

ConsenSys bags \$450M in megaround as investors flock to back blockchain

Article

The news: Blockchain specialist **ConsenSys** scooped **\$450 million** in a Series D round that values the US-based firm at over \$7 billion, per a press release. Its valuation has more than

doubled since its \$200 million raise in November.

Here's how it works: The Ethereum infrastructure builder aims to make it easier for users to access the emerging blockchain-based ecosystem, like DeFi services, NFT marketplaces, and the metaverse.

- ConsenSys' crypto wallet **MetaMask** reaches over 30 million monthly active users, letting users mint and collect NFTs and take part in DeFi protocols.
- Funds raised will be converted to Ethereum and used to hire 600 new employees and **expand MetaMask**, with a major redesign scheduled for this year.

What this means: A second ConsenSys megaround in just five months highlights investors' widespread interest in firms building the infrastructure to power cryptos and the metaverse.

- **Crypto infrastructure funding is soaring:** Blockchain developer **Alchemy** nabbed \$200 million last month, and January saw crypto as a service platform **Fireblocks** raise \$550 million, and **Blockdaemon** snag \$207 million.
- **Heavyweight investors are taking note:** **Microsoft** participated in the funding round, joining stakeholders **JPMorgan**, **Mastercard**, and **UBS**. Financial institutions (FIs) and Big Tech firms clearly see the value in blockchain tech and many are seeking greater exposure to crypto trading.

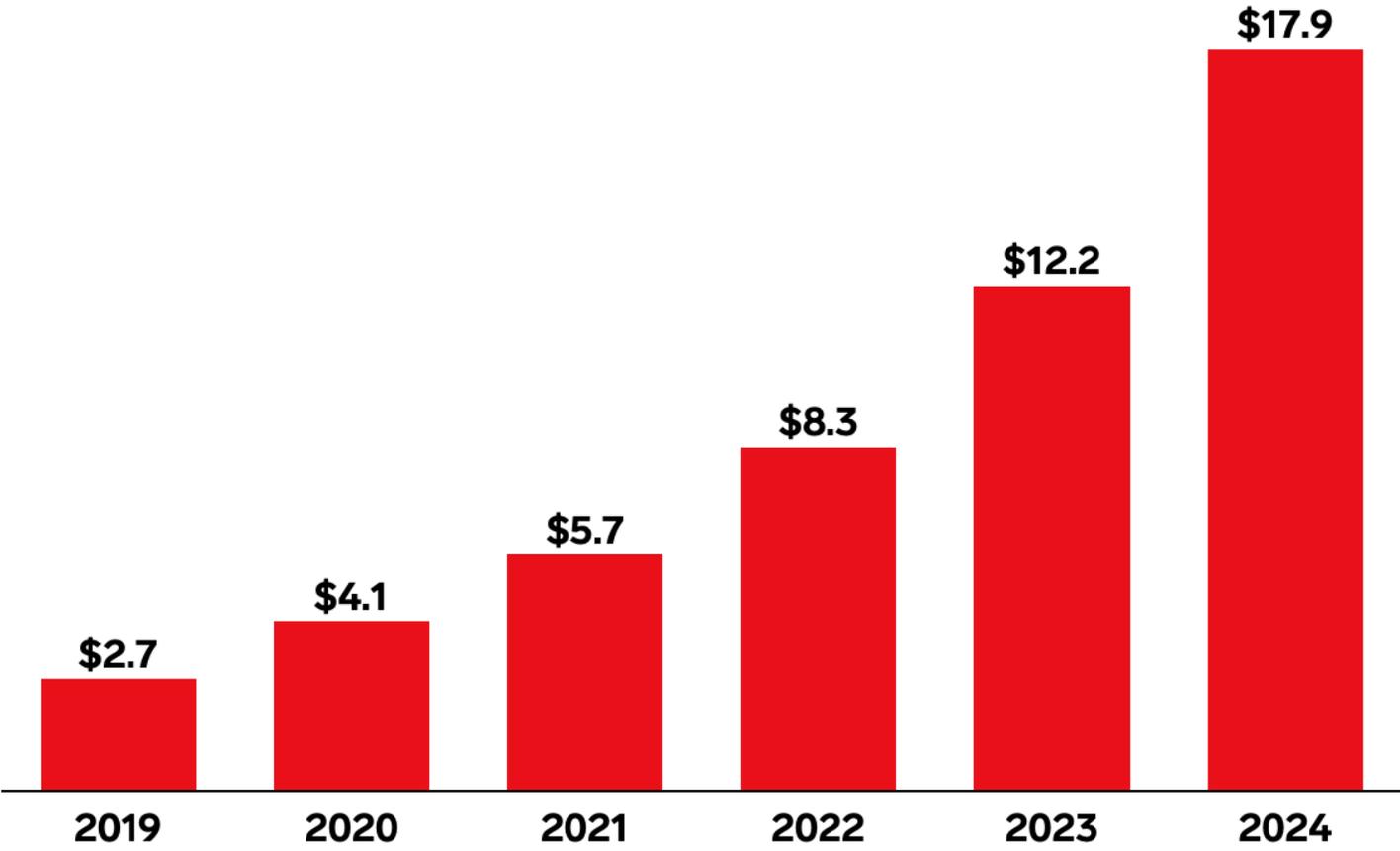
What next for blockchain?

- Investor interest is partly driven by widely held **views** that the **metaverse will be based on blockchain tech**. This positions blockchain firms like ConsenSys as a crucial cog in the metaverse, predicted to be worth over **\$1 trillion** by **JPMorgan**.
- **NFTs already play an integral role in the metaverse**, and since they are stored on a blockchain, firms like ConsenSys are key to their success and will benefit if their popularity continues.
- However **consumers are still taking far less interest** in the two areas: Almost half (49%) of US consumers don't know what the metaverse is, while **58%** of British consumers said the same, according to Klaviv **surveys**. It's a similar story with NFTs: Half of Americans surveyed **said** they had no opinion on or were not even aware of them.

The big takeaway: ConsenSys' raises show some investors are happy to wager on the Ethereum blockchain's role in supporting the metaverse, crypto, and NFTs. The timeline for their payoff still depends on the rate of mainstream adoption. Currently, consumers are far from sold on the metaverse and NFTs while crypto is still dogged by volatility and image problems.

Global Spending on Blockchain

billions of dollars



Source: International Data Corporation, "Worldwide Blockchain Spending Guide," September 2020

Methodology: Data is from the September 2020 International Data Corporation report titled "Worldwide Blockchain Spending Guide." The report quantifies the emerging blockchain market by providing spending data for 10 technologies across 19 industries and 17 use cases in nine geographic regions.

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