

Decentralized privacy market overview

Q1-Q2 2025

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Introduction

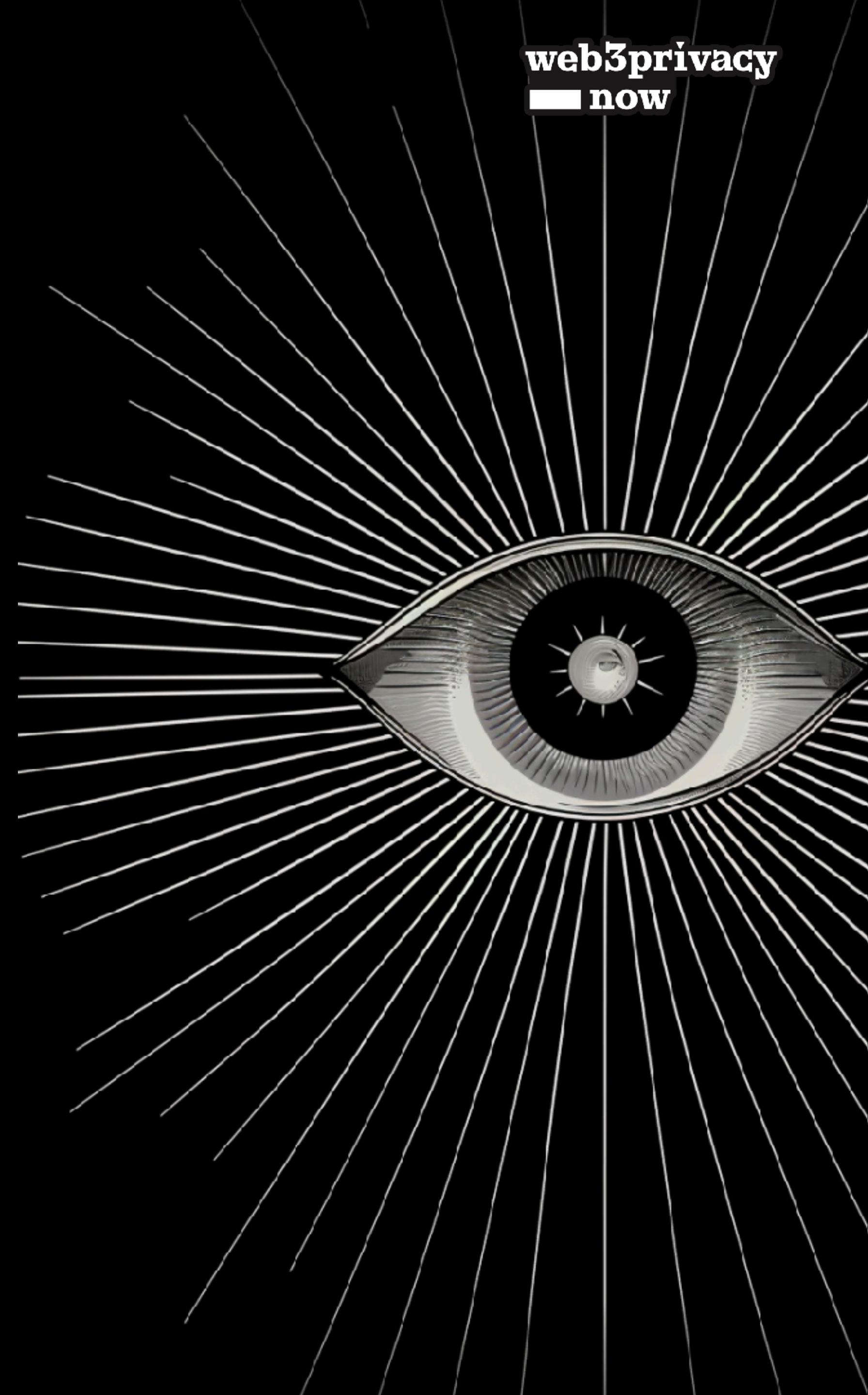
Welcome to the midyear 2025 edition of the State of Privacy Report, where we reflect on key updates, events, research, and news within the decentralized privacy ecosystem.

2025 has been a year of major legal wins, such as the delisting of Tornado Cash and the pardon of Ross Ulbricht, as well as testnet and mainnet launches from Aztec to Namada. We've also seen progress in zero-knowledge (ZK) research and the development of practical privacy tools like decentralized VPNs (dVPNs).

At the same time, there is growing interest in B2B privacy, with increasing exploration of enterprise use cases, real-world assets (RWAs), and stablecoin privacy.

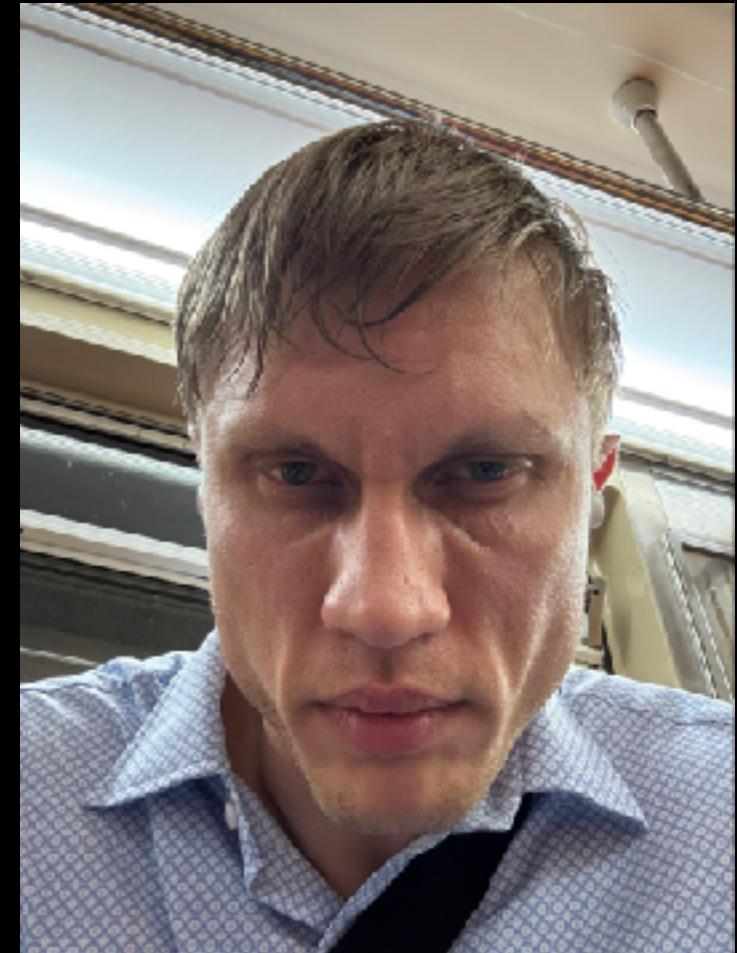
Various roadmaps have been published to enhance privacy features—ranging from Vitalik Buterin and the Ethereum Foundation to the Electric Coin Company on the Zcash front.

Next stops: default privacy in Ethereum wallets, FCMP++ integration for Monero, and improved privacy resilience for Bitcoin. We're moving toward a diverse privacy stack.



Highlights

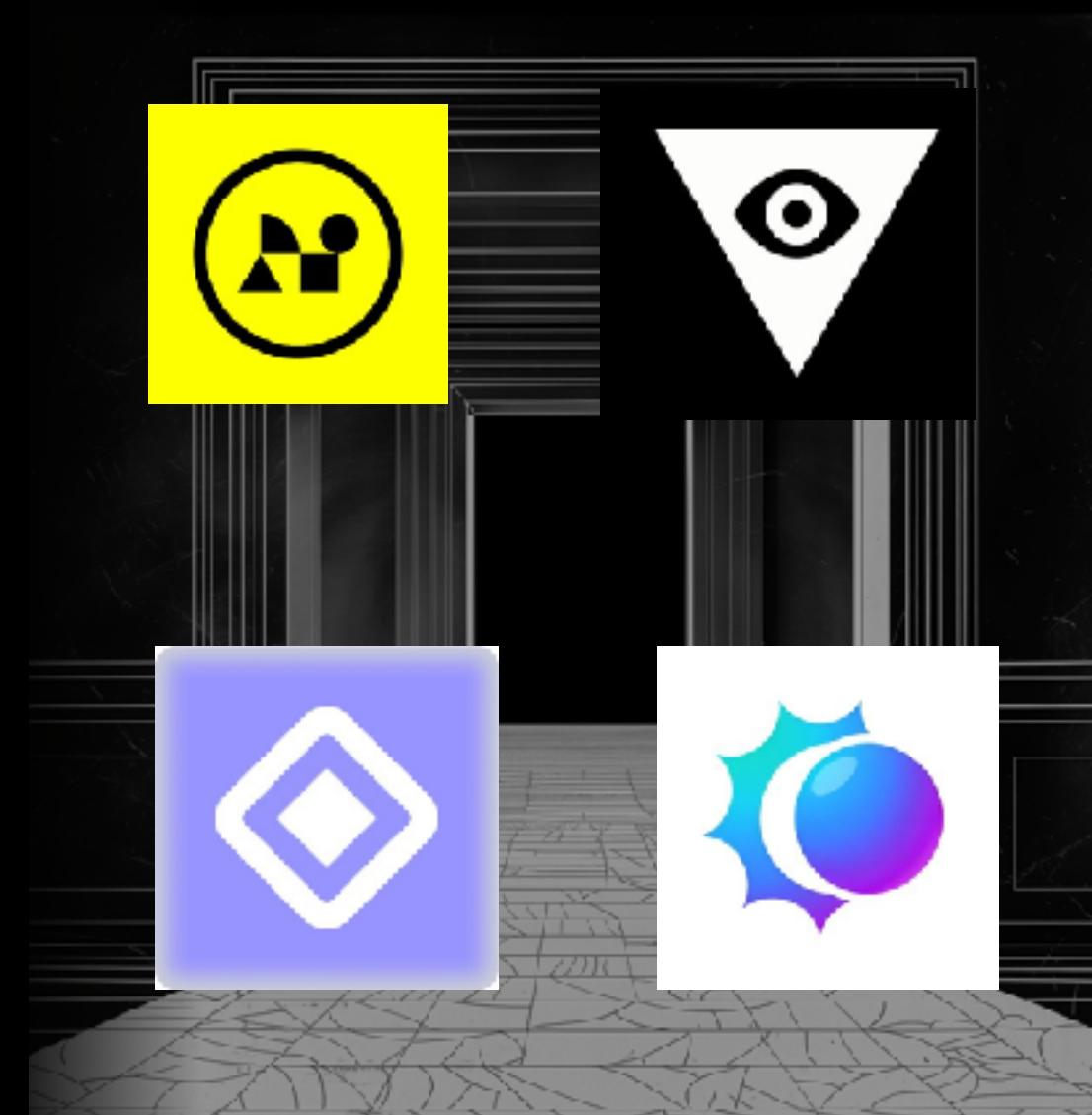
Post-Tornado Cash legal case continues with Roman Storm trial



ZK-based identity solutions became highly competitive



Protocols launches - it's testnet & mainnet time



Institutional & enterprise Privacy Demand



Investment

B2B decentralized privacy has led the fundraising track, with examples like Zama and Miden.

The post-Tornado Cash investment climate in privacy remains mild—or has shifted toward newer narratives, such as AI.

Integration is another key investment signal: Base acquired Iron Fish, and GnosisDAO backed HOPR in anticipation of its dVPN launch and mixnet activation.

Project	Raised	Date
XMTP	\$ 20.00M	Jul
Zypher Network	\$ 7.00M	Jul
Zama	\$ 57.00M	June
Miden	\$ 25.00M	April
Ika	N/A	April
Inco Network	\$ 5.00M	April
Davinci	\$ 1.00M	April
Mask Network	\$ 5.00M	April
Arcium	\$ 5.00M	Mar-April
Stoffel MPC	\$ 1.60M	Mar
HOPR	\$ 4.80M	Mar
Iron Fish	\$ N/A	Mar
Humanity Protocol	\$ 20.00M	Feb
Privasea	\$ 10.20M	Jan + May

TOTAL : \$ 161.6M

Legal defence

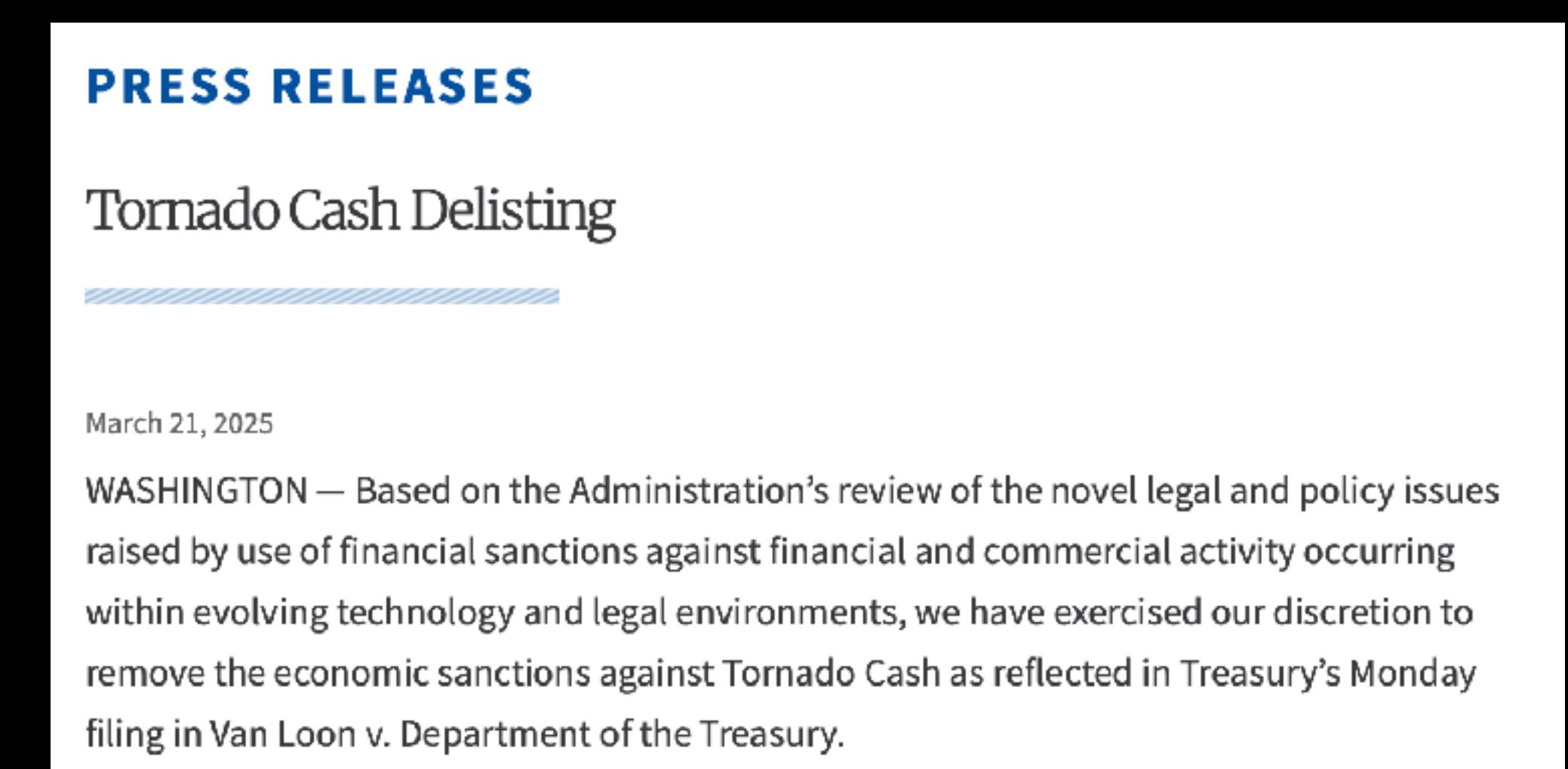
Roman Storm defence continues



Ross Ulbricht has been freed from jail



Treasury delisted Tornado Cash from its sanctions list



Policy

EU is continuing to put pressure on privacy coins, while The States shows positive signals of crypto-regulation. Watch out for stablecoins privacy advancement, compliance-friendly legislation boosting enterprise crypto-privacy adoption.

EU Data Protection Board (EDPB) Guidelines on Blockchain

EDPB adopts guidelines on processing personal data through blockchains and is ready to cooperate with AI office on guidelines on AI Act and EU data protection law

14 April 2025 EDPB

Brussels, 14 April - During its April 2025 plenary, the European Data Protection Board (EDPB) has adopted [guidelines on processing of personal data through blockchain technologies](#). A blockchain is a distributed digital ledger system that can confirm transactions and establish who owned a digital asset (such as cryptocurrency) at a given time. Blockchains can also support the secure handling and transfer of data, ensuring its integrity and traceability.



EU AML Reforms & Upcoming Ban on Privacy Coins

EU to ban anonymous crypto accounts and privacy coins by 2027

Europe will ban anonymous crypto accounts and privacy coins starting in 2027 under sweeping new AML regulations targeting service providers and token anonymity.

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Products

Privacy market is dominated by product updates rather than new launches.

Transactions, identity, wallets and dVPNs are the main product categories for privacy advancement. Nym, Self, Cake Wallet, Davinci by Vocdoni are notable example here.

Oxbow team brought privacy into Ethereum through Privacy pools implementation.

Bitcoin privacy seen PlayJoin, Cashu, Wasabi Wallet upgrades.

Name	Type
GnosisVPN (poc)	dVPN
Privacy pools	transactions
Calimero network	data verification
NymVPN	dVPN
Shutter API	Threshold Encryption
TACEO	coSNARK Network for Private Proof Delegation
Billions Network	The Human and AI Network
Davinci	voting
TLS Notary	Privacy-preserving data portability
Self	identity
DarkFi app	anonymous p2p chat
Darnswap	decentralized exchange platform built around Monero
Cake Wallet	privacy-focused wallet
Veridian	digital identity
Monerujo	Wallet
Monero v0.18.4.0	Fluorine Fermi' update
PlayJoin	Dev kit update
Wasabi Wallet	2.6.0 - Prometheus
Bionetta	the ultimate client-side ZKML framework

Protocol launches

Protocols are actively shipping updates across different chains.

Long-awaited Aztec delivered testnet and facilitated apps ecosystem boost.

Miden spawned out of Polygon and introduced Edge concept.

Namada completed mainnet launch (note how protocols progress mainnet via phases).

Name	Type	Chain
Namada	mainnet	Cosmos
Aztec	testnet	Ethereum
Intmax	mainnet	Multichain
Miden	testnet	Multichain
COTI	mainnet	Ethereum
Panther Protocol	mainnet	Multichain
DarkFi	testnet	Multichain
Midnight	testnet	Midnight

R&D

Cryptography stays the forefront of decentralised privacy with theoretical and applied contributions published at The Cryptology ePrint Archive, arXiv.

Monero community, Privacy & Scaling Explorations (EF), Shielded Labs (Zcash), Hashcloak and others contributed to R&D advancements in 2025.

Noir, MPC, iO, L2s, privacy in wallets — focus of Ethereum. FCMP++ — Monero & potential privacy in smart contracts.

Name	Description
MPC Framework	Create secure MPC apps easily in TypeScript
Semaphore-Noir	A zero-knowledge protocol for anonymous interactions
zkPDF	a set of zero-knowledge circuits and tools for proving facts from digitally signed PDFs
MachinalO	indistinguishability obfuscation
OSPEAD - Optimal Ring Signature Research	reveals the timing of Monero spending patterns in probabilistic form
Crosslink roadmap by Shielded labs	a hybrid PoW/PoS consensus algorithm for Zcash
Confidential Balances Token Extensions	confidential balances on Solana
Wallet Beat	privacy categories for Wallet categories
FMC++ progress	Full-chain membership proofs++ for Monero
Zero-knowledge Authenticator for Blockchain: Policy-private and Obliviously Updateable	zero-knowledge authenticators - a new cryptographic primitive for privacy-preserving authentication on public blockchains
Privacy-Preserving Smart Contracts for Permissioned Blockchains: A zk-SNARK-Based Recipe	a solution utilizing zk-SNARKs to provide privacy in smart contracts and blockchains

Events

Privacy is a key topic across events focused on Bitcoin, Monero, Ethereum, and Zcash. The cypherpunk narrative remains a popular theme, uniting research, privacy practices, and practical tools.

Cardano, Avalanche, and Solana are also incorporating privacy features—particularly with a B2B focus.

Many ecosystems host both online and in-person hackathons, so the examples below are highlights rather than an exhaustive list.

Name	Description	Ecosystem	Date
Zcon VI	an annual conference with a focus on Zcash and privacy-preserving technologies	Zcash	March
Protocol Berg	The decentralized protocol and infrastructure conference	Ethereum	June
Monerokon	A technical conference in privacy and financial technology	Monero	June
Ethereum Cypherpunk Congress	The biggest privacy & cypherpunk conference in web3	Ethereum	November
bitcoin++	Privacy-edition program has been published	Bitcoin	August
hackathons			
ETHDam	Amsterdam conference & hackathon (participants - 276)	Ethereum	May
W3PN HACKS	Berlin anti-bounty hackathon (participants - 140)	Multichain	June

Events (hackathons)

Ongoing hackathon research on the DoraHacks platform in 2025 shows:

- 89 hackathons (total)
- 2,945 demos submitted
- 131 privacy-focused demos

Privacy-focused projects make up 4.4% of all submitted demos.

A	B	C	D	E	F	G	H	I	J	K
Ecosystem	Organizer	Event	Type	Submission Date	Category	Price Pool	Platform	Total Hackers	Total Submissions	Privacy Submissions
AEZ	Cosmos Hub	Naija HackAtom	Virtual	1.1.2025	AEZ Inter	\$10 000,00	DoraHacks	160	51	2
LXDAO	LXDAO	LXDAO Casual Hackathon: AI 开发工	Virtual	3.1.2025	AI DAO	\$0,00	DoraHacks	2	0	0
Vera Nel	Gear Foundation	Gear Mega Hackathon	Virtual	10.1.2025	Blockchain	\$10 000,00	DoraHacks	100	8	1
Ethereum	Zo House	DeSci Mania at Zo	Virtual	15.1.2025	DeSci AI	\$10 000,00	DoraHacks	176	24	0
Polygon	WristKey Global	Winter Wallet Hackathon	Virtual	15.1.2025	Blockchain	\$0,00	DoraHacks	22	4	1
Ancient8	Ancient8	Ancient8 OP Grant Program	Virtual	15.1.2025	Blockchain	\$400 000,00	DoraHacks	144	69	6
Creator Network	Creator Network	Innovate on Creator Network #Creator	Virtual	19.1.2025	creator netw	\$1 250,00	DoraHacks	116	44	3
Crypto Fond	Fond	Token Risk Scoring on Base	Virtual	20.1.2025	Blockchain	\$0,00	DoraHacks	15	0	0
Sonic Labs	Sonic Labs	Sonic DeFAI Hackathon	Virtual	21.1.2025	Blockchain	\$295 000,00	DoraHacks	822	282	5
	LNMHacks	LNMHacks 7.0	Physical	24.1.2025	Blockchain	\$6 000,00	DoraHacks	1066	121	6
Arbitrum	Creatives OnC	Arbitrum Creative Hub Hackathon	Virtual	28.1.2025	Blockchain	\$3 000,00	DoraHacks	91	13	0
Ethereum	ETHKyiv	ETHKyiv Impulse: AI Agents Reloaded	Physical	1.2.2025	Blockchain	\$24 000,00	DoraHacks	50	26	0
Solana	Secret Network	HackSecret 5	Virtual	1.2.2025	AI TEE	\$15 000,00	DoraHacks	142	53	11
Flare	Flare	(IRL) Flare x Google Verifiable AI Hack	Physical	3.2.2025	Blockchain	\$90 000,00	DoraHacks	105	24	submissions hidden
Flare	Flare	(Virtual) Flare x Google Verifiable AI Ha	Virtual	3.2.2025	Blockchain	\$40 000,00	DoraHacks	358	45	submissions hidden
Injective	Injective	Injective AI Agent Hackathon	Virtual	4.2.2025	AIHackathoi	\$100 000,00	DoraHacks	496	125	3
Core DAO	Core DAO	Core Global Gaming Hackathon	Virtual	5.2.2025	Gaming	\$380 000,00	DoraHacks	231	86	2
Web3	SynapHack	SynapHack 2.0	Virtual	5.2.2025	Blockchain	\$500,00	DoraHacks	44	0	0
Ethereum	Cross Finance	CrossFi Hack Africa	Virtual	7.2.2025	DeFi DePl	\$3 000,00	DoraHacks	61	32	1
	ETH Oxford	ETH Oxford 2025	Physical	7.2.2025	Blockchain	\$100 000,00	DoraHacks	318	142	submissions hidden
Ethereum	BAM	ETHiopia x BAM Hackathon	Physical	10.2.2025	Blockchain	Birr500 000,00	DoraHacks	108	38	0
Polygon	Vyper	Vyper/Polygon AI Agent Workshop	Virtual	14.2.2025	Blockchain	\$1 000,00	DoraHacks	97	25	3
Polkadot	OpenGuild	Polkadot Philippines Hackathon 2025	Virtual	10.2.2025	Blockchain	\$10 000,00	DoraHacks	54	25	0
MultiversX	MultiverseX	AI MegaWave Hackathon	Virtual	12.2.2025	AI Blockct	\$150 000,00	DoraHacks	319	40	0
Multichain	Ludium	[Road to Seoul] Founder's Table	Physical	14.2.2025	Blockchain	\$10 000,00	DoraHacks	70	7	1
Ethereum	ETH Hangzhou	ETH Hangzhou Hackathon 2025	Physical	29.3.2025	Blockchain	\$20 000,00	DoraHacks	25	0	0
	Zo House	IAMA! Hackathon	Virtual	15.2.2025	Blockchain	\$1 825,00	DoraHacks	80	11	2
Solana	AixBlock	AI-Agents Hackathon	Virtual	18.2.2025	AI DePIN	\$3 000,00	DoraHacks	17	0	0
Cosmos	cheqd	Verifiable AI save the world with cheqd	Virtual	3.3.2025	AI Blockct	\$50 000,00	DoraHacks	278	21	submissions hidden
Solana	Cambrion	Cambrion Hack	Virtual	19.2.2025	Restaking	\$10 000,00	DoraHacks	88	9	0
Arbitrum	Espresso	Build & Brew - Espresso Global Hackat	Virtual	10.3.2025	Blockchain	\$100 000,00	DoraHacks	485	151	5
Ecosystem	Seedify	Seeds Of Agentic Future	Virtual	21.2.2025	AIAgent A	\$100 000,00	DoraHacks	294	98	submissions hidden
Cardano	Oxford Blockchain	Oxford Blockchain Society Cardano Hy	Virtual	22.2.2025	Blockchain	\$4 000,00	DoraHacks	14	0	0
Polkadot	WebZero	Polkadot Blockspace Hackerhouse - Bo	Physical	23.2.2025	Polkadot E	\$22 400,00	DoraHacks	11	1	0

Privacy coins

Coins are under legal scrutiny and attracting retail interest. Only Monero has found token-market fit, while other organizations struggle to build a sustainable "token economy" to fund R&D and operations.

#	Name	Price	Market Cap ⓘ	Circulating Supply ⓘ	YTD %
26	 Monero XMR	\$324.67	\$5,989,135,965	18.44M XMR	▲ 67.88%
103	 Zcash ZEC	\$45.71	\$737,245,419	16.12M ZEC	▼ -18.61%
135	 eCash XEC	\$0.00002475	\$492,508,173	19.89T XEC	▼ -27.67%
173	 Decred DCR	\$17.88	\$302,513,760	16.91M DCR	▲ 17.60%
175	 Mina MINA	\$0.2419	\$300,776,417	1.24B MINA	▼ -57.79%
193	 Basic Attention Token BAT	\$0.1722	\$257,556,513	1.49B BAT	▼ -28.81%
196	 Oasis ROSE	\$0.03392	\$251,098,138	7.4B ROSE	▼ -58.93%
210	 Beldex BDX	\$0.07406	\$529,333,121	7.14B BDX	▼ -5.24%
246	 Threshold T	\$0.02019	\$204,640,377	10.13B T	▼ -26.42%
278	 Status SNT	\$0.03384	\$163,150,090	4.82B SNT	▼ -21.12%
281	 Mask Network MASK	\$1.59	\$159,555,881	100M MASK	▼ -47.04%
320	 Storj STORJ	\$0.3223	\$133,453,080	413.97M STORJ	▼ -34.65%
340	 Zano ZANO	\$9.03	\$121,319,057	13.43M ZANO	▼ -38.60%

Other

Vitalik Buterin published [A maximally simple Ethereum L1 privacy roadmap](#)

Organisations keep launching “associations” - Zama, Inco, OpenZeppelin made [“Confidential Token Association”](#)

Interoperability and ecash (Cashu)

Dorsey [investing](#) in andOtherStuff collective

Payjoin developer received [\\$100K donation](#), & Cake Wallet [implements](#) Payjoin 2.0

[Aztec launched foundation](#)

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BUILD SYSTEMS
THEY CAN'T CONTROL



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Research is available on Github: [link](#)

Facilitator



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