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Zacks Small-Cap Research

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DeFi Technologies Inc. (DEFTF-OTC)

DEFTF: 3Q24 EPS as Expected; Ongoing Business Model Evolution

DEFTF reported 3Q24 EPS of $0.05 – consistent with our $0.05 estimate. That said, operating trends lagged our forecasts (i.e., lower staking, lending, and asset management fee revenue in addition to higher core expenses). While our 2024 EPS estimate remains unchanged at $0.27, we are taking down our 2025 forecast from $0.50 to $0.40 reflecting moderately less favorable revenue/operating income trends.

Current Price (08/15/24)	$2.00
Valuation	**$4.00**

OUTLOOK

Key 3Q24 takeaways include: 1) recent company launches (SolFi Technologies and CoreFi Strategy) and the acquisition of Stillman Digital further diversifies DEFTF's platform, thereby enhancing the pace and sustainability of growth, we believe; 2) senior executives remained focused on broadening Valour's footprint, with plans to offer 100 products by the end of 2025 across additional markets including Africa, the Middle East, Asia, and the U.S.; and 3) management is increasingly tapping rising profitability to strengthen the company's financial position and build treasury reserve digital assets to mitigate the effects of inflation and generate higher yields on excess liquidity.

While we edged down our 2025 EPS estimate, our price target remains unchanged at $4.00 reflecting a lower risk profile given ongoing initiatives to further diversify businesses/revenues, thereby driving a more sustainable growth profile.

SUMMARY DATA

52-Week High	**$2.44**
52-Week Low	**$0.16**
One-Year Return (%)	**1,287%**
Beta	**N/A**
Average Daily Volume (sh)	**910,407**
Shares Outstanding (mil)	**355**
Market Capitalization ($mil)	**$739**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**45**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**9.5**
P/E using 2024 Estimate	**7.4**
P/E using 2025 Estimate	**5.0**

Risk Level	**Above Average**
Type of Stock	**Small Growth**
Industry	**Financial Services**

ZACKS ESTIMATES

Revenue
(in thousands of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	1,457 A	(4,055) A	214 A	(8,207) A	(10,484) A
2023	(8,386) A	6,058 A	1,045 A	9,250 A	7,816 A
2024	(3,640) A	97,294 A	17,884 A	33,246 E	141,942 E
2025					203,477 E

Earnings/Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	-$0.05 A	-$0.07 A	-$0.02 A	-$0.11 A	-$0.23 A
2023	-$0.06 A	-$0.00 A	-$0.02 A	$0.01 A	-$0.07 A
2024	-$0.05 A	$0.20 A	$0.05 A	$0.06 E	$0.27 E
2025					$0.40 E

Quarterly revenues/EPS may not equal annual revenues/EPS due to FX rates/rounding.

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3Q24 EARNINGS: EPS MATCHES OUR ESTIMATE

After the market closed yesterday (11/14/24), DeFi Technologies reported 3Q24 earnings results. On an IFRS basis, DEFTF reported 3Q24 EPS of $0.05 – matching our $0.05 estimate. Net income totaled of $18.4 million for the quarter versus our $20.0 million forecast (Exhibit 1). Relative to our model, operating trends moderately lagged our forecasts.

AUM revenue (staking, lending, and asset management fees) fell short of our estimates – largely due to lower quarter-end assets. More specifically, AUM as of September 30, 2024 totaled $571 million, meaningfully below our $623 million forecast (mostly a function of broader crypto market weakness since we last marked-to-market our model). As a results, DEFTF reported $17.9 million of total revenue for the quarter, below our $25.9 million forecast (though part of the variance can be tied to mark-to-market losses on ETP payables, which we do not specifically model for given their unrealized/non-cash/non-operating nature).

Core expenses came in higher than forecast, with the variance largely centered in share-based payments (seemingly related to DeFi Alpha bonuses) and G&A costs. Looking ahead, senior executives remain focused on expense management, and we expect operating expenses (ex bonus accruals) to remain generally in line with 3Q24 run-rates even as AUM, business activity, and revenues continue to ramp up.

Exhibit 1: 3Q24 Actual vs. Estimates
($ thousands)

	3Q24		Change	
	Actual	Estimate	$	%
Revenues				
Digital assets realized/unrealized gains/(losses)	38,664	0	38,664	NM
ETP payables realized/unrealized gains/(losses)	(30,592)	14,088	(44,680)	-317.2%
Derivatives realized/unrealized gains/(losses)	0	0	0	NM
Staking and lending income	6,501	9,592	(3,090)	-32.2%
Management fees	1,530	1,802	(273)	-15.1%
Research revenue	193	365	(171)	-47.0%
Node revenue	0	4	(4)	-96.3%
Realized gain/(loss) on investments, net	0	0	0	NM
Unrealized gain/(loss) on investments, net	1,586	0	1,586	NM
Interest income	2	1	1	179.1%
Total Revenues	**17,884**	**25,851**	**(7,967)**	**-30.8%**
Expenses				
Operating, general and administration	4,636	3,311	1,325	40.0%
Share based payments	8,844	1,460	7,384	505.8%
Depreciation - property, plant and equipment	1	2	(0)	-22.5%
Depreciation - right of use assets	0	0	0	NM
Amortization - intangibles	397	375	22	5.9%
Finance costs	579	180	399	221.9%
Transaction costs	1,471	547	923	168.7%
Foreign exchange gain/(loss)	(16,460)	0	(16,460)	NM
Impairment loss	0	0	0	NM
Total Expenses	**(531)**	**5,875**	**(6,406)**	**-109.0%**
Operating Income/(Loss)	**18,415**	**19,976**	**(1,561)**	**-7.8%**
Loss on settlement of debt	0	0	0	NM
Pre-Tax Income/(Loss)	**18,415**	**19,976**	**(1,561)**	**-7.8%**
Income tax	0	0	0	NM
Net Income/(Loss)	**18,415**	**19,976**	**(1,561)**	**-7.8%**
Earnings per share, diluted	**$0.05**	**$0.05**	**(0)**	**-1.1%**
Weighted average shares outstanding, basic	298,101	298,030	71	0.0%
Weighted average shares outstanding, diluted	355,303	381,220	(25,917)	-6.8%

Source: Company Reports and Zacks Small Cap Research estimates and calculations.

KEY TAKEAWAYS

Following our review of 3Q24 results, we highlight the following key takeaways:

1. **Evolving business model:** In October, DEFTF completed the previously announced acquisition of Stillman Digital, a leading digital asset liquidity provider offering trade execution, settlement, and technology solutions. Terms of the transaction include the issuance of 2.5 million DEFTF shares (of which 1.0 million shares are subject to lock-up schedules). The transaction further augments and diversifies DEFTF's customer base and trading revenue opportunities (DeFi Alpha generated $14.7 million in 3Q24 following $82.0 million in 2Q24). Moreover, management recently announced the launches of SolFi Technologies and CoreFi Strategy – companies focused on providing access/exposure to the Solana and BTCfi ecosystems, respectively.

2. **Continuing to build out asset management capabilities:** While 3Q24 ending AUM of $571 million fell short of our $623 million forecast (mostly a function of broader crypto market weakness since we last marked-to-market our model), assets have sharply rebounded thus far in 4Q24, with AUM reaching $785 million as of November 13, 2024, reflecting strong market gains combined with ongoing net inflows. Management remains focused on broadening Valour's footprint – the firm currently managing 28 ETPs, with plans to offer 23 new products over the next few weeks and ~50 more by the end of 2025. More recent product launches include the Valour Sui (SUI) ETP in Sweden and the Valour Bittensor (TAO) SEK ETP in the Nordics. Looking ahead, ongoing product development likely continues to center on innovative/differentiated strategies leveraging Valour's exchange partnerships, with quicker uptakes reflecting first-mover advantages. Turning to distribution, senior executives remain focused on obtaining regulatory approvals to enter markets across Africa, the Middle East, and Asia to capitalize on strong crypto adoption/demand trends. Furthermore, DEFTF recently announced plans to partner with Professional Capital Management Partners to launch ETFs here in the U.S.

3. **Strengthening balance sheet:** Management is increasingly tapping rising profitability to strengthen the company's financial position and build treasury reserve digital assets to mitigate the effects of inflation and generate higher yields on excess liquidity. More specifically, DEFTF held $18.8 million of cash and USDT on the balance sheet along with $26.9 million of treasury reserve digital assets. Following the recent debt payment, DEFTF is essentially debt-free, with the remaining $6 million loan balance with Genesis Global Capital likely to be resolved in relatively short order. From a capital management standpoint, senior executives seemingly remain committed to share repurchases, with the Board likely to consider instituting a dividend at some point down the road.

EDGING DOWN 2025 EPS ESTIMATE

After updating our model for 3Q24 results, we are leaving our 2024 EPS estimate unchanged at $0.27. Despite meaningfully lower AUM as of 9/30/24 ($571 million versus our prior $623 million forecast), crypto markets have sharply rebounded following the elections (our back-of-the-envelope math suggests Valour's AUM are up a weighted-average 30%+ since September 30, 2024, based solely on market depreciation), thereby pushing up QTD asset levels (and related management/staking/lending fees). Our model now calls for total revenues of $142 million for 2024 – consistent with management's updated guidance.

That said, we are taking down our 2025 forecast from $0.50 to $0.40. Our revision primarily reflects a slightly flatter revenue growth trajectory and meaningfully higher operating expense assumptions (mostly share-based payments and G&A costs), partially offset by lower shares outstanding. That said, we still forecast DEFTF's operating margin to approach 70% looking out to next year, up from 63% in 2024 reflecting rising operating leverage.

VALUATION REMAINS ATTRACTIVE

We continue to believe DeFi Technologies is uniquely positioned to capitalize on the burgeoning digital assets ecosystem, with a diversified and differentiated portfolio of asset management, trading, infrastructure, venture capital, and research businesses. While the stock has meaningfully outperformed thus far this year, we see further room to run, as awareness and appreciation of the company's unique business model, durable competitive advantages, considerable growth prospects, and unsustainable valuation disconnect continue to build. On top of that, upward revaluation catalysts potentially include uplisting the stock to a senior U.S. exchange, and/or partnering with a larger firm looking to acquire a foothold in crypto asset management or consolidate market share, particularly in Europe.

Our unchanged $4.00 price target reinforces our bullishness on the stock. Despite a slightly less favorable earnings outlook, we edged down our discount rate assumption in our DCF model given DEFTF's improving risk profile. Key inputs include: 1) explicit EBIT forecasts through 2025; 2) EBIT growth slowing to 15% by the end of the forecast period; 3) a 14% discount rate; 4) a perpetual growth rate of 5% despite sustainably higher growth rates for the foreseeable future; and 5) an exit EV/EBITDA multiple of 7x.

Furthermore, at just 5.0x our revised 2025 EPS estimates of $0.40, DEFTF continues to trade at a wide discount to other asset managers with meaningful crypto ETF offerings. While we recognize most peers are significantly larger and more mature, with considerable infrastructure, resource, and financial advantages, DEFTF maintains a sizeable advantage in terms of projected growth, thereby justifying a comparable (if not higher) P/E multiple, in our minds. We note that applying a seemingly reasonable 15x P/E multiple to our 2025 EPS estimate translates into a stock price of $6.

Finally, our valuation work does not explicitly account for the company's $33.2 million (fair value as of September 30, 2024) venture capital portfolio. DeFi Technologies' diversified portfolio spans pre-seed to Series-A investments across nine private companies focused on decentralized finance and Web3 networks and protocols.

INVESTMENT THESIS

DeFi Technologies Inc. (DEFTF) is a diversified technology company primarily focused on the digital assets/decentralized finance ecosystem. DEFTF provides digital asset-focused asset management, infrastructure, and research services, while the company's venture capital business invests in early-stage decentralized finance and Web3 companies. Our investment thesis revolves around DeFi Technologies':

1. **Diversified Platform Focused on Digital Assets, DeFi, and Web3:** DeFi Technologies' mission is to provide investor access to and capitalize on the innovation, value, and high growth of leading decentralized technologies primarily through introducing and managing digital asset ETPs, as well as identifying, investing in, and developing companies focused on the decentralized finance and Web3 ecosystems. Stepping back, decentralized finance (DeFi) applies the model of digital assets (decentralized blockchains to validate and track transactions/ownership) to the world of traditional financial services. Decentralized applications (dApps) run on public blockchains and provide financial services without centralized gatekeeps/toll takers. As a result, decentralized finance apps provide banking, borrowing, lending, trading, and insurance (amongst other services) within a more accessible, timely, cost efficient, secure, and transparent platform. Web3 takes the concept a step further and applies the decentralized blockchain groundwork to the internet.

2. **Crypto Going Mainstream:** To be sure, the biggest news to hit the crypto industry this year (or for many years) was the SEC approval and subsequent launches of Bitcoin (BTC) and Ethereum (ETH) Exchange Traded Funds (ETFs) here in the U.S. Beyond record-breaking asset growth, the BTC ETF introductions garnered massive media attention/exposure, with a favorable narrative developing for the crypto industry more broadly. In turn, rising awareness and demand combined with improving accessibility continues to drive higher adoption/allocation rates across the digital assets landscape.

   Despite the surge in demand for cryptocurrencies via BTC ETFs, a majority of Bitcoins remains held by retail investors. The key to a step function in growth remains rising crypto allocations from institutional investors (pensions, Sovereign Wealth Funds, and insurance companies). While we are still seemingly in the very early stages, a sustainable Bitcoin bull market likely facilitates a shift in institutional allocations. We expect BTC and other cryptocurrencies to continue to broadly outperform more traditional asset classes over time reflecting several powerful tailwinds/catalysts including ongoing ETF inflows, a more favorable interest rate backdrop, and fixed supply.

3. **ETP Head Start:** DeFi Technologies' subsidiary Valour Asset Management is a leading ETP issuer in Europe, with a broad array of single-asset and multi-asset class products. From a competitive positioning perspective, Valour focuses on niche markets, with investment performance track records and trading/issuance capabilities in local currencies. Despite rising competition, Valour remains well positioned to continue to gain market share reflecting in-house management expertise, regulatory approvals to list ETPs on major exchanges across Europe, and a focus on Alt Coins.

   Looking ahead, we expect Valour ETP AUM to continue to grow fueled by ongoing new product development. Incremental ETP launches likely extend beyond digital assets, with thematic and active strategies key areas of focus. Furthermore, management remains focused on broadening Valour's geographic footprint, particularly in jurisdictions maintaining favorable regulatory frameworks and high crypto adoption rates (see the Middle East and Asia), via organic initiatives and/or strategic partnerships and joint ventures.

4. **Supercharged Asset Manager Revenue/Margin Model:** Our revised 2024 and 2025 EPS estimates of $0.27 and $0.40, respectively, imply a meaningful inflection in profitability this year followed by considerable growth in 2025. Key modeling inputs include outsized revenue growth. Unlike traditional asset managers that rely almost exclusively on management fees to drive the top line (and are subject to ongoing fee pressures), DeFi Technologies generates revenue across multiple streams including staking, lending, and trading underlying digital assets in addition to ETP management fees. All in, DEFTF can earn 8%+ on ETP assets, with staking/lending yields on top of management fees of 1.9% on most ETPs. Moreover, our model assumes operating income margins step function higher reflecting limited expense growth, with senior executives remaining focused on increasingly leveraging a more efficient overhead structure.

INVESTMENT RISKS

1. **Cryptocurrency volatility:** Near-term cryptocurrency pricing volatility directly impacts DEFTF's ETP AUM, management fees, and staking and lending income, and therefore earnings power. That said, we expect ongoing net inflows reflecting accelerating demand/higher allocations to work as an offset.

2. **Challenging regulatory backdrop:** Given the breadth and depth of the U.S. equities market, it makes sense for DeFi to list Exchange-Traded Products and uplist the company's shares to a senior exchange here in the U.S. (the company recently filed a Form 40-F Registration Statement with the SEC in connection with its application to list on the Nasdaq). Having said that, the U.S. regulatory environment remains challenging, with any meaningful market penetration likely necessitating considerable time, effort, and resources. Stepping back, the ongoing lack of a comprehensive and consistent regulatory framework here in the U.S. threatens to restrict market access, slow innovation, and trigger operational and financial inefficiencies.

3. **Black swan events:** Black swan events including unanticipated regulatory shifts, technology failures, widespread fraud, or other company collapses would likely trigger step-ups in crypto market volatility and investor uncertainty.

4. **Rising competition:** We expect more players to enter the digital asset management business following the successes of BTC and ETH ETF launches. Furthermore, stepped up competition is unlikely to be limited to the U.S. market, with select managers increasingly focusing on Europe.

5. **Reliance on third-parties:** DeFi's asset management, staking, and lending businesses are all subject to risks related to third-party service providers. More specifically, Valour buys/sells digital assets which the company's ETPs track on crypto exchanges, with any operational issues potentially impacting liquidity and tracking error. Furthermore, digital assets held and staked by third-party custodians are subject to market, liquidity, and loss risks.

PROJECTED INCOME STATEMENT (CDN)

DeFi Technologies Inc.
(CDN in thousands)

	Quarterly								Annual				Y/Y Growth		
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E	2022	2023	2024E	2025E	2023	2024E	2025E
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Dec-22	Dec-23	Dec-24	Dec-25	Dec-23	Dec-24	Dec-25
Revenues															
Digital assets realized/unrealized gains/(losses)	63,019	(12,556)	(11,096)	284,592	317,123	(86,651)	52,301	13,000	(325,045)	323,959	295,774	52,000	NM	-9%	-82%
ETP payables realized/unrealized gains/(losses)	(75,513)	18,984	16,105	(291,676)	(328,254)	209,095	(41,382)	15,000	320,382	(332,101)	(145,541)	100,000	-204%	NM	NM
Derivatives realized/unrealized gains/(losses)	0	0	0	0	0	0	0	0	(434)	0	0	0	NM	NM	NM
Staking and lending income	572	765	747	1,456	5,808	8,263	8,794	15,585	4,519	3,539	38,450	114,034	-22%	986%	197%
Management fees	216	244	244	758	1,732	2,145	2,069	2,531	1,436	1,462	8,477	16,857	2%	480%	99%
Research revenue	0	0	0	0	502	339	262	500	0	0	1,602	2,400			
Node revenue	6	(1)	3	7	5	0	0	5	348	15	10	50	-96%	-35%	405%
Realized gain/(loss) on investments, net	(1)	(3)	(1)	1	0	634	0	0	(12)	(4)	634	0	NM	NM	-100%
Unrealized gain/(loss) on investments, net	357	(42)	1	13,168	(1,839)	(659)	2,145	0	(15,476)	13,485	(353)	0	NM	-103%	NM
Interest income	1	(1)	1	1	1	1	3	3	55	1	7	15	-97%	391%	106%
Total Revenues	**(11,344)**	**7,390**	**6,004**	**8,306**	**(4,923)**	**133,167**	**24,192**	**46,624**	**(14,227)**	**10,356**	**199,060**	**285,356**	**NM**	**1822%**	**43%**
Expenses															
Operating, general and administration	2,116	1,755	3,247	2,857	2,968	30,512	6,271	4,566	14,748	9,975	44,317	30,441	-32%	344%	-31%
Share based payments	941	502	387	1,090	1,618	3,434	11,963	11,963	15,889	2,920	28,977	47,851	-82%	892%	65%
Depreciation - property, plant and equipment	3	3	3	3	3	2	2	2	18	13	9	6	-29%	-34%	-25%
Depreciation - right of use assets	34	(34)	0	0	0	0	0	0	69	0	0	0	-100%	NM	NM
Amortization - intangibles	510	510	510	510	517	514	538	548	2,277	2,038	2,117	2,369	-11%	4%	12%
Finance costs	1,286	275	1,083	1,517	1,738	929	784	500	4,014	4,161	3,951	2,000	4%	-5%	-49%
Transaction costs	233	87	165	545	490	1,090	1,990	1,000	1,114	1,029	4,570	4,000	-8%	344%	-12%
Foreign exchange gain/(loss)	10	4,744	3,526	2,058	823	6,318	(22,265)	0	(325)	10,339	(15,124)	0	NM	-246%	NM
Impairment loss	0	0	0	0	4,962	0	0	0	13,865	0	4,962	0	-100%	NM	-100%
Total Expenses	**5,134**	**7,841**	**8,921**	**8,579**	**13,119**	**42,799**	**(719)**	**18,579**	**51,671**	**30,476**	**73,779**	**86,668**	**-41%**	**142%**	**17%**
Operating Income/(Loss)	**(16,478)**	**(452)**	**(2,917)**	**(273)**	**(18,042)**	**90,368**	**24,911**	**28,045**	**(65,898)**	**(20,120)**	**125,281**	**198,688**	**NM**	**NM**	**59%**
Loss on settlement of debt	0	(198)	26	0	0	0	0	0	0	(172)	0	0	NM	NM	NM
Pre-Tax Income/(Loss)	**(16,478)**	**(650)**	**(2,890)**	**(273)**	**(18,042)**	**90,368**	**24,911**	**28,045**	**(65,898)**	**(20,292)**	**125,281**	**198,688**	**NM**	**NM**	**59%**
Income tax	0	0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM
Net Income/(Loss)	**(16,478)**	**(650)**	**(2,890)**	**(273)**	**(18,042)**	**90,368**	**24,911**	**28,045**	**(65,898)**	**(20,292)**	**125,281**	**198,688**	**NM**	**NM**	**59%**
Foreign currency translation gain/(loss)	34	1,693	(1,829)	1,447	(1,269)	110	(932)	0	(3,237)	1,344	(2,091)	0	NM	-256%	NM
Net comprehensive gain/(loss)	(16,444)	1,043	(4,720)	1,173	(19,311)	90,478	23,978	28,045	(69,135)	(18,948)	123,190	198,688	NM	NM	61%
Earnings per share, diluted	**($0.08)**	**($0.00)**	**($0.01)**	**($0.00)**	**($0.06)**	**$0.27**	**$0.07**	**$0.08**	**($0.32)**	**($0.09)**	**$0.38**	**$0.56**	**NM**	**NM**	**47%**
Weighted average shares outstanding, basic	219,011	220,296	224,661	250,000	284,134	291,902	298,101	300,601	209,055	231,600	293,685	300,601	11%	27%	2%
Weighted average shares outstanding, diluted	219,011	220,296	224,661	250,000	284,134	332,821	355,303	357,803	209,055	231,600	332,515	357,803	11%	44%	8%

Source: Company reports and Zacks SCR estimates and calculations.

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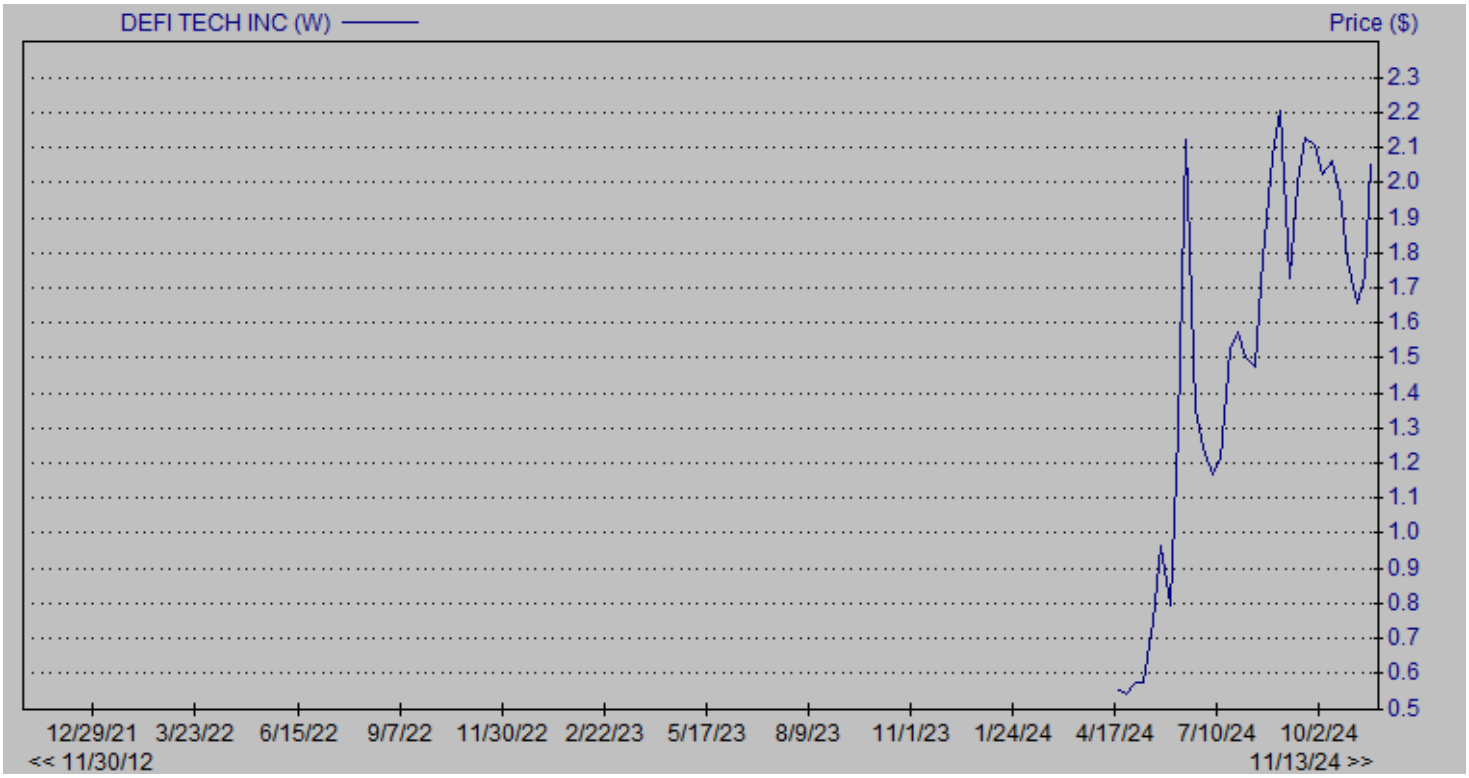
PROJECTED INCOME STATEMENT (USD)

DeFi Technologies Inc.
($ thousands)

	Quarterly								Annual				Y/Y Growth		
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E	2022	2023	2024E	2025E	2023	2024E	2025E
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Dec-22	Dec-23	Dec-24	Dec-25	Dec-23	Dec-24	Dec-25
Revenues															
Digital assets realized/unrealized gains/(losses)	46,587	(9,479)	(8,164)	214,786	234,524	(63,309)	38,664	9,270	(239,532)	244,497	210,905	37,079	NM	-14%	-82%
ETP payables realized/unrealized gains/(losses)	(55,824)	14,332	11,850	(220,133)	(242,755)	152,769	(30,592)	10,696	236,096	(250,642)	(103,780)	71,306	-206%	NM	NM
Derivatives realized/unrealized gains/(losses)	0	0	0	0	0	0	0	0	(320)	0	0	0	NM	NM	NM
Staking and lending income	423	577	550	1,099	4,295	6,037	6,501	11,113	3,330	2,671	27,417	81,314	-20%	926%	197%
Management fees	159	184	179	572	1,281	1,567	1,530	1,805	1,059	1,103	6,045	12,020	4%	448%	99%
Research revenue	0	0	0	0	371	247	193	357	0	0	1,142	1,711	NM	NM	50%
Node revenue	4	(1)	2	5	3	0	0	4	256	11	7	36	-96%	-39%	405%
Realized gain/(loss) on investments, net	(0)	(3)	(0)	0	0	463	0	0	(9)	(3)	452	0	NM	NM	-100%
Unrealized gain/(loss) on investments, net	264	(32)	1	9,938	(1,360)	(482)	1,586	0	(11,405)	10,177	(252)	0	NM	-102%	NM
Interest income	1	(0)	0	1	1	0	2	2	41	1	5	11	-97%	364%	106%
Total Revenues	**(8,386)**	**5,579**	**4,418**	**6,269**	**(3,640)**	**97,294**	**17,884**	**33,246**	**(10,484)**	**7,816**	**141,942**	**203,477**	**NM**	**1716%**	**43%**
Expenses															
Operating, general and administration	1,565	1,325	2,389	2,156	2,195	22,293	4,636	3,256	10,868	7,529	31,601	21,707	-31%	320%	-31%
Share based payments	696	379	285	823	1,196	2,509	8,844	8,530	11,709	2,204	20,663	34,121	-81%	838%	65%
Depreciation - property, plant and equipment	2	2	2	2	2	2	1	1	14	10	6	5	-28%	-38%	-25%
Depreciation - right of use assets	25	(26)	0	0	0	0	0	0	51	0	0	0	-100%	NM	NM
Amortization - intangibles	377	385	375	385	383	376	397	391	1,678	1,538	1,510	1,689	-8%	-2%	12%
Finance costs	951	208	797	1,145	1,285	679	579	357	2,958	3,140	2,817	1,426	6%	-10%	-49%
Transaction costs	172	66	121	411	363	796	1,471	713	821	777	3,259	2,852	-5%	319%	-12%
Foreign exchange gain/(loss)	8	3,581	2,595	1,553	609	4,616	(16,460)	0	(239)	7,803	(10,784)	0	NM	-238%	NM
Impairment loss	0	0	0	0	3,670	0	0	0	10,218	0	3,538	0	-100%	NM	-100%
Total Expenses	**3,796**	**5,920**	**6,564**	**6,475**	**9,702**	**31,270**	**(531)**	**13,248**	**38,078**	**23,001**	**52,609**	**61,800**	**-40%**	**129%**	**17%**
Operating Income/(Loss)	**(12,182)**	**(341)**	**(2,146)**	**(206)**	**(13,343)**	**66,024**	**18,415**	**19,998**	**(48,562)**	**(15,185)**	**89,333**	**141,677**	**NM**	**NM**	**59%**
Loss on settlement of debt	0	(150)	19	0	0	0	0	0	0	(130)	0	0	NM	NM	NM
Pre-Tax Income/(Loss)	**(12,182)**	**(491)**	**(2,127)**	**(206)**	**(13,343)**	**66,024**	**18,415**	**19,998**	**(48,562)**	**(15,315)**	**89,333**	**141,677**	**NM**	**NM**	**59%**
Income tax	0	0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM
Net Income/(Loss)	**(12,182)**	**(491)**	**(2,127)**	**(206)**	**(13,343)**	**66,024**	**18,415**	**19,998**	**(48,562)**	**(15,315)**	**89,333**	**141,677**	**NM**	**NM**	**59%**
Foreign currency translation gain/(loss)	25	1,278	(1,346)	1,092	(939)	81	(689)	0	(2,386)	1,014	(1,491)	0	NM	-247%	NM
Net comprehensive gain/(loss)	(12,157)	787	(3,473)	886	(14,281)	66,105	17,726	19,998	(50,947)	(14,301)	87,842	141,677	NM	NM	61%
Earnings per share, diluted	**($0.06)**	**($0.00)**	**($0.01)**	**($0.00)**	**($0.05)**	**$0.20**	**$0.05**	**$0.06**	**($0.23)**	**($0.07)**	**$0.27**	**$0.40**	**NM**	**NM**	**47%**
Weighted average shares outstanding, basic	219,011	220,296	224,661	250,000	284,134	291,902	298,101	300,601	209,055	231,600	293,685	300,601	11%	27%	2%
Weighted average shares outstanding, diluted	219,011	220,296	224,661	250,000	284,134	332,821	355,303	357,803	209,055	231,600	332,515	357,803	11%	44%	8%

Source: Company reports and Zacks SCR estimates and calculations.

HISTORICAL STOCK PRICE



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