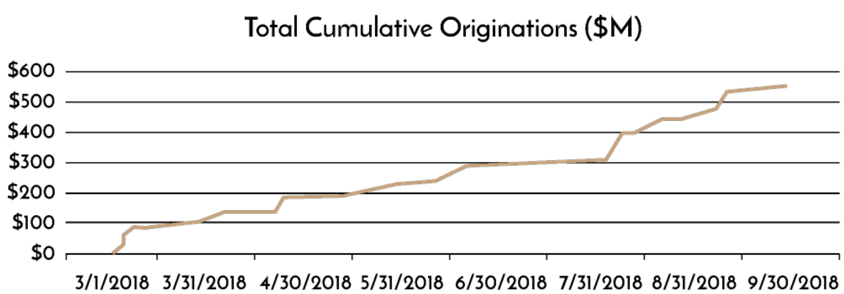
DIGITAL ASSET LENDING SNAPSHOT

THE STORY

Genesis Global Trading is a pioneer and industry leader in over-the-counter digital currency trading, a registered broker-dealer that has facilitated billions of dollars in trades since launching in 2013.

On March 1, 2018 Genesis launched the industry's first institutional lending business to complement the existing OTC business. Over the past year, through client feedback and the rise of derivative marketplaces, we saw a meaningful increase in the number of market participants wanting to borrow and/or lend digital currencies. We built this new business segment to meet those demands and have experienced an incredibly strong reception since our launch. We are excited to share a few year-to-date highlights.

2018 YTD SUMMARY STATISTICS



Originations	$553M
Loans	$327M
Borrows	$226M
Active Loans	$130M

THE PARTICIPANTS

Since launch, we have seen more than half a billion dollars flow through our lending desk across nearly a dozen digital assets and 60+ institutional counterparties around the world. Today, our loan book stands at $130M in active loans outstanding, which has steadily grown over the year despite the fall in digital asset prices.

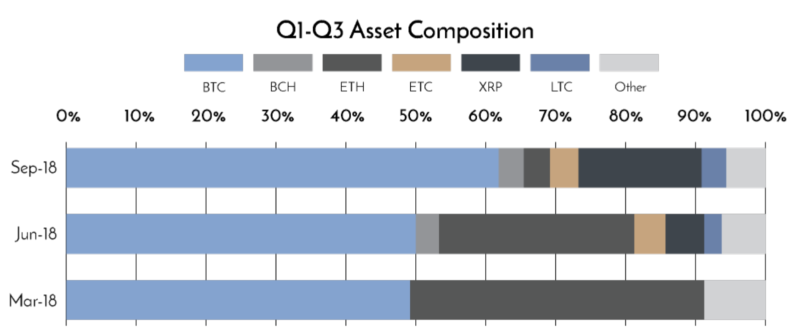
Our clients are entirely institutional and include hedge funds, trading firms, and companies that use digital currencies as working capital. Hedge funds generally have thesis-driven views on assets and borrow to short for prolonged periods. Trading firms, on the other hand, borrow to quickly arbitrage discrepancies in the market and avoid directional risk. Lastly, companies borrow as a means of working capital to scale their businesses, such as remittance payments to customers.

We want to dive a bit deeper into some of the data we've gathered across hundreds of loans and provide a glimpse into both our year-to-date and Q3 data.

THE TRENDS: YTD

When we launched in March, the loan book was largely split between Bitcoin (BTC) and Ethereum (ETH), with Monero (XMR) third. Over the following months, ETH interest waned as its price fell nearly 80% from March highs, and short interest plummeted. At the same time, we saw increased demand in other alternative currencies, such as XRP, Litecoin (LTC), and Ethereum Classic (ETC). Bitcoin demand remained consistent throughout the year, as it is the most widely used asset for non-speculative reasons, like working capital in remittance and arbitrage trading across exchanges. Below you'll find the composition of our assets on loan at each quarter end.

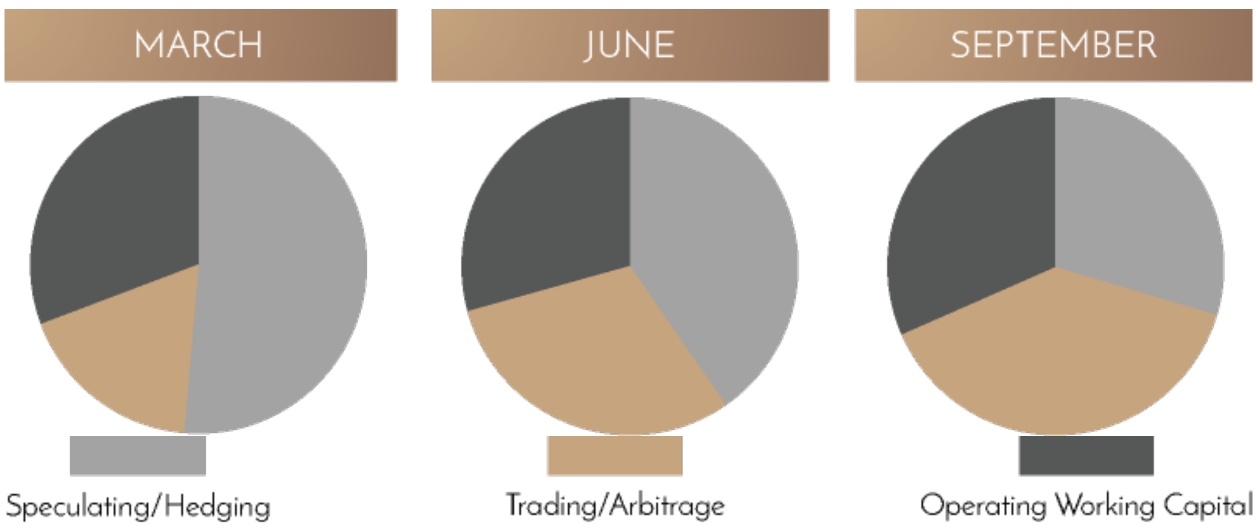
ASSET COMPOSITION



ASSET	3/31/18	6/30/18	9/30/18
BTC	49.6%	50.4%	62.6%
BCH	0.0%	2.8%	3.5%
ETH	42.3%	28.3%	3.7%
ETC	0.0%	4.8%	4.2%
XRP	0.0%	5.6%	17.8%
LTC	0.0%	2.5%	3.9%
Other	8.1%	5.6%	4.7%

At launch, lending activity was driven largely by speculative hedge funds. BTC loans primarily serviced working capital needs, while ETH loans were primarily used for short interest. Some of our largest single originations to date were ETH loans in March and May to hedge funds. Over the second half of the year, these hedge funds began covering positions as they realized profits and the short interest in ETH was replaced by other alternative assets. Also, more trading firms began borrowing BTC, as trading activity in derivative markets increased. Trading firms often fund accounts with borrowed BTC to remain completely price neutral. Today, our business is evenly split across these three types of counterparties.

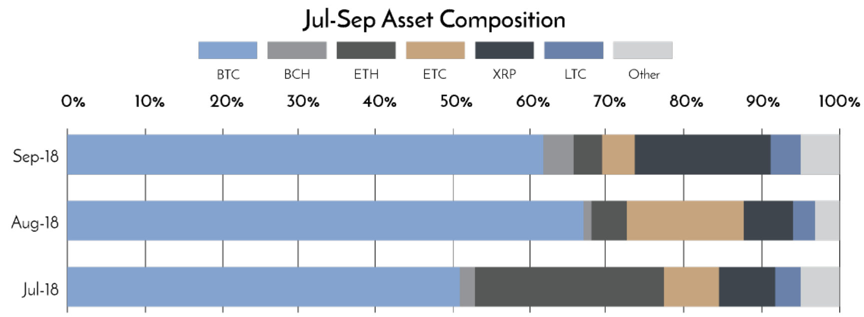
COUNTERPARTY COMPOSITION



THE TRENDS: Q3

At the start of the third quarter in 2018, BTC represented about 50% of our outstanding loans, ETH 25%, and other assets 25%. This trend continued until the first week of August, when ETC short interest spiked and ETH short positions lost steam, likely because of price action. As ETH short interest closed near the lows, we saw that interest shift to other alternative assets. Specifically, LTC, XRP, ETC, and Bitcoin Cash (BCH) all drew higher demand while supply constrained, driving rates on most alternative assets higher. BTC on loan steadily increased over the quarter. Unlike alternatives, BTC supply was able to meet increased demand so while BTC on loan grew, rates remained relatively consistent.

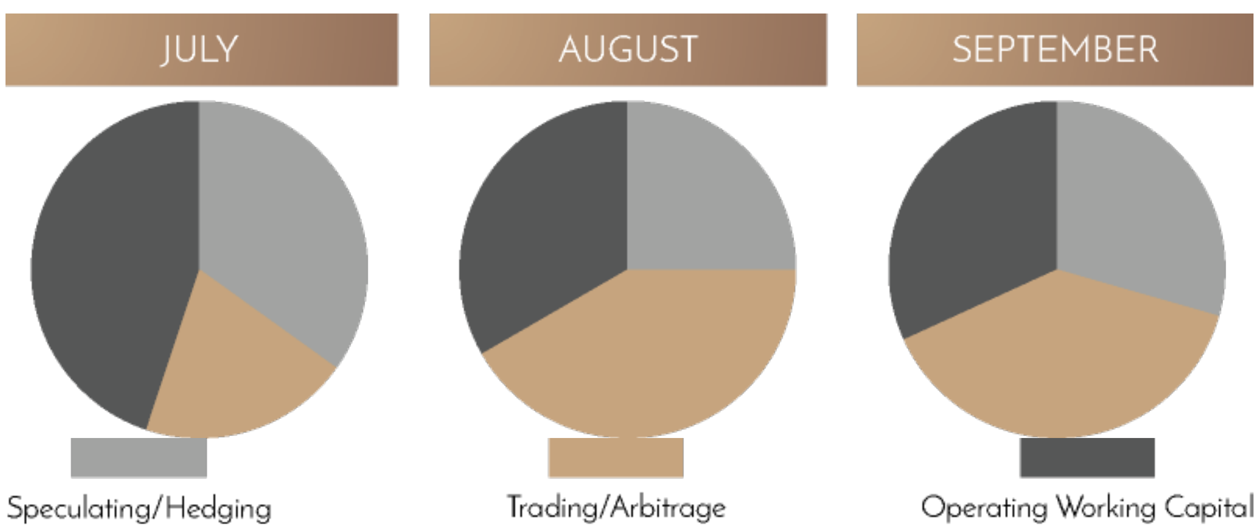
ASSET COMPOSITION



ASSET	7/31/18	8/31/18	9/30/18
BTC	50.9%	67.2%	62.6%
BCH	1.9%	1.0%	3.5%
ETH	25.1%	4.3%	3.7%
ETC	6.8%	15.7%	4.2%
XRP	7.3%	6.6%	17.8%
LTC	3.5%	2.5%	3.9%
Other	4.5%	2.8%	4.7%

Early in the quarter, working capital drove the majority of loans. In September, however, hedge funds became more active on the short-side and added to their speculative long-term positions. Trading firms also saw increased opportunities for arbitrage and market-making as derivative liquidity increased across markets. These firms generally borrow digital assets to trade against derivatives like futures and swaps. We believe this kind of activity will continue to pick up as derivative markets mature.

COUNTERPARTY COMPOSITION



IF YOU HAVE QUESTIONS, PLEASE CONTACT:

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