

February 3<sup>rd</sup> - February 9<sup>th</sup>

## PERSPECTIVES by Eric F. Risley

Let's talk security.

Simple principles like protecting the sanctity of users privacy and ensuring that their crypto holdings are not stolen. Last year, according to Cyvers, over \$6.3B was lost in Web3 hacks, fraud, and scams.




Security is table stakes and crypto has not delivered satisfactorily ... yet.

A clear trend has emerged over the past six months that these first principle problems are being acknowledged and are starting to be addressed. This week another block in that trend was laid. Smart contract audit and blockchain vulnerability assessment specialist Cyberscope was acquired by TAC. This follows four other recent, significant Web3 security M&A transactions:

Target	Acquirer	Date	Acquisition Price (\$M)	Target Description
Wallet Guard	Consensys	07/03/2024	\$40	Open-source browser extension tool featuring a multi-layered defense from phishing detection to transaction simulation
Blowfish	Phantom	11/20/2024	55	Real-time fraud detection, transaction simulation, and user alerts
Hexagate	Chainalysis	12/18/2024	60	Web3 browser security designed for analyzing transactions before users sign them, flagging cybersecurity and financial risks
Alteryx	Chainalysis (M&A Alert)	01/13/2025	150	AI-powered Web3 Fraud prevention

Smart contract audits are critical, but also according to Cyvers, 4x more assets were actually lost last year due to access control violations versus code vulnerabilities. Better real time threat detection and response solutions are needed to protect against this attack vector.

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

Target	Acquirer	Transaction Summary	M&A Alert
		<b>Transaction Value:</b> \$3.5M <b>Rationale:</b> Expanded Middle Eastern presence and capabilities expansion <b>Sector:</b> Enterprise Solutions <b>Target Description:</b> Offers crypto asset system trading, crypto asset payment infrastructure development and cryptocurrency-based financial product development.	
		<b>Transaction Value:</b> ND <b>Rationale:</b> Combining resources towards a shared vision <b>Sector:</b> Data & Data Analytics <b>Target Description:</b> Web3 product studio that creates software, notably Ceramic, a decentralized network that brings composable data to Web3 applications	
		<b>Transaction Value:</b> ND <b>Rationale:</b> Entry into digital sports and gaming markets <b>Sector:</b> DApp: Consumer, Gaming <b>Target Description:</b> Developer of a sports betting platform that utilizes blockchain	
		<b>Transaction Value:</b> ND <b>Rationale:</b> Capability Expansion <b>Sector:</b> Enterprise Solutions <b>Target Description:</b> Web3 security company specializing in smart contract audits and blockchain vulnerability assessments	
		<b>Transaction Value:</b> ND <b>Rationale:</b> Expanded Middle Eastern presence and capabilities expansion <b>Sector:</b> Enterprise Solutions <b>Target Description:</b> Blockchain-powered e-marketplace for trade finance assets	
		<b>Transaction Value:</b> ND <b>Rationale:</b> Market Entry <b>Sector:</b> Investing & Trading Infrastructure <b>Target Description:</b> Acquired a South Korean e-finance platform for its Electronic Financial Business	

## OVERALL CRYPTO M&A ACTIVITY LEVELS

