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**Dear Shareholders,
Dear friends of coinIX,**

In our latest analyst report update, Oliver Wojahn highlights a "remarkable rebound" in the cryptocurrency market. We've indeed witnessed notably positive trends in the price development of our key coin holdings, including Ethereum (ETH), Bitcoin (BTC), and The Graph (GRT).

Simultaneously, public discourse on blockchain and digital assets, previously overshadowed by the ChatGPT hype, has regained prominence. The recent endorsement of Bitcoin spot ETFs by the U.S. SEC has notably contributed to this resurgence. The uptick in value of our BTC, ETH, and GRT assets is encouraging, significantly enhancing the intrinsic worth of our stocks. Moreover, this market rebound fuels optimism for refocusing on the myriad applications of blockchain technology. Particularly in tandem with artificial intelligence, blockchain holds immense promise. The reliability, trustworthiness, and traceability of AI-generated outcomes hinge on the verifiability of the data used for training.

In 2024, our stock remains a gateway to capitalizing on the potential of these emerging developments through a diversified portfolio spanning the entire blockchain value chain. The buy recommendation from Alster Research, setting an updated price target of 3.08 euros, underscores our outlook.

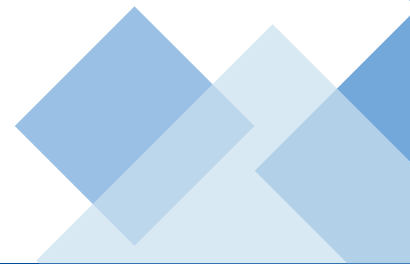
I extend a warm invitation to delve into the insights of this newsletter, offering a comprehensive overview of our portfolio and the dynamic developments shaping our trajectory.

Thank you for your enduring trust.

Kind regards,
Moritz Schildt, CEO



Market Update



For investors in the crypto and blockchain sector, 2023 proved to be a year filled with promise. After enduring significant price downturns in 2022, the sector experienced a remarkable resurgence in 2023, although it had yet to reclaim the peak levels of 2021. The collective value of all cryptocurrencies, which had dipped below 1 trillion US dollars in mid-2022, soared to over 1.7 trillion US dollars by the close of 2023. Alongside the positive shift in market sentiment, two landmark legal victories played pivotal roles in bolstering the acceptance of cryptocurrencies: Ripple Labs and Grayscale successfully argued in US courts that the trading of the cryptocurrency Ripple (XRP) on exchanges and its transfer to developers, employees, and charitable organizations did not contravene securities regulations. Furthermore, a significant milestone in garnering broader recognition of cryptocurrencies as legitimate assets occurred when Grayscale sought approval for Bitcoin ETFs (Exchange-Traded Funds) from the US Securities and Exchange Commission (SEC) in August 2023. With the subsequent confirmation of the fundamental permissibility of such products in January 2024, Bitcoin has now attained official recognition as an investment vehicle by US authorities, a status that had long been shrouded in uncertainty.

Total Crypto Market Cap



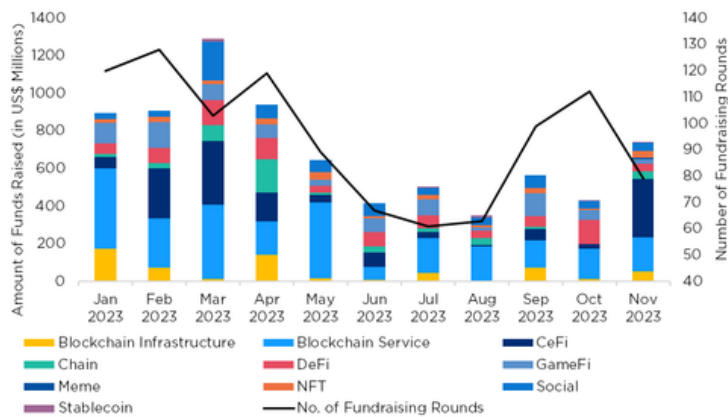
In this context, it's striking that the USA lags significantly behind other countries in recognizing and regulating digital assets. In contrast, Germany and the European Union – notably through the implementation of the "Markets in Crypto Assets Directive," abbreviated as "MiCA" – are much more proactive in establishing a legally secure framework for the use, custody, and trading of cryptocurrencies. The leading cryptocurrency, Bitcoin, underwent a robust recovery in 2023. Despite starting the year below \$17,000, Bitcoin surged by over 150% throughout the year, ending at over \$43,000. Despite global tensions such as the Russian invasion of Ukraine in 2022, both Bitcoin and Ethereum remained relatively stable.

Market Update



In 2023, investments in the venture capital sector for the blockchain industry experienced a noticeable downturn. According to an annual report from crypto.com, the total funds raised by crypto companies throughout the year amounted to approximately \$7.96 billion, a significant decline compared to the impressive \$29 billion in 2022. Upon closer examination of sector-specific trends, the blockchain services category emerged as particularly lucrative, attracting investments totaling nearly \$6.5 billion over the year. These figures underscore a significant shift from the previous year. Following closely behind, CeFi secured \$1.36 billion in financing. Noteworthy shifts in investor focus gave rise to a new sector, propelled by growing interest in the convergence of artificial intelligence and cryptocurrency. As reported by galaxy.com, this innovative sector garnered substantial attention and financial backing, raising over \$60 million, representing 3.2% of the total venture capital deployed in the third quarter of 2023. These developments unfolded discreetly and contributed to diversifying the landscape of crypto funding.

Crypto Fundraising Rounds and Amount Raised per Category

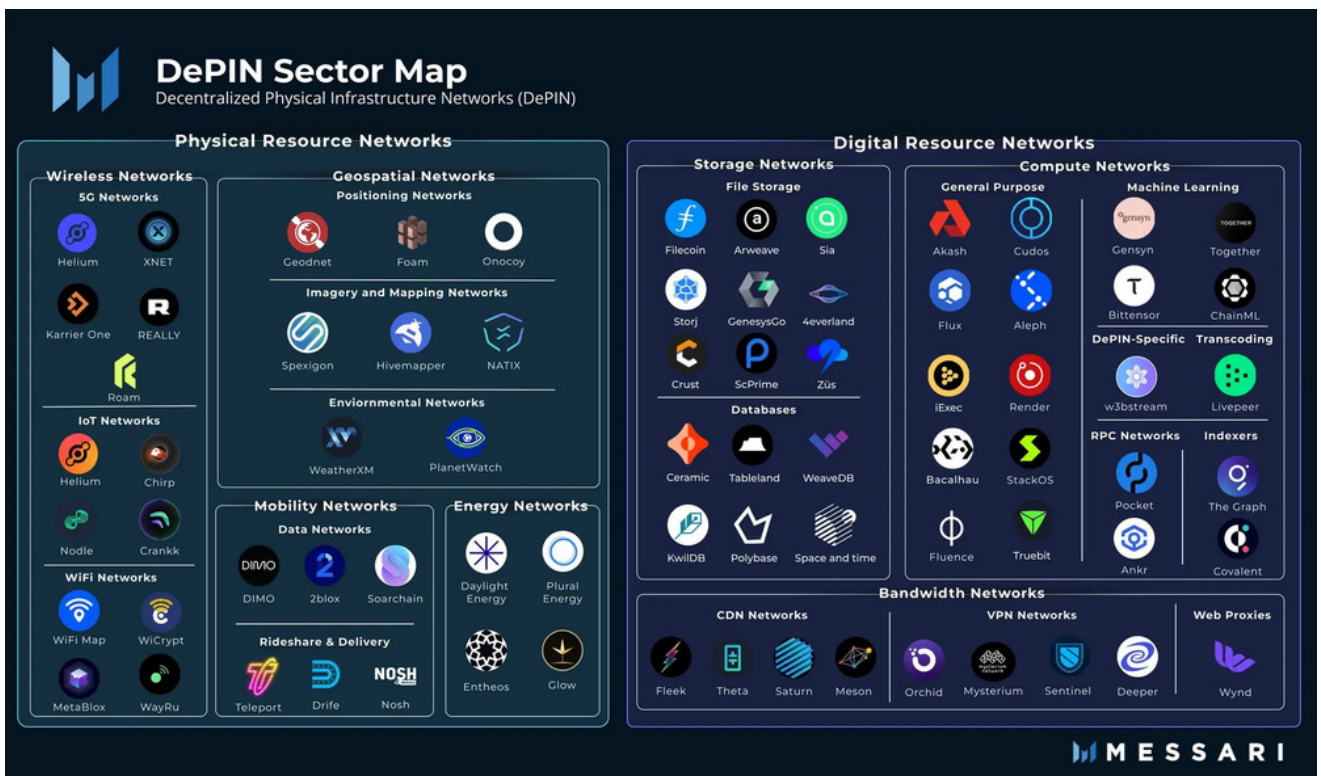


- In early 2024, as anticipated, the American regulatory authorities officially confirmed the fundamental approval of Bitcoin ETFs, fueling additional price surges in Bitcoin and other cryptocurrencies in the short term. Positive signals from the traditional financial sector are poised to further bolster the cryptocurrency market. The possibility of the Federal Reserve lowering interest rates in March 2024 could significantly benefit the crypto market. Additionally, the anticipation of the upcoming halving event in April/May 2024 is contributing to the rise in Bitcoin prices. This event occurs every four years and reduces the reward for mining Bitcoin, resulting in fewer Bitcoins being available. Historical cycles suggest that Bitcoin may undergo an upsurge both before and after the next halving.

DEPIN

DePIN has emerged as a groundbreaking innovation across diverse global sectors. Since 2023, the rise of decentralized physical infrastructure networks (DePINs) has garnered significant attention from leading manufacturers worldwide, aiming to seamlessly integrate tangible infrastructure with the revolutionary blockchain technology. DePINs represent blockchain protocols utilizing cryptocurrency tokens, strategically incentivizing the creation and operation of physical infrastructure in a decentralized framework. This paradigm shift is increasingly becoming intertwined with the expansive realm of the Internet of Things (IoT).

Insights from the data compiled by Messari, a reputable digital asset marketing intelligence firm, suggest that the current valuation of the DePIN market stands at approximately \$2.2 trillion. The trajectory of this burgeoning market hints at the potential to reach a remarkable \$3.5 trillion within the next four years, according to projections. NATIX, one of our portfolio projects has been mentioned in this map as well. NATIX Network is an open geospatial Intelligence network enabled by proprietary AI technology and the Internet of Cameras. Another project in coinIX's portfolio which is focused on DePIN is peaq. peaq is transforming the Web2-based IOT into the Web3-based Economy of Things to create a machine economy using which people can extract maximum value and opportunity from machines with minimal risk and waste.



UN CREATES A DAO

The United Nations' Internet Governance Forum (IGF) is reportedly exploring the creation of a trial decentralized autonomous organization (DAO) for the public sector. The initiative aims to assess the potential benefits and challenges associated with using DAOs in the governance of public services. DAOs are blockchain-based entities that operate on smart contracts, allowing for decentralized decision-making. The trial DAO is expected to provide insights into the applicability of this technology in enhancing transparency and efficiency within the public sector, marking a significant step in exploring decentralized governance models within the framework of international institutions.



BLOCKCHAIN ID IN CHINA



Chinese government is implementing a blockchain-based identity verification system as part of its broader digitalization efforts. The initiative is expected to streamline various aspects of public service, financial transactions, and government interactions. By employing blockchain for identity verification, the Chinese government aims to create a more secure and transparent system while advancing its digital transformation agenda.

CORPORATE INTEREST IN CRYPTO

Based on Paxos research, an increasing number of companies are placing focus on cryptocurrency. According to the survey, 99% of the participating companies in US have expressed a heightened interest in crypto-related activities. The findings suggest a growing acceptance and integration of cryptocurrency within the business sector, highlighting its evolving role in the broader financial landscape.



LEDGER VULNERABILITY

Ledger's recent vulnerability has posed a risk to the entire decentralized application ecosystem. The security flaw, discovered by the firm CommerceBlock, could potentially allow malicious actors to manipulate DApp interactions and compromise user funds. The vulnerability was reported to Ledger, and a fix was subsequently implemented. However, the incident underscores the importance of continuously addressing security concerns in the blockchain space.



coinIX Portfolio Development

Liquid Crypto Portfolio – Realized Profits and New Investments

The value of our liquid coin portfolio surged from €3.4 million to €7.0 million throughout the year. We realized profits totaling €0.9 million, while unrealized gains amounted to €2.7 million. Overall, we executed reshufflings and new investments totaling €2.1 million. We maintain confidence in the continued growth of our liquid coin portfolio. Accordingly, our focus in the investment arena during the fourth quarter of 2023 was on the liquid market. We strategically capitalized on the substantial surge of The Graph (GRT), which doubled in value in the fourth quarter, to realize profits and further diversify our portfolio.

In this process, we systematically divested approximately 25% of our holdings and directed investments into other tokens poised to benefit significantly from the market's recovery. Alongside new investments, these primarily included tokens initially purchased at the year's outset, where we expanded our positions. Consistent with our investment thesis, our emphasis was primarily on infrastructure projects and applications within the Ethereum ecosystem, such as Maker DAO (MKR) and Uniswap (UNI).

Equity Portfolio – Targeted Expansion of Holdings

Following participation in two new startups throughout the first three quarters of 2023, no new equity investments were made in the fourth quarter. Instead, we bolstered our existing holdings in Tokenforge and Crypto Index Series. Tokenforge, headquartered in Berlin, provides a software toolkit for compliant asset tokenization. Crypto Index Series (CIS), based in the UK, specializes in crypto fintech, offering data, indicators, and benchmarks for digital assets, along with AI-driven portfolio analysis solutions for institutions. Further details can be found later in the newsletter.

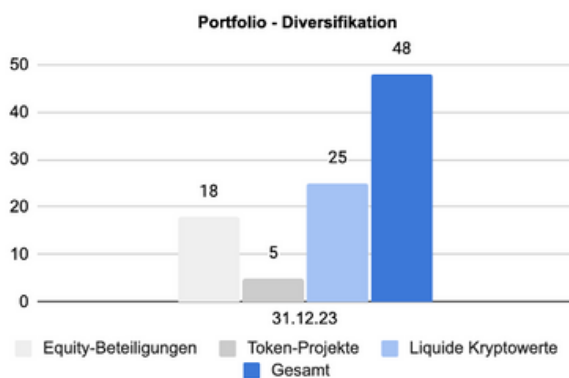
Portfolio Performance

Bitcoin's price surged by over 150% throughout the year, from around \$16,500 to approximately \$42,000. After a relatively flat performance in the third quarter, Bitcoin experienced a robust increase in value in Q4 2023, surpassing 60%. In comparison, our overall portfolio saw a year-over-year increase of approximately 62% in value. The Q4 upswing in the crypto market was mirrored in our portfolio, with a value increase of about 34% to €9.6 million (predominantly potential write-downs pending decision in the annual financial statements).

coinIX Portfolio Development



Due to the underweighting of Bitcoin in our portfolio, its value has increased relatively less. However, this is by no means unusual, as the stronger rise in the Bitcoin price at the beginning of a bull market is typical for the cryptocurrency market.



As the cycle progresses, Ethereum typically leads the way, followed by smaller tokens, offering our portfolio significant potential for outside gains in the months ahead—particularly when contrasted with Bitcoin. When assessing portfolio value, it's crucial to factor in both the token projects we've acquired, where market prices are yet to be established, and our corporate holdings, which incorporate their historical acquisition costs adjusted for any depreciation.

Stock Performance

While the portfolio value hasn't surged at the same rate as Bitcoin, the coinIX stock experienced a robust uptick of approximately 53% in the final quarter of 2023. From its low point of €1.11 last year, reached in mid-October, the stock price nearly doubled, ending the year at €2.14. Although daily trading volume still lingers at relatively modest levels, it also saw a commendable uptick of about 27% compared to the preceding quarter. With an uplifted market sentiment and ascending prices, we anticipate a sustained rise in volume over the forthcoming months.

Book Value per Share

During the fourth quarter of 2024, the book value per share surged from €2.35 by nearly one euro to €3.14 (largely due to potential write-downs). Following a peak spread between the book value and the stock price of nearly 120% in mid-October, it significantly narrowed by the quarter's end, stabilizing at around 47%. Despite this, the absolute spread consistently hovered around one euro. Looking ahead to the new year, we remain committed to enhancing awareness of the coinIX stock to mitigate this spread further.



coinIX Events

EBC STARTUP BATTLE

European Blockchain Convention took place in October in Barcelona. One of the exciting events during this conference was the startup battle in which more than 100s of companies pitched to become the winner. coinIX was chosen as one of the jury members and Mahsa Doorford, our sale and marketing manager represented coinIX. 50 startups made it to the finals. Chronicle protocol took the 1st place, EthicHub secured the second position, with digitalsocial.id clinching the third spot.



BÖRSENTAG HAMBURG

In November, the Chamber of Commerce in Hamburg served as a hub for finance professionals. The 26th Börsentag attracted a diverse array of exhibitors and coinIX had a booth in the exhibition hall as well. Our team engaged in promising conversations with visitors, reflecting the growing positive sentiment toward the blockchain industry. It was evident that the reactions of attendees marked a notable improvement compared to the previous year's Börsentag.

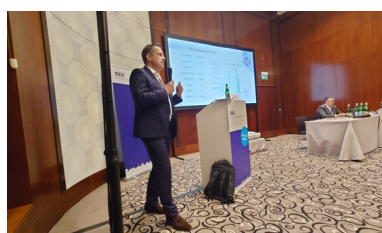


DAPPCON23

Janik Sieber, represented coinIX at DappCon23. It was a great chance for us to meet the team of some of our portfolio projects such as The Graph and Shutter Network. Moreover, We gained more insight about the latest trends.

36.MKK

coinIX took part at MKK (Münchener Kapitalmarkt Konferenz) in November 2023. This conference is the largest investor and analyst conference in southern Germany. Our CFO, Felix Krekel, had a presentation about coinIX.



DEV CONNECT

coinIX participated in DEV Connect in Istanbul, a collaborative week focused on Ethereum. Ladislaus delivered a presentation on staking, and our analysts actively engaged in the events.

COINIX

PORTFOLIO UPDATE



peaq, Bosch, and [Fetch.ai](#) have collaborated to launch a new Web3, AI-driven smart device that enables users worldwide to earn cryptocurrency by monetizing data, representing a convergence of Web3, artificial intelligence (AI), and the Internet of Things (IoT) within peaq's Economy of Things. Notably, peaq's ecosystem is expanding rapidly and has achieved the status of being the world's largest and fastest-growing DePIN ecosystem based on several factors, including the number of users, machines, DePINs building, adoption by 500 enterprises, and support for Multichain Machine IDs.

DEFYCA has gone through rebranding and it is now called Frictionless Markets. Their institutional deposit tokens are now available in 8 global currencies on Avalanche. The protocol's smart contracts have been audited in december by Hacken and they have got 10/10 audit score. Moreover, FIRSTavenue, the leading global placement agent and advisory firm has recently unveiled their strategic investment in Frictionless Markets.



Frictionless Markets



Shutter Network

in December, Shutter Network team successfully completed all deliverables and milestones in their project with regards to the Optimism grant, to research and evaluate an encrypted mempool for the OP Stack. A mempool (a contraction of memory and pool) is a cryptocurrency node's mechanism for storing information on unconfirmed transactions. Shutter integration is now available on Conduit, AltLayer and rollups building on Zeeve. Moreover, a Shutter DAO has been launched and the community can contribute.

NATIX has been selected for Google Clouds Web3 startup program. This program will provide the technology, community and resources that they need to expand. NATIX closed 2023 with a lot of "All-time highs" in terms of network activity, user retention, community size, and more. Their Token launch is anticipated for 2024



The Graph

The Graph has experienced a lot of growth. there is over 210+ active Indexers and more than 87K+ Delegators. 7 blockchains have been integrated so far and there has been a surge in query fees, with Indexers claiming over 2 million GRT. Moreover, 1 trillion queries has been made to both The Graph Network and the hosted service. The Graph ecosystem has initiated a transition to Arbitrum One (L2), a pivotal step aimed at significantly reducing gas fees and accelerating transaction times

POWERING BUSINESSES SINCE 2019



Scalable Portfolio
Analytics and
Management



Tracking and
Reporting of Assets
Under Custody



Seamless
Delivery & Integration



Actionable
Data & Insights

About Crypto Index Series

Crypto Index Series (CIS) is a leading UK-based crypto-fintech startup specialising in Digital Asset Data and AI-Powered Portfolio Analytics Solutions for institutions.

Established in 2019, **CIS** has positioned itself as a trusted solutions partner for a diverse range of financial institutions, acting as a crypto data contributor to LSEG Data & Analytics.

AI-Powered Crypto Portfolio Intelligence for Institutions

Who We Serve?



Traditional
Financial
Institutions



Crypto-Native
Businesses



Fintech Firms

The Team

Experience with 24 Fintech products.
Expertise in Software Development, Crypto Assets,
Tokenomics, Business Management and Portfolio Analysis.



Dr. Gökçe Phillips
CEO



Richard Phillips
CTO

Challenges Addressed

📍 Complexity & Cost

Building in-house solutions for institutions is complex, resource-heavy and costly.

📍 Multiple Integrations

Managing various providers leading to high costs, complexities in integration and challenging stakeholder management scenarios.

📍 Portfolio Management

Navigating unique crypto market risks requires advanced AI-driven analytics including Descriptive, Predictive and Prescriptive Analysis.

Solutions

TRAC-ALPHA

- Scalable Crypto Portfolio Management Solution for Institutions
- Complete E2E Solution: API, Admin and Client views
- Descriptive and Diagnostic Analysis
- AI-driven Predictive Analysis & Portfolio Optimisation

TRAC

- Digital Asset Transaction Collection & Wallet Consolidation

Digital Asset Data API

- Real-time and historical price data from 30+ exchanges
- Price index data for 2000+ crypto assets



One Stock to cover the crypto asset class

The whole world of blockchain in the format of publicly listed shares

About coinIX

Founded in 2017, coinIX is a professional investment company in the blockchain technology and crypto assets market.

With coinIX shares, we offer private and institutional investors a simple, safe and effective way to participate in the growing adoption of decentralized technologies and cryptocurrencies in a traditional way.

Our goal is to make it easier for investors to invest in a new, complex asset class and to offer you a product that fully covers the basic investments of this asset class.

The shares of coinIX GmbH & Co KGaA are listed on the stock exchanges in Munich, Düsseldorf and Berlin.

Our Expertise

Our team combines deep understanding of portfolio management and an extensive VC network.

Our investment team analyzes opportunities and developments in the blockchain market and collaborates with leading institutions in diverse areas.

Our team combines decades of experience in crypto assets and blockchain technology; making us one of the most experienced and technically savvy analysis teams.

In addition, our management team has many years of experience in the traditional financial industry and it guarantees a sound and structured portfolio management.

Key Terms

of blockchain technology, long experience in

Company: coinIX GmbH & Co. KGaA
ISIN: DE000A2LQ1G5
WKN: A2LQ1G
Ticker: CXCX
Structure: Partnership limited by shares
Commercial register: HRB 150641
Number of shares: 3,071,346 bearer shares
Founded in: 2017

CEO Moritz Schildt
Board Peter Paulick

Investment Manager: coinIXCapital GmbH
Management fee: 2%
Performance fee: 20%

Auditor: NBS partners GmbH
Bank: Donner & ReuschelAG
Crypto custodian: Gnosis Safe



mail@coinix.capital
 www.coinix.capital
 Ludwig-Erhard-Straße 1
 20459 Hamburg

Some Examples of our Portfolio

TRADITIONAL WORLD ↔ BLOCKCHAIN ↔ NEW CRYPTO WORLDS

TRADITIONAL INDUSTRIES



FINANCIAL INDUSTRY



NEW CRYPTO SECTORS



BLOCKCHAIN INFRASTRUCTURE



Why coinIX?

- coinIX is excellently positioned to serve the asset class comprehensively as a single investment
- coinIX operates with a highly experienced cross-thematic team, has been in the market for over 5 years and is strongly networked in the blockchain market
- coinIX ensures the competent analysis of attractive investment opportunities
- coinIX generates ongoing returns in the diversified crypto portfolio by staking the assets
- Profit through our network of most promising VC deals
- Existing investments in visionary startups harbor hidden reserves