BLOCKCHAIN CAPITAL, LLC

CCP II, LP

OCTOBER 2015



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TECHNOLOGY THOUGHT-LEADERS ARE CONVINCED



Bill Gates:

"Bitcoin is better than currency…a technological tour de force."



Ben Bernanke

"[Virtual Currencies] may hold long-term promise, particularly if the innovations promote a faster, more secure and more efficient payment system."



Eric Schmidt

"Bitcoin is a remarkable cryptographic achievement and the ability to create something that is not duplicable in the digital world has enormous value."



Milton Friedman (1999)

"I think the Internet is going to be one of the major forces for reducing the role of government… The one thing that's missing, but that will soon be developed, is a reliable e-cash"



Peter Thiel

"I do think Bitcoin is the first encrypted money that has the potential to do something like change the world."



Al Gore

"I'm a big fan of Bitcoin…Regulation of money supply needs to be depoliticized"



David Marcus (former CEO PayPal)

"I really like Bitcoin. I own Bitcoins. It's a store of value, a distributed ledger. It's a great place to put assets."

INCUMBENTS EMBRACING THE BLOCKCHAIN

NASDAQ - partnered with Chain to launch private company exchange

"As blockchain technology continues to redefine not only how the exchange sector operates, but the global financial economy as a whole, NASDAQ aims to be at the center of this watershed development," - Robert Greifeld, NASDAQ CEO,

Citi - launched "Citicoin" project

"Blockchain technology not only has an opportunity to transform financial services but also extend far beyond payments to new use-cases and applications across industries," - Debby Hopkins, Chief Innovation Officer at Citi

Santander - published: "Fintech 2.0 Paper: Rebooting Financial Services"

"Blockchain technologies could reduce banks' infrastructural costs by $15-20bn a year by 2022"

Standard Chartered

"The banking industry is starting to see the many potential benefits of its underlying technology. For banks, the blockchain has the potential to become a technology model for a low-cost and transparent transaction infrastructure." - Anju Patwardhan, Chief Innovation Officer

Royal Bank of Scotland - announced a $3.5 Billion technology revamp over next 3 years

"I don't know what's going to succeed. What I'm certain of is that we are going to see blockchain solutions, peer-to-peer solutions emerging in our industry and we want to be close to that development." - Simon McNamara, Chief Administrative Officer at RBS

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THREE TECHNOLOGY EVOLUTIONS OF DISRUPTION



The PC Era

Semiconductor Technology

intel

Microsoft

The Internet Era

TCP/IP Protocol

Google

amazon

facebook

ebay

The Blockchain Era

Bitcoin Protocol

coinbase

itBit

chain

ChangeTip

ripple

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EXPERIENCED TEAM IN INVESTING

	BART STEPHENS	BRAD STEPHENS	BROCK PIERCE	PAUL STEPHENS
EXPERIENCE	• Stephens Inv. Mgmt. • Ivanhoe Capital • E*Trade Group • Princeton	• Stephens Inv. Mgmt. • Fidelity Ventures • CSFB • Furman Selz • Duke	• Chairman of the Bitcoin Foundation Board • Founded 15x Startups • Raised > $200M • Invested in > 25x Startups	• Robertson Stephens & Co. • RS Investments • Duke Endowment • UC Berkeley Endowment
RECOGNITION	#2 U.S. Long/Short Hedge Fund* $500 Million AUM 2.5x Venture Fund, 11.5% IRR		Founded 8 crypto currency startups and often referred to as the "father of digital currency"	40 Years in Silicon Valley Investment Management and Banking

Leaders in Technology Investing

Incubated and Founded Dozens of Startups

100's of Silicon Valley Investments

*Absolute Return Magazine 2004

SUCCESSFUL TRACK RECORD OF HOME RUNS

PRIVATE		
RelateIQ	2014	**25.0x**
ValueClick	2004	**8.1x**
sina	2008	**6.9x**
RUPTURE	2008	**5.0x**
ADDEPAR	2014	**TBD**

(7 IPOs and 13 Acquisitions)

PUBLIC		
tencent.com	2014	**77.0x**
illumina	2009	**39.0x**
US AUTOPARTS	2010	**4.6x**
ISILON SYSTEMS	2011	**5.1x**
NCSOFT	2007	**3.4x**

(17 Public Acquisitions)

Private and Public Exits through Multiple Market Cycles

BROCK PIERCE - CHAIR OF THE BITCOIN FOUNDATION

INDUSTRY LEADER AND SPOKESPERSON

Money 20/20

Milken Institute

Singularity University

WIRED

TNABC

CoinSummit

Inside Bitcoins – the future of virtual currency

The Montgomery Summit 2015 – Powered by Macquarie

SERIAL ENTREPRENEUR

- **IGE** (2001-2007) - **Merged with ItemBay**
- **Zam** (2004-2012) - **Sold to TenCent**
- **IMI Exchange** (2004-Present)
- **Xfire 2.0** (2011-Present)
- **Playsino** (2011-Present)
- **GoCoin** (payment processor)
- **Blade Financial** (Bitcoin debit card)
- **Coin Congress** (conference)

Repeat Entrepreneur and Digital Currency Visionary

PARTNERS AND ADVISORY BOARD

ALISON DAVIS*	I	Director: Royal Bank of Scotland, XOOM, Fiserv and First Data
MARY CRANSTON	I	Director: VISA, ex-CEO and Chair of Pillsbury Winthrop
TERRY SCHWAKOPF	I	EVP: Federal Reserve Bank of San Francisco, banking supervision
MICHAEL MCADAM	I	CFO: Union Bank (Mitsubishi UFJ Financial Group)
SIMON MCNAMARA	I	CTO: RBS, ex-CIO of Standard Chartered, BNP and Deutsche Bank
VINNY LINGHAM	I	CEO: Gyft (acquired by First Data)
BOBBY LEE	I	CEO: BTC China
NICCOLO DE MASI	I	CEO: Glu Mobile
STEVE BEAUREGARD	I	CEO: GoCoin
CHRIS PALLOTTA	I	Special Advisor: MIT Media Lab, Partner: Raptor Capital
MATT OCKO	I	Partner: Data Collective
WILL O'BRIEN	I	Co-founder: BitGo
CHARLIE LEE	I	Coinbase, Founder of Litecoin

* Chairman of the Advisory Board

Built a robust team of Advisors and LPs from the Blockchain ecosystem

CRYPTO CURRENCY PARTNERS I, LP



The First Dedicated Bitcoin Venture Fund - 30 Investments, Fully Deployed

CRYPTO CURRENCY PARTNERS II, LP



Current portfolio - both contributed and new investments

PIPELINE & PROCESS

600+ Business Plans

CONSUMER
- Exchanges
- Remittance
- Digital Wallets

INFRASTRUCTURE
- Side Chains
- Blockchain Apps
- Mining

ENTERPRISE
- Multi-sig workflow
- Payment Gateways
- Financial Tools

200+ Meetings

- Deep Global Domain Knowledge
- Extensive Networks
- Proprietary Deal Flow
- Primary Investigative Due Diligence
- Exhaustive Management/Industry Interaction

37 Portfolio Companies

- Recruiting
- Business Development
- Capital Introduction
- M&A

HISTORIC VENTURE RETURNS

ACTIVE BLOCKCHAIN VENTURE INVESTORS



Blockchain Capital has co-invested with these leading VCs

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CCP II - 8 CONTRIBUTED INVESTMENTS

	DATE INVESTED	$ AMOUNT	DETAILS
BitGo	June '14	$75,000	Series A preferred
Coinsetter	December '13	$50,000	Converted to Series A at 1.5x
expresscoin	November '13	$25,000	Convert to Series A, $2.5m Cap
GoCoin	October '13	$100,000	Converted to Series A at 4.5x
Kraken	April '14	$70,000	Series A preferred
LedgerX	July '14	$50,000	Series A preferred
BitAccess	September '14	$25,000	Note discounted to Series A preferred
BitNet	October '14	$75,000	Series A Preferred
TOTAL		$470,000	(current value ~ $815,000... 1.7x)

General Partners contributed co-investments **at cost** to CCP II

CCP II - 12 NEW INVESTMENTS MADE

	DATE INVESTED	$ AMOUNT	DETAILS
PeerNova	September '14	$50,000	Converted to Series A preferred
BlockStream	October'14	$100,000	Series A preferred
ChangeTip	November '14	$250,000	Series A preferred
Bonafide	November'14	$50,000	Note discounted to Series A preferred
BitPesa	December '14	$100,000	Note discounted to Series A preferred
Coinbase	December '14	$200,000	Series C preferred
itBit	January '15	$250,000	Series B preferred
Ripple	March '15	$250,000	Series A preferred
ABRA	July '15	$100,000	Series A preferred
Stem	August '15	$250,000	Note discounted to Series A preferred
Chain	September '15	$250,000	Series C preferred
Gem	September '15	$250,000	Series A preferred
	TOTAL	$2,100,000	

CCP II - STRATEGY AND MAKE-UP

EXPOSURE	Diversified Sector-specific
FUND POSITION ALLOCATION	**50%** New CCP II investments **30%** Reserves for CCP II follow-on rounds **20%** Option to use CCP I's follow-on rights
INVESTMENT STRATEGY	Leverage our network and industry expertise to find investments that utilize Blockchain technologies and help these portfolio companies disrupt legacy industries.

Access to CCP's early seed deals as well as future deals

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CCP II - SUMMARY OF TERMS

FUND TARGET	$10-15M
TERM	6-8 Years
FEE/INCENTIVE	2.5% / 25%
GP CONTRIBUTION	+5% Fund or +$1m
INVESTMENTS	25 ($100k - $500k per deal)
STRUCTURE	4 x 25% capital calls, BTC Accepted

CCP II - SERVICE PROVIDERS

ADMINISTRATION / CFO	Kranz & Associates
LEGAL	Sidley Austin
TAX / AUDIT	Crawford Pimintel
BANK	Silicon Valley Bank
CUSTODIAN	Merrill Lynch
BTC VAULT	Xapo & BitGo

USE CASES FOR BLOCKCHAIN TECHNOLOGY

Financial and Records

Bitcoin Private Equities Bonds Public Equities

Shareholder Voting Remittance Crowd-funding

Spending Records Micro-payments Commodities

Trading Records Derivatives Mortgage/loan records

Digital Coupons Servicing records Micro-charity

Legal / Health / Education

Smart Contracts Signatures/identity Degrees

Wills Genome data Trusts Licensing

Medical Records Escrows Delivery records

Arbitration Grades Patents Copyrights

Certifications Academic Credits

Public Records

Land titles Birth certificates Vehicle registries

Business license Business Incorporation/dissolution

Business Ownership records Regulatory records

Criminal records Passports Death certificates

Voter IDs Building permits Health/safety inspections

Non-profit records Court records Gun permits Voting

Commercial / Media

HR Records Supply chain mgmt Accounting records

Business transaction records Software licenses

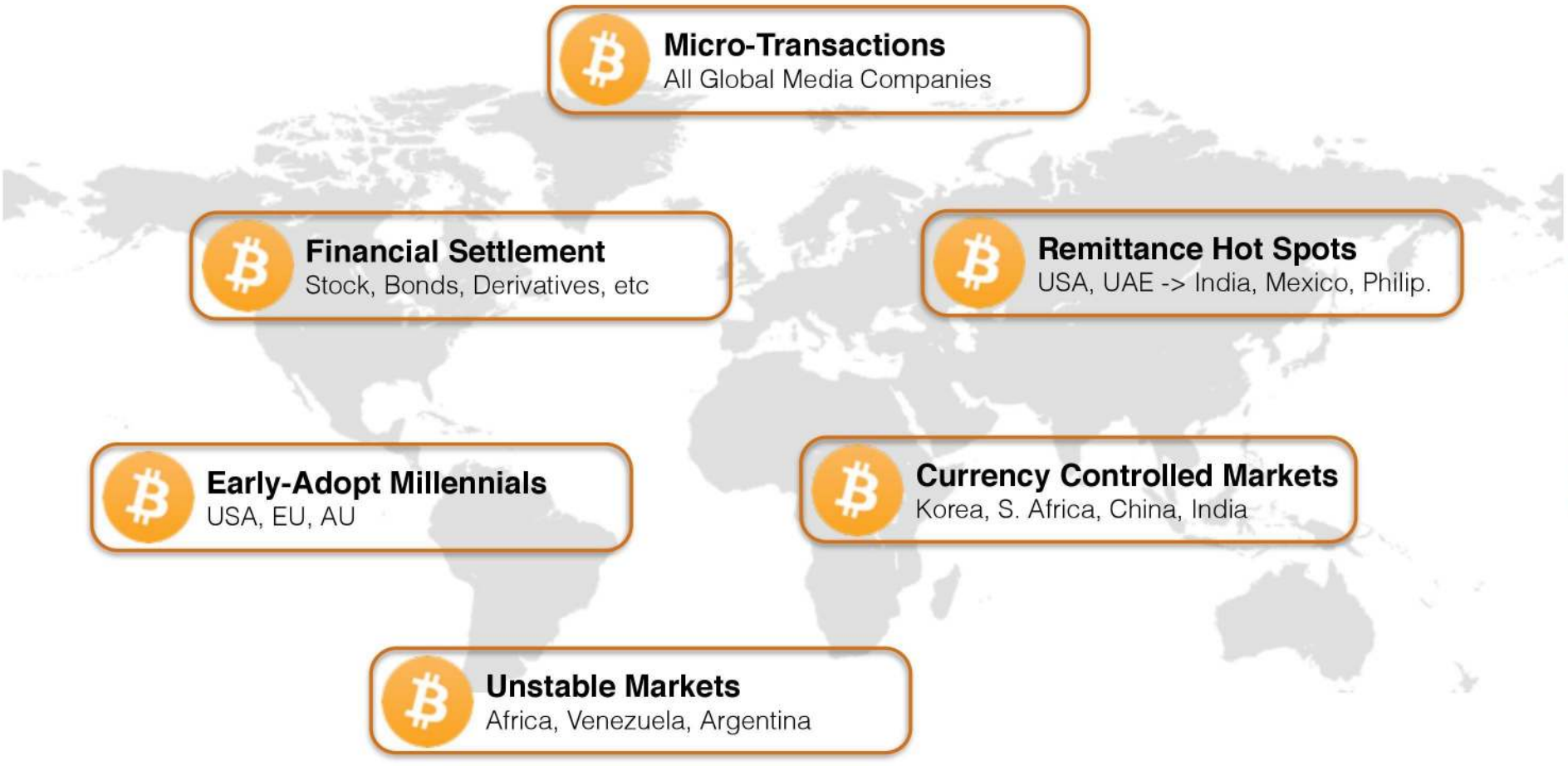
Trademarks Spam Filters Hotel room keys

Global trade network Loyalty Points Vouchers

Domain names Betting records Movie Tickets

DRM: Music/movie/book license GPS network identity

OPPORTUNITES FOR BLOCKCHAIN ADOPTION



INDUSTRY GROWTH: 2014 to 2015

Key Bitcoin Adoption Metrics

	Quarterly				Year Ago	
	June-15	March-15	Q2/Q1Δ	Q1/Q4Δ	June-14	Δ
Commerce						
Wallets	9,345,510	8,457,207	11%	14%	5,467,263	2x
Merchants	100,000	88,000	14%	7%	65,640	2x
Merchants' annual revenue ($bn)	187	187	0%	4%	30	6x
ATMs	426	374	14%	9%	126	3x
Unique bitcoin addresses	261,770	203,189	29%	29%	136,152	2x
Industry						
All-time VC investment ($m)	$832	$687	21%	50%	$252	3x
Number of VC-backed startups	113	105	8%	15%	58	2x
Media						
Mainstream media mentions	371	458	-19%	-10%	1035	-64%
Technology						
Network hash rate (billion/second)	351,177,610	346,028,956	1%	11%	104,506,281	3x
Valuation						
Bitcoin market capitalization ($bn)	$3.8	$3.4	11%	-22%	$8.0	-53%

Data sources and notes: CoinDesk, Blockchain.info, BitcoinPulse, Github, Coin ATM Radar. Figures are cumulative from start of records, except unique bitcoin addresses and media mentions, which are figures for the quarter ending that month. Number of VC-backed startups and VC investment unadjusted for closed companies: Melotic, Buttercoin, BitInstant, and TradeHill.

State of Bitcoin Q2 2015 CoinDesk 7

CASE STUDY: ChangeTip

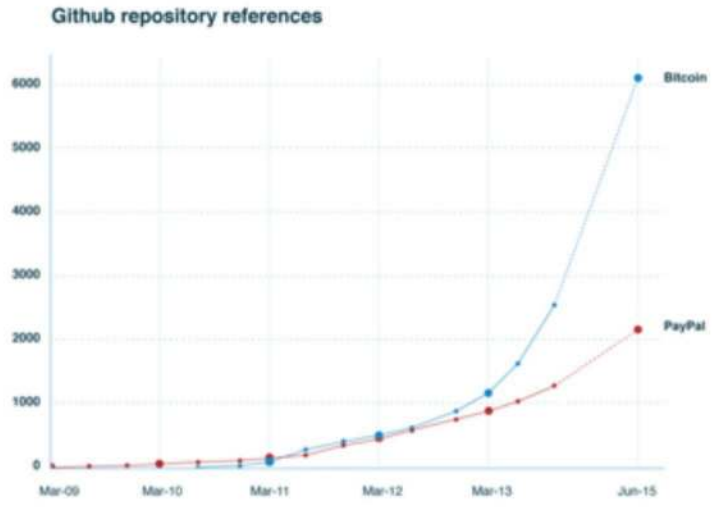
ChangeTip enables a "tipping" feature using Bitcoin on other companies' websites. It has built a Bitcoin micropayment platform that is currently integrated with Twitter, GitHub, Reddit, Google+, Tumblr, and YouTube.

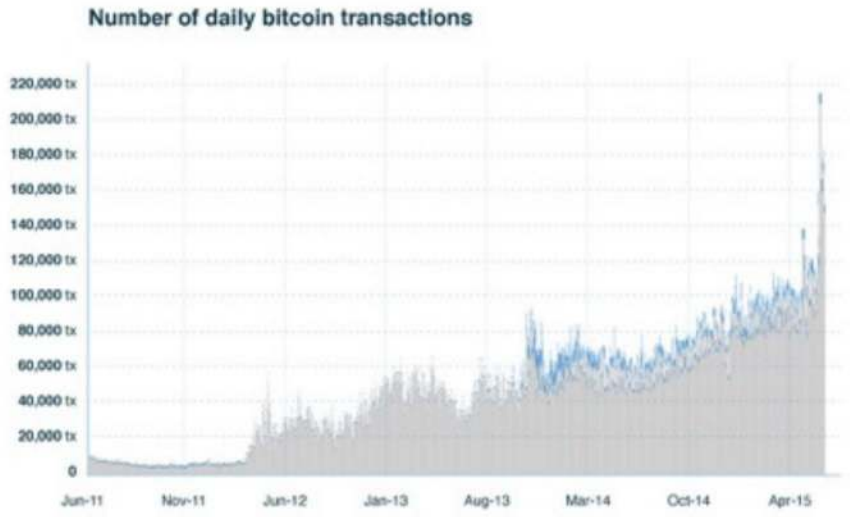
We believe that ChangeTip's micro transaction platform is poised to be the financial equivalent of the "Like" button, and enabling new mechanisms for premium online constant to be monetized.

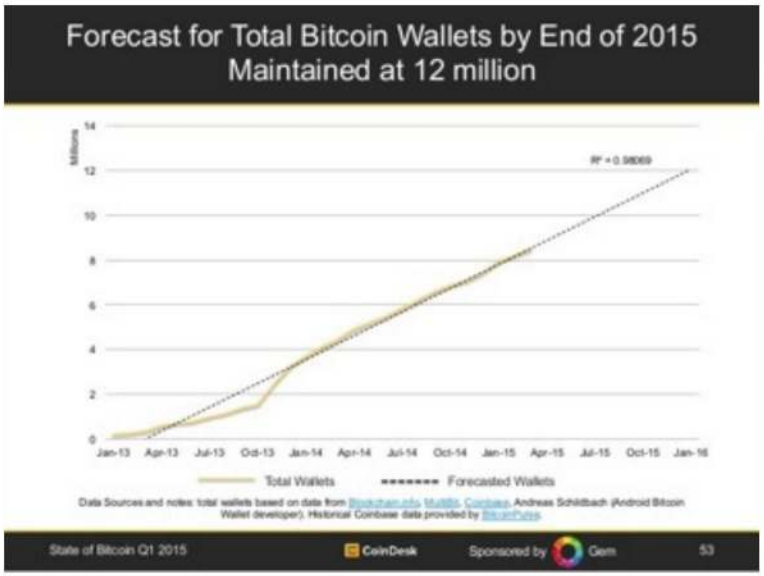
ChangeTip

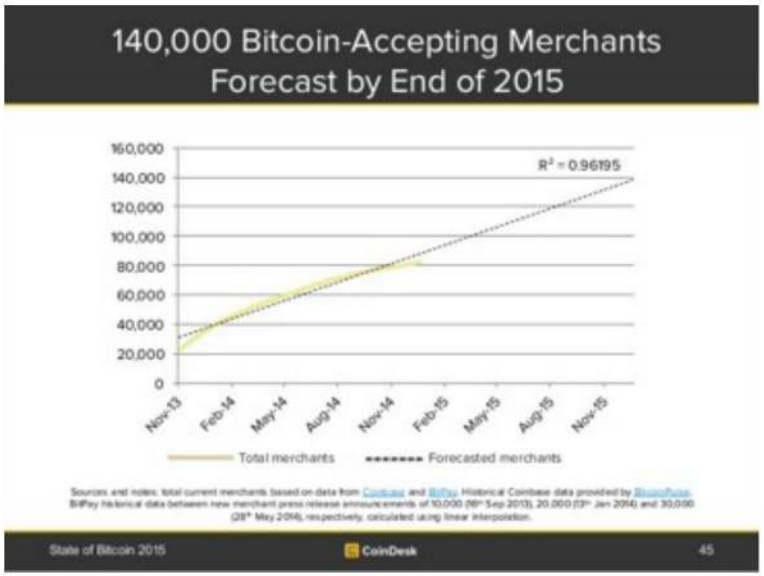


HYPER-GROWTH- 2013 to 2015









SUMMARY



BLOCKCHAIN CAPITAL

- FIRST DEDICATED BITCOIN VENTURE FUND
- UNPARALLELED ACCESS TO DEAL-FLOW
- PROVEN TRACK RECORDS

Building the Future Leaders in the Blockchain Economy

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