

November 13th - November 19th

PERSPECTIVES by Eric F. Risley













Call us curious.

Not often does a venture capital firm acquire a large controlling ownership position in a young business and even more unusual, doing so by acquiring a founders stake. This week Foresight Ventures did just that, acquiring 80% of the The Block from its founder for \$60M, according to Bloomberg reporting. This values the entire business at \$75M. To make this even more fascinating, according to Pitchbook, Foresight manages a \$400M fund which suggests this single investment represents 15% of their entire fund, an extraordinarily large concentration for a venture capital firm, particularly given that almost none of the funds are actually being used to create future value at The Block, rather solely benefiting the founder who has departed.

Historically, The Block has been a well-regarded crypto news and data publisher. Unfortunately, they found themselves implicated in controversy but the team persevered and has continued to deliver insightful and needed news, information, data and data analytics to the industry. At the core, at least today, they are a media company with a strategy to build a resilient and high-value data and data analytics subscription business to complement the challenging aspects of being in the media business. Certainly a reasonable strategy and similar to what Bloomberg has done, albeit Bloomberg did it in the reverse order and they waited 30 years and built a world-class brand and overall business before they started their media division.

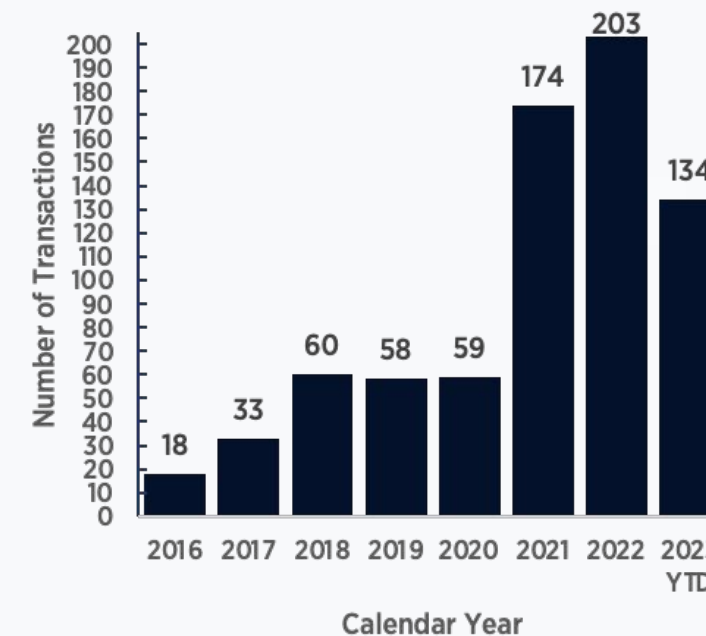
The Block competitors include Coindesk, Cointelegraph, Decrypt, Blockworks, Messari and many others of smaller scale. Being primarily a media business, readership matters. So how do they stack up? According to Similarweb, The Block attracted 2.2M visits from both mobile and desktop over the past 30 days. That compares to 6.9M for Coindesk, 8.2M for Cointelegraph, 2.8M for Decrypt, 1.3M for Blockworks and 432K for Messari. For additional context, some of the major exchanges dwarf these sites with Binance attracting 50M visits, Coinbase attracting 28M and Kraken attracting 5.8M. Lastly, Coindesk, a DCG subsidiary, was, according to multiple news sources, to be acquired for \$125M earlier this year. The close of that transaction has not yet been confirmed.

RECENT CRYPTO M&A TRANSACTIONS (click here for full AP M&A Tracker)

Target	Acquirer	Transaction Summary	AP M&A Alert
		Transaction Value: Not Disclosed Rationale: Increased products for users Sector: Investing & Trading Infrastructure Target Description: Crypto portfolio management platform, with over \$1B AUM at its peak, allowing for crypto investments and automated trading strategies.	
		Transaction Value: Not Disclosed Rationale: Customer account increase Sector: Brokers & Exchanges Target Description: Regulated cryptocurrency exchange based in Canada with 17,000 accounts.	
		Transaction Value: \$60M for 80% stake, \$75M Valuation Rationale: Secondary buyout Sector: Data & Data Analytics Target Description: Crypto focused media publication and website focused on providing data & news to the industry.	
		Transaction Value: Not Disclosed Rationale: Expanded product set Sector: DApp: Investing & Trading Target Description: Platform enabling users to manage and track their portfolio across numerous chains.	

OVERALL CRYPTO M&A ACTIVITY LEVELS

Past Five Years



Past 52 Weeks

