

Web3 Funding Landscape Report 2025

**A Comprehensive Analysis of Global Blockchain and Cryptocurrency
Investment Trends**

August 2025

Presented by



MZF Protocol

Key Findings



\$11.5 billion in traditional VC funding across **2,153 deals**
+51% YoY

\$30 billion estimated total including undisclosed rounds
and token sales

Infrastructure dominance: **\$5.5 billion (+57% YoY)**

AI-blockchain convergence: **6 of 17** mega-rounds
exceeding \$100M

DePIN emergence: **\$350M** funding, **\$500M** revenue
(100x growth)

"2024 represented not merely a cyclical upturn but a structural evolution towards a more mature, sophisticated, and sustainable Web3 funding ecosystem."

Annual Funding Comparison



Source: Galaxy Research, Outlier Ventures, insights4.vc (2025)

Market Recovery & Transformation



Bitcoin ETF Approval (January 2024)

Institutional validation through ETF approval by major asset managers, providing regulated Bitcoin exposure.

Market Cap Growth

\$1.6 trillion added to crypto market cap, finishing at **\$3.4 trillion**.

Pro-Crypto US Administration (November 2024)

Election results created optimistic regulatory environment with cryptocurrency-friendly policies.

Selective Investment Approach

2024 investors demonstrated marked discrimination in project evaluation based on utility.

Quarterly Funding Distribution 2024



H1: 57% deals, 39% capital

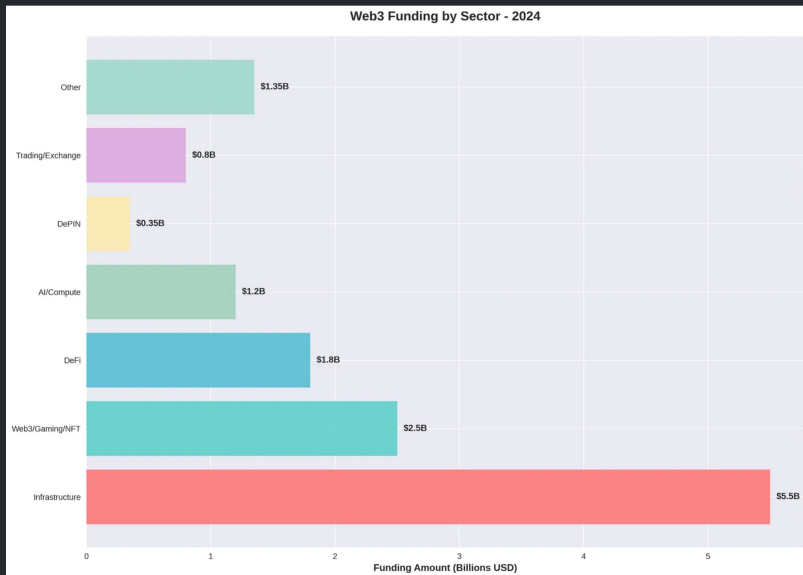
H2: 43% deals, 61% capital

Source: Galaxy Research, Crunchbase (2025)

Sector Performance



Sector Funding Distribution



Source: Galaxy Research, insights4.vc (2025)



Infrastructure: **\$5.5B (+57% YoY)** - Layer-2 scaling solutions, interoperability protocols, and developer tooling dominated funding



Web3/Gaming/NFT: **\$2.5B** - Major deals included Praxis (\$525M), Azra Games (\$42.7M), and Lens (\$31M)



DeFi: **530+ deals (+85% YoY)** - Growth driven by Bitcoin-based DeFi, RWA tokenization, and TradFi integration



AI Integration: Major growth driver with 6 of 17 mega-rounds, including xAI's **\$5B** raise at \$45B valuation



DePIN: **\$350M+** funding with **100x revenue growth** to \$500M - 13M+ daily active devices

Sector Trends

Infrastructure maturation driving mainstream adoption

AI-blockchain convergence creating new opportunities

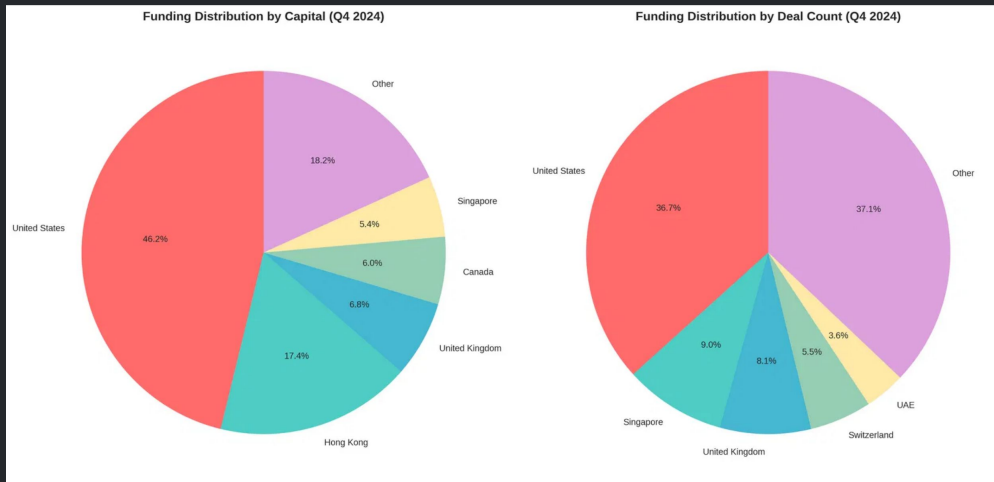
DeFi evolving beyond token swapping towards real-world applications

Gaming shifting from speculation to utility and engagement

Global Funding Landscape



Geographic Distribution (Q4 2024)



Source: Galaxy Research (2025)

Regional Breakdown



Key Insights

- ✓ US maintains leadership despite 17-point QoQ decrease
- ✓ **Hong Kong** shows significant growth as strategic Asian hub
- ✓ **Singapore** captures 9% of deals, positioning as innovation center
- ✓ European markets benefit from MiCA regulatory clarity

Mega Rounds (\$100M+)



17

Funding rounds exceeding \$100M in 2024

Top Mega Rounds

\$5B **xAI**
AI | \$45B valuation

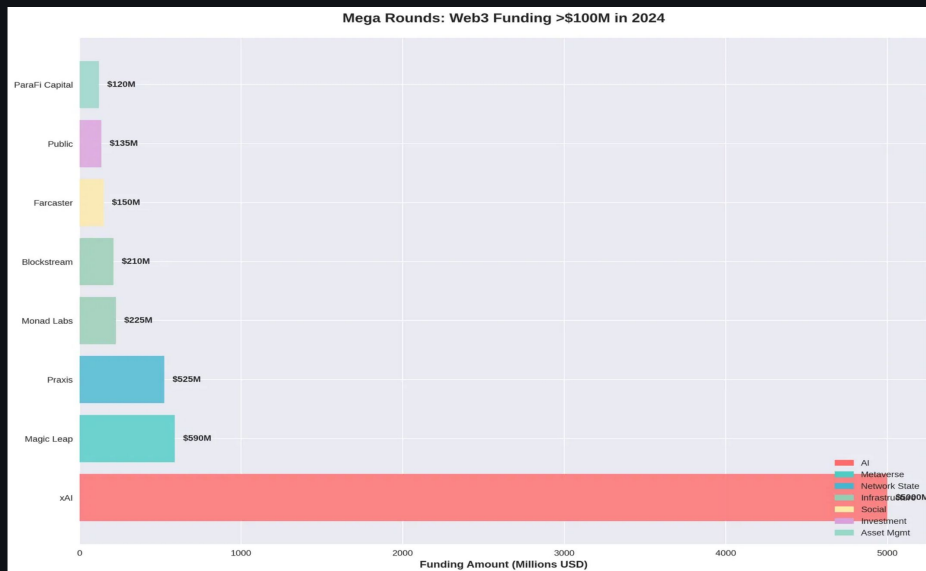
\$590M **Magic Leap**
Metaverse | Series F

\$525M **Praxis**
Network State | Series A

\$225M **Monad Labs**
Infrastructure | Series A

\$210M **Blockstream**
Infrastructure | Series B

Mega Rounds by Sector



AI (35.3%)

Metaverse (23.5%)

Infrastructure (29.4%)

Other (11.8%)

Source: Foresight News, Galaxy Research (2025)

DePIN: The Breakout Category



Decentralized Physical Infrastructure Networks (DePINs) emerged as one of the most significant new categories in Web3 funding, demonstrating remarkable growth and real-world utility.



\$350M+

Total funding raised across Pre-Seed, Seed, and Series A rounds



\$500M

Revenue generated (100x growth from previous year)



13M+

Daily active devices contributing to DePIN networks



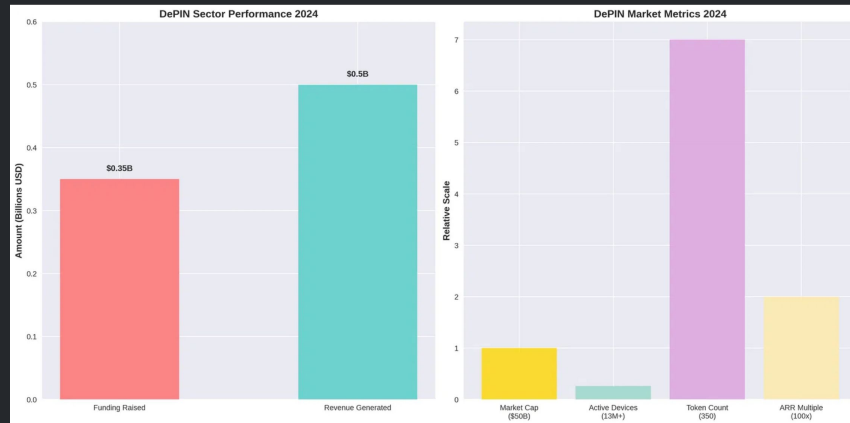
350

Tokens with \$50B combined market cap (~100x ARR)



<0.1%

DePIN Growth Metrics

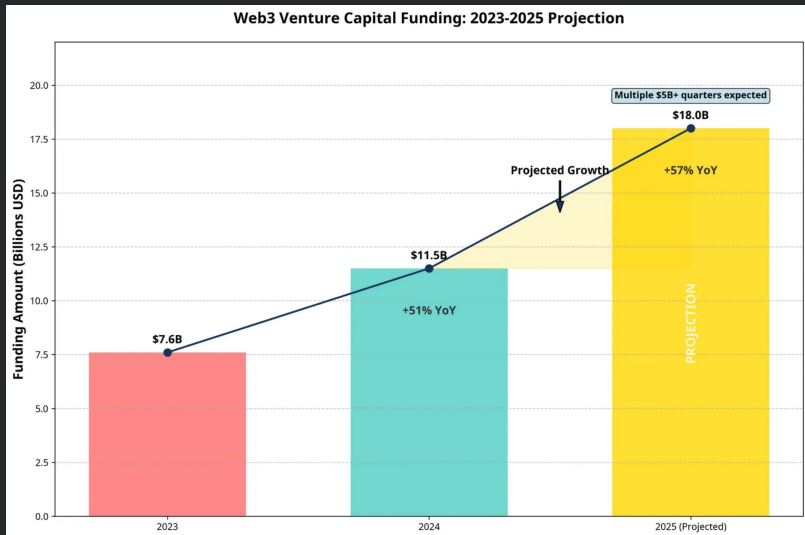


Key Categories: Wireless Networks, Compute Networks, Sensor Networks, Energy Networks

2025 Outlook & Predictions



Funding Projection 2023-2025



Source: Galaxy Research, Outlier Ventures, MZF Protocol Analysis (2025)

\$18+ billion projected annual funding (**+57% growth**)

Based on Q4 2024 momentum, ETF inflows, and institutional adoption acceleration

Multiple \$5B+ quarters expected

Driven by mega-rounds in AI-blockchain convergence and infrastructure scaling

AI-blockchain integration to capture **25-30%** of funding

Decentralized AI infrastructure, on-chain AI models, and AI-powered DeFi applications

Regulatory clarity improvements in major markets

Pro-crypto US administration, MiCA implementation in EU, and global regulatory coordination

DeFi-TradFi integration acceleration

Major financial institutions launching tokenized products and on-chain services

Emerging Trends to Watch

- Sovereign rollups
- Institutional DeFi
- Zero-knowledge applications
- Real-world asset tokenization

Strategic Implications



Web3 Funding Ecosystem



Source: MZF Protocol Analysis (2025)



Infrastructure Maturation

Continued investment in foundational infrastructure is driving mainstream adoption by reducing barriers to entry and improving scalability, security, and interoperability.



AI Integration

The convergence of AI and blockchain is creating new opportunities for decentralized intelligence, verifiable computation, and autonomous systems with **25-30%** of 2025 funding projected in this category.



Geographic Diversification

The distribution of funding across multiple regions reduces regulatory risk and fosters innovation through diverse perspectives, with Asia showing particularly strong growth.



Selective Funding

Investors are increasingly favoring quality projects with clear utility, sustainable tokenomics, and experienced teams over speculative ventures, raising the bar for funding.



Sustainable Business Models

Projects demonstrating real revenue generation and clear paths to profitability are receiving premium valuations, with DePIN's **100x** revenue growth exemplifying this trend.

Conclusion & Methodology



Key Findings

The 2024 Web3 funding landscape demonstrated a **51% YoY growth** to **\$11.5 billion** in traditional venture capital, signaling a robust recovery and maturation of the ecosystem.

Infrastructure investments dominated with **\$5.5 billion**, while AI-blockchain convergence captured 6 of 17 mega-rounds exceeding \$100M.

Geographic diversification continued with the US (46.2%), Hong Kong (17.4%), and Singapore emerging as key funding hubs.

DePIN emerged as the breakout category with **100x revenue growth** and minimal penetration of trillion-dollar addressable markets.

Contact Information

 www.mzfprotocol.xyz

 info@mzfprotocol.xyz

Methodology & Sources

This report combines data from multiple industry-leading sources with proprietary analysis to provide the most comprehensive view of Web3 funding trends.

Data Collection

- Comprehensive analysis of 2,153 funding rounds
- Cross-referencing multiple data sources
- Standardized categorization across sectors

Primary Data Sources

-  Galaxy Research Quarterly Reports (Q1-Q4 2024)
-  Outlier Ventures "2024 in Review: Fundraising in Web3"
-  Messari "State of DePIN 2024"
-  Crunchbase Web3 Funding Database
-  insights4.vc "2024 Crypto Venture Capital Trends"
-  Foresight News "2024 Web3 Investment Report"