

To our shareholder:

Since 2012, our mission is to increase the economic freedom in the world for everyone. We want that everyone can create a better life for their families and themselves. Now, nearly a decade later we are proud to have created a trusted platform for the cryptocurrency economy.

This past year has been challenging for us all, we have been exceeding expectations in this period. Going public this year is a huge milestone for us since we are the first of our kind to do so. Taking this risk and turning it into an opportunity, whilst continuing to provide the best possible service in the industry. This has been a rewarding journey as we are able to exceed customer satisfaction and at the same time, doubling our revenue growth, with new highs in the stock market.

Although our main revenue stream is from transactions, revenue from other platform services is increasing at a high rate which is proof that our investments in complimentary services to our platform are highly appreciated by our clients. 30% of our users are already using our all-around package and this number is steadily increasing every day.

Seeing that more and more clients are using the full package of our platform and services, we were continuously working on ways to make the experience even better and financial decisions easier and more accessible. Therefore, we are excited to announce that more additional services will be added next year that gives our clients more financial freedom going forward.

The cryptocurrency industry has been quite volatile this year, but we were able to ride the highs and were able to keep a steady performance throughout the downturns, which is the reason for our incredible performance.

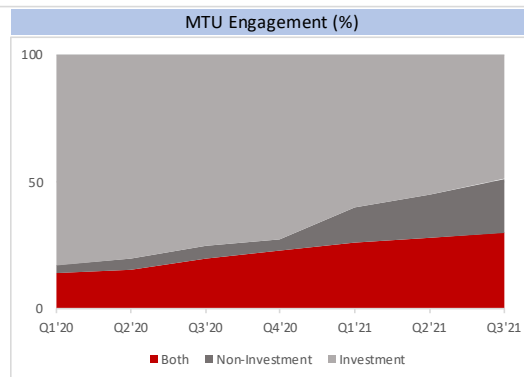
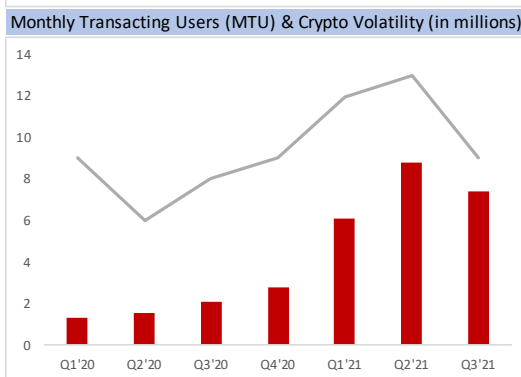
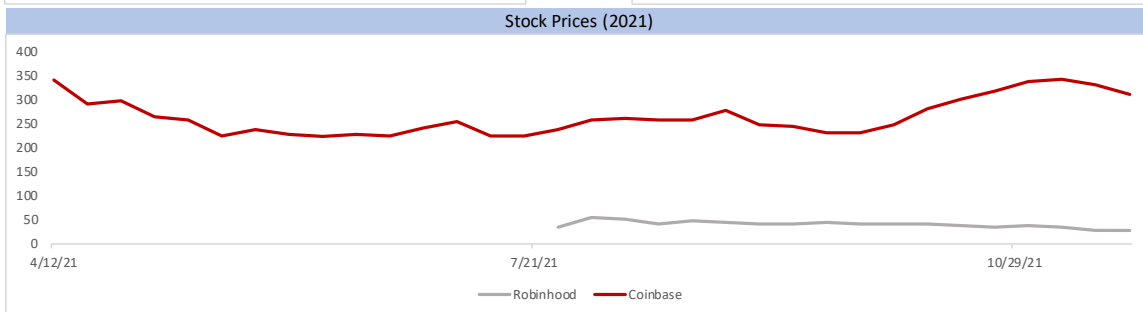
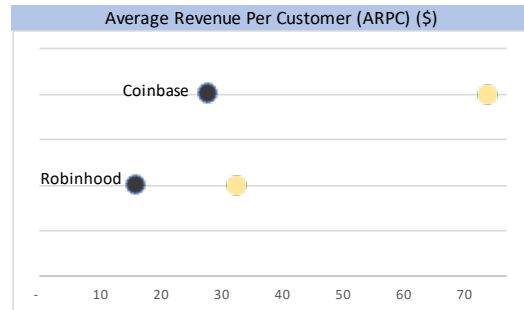
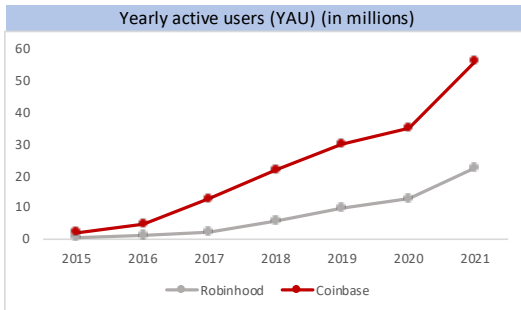
We were able to triple our monthly transacting users this year who trusted our platform and services. Our performance is closely connected to the volatility of the cryptocurrency landscape; therefore, we will focus on increasing our offer in terms of services and coin and investment options. Improvement in this area will increase our user numbers as well as it will let us capture a bigger daily transaction value and average revenue per customer.

Many of our competitors are planning to follow our footsteps and go public, however they are not able to take over our U.S. market share. We will continue to be transparent with our investors and shareholder and continue to develop better solutions for our client.

For all of these reasons, Coinbase is currently in a dominant position and has concrete plans on achieving long-term sustainable growth.

Sincerely,

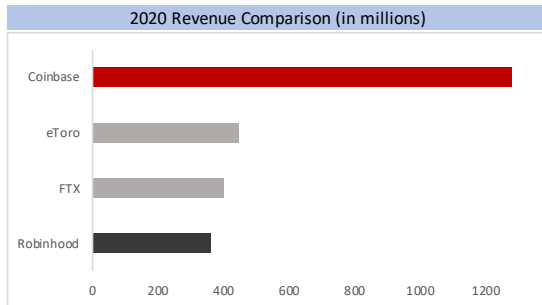
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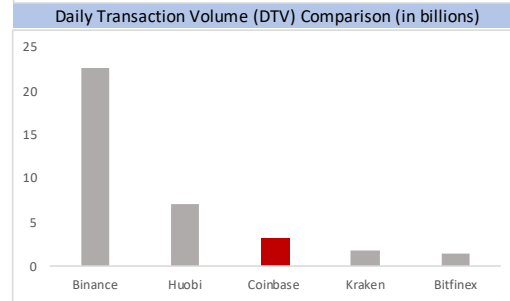
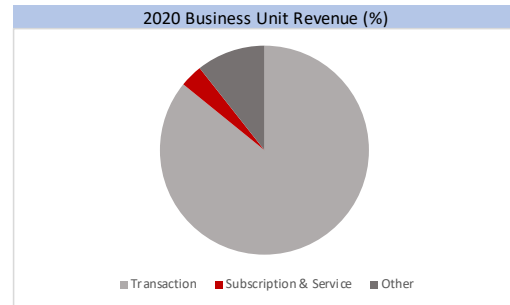
> strong stock price performance but do not yet have a direct competitor public to compare the performance  
 >> strong competitor is planning to go public and keeps all financial and key performance metrics undisclosed till then, huge gamble  
 >>> advantage over other competitors is the willingness to disclose information from before going public, transparency

> good customer service which explains the surge in new users throughout the year  
 >> more new members through the improvement of combining investment and non-investing services  
 >>> higher percentage of users are starting to use investing & non-investing services which could increase revenue if more and more valuable services get added, similar to what other competitive platforms offer  
 >>>> MTU's are still tremendously connected to the market volatility; disconnect that for to increase a steady income flow by recurring customers users only go for cryptocurrency related investments to the platform but a broader base has to be established by including more cryptocurrencies

> coinbase as well as the MTUs are connected to the volatility of the market and are doing well since bitcoin is doing well; bitcoin might see a fall in the near future and they need to disconnect if they want to stay on top  
 >> next to offering crypto and fiat currencies they might need to expand their offering to equities or other options so that they get less dependant



Financial Highlights			
	2019	2020	% Δ
Revenue	533,735	1,277,481	139%
Cost of Revenue	82,055	135,514	65%
Operating Expenses	482,067	819,650	70%
Profit/Loss	(30,387)	322,317	961%
Sales per Share	2.6	6.21	139%



>although in terms of revenue coinbase outperforms its competitors, they have a pretty low transaction volume and occuring revenues from that  
 >> this shows, that there might be more potential in creating more additional services like their competitors which should result similar precentage returns as for the competitors; planned services for upcoming year will improve %revenue for this business unit

>need to drive transaction volume to platform; services around the whole crypto process will make potential customers from competitors switch  
 >>competitors are make high investments and acquisitions to keep customers on their platform  
 >>> better fee structure for recurring users, more coin offers, etc.

Pitchbook and Financial Reports

Letter

<https://www.coinbase.com/mission#:~:text=Our%20mission%20is%20to%20increase,for%20themselves%20and%20their%20families.>

Dashboard

<https://www.meritechcapital.com/blog/coinbase-ipo-s-1-breakdown>

<https://bradotto.medium.com/coinbase-s-1-teardown-71b7a987d9a3>

[https://s27.q4cdn.com/397450999/files/doc\\_financials/2021/q3/Coinbase-Q321-Shareholder-Letter.pdf](https://s27.q4cdn.com/397450999/files/doc_financials/2021/q3/Coinbase-Q321-Shareholder-Letter.pdf)

<https://www.businessofapps.com/data/coinbase-statistics/>

<https://www.businessofapps.com/data/etoro-statistics/>

<https://www.businessofapps.com/data/binance-statistics/>

<https://www.businessofapps.com/data/robinhood-statistics/>

	Adj Close Robinhood	Adj Close Coinbase
4/12/21		342.00
4/19/21		291.60
4/26/21		297.64
5/3/21		263.70
5/10/21		258.37
5/17/21		224.35
5/24/21		236.54
5/31/21		228.79
6/7/21		223.92
6/14/21		229.29
6/21/21		224.54
6/28/21		240.72
7/5/21		253.88
7/12/21		225.01
7/19/21		224.92
7/26/21	35.15	236.58
8/2/21	55.01	258.26
8/9/21	50.63	261.25
8/16/21	42.64	257.32
8/23/21	46.87	259.12
8/30/21	43.35	278.44
9/6/21	41.17	248.32
9/13/21	42.38	245.19
9/20/21	44.91	231.82
9/27/21	41.90	231.15
10/4/21	41.78	248.14
10/11/21	41.03	280.61
10/18/21	39.59	300.84
10/25/21	34.97	319.42
11/1/21	37.01	337.05
11/8/21	35.21	342.98
11/15/21	28.99	332.55
11/22/21	27.98	312.38

