

Trends in Cryptocurrency Exchange Markets and Coinone's Competitive Advantages

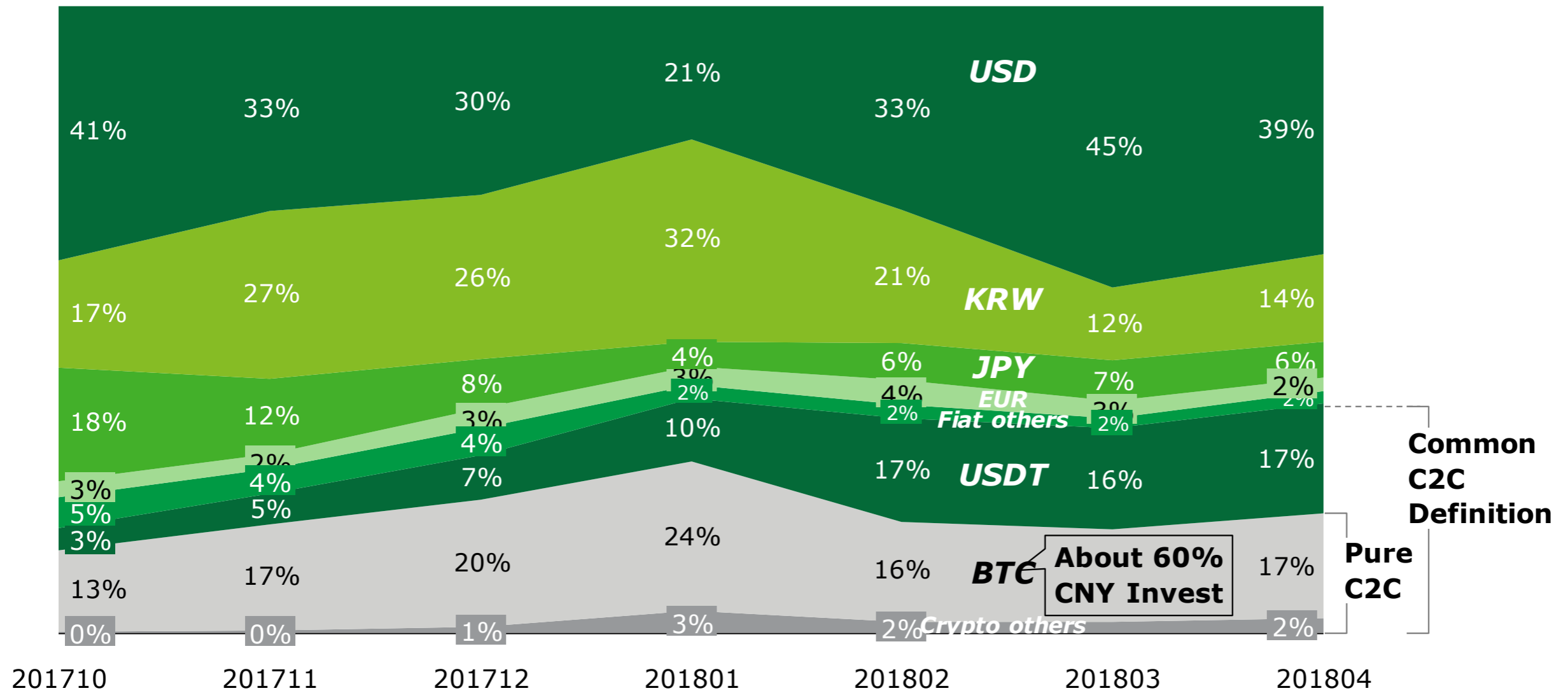
June. 2018

Key success factor has changed from gaining market recognition to solving liquidity challenge and listing appropriate altcoins

		Before the mass attention (~'17.Feb)	Began to draw attention (~'17.March~August)	Crypto Craze (~'17.Sept~'18.mid Jan)	Price Crash (~'18.Jan~Feb)	Recession (~'18.March~Present)
C U S T O M E R	Market Response	• Non-recognition or indifference	• High-risk preferred investors began to trade	• Massive entrance to the market	• Newcomers disappeared	• Existing customers hold trades, maintains wait and see strategy
	Investment strategy			• Began to invest in Altcoin	• Increase in short-term trades of altcoins to recover the loss	
	Exchange		• Usually used domestic exchange	• Began to use foreign exchange – To avoid government regulation	• Continue to move to foreign exchange – Due to Korean reverse premium, high volatility, stronger government regulation	
E X C H A N G E	Player	• Entered the market to develop financial service using cryptocurrency	• Active entrance of exchanges	• Late entry (e.g. Upbit)		• Foreign exchanges enter domestic market –OKEX, Huobi
	Operation			• Increase in exchange revenue but operational overload	• Enhance existing service and seek overseas expansion	• Sharp decrease in exchange revenue
Competition Landscape			• To attract new customers, focused on brand recognition and server stability		• Focusing on gaining volumes and profitable altcoins to keep existing customers	

C2C market has grown after China exchange shutdown but F2C market is still functioning as the mainstream market

Cryptocurrency volume trade amount market share change per base currencies



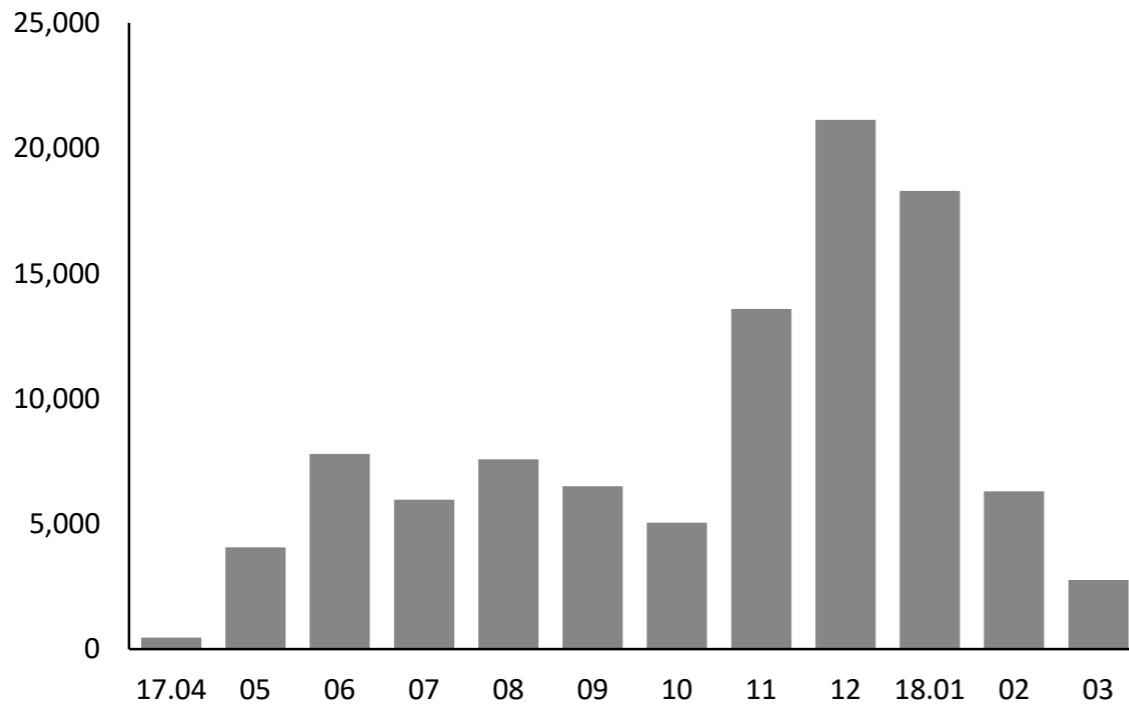
- KRW market: Top2 F2C Market
- BTC and other cryptocurrency trades, which are pure C2C market, is less than 20%

Started as a pioneer, Coinone became global top exchange



Coinone monthly trading volume

(Unit: USD mn)

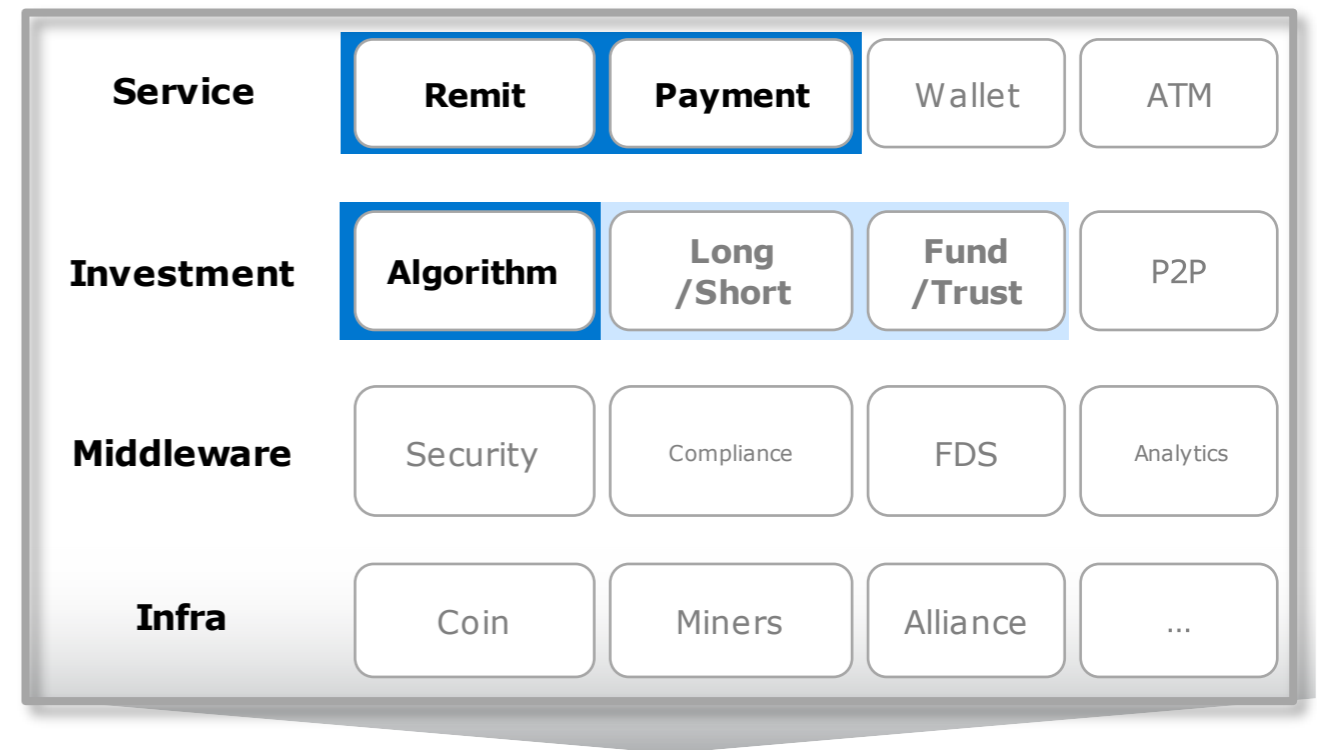


- 2014. 10 Bitcoin (BTC) **exchange service launch (3rd in Korea)**
- 2015. 03 Introduced Coinone Multi-sig wallet
- 2016. 04 **First player to list ETH/KRW pair**
- 2017. 03 Ranked the 9th Cryptocurrency exchange
- 2017. 05 Listed **XRP (1st official partnership in Korea)**
- 2017. 06 **Ranked the 2nd Crypto exchange by volume globally**
- 2017. 08 Listed **Bitcoin Cash** on the exchange
- 2017. 08 First exchange to sign the cyber liability insurance
- 2017. 08 Listed **Qtum** on the exchange
- 2017. 10 Listed **Litecoin** on the exchange
- 2017. 11 Listed **IOTA** on the exchange
- 2017. 11 **Daily Trading Volume reached over USD 1bn**
- 2018. 02 Launched **mobile App (AOS)**
- 2018. 04 Listed **OMG and EOS**

Starting from systemization of exchange's core component, Coinone aims to expand business scope to the whole crypto ecosystem

- Developed high functioning next generation **core matching engine**
- **2 track expansion** strategy:
 - 1) Launch new platform supporting **crypto-crypto** pairs
 - 2) Establish local exchanges **handling fiat currency**

Expand business area based on exchange and its infra



- Fast and inexpensive overseas remittance/ low cost payment solution



- Cryptocurrency-specific investment/ Intensification of Server & Security Expertise