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Target:  Hexagate

Buyer:  Chainalysis

### Chainalysis Acquires Hexagate for an Estimated \$60M

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#### Transaction Overview

On December 18<sup>th</sup>, 2024, Chainalysis, a blockchain data platform specializing in cryptocurrency investigations, compliance, and risk management solutions, announced its acquisition of Hexagate—a developer of Web3 security software that increases financial transaction safety via Web3 browser security that analyzes transactions pre-signature, flags cyber and financial risks, and effectively protects users from fraud and various threats—for a rumored \$60 million.

#### Target: Hexagate

Hexagate, founded in Israel in 2022, claims to have prevented fraud losses of over \$1 billion through its Web3 threat detection and mitigation capabilities, such as its real-time prevention technology and its risk & security analytics API. Hexagate's real-time prevention protects transactions by monitoring blockchain activity and using machine learning to block suspicious behavior before losses occur. In addition, Hexagate's analytics API aggregates and analyzes on-chain data, giving clients actionable insights to identify trends, assess risks, and optimize their security strategies.

Hexagate helps protect protocols, chains, bridges, asset and treasury managers, exchanges, VASPs, Web3 apps and wallet providers. Relevant customers include firms like Coinbase, Consensys, Polygon, EigenLayer, Uniswap, Securitize, Immutable and more.

Founded in 2022 by CEO Yaniv Nissenboim and CTO Niv Yehezkel, the firm has grown to over 900 people globally on a \$8.6 million seed round investment spearheaded by Entrée Capital, with significant contributions from Samsung Next, INT3, and North First Ventures.

#### Buyer: Chainalysis

Chainalysis Inc., founded in 2014 and headquartered in New York City, is the global leader in blockchain data and analytics. The company supports over 1,000 government agencies, financial institutions, and cryptocurrency businesses across more than 70 countries. Chainalysis has aided in the recovery of over \$10 billion in stolen cryptocurrency and the identification of major illicit financial networks.

Its flagship products include Chainalysis Know Your Transaction (KYT), a real-time compliance solution that processes billions of dollars in cryptocurrency transactions daily and Chainalysis Reactor, its investigative software, which links transactions to real-world entities. Additionally, Chainalysis Kryptos provides financial institutions with advanced risk assessment tools for cryptocurrency investments. Beyond its software offerings, Chainalysis delivers forensic services that have supported investigations into ransomware, fraud, and money laundering.

Backed by prominent investors such as Accel, Benchmark, GIC, and Paradigm, Chainalysis has raised over \$500 million to expand its capabilities. With offices around the world, it continues to be a driving force in combating financial crimes and shaping the future of blockchain technology.

#### Transaction Parameters

Chainalysis announced the acquisition of Hexagate for an undisclosed amount, however, Israeli business website Calcalist estimates it to be around a \$60 million valuation.

Previous comparable transactions include: Blowfish | Phantom, Edge Intelligence | BlockX Capital, Wallet Guard | ConsenSys, Staging Labs | Markle Science.



### **Strategic Rationale**

Chainalysis acquired Hexagate to expand beyond post-mortem cryptocurrency fraud investigations into real-time prevention, compliance and remediation.

Chainalysis states that these capabilities are set to become increasingly more important as smart contracts facilitate more value transfer due to the growth of stablecoins and enterprise layer 1 and 2 protocols. Given this importance, Chainalysis highlighted the expertise and track record of Hexagate management as a critical component of the acquisition with the team claiming to have detected all known hacks in the last two years with 98% of them being detected before they occurred.

### **Architect Partners' Observations**

We have long said that security is a fundamental requirement to the broader adoption of crypto, and a number of recent transactions are playing out in the space. Smart contract audits are critical, but a recent report by Cyvers claimed that 4x more assets were actually lost last year due to access control violations than to code vulnerabilities. Better real-time threat detection and response solutions are needed to protect against this attack vector.

### **Sources**

[PitchBook](#), [Press Release](#)