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Cosmos-based DEX Osmosis raises $21M from a consortium of investors

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Osmosis joins investment firm Paradigm's other DeFi portfolio members such as Maker, Synthetic, Uniswap, Optimism, FTX, Coinbase and BlockFi.

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Osmosis, a decentralized exchange, or DEX, on the Cosmos blockchain, raised $21 million dollars in a token sale led by VC fund Paradigm along with a consortium of investors that includes Robot Ventures, Nascent, Ethereal and Figment.

Osmosis allows developers to build customized automated market makers, or AMMs, with sovereign liquidity pools. The DEX uses a native token called OSMO for governance and staking, and currently contains a total of $544 Million.

The project alleges to provide superfluid staking and instant block confirmation. Superfluid staking lets liquidity holders stake their LP tokens to earn pro rata staking rewards in OSMO. This gives token holders the ability to compound staking and liquidity yields while keeping the network secure. Instant block confirmations create Miner-Extractable-Value, or MEV resistance, which keeps traders from cherry-picking transactions on the network.

Paradigm, an investment firm known for its focus on DEX platforms, brings Osmosis into its DEX portfolio alongside Maker, Synthetic, Uniswap, Optimism, FTX, Coinbase and BlockFi. The company's stake in Osmosis is its first investment into the Cosmos ecosystem. All of its other holdings have been in Ethereum-based DEX platforms.

"Osmosis is our first AMM investment outside of the Ethereum ecosystem. The Osmosis contributors are a world-class team of engineers, product innovators, and operators bringing the right product to market at exactly the right time," stated Charlie Noyes, investment partner at Paradigm:

"The launch of IBC, Cosmos' cross-chain interoperability protocol, kicked off a Cambrian explosion of developer activity and experimentation. Osmosis is the natural center of gravity for liquidity in Cosmos' emerging Defi ecosystem."

The platform's successful fundraise follows the rise in its traffic growth since the launch of its new Inter-Blockchain Communication Protocol in March. The new protocol allows for digital assets to be transferred between chains in the network. Osmosis has had the largest number of token transfers through the IBC protocol in the last month.

The main design concept behind the Cosmos blockchain is an "Internet of Blockchains," according to the project's whitepaper. The Cosmos Network is made up of its main chain, called the Cosmos Hub, which is the backbone to a network of decentralized, interconnected blockchains that includes the Binance Smart Chain.