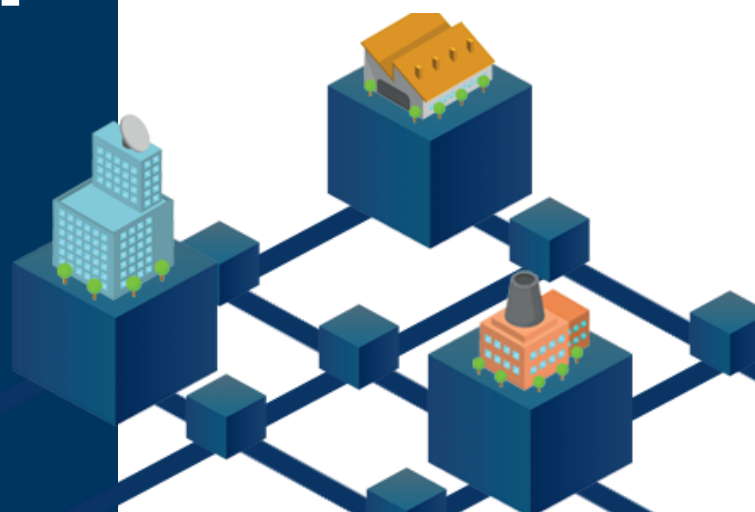


July 2020



Enterprise Blockchain 2020



**Data driven insights into the uncharted
Enterprise Blockchain World & Data Economy**

Exclusive dataset

200+ start-ups

9,000+ datapoints

20+ interviews

*LeadBlock Partners is an appointed representative of
Sapia Partners LLP which is authorised and regulat-
ed by the Financial Conduct Authority.*

A word from LeadBlock Partners

“We have entered into the era of the Data Economy. Similar to how the Internet reinvented the way we transact goods and services through e-commerce, Blockchain technologies will revitalize how we produce, own and consume data.

Blockchain is a catalyst to digital transformation, and now solves concrete industry challenges. It eases technologies’ convergence (Big Data, AI/ML, IoT, Robotics etc.) and unlocks their full potential. It addresses current needs for economic sovereignty, transparency and sustainability.

Blockchain’s decentralized & immutable nature has unprecedented potential to re-imagine today’s world. This technology is a powerful tool to reshape how businesses are run, making them more equitable, and transparent.

Since its birth in 2009, Blockchain technology has matured, alongside entrepreneurs’ ideas and ambitions. Its relevance has spread across industries, from Financial Services, to Healthcare, Energy, Food & Agriculture etc.

With this report, we hope to bring answers and more light to this disruptive technology and its ecosystem.”

***Jean-Marc Puel, David Chreng-Messembourg, Baptiste Cota
LeadBlock Partners Management team***

Why Blockchain technology?

"Europe must become a leading player in the Blockchain industry and impose its own standards. [...] Blockchain is not only a technology that adds performance or security, it is a citizen technology"

Jean-Michel Mis, French Member of Parliament (Loire region), member of the National Assembly's Law Commission



"We believe distributed, multi-owner systems have the potential to radically transform multiple aspects of our economy and society."

Robert Learney, Head of Technology, Distributed Systems – Digital Catapult

"The more we experimented with different processes, the more we discovered the benefits of the technology. [...] If you pay close attention you can see DLT has made possible for competitors to work together towards the delivery of several improvements to the market"

Mariana Gómez de la Villa, Program Director DLT – ING



"Blockchain aligns and fits strategically with our core strategy of fuelling digital transformation through "pipe-device-cloud" as an additional trusted layer accelerator for industries for secure information distribution and presentation, transmission, and processing"

William M Genovese, VP Corporate Strategy Planning – Huawei

"Corporate use cases [...] bring valuable business and helps Blockchain to integrate better in our business and everyday life. So no doubt Blockchain has the resources to do a great run for the next 5 years"

Ivan de Lastours, Blockchain Lead – Bpifrance



"The last five years have also seen growth in how Blockchain technology is perceived. It's no longer viewed as an unknown technology [...]. Instead, businesses across all industries are understanding the variety of ways blockchain can add value to their processes and customers."

**Leanne Kemp, CEO & Founder – Everledger
Co-Chair WEF Global Future Council, WTO Board' Sustainable Trade Action**

"Food is not a commodity, it is a human right [...] As such, the new governance linked to Blockchain holds a great and critical promise to provide holistic and neutral Platforms for the entire supply chain"

Vincent Doumeizel, Director Food Programme – Lloyd's Register Foundation



"We provide a regenerative solution to stop ocean plastic [...] Social Plastic® directly contributes to brands' sustainability commitments [...] our blockchain platform ensures transparent and authentic impact data, allowing for turn-key impact reporting."

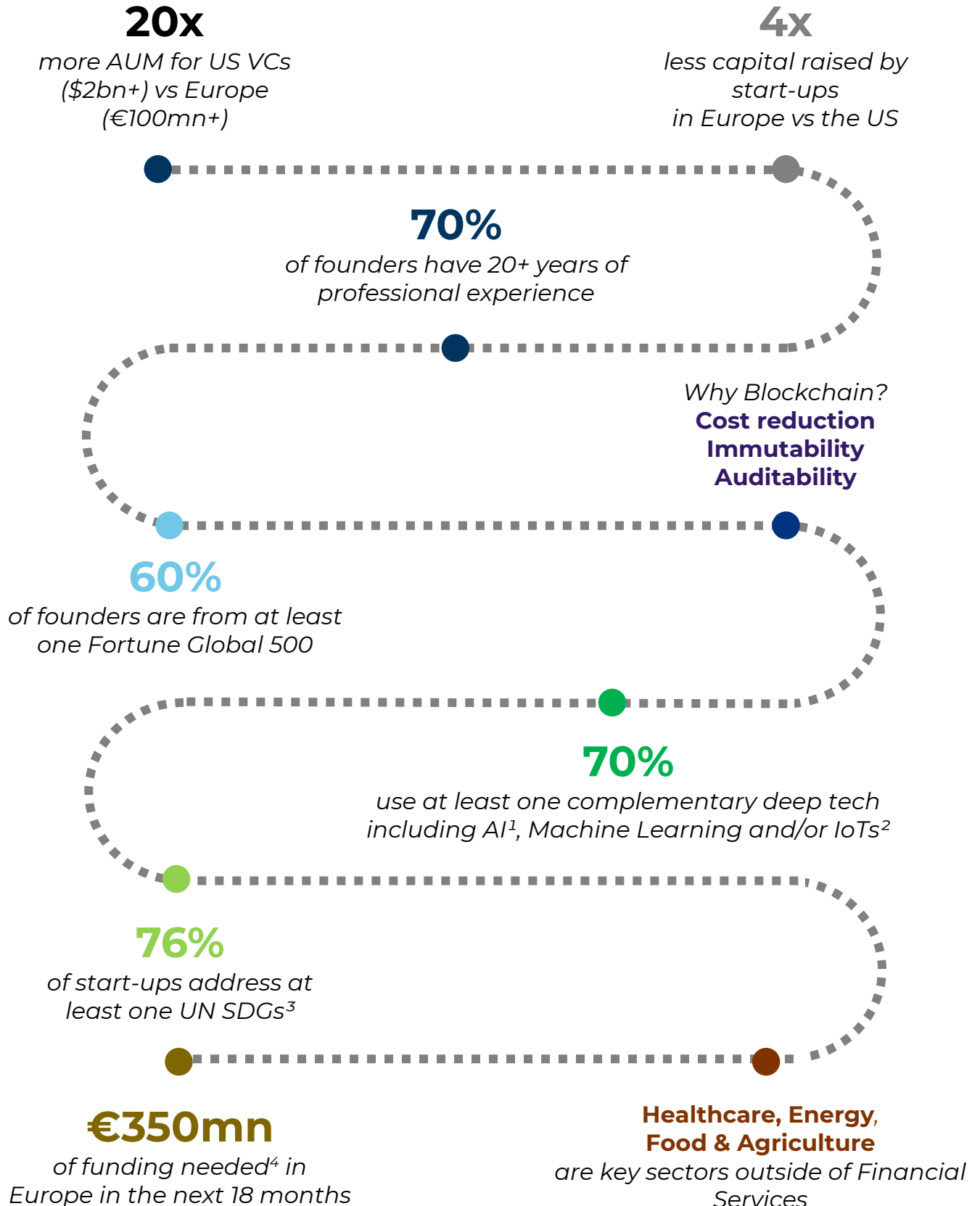
David Katz, CEO & Founder – Plastic Bank

"We stand now where the Internet was in the mid 90s, just before the emergence of the new economy. [...] The perception of Blockchain in France changed greatly [...] between incumbent players, start-ups and French authorities."

Franck Guider, Head of Innovation & Fintech – GIDE



Key findings



[1] Artificial Intelligence

[2] Internet of Things

[3] United Nations Sustainable Development Goals

[4] Across 200+ surveyed start-ups

Executive summary

We are today at a tipping point for Enterprise Blockchain start-ups,

fuelled by increased corporation digitalisation needs, a maturing ecosystem and a growing investment opportunity.

The US has historically led the way for Blockchain start-ups funding (*4x more capital raised than in Europe*), powered by specialised funds with 20x more AUM (Assets Under Management) relative to Europe.

Europe is now catching up with growing start-up funding needs, client traction and corporations interest. This investment opportunity will attract more capital and accelerate the growth of the European Enterprise Blockchain ecosystem.

The early stage Enterprise Blockchain ecosystem in Europe is growing:

- **In size**, with 500+ new start-ups created each year, and with existing B2B start-ups turning to Blockchain to add value to their product offering
- **In quality**, with more talented professionals with relevant industry and/or entrepreneurship experience. We found 70% of founders have 20+ years of experience, with 60% from Fortune Global 500 companies

- **In revenues**, with an increased number of start-ups generating annual recurring revenues (20% of start-ups generate >€250k/year)
- **In funding needs**, with the surveyed start-ups looking to raise €350mn in the next 18 months

Our survey confirmed that Blockchain is a highly strategic technology that should be seized across Europe:

- Initially built to facilitate transactions, **Blockchain has spread across sectors**, with Financial Services, Healthcare, Energy and Food/ Agriculture leading the way
- **Blockchain is self-enforcing ESG initiatives**, 76% of Enterprise Blockchain start-ups address at least one United Nations SDG

Why use Blockchain?

- Top 3 reasons for founders are **cost reduction, immutability, auditability**
- Because **it unlocks the full value of complementary technologies**: 70% of start-ups use Blockchain with AI, ML and/or IoTs
- **The tech has matured with rapid improvements in security and efficiency**. Ethereum, Hyperledger and Corda emerge as the preferred protocols for Enterprise Blockchain founders

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Thesis 1: EU funding gap triggers investment opportunities

The US has led the way for Blockchain start-up funding with 20x more capital raised by Blockchain venture capital funds. Europe is now catching up with growing start-up funding needs, client traction and corporate interest.

This investment opportunity will attract more capital and accelerate the growth of the European Enterprise Blockchain ecosystem.

We see opportunities to Create & Nurture start-ups as well as Educate the broader tech & business ecosystem about Blockchain's potential.

The European Blockchain ecosystem is accelerating

US led the way, Europe now catching up

The US has led the way for Blockchain developments as it accounted for half of global funding toward Blockchain start-ups¹. We found that one of the key reasons is that Blockchain venture capital funds lack AUM in Europe, with US funds having raised at least 20x more capital. US start-ups typically raise 4x more.

Europe is now catching up, similarly to the broader VC ecosystem. Among the initiatives to address this funding gap, the European Investment Fund (EIF) has recently committed €100mn to support Blockchain & AI. We see a growing number of funds, incubators and venture studios seeking to participate in this rapidly growing sector.

Today's Blockchain funds total AUM



>\$2bn vs



<€100m

Source: LeadBlock Partners

Growing opportunity in Europe to attract capital

Given the early stage nature of the European ecosystem, many start-ups have raised capital from friends, family & angels. They now need institutional investors to fill larger rounds as they grow and gain commercial traction. Our European survey respondents have a funding need of €350mn for the next 18 months and 60% of them already generate revenues.

This investment opportunity will attract more capital and accelerate the growth of the European Enterprise Blockchain ecosystem.

€350mn

Funding need of our European survey respondents for the next 18m

60%

Generate revenues
(20% >€250k)

Source: LeadBlock Partners

France, a driving force for European Blockchain

A conversation with Jean-Michel Mis, French Member of Parliament (Loire region), member of the National Assembly's Law Commission

Could you introduce yourself, and your role at the French Assembly?

During my parliamentary work, I have specialised in digital issues, especially in the Blockchain, on which I worked as co-rapporteur of the information mission. I am also vice-chairman of the study groups on "Cyber security and digital sovereignty", "Health and digital" and a member of the study group on "Digital economy of data, knowledge and artificial intelligence". Member of the Conseil National du Numérique (CNNum), I am also a member of the Commission Supérieure du Numérique et des Postes (CSNP). In April 2020 with Rémy Ozcan, we launched the French Federation of Blockchain Professionals to accelerate the development of the Blockchain ecosystem in France.

What initiatives are taken by French and European policies to foster the Blockchain ecosystem?

France acts as a driving force to guide the development of the Blockchain in Europe. As early as March 2018, Bruno le Maire insisted on making Paris the capital for ICOs. With the PACTE law, our country is the first to provide a fiscal framework for crypto fundraising. In fact, the goal is not only to support the Blockchain development, but also to allow start-ups to grow faster by raising funds through the Blockchain. France is thus positioned as the European leader in the global Blockchain ecosystem. During his visit to the agriculture show in February 2019, Emmanuel Macron said that Europe must rely on technologies such as the Blockchain in order to be at the

« forefront of traceability in food ». Indeed, facing the United States and China which are advancing in this sector, Europe must become a leading player in the blockchain industry and impose its own standards.



Could you share your perception and knowledge about how Blockchain technology evolved?

As a member of parliament, I was lucky enough to have an overview of the Blockchain ecosystem, both in France and worldwide. The development of the Blockchain is fantastic: imagine a whole new ecosystem growing in almost all sectors, emerging in less than a decade! A few years ago, the Blockchain remained concentrated around cryptocurrencies, used by geeks or specialized economic players. More secure, more efficient than at its beginnings, the Blockchain is now starting to be used in real estate, mass distribution, food, energy and even in some political votes.

Where do you see Blockchain technology in the next 5 years?

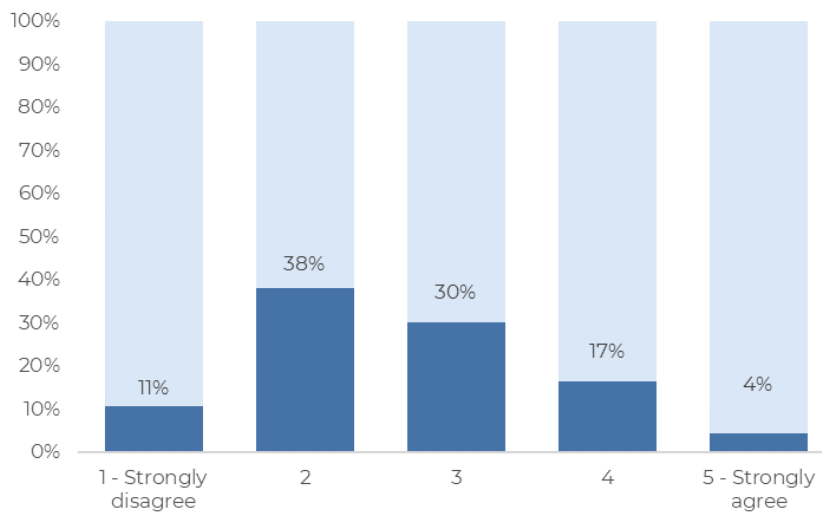
Everywhere! Blockchain is not only a technology that adds performance or security, it is a citizen technology! In our time, all the data is collected and our behaviours are scrutinized by the GAFAs. Blockchain meets a need for transparency. It gives to users the possibility to know how their data is re-used. I am currently working on a report on digital identity and we are seriously looking into the use of this technology, which provides transparency and security.

Blockchain expertise to continue to improve

Most investors are not familiar with Blockchain technology

The average investor is not familiar with Blockchain technology, its applications and benefits. The knowledge gap is also apparent as many investors do not differentiate between Blockchain from cryptocurrencies and its associated negative perceptions. As investors continue to learn about Blockchain we expect to see increasing investments.

Founder's view on statement: Are investors knowledgeable about Blockchain technology?



80%
of investors are not familiar about Blockchain tech

60%
don't differentiate between cryptocurrency and Blockchain tech

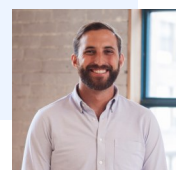
Source: LeadBlock Partners

Enterprise Blockchain also requires sector knowledge

Investing in the Enterprise Blockchain space not only requires Blockchain expertise but also an understanding of the sector in which it applies. At LeadBlock Partners, we combine both industry and Blockchain technology expertise, and hear the following very often from founders: "It was a pleasure to discuss my product and drivers of my business instead of explaining how the underlying technology and sector work."

"We found that the acid test for DLT fundraising (at least in PropTech) is to be able to get across to investors what DLT achieves in your space and, only once its value is understood, go into the specifics of how it works and the use of DLT. The other point to get across is why DLT will make sense versus current alternatives five years from now. The better you are at articulating the latter, the faster investors will reach for their cheque book."

Pablo Garnica, Co-founder Arextech (ex -Goldman Sachs, Deloitte)



An opportunity for all stakeholders

Why does Blockchain matter for Europe?

While Blockchain start-ups tend to be funded in the US and Asia rather than in Europe, it is however a strategic technology that should be seized across Europe. Covid-19 will likely reinforce the structural need for economic sovereignty, supply chains resiliency and industrial competitiveness, and we see Blockchain technology as a highly promising answer to those mutations.

We see 3 opportunities in the space



Create & Nurture

It is now time for entrepreneurs, incubators, corporations and others to embrace blockchain and launch projects

Invest

Strategic and financial investors can take advantage of a wide array of opportunities in this uncrowded market



Educate

Entrepreneurs, corporates, governments, regulators, investors still have a lot to learn about the tech's potential



UK: Driving adoption by connecting organisations

*A conversation with Robert Learney,
Head of Technology - Distributed
Systems at Digital Catapult*

Could you introduce yourself, and your role at Digital Catapult ?

I'm the Head of Technology for Distributed Systems at Digital Catapult. My role involves managing all of our activities related to Distributed Systems (including distributed ledgers, distributed file systems, etc.) in partnership with other parts of the business – helping the commercial team identify and refine new commercial proposals, building new collaborations for grant applications, and overseeing and participating in delivery of our active projects.

This work includes multiple projects across a wide range of sectors, from aerospace, to construction, oil & gas, nuclear decommissioning, digital citizenship and sustainability, food & drink, journalism, and FMCG.

What are the initiatives taken at Digital Catapult to drive blockchain adoption?

At Digital Catapult we believe distributed, multi-owner systems have the potential to radically transform multiple aspects of our economy and society. We're undertaking activities to help grow the demand side for this technology – where the problem is greatest. The supply side is still vibrant, innovative, and hungry for adoption. Our work is there to help along the entire journey, from understanding what data businesses should share and how to do it, to the automation of processes

CATAPULT
Digital



with smart contracts, and of course governing shared infrastructure and building new business models.

This work includes multiple projects, both commercial and grant-funded (from Innovate UK and EU sources). These are all described on our website. We intend for these projects to provide patterns and use-cases to help lower the frictions for groups of businesses to engage in a meaningful blockchain/DLT project, thereby lowering the barriers for the supply side to step in and deliver.

You have been working in the space since 2012, how have you seen the stance on blockchain evolve at large corporates?

In general I've seen the mood within corporates pass through a range of emotions, from initial scepticism, to greater scepticism, to curiosity and finally some acceptance and active interest. A 2019 report by Deloitte found that 80%+ of global senior executives have identified compelling use cases for blockchain within their organisations. We hope this translates into real, impactful projects, using truly multi-stakeholder infrastructure. We hope to contribute our small part

France, a pioneer in DLT regulatory development

A conversation with Franck Guiader, Head of Innovation & Fintech Gide

Could you introduce yourself, and your role at Gide?

After 10 years working in finance and 7 years within the French securities market regulator (AMF), I decided to join an exciting project in 2018.

Today, I am head of Innovation & Fintech at Gide, which consists in developing for the firm a new practice named "Gide 255" specialised in innovation and advanced technologies.

Could you share how perception and knowledge about Blockchain technology evolved in France?

France has been a pioneer in the regulatory development related to DLTs and cryptos. Several ordinances dealing with Blockchain since 2016 and the recent "Loi Pacte" provide a specific legal framework for "on-chain" activities and digital assets service providers, which has positioned France as the leading Member State within the European Union in this field.

France has rapidly invested means and expertise in creating a deep ecosystem in the field of digital finance. Prior to these first legal advances on Blockchain that we find in the French law, stakeholders got organised to discuss, together with the French public bodies, the conditions and the rules that they felt were crucial for the sound development of their activities.

The perception of Blockchain in France changed greatly throughout these discussions and negotiations between incumbent players, start-ups

GIDE

GIDE LOYRETTE NOUËL



and French authorities. Putting issues and expectations on the table from the beginning meant that France avoided pitfalls - something that could not have been done without such commitment from all.

Where do you see Blockchain technology in 5 years?

I think we stand now where the Internet was in the mid 90s, just before the emergence of the new economy.

Blockchain is not as new as some people think. The Bitcoin protocol was published 11 years ago. We know that it always takes years for a new technology to be massively adopted. Years of R&D and regulatory developments are necessary to resolve issues in terms of scalability, risks stemming from the misuse of blockchain, and to find relevant use cases.

In 5 years from now, I think that Blockchain will be used in combination with other technologies, including artificial intelligence. We will probably see multiple combos of DLTs and AI, in a variety of industries such as food, finance, energy and real estate.

We may also see more Blockchain of things, relying on DLT protocols but

A bright future ahead for Blockchain in France

A conversation with Ivan de Lastours, Blockchain Lead Bpifrance

bpifrance



Could you introduce yourself, and your role at Bpifrance ?

I am Blockchain Lead at Bpifrance, it is the French national investment bank: it finances businesses at every stage of their development through loans, guarantees, equity investments, and export insurances. This role is double-sided. On one side, we finance directly the French blockchain ecosystem. On the other side we develop operational blockchain projects for internal usage to improve efficiency or explore new business models.

What are the initiatives taken by Bpifrance to foster the Blockchain ecosystem in France?

So far we financed more than 100 French blockchain start-ups and made directly or indirectly 8 equity investments for more than 15 millions euros including some champions like Ledger, Acinq or Kaiko. On the operational side, we are actively working on a stablecoin, a shared kyc and shareholder's registry process improvement.


You have led Bpifrance Blockchain for the past 3 years. Could you share how investors' perception and knowledge about Blockchain technology evolved?

Blockchain is not a new topic for most investors and they are more and more implicated in this field. That is really positive. On the other hand, it evolves really fast and it is hard to catch-up.

Initial Coins Offerings might be dead but Decentralized finance and non-fungible tokens are booming. Also large corporates are testing more and more successfully innovative new use cases like data sharing with zero knowledge proof algorithms.

Where do you see Blockchain technology in the next 5 years?

The good news is that Blockchain technology has two legs. One is crypto and one is corporate and that is a unique position. Cryptos might be very risky but they bring technological innovation, corporate use cases might seem less shiny to some people but they bring valuable business and helps blockchain to integrate better in our business and everyday life. So no doubt blockchain has the resources to do a great run for the next 5 years but harder to tell which leg she would have used it the most.



Thesis 2: A high quality early stage ecosystem in Europe

The European Enterprise Blockchain start-up ecosystem is growing:

- 1. In size: growing number of successful start-ups*
- 2. In quality: with seasoned founders with industry and entrepreneurship experience*
- 3. In revenue: the ecosystem is early stage but an increasing number is generating recurring revenues*

A thriving ecosystem driven by quality founders

A large and growing ecosystem

The global Enterprise Blockchain start-up ecosystem is thriving. We estimate it is currently composed of 3,000+ start-ups. The ecosystem is growing rapidly (500+/year), fuelled by two main drivers (1) new start-ups created every year, and (2) existing B2B start-ups adding a blockchain layer to their software solutions.

3,000+
start-ups

6,000+
Founders

500+
new start-ups
per year

Source: LeadBlock Partners

"In LegalTech, potential blockchain applications include user identification, payments and contractual or regulatory automation. The Tabled matter management platform is open and interoperable and we are exploring how blockchain integrations might enable automation and security in the future"

Paul Massy, Founder at Tabled (Ex-Crowdcube, General Council)



Start-ups are led by experienced founders

Our survey showed that 80% of founders bring to the table significant industry and/or entrepreneurship experience, and often left senior corporate executive roles to solve challenges they identified using Blockchain. They had 21 years of professional experience on average for an Enterprise Blockchain founder, and 45 years cumulated with their co-founders.

According to research¹, the average age of a successful start-up founder is 45 years old. Generally speaking, older individuals tend to have more real-world experience, unlocking meaningful relationships, and building a wealth of knowledge on how to identify and address op-

21 years

average founder
work experience

87%

of founders have
more than 10 years
work experience

Source: LeadBlock Partners

[1] Harvard Business Review, "Research: The Average Age of a Successful Startup Founder Is 45", July 2018

An early stage ecosystem

The European Enterprise Blockchain start-up ecosystem is mainly composed of early stage start-ups at the pre-seed to series A stages, with 60% of our surveyed start-ups generating revenues, and of which 33% generating >€250k of recurring revenues. This is due to the technology recently reaching sufficient maturity, and transitioning from Proof of Concepts (PoCs) and pilot projects to production mode.

Average European Enterprise Blockchain start-up profile

Development stage



Seed

Total amount raised

€1.4mn

Number of founders



2

Founder years of experience



21

Number of employees



12

Years since launch



2.5

Revenue annual¹

€60K

Cash burn annual

€800K

[1] 40% of start-ups are pre-revenues dragging the average down

Navigating the funding gap with Globacap

A conversation with Myles Milston, founder & CEO of Globacap (ex-Morgan Stanley, Macquarie)



What is your background?

Prior to Globacap, I was CTO of an online sports gambling tech company, which I helped grow from start-up to over 50 white-labelled partners in 30 countries in three years.

I also have 17 years experience in financial markets at institutions from Morgan Stanley to Macquarie Bank, across structured bond issuance, quant research and trading, and have consulted for several major stock exchanges and clearing houses on their pricing strategies.

As a blockchain start-up you successfully raised a \$4.5mn Series A round, why did you find the fundraising process challenging?

Fundraising is never easy. Even with the simplest of businesses, investors need to fully understand the business, the market, and its growth potential, and even if they are convinced by all of that, the investment still needs to compliment the risk that's already in their portfolio.

In our case it was especially challenging as our business model requires a deep understanding of capital markets which most investors, and most VCs don't have. We do use Blockchain, which opened the door to Blockchain investors, however the majority of those also did not have the depth of capital markets knowledge required to fully understand just how transformative our business is.

How do you help private companies on the fundraising journey?

We simplify and drive efficiency in private capital markets through 3 products:

- (i) Fundraising Management, our platform supercharges your funding round by getting you to market quicker and more cost effectively;*
- (ii) Cap Table Management, we have digitised and streamlined everything from share register to employee share option management, shareholder voting, and more;*
- (iii) Secondary Transferability, launching in the coming months, whereby we have automated all elements of private security transfers, such as stamp duty payments and forms in the UK.*

We are the only fully regulated platform that stays with and assists a company through their entire growth lifecycle.



Thesis 3: A catalyst for corporations' digital transformation

In the early days of the 'Enterprise Blockchain Wave', time and energy was spent identifying the most impactful use cases.

Industry professionals have since matured their vision and products:

1- Beyond the financial sector, Blockchain is now being applied across industries

2- Founders left sector leading firms to solve the challenges they used to face

From experimentation to value creation



***A few words from Mariana Gómez de la Villa
Program Director Distributed Ledger Technology, ING***

Could you share why ING got interested in decentralised technologies, and decided to embrace

“The more we experimented with different processes, the more we discovered the benefits of the technology. For instance, we were able to reduce the manual efforts in reconciliation, we enabled real-time monitoring of financial activity between regulators and regulated entities and we also managed to smoothen transaction verification.



While the technology kept evolving, so did we, and we started experimenting on asset classes, unveiling the real potential on reduction of the locked-in capital, providing transparency into sourcing liquidity for assets and enabling asset provenance and full transaction history to be established within a single source of truth.

This vision allowed us to create value for ING through the delivery of important milestones where we strongly believe we will be able to leverage opportunities in several areas. We can access clients in a more direct and streamlined way, change our business models to be truly client centric and create new products that can be traded in a fully automated way. Moreover, we think it will allow us to take advantage of an updated market infrastructure which will benefit the full value chain and not only the intermediaries.

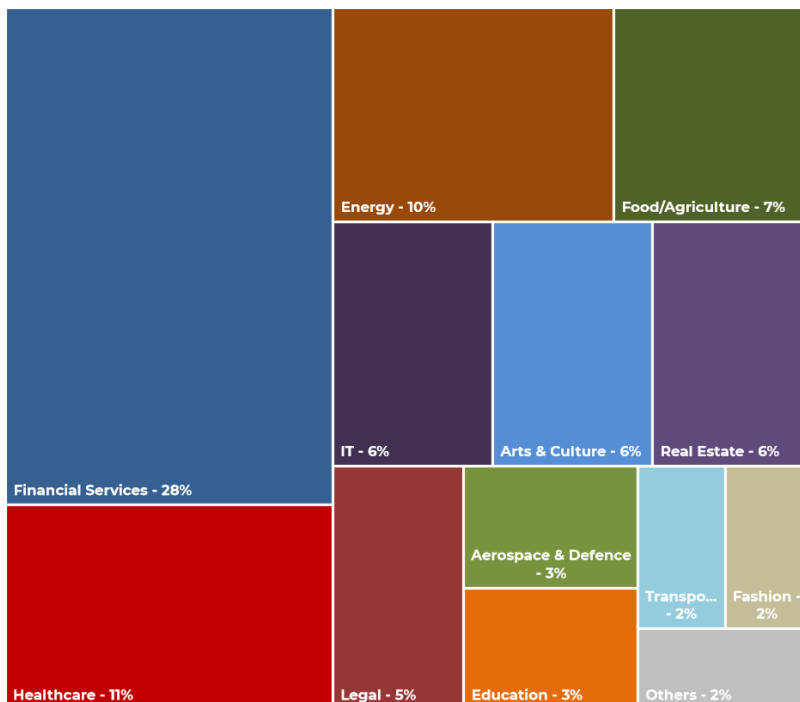
We have very carefully selected partners and initiated or joined consortia with institutions who not only match on the vision but also on values which is the main driver of our innovative culture, if you pay close attention you can see DLT has made possible for competitors to work together towards the delivery of several improvements to the market already, such as HQLAx, VAKT, Komgo, Fnality, Countour and MarcoPolo. “

Blockchain applied across sectors

Blockchain is branching out of Financial Services

Blockchain was initially built to facilitate transactions. Use cases were therefore mainly focused on Financial Services, which ranks first in our Enterprise Blockchain survey (28%). Financial institutions, central banks and regulators gained exposure to the technology for the past decade, through pilot projects and proof of concepts, either internally or with Enterprise Blockchain start-ups. Today the technology has been deployed across all sectors, with five industries leading the way.

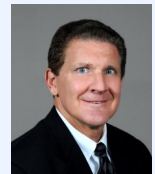
Five sectors account for 2/3 of Enterprise Blockchain start-ups



Source: LeadBlock Partners

"From food to metals and minerals, blockchain-based supply chain networks establish end-to-end visibility that can improve sustainability, create accountability about ethical sourcing and drive better decision-making for businesses. The major use cases I see in development are Provenance, Shared Visibility, Dispute Resolution, and Identity Management."

Stephen J. Rogers,
VP Blockchain initiatives
for Supply Chain – IBM



Other key sectors are Healthcare, Energy and Food/Agriculture

Collecting, securing and creating value from data is becoming an imperative across all sectors. Healthcare, Energy and Food/Agriculture are seeing significant work by start-ups, and should benefit the most from Blockchain-related innovations. Sectors like Real Estate, Legal or Arts & Culture, still need in our view more regulatory homogeneity across countries for initiatives and projects to take off.

5x

more data per day

10%

CAGR by 2025 in global Enterprise Data²

[1] IDC Data Age 2025;

[2] MarketsAndMarkets, Enterprise Data Management Market, March 2020

Founders are solving ex-employer's challenges

From pain point to product

At the start of the 'Enterprise Blockchain Wave' in 2015, corporations rightly questioned the real need and benefits of the technology. Since then, their interest and experimentation has grown and driven many seasoned industry professionals to learn about Blockchain technology and build products to answer pain points they faced.

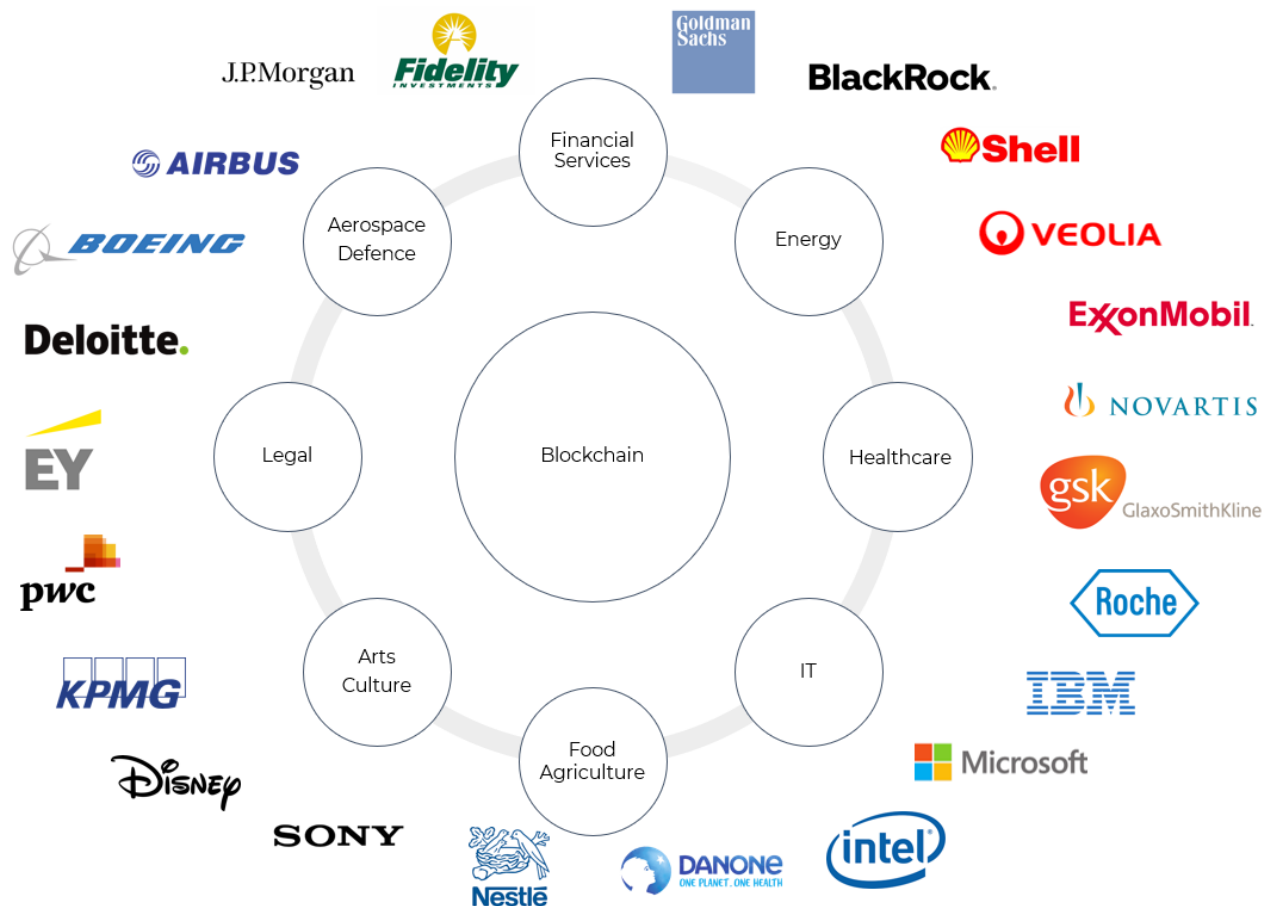
70%
founding teams have
>5 years relevant
industry experience

87%
of founders have
>10 years professional
experience

60%
of founders have
worked at a Fortune
Global 500 company

Source: LeadBlock Partners

Surveyed founders have worked at leading corporations



Source: LeadBlock Partners

A common vision towards a more circular economy

EVERLEDGER

A conversation with Leanne Kemp, Founder of Everledger, Queensland Chief Entrepreneur, co-chair WEF Future Council (Future of Manufacturing), co-chair WTO Sustainable Trade Action Group, IBM Blockchain Platform Board of Advisors



Could you briefly introduce yourself and Everledger?

I'm a serial entrepreneur, who's been involved in the diamond and jewellery industries for more than 15 years. In that time I realised the importance of building transparent, ethical supply chains that allowed us to track a diamond or gem from source to retailer. Traditionally, items of value were recorded on paper, leaving them vulnerable to value manipulation, fraud, theft and other unethical practices. I realised we needed a reliable and verifiable digital record, which the advent of blockchain technology made possible.

As a result, I founded Everledger in 2015, with the goal of building a provenance platform that provides industries with increased transparency across complex and regulated supply chains.

You successfully raised a \$20mn Series A round, with the backing of Tencent, Fidelity etc. Could you share what convinced leading corporates?

Our series A, with the backing of such a strong investor cohort, was a clear sign of external validation of our vision and the innovations we've displayed to date, as well as a statement of future intent.

Our investors all share the same vision as us, which is to fundamentally

improve the quality of life for potentially billions of people by increasing transparency throughout supply chains, and encouraging ethical and sustainable business practices.

Could you share how perception and discussion with corporates has evolved over the past years?

The sustainability and ethics angle has become a more important discussion point over the last few years for the industry, with companies having to demonstrate hard evidence that the products they offer truly reflect the ethical values of their consumers. Blockchain technology can be a gamechanger in this regard as it increases transparency, and enables materials to be traced from the moment they are extracted, through to first use, remanufacture and eventual deconstruction and re-use. I anticipate that blockchain technology will play a key role in the transition away from the current linear economic systems and towards a more circular economy.

The last five years have also seen growth in how blockchain technology is perceived. It's no longer viewed as an unknown technology that's associated with cryptocurrencies and finance. Instead, businesses across all industries are understanding the variety of ways blockchain can add value

Financial Services: Powering a new infrastructure

A necessary change to the world's financial infrastructure

An outdated infrastructure, pressing needs for cost rationalisation, among other business needs, have incentivized seasoned professionals to leave senior financial roles to develop innovative Blockchain products. Many start-ups already optimise processes in middle and back offices to enable cheaper and faster financial transactions with lower counterparty risk. Some of the most tackled topics are post-trade settlement, fund administration and liquidity management. With margins under pressure across the financial industry both for retail and investment banking, cost management and rationalisation are their top priorities.

Top ex- employers and customer targets of our survey respondents



Source: LeadBlock Partners

Rethinking the value chain in fund administration

71% of investors want their fund managers to be more innovative in cost management, with the adoption of technology seen as a critical priority. (EY Survey¹). 85% of asset managers believe that blockchain technology will disrupt the Transfer Agent value chain in the next 10 years, unlocking real-time transaction processing while maintaining complete and transparent logs of data for documentation and reporting purposes. (Deloitte survey²)

[1] EY 2018 Global Alternative Fund Survey

[2] Deloitte Asset Management Survey, The gold rush for asset managers

Healthcare: Drug development & Supply chains

Accelerating drug development

Drug development is costly, ranging from \$314mn to \$2.6bn¹, lengthy (7-15 years²) and is a risky process (Phase I clinical trials, 10% success rate³) that all pharmaceutical companies have to navigate through in order to successfully bring drugs to market. Inefficiencies and challenges are impacting the success rate of drug discovery; for instance, in clinical trials specifically, the identification, recruitment and retention of patients is a major challenge. Navigating the administrative and regulatory landscape in different countries is another important hurdle.

Top ex- employers and customer targets of our survey respondents



Source: LeadBlock Partners

Optimising drug supply chains

Healthcare supply chains are impacted by its complex and opaque nature. Falsified medicines are among the consequences derived by the lack of transparency. Most of the industry players within the supply chain fail to collaborate due to the sensitive nature of data, the lack of data standards and the misalignments of interests. Platforms backed by Blockchain technology have the potential to facilitate cooperation while ensuring data is secure and kept private.

[1] 'Estimated Research and Development Investment Needed to Bring a New Medicine to Market, 2009-2018', Olivier J. Wouters, PhD; Martin McKee, MD, DSc; Jeroen Luyten, PhD, 2020

[2] 'The Drug Development and Approval Process', FDAReview.org

[3] 'The Current Status of Drug Discovery and Development as Originated in United States Academia: The Influence of Industrial and Academic Collaboration on Drug Discovery and Development', Tohru Takebe; Ryoka Imai; Shunsuke Ono, 2018

Food & Agriculture: Transparency & Sustainability

Improving consumer trust

Now more than ever, consumers are asking for more transparency and visibility in food supply chains. Environmental impact is a consideration for c.70% of consumers and the use of high-quality ingredients is key for c.80%¹. However, consumers struggle to trust production practices. Only 1/3 of consumers trust food brands and 3/4 say they'll switch to a brand that provides more product information². Blockchain can bring back trust in the consumer & brand relationship with transparency and accountability by design.

"Food has a strong impact on our health, our people and our environment and we are the first generation to recognize it. 3 times a day, we are environmental activists and our food choices shape the world we want. Food traceability is needed to ensure better control on the food production. Blockchain is open, public and decentralized, just like food production and should be part of the solution"

Vincent Doumeizel, Director Food Programme – Lloyd's Register Foundation



Top ex- employers and customer targets of our survey respondents

TOP EX-EMPLOYERS



TOP CUSTOMER TARGETS



Source: LeadBlock Partners

Incentivising sustainable farming practices

Farmers and growers are at the heart of food quality and are often left out. Sustainable practices can sometimes incur additional costs, putting pressure on their margins. Worse, sustainable producers often struggle to differentiate themselves and increase prices. This in turn disincentivises sustainable practices as they are not rewarded. Blockchain can act as a transparency tool to drive consumer purchasing power towards sustainable produce.

[1] 2019 Edelman Trust Barometer Special Report

[2] 'The transparency imperative: Product Labeling from the Consumer Perspective', Food Market Institute, Label Insight, 2018

Start-up spotlight, a few words from...

Financial Services



Stage: Seed
Founded: 2018
Employees: 15
Revenue: Up to €250k
Backers: R3, Angels

Dan Salmons, CEO (prev. Director of Innovation at RBS, Capital One, Barclays, Accenture)

"Buying and selling a UK property involves many parties, and today they are not connected. This makes the process complex, slow and opaque.

Coadjute connects all the parties involved via a blockchain network, enabling them to share documents securely, track progress in real-time, and analyse and optimise the process."

Healthcare

Susanne Sommerville, CEO (prev. VP Supply Chain North America at Gennetech, Roche)

"Chronicled develops products, powered by the blockchain-based MediLedger Network, to automate business rule enforcement on processes between manufacturers, wholesalers and other partners in the pharmaceutical industry.

With this ability to enforce rules outside their walls, companies can reveal revenue leakage, accelerate cash flow, and eliminate manual processing costs throughout their business."



Stage: Series A
Founded: 2014
Employees: 45
Revenue: Over €2mn
Backers: Solon Mack Capital, Plug and Play, Pantera, Fenbushi Capital, Mandra Capital


Food & Agriculture



Stage: Pre-Series A
Founded: 2016
Employees: 25
Revenue: Over €1mn
Backers: LeadBlock Partners, IDIA Capital Investissement, Angels

Maxine Roper, co-founder (prev. marketing director, Avril, Andros, Mars, Nestle)

"Connecting Food builds consumer trust through transparency. We have designed a solution combining blockchain and digital auditing tools to provide real-time food transparency. We enable Agrifood actors to prove that their promises are respected in every single product, from the farmer to the consumer. Rebuilding trust all along the food chain, we also protect brand equity."



Thesis 4: A technology self-enforcing ESG initiatives

Through its decentralized and immutable nature, Blockchain technology has the potential to reshape how businesses are run, making them more equitable, and transparent.

Our survey shows Enterprise Blockchain start-ups address many sustainable goals, while investors should continue their efforts to encourage founder diversity.

We view blockchain as a powerful vehicle to support and fuel ESG initiatives.

Blockchain start-ups address sustainable goals

Blockchain enables ESG by nature

We view blockchain as a powerful technology to rebalance powers across the value chain, empower consumers and facilitate cooperation among industry participants. By its decentralized nature, it has unprecedented potential to re-imagine today's world, and to reshape how businesses are run, making them more equitable, and transparent. We view it as a powerful vehicle to fuel ESG initiatives and achieve the United Nations Sustainable Development Goals¹ (UN SDGs). Our survey results show a strong drive by start-ups to help reach those goals.

76%

of blockchain start-ups address at least one UN SDG

40%

apply to the Energy, Food & Agriculture and Healthcare sectors

Source: LeadBlock Partners

"Food is not a commodity, it is a human right as defined by the United Nations and 160 countries in 2016. As such, the new governance linked to blockchain holds a great and critical promise to provide holistic and neutral Platforms for the entire supply chain"

Vincent Doumeizel,
Director Food Programme –
Lloyd's Register Foundation



[1] The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

Five sustainable goals standout

Reviewing the data shows top five goals

Digging further into our data and removing the more generic goals of “Goal 8: Decent work and Economic growth” and “Goal 9: Industry, Innovation and Infrastructure”, a five goals standout which blockchain is helping achieve as shown below. These relate mostly to the Food & Agriculture, Energy and Healthcare sectors.

Goals addressed by >20% of start-ups*



*excludes goals 8 & 9

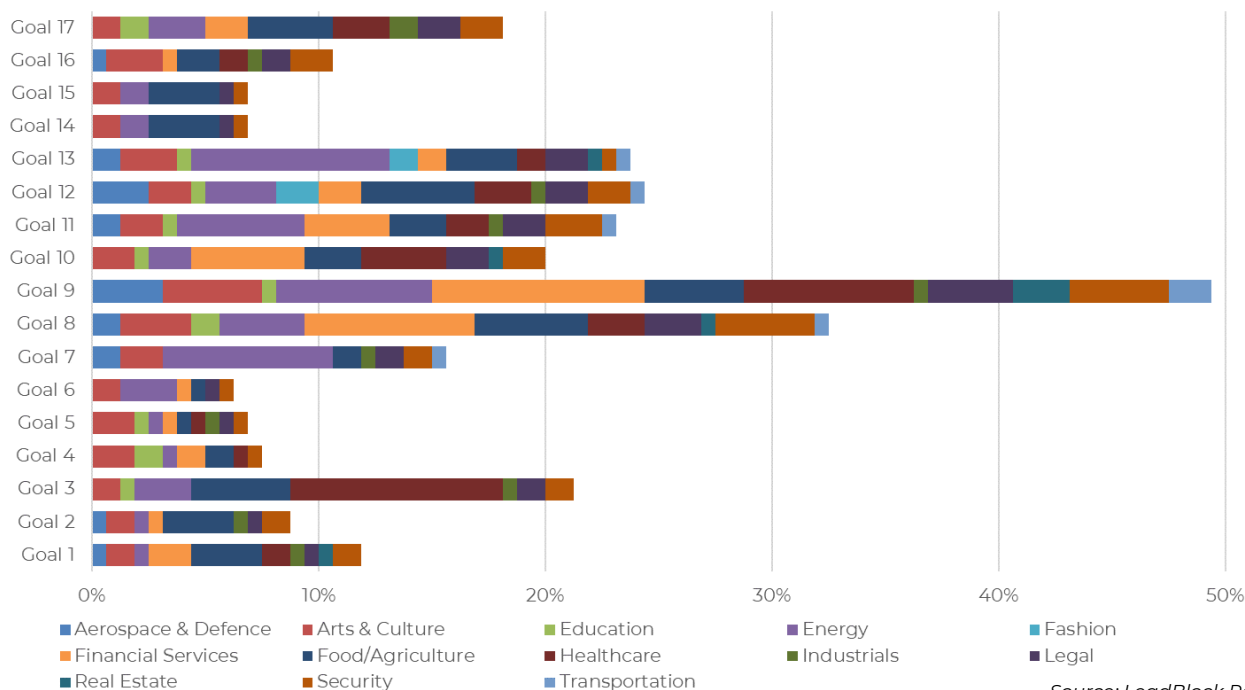
Source: LeadBlock Partners

“Blockchain allows cost-efficient and trustable administrative management hence, is an incredible tool of inclusion. We naturally chose this technology in IBISA to enable reliable and affordable micro-insurance protection for under-served populations worldwide.”

María Mateo Iborra, Co-Founder – Ibisa



UN SDG’s of blockchain start-ups by sector



Source: LeadBlock Partners

Fighting ocean plastic pollution with technology

A conversation with David Katz, CEO & Co-founder of the Plastic Bank

Could you briefly introduce yourself and the Plastic Bank?

I am the founder and CEO of Plastic Bank®, a social enterprise empowering the regenerative society. We are helping the world stop ocean plastic while improving the lives of collector communities.

Plastic Bank builds ethical recycling ecosystems in coastal communities and reprocesses the materials for re-introduction into the global manufacturing supply chain. Collectors receive a premium for the materials they collect which helps them provide basic family necessities such as groceries, cooking fuel, school tuition, and health insurance.

We've collected over 11.3 million kilograms of ocean-bound plastic, registered over 19,000 members, and opened over 300 collection branches in 5 countries. Plastic Bank is increasing momentum and is now collecting 1 million kilograms of ocean-bound plastic per month across our recycling ecosystems.

Why Blockchain for ESG initiatives?

Transparency is increasingly demanded of manufacturers by consumers. Our proprietary blockchain platform ensures trust across the supply chain – from collector to brand partner.

We've created a tokenized, asset-backed reward system for our collectors. Using a digital wallet, we are able to secure savings, and provide cashless spending and instant distribution, with guaranteed delivery of



the value promised to the collector. Through the use of blockchain we are providing financial inclusivity, while effectively gamifying recycling, capable of exponential impact around the world. Blockchain enables a traceable, auditable supply chain of quality recycled Social Plastic® feedstock.

What were the key selling points to convince multinationals like Henkel to embrace your blockchain product to combat ocean plastic pollution?

We provide a regenerative solution to stop ocean plastic—every bottle we collect has an environmental, social, and economic impact. With collection ecosystems in Haiti, Indonesia, the Philippines, Brazil, and now Egypt, we are making a demonstrated environmental impact while improving the lives of collector communities.

Social Plastic® directly contributes to brands' sustainability commitments by effectively closing the loop on their plastic supply chain. And our blockchain platform ensures transparent and authentic impact data, allowing for turn-key impact reporting.

By partnering with Plastic Bank, brands are part of something bigger than stopping ocean plastic, we are empowering a regenerative society.

A catalyst to democratize access to Energy

*A conversation with Gerard Kelly,
CEO & Co-founder of Upya*



Could you briefly introduce yourself and Upya?

I am CEO & co-founder of Upya which is a London-based Fintech with operations across sub-Saharan Africa. Upya has developed an innovative and low-cost CRM software for Last Mile Distributors across Africa. The software is designed to help distributors manage, streamline and scale their operations.

Prior to Upya, I worked within the energy practice at BCG, and prior to that with Bell Labs and a tech start-up that was acquired. I hold an MBA from INSEAD and an Engineering PhD.

Why Blockchain for ESG initiatives?

One of the critical challenges for ESG initiatives is tracking how such initiatives are delivered and measuring the associated impact. For projects related to energy access in emerging markets, blockchain technology offers the potential to track every asset deployment and every payment/donation on an incorruptible database.

This is extremely valuable for ESG initiatives as we can now track the delivery of external finance all the way to its destination, providing a new lens to measure impact.

We are excited by the potential for Upya's blockchain technology to attract more capital to ESG initiatives, especially those that involve our distributor clients in sub-Saharan Africa.



Do you think technology could be a catalyst in Emerging Markets (EMs) to reduce inequality and foster access to energy?

Yes, I believe that EMs, especially in sub-Saharan Africa are at a key stage of development in relation to energy access. To achieve SDG7 and bring energy access to all, the issue of balancing on- versus off-grid, and fossil fuels versus renewables remains a key sticking point. However, the advent of new technologies is shifting the balance more and more to distributed renewable energy solutions.

The improved access to information and access to energy brings with it better opportunities for underserved communities, including more employment options for women and longer study hours for children.

Upya is at the forefront of this push to use technology to bring energy access closer to the bottom of the pyramid as we build our footprint across sub-Saharan Africa.

A collective need to improve on diversity

Gender bias in line with broader tech ecosystem

Similarly to its ability to drive ESG initiatives, we believe Blockchain by its decentralised nature can empower individuals thereby reducing inequalities and encouraging diversity. However, our survey reveals that the Blockchain ecosystem lacks diversity similarly to the broader tech ecosystem¹. Founders tend to be white men and receive a disproportionate amount of the funding despite having less experience than women and/or ethnically diverse founders.

74%
are men-only
Enterprise Blockchain
founding teams

15%
less capital raised by
women founders

24 vs 21
years of experience
women vs men
founders

Source: LeadBlock Partners

Efforts needed on ethnic diversity

Our survey polled 450+ enterprise blockchain founders and asked them to self-identify themselves based on several characteristics, including gender, ethnicity, and years of professional experiences prior to launching their business. While we acknowledge this data sample has limitations, it provides interesting insights into who enterprise blockchain founders are. Similarly to gender, we have identified a bias in funding amounts for ethnically diverse founding teams.

60%
of founding teams are
white only

24%
less capital raised by
ethnically diverse
founding teams

Source: LeadBlock Partners

[1] The State of European Tech, 2019

VC/Tech world still lags on Diversity & Inclusion

A conversation with Andrew Fairbairn, CEO of Sponsor for Educational Opportunities (SEO) London

Could you introduce SEO London, and share with us its key objectives?

SEO London is a UK-based charity in operation for the past 20 years, and is focused on improving career outcomes for underserved and underrepresented communities in elite workplaces. We enable work experiences, internships, industrial placements, and full time roles for talented young people in fields such as finance, law, consulting, technology, and engineering.

We believe that by focusing on these outcomes at scale, we will be able to improve equity in currently disenfranchised communities, and in the broader society at large.

Indeed, over the past decades, we have seen a massive, positive cultural shift related to valuing diversity and inclusion in City-linked professions, and we look forward to continuing that trajectory in future. It is hugely gratifying to know that our organisation and our alumni have been at the vanguard of that shift. Even as diversity and inclusion has become a mainstream concern, SEO London continues to lead from the front and plans to keep pushing for robust results.

SEO
/LONDON



Could you share your thoughts on the main challenges the VC/Tech world is facing in Diversity & Inclusion?

Today, the VC/Tech world does not mirror the broader diversity in European populations. This implies that even as the VC/Tech world becomes more established as a driver of the European economies, it is missing a trick.

At core, successful VC/Tech investing requires being able to extract value from finding, addressing and exploiting undiscovered opportunities to provide value to more people. Without diverse representation on investment committees, or in product development work streams, or in marketing/sales, etc., it's clear that opportunities are being missed at almost every step of the way. This manifests itself in less deal flow and fewer interesting opportunities for investors, and weaker performance and blind spots for tech companies and their products that limit growth.

Culture & Alignment first, data will follow

What are the good practices the VC/Tech world could learn from other industries?

The truth of the matter is that no other industry has it exactly right.

Diversity and inclusion is a work in progress wherever we find it. That said, there are some basic principles against which leaders and laggards can be defined.

They include:

- (1) Recruiting diverse staff;*
- (2) Retaining diverse staff, and;*
- (3) Ensuring that all staff in an organisation are returning value to the communities that make up their stakeholder groups (customers, employees, suppliers).*

Most firms get (1) or (2) of the above items partially right. It's rare to find a firm doing all three well. Typically the biggest problem area for most firms comes in retention.

Do you think technology could be a useful tool to foster Diversity & Inclusion across corporations and industries?

Definitely, yes.

However, it can't be the only thing, and it can run the risk of becoming a crutch, that is, overly relied upon and underperforming at the same time.

People (yes, with all their biases), need to be involved along the way. I am always suspicious of technology-only solutions for diversity and inclusion outcomes, and I find that many middle managers who zero in on data and numbers as a Diversity & Inclusion panacea are often just engaged in tick-box exercises. This is perhaps helpful, but is never more than a partial solution.

Diversity & Inclusion is about culture and alignment!

Get culture and alignment right and the data and numbers will solve themselves. A tech product may provide efficiencies, or helpful tools, or perhaps a visualisation of a journey towards culture and alignment, but it will never do the actual work of changing, lifting, inspiring human hearts and minds.



Thesis 5: A maturing technology

Public, Private, Consortium blockchains... Multiple paths, but common long term objectives: cost reduction, immutability, audibility among others.

As the technology matures, start-ups and corporations are increasingly moving from proof of concepts to production mode:

1- Leading protocols have emerged and blockchain is converging with other technologies

2- No protocols dominate across industries

3- Cost reduction among the top themes founders address with blockchain

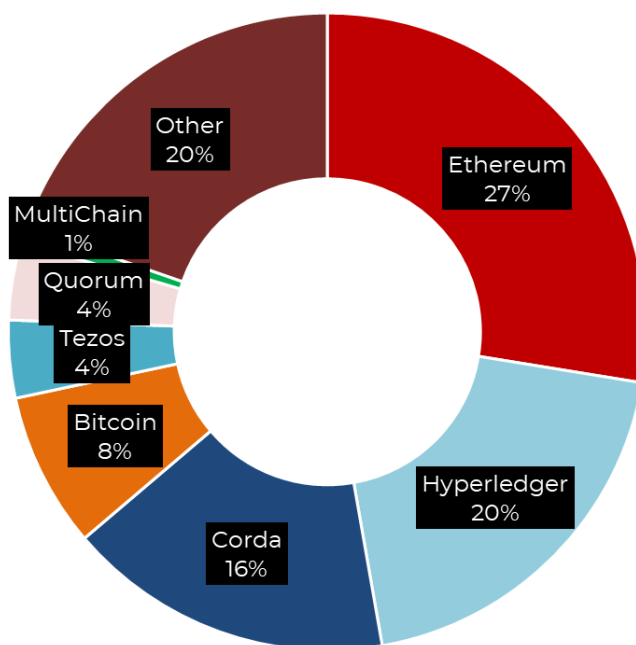
4- A challenging fundraising process regardless of the protocol used

Blockchain tech is mature and keeps improving

Three leading protocols and a number of challengers

Blockchain protocols now have three dominant players with Ethereum, Hyperledger, and Corda accounting for c.65% of the protocols used by enterprise blockchain start-ups. These protocols are also favoured by corporates which are increasingly bringing blockchain into production¹. This shows standards are emerging and the tech is mature enough to be deployed. Having said that, the protocol market remains competitive². This is healthy as it will lead to more scalable and secure underlying blockchains. In turn, this will benefit applications designed by start-ups making them easier to build, more efficient and unlocking new use cases.

Protocol split for enterprise blockchain applications



Source: LeadBlock Partners

Tech convergence will unlock blockchain's full potential

70% of our survey participants leverage Blockchain with at least one complementary tech (including AI, Machine Learning and IoT).

We view Blockchain technologies as an enabler becoming particularly powerful when combined with other technologies. Start-ups leveraging convergence are more likely to create long term value because of tech complementarity.

[1] Deloitte Global Blockchain Survey 2020

[2] HHI index of the protocol market is ~1,500; the Herfindahl-Hirschman Index is measure of market concentration (0 low; 10,000 high)

Blockchain protocols spotlight

A conversation with Ivar Wiersma, Global head of Venture Development at R3, Marta Piekarska-Geater, Director of Ecosystem at Hyperledger, and Michel Mauny, President of Nomadic Labs (Tezos contributor)




HYPERLEDGER




How perception and work with corporations has evolved over the past years?

Ivar (R3): “Working with corporates has become more focused over the years. Initially Distributed Ledger Technology (DLT) was a novelty and mostly worked on by people focused on emerging tech or innovation teams. Over time, not only the technology has developed significantly, but also the understanding about the real world business problems DLT and Corda can solve and how value is delivered. Today, DLT is a key component of any corporate digital transformation journey. Business leaders are driving projects with focused target, value and execution paths.”

Marta (Hyperledger): “DLTs are no longer a fancy term you throw into your solution to make an easier sell. We are past the hype and now looking at actual use cases. Enterprises are sceptical of just using DLT. What used to bring you VC money is no longer a guarantee. On the other hand, blockchain is proving its value and companies are really looking at how it can accelerate their business as shown by Hyperledger’s 250+ corporate members. We are seeing a strong drive towards interoperability, with projects like Cactus and Quilt, focus on security through Hyperledger Ursa and Avalon and on identity - through Indy and Aries.”

Michel (Nomadic Labs): “It is right to say that blockchain technology evolved a lot during the last 5 years. Tezos was designed knowing that future technological innovations would need to be implemented to the core protocol to ensure that it does not become outdated - Tezos is built to last. I might be slightly biased here, but various features such as Proof-of-Stake, self-amendment, and formal verification provide answers to problems faced by other blockchains. At the same time, by being more eco-friendly, upgradable, and less error-prone to software vulnerabilities, while also preserving the fundamental properties of permissionless distributed ledgers, Tezos is unparalleled in terms of retaining its network effect in the long-term. I’m excited to see Tezos become an open and decentralized infrastructure for a wide variety of use cases and novel applications.”

What initiatives are you taking to educate and foster a broader blockchain adoption?

Ivar (R3): “Corda is also rapidly becoming the DLT platform of choice for startups as they see the technology as well as they value of the Corda ecosystem with all its global corporates and banks involved.

R3’s Venture Development team hosts a global program completely focused on founders’ success.

Blockchain protocols spotlight

Much like a remote accelerator program, it offers education, technical support, mentorship, community events and connection to potential customers and the wider Corda Ecosystem. There are 150+ start-ups building their application on Corda today, a number that has more than doubled since the beginning of 2020."

Marta (Hyperledger): *"It is our main goal to educate the public and help people understand the value of blockchain. We have online open source training and projects like Umbra that is helping with testing and teaching of Hyperledger codebases. All of our Special Interest Groups and Working Groups meet online and are open to the all. We have case study and webinar programs where members present their work and achievements to the public. We hold our annual conference, bringing production use cases to the audience. We foster collaboration between our members helping them find synergies and develop even better solutions."*

Michel (Nomadic Labs): *"France is Nomadic Labs' current primary focus, and our Adoption department has a very inclusive way of promoting the blockchain ecosystem here. We tend to work as much as possible with local companies (integrators, consulting companies, tokenization platforms, etc.), helping them to master Tezos, instead of competing with them. Thus, we are able to quickly respond to expressions of interest and requests from companies wishing to develop distributed applications (a.k.a. dApps) on the Tezos platform, by giving them guidance and advice and then connecting them with other companies capable of carrying out their development needs."*

Where do you see Blockchain technology in the next 5 years?

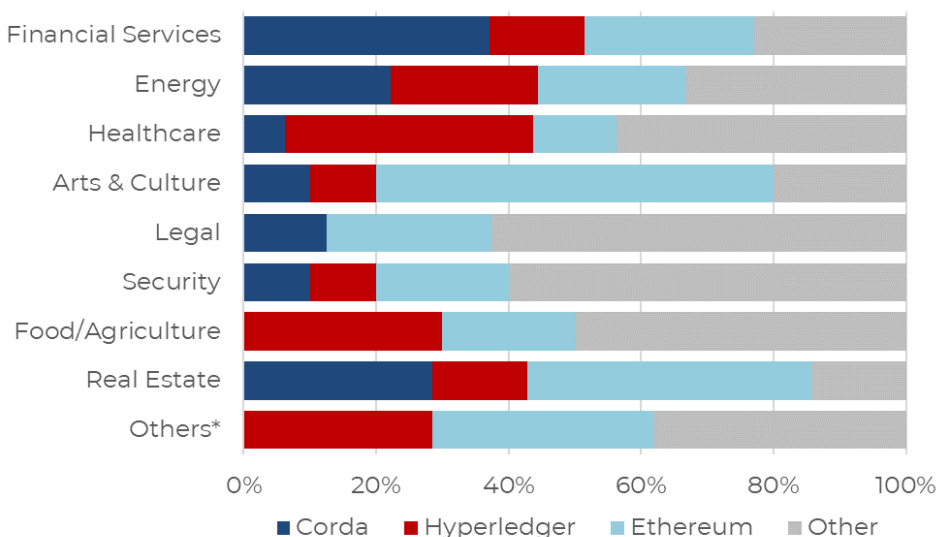
Michel (Nomadic Labs): *"A quote attributed to Confucius says, "Learn from the past if you want to predict the future". Blockchain is a matter of public digital infrastructure, so I guess the Internet provides a useful (but limited, of course) point of comparison.*

The Internet had several phases, starting from the interconnection of local networks - let's call this Phase 0, during which the Internet was only used by specialists and geeks. Then, in the '90s, the Web enabled new use cases that made the Internet accessible to the mainstream audience. Finally, smartphones made the Internet accessible to almost anyone and from everywhere in the world. The technology continues to mature, and we are probably in Phase 0 of the Internet analogy. The usage of digital currencies is growing, and those built on public and decentralized blockchains (cryptocurrencies) will take part in this growth. Soon enough we expect the acceptance of payment tokens (XTZ for Tezos) for buying goods to become fairly widespread. More generally, we believe that the financial industry is the field that will see the strongest use cases and adoption by tokenizing financial assets and allowing for efficient post-trade settlement via secure smart contracts on Tezos. We also hope that an ECB Digital Currency will be operational in the next few years, enabling on-chain payments through Delivery Versus Payment (DVP) mechanisms. So, I guess the next 5 years will see real mainstream adoption of DLT (not just speculation), and that Tezos will be a prominent platform with a strong position in this public, decentralized infrastructure."

Different protocols for different industries

Some protocols are more suited to specific industries, however there is no winner takes all. Ethereum stands out in Real Estate and Arts & Culture, Corda in Financial Services, Hyperledger in Healthcare and Food/Agriculture. Longer term interoperability between protocols will be key.

Protocol split by industry



*include Education, Aerospace & Defence, Fashion, Transportation

Source: LeadBlock Partners

Differences can be explained by initial use cases and end user needs in terms of security, privacy and scalability:

Ethereum in Real Estate and Arts & Culture: *Asset tokenisation, particularly in real estate as well as in arts & culture are among the promising use cases on Ethereum. In October 2018, a 19% stake in the St Regis Aspen hotel was sold through a \$18mn transaction in security tokens.*

Hyperledger in Food/Agriculture: *In 2016, Walmart partnered with IBM to create a food traceability system based on Hyperledger. They worked on two proof of concepts; one tracing the origin of mangos in Walmart's US stores and the other tracing pork in their Chinese stores.*

Corda in Financial Services: *The enterprise blockchain company R3 (behind Corda) started with a consortium of nine financial institutions in 2015. In 2017, the company secured \$107mn from 40+ financial institutions across the globe, positioning Corda as a leading infrastructure for financial services blockchain applications.*

A brighter horizon for Enterprise Blockchain

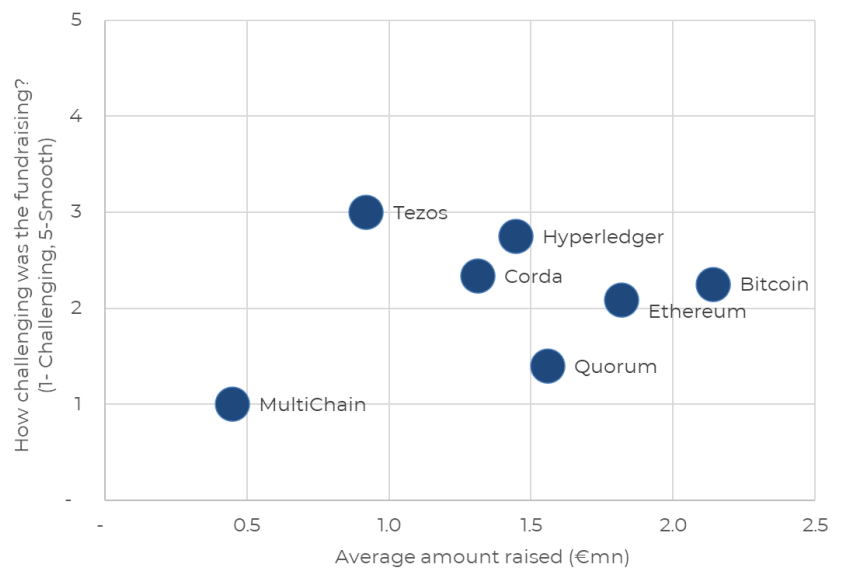
Digital Asset Wave (2009 - today)

Bitcoin and other public blockchain protocols gave rise to the 'Digital Asset Wave' since 2009. Start-ups mainly catered to the users of these protocols which were consumers and facilitated ownership and exchange of cryptos. A decade later, the ecosystem gained maturity, investors became more familiar with the technology and its applications, therefore facilitating capital flows into start-ups. However, we can see that the 'Enterprise Blockchain Wave' is now catching up.

Enterprise Blockchain Wave (2015 - today)

Enterprise Blockchain start-ups in our survey were launched 2-4 years ago, broadly when Ethereum went live, unlocking benefits for industry applications. We naturally found that the oldest start-ups have raised the most with Bitcoin in particular (€2.1mn) and Ethereum (€1.8mn). However, our survey revealed that founders found the fundraising process more challenging, certainly impacted by the negative perception of cryptocurrencies and a lack of understanding of the technology in the early years of the 'Enterprise Blockchain Wave'.

Start-up amount raised & ease by protocol



Source: LeadBlock Partners

We believe Enterprise Blockchain start-ups are starting today to benefit from the ground work carried by pioneers of both the 'Digital Asset Wave' and 'Enterprise Blockchain Wave'. Our survey reveals signs of improvements in the fundraising process for founders over the past few years, regardless of the protocol (Public/Tezos, or Private/Hyperledger).

As such, we believe Enterprise Blockchain founders will enjoy better fundraising conditions, regardless of the protocol used (public or private), as investors and corporations will focus on the product and its potential rather than solely on the underlying technology.

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 **GIDE**
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