



In order to create a suitable picture of the past quarter, we refer in this report to the total market capitalization of the crypto market, as well as to the Bitcoin price development representative for the development of the dollar values in the crypto market.

Dear Teroxx Community,

The third quarter of 2020 is now successfully behind us and this was still marked by global restrictions, although a "normalisation" has taken place both in the market for digital assets and in the traditional financial markets. We continue to experience unusual restrictions in our daily lives due to the "Covid-19" pandemic. However, this does not prevent us - thanks to digitalised work processes - from driving forward a further positive development of the company.

In view of the price developments of individual assets, we can look back on a positive quarter. Due to the impressive rally in the second quarter in most areas of the global financial markets, expectations were above average, although the risk of a renewed slump in prices due to global uncertainty was always present. After Bitcoin had reached ~\$9100 on July 1, 2020 and the market as a whole had a total market capitalization of ~\$260 billion, July was unable to set any new positive accents. With low volatility, the market strengthened its support just below the \$10,000 mark and strengthened the "bulls" in the market.

Subsequently, the market experienced the only "bull run" of the quarter. As a result of this upturn, the entire market rose until mid-August without any major price slumps. During this time Bitcoin broke through all previously formed resistances and reached an annual high of ~\$12,400. This rapid development of the Bitcoin price and the "DeFi-Hype" caused the market capitalisation to rise to ~\$390 billion. From the beginning of the quarter to its highest value, market capitalisation increased by ~50%. However, we saw sell-offs in the market

after reaching these new highs. The "DeFi hype" saw a temporary turnaround and Bitcoin temporarily dropped below the \$10,000 mark, but managed to regain it again. During this stabilisation phase, market capitalisation fell by ~20%. The "Altcoin market" therefore lost much more than Bitcoin. Nevertheless, the "Altcoin market" stabilised and maintained important support levels. These temporary sales were supported by the falling prices of the "tech shares". This industry (Apple, Facebook, Google, Amazon and co.) also experienced large profit-taking and negative price changes of over 20% after a "bull run". Almost simultaneously, the positive movements came to an end and, driven by the correlation of the markets (Nasdaq/SP500 and Bitcoin), the bullish mood in the market could not be sustained.

After the psychologically important mark of \$10,000 per Bitcoin was maintained as support, a further upswing was initiated.

Since its sale in mid-August, Bitcoin has not been able to form new peaks and has also lost support at ~\$11,000, meaning that the market is currently facing a high level of resistance at this level, which has already been tested several times in vain. As a result, the market has been "hovering" between ~\$11,000 - \$9950 for over a month, which means that we have seen a greater sustained uptrend this quarter, but the market has been less volatile on the upside.

The media driving theme this quarter was the so-called "DeFi-Hype". DeFi projects are mostly decentralised token and finance projects, as well as stock exchanges, which can be used to operate various applications such as "lending" and "staking". These decentralised assets can be exchanged via trading centres without a central intermediary. Every day these projects shot up and were listed by the exchanges. This caused a "flood" in the market and irrational volatile movements of these tokens were the result. After the hype had subsided, many of these projects lost more than 50-70% of their value (measured by the all-time high), but this shows the lively development of the block chain and its use cases.

At Teroxx, we have used this quarter to further diversify our trading accounts, continue to optimise our strategies and build up long-term investments. The positive development of the markets in the first half of the quarter enabled us to build mid-term positions and, as markets rose, to place long positions as daytrades. Over the quarter, the price of Bitcoin rose, allowing the Bitcoins and positions held by Teroxx to increase in value. After the high for the year and the associated sell-offs, the midterm positions were finally closed profitably with the trailing stoploss and the focus was shifted to shorting in the short term. A 20% dip in Bitcoin enabled us to

apply our trading strategies for falling prices in a first-class manner during this period. After this downward phase in the market and subsequent consolidation, short & long was traded, so that a broad market spectrum could be covered. In keeping with our philosophy, the funds were managed in a risk-optimised manner throughout to generate constant and long-term returns. We have not changed our focus with the upcoming "DeFi projects", as we believe that this is currently still more of a hype than a clearly recognisable trend.

Thanks to the correct assessment of our analysts and traders, we were able to trade the portfolios without any significant drawdown throughout the quarter and to increase the profitability of individual strategies.

The Teroxx Wallet App has also been optimised as far as possible, independent of the internal asset trade. A comprehensive performance update was successfully carried out. The general security standard of the Teroxx App was raised to the highest European level. For an improved App experience, the speed was noticeably increased and slight interface adjustments were made. The general performance update enables a 100% increase in performance for everyday use.

Further extensive updates of the Teroxx Wallet App are planned for the coming quarter.

The global markets (including digital assets) were able to largely displace the "corona" concerns and saw less volatility. While the major stock indices did not show any significant gains or losses over the quarter, most crypto-currencies recorded positive price developments. The high volatility in August and the subsequent sell-off offered entry points that we took advantage of. The coming quarter represents the last of the eventful year 2020. Traditionally, this is a positive one for digital assets. Even though the effects of the "Covid-19" pandemic are being felt and restrictions in everyday life are back on the agenda, the markets are currently perceived as very solid. But it is precisely this uncertainty that could cause volatility in the markets, which we would welcome through diversified trading strategies.

We are eager to see what the coming quarter will bring. We have prepared ourselves for every development of the market in the coming months in order to master the upcoming challenges with at best another above-average positive performance.

Your Teroxx Team

