

From: Richard Kahn <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

Subject: Coinbase

Date: Wed, 31 Jan 2018 19:09:35 +0000

Inline-Images: image001.png

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Begin forwarded message:

From: W Bradford Stephens <[REDACTED]>

Subject: Update on our offer

Date: January 31, 2018 at 2:08:31 PM EST

To: Richard Kahn <[REDACTED]>, Darren Indyke <[REDACTED]>

Cc: P Bart Stephens <[REDACTED]>, Spencer Bogart

<[REDACTED]>

Darren and Rich,

We are writing to let you know that our offer to buy 50% of the Coinbase position at a \$4b valuation (~\$14.667m) is still valid for 24 hours. However, after that time period, we will need to re-visit valuation.

There have been a few material changes to the market and to the competitive landscape within the last few days:

Aside from the crypto market being down 40-60% in the past few weeks, we have heard from two of our portfolio companies this week, who are competitive to Coinbase, that they have seen a dramatic downturn in their revenue and profitability so far in 2018.

And, we have seen two new formidable competitors emerge into the market to compete directly with Coinbase: Robinhood and one yet-to-be-announced mega-merger.

We still want to purchase the Coinbase position as a core holding for our new 4th Fund, but the fundamentals of the market have changed a lot.

We will still honor our offer at the \$4b valuation for 24 hours, until 12pm PST, February 1st. But after that time, we will need to adjust valuations to reflect the changing dynamics of the market.

We are looking forward to hearing back and closing this transaction.

Brad

W. Bradford Stephens

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