

## **CoinShares 2021 First Quarter Conference Call**

### **Format**

- Operator (Introduction)
- Jay Morakis, M Group (Welcome remarks, Safe harbor, Executive intro)
- Jean-Marie Mognetti (Overview/momentum, Q1 results/milestones)
- Meltem Demirors (Pillars, Growth strategy, Market drivers/opportunities)
- Jean-Marie Mognetti (Closing remarks – positioned for value creation)

### **Operator – Greeting with Instructions.**

**SLIDE 2: SAFE HARBOR STATEMENT / DISCLAIMER**

***SPEAKER: Jay Morakis, M Group Strategic Communications***

I'd like to welcome you all to CoinShares' first official conference call and webcast as a publicly traded company. The Company just released its 2021 first quarter financial results. The press release, along with today's accompanying presentation can be found in the Investor Relations section of the CoinShares Group website, at [www.coinshares.com](http://www.coinshares.com).

For those listening via webcast, you can view the slides throughout. For those dialing in, the first quarter presentation can be downloaded from our site anytime throughout and following this call.

Today's call is being recorded and can be accessed on CoinShares website under the Investor Relations section approximately one hour after the completion of this call.

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I would like to remind everyone that except for historical information contained herein, statements made on today's call and webcast that would constitute forward-looking statements are based on currently available information. The Company assumes no responsibility to update any such forward-looking statements and I would like to point you to the risk factors associated with our business, which are detailed in our prospectus (page 54 onwards).

SLIDE 3: TODAY'S SPEAKERS

*SPEAKER: Jay Morakis, M Group Strategic Communications*

Speaking from management today will be Jean-Marie Mognetti, Chief Executive Officer and Meltem Demirors, Chief Strategy Officer, both of whom will present on this call. Given time constraints we will not have an open forum for Q&A. If you have a question, though, please submit online via the webcast and investor relations will respond accordingly. At this time, it's my pleasure to turn the call over to Jean-Marie.

SLIDE 4: COINSHARES AT A GLANCE

*SPEAKER: Jean-Marie Mognetti*

Thank you Jay and I'd like to thank all who are joining us today. It's been quite a journey for all of us at CoinShares...and for the industry at large, which continues to undergo rapid and unprecedented change.

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In recent weeks, the cryptocurrency market has reached as high as \$2.6 trillion and as low as \$1.4 trillion, and while the asset class can be volatile, even the lower of these figures reflects over half a trillion dollars of market growth since the start of the year.<sup>1</sup> These are impressive numbers, and it's important to note that the crypto asset class only comprises 35 basis points of global wealth,<sup>2</sup> highlighting the opportunity for growth. We are at an inflection point in our industry, and CoinShares is in the fortunate position to be at the epicenter of this incredible growth.

What I'd like to do today is provide a brief overview on CoinShares for those who may be new to our story and then highlight some of our key milestones year-to-date. I'll then review our first quarter results, which were the best in our history since our inception.

I will then turn the call over to Meltem, our Chief Strategy Officer who will discuss our go-to-market strategy and what we will be doing throughout this year to drive value.

I'll end with just a few closing remarks.

CoinShares is a financial technology company that is one of the world's largest digital asset investment firms and one of the earliest market entrants. Our history goes back to 1998, when our co-founders built one of the first commodities hedge funds on the belief that commodities would become a burgeoning asset class and

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<sup>1</sup> Data retrieved from [www.coingecko.com](http://www.coingecko.com).

<sup>2</sup> The [Credit Suisse Global Wealth Report](#) cited \$399T in global wealth at the end of year 2019, which is the latest data available.

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part of the broader financial system. Once again, in 2013, our team saw the same opportunity when we looked at bitcoin.

To us, Bitcoin was on the cusp of becoming a new “store of value” and we believed that over time, Bitcoin, and other forms of digital currencies would find their way into not just finance, but the mainstream. When the Cyprus banking crisis hit, this was a massive catalyst for Bitcoin, as investors looked for ways to protect their assets from government seizure. The price of bitcoin skyrocketed, and as traders, we saw tremendous opportunity in the resulting volatility.

We recognized the massive scale that was needed to support trading in global, patchy, illiquid markets that were open 24 hours a day, 7 days a week, 365 days a year in a wide range of jurisdictions well outside the comfort zone of Wall Street. So, we began investing in top-tier engineering talent to build our infrastructure; one that could support massive trading volume around the clock on a global basis. Technology is the backbone of our Company and we are constantly investing and driving innovation to ensure we have the right platform, sufficient capacity, and the reach to offer digital assets to the masses.

SLIDE 5: A HISTORY OF INDUSTRY FIRSTS

*SPEAKER: Jean-Marie Mognetti*

Our Company is often referred to as a pioneer because of our track record in bringing products to market before our peers in the industry. Since 2013, our team has been building products and services to meet our clients’ needs – from individuals to institutions, and everyone in between.

In 2014, we introduced the first regulated bitcoin hedge fund and a year later, followed with the first exchange traded bitcoin product, powered by our in-house technology. Over the next six years, we gained first mover advantage and launched several private and exchange traded products for multiple digital currencies. CoinShares is often perceived as just an asset manager or a market maker, and yes, we have a strong presence in both areas...but these are just consequences of our core focus...we are a financial technology company that has been driving change in market structure and educating investors and allocators every step of the way.

**SLIDE 6: BREADTH AND DEPTH OF PRODUCTS AND SERVICES**

**SPEAKER:** *Jean-Marie Mognetti*

Our business today is comprised primarily of four main activities:

- 1) The core of our business is our trading infrastructure and liquidity, which operates under the CoinShares Capital Markets brand. Everything we do at our firm starts from our robust capital market infrastructure which allows us to provide liquidity and market depth, thus enabling us to also expand our asset management business. The Capital Markets desk started with one client – our own proprietary capital. Over the years, we have grown our client base, providing liquidity and trading capabilities to other firms who white label our technology and trade directly in our flow.
- 2) Asset Management has been a significant part of our business since 2015, when we first launched XBT Provider. We were the first to bring to market a suite of passive crypto ETPs which tracked the price of Bitcoin and other Digital Assets.

- 3) Principal Investments is the third, with a focus on investing in early-stage technology companies and channels to help us distribute our products and services into new markets. Our strategic approach to investments has helped shape our tech stack and drive our corporate strategy.
- 4) Lastly, our research is a bellwether for the industry, and is widely utilized and cited by analysts, media, and investors alike. As stewards of these new asset classes, we provide our clients and the broader market with insightful analysis that separates signal from noise. Our team identifies, and articulates, important industry themes, supported by empirical evidence, providing essential reading for investors who want to keep pace with this rapidly evolving industry.

While these are the four primary areas of our business, we operate as one company and share insights and best practices to achieve our vision. And that is – to make digital assets available to everyone...everywhere.

SLIDE 7: 2021 FIRST QUARTER FINANCIAL HIGHLIGHTS

SPEAKER: Jean-Marie Mognetti

As for our results, we had a record setting quarter – the best in our Company’s history.

We saw record levels of asset management fees and trading revenues resulting in a significant rise in our top- and bottom-line results. This performance contributed to the significant growth in our net asset position, which increased almost 80% over a 3-month period.

Assets under Management increased by over 93% on a sequential basis in Q1 alone, and has continued to grow. We reached a new milestone in AUM growth on May 8th 2021, when we crossed \$6 billion of AUM across our two ETP platforms. As of Wednesday, May 19 market close, our AUM stood at approximately \$3.95B. Digital assets can be volatile, as seen over the last two weeks, and our AUM balances are always visible in real-time via Armanino's real-time Trust Explorer.<sup>3</sup> We are the world's first and only digital asset manager to provide real-time attestation of our AUM and the assets backing it.<sup>4</sup>

**SLIDE 8: 2021 FIRST QUARTER FINANCIAL HIGHLIGHTS (CONT'D)**

***SPEAKER: Jean-Marie Mognetti***

In our Capital Markets business, performance has accelerated significantly. On the trading side, we benefit not only from asset prices, but also from volatility. Q1 saw increased inbound demand from market participants, and we traded an average of approximately \$3B per month in Q1, compared to approximately \$1B traded per month in Q4 2020. Our trading systems had 99.97% uptime and executed over 400,000 trades in Q1.

The GBP22.7 million gain in Trading is comprised predominantly of gains relating to non-directional proprietary trading, fixed income activities, and liquidity provisioning. We believe we are uniquely positioned to take advantage of market opportunities that will bolster the performance of our Capital Markets business further, while expanding our client base.

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<sup>3</sup> Source: <https://real-time-attest.trustexplorer.io/coinshares>

<sup>4</sup> Source: <https://coinshares.com/news/real-time-audit-launched-for-xbt-provider-etps>

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Our vision is to remain low-touch and technology focused, and to scale through API integrations and connectivity. This approach is in line with where traditional markets are moving, as seen with the CME [closing the Chicago pit](#) as of last Friday and selling the building. The world is evolving towards a collection of digital markets and metaverses, and CoinShares is building for this future.

We expect to capitalize on the significant levels of activity we are experiencing in capital markets while expanding our infrastructure offering and our trading strategies to drive gains during periods of relative inactivity in the markets. This may be done through the expansion of our existing fixed income offerings, which appeal to more traditional investors, or the growing set of decentralized finance, or DeFi opportunities, which present compelling opportunities for more innovative risk-tolerant market participants.

As for Asset Management Fees, the growth over 2020 and the jump in Q1 of 2021 related to the significant price increases in digital assets. This upward pricing had a positive impact on our AUM with respect to the various ETPs we offer and the resultant management fees.

We believe, with continued digital asset performance and inflows across our suite of ETP's, our momentum will continue. The launch of our new CoinShares Physical platform in the first quarter, while a very small piece of our business today, should also help drive continued growth in AUM and management fee revenues. We have already issued products referencing Bitcoin, Ethereum, XRP and Litecoin on this platform, and expect to issue both single-asset products and more innovative

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product constructions at a rapid pace throughout the remainder of the year. Being a Jersey based business, Brexit has been a challenge on the regulatory and compliance side and delayed the launch of this platform. We have a team in place, headed by our colleague Frank Spiteri, who are ready to distribute this family of products across Europe and to cement CoinShares' position as Europe's first, largest, and most innovative digital asset manager. However, we are not content to win just the European market. We have also made a series of investments to allow us to compete for asset management market share in North America, which Meltem will cover later on.

SLIDE 9: 2021 FIRST QUARTER FINANCIAL HIGHLIGHTS (CONT'D)

*SPEAKER: Jean-Marie Mognetti*

Q1 EBITDA surpassed all of 2020 highlighting the positive impact scale has on our earnings as a result of disciplined budgeting and cost controls.

Adjusted EBITDA calculated as management fees and trading gains, less administrative expenses, was GBP34.1 million in Q1, approximately 53% higher than the full year of 2020. Our Adjusted EBITDA margin was 86%, by far the highest in our history and a clear indicator that the infrastructure we have built over the years is able to support continued revenue and trading growth while successfully maintaining a relatively fixed cost base. Again, I'd like to highlight the role technology plays in helping us manage cost. Unlike many of our peers, revenue growth at CoinShares is not matched by expense growth. Having survived three bear markets, our management team is accustomed to balancing growth with fiscal prudence.

It is worth taking this opportunity to remind our stakeholders that the preparation of the Group's results under FRS102 results in all fair value gains on digital assets being recognized within other comprehensive income. We note that the statement of comprehensive income and resultant EPS numbers can therefore be somewhat misleading for analysts and investors, due to this accounting treatment. We are actively working with our industry peers to move towards a more appropriate accounting treatment for digital assets that will provide more clarity and consistency in reporting. In the meantime, the total comprehensive income figure of the Group is the best measure of its overall performance, with the Adjusted EBITDA calculation providing further clarity on the gains attributable to the activities of the Capital Markets team.

Our full Q1 results report, inclusive of a reconciliation from EBITDA back to the total comprehensive income of the Group, is available on our website as of this morning.

Lastly, as you can see, we saw a big spike in our net asset position since year-end – up almost 80% on a sequential basis. Our balance sheet strength gives us the flexibility to execute our business plan across a broad range of market conditions, and our focused corporate strategy plans should drive capital efficient growth.

The vast majority of the Group's balance sheet is represented by our digital asset holdings and exposure to digital assets through amounts and positions held with brokers...offset by the ultimate liability owing to holders of the Group's Swedish ETP's operating under the XBT Provider brand.

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While our Q1 performance was a big driver of the gains, this also includes the funds raised from our IPO, which I will touch on in the next slide.

Slide 10: 2021 FIRST QUARTER AND YTD OPERATIONAL MILESTONES

*SPEAKER: Jean-Marie Mognetti*

While our Q1 results were very strong, I am confident that this is just the beginning – and my optimism is fueled by the momentum we’ve achieved YTD in 2021.

During the first quarter, we successfully launched new physically backed Bitcoin and Ethereum ETPs, broadening our portfolio even more.

- CoinShares Physical Bitcoin is traded under the ticker symbol BITC and was the first product on our new institutional-grade ETP platform, CoinShares Physical. It was initially launched on the regulated SIX Swiss Exchange with \$200M in AUM and Komainu serves as the custodian. For those who are not aware, Komainu is a joint venture between Ledger, Nomura, and CoinShares.
- Our Physical Ethereum product was launched with \$75 million in seed AUM. This brings the world’s second largest digital asset to our new platform and was launched based on increasing customer demand.

Another Q1 highlight was our strategic alliance with the MIT Digital Currency Initiative. We will be donating half a million dollars over a 4-year period to support Bitcoin’s open-source software development and advance the security of the Bitcoin protocol. We have a duty as a market leader to advance the security protocols, change the perception of Bitcoin and digital assets as investments, and remember

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our vision – making it accessible to everyone, everywhere. This is similar to the research grant we made three years ago at London’s Imperial College Centre for Cryptocurrency Research & Engineering. We will continue to invest in our environment, social equity, and governance, or ESG, portfolio – and look forward to providing more color on our activities going forward.

The biggest Q1 highlight is without question, our successful listing on the Nasdaq First North Growth Market under the ticker CS. The IPO was significantly oversubscribed as investors are looking for a variety of ways to gain exposure to digital assets. We raised 151.1 million Swedish kroner, which equates to approximately \$17.8M, prior to listing related costs, and received retail subscriptions more than 20X the retail offering<sup>5</sup> and overall subscriptions more than 4x the total offering, bringing in over 2,000 new shareholders and highlighting market demand. The proceeds from the offering further strengthened our balance sheet and will be used to accelerate our growth plans.

Since the end of the first quarter, our product momentum continued with the launch of our XRP and Litecoin ETPs. We now have 8 products in our product portfolio as demand for digital assets continues to grow. We are driving innovation and leveraging our technology platform to bring a more comprehensive and diversified offering to the markets.

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<https://coinshares.com/investor-relations/press-releases/coinshares-announces-outcome-of-offering-in-connection-with-its-intended-listing-on-nasdaq-first-north-growth-market>

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In mid-April, we announced<sup>6</sup> that we had reached \$5 billion in AUM on our two ETP platforms, which was a milestone for us. As stated earlier, our latest AUM is always visible on our website.

As capital markets and market structure continues to evolve, building, finding, and funding innovation remains an important cornerstone of our strategy. Here, we expanded our relationship with the DeFi Alliance, a collection of industry participants helping advance DeFi. We are founding partners of the European chapter and will support DeFi startups by providing capital and liquidity, educating and onboarding new market participants and collaborating with partners to build a robust DeFi ecosystem in Europe, where the venture ecosystem and corporate innovation have not been as robust as in other markets. This also includes bringing our regulatory and compliance expertise to this group and working with DeFi innovators to bridge traditional finance and decentralized finance in a compliant manner that our clients can access.

We have many more developments underway which we will share with investors on our coming calls. We are executing, we are positioned well in the market and believe 2021 and beyond will show significant growth and continued market leadership.

At this time, I will turn the call over to Meltem.

**[TRANSITION SPEAKERS]**

**SLIDE 11: THE COMPETITIVE LANDSCAPE AND MARKET OPPORTUNITY**

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<sup>6</sup> Reference <https://coinshares.com/news/coinshares-celebrates-5-billion-aum>

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*Speaker: Meltem Demirors*

Thank you Jean-Marie. Since 2013, we have been executing relentlessly, with a clear vision to not just be another financial technology firm in an increasingly crowded digital asset marketplace, but to be the leader in bringing innovative, technology driven financial products and services to a wide range of market participants ranging from institutions to individuals.

The digital asset market, which began with Bitcoin has evolved, with many other forms of cryptocurrencies introduced. It was much smaller with many unknowns when we began. Today, it is a massive market that is growing and changing by the day, and with it, the competitive landscape is also changing, as dozens of global competitors enter the space – including crypto native firms but also traditional asset managers and financial institutions. Our industry will continue to change, which as Jean-Marie noted earlier, is why we remain focused on differentiating CoinShares through technology innovation.

Many of the companies in our space are financial services-oriented...made up of asset managers, hedge funds and traders. We took a different path – building a team of engineers and then blending that expertise with our knowledge of the financial markets. We leverage our technology and trading competence to build products and services that traditional ETF companies cannot match. This positions CoinShares to grow in ways our competitors – both TradFi and crypto native firms – cannot. As Jean-Marie alluded to earlier, we are focused on expanding our business in ways that allow us to scale in a capital efficient manner.

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**SLIDE 12: OUR VISION IS INFORMED BY THE 3D'S**

*Speaker: Meltem Demirors*

The 3D's is a strategy developed by our Chairman and co-founder Danny Masters years ago as a framework to explain the commodities super cycle as an investment thesis. We have applied a similar framework to our business, framing the larger digital asset super cycle within the macro context. Our strategy is built around data-driven frameworks, and we make decisions around our long-term views on where markets are heading to stay ahead of the curve...and the competition.

So let's go into the Three Ds, the first D is **Digitization**. Digitization is all about leveraging the power of technology to make assets accessible on a global open-source software stack. Today, we trade billions of dollars on the bitcoin and Ethereum network on a monthly basis and have written thousands of (good!) lines of codes to enable us to make traditional markets and assets interoperable with public, permissionless blockchains. We believe this trend will only accelerate, as all assets become digital assets, and trade 24/7/365 in global markets operated by open-source code and on permissionless, public networks.

The second D is the **Driverless Bank**. The Driverless Bank is about using automation and programmatic execution to lower cost and systemic risk while improving acceptability. Given the high volume of on-chain transactions, we need a technology backbone that can automate processes on various blockchain networks. Corporations, financial institutions.

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The last D is **Distribution**, distribution is about the customer touchpoint. Distribution in our industry is changing; intermediaries are no longer necessary in the vast majority of cases. We believe this trend will continue to accelerate, as demonstrated by the trillions of dollars of assets traded peer to peer on the Bitcoin and Ethereum network over the last year. Capital Markets are evolving to be open, interoperable, and global in nature, and crypto native institutions are rapidly outpacing traditional financial institutions in the number of clients they serve, the assets they offer, custody, and their turnover and trade volume.<sup>7</sup>

As more services move to mobile devices, payments, lending, and new financial services will connect people, markets, and money in new ways. Technology is changing the structure and flow of markets, including where trades are executed, cleared, and settled. And new protocols for compute and connectivity require new financial instruments, infrastructure, and risk management tools. Having the right infrastructure will enable all of this to become a reality – and this plays into our strategy of investments to capitalize on these broader FinTech trends.

So let's move on to our approach to growth.

### SLIDE 13: OUR APPROACH TO GROWTH

*Speaker: Meltem Demirors*

We are always thinking of what's next and what...or who...can help us serve a market need. One of the frameworks we utilize is build, partner, buy – which helps us make long-term capital allocation and strategic planning decisions about where

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<sup>7</sup> Note DEX trading volume averaged \$5B per day throughout May 2021, and exceeded \$10B on May 19 2021

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we should invest human capital in organic growth, and where we can accelerate our business through inorganic growth in the form of an acquisition.

Key questions we ask include: What's the best use of capital? What provides us with the greatest degree of control? How long will it take to bring to market and at what cost? And what will enhance our customer value proposition most... while leading to the greatest returns for shareholders.

I'll walk through each of these pillars in the context of our Q1 2021 performance and plans for the quarters ahead.

The first pillar is Build – we invest in developing our own infrastructure and capabilities. Since 2013, our engineers have written and deployed thousands of lines of code that ensure CoinShares trading systems are connected to over 50 market venues – including Interactive Brokers, Cowen, and DBS, but also Coinbase, BitFinex, BitStamp, Okex, and FTX.

We will continue to upgrade our infrastructure by investing in adding new capabilities and coverage of new markets, and by covering a wide range of assets and services. Areas for growth in 2021 include staking, yield generation, and exposure to DeFi protocols for a wide range of market participants. We will continue to invest in our technology infrastructure to support the 3D's, and to ensure CoinShares Capital Markets can provide a wide range of services via a single API integration.

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In Asset Management, we will leverage our enhanced infrastructure to offer innovative new products. As our infrastructure evolves, so does the range of products we can offer to the market.

The second pillar, partnership, is especially useful in areas where we may not have a footprint but want to quickly expand our products and services and the markets in which they're available. Partnership can also be meaningful in ventures where various skillsets are required. Here, I'd like to briefly touch on Komainu, our joint venture with Ledger, an expert in cybersecurity, and Nomura, an expert in institutional investing, where our three firms combined our skills, expertise, and network to build a digital asset custodian informed by our own needs as an asset manager. We were able to build a robust JV subsidiary that creates significant value for CoinShares while accelerating time to market. Komainu raised a Series A in February, reflecting a significant mark-up on our initial investment into building this business.

On the Asset Management side, we would be remiss if we didn't note that the competition is increasing, with both new market entrants and legacy players looking to add crypto exposure. We have combatted this both offensively and defensively, through new ventures. Key to our strategy and success in 2021 and in the years that follow will be new and innovative products, entering new geographies, and partnering with industry leaders in segments we are not currently in. While we crossed \$5B in AuM on our own ETP platforms, we have an aggressive plan to grow AUM and fee driven revenue through partnerships. Our 3iQ CoinShares Bitcoin and Ether ETFs give us an important footprint in the North American market, and bring an additional \$1B in AUM under our brand family.

We also want to access a new client base – consumers. As Jean-Marie articulated, we believe bitcoin isn't just about enriching institutions, but is also about empowering individuals. Last July, we partnered with Kingdom Trust, who service the US retirement accounts industry, to bring bitcoin to US customers in a tax-advantaged manner.

Third, on the “buy” side, our investment team is focused on finding and funding the future of this industry and positioning CoinShares for growth. In the digital asset ecosystem, investments serve as an engine to find, fund, and grow companies and new, emerging blockchain protocols that can strengthen our ability to execute and complement our infrastructure with technology that aligns us with our 3D's framework.

We began making strategic investments in the fourth quarter of last year, and since then, have deployed approximately \$6 million into our investments. Allow me to briefly detail how these strategic investments have accelerated our time to market, and our ability to deliver shareholder value:

- 3iQ is Canada's first and largest digital asset manager with over CAD 3.6B in AUM as of market close, May 14 2021.<sup>8</sup> We collaborated to launch the 3iQ CoinShares Bitcoin and Ethereum ETFs in April, and as of market close on Wednesday, May 19, the bitcoin ETF has 707M in AUM<sup>9</sup> and the Ethereum ETF has 208M in AUM<sup>10</sup>, making up nearly \$1B total.

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<sup>8</sup> Sourced from:

<https://www.bloomberg.com/press-releases/2021-05-14/the-bitcoin-fund-announces-voluntary-conversion-option-to-the-3iq-coinshares-bitcoin-etf>

<sup>9</sup> Sourced <https://3iq.ca/3iq-bitcoin-etf-btcq-2/> at COB May 19 2021

<sup>10</sup> Sourced <https://3iq.ca/3iq-ether-etf-ethq/> at COB May 19 2021

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- Kingdom Trust is a leading US custodian and last July, we supported the launch of their new “Choice” platform to bring digital assets into US retirement accounts. With more than \$16B in assets and over 125,000 retirement accounts, they were clearly the right partner. We power Choice’s digital asset trading, staking, yield generating, and custody infrastructure. Roughly 10% of the platform’s assets are in cryptocurrencies, which continues to grow as US investors and savers look for tax-advantaged ways to gain exposure to this asset class.
- Solana is a new blockchain protocol optimized for the needs of capital markets, offering high speed, low latency, and low execution costs while preserving censorship resistance. We are working closely with the team to build trading and asset management products on top of this protocol, and to offer a robust suite of capital market infrastructure to professional investors participating in the Solana ecosystem.
- Lastly, we will announce our investment in an emerging US asset manager later this week. This will strengthen our knowledge and offerings for ESG focused ETF’s, and allow us to participate in a share of the management fees generated as the demand for ESG mandates grows.

We are optimistic that the value of this portfolio reflects promising growth, while also contributing materially to our growth across new markets and new segments. We look forward to sharing more about the performance of this portfolio over the following quarters.

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In 2021, we will continue on this path and intend to invest through the remainder of the year, though the amount may change based on opportunities we uncover and our ability to access capital markets.

Lastly, it is important to touch on the importance of financial prudence. As a digital asset investor who has been through 3 market cycles, I recognize the market is giving us some interesting indications that digital assets are in the early phases of a 12-24 month bull market cycle, itself part of a bigger, longer, multi decade super cycle. As a result, we have seen valuation creep across both crypto markets and traditional ventures, especially in the FinTech space. We are sensitive to pricing and keep a close eye on valuations, deal terms, and the ability to materialize cash flow and tangible returns on our balance sheet. We are not in the business of chasing paper marks.

I am excited to share more on the progress of our build, partner, buy approach over the coming quarters, and demonstrate its efficacy in driving shareholder value in this unique industry.

SLIDE 14: COINSHARES BY THE END OF 2021

*Speaker: Meltem Demirors*

Today, our core business segments are Investments, Capital Markets, Asset Management, and Research. We have made significant strides to enable us to grow our investment portfolio, enhance our capital markets infrastructure and business, and bring new asset management products to market, and enhance our AUM and fee

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revenue through partnership. Lastly, I'd like to briefly touch on research and consumer finance, two new areas we will be focusing on.

On the research side, our research team will expand materially to cover not only bitcoin, but Ethereum, Solana, and other emerging blockchain protocols, as well as the DeFi and Web3 ecosystems which are growing rapidly and attracting interest from individuals and institutions alike. We will also add coverage of crypto equities, as more companies in our industry go public and as investors become interested in understanding the business models, metrics, and fundamentals of this new category of companies.

In addition, by the end of this year, we intend to introduce a business segment focused on the Consumer Finance market, which will leverage our technology and compliance capabilities to bring innovative solutions *directly* to a new type of user. We believe digital assets are for everyone, not just our wealthiest clients, and we intend to provide access in a trusted, transparent, and compliant manner. As we look at our approach to distribution, one of our 3D's , product wrappers in the form of ETPs have served us well, but the future looks radically different. We will invest in building a new offering that allows us to interact more directly with end users, and add a new distribution channel into our own business.

SLIDE 15: OUR LONG-TERM VISION

*Speaker: Meltem Demirors*

So our long-term vision, to sum everything up succinctly, we will be working to:

- 1) Build and expand our Capital Markets business through technology platform upgrades and by entering new trading arenas.
- 2) Develop and launch new products based on a long-term market view – what is and will be in demand by the global investing community.
- 3) Expand our reach in the market... institutions are not the only audience. We want to enable digital assets in retirement accounts and other places where individuals want the ability to transact, interact, and gain exposure to not only digital assets but the new capabilities unlocked by on-chain finance.
- 4) Make strategic investments in early-stage technology companies that improve our business and ability to serve both current clients and new market segments, with a goal of strengthening our balance sheet and delivering compelling shareholder returns.
- 5) Continue to grow AuM on our two ETP platforms in Europe, while focusing on strengthening distribution, AuM, and fee revenue in new markets through partnerships.

Everyone at CoinShares is aligned and focused on turning our vision of making digital assets available to everyone, everywhere...into reality. Thank you.

SLIDE 16: WHAT MAKES COINSHARES A COMPELLING INVESTMENT

*Speaker: Jean-Marie Mognetti*

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The momentum from 2020 has certainly carried into 2021 and we expect a strong year, operationally and financially.

We launched several new products this year, expanded our customer base and global reach, and believe the steps we have taken will have a positive impact on future results.

Our investment portfolio holds great value and should further strengthen our business and as Meltem noted, we are looking at other strategic investments this year.

We are profitable, with a robust EBITDA margin, our balance sheet is strong, and we have the financial capital and human capital to support our strategic growth plans.

Every member of our global team is focused not only on serving the market – but leading it – and I believe we have the right team in place to execute and win. The digital asset industry is global and borderless, and so is CoinShares.

- We will be diligent in maintaining operating discipline and capital efficiency: We will operate nimbly, hire and retain top talent, and prioritize capital allocation based on growth potential and performance. We will cut activities and business units that no longer make sense or distract us from our strategic roadmap.
- We will continue to invest in disrupting our own business. We recognize our industry and the broader financial system are dynamic and rapidly changing.

Using the 3D's as a guide, we will look for the ways in which our own business will be disrupted and continue to evolve to lead.

- And we will push boldly into new markets and out of our comfort zone: We cannot afford to be risk averse or to neglect high growth market segments that lie outside of our comfort zone. The digital asset landscape and the broader financial services landscape are changing, and quickly. We need to meet the market and our clients in these new spaces.

Our IPO was a big milestone in Q1. We are of course, pleased with our results...but rest assured, we believe we haven't scratched the surface of our potential.

We are committed to driving long-term and sustainable value for our shareholders and greatly appreciate their support.

*SPEAKER: Jay Morakis, M Group Strategic Communications*

Thank you, everyone. Thank you for attending today's call. I would like to remind each of you that if you have questions for management, please submit them through the webcast portal or contact Investor Relations at [inquiries@coinshares.com](mailto:inquiries@coinshares.com) or dial +1-646-859-5951. Each question will be answered individually.

**Operator - that concludes today's call.**