

From: Jeremy Rubin <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
Subject: Re: Notes from the call
Date: Thu, 02 Aug 2018 11:27:42 +0000

Do you know the Coatue Management guy well? Phillipe laffont. They are one of the leads in the fundraiser.

I know their cryptocurrency guy (Yanda David) fairly well, I asked him if he knew if there's still space otherwise, but if you also know Phillipe [REDACTED] be a plus.

On Thu, Aug 2, 2018, 4:17 AM Jeremy Rubin <[REDACTED]> wrote:
Agreed.

Would much rather purchase the shares directly.

Let me see what I can do...

On Thu, Aug 2, 2018, 3:10 AM jeffrey E. <jeevacation@gmail.com> wrote:
ok, but in this case structure is the weak link , so need to see, you can end up with a document , and no shares

On Thu, Aug 2, 2018 at 2:51 AM, Jeremy Rubin <[REDACTED]> wrote:
- Structurally, I think we want to be able to pull our shares out of the SPV after their 'lockup period' rather than selling them (or selling the minimum amount to cover their carry). Don't want to pay tax if we can avoid it.
- Jihan is a strong businessman. He makes some mistakes I think, but he undoubtedly has built a major business.
- Bitmain also plans to court AI, which justifies a greater valuation in the future even if the crypto mining market becomes more competitive
- If/When it IPOs, it will be the best way for people who don't want to own bitcoin/crypto to get exposure to cryptocurrency.

I think it is a great company to nab some exposure to, and I think we should do it.

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[@JeremyRubin](mailto:JeremyRubin)

On Wed, Aug 1, 2018 at 8:31 PM Vincenzo Iozzo <[REDACTED]> wrote:
- They are going to send a summary of governance structure for the partnership and what happens to the shares
- Very open on governance of the LLC and can negotiate the fees with them
- technically they need a commitment by mid day tomorrow but they are trying to push it to end of the day on Friday
- we would basically have no voting rights on the company itself

Now on the company itself, the main concerns (some of the notes are mine) are:

- 1) No idea about the future cash from asics sales because demand fluctuates widely based on crypto prices
- 2) not entirely clear what they need the money for given what they already have on the balance sheet
- 3) They don't know what the capex is
- 4) Revenue split: 97% sales of asics and 3% is mining. "Traditional" players are allegedly getting into the market on the asics side and obviously if the hashing functions change their inventory could become worthless

Positive facts:

The revenue growth is stellar

The series B was done by Dst/GIC/sequoia and sequoia led their A

They are allegedly going to file the equivalent of an S-1 in August

If you are long crypto their balance sheet is very strong and they have investments in other companies in the space as well (Eg: circle)

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