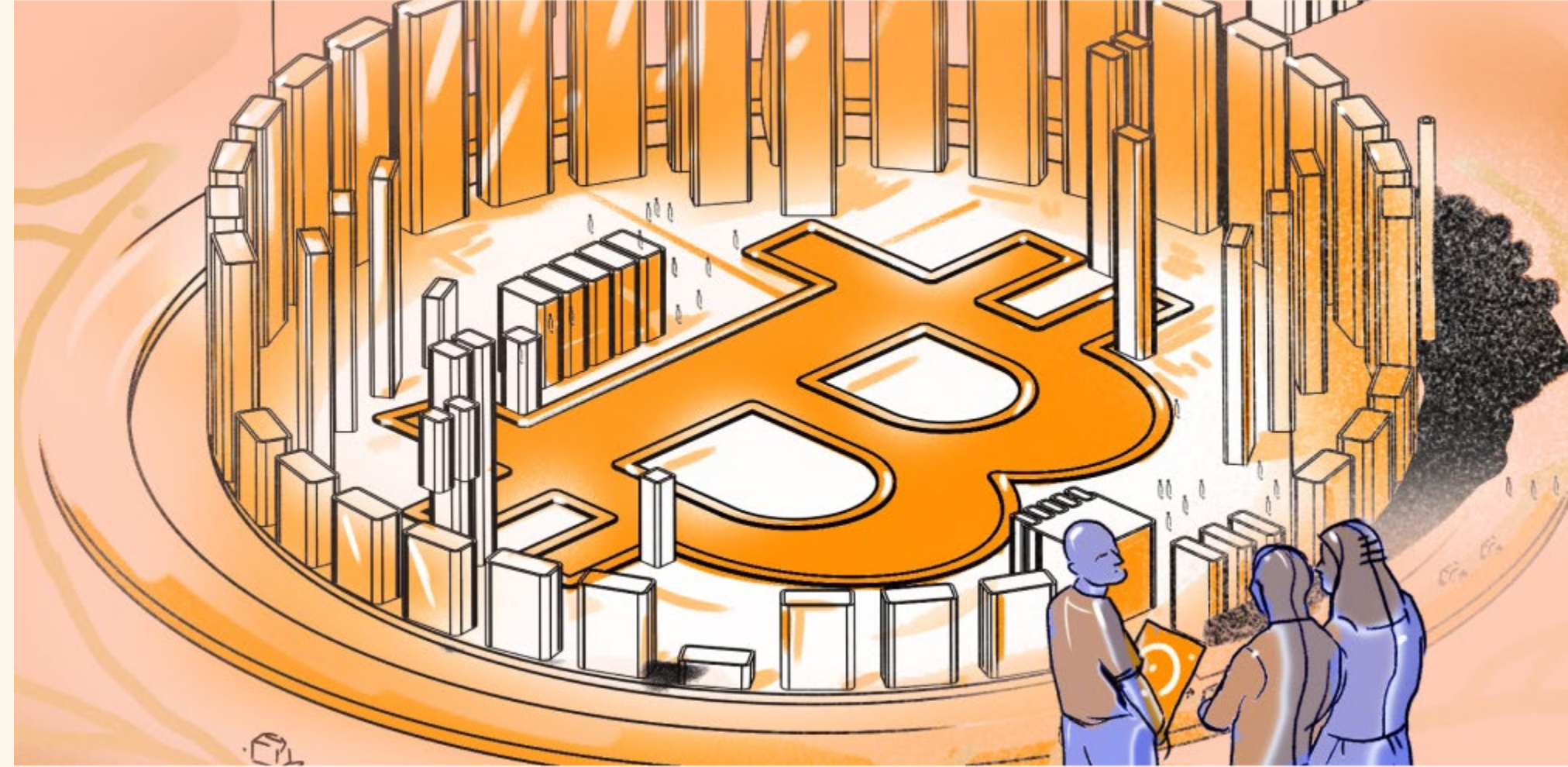


Contributors Christopher Calicott Matthew Snow Zach Young



How we define Bitcoin-native.

We used the term “Bitcoin-native” in the community frequently, but no one had taken the time to do the exercise to define it. Before the inaugural TVP Bitcoin Venture Fund, we went to Bitcoin-focused entrepreneurs, investors, and community members to build a working definition for our PPM and to invite a discussion with the broader Bitcoin community.



Bitcoin-Native Company

A company founded with the first principle that bitcoin is the global monetary asset of the future and internet-native digital cash. The company builds a product the success of which is mutually aligned with the success of Bitcoin. The company leverages the Bitcoin protocol stack in various ways to create value for its customers. Innovation at the various “layers” of the protocol stack enables the business to flourish technically and propels business model innovation.

Included

For this research brief we have included in the dataset bitcoin-native, early-stage startup companies.

Exclusions

Though we have looked at a large number of mining operator deals, given their capital intensive nature and tendency toward a project finance-like profile and different growth characteristics when compared to predominantly software companies included in the dataset, we have excluded miners from these data. Additionally, we have excluded outlier rounds for companies at a later stage by years of operation or of a very unusual size for an otherwise in-bounds deal.

Rationale

Our intent here is to mitigate skewness of data and highlight the signal and trend of this new market.

2023 in Bitcoin Startup Deals

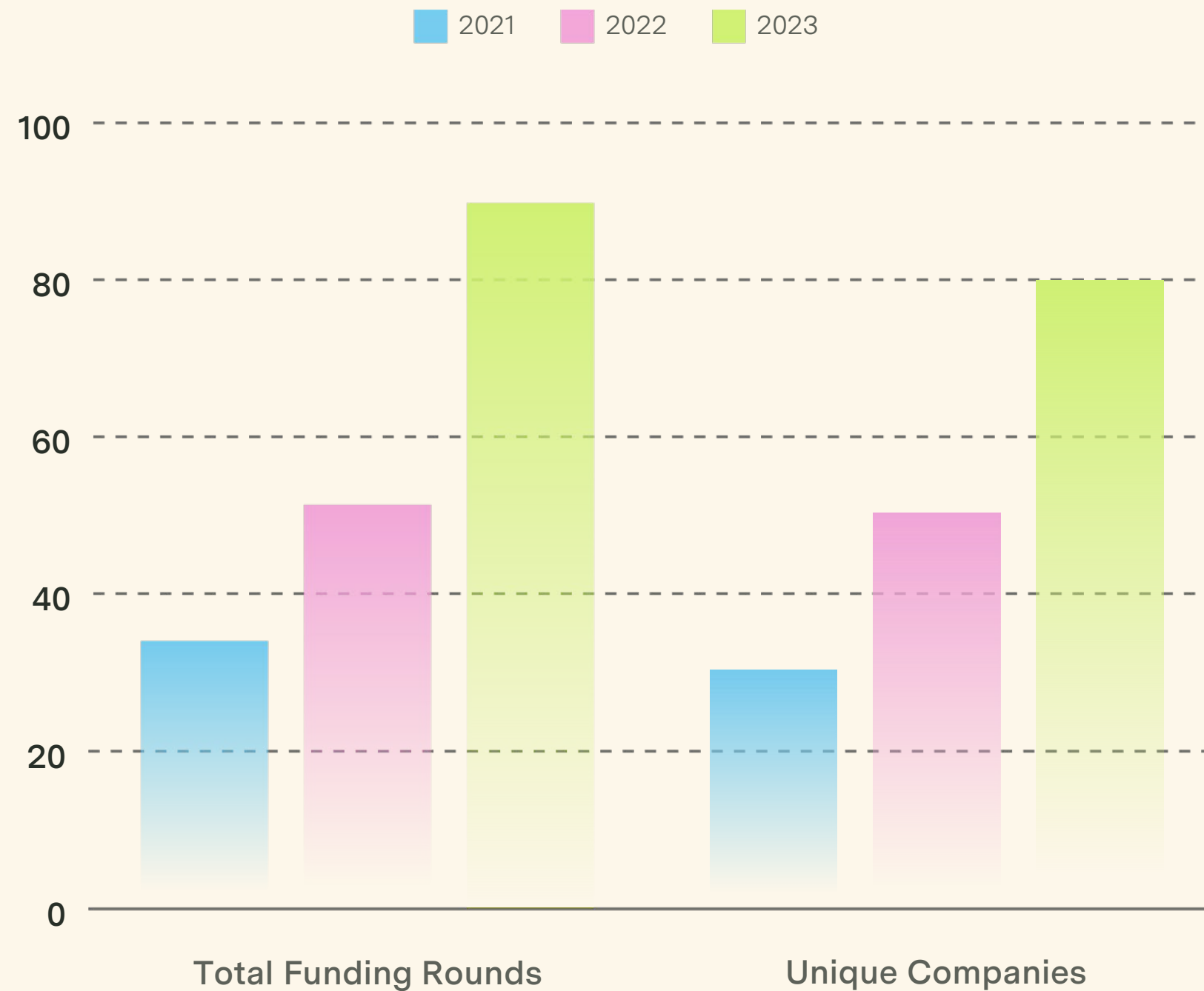
+69.2% 2023 Transaction
count

-12.5% Total capital raised
by startups

+56.9% Total companies
funded

+360% 2023 Pre-Seed
Transactions

2021 - 2023 data.



2021

\$301M

Total capital raised.

2022

\$343M

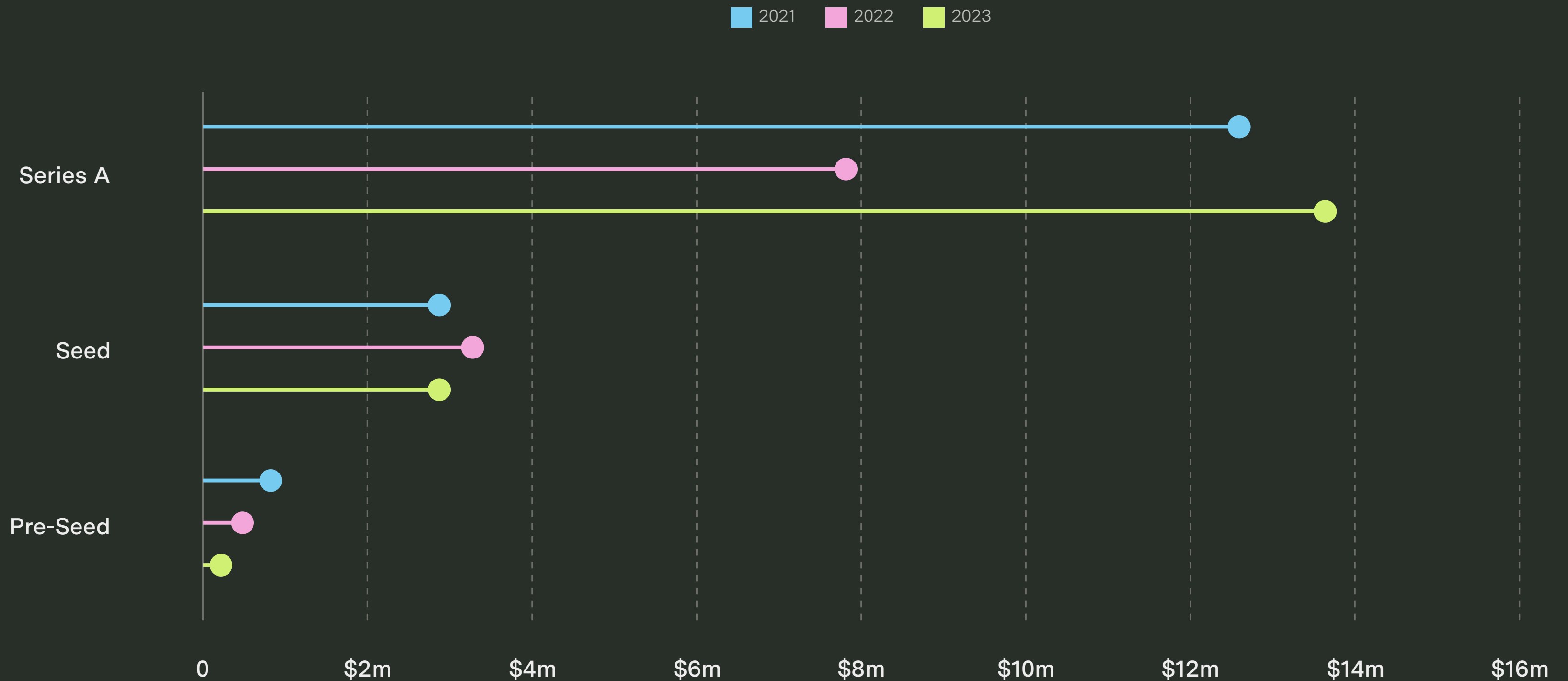
Total capital raised.

2023

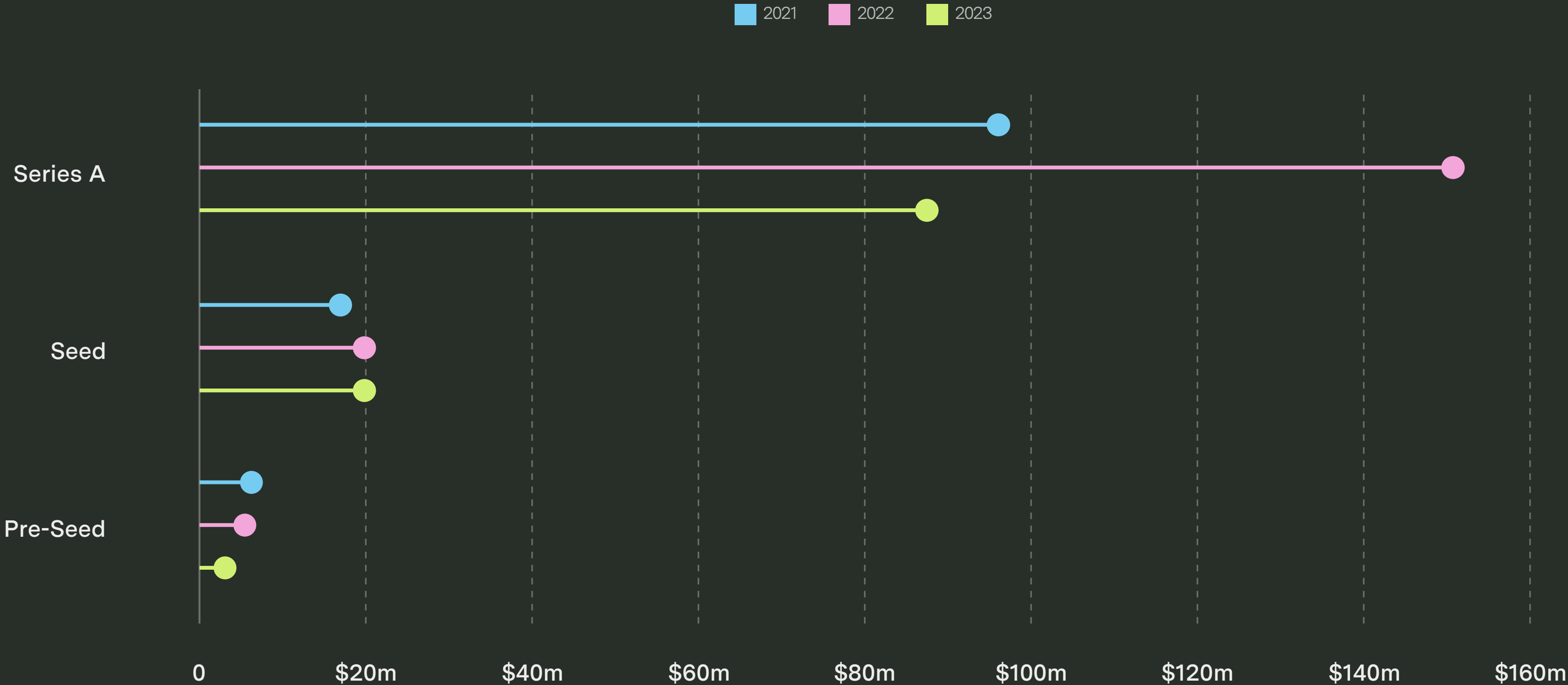
\$301M

Total capital raised.

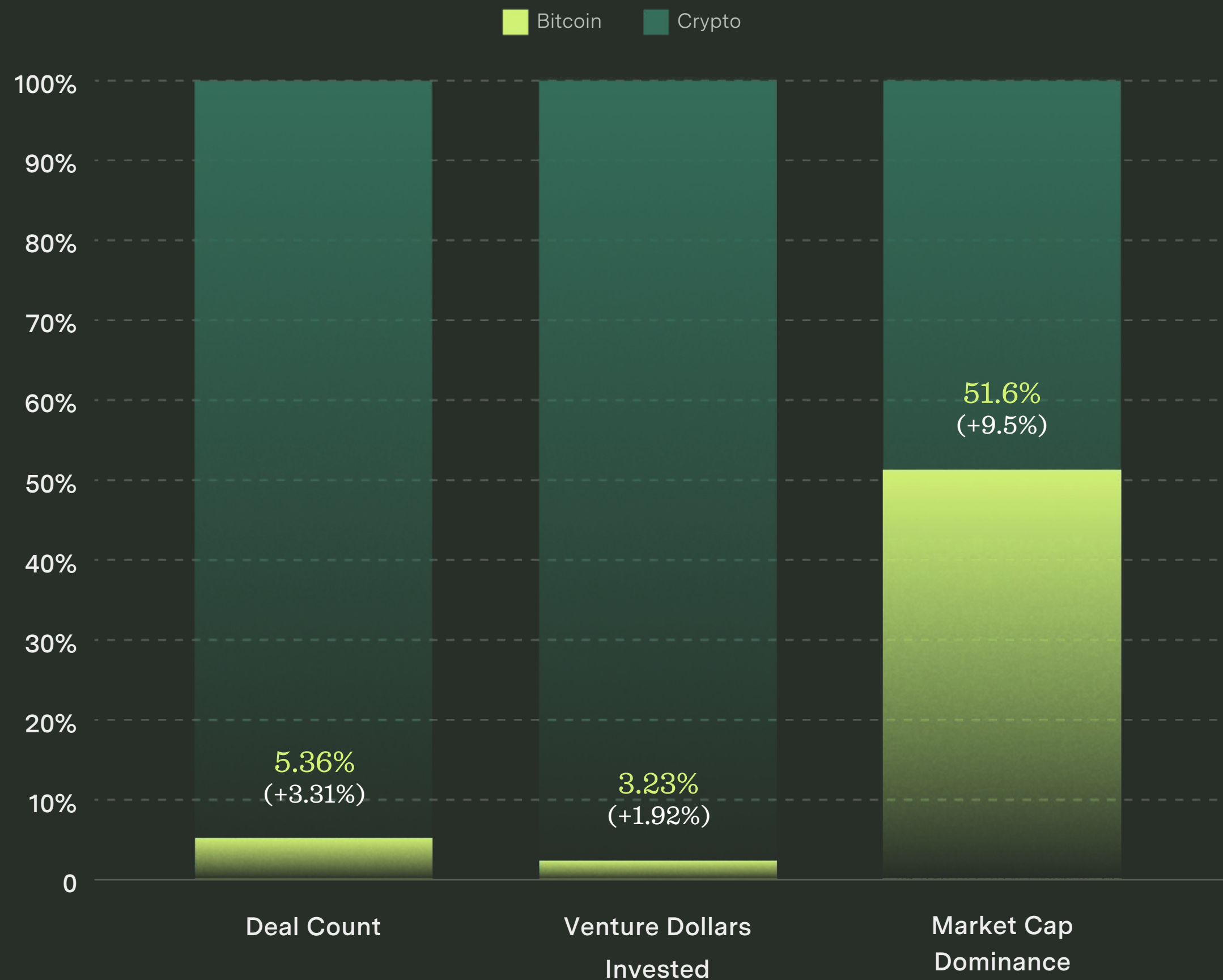
2021 - 2023 median round size by stage.



2021 - 2023 median valuation by stage.



2023 Bitcoin vs. crypto investment.



2023 Bitcoin deal activity up.

Bitcoin deal activity up significantly and shows resilience compared to broader crypto venture investment

+69.2%

Bitcoin-native venture deal count up significantly

-35.3%

Crypto venture deal count down

-12.5%

Bitcoin venture dollars invested

Bitcoin venture dollars invested down slightly

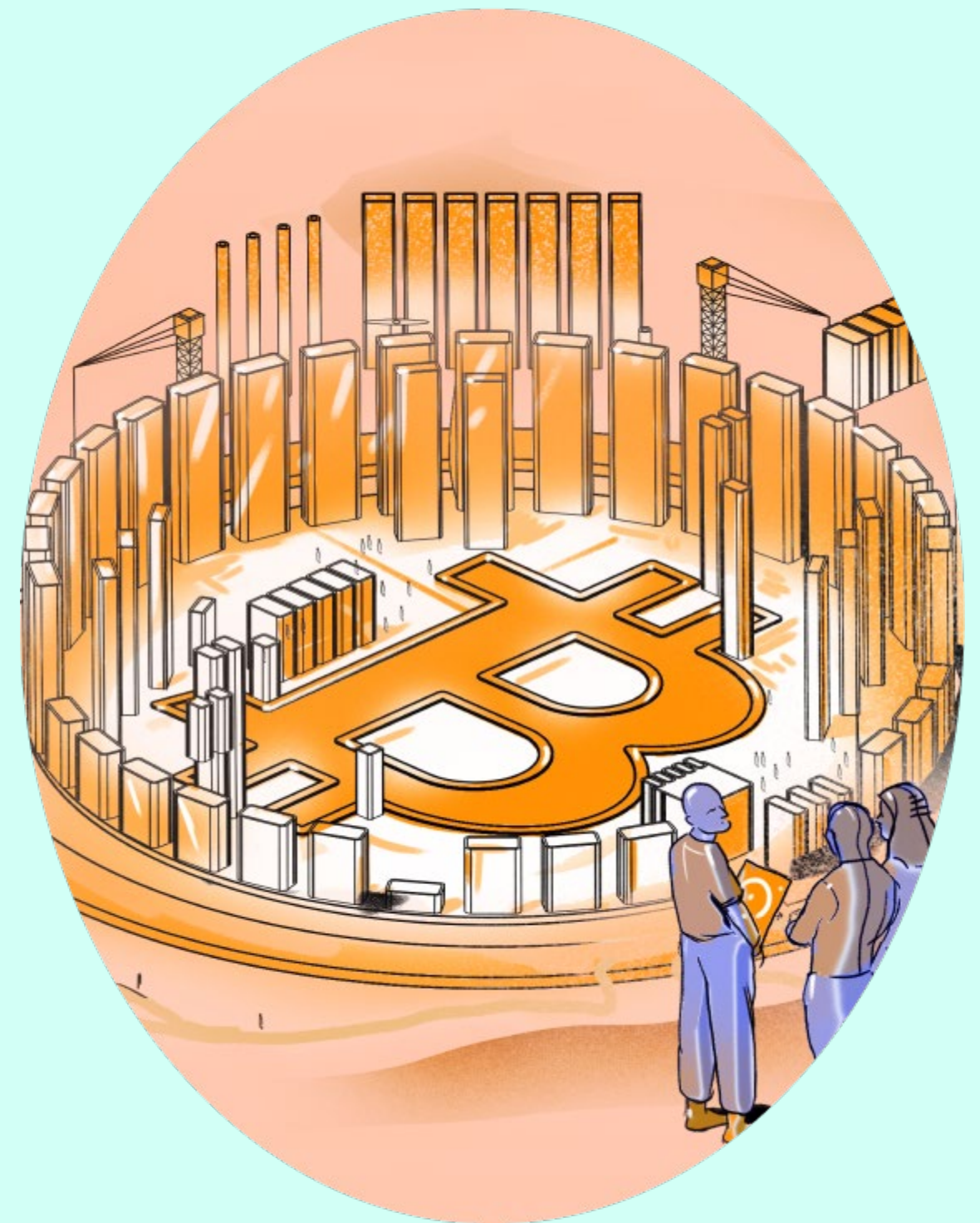
-64.5%

Crypto venture dollars invested

While crypto venture dollars invested down significantly

Bitcoin-native acceleration detected:

A surge in venture-backed company building at the Pre-Seed signals upcoming activity at Seed, Series A, and beyond.



Institutional VC syndication for 2023 Bitcoin deals

General Catalyst



Valor Equity Partners



Y Combinator



Goodwater Capital

Goodwater

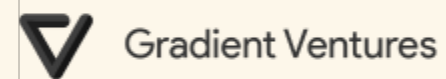
M13



London Venture
Partners

Lvp.

Gradient Ventures



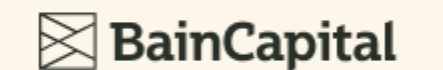
Accomplice

ACCOMPLICE

Draper Associates



Bain Capital Ventures



The folks behind TVP.



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Christopher is a technologist, business leader, and investor with career experience spanning from the early internet to internet money.

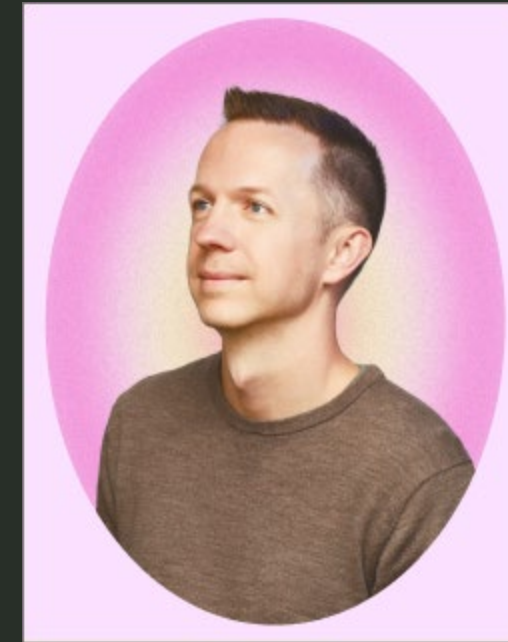


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Dustin is an information security researcher turned bitcoin day one adopter, evangelist, and investor.



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Stephen led tech teams in Silicon Valley before becoming a prolific angel investor.



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Matt is a longtime follower of Austrian Economics with a career spanning the LP and GP side of venture capital.



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Zach is a young professional fascinated with the innovation and disruptive potential of bitcoin-native startups.

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