

Coinbase Global, Inc.
Fourth Quarter and Full Year 2021 Analyst Call
February 24, 2021

Operator: Good afternoon. My name is Donna and I will be your conference operator today. At this time, I would like to welcome everyone to the Coinbase fourth quarter and full year 2021 analyst Q&A call. All lines have been placed on mute to prevent any background noise. If you would like to ask a question during this time, simply press star, followed by the number one on your telephone keypad. If you would like to withdraw your question, press the pound key. Thank you. Anil Gupta, Vice President, Investor Relations. You may begin your conference.

Anil Gupta, Vice President, Investor Relations: Thank you and good afternoon. Welcome to the Coinbase fourth-quarter and full year 2021 analyst call. Joining me on today's call is Alicia Haas, CFO. Before we get started, I'd like to remind you that during today's call, we may make forward-looking statements. Actual results may vary materially from today's statements. Information concerning risks, uncertainties, and other factors that could cause these results to differ is included in our SEC filings and in our shareholder letter available on our IR website. Our discussion today may include references to adjusted EBITDA, a non-GAAP financial measure. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or in isolation from GAAP measures. You can find additional disclosures regarding Adjusted EBITDA, including a reconciliation to net income, the comparable GAAP measure in our shareholder letter. So with that Donna, I'll turn it back over to you for the first question, please.

Operator: Thank you. Again, just to remind you guys to ask a question, please press star one on your phone's keypad. We will pause for just a moment to compile the Q&A roster. Your first question comes from the line of Devin Ryan from JMP Securities. Your line is open.

Devin Ryan, JMP Securities: Hey, great. Thanks for doing this follow-up call. First question. Just wanted to dig in a little bit around the recent announcement around the crypto remittance pilot program in Mexico with Remitly thought that was pretty interesting and I think a pretty natural use case as we think about the evolution of digital assets. So I'm curious if you can just give us a little more perspective around the quantification of the opportunity, and how you're viewing the addressable market for Coinbase over time. And then just in terms of like the, the cadence of additional geographic expansion, how you're thinking about that, and also whether you would need to do it on a partnership basis or you can do it on your own.

Alesia Haas, CFO: Great questions. We're very excited about this pilot and do you think it's a very natural use case of crypto as crypto is more transparent, it's faster, and in this case will offer a lower cost product than traditional payment corridors. This is very early days and as you noted, we just announced this actually within the first quarter of 2022. And we're going to learn a lot from this initial pilot, and that will inform how we want to roll that out on a more global basis. But we're optimistic about it because my very naive belief is when things are faster and cheaper, that they get adopted. And so it really is around marketing, making sure people find the product friction free and useful, and hopefully that we will see good growth on that basis.

You're absolutely right that we have the ability to do this without partners. So for example, if we were looking at our current bank partnerships, we have fiat rails in Europe or Euro and GBP payments. And so a user in the US could send crypto to a user in the UK and they could immediately convert it back to pounds on our platform. We do not currently have payment rails in Mexico and that's how we chose to do this as a payment partnership versus just doing it all on our platform. But we would enter markets

depending on what our payment rails, what is our time to market with payment rails, and what is the local user base and how did they want to receive their fiat and what is their natural place for these types of payments. And so early days, a lot to learn, but we think that it's an exciting opportunity and use case for crypto that we're excited to bring to the market.

Devin Ryan, JMP Securities: Okay, terrific. Just a follow up on I guess it's a higher level regulation question, but specifically related to BlockFi's settlement with the SEC and how that can kind of progress the opportunity for the Lend program. Should we view that as a kind of a positive signal of progress in the market? So that's kind of the high level and kind of any other detail you can give on your ongoing conversations with the SEC. And then in terms of Lend is that something where you kind of watch where BlockFi goes or you guys can kind of progress on your own, kind of on a similar path?

Alesia Haas, CFO: Yeah. Good questions. So yes, I do think it provides clarity and we're happy to see that it also shows that we are starting to see a level playing field. As I think that now there's a lot more clarity that the SEC has not letting any yield products that are unregistered of that nature, of that type of family of yield products come to market. So we are not prohibited from going forth on our own registered product offering. And we will just determine what the priority is for us to proceed on a parallel path or get more learnings from the market before we get there. We were really optimistic that in the settlement language there was a depiction of how that product could work. And I think that that provides a lot of information to the market about how they may want to bring these products to the market in a way that's compliant with SEC expectations.

Operator: Thank you. Your second question comes from Simon Clinch from Atlantic Equities. Your line is open.

Simon Clinch, Atlantic Equities: Thanks for taking my question. In terms of your hiring plans, 6,000 is obviously an ambitious target, but for an enterprise that's effectively operating on a remote basis I'm interested in understanding a bit more about the processes and structures you have in place to manage the risks associated with that kind of rapidity of expansion.

Alesia Haas, CFO: Great question, and that's something that we're really proud of what we've built here and continue to invest in this. So it comes down to good onboarding, good training, good system management, good ongoing performance management and culture dissemination and maintaining our culture as we're scaling rapidly and scaling in a remote environment. And we've a lot of structure behind each of these areas. We published a lot of thoughts on this on our blog from LJ, our Chief People Officer, about how we're approaching this, this new and novel area. But in short, we're really religious to our culture where we use it as a screen to hire people into Coinbase. We use it for performance, we use it for providing feedback to one another as employees. We have quarterly pulse checks for maintaining performance to ensure that we're maintaining a high talent bar, maintaining high talent as part of our cultural attributes. And that we also have really thoughtful processes around our IT and security systems to ensure that we are properly putting our controls in place, that employees are being monitored for any risk that will ultimately generate from having so many endpoints.

Simon Clinch, Atlantic Equities: And just following up on that. In terms of the availability of talent. I mean, there's obviously a lot of demand to work in the crypto space. Just in terms of how you pitch yourself competitively to some of the many alternatives these hires have?

Alesia Haas, CFO: It's a great question because as you all know, it's a really tight labor market. And one of the things about being remote first, it's made us available to find talent in all markets in the countries in

which we operate. And so now we can compete across the United States, as well as across Ireland, across the UK, Singapore, Japan, and then multiple areas where we have offices and talent. And the way that we compete is with our strong culture, our brand. I think crypto is an exciting growth market. I think that we offer a lot of opportunity to learn here at the frontier of crypto, which people find really attractive from a growth perspective. And we've been really fortunate to be able to retain a lot of our existing talent and also grow and bring on new talent and all of our disparate product areas.

Operator: Your next question comes from the line of Owen Lau from Oppenheimer. Your line is open.

Owen Lau, Oppenheimer: Thank you for taking my question. For the guidance, could you please talk about whether you're baking in any of these NFT and Wallet and derivatives and international expansion in your 2022 MTU and ARPU guidance. And how should we think about the incremental benefit and timing of these product launches this year. Thank you.

Alesia Haas, CFO: Thanks very much for the question Owen. So it's a wide range of outcomes and in part, the wide range of outcomes is because we don't know if the timing of the launch with precision nor the impact of some of these products on our outcomes. So I do believe that we will see some of the NFT and Wallet and international growth impact our ARPU and our MTUs. And that's why we've had the wide range. But for the most part, we are focused on the existing in market products and not these incremental products when we think about our range there. They're very much back to the core is what is driving our outlook, not the incremental. But we think that that kind of provides noise at the ends of the range as opposed to being like the majority of the growth.

Owen Lau, Oppenheimer: Got it, That's helpful. And then with Coinbase Ventures, could you please give us an update on maybe the current cost basis and market value of the portfolio. I mean, have you ever marked up your portfolio to the latest round valuation on your balance sheet. And how should we think about it like do you want to monetize some of these names in the future? Thanks.

Alesia Haas, CFO: Sure. You'll see when we file our 10-K this disclosure in our financial statements, but the cost basis was just over \$360 million as of year end 2021. We have not gone through an exercise to mark it to market, and so we do not have a fair value estimate that we can share with you, but it's something that we aspire to do and enhance our disclosures on over time. With regards to our intentions with this portfolio, as Emilie shared on the prior call, we have made investments in a wide variety of venture as well as we've increased to do now, set strategic investments at higher dollar sizes. And our goal is to really learn about trends and crypto through these investments. We don't have intentions to really manage this for gains. We have the intention to monetize this with time and at the right time, but it's not something that we're specifically doing for the investment return, but rather for the long-term knowledge and education that the investments bring us.

Operator: Thank you. Your next question comes from the line of John Todaro from Needham. Your line is now open.

John Todaro, Needham: Thank you for taking my question here. Just trying to understand NFTs a little bit better on your platform. We've seen a number of different exchanges launch NFT marketplaces. I think to an extent I would call it almost muted success. Can we just understand how this product might differentiate itself from some of the other exchange offerings that have gone into NFTs recently?

Alesia Haas, CFO: Sure. And I would encourage you to look at our BUIDL podcast, which kinda goes into some examples about what we're building in this space. So the way that we think about NFTs is we're

really leveraging the benefit of our platform. So one of the things that we already offer is fiat payments, you can already buy Ethereum and Solana on our platform. And we already have a wallet product, a Coinbase self-hosted wallet. So today when you wanna go buy an NFT in the market, you have to obtain crypto, you have to move it to your self hosted wallet, you have to then buy in an NFT marketplace. And then a lot of the conversation around the NFTs is happening on Discord, happening on Reddit or other forums. Everything is a multi-step kind of piece. We think we can bring that entire experience together into one product offering. And so that reduces friction and just increases ease of use with a few clicks between buying your NFT, seeing the conversation happening around that community, getting offers on it and learning about what other NFTs your friends have. So our NFT product is intended to be a much more social experience, bringing the community together around various NFT collections, and having much more seamless connection to the ability to then buy-sell, transfer that money back to fiat, et cetera.

John Todaro, Needham: That's great, and just a quick follow up on that. Are we expecting it to be transaction fee based? Or if there's any color, anything tangible there, that would be great.

Alesia Haas, CFO: We haven't announced our revenue model on this yet, but we anticipate that it will be a transaction fee and so it will fall into our transaction fee revenues on our financial statement, but we haven't spoken about pricing or exact way we'll monetize at this time.

Operator: Thank you. Your next question comes from the line of Chris Brendler from DA Davidson. Your line is now open.

Chris Brendler, DA Davidson: Thanks for taking my question. I wanted to ask on the other part of Subscription revenue. The other Subs & services had a really nice quarter, a lot of strength there anything one time in nature? What's in there?

Alesia Haas, CFO: Everything in there is our series of bets that aren't material enough or don't have enough history that we want to pop them out and call them their own financial statement line item at this time. So for example, things and they're the largest of the items is Coinbase Cloud. And so that we've seen growth in our staking nodes. We commented earlier on the call that we now have tens of billions of dollars that are being staked through the nodes over 25 protocols. We are running 60,000 nodes through our participate and delegation, query and transact nodes. So there's some growth in our Coinbase Cloud offering that's running through that line. And then there's a lot of our new green bets that are in there and much smaller dollar items that all kind of add up to that growth. So we're hopeful to break some of those things out over time once we see a better trend and clarity on those. But I think about those as our venture bet of subscription and services products that's in that line item.

Chris Brendler, DA Davidson: That's great. Thank you so much. My follow up is in the same area. On the call you mentioned that you're building Institutional staking services, that seems like it might be a fairly sizable opportunity given what's happening with Ethereum. Any guard rails to think about as we model out Blockchain revenue and how large it could be as we go to staking?

Alesia Haas, CFO: We do think there's going to be significant growth in staking both from increased adoption of retail adopting staking like ETH2. We commented on the call that we think that once there's liquidity on ETH2 the combination of a strong yield and liquidity will lead to more adoption. Institutional demand we think once we make that available, will lead to more adoption as well as we're adding more proof-of-stake assets to our platform. So we're very optimistic about the growth of staking and specifically Blockchain rewards revenue this year. But we don't have any specific guidance to provide.

Operator: Thank you. Your next question comes from the line of Harshita Rawat from Bernstein. Your line is now open.

Harshita Rawat, Bernstein: Thanks for taking my question. I want to ask a question about institutional product. And separately about Coinbase Cloud? Can you talk about some of the competitive dynamics here? I think particularly for Coinbase Cloud, some of the customers are potentially competitors. How do you navigate that? Thank you.

Alesia Haas, CFO: You are absolutely right that some of the customers will be competitors. And very much like other folks have made their technology stack available as a new product line, we believe that we're going to properly ring-fence, provide segregation of access and data controls to get competitors comfortable with using our services. And that is how we're approaching that market. We believe that we can offer very competitive products just given our experience and scale and offering some of these items and that we do have competition, but they haven't had to operate the scale that we've had to operate. And so as we bring on new financial services partners who may want to offer crypto as an example to their end customers, they would really benefit from the size and scale that Coinbase can offer these APIs and tools.

Operator: Thank you. Next question comes from the line of Sean Horgan from Rosenblatt. Your line is now open.

Sean Horgan, Rosenblatt: Hey, thanks for the question. So just one on the regulatory environment, you offer a lot more coins than some of your peers who are taking a more conservative approach, given many of the tokens may be considered unregistered securities. So the question is, what are your thoughts on the impact to your business if some or many tokens become considered unregistered securities?

Alesia Haas, CFO: Thank you for the question. We go through a very diligent process to assess the risk. And we don't believe that any token that we have listed on our platform meets the criteria as an unregistered security. This is an area where there is not a lot of regulatory clarity, however, and it's possible that we are wrong. So it's possible that some or many of the assets that we have listed are in the future deemed to be unregistered securities. As we've shared with you in our financial statements in the past, and you'll see in our current 10-K filing, no single asset outside of Bitcoin or Ethereum comprises 10% of our revenue. So we have many assets and they're growing as a significant percent of our trading volume and transaction revenue. However, no single asset is over 10 percent or overly material. If a great number of them, if all of them became unregistered securities, that can be up to the 60% of our revenue, that would be declined, we find that to be highly unlikely that they are all. And so we are prepared to work with regulators to find paths to cure. We're prepared to go down paths to become registered if that is the case that's required, and we do think that there's a lot of conversations to be had to get the regulatory clarity we need and we're prepared to support that. But at this time, I don't have anything that I would share that we are worried about near term risk and I hope that I size the risk for you properly.

Sean Horgan, Rosenblatt: Yeah, but I mean, the SEC has made it pretty clear that they consider a lot of these securities. So I mean the philosophical argument aside, I guess the question is more, what happens when let's just assume that that does happen? Do these just roll off of the business or is there some other sort of cost or risk that may be associated with it? Like how do you think about that scenario?

Alesia Haas, CFO: It's really interesting. I would say that we're watching live what's happening with XRP and the SEC when they've come after an asset, and we're all learning a lot from watching that case. I think that there's going to be a lot of healthy debate and when hopefully the clarity of law will come with a

new level playing field where all asset issuers can then make the decision about whether or not they need to register, whether they're required to register. And similarly, Coinbase will make the decision on then whether we light up a broker/dealer, exchange and we then list and trade registered security tokens. It's something that we contemplated in the past and that we'd be prepared to do. But I think that it's too early to say, and I think that the path here, it's not clear.

Sean Horgan, Rosenblatt: Okay, I really appreciate it. And to your credit, it's been a benefit to you guys. And I just wanted to, if I could do one follow-up on pricing, you know, I think competition is increasing and you guys are sort of at the higher end on pricing. And I think that's justified by level of security you have, and brand value, but yeah, I'm just curious, you're sort of longer term thoughts like where, what's the sort of terminal trajectory on take rate in your mind and how fast do you think that's going to happen?

Alesia Haas, CFO: As we've shared before, we do think over the long-term, we will see fee compression, but we have not experienced it today, and we don't feel the pressure to change our fees at this time. We continue to do a lot of price experimentation to learn from our users, to learn to see if there would be better pricing. We will always be open about lowering fees if it's going to accrue more revenue to our platform. But at this point in time, I don't have a trajectory. It took 20 plus years in the traditional securities market to bring trading fees down to 0 and they had plenty of time to diversify. And we're focused today on diversifying our revenue and continuing to engage our customers and additional products and services. So you'll see us continue to do that and look at experimentation for our pricing models. But I don't have a specific timeline that I see it happening in and we're not seeing a lot of pressure.

Operator: Thank you. Your next question comes from the line of Will Nance from Goldman Sachs. Your line is now open.

Will Nance, Goldman Sachs: Thanks for doing this. Yeah, I'm pushing, I'm going to ask another take rate question, but a little bit more near term oriented. I think there's a lot of chatter in the market about the mix shift the business is seeing under the much lower volume runway that you guys have seen in the first quarter. And I'm wondering if you could help kind of provide any clarity on just where things are shaking out. I think last quarter you were nice enough to give us a little color about a rebound in the take rate after seeing much softer volumes in the third quarter. And given volumes are kind of running more similar to where the third quarter was like, should we expect the retail take rate to go back to those levels with the volume in things like Shiba Inu that we've seen more recently or do you think some of the recent increase in take rate in the 4th quarter might be more sustainable. Any color you can share on some of the near term stuff just to clear out some of that chatter.

Alesia Haas, CFO: Sure. I think what I can share is that we have not changed fees quarter to date. It is all mix shift, as you said, it is mix shift between the consumer platform and the pro platform. And that can vary. And it can vary month over month, it can vary week over week. And so what you see is a mathematical outcome of that in our quarterly results. I have nothing specific to share at this time on where Q1 is trending. It's not materially different than it has been over the last quarter.

Will Nance, Goldman Sachs: Ok I guess that in and of itself is helpful. And then I guess I wanted to clarify some of the comments on the NFT platform on timing. It sounded like there's a decent amount of hesitation on when that product will go live and when it can contribute. And I just wanted to kinda help us understand that role because you're like having a waitlist. But millions of people already signed up, are we reading too much into those comments? Are we too aggressive in thinking that this could be a 2022 item or is this something you guys are talking about taking your time, doing it right and have all the

features that make it a unique product in the market. Are we too aggressive in thinking that could be a 2022 event?

Alesia Haas, CFO: We definitely have expectations to launch an NFT marketplace in 2022. And so I think you will see a product to market. We're not ready to speak to a specific date, but we'll have news soon on expected launches. What I am not ready to commit to, and perhaps this is our approach in general because crypto is just so unpredictable, is to what that impact will be on our revenue. And so we have not been modeling that in our scenarios as the meaningful driver of what we see going to the higher end of our MTU ranges or of our ARPU ranges at this time. We are thinking about that as an add-on. That would happen once we launch, once we get our better predictability of what that business could look like and meaningful to our platform. So I would break that into pieces that, yes, there's a product launch not ready to comment on what the revenue impact of that would be in 2022 yet.

Will Nance, Goldman Sachs: Okay. Thank you.

Operator: Your next question comes from the line of Rich Repetto from Piper Sandler. Your line is now open.

Richard Repetto, Piper Sandler: Hi, Alicia. And I think this is pretty obvious, but I just wanted to ask. In the comments you talked about the retail fee capture was elevated because of elevated activity. So I guess you could just assume that the mix shifted back more weighted towards the Coinbase platform rather than Coinbase Pro?

Alesia Haas, CFO: Confirmed.

Richard Repetto, Piper Sandler: Okay. And then I guess the other question is now you get more than two-thirds of your revenue coming from coins other than Bitcoin and Ethereum. And I know there's certain coins that have become very, very popular. And that two-thirds, you did say there's no one coin that's more than 10 percent. But the question is, do you think that's a barrier to entry and competitive advantage, now that you have that many coins and volumes coming from things other than just Bitcoin or Ethereum?

Alesia Haas, CFO: I do, I do think that it's a benefit to the overall crypto ecosystem as well as to our platform because I think it shows the diversity of development, of innovation. We now have whole cohorts of, for example, DeFi protocols that are getting a lot of consumer interest like the Compound Protocol, Aave, Uniswap, et cetera. There's families of other crypto assets that are seeing unique growth trajectories that trade at a different pattern and behavior than Bitcoin, which is a store value asset that people will look at as a hedge against inflation or a store of value. And so I think that the adding of more assets to our platform and when we add an NFT trading, those are going to trade at a different expectations, volume, price, market factors than DeFi does, than Bitcoin does, and Ethereum does. And I also think that we have these medium of exchange platforms like Ethereum, like Solana, where we're seeing new apps built on top. So new NFTs are getting built on top of these platforms. New DeFi apps are being built on top of these platforms. You're going to start to see those protocols trade then based on the potential growth of those. And so I think that diversity all benefits Coinbase's platform because you'll see different trading patterns, different behaviors that will tamp it out. So the volatility that happens when everything is trading together and right now it's hard because there's so much macroeconomic noise that it's hard to see crypto specific noise versus macro. But I think over time, the diversity will help us create more predictable as well as less volatility in our results.

Richard Repetto, Piper Sandler: Got it. Thank you very much.

Operator: Thank you, your next question comes from the line of Pete Christiansen from Citi. Your line is now open.

Pete Christiansen, Citi: Thank you. Good evening Alesia, how are you?

Alesia Haas, CFO: I'm great, Pete. Thanks for joining the call.

Pete Christiansen, Citi: Yup. This may have been asked before but double duty tonight, but I'm just wondering on the transaction cost side. I know EIP-1559 came in and effectively lowering gas fees on Ether. Just wondering if you're starting to see that impact on the gross margin and is there more pathway there to see lower transaction costs going forward on Ether. And then my follow-up question would be, on the staking side, maybe you mentioned how many validating nodes you have out there. I think you had 6 at the end of 3Q or something like that. Just wondering where we are today there and how you see that expanding through 22.

Alesia Haas, CFO: Great. Quickly on the transaction cost side, we do think that we're going to see a reduction in transaction cost due to mining fees. I think that this is an industry problem that we're all working to solve with layer two solutions which we think can be faster and cheaper perhaps than every transaction going through the layer one or on the Ethereum protocol itself and Ethereum itself with the merge is working to reduce their overall transaction costs. So yes, I believe this will go down with time. There's also things that we can do internally at Coinbase, Pete, and we're working on those solutions as well. Because for example, if we're matching trades on our platform user to user, we don't have to do a confirmation on the blockchain. And so finding ways to route trades that will lower fees for our users is something that we always aspire to do to make it a lower cost transaction for both of us.

So yes, we saw higher fees and Q4. Yes. It's something we're focused on. And yes, I think that this is not going to be a long-term trajectory at them maintaining at this level. I would say though, we're not ready to share with any specificity about how many validator nodes were operating. This is an area where we recognize that we cannot be too concentrated and so we work to maintain decentralized nodes, and maintain that we don't have too much control. And so we will work where need be with vendors to provide the services to our customers, but ensure that others are running nodes where needed.

Pete Christian, Citi. Thank you.

Operator: Thank you. Your next question comes from the line of Kyle Voigt from KBW. Your line is now open.

Kyle Voigt, KBW: Hi, thanks for taking my question. So I think last quarter, it sounded like there were plans in the works to merge the Coinbase and Coinbase Pro apps or products together into one unified product. I just wanted to confirm is that still the case? I guess I'm trying to figure out how early days that is or if that could be a 2022 roll out?

Alesia Haas, CFO: Yep. Good question. Yes. And we actually have launched this product. It's called Retail Advanced Trading. And we are currently inviting users to test this and learning from the product. We are inviting Pro users and we're starting a push to move more of our consumer traders to this product. And we do anticipate bringing those two products together into this Retail Advanced Trading product later

this year. So early days, as I said, it's still in beta, we're still doing pilots, we're still making sure to test and learn from this experience, but that is in our roadmap.

Kyle Voigt, KBW: But sorry, I'm on the mobile app side of things. Will there be just one Coinbase app? Is that the end goal? Instead of having the two apps today? Or is this going to be something that is separate?

Alesia Haas, CFO: Sure. So we're looking to build an experience for our retail users that will be one experience which is the Retail Advanced Trading. They would have both the simple trading experience as well as what they are experiencing on Pro today. So that would be one retail app that everybody uses.

We have a separate then plan for our Prime customers, which are large institutions. And so there would be multiple apps, but for bringing the Pro and the consumer, it would be one app going forward for that Retail Advanced Trading experience.

Kyle Voight, KBW: Got it. Thank you. And just a follow-up. Just because the user growth – the verified user growth has been so significant over the past year, and even in the fourth quarter. I'm just wondering maybe looking year over year, is there a significant difference in how the verified user base, the retail user base, looks today, than it did look at the end of 2020? I'm just trying to get a sense of whether there's a higher weighting toward larger accounts, any anything you can kind of give us on demographics of the users or whether the users are shifting to less active users, things like that, that we should be aware of? In terms of trends as the user base has grown pretty rapidly.

Alesia Haas, CFO: So it's important to note that verified users is just that we have an email or phone number from the user. And so we don't have any demographic or data on those users. You have to get deeper down in our pipeline to then see activity that is our monthly transacting user base, those that have transacted in the last 28 days. And as we shared when we went public, we really debated which metrics to share. And so verified users is truly top of funnel, those that we can talk to that we can engage in content and try and sell down the pipeline. MTU is then just who's transacted over the last 28 days and in-between that there's the users that have funds on our platform that transact maybe every other month that are long-term hodl'ers that are checking their account on a regular basis and reading news, but just are committed to holding it for a long-term investment.

So what I would say to you is that we're seeing general trends of users engaged with more and more crypto products, which is what we shared that we now have 32% of our users who transact and do something else. And largely it's taking its spending on Coinbase Card. It's participating in an Earn campaign and finding ways to transact in the crypto economy. And that population has grown in the last two years from being almost 0 to now roughly 50% of our users are doing a utility act on our platform. And so I think that we're seeing our users in general get more engaged. They're getting engaged with more types of crypto assets, more types of crypto transactions. And it's also then going wider with more and more types of people. But we always had a very diverse demographic on our platform, diverse in terms of age, like geographic spread within the US and in the markets that we operate in. And we see that just getting deeper. We shared one of the stats, in our letter earlier that one in four households has crypto. And I think that's just a broad macro trend that more and more people are adding crypto to their portfolios.

Operator: Thank you. And your last question comes from the line of Lisa Ellis from MoffettNathanson. Your line is now open.

Lisa Ellis, MoffettNathanson: Terrific, thanks for taking another one from me. Just a broad regulatory question specifically focused in the US. I know that's an area that investors have difficulty navigating or following or anticipating what may or may be coming down the pike. So just from your perspective, looking out in 2022 what are the couple of major next steps or announcements that you would guide the investor community to be looking out for to help with navigating through the overhang of uncertainty associated with the regulatory environment.

Alesia Haas, CFO: Sure. I think what we're most excited about right now is Biden's executive order where it looks like the administration has taken an all government approach to crypto regulation. And I think that that is the right approach because we can get clarity for the industry and the American public. And I think that will drive more focus, more alignment across all the regulatory agencies because it was very hard to navigate the multiple US regulatory agencies to ensure that we got cohesive regulation brought forward. So it's early days. I know this has been delayed a little bit, unfortunately due to global events, but we're hoping that this executive order will bring broad industry participation. We're hoping to have a seat at the table to help navigate this. And we think this is the right direction of travel for US regulatory clarity.

Lisa Ellis, MoffettNathanson: Okay. Great. Thank you.

Anil Gupta, Vice President, Investor Relations: Okay. Well, I think that does it for this call. Thank you all for joining us and we look forward to speaking with you on our next call.

Operator: Thanks everyone. Thank you for joining us, you may now disconnect your lines.