

May 19, 2023

Company Name	Ticker Symbol	Price		Enterprise Value (\$mm)	Valuation Multiples		Expected Rev Growth Rate 2022E - 2023E	Price Change			
		Current Price	% Within 52 Week Range		EV / LTM Revenue	EV / 2023E Revenue		1 Week	1 Month	Jan 2, 2023	Since Inception
Marquee Crypto Assets											
Bitcoin	BTC	\$26,836.00	36%	\$520,453	--	--	--	1%	-8%	62%	--
Ethereum	ETH	1,813.00	35%	218,258	--	--	--	1%	-8%	11%	--
DeFi Index (a)	DPI	69.30	9%	39	--	--	--	6%	-15%	20%	--
Crypto Investment Platforms											
Coinbase	COIN	\$57.12	30%	\$11,450	4.2	4.1	0%	0%	-11%	70%	-83%
Galaxy Digital (b)	GLXY	4.02	21%	1,402	3.1	11.6	3%	3%	5%	36%	331%
Bakkt	BKKT	1.41	12%	308	5.6	4.3	32%	18%	3%	22%	-85%
Coinshares (b)	CNSRF	3.31	22%	252	4.1	2.5	3%	3%	--	4%	-66%
Bitcoin Network Operators											
Marathon	MARA	\$9.24	39%	\$1,965	16.8	5.8	187%	4%	-13%	172%	-83%
Riot	RIOT	11.07	70%	1,680	6.7	4.6	40%	4%	-9%	228%	310%
Core Scientific	CORZQ	0.35	8%	1,079	0.5	1.1	22%	-3%	-10%	400%	-96%
Cipher Mining	CIFR	2.48	71%	597	76.5	5.8	1221%	18%	1%	288%	-75%
TeraWulf	WULF	1.57	32%	410	9.2	--	--	-2%	8%	121%	-84%
Bitdeer	BTDR	4.75	1%	386	1.2	--	--	-15%	-16%	-44%	-44%
Canaan	CAN	2.47	22%	349	--	1.1	-49%	2%	-10%	27%	-73%
Bitfarms	BITF	1.15	39%	312	5.9	--	--	17%	-2%	167%	22%
Northern Data	NB2	16.49	36%	303	--	1.1	-45%	0%	-28%	191%	-12%
Hive	HIVE	3.09	28%	235	1.7	1.7	-25%	8%	-15%	102%	120%
Hut 8	HUT	1.92	39%	224	1.5	1.5	-45%	10%	159%	134%	-26%
Argo	ARBK	1.16	12%	111	1.2	1.6	29%	-12%	-20%	0%	-27%
Crypto Influenced											
Block	SQ	58.64	17%	34,516	2.0	1.7	14%	6%	-7%	-9%	356%
Microstrategy	MSTR	286.18	67%	4,228	8.5	8.3	2%	6%	-9%	97%	174%
Robinhood	HOOD	8.49	28%	2,307	1.7	1.2	38%	-3%	-14%	5%	-78%

(a) DeFi Pulse Index (includes top 14 DeFi tokens)

(b) Due to disproportionate cash balances, we are displaying market cap as a substitute for enterprise value

(c) Announced IPO with pricing details, IPO has been postponed

The Content is for informational purposes only, you should not construe any such information or other material as investment, financial, or other advice. Nothing contained on our site constitutes a solicitation, recommendation, endorsement, or offer by Architect Partners or any third party service provider to buy or sell any securities or other financial instruments in this or in any other jurisdiction in which such solicitation or offer would be unlawful under the securities laws of such jurisdiction.

PERSPECTIVES by Eric F. Risley

It's time to change. Bitcoin Miners should be referred to as Bitcoin Network Operators.

Today the Bitcoin network is comprised of **16,866 reachable nodes**, has been in existence for fourteen years, has validated and stored over **839 billion transactions**, and has achieved an overall **uptime** of 99.9882659% since inception and a perfect 100% since 2013. Impressive indeed.

The issuance of Bitcoin, built into the protocol code as an economic reward, has created the necessary economic incentive for node operators to build today's network. Architect Partners estimates that roughly \$31 billion has been invested just in the necessary data centers and specialized computers. This electricity expenditures, which today totals roughly \$6 billion per year.

This is an extraordinary phenomenon where an incentive, created by an idea, and a collective buy-in to that idea, has translated into a physical manifestation costing \$10s of billions. However, this Bitcoin incentive (commonly analogized as a mining reward) is declining and will eventually stop.

Transaction fees are also explicitly featured in the Bitcoin Whitepaper. "Once a predetermined number of coins have entered circulation, the incentive can transition entirely to transaction fees and (Bitcoin can) be completely inflation free".

Historically, transaction fees have been a very small proportion of the total compensation received by operators of nodes. This has begun to change, particularly during periods of high demand for transaction validation. In fact, last week, transaction fees represented **36% of total rewards** (in Q1 2023, the average was 7.9%) to node operators.

Our thesis is that transaction fees will become the dominant component of node operator compensation as the Bitcoin network matures. Why continue to call those that run this network "miners" when mining rewards are gradually declining and will eventually be eliminated?