10 April 2025

Investment Thesis

NEAR Protocol

NEAR

Basic Information

Token type	Native Currency
Price	$2.01
GCCS Classifcation	Smart contract platforms, Infrastructure
Sector	Smart Contract Platforms

Source: CoinGecko, Data as of April 10, 2025

Key Metrics

Price Range (1Y)	$1.91- $8.28
All-Time High	$20.44
All-Time High Date	January 16, 2022
Down From All-Time High	89.8
Market Capitalization	$2.5B
Volume (24h)	$414.84M
Circulating Supply	1.2B NEAR
Max Supply	∞
Total Value Locked (TVL)	$132.14M
Annualized Protocol Revenue	$8M

Source: CoinGecko, DeFiLlama, Artemis
Data as of April 10, 2025

Overview

NEAR Protocol is a high-performance, developer-friendly layer-1 blockchain designed to address key limitations of existing blockchain platforms, such as scalability, transaction costs, and usability. Self-described as the "Blockchain for AI," **NEAR emphasizes the development of large-scale open-source AI models and integrating AI capabilities in its ecosystem of nearly 300 applications and 2,000 developers.** By leveraging advanced technologies like sharding (Nightshade) and focusing on end-user and developer experience, NEAR positions itself as a leading blockchain solution for Web3 applications. Its technology has attracted the **world's fifth-largest telecom corporation, Deutsche Telekom**, to join the NEAR ecosystem's Enterprise Node Operators (ENO) program to support the decentralization and security of the NEAR blockchain.

- **August 2018:** Illia Polosukhin and Alexander Skidanov co-founded NEAR Protocol, aiming to create a scalable, fully sharded, and permissionless blockchain.
- **October 2020:** Transition to Mainnet Phases 1 and 2, introducing third-party validators to the network, enhancing decentralization and granting governance rights to the community, and enabling features like token transfers and protocol rewards.
- **April 2021:** Launch of the Rainbow Bridge, facilitating interoperability between NEAR and Ethereum blockchains.
- **January 2024:** The NEAR Foundation announced the integration of Chain Signatures and NEAR Intents, enhancing user experience and interoperability across blockchains.
- **February 2024:** Stake Wars IV, focusing on stateless validation to improve network scalability and efficiency.
- **November 2024:** NEAR Protocol announced plans to develop a 1.4 trillion-parameter open-source AI model through crowdsourced research via its new NEAR AI Research hub, starting with a 500 million-parameter model.

Key Takeaways

- The NEAR Protocol is a user-friendly, carbon-neutral blockchain designed for speed, security, and scalability.
- NEAR Protocol is emerging as the blockchain of AI, offering a high-speed, scalable infrastructure tailored to support AI-driven applications and services.
- Building the world's largest 1.4 trillion parameters open-source Artificial Intelligence (AI) model, 3.5x bigger than Meta's Llama model.

Risk Factors

- **Centralization of stakers:** There are currently 250K active wallets staking 49% of NEAR's token supply; comparatively, Solana, Cardano, and Ethereum have over a million actively staking wallets.
- **Adoption and competition risk:** NEAR is highly dependent on the adoption rate of its open-source AI model, which is facing fierce competition from centralized entities in the space.
- **Counterparty risk:** Shortly after the FTX and Alameda debacle, NEAR announced that the collapsed exchange had 8.9M tokens (1.5M unlocked), while its trading arm Alameda Research held 8.1M locked tokens. The exact current amount is not publicly available.

Near Protocol (NEAR) 1-Year Performance

Source: CoinGecko. Data from April 11, 2024 - April 10, 2025

Total Value Locked on Near Protocol

Source: Artemis. Data from April 11, 2024 - April 10, 2025

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