

| Company Name                                     | Ticker Symbol | Price         |                        | Enterprise Value (\$M) | Valuation Multiples<br>EV / LTM Revenue | Price Change |         |             |                               |                 |
|--|---------------|---------------|------------------------|------------------------|---|--------------|---------|-------------|-------------------------------|-----------------|
|  |               | Current Price | % Within 52 Week Range |                        |   | 1 Week       | 1 Month | Jan 1, 2024 | Since Coinbase Direct Listing | Since Inception |
| <b>Architect Crypto Public Company Index (c)</b> |               |               |                        |                        |   |              |         |             |                               |                 |
| Price  |               | \$59.54       |                        |                        |   | \$55.20      | \$49.78 | \$44.88     | \$155.14                      |                 |
| % Change   |               |               |                        |                        |   | 7.9%         | 19.6%   | 32.7%       | -61.6%                        |                 |
| <b>Traditional Indices</b>                       |               |               |                        |                        |   |              |         |             |                               |                 |
| S&P 500  |               | \$5,351       |                        |                        |   | 1%           | 3%      | 13%         |                               |                 |
| NASDAQ   |               | 17,149        |                        |                        |   | 2%           | 5%      | 16%         |                               |                 |
| Dow Jones  |               | 38,821        |                        |                        |   | 0%           | -1%     | 3%          |                               |                 |
| <b>Marquee Crypto Assets</b>                     |               |               |                        |                        |   |              |         |             |                               |                 |
| Bitcoin  | BTC           | \$69,302.00   | 99%                    | \$1,366,000            | --                                      | 2%           | 11%     | 63%         | 10%                           | --              |
| Ethereum   | ETH           | 3,697.00      | 87%                    | 444,000                | --                                      | -2%          | 23%     | 62%         | 52%                           | --              |
| DeFi Index (a)                                   | DPI           | 106.30        | --%                    | 59                     | --                                      | -7%          | 16%     | 2%          | -78%                          | --              |
| <b>Crypto Investment Platforms</b>               |               |               |                        |                        |   |              |         |             |                               |                 |
| Coinbase   | COIN          | \$246.51      | 84%                    | \$65,995               | 16.6                                    | 9%           | 17%     | 57%         | -47%                          | -47%            |
| Galaxy Digital (b)                               | GLXY          | 11.83         | 64%                    | 4,132                  | 5.7                                     | 17%          | 24%     | 56%         | -67%                          | 1192%           |
| Coinshares (b)                                   | CNSRF         | 6.34          | 86%                    | 456                    | 6.8                                     | 5%           | 9%      | 69%         | -45%                          | -39%            |
| Bakkt  | BKKT          | 19.10         | 21%                    | 317                    | 4.8                                     | 9%           | 117%    | -64%        | -94%                          | 99%             |
| Bitcoin Depot                                    | BTM           | 1.93          | 86%                    | 120                    | 0.2                                     | -3%          | 2%      | --          | --                            | -48%            |
| <b>Bitcoin Network Operators</b>                 |               |               |                        |                        |   |              |         |             |                               |                 |
| Marathon   | MARA          | \$19.45       | 46%                    | \$5,887                | 50.3                                    | 0%           | -3%     | -15%        | -55%                          | -63%            |
| Riot   | RIOT          | 9.76          | 15%                    | 2,560                  | 10.1                                    | 0%           | -6%     | -37%        | -81%                          | 261%            |
| Core Scientific                                  | CORZ          | 7.80          | 89%                    | 2,334                  | 0.3                                     | 64%          | 124%    | 127%        | --%                           | -22%            |
| Northern Data                                    | NB2           | 25.01         | 41%                    | 1,178                  | --                                      | -4%          | -11%    | -13%        | -79%                          | 34%             |
| Cipher Mining                                    | CIFR          | 4.05          | 53%                    | 1,232                  | 157.9                                   | 9%           | 7%      | -2%         | -61%                          | -60%            |
| Bitfarms   | BITF          | 2.42          | 50%                    | 1,273                  | 24.2                                    | 8%           | 34%     | -15%        | -44%                          | 162%            |
| TeraWulf   | WULF          | 3.10          | 70%                    | 1,112                  | 24.8                                    | 42%          | 33%     | 35%         | -68%                          | -69%            |
| Bitdeer  | BTDR          | 7.28          | 38%                    | 722                    | 2.2                                     | 19%          | -16%    | -18%        | --%                           | -15%            |
| Hut 8  | HUT           | 9.78          | 22%                    | 688                    | 4.6                                     | 13%          | 19%     | -22%        | -70%                          | 281%            |
| Hive   | HIVE          | 2.80          | 13%                    | 290                    | 2.1                                     | 11%          | 18%     | -36%        | -84%                          | 103%            |
| Canaan   | CAN           | 1.05          | 11%                    | 204                    | --                                      | 4%           | 19%     | -51%        | -92%                          | -88%            |
| Argo   | ARBK          | 1.40          | 14%                    | 133                    | 1.4                                     | 1%           | 4%      | -58%        | --%                           | -11%            |
| <b>Crypto Influenced</b>                         |               |               |                        |                        |   |              |         |             |                               |                 |
| PayPal   | PYPL          | \$67.61       | 66%                    | \$66,123               | 2.4                                     | 7%           | 6%      | 10%         | -75%                          |                 |
| Block  | SQ            | 65.44         | 55%                    | 35,382                 | 2.0                                     | 2%           | -8%     | -9%         | -75%                          | 409%            |
| Microstrategy                                    | MSTR          | 1,614.35      | 78%                    | 30,723                 | 61.5                                    | 6%           | 31%     | 136%        | 119%                          | 1447%           |
| Robinhood  | HOOD          | 22.27         | 91%                    | 14,488                 | 10.7                                    | 7%           | 25%     | 80%         | --%                           | -41%            |

(a) DeFi Pulse Index (includes top 14 DeFi tokens)  
 (b) Due to disproportionate cash balances, we are displaying market cap as a substitute for enterprise value  
 (c) Architect Crypto Public Company Index is a price weighted average across the three sector subsectors in the crypto public companies snapshot. A discount to Microstrategy's share price of 85% has been added to dilute effect on index. There is a 45% weight to Crypto Investment Platforms, 45% to Bitcoin Network Operators, and 10% to Crypto Influenced groups.

The entire Architect Partners descended on Consensus in Austin last week. This week, we participated in NY Tech Week. Some observations:

- The uncontrollable political environment is just something our industry has to deal with. We don't need a positive environment and we'll take anything better than hostile. And yes, Crypto will play a role in the outcome of U.S. Elections.
- The next downward cycle will begin in 12 months to 18 months. Most expect a downward trend to start during Consensus next year. I'm more in the 18 - 24 month camp and don't think it will be as severe as previous cycles, unless it's Liquid Restaking-related. Then it will be severe.
- Bull case BTC is \$1.5M by 2030.
- There is still too much noise at these events, especially with MemeCoins taking things to ridiculous levels, but it's not as much in previous cycles.
- The institutions are all attending. Every one of them has a presence at these events. They are just difficult to find (on purpose).
- Our industry has become really efficient at conferencing. I was at 76 events & meetings over 4 days. Yes that includes Dueling Pianos and does not include my 3 mechanical bull rides.
- The worst thing I heard someone say was "LRT BTC L2".
- The who at these events is the best part of this industry. We surround ourselves with passionate innovators, investors and service providers who exude humbleness to know we don't know anywhere close to everything; curiosity & bravery to constantly learn and understand (and fail) in real time; intelligence to actually comprehend and apply what we learn; grit, resolve & belief to survive through the constant cycles; a somewhat sadistic sense of humor to enjoy what we do and who we do it with; and an unwavering moral & ethical compass. We are on the right side of history.

## PERSPECTIVES by Elliot Chun

Scarcity of revenue-mature, reputationally intact crypto companies will drive premium value M&A activity by public companies.

The last two weeks saw meaningful M&A activity for Crypto Public Companies involving 5 out of the 21 components in our Architect Crypto Public Company Index.

- **Robinhood (HOOD) acquired Bitstamp for \$200M in cash.** This is a significant transaction that we cover in detail in our **M&A Alert**.
  - Bitstamp is one of our global leaders in securing the required regulatory licensing framework in each of their jurisdictions. They have the reputation of doing things the right way and have been doing so for over 10 years. Bitstamp immediately provides Robinhood with a global, regulated crypto footprint where Robinhood can execute their marketing strategies with confidence that they are complying with local market regulations. Bitstamp is one of the few exchanges that can deliver this framework. Crypto still has an adoption problem and the company that made its name by onboarding new users has officially arrived.
  - Robinhood has had an active crypto-related 30 days
    - May 6 - **Receives and responds to a SEC Wells Notice** related to their U.S. crypto business
    - May 8 - Reports near record crypto-related revenues in Q1 2024
    - May 15 - **Announces staking products in Europe**
    - Jun 6 - Acquires Bitstamp
  - We previously wrote about the positive shift in regulatory sentiment, but Robinhood announced this acquisition 31 days after receiving the Wells Notice. This is not the behavior of a public company that is intimidated by the SEC.
- **Bitdeer (BTDR) acquired Desiweminer for \$140M in equity.** The strategic rationale is to vertically integrate and combine ASIC chip design and mining rig manufacturing with data center hosting and BTC mining. Bitdeer is the first publicly traded company to execute on this vertically integrated strategy.
- **Riot (RIOT) proposed an acquisition of Bitfarms (BITF)** at \$2.30 per share representing \$950M in total equity value with the intention of becoming the world's largest publicly listed BTC miner. That proposal was **rejected by Bitfarms**, who is actively reviewing other strategic alternatives. Post-Fourth Halving M&A activity will continue to accelerate as the effects of the reduced BTC rewards set in and separates the quality operations from the non-quality ones.
- CoreWeave - a privately held, cloud AI company who raised \$1.1B at a \$19B valuation in May and has near-term IPO aspirations - **made an all-cash offer to acquire Core Scientific (CORZ) for ~\$1B in value.** That proposal was **rejected by Core Scientific**, who was in a bankruptcy process in Dec 2022 - a remarkable turnaround. CoreWeave and Core Scientific also announced a 200MW hosting contract this week. The strategic rationale is to combine AI compute with BTC compute and we expect this strategy is only just starting.

A critical theme for our industry is scarcity as there are not a lot of revenue-mature, reputationally-intact crypto companies.

As public companies seek to execute their blockchain and crypto strategies via acquisition, there are less than 100 crypto companies that would meet acquirer requirements. If you categorize these companies within specific subsectors, products or services, each category only has about 3 - 5 companies who have meaningful businesses that can move the needle for acquiring organizations.

Robinhood's acquisition of Bitstamp takes one of the top 25 exchanges off the table. Looking deeper at what differentiated Bitstamp, they were arguably the only exchange with as robust of a global licensing footprint. How many other Bitstamp-like exchanges exist? Less than 10.

There are 12 U.S. publicly listed BTC miners with over \$100M in enterprise value and 33% of them had some M&A activity this week. I expect all 12 will have some corporate action by the end of the year.

I also expect a Dow Jones component-like public company will acquire a crypto subsector leader by the end of the year which will catalyze a flurry of M&A activity. Once the best companies are taken, there is a significant drop to the next tier.

Maybe that transaction occurred this week.

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