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Target:  ZenGo

Buyer:  eToro

## eToro Acquires Wallet Provider Zengo for \$70M

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### Transaction Overview

On April 15, 2026, eToro (NAS: ETOR), a multi-asset online brokerage, announced a definitive agreement to acquire Zengo, a self-custodial crypto wallet provider based in Tel Aviv, for approximately \$70 million, paid mostly in cash. This is eToro's first announced acquisition since its May 2025 IPO.

### Target: Zengo

Founded in 2018, Zengo is a self-custodial crypto wallet. The wallet uses multi-party computation (MPC) technology instead of a traditional seed phrase, which the company markets as a simpler and more secure alternative to standard self-custody setups. Zengo says no user wallet has been hacked since launch.

The core product lets users buy, sell, swap, and stake crypto, hold a broad set of tokens, and access decentralized applications directly from the wallet. Zengo also offers Zengo Pro, a paid tier that adds features including Bitcoin Vaults and an inheritance-style recovery option, and Zengo Business, a team wallet product for SMBs and enterprises.

As of the announcement, Zengo reported more than 2 million users across 180+ countries. Prior to this transaction, Zengo had raised approximately \$38M in disclosed venture funding, including a \$20M Series A led by Insight Partners in April 2021 at approximately \$91M post-money, a \$10M round in 2023, and a later-stage round in November 2025 with participation from Tether, MoonPay, Elron Ventures, Benson Oak Ventures, Insight Partners, Arieli Group, Anatoly Yakovenko, and McArthur Capital.

Key competitors include Magic Labs, MetaMask (Consensys), Phantom, Trust Wallet (Binance), Ledger, Exodus, and Rainbow.

### Buyer: eToro

Headquartered in Israel, eToro (NAS: ETOR) is a multi-asset online brokerage offering stocks, ETFs, crypto, commodities, currencies, and CFDs, along with social features such as CopyTrader and Smart Portfolios. eToro reports 40M+ registered users across 75 countries and 3.8M funded accounts as of year-end 2025, up 9% year over year.

For the full year 2025, eToro reported net revenue of \$868M, up 10% year over year, and GAAP Net Income of \$216M, up 12% year over year. Assets Under Administration were \$18.5B as of December 31, 2025, up 11% year over year. Cash, cash equivalents, and short-term investments were \$1.3B at year-end, with no outstanding debt. Approximately 87% of revenue is generated from spread fees on trading activity, with the balance from interest income, subscriptions, and other sources.

eToro went public on Nasdaq on May 14, 2025, at an IPO valuation of approximately \$5.6B. As of mid-April 2026, its market capitalization was approximately \$2.7B. With \$1.3B in cash, that implies an EV / LTM net revenue multiple of 1.6x. The company has historically offered custodial crypto trading, with its direct self-custody footprint limited to the eToro Money wallet. Zengo brings a standalone MPC wallet product, an existing user base, and a dedicated engineering team focused on non-custodial infrastructure.

### Transaction Parameters

eToro has agreed to acquire Zengo for approximately \$70 million, paid mostly in cash, subject to customary closing conditions. eToro did not publicly disclose terms; Bloomberg reported the \$70 million figure, which is consistent with PitchBook.

At \$70M, the implied valuation represents approximately 0.77x Zengo's 2021 Series A post-money valuation of approximately \$91M, and approximately 1.9x total disclosed venture funding. No revenue multiple is disclosed.

Previous comparable transactions in the wallet and embedded wallet infrastructure category include: Stripe | Privy (not disclosed, Jun. 2025), Consensys | Torus (\$50M, Jun. 2025), Gnosis | Headquarters (\$15M, May 2025), MoonPay | Iron (\$100M, Mar. 2025), and Bitget | BitKeep (\$300M, Mar. 2023).

### Strategic Rationale

eToro frames the acquisition as part of a broader strategy of connecting its centralized trading platform with on-chain infrastructure. Three points stand out:



1. Support for emerging digital asset use cases, including tokenized assets, prediction markets, and perpetuals, where a non-custodial wallet is typically a prerequisite.
2. Adding a standalone self-custody product to a platform historically built around custodial trading.
3. Scaling Zengo's distribution across eToro's 40 million registered users, with Zengo continuing to operate as a distinct product.

eToro has deliberately structured the deal so Zengo's wallet remains outside eToro's regulated exchange services. Per the announcement, wallet activity, including swaps, staking, and access to decentralized applications, is not offered, managed, or guaranteed by any eToro regulated entity. That keeps the self-custody product outside eToro's MiCA-licensed perimeter and lets the wallet evolve at DeFi speed.

### Architect Partners' Observations

Wallet infrastructure is quietly becoming one of the most acquired categories in crypto. In the last eighteen months, Stripe bought Privy, MoonPay bought Iron, Consensys bought Torus, Gnosis bought Headquarters, and now eToro is buying Zengo. Disclosed valuations range from \$15M to \$300M.

The pattern is consistent: large consumer-facing platforms with distribution but limited on-chain infrastructure have concluded that the wallet layer is too strategic to rent, and are acquiring wallet layers before competitors lock up the remaining independent assets.

The logic is simple. The wallet is the user's gateway to an on-chain experience. An interface that abstracts the complex custody of key management is mission critical to attract users on chain. And whoever controls it controls the end-user relationship, the key material, the recovery flow, the compliance posture, and the on-chain data. Partnering that out hands a critical piece of the stack to a third party. What makes the eToro transaction notable is that eToro already had an in-house wallet (eToro Money) and still chose to buy. Stripe, MoonPay, Consensys, and Gnosis reached the same conclusion.

Embedded wallet infrastructure, the businesses whose wallets sit inside other companies' applications, is the highest-leverage version of this category. A single transaction can deliver the technology, a book of enterprise customers, and the distribution that comes with them. Exchanges, brokers, and payment companies that do not yet own this layer should assume the best independent assets will continue to be acquired.

### Sources

[PitchBook](#), [eToro Press Release](#), [eToro Q4/FY 2025 Results](#), [Bloomberg](#), [Zengo](#)