

From: Vincenzo Iozzo <[REDACTED]>
To: J <jeevacation@gmail.com>
Subject: Re: summary on Coinbase
Date: Fri, 05 Oct 2018 13:27:21 +0000

I will as soon as I get them, but yes same concern it does sound high.. Will circle back as soon as i have the docs

Sent from my Iphone

On Oct 5, 2018, at 21:25, J <jeevacation@gmail.com> wrote:

can you send docs? sounds high

On Fri, Oct 5, 2018 at 9:22 AM Vincenzo Iozzo <[REDACTED]> wrote:

This is the summary i sent to somebody else fyi

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Yes, it's one of the biggest one ([REDACTED]).

I have mixed feelings, I think that of all the exchanges out there it is probably the best one and the most above board one (maybe together with Gemini).

The mixed feelings part is about the future, you can argue that to justify the valuation (\$8bn) what has to happen is a big uptick in usage.

This uptick should either happen from institutional investors or consumer. The negative view on this goes as follows:

their institutional platform is (again) one of the best ones today but it's not really hard to replicate. On the consumer side, if usage does take up then banks are going to get into it and it's unclear whether people will still buy from Coinbase. As an example Citi declared that they are going to issue the equivalent of ADR for bitcoin.

The positive narrative says that institutions or consumers usage will spike and Coinbase will get at least some of that and then they could either go public or be a quick acquisition for a bank that wants to get into crypto but has nothing built yet.

This is a long way of saying that I'm not concerned too much about regulation (if anything I think it's a positive for Coinbase) but I'm concerned about price. I think at \$1bn it would be a very good buy, at \$8bn I'm not entirely sure.

That said, Tiger is leading the round so maybe there are good provisions in the deals that take the above into account. As far as I know the business generates a lot of cash flow and profit, so it might be that tiger will have something to cover the investors on the way down

My summary is: if Tiger has good provisions it is probably a good deal but it is on the expensive side (by comparison Nasdaq's market cap is \$14bn)

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please note

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