Architect Partners

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PERSPECTIVES by Todd White

33 Crypto Private Financings Raised: $225.0M
Rolling 3-Month-Average: $192.9M
Rolling 52-Week Average: $209.4M

On February 21, 2025, Bybit, a prominent cryptocurrency exchange based in Dubai, experienced the largest digital heist in crypto history—an approximately $1.5 billion theft of Ether (ETH) from Bybit's cold wallet during what was supposed to be a routine transfer. The breach, which has been attributed to North Korea's Lazarus Group, was linked to a vulnerability in SafeWallet rather than Bybit's own infrastructure, with malicious code injected two days prior. Real-time threat detection and prevention firm Cyvers wrote on their **blog** about how they detected—and could have prevented—the loss.

While Bybit swiftly replenished its reserves through a combination of emergency loans and significant deposits from partners and whales—enabling the exchange to maintain customer withdrawals and continue operations—the incident had a significant market impact, leading to a drop in Ether's value. The incident may demonstrate the impressive resilience of a major exchange responding and maintaining operations despite significant losses, but it also spotlights the persistent security challenges in the industry, the sophisticated tactics employed by cybercriminals, and the constant and evolving need for real-time security monitoring and fraud detection.
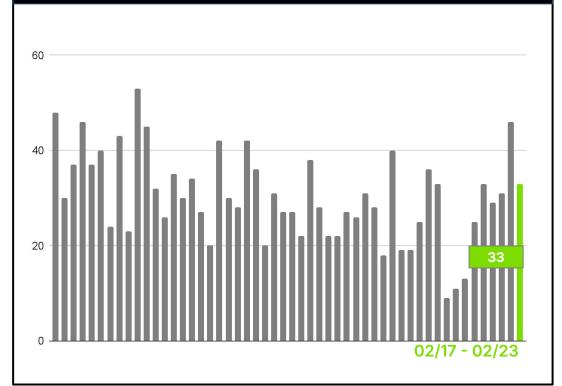
The crypto security landscape can be broadly divided into two key areas: proactive risk assessment and real-time monitoring for breach and fraud detection. Smart contract audits, formal verification, and bug bounty programs form the foundation of proactive security, designed to identify errors, inefficiencies, and security vulnerabilities. Advanced monitoring tools and analytics provide real-time detection of—and hopefully protection against—breaches and fraud.

Security is mission-critical for our sector to survive and thrive, now more than ever. This is apparent to both strategic and financial investors alike, with some exciting activity on both corporate development and financing fronts. The market-leading forensics team at Chainalysis has demonstrated the former with its recent acquisitions of the fraud detection startup Alterya (covered **here**) and the Web3 security solutions provider Hexagate (covered **here**). Examples of the latter include Sardine.ai's $70M round, which we covered just last week, and a $50M raise locked in for Blockaid this week.

Blockaid is a blockchain security company formed in 2022 to detect and prevent fraud, scams, and other security threats in the crypto and blockchain sectors. Founded by ex-Israeli military intelligence personnel, Blockaid's platform integrates directly with wallets and decentralized applications to offer both AI-driven threat-prevention tools—scanning transactions and simulating potential outcomes to prevent attacks before they occur—and real-time monitoring, detection, and response solutions. Their approach seems to resonate, as they have quickly developed a client base that includes sector leaders such as Coinbase, MetaMask, Uniswap, Starknet, Safe, and Immutable. The new funding will be used to scale productivity and engineering teams, strengthen go-to-market operations, and expand research capabilities to stay ahead of evolving threats.

The recent activity reflects the increasing demand for robust and responsive security solutions. This is particularly important with financial institutions and fintech companies poised to expand their blockchain initiatives, and effective strategies will likely leverage both proactive auditing and reactive monitoring, coupled with immediate incident response and remediation. We've seen this play out recently with Bybit's management of the Lazarus breach and a flurry of M&A and financing transactions. But the space is sure to evolve and accelerate, with ample room for numerous players and persistent innovation.

PAST WEEK NOTABLE TRANSACTIONS

Company	Size ($M)	Date	Post-Money Valuation ($M)	Stage	Subsector	Lead Investor(s)
Blockaid	$50.0	2/18	Undisclosed	Series B	Enterprise Solutions	Ribbit Capital
GRVT	$25.0	2/18	Undisclosed	Series A	Brokers & Exchanges	Undisclosed
Cygnus Labs	$20.0	2/19	Undisclosed	Seed Round	Investing & Trading Infrastructure	OKX Ventures, Optimism
Kinto	$20.0	2/17	Undisclosed	Early Stage VC	Investing & Trading Infrastructure	Brevan Howard Asset Management
Unit Network	$18.0	2/20	Undisclosed	Later Stage VC	Developer Tools & Infrastructure	Blockchain Founders Fund, Outlier Ventures
Altius	$11.0	2/18	Undisclosed	Seed Round	Blockchains & Protocols	Founders Fund, Pantera Capital
double jump.tokyo	$10.4	2/21	Undisclosed	Series D	Consulting & Services	SBI Investment
Mansa	$10.0	2/19	Undisclosed	Seed Round	Payments Infrastructure	Polymorphic Capital(, Tether
Gamerboom	$9.0	2/19	Undisclosed	Early Stage VC	DApp: Consumer, Gaming	Bing Ventures, Nvidia
Imatra	$8.3	2/18	Undisclosed	Early Stage VC	DApp: Consumer, Gaming	CDP Venture Capital

LAST 52 WEEKS DEAL COUNT

33
02/17 - 02/23

LAST 52 WEEKS CRYPTO FINANCING BY CAPITAL INVESTED ($ in M)

$225M
02/17 - 02/23