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PERSPECTIVES

by Todd White

Our public index is down 10.5% this week, driven largely by the pullback of BTC, ETH, and across the crypto asset spectrum. Some cite the news of SpaceX's offloading triggering the pullback, while others attribute the moves to large-scale liquidations on leading derivatives exchanges following heavily-leveraged open positions that were ripe for a feedback loop. As usual, it's likely a combination of myriad factors that can be hard to predict, analyze or correlate to specific movements. The Network Operators were the hardest hit sub-segment on our index, hardly surprising given their position as leveraged Bitcoin plays.

Also notable is PayPal's August 7 launch of PYUSD, its US\$-backed regulated stablecoin issued by Paxos, available immediately for use in payments through PayPal's digital wallet. Although PayPal has been muted of late on their crypto and blockchain initiatives, their digital wallet and commerce segment - which includes P2P, remittances and crypto - is one of three strategic pillars (along with network/credit and payment service provider initiatives). On the heels of the PYUSD launch, PayPal also announced its integration of Ledger Live on August 16th to provide secure crypto purchases using the Ledger Live app directly from a PayPal account.

The opportunities that the PYUSD present are potentially transformative. José Fernández da Ponte, PayPal's crypto SVP, was understated and cautious in a recent [interview](#), and he highlighted their long-term and patient view towards blockchain-based payments. But one need only ponder how the embedded yield on the assets backing their new stablecoin might be used to mitigate both merchant and consumer payment costs to begin to grasp the potential.

We will watch enthusiastically as PayPal's strategy takes shape and plays out, and believe their renewed focus merits re-inclusion in our Public Crypto coverage and has brought them back as a leading "crypto-influence" player in our coverage index, incepting this week.

Company Name	Ticker Symbol	Price		Enterprise Value (\$M)	Valuation Multiples		Exp. Rev Growth Rate 2022 - 2023E	Price Change				
		Current Price	% Within 52 Week Range		EV / LTM Revenue	EV / 2023E Revenue		1 Week	1 Month	Jan 2, 2023	Since Coinbase Direct Listing	Since Inception
Marquee Crypto Assets												
Bitcoin	BTC	\$26,017.00	69%	\$506,793	--	--	--	-11%	-13%	57%	-59%	--
Ethereum	ETH	1,656.00	62%	198,890	--	--	--	-10%	-13%	1%	-32%	--
DeFi Index (a)	DPI	64.05	16%	36	--	--	--	-16%	-17%	11%	-87%	--
Crypto Investment Platforms												
Coinbase	COIN	\$73.19	50%	\$15,569	5.7	5.6	-10%	-10%	-34%	118%	-78%	-79%
Galaxy Digital (b)	GLXY	3.60	18%	1,257	2.8	10.4	-9%	-9%	-25%	23%	-90%	287%
Coinshares (b)	CNSRF	4.74	97%	341	5.5	3.4	3%	3%	2%	32%	-59%	-54%
Bakkt	BKKT	1.31	11%	283	0.8	0.1	6807%	-8%	-28%	13%	-90%	-86%
Bitcoin Depot	BTM	3.21	71%	199	0.3	0.3	-10%	-10%	--	--	--	-14%
Bitcoin Network Operators												
Marathon	MARA	\$11.25	49%	\$2,358	20.2	7.0	187%	-24%	-36%	231%	-74%	-79%
Riot	RIOT	11.08	45%	1,805	7.2	5.0	40%	-27%	-41%	229%	-78%	310%
Bitdeer	BTDR	13.30	86%	1,338	4.0	--	--	6%	-16%	56%	--%	56%
Core Scientific	CORZQ	0.71	23%	1,217	0.4	0.9	22%	-16%	-19%	914%	--%	-93%
Cipher Mining	CIFR	3.14	56%	763	97.8	7.4	1221%	-14%	-33%	391%	-70%	-69%
TeraWulf	WULF	1.96	41%	511	11.4	--	--	-23%	-48%	176%	-80%	-80%
Bitfarms	BITF	1.34	54%	468	8.9	--	--	-15%	-28%	212%	-69%	43%
Hut 8	HUT	2.42	44%	335	2.2	2.2	-45%	-19%	-37%	195%	-63%	-7%
Hive	HIVE	3.79	44%	300	2.2	2.2	-25%	-19%	-30%	148%	-78%	170%
Northern Data	NB2	17.03	42%	315	--	1.1	-45%	-13%	-31%	201%	-86%	-9%
Canaan	CAN	2.06	11%	275	--	1.1	-49%	-24%	-29%	6%	-85%	-77%
Argo	ARBK	1.06	14%	123	1.3	1.8	29%	-26%	-35%	-9%	--%	-33%
Crypto Influenced												
PayPal	PYPL	\$59.52	5%	\$65,933	2.4	2.2	8%	-3%	-20%	-20%	-78%	
Block	SQ	57.17	15%	33,941	1.9	1.7	14%	-6%	-27%	-12%	-78%	345%
Microstrategy	MSTR	328.62	57%	5,140	10.3	10.1	2%	-14%	-27%	127%	-55%	215%
Robinhood	HOOD	10.25	47%	4,014	3.0	2.1	38%	-4%	-22%	27%	--%	-73%

Architect Crypto Public Company Index (c)

Price	\$21.13	\$23.61	\$29.61	\$11.78	\$100.00
% Change		-10.5%	-28.7%	79.3%	-78.9%

(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) Architect Crypto Public Company Index is a price weighted average across the three sector subsectors in the crypto public companies snapshot. A discount to Microstrategy's share price of 85% has been added to dilute effect on index. There is a 45% weight to Crypto Investment Platforms, 45% to Bitcoin Network Operators, and 10% to Crypto Influenced groups.