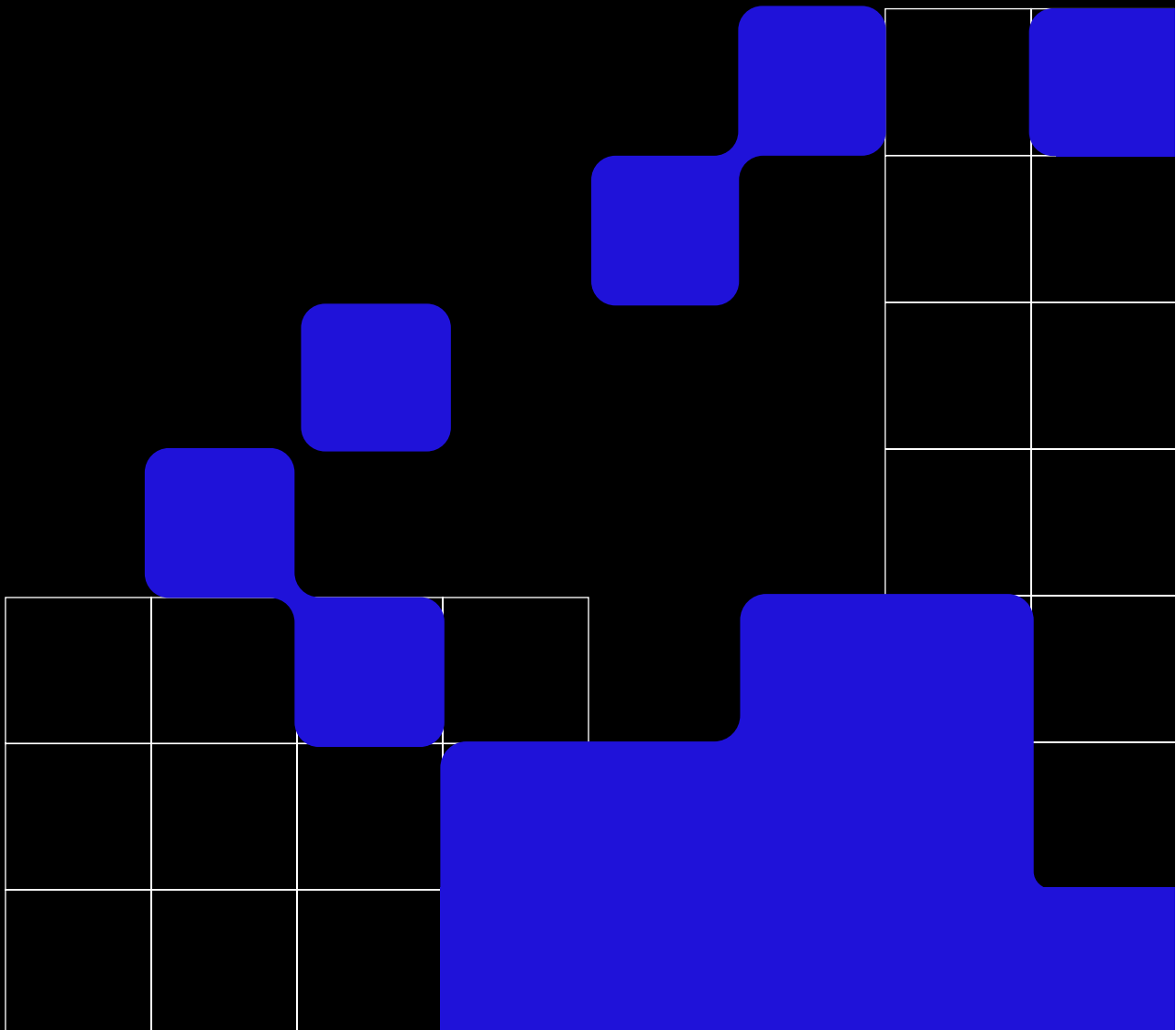


coinshares.com

CoinShares

Q1 2024 REPORT

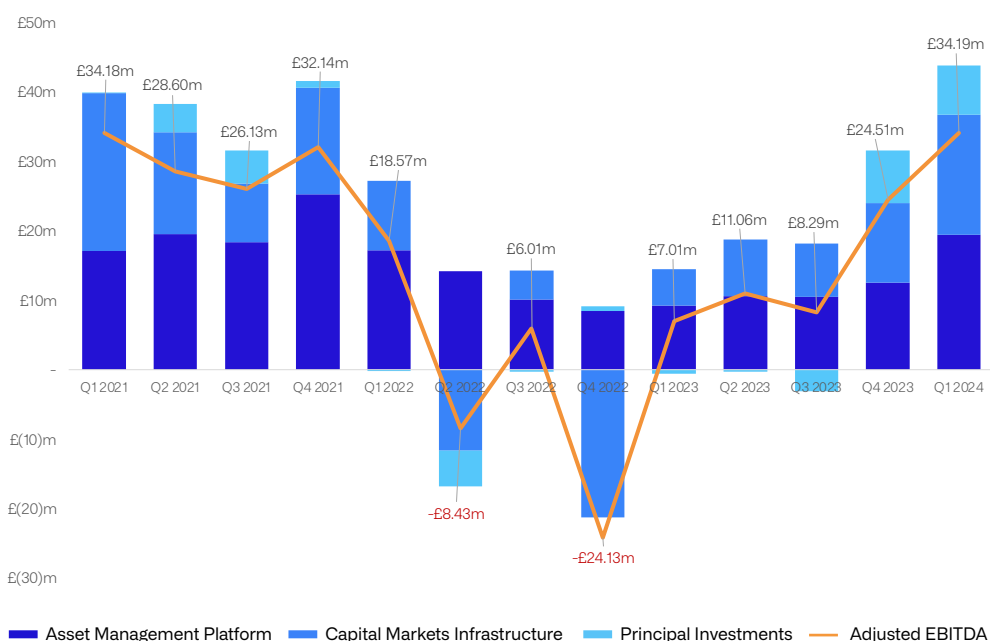


EXECUTIVE SUMMARY

CoinShares starts 2024 with its strongest quarter since 2021 in nearly every aspect

- Revenue for Q1 2024 of **£19.5 million** (Q1 2023: £9.4 million)
- Gains and Other Income for Q1 2024 of **£24.4 million** (Q1 2023: £4.7 million)
- Adjusted EBITDA for Q1 2024 of **£34.2 million** (Q1 2023: £7.0 million)
- Total comprehensive income for Q1 2024 of **£34.1 million** (Q1 2023: £2.9 million)
- Adjusted EPS for Q1 2024 of **£0.50** (Q1 2023: £0.04)

Segmental Split of Revenue, Gains and Other Income & Adjusted EBITDA (GBP)*



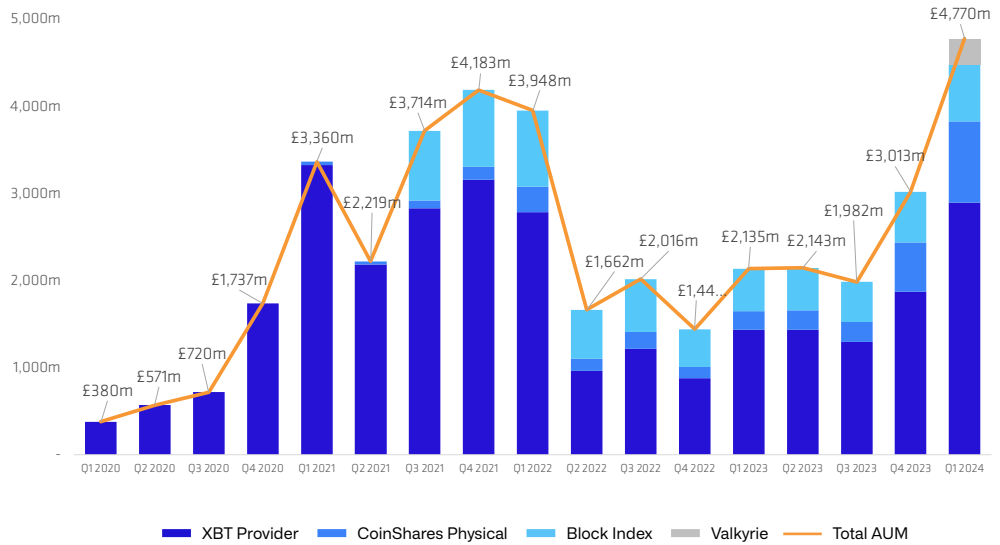
*The Group has enacted a change to its methodology of calculating Adjusted EBITDA. Please see page 11 for more detail.

Alternative Performance Measures (APMs)

- Combined **Revenue, Gains and Other Income** for the quarter of **£43.9 million** (Q1 2023: £13.9 million);
- **Asset Management** fees from the Group's ETPs and Index for the quarter of **£19.5 million** (Q1 2023: £9.2 million)
- **Capital Markets** activities resulted in net gains/income of **£17.3 million** (Q1 2023: £5.2 million);
- **Principal Investments** generated a net gain in Q1 of **£7.1 million** (Q1 2023: £0.6 million loss);
- **Adjusted EBITDA** for Q1 totalled **£34.2 million** (Q1 2023: £7.0 million); and
- **Adjusted EPS** (basic) for Q1 of **£0.50** (Q1 2023: £0.04); Adjusted EPS (diluted) for Q4 of **£0.48** (Q4 2022: £0.04).

Please refer to page 11 for the full Adjusted EBITDA calculation of the Group and narrative on the performance for the quarter, page 27 for definitions and pages 29-31 for reconciliations of the Group's APMs.

TOTAL GROUP AUM (GBP)

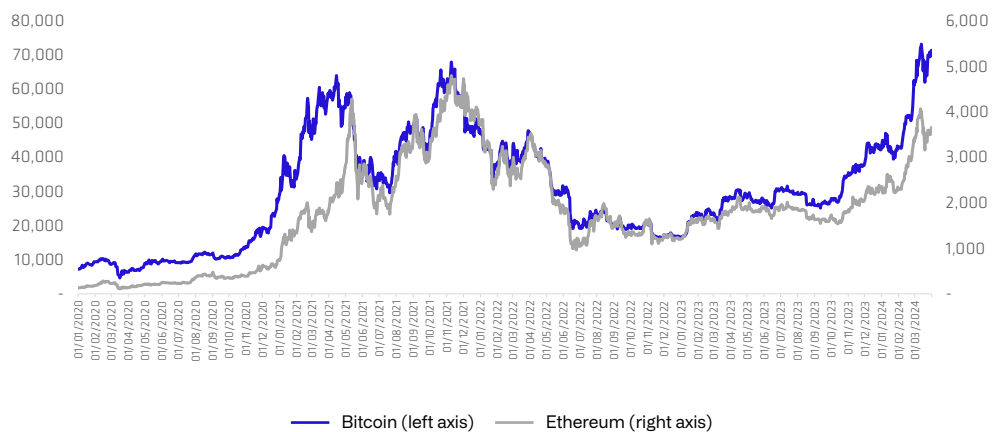


01
02
03
04
05
06
07
08

- Total AUM of the Group as at 31 December 2023 of £4.77 billion, of which £3.82 billion is held on the balance sheet in relation to the Group's ETPs issued by XBT Provider and CoinShares Digital Securities Limited. The remaining amount of £0.95 billion is attributable to the BLOCK index and newly acquired funds arising from the acquisition of Valkyrie.
- The AUM figure has risen since the end of 2023 of 58% due to the performance of the wider industry in Q1 2024 which saw significant price increases across the board, in conjunction with the acquisition of Valkyrie.
- Fluctuations in the Group's AUM, regardless of whether it be assets on or off-balance sheet, result in fluctuations in management fee revenues. Fluctuations do not impact the Group's NAV in a material way as the on-balance sheet assets are held to hedge against corresponding liabilities arising from the issuance of the Group's ETPs.

BTC & ETH (USD)

Bitcoin and Ethereum price fluctuations over the same period:



Key Events During the Quarter

Valkyrie Acquisition

On 11 January 2024 SEC approval was received for the issuance of Valkyrie's spot Bitcoin ETF, The Valkyrie Bitcoin Fund (BRRR), which commenced trading on 11 January at 09:30 am ET on Nasdaq as part of the first cohort of issuers for such products in the US.

On 12 January 2024, the Group announced it had exercised the option to acquire Valkyrie Funds LLC, and that the acquisition was pending the completion of satisfactory due diligence, the finalisation of necessary legal agreements and final board approval.

Subsequently, on 12 March 2024, the Group announced the completion of the acquisition of Valkyrie Funds LLC and the sponsor rights to the Valkyrie Bitcoin Fund, a physically backed Bitcoin ETF.

The acquisition has resulted in the recognition of goodwill held on the balance sheet of the Group of approximately £1.6 million.

Share Options/Cancellations/Buybacks

On 11 January 2024, share options granted relating to a total of 10,446 shares with an exercise price of £1.43 per share were cancelled pursuant to a deed of cancellation, for total consideration of £11,227.

On 20 March 2024, the Group issued new share options to employees as part of an employee incentive plan. A total of 115,000 options were issued at an exercise price of SEK 50.4 and a vesting date of 20 March 2027.

From the start of the year there has been a series of further share buy-backs undertaken by the Company. As at the date of signing a total of 90,205 shares have been bought back at an average purchase price of SEK 39.37. This equates to total consideration of SEK 3,552,194 (£261,383).

Fee Changes to Physical Products

On 25 January 2024 the Group announced a reduction in the management fees for its CoinShares Physical Bitcoin product. This move, effective from 1 February 2024, significantly decreased the management fee from 0.98% p.a. to 0.35% p.a.

On 1 February 2024 the Group announced that it had implemented a 1.25% p.a. staking reward in its flagship Physical Ethereum ETP, effective 1 February 2024, the latest move in a longer-term strategic drive to lower costs for European investors looking to enter the digital asset market.

FTX Claim

On 6 February 2024, the Group received a notice of acceptance regarding a claim made to FTX in respect of assets held on the exchange at the time of its bankruptcy in 2022. The claim is for US\$28,119,093, and a range of digital assets with a value as at the date of bankruptcy of US\$3,269,019, bringing the total claim value on this basis to US\$31,388,112.

The FTX debtors published an updated plan of reorganisation on 7 May, 2024. It discloses that the FTX debtors have managed to recoup approximately US\$15 billion of assets for redistribution, mostly through the sale of VC investments made by FTX and its trading affiliate Alameda Research. The FTX debtors estimate that this sum should be enough to repay all creditors in full, and perhaps with a premium of 18% or more to the values attributed to the assets in November 2022.

01

02

03

04

05

06

07

08

If the updated plan of reorganisation is well received by creditor groups, the FTX debtors have indicated it will be sent to the court for approval as early as the end of June 2024. If the plan is approved by the court there will be a creditor vote on the terms before a final court hearing to approve the plan. At each of these stages it is possible that the plan may be further amended and there can be no certainty as to how long the overall process will take and even once complete there is further uncertainty over how long it will take for larger creditors like us to be repaid.

For all of these reasons, the Group's management continues to determine that the FTX claim represents a contingent asset based on information received to date. While the publication of an updated plan of reorganisation can be viewed as a positive development and a future inflow of assets is ultimately expected, the value, process, and timing of future distributions from the bankruptcy filing remains materially uncertain. Therefore, no asset has been recognised on the balance sheet of the Group at (or subsequent to) the end of the quarter.

Other Matters

On 19 March 2024 CoinShares (UK) Limited was formally dissolved.

Key Events Following Quarter End

Dividend Policy

On 10 April 2024, the Company announced it has resolved to declare and pay in four equal instalments an annual dividend calculated as between 20% to 40% of the Group's total comprehensive income. The dividend for year ending 31 December 2023 amounts to approximately £9,250,492. The first tranche has an Ex-dividend date of 29 April 2024, a record date of 30 April 2024, and a payment date of 3 May 2024.

3iQ

On 17 April 2024, 3iQ (a company in which the Group held 1,137,784 shares as at 31 December 2023 with a total carrying value of £4,396,991) was acquired by a third party. The acquisition resulted in the disposal of the Group's holding, generating cash consideration of approximately £4.0 million, resulting in a profit of approximately £2.3 million.

Other Matters

On 10 April 2024 XBT Provider AB (publ) changed its name to CoinShares XBT Provider AB (publ).

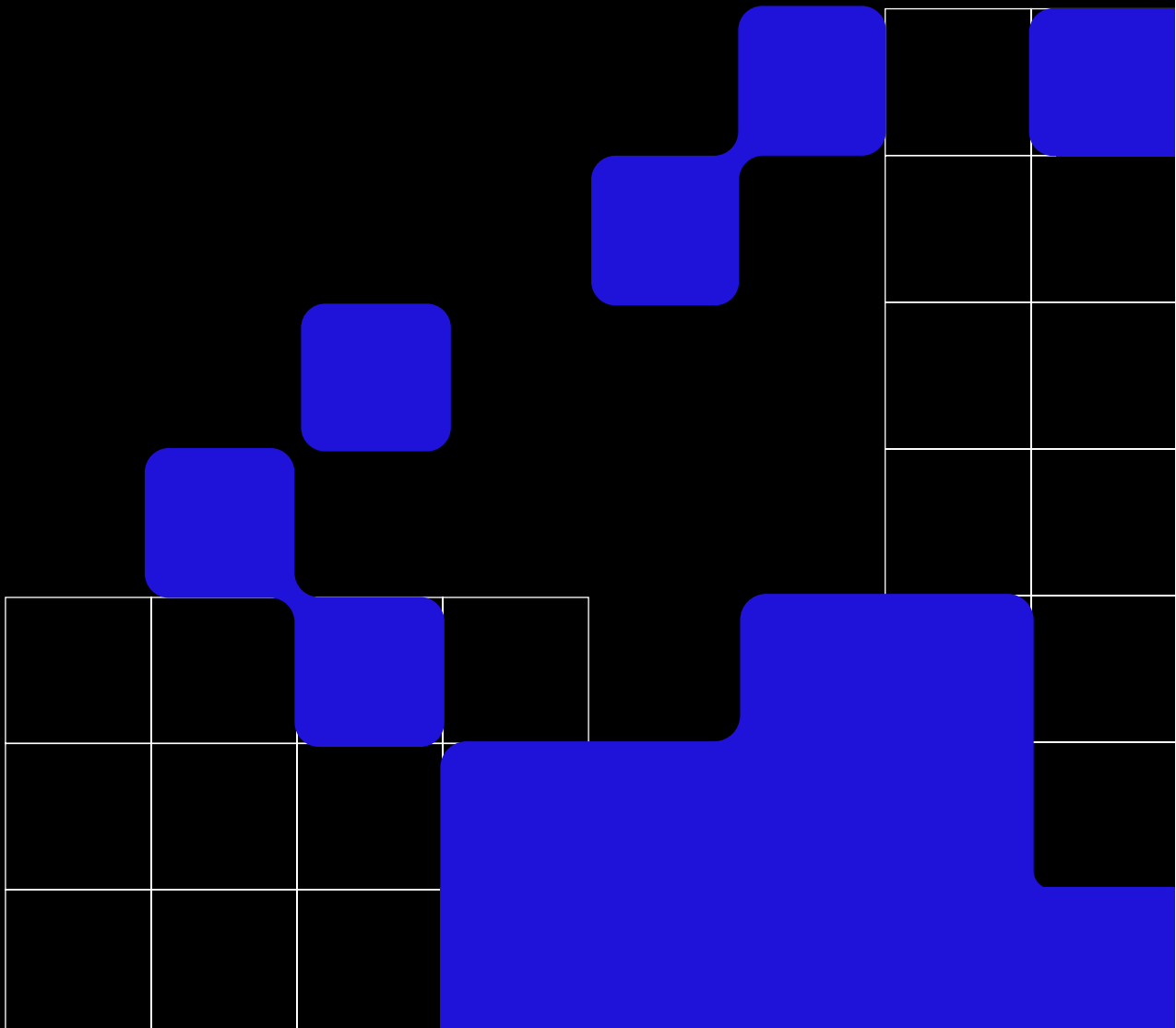
Forthcoming Financial Calendar

- May 31, 2024 - Annual General Meeting
- July 3, 2024 - Dividend Payment*
- August 5, 2024 - Q2 2024 Earnings Report
- October 3, 2024 - Dividend Payment*
- November 4, 2024 - Q3 2024 Earnings Report
- January 6, 2025 - Dividend Payment*
- February 19, 2025 - Q4 2024 Earnings Report

**While the Company will facilitate dividend payments on the dates above, shareholders receiving their payments via Euroclear Sweden may experience a short delay due to additional payment processing.*

TABLE OF CONTENTS

- 1 - Executive Summary
- 2 - Message from the CEO
- 3 - Board Endorsement
- 4 - Group Performance & APMs
- 5 - Condensed Financial Information (IFRS)
- 6 - Other Information
- 7 - Definitions and APM Reconciliations
- 8 - Historical Quarterly Data



Q1 2024

MESSAGE FROM THE CEO

Q1 2024 is our strongest quarter ever with combined revenues, gains, and income of £43.9 million (+216% YoY) for an adjusted EBITDA of £34.2 million (78% margin).

In Q1 2024, CoinShares significantly advanced its strategic initiatives, highlighted by the completion of our acquisition of Valkyrie Investments Inc.'s ETF business. This achievement highlights our ongoing commitment to convert CoinShares into a global investment management franchise. Amid favourable market conditions, including the U.S. approval of the Spot Bitcoin ETFs, we progressed our strategy with a focus on capitalising on emerging opportunities, while ensuring operational excellence, and achieving strong financial outcomes.

In January 2024, the U.S. Securities and Exchange Commission's approval of the Spot Bitcoin ETFs marked a pivotal moment in the financial industry, signalling a new era of digital asset integration into regulated financial markets. A development we have been advocating for ten years and promoting for eight in Europe. This progress is more than just a nod to the growing acceptance of digital assets, it is a clear validation of CoinShares' initial investment thesis and vision: on one hand the institutionalisation of digital assets, and on the other hand the democratisation of investment into these assets through regulated, listed products.

In March 2024, we completed the acquisition of Valkyrie Investments Inc.'s ETF business.¹ This strategic move underscores our commitment to become a global leading investment company specialising in digital assets. On that note, integration is going to be fundamental. Consolidating a U.S. business will give us the opportunity to enhance our risk, compliance, trading and distribution operating model. Succeeding in this synthesis is the key to unlocking our capacity to compete on the global request for investment (RFI) stage.

Furthermore, as the largest asset management arena and home to 50% of global assets, the U.S. market presents a unique opportunity for CoinShares. Our approach in the U.S. is encapsulated by our operational philosophy: "AUM for vanity, revenue for sanity." The 29 December 2023 pricing panic among U.S. ETF issuers created a serious profitability set of challenges for some issuers. In that regard, our U.S. Spot Bitcoin ETF is a doorbuster for CoinShares in the U.S. and something we have an ambition to run at breakeven. Our profitability will come from other more sophisticated products.

Competition in the U.S., especially with giants such as BlackRock and Fidelity, poses the question of our competitive edge. Let's be honest, we don't compete with these well-established franchises with strong distribution capacity. Our strength lies in our profound expertise and pioneering spirit in the digital assets realm, combined with our hedge fund DNA. Through the acquisition of Valkyrie and the launch of CoinShares in the U.S., we are positioning ourselves to craft financial products centred on digital assets.

Furthermore, this platform should allow us in the future to introduce more actively managed products. In doing so, we are preparing for the evolution of the ETF sector, which we believe will blend the sophistication of Hedge Funds with the accessibility of regulated listed products such as ETPs.

¹ Including the acquisition of Valkyrie Funds LLC dba CoinShares Valkyrie, a registered investment advisor, which advises an actively managed ETF providing exposure to the Bitcoin Mining Industry, an actively managed ETF of Bitcoin Futures and Ether Futures, and a twice leveraged daily Bitcoin Futures ETF, along with the acquisition of sponsor rights to a spot Bitcoin ETF, which is currently co-sponsored by CoinShares Co. and Valkyrie Digital Assets LLC. See <https://valkyrie-funds.com/> for more information.

Our ambition is to leverage our dual strengths in financial product structuring and active asset management, coupled with our technical understanding of the digital asset sector, to redefine industry standards and lead the way in innovation.

Asset Management

Europe

The market for crypto ETPs in Q1 2024 has been dominated, on both sides of the Atlantic, by the launch of U.S. Spot Bitcoin ETFs and the ongoing bull market for crypto assets. The success in asset gathering of U.S. products surpassed all expectations, with the top performer IBIT gathering US\$12 billion (of net flows) and even the fourth best spot Bitcoin ETF gathering over US\$1 billion in net flows. A large percentage of that AUM likely originated from the substantial migration from Grayscale's flagship product (-US\$14 billion in net flows). Nevertheless, net new flows into U.S. BTC ETFs reached nearly US\$10 billion in Q1.

Major market players launching crypto products and substantial U.S. investor interest have signalled a new phase in crypto ETPs worldwide, with greater competition and expanding choice. Responding to this new environment, we decided to lower fees on our CoinShares Physical Bitcoin to 35 bps, reflecting the higher investor focus on fees. CoinShares Digital Securities saw substantial net outflows from BITC in Q1 (-US\$51 million) but net inflows into all other products (US\$35.7 million), with Ethereum, Solana and Polkadot accounting for half of those net flows. Versus the competition, CSDS remained first or second for flows in 12 out of the 15 investment exposures we offer on the platform. We explain BITC outflows due to hedge funds exiting a popular long European ETP short CME trade.

XBT Provider remains the mainstay of CoinShares' asset base and overall business, ending Q1 2024 with US\$3.6 billion in assets. As Bitcoin reached new all time highs and crypto generally entered the starting phase of a bull market, investors across segments began taking profits across all four XBT products, with roughly 6.5% of overall assets leaving in outflows. Flows were steady into the March price peak, with an acceleration of de-risking as Bitcoin came off its highs in mid-March. Comparing the data to Q1 2021 is encouraging as in dollar terms we lost US\$400 million in Q1 2021, vs only US\$240 million in Q1 2024.

We continue to expect some outflows from the XBT platform if crypto continues the bull run, as the bulk of the XBT investor base sits on substantial investment gains. Overall, investor commitment to the long term performance of Bitcoin and Ethereum is substantial with relatively modest profit taking on substantial run ups in price. The current scenario at play is completely aligned with our internal projection for XBT Provider, which we made as early as May 2020 when we were preparing for the launch of CSDS.

CoinShares continues to engage with regulators and listing venues to expand European investor access to the safety and convenience of crypto investing with ETPs, and we look forward to continued developments in the near future – notably in the UK and Italy.

Regarding the BLOCK Index, it returned 12.4% compared to the MSCI World which appreciated by 3.6%, while Bitcoin soared by 41.0% during the first quarter of 2024. The Index's robust performance was buoyed by a strong rally in technology and crypto-centric stocks, which benefited from the optimism around the recent U.S. spot Bitcoin ETF listings. In the quarter, assets managed under the CoinShares Blockchain Global Equity Index rose to US\$877.3 million, up from US\$764.1 million at the end of the previous quarter, reaffirming its leadership position in the Blockchain equity ETF category.

United States

With regard to our new American product platform, the products enjoyed healthy inflows during Q1. Despite the choppy performance of Bitcoin miners so far in 2024, compared to 2023, the pure-play Bitcoin mining ETF continued to gather assets, collecting US\$39.0 million in net inflows in Q1 with zero associated marketing budget.

On 10 January, Valkyrie Digital Assets LLC launched its own Spot Bitcoin ETF. We acquired the sponsorship rights in connection with the closing of the transaction with Valkyrie Investments Inc. in March 2024.² The product has remained competitive in fees, liquidity and slippage. At the end of Q1, the product has generated overall US\$452.5 million in net inflows. Our goal for the product is to offer a highly liquid and affordable Bitcoin vehicle when compared to our more mainstream, non-crypto focused competition. We aim to keep a particular eye on this product to ensure it remains cost neutral for the company to operate and we strive to avoid being pushed into a loss leader battle.

Later in Q1, Valkyrie Funds LLC launched a new ETF that provides investors with exposure to 2x levered returns of daily Bitcoin futures prices. Through the end of Q1, this strategy attracted US\$44.6 million in net inflows. We expect as the bull market continues, and our integration effort both in terms of operation and brand awareness develops, U.S. investors will develop further interest in a well-managed and affordably priced leveraged strategy ETF.

Overall, our asset management business generated £19.5 million in revenues during the quarter (vs Q1 2023 £9.2 million).

Capital Markets & Hedge Fund Solutions

CoinShares Capital Markets division enjoyed a robust quarter, benefiting from increased trading volumes following the launch of spot Bitcoin ETFs in the U.S. Increased market volatility also facilitated greater market making activity, especially during March. Our staking products continued to deliver consistent revenue.

Our lending book is well diversified and stable across a variety of non crypto native counterparties. In these highly volatile times the team is doubling down on risk management, overseeing counterparties exposure and various risk limits with care. A big thank you to our operations team for being mobilised 24/7 to keep us operating in this dynamic environment.

The Hedge Fund Solutions division continues to build its track record whilst adapting to evolving market dynamics following the launch of spot Bitcoin ETFs in the U.S. As expected, building a track record takes time and the division aims to expand its distribution capabilities in the U.S. in the coming quarter to start sounding external LPs and keep them updated on our progress.

Overall, our Capital Markets & Hedge Fund Solutions businesses delivered performance of £17.3 million in Q1 (Q1 2023 £5.3 million).

Conclusion

As highlighted in my previous message, the Board of Directors has approved a new dividend policy for the fiscal year 2023, which replaces the buyback programme. This reflects our continued growth, strategic acquisitions, and expanding global presence, alongside sustained profitability. The first quarterly dividend was paid out on 3 May for Q1 2024, with three additional record dates scheduled for this year.

As we close our best quarter ever, I am hopeful that this could be a very successful year for the group, demonstrating our potential to drive growth and deliver solid business results.

Over time, we have evolved into a stronger, more focused, and continuously growing company.

Jean-Marie Mognetti
CEO of CoinShares

² Valkyrie Digital Assets LLC has resigned as co-sponsor effective 14 June, 2024.

BOARD ENDORSEMENT

The Board and the CEO declare that this report provides a true and fair overview of the Group's operations and its position and describes the material risks and uncertainty factors faced by the Group.

Board of Directors

Daniel Masters - Chairman of the Board

Christine Rankin

Johan Lundberg

Carsten Køppen

Viktor Fritzen

Chief Executive Officer

Jean-Marie Mognetti

REVIEW OPINION

The consolidated condensed interim financial statements for the period ended 31 March 2024 have not been subject to review by the Group's auditors.

01

02

03

04

05

06

07

08

GROUP PERFORMANCE & APMS

Please note that the overview of the Group's performance and business unit performance as disclosed on pages 11 to 14 comprise a number of APMs derived from the Groups Consolidated Statement of Comprehensive Income on page 15. Reconciliations of these APMs are included on pages 29 to 31.

GBP	Quarter ended 31 March 2024	Quarter ended 31 March 2023	Year ended 31 December 2023
Asset management revenue	19,511,821	9,233,528	42,954,234
Capital markets gains & income	17,259,924	5,246,991	32,615,946
Principal investments gain/(loss)	7,127,953	(596,219)	3,693,062
Total revenue, gains and other income	43,899,698	13,884,300	79,263,242
Direct costs	(2,638,746)	(1,349,215)	(7,251,466)
Administrative expenses	(7,066,422)	(5,527,381)	(21,141,365)
Adjusted EBITDA	34,194,530	7,007,704	50,870,411
<i>EBITDA (%)</i>	<i>78%</i>	<i>50%</i>	<i>64%</i>
Depreciation/amortisation	(609,652)	(762,081)	(3,202,933)
Adjusted EBIT	33,584,878	6,245,623	47,667,478
Finance (expense)/income	(411,327)	160,539	(504,979)
Currency translation differences	1,079,148	(3,361,335)	(8,192,795)
Taxation	(108,142)	(113,577)	(573,670)
Total comprehensive income	34,144,557	2,931,250	38,396,034

- The Group has started 2024 with an extremely strong performance in all areas of the business. A combination of significant digital asset price appreciation, inflows and increasingly diversified activities have resulted in the strongest quarterly Adjusted EBITDA in the Group's history, arriving at £34.2 million.
- Combined revenue, gains and other income for Q1 stands at £43.9 million (Q1 2023: £13.9 million), with approximately half of this figure represented by our Asset Management revenues of £19.5 million which continue to diversify and grow. The remaining £24.4 million is driven by strong performance within a range of Capital Markets activities, further bolstered by Principal Investment gains in both our associate holdings and proprietary digital asset holdings within the portfolio.
- Adjusted EBITDA for the quarter represents the Group's strongest on record as the Group's highly scalable business model was able to benefit greatly from the price appreciation seen across the entire industry over the first three months of the year. This scalability also contributes to the improved Adjusted EBITDA margin of 78%.
- Further analysis of both the Asset Management platform and the Capital Markets activities are included on pages 12 and 13 respectively. Additionally, a breakdown of the core holdings within the Group's Principal Investments portfolio has been included on page 14.
- Direct costs have shown a rise compared to prior year predominantly due to increased custody fees and trading fees associated with the topline growth seen in Asset Management and Capital Markets. Administrative expenses remain largely consistent, with the increase seen driven by a larger bonus accrual which is a function of the performance of the Group as a whole.
- Total Comprehensive Income for the quarter of £34.1 million is nearly equivalent to that of the full year ended 31 December 2023.

Change in methodology to the calculation of the Group's Adjusted EBITDA

Finance income amounts on broker balances which were previously recognised within Capital markets gains and income are now being recognised within the Group's finance (expense)/income within the Group's Adjusted EBITDA table. This presentational change has been made to the comparable financial information for consistency.

(I) ASSET MANAGEMENT PLATFORM

GBP	Quarter ended 31 March 2024	Quarter ended 31 March 2023	Year ended 31 December 2023
Retail platform (XBT Provider)	15,732,921	8,337,734	39,527,681
Institutional platform (CSDS)	3,285,060	553,852	2,029,732
Equities platform (BLOCK Index)	409,319	341,942	1,396,821
Valkyrie funds	84,521	-	-
Total	19,511,821	9,233,528	42,954,234
Direct costs	(1,253,359)	(1,190,399)	(4,767,743)
Gross profit	18,258,462	8,043,129	38,186,491
<i>Gross profit margin</i>	<i>94%</i>	<i>87%</i>	<i>89%</i>
Administrative expenses	(1,008,172)	(956,180)	(4,288,454)
Operating profit	17,250,290	7,086,949	33,898,037

Total management fees (inclusive of staking fees on CSDS products) of £19.5 million (Q1 2023: £9.2 million) marks the second strongest quarter on record for the Asset Management platform behind Q4 2021. We continue to see diversification in the fees, and this has been further catalysed by the acquisition of Valkyrie and the resultant management fees from its suite of products.

We continue to move towards our goal of placing less reliance on XBT Provider as the primary source of management fees for the Group, with it now representing 80% (Q1 2023: 90%) of overall fees within the business unit. We expect these fees to remain solid in terms of quantum but continue to show a proportional decrease of overall fees as our other products continue to gather inflow.

XBT Provider fees for the quarter of £15.7 million (Q1 2023: £8.3 million) were achieved against a backdrop of net outflow of approximately US\$238.3 million (£188.6 million) (Q1 2023: US\$27.4 million (£21.7 million)). The price increases seen during the period more than offset the outflow, and AUM over the quarter saw a material increase of 54% from US\$2.38 billion (£1.87 billion) to closing AUM of US\$3.65 billion (£2.89 billion).

CoinShares Physical has posted its best quarter on record, with management fees of £3.3 million (Q1 2023: £0.6 million). A core driver for this performance (in addition to the usual drivers of flow and price) was the introduction of staking capabilities on the CS Physical Ethereum product, which has brought a material benefit to both CoinShares and noteholders alike. This has more than offset any reduction in fees arising from the decision to reduce the management fee on the CS Physical Bitcoin product from 0.98% to 0.35%.

A combination of flow and price movements resulted in the CoinShares Physical AUM increasing by 64% in the quarter from £567.2 million to £932.1 million.

Valkyrie fees of £85k represent management fees on three ETFs (WGMI, BTFX and BTF) which now form part of the Group's product suite which, in conjunction with the Valkyrie Bitcoin Fund (BRRR), contributed an additional US\$377.8 million (£299.3 million) to our AUM. The fees recognised represent the period of time between the acquisition (12 March 2024) and the end of the quarter.

The overall net flow seen on the Group's product suites, combined with price movements in the quarter and the successful acquisition of Valkyrie have resulted in a material increase in AUM for the Group from £3.01 billion to £4.77 billion.

The cost base of the business unit remains stable, as can be seen from the consistent gross profit margins being achieved. These will show a small increase moving forward due to additional costs arising from Valkyrie related activities, but it is expected that these will be offset by the additional management fees that are now being recognised within the business unit.

The flows for both ETP product suites and those of our key competitors is published in our Weekly Digital Funds Flows Report available on our website. Additionally, the level of AUM held within each of our products is disclosed and subject to daily attestation by LedgerLens, an independent firm's solution embedded into our website designed to provide additional transparency and comfort to all our stakeholders.

(II) CAPITAL MARKETS INFRASTRUCTURE

GBP	Quarter ended 31 March 2024	Quarter ended 31 March 2023	Year ended 31 December 2023
Liquidity Provisioning	2,803,129	689,429	1,446,479
Delta Neutral Trading Strategies	596,731	1,384,600	5,009,488
Fixed Income Activities	2,207,098	776,171	3,733,686
Staking	5,877,291	3,015,170	20,425,784
FX/Other	5,775,675	(618,379)	2,000,510
Total	17,259,924	5,246,991	32,615,946
Direct costs (inc. finance expense)	(1,781,200)	(197,652)	(1,787,434)
Gross Profit	15,478,724	5,049,339	30,828,512
<i>Gross profit margin</i>	90%	96%	95%
Administrative expenses	(703,120)	(759,935)	(3,470,721)
Operating Profit	14,775,603	4,289,404	27,357,792

The performance of the Group's Capital Market business unit in Q1 continues to demonstrate the benefit that diversification of activities can bring, resulting in total other income/gains for the quarter £17.3 million (Q1 2023: £5.2 million).

The business unit's performance has brought with it a solid gross profit margin for the quarter of 90%, a trend that has been consistently improving since the end of 2022 due to the improvements made to our infrastructure over the course of last year.

Liquidity provisioning of £2.8 million arising from supporting the Group's XBT provider products have already exceeded 2023 in its entirety due to the high level of flows we have experienced on the products following the price rally of Q1.

Delta Neutral Trading Strategies of £0.6 million (Q1 2023: £1.4 million) are down on last year, although we expect these to pick up during Q2 following a range of strategies deployed towards the end of Q1 which we expect to perform well.

Fixed income activities have started the year strong, with our digital asset lending and resultant yield increasing markedly over the quarter due to the price appreciation driving up the USD value of digital asset denominated lending, generating solid yields from a small number of select lending counterparties.

The main driver for the business unit, however, remains consistent with that of previous quarters; our **Staking income**. The total value of staking yield generated over the first quarter of the year amounts to approximately £5.9 million, over 50% of the overall Capital Markets performance.

The **Other** gain in the quarter is driven by a large FX gain from hedging activities undertaken with brokers, partially offset by losses associated with the performance of the Group's ECO/BCO funds, which represent the Group's first products within its Hedge Fund Solutions product suite. Despite having increased in value significantly, the loss attributed to Capital Markets represents the underperformance vs. the underlying digital assets represented by the funds.

Change in methodology to the calculation of the Capital Markets Infrastructure

Finance income amounts on broker balances which were previously recognised within Fixed Income Activities are now being recognised within direct costs, off-setting finance costs on broker balances recognised within the same line. This presentational change has been made to the comparable financial information for consistency.

(III) PRINCIPAL INVESTMENTS – GAINS/(LOSSES)

GBP	Quarter ended 31 March 2024	Quarter ended 31 March 2023	Year ended 31 December 2023
JV/Associate Gain/(Loss)	2,057,745	(900,180)	(10,590,566)
Equity Principal Investments Gain/(Loss)	31,218	(27,120)	11,365,752
Digital Asset/SAFT/SAFE Gain/(Loss)	5,073,289	293,651	2,630,587
Other	(34,299)	37,430	287,289
Total	7,127,953	(596,219)	3,693,062

- The Group's main principal investments comprise of 3iQ, WAO and Komainu. All of these investments were marked at the year end at valuations which remain unchanged as at the end of Q1. 3iQ has been disposed of post quarter end at the carrying value and therefore will no longer sit as part of the portfolio. This investment is our first major holding that has been disposed of since establishing the Principal Investments portfolio and we are glad to report that the consideration received represents a significant gain on our initial investment of £2.3 million. WAO Fintech represents our residual holding following the merger of Choice Fintech and WAO at the start of 2024 which resulted in a cash receivable for some of our legacy holding which we have begun to receive. We will assess the performance of the resultant holding in WAO Fintech as we progress through the year but for now it remains marked at the price of the transaction which has recently occurred.
- The Group's main associate holding, FlowBank, has shown strong performance in the first quarter of the year. Based upon the financial information reported, our share of its profit for the first quarter of 2024 stands at £2.1 million, offsetting a significant portion of the losses recognised during 2023.
- Digital asset price recovery has had a direct impact on the Group's digital assets that sit within Principal Investments and resulted in a significant gain of £5.0 million. Now that the majority of these tokens are freely tradeable due their associated lock-up/vesting schedules having matured, we will continue to monitor the market to ascertain whether liquidation of these holdings is within the commercial interests of the Group.

KEY INVESTMENTS - 2024 MOVEMENTS

	1 January 2024	Additions/ (Disposals)	Gain/ (Loss)	Translation FX	31 March 2024
<u>within investments:</u>					
3iQ Digital Asset Management (3iQ)	4,396,991	-	-	-	4,396,991
WAO Fintech	3,794,065	-	-	31,218	3,825,283
Komainu Holdings Limited	11,017,996	-	-	-	11,017,996
FlowBank	19,755,297	-	2,057,745	-	21,813,042
CoinShares Fund II – carried interest	5,429,067	-	-	-	5,429,067
Other holdings	530,791	(472,150)	-	-	58,641
	44,924,207	(472,150)	2,057,745	31,218	46,541,020

	1 January 2024	Additions/ (Disposals)	Gain/ (Loss)	Translation FX	31 March 2024
<u>Digital assets & other receivables</u>					
Solana	1,329,750	23,664	1,450,339	12,136	2,815,889
Goose FX	205,602	-	(86,342)	1,810	121,071
Arkadiko	208,088	4,386	152,133	2,148	366,755
Metaplex	164,824	-	(52,204)	1,034	113,654
RSS3	1,104,242	(554,243)	3,197,144	8,413	3,755,557
Other	1,511,452	-	30,437	6,160	1,548,049
	4,523,958	(526,193)	4,691,507	31,702	8,720,973

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The following information on pages 15 to 18 is presented in accordance with IFRS unless otherwise stated.

GBP	Q1 2024	Q1 2023	Year ended 31 December 2023
Revenue	19,519,964	9,363,117	43,082,721
Cost of sales	(2,638,746)	(1,791,644)	(7,251,466)
Gross profit	16,881,218	7,571,473	35,831,255
Administrative expenses	(7,676,074)	(5,847,033)	(21,392,505)
Other operating income	8,588,045	3,468,571	23,447,347
Gain on digital assets	13,344,929	569,820,821	787,050,987
Loss on certificate liability	(1,595,010,168)	(663,393,865)	(1,470,485,132)
Other operating gains/(losses) through profit and loss	235,337,914	93,853,861	183,121,731
Operating (loss)/profit	(1,328,534,136)	5,473,828	(462,426,317)
Impairment reversals/(charges)	-	-	60,160
Fair value gain/(loss) on investments through profit and loss	(3,080)	74	11,365,752
Fair value loss on investments in joint ventures/associates	2,057,745	(900,180)	(10,590,566)
Finance costs	(2,642,494)	(1,279,345)	(6,902,019)
Finance income	2,231,166	1,881,785	10,224,023
Gain on FX	6,864,567	1,245,215	5,716,160
(Loss)/profit before tax	(1,320,026,233)	6,421,377	(452,552,807)
Taxation	(108,142)	(113,577)	(573,670)
(Loss)/profit after tax	(1,320,134,374)	6,307,800	(453,126,477)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	1,079,148	(3,361,335)	(8,192,795)
	1,079,148	(3,361,335)	(8,192,795)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value gain on digital assets	1,353,199,784	-	499,566,125
Fair value gain on financial assets through other comprehensive income	-	(15,215)	149,182
	1,353,199,784	(15,215)	499,715,307
Total other comprehensive income/(loss)	1,354,278,932	(3,376,550)	491,522,512
Total comprehensive income	34,144,558	2,931,250	38,396,035
Adjusted earnings per share (basic)	0.50	0.04	0.57
Adjusted earnings per share (diluted)	0.48	0.04	0.54

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

GBP	31 March 2024	31 March 2023	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2,882,299	1,630,942	3,065,552
Digital assets	2,817,809	242,416	1,331,614
Goodwill	2,538,028	942,708	941,507
Other intangible assets	9,366,414	10,650,220	9,716,511
Investments	24,669,948	14,663,051	25,110,879
Investments in joint ventures and associates	21,871,073	29,195,327	19,813,328
Trade and other receivables	1,503,279	1,307,075	328,614
Other non-current assets	3,019,969	52,969	2,211,742
	68,668,818	58,684,708	62,519,747
Current assets			
Cash and cash equivalents	40,046,410	5,985,798	9,236,970
Amounts due from brokers	699,168	183,128,718	16,270,974
Trade and other receivables	3,172,003	4,177,628	2,241,203
Digital assets	3,247,011,654	1,629,308,054	2,375,850,359
Other current assets	879,172,241	155,099,672	266,093,775
	4,170,101,475	1,977,699,870	2,669,693,281
Total assets	4,238,770,293	2,036,384,578	2,732,213,028
LIABILITIES			
Current liabilities			
Certificate liability	(3,670,320,506)	(1,611,280,365)	(2,351,475,523)
Amounts due to brokers	(54,913,644)	(138,245,156)	(669,402)
Trade and other payables	(7,488,017)	(26,561,374)	(5,612,218)
Other current liabilities	(207,807,714)	(31,641,173)	(108,940,878)
Current lease liabilities	(630,554)	(819,337)	(563,633)
Current tax liabilities	(187,714)	(39,119)	(156,970)
	(3,941,348,149)	(1,808,586,524)	(2,467,418,624)
Net current assets	228,753,326	169,113,346	202,274,657
Non-current liabilities			
Non-current lease liabilities	(2,239,391)	(3,139)	(2,404,272)
Non-current loans	(21,767,384)	(21,981,557)	(23,145,127)
	(24,006,775)	(21,984,696)	(25,549,399)
Total liabilities	(3,965,354,924)	(1,830,571,220)	(2,492,968,023)
Net assets	273,415,369	205,813,358	239,245,005
EQUITY			
Share capital	33,489	33,727	33,667
Share premium	30,529,252	30,745,834	30,690,938
Other reserves & retained earnings	242,852,627	175,033,797	208,520,400
Total equity	273,415,369	205,813,358	239,245,005

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GBP	Share capital	Share premium account	Other reserves	Retained earnings	Total equity
At 1 January 2023	33,766	30,781,210	22,136,272	150,789,862	203,741,110
Profit for the period	-	-	-	6,307,800	6,307,800
Other comprehensive loss for the period	-	-	(3,361,335)	(15,215)	(3,376,550)
Total comprehensive income	-	-	(3,361,335)	6,292,585	2,931,250
Share buybacks	-	-	(1,122,244)	-	(1,122,244)
Share based payments	-	-	263,242	-	263,242
Share cancellations	(39)	(35,376)	228,383	(192,968)	-
Total transactions with owners	(39)	(35,376)	(630,619)	(192,968)	(859,002)
Transfer of revaluation reserve	-	-	3,342,008,005	(3,342,008,005)	-
Total transfer of revaluation reserve	-	-	3,342,008,005	(3,342,008,005)	-
At 31 March 2023	33,727	30,745,834	3,360,152,323	(3,185,118,526)	205,813,358
At 1 January 2024	33,667	30,690,938	454,110,087	(245,589,687)	239,245,005
Loss for the period	-	-	-	(1,321,549,524)	(1,321,549,524)
Other comprehensive income for the period	-	-	1,355,694,082		1,355,694,082
Total comprehensive income	-	-	1,355,694,082	(1,321,549,524)	34,144,557
Share buybacks	-	-	(268,994)	-	(268,994)
Share option related charges	-	-	307,962	-	307,962
Share based payments	-	-	-	(13,163)	(13,163)
Share cancellations	(177)	(161,686)	952,876	(791,013)	1
Total transactions with owners	(177)	(161,686)	991,844	(804,175)	25,806
Transfer of revaluation reserve	-	-	(230,054,964)	230,054,964	-
Total transfer of revaluation reserve	-	-	(230,054,964)	230,054,964	-
At 31 March 2024	33,490	30,529,252	1,580,741,049	(1,337,888,423)	273,415,368

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

GBP	Q1 2024	Q1 2023	Year ended 31 December 2023
Cash flows from operating activities			
Loss after income tax expense	(1,320,134,374)	6,307,800	(453,126,477)
Adjustments for:			
- Depreciation	196,532	319,652	1,413,058
- Impairment and amortisation	413,119	442,429	1,789,875
- Net finance costs/(income)	411,327	(602,440)	(3,322,004)
- Other operating gains through profit and loss	-	-	(188,837,891)
- Gain on certificate liability/financial instruments	1,356,467,823	663,393,865	1,470,485,132
- Loss/(gain)Gain on digital assets	810,768,862	(569,820,821)	(787,050,987)
- (Gain)/loss on investments and associates	(2,054,664)	900,106	(775,186)
- Foreign exchange	(3,663,752)	-	(3,156,213)
- Other operating income	(10,506,994)	-	(22,195,819)
- Other operating activities	50,629	113,577	2,017,694
	831,948,508	101,054,168	17,241,182
Changes in working capital:			
- Trade receivables and other assets	(347,523,901)	13,415,707	82,860,609
- Trade payables and other liabilities	5,047,824	28,361,578	651,049
Changes in operating activities:			
Net purchases of digital assets	(326,766,586)	(208,385,017)	(62,412,704)
Net purchases of certificate liabilities	(204,295,438)	(16,882,376)	(137,854,204)
Cash (used in)/generated from operations	(41,589,593)	(82,435,940)	(99,514,068)
Finance costs paid	(1,922,381)	(1,324,470)	(6,614,612)
Income taxes paid	198,318	(315,008)	(650,644)
Net cash flow (used in)/generated from operating activities	(43,313,655)	(84,075,418)	(106,779,324)
Cash flows from investing activities			
Net purchases of other intangible assets	(188,568)	(112,453)	(1,127,343)
Acquisition of subsidiaries	21,644	-	-
Net purchases of property, plant and equipment	(23,917)	(18,211)	162,806
Acquisition/disposal of investments	389,278	1,074	(426,917)
Finance income	2,231,166	1,931,045	8,299,340
Net cash generated from/(used in) investing activities	2,429,603	1,801,455	6,907,886
Cash flows from financing activities			
Issue of shares	302,260	-	-
Increase on net amounts due to brokers	69,816,047	80,648,373	82,527,422
Repayment of long term loan	(337,465)	-	(61,488)
(Repayment)/addition of lease liabilities	(175,849)	(514,685)	(666,353)
Share option liquidations/buybacks	25,982	(630,619)	(3,665,559)
Net cash generated from/(used in) financing activities	69,630,973	79,503,069	78,134,022
Net increase/(decrease) in cash and cash equivalents	28,746,921	(2,770,894)	(21,737,416)
Cash and cash equivalents			
At the beginning of the year	9,236,970	9,236,970	36,639,907
Effects of currency translation on cash and cash equivalents	2,062,517	(848,909)	(5,665,521)
At the end of the year	40,046,408	5,617,167	9,236,970
Cash and cash equivalents comprise			
Cash at bank	37,363,243	5,777,668	6,660,753
Amounts due (to)/from exchanges	2,683,166	(160,501)	2,576,217
At the end of the period	40,046,409	5,617,167	9,236,970

Q1 2024 - OPERATING SEGMENTS

Please see page 21 for note on preparation of the Group's operating segments.

GBP	Asset Management	Capital Markets	Principal Investments	Group Costs	Total
Revenue	19,511,821	8,143	-	-	19,519,964
Loss on certificate liability	(1,595,010,168)	-	-	-	(1,595,010,168)
Gain on digital assets & financial instruments	1,595,010,168	8,799,725	4,937,300	-	1,608,747,193
Investment gains	-	-	2,054,664	-	2,054,664
Other operating income	-	8,452,057	135,988	-	8,588,045
Total revenue, gains & other income	19,511,821	17,259,925	7,127,952	-	43,899,698
Finance income/(expense)	-	(411,327)	-	-	(411,327)
Cost of sales	(1,253,359)	(1,369,873)	(15,514)	-	(2,638,746)
Adjusted gross profit/(loss)	18,258,462	15,478,725	7,112,438	-	40,849,625
Other admin expenses	(1,008,172)	(703,120)	-	(5,964,781)	(7,676,073)
Adjusted operating profit/(loss)	17,250,290	14,775,605	7,112,438	(5,964,781)	33,173,552
Income tax expense					(108,142)
Exchange differences on translation of foreign operations					1,079,148
Total comprehensive income					34,144,558

Q1 2023 - OPERATING SEGMENTS

GBP	Asset Management	Capital Markets	Principal Investments	Group Costs	Total
Revenue	9,233,528	129,589	-	-	9,363,117
Loss on certificate liability	(663,393,865)	-	-	-	(663,393,865)
Gain on digital assets & financial instruments	663,393,865	1,686,261	293,651	-	665,373,777
Investment gains	-	-	(927,300)	-	(927,300)
Other operating income	-	3,431,141	37,430	-	3,468,571
Total revenue, gains & other income	9,233,528	5,246,991	(596,219)	-	13,884,300
Finance income/(expense)	-	343,735	(183,196)	-	160,539
Cost of sales	(1,190,399)	(541,387)	(59,858)	-	(1,791,644)
Adjusted gross profit/(loss)	8,043,129	5,049,339	(839,273)	-	12,253,195
Other admin expenses	(956,180)	(759,935)	-	(4,130,918)	(5,847,033)
Adjusted operating profit/(loss)	7,086,949	4,289,404	(839,273)	(4,130,918)	6,406,162
Income tax expense					(113,577)
Exchange differences on translation of foreign operations					(3,361,335)
Total comprehensive income					2,931,250

OTHER INFORMATION

Basis of Preparation

The condensed consolidated interim financial information included on pages 15 to 19 within this report has been prepared in accordance with IAS 34, “interim financial reporting”.

New IFRS accounting standards effective from 1 April 2024:

- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IAS 7 and IFRS 7 – Supplier finance
- Amendments to IAS 21 – Lack of Exchangeability

The new standards will not have a material impact on the financial statements of the Group

Buy-back of Shares

During the period, the Company undertook a purchase of its own shares already in issue. The consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the owners as treasury shares until the shares are cancelled or reissued. The buy-back of shares has now ceased following the end of Q1 2024.

Digital Asset Accounting Treatment

Digital assets are classified as intangible assets under IFRS, the accounting standard under which the Group’s financial statements are prepared. They are accounted for as intangible assets held at fair value through the revaluation model. As such, fair value gains on the digital asset holdings of the Group are recognised within other comprehensive income (unless reversing previously recognised losses), and fair value losses recognised through the statement of comprehensive income (unless reversing previously recognised gains). Please refer to the line items titled “fair value gain/(loss) on digital assets” within either the statement of comprehensive income, or within other comprehensive income.

Conversely, any movement in the obligation arising from the issuance of the Group’s XBT Provider exchange traded products (which is hedged by the digital asset holdings of the Group) is recognised as income or expense within the statement of comprehensive income. These movements can result in a profit after tax figure that does not take into account any gains or losses on the digital asset holdings of the Group recognised through other comprehensive income. In periods that have experienced an increase in digital asset prices and therefore rises in the ETP related obligations, this can manifest as a significant loss after tax.

Therefore, it is the opinion of management that the profit/loss after tax figure presented in accordance with IFRS should be considered in conjunction with the Group’s Adjusted EBITDA and total comprehensive income to enhance the reader’s understanding of performance over a given period.

The Adjusted EBITDA calculation of the Group takes all fair value gains/losses on digital assets through the Group’s statement of comprehensive income and are designed to provide a clear view of the performance of the Group.

Parent Company

Under Article 105(11) of the Companies (Jersey) Law 1991, the directors of a holding company need not prepare separate financial statements. Accordingly, these condensed interim financial statements present the consolidated results of the Group, headed by the Company.

Seasonal Variations

The Group’s activities and financial performance are not impacted by seasonality. The activities of the Group are impacted by ongoing developments within the digital asset ecosystem, including (but not limited to) (i) digital asset price fluctuations, (ii) regulatory matters arising in a variety of jurisdictions, and (iii) competing products and services.

Personnel

The number of employees as at the reporting date was 88 (31 March 2023: 86).

Operating Segments

The Group comprises three core operating segments from which it earns both revenues/gains and incurs expenses, being:

- Asset Management
- Capital Markets
- Principal Investments

The accounting policies of the operating segments classify the fair value gains generated from digital assets classified as profit and loss movements rather than movements through other comprehensive income. This treatment is consistent with that of the Group's Adjusted EBITDA calculation.

Additionally, administrative expenses as per the Statement of Comprehensive Income are split within the operating segments note between direct costs and other administrative expenses.

The Group does not monitor its assets and liabilities split by operating segment, but rather on a consolidated basis. This is the measure reported to the Group's Chief Executive, being the Group's chief operating decision maker, for the assessment of segment performance.

Operating segment performance is included on page 19 of this report.

Revenue & Other Operating Income

GBP	31 March 2024	31 December 2023
Management fees	19,511,821	42,954,234
Other revenue	8,143	128,487
	19,519,964	43,082,721
Other operating income	8,588,045	23,447,347
Total revenue & other operating income	28,108,009	66,530,068

Cost of Sales

GBP	31 March 2024	31 December 2023
Trading expenses	1,117,826	1,494,707
Issuer fees	346,838	1,148,568
Custody fees	783,050	1,397,770
Direct salary costs	391,031	1,646,449
Amortisation of Block Index	413,119	1,563,972
Total revenue & other operating income	3,051,865	7,251,466

Administrative Expenses

GBP	31 March 2024	31 December 2023
Salary costs	2,432,542	8,289,331
Bonus accrual	1,622,968	2,391,973
Professional fees	981,726	2,966,295
Marketing	586,493	2,582,142
IT expenses	483,325	1,928,391
Depreciation of right of use assets	196,532	1,413,058
Entertainment expense	30,617	107,559
Travel expense	131,134	718,549
Other expenses	1,210,737	995,206
	7,676,074	21,392,505

Digital assets and other intangibles

GBP	31 March 2024	31 December 2023
Non-current digital assets	2,817,809	1,331,614
Current digital assets	3,247,011,654	2,375,850,359
(i) Total digital assets	3,249,829,463	2,377,181,973
(ii) Goodwill	2,538,028	941,507
(iii) Other intangible assets	9,366,414	9,716,511
	3,261,733,905	2,387,839,991

GBP	31 March 2024	31 December 2023
Bitcoin	1,835,738,488	1,372,851,942
Ethereum	1,385,604,576	816,970,454
Other digital assets	28,486,399	187,359,577
	3,249,829,463	2,377,181,973

ii) Goodwill represents amounts arising from acquisitions made by the Group which are assessed for impairment on a regular basis. Amounts held relate to the acquisition of Valkyrie and regulatory licenses held in the Group's French entities.

(iii) The intangible asset held represents the cash generating unit of the Block Index which is amortised on a straight-line basis.

Investments

GBP	Investments in Associates	Investments in Listed Equities	Other Investments Through P&L	Other Investments Through OCI	Total
At 31 December 2023	19,813,328	611	19,681,201	5,429,067	44,924,207
Additions	-	-	-	-	-
Disposals	-	-	(472,150)	-	(472,150)
Transfers	-	-	-	-	-
Fair value gain through profit and loss	-	-	-	-	-
Fair value gain through other comprehensive income	-	-	-	-	-
Share of JV/associate gains	2,057,745	-	-	-	2,057,745
Exchange differences	-	-	31,218	-	31,218
At 31 March 2024	21,871,073	611	19,240,269	5,429,067	46,541,020

The Group has classed investments under the fair value hierarchy as follows.

GBP	31 March 2024	Movements in equity	Gain/Loss on investments	31 December 2023
Level 1	611	-	-	611
Level 2	5,429,067	-	-	5,429,067
Level 3	19,681,201	(472,150)	31,218	19,240,269
Total Investments held at fair value	25,110,879	(472,150)	31,218	24,669,947
Associates	19,813,328	-	2,057,745	21,871,073
Total Investments valued using the equity method	19,813,328	-	2,057,745	21,871,073
Total Investments	44,924,207	(472,150)	2,088,963	46,541,020

Level 1 and 2 valuations and inputs

The finance department performs quarterly valuations of the Group's investments that are classified as Level 1 and 2 within the fair value hierarchy, utilising market data (investments in listed equities) and observable inputs (CoinShares Fund II - carried interest and investments held at cost or price of recent investment that may subsequently be reclassified to Level 3). Discussions of valuation processes and results are held between the Chief Financial Officer, Audit & Risk Committee and the Board once every quarter, in line with the Group's reporting periods.

Level 3 valuations and inputs

The finance department performs quarterly valuations of the Group's investments that are classified as Level 3 within the fair value hierarchy, utilising a range of observable and unobservable inputs. Discussions of valuation processes and results are held between the Chief Financial Officer, Audit & Risk Committee and the Board once every quarter, in line with the Group's reporting periods.

The main Level 3 inputs used by the Group are derived and evaluated as follows:

- price of recent investment;
- earnings multiples, estimated based on market information for similar types of companies;
- AUM multiples, estimated based on market information for similar types of companies; and
- percentage ownership of net asset value of the investee company.

Trade Receivables & Other Current Assets

GBP	31 March 2024	31 December 2023
Trade receivables		
Accounts receivable	1,930,338	1,323,766
Amounts owed by related parties	32,031	33,875
Deposits paid	119,633	118,944
Prepayments	906,804	591,433
VAT receivable	183,197	173,185
Total trade receivables	3,172,003	2,241,203
Other assets		
Digital asset ETPs and funds	626,618,352	211,384,245
Other assets	252,553,889	54,709,530
Total other assets	879,172,241	266,093,775
Total trade receivables and other assets	882,344,244	268,334,978

Trade Payables and Other Current Liabilities

GBP	31 March 2024	31 December 2023
Trade and other payables		
Solana seed	175,615,687	92,117,829
OTC Trades	10,023,309	7,761,682
Algorand Foundation	3,245,473	2,734,526
Other borrowings	16,454,916	54,306
Amounts due to exchange	584,285	5,335,392
Fund liabilities to external investors	1,884,044	937,143
Total trade and other payables	207,807,714	108,940,878
Other current liabilities		
Accounts payable	1,697,711	1,004,360
Accrued liabilities	5,790,306	4,607,858
Total other current liabilities	7,488,017	5,612,218
Total trade payables and other current liabilities	215,295,731	114,553,096

Certificate Liability

	31 March 2024 Number	31 December 2023 Number	31 March 2024 £	31 December 2023 £
Certificate type				
Bitcoin Tracker One	3,131,242	3,468,999	832,974,963	537,280,975
Bitcoin Tracker Euro	393,924	432,477	1,041,287,367	666,988,025
Ether Tracker One	14,448,221	15,309,343	392,995,695	255,254,209
Ether Tracker Euro	2,409,534	2,487,963	651,027,620	413,056,557
CoinShares Physical Bitcoin	8,255,630	9,339,130	446,777,296	301,998,264
CoinShares Physical Staked Ethereum	1,838,553	1,718,953	155,610,159	91,269,305
CoinShares Physical Litecoin	449,500	401,500	6,949,484	4,470,073
CoinShares Physical XRP	1,049,300	874,300	19,940,733	16,404,468
CoinShares Physical Staked Polkadot	957,500	557,500	8,069,948	4,084,656
CoinShares Physical Staked Tezos	714,000	564,000	4,196,930	2,415,298
CoinShares Physical Staked Solana	4,074,100	3,652,100	67,328,598	31,071,177
CoinShares Physical Chainlink	4,576,000	3,111,000	6,702,789	3,652,266
CoinShares Physical Uniswap	3,160,000	2,310,000	3,159,030	1,336,096
CoinShares Physical Staked Cardano	25,865,000	22,705,000	13,977,459	11,272,945
CoinShares Physical Staked Cosmos	424,500	374,500	2,249,567	1,724,979
CoinShares Physical Staked Polygon	878,500	568,500	7,436,118	4,758,310
CoinShares Physical Staked Algorand	3,291,000	2,161,000	7,120,568	3,939,541
CoinShares Physical Top 10 Crypto Market	50,000	25,000	1,069,692	346,970
CoinShares Physical Smart Contract Platform	65,000	10,000	1,446,490	151,409
			3,670,320,506	2,351,475,523

Issue, Repurchases and Repayments of Equity

During the period, the following share issuances, share option issuances, share splits, share redemptions and share options lapses occurred.

GBP	Share cap and premium	Options	Treasury Shares	Fully diluted share cap
At 31 Dec 2023	30,724,605	4,323,974	(3,879,635)	31,168,944
Options granted	-	237,900	-	237,900
Share cancellations	-	-	(268,994)	(268,994)
Share options exercised	(161,863)	-	952,876	791,013
Liquidations	-	(42,574)	112,636	70,062
At 31 March 2024	30,562,742	4,519,300	(3,083,116)	31,998,925

Related Party Transactions

CSGP2L is the General Partner to CoinShares Fund II LP ('CS2LP'). The Group has recognised carried interest as at the period-end of £5,429,067 which is held as an investment.

The Group has an investment in Komainu Holdings Limited ('KHL') of which Mr Jean-Marie Mognetti is a director and shareholder. The Group has a recharge agreement with KHL which allows for use of office facilities. £22,000 has been charged for the period of which £11,000 is outstanding at the year end.

Komainu (Jersey) Limited ('KJL'), a wholly owned subsidiary of KHL provides custodial services to the Group. During the period, the Group paid fees to KJL of £377,620 of which £165,603 was outstanding at the period end.

Gold Token SA ('GTSA') is an associate of the Group. The Group has settled expenditure on behalf of GTSA in the period of £864 of which £nil remains outstanding at period end.

CSGP2L, a subsidiary of the Group, acts as General Partner of CS2LP. In this capacity, it receives quarterly an amount of one quarter of two percent of the net asset value of CS2LP. During the period £32,104 has accrued for this fee, of which £32,104 was outstanding at the period end.

Mr Richard Nash is a person discharging managerial responsibility and a shareholder of the Group. During the period, the Group undertook trades on his behalf of 1.7 BTC equating to £62,712. As at the period end, the Group held 2 BTC (£111,388) on his behalf.

Mr Daniel Masters is the Group's Chairman and a shareholder of the Group. During the period, the Group undertook trades on his behalf in various assets equating to £44,191. As at the period end the Group held residual assets valued at £36 owed to Mr Masters. The Group also holds a receivable from Mr Masters and one other person jointly of US\$37,183 (£29,447) in relation to an investment that was transferred using the Group as a broker. Mr Masters also has a holding in CS2LP. As at the end of the period, Mr Masters's holding is valued at £6,996,913.

Mr Jean-Marie Mognetti is the Group's Chief Executive Officer and a shareholder of the Group. During the period the Group undertook trades on his behalf of £51,287. As at the period end the Group nil assets due to Mr Mognetti.

Mr Johan Lundberg is a non-executive director of the Group. During the period the Group undertook trades on his behalf of equating to £64,214. As at the period end the Group held nil assets owed to Mr Lundberg.

DEFINITIONS

CSDS	CoinShares Digital Securities Limited, the issuer of the CoinShares Physical suite of ETPs
BLOCK	CoinShares Blockchain Global Equity Index
XBT	XBT Provider AB, the issuer of the XBT suite of ETPs
GBP	British Pound Sterling
USD	United States Dollar
EUR	Euro
SEK	Swedish Krona
AUM	Assets under Management
Delta Neutral Trading Strategies	Strategies undertaken by the Capital Markets team in order to generate fair value and other gains for the Group, which are designed to take no directional trading risk
DeFi	Decentralised finance
ETP	Exchange traded product
Fiat	Money made legal tender by government decree

ACCOUNTING DEFINITIONS

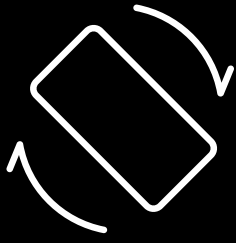
APM	Alternative performance measures (see below)
FVTPL	Fair value through profit and loss
JV	Joint venture
OCI	Other comprehensive income
SOCI	Statement of comprehensive income

ALTERNATIVE PERFORMANCE MEASURES

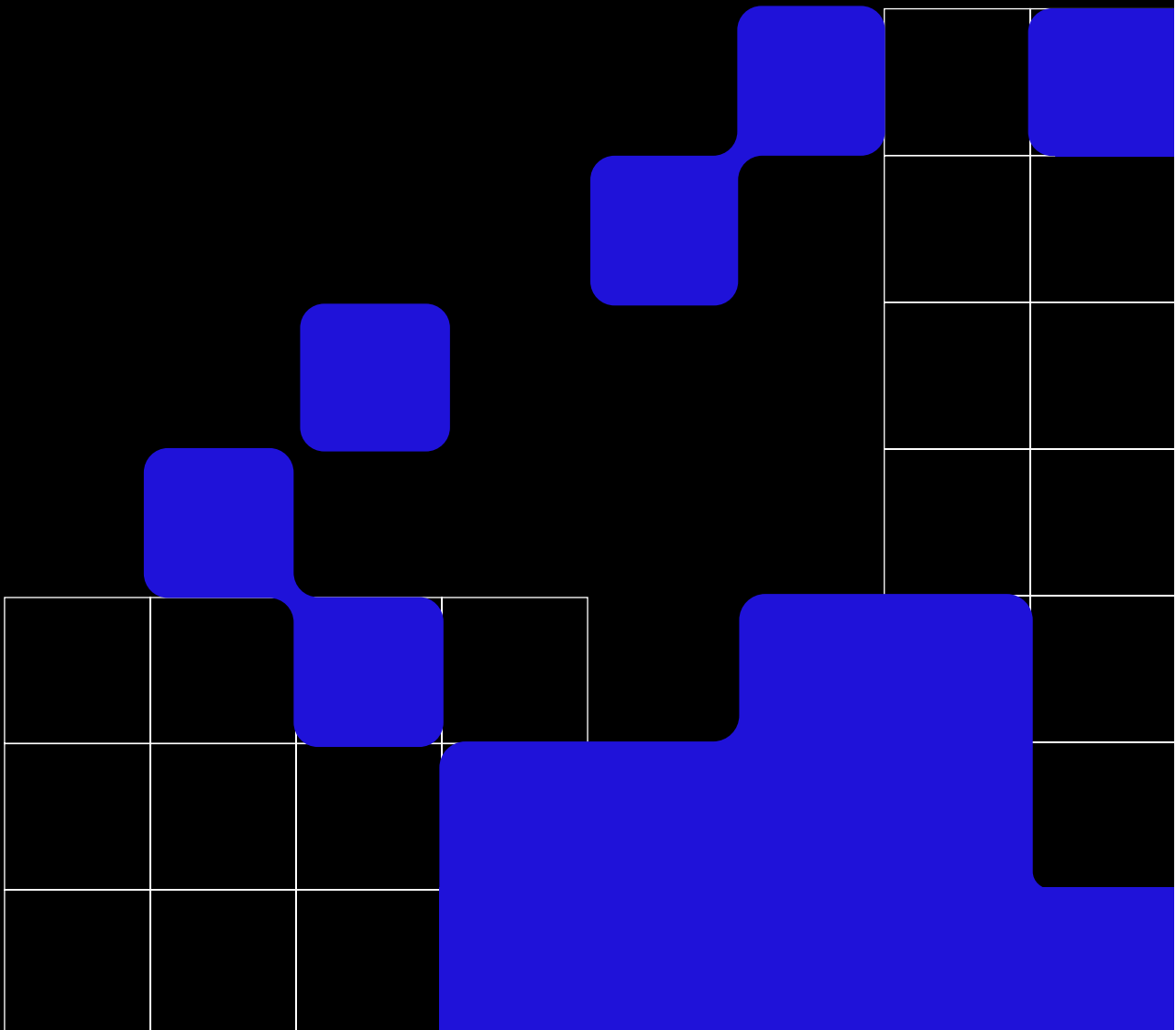
The Group's financial statements are prepared under IFRS. The performance of the Group is best reflected by alternative performance measures ("APMs") that do not align with the IFRS treatment of digital assets, specifically the IFRS treatment of fair value gains on such assets being taken through other comprehensive income rather than at fair value through profit and loss ("FVTPL").

The APMs adopted in this report, which are derived from the Group's SOCI are disclosed below.

Adjusted EBITDA	The Group's Earnings, before finance costs, taxation, depreciation, amortisation and other movements through OCI
Adjusted EBIT	The Group's Earnings, before finance costs, taxation, and other movements through OCI
Revenue, Gains & Other Income	The combined (i) revenue, (ii) investment gains, (iii) finance income, (iv) other income and (v) net fair value gains on digital assets and financial instruments generated by the Group less administrative costs excluding depreciation and amortisation
Direct costs	Costs directly attributable to the activities undertaken by the various operating segments of the Group in order to generate gains/revenue/other income.
Asset Management Fees	The revenue of the group, generated by the XBT and CSDS ETP programmes
Capital Markets Gains	Together, the Groups finance income, net fair value gains on digital assets and financial instruments and other income
Principal Investment Gains	Together the movement in the fair value of the Group's investments, JVs, associates and certain proprietary digital assets
Adjusted EPS	Earnings per share calculated using the Group's Total Comprehensive Income



APM RECONCILIATIONS



ALTERNATIVE PERFORMANCE MEASURES – RECONCILIATION TO IFRS FIGURES

The table below provides reconciliations for each of the Group's alternative performance measures back to the statement of comprehensive income, presented in accordance with IFRS.

GBP	Q1 2024	Q1 2023	FY 2023
IFRS	(1,320,134,374)	6,307,800	(453,126,477)
remove	Net finance expense/(income)	(160,539)	504,979
remove	Depreciation/amortisation	762,081	3,202,933
remove	Income tax expense	113,577	573,670
add	Fair value gain on digital assets through OCI	-	499,566,125
add	Fair value (loss)/gain on financial assets through OCI	(15,215)	149,182
APM - 1	34,190,530	7,007,704	50,870,412
add back	Depreciation/amortisation	(762,081)	(3,202,933)
APM - 2	33,584,879	6,245,623	47,667,479
IFRS	19,519,964	9,363,117	43,082,721
add	Revenue	3,468,571	32,990,490
add	Other operating income	(663,393,865)	(1,470,485,132)
add	Loss on certificate liability	(927,300)	775,186
add	Investment gains	665,373,777	1,472,899,978
add	Fair value gain on digital assets & financial instruments		
APM - 3	43,899,698	13,884,300	79,263,243
	Revenue, gains & other income		

GBP		Q1 2024	Q1 2023	FY 2023
IFRS	Revenue	19,519,964	9,363,117	43,082,721
	<i>Revenue allocated to Capital Markets*</i>	8,143	129,589	128,487
APM - 4	Asset Management fees	19,511,821	9,233,528	42,954,234

* derived from IFRS 8 Operating Segments note

IFRS	Gain/(loss) on digital assets	13,344,929	569,820,821	787,050,987
IFRS	Fair value gain/(loss) on digital assets through OCI	1,353,199,784	-	499,566,125
Sum	Total	1,366,544,713	569,820,821	1,286,617,112
<i>remove</i>	<i>Gain on digital assets allocated to Principal Investments*</i>	5,073,288	293,651	2,630,587
<i>add</i>	<i>Loss on certificate liability</i>	(1,595,010,168)	(663,393,865)	(1,473,327,447)
<i>add</i>	<i>Other operating gains/(losses) through profit and loss</i>	235,337,914	93,853,861	183,121,731
<i>add</i>	<i>Gain on FX</i>	6,864,567	1,245,215	5,716,160
<i>add</i>	<i>Other operating income & finance income</i>	8,588,045	3,873,042	32,990,490
<i>add</i>	<i>Fair value gain on financial instruments through OCI</i>	-	11,979	-
<i>add</i>	<i>Revenue*</i>	8,143	129,589	128,487
APM - 6	Capital Markets gains	17,259,925	5,246,991	32,615,946

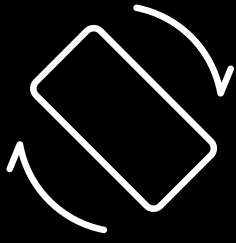
* derived from IFRS 8 Operating Segments note

GBP		Q1 2024	Q1 2023	FY 2023
IFRS	(Loss)/gain on investments	(3,080)	74	11,365,752
add	Share of joint ventures and associate gains/(losses)	2,057,745	(900,180)	(10,590,566)
add	Fair value gain on investments through OCI**	-	(27,194)	149,182
add	Other income*	135,988	37,430	44,810
add	Interest income	-	-	93,297
add	Gain/(loss) on digital assets*	4,937,300	293,651	2,630,587
APM - 7	Principal investment gains/(losses)	7,127,953	(596,219)	3,693,062

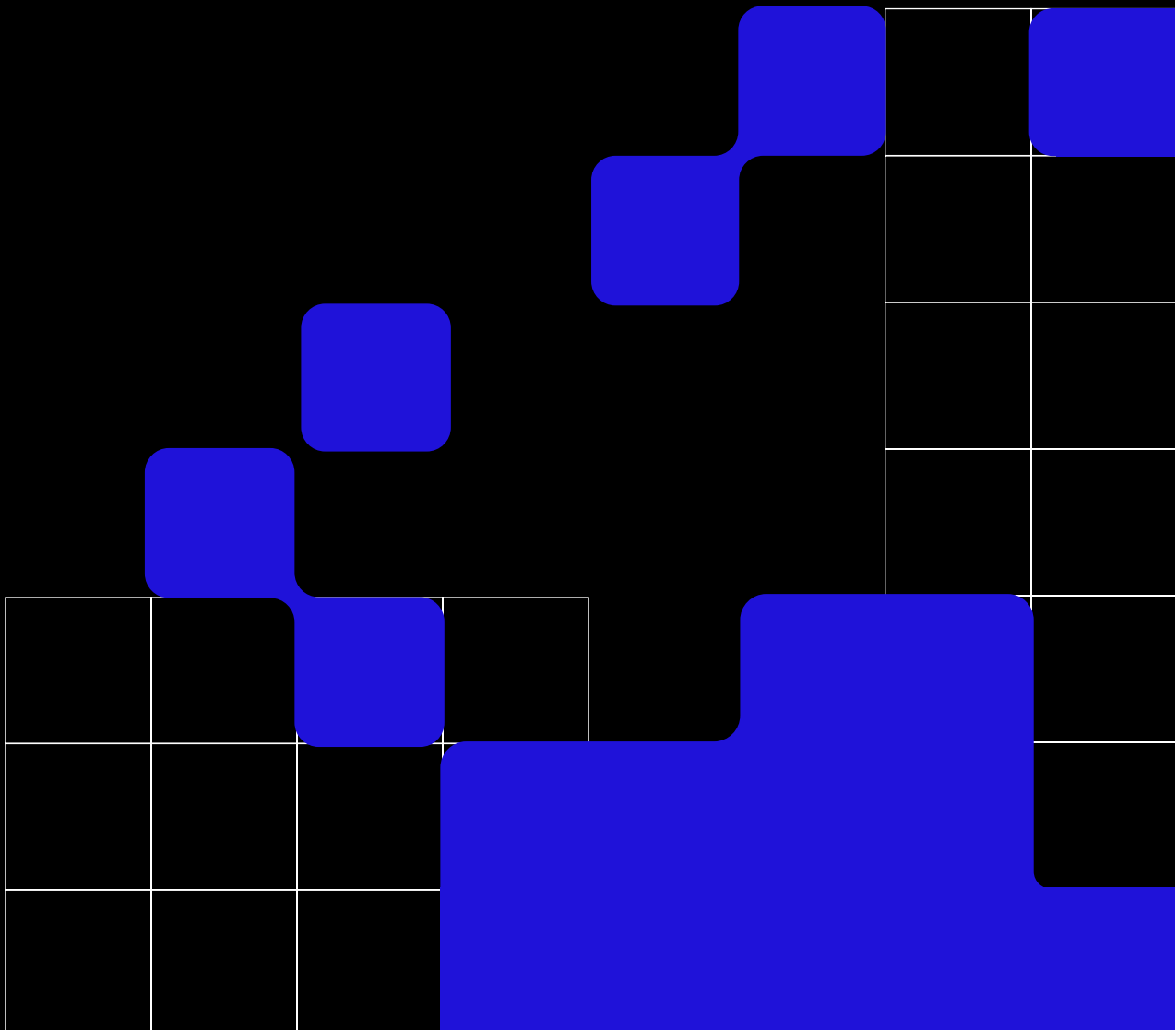
* derived from IFRS 8 Operating Segments note

** part of fair value gain on financials assets through OCI

IFRS	EPS	(19.51)	0.09	(6.74)
add	Average number of shares	67,655,461	67,897,639	67,229,448
	Net (loss)/profit	(1,320,134,374)	6,307,800	(453,126,477)
	Total other comprehensive income/(loss)	1,354,278,932	(3,376,550)	491,522,512
	Total Comprehensive income	34,144,557	2,931,250	38,396,035
	Average number of shares	67,655,461	67,897,639	67,229,448
APM - 8	Adjusted EPS	0.50	0.04	0.57



HISTORICAL QUARTERLY DATA

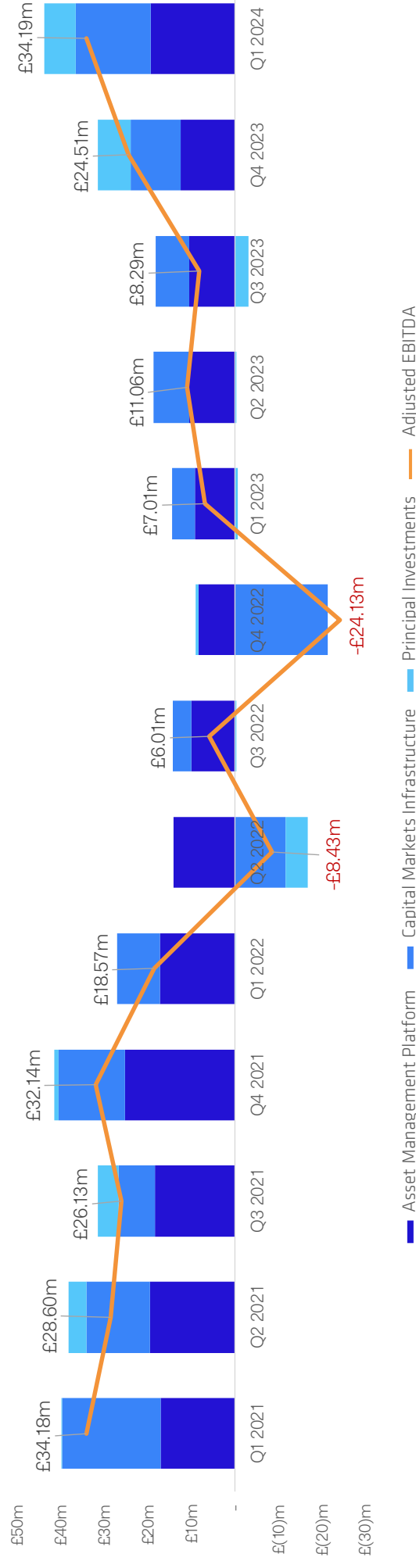


2021-2024 QUARTERLY PERFORMANCE (GBP)

GBP	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Asset Management Platform	17,118,330	19,558,183	18,388,113	25,330,792	17,244,783	14,228,366	10,143,485	8,474,255	9,233,528	10,599,639	10,502,280	12,618,787	19,511,821
Capital Markets Infrastructure*	22,771,557	14,657,815	8,449,548	15,356,022	9,989,298	(11,661,259)	4,182,250	(21,289,314)	5,246,991	8,184,590	7,718,391	11,465,975	17,259,924
Principal Investments	23,823	4,118,423	4,831,260	946,832	(146,455)	(5,113,390)	(306,045)	649,395	(596,219)	(219,459)	(3,046,994)	7,555,734	7,127,953
Consumer Platform (ceased 2023)	-	-	-	297,312	697,306	(107,846)	270,745	76,479	-	-	-	-	-
Total	39,913,710	38,334,421	31,668,921	41,930,958	27,784,952	(2,654,129)	14,290,435	(12,089,185)	13,884,300	18,564,770	15,173,677	31,640,496	43,899,698
Expenses	(5,729,792)	(9,730,555)	(5,535,624)	(9,793,260)	(9,213,823)	(5,779,607)	(8,284,459)	(12,040,368)	(6,876,596)	(7,502,723)	(6,883,111)	(7,130,401)	(9,705,168)
EBITDA	34,183,918	28,603,866	26,133,297	32,137,698	18,571,109	(8,433,736)	6,005,976	(24,129,553)	7,007,704	11,062,047	8,290,566	24,510,096	34,194,530
EBITDA (%)	86%	75%	83%	77%	67%	n/a	42%	n/a	50%	60%	55%	77%	78%

*inc. exceptional losses

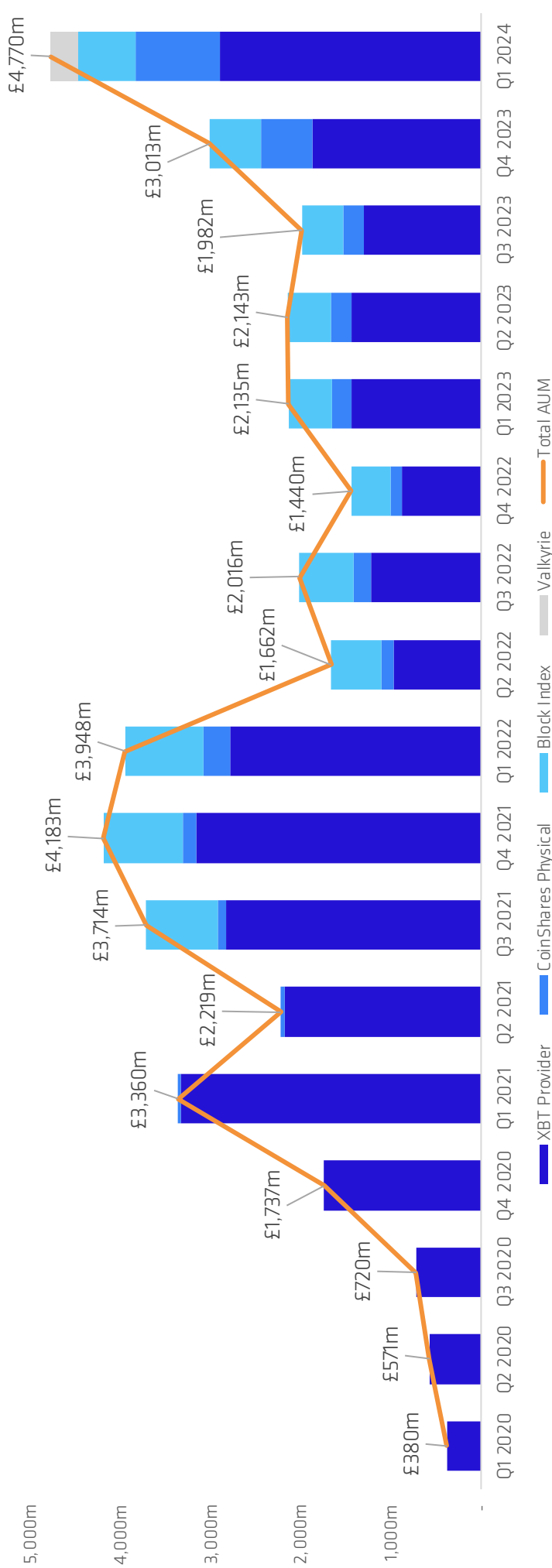
SEGMENTAL SPLIT OF REVENUE, GAINS, OTHER INCOME & ADJUSTED EBITDA (GBP)



ASSET MANAGEMENT PLATFORM AUM (GBP)

GBP	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
XBT Provider	379,809,288	570,967,991	719,597,059	1,737,393,745	3,324,044,649	2,180,564,420	2,825,779,657	3,152,268,378	2,779,982,364	963,937,533	1,216,144,555	877,591,278	1,431,966,962	1,433,395,599	1,295,368,290	1,869,818,152	2,892,700,800
CoinShares Physical	-	-	-	-	36,025,168	38,393,156	90,384,222	150,254,999	292,237,831	199,808,078	193,710,525	128,702,849	215,615,768	225,502,475	229,807,906	567,255,359	932,085,823
Block Index	-	-	-	-	-	-	798,217,118	880,466,340	875,706,190	557,953,920	605,865,292	433,876,700	487,304,800	484,369,841	457,153,631	576,143,647	646,351,200
Valkyrie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	299,269,561
Total AUM	379,809,288	570,967,991	719,597,059	1,737,393,745	3,360,069,817	2,218,957,576	3,714,380,997	4,182,989,717	3,947,926,386	1,661,699,531	2,015,720,371	1,440,270,827	2,134,887,531	2,143,267,915	1,982,329,826	3,013,217,158	4,770,407,384

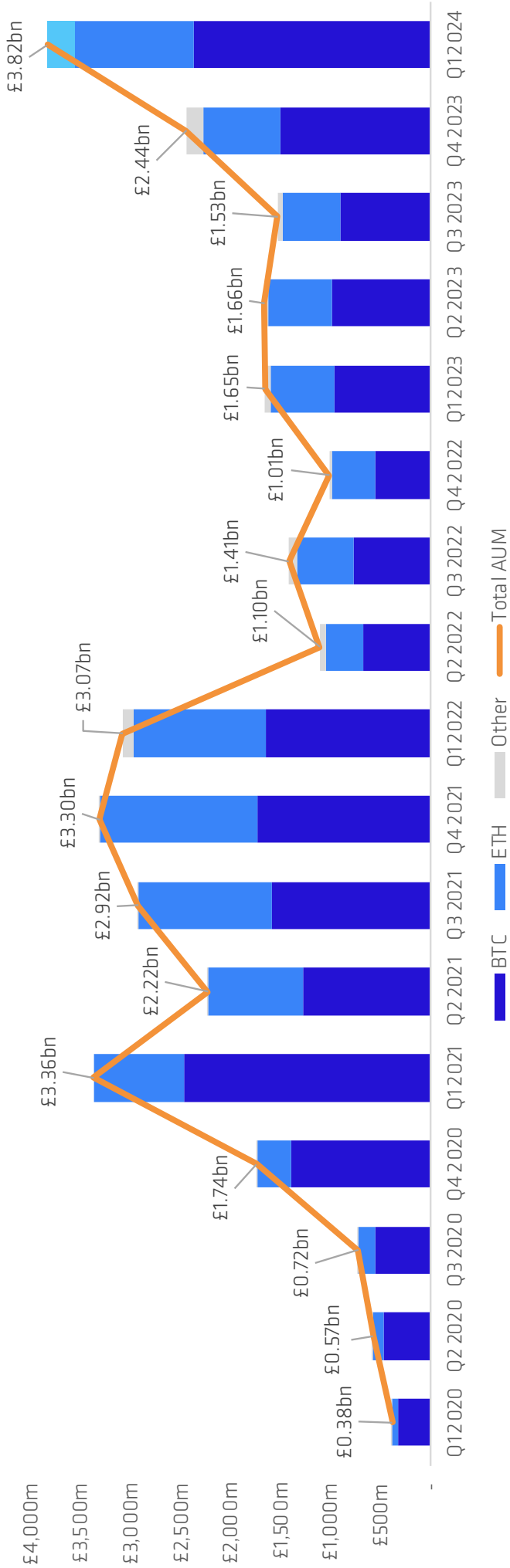
TOTAL AUM (GBP)



ASSET MANAGEMENT PLATFORM ETP AUM BY DIGITAL ASSET (GBP)

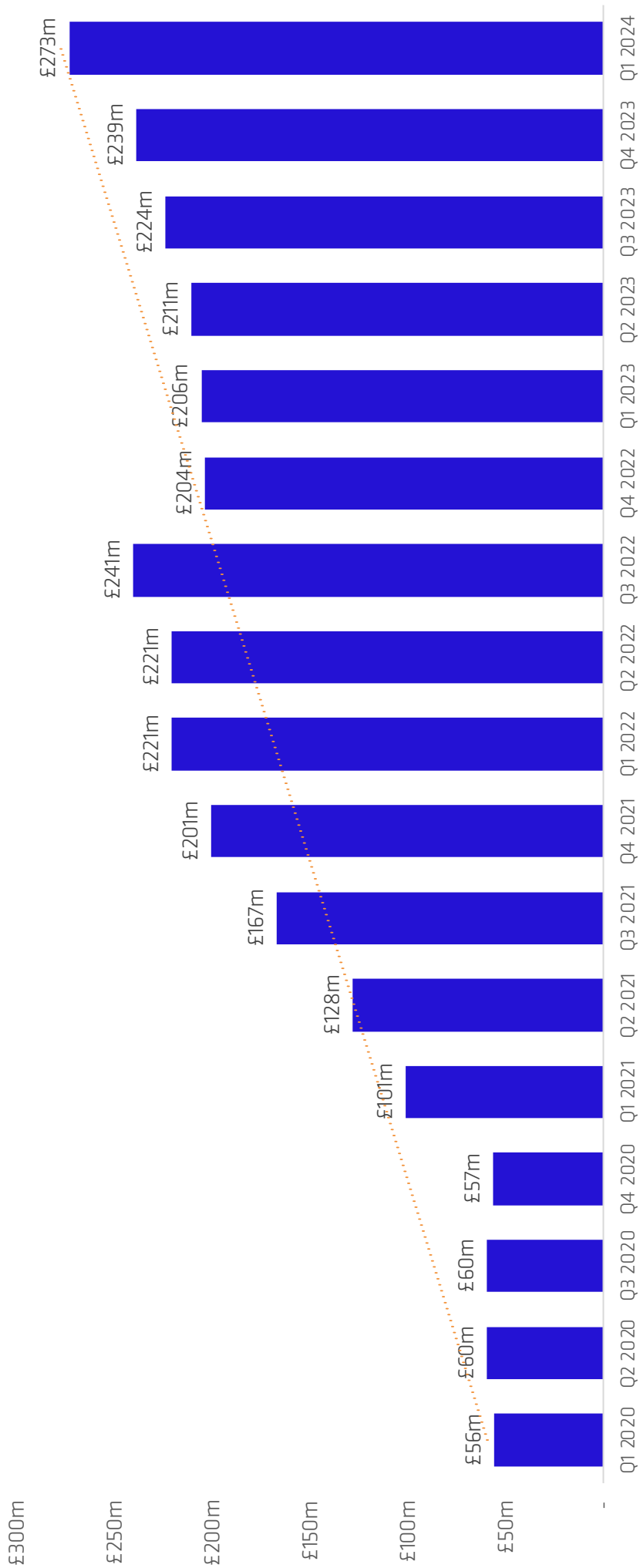
GBP	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Total AUM	379,809,288	570,967,991	719,597,059	1,737,393,745	3,359,864,596	2,218,957,576	2,916,163,879	3,302,523,376	3,072,220,196	1,103,745,611	1,409,855,079	1,006,394,127	1,647,582,731	1,658,898,074	1,525,176,196	2,437,073,512	3,824,786,623
BTC	316,851,814	464,848,907	548,307,010	1,383,469,532	2,462,381,192	1,270,282,155	1,575,885,718	1,723,069,736	1,645,380,357	668,562,317	768,998,279	550,584,115	954,788,419	983,729,744	900,160,558	1,502,095,169	2,321,039,626
ETH	61,611,353	104,674,296	168,898,269	347,749,740	897,483,404	947,184,560	1,336,830,254	1,575,359,088	1,312,883,193	377,237,808	562,392,250	429,720,375	644,621,598	630,368,968	571,497,241	758,281,612	1,199,633,474
Other	1,346,121	1,444,789	2,391,780	6,174,473	-	1,490,862	3,447,907	4,094,553	113,956,646	57,944,737	78,464,550	26,089,638	48,172,714	44,799,362	53,518,397	176,696,731	304,113,523

ETP AUM BY DIGITAL ASSET (GBP)



GROUP NET ASSET POSITION (GBP)

GBP	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Group net asset position	55,887,285	59,720,816	59,643,045	56,542,355	101,398,326	128,325,326	167,179,132	200,933,632	221,065,628	220,853,918	240,621,841	203,741,110	205,813,358	210,667,579	224,171,363	239,245,005	273,415,369



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