



# Current State of Web3

Organized by



Course Lead:  
Bojan Andrejek

Business in the Metaverse

Are we  
on the right  
track?

# Current State of Web3



The increasing transaction volume associated with DeFi protocols shows that the transformation to Web3 is well underway.

DeFi activity surged in 2021 with transaction volume peaking at nearly \$4 trillion in Q2. While growth has since leveled off due to price declines for Ethereum and other assets, the number of individual transfers has stayed level or increased in some quarters, suggesting that more individual investors are still entering the ecosystem.



KPIs

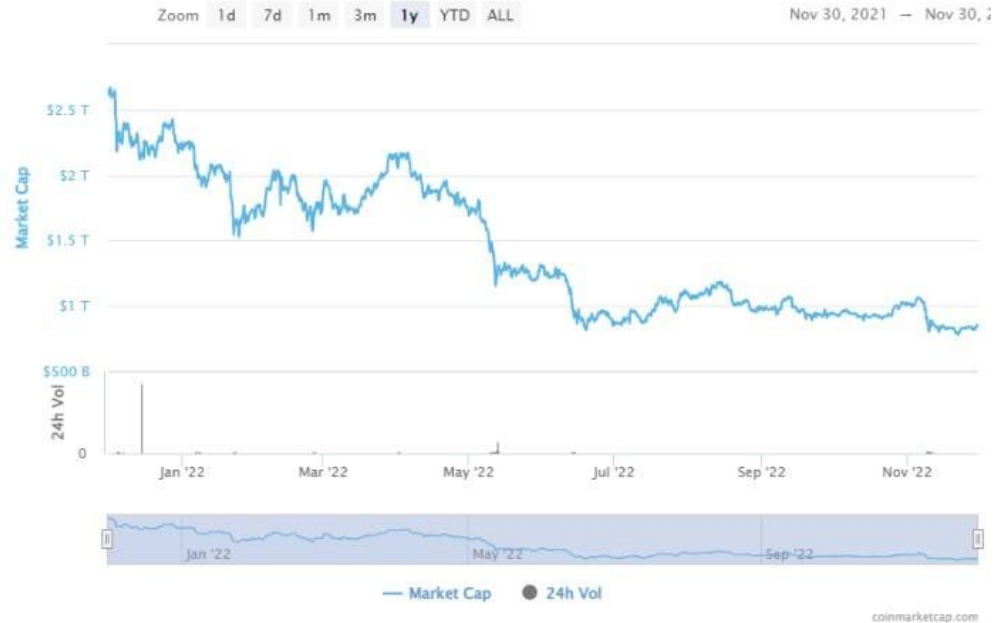
# Total Market Cap



 **-68%**

Markets are around 68% down from the ATH achieved last December.

Just a year ago, total cryptocurrency market cap was more than **2.5T USD**, while it's "only" **852Bn USD** today.

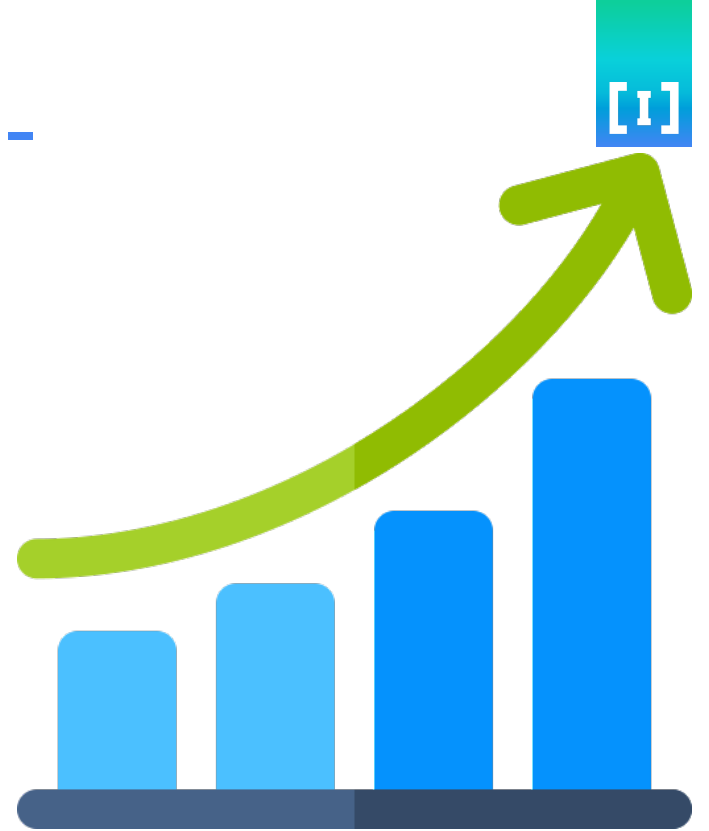


# Predicted CAGR 2022-2030

**85-86% annually**

Although most of the markets are down, predicted compound annual growth rate or CAGR for blockchain industries is 85-86%.

Expected value of blockchain industries in 2030 will reach 1.43T USD.





# Investments are drying up, but the sector stays strong

The first quarter of 2022 was marked by a continued increase in the value of cryptocurrencies. However, Second Quarter results showed a potential decrease in investment, as venture capital inflows decreased significantly. This decline was confirmed in the Third Quarter, as there was a massive drop of over 66% in capital inflow, from over \$14 billion to just under \$5 billion.

Q2 2022  
**14Bn USD**



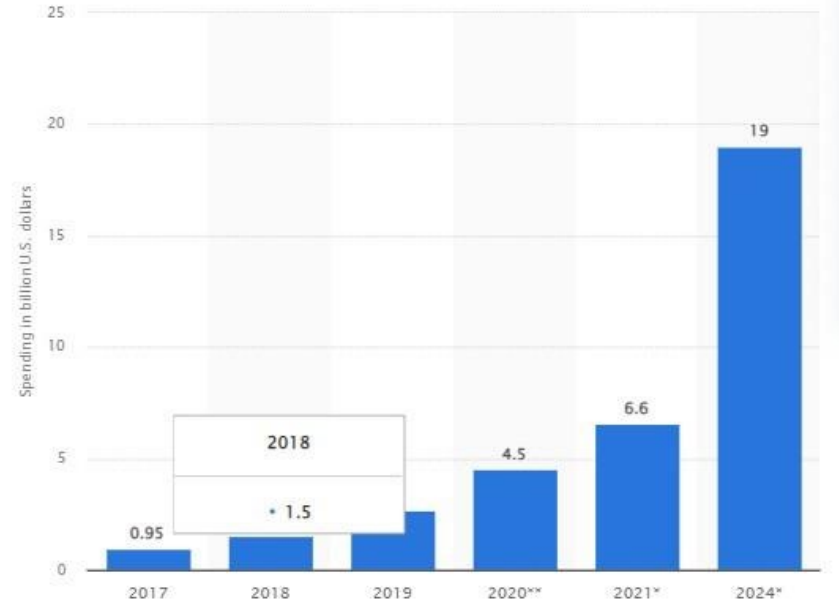
Q3 2022  
**5Bn USD**

# Worldwide Spending on Blockchain



## 6.6Bn USD in 2021

According to Statista Research Department, global spending on blockchain solutions rapidly increased from 4.5 billion to 6.6 billion in 2021.

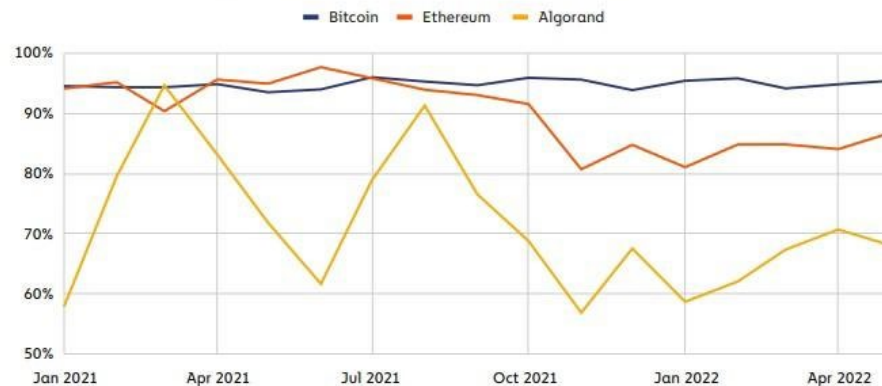






# Crypto is considered Institutionally Accepted

Share of total transaction volume above institutional size (\$1M USD),  
January 2021–May 2022, Bitcoin vs. Ethereum vs. Algorand



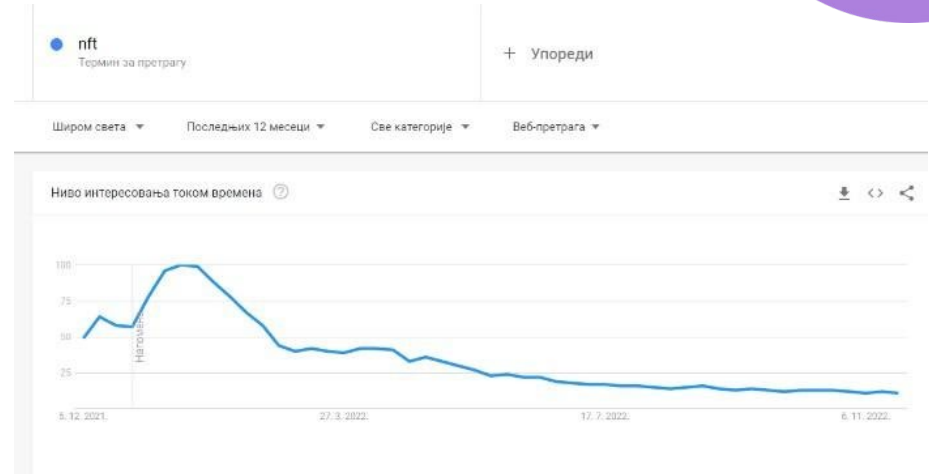
**40% of all ETH  
transactions come from  
institutional accounts**

A study by Deloitte in 2021 found that around 96% of Financial Services pioneers who participated believe blockchain is a broadly scalable solution that has achieved mainstream adoption.

# NFTs Leveling at - 80% of ATH

**Art NFTs drop in value and market size, but utility NFTs are warming up**

NFTs saw a massive upward swing in 2021, just to fall sharply in February 2022, they recovered until mid-April 2022 and stayed roughly flat with a slight downward trend.



# NFTs Leveling at -80% of ATH



Ethereum NFT active wallets drop also by 80%, but stay leveled throughout Q2 and Q3 2022.





# Crypto aligned with **Stock Markets**

Ethereum price vs. Tech stock prices, 2022 YTD



One of many trends this year is that crypto sectors finally started aligning with the stock exchanges and other institutional indexes. This is due to a strong influx of institutional money into crypto.

This is uncharted territory for many crypto enthusiasts as many retail investors steered away from stocks in uncertain times.

Current State of Web3

# Key Trends for 2023 and beyond



Trend 01

Increased Sustainability  
Mindset

# Ethereum cryptocurrency completes move to cut CO2 output by 99%

Software upgrade, known as 'the merge', will change how transactions are managed on its blockchain

- [How does ethereum's 'merge' make the cryptocurrency greener?](#)



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## Ethereum 2.0: The 'Ethereum Merge' Is Complete



Mark Hooson  
Editor

Updated: Nov 2, 2022, 10:39am

Home › Blog


BLOCKCHAIN EXPLAINED · CODEFI

## What Is Ethereum 2.0?

Expected to launch in 2020, Ethereum 2.0 marks a long-anticipated phase of development, and prepare for the next phase of development.

by **Everett Muzzy** – May 12, 2020





Trend 02

# More Government Oversight





PRASHANT JHA

4 HOURS AGO



# Regulators face public ire after FTX collapse, experts call for coordination

U.S regulators and their failure to avoid another crypto contagion have raised a lot of questions over their credibility.

1395 Total views

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8:46





Trend 03  
Utility  
NFTs

# How utility tokens are reshaping the future of NFTs

*The dynamics of the market and the plummeting of NFTs without utility give reasons that are intense enough for this paradigm shift*

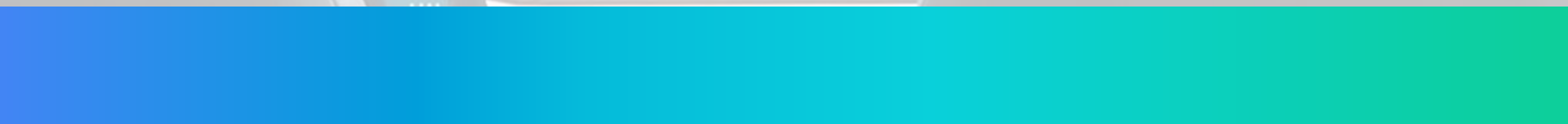
November 19, 2022 12:20:00 pm





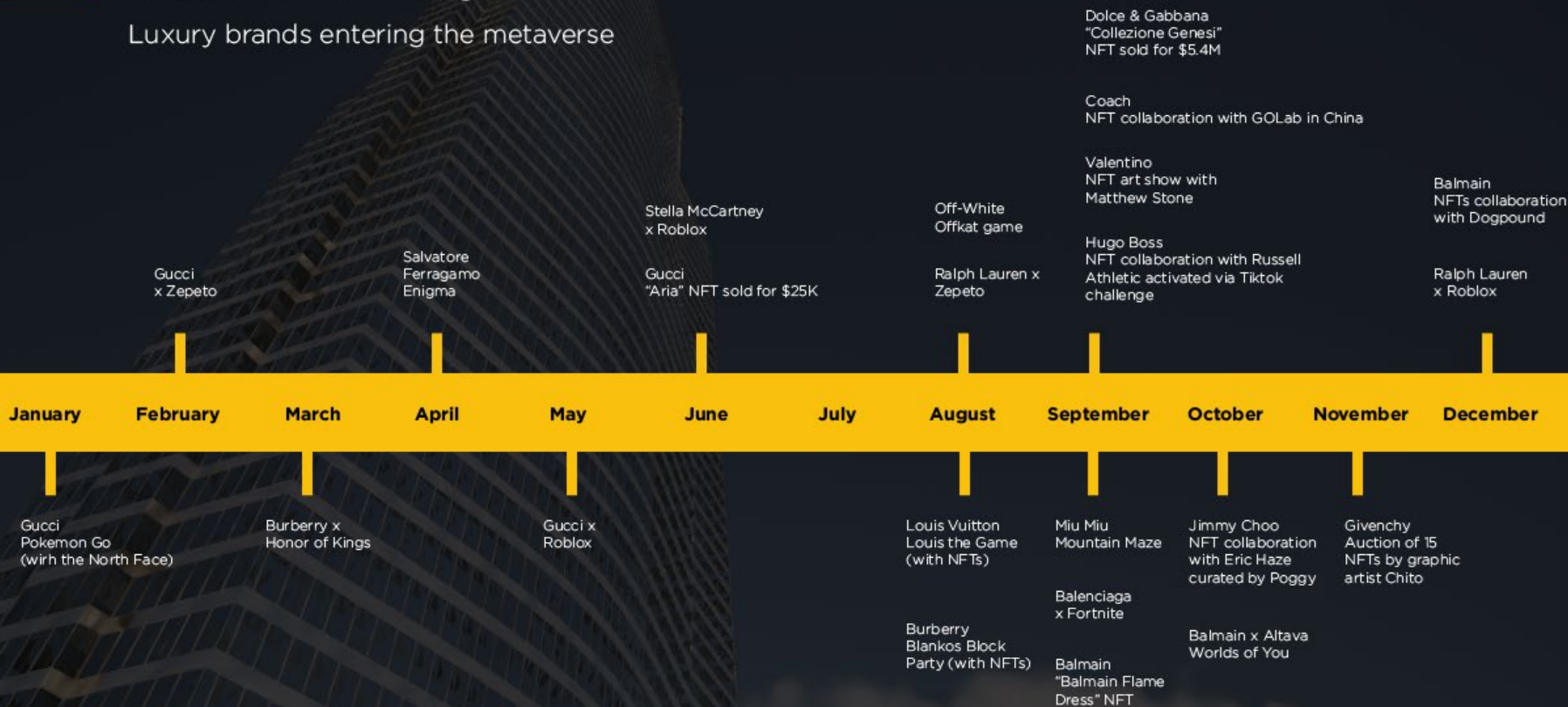
Trend 04

# On going Corporate Involvement



# Market Analysis

Luxury brands entering the metaverse



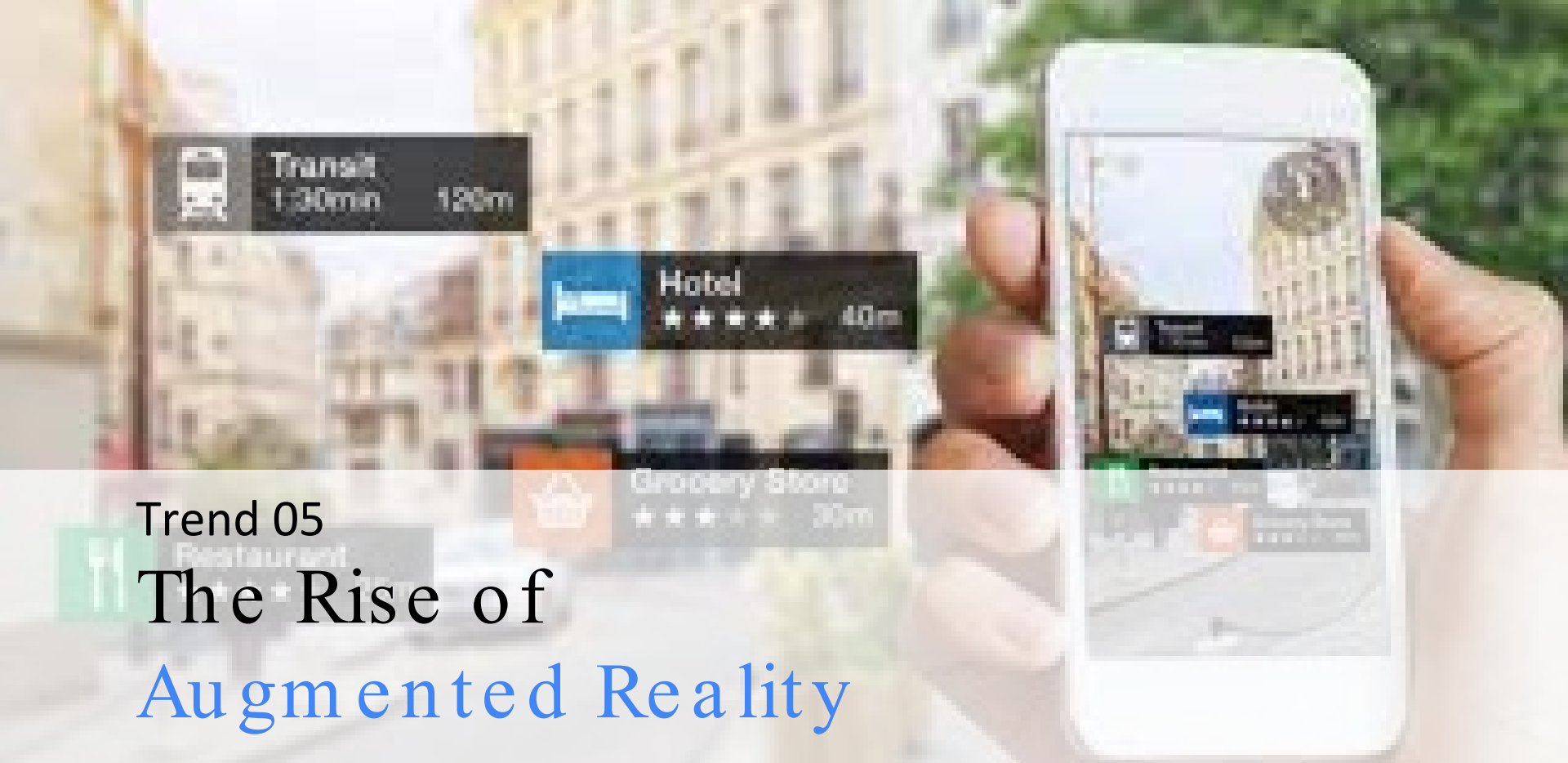
# Porsche Forays into Metaverse, Reveals Plans to Launch NFTs at Art Basel



Dec 1 2022 · 11:16 UTC by Mayowa Adebajo · 2 min read



*Photo: Porsche / Facebook*



Transit  
1:30min 120m



Hotel  
★★★★★ 40m



Grocery Store  
★★★★★ 30m



Trend 05  
Restaurant  
★★★★★

# The Rise of Augmented Reality



## Apple Now Calling AR/VR Headset Operating System 'xrOS'

Thursday December 1, 2022 12:57 pm PST by [Juli Clover](#)

Apple has decided to call the software that will run on its upcoming AR/VR headset "xrOS," an update from the original "RealityOS or "rOS" naming the company was planning on, according to [Bloomberg](#).



< Podcasts



## Meta, the metaverse and meta-fiasco! What does the future look like for the virtual reality and tech sectors?

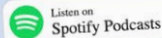
November 22, 2022 | Sébastien Mc Mahon



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# Key Problems **Web3** is facing this winter

The web3 industry is currently facing a number of significant problems.

Some of them are:

- Lack of government oversight
- Privacy and Security issues
- Lack of liquidity
- Technology is lagging



# Lack of Government Oversight

There is a lack of government oversight in crypto, and this has led to concerns about fraud and unmonitored behavior among leaders and directors.

## Solutions:

- More transparent business management
- More regulations and auditing requirements
- Holding key decision makers accountable

# Privacy & Security Issues



Though blockchain is transparent, many experts agree that this quality may be one of its main flaws.

Solutions:

- Better architecture of new or existing chains
- Better education about Web3
- Implementation of standards in the space

# Lack of Liquidity



One of the hot topics and one of the biggest current problems in crypto is definitely the lack of liquidity among many institutional-sized companies and projects in the space.

Recent cases like FTX, Celsius, Gemini and others are showing weakness in the system. More auditing and better fund management are a must!

# Technology is Lagging



A chain-agnostic approach is a key to mainstream adoption, and when paired with interoperability, it will create a positive climate for future user growth.

WWW revolutionized the Internet, similar standards are required for Web3 so it can take on the momentum and go into the mainstream adoption.



By understanding the trends, statistics, and KPIs within web3, those participating or investing in web3 can make wiser decisions that will foster growth within the industry. With ongoing research and development, few doubt web3's potential to become one of the most important industries of our time.

# Conclusion



- Web3 industry KPIs are not the brightest in the recent time
- Although KPIs show a lot of leveling and downward trends, there are some key proponents proving the case for Web3 and it's future growth
- Investors are slowing down, but only to recalibrate their strategies with current and new Web3 companies and projects
- User base is leveled and slowly growing overall (except some of the sectors)
- NFTs burned out their initial growth, but now are going into more mature phase
- Institutions play big role in the Web3 industry since 2021
- Industry is facing a lot of problems, but nothing that it can't handle once more



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QUESTIONS?



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