

Tesseract Raises \$25 million in Series A Funding to Strengthen Institutional Digital Asset Lending Offering

Heavily oversubscribed round is led by Augmentum Fintech, with participation from other high-profile investors. Tesseract provides digital asset lending solutions to institutional clients, such as hedge funds and retail trading platforms, globally.

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HELSINKI – [Tesseract](#), the leading institutional digital asset lending company in Europe and emerging markets, has raised USD 25 million in its Series A funding round. The first funding round in Europe focusing on the sector is led by [Augmentum Fintech](#), a London-based leader in FinTech investments. Other participants in the round include global venture capital firms [BlackFin Capital Partners](#), [Concentric](#), [DN Capital](#), [Jabre Capital Partners Family Office](#), [LeadBlock Partners](#), and [Sapphire Ventures](#). Industry participants [Coinbase Ventures](#), [Wintermute](#), and [Woorton](#) also subscribed to the round along with undisclosed local and international investors and strategic angels. [Icebreaker.vc](#), which made its first investment in Tesseract in 2018, also participated in the round.

Tesseract bridges institutional capital flows between traditional and digital asset finance. Tesseract's core products are in margin lending, OTC lending, partnerships with retail trading platforms, and decentralised finance. Tesseract's one-of-a-kind margin lending platform improves capital efficiency for institutional clients ranging from hedge funds to market makers. Global retail trading platform partnerships allow consumer focused exchanges, custodians, fiat on-ramps, and wallet providers to gain a competitive edge and improved profitability via Tesseract's white-label solutions.

Yichen Wu, CEO and founder of Tesseract, said, "This funding is a significant milestone for Tesseract and one of the largest Series A investments in Finland to date. We are humbled to gain new industry-leading investors in technology, finance, and blockchain whose expertise will add significant value beyond the raised funding. We are extremely happy to see incredible global investor interest in our business in this oversubscribed round."

"The funding will be aimed towards developing our industry-leading institutional offerings even further, hiring new talent to develop new and existing partnerships, and to boost innovation in new undisclosed financial products. We will also focus on developing our cross-trading venue margin lending platform, which has seen enormous uptake in the past year. Due to the global nature of our fast-moving business, we will also funnel efforts into spearheading our global growth and ensuring regulatory compliance globally."

Institutional investment in digital assets is quickly increasing, with institutional ownership forecast to rise from 10% today to 30% by 2025. Compared to traditional finance, the institutional side of digital asset finance is extremely underdeveloped, giving credence to the market's growth expectations. Tesseract has experienced explosive growth over the past year with over 20x growth year on year and team size growing from three to over twenty. The Helsinki-based digital asset lender has been profitable since early 2020, which, according to **Mr. Wu** is "incredibly rare for a VC backed company growing this fast."

Augmentum Fintech, the lead investor, has recognised the potential of the growing market and Tesseract's unique positioning. **Martyn Holman**, Partner at Augmentum Fintech, commented on the investment: "We are witnessing wholesale changes in the infrastructure supporting the crypto space as it evolves to the demands of increasing institutional activity. Following the separation of custody and trading in the first waves of evolution, Tesseract is addressing the next fundamental need in a space that has limited leverage capabilities. Yichen, Ilkka and their exceptional team have already grown a strong and profitable foundation with an outstanding product, a clear vision and a voracious will to win. We are all very excited to be joining them on this journey."

Even though based in Helsinki, Finland, most of the company's clients are based in other countries. "As a regulated entity, we work mostly with large international financial organisations. The global nature of digital assets enables us to be a global leader in finance while being in Helsinki. The supportive start-up ecosystem, collaborative & understanding regulators, and amazing public infrastructure have contributed to the company's success tremendously", comments **Mr. Wu**.

About Tesseract

Tesseract is a diversified financial services and investment management innovator in digital assets, powered by world-class technology. Founded in 2017, Tesseract is a forerunner in the ever-evolving digital asset sector and has multi-disciplinary expertise in providing industry-leading solutions in investments, portfolio management, capital markets operations, and blockchain technology. A high-growth, cash-flow positive operation, Tesseract manages hundreds of millions in assets for its customers, is regulated by the Finnish Financial Supervisory Authority, and operates globally.

About Augmentum Fintech

Augmentum invests in fast growing fintech businesses that are disrupting the financial services sector. Augmentum is the UK's only publicly listed investment company focusing on the fintech sector in the UK and wider Europe, having launched on the main market of the London Stock Exchange in 2018, giving businesses access to patient capital and support, unrestricted by conventional fund timelines and giving public markets investors access to a largely privately held investment sector during its main period of growth. Their portfolio includes Tide, Onfido, ParaFi, interactive investor, Grover, and Volt.

About BlackFin Capital Partners

BlackFin Capital Partners is a fully independent private equity and venture capital firm focused on financial services in Europe. BlackFin manages 3 buyout funds and 1 venture fund (BlackFin Tech) for a total of €1.8bn under management.

Since its final closing in 2018, BlackFin Tech invested in 15 of the fastest growing European fintechs and insurtechs.

BlackFin Capital Partners's 40 investment professionals are spread across 3 offices in Paris, Brussels, and Frankfurt.

About Coinbase Ventures

At Coinbase, we're committed to creating an open financial system for the world. We can't do it alone, and we're eagerly rooting for the brightest minds in the crypto ecosystem to build empowering products for everyone.

We provide financing to promising early stage companies that have the teams and ideas that can move the space forward in a positive, meaningful way.

We're taking a long term view of the space, and we believe that multiple approaches are healthy and good. Our goal is simply to help the most compelling companies in the space flourish.

About Concentric and Investor Comments

Focusing on the European technology space, Concentric invests between €0.5 - 5m over the life of an early-stage growth company. As managers we are substantially invested in the partnership and are therefore incentivised to be pro-active, resourceful and hands-on. We don't have all the answers but take pride in being able to support like-minded entrepreneurs, whose ambitions, ideas and integrity we identify with.

"We will increasingly see digital assets appear on the balance sheet of institutional investors, and that will bring huge demand to use those as collateral to obtain fiat currency," comments **Alexander Mann**, Principal at Concentric. "The sector looks set to grow by as much as five-fold over the next few years and Tesseract is perfectly positioned to capitalize on this demand, acting as the plumbing between borrowers and lenders. We have been hugely impressed

by the energy and ambition of the management team and look forward to supporting them as they play a leading role in facilitating the crypto revolution.”

About DN Capital

DN Capital is a leading European early stage venture capital firm with operations in London, Berlin and Silicon Valley. The firm focuses on Seed, Series A and select Series B investments in software, fintech, marketplace, consumer internet and digital health companies. DN Capital’s mission is to support entrepreneurs in creating global category leaders. DN was an early backer in companies such as Shazam, Endeca, Auto1, Remitly, Go Student, Job and Talent, OLX, Brigit and Quandoo.

About Icebreaker.vc and Investor Comments

Icebreaker.vc is an early-stage VC focused on idea-stage teams in Finland, Sweden and Estonia. Icebreaker invests €150-800K in teams with deep domain expertise and ambition to build globally competitive tech companies.

“The Tesseract team with Yichen at the helm has done an amazing job for three years moving fast and building a very strong product. It has not been a straight line. The key thing that comes to mind from their work is honesty: if something doesn't seem to work they notice it immediately and take action. It's also why we're very happy to be able to continue to invest in the team”, comments **Riku Seppälä**, General Partner at Icebreaker.vc.

About Jabre Capital Partners Family Office

Jabre Capital Partners Family Office has been investing in long-term secular trends in private markets since 2015. Key sectors of focus include FinTech, Crypto, Big Data and Interactive Gaming. The division invests directly in companies from seed stage to pre-IPO as well as in global funds.

About LeadBlock Partners and Investor Comments

LeadBlock Partners is a blockchain focused venture capital fund investing in data-driven start-ups, based in London and Paris. The fund investment philosophy is based on a collaborative approach, leveraging its extensive network of industry partners and sectors expertise to support founders. Key sectors of focus include Fintech, Ag/FoodTech, EnergyTech. Their portfolio includes Bitpanda, Connecting Food, and Direct Market.

David Chreng-Messembourg, General Partner and Co-Founder of LeadBlock Partners commented on the investment: “While the digital assets market remains retail-driven, the rapid institutional adoption is highlighting the need for more robust infrastructure to serve an increasingly sophisticated investor base. The attractive return opportunities in digital assets has attracted institutional capital inflows, including growing interest from US hedge funds Millennium, Point72, and Matric Capital.

“We view independent digital assets lending platforms as the next leg of necessary infrastructure for an institutionalisation of the digital assets market, and believe Tesseract is well positioned to become the go-to credit platform. We are excited to partner with the Tesseract team in this journey”

About Sapphire Ventures

Sapphire Ventures is a leading venture capital firm that partners with visionary teams and venture funds to build companies of consequence. For nearly two decades, Sapphire has been investing capital, resources and expertise in

innovative startups and technology-focused venture funds around the world. With more than \$6.8B in AUM across Sapphire Ventures, Sapphire Partners and Sapphire Sport, and with team members in Austin, London, Palo Alto and San Francisco, Sapphire is well-positioned to help scale companies and venture funds, elevating them to become global category leaders. To learn more about Sapphire Ventures, visit: <https://sapphireventures.com/>.

About Wintermute

Wintermute is a leading algorithmic trading firm that is focused on the innovative digital asset markets and is building the future of finance while also empowering its employees to act like owners and achieve more than it's possible elsewhere.

About Woorton and Investor Comments

Woorton is one of the largest digital asset market makers in Europe, and the first in France. Launched by former traders featured in Forbes 30 Under 30, Woorton brings innovative proprietary technology to digital asset exchanges and thrives to provide the most efficient execution, making markets more fair and accessible for all. While maintaining exponential growth, Woorton has been investing in key players of the digital asset trading ecosystem to support its development and reach throughout the world.

Charlie Meraud, Co-Founder & CEO of Woorton commented: "Optimizing our balance sheet has been the key of our success for the last 4 years allowing us to offer the most competitive credit lines of the market for institutional investors diving into digital assets. Supporting the growth of a pure player like Tesseract and entering into a strategic partnership with this outstanding team was a no brainer for us."

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