



# Forensic Analysis & Deep Dive

Addendum  
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# Coinbase Annual Report

Analysis (Base Case)



## INCOME STATEMENT

(All figures are in US\$ thousands, except otherwise specified)

Particulars	2022	2023	2022	2023
	Previous Analysis		Current Analysis	
<b>Revenue:</b>				
Net revenue	3,030,226	3,837,540	2,734,856	1,792,370
Other revenue	427,320	665,683	427,320	665,683
<b>Total revenue</b>	<b>3,457,546</b>	<b>4,503,223</b>	<b>3,162,176</b>	<b>2,458,053</b>
<b>Operating expenses:</b>				
Transaction expense	484,056	641,709	1,422,979	983,221
Technology and development	691,509	911,903	1,106,762	786,577
Sales and marketing	311,179	416,548	948,653	614,513
General and administrative	587,783	720,516	790,544	491,611
Restructuring	27,660	31,523	94,865	17,206
Other operating expense, net	276,604	351,251	474,326	245,805
<b>Total operating expenses</b>	<b>2,378,792</b>	<b>3,073,450</b>	<b>4,838,130</b>	<b>3,138,934</b>
<b>Operating income (loss)</b>	<b>1,078,754</b>	<b>1,429,773</b>	<b>(1,675,953)</b>	<b>(680,881)</b>
Other expense (income), net	49,623	49,623	49,623	49,623
US11196566, JP6813477 Infringement Punitive Damages	(998,366)	(1,354,136)	(913,078)	(676,002)
US11196566, JP6813477 Licensing Cost	(665,578)	(866,870)	(608,719)	(473,175)
<b>Net income (loss)</b>	<b>(634,813)</b>	<b>(840,856)</b>	<b>(3,247,374)</b>	<b>(1,879,681)</b>

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## BALANCE SHEET

(All figures are in US\$ thousands, except otherwise specified)

Particulars	2022	2023	2022	2023
	Previous Analysis		Current Analysis	
<b>ASSETS</b>				
<b>Current Asset</b>				
Cash and cash equivalents	5,418,842	5,953,885	4,019,932	3,024,652
Restricted cash	22,431	23,533	16,640	11,955
Customer custodial funds	7,372,362	7,465,642	5,469,137	3,792,645
USDC	100,096	100,096	100,096	100,096
Accounts and loans receivable, net of allowance	190,165	247,677	173,920	135,193
Income tax receivable				
Prepaid expenses and other current assets	135,849	135,849	135,849	135,849
<b>Total Current Assets</b>	<b>13,239,745</b>	<b>13,926,681</b>	<b>9,915,574</b>	<b>7,200,390</b>
<b>Non Current Assets</b>				
Crypto assets held	356,819	461,017	725,719	470,840
Lease right-of-use assets	98,385	98,385	98,385	98,385
Property and equipment, net	49,082	38,935	49,082	38,935
Goodwill	625,758	625,758	625,758	625,758
Intangible assets, net	151,704	126,719	151,704	126,719
Other non-current assets	368,955	476,698	750,404	486,855
<b>Total Non Current Assets</b>	<b>1,650,704</b>	<b>1,827,513</b>	<b>2,401,053</b>	<b>1,847,492</b>
<b>Totals Assets</b>	<b>14,890,449</b>	<b>15,754,194</b>	<b>12,316,627</b>	<b>9,047,882</b>



Taking into the consideration the current situation in the crypto space, a steep decline in Coinbase revenue will significantly reduce margins and result into losses off the high operating leverage that Coinbase works with. Download the precedent to this document, the full [Coinbase Forensic Report](#). From [BoomBustBlog](#).