

CoinShares International Limited

Registration number: 102185

Interim report

*Consolidated condensed interim financial statements for the nine month period ended
30 September 2024*

Contents

	Page
Company Information	1-3
Interim Management Report	4
Independent Review Report	5-6
Consolidated Condensed Statement of Comprehensive Income	7
Consolidated Condensed Statement of Financial Position	8-9
Consolidated Condensed Statement of Changes in Equity	10
Consolidated Condensed Statement of Cash Flows	11-12
Notes to the Financial Statements	13-28

CoinShares International Limited

Company Information

Consolidated condensed interim financial statements for the nine month period ended 30 September 2024

The Company	CoinShares International Limited
Jurisdiction	Jersey
Registered Number	102185
Registered Office	2nd Floor 2 Hill Street St Helier Jersey JE2 4UA
Directors	Daniel Masters Jean-Marie Moggetti Carsten Køppen Johan Lundburg Viktor Fritzén Christine Rankin
Company Secretary	CoinShares Corporate Services (Jersey) Limited
Independent Auditor	Baker Tilly Channel Islands Limited 2nd Floor, Lime Grove House Green Street St Helier Jersey JE2 4UB
Bankers	Silvergate Bank (closed March 2023) 4250 Executive Square Suite 300 La Jolla CA 92037 Deltec Bank & Trust Limited Deltec House Lyford Cay PO Box N-3229 Nassau The Bahamas Flagstar Bank (formerly Signature Bank) (closed May 2023) 565 Fifth Avenue New York NY 10017 DBS Bank Ltd 12 Marina Boulevard Singapore 018982

CoinShares International Limited

Company Information

Consolidated condensed interim financial statements for the nine month period ended 30 September 2024

Bankers (continued)

Barclays Bank
13 Library Place
Jersey
JE4 8NE

Handelsbanken
Kungsträdgårdsgatan 2
106 70 Stockholm

Silicon Valley Bank, a division of First-Citizens Bank & Trust Company
3003 Tasman Dr
Santa Clara
CA 95054

Banque Populaire
76 Avenue France
75013 Paris
France

FlowBank S.A (closed June 2024)
Esplanade de Pont-Rouge 6
1211 Geneva 26
Switzerland

Customers Bank (from May 2023)
Rye Ridge Shopping Center
102 South Ridge Street
Rye Brook
New York
10573

Custodians

Komainu Digital
3rd Floor
2 Hill Street
St Helier
Jersey
JE2 4UA

Zodia Custody Limited
Thomas House
84 Eccleston Squares
London
SW1V 1PX

Legal Advisor

Carey Olsen Jersey LLP
47 Esplanade
St Helier
Jersey
JE1 0BD

CoinShares International Limited

Company Information

Consolidated condensed interim financial statements for the nine month period ended 30 September 2024

Brokers

Marex Prime Services Limited (formerly Cowen International Limited)
155 Bishopsgate
London EC2M 3TQ

Interactive Brokers LLC
110 Bishopsgate
London
LEC2N 4AY

Mangold Fondkommission AB
Engelbrektsplan 2
114 34 Stockholm

Marex Capital Markets Inc.
425 S Financial Place, Suite 1850
Chicago
IL 60605

BMO Capital Markets Ltd
100 Liverpool Street
London EC2M 2AT

LMAX Broker Ltd.
1A Nicholas Road
London W11 4AN

CoinShares International Limited

Interim Management Report

Consolidated condensed interim financial statements for the nine month period ended 30 September 2024

The directors present their report and the consolidated condensed interim financial statements of CoinShares International Limited (the 'Company') and together with its subsidiaries (the 'Group') for the period ended 30 September 2024.

Principal activity

The principal activity of the Group is to engage in creating financial products associated with digital assets and blockchain technology.

Results and dividends

The total comprehensive income for the period amounted to £60,867,109 (30 September 2023: £22,624,382). The profit for the period, after taxation and prior to taking into account other comprehensive income was £72,431,120 (30 September 2023: £22,835,107). Other comprehensive loss for the period was £(11,564,011) (30 September 2023: £(210,725)).

The Group has paid dividends of £33,584,967 (30 September 2023: nil).

Going concern

The Group has net assets as at 30 September 2024 of £267,394,010 (31 December 2023: £239,245,005) and has generated total comprehensive income of £60,867,109 (30 September 2023: £22,624,382). The directors have prepared these financial statements on a going concern basis on the understanding that they have satisfied themselves that sufficient working capital will be available for 12 months from the date of issue of these financial statements.

The Group has an obligation to settle amounts due to investors for Exchange Traded Products ('ETPs') that reference the performance of specific digital assets issued. As the Group holds hedging assets to collateralise in excess of this liability, the directors consider that they will be able to convert digital assets to fiat currency so as to settle the obligations in the event that certificates are redeemed and so deem a going concern risk to not be material. In addition, delays in the settlement of the certificates may be imposed or certain modifications be made in the occurrence of market illiquidity or other disruptions.

Furthermore, the directors deem the cyber security of the Group and its custody providers to be sufficient to mitigate cyber risk and the risk of theft of digital assets that could potentially leave the Group unhedged and exposed in its obligation to certificate holders.

Accordingly, the directors have prepared the financial statements on a going concern basis.

Statement of Directors' responsibilities

The directors are responsible for preparing the interim financial statements in accordance with applicable laws and regulations.

The Board confirms that:

- the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

The report was approved by the board on 4 November 2024 and signed on its behalf.

Jean-Marie Mognetti

.....
Jean-Marie Mognetti
Director

Independent auditor's review report on interim financial information

To the Members of CoinShares International Limited

Conclusion

We have been engaged by CoinShares International Limited (the "Company" and together with its subsidiaries, the "Group") to review the condensed set of consolidated financial statements for the nine months ended 30 September 2024, which comprise the consolidated condensed statement of financial position as at 30 September 2024, and the consolidated condensed comprehensive income, consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period then ended, and notes to the consolidated condensed interim financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed set of interim financial statements is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE 2410"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The interim financial statements of the Group are prepared in accordance with EU adopted IFRSs. The condensed set of interim consolidated financial statements has been prepared in accordance with IAS 34.

Emphasis of Matter – Change in Accounting Policy

We draw attention to Note 6 of the Consolidated Financial Statements, which describes the Group's change in accounting policy for digital assets. Previously, all digital assets were classified as intangible assets and measured using the revaluation model under IAS 38 – *Intangible Assets*. Under the revised policy, digital assets are now classified as either:

- Digital assets held as inventory, measured at fair value less costs to sell, in accordance with IAS 2 – *Inventories*.
- Digital assets held for collateral purposes, subject to IFRS 9 – *Financial Instruments* for hedge accounting.

Our opinion is not modified in respect of this matter.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management has inappropriately adopted the going concern basis of accounting or that management has identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE 2410, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The Directors are responsible for the preparation and fair presentation of the consolidated condensed interim financial statements in accordance with IAS 34, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated condensed interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated condensed interim financial statements, the Directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Consolidated Condensed Interim Financial Statements

Our responsibility is to express to the Company a conclusion on the consolidated condensed set of interim financial statements in the nine-month financial report ended 30 September 2024, based on our review. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of this Report

This report is made solely to the Members of the Company, as a body. Our review work has been undertaken so that we might state to the Members those matters we are required to state to them in a reviewer's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its Members, as a body, for our review work, for this report, or for the conclusion we have formed.



Baker Tilly Channel Islands Limited

Chartered Accountants
St Helier, Jersey
Date:

CoinShares International Limited
Consolidated Condensed Statement of Comprehensive Income

For the period ended 30 September 2024

		1 January 2024 to 30 September 2024	1 January 2023 to 30 September 2023 Restated
	Note	£	£
Revenue	11	61,936,630	30,752,135
Cost of sales	12	(7,486,694)	(4,219,666)
Gross profit		54,449,936	26,532,469
Administrative expenses	13	(25,368,863)	(19,887,155)
Other operating income	11	25,715,384	18,502,392
Gain on digital assets held as inventory		471,027,914	352,458,977
Gain on digital assets held for collateral purposes		235,326,616	120,363,183
Loss on certificate liability		(890,743,896)	(567,884,473)
Other operating gains through profit and loss		196,357,424	97,677,048
Operating profit		66,764,515	27,762,441
Impairment reversals/(charges)		28,787,099	-
Fair value (loss)/gain on investments through profit and loss		(1,269,006)	3,021,154
Fair value loss on investments in joint ventures/associates		(19,813,328)	(7,514,399)
Finance costs		(7,192,755)	(4,794,068)
Finance income		5,654,288	4,796,077
Profit before income tax expense		72,930,813	23,271,205
Income tax expense		(499,693)	(436,098)
Profit after income tax expense		72,431,120	22,835,107
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(11,564,011)	(453,254)
		(11,564,011)	(453,254)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value gain on financial assets through other comprehensive income		-	242,529
		-	242,529
Total other comprehensive loss		(11,564,011)	(210,725)
Total comprehensive income		60,867,109	22,624,382
Earnings per share (basic)		1.09	0.34
Earnings per share (diluted)		1.03	0.32

The notes on pages 13 to 28 are an integral part of these financial statements.

CoinShares International Limited
Consolidated Condensed Statement of Financial Position

As at 30 September 2024

		30 September 2024	31 December 2023 Restated	1 January 2023 Restated
	Note	£	£	£
ASSETS				
Non-current assets				
Property, plant and equipment		2,557,650	3,065,552	1,935,862
Digital assets held as inventory		-	1,331,614	111,978
Goodwill	16	2,538,028	941,507	943,484
Other intangible assets	16	8,871,479	9,716,511	11,048,448
Investments	17	19,298,252	25,110,879	14,607,957
Investments in joint ventures and associates	17	-	19,813,328	30,403,893
Trade and other receivables		1,242,890	328,614	806,052
Other non-current assets		854,409	2,211,742	1,968,199
		35,362,708	62,519,747	61,825,873
Current assets				
Cash and cash equivalents		43,101,521	25,507,944	134,768,904
Trade and other receivables	18	2,934,502	2,241,203	1,458,179
Digital assets held as inventory	14	1,442,068,344	1,568,409,229	624,878,623
Digital assets held for collateral purposes	15	1,146,237,656	807,441,130	244,043,894
Other current assets	18	660,847,960	266,093,775	177,565,924
		3,295,189,983	2,669,693,281	1,182,715,524
		3,330,552,691	2,732,213,028	1,244,541,397
LIABILITIES				
Current liabilities				
Certificate liability	19	(2,836,978,792)	(2,351,475,523)	(986,707,490)
Amounts due to brokers		(43,472,750)	(669,402)	-
Trade and other payables	21	(7,557,784)	(5,612,218)	(3,969,783)
Other current liabilities	21	(152,737,426)	(108,940,878)	(27,116,746)
Current lease liabilities		(584,969)	(563,633)	(1,307,507)
Current tax liabilities		(120,345)	(156,970)	(235,814)
		(3,041,452,066)	(2,467,418,624)	(1,019,337,340)
Net current assets		253,737,917	202,274,657	163,378,184
Non-current liabilities				
Non-current lease liabilities		(1,949,385)	(2,404,272)	(28,980)
Non-current loans		(19,757,230)	(23,145,127)	(21,433,967)
		(21,706,615)	(25,549,399)	(21,462,947)
Total liabilities		(3,063,158,681)	(2,492,968,023)	(1,040,800,287)
Net assets		267,394,010	239,245,005	203,741,110

CoinShares International Limited**Consolidated Condensed Statement of Financial Position**

As at 30 September 2024

		30 September 2024	31 December 2023 Restated	1 January 2023 Restated
	Note	£	£	£
EQUITY				
Share capital	22	32,992	33,667	33,766
Share premium	22	30,181,925	30,690,938	30,781,210
Other reserves and retained earnings		237,179,093	208,520,400	172,926,134
Total equity		267,394,010	239,245,005	203,741,110

The financial statements on pages 7 to 28 were approved by the Board of Directors on 4 November 2024 and signed on its behalf by:

Jean-Marie Mognetti

.....
Jean-Marie Mognetti
Director

The notes on pages 13 to 28 are an integral part of these financial statements.

CoinShares International Limited
Consolidated Condensed Statement of Changes in Equity

For the period ended 30 September 2024

	Note	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2023 (restated)		33,766	30,781,210	22,136,272	150,789,862	203,741,110
Profit for the period		-	-	-	22,835,107	22,835,107
Other comprehensive income for the period		-	-	(453,254)	242,529	(210,725)
Total comprehensive income		-	-	(453,254)	23,077,636	22,624,382
Share buybacks		-	-	(3,285,476)	-	(3,285,476)
Share based payments		-	-	1,063,849	19,664	1,083,513
Share cancellations		(39)	(35,376)	228,383	(192,968)	-
Share options exercised		-	-	7,666	168	7,834
Total transactions with owners recognised in equity		(39)	(35,376)	(1,985,578)	(173,136)	(2,194,129)
At 30 September 2023 (restated)		33,727	30,745,834	19,697,440	173,694,362	224,171,363
At 1 January 2024 (restated)		33,667	30,690,938	11,582,902	196,937,498	239,245,005
Profit for the period		-	-	-	72,431,121	72,431,121
Other comprehensive (loss)/income for the period		-	-	(11,564,011)	-	(11,564,011)
Total comprehensive (loss)/income		-	-	(11,564,011)	72,431,121	60,867,110
Share buybacks	22	-	-	(280,162)	-	(280,162)
Share option related charges		-	-	-	149,222	149,222
Share based payments	22	-	-	841,832	-	841,832
Share cancellations		(729)	(664,929)	3,932,033	(3,266,375)	-
Share options exercised		54	155,916	-	-	155,970
Dividends paid		-	-	-	(33,584,967)	(33,584,967)
Total transactions with owners recognised in equity		(675)	(509,013)	4,493,703	(36,702,120)	(32,718,105)
At 30 September 2024		32,992	30,181,925	4,512,594	232,666,499	267,394,010

The notes on pages 13 to 28 are an integral part of these financial statements.

CoinShares International Limited

Consolidated Condensed Statement of Cash Flows

For the period ended 30 September 2024

	1 January 2024 to 30 September 2024	1 January 2023 to 30 September 2023 Restated
Note	£	£
Cash flows from operating activities		
Profit after income tax expense	72,431,121	22,835,107
Adjustments for:		
- Gain on digital assets	(706,354,530)	(472,822,160)
- Loss on certificate liability	707,209,135	516,229,277
- Depreciation and amortisation	1,927,320	2,844,391
- Share based payment expense	835,831	1,092,126
- Net finance costs/(income)	1,538,467	(2,626,034)
- Income tax expense	499,693	436,098
- Other operating (gains)/losses through profit and loss	(32,381,737)	42,107,164
- Loss on investments and joint ventures	21,082,334	4,493,245
- (Gain)/loss on foreign exchange	(12,822,664)	865,551
	53,964,970	115,454,765
Changes in working capital:		
- Trade receivables and other assets	(274,350,447)	(12,399,787)
- Trade payables and other liabilities	(1,804,653)	6,246,619
	(222,190,130)	109,301,597
Changes in operating activities:		
- Net sales/(purchases) of digital assets	590,257,506	(133,820,490)
- Net purchases of certificate liabilities	(361,096,486)	(56,800,299)
Cash generated from/(used in) operations	6,970,890	(81,319,192)
Finance expense paid	(6,794,224)	(4,918,058)
Movement in income tax payable	(23,677)	211,893
Net cash flow generated from/(used in) operating activities	152,989	(86,025,357)
Cash flows from investing activities		
Net purchase of intangible assets	(657,827)	(481,252)
Acquisition of subsidiaries	21,397	-
Acquisition/(disposal) of investments	3,920,225	(73,625)
Net purchase of property, plant and equipment	(97,196)	(84,492)
Finance income	5,636,281	7,573,720
Net cash generated from investing activities	8,822,880	6,934,351
Cash flows from financing activities		
Issue of shares	247,031	-
Increase on net amounts due to brokers	42,803,348	-
Lease related payments	(582,785)	(890,677)
Share option liquidations	309,566	(8,613)
Share buybacks	(268,265)	(3,043,564)
Dividends paid	(30,500,946)	-
Net cash generated from financing activities	12,007,949	(3,942,854)
Net increase in cash and cash equivalents	20,983,818	(83,033,860)

CoinShares International Limited

Consolidated Condensed Statement of Cash Flows (continued)

For the period ended 30 September 2024

		1 January 2024 to 30 September 2024	1 January 2023 to 30 September 2023 Restated
	Note	£	£
Net increase in cash and cash equivalents		20,983,818	(83,033,860)
Cash and cash equivalents			
At the beginning of the period		25,507,944	134,768,904
Effects of currency translation on cash and cash equivalents		(3,390,241)	(319,914)
At the end of the period		43,101,521	51,415,130
Cash and cash equivalents comprise			
Cash at bank		14,951,933	6,855,940
Amounts due from broker		25,276,090	41,874,305
Amounts due from exchanges		2,873,498	2,684,885
At the end of the period		43,101,521	51,415,130

The notes on pages 13 to 28 are an integral part of these financial statements.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 30 September 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General information

CoinShares International Limited (the 'Company') and its subsidiaries (together the 'Group') operates in Jersey, Channel Islands. The principal activity of the Group is to engage in creating financial products associated with digital assets and blockchain technology.

The Company is a company limited by shares and is incorporated and domiciled in Jersey. The address of its registered office is 2nd Floor, 2 Hill Street, St Helier, Jersey JE2 4UA.

2 Significant events and transactions during the period

There were no significant events during the period that required disclosure in these financial statements.

3 Basis of preparation

The interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and are presented on a condensed basis. The accounting policies adopted are consistent with those of the previous year.

The interim financial statements do not include all of the information required in annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December 2023, which are available on the CoinShares website in investor resources.

4 New and revised IFRS Standards in issue

Amended IFRS Standards that have been issued and adopted by the UK Endorsement Board effective from 1 January 2024:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) - *no impact*

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) - *no impact*

Non-current Liabilities with Covenants (Amendments to IAS 1) - *no impact*

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) - *no impact*

5 Significant accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2023.

5.1 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.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

6 Digital assets - change in accounting policy

Within the Consolidated Financial Statements, the Group has implemented a change to its accounting policy for digital assets. Previously, all digital assets were classified as intangible assets and measured using the revaluation model under IAS 38 - Intangible Assets. Under the revised policy, digital assets are classified as either:

- Digital assets held as inventory, measured at fair value less costs to sell, in accordance with IAS 2 – Inventories; or
- Digital assets held for collateral purposes, subject to IFRS 9 - Financial Instruments for hedge accounting.

This change enhances the reliability and relevance of financial information presented, while remaining presented in accordance with IFRS aligning more closely to its conceptual framework.

Purpose of holdings

The Group holds digital assets for different purposes, namely:

- to trade in accordance with the Collateral Management Agreement in respect of the Group's CoinShares XBT Provider AB ('XBTP') product suite;
- to collateralise the exchange traded products issued by its wholly owned subsidiary CoinShares Digital Securities Limited ('CSDSL'); and
- as investments with a view to sell in order to generate realised gains.

Application of IAS 2 and IFRS 9

The IFRS Interpretations Committee concluded that IAS2 Inventories applies to digital assets when they are either held for sale in the ordinary course of business, or being inventory held by an entity that is considered to be a broker-trader, described as an entity which buys or sells commodities for others or on their own account.

The directors have thus concluded that assets held to trade in accordance with the Collateral Management Agreement in respect of the Group's XBTP product suite and assets held as investments with a view to sell in order to generate realised gains meet the criteria of IAS2 Inventories.

In circumstances where IAS 2 is not applicable, IAS 38 allows for exclusions from the scope of the standard if activities or transactions are so specialised that they give rise to accounting issues that may need to be dealt with in a different way. The determination to consider digital assets held as collateral to the ETPs as specialised holdings and be treated in line with IFRS 9 is due to the following points:

- There is presently no specific IFRS accounting standard addressing digital assets;
- The assets are held exclusively for the collateral management of ETPs in strict compliance with the relevant prospectus; and
- Treatment as intangible assets under IAS 38 gives rise to accounting issues given that there would be an accounting mismatch against the certificate liability which recognises gains or losses through profit and loss within the Statement of Comprehensive Income.

The directors have thus concluded that digital assets held to collateralise the ETPs issued by CSDSL meet the criteria for hedge accounting under IFRS 9 and are designated as a hedged item.

Digital assets held as inventory - accounting policy

Digital assets held as inventory are classified under IAS 2 as 'Inventories'. These assets are held for sale in the ordinary course of business or for trading purposes, and are measured at fair value less costs to sell.

Where applicable, costs to sell are deemed negligible for digital assets that are freely tradeable. For digital assets that do not meet this criteria, a discount is applied to reflect these costs.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

6 Digital assets - change in accounting policy (continued)

Digital assets are recognised as inventory when the Group gains control over the assets, typically at the point of acquisition. These assets are derecognised when the Group has transferred substantially all risks and rewards of ownership, generally at the point of sale.

Fair value movements of digital assets held as inventory are presented in the "Gain/(loss) on digital assets held as inventory" line item in the Consolidated Statement of Comprehensive Income. Therefore, gains and losses on digital assets held as inventory do not accumulate as reserves within equity.

No changes have been made to the valuation methodology of these assets following the adoption of this accounting policy. For further details, see "Fair Value Measurement" below.

Digital assets held for collateral purposes - accounting policy

Digital assets held for collateral purposes are designated as hedged items within fair value hedge accounting relationships, as defined by IFRS 9 - Financial Instruments. These assets are used to offset the exposure to fair value changes in liabilities associated with exchange-traded products (ETPs) issued by CSDSL.

The Group performs both prospective and retrospective effectiveness testing at each reporting date to confirm that the hedge continues to be highly effective, ensuring that fair value changes in the hedging instrument and hedged item remain offset. The Group maintains and requires a 100% threshold for effectiveness testing, in accordance with requirements of the prospectus under which the CSDSL ETPs are issued

Any hedge ineffectiveness, calculated as the difference between the fair value movement in the digital assets and the offsetting movement in the hedged liabilities, is recorded within the Consolidated Statement of Comprehensive Income.

Digital assets held for collateral purposes are recognised when the Group obtains control over the assets, typically at the point of acquisition. These assets are derecognised when the Group transfers substantially all the risks and rewards of ownership, usually at the point of sale or disposal.

There has been no change to the valuation methodology of these assets following the adoption of this accounting policy (see "Fair value measurement" below).

Fair value measurement - Digital assets held as inventory and digital assets held for collateral purposes

As a result of the changes outlined above, there has been no change to the valuation methodology of the Group's digital assets

The Group values digital assets is as follows:

- Digital assets which are freely tradeable and for which there is an active market are valued using unadjusted quoted prices, or an average of unadjusted quoted prices, taken from active markets. As such, these digital assets are classified as Level 1 in the fair value hierarchy;
- Digital assets that are subject to lock-up and not freely tradeable are valued using quoted prices discounted for a lack of liquidity. As such these digital assets have been classified as Level 2 in the fair value hierarchy. At the point when such digital assets become freely tradeable, they are reclassified as Level 1 in the fair value hierarchy and accounted for in line with other digital assets;
- In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The directors' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and it considers factors specific to the asset.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

6 Digital assets - change in accounting policy (continued)

Digital assets - impact of change in accounting policy

The principal effect of these changes in designation as outlined above results in (i) gains and losses on digital assets previously recognised within Other Comprehensive Income under IAS 38 to be taken through Profit and Loss and (ii) the removal of any associated revaluation reserve from equity via transfer to retained earnings. The impact on the financial statements of the group for the period ended 31 December 2023 is outlined below.

Statement of Comprehensive Income - Profit and Loss

	Revaluation model through OCI	Effect of policy change	Fair value less costs to sell through profit and loss
	£	£	£
For the year ended 31 December 2023			
Gain/(loss) on digital assets	787,050,987	(787,050,987)	-
Gain/(loss) on digital assets held as inventory	-	893,186,482	893,186,482
Gain/(loss) on digital assets held for collateral purposes	-	393,430,630	393,430,630
Total effect of policy change		499,566,125	
(Loss)/profit after tax	(453,126,477)	499,566,125	46,439,648

All digital asset gains/(losses) recognised through profit and loss under the IAS38 revaluation model relate to the reversal of previously recognised losses only.

As a result of the policy change, all movements on digital assets are now being taken at fair value through profit and loss, designated as either gain/(loss) on digital assets held as inventory or for collateral purposes.

The effect of this change for the Group's results for the year ended 31 December 2023 amounts to an additional gain of £499,566,125 being taken at fair value through profit and loss. This brings the Group's loss after tax from (£453,126,477) to a profit after tax of £46,439,648.

Statement of Comprehensive Income - Other Comprehensive Income

	Revaluation model through OCI	Effect of policy change	Fair value less costs to sell through profit and loss
	£	£	£
(Loss)/profit after tax	(453,126,477)	499,566,125	46,439,648
Gain/(loss) on digital assets through OCI	499,566,125	(499,566,125)	-
Other gain/(loss) through OCI	(8,043,613)	-	(8,043,613)
Total comprehensive income	38,396,035	-	38,396,035

Under the IAS38 revaluation model, all digital asset gains in excess of the initial cost price are taken through other comprehensive income.

As a result of the policy change these gains are now taken at fair value through profit and loss, designated as either gain/(loss) on digital assets held as inventory or for collateral purposes.

The effect of this change for the Group's results for the year ended 31 December 2023 amounts to reduction in the gain on digital asset through OCI reducing by £499,566,125, equivalent to the corresponding move seen in profit and loss, as above.

There is no effect on the Total Comprehensive Income of the Group as a result of the change in accounting policy.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

6 Digital assets - change in accounting policy (continued)

Statement of Financial Position - Assets

	Revaluation model through OCI	Effect of policy change	Fair value less costs to sell through profit and loss
As at 31 December 2023	£	£	£
Digital assets	2,375,850,359	(2,375,850,359)	-
Digital assets held as inventory	-	1,558,668,320	1,558,668,320
Digital assets held for collateral purposes	-	817,182,039	817,182,039
Total digital assets	2,375,850,359	-	2,375,850,359

The effect of the policy change on the Group's statement of financial position has resulted in a reclassification of digital assets to either digital assets held as inventory or digital assets held for collateral purposes.

The effect of this policy change on the total assets, total liabilities and therefore net assets of the Group is nil.

Statement of Financial Position - Equity

	Revaluation model through OCI	Effect of policy change	Fair value less costs to sell through profit and loss
As at 31 December 2023	£	£	£
Share capital and premium	30,724,605	-	30,724,605
Other reserves	454,110,087	(442,527,185)	11,582,902
Retained earnings	(245,589,687)	442,527,185	196,937,498
Total equity	239,245,005	-	239,245,005

The effect of the change in policy has mitigated the requirement for digital asset revaluation reserve within equity, given all movements on digital assets are taken at fair value through profit and loss. Therefore this reserve of £442,527,185 has been taken to retained earnings.

There has been no change to total equity or distributable reserves as a result of the policy change.

Earnings per share

	IAS 38 - Intangibles Revaluation model	Effect of policy change	IAS 2 - Inventory Fair value less costs to sell
As at 31 December 2023	£	£	£
(Loss)/profit after tax	(453,126,477)	499,566,125	46,439,648
Share capital - basic	67,286,449	-	67,286,449
Share capital - diluted	71,263,478	-	71,263,478
EPS - basic	(6.73)	7.42	0.69
EPS - diluted	(6.36)	7.01	0.65

The impact on loss/(profit) after tax as a result of the policy change has resulted in a change to the Group's EPS as per above.

The combined effect of the policy leads to improved understandability of the Group's financial statements, financial performance and financial health.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

7 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 financial statements present the consolidated results of the Group, headed by the Company.

8 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.

9 Personnel

The number of full-time employees as at the reporting date was 91 (30 September 2023: 80).

10 Operating segments

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

- Asset Management
- Capital Markets
- Principal Investments
- Group Costs

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.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

10 Operating segments (continued)

The following is an analysis of the Group's revenue and results by reportable segment in the period ended 30 September 2024.

	Asset Management £	Capital Markets £	Principal Investments £	Group Costs £	Total £
Revenue	61,834,631	-	101,999	-	61,936,630
Loss on certificate liability	(890,743,896)	-	-	-	(890,743,896)
Gain on digital assets and financial instruments	890,743,896	10,513,654	1,454,404	-	902,711,954
Investment losses	-	-	(21,082,334)	-	(21,082,334)
Other operating income	-	25,715,384	-	-	25,715,384
Total revenue, gains & other income	61,834,631	36,229,038	(19,525,931)	-	78,537,738
Cost of sales	(4,094,063)	(3,345,136)	(47,495)	-	(7,486,694)
Exceptional items	-	28,787,099	-	-	28,787,099
Adjusted gross profit	57,740,568	61,671,001	(19,573,426)	-	99,838,143
Net finance costs	-	-	-	(1,538,467)	(1,538,467)
Other admin expenses	(4,316,724)	(2,501,238)	-	(18,550,901)	(25,368,863)
Profit before tax	53,423,844	59,169,763	(19,573,426)	(20,089,368)	72,930,813
Income tax expense					(499,693)
Fair value gain on financial assets through other comprehensive income					-
Profit after tax					72,431,120
Exchange differences on translation of foreign operations					(11,564,011)
Fair value gain on financial assets through other comprehensive income					-
Total comprehensive income					60,867,109

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

10 Operating segments (continued)

The following is an analysis of the Group's revenue and results by reportable segment in the period ended 30 September 2023.

	Asset Management £	Capital Markets £	Principal Investments £	Group Costs £	Total £
Revenue	30,335,447	416,688	-	-	30,752,135
Loss on certificate liability	(567,884,473)	-	-	-	(567,884,473)
Gain on digital assets and financial instruments	567,884,473	2,304,252	310,483	-	570,499,208
Investment losses	-	-	(4,250,716)	-	(4,250,716)
Other operating income	-	20,042,149	82,989	-	20,125,138
Total revenue, gains & other income	30,335,447	22,763,089	(3,857,244)	-	49,241,292
Cost of sales	(2,313,987)	(1,905,679)	-	-	(4,219,666)
Adjusted gross profit	28,021,460	20,857,410	(3,857,244)	-	45,021,626
Net finance costs	-	-	-	(1,620,737)	(1,620,737)
Other admin expenses	(3,087,652)	(2,682,959)	-	(14,116,544)	(19,887,155)
Profit before tax	24,933,808	18,174,451	(3,857,244)	(15,737,281)	23,513,734
Income tax expense					(436,098)
Fair value gain on financial assets through other comprehensive income					(242,529)
Profit after tax					22,835,107
Exchange differences on translation of foreign operations					(453,254)
Fair value gain on financial assets through other comprehensive income					242,529
Total comprehensive income					22,624,382

There is no geographical split of revenues, gains or other income required in assessing the operating segments of the Group. All operations undertaken by the Group which generate such items are based in Jersey. This analysis is already presented by means of the existing split provided within this note.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

11 Revenue

	1 January to 30 September 2024 £	1 January to 30 September 2023 £
Management fees	61,834,631	30,655,677
Other revenue	101,999	96,458
	61,936,630	30,752,135
Other operating income	25,715,384	18,502,392
	87,652,014	49,254,527

12 Cost of sales

	1 January to 30 September 2024 £	1 January to 30 September 2023 £
Trading expenses	2,493,408	1,189,630
Issuer fees	1,164,816	861,645
Custody fees	2,506,918	912,508
Direct salary costs	1,321,552	1,255,883
	7,486,694	4,219,666

13 Administration expenses

	1 January to 30 September 2024 £	1 January to 30 September 2023 £
Salary costs	7,838,425	7,506,849
Bonus accrual	3,821,972	874,897
Legal fees	592,454	581,793
Professional fees	3,033,241	1,564,887
Marketing	2,453,829	1,888,256
IT expenses	1,512,173	1,417,849
Depreciation of right of use assets	594,052	1,478,918
Amortisation of Block Index	1,051,007	1,173,653
Entertainment expenses	117,093	61,053
Travel expenses	615,466	498,008
Other expenses	3,739,151	2,840,992
	25,368,863	19,887,155

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

14 Digital assets held as inventory

	30 September 2024	31 December 2023
	£	£
Bitcoin	771,538,788	887,349,323
Ethereum	645,929,789	663,799,791
Other digital assets	24,599,767	17,260,115
	1,442,068,344	1,568,409,229

Digital assets held as inventory represent digital assets held to either (i) trade in accordance with the Collateral Management Agreement in respect of the XBTP product suite, or (ii) as investments with a view to sell in order to generate realised gains. Please refer to note 19 for a breakdown of the certificate liability arising in respect of the exchange traded products issued by XBTP.

15 Digital assets held for collateral purposes

	30 September 2024	31 December 2023
	£	£
Bitcoin	703,866,363	485,502,619
Ethereum	188,058,069	153,170,663
Solana	187,353,604	111,864,490
Other digital assets	66,959,620	56,903,358
	1,146,237,656	807,441,130
<i>Adjusted for:</i>		
Held by CSDSL in respect of product seeds	447,312,378	328,545,373
Digital assets held for CSDSL external noteholders	698,925,278	478,895,757

Reconciliation of digital assets held for collateral purposes

Digital assets held for collateral purposes are held to collateralise the exchange traded products issued by its wholly owned subsidiary CSDSL. The assets therefore have an equivalent liability owing to the holders of these products, which include amounts held by CoinShares Capital Markets (Jersey) Limited. Please refer to note 19 for a breakdown of the certificate liability arising in respect of the exchange traded products issued by CSDSL.

16 Goodwill and other intangible assets

	30 September 2024	31 December 2023
	£	£
Goodwill (i)	2,538,028	941,507
Other intangible assets (ii)	8,871,479	9,716,511
	11,409,507	10,658,018

- (i) The goodwill held has increased in the year following the recognition of goodwill arising on the acquisition of Valkyrie, which totalled approximately £1.6 million. The remaining balance is comprised of goodwill recognised in respect of various regulatory licenses held across the wider Group.
- (ii) Other intangible assets predominantly comprise amounts recognised in respect of the BLOCK index, which represents a fee generating contract which is amortised on a straight-line basis over 10 years.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

17 Investments

	Investments in Joint Ventures And 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	-	-	659,011	-	659,011
Disposals	-	-	(5,068,224)	-	(5,068,224)
Transfers	-	-	5,429,067	(5,429,067)	-
Fair value (loss)/gain through profit and loss	-	-	(1,270,724)	-	(1,270,724)
Fair value gain through other comprehensive income	-	-	-	-	-
Share of associates losses (i)	(19,813,328)	-	-	-	(19,813,328)
Exchange differences	-	-	(132,690)	-	(132,690)
At 30 September 2024	-	611	19,297,641	-	19,298,252

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

	31 December 2023 £	Movements in equity £	Gain/(loss) on investments £	Transfers £	30 September 2024 £
Level 1	611	-	-	-	611
Level 2	5,429,067	(195,425)	(696,342)	-	4,537,300
Level 3	19,681,201	(4,213,789)	(707,071)	-	14,760,341
	25,110,879	(4,409,214)	(1,403,413)	-	19,298,252
Associates (i)	19,813,328	-	(19,813,328)	-	-
	19,813,328	-	(19,813,328)	-	-
Total investments	44,924,207	(4,409,214)	(21,216,741)	-	19,298,252

(i) On 13 June 2024, the Group received information stating that the Swiss Financial Market Supervisory Authority ('FINMA') had opened bankruptcy proceedings against FlowBank SA with effect from 13 June 2024 at 8:00am. On 22 June 2024 the Group made the election to fully impair its investment in FlowBank, effective immediately. This resulted in an impairment charge of £21,813,042, reversing a small gain seen in Q1 and bringing the carrying value as at the end of the period to nil.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

17 Investments (continued)

Level 1 and 2 valuations and inputs

The finance department performs monthly 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 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 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.

18 Trade receivables and other assets

	30 September 2024 £	31 December 2023 £
Trade receivables		
Accounts receivable	1,394,908	1,323,766
Amounts owed by related parties	30,216	33,875
Deposits paid	33,038	118,944
Prepayments	1,390,208	591,433
VAT receivable	86,132	173,185
Total trade receivables	2,934,502	2,241,203
Other assets		
Digital asset ETPs and funds	550,467,001	211,384,245
Other assets	110,380,959	54,709,530
Total other assets	660,847,960	266,093,775
Total trade receivables and other assets	663,782,462	268,334,978

Management has undertaken a review of the expected credit losses ('ECL') for the period, the credit loss was deemed to be immaterial to the Group and consistent with the most recent annual financial statements for the year ended 31 December 2023.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

19 Certificate liability

	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	No. Certificates	No. Certificates	£	£
Certificate type				
Bitcoin Tracker One	3,014,953	3,468,999	669,442,540	537,280,975
Bitcoin Tracker Euro	370,021	432,477	818,727,974	666,988,025
Ether Tracker One	13,674,208	15,309,343	243,207,849	255,254,209
Ether Tracker Euro	2,297,539	2,487,963	406,675,151	413,056,557
CoinShares Physical Bitcoin	9,603,289	9,339,130	441,643,016	301,998,264
CoinShares Physical Staked Ethereum	2,072,527	1,718,953	119,808,826	91,269,305
CoinShares Physical Litecoin	542,000	401,500	5,155,111	4,470,073
CoinShares Physical XRP	1,267,780	874,300	22,397,736	16,404,468
CoinShares Physical Staked Polkadot	1,492,500	557,500	5,789,440	4,084,656
CoinShares Physical Staked Tezos	764,000	564,000	2,220,946	2,415,298
CoinShares Physical Staked Solana	5,552,100	3,652,100	69,838,463	31,071,177
CoinShares Physical Chainlink	7,051,000	3,111,000	6,111,030	3,652,266
CoinShares Physical Uniswap	5,220,000	2,310,000	2,868,420	1,336,096
CoinShares Physical Staked Cardano	31,775,000	22,705,000	9,674,451	11,272,945
CoinShares Physical Staked Cosmos	579,500	374,500	1,170,740	1,724,979
CoinShares Physical Staked Polygon	1,178,500	568,500	3,896,079	4,758,310
CoinShares Physical Staked Algorand	5,026,000	2,161,000	5,328,441	3,939,541
CoinShares Physical Top 10 Crypto Market	85,000	25,000	1,375,588	346,970
CoinShares Physical Smart Contract Platfor	110,000	10,000	1,646,991	151,409
CoinShares Finanzen.net Top 10 Crypto ET	-	-	-	-
			2,836,978,792	2,351,475,523
			30 September 2024	31 December 2023
			£	£
CoinShares XBT Provider - Bitcoin			1,488,170,514	1,204,269,000
CoinShares XBT Provider - Ethereum			649,883,000	668,310,766
Total CoinShares XBT Provider			2,138,053,514	1,872,579,766
CoinShares Physical Bitcoin			441,643,016	301,998,264
CoinShares Physical Staked Ethereum			119,808,826	91,269,305
CoinShares Physical Staked Solana			69,838,463	31,071,177
CoinShares Physical Other			67,634,973	54,557,011
Total CoinShares Physical			698,925,278	478,895,757
Total			2,836,978,792	2,351,475,523

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

20 Digital assets held for collateral purposes & associated certificate liability

	30 September 2024 £
Opening balance	478,895,754
Net creations	102,578,592
Loss on certificate liability	117,450,932
Closing Balance	698,925,278
Digital assets held for collateral purposes (note 15)	698,925,278
Net of assets/liabilities arising from CSDSL	-

The hedging item and instrument are fully offset, with no impact on the Statement of Comprehensive Income arising from instances of hedge ineffectiveness.

21 Trade payables and other liabilities

	30 September 2024 £	31 December 2023 £
Trade and other payables		
Accounts payable	915,471	1,004,360
Accrued liabilities	6,642,313	4,607,858
Total trade and other payables	7,557,784	5,612,218
Other current liabilities		
Solana seed	123,395,595	92,117,829
OTC Trades	4,355,820	7,761,682
Algorand Foundation	1,593,310	2,734,526
Other borrowings	21,989,427	54,306
Amounts due to exchange	-	5,335,392
Fund liabilities to external investors	1,403,274	937,143
Total other current liabilities	152,737,426	108,940,878
Total trade payables and other current liabilities	160,295,210	114,553,096

22 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.

	Share capital and premium £	Options £	Treasury shares £	Fully diluted share capital £
31 December 2023	30,724,605	4,323,974	(3,879,635)	31,168,944
Share option expense	-	836,576	-	836,576
Share buybacks	-	-	(280,162)	(280,162)
Share cancellations	(665,658)	-	3,932,033	3,266,375
Share options exercised	155,970	(222,509)	227,764	161,225
30 September 2024	30,214,917	4,938,041	-	35,152,958

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

23 Related party transactions

The following related party transactions occurred during the period.

FlowBank Holdings SA ('FlowBank') is an associate with the Group. On 13 June 2024, FlowBank SA, a subsidiary of FlowBank had its licence as a bank and securities dealer withdrawn by the Swiss Financial Market Supervisory Authority ('FINMA'). As such, the Group decided to fully impair its investment in FlowBank resulting in an impairment charge of £21,813,042.

CSGP2L is the General Partner to CoinShares Fund II LP ('CS2LP'). The Group has recognised carried interest as at the period end of 4,537,299 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. £88,000 has been charged for the period of which £11,000 is outstanding at the period 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 £1,905,336 of which £207,425 was outstanding at the period end.

Gold Token SA ('GTSA') is an investment (former associate) of the Group. The Group has settled expenditure on behalf of GTSA in the period of £1,899 of which £1,035 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 £94,367 has accrued for this fee, of which £30,214 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 2.71 BTC equating to £117,713. As at the period end, the Group held 3 BTC (£145,739) 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 £3,054,014. As at the period end the Group held 14 BTC valued at £667,085 due to Mr Masters. The Group also holds a receivable from Mr Masters and one other person jointly of US\$37,183 (£27,718) 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 £4,991,247.

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 £135,175. As at the period end the Group held 1.59 BTC valued at £75,638 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 £40,725. As at the period end the Group held nil assets owed to Mr Lundberg.

CoinShares International Limited

Notes to the Consolidated Condensed Interim Financial Statements (continued)

For the period ended 30 September 2024

24 Business Combinations

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 for total consideration of £949,178.

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







25 Events after the reporting date

On 3 October 2024 the Company completed a special dividend distribution to its shareholders in light of the sale of the Group's FTX claim. The special dividend of \$31,410,210, represented approximately 86% of the total funds received in respect of the sale. It was distributed together with Group's third instalment of the dividend in respect of the financial performance for 2023.

On 31 October 2024, the Company announced the appointment of Lisa Avellini as Group General Counsel and member of the Executive Management team.

Title	2024-09-30-CS-Consolidated-Interim-FS
File name	2024-09-30-CS-Con...ed-Interim-FS.pdf
Document ID	80c29f6f05de57e6fec15d08b0137787d7786d2a
Audit trail date format	DD / MM / YYYY
Status	● Signed

Document history

 SENT	04 / 11 / 2024 20:18:54 UTC	Sent for signature to Jean-Marie Mognetti (jmm@coinshares.com) and Hafeez Azeez (hafeez.azeez@bakertilly.je) from jbrown@coinshares.com IP: 165.225.204.119
 VIEWED	04 / 11 / 2024 20:21:34 UTC	Viewed by Jean-Marie Mognetti (jmm@coinshares.com) IP: 87.244.66.35
 SIGNED	04 / 11 / 2024 20:22:22 UTC	Signed by Jean-Marie Mognetti (jmm@coinshares.com) IP: 87.244.66.35
 VIEWED	04 / 11 / 2024 20:25:28 UTC	Viewed by Hafeez Azeez (hafeez.azeez@bakertilly.je) IP: 212.9.28.97
 SIGNED	04 / 11 / 2024 20:26:49 UTC	Signed by Hafeez Azeez (hafeez.azeez@bakertilly.je) IP: 212.9.28.97
 COMPLETED	04 / 11 / 2024 20:26:49 UTC	The document has been completed.