BITBULLNEWS DATA · BBN INDICES — CRYPTO INDUSTRY HEALTH

VERSION 1

BBN FUNDING INDEX

PUBLIC METHODOLOGY

The BBN Funding Index is BitBullNews' monthly read on capital formation across the crypto and blockchain industry. It shows whether new money is entering the sector broadly, selectively, or not at all — and whether funding conditions can support the industry's capacity to build, hire, and ship products, rather than resting on the headline of any single mega-round.

HOW TO READ IT

BBN Funding is a diffusion index. A reading of 50.0 means funding conditions were unchanged month-on-month: the share of sectors and stages with improving funding balanced the share with tightening funding. Above 50 means improvement was broader than deterioration; below 50 means the reverse. A rising index points to capital formation broadening across stages, sectors, and investor types; a falling one points to narrower, more selective deal flow. Because monthly funding is lumpy, the reading is best taken alongside its three-month moving average rather than as a single-month verdict.

< 50.0	50.0	> 50.0
TIGHTENING	NO CHANGE	IMPROVEMENT

Index family	BBN Indices — Crypto Industry Health
Index name	BBN Funding Index
Primary objective	Measure the month-on-month direction, breadth, and quality of capital formation across crypto and blockchain sectors and stages
Update frequency	Monthly; methodology and thresholds reviewed annually
Headline unit	0–100 diffusion reading, with 50.0 as the no-change line
Monitored universe	700–1,500 crypto and blockchain entities, protocols, ecosystem funds, and disclosed financing channels
Target coverage	60–160 verified financing observations per month in normal conditions
Publication thresholds	Full headline ≥ 60 verified observations · provisional 35–59 · no headline below 35
Material revision	0.5 headline points
Methodology version	Version 1 — inaugural public release
Published by	BitBullMedia Pte. Ltd., 51 Goldhill Plaza, Singapore · UEN 202224841R

POSITIONING

This is an industry indicator — a directional reading of crypto-industry capital formation for editorial, research, and commercial data use. It is not an official statistic, a regulated financial benchmark, or a complete census of crypto capital. A large share of private and confidential financing is invisible to any public methodology, and the index does not claim otherwise.

02 WHAT THE INDEX MEASURES

BBN Funding measures the health of capital formation, not the volume of fundraising announcements, and it is built so that the largest single round in a month cannot dominate the reading. It combines six dimensions that together answer one practical question: is capital entering crypto in a way that can support future products, teams, and infrastructure — and is that direction broadening or narrowing against last month?

DIMENSION	WHAT IT CAPTURES
Disclosed capital value	Verified USD value of equity rounds, strategic raises, infrastructure financings, and qualifying token or treasury events, after the rolling-cap adjustment.
Verified deal count	Number of eligible financing events confirmed in the reporting month.
Stage breadth	Spread of funding across seed, Series A, growth, strategic, ecosystem, and other stages, measured by concentration (HHI).
Sector breadth	Spread of funding across the eight sector sleeves, also measured by concentration (HHI).
Investor quality	A 0–3 score per deal from lead-investor disclosure, presence on the maintained tier-1 institutional list, and number of disclosed co-investors.
Grant & ecosystem funding	Foundation grants, ecosystem-fund deployments, accelerator capital, and builder-support programs.

03 COVERAGE AND MONITORED UNIVERSE

The index draws on a structured monitored universe rather than an open news scrape, which keeps duplicate announcements, promotional noise, and one-off distortions out of the signal. The standard universe is 700–1,500 crypto and blockchain entities, protocols, ecosystem funds, and disclosed financing channels, and in normal conditions it targets 60–160 verified observations a month. A full headline reading requires at least 60 verified observations; a provisional reading is published at 35–59; below 35 no headline is published and a short coverage note is issued instead. All thresholds are also subject to the sector-coverage and source-quality requirements set out in Section 11.

Entities are tagged by primary operating region — Americas, EMEA, Asia-Pacific, or Other — when they enter the universe. Public disclosure is systematically richer for U.S., European, and Singapore-domiciled entities; the index acknowledges this asymmetry rather than correcting for it, and applies no regional weight cap, because capping would silently change the meaning of the headline as regional coverage shifts.

04 SECTOR SLEEVES

Funding is classified into eight sector sleeves, because the meaning of capital formation differs across infrastructure, on-chain finance, market structure, payments, and consumer applications. The sleeves are also the units of observation for most of the headline calculation. Target shares are reviewed at least once a year, and any material change is announced at least 30 days before it takes effect.

SECTOR SLEEVE	TARGET SHARE	INCLUDED EXAMPLES
Infrastructure, L1/L2 and developer tooling	18%	Base-layer protocols, scaling networks, RPC providers, developer platforms, middleware.
DeFi, lending, staking and on-chain finance	14%	DEXs, lending markets, staking infrastructure, derivatives, structured on-chain finance.
Exchanges, brokers, custody and market structure	14%	Trading venues, broker platforms, custody providers, settlement and execution.
Stablecoins, payments, RWA and tokenization	14%	Stablecoin issuers, payment rails, treasury systems, tokenized and real-world assets.
Security, compliance, analytics and data	12%	Analytics, risk platforms, compliance tools, audit providers, security monitoring.
Mining, validators and node infrastructure	8%	Mining operations, validators, staking providers, node infrastructure.
Consumer, gaming, social, media and creator apps	10%	Consumer wallets, gaming, Web3 social, content and creator platforms.
Enterprise, services and other crypto businesses	10%	Enterprise blockchain, consulting, research, financial services, data vendors.
Total	**100%**	

05 FINANCING CATEGORIES

The index includes disclosed events that represent new capital formation or credible ecosystem deployment. It distinguishes funding types because a seed round, a growth round, a strategic investment, a token raise, and a grant each say something different about the market.

CATEGORY	WHAT IS INCLUDED	INDEX TREATMENT
Equity venture rounds	Pre-seed through Series B+, growth rounds, and disclosed venture financings.	Primary input. Counted in deal count, disclosed value, stage breadth, sector breadth, and investor quality.
Strategic investments	Corporate, exchange, foundation, or infrastructure-provider investments with disclosed or credibly verifiable capital formation.	Counted in deal count, disclosed value, sector breadth, and investor quality.
Token / protocol treasury raises	Private SAFT-style or token-warrant rounds that are primary issuance (not secondary trading), with a disclosed raised USD amount and at least one named investor.	Counted in deal count, sector breadth, stage breadth, and investor quality. Value uses the disclosed raised amount only — fully-diluted valuation is never a proxy — and the mega-round cap applies.
Ecosystem grants and builder programs	Foundation grants, ecosystem-fund deployments, accelerator capital, and non-dilutive builder support with a disclosed amount.	Routed only to the Grant & Ecosystem component, never to the headline value component, to avoid mixing dilutive and non-dilutive capital.
M&A-related financing	Acquisitions where disclosed value is at least USD 25M, or where the acquirer simultaneously raises new capital tied to the deal. Distressed sales, bankruptcy transfers, and pure asset purchases are excluded.	Counted in deal count and sector breadth. Counted in disclosed value only for cash-financed deals; stock-financed deals are noted but not added to value. Investor quality is unaffected.

06 EXCLUSIONS AND ADJUSTMENTS

Not every funding headline qualifies. The index excludes or adjusts events that would distort comparability or inflate the signal without representing genuine capital formation. All of the following are applied by rule.

ITEM	TREATMENT
Unverified rumors	Excluded until confirmed by the company, an investor, or a credible primary source.
Duplicate announcements	Merged and assigned to the original announcement month.
Undisclosed round size	Counted in deal count, sector breadth, and stage breadth; excluded from disclosed value until an amount is available.
Pure secondary token trading	Excluded unless tied to primary capital formation.
FDV-only token disclosures	Excluded from value; counted in deal and breadth components only if the named-investor and primary-issuance conditions are met.
Promotional launch campaigns	Excluded unless legally and economically structured as a financing event.
Mega-rounds	Disclosed value capped at the rolling cap; the uncapped event still counts in deal count, breadth, and investor quality.
Distressed sales and bankruptcy transfers	Excluded from value, deal count, and breadth; may appear in commentary but never in the headline.

07 DATA SOURCE HIERARCHY

Sources are ranked by quality, and higher tiers override lower ones when details conflict.

TIER	EXAMPLES	USE IN INDEX
Tier 1 — Primary confirmation	Company and investor announcements on official channels, regulatory filings (SEC, MAS, FCA equivalents), and official foundation disclosures.	Preferred source for event validation and disclosed values.
Tier 2 — Funding databases	Established funding and venture databases and reputable crypto-data providers that publish methodology and attribution.	Used for confirmation, categorization, and historical completeness.
Tier 3 — Reputable media	Major financial and crypto outlets citing named sources, with at least three years of continuous publication, named editorial leadership, and a correction policy.	Used when primary confirmation is unavailable.
Tier 4 — Low-confidence	Social posts, anonymous claims, and unattributed roundups.	Never used in the headline; may only flag an event for verification.

Conflict resolution. When two same-tier sources disagree on a material detail, the more recent source prevails if it explicitly corrects the earlier one; otherwise the disclosure most directly attributable to the issuing company or lead investor is used. Across tiers, the higher tier prevails. If no resolution is reached within 30 days, the event is carried with a low-confidence flag and kept out of the value component. All resolutions are logged.

08 REQUIRED INPUT FIELDS

Each eligible observation is stored with a consistent set of fields so the series stays comparable across time, sectors, and stages.

FIELD	DESCRIPTION	REQUIRED FOR HEADLINE
Announcement date	Date the event became public or was formally disclosed (UTC).	Yes
Company / project	Entity receiving the capital.	Yes
Sector sleeve	Primary business category under the BBN taxonomy.	Yes
Region tag	Americas, EMEA, APAC, or Other.	Yes
Funding type	Equity, strategic, token/protocol, grant/ecosystem, accelerator, or M&A-related.	Yes
Stage	Pre-seed, seed, Series A, Series B+, growth, strategic, ecosystem, undisclosed, or N/A.	Yes
Source tier	Primary, database, reputable media, or low-confidence.	Yes
Confidence flag	High, medium, or low, based on source tier and field completeness.	Yes
Disclosed amount	Raised USD value, if public. For token rounds, the raised amount only — never FDV.	Value only
Lead / named investors	Disclosed investors and whether a lead is identified.	Quality
Tier-1 investor flag	True if a disclosed investor is on the maintained tier-1 institutional list.	Quality

09 CALCULATION FRAMEWORK

BBN Funding is a diffusion index built on sector and stage cells rather than individual deals. Funding data is lumpy — in any given month most entities in the universe do not raise — so an entity-level diffusion would read "unchanged" for almost the whole panel and carry little signal. Sector and stage cells receive activity in most months, so the index can meaningfully ask whether each cell is improving or weakening, then aggregate those directions into a single 0–100 reading. The cells are the eight sector sleeves and six stages: pre-seed, seed, Series A, Series B+/growth, strategic, and ecosystem.

9.1 EVENT-LEVEL VALUE CAP

Each event's disclosed USD value is winsorized at a rolling cap, recomputed monthly as the 95th percentile of disclosed values over the trailing 24 months.

ROLLING CAP

$$\text{RollingCap}(t) = \textbf{P95}(\text{ disclosed event values, trailing 24 months })$$

$$\text{AdjustedValue}(e, t) = \textbf{min}(\text{ DisclosedUSD}(e), \text{RollingCap}(t)\ )$$

Events with no disclosed amount, and token rounds disclosed only by fully-diluted valuation, are excluded from the value component entirely. A rolling percentile is used rather than a fixed dollar threshold because crypto round sizes drift with the market cycle. This is the only place a trailing window enters the methodology.

9.2 CELL-LEVEL DIRECTION

For each cell and each component, the current value is compared with its own three-month moving-average baseline.

DIRECTIONAL SIGNAL

$$dX(c, t) = \textbf{sign}[\ X_{c,t} - \text{MA3}(\ X_{c,t-1}\ )\ ]$$

$X_{C,T}$ IS THE CELL'S UNDERLYING SIGNAL — CAPPED VALUE, DEAL COUNT, MEAN INVESTOR-QUALITY SCORE, OR GRANT VALUE — IN MONTH T, AND MA3($X_{C,T-1}$) IS THE TRAILING THREE-MONTH MEAN ENDING AT T−1.

IMPROVING	UNCHANGED	WEAKENING
1.0	**0.5**	**0.0**
Above the smoothed baseline by more than the material-change threshold τ.	Within ±τ of the baseline, or no eligible events in either period.	Below the smoothed baseline by more than τ.

The threshold τ is set at 10% of the cell's trailing 12-month average absolute month-on-month change, with a floor of 5% and a cap of 25%. The relatively wide tolerance reflects how lumpy funding data is. Thresholds are reviewed annually.

9.3 HEADLINE COMPONENTS

Each component is the weighted share of improving cells across its cell set, scaled to 0–100. A component reading of 50 means improving and weakening cells are balanced.

COMPONENT SCORE

$$X(t) = 100 \times \Sigma\ \omega_c \cdot s(c, t) \div \Sigma\ \omega_c$$

S(C, T) ∈ {0, 0.5, 1.0} IS THE CELL'S STATE AND Ω_C IS ITS WEIGHT — THE SECTOR TARGET SHARE (SECTION 4) FOR SECTOR CELLS, EQUAL WEIGHT FOR STAGE CELLS.

COMPONENT	WEIGHT	CELLS	SIGNAL
Value (V)	30%	8 sectors	Capped disclosed value per sector vs trailing 3-month baseline.
Deal Count (N)	20%	8 sectors	Verified deal count per sector vs baseline.
Stage Breadth (Bs)	15%	6 stages	Whether funding is spreading across the stage lifecycle (per-stage HHI vs baseline).
Sector Breadth (Bc)	15%	1 panel	Whether funding is spreading across sectors (panel HHI vs baseline).
Investor Quality (Q)	10%	8 sectors	Mean per-deal investor-quality score per sector vs baseline.
Grants & Ecosystem (G)	10%	8 sectors	Disclosed grant and ecosystem-fund value per sector vs baseline.

9.4 BREADTH VIA CONCENTRATION (BS, BC)

The breadth components use the Herfindahl–Hirschman Index as their underlying signal, converted to a diffusion direction. Concentration is normalized so an even spread reads high and full concentration reads zero.

CONCENTRATION AND NORMALIZED BREADTH

$$HHI(t) = \Sigma_j\ (\ share_j(t)\ )^2$$

$$HHIBreadth(t) = 100 \cdot (\ 1 - HHI(t)\ ) \div (\ 1 - 1/K\ )$$

K = 8 FOR SECTORS AND K = 6 FOR STAGES; HHIBREADTH = 100 IS A PERFECTLY EVEN SPREAD, 0 IS COMPLETE
CONCENTRATION. THE DIRECTION FOR BC AND BS IS THE SIGN OF [HHIBREADTH(T) − MA3(HHIBREADTH(T−1))],
SCORED WITH THE SAME T RULE. BC USES ONE PANEL-LEVEL CELL; BS AVERAGES SIX PER-STAGE CELLS WITH EQUAL WEIGHT.

9.5 INVESTOR-QUALITY SCORE

Each value-eligible event earns a 0–3 investor-quality score, added up as follows.

CRITERION	POINTS
Lead investor explicitly named (a named entity, not “undisclosed”)	**+1**
At least one disclosed investor on the maintained tier-1 institutional list	**+1**
Three or more named co-investors disclosed	**+1**
Maximum per deal	**3**

The per-sector mean of this score feeds the Q diffusion signal. The tier-1 list is maintained on public criteria — an assets-under-management threshold, a crypto-investing history of at least 24 months, and a minimum number of disclosed investments — and is republished at each annual review and whenever it materially changes.

9.6 HEADLINE INDEX

HEADLINE

$$\text{BBN Funding}(t) = 0.30 \cdot V + 0.20 \cdot N + 0.15 \cdot B_s + 0.15 \cdot B_c + 0.10 \cdot Q + 0.10 \cdot G$$

The coefficients sum to 1.00. Each component is bounded in [0, 100] with its no-change point at 50, so the headline is bounded in [0, 100] with the same meaning: 50.0 is no net change in funding conditions month-on-month across the weighted sector-and-stage panel. The result is rounded to one decimal place.

10 INTERPRETATION BANDS

Headline readings are rounded to one decimal and fall into exactly one of the following bands, which leave no gaps. Read short-term moves against the three-month moving average — funding flows are lumpy, so a single month rarely settles a trend.

READING	LABEL	MEANING
≥ 60.0	**Strong capital formation**	Improvement is broad across sectors and stages, with healthy disclosed value and active investor participation.
53.0 – 59.9	**Improving conditions**	Capital formation is positive, though it may still be selective or uneven across sectors.
50.1 – 52.9	**Modestly above no-change**	Slightly more cells improving than weakening; trend not yet confirmed.
50.0	**No net change**	Improvement and deterioration are evenly balanced across the weighted panel.
47.0 – 49.9	**Modestly below no-change**	Slightly more cells weakening than improving; not yet a clear contraction.
40.0 – 46.9	**Tight conditions**	Capital formation is narrowing, deal flow is weaker, or funding is concentrating in fewer sectors.
< 40.0	**Severe contraction**	Funding is materially weak across the panel, with low breadth and limited investor participation.

11 DATA-QUALITY CONTROLS

Quality controls run by documented rule, not in-the-moment judgment.

CONTROL	HOW IT WORKS
Duplicate control	Repeat coverage of one round is merged to the earliest verified date; matching uses entity name, stage, and disclosed amount.
Source verification	Higher tiers override lower ones; same-tier conflicts are resolved as in Section 7.
Outlier / mega-round	Disclosed values are capped at the rolling 95th percentile of the trailing 24 months; the uncapped event stays visible in non-value components.
Material-change threshold τ	Cell moves smaller than τ are treated as Unchanged: 10% of the trailing 12-month average absolute change, with a 5% floor and 25% cap.
Disclosure control	Undisclosed-amount rounds count in deal count and breadth but never in value; FDV-only token disclosures are kept out of value.
Sector classification	Mixed-business entities are assigned to the sector tied to the funded activity, recorded for audit; multi-product companies are not split.
Promotional-noise control	Marketing campaigns, listing promotions, and pure secondary-market events are excluded.
Confidence screening	Low-confidence events may be held out of value while still counting in deal count and breadth.
Universe-change control	Entities leaving the universe are reported with the release rather than dropped silently; attrition above 5% is accompanied by commentary.

12 PUBLICATION AND REVISIONS

ITEM	POLICY
Frequency	Monthly, by calendar month (UTC), normally published in the second half of the following month after source review and verification.
Full headline	At least 60 verified events, coverage in at least six of eight sleeves, and at least 70% of events from Tier 1 or Tier 2.
Provisional	35–59 verified events, or 60+ events covering only five sleeves; published with a “Provisional” label.
No publication	Fewer than 35 verified events; a short coverage note is issued instead.
Material revision	A prior headline is restated if late disclosures, duplicate corrections, source-tier updates, or reclassifications would move it by 0.5 points or more; smaller changes are logged but not restated publicly. Restatements normally occur in the next release, with a note giving the old value, new value, and reason; beyond one cycle they are exceptional and explained.

Published each month. The release carries the headline reading with its month-over-month and twelve-month change; the six component scores; the three-month moving average; sector and stage commentary where coverage allows; a coverage statement (event count, sector coverage, source-tier mix, and any provisional label); a mega-round disclosure listing any capped events with their entity name and disclosed amount, so the uncapped picture is visible; a note on universe additions and exits; and a link to this methodology. A revision note is published whenever a prior reading is restated.

13 SCOPE, LIMITATIONS AND LEGAL NOTE

WHAT IT IS

- A monthly diffusion indicator of visible capital formation across the crypto industry.
- A composite of value, deal count, breadth, investor quality, and ecosystem capital, with diffusion at the sector and stage level.
- A directional reading centered on the no-change line at 50.0.
- A global indicator with regional tagging.

WHAT IT IS NOT

- Not an official statistic and not a regulated financial benchmark.
- Not a complete census of crypto capital — significant private financing is structurally invisible.
- Not a measure of absolute industry size, and not interchangeable with USD funding totals.
- Not a measure of investment returns, token performance, or any project's success.

Its construction follows established diffusion-index practice: a no-change midpoint at 50, sector and stage cells as the units of observation, rolling-percentile winsorization for right-skewed values, and a clean split between dilutive equity and non-dilutive grants. Material changes — to component weights, sector or stage definitions, publication thresholds, the rolling-cap rule, the threshold τ, the tier-1 list, or the formulas — are announced at least 30 days before they take effect, with each release stating its version and effective date.

LEGAL NOTE