

BLOCKCHAIN CAPITAL, LLC

CCP II, LP

OCTOBER 2015



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."



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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 "Citicoins" 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



Morgan Stanley



UnionBank



JPMorgan



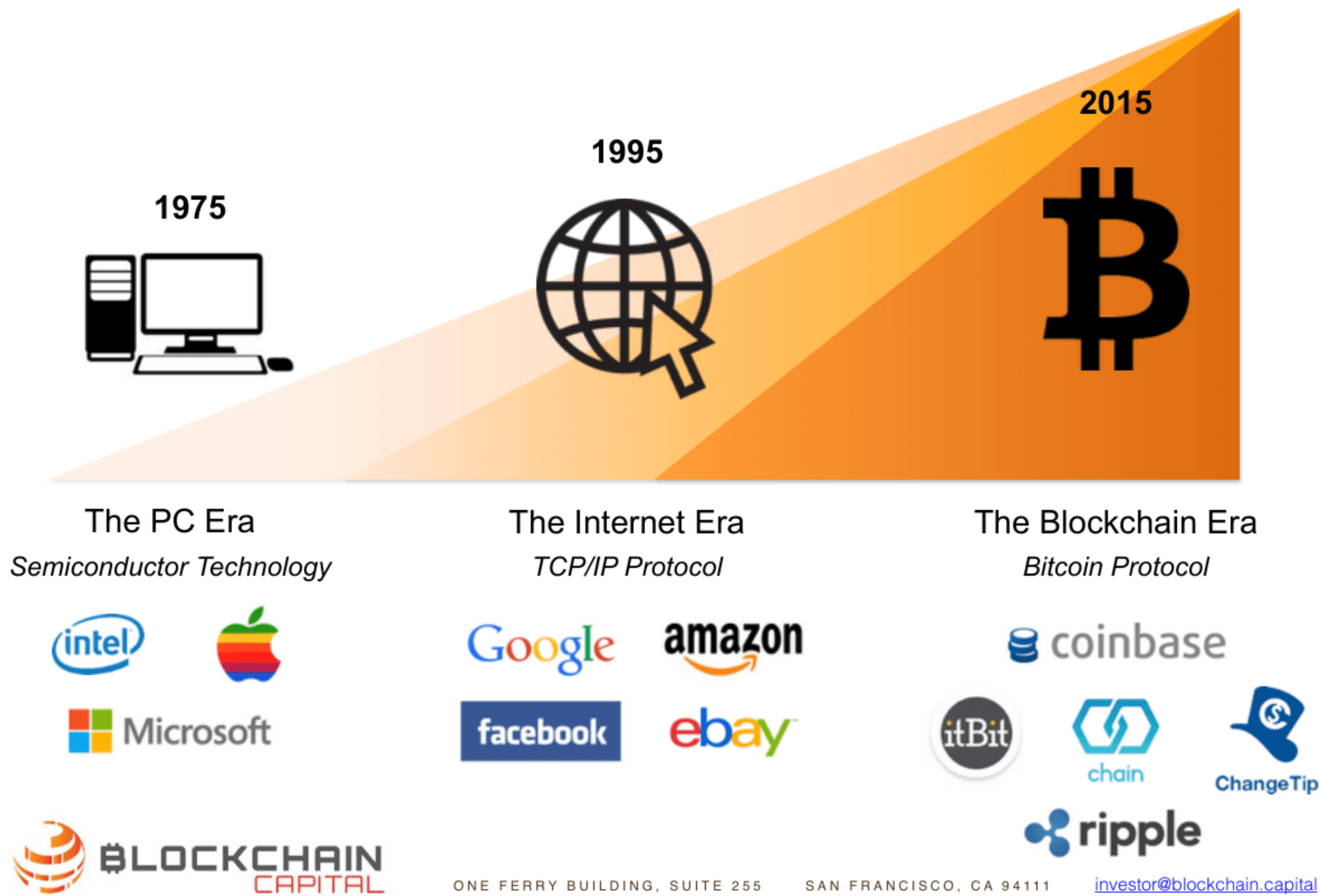
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THREE TECHNOLOGY EVOLUTIONS OF DISRUPTION



EXPERIENCED TEAM IN INVESTING

	BART STEPHENS	BRAD STEPHENS	BROCK PIERCE	PAUL STEPHENS
EXPERIENCE	<ul style="list-style-type: none"> • Stephens Inv. Mgmt. • Ivanhoe Capital • E*Trade Group • Princeton 	<ul style="list-style-type: none"> • Stephens Inv. Mgmt. • Fidelity Ventures • CSFB • Furman Selz • Duke 	<ul style="list-style-type: none"> • Chairman of the Bitcoin Foundation Board • Founded 15x Startups • Raised > \$200M • Invested in > 25x Startups 	<ul style="list-style-type: none"> • 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













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SUCCESSFUL TRACK RECORD OF HOME RUNS

PRIVATE			PUBLIC		
	2014	25.0x		2014	77.0x
	2004	8.1x		2009	39.0x
	2008	6.9x		2010	4.6x
	2008	5.0x		2011	5.1x
	2014	TBD		2007	3.4x
(<u>7 IPOs and 13 Acquisitions</u>)			(<u>17 Public Acquisitions</u>)		

Private and Public Exits through Multiple Market Cycles

BROCK PIERCE - CHAIR OF THE BITCOIN FOUNDATION

INDUSTRY LEADER AND SPOKESPERSON



Singularity
University



WIRED

CoinSummit



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



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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



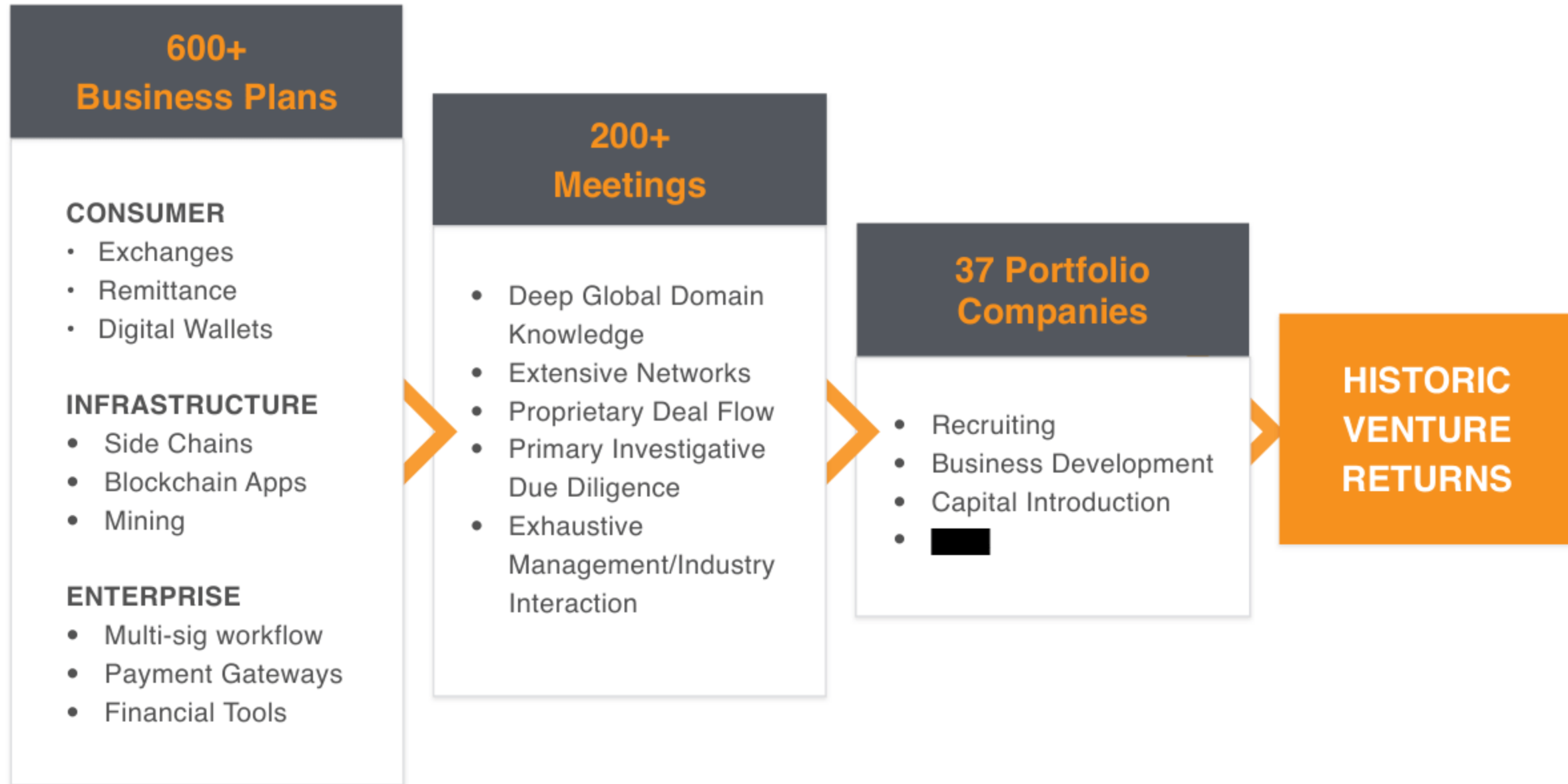
The First Dedicated Bitcoin Venture Fund - 30 Investments, Fully Deployed

CRYPTO CURRENCY PARTNERS II, LP



Current portfolio - both contributed and new investments

PIPELINE & PROCESS



ACTIVE BLOCKCHAIN VENTURE INVESTORS



Blockchain Capital has co-invested with these leading VCs

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



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

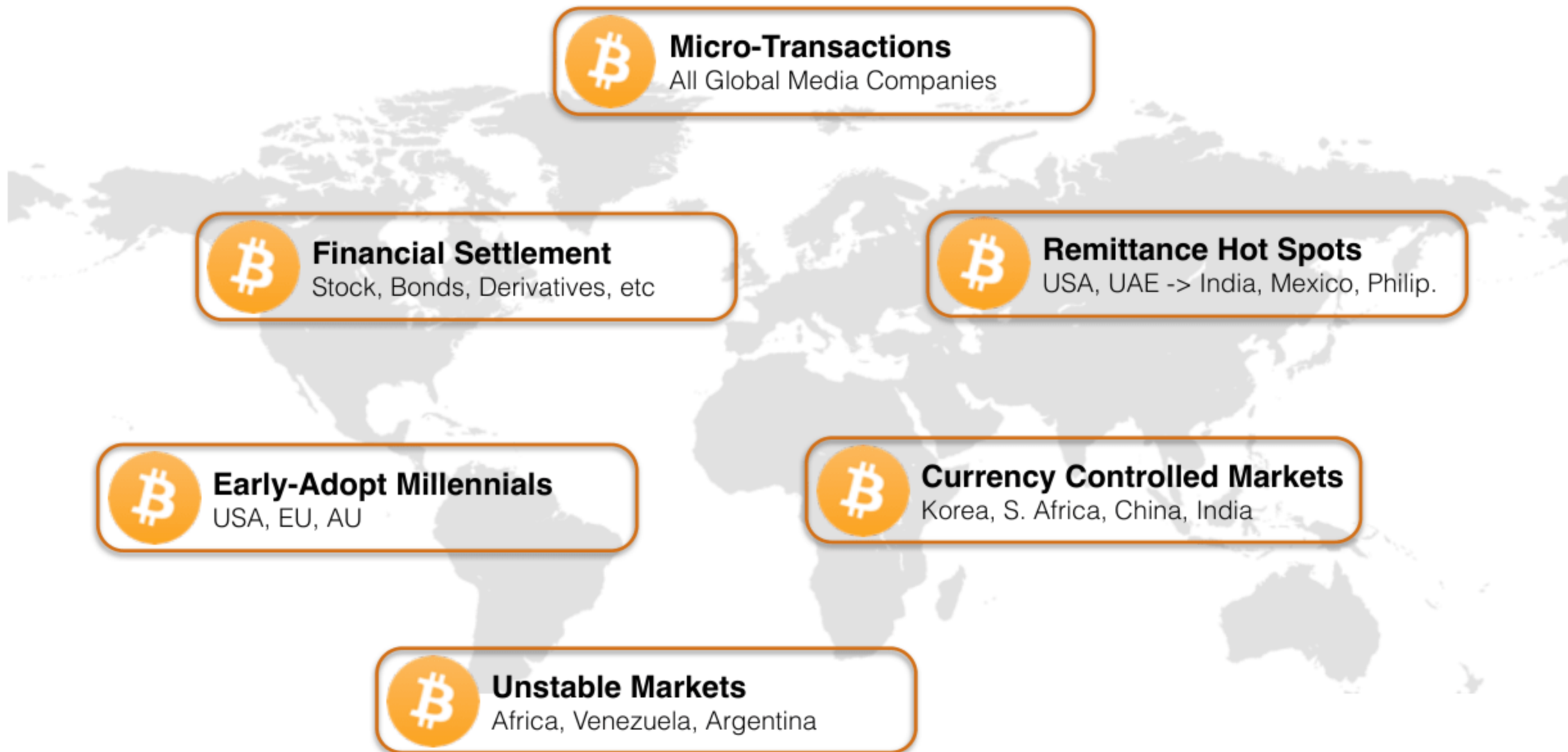
Public Records

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

OPPORTUNITIES 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

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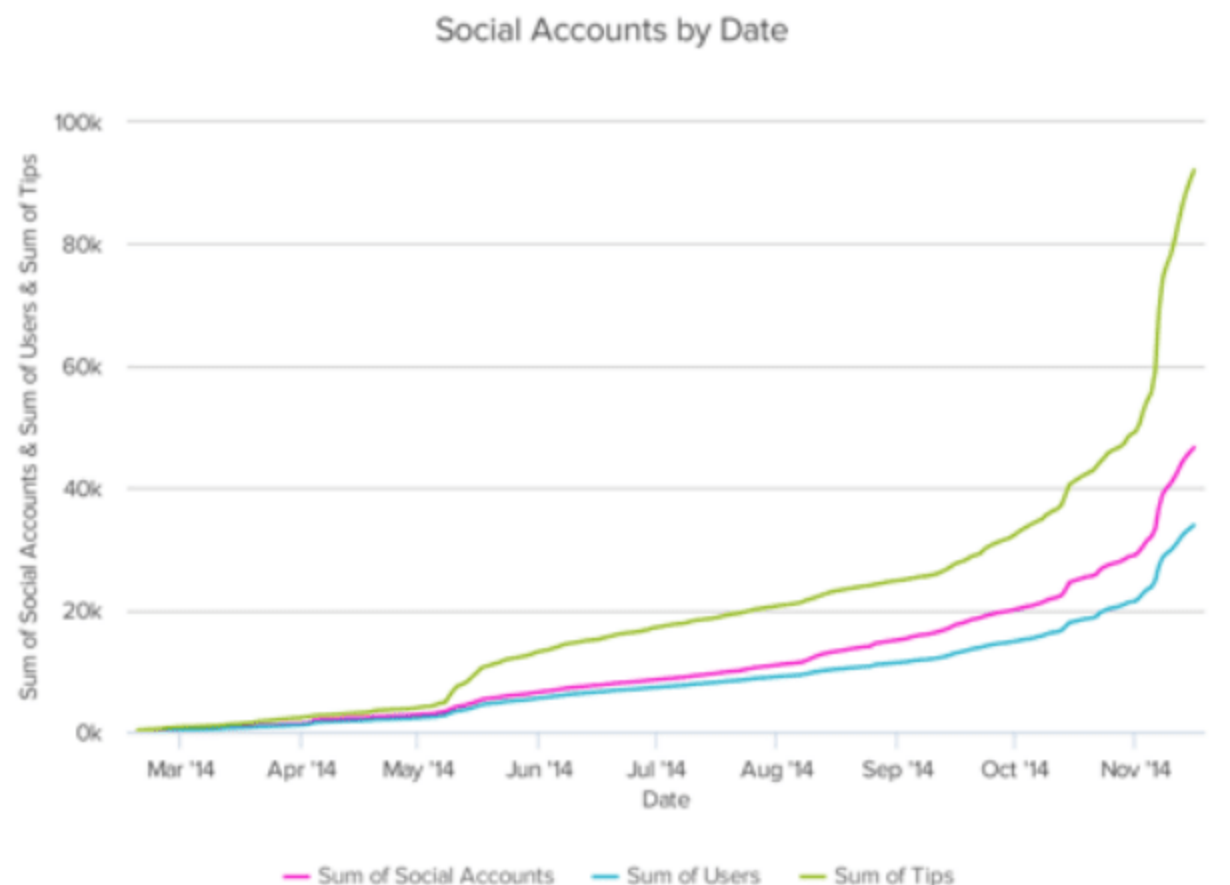
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CASE STUDY: ChangeTip

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 content to be monetized.



DataHero



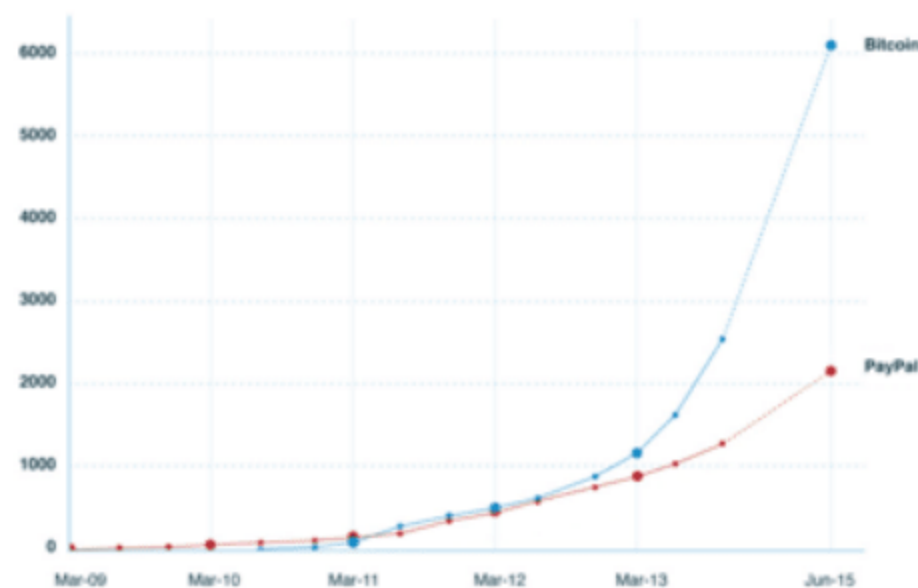
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HYPER-GROWTH- 2013 to 2015

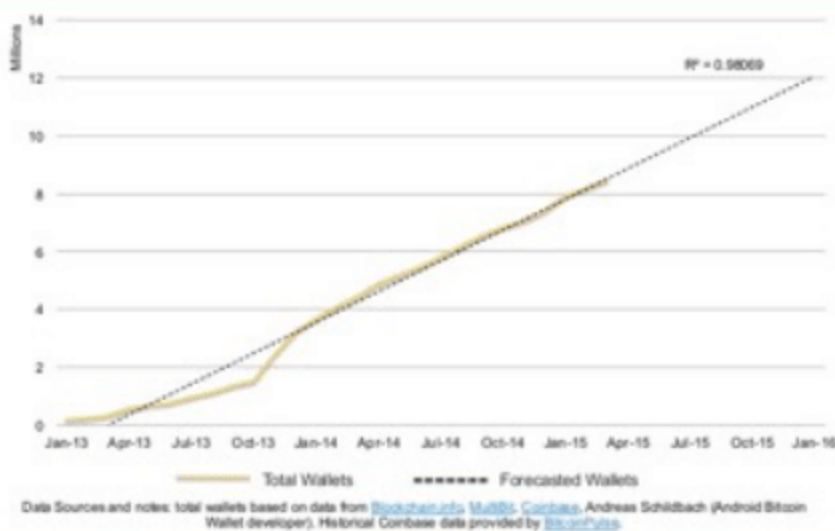
Github repository references



Number of daily bitcoin transactions



Forecast for Total Bitcoin Wallets by End of 2015
Maintained at 12 million



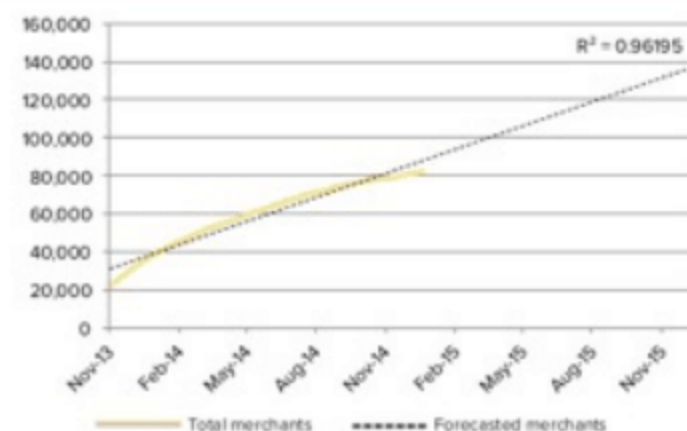
State of Bitcoin Q1 2015

CoinDesk

Sponsored by Gem

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140,000 Bitcoin-Accepting Merchants
Forecast by End of 2015



State of Bitcoin 2015

CoinDesk

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SUMMARY



BLOCKCHAIN
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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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