



FIRM:



SIZE:

435 megawatts of transformer capacity (the largest digital currency data center in the world)

THE CHALLENGE:

Effectively liquidating mining reward and improving treasury management

LEDGERX SOLUTION:

Daily swap contract and covered call selling

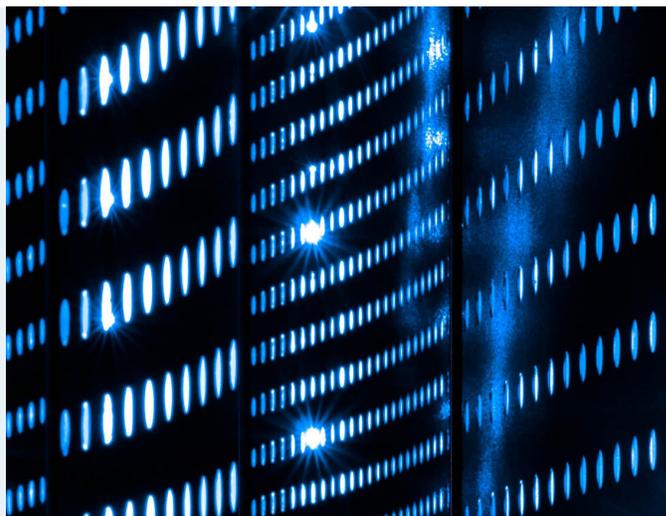
THE CHALLENGE:

In early 2018, Coinmint reached out to LedgerX to discuss treasury management. Founded by former electricity derivative traders, the firm was searching for a platform that offered sophisticated solutions not yet widely available in the bitcoin space. As Coinmint rapidly scaled up and started generating significant mining rewards, their operating costs also grew. Steve Wang, the VP of Finance at Coinmint, met with the LedgerX team to discuss the challenges Coinmint is facing and learn about LedgerX's solutions.

First, Coinmint needed a better solution for liquidating their BTC rewards to fund operational costs. The exchanges they were using were not up to Coinmint's standard: they were slow to process withdrawals, imposed daily limits on withdrawals, and charged Coinmint unjustifiable fees. Steve hoped LedgerX could ease these concerns and provide an efficient, cost-effective solution for liquidating BTC.

Secondly, Coinmint was seeking a solution for making use of the additional BTC that was not being liquidated to cover operating costs. Firms with a highly volatile asset like bitcoin on their balance sheet face a number of challenges when they are looking to generate a high ROI for their investors. Further compounding the issue, the solutions available to Coinmint were unregulated or involved cash-settled contracts. These barriers are deal breakers for a company that is generating profits denominated in BTC and looking to operate a U.S. based business.

Coinmint has liquidated over \$22.5mm in bitcoin while paying less than \$10,000 in fees on LedgerX.



THE SOLUTION:

LedgerX is uniquely positioned to solve these challenges for a large mining company like Coinmint. For liquidating their mining reward, LedgerX suggested that Steve utilize our daily swap contract. As a seller, this swap trades exactly like spot: you receive USD directly to your LedgerX account immediately on trade. As the buyer, the bitcoin will be delivered to your account at 4pm ET settlement.

Coinmint started depositing their bitcoin mining reward, selling the swap contract and receiving daily liquidity with absolutely zero withdrawal limits. At any time Coinmint could withdraw their full USD balances from LedgerX, permitted it was within U.S. banking hours. No more waiting 24-72 hours to get their cash off exchange. Steve was also attracted to the cost of the contract. LedgerX charges a flat fee of \$3.00 per contract. At current spot prices, the fee is only 0.02% per contract which is an order of magnitude lower than other exchanges.

For Coinmint's additional BTC in the second challenge, LedgerX was also able to offer a creative solution that was

not possible in crypto before LedgerX. Since LedgerX's contracts are physically-settled and denominated in USD, Coinmint finally had a regulated avenue for putting their mining reward to work. Steve was looking to take advantage of bitcoin's high volatility to boost Coinmint's ROI and manage treasury risk. After discussing the mechanics of options trading on LedgerX, Coinmint started posting bitcoin to our clearinghouse and selling call options against their bitcoin holdings. Via this strategy, Coinmint generated USD premium by capitalizing on bitcoin's high volatility. Coinmint then reinvested this USD back into their mining operations, funding expansion and operating expenses.

THE RESULTS:

Coinmint has achieved outstanding success utilizing the LedgerX platform for bitcoin liquidation and call selling. Coinmint has liquidated over \$22.5mm in bitcoin while paying less than \$10,000 in fees. They have generated over \$300,000 in call option premium.