Paradigm: Redefining Investment Horizons

Research Series Paradigm

AMSTERDAM, NOORD-HOLLAND, THE NETHERLANDS, August 21, 2023 /EINPresswire.com/ -- In 2018, Paradigm was co-founded by Coinbase co-founder Fred Ehrsam and former Sequoia Capital investor Matt Huang. The Venture Capital firm was spotted amongst multiple headlines in November 2021, announcing the largest cryptocurrency Venture Capital Fund to date. Although initially looking to raise $1.5 billion, the crypto fund collected a record-breaking $2.5 billion earmarked for investments in emerging cryptocurrency and Web3 initiatives. The VC has invested in over 100 protocols, leading the fundraising rounds for nearly 65 projects.

Investment Philosophy and Strategies
Paradigm is known for its hands-on approach, ranging from technical expertise and advisory in security, engineering, and mechanism design matters to operational setups in recruiting, go-to-market strategy, and legal and regulatory compliance frameworks. Its ticket size usually ranges from $1 million to over $100 million. Most often, the investment firm participates in the earliest stages of startup fundraising, providing continuous support for the portfolio companies.

Paradigm partners with many collaborators, exemplifying the convergence of research, investment, and technological advancement. With a network that includes seasoned private equity firms, fellow Venture Capital entities, and notable investment groups, Paradigm harnesses collective wisdom to steer its portfolio companies toward greater heights.

Paradigm's Open-Source Endeavours
In addition to supporting and investing in startups, Paradigm also builds and contributes to forward-looking projects. Such projects include:

Foundry is a fast, portable, modular toolkit for Ethereum application development written in Rust. Collaborating with DappHub, Paradigm reimplemented its testing framework, app tools, and a non-forked codebase.

Reth - a free, open-source Ethereum execution layer client. Reth (short for Rust Ethereum) is a new Ethereum full-node implementation focused on user-friendliness, modularity, speed, efficiency, and compatibility with all Ethereum consensus client implementations that support the Engine API.

Alloy - stable and well-tested building blocks for Ethereum written in Rust. Alloy is a rewrite of Ethers-rs, addressing technical liabilities, eliminating unconventional type conversions, enhancing performance, and establishing a robust foundation for secure Rust-based Ethereum engineering.

Artemis - open-Source MEV bot framework. It is a library for writing bots and a repository of strategies. The aim is to simplify the architecture to enable flexibility and support for multiple strategies and provide modular, commonly-used bot components by leveraging the Ethereum tooling ecosystem.

Flood - developed to detail Reth's performance and uncover its slowdowns under different workloads and system configurations. With Flood, Paradigm created a tight feedback loop where Reth developers have high visibility into how codebase changes translate into end-to-end system performance.

Data Portal - a collection of open-source crypto datasets for researchers and tool builders.

Wagmi - a developer library with over 20 hooks for working with wallets, contracts, transactions, signing messages, and more. It contains everything one may need to start working with Ethereum.

Viem - a fast, modular Typescript interface for Ethereum developers. With Viem, builders may develop apps and libraries with lightweight, composable, and type-safe modules that interface with Ethereum.

Paradigm Portfolio Overview
Paradigm has five exits, including Coinbase (CEX), Compound (decentralized lending protocol), Tagomi (trading and brokerage platform), Emageon (e-solutions provider for diagnostic imaging), and Diem (blockchain-based stablecoin payment system). Interestingly, Meta and its partners have pulled the plug on Diem after facing significant opposition from regulators and politicians.

The most notable unicorn from the Paradigm portfolio is Coinbase - a crypto brokerage and centralized exchange. It is the second largest crypto exchange by trading volume globally and the most popular CEX in the U.S. Coinbase has raised around $500 million in funds and has an impressive valuation of $20.2 billion (August 2023 data). In 2019, Paradigm participated in Coinbase's Secondary Market round alongside Proioxis Ventures Fund and Employee Stock Option Fund.

OpenSea is the second most valued unicorn in Paradigm's portfolio. OpenSea is the first and largest peer-to-peer marketplace for crypto collectibles and NFTs. It has raised over $427 million and is valued at $13.3 billion (January 2022 data). Paradigm and Coatue led its $300 million Series C.

Chainalysis, a crypto data platform, is another unicorn. Paradigm led its $100 million Series D in 2021. At the time, Chainalysis's pre-money valuation revolved around $1.9 billion. Impressively, the platform raised its stakes by achieving a $8.6 billion valuation only a year later (May 2022 data).

Alongside the abovementioned most notable unicorns, other unicorn companies and successful strategic investments within the Web3 space were made throughout the years:

2022

Sky Mavis - a Play-To-Earn gaming ecosystem development company that has raised $311 million and is valued at $3 billion (April 2022 data). Paradigm participated in Sky's $152 million Series B (2021), led by Andreessen Horowitz, and it's $150 million Series C (2022), led by Binance.

Optimism - a Layer-2 scaling solution on Ethereum that has raised over $178 million and is valued at $1.7 billion (March 2022 data). Paradigm and IDEO CoLab Ventures filled its $3.5 million Seed (2020). Later, Paradigm and Andreessen Horowitz led Optimism's $150 million Series B (2022).

Uniswap - a decentralized trading protocol and liquidity provider that has raised $175 million and is valued at $1.7 billion (October 2022 data). Paradigm participated in its $11 million Series A (2020) led by Andreessen Horowitz. Additionally, Paradigm jumped on board with Uniswap's $165 million Series B (2022) led by Polychain.

Magic Eden - the leading NFT marketplace on Solana that has raised $170 million and is valued at $1.6 billion (June 2022 data). Paradigm led its $27 million Series A, afterward participating in the marketplace's $130 million Series B led by Greylock Partners and Electric Capital.

Curious to explore more research articles? Visit The VC Whisperer Website to ensure you receive extensive, detailed, and insightful Venture Capital overviews like this!

Leo
TheVCWhisperer
info@thevcwhisperer.io

---

we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.