

Worldwide Digital Asset Based Exchange Traded Products AUM Grew 75% YTD, 2.5X Above Underlying Value

London, UK, August 8, 2024 – Fineqia International Inc. (the "Company" or "Fineqia") (CSE: FNQ) (OTC: FNQQF) (Frankfurt: FNQA), a leading digital asset and fintech investment business, announces that its analysis of global Exchange Traded Products (ETPs) with digital assets as underlying collateral revealed Assets Under Management (AUM) year-to-date (YTD) increased to \$87 billion, marking a 75% increase from \$49.5 billion.

The growth in ETPs' AUM outpaced the rise in the value of underlying digital assets year-to-date more than 2.5 times. ETPs' AUM increased by 75%, compared to a 29% rise in the overall digital assets market cap. This premium growth continued into July, following strong performances in Q1 and Q2.

In July, the AUM of ETPs holding digital assets as their underlying decreased by 0.9%, down from \$87.9 billion at the end of June. During the same period, the total digital assets market cap fell by 6%, dropping to \$2.29 trillion from \$2.43 trillion at the end of June. The substantial premium is still attributed to the net inflows observed for BTC Spot ETFs in July, bringing the total net inflow since inception to approximately \$17.5 billion.

In July, BTC's price saw an increase of 0.4%, rising to \$62,075 from \$61,850 at the end of June. Concurrently, the AUM of ETPs with BTC as the underlying asset grew by 2%, reaching \$68.9 billion from \$67.5 billion at the end of June. This data suggests net inflows into BTC ETPs for July, driven primarily by strong inflows into BTC Spot ETFs in the United States.

"In the recent turbulent skies of the market, BTC ETPs are soaring like eagles," said Fineqia's CEO Bundeep Singh Rangar. "Their strength and resilience continue to lift them above the fray, pulling in investors along the way."

In July, Ethereum (ETH) saw its value decrease by 12%, dropping to \$3,000 from \$3,409 at the end of June. During the same period, the AUM of ETPs holding ETH as the underlying asset declined by 14.8%, falling to \$12 billion from \$14 billion.

ETH Spot ETFs began trading on July 23rd and recorded about \$500 million in net outflows by the end of the month. This trend mirrors the pattern seen with the launch of BTC Spot ETFs, where inflows into the newly launched ETFs were partially offset by outflows from the Grayscale Bitcoin Trust (GBTC), which was converted into an ETF. In the first three weeks of trading, BTC Spot ETFs saw a cumulative net inflow of approximately \$350 million. Once outflows from GBTC stabilised, the net inflow began to rise significantly.

Similarly, Grayscale Ethereum Trust (ETHE) experienced strong outflows which surpassed the cumulative inflow observed for the newly launched ETFs. By the end of July, the newly launched ETH ETFs had seen about \$1.5 billion in net inflows, while ETHE experienced approximately \$2 billion in outflows.

Less favourable market conditions compared to the BTC Spot ETFs launch may have reduced the pace of net inflows during the initial trading days while also accelerating outflows. In July, Grayscale Ethereum Trust's AUM decreased by approximately 40%, dropping from \$10.2 billion at the end of June to \$6 billion. This indicates that the net outflows from ETPs holding ETH as the underlying asset are due to the outflows from ETHE. If the trend seen with BTC Spot ETFs repeats, net inflows are expected to increase and attract new capital into the market once ETHE outflows begin to decline.

"As Ethereum ETFs take the stage, they're laying down tracks for others to follow," said Fineqia's CEO Bundeep Singh Rangar. "Their launch paves the way for other digital assets to be adopted by the ETF industry."

ETPs representing an index of alternative coins rose 2.2% in AUM during July, to \$3.3 billion, from \$3.23 billion recorded at the end of June. ETPs representing a diversified basket of cryptocurrencies decreased by 4.9% in July, to \$2.94 billion from \$3.09 billion recorded at the end of June.

The total number of ETPs increased by 48 to 210, or 28% more, than those of Jan.1 this year. In July alone, the number of ETPs rose by 16, largely driven by the launch of ETH Spot ETFs, which contributed 8 new ETPs to the total.

ETPs include Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs). Fineqia Research's AUM calculation factors in the launch or closure of ETPs during any stated period. The number of tracked ETPs stood at 210 as of the end of July, an increase of xx compared with the same period in 2023.

All references to price are quoted in USD, and the cryptocurrency prices are sourced from CoinMarketCap and CoinGecko.

The ETP and ETF AUM data referenced in this announcement were compiled from reputable sources, including 21Shares AG, Grayscale Investment LLC, VanEck Associates Corp., Morningstar, Inc., and TrackInSight SAS, by Fineqia's dedicated in-house research department.

About Fineqia International Inc.

Fineqia (www.fineqia.com) is a digital asset business that builds and targets investments in early and growth stage technology companies that will be part of the next generation of the Internet. Publicly listed in Canada (CSE: FNQ) with quoted symbols on the Nasdaq and the Frankfurt Stock Exchange, Fineqia's portfolio of investments includes businesses at the forefront of tokenization, blockchain technology, NFTs, AI, and fintech. Fineqia's VC fund in formation, Glass Ventures, backs category-defining Web 3.0 and Web 4.0 companies built by world-class entrepreneurs. <https://twitter.com/FineqiaPlatform> and <https://www.linkedin.com/company/fineqia/>.

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