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Company: **HASKEY**
GROUP

Subsector: Brokers & Exchanges

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Transaction Overview

On January 15, 2024, Hong Kong-based digital asset financial services firm, HashKey Group, raised \$100 million in a Series A funding round, valuing the company at over \$1.3 billion, with investments from undisclosed strategic partners, institutional backers, and Web3 entities which include OKX Ventures.

Company Description

HashKey Group, based in Hong Kong with 120 employees, is an institutional-focused exchange and venture capital investor.

Founded in 2018, HashKey Exchange & Custody offers a suite of crypto capabilities to Asian institutional investors including brokerage services, trading services, staking infrastructure that supports over 40 chains, and Multi-Party Computation (MPC) based custody capabilities. HashKey Exchange, their largest business, is a crypto asset exchange regulated by the Hong Kong Securities and Futures Commission, with 155,000 registered users and a daily trading volume of \$630 million for the past month. HashKey Exchange also offers a brokerage service for accredited investors, providing secure crypto asset trading with a minimum size of \$100,000, such as USDT/USD and BTC/USD pairs.

HashKey has also announced several products intended to support the emergence of so-called Web 3.0 DApps. These include HashKey DID (Digital Identify), a digital wallet named HashKey Me, and a software developer support effort named HashKey Hub.

Founded in 2015, HashKey Capital manages venture capital fund investing in blockchain projects, including tokens and equity, from pre-seed to Series B. They have \$1B+ assets under management across 3 funds. Significant investments include dYdX, FalconX, Animoca Brands, Polkadot, and many others, totaling 268 total investments according to PitchBook.

Funding

HashKey's first publicly disclosed funding is this Series A financing although prior funding is implied. HashKey failed to disclose specific investors, rather opting for more generic descriptions of types of institutions, other than OKX Ventures. OKX Ventures is a \$100M fund owned by OKX, the large crypto exchange. They have 142 active companies in their portfolio today, according to Pitchbook. Post-money valuation of this financing is over \$1.3B.

The new capital will be used to enhance HashKey's Web3 ecosystem, expand its Hong Kong-licensed business products, and support global growth in compliance with regulations. This follows the company's acquisition of a Capital Markets Services (CMS) license from the Monetary Authority of Singapore (MAS).

Competition

HashKey Group competes with a broad array of other crypto brokers and exchanges such as OKX, Bithumb, Binance, Kucoin, Bitstamp, and Crypto.com among others. HashKey's Web 3.0 DApp efforts are designed to complement building products on a variety of blockchains, complementing those efforts more than competing directly.

Architect Partners' Perspective

Can you say Deja Vu?

Crypto asset investment platforms bear a striking resemblance to traditional investment platforms and asset managers. One may reasonably conclude that they are fundamentally a crypto assets specialized version of Robinhood, TD Ameritrade, Fidelity, and others of that ilk.

Growth will driven by regulatory clarity, the evolution and maturation of the investment theses for specific individual crypto assets (also referred to as tokens), new products like the recent Bitcoin ETFs and futures markets, the broadening of investor participation, and perhaps most importantly, the building of trust and confidence in the legitimacy of both the asset class and the companies and projects that support the industry.

Sources

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