



September 14, 2021

Shareholder Update

Dear Shareholder

Bitcoin Suisse delivered a very strong performance in the first half of 2021. Second-quarter trading commissions came close to the high level seen in the first three months of the year, while other services achieved another record quarterly results. This underscores the strong positioning of Bitcoin Suisse in an otherwise challenging crypto-financial environment with negative performance of -40% for Bitcoin and over -20% for the overall crypto-financial markets.

Our business setup proved to be flexible and robust, allowing us to scale additional business volume with our operational leverage. Even in the volatile month of May, it [held up strongly](#) despite several exchanges coming under severe pressure when the Bitcoin price dropped by more than 22% in a period of only 45 minutes on 19 of May. Despite these challenges, Bitcoin Suisse recorded the second-highest monthly trading commissions in its history in May 2021. This demonstrates the resilience of our business model, with a diversified multiple crypto exchange set-up that offers the advantage of being able to trade across all relevant crypto exchanges.

Our business model benefits from growing market activity on the back of rising valuations of crypto-assets and from increased trading throughout market cycles. Overall, we experienced strong client activity from April through June, resulting in continued growth in trading volumes, which rose by 390% in the second quarter of 2021 compared to the prior-year period. In the first half of 2021, Bitcoin Suisse recorded its highest half-year revenues and profit since it was founded in 2013.

Total revenue reached CHF 70.3 million in the first half of 2021, compared to CHF 14.3 million in the prior-year period. This excellent result was driven mainly by a surge in trading commissions, as well as higher income from other services such as staking.

Bitcoin Suisse is still a relatively young company, but it is already making substantial tax contributions to the Canton of Zug and to Switzerland based on its strong financial performance. Its importance as an employer is also growing: Headcount increased from around 120 employees in the first half year of 2020 to over 260 employees today. During its eight-year history, Bitcoin Suisse has thus created significant value for our communities at a local level. Further, its contribution and commitment to the Crypto Valley are of key importance both for the development of the company and for the industry as a whole.

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Important developments at Bitcoin Suisse

Bitcoin Suisse has experienced very strong growth across all business activities in recent months:

After a successful pilot program, Bitcoin Suisse went live with the seamless integration of crypto payments into the payment infrastructure of Worldline, the European leader in the payments and transactional services industry. Following the launch of a new omnichannel payment solution, 85,000 merchants in Switzerland who use Worldline point-of-sale and e-commerce payment services can now give their clients the option of paying in Bitcoin and Ether just as conveniently as with other traditional payment options. This joint innovation creates tangible value for merchants and facilitates modern payment alternatives.

Bitcoin Suisse is also at the forefront of technological developments such as Decentralized Finance (DeFi) and remains a leading global staking provider. While brokerage is still the main revenue driver at Bitcoin Suisse, staking has also become a significant source of revenues and the second most important pillar of its business. In the second quarter of 2021, staking accounted for 15% of total revenues.

As a further testimony to its important role in the crypto ecosystem, Bitcoin Suisse acted as exclusive fundraising partner for the initial coin offering (ICO) of [Swarm](#). The ICO was followed by the very successful full mainnet launch in June 2021. Built on the Ethereum Web 3.0 stack, Swarm aims to provide a range of Web 3.0 services, including messaging, media streaming and database hosting. The support and involvement of Bitcoin Suisse is evidence of the strong network and deep roots of the company as a pioneer in the crypto-financial revolution.

To further strengthen our setup and to position Bitcoin Suisse for the next stage of growth and increased market adoption, we implemented a series of measures in recent months – including the appointment of three new members to the Management Committee. The company is creating a Chief Operating Officer (COO) unit, which will be led by Peter Camenzind in the role of Chief Operating Officer. At the same time, it is reorganizing the Legal, Risk and Compliance units. The new set-up will be headed by Chief Legal Officer Ricardo Schlatter (Head Legal) and Chief Risk Officer Sven Ramspott (Head Risk & Compliance).

Peter Camenzind, who joins Bitcoin Suisse from Bank Vontobel, and Ricardo Schlatter, who previously worked for SIX Digital Exchange, will each take on their new roles on November 1, 2021. Sven Ramspott, who has already spent eight months working as an independent consultant with the Compliance department of Bitcoin Suisse, has assumed his new role on September 1, 2021. Matthias Greiller, who has supported Bitcoin Suisse as an external consultant within the Anti-Money-Laundering (AML) program for the past 6 months, joined the company as Head AML Special Department and MLRO as of September 1, 2021. Cédric Mosimann, Senior Legal Counsel at Bitcoin Suisse, was appointed Corporate Secretary, effective August 2021.

As part of the reorganization, Bitcoin Suisse is investing in the further expansion of its team and in its infrastructure and technology. Against the backdrop of high demand cycles, it is also continuing to enhance its client onboarding capacities, processes, and other systems.

A look at the markets

After an excellent performance in 2020 with a gain of around 300% for Bitcoin, crypto markets had a strong first half of 2021. This development was supported by interest from large investors such as Tesla – which bought USD 1.5 billion of BTC – as well as MicroStrategy as well as certain hedge funds and family offices. Bitcoin and Ether reached all-time highs of USD 64,000 and USD 4,300, respectively. The DeFi ecosystem grew from USD 16 billion at the end of 2020 to almost USD 100 billion at the end of June 2021. In a further development, non-fungible tokens (NFTs), which are often used to represent pieces of art, have now found their way into traditional auction houses such as Christie's.

May 2021 brought challenges for crypto investors due to growing uncertainty triggered in particular by regulatory enforcements regarding crypto mining in China. During that month, Markets underwent a correction, falling by around 50% from their all-time high, with the total market capitalization of crypto decreasing from USD 2.4 trillion to USD 1.2 trillion. As miners completed their relocation operations, markets had time to assess the longer-term impact of China's decision. As of late July, total market capitalization recovered to USD 1.6 trillion, up +110% since January.

Overall, the first half of 2021 saw a number of new investors enter the market. We are seeing a rise in the adoption of crypto assets by both institutional and private clients, who are seeking to

further diversify their portfolios as they become more experienced in the area of crypto investing and steadily increase their allocation to crypto assets.

What's next for Bitcoin Suisse

Crypto-finance technology and digital assets are continuing to evolve rapidly, client demand remains strong, and the market seems to grow exponentially. At Bitcoin Suisse, we are constantly developing our technology and our talent – investing in people, systems, and processes to stay at the forefront of this dynamic industry. Through our partnerships with Worldline, Swarm and other key players, we are working with leading companies to tap into new opportunities and to help shape the industry. Going forward, we will continue to develop our business model and evaluate strategic options that would allow Bitcoin Suisse to take full advantage of innovation, new opportunities and sustained high growth momentum in the crypto markets.

We wish to thank you, our valued shareholders, for your continued support and your trust in Bitcoin Suisse. We look forward to embarking on the next phase of this exciting crypto-financial journey together.

Best regards



Niklas Nikolajsen
Founder and Chairman



Dr. Arthur Vayloyan
Chief Executive Officer

If you have any questions, please feel free to reach out to invest@bitcoinsuisse.com or your trusted partner at Bitcoin Suisse.