

Gemini raised \$400M to become the financial gateway to the metaverse

Article

The news: The US-based crypto exchange reached a **\$71 billion valuation**, and it will use the funding to expand globally and facilitate access to the **metaverse espoused by Meta** (formerly Facebook). This is unsurprising—its founders, the **Winklevoss twins**, have an infamous rivalry with Zuckerberg.

What it's appeal? Launched in 2015, Gemini has grown fast because it eases both retail and institutional investors' exposure to cryptos.

- The exchange **supports more than 60 cryptos and holds over \$30 billion under custody** thanks in part to expanding its services beyond trading.
- **Gemini Earn**, which lets users earn up to 7.4% APY by lending cryptos to institutional borrowers, **has originated more than \$4 billion in loans** since its February launch. **Gemini Credit Card**, which will offer real-time crypto rewards, **has a 360,000-person waiting list**. And **Nifty Gateway**, the NFT marketplace it acquired in 2019, has processed **more than \$420 million in sales**.
- Gemini stands out from competitors by taking a compliance-first approach to growth. It was **the first regulated exchange in the US** and one of the first **five** exchanges registered in the UK. **Coinbase** and others, meanwhile, are better **known** for finding themselves in the regulatory crosshairs.

Looking ahead: Despite the high valuation, Gemini has a smaller user reach than its crypto peers, which puts it at a disadvantage as they all race to become the financial gateway to the metaverse.

- Coinbase also plans to build out its crypto wallet beyond trading so users can interact with metaverse-linked products like DeFi solutions and NFTs. The exchange is starting in pole position: **61.8% of mobile phone users in the US and UK** used Coinbase to buy cryptos as of March, compared with just 8% for Gemini. And its NFT marketplace's waiting list, expected to launch before the end of this year, **surpassed 1.5 million people** within two days of being announced.
- **FTX**, which was founded two years after Gemini, reached an **\$18 billion valuation** this summer and is also planning to expand its reach into the metaverse. And **Consensys** just raised **\$200 million** to the same effect and can count on institutional backing from the likes of **HSBC** and **JPMorgan**.

Platforms Used to Buy Cryptocurrencies According to Mobile Phone Users in Great Britain and US, March 2021

% of respondents

Coinbase

61.8%

Etoro

12.8%

Gemini

8.0%

Kraken

7.0%

Coinmama

6.0%

Swan Bitcoin

5.8%

Uphold

5.8%

MetaMask

4.5%

MyEtherWallet

4.4%

Coinsquare

3.9%

Coinberry

3.7%

CEX.io

3.2%

Other

24.3%

Source: *Measure Protocol*, March 26, 2021

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