

Castrum **Capital**

2023
ANNUAL
REPORT

DECEMBER
2023



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Team



The Dux
Founder & CEO



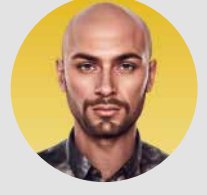
Yavuz
Chief Operation Officer



Fotis Sach
Business Advisor



Gökhan Kansu
Operations Officer



David
BD Manager



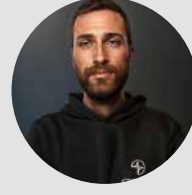
Enes Yüce
KOLs Manager



Muhammed Ekinci
Videographer



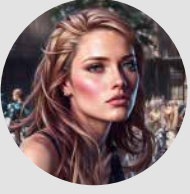
Şevval Avcı
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Ender Şekerci
Web Developer



Ömer
Web3 Developer



Şevval Mutlu
Editor-in-Chief



Dr. Wordpress
Content Creator & SEO



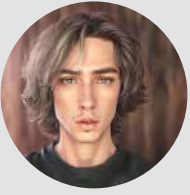
Ecem Efe
Content Creator



Begüm Dilbaz
Content Creator



Şevval Soylu
Content Creator



Berkay
Game Tournament Organizer



Doni
Game Guild Ambassador

Executive Summary

Castrum Capital is a **full-stack venture capital firm** with the goals of investing, mentoring, and empowering crypto-related startups. We have deep and extensive connections in crypto and enterprises around the world. Every investment decision made by our crypto-native team is grounded in detailed research. We take deep dives into tokenomics, technical architecture, and product design. Our dedicated technical team with extensive experience in smart contract development, blockchain security, and scalability solutions further bolstered this meticulous research. Their expertise ensures our portfolio companies have a solid foundation for growth and navigate the complexities of the blockchain landscape with confidence.

We provide technical, marketing, community, and partnership support for early-stage startups. We make sure that we **not only pick the great projects but also help them become the best**. Our commitment to their success extends beyond internal support. Through strategic partnerships with leading crypto exchanges and marketing agencies, we've opened doors to global markets and secured millions in user adoption for our startups. This comprehensive approach guarantees their potential is fully realized and transcends geographical boundaries.

We're a **multi-stage VC firm** investing in seed, private rounds, pre-sale rounds as well as public rounds. Our investment prowess speaks for itself. We've supported over 10 promising blockchain startups, generating a 15x return. Our team's leader-

ship further validates this strong track record. Our insights on emerging DeFi trends have been featured in mainstream crypto media, solidifying our position at the forefront of crypto knowledge and innovation.

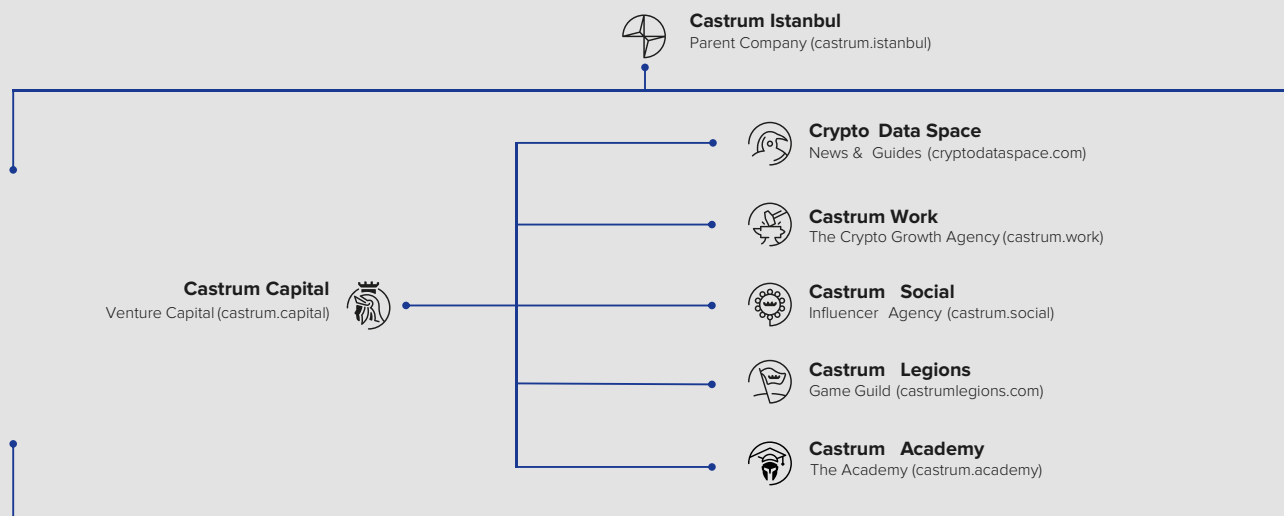
Our mission is to **solve the problem and frustration driven by a lack of understanding of how the venture capital industry works for blockchain projects** by providing them with various services on a global scale in return for generating outsized profits for our investors and partners.

We pitched the idea of providing community power and various services in harmony for the blockchain-based projects to **remove barriers caused by existing structural problems in the venture capital markets which, we believe, are to be brought to a new level**.

Castrum Capital tailors investment strategies to our client's needs, continuously adapting to market changes. Our team is committed to professionalism and integrity, offering expert advice to new and experienced cryptocurrency businesses.

Driven by the conviction that community power and comprehensive support can unlock the true potential of blockchain projects, we strive to break down barriers, democratize access, and propel the future of Web3 forward. Join us on this mission – together, let's **rewrite the narrative of the VC landscape** and empower ambitious founders to shape the next generation of blockchain pioneers.

1 Introduction to Castrum Ecosystem



1.1 Castrum Capital – Venture Capital (castrum.capital)

We bring the access and innovation to help crypto teams in their journey to the end. Through our components, Castrum Capital creates influence and contributes crypto adaptation.

1.2 Crypto Data Space – News & Guides (cryptodataspace.com)

CDS provides simplified overviews of the crypto space, based on primary-sources, to enlighten readers. We are passionate about crypto and dedicated ourselves to sharing content about this industry.

CDS has been a prolific contributor to our content dissemination strategy. We are proud to announce that we have shared over **7500+ distinct articles on our CDS news feed**. These articles have covered a wide range of topics, from project updates and industry analysis to thought-provoking opinion pieces. This extensive content library has not only educated our audience but has also reinforced.

As of Dec, 2023 cryptodataspace.com has 200k+ unique visitors with 1m+ page views and 3.30 min average visit time. We're working with top professionals and **aim to have 1m+ unique visitors monthly**.

1.3 Castrum Work – The Crypto Growth Agency (castrum.work)

A dedicated and experienced team is here to support crypto-related startups. Regardless of what kind of startup, project, or business, if it is related to

crypto or blockchain, in a way, we promote it with our services.

1.4 Castrum Legions – Game Guild (castrumlegions.com)

We will form a game guild called Castrum Legions, composed of active members, each selected over time, which will be one of the most prominent game guilds among in the near future for the games that players have the most ambition.

1.5 Castrum Social – The Influencer Agency (castrum.social)

Castrum Social is a success-driven influencer marketing agency with creative content for the blockchain world. We grow your brand with leading local promoters.

1.6 Castrum Academy – The Academy (castrum.academy)

Castrum Academy is the right place for student societies to increase their adaptation and knowledge by being offered to participate in blockchain events.

2 Portfolio Success in 2023

6 out of 12 projects that we invested in 2023 have launched successfully. We help them in their journey not only with investment but also with marketing, community and networking support. In most cases we are the footprint of them in Turkey.

2.1 Invested and Launched Projects in 2023

| Year | Project | Ticker | Price | ATH | Launchpads | CEXs on TGE |
|------|-----------------|----------|----------|------------|--|-----------------------------------|
| 2023 | ChainGPT | \$CGPT | \$0.005 | \$0.3286 | Seedify, Poolz, EnjinStarter, WePad, Decubate | KuCoin, Bybit, Gate, Bitget, MEXC |
| 2023 | DexCheck | \$DCK | \$0.006 | \$0.0923 | Seedify, Poolz, EnjinStarter, Decubate, ChainGPT Pad | KuCoin, Gate, MEXC |
| 2023 | Solidus AITECH | \$AITECH | \$0.009 | \$0.0555 | ChainGPT Pad, Decubate, Seedify, EnjinStarter, TrustSwap | Gate, Bitget, MEXC |
| 2023 | Work X | \$WORK | \$0.176 | \$6 | ChainGPT Pad, Poolz, Decubate, EnjinStarter | KuCoin |
| 2023 | Serenity Shield | \$SERSH | \$0.16 | \$1.4480 | ChainGPT Pad, Poolz, Decubate, EnjinStarter | Gate, MEXC |
| 2023 | Script Network | \$SCPT | \$0.0067 | \$0.052348 | DexCheckPad, Finceptor, AITECHPad, DAOMaker | KuCoin, Bitget, MEXC |

2.2 Invested and Not Launched Projects in 2023

| Year | Project | Ticker |
|------|---------------|---------|
| 2024 | GT Protocol | \$GTAI |
| 2024 | Patex | \$PATEX |
| 2024 | Supra Oracles | \$SUPRA |
| 2024 | Entangle | \$NGL |
| 2024 | UFORIKA | \$FORA |
| 2024 | DATS | \$DATS |

3 A Brief Introduction to Our 2023 Portfolio

3.1 ChainGPT

ChainGPT is an advanced AI model explicitly designed for Blockchain Technology and Crypto-related topics. It uses the latest algorithms and high-speed computing capabilities to address challenging issues in the space. Among its unique features: reliable source of information, no-code smart contract generator, smart-contract auditor, code debugger, code-to-words, documentation creator, chart analysis & technical analysis, AML features, Blockchain analytics, on-chain live data, source of news, and much more.

[@Chain_GPT](#)

chaingpt.org



3.2 DexCheck

DexCheck provide a complete suit of products to help traders analyze/monitoring on-chain data for DEXs and NFT market.

In response to the growing demand for sophisticated yet user-friendly tools, DexCheck emerges as the go-to platform that seamlessly integrates advanced analytics, and cutting-edge AI-driven features with an intuitive interface, making complex insights accessible to everyone.

[@DexCheck_io](#)

dexcheck.ai

3.3 Solidus AITECH

Solidus has successfully constructed an environmentally conscious, state-of-the-art High-Performance Computing (HPC) Data Centre spanning over 8,000 square feet. Solidus is poised to unveil the world's pioneering deflationary Artificial Intelligence token, known as AITECH. This token will serve as a payment gateway for licensing Artificial Intelligence as a Service (AlaaS), Blockchain as a Service (BaaS), and accessing HPC resources via their Infrastructure as a Service (IaaS) platform.

AITECH, as the core token fueling the Solidus AI Tech ecosystem, presents a comprehensive solution for procuring all services available on the platform. In addition to facilitating token payments, Solidus offers the convenience of accepting traditional payment methods.

[@AITECHio](#)

aitech.io





3.4 Work X

Work X is the first decentralized job economy that allows people to collaborate without commercial middlemen like UpWork or Indeed, enabling AI Job matching empowering both talent and employers without the need to possess Web3 knowledge.

[@WorkX_official](#)

[workx.io](#)



3.5 Serenity Shield

Serenity Shield is a multi-chain, decentralized application (DApp) platform, StrongBox®, that revolutionizes crypto inheritance and secure storage for confidential data in various file formats using only blockchain.

[@SerenityShield](#)

[serenityshield.io](#)



3.6 Script Network

Script Network is a layer 1 open-source live TV platform, protocol, and storage network. One of our core products, Script TV, is the first watch-to-earn live tv platform, built to reward users whilst they watch, provide video dStorage, and redefine video advertisement for the crypto industry. Users can earn more rewards and enhance their experience through unique GameFi elements on and off-chain.

[@script_network](#)

[token.script.tv](#)



3.7 GT Protocol

GT Protocol is a Web 3.0 non-custody crypto investment & trading protocol that provides access to CeFi, DeFi, and NFT markets, leveraging conversational AI execution technology.

[@gt_protocol](#)

[gt-protocol.io](#)



3.8 Patex

The first blockchain ecosystem targeting Latin America, a region with 670M+ people and a \$5.5 trillion GDP Patex is developed by LATAM's first web3 company (C-Patex — a centralized crypto exchange), giving the network:

- Immediate access to a 3.8M user base
- Provenance over 9 years since 2014

[@patex_ecosystem](#)

[patex.io](#)

3.9 Supra Oracles

SupraOracles is a leading provider of Oracle price feeds for DeFi use cases and Verifiable Random Function (VRF) randomness for GameFi applications and online casinos. We're proud to work with reputable partners like DeFi Kingdoms, Just Bet, BluMint, Scallop, and many more!

- Live across 40+ EVM and non-EVM chains such as Aptos, Arbitrum, Aurora, Avalanche, BNB, Celo, DFK, Ethereum, Fantom, Klaytn, Optimism, Polygon, Sui, and more.
- Instrumental in supporting partners across these chains by providing our tamper-proof, provably fair randomness and price feeds.
- Services have been integrated into a multitude of platforms, powering various use cases in the DeFi and GameFi sectors.

[@SupraOracles](#)

supraoracles.com



3.10 Entangle

Entangle is the first customizable messaging Infrastructure designed to unify web3 and optimize ecosystem liquidity. Entangle provides builders & dApps authenticated, customizable and interoperable data secured on the blockchain with full security configurability.

[@Entanglefi](#)

entangle.fi



3.11 UFORIKA

UFORIKA is an entertainment company on a mission to liberate limitless creativity for the virtual world. With a focus on transmedia IP across gaming, technology & digital experiences, journey into the heart of a world of play, creation and community, with innovative toolsets enabling user generated content to be published and broadcasted in seconds. Immersed in its own unique storyline IP, UFORIKA is redefining the technology and user experiences that will shape the future of this industry.

[@Planet_UFORIKA](#)

uforika.io



3.12 DATS Project (Distributed Advanced Technological Services)

DATS develops SaaS solutions integrated with Distributed High-Performance Computing (D-HPC) to increase the resilience of projects in the blockchain ecosystem and Web2 organizations against increasingly sophisticated cyber-attacks worldwide and eliminate many problems in the cyber security sector.

[@DatsProject](#)

datsproject.io



4 ChainGPT AI Incubation Program

ChainGPT is a provider of AI-related infrastructure to the Web3, Crypto, and blockchain industry. Using its own architectural model that was built from scratch, ChainGPT has developed a sophisticated, domain-specific expert AI for application to all fundamental areas of the industry. From smart contract creation and auditing, to NFT generation and general education, and everything in between.

This incubation program, started by ChainGPT, aims to bridge the gap of knowledge, accelerate development and minimize potential errors and compress the learning curve of launching successful Web3 companies. Projects of all stages of their lifecycles are welcome. Early stage MVPs, proof-of-concepts, those in their go-to-market phase and beyond; we're here to build life-long relationships.



ChainGPT x Castrum Istanbul

4.1 Product Development

Advice on the systems of smart contracts. Their designs, sustainability, implementations, and viability.

4.2 Marketing

Strategic, organized, and effective methods for driving awareness. Guidance on properly leveraging individual channels of communication.

4.5 Market Presence

From listing on centralized exchanges (CEXs) to properly deploying asset liquidity pools on decentralized exchanges (DEXs), we streamline functions that would otherwise incur unnecessary delays.

4.3 Capital and Funding

Tapping into our deep network of partners and VC investors, we help coordinate relationships to bootstrap projects with necessary capital to realize the project's visions.

4.4 Operations

Connecting projects with key advisors to help them bolster the qualities, reputation, and experience of their teams.

“ **Castrum Capital** is a core member of this incubation program and one of the first VCs introduced with accepted projects. We invest in all incubated projects via this program and continue to support ChainGPT vision for a long run. ”

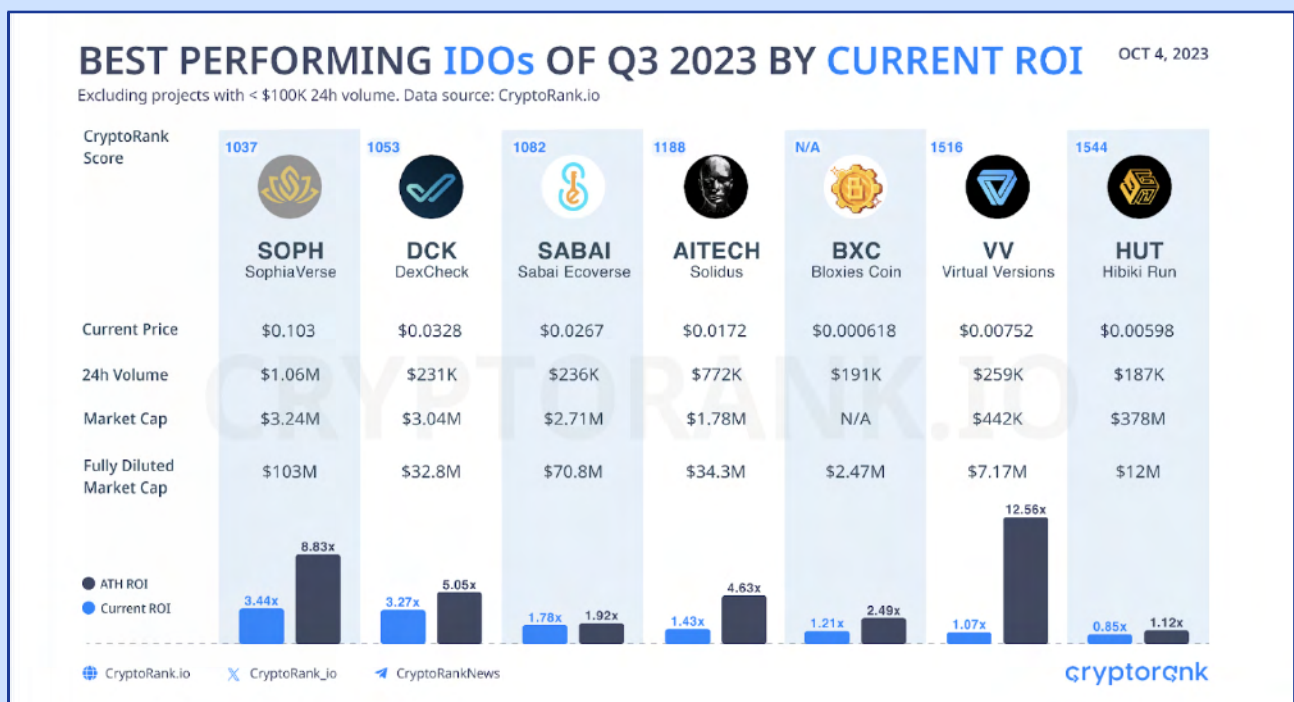
5 Castrum Capital on Cryptorank and Mainstream Media

5.1 Crypto Rank

Castrum [landing page](#) on cryptorank.io reveals our portfolio and reports that we included. According to [Crypto Market Recap Q3-2023 Report](#), prepared by Crypto Rank, **Castrum Capital invested in best performing IDOs, DexCheck and Solidus AITECH, of Q3 2023 by ROI.**

The performance of IDO (Initial DEX Offering) has shown significant underperformance compared to IEO. Many launches have resulted in unprofitable outcomes for investors, and even some prominent launches have failed to present promising projects.

“ However, there are still some notable leaders in this space, for instance, **SophiaVerse** and **Solidus** have recently emerged, offering actual AI solutions, and **DexCheck**, which is a platform for on-chain trading. It is worth mentioning that both **Solidus** and **DexCheck** are backed by the full-stack VC **Castrum Capital**. ”



Data source: CryptoRank.io

5.2 Mainstream Media

5.2.1 Kucoin Blog

On KuCoin's [blog](#), which analyzes the top 10 AI crypto coins to watch in 2024, Castrum is stated as an investor in ChainGPT - deemed as one of the best AI crypto projects.

6. ChainGPT (CGPT)

ChainGPT is an AI-driven platform that integrates with blockchain. It focuses on creating AI applications that are interoperable across different blockchain networks.

As a newer entrant, it's gaining interest for its approach to AI and blockchain integration. The project aims to make AI more accessible and functional in the blockchain ecosystem.

“ChainGPT has partnered with **TRON DAO**, **Coinmarketcap**, and **Star Protocol**. Investors in the **ChainGPT** project include **Castrum Capital** and **Google Cloud**.”

Data source: kucoin.com

5.2.2 Coinpaper

On [coinpaper.com article](#) where explored the impact and top AI cryptocurrency coins of 2023, once again Castrum was stated as an investor in ChainGPT.

ChainGPT (CGPT)

ChainGPT is an AI-driven platform that integrates with blockchain, focusing on creating AI applications interoperable across different blockchain networks. It has attracted interest for its novel approach to AI and blockchain integration

“and boasts partnerships with **TRON DAO**, **Coinmarketcap**, and **Star Protocol**, with investments from **Castrum Capital** and **Google Cloud**.”

Data source: coinpaper.com

5.2.3 Chainwire, Cryptodaily, Cryptopolitan, Finbold

Serenity Shield, a multi-chain project offering secure and confidential data storage and crypto inheritance solutions, has just received an investment from Castrum Capital, one of Turkey's largest VC and incubators specializing in AI. Serenity Shield isn't just entering new markets; they're shaping the future of secure data storage. With StrongBox® at the forefront, users can confidently build a legacy of privacy, security, and peace of mind for generations to come.



This partnership marks Serenity Shield's entrance into the Turkish and CIS markets, while the project leaders tease plans for integrating AI into Serenity Shield's StrongBox® solution.

Serenity Shield StrongBox® DApp has recently received widespread recognition. This decentralized application provides a highly secure solution for storing sensitive information, such as financial or medical records, real estate documentation, and decentralized asset access keys. StrongBox® also enables families to access decentralized access easily in the unfortunate event of a member's passing, ensuring a secure future and inheritance. Serenity Shield believes that StrongBox® holds strong potential in markets where people utilize crypto to build generational wealth.

Serenity Shield isn't just entering new markets; they're shaping the future of secure data storage. With StrongBox® at the forefront, fueled by cutting-edge technology and soon-to-be-implemented AI intelligence, users can confidently build a legacy of privacy, security, and peace of mind for generations to come.



6 Events in 2023

In the past year, Castrum Istanbul has actively participated in a series of significant Web3 events. We were **media partner at 50+ events across Europe, Asia, UAE, the United Kingdom, and the United States**. These events have provided us with invaluable opportunities to engage with industry leaders, innovators, and enthusiasts from around the world. Among them **our business advisor, [Fotis Sach](#), was a speaker at [NFT NYC](#)**.



Event: Istanbul Blockchain Week 2022

One of the highlights of our participation in these events has been the establishment of strategic partnerships with 35 diverse entities. These partnerships encompass a wide spectrum of industry stakeholders, including Venture Capital firms, Key Opinion Leaders (KOLs), influencers, and innovative projects. These collaborations have strengthened our network and positioned us at the forefront of emerging trends in the rapidly evolving WEB3 landscape.



Event: Solana Hacker House 2023

Our dedicated media department, [Crypto Data Space \(CDS\)](#), has played a pivotal role in our engagement efforts by serving as a media partner at these events, providing our audience with exclusive insights into these cutting-edge initiatives.



Event: ETH EDCON Montenegro 2023

The media team at CDS has gone above and beyond by recording each event we've had the privilege to participate in. After creating engaging event trailers, we have shared them with the communities of the projects that were featured in these events. Through these initiatives, **CDS has risen to prominence as one of the most influential crypto media companies** in the Web3 space.

Furthermore, on our **YouTube channel**, [RabbitCoinHole](#), we have conducted over **150 face-to-face interviews with C-lvl members** of projects that were at the forefront of the 2023 hype. These interviews have allowed us to offer in-depth insights and perspectives from key players within the industry, further solidifying our position as a leading voice in the global Web3 community.



Event: WN Conference 2023

6.1.1 Online Castrum Game Jam - Jan 6-8, 2023

We finished an Unity Game Development education at Castrum Academy with more than 500 students in January this year. We're proud to educate the future web3 product developers. After having this education, we held an online game jam where more than **25 prototype games** were built with **100+ participants** in total. At this online game jam teams competed each other for a 48-hour period. Our young students are still improving themselves to become strong.

More than 100 participants
6 - 8 January

ACADEMY PARMA GAMES CASTRUM

Event: Online Castrum Game Jam 2023

Online Courses

ACADEMY PARMA GAMES CASTRUM

Event: Online Castrum Game Jam 2023

6.2 HackJuno Turkey - May 20-21, 2023

Organized by our valuable partners [OxWills](#), [Tabellio](#), and [Nova Ratio](#) alongside with Castrum, HackJunoTurkey was the first hackathon based on Cosmos in Turkey. Diverse teams of 3 – 7 people, generated new business ideas and were involved in a 2 day innovative marathon. Venus is hosted by University of Istanbul, [Blockchain Technologies and Innovation Center](#).



6.3 Blockchain X İstanbul - October 21 - 21, 2023

The first edition of our event at the Haliç Congress Center was a resounding success, blending the charm of the venue with a rich array of activities. We struck a balance between engaging workshops and insightful talks, creating an environment that was both educational and inspiring.

We were thrilled to welcome more than 20 speakers, each bringing their own unique perspective and expertise. Their contributions were key to sparking lively discussions and new ideas. The event also had the backing of 45 companies and sponsors, showcasing a strong sense of community and support within our industry.



6.4 Blockchain X İstanbul - Planned in May 2024

In May 2024, we have an exciting two-day event on the horizon – Blockchain X İstanbul. This event is a collaborative effort between [Yasmin Marketing](#) and [Castrum Capital](#), with strong support from [Steve Group](#), a major player in Turkey's crypto scene. We're thrilled to share that [Islamic Coin](#) has stepped up as the title sponsor for Blockchain X İstanbul.

This event is going to be a real treat, bringing together top industry experts and showcasing some of the most innovative projects. It's a fantastic opportunity for attendees to gain valuable insights into the future of blockchain technology. Stay tuned for more details!



7 2023 Market Analysis

7.1 Global Market

Amid major regulatory changes occurring across the globe, high-profile legal battles involving founders and CEOs, and the inherent unpredictability of the market, it might seem like there hasn't been much room for optimism. However, despite the challenges we've faced over the past year and the negative headlines that have dominated the news, our firsthand experiences have shown us that there are numerous Web3 companies out there working on genuinely innovative projects. These projects have the potential to make a significant impact and drive wider adoption within the industry.

Looking back on the past year, there were two significant developments in the world of Web3 that stand out. The first was a kind of "cleansing" process, similar to a forest fire that clears away the excesses of the crypto bubble. While this cleansing was intense, it paved the way for the emergence of promising [new projects](#), much like fresh green shoots after a fire, while preserving the core foundations of the industry. We remain highly optimistic, especially for those companies that have shown resilience and a responsible, sophisticated approach to fostering broader adoption.

Bitcoin continues to [lead the market](#), witnessing a significant rise in its value, with its price reaching \$42,657 and a market capitalization of about \$834 billion.

Ethereum, [ranked](#) as the second-largest cryptocurrency by market cap, has also seen substantial growth, with its price currently at \$2,214 and a market cap close to \$279 billion.

With a market capitalization of [\\$27.2 billion](#), Solana (SOL) reflects robust growth and investor confidence, primarily attributed to its high-performance blockchain capabilities and support for decentralized applications. Where Cardano (ADA) stands at a market capitalization of [\\$14.4 billion](#), highlighting its market presence as an eco-friendly and scalable blockchain solution. Lastly Binance Coin's (BNB) market capitalization of [\\$36.1 billion](#) signifies its substantial role within the Binance exchange ecosystem and beyond, marking its expansion and adaptability in the broader crypto market.

7.2 VC Activity in Q1 and Q2 2023

According to [Pitch Book Data](#), in Q2 2023, global crypto companies raised a total of \$2.3 billion in venture capital across 371 investment rounds. This represents a 14.7% decrease in deal value compared to the previous quarter, as well as a 16.3% decrease in the number of deals. These figures mark the **lowest amount of capital invested and deals completed since Q4 2020**, and also represent the fifth consecutive quarter of declining investment activity in the crypto industry.

Despite the decline in overall investment activity, blockchain infrastructure continued to attract the largest investments in Q2. In Q1, several Layer 2 scaling solutions raised large funding rounds. However, in Q2, the only two mega-rounds over \$100 million went to LayerZero, an interoperability protocol, and WorldCoin, a privacy-preserving digital identity platform. LayerZero raised \$120 million in a Series B round, valuing the company at \$3 billion, while WorldCoin raised \$115 million in a Series C round.

In terms of valuation trends, seed rounds in 2023 showed an 18.1% increase compared to the previous year. However, early-stage and late-stage rounds experienced decreases of 20.3% and 15.8%, respectively, in the quarter compared to full-year 2022. The pre-money valuations for seed, early-stage, and late-stage rounds in the first half of 2023 were \$15.8 million, \$47 million, and \$105 million, respectively.

In Q1, late-stage valuations were on the rise, likely due to the disclosure of outsized, up-rounds while down-rounds were kept private. However, in Q2, late-stage valuations declined, confirming the expectation of a

decline in late-stage valuations. It should be noted that these trends are based on a small sample size and may change over time.

In terms of deal sizes, the median deal sizes for all stages in 2023 have decreased slightly. The median deal sizes for seed, early-stage, and late-stage deals are \$2.3 million, \$5.1 million, and \$10 million, respectively. These figures indicate a decrease of less than 10% compared to previous years.

Overall, the investment activity in the crypto industry in Q2 2023 showed a decline in both deal value and the number of deals. However, blockchain infrastructure continued to attract large investments, and valuation trends varied across different stages of funding. The median deal sizes also saw slight decreases across all stages.

7.3 Fundraising Data in Q3 2023

The crypto winter hit fundraising in Q3, which fell to its lowest level in three years, blockchain intelligence firm Messari found. The amount raised by crypto firms in Q3 totaled just under \$2.1 billion across 297 deals, the lowest on both counts since Q4 2020.

According to [Messari's State of Crypto Fundraising - Q3 2023 Report](#), Q3 2023 was no exception to the multi-quarter downtrend we've witnessed since the beginning of 2022 – Q3 marked new lows in both overall funding amounts and deal counts that have not been seen since Q4 2020. The quarterly totals checked in at just under \$2.1 billion across 297 total deals, down 36% in both categories from last quarter.



Similar data is stated on [Galaxy's Report](#) about Q3 2023 by emphasizing that in terms of both deals done and total capital invested, Q3 was the lowest quarter since Q4 2020. The United States continues to dominate the crypto startup landscape, but other jurisdictions are catching up. While US-based crypto startups accounted for more than 35% of all deals completed and raised more than 34% of the capital invested by VC firms, the US is now notably losing share on both deals and capital to countries like the United Arab Emirates, Singapore, and the U.K., all of which have more progressive crypto regulatory frameworks. VC fundraising environment remains extremely challenging, but may be improving. **More than \$1bn was raised by venture funds in Q3 2023, the first uptick since declines began in Q3 2022.** New fund launches also ticked up to 15 (from 12 in Q2). Median and average fund sizes are down significantly from their bull run highs.

8 2023 Market Trends

Despite experiencing a downward trend in 2023, the crypto market has shown resilience, maintaining a steady pace of deals and investments. A substantial share of this sustained growth can be attributed to gaming and infrastructure projects, according to the Exploring Crypto Fundraises Report by [Binance Research](#).

As the traditional VC share increased to 45% since the start of the year, the gap between traditional and Web3 investors has gradually narrowed. Hack VC is at the forefront among traditional VCs, diversifying its investments across sectors such as gaming and infrastructure.

For the last four quarters, infrastructure projects have been the leading recipients of funds, with a steady rise in total quarterly funding from 26% in Q4'22 to 44% in Q3'23.

Seed funding constitutes over 30% of investment. The prevalence of seed funding may be attributed to the many untested technologies in today's market. Although this phase of investment carries substantial risk - as it often backs ideas that lack established products or consumer bases - its comparatively lower valuations afford investors the opportunity to spread risk across multiple projects. Pre-Seed funding, the second most common, albeit riskiest stage, is vital for conducting research and developing a Minimum Viable Product ("MVP") within the crypto sector.

“ In the same [report](#), among top 5 fundraise rounds 2023 quarterly in CeFi category, a project from our portfolio, [Patex](#), was spotted. ”

Top 5 Fundraise Rounds 2023 Quarterly CeFi Category

| Q1 2023 | | Q2 2023 | | Q3 2023 | |
|---------|---|---------|--|---------|---|
| Project | Description | Project | Description | Project | Description |
| | Salt Lending provides personal and business loans with crypto collaterals | | Unchained is a Bitcoin-native CeFi offering collaborative custody, a trading desk, loans, and retirement accounts | | BitGo is the first institutional crypto custodial service since 2013 with prime brokerage offering too |
| | Auros is a digital asset focused algorithmic trading and market making company | | Growminer is a CeFi yield platform with buy, swap and OTC offerings | | Hi is a user friendly CeFi platform offering savings, investments, payments, and lifestyle benefits |
| | CyberX is a digital asset market maker on CEX and DEX venues and offers OTC trading. | | Zodia Custody is a institutional crypto custody solution by Standard Chartered Bank | | Bitkub is the largest cryptocurrency exchange in Thailand |
| | MetaTime offers is a CeFi platform offering exchange, NFT marketplace, wallet, native blockchain and stablecoin | | River Financial provides Bitcoin focused brokerage and mining services | | Flashwire is a centralised crypto digital bank |
| | Trust Reserve is a Chinese Yuan and Hong Kong Dollar stablecoin issuer for use cases like cross border settlements | | One Trading is a digital asset exchange for professionals, businesses and institutions | | Patex is a Latin American crypto ecosystem provider with likes of wallet, exchange and education outreach services |

Sources: RootData, Binance Research. Data snapshot as of 30 Sep 2023. Some funding rounds have undisclosed funding types and are therefore not stated above.

Patex is the first and largest blockchain ecosystem in Latin America, with roots dating back to 2014. At the heart of this ecosystem is the Patex Network, a sophisticated Layer 2 blockchain built on the solid foundations of the Ethereum network, with core architecture derived from a fork of the Optimism network.

C-Patex (cryptocurrency trading platform) is another pillar of the Patex Ecosystem. The crypto exchange has been operational since 2014 and has amassed a significant user base of over 4 million. With impressive metrics like 2 million monthly visits and a 30-day trading volume of \$535 million, the exchange provides a vibrant marketplace for digital assets.

With the adoption of digital currencies in the region, C-Patex is highly likely to become the center of trading, as it's a modern and future-proof platform, trusted by millions of locals.

Patex C-level executives have strong ties in the region's governments, fostering the idea of listing digital real and peso on C-Patex. The ecosystem has already conducted several crucial AMAs with bodies like the former president of Brazil's Central Bank. Who knows what was left behind closed doors?

Also, its strategic partnership with Acura Capital, one of the biggest investment firms in Brazil, marked by a substantial investment of \$10 million for a 10% stake in Patex, not only improves Patex's financial standing but also brings a wealth of experience and expertise, crucial for navigating the complex financial and regulatory landscape.

9 Turkish Market

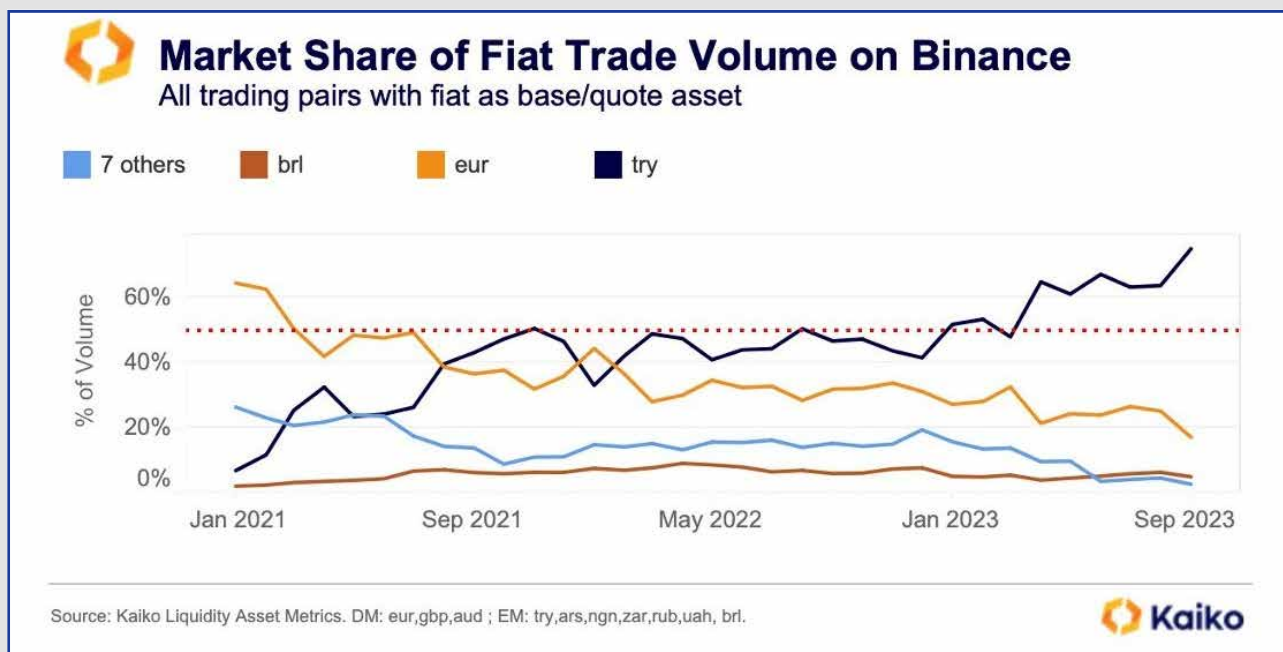
9.1 Chainalysis Data

Turkey ranked fourth globally in raw crypto transaction volumes, at approximately \$170 billion over the last year, according to a [report](#) by blockchain analytics firm Chainalysis. This puts Turkey ahead of major economies like Canada and South Korea.

9.2 Kaiko Data

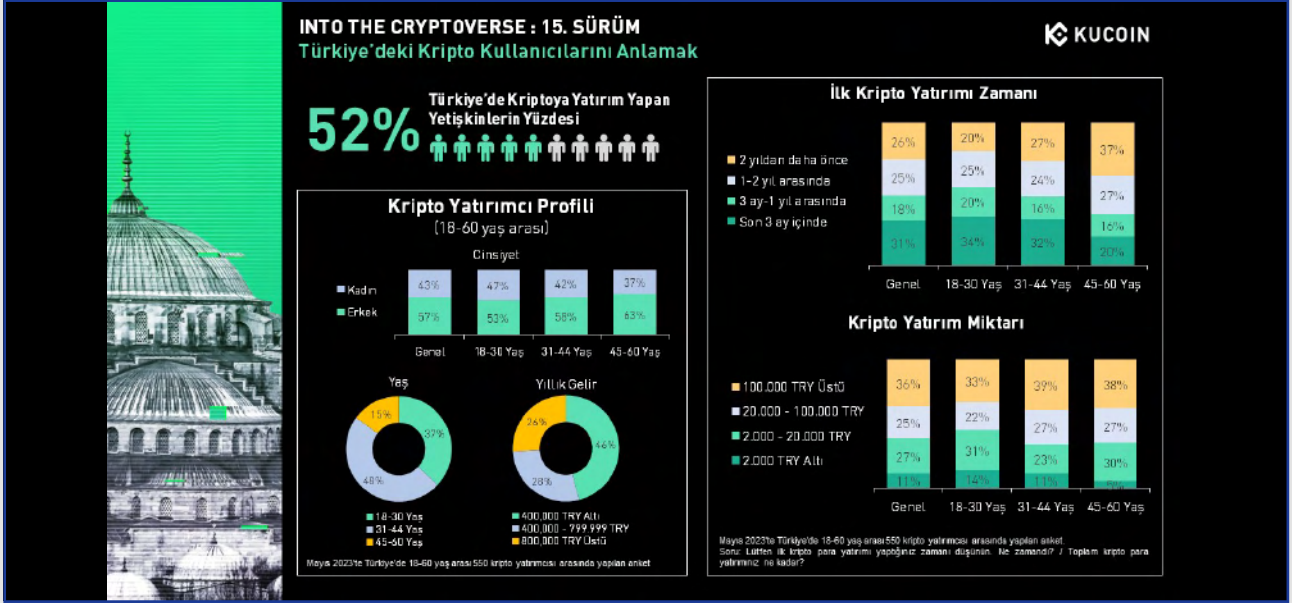
According to the [reports](#) of Kaiko Data:

The **Turkish Lira** has emerged as the largest fiat trading pair on Binance, accounting for a **75% share of all fiat volume** in early Sept.



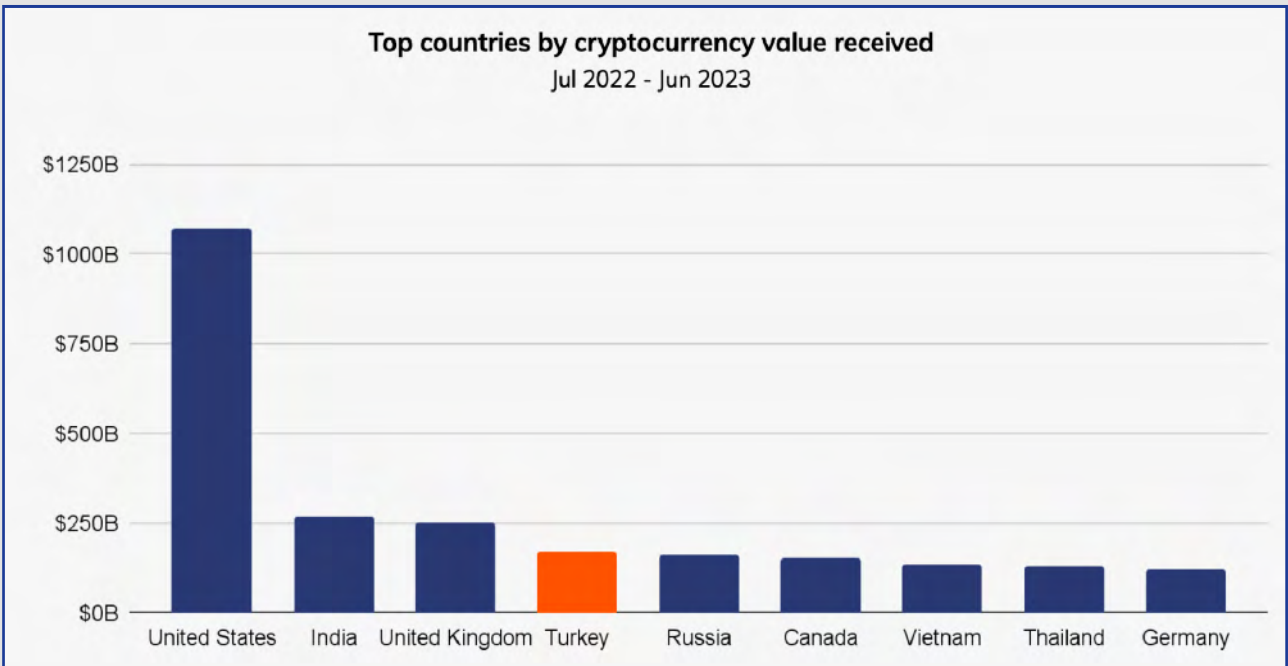
9.3 Into the Cryptoverse: Understanding Crypto Users (A Report by KuCoin, May 2023)

KuCoin's [report](#) shows that (ref. Kucoin into the Cryptoverse Turkey 2023) **52% of Turkish adults** are now investing in crypto within the next 18 months. **31% of Crypto Investors** Joined in the Recent Quarter and 36% Invest Over 100K Lira



9.4 The 2023 Geography of Cryptocurrency Report (by Chainalysis, Oct 2023)

In addition to ranking 12th on our Global Crypto Adoption Index, Turkey is also fourth worldwide in raw crypto transaction volume, receiving approximately \$170 billion over the last year. That puts it behind only the United States, India, and the United Kingdom. Click [here](#) to access the full report.



10 Looking Ahead: 2024 Projection

Looking ahead to 2024, we are positioned to witness a robust bull market, especially with the anticipated approval of a spot bitcoin ETF in the United States. This milestone, coupled with the increasing involvement of major entities like Blackrock, JP Morgan, and Visa in blockchain applications, indicates a positive shift in the investment community's perception of digital assets. The growing institutional interest, spurred by the prospects of easier capital access via tokenized assets and related financial instruments, bolsters our confidence in the enduring vitality of the cryptocurrency market.

From an investment perspective, our approach remains one of meticulous assessment, with a particular emphasis on user engagement metrics. We hold the conviction that successful ventures must exhibit a strong, committed user base as a critical measure of their capacity to mainstream cryptocurrency adoption. This criterion is pivotal in our investment decision-making, ensuring that we allocate resources to initiatives poised to address and rectify prevalent industry issues, such as enhancing user interfaces and overall experience.

DeFi, RWA, and AI continue to represent significant application areas within the sector. We are enthusiastic about the prospects of various initiatives within our portfolio to mitigate existing challenges in these domains. Our dedication to innovation and excellence in the cryptocurrency space is steadfast as we enter the New Year. Anticipating a year marked by pioneering achievements and industry leadership, we remain agile, adapting to the dynamic landscape

and capitalizing on opportunities that resonate with our vision for the future of blockchain and digital assets.

As we look toward **2024**, the Bitcoin community is poised to experience a defining moment with the anticipated halving in April, reducing mining rewards from 6.25 BTC to 3.125 BTC. This pivotal event is traditionally viewed as a momentous occasion, often heralding an increase in Bitcoin's value, reflecting the historical trends observed in previous halving cycles. Simultaneously, there is a growing buzz within the financial sector about the emergence of Bitcoin spot ETFs, eagerly awaiting approval from the US SEC. Industry leaders such as Galaxy Digital project an impressive potential influx of nearly \$79.5 billion into these ETFs over the next three years, should regulatory nods be given.

Beyond these headline-grabbing developments, the crypto sphere continues to mature and diversify, promising an exciting year ahead. Innovations are sprouting across various domains, including the expansion of blockchain ecosystems, the rise of blockchain gaming, and the evolution of the intent-centric approach. Notably, there is a concerted effort to foster more ethical and accessible AI, alongside the introduction of novel blockchain infrastructures. Additionally, the integration of real-world assets and the advent of yield-bearing stablecoins are set to offer new opportunities and stability mechanisms within the market. As these advancements unfold, they are expected to capture the attention and imagination of the industry, paving the way for a more integrated and innovative future.

11 Acknowledgements

We express our profound gratitude to our committed team, collaborative partners, visionary founders, and the dynamic community that supports us. Your unwavering support is fundamental to our achievements and continually motivates us to strive for excellence. of novel blockchain infrastructures. Additionally, the integration of real-world assets and the advent of yield-bearing stablecoins are set to offer new opportunities and stability mechanisms within the market. As these advancements unfold, they are expected to capture the attention and imagination of the industry, paving the way for a more integrated and innovative future.

12 Conclusion

As we transition from 2023 and embrace the emerging opportunities of 2024, we proceed with a sense of optimism and an unwavering dedication to the progression of the cryptocurrency ecosystem. We eagerly anticipate continuing our collaborative journey, marked by new accomplishments and significant breakthroughs. Additionally, this period of growth includes expanding our team in various countries, fostering new communities, and enhancing our network by incorporating more Key Opinion Leaders (KOLs) and partners, further enriching our collaborative efforts and impact in the industry.



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