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Company:  SYGNUM

Subsector: Investing & Trading Infrastructure

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## Transaction Overview

On January 25, 2024, Swiss-based global digital asset bank, Sygnum, raised \$40 million in a strategic growth round, valuing the company at over \$900 million post-money. The round is led by global asset manager, Azimut Holding, and is joined by other new and existing strategic and financial investors.

## Company Description

Sygnum is a Switzerland and Singapore-focused digital asset bank serving high-net-worth individuals, institutional investors, banks, corporates, and DLT foundations. Their service offering includes digital asset banking, asset tokenization, asset management, custody, staking, trading, and lending. By the end of 2023, Sygnum achieved an annualized revenue run rate of \$100 million and reached positive cash flow in Q4 2023. The company disclosed \$3.5 billion in AUM in the same year, an increase from \$2 billion at the end of 2021. The client base also grew from 1,000 at the end of 2021 to 1,700 by the end of 2023.

The company has ~260 employees and operates in Singapore, Switzerland, UAE, and Luxembourg, with a client base from over 60 countries. Sygnum is licensed as a banking and securities dealer by Switzerland's FINMA and holds a CMS license from the Monetary Authority of Singapore. In June 2023, it received in-principle approval for a Major Payments Institutional Licence from the Monetary Authority of Singapore. Sygnum expanded to Luxembourg in December 2022 and acquired Financial Services Permission from Abu Dhabi's ADGM FSRA in March 2023. Some notable clients include large Swiss banks such as PostFinance, Zuger Kantonalbank, and Luzerner Kantonalbank.

Sygnum also has a venture capital arm with a \$75M fund that has invested in nine early-stage crypto companies.

## Funding

Sygnum has raised \$40 million in its strategic growth round at a \$900 million post-money valuation. The company now has several financial and strategic investors such as Azimut Holding, Sun Hung Kai & Co., Meta Investments, Animoca Brands, Wemade, SBI Holdings, SCB 10X, and others.

Funds from this financing round will increase Sygnum's presence in new global markets and enable quicker regulated product development, like its B2B (bank-to-bank) platform. This platform is currently utilized by more than 15 banks and financial institutions worldwide for cryptocurrency services.

In January 2022, Sygnum raised \$90 million in their Series B at a post-money valuation of \$800 million led by Sun Hung Kai & Co. Previous funding details were not disclosed.

## Competition

Sygnum competes with others in the digital assets banking space. Some competitors include SEBA Bank and Bitcoin Suisse.

## Architect Partners' Perspective

As we discussed in our [2023 year-end report](#), financings overall were muted in the past 12 months, and the malaise was more pronounced in mid-sized financings (\$25-\$75M) like Sygnum. It is our understanding that Sygnum has been in the market for nearly a year and finally gained traction as the overall crypto trading volumes (and the attached revenues) rose from the trough in Q4.

The Swiss regulator, FINMA, is under extreme pressure due to the Credit Suisse implosion, and we believe granting new crypto bank licenses is not a priority. As one of only 2 licenses granted in Switzerland, the value of the license itself can be driving a slight uptick in valuation along with a general improving sentiment of the market. We view the valuation at the top end of the range, but caveat that we do not have full information on their revenues.

While it's not a milestone in the capital raising environment, it is a nice marker that things may be opening up to average flows.

## Sources

[PitchBook](#), [Company Website](#), [Press Release](#)