Houlihan Lokey

FinTech Group:
Digital Assets Market Update

Fall 2025

Digital Assets Market Update
Fall 2025

Accelerating Institutional Adoption Across Use Cases

M&A and Funding Is Robust and Ramping Up

Positive Market Outlook Amid Favorable Regulatory Environment

Sustained Momentum in Tokenization, Data Solutions, and Infrastructure

Executive Summary

Stablecoins Have Emerged as the Killer App of Digital Asset Infrastructure

Stablecoins are evolving into foundational infrastructure for cross-border payments, FX, and programmable treasury operations. The GENIUS Act in the U.S. and MiCA in the EU are unlocking broader use by providing regulatory certainty, driving enterprise interest from FinTechs, asset managers, and global banks.

The Digital Asset Ecosystem Is Scaling Through Institutional Rails

The digital assets ecosystem is entering a new phase of institutionalization, with traditional financial institutions increasingly partnering with or acquiring crypto-native platforms to offer hybrid products. Growth in custody, compliance tooling, and real-time settlement layers is enabling scalable, regulated adoption across capital markets, data services, and payments.

Wallets Are Emerging as the New Distribution Layer for Tokenized Assets

Growing adoption of wallets over traditional financial accounts is paving the way for broader access to tokenized assets. From real estate and trade finance to private market funds, tokenization is streamlining issuance, settlement, and secondary market activity—with wallets becoming the new distribution layer.

Infrastructure, Tokenization, and Compliance Are Driving Record Fundraising and M&A Activity

Fundraising and M&A activity hit record highs in Q2 2025, driven by demand for infrastructure, tokenization, and AI-integrated blockchain services. Investors are backing compliance-forward platforms, while strategic buyers target scalable solutions in custody, payments, and data. Momentum is expected to continue into 2H.

Digital Asset Equities Are Outperforming as Investor Confidence Rebounds and Digital Asset Prices Surge[(1)]

Houlihan Lokey's Digital Assets Public Index has outperformed the S&P 500 year-to-date by +9%, reflecting renewed investor confidence in well-capitalized, regulatory-forward players.

(1) Data derived from S&P Capital IQ as of August 31, 2025. See page 41 for more details on Houlihan Lokey's Digital Assets Public Index composition and performance.

Introduction

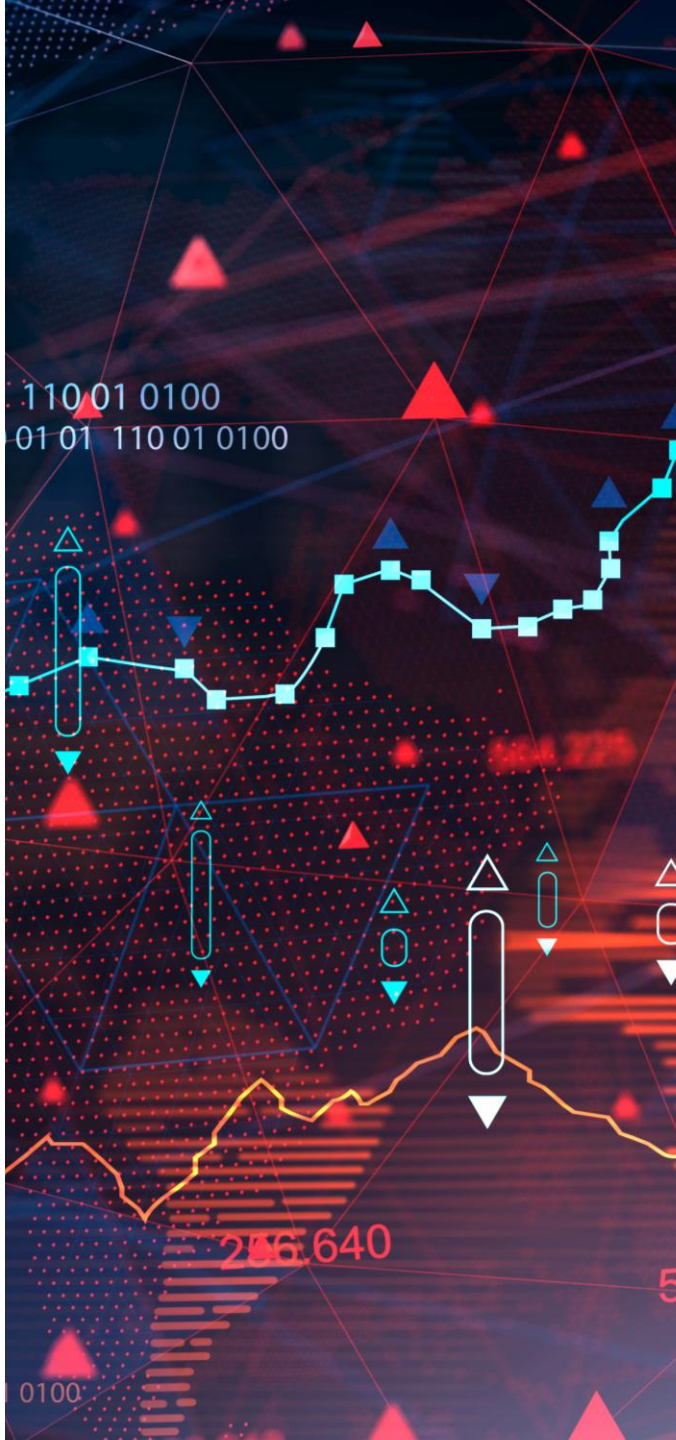
We are pleased to issue our Digital Assets Market Update for Fall 2025.

In this market update, we expand and define our coverage of the fast-evolving digital assets ecosystem. We outline our view of the market and its core subsegments (including infrastructure, tokenization, custody, investing, payments, data, and compliance), highlight our recent advisory engagements in the space, and present key themes driving adoption, regulatory shifts, investment activity, and public and private market valuations.

Fundraising and M&A activity in digital assets reached new highs in Q2 2025. Strategic and financial sponsors alike are actively seeking exposure to infrastructure, tokenization, and data assets that demonstrate durable business models and regulatory readiness. Public market sentiment has rebounded meaningfully from 2022 lows, and several players in our Digital Assets Index are outperforming broader equity benchmarks, reflecting improving fundamentals and renewed confidence in the sector's trajectory.(1)

As our firm continues to advise clients across the digital assets landscape, Houlihan Lokey brings a full suite of capabilities across M&A, capital raising, valuation, and restructuring. Our work spans the entire value chain—from emerging innovators to established market leaders—and is informed by deep cross-sector expertise in FinTech, technology, power and mining, and other industries where digital asset infrastructure, stablecoins, tokenization, and digital treasury tools are reshaping business models. This breadth allows us to connect developments in digital assets with broader corporate, investor, and strategic priorities, positioning us to execute complex transactions that bridge traditional and next-generation financial infrastructure.

We welcome opportunities to discuss past mandates, forward-looking trends, and future collaboration.



(1) See page 41 for more details on Houlihan Lokey's Digital Assets Public Index composition and performance.

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How We Cover Digital Assets: Cross-Industry, Firmwide Coverage Partners

Corporate Finance

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Director
FinTech
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Chief Innovation Officer
New York

Mark Fisher
Managing Director
FinTech
London

Daniel Klausner
Managing Director
Equity Capital Markets
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Managing Director
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Senior Vice President
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Rijul Malik
Associate
Minneapolis

How We Cover Digital Assets: Segment Landscape

Understanding the range of technology business models that comprise the digital assets space is critical to assessing market activity, investor and acquirer appetite, and the key factors driving valuation.

	Energy/Power Infrastructure	Support/L1 and L2 Infrastructure	Technology and Protocols	Enterprise and Real-Economy Integration	Capital Markets	Investments	Payments, Treasury Apps, and Custody
Key Subsegments	Fueling digital assets through physical infrastructure and compute.	Network backbone and operational plumbing.	Tools to build, secure, and scale on-chain applications.	Bitcoin treasuries and tokenizing real-world processes, assets, and more.	Enabling price discovery, liquidity access, and issuance.	Capital allocation, wealth management, and yield access.	Enabling programmable value transfer, FX, and cash management.
	Blockchain Validation, and Mining (i.e., Proof-of-Work, Proof-of-Stake) **Renewable Energy Integration** (i.e., Hydro-Powered Mining) **Digital Compute**	**L1s and L2s** **Bridging Chains and Interoperability** **Asset Security** (i.e., Private Key Infrastructure, MPC Custody, Storage) **Regulatory Compliance Tooling/Embedded Identity**	**Smart Contract Development and SDKs** **Decentralized Applications (dApps)** **Security and Audit Software** **Middleware for Devs/ Enterprises**	**Real Assets Tokenization** **Identity and Provenance Verification** **Trade Finance and Invoice Tokenization** **Bitcoin-as-Treasury Holdings**	**Exchanges and Venues** **Trading and Liquidity Management** **Fundraising Platforms** **OTC Desks and Market Making** **Market Data and Execution Tools**	**Portfolio Diversification Tools** **Early-Stage Funding and Token Capital Raises** **Institutional Asset Management** **Investment Data and Analytics**	**Stablecoin, Cross-Border, and FX Infrastructure** **Treasury APIs and Programmable Money** **Banks and Digital Wallets**
Dominant Business Models	**Mining Revenue** (Transactional or Rewards-Based) **Hosting/Co-Location Fees** **Energy Arbitrage/Demand Response** **Tokenized Energy or Carbon Credits**	**SaaS/Usage-Based API Fees** **Transactional** (Volume-Based or per User) **Enterprise Licensing** **Validation Rewards/ Staking Commissions**	**Protocol Fees** (Gas/Smart Contract Execution) **Token Issuance, Staking, Governance Rights** **Open-Source Monetization** **Security Audits and Consulting**	**Tokenization/Onboarding Fees** **Enterprise SaaS/Platform Fees** **Transaction Fees** **Integration/Compliance-as-a-Service** **Capital Gains and Inflation Hedge**	**Transactional** **Market-Making Spreads/ Liquidity Provisions** **Listing/Issuance Fees** **Data/Analytics Subscriptions**	**AUM-Based Management Fees** **Performance/Carry Fees** **Origination/Placement Fees**	**Float Yield** **FX/Payment Spreads** **Treasury API Subscriptions** **Embedded Finance/Partner Revenue Share**

How We Cover Digital Assets: Firmwide Capabilities

Driving exceptional client outcomes for digital asset companies since the beginning of the digital asset revolution through a holistic approach to strategic advisory.

Services Capabilities

	Corporate Finance	Financial and Valuation Advisory	Financial Restructuring
Services Capabilities	Mergers and Acquisitions Capital Solutions Board Advisory Services	Portfolio Valuation and Fund Advisory Services Transaction Opinions Corporate Valuation Advisory Services Transaction Advisory Services	Financial Restructuring Company Advisory Distressed M&A Liability Management Creditor Advisory

Selected Sector Experience

Corporate Finance

Transaction Pending
Project Vault
$750M committed PIPE financing raised for SPAC in connection with proposed de-SPAC (pending) with Digital Asset Treasury Firm
Co-Placement Agent

STOVER / polysign
MG Stover & Co. has been acquired by Polysign, Inc.
Sellside Advisor

B2C2 / SBI Holdings
B2C2 has been acquired by SBI Holdings
Sellside Advisor

Financial and Valuation Advisory

Bitfarms / Stronghold Digital Mining
Bitfarms has acquired Stronghold Digital Mining
Fairness Opinion

argo blockchain / galaxy
Argo Blockchain plc has sold its Helios facility, refinanced its asset-backed loans, and entered into a hosting agreement with Galaxy Digital Holdings, Ltd.
Fairness Opinion

iClick Interactive / AMBER
iClick Interactive Asia Group Limited has merged with Amber DWM Holding Limited
Board Financial Advisor

Financial Restructuring

Series B Preferred Equity Investors
Celsius
Series B Preferred Equity Investors have agreed to a settlement of $700 million of outstanding preferred equity in Celsius's Chapter 11 bankruptcy
Preferred Equity Advisor

Babel Finance
Babel Holdings Limited has restructured $1.7bn of customer claims via a Singapore Scheme of Arrangement
Company Advisor

Genesis
Genesis Global has confirmed a Chapter 11 Plan of Reorganization
Creditors Committee Advisor

Segments

FinTech Group

Capital Solutions
- Exchanges and Venues
- Brokerage, Trading, and Market Making

Investments
- Asset and Wealth Management
- Indexing and Data/ Analytics

Enterprise and Real-Economy Integration
- Real Assets Tokenization
- Bitcoin-as-Treasury
- Trade Finance

Payments and Custody
- Stablecoins, Cross-Border, and FX Infrastructure
- Programmable Money
- Banks and Custody

Support/L1 and L2 Infrastructure
- L1s and L2s
- Bridging Chains and Interoperability
- Asset Security
- Compliance Tooling

Other Coverage Teams

Technology and Protocols
- Software
- Asset Tokenization and NFTs
- Enterprise Technology (Apps and Infrastructure)

Energy/Power Infrastructure
- Energy and Power
- Mining
- Compute

Tombstones included herein represent transactions closed from 2020 forward.

Strategic Themes, Regulatory Update, and Stablecoin Overview

02

Strategic Market Themes:
Significant Investment Occurring Throughout the Digital Asset Value Chain

Digital-asset-related M&A and public listings in the U.S. surged in the first six months of 2025, with digital asset dealmaking value already more than triple 2024's total.(1)

This sharp uptick signals renewed confidence in the digital asset ecosystem and a shift toward more institutionalized, diversified deal structures.

Digital Asset Ecosystem and Transaction Strategic Themes (Pages 11–30)

- TradFi Is Acquiring Stablecoin Rails to Mainstream Digital Dollars and Scale Compliant Adoption
- Firms Are Transforming Into BTC Vehicles via Reverse Mergers, Using Treasury Strategy to Boost Valuations and Attract Capital
- Consolidation Is Bundling Fund Admin, Compliance, and Reporting Into Institutional-Grade Service Platforms
- Exchanges Are Buying Brokers to Unify Access to Crypto, Equities, and Tokenized Assets Under One Roof
- Post-Halving Economics Are Driving Consolidation Across Mining, Energy, and AI-Aligned Compute Infrastructure
- On-Chain Projects Are Merging to Simplify Governance, Align Incentives, and Unlock Institutional Access

(1) *Wall Street Journal, The Daily Upside.*

Key Transaction Trends:

Stablecoin and TradFi Infrastructure Convergence

Key Infrastructure Convergence Highlights

Traditional Institutions Are Entering Through Infrastructure	Banks, custodians, and asset managers are entering digital assets by acquiring or partnering with custody, settlement, stablecoin, and tokenization platforms. This approach reduces integration risk and accelerates time-to-market with institutional-grade rails.
Strategic Partnerships Are Expanding Hybrid Service Offerings	Firms like BNY Mellon, State Street, and Nasdaq are building digital custody, stablecoin settlement, and tokenized asset capabilities via partnerships with players like Fireblocks, Anchorage, and Metaco—blending legacy systems with blockchain-native functionality.
M&A Activity Reflects Infrastructure-First Entry Strategy	Deals like Ripple–Metaco and Mastercard's acquisitions in digital identity and compliance show how TradFi firms are targeting the stack beneath the surface—wallets, stablecoin infrastructure, custody, and tokenization tools, not just consumer-facing digital asset apps.
Convergence Is a Defensive and Offensive Move	Entering digital infrastructure protects incumbents from disruption while unlocking new B2B revenue—especially as institutional clients increasingly demand secure access to tokenized money, stablecoin-based settlement, and digital-native investment products.
Platform Integration Drives Demand for B2B Vendors	This shift is fueling demand for vendors that enable seamless integration—API-based custody, programmable stablecoin rails, and tokenization platforms with enterprise-grade compliance. Plug-and-play infrastructure is attracting both strategics and sponsors.

Top Infrastructure Convergence Transactions[1]

($ in Millions)

Date	Company/Target	Acquirer/Investor	Deal Type	Enterprise Value
Jun-25	privy	stripe	M&A	--
Jun-25	NINJATRADER	kraken	M&A	$1,500
May-25	tokeny SOLUTIONS	APEX	M&A	--
May-25	SORT	Plane	M&A	--
May-25	WonderFi	Robinhood	M&A	$180
May-25	BVNK	VISA	Minority	$50
Feb-25	Bridge	stripe	M&A	$1,100
Sep-21	CIPHERTRACE	mastercard	M&A	--
May-21	simplex	nuvei	M&A	~$250
Mar-21	curv	PayPal	M&A	~$200

Sources: PitchBook, company filings, company websites, Chainalysis, press releases.
(1) Includes M&A and capital raises.

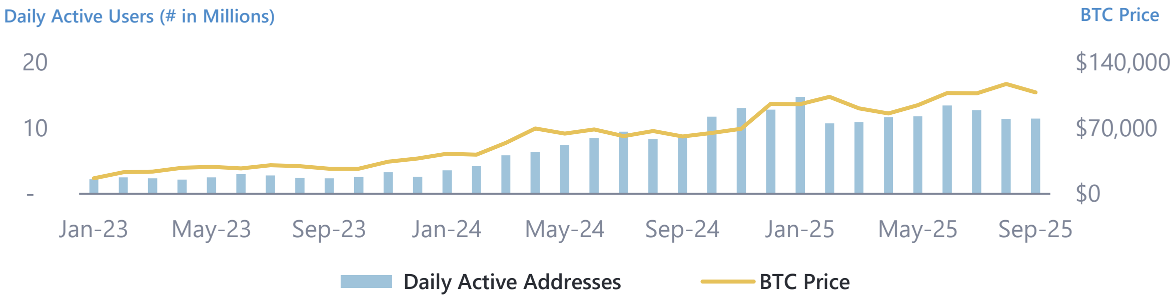
Key Market Themes:

Stablecoin and TradFi Infrastructure Convergence (cont.)

Traditional financial institutions are acquiring or partnering with stablecoin and tokenization platforms to offer hybrid services that combine regulatory trust with blockchain-enabled speed, transparency, and innovation.

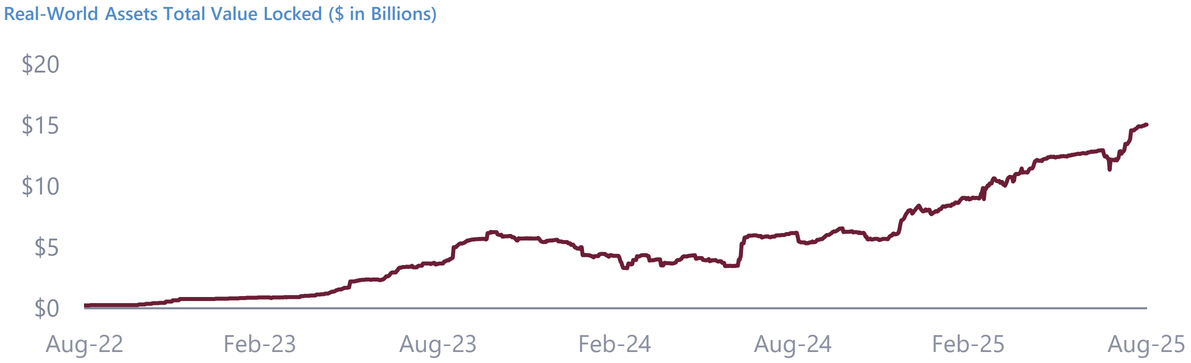
Persistent Daily User Demand Signals Strategic Imperative for TradFi

The sustained scale of global digital asset users since 2020 is pushing traditional financial institutions to adapt, as the demand for digital-asset-native or digital-asset-like products increasingly comes from a loyal client base that has remained engaged despite market volatility.



Tokenized Real-World Assets Surge as Institutions Embrace Digital Assets

The rapid growth in RWA TVL is a clear indication of the accelerating institutional adoption of blockchain infrastructure, reinforcing the trend of extending traditional asset classes into 24/7 programmable markets.(1)



Infrastructure Comparison: Transaction Settlement

TradFi is steadily integrating features from CeFi and DeFi—such as faster settlement, 24/7 availability, and greater transparency—to enhance efficiency and competitiveness. This convergence reflects a strategic effort to modernize legacy systems without compromising regulatory oversight or trust.

Green highlights indicate the features TradFi has adopted from CeFi or DeFi.

Attributes/Metrics	Traditional Finance (TradFi)	Crypto-Based Finance (CeFi)	Decentralized Finance (DeFi)
Settlement Time	T+1 to T+3 (Some Pilots Near Instant—JPM Onyx)	Minutes to Hours	Seconds to Minutes
Settlement Cost *(per Transaction)*	$5.00–$50.00 (Shrinking via Tokenized Pilots)	$0.10–$2.00	$0.01–$5.00+
Market Hours	9–5, Mon–Fri (Pilots Offer 24/7 Features via Tokenized Funds)	24/7	24/7
Transparency	Low	Medium	High
Finality	Delayed and Often Reversible (Some Pilots Near Instant—JPM Onyx)	Generally Fast, Custodial	Deterministic, Irreversible
Counterparty Risk	High	Medium	Smart Contract Risk

Sources: Press releases, Galaxy Research, IMF, The Block, DefiLlama; market data as of August 31, 2025.
(1) RWA TVL (real-world asset total value locked) measures the total dollar value of real-world financial assets—like U.S. treasuries, private credit, and real estate—that have been tokenized and locked into blockchain protocols or platforms.

Key Transaction Trends:

Emergence of the Crypto Treasury Strategy

Key Digital Assets Treasury Highlights

A New Class of Corporate Digital Asset Allocators Is Emerging	Bitcoin treasury strategies are no longer limited to digital asset-native firms. Companies across healthcare, retail, and software are adopting BTC as a strategic asset—often driven by M&A, SPAC/reverse mergers, or restructurings. These moves are reshaping corporate identity around digital asset exposure.
M&A and Reverse Mergers Are Accelerating the Trend	Deals like KindlyMD's merger into Nakamoto Holdings and Metaplanet's pivot in Japan show how public shells and microcaps are being transformed into Bitcoin-focused entities through acquisition or financial engineering.
Bitcoin Treasuries Are a Signaling Tool and Capital Access Strategy	Holding BTC is becoming a way to differentiate, attract digital asset-native capital, and build narrative-driven equity value. It is reigniting interest from retail and thematic institutional investors seeking liquid exposure to digital assets.
Corporate BTC Exposure May Affect Valuation Multiples	Firms like Strategy trade at significant premiums to NAV due to BTC holdings—creating opportunities for sponsors, activists, and strategic buyers to capture or arbitrage embedded digital asset value.
Custody, Auditability, and Infrastructure Are Now M&A Adjacencies	Enterprise BTC adoption is increasing demand for secure custody, on-chain accounting, and treasury tooling—opening up inorganic growth paths for infrastructure vendors and digital finance platforms.

Top Digital Assets Treasury Transactions[1]

($ in Millions)

Date	Company/Target	Acquirer/Investor	Deal Type	Enterprise Value
Jul-25	ReserveOne	M3-BRIGADE ACQUISITION	SPAC and PIPE	$1,100
Jul-25	K WAVE Media	ANSON	Capital Raise	$500
Jun-25	ProCap BTC	Columbus Circle Capital	SPAC and PIPE	$1,260
May-25	Twenty One Capital	Cantor Equity Partners	SPAC	$3,600
May-25	NAKAMOTO	KindlyMD	Treasury Acquisition	$710
May-25	asset entities	STRIVE ASSET MANAGEMENT	Reverse Merger & Capital Raise	$750
May-25	CLASSOVER	SOL Strategies	Capital Raise	$400
Apr-25	SOL Strategies	ATW PARTNERS	Capital Raise	$500
Apr-24		--	Treasury Acquisition	$239

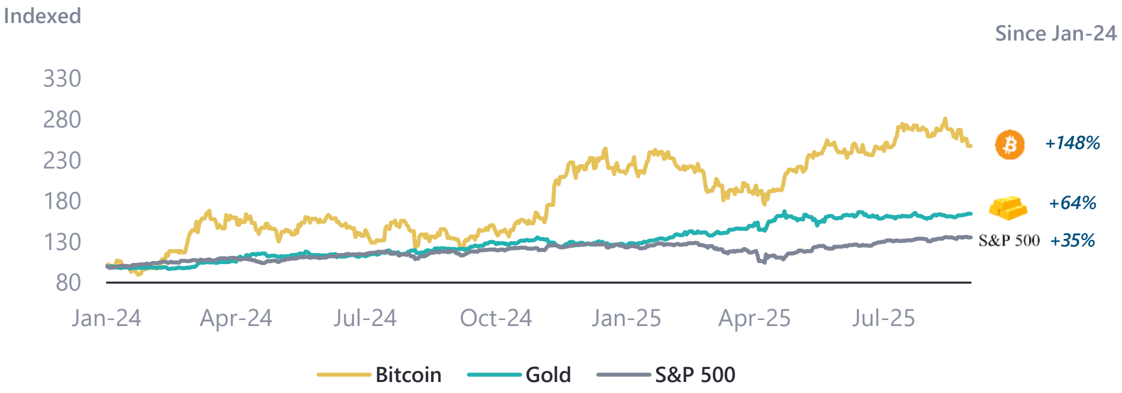
Sources: PitchBook, company filings, company websites, Chainalysis, press releases.
(1) Includes M&A and capital raises.

Key Market Themes:

Emergence of the Crypto Treasury Strategy (cont.)

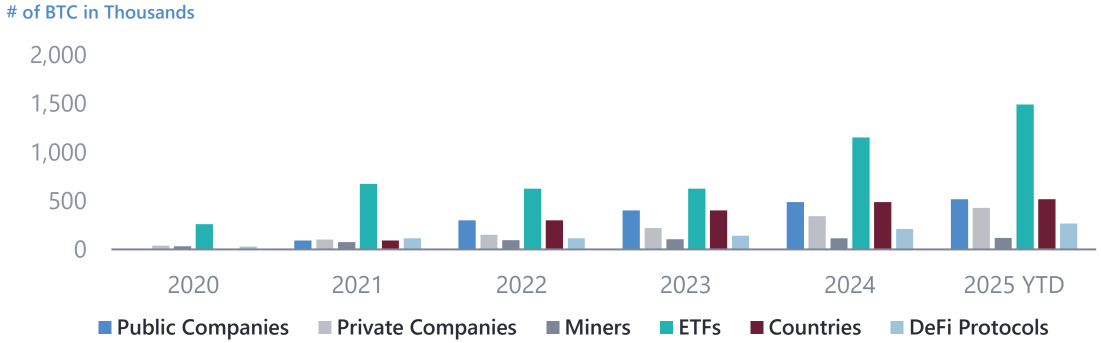
Bitcoin's marked outperformance in 2025 has sparked a wave of digital asset treasury strategies. However, with echoes of the SPAC boom, it remains an open question whether this is a long-term conviction or short-term hype.

Bitcoin's Outperformance Fuels Treasury Adoption (2024–2025 YTD)



Breakdown of Bitcoin Holdings by Entity Type (2020–2025 YTD)

Despite the rapid rise of ETFs since 2024, public and private companies remain key drivers of Bitcoin accumulation—underscoring the growing role of BTC in long-term corporate treasury strategy.

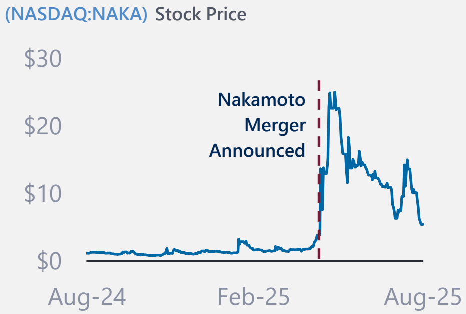


Representative Case Study

KindlyMD / NAKAMOTO — REVERSE MERGER (MAY 2025)

In May 2025, KindlyMD entered into an all-equity merger agreement with Nakamoto Holdings—a Bitcoin-native infrastructure company—and simultaneously announced a partnership with Anchorage Digital for BTC-denominated treasury management.

While the deal signals growing interest in crypto-backed corporate strategies, investor reaction has been volatile; the stock has traded with speculative-level swings, raising questions about fundamentals, regulatory risk, and the viability of crypto-aligned public companies with nonfinancial use cases.



Additional Notable Treasury Strategies

Remixpoint September 2024	Remixpoint, a Japanese energy and FinTech firm, began holding Bitcoin as part of its treasury and payments strategy—using BTC as both a reserve asset and transaction rail.
April 2024	Metaplanet, a Tokyo-listed investment firm, adopted a Bitcoin treasury strategy, allocating reserves to BTC as a long-term store of value and hedge against yen depreciation.
September 2021	El Salvador became the first country to adopt Bitcoin as legal tender and hold it as a treasury asset, following the passage of its Bitcoin law. However, the IMF has urged the government to halt further BTC purchases as a condition for loan negotiations, citing financial stability risks.
Strategy August 2020	Strategy (formerly MicroStrategy) began accumulating Bitcoin in August 2020, positioning it as a core treasury asset and continuing to scale its holdings through equity and debt financing. It now holds roughly 3% of total BTC supply.

Sources: Press releases, BiTBO, S&P Capital IQ; market data as of August 31, 2025.

Key Transaction Trends:

Onset of Institutional Service Platforms

Key Institutional Service Platform Highlights

Institutions Are No Longer Experimenting—They Are Demanding	Banks, asset managers, and corporates now require platforms that support enterprise-grade risk management, auditability, and role-based access controls, which are no longer optional in onboarding.
Infrastructure Vendors Are Becoming Strategic Acquisition Targets	Deals across custody (Metaco), compliance tooling (CipherTrace), and tokenization (Securrency) reflect a wave of consolidation aimed at serving institutional workflows and regulatory alignment.
End-to-End Platforms Are Replacing Point Solutions	Institutions are moving away from fragmented tools in favor of integrated platforms that combine custody, compliance, portfolio management, and reporting. This shift is fueling consolidation among vendors—and increasing strategic interest in infrastructure players with modular, scalable architectures.
Compliance Is Now a Core Platform Differentiator	With rising regulatory scrutiny, the winners will be those who embed jurisdiction-specific KYC/AML, token classification, and reporting directly into the infrastructure stack and are not bolted on post-launch.

Top Institutional Service Platform Transactions[1]

($ in Millions)

Date	Company/Target	Acquirer/Investor	Deal Type	Enterprise Value
Jul-25	Tungsten	Zodia Custody	M&A	--
Jul-25	Liquifi	coinbase	M&A	--
Jul-25	lolli	thesis*	M&A	--
Jun-25	Digital Asset	DRW, Tradeweb	Capital Raise	$135
Jun-25	turnkey	BainCapital	Capital Raise	$30
Apr-25	HiddenRoad	ripple	M&A	$1,250
Jan-25	coinseeker.co	Titan Lab	M&A	$30
Jan-25	Alterya	Chainalysis	M&A	--
Jan-25	helio	MoonPay	M&A	$175
May-23	metaco	ripple	M&A	$250
Feb-23	GK8	galaxy	M&A	$44

Sources: PitchBook, company filings, company websites, Chainalysis, press releases.
(1) Includes M&A and capital raises.

Key Market Themes:

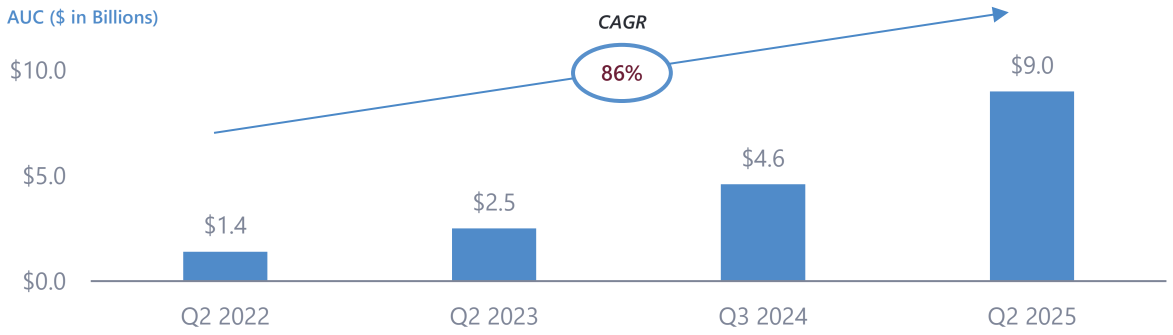
Onset of Institutional Service Platforms (cont.)

As institutional demand deepens and regulatory expectations rise, a new class of platforms is emerging—purpose-built for capital markets clients, with native custody, compliance, and risk architecture.

The Rise of Institutional-Grade Digital Asset Platforms

Key Platform Examples		Recent Strategic Initiatives
anchorage digital	Qualified custodian and chartered digital assets bank.	OCC Trust Charter *Confirmed as the only nationally chartered digital assets bank.*
galaxy	Full-stack trading, custody, and asset management.	GK8 Feb. 2023 *Institutional custody platform.*
coinbase PRIME	Institutional custody and execution.	Deribit May 2024 *Consolidating global derivative market share.*
kraken INSTITUTIONAL	Spot and derivatives with deep regulation.	NINJATRADER Feb. 2023 *Added futures for U.S. customers.* MiCA EU License
BitGo	Custody and compliance tools.	NYDFS *Received limited-purpose trust charter in New York.*
Fireblocks	Enterprise custody and settlement.	BNY Revolut *Partnership to provide infrastructure for secure digital asset management.*

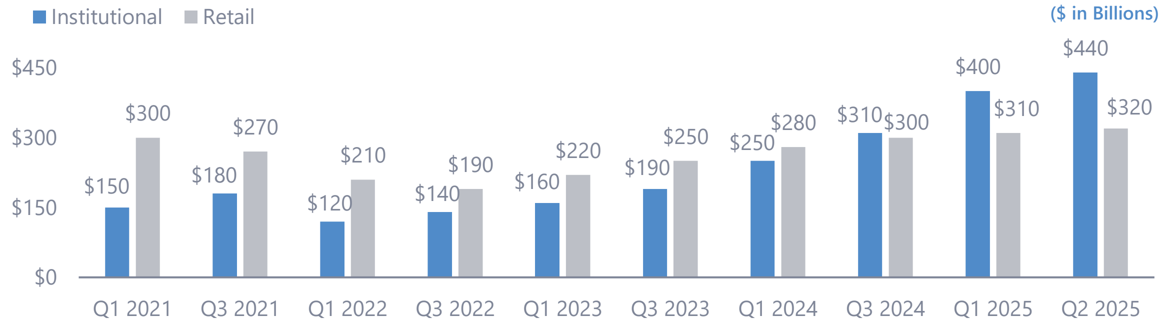
Assets Under Custody (AUC)—Institutions Only



The Center of Gravity Is Shifting Within Digital Assets

Institutional players are increasingly outpacing retail in volume, pushing platforms to evolve around compliance, liquidity, and execution. Yet, retail remains essential—driving cultural energy and offering a steadier, more consistent trading base; institutional activity, though growing fast, is still taking shape.

Traded Volume



Sources: Press releases, Galaxy Research, CB Insights, Binance Institutional, Fireblocks, relevant news articles; market data as of August 31, 2025.

Key Transaction Trends:

Exchange and Brokerage Consolidation

Key Exchange and Brokerage Consolidation Highlights

Digital Asset Exchanges Are Acquiring Regulatory Footing	Firms like Coinbase (acquired FairX), eToro (multiple broker licenses), and Bitpanda (licensed in 10+ EU markets) are acquiring or registering broker-dealers to gain access to equities, derivatives, and fiat rails.
Unified Platforms Enable Sophisticated Offerings	Consolidation is unlocking hybrid portfolios, structured products, and portfolio margining; these features are increasingly expected or requested by advanced retail and institutional users.
Distribution and Monetization Are Scaling Through Brokerage	Acquisitions allow exchanges to reach new users via wealth managers, retirement accounts, and RIAs, while improving monetization through cross-asset trading and stickier flows.
Cross-Border Licensing and Full-Stack Control Drive M&A	With regulation still fragmented, exchanges are acquiring regionally licensed entities to accelerate market entry and global product expansion while building vertically integrated platforms across custody, clearing, and execution.

Top Exchange and Brokerage Consolidation Transactions[1]

($ in Millions)

Date	Company/Target	Acquirer/Investor	Deal Type	Enterprise Value
Jul-25	qcex	Polymarket	M&A	$112
Jun-25	Bitstamp	Robinhood	M&A	$200
May-25	WonderFi	Robinhood	M&A	~$180
May-25	Deribit	coinbase	M&A	$2,900
May-25	SLINGSHOT	MAGIC EDEN	M&A	--
Apr-25	DRiP	Jupiter	M&A	--
Apr-25	FTX	Backpack	M&A	$33
Jan-25	ARBELOS MARKETS	FALCONX	M&A	--
Nov-24	Fintek	crypto.com	M&A	--
Nov-21	BRD	coinbase	M&A	--

Sources: PitchBook, company filings, company websites, Chainalysis, press releases.

(1) Includes M&A and capital raises.

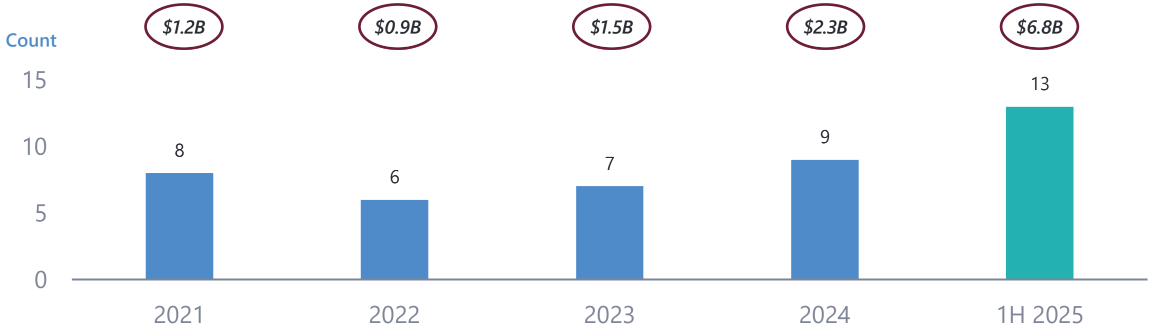
Key Market Themes:

Exchange and Brokerage Consolidation (cont.)

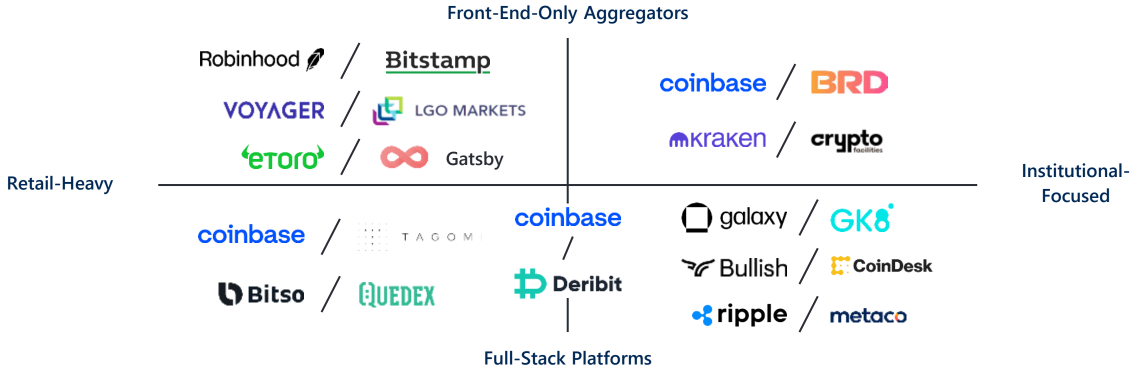
As the lines between exchanges, wallets, and brokerages blur, strategic M&A is increasingly defined by two key axes: who the client is and how much of the stack the platform controls.

2025 Has Been a Breakout Year for Crypto Exchange and Brokerage M&A

Aggregate Disclosed Transaction Size ($ in Billions)



Fueled by a Push Toward Full-Stack Control and Clearer Client Segments…

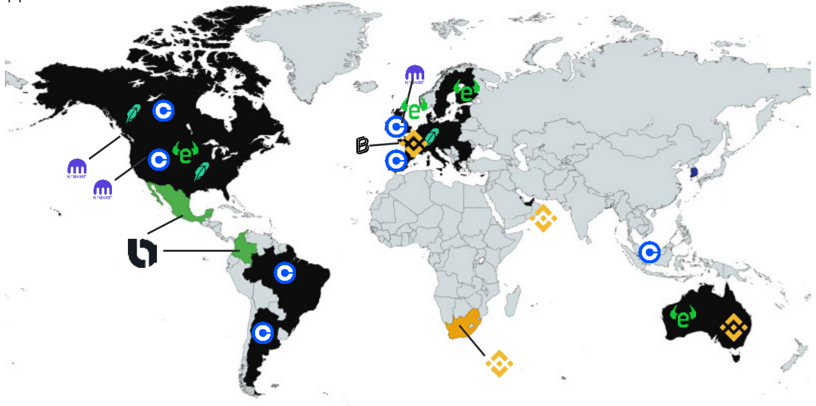


Illustrative Global Regulatory Reach of Leading Exchanges and Brokerages

Multiple Companies With Regulatory Approval

Sample Set of Companies (by Geo)

- AR, BR, CA, EU, SG, U.K., U.S.
- AR, BR, CO, MX
- CA, U.K., U.S.
- AU, FR, UAE, ZA
- AU, EU, U.K., U.S.
- CA, U.S., EU
- EU, U.K., CH
- AU, BH, EU, SG, SK, U.K., U.S.



…Alongside a Strategic Expansion of Regulatory Geo Footprints

Polymarket / qcex July 2025	Polymarket acquired little-known derivatives exchange market QCEX to accelerate its return to the U.S., leveraging the target's CFTC-regulated status.
Robinhood / WonderFi May 2025	Robinhood acquired WonderFi, the parent of licensed exchanges Bitbuy and Coinsquare, for ~US$179 million, instantly securing a regulated Canadian foothold.
kraken / NINJATRADER May 2025	Kraken acquired NinjaTrader, a U.S.-based retail futures brokerage, for $1.5 billion, significantly extending its product scope into regulated U.S. futures markets.
Robinhood / Bitstamp June 2025	The acquisition of Bitstamp, with its established presence in Europe and Asia, allows Robinhood to expand its crypto business beyond the U.S. market.
kraken / crypto facilities February 2019	The acquisition allowed Kraken to expand its European infrastructure (futures, indices) and bolstered its FCA-compliant operations.

Sources: Messari, press releases, PitchBook; market data as of August 31, 2025.
Notes: Deal count and value based on public M&A disclosures and PitchBook data. Coinbase has been actively working in Brazil to establish a regulatory framework but has not yet been finalized as of August 2025; Coinbase currently operates in Brazil with basic exchange services for retail customers.

Key Transaction Trends:

Mining and Compute Consolidation

Key Mining and Compute Consolidation Highlights

Profit Pressure Driving Efficiency Upgrades	Miners face sustained margin pressure post-halving as transaction fees stay low. To remain viable, operations are consolidating and investing in more efficient hardware and cheaper energy, especially renewables.
Shift Toward AI and HPC Compute	As block rewards decline, miners are pivoting into AI and high-performance computing (HPC). This is prompting M&A around data centers and compute infrastructure to diversify revenue beyond Bitcoin.
Emergence of Hashrate Financialization	Hashrate derivatives allow miners to hedge revenue by locking in prices for future output, reshaping how miners manage risk and balance sheets. Consolidation may follow as firms seek scale to participate.
ASIC Supply Chain Concentration	Bitmain's dominance in ASIC production highlights the growing concern over supply chain fragility and geopolitical exposure—spurring vertical integration and regional consolidation among North American miners.
Strategic Bet on Bitcoin Infrastructure	As Bitcoin moves toward a store-of-value role, miners are investing in infrastructure aligned with Layer 2 scaling and payment use cases, consolidating to influence future network economics and utility layers.

Top Mining and Compute Transactions[1]

($ in Millions)

Date	Company/Target	Acquirer/Investor	Deal Type	Enterprise Value
Jun-25	7.2 Megawatt Data Center in Canada	HIVE	Corporate Asset Purchase	--
May-25	Block Green	pow.re	M&A	--
May-25	Gryphon Digital Mining	American Bitcoin	M&A	--
Apr-25	Rhodium Assets at the Rockdale Facility	RIOT	Corporate Asset Purchase	$185
Apr-25	Z Squared	Coeptis Therapeutics	M&A	--
Apr-25	blockchAIn Digital Infrastructure	Signing Day Sports	M&A	$215
Apr-25	XY Miners	Sequoia	Capital Raise	$300
Apr-25	TxBoost	BTCS	M&A	--
Feb-25	Wind Capacity Farm in Texas	MARA	Corporate Asset Purchase	--
Oct-24	GRIID	CleanSpark	M&A	$155
Sep-24	Bitcoin Mining Facilities and Land in Tennessee	CleanSpark	Corporate Asset Purchase	$28

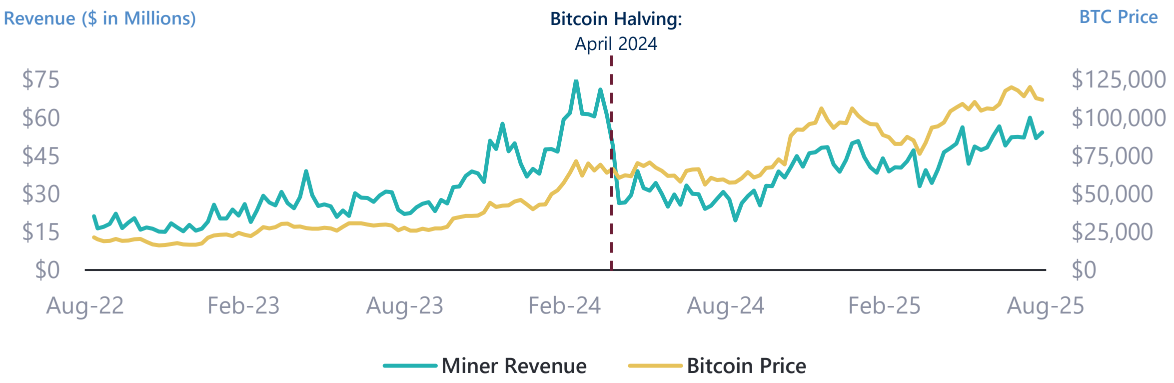
Sources: PitchBook, company filings, company websites, Chainalysis, press releases.
(1) Includes M&A and capital raises.

Key Market Themes:

Mining and Compute Consolidation (cont.)

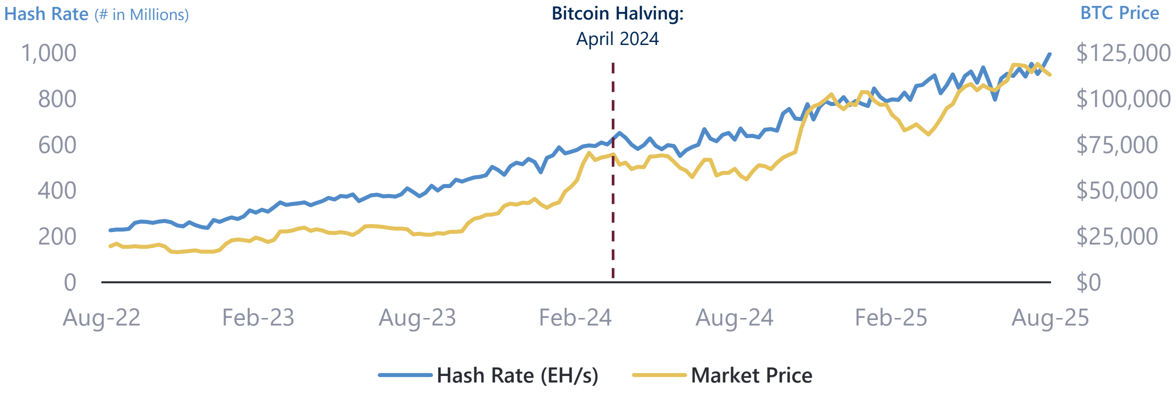
Miner earnings have stabilized post-halving, but low transaction fees and rising competition continue to pressure margins. Despite Bitcoin's continued price rally, miner valuations have lagged, prompting a shift toward more efficient hardware, renewable energy, and selective diversification into AI and HPC.

Miner Revenue Lags Behind Bitcoin Price Post-Halving



Earnings Have Stabilized Post-Halving, but Profitability Pressures Persist

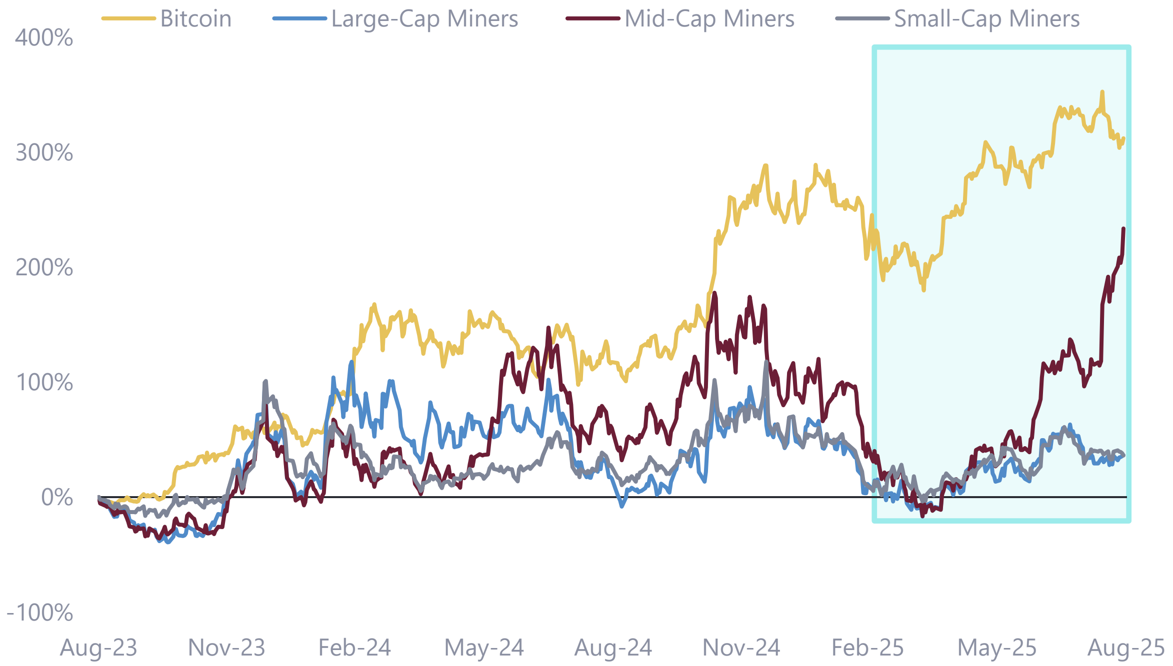
Following the April 2024 halving, Bitcoin block rewards fell from 6.25 to 3.125 BTC, pressuring miner economics—though a strong price rally has helped offset some of the impact.



Relative Performance: Digital Asset Mining vs. Bitcoin (2-Yr Relative Performance)

Publicly traded digital asset miners have largely tracked Bitcoin's price directionally, though with continued higher volatility. Yet, despite the historic correlation, investor perception is evolving in 2025; miners are no longer treated as pure high-beta Bitcoin proxies.

Instead, the market is beginning to differentiate based on capital discipline, infrastructure monetization, and treasury strategy. The shift suggests that investors are no longer just chasing upside exposure to BTC, but are increasingly focused on sustainable, diversified business models in a post-halving world.



Sources: S&P Capital IQ, The Block; market data as of August 31, 2025.
Note: The Bitcoin halving prior to April 2024 occurred in May 2020. Bitcoin halvings occur approximately every four years.

Key Transaction Trends:

On-Chain Protocol and DeFi Mergers

Key On-Chain Protocol and DeFi Transaction Highlights

Consolidating Fragmented Ecosystems	The DeFi and L2 ecosystem remains fragmented, with protocols often competing for overlapping users, liquidity, and use cases. On-chain mergers are enabling consolidation across communities, developer talent, and governance layers—unlocking stronger network effects.
Token Economic Alignment	Projects are merging to unify fragmented token ecosystems—consolidating staking, emissions, and veToken models into a single, more liquid governance asset. Per Chainalysis, these moves have boosted lockups and liquidity efficiency, cutting incentive spend by up to 30% YoY.
Survival Through Treasury and Dev Consolidation	Many undercapitalized protocols are merging as a survival strategy—pooling treasury funds, extending runway, and focusing limited contributor capacity on shared products. As of Q2 2025, nearly 60% of DeFi protocols with less than $10 million FDV have less than 12 months of runway based on treasury holdings.
Shared Infrastructure and Governance Stack Consolidation	Protocols are unifying around common veToken models, cross-protocol staking frameworks, and shared DAO tooling to simplify governance, coordination, and user UX—while maintaining modularity.
Regulatory and Institutional Positioning	Mergers can streamline token structures and improve protocol clarity, making it easier to interface with centralized exchanges, custodians, and institutional allocators.

Top On-Chain Protocol and DeFi Transactions[1]

($ in Millions)

Date	Company/Target	Acquirer/Investor	Deal Type	Enterprise Value
Aug-25	rail	ripple	M&A	$200
Jul-25	Rally	OpenSea	M&A	--
Jun-25	SRM Entertainment	TRON	M&A	$100
May-25	CryptoPunks	NODE	M&A	$20
May-25	Kroma	ZKCANDY	M&A	--
May-25	Gaudiy	Sony Music Group	Capital Raise	$69
Apr-25	LayerZero.	andreessen horowitz	Capital Raise	$55
Feb-23		KEEP	M&A	--
Feb-22	dharma	OpenSea	M&A	--
Dec-21	Mir Protocol	polygon	M&A	$400

Sources: PitchBook, company filings, company websites, Chainalysis, press releases.
(1) Includes M&A and capital raises.

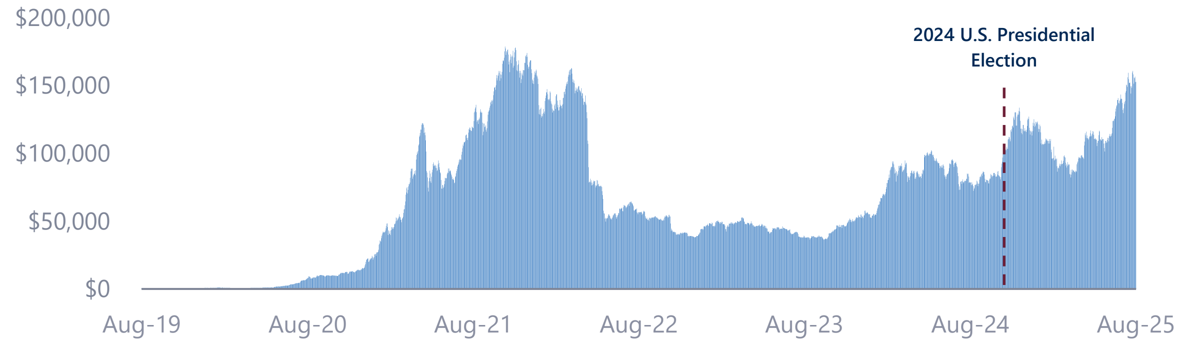
Key Market Themes:

On-Chain Protocol and DeFi Mergers (cont.)

As DeFi protocols mature, we are seeing early signs of strategic convergence—through token integrations, treasury coordination, and protocol-to-protocol partnerships.

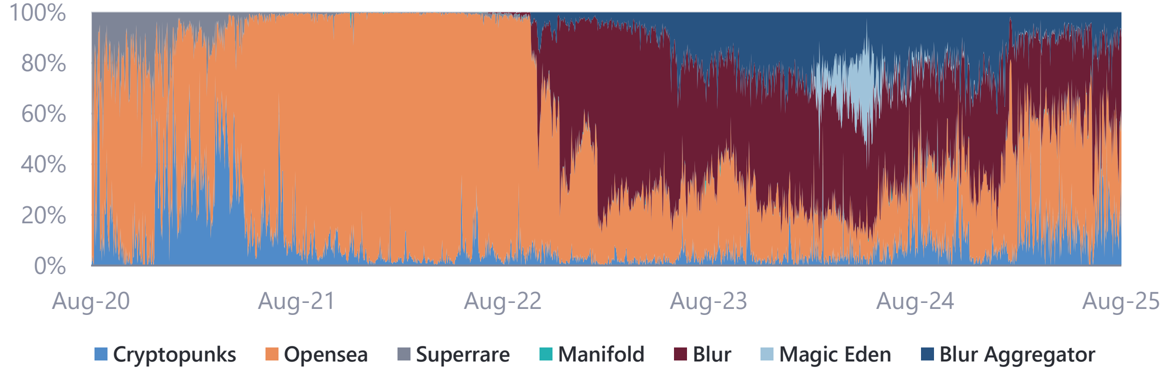
Far From a Vanity Metric—TVL Represents a Protocol's Economic Gravity(1)

Total Value Locked (TVL) ($ in Millions)



Market Share of NFT Marketplaces (Ethereum-Based)

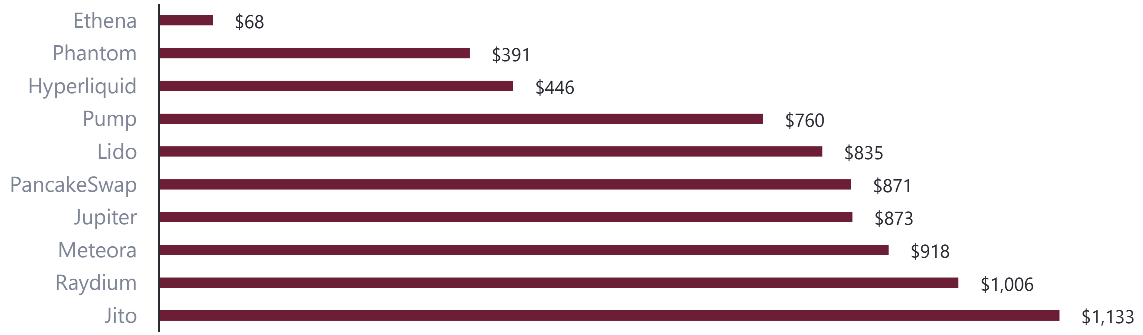
Blur's 2023 rise—and recent decline—highlights how quickly dominance can shift in Web3, where low switching costs and incentive-driven loyalty drive fragmentation and open the door to consolidation as NFT infrastructure converges across wallets, aggregators, and royalties.



Top 10 Protocols by Revenue in 2025TTM (Excl. Stablecoins and Chains)

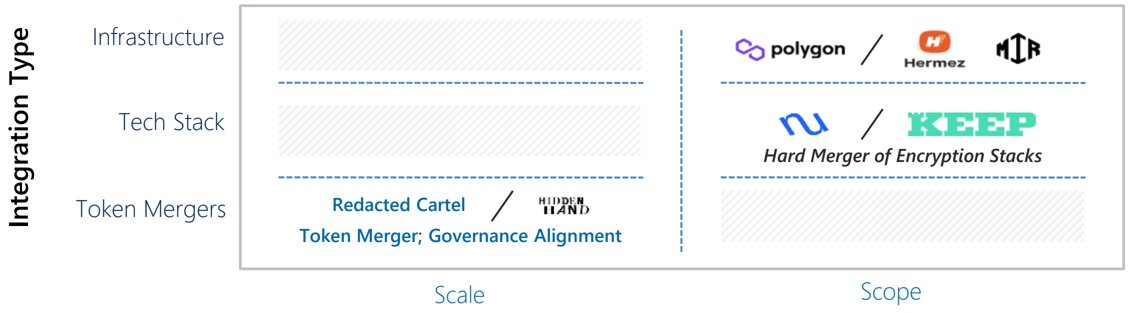
While TVL and token price draw the spotlight, protocol revenue—fees generated by core applications like DEXs, liquid staking, and perps platforms—offers a clearer view of economic strength. In 2025 TTM, revenue remained resilient and often outpaced TVL, reflecting solid engagement and strong fundamentals.

Revenue ($ in Millions)



Representative Strategic Motives in On-Chain Protocol Mergers

Recent protocol integrations reveal diverse strategic motives—from token alignment to infrastructure consolidation—as teams scale through governance coordination and tech unification.



Sources: Press releases, The Block, DefiLlama; market data as of August 31, 2025.
Note: TTM as of August 2025.
(1) RWA TVL (real-world asset total value locked) measures the total dollar value of real-world financial assets—like U.S. treasuries, private credit, and real estate—that have been tokenized and locked into blockchain protocols or platforms.

In Review:

Regulatory Landscape

As regulatory clarity becomes a strategic differentiator, deal activity is increasingly shaped by region-specific developments—driven by legislation, licensing regimes, and enforcement posture across the United States, European Union, and key emerging markets.

United States	Improved regulatory clarity, bolstered by legislation like the fast-tracked GENIUS Act and less aggressive enforcement from the DOJ and SEC, has increased industry confidence. Approvals for Bitcoin ETFs and derivatives further facilitate larger cross-sector deals. Large U.S. firms view M&A as essential for quickly acquiring licenses and compliance capabilities.
European Union	The implementation of MiCA has established a unified regulatory framework, raising compliance standards and favoring consolidation. Smaller players face increased barriers, especially in stablecoins, custody, and payments, pushing them toward acquisition by better-capitalized firms.
Asia and Emerging Markets	Increased oversight and transparency in markets like South Korea create a more robust regulatory environment for M&A. Meanwhile, incentives in hubs such as the UAE, Qatar, and Hong Kong attract acquirers targeting global expansion.

The Importance of Regulatory Clarity

Regulatory Clarity as a Growth Engine for Digital Assets

Market participants increasingly emphasize the need for clear regulatory frameworks, recognizing their direct impact on boosting institutional participation and capital inflows. Regulatory clarity is widely viewed as the key to "unlocking" the next phase of investment and adoption, as well-defined rules foster greater trust and lower perceived risks.

Institutional Moves Signal Regulatory Confidence

Significant institutional moves, such as Morgan Stanley's entry into digital asset trading, are seen as strong indicators of mainstream regulatory confidence and act as catalysts for broader adoption.

One Size Does Not Fit All

Industry projects and advocates are calling for proactive regulatory engagement, exemplified by efforts like Project Open's request for SEC guidance, which underscores the importance of tailored regulations to address emerging product categories.

Guardrails and Infrastructure Without Interference

Areas such as DePIN and tokenized assets are specifically highlighted as requiring customized regulatory frameworks to support innovation and growth.

Sources: State Street, Blockworks, CNBC.

Regulatory Landscape Update:

The GENIUS Act

While much of the digital asset space has been dominated by speculation and hype, the GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins) represents a turning point, offering genuine regulatory clarity that stands to reshape digital finance for both market participants and clients.

Why It Matters Now

The GENIUS Act, passed by the Senate on June 17, 2025, sets a regulatory framework for stablecoins—including issuer registration, AML/KYC compliance, and audit standards—and now awaits House approval. If enacted, the Act could expand the stablecoin market to $2.5 trillion, enabling adoption by major financial institutions like JPMorgan, Visa, and Bank of America.

The stablecoin market recently surpassed $250 billion, with forecasts from Citigroup and Bitwise projecting a base case of $1.6 trillion in stablecoins and $30 trillion in tokenized assets by 2030. Industry leaders, including BlackRock, expect the bill to accelerate the migration of more than $100 trillion in financial assets on-chain, particularly across treasuries, corporate credit, and private market funds.

Key Takeaways

Lays the Groundwork for Institutional Adoption and Tokenization

The GENIUS Act is set to become the first comprehensive federal regulatory framework for stablecoins in the U.S. Its passage provides a robust foundation for both consumer trust and institutional adoption, accelerating the tokenization of traditionally illiquid private market assets over the next three to five years.

Clear Rules Favor Scaled Players, Raising the Compliance Bar

While the Act enhances market integrity through clear guidelines and oversight, it also introduces operational burdens that may reshape industry dynamics, favoring well-capitalized players and raising barriers for smaller innovators.

Goals of the GENIUS Act

Widespread Stablecoin Adoption	Regulated, yield-bearing stablecoins will drive mass adoption. Consumers will shift trillions from traditional accounts to wallets, lowering costs like credit card fees.
Wallet-Based Market Access	As assets move into wallets, tokenized products—including private market assets—will become easier to access and more attractive to everyday investors.
New Service Ecosystems	Banks, brokers, and service providers will compete to offer embedded tools (tax, compliance, reporting) directly within wallets, as users move away from traditional account-based platforms.
Private Market Transformation	Tokenization boosts efficiency in private assets by improving liquidity, price discovery, and portfolio construction, while reducing friction and settlement risk.

Provisions of the GENIUS Act

Stablecoin Regulation Framework	• **Full Reserve Backing and Transparency:** Stablecoins must be backed 1:1 by cash or liquid assets (e.g., U.S. treasuries), with monthly reserve disclosures and annual audits for major issuers. • **Strict Consumer Protections:** Yield-bearing stablecoins are prohibited, and marketing must avoid any implication of government backing. • **Robust Compliance and Enforcement:** The framework enforces AML/KYC and sanctions compliance, while granting regulators the power to freeze or burn noncompliant tokens.
Consumer and Market Protections	• **Priority Repayment and Agency Coordination:** Coin holders receive first repayment rights in bankruptcies, with oversight coordinated across agencies like the CFPB and FTC. • **Jurisdictional Restrictions:** Foreign issuers from sanctioned or high-risk jurisdictions are prohibited from operating in U.S. markets.

Source: Reuters, Citi Institute, Bitwise, WeBull, Latham & Watkins.

Regulatory Landscape Update:

The GENIUS Act (cont.)

The GENIUS Act unlocks new opportunities for liquidity, efficiency, and investor protection in private markets, while positioning the U.S. as a global leader in digital asset regulation and enabling a wave of compliant, tokenization-driven business models. At the same time, it introduces compliance complexity, risk of market concentration, and constraints on product innovation, with key uncertainties remaining around asset classification and the treatment of yield-bearing products. **Its most immediate effects include:**

Regulatory Clarity for Stablecoins

Sets a federal framework for payment stablecoins, mandating full backing, audits, and licensing—while excluding them from securities laws.

Balancing State and Federal Oversight

Adopts a dual approach: Large issuers face federal oversight (Fed/FDIC), while smaller issuers under $10 billion may operate under qualified state regulators to support innovation with guardrails.

Supporting Innovation With Security

Allows interest-bearing stablecoins under strict rules and supports research into algorithmic models, promoting regulated innovation and legitimizing tokenized dollars.

Impact on U.S. and Global Leadership

Clear U.S. standards boost institutional adoption, attract global capital, and shift digital assets oversight from enforcement to a confident, rules-based approach.

Risks From Delayed or Blocked Legislation

Ongoing political debate risks are delaying the bill, prolonging uncertainty, and pushing blockchain innovation offshore—undermining U.S. competitiveness.

Broader Policy Context

Builds on other bills to legitimize digital assets, but clear federal–state coordination remains key.

Expected Market Development Timelines (2025–2030E)

Short-Term (1–2 Years)

- Passage of the GENIUS Act, followed by initial implementation of compliance frameworks by major stablecoin issuers.
- Growing institutional interest, with pilot programs launching to tokenize private market assets using compliant stablecoins as settlement layers.
- Market consolidation, as smaller issuers face rising compliance costs and foreign platforms adapt to U.S. regulatory standards.

Medium-Term (3–5 Years)

- Growth in tokenized private asset platforms, fueled by traditional financial institutions and asset managers.
- Emerging secondary markets improving liquidity and price discovery.
- Product evolution to align with the Act's focus on transparency, compliance, and investor protection.
- Ongoing regulatory adaptation in response to innovation, risk, and feedback.

Conclusion

The GENIUS Act stands to redefine digital finance by laying the groundwork for a trusted, compliant, and scalable stablecoin ecosystem.

In doing so, it unlocks the next phase of blockchain-driven asset tokenization—one that could fundamentally transform how capital is raised, deployed, and transacted in private markets.

Though the path will bring complexity and regulatory rigor, it will also deliver the foundation for a mature, institutionally accessible, and globally influential digital asset economy—one where stablecoins act as the rails and private market assets as the cargo in a new era of programmable finance.

Source: State Street, Bryan Cave Leighton Paisner, Baker Tilly.

Regulatory Landscape Update:

MiCA

MiCA is a comprehensive EU regulation, effective December 2024, that standardizes rules for digital asset issuers and service providers across all 27 member states.

Overview and Key Takeaways

Unified EU Digital Assets Framework

Effective December 2024, MiCA creates a single regulatory regime across all 27 EU member states, covering digital assets—assets not already regulated. It introduces licensing, disclosure, and operational requirements that allow firms to operate EU-wide—similar to passporting in traditional finance.

Stablecoin and Asset Oversight

The regulation differentiates between e-money tokens, asset-referenced tokens, and other digital assets. Stablecoin issuers must hold 1:1 reserves and enable redemption at any time, with EBA overseeing major stablecoins and ESMA regulating service providers.

Market Integrity and Risk Controls

MiCA targets market abuse by banning insider trading, wash trading, and frontrunning. It requires digital asset firms to implement robust risk, transparency, and compliance controls, aligning with investor protection standards in traditional finance.

Balancing Innovation With Oversight

While MiCA brings legal clarity and credibility to the digital assets sector, it also raises compliance costs—posing challenges for startups and smaller players. Still, it is seen as a foundational step toward integrating digital assets into mainstream finance and positioning the EU as a global leader.

Key Implications

Unified Legal Framework Across the EU

Creates a unified digital asset regulatory framework across the EU, simplifying cross-border operations and providing legal clarity—lowering barriers for institutions and standardizing compliance across the region.

Enforces Licensing and Compliance Obligations

Requires digital asset service providers to be licensed by an EU regulator, meet AML/CFT standards, and submit regular reports—raising accountability and aligning oversight with traditional finance.

Consumer Protection and Operational Resilience

Mandates strong safeguards against manipulation and cyber threats, requiring secure asset handling to address past failures and boost investor confidence in regulated digital asset markets.

Global Regulatory Ripple Effects

Though only an EU law, MiCA is influencing global policy and may become a model for international digital asset regulation—promoting standardization, interoperability, and reduced regulatory arbitrage.

Encourages Institutional Participation but Pressures Startups

Boosts institutional confidence, but its compliance costs may deter startups or push them abroad—potentially impacting Europe's blockchain competitiveness.

Excludes DeFi and NFTs but Signals Future Expansion

Excludes DeFi and NFTs for now, but EU regulators plan to address these gaps in future updates, aiming to keep the framework adaptable as the blockchain space evolves.

Sources: European Securities and Markets Authority, Clifford Chance.

In Review:

Stablecoins—Bringing the Dollar Onto the Blockchain: The First Killer App

Stablecoins are quickly becoming the foundational infrastructure for digital financial markets—powering real-time settlement, liquidity, and programmable money across both digital-asset-native and traditional ecosystems.

As Circle's CEO recently noted, this is the "iPhone moment" for digital dollars—**unlocking a platform shift that will redefine how value moves globally**.

Scott Bessent
Treasury Secretary
United States

March 2025

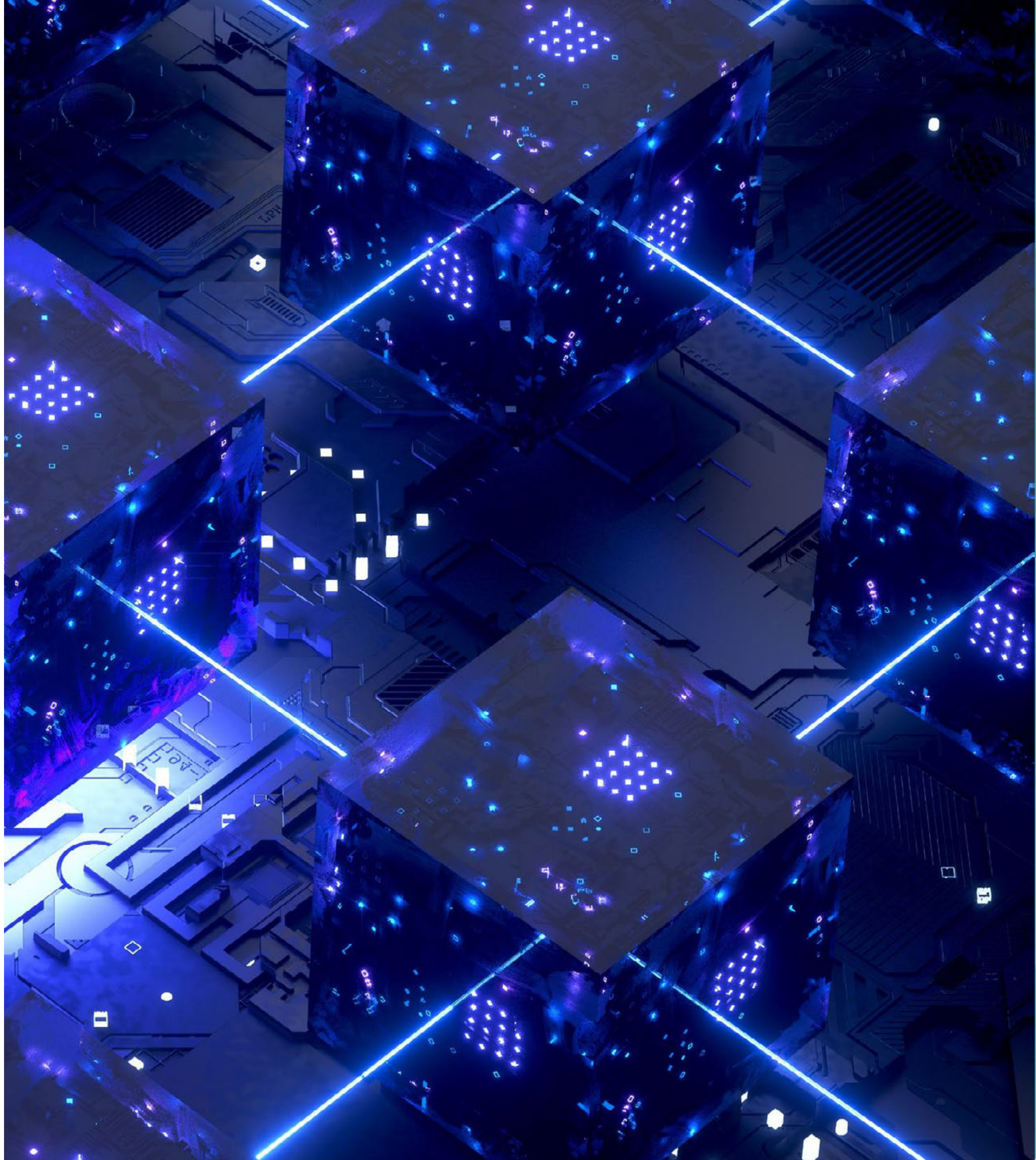
> We are going to keep the U.S. the dominant reserve currency in the world, and we will use stablecoins to do that.

Patrick Collison
Co-Founder and CEO
Stripe

October 2024

> Stablecoins are room-temperature superconductors for financial services. Thanks to stablecoins, businesses around the world will benefit from significant speed, coverage, and cost improvements in the coming years.

Sources: CNBC, Patrick Collison on X.



Stablecoins: A Primer

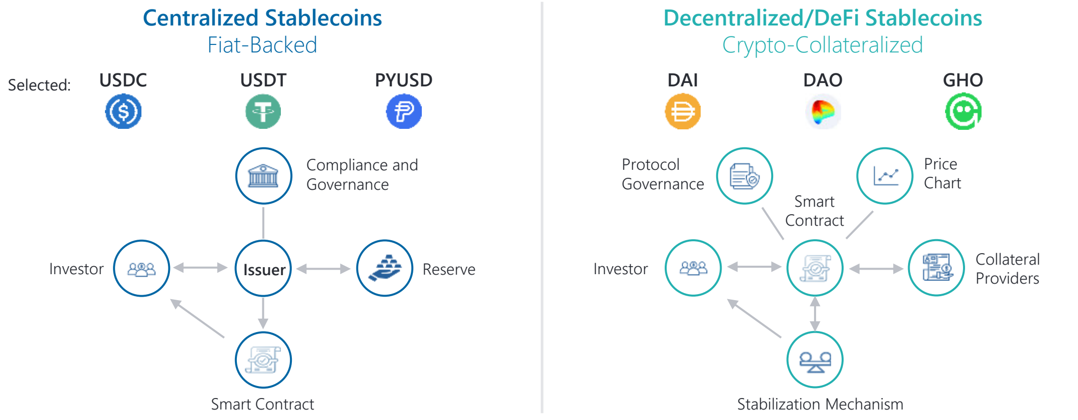
Stablecoins are emerging as foundational infrastructure for digital finance, powering payments within and across borders, trading, and tokenized assets. Understanding their design models—and the trade-offs between trust, control, and decentralization—is critical for investors and acquirers as stablecoins reshape how value moves across both Web3 and traditional financial systems.

What Are Stablecoins?

Stablecoins are digital tokens designed to maintain a stable value, typically pegged to fiat currencies like the U.S. dollar. They serve as a foundational settlement layer across digital asset ecosystems and are increasingly viewed as a bridge between decentralized platforms and traditional finance. By enabling 24/7 value transfer and reducing settlement friction, **stablecoins have the potential to modernize payments, streamline cross-border flows, and support the development of tokenized capital markets.** As regulatory clarity improves, they are expected to become embedded in a wide range of financial workflows.

Types of Stablecoins

Stablecoins are typically categorized as either centralized or decentralized, each with distinct trade-offs across trust, transparency, and regulatory alignment. A third model—algorithmic stablecoins—exists but remains experimental and largely unproven at scale.



Source: Blocktrade.

Use Cases for Stablecoins

Payments and Settlement	• Instant cross-border payments with near-zero fees and no need for correspondent banks. • 24/7 settlement of financial transactions. • Merchant acceptance and B2B payments, especially in high-inflation or underbanked regions. • Payroll disbursement for global or remote workforces.
Financial Infrastructure and Capital Markets	• On-chain settlement of tokenized securities and assets. • Collateral in DeFi (e.g., lending, derivatives, perpetuals). • Base currency in digital asset exchanges and OTC desks. • Clearing and margin settlement for digital asset derivatives.
Treasury and Corporate Use	• Corporate treasury diversification. • Yield generation through on-chain protocols or tokenized T-bills. • Liquidity optimization between different subsidiaries or operating entities. • Efficient intra-company transfers across jurisdictions.
Consumer and Emerging Market Applications	• Dollar access in high-inflation countries. • Remittances with lower fees and faster delivery than incumbent offerings or SWIFT. • Savings products for consumers without bank access. • Digital wallets that leverage stablecoins as the unit of account.
Web3 and Programmable Money	• In-game or in-app currencies with real-world value. • Payment rails for NFTs and on-chain commerce. • Micropayments, tipping, and creator monetization. • DAOs and protocol treasuries using stablecoins for budgeting, grants, and payroll.

Stablecoins: Why They Matter Today

The rapid growth of stablecoins is reshaping global financial infrastructure, with far-reaching implications for sovereign debt markets, payment systems, and the future role of private issuers in monetary ecosystems.

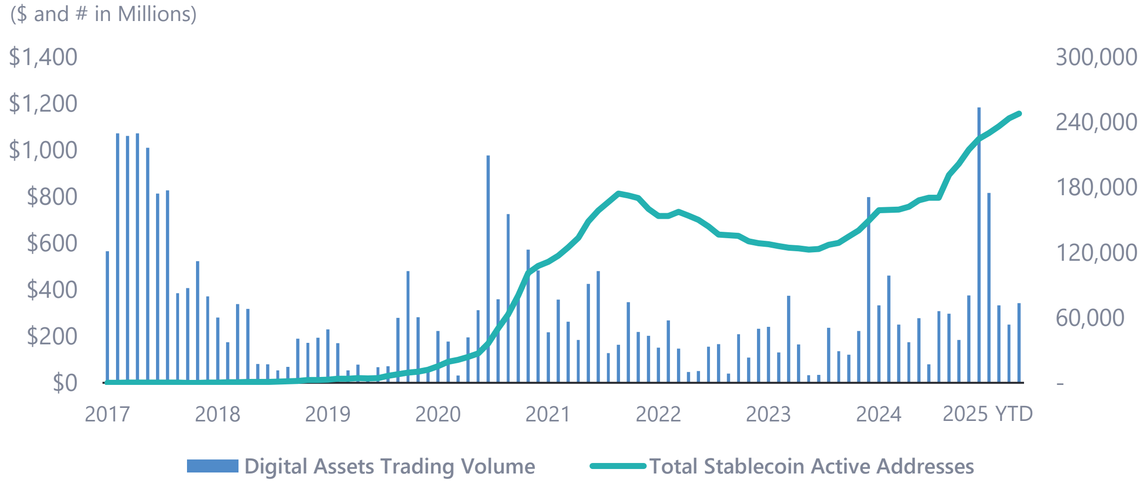
By the Numbers

$282B
Total value of stablecoins as of August 2025, representing a roughly 37x increase over the past five years.

$1.6T
Citi Institute's base case estimate for the stablecoin market by 2030, representing a >600% growth from the current.

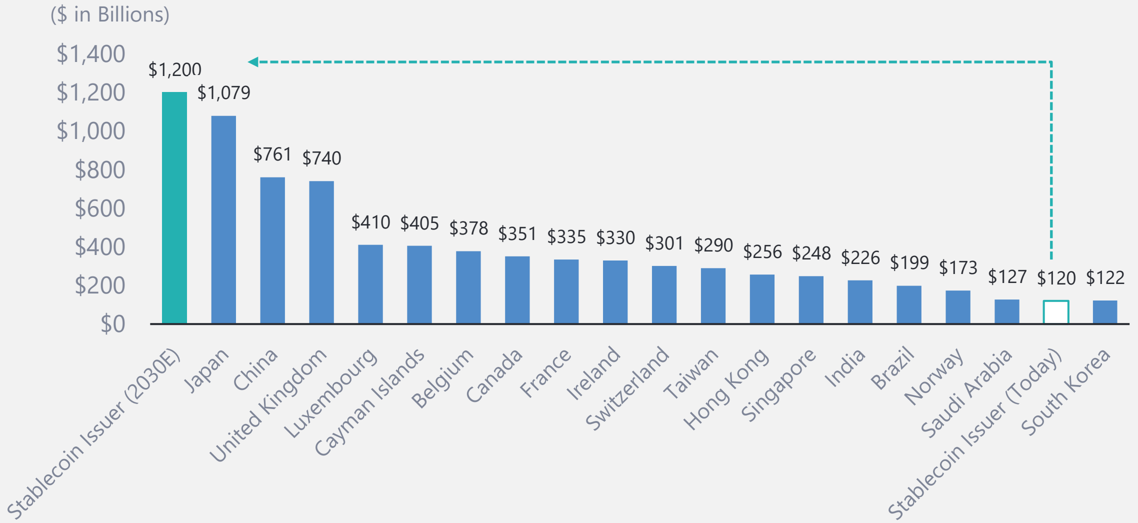
Stablecoins Have Found Product-Market Fit

Stablecoin activity remains resilient and uncorrelated to market cycles, reflecting steady growth in nonspeculative, real-world use.



Stablecoin Issuers Could Be One of the Largest Holders of U.S. Treasuries by 2030[1]

Given the rapid growth in scale of stablecoins, analysts estimate that issuers could become the largest buyers of U.S. treasuries by 2030—a development with potentially significant implications for sovereign debt markets and for financial institutions evaluating roles in digital asset infrastructure.



Macroeconomic and Policy Implications

Stablecoin issuers are emerging as meaningful participants in U.S. treasury markets, introducing new demand dynamics that could enhance liquidity—while warranting attention to regulatory and cyclical considerations.

Beyond macro dynamics, the rapid scaling of USD stablecoins in emerging markets and beyond may also prompt policy responses from governments seeking to preserve monetary autonomy.

Sources: U.S. Treasury, Citi Institute, Tagus Capital, DefiLlama.
Note: Data derived from Artemis, Citi Institute, and The Block as of August 31, 2025.
(1) Per Citi Institute estimate ("Digital Dollars," 2025).

Stablecoins: Market Pulse

Selected developments, trends, and reads shaping the future of stablecoins.

Selected Recent Market Activity

BNY Mellon Named Custodian for Ripple's RLUSD (July 2025)
BNY Mellon was selected as the primary reserve custodian for Ripple's enterprise-grade stablecoin, RLUSD (now more than $710 million in market cap), marking a watershed moment for institutional-grade stablecoin infrastructure.

Mastercard's Announced Partnership With Paxos (June 2025)
Mastercard announced a partnership with Paxos and other digital asset platforms to enable stablecoin settlement on its network, allowing consumers to spend stablecoins at more than 150 million merchants. This follows an earlier partnership with Nuvei to support stablecoin payment settlement for its merchant base.

Fiserv Launches New FIUSD Stablecoin for Financial Institutions (June 2025)
Circle and Fiserv announced a joint initiative to build stablecoin-enabled payment solutions within Fiserv's ecosystem, targeting banks and merchants to enable compliant, programmable fiat-peg settlement rails using USDC (and EURC).

Stripe Acquires Bridge (April 2025)
Stripe acquired Bridge, deepening a prior partnership that enabled USDC payouts on Solana, Ethereum, and Polygon. The acquisition strengthens Stripe's stablecoin infrastructure, allowing platforms and marketplaces to send fast, low-cost global payouts using USDC.

What We Are Reading

A Guide to Stablecoins: What, Why, and How a16z crypto	IA deep-dive resource from a16z crypto, positioning stablecoins as a "killer app" enabling near-zero-cost, global money movement.
Circle's Form S-1 Circle	The implementation of MiCA has established a unified regulatory framework, raising compliance standards and favoring consolidation. Smaller players face increased barriers, especially in stablecoins, custody, and payments, pushing them toward acquisition by better-capitalized firms.
Crypto and the Evolution of the Capital Markets Austin Campbell	This paper argues that blockchain technology offers a more efficient, transparent, and resilient foundation for capital markets, addressing long-standing inefficiencies in today's infrastructure, which still relies on 1970s-era systems and layers of intermediaries. Blockchain, the paper argues, enables direct, trustless ownership and settlement, reducing many of the risks intermediaries were created to manage. The paper also highlights stablecoins as essential to this shift, powering real-time settlement, liquidity, and programmable assets. Rather than forcing outdated rules onto new rails, it calls for a regulatory framework that preserves blockchain's core benefits while addressing its unique challenges—framing this not just as a digital asset innovation, but as the future of capital markets.

Sources: PitchBook, company filings, company websites, Chainalysis, press releases.

Market Maps

03

Digital Assets Sector Landscape

Energy/Power Infrastructure

Support/L1 and L2 Infrastructure

Technology and Protocols

Enterprise and Real-Economy Integration

Capital Markets

Investments

Payments, Treasury, and Custody

Note: Market map lists are meant to be representative and not exhaustive.

To view the full market map, please contact Andy.Mondino@HL.com.

Digital Assets: Energy/Power Infrastructure

Selected digital asset companies (public, investor-backed, and privately held).

★ *Highlighted Industry Standouts*

BLOCKCHAIN VALIDATION AND MINING	RENEWABLE ENERGY INTEGRATION	DIGITAL COMPUTE

To view the full market map, please contact Andy.Mondino@HL.com.

Digital Assets: Support/L1 and L2 Infrastructure

Selected digital asset companies and organizations (public, investor-backed, and privately held).

★ *Highlighted Industry Standouts*

L1s AND L2s	BRIDGING CHAINS AND INTEROPERABILITY	ASSET SECURITY	GRC/REGULATORY TOOLING

To view the full market map, please contact Andy.Mondino@HL.com.

Digital Assets: Technology and Protocols

Selected digital asset companies (public, investor-backed, and privately held).

★ *Highlighted Industry Standouts*

SMART CONTRACT DEVELOPMENT/SDKs	DECENTRALIZED APPLICATIONS	SECURITY AND AUDIT SOFTWARE	MIDDLEWARE FOR DEVS/ENTERPRISES

To view the full market map, please contact Andy.Mondino@HL.com.

Digital Assets: Enterprise and Real-Economy Integration

Selected digital asset companies (public, investor-backed, and privately held).

★ *Highlighted Industry Standouts*

REAL ASSETS TOKENIZATION	IDENTITY AND PROVENANCE VERIF.(1)	TRADE FINANCE AND INVOICE TOKEN.(2)	BITCOIN TREASURY STRATEGIES

(1) *"Verif." = Verification.*
(2) *"Token." = Tokenization.*

To view the full market map, please contact Andy.Mondino@HL.com.

Digital Assets: Capital Markets

Selected digital asset companies (public, investor-backed, and privately held).

★ *Highlighted Industry Standouts*

TRADING AND LIQUIDITY MANAGEMENT	FUNDRAISING PLATFORMS	OTC DESKS AND MARKET MAKING	MARKET DATA AND EXECUTION TOOLS

To view the full market map, please contact Andy.Mondino@HL.com.

Digital Assets: **Investments**

Selected digital asset companies (public, investor-backed, and privately held).

★ *Highlighted Industry Standouts*

PORTFOLIO DIVERSIFICATION TOOLS	TOKEN AND EARLY-STAGE FUNDING	INSTITUTIONAL ASSET MANAGEMENT	INVESTMENT DATA AND ANALYTICS

To view the full market map, please contact Andy.Mondino@HL.com.

Digital Assets: Payments, Treasury Applications, and Custody

Selected digital asset companies (public, investor-backed, and privately held).

★ *Highlighted Industry Standouts*

STABLECOINS

TREASURY APIs AND PROGRAMMABLE MONEY

BANKS, LENDERS, AND WALLETS

PAYMENTS, CROSS-BORDER, FX, AND STABLECOIN INFRASTRUCTURE

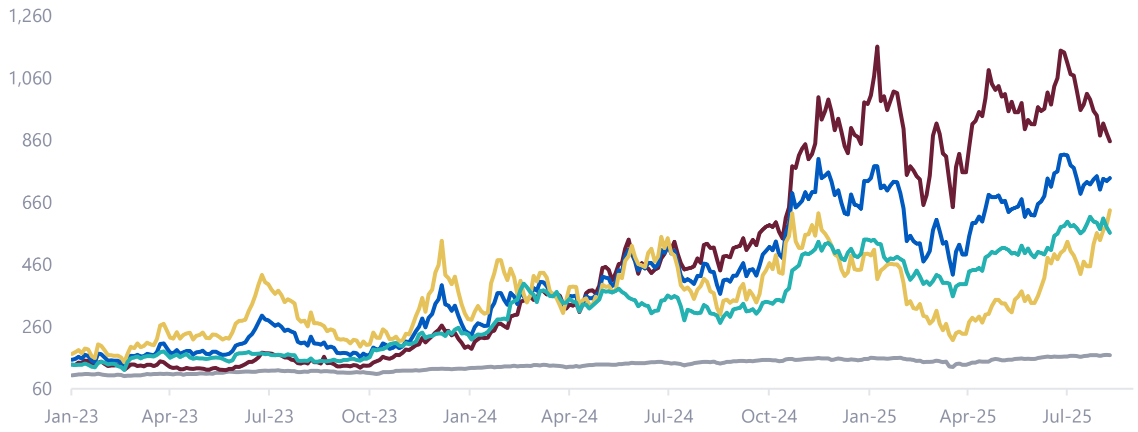
Public Market Performance and Valuation Update

04

Index Performance: Digital Assets vs. Broader Market

Despite sector variability, most digital-asset-focused companies tend to track the performance of the major cryptocurrencies.

Indexed Share Price Performance Since January 2023



Index	Since Jan. '23	Since Jan. '24	Since Jan. '25
S&P 500	68%	36%	9%
Houlihan Lokey Digital Assets Index[1]	637%	125%	18%
Diversified Digital Assets	757%	248%	2%
Energy/Power Infrastructure	534%	53%	50%
Nasdaq Crypto Index[2]	462%	130%	19%

Diversified Digital Assets

AMBER, Bakkt, block, CIRCLE, coinbase, Coincheck, CoinShares, eToro, EXODUS, galaxy, Robinhood, Strategy, valour, Webull

Energy/Power Infrastructure

BITDEER, Bitfarms, BitFuFu, canaan, Cipher Mining, CleanSpark, CORE SCIENTIFIC, Hive, HUT 8, IREN, MARA, IOT, TERAWULF

Nasdaq Crypto Index[2]

AVALANCHE, bitcoin, CARDANO, Chainlink, ethereum, litecoin, SOLANA, UNISWAP, XRP

Notes: Indices shown are equal-weighted with all share prices rebased to 100. Data derived from S&P Capital IQ as of August 31, 2025.
(1) Houlihan Lokey Digital Assets Index includes all companies depicted in the Diversified Digital Assets and Energy/Power Infrastructure groupings.
(2) The Nasdaq Crypto™ Index (NCI™) is a dynamic benchmark designed to track the performance of the digital assets market, representing a broad range of cryptocurrencies.

Digital Assets Public Companies

Valuation Multiple and Operating Metric Detail

Company Name	Capitalization		Stock Performance		Valuation Metrics				Calendar Year 2025E Operating Metrics					Calendar Year 2026E Operating Metrics				
	Market Cap ($M)	Enterprise Value ($M)	YTD Return	% of 52-Week High	EV/Revenue CY 2025E	EV/Revenue CY 2026E	EV/EBITDA CY 2025E	EV/EBITDA CY 2026E	Revenue Growth	Gross Margin	EBITDA Margin	FCF Margin	Rule of 40	Revenue Growth	Gross Margin	EBITDA Margin	FCF Margin	Rule of 40
Diversified Digital Assets																		
MicroStrategy	$95,116	$103,279	15%	62%	n.a.	n.a.	n.a.	n.a.	(2%)	--	32%	31%	29%	2%	--	7%	6%	8%
Robinhood	$92,449	$101,297	179%	88%	n.a.	n.a.	45.3x	36.7x	42%	--	55%	54%	96%	18%	--	58%	57%	75%
Coinbase	$78,248	$75,405	23%	68%	10.2x	9.0x	25.3x	20.3x	21%	95%	40%	39%	60%	14%	96%	44%	43%	57%
Block	$48,547	$48,251	(6%)	80%	1.9x	1.8x	13.8x	11.5x	2%	--	14%	13%	15%	10%	--	15%	15%	25%
Circle	$30,544	$29,647	n.a.	44%	11.4x	9.2x	n.a.	n.a.	n.a.	--	18%	17%	n.a.	24%	--	18%	17%	41%
Webull	$6,578	$6,216	17%	17%	n.a.	n.a.	n.a.	n.a.	n.a.	1%	n.a.	n.a.	n.a.	n.a.	1%	n.a.	n.a.	n.a.
Galaxy Digital	$4,106	$8,451	35%	71%	0.2x	0.2x	n.a.	n.a.	n.a.	--	0%	(1%)	n.a.	(4%)	--	0%	(4%)	(8%)
eToro	$3,716	$2,780	n.a.	56%	3.3x	3.1x	9.2x	8.4x	n.a.	40%	36%	35%	n.a.	8%	41%	37%	36%	44%
Exodus Movement	$733	$680	(18%)	21%	5.3x	4.2x	31.0x	13.4x	26%	38%	17%	17%	43%	26%	37%	32%	31%	58%
Coinshares	$696	$695	42%	82%	3.7x	3.2x	5.0x	5.0x	39%	84%	74%	74%	112%	17%	85%	63%	63%	80%
Defi	$692	$674	(25%)	45%	4.4x	3.1x	5.8x	5.3x	14%	56%	75%	75%	89%	39%	60%	59%	59%	98%
Amber Group	$337	$337	n.a.	28%	n.a.	n.a.	n.a.	n.a.	n.a.	69%	n.a.	n.a.	n.a.	n.a.	70%	n.a.	n.a.	n.a.
Bakkt	$126	$144	(65%)	24%	n.a.	n.a.	n.a.	n.a.	n.a.	85%	n.a.	n.a.	n.a.	n.a.	86%	n.a.	n.a.	n.a.
Median					**4.0x**	**3.2x**	**13.8x**	**11.5x**	**21%**	**38%**	**34%**	**33%**	**60%**	**15%**	**37%**	**34%**	**34%**	**50%**
Average					**5.1x**	**4.2x**	**19.4x**	**14.4x**	**20%**	**36%**	**36%**	**35%**	**64%**	**15%**	**37%**	**33%**	**32%**	**48%**
Energy / Power Infrastructure																		
IREN Digital	$7,202	$7,602	170%	90%	9.0x	6.4x	14.2x	9.5x	198%	44%	63%	(9%)	189%	40%	47%	67%	33%	73%
Marathon Digital Holdings	$5,920	$8,460	35%	87%	8.4x	6.4x	6.8x	11.6x	59%	--	125%	84%	143%	32%	--	55%	42%	75%
Riot Platforms	$5,086	$5,700	35%	87%	8.5x	6.8x	13.1x	24.2x	80%	45%	65%	34%	114%	25%	49%	28%	5%	30%
Core Scientific	$4,383	$4,964	2%	77%	11.7x	5.7x	38.6x	13.9x	(18%)	26%	30%	(44%)	(62%)	106%	41%	41%	(93%)	13%
TeraWulf	$3,855	$4,266	67%	88%	n.a.	10.1x	n.a.	21.6x	44%	--	25%	(184%)	(139%)	105%	--	47%	(137%)	(32%)
Cipher Mining	$3,005	$3,131	65%	88%	11.4x	7.3x	24.9x	15.1x	83%	16%	46%	7%	90%	56%	41%	48%	32%	88%
Hut 8	$2,821	$3,088	30%	84%	15.0x	8.2x	23.4x	18.7x	22%	49%	64%	(3%)	19%	83%	57%	44%	(79%)	5%
Bitdeer	$2,812	$3,137	(34%)	53%	5.5x	2.9x	n.a.	7.7x	61%	69%	7%	(62%)	(1%)	90%	69%	38%	11%	101%
CleanSpark	$2,662	$3,448	3%	53%	3.9x	3.0x	6.1x	6.3x	93%	53%	64%	44%	136%	29%	66%	48%	36%	65%
Bitfarms	$736	$726	(10%)	48%	2.3x	2.0x	8.1x	4.7x	66%	51%	28%	(0%)	66%	12%	63%	43%	(16%)	(4%)
Hive	$675	$691	3%	52%	2.6x	1.3x	7.7x	2.8x	117%	9%	34%	(62%)	55%	98%	13%	47%	35%	133%
Bitfufu	$631	$732	(22%)	62%	1.6x	1.0x	9.7x	4.8x	0%	--	16%	(39%)	(39%)	58%	--	21%	(9%)	49%
Canaan	$371	$353	(64%)	23%	0.7x	0.5x	9.7x	2.4x	77%	23%	8%	8%	85%	44%	27%	22%	22%	65%
Median					**7.0x**	**5.7x**	**9.7x**	**9.5x**	**66%**	**26%**	**34%**	**(3%)**	**66%**	**56%**	**41%**	**44%**	**11%**	**65%**
Average					**6.7x**	**4.7x**	**14.8x**	**11.0x**	**68%**	**30%**	**44%**	**(17%)**	**50%**	**60%**	**36%**	**42%**	**(9%)**	**51%**

Notes: Analysis and trading multiples are based on share price, other market data, and broker consensus future-earnings estimates *from S&P Capital IQ as of August 31, 2025.*
Rule of 40 calculated as % Revenue Growth plus % (EBITDA—CapEx) Margin.
"n.a." designates outlier multiple greater than 40.0x or a negative figure.
LTM figures are used if the 2025 estimate is not available.

Notable Sector Deal Activity: Investors, Acquirers, and Transactions

05

Strategic Consolidation Remains Active

Incumbents Bolster Their Platforms via M&A, and Emerging Businesses Scale Inorganically

Representative Digital Assets and TradFi Consolidators

coinbase — NASDAQ:COIN
Deribit, IRON FISH, Liquifi, SPINDL, Utopia

Robinhood — NASDAQ:HOOD
Bitstamp, Pluto, WonderFi

MARA — NASDAQ:MARA
Various Assets to Support Bitcoin Mining:
Applied Digital Data Center, Generate Bitcoin Mining Sites, Wind Farm, Texas

ripple — Ownership: Consortium
HiddenRoad, metaco, standard Custody & Trust Company, rail

galaxy — NASDAQ:GLXY
CANDY, CryptoManufaktur, GK8

MoonPay — Ownership: Consortium
Decent, ethpass, helio, PLEX, Unstoppable Finance

HUT 8 — NASDAQ:HUT
US BITCOIN CORP

stripe — Ownership: Consortium
Bridge, privy

BINANCE — Ownership: Consortium
SEBC, streami, Tokocrypto

kraken — Ownership: Consortium
bcm, NINJATRADER, Staked

alchemy — Ownership: Consortium
BWARE LABS, CURIOUS ADDYS TRADING CLUB, DexterLab, Satsuma

nuvei — Ownership: Advent
simplex

Jupiter — Ownership: Consortium
Coinhall, DRiP, SonarWatch

consensys — Ownership:
MetaMask Institutional (MMI), TORUS, WALLET GUARD

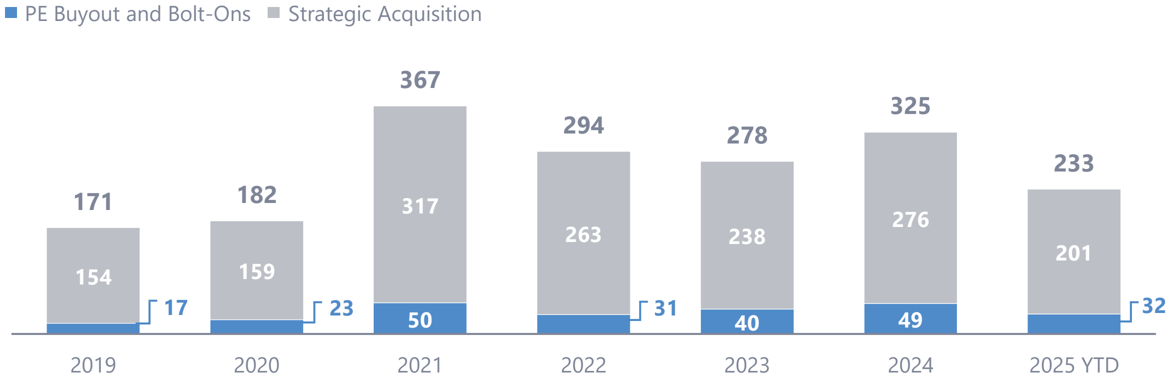
CoinShares — STO:CS
NAPOLEON GROUP, VALKYRIE

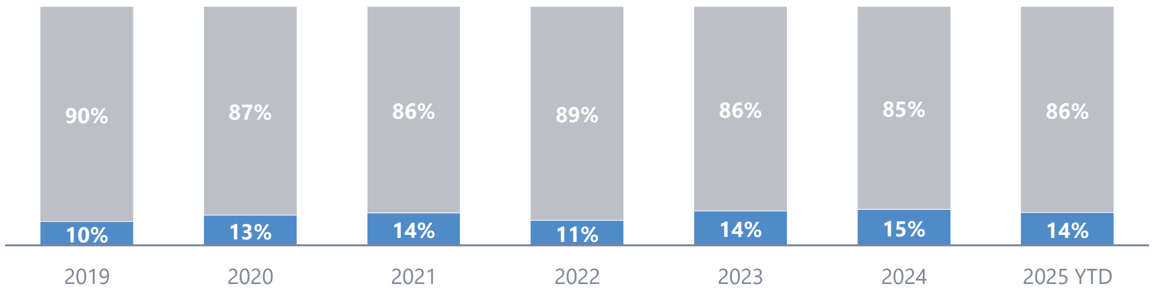
Sources: PitchBook, company filings, company websites, Chainalysis, press releases.
Note: Selected, nonexhaustive acquisitions depicted from January 2021 to August 2025.

Digital Assets Mergers and Acquisitions

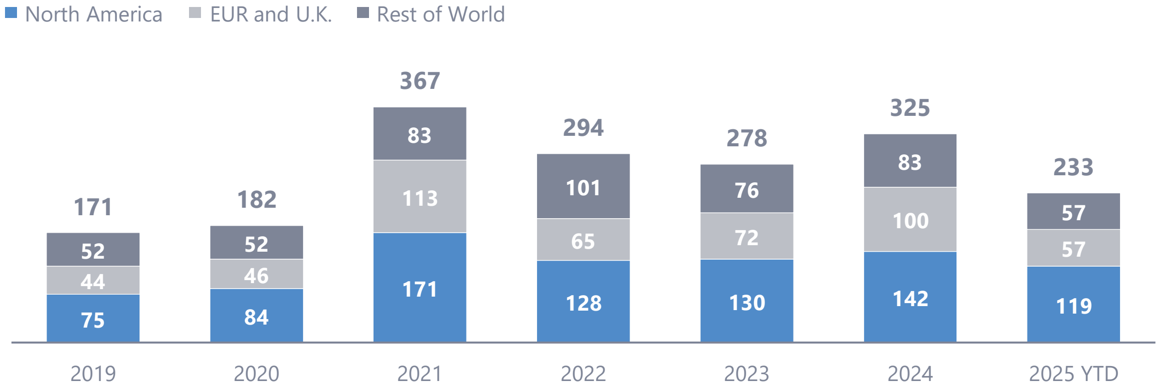
There is active consolidation across the entire industry, with a record 1H 2025.

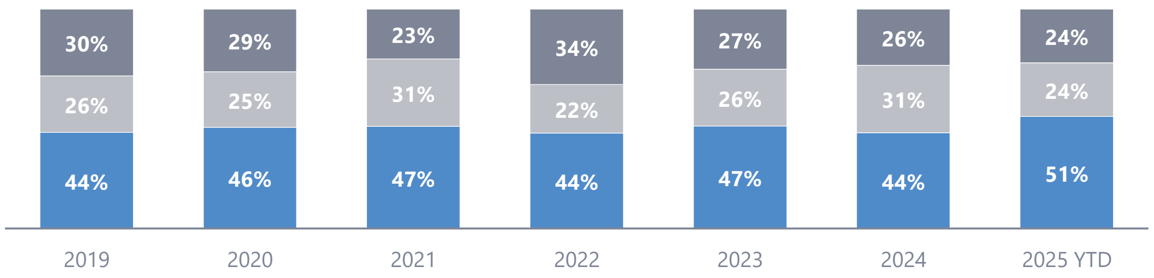
M&A Deal Count and Contribution by Type





M&A Deal Count and Contribution by Target Region





Source: PitchBook (latest Digital Assets reporting as of August 31, 2025).
Notes: Completed deals only. Data is nonexhaustive but highly representative of market trends.

To view precedent deals, please contact Andy.Mondino@HL.com.

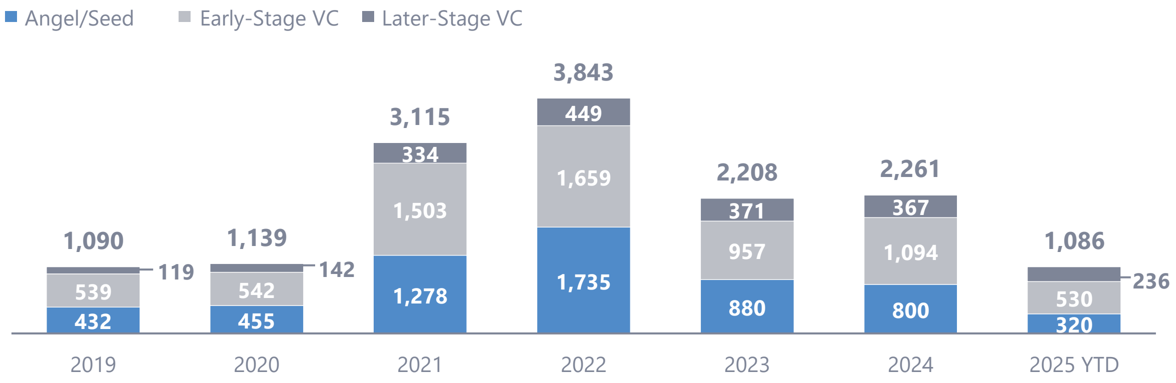
Selected YTD Digital Assets M&A Activity
(August 2025)

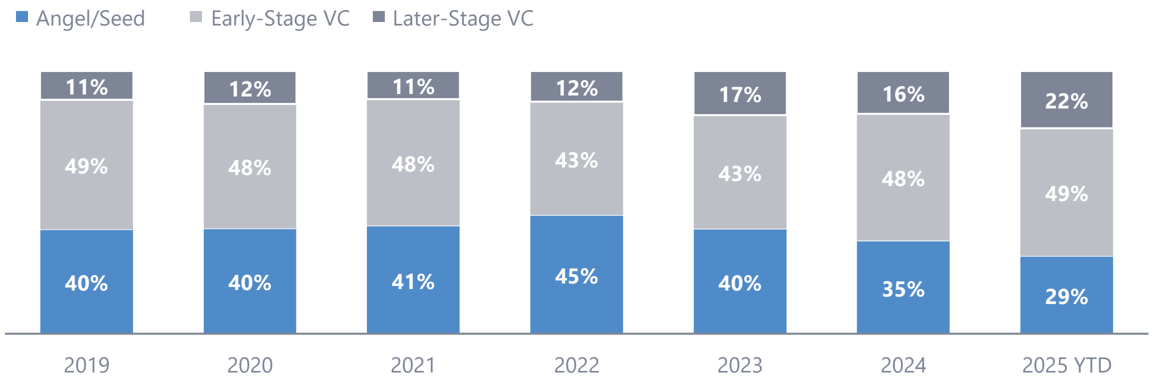
Sources: PitchBook, S&P Capital IQ, Mergermarket.com, other publicly available company filings, and industry news reports.
Note: Deals are listed chronologically based on transaction announcement.

Digital Assets Growth and Venture Capital

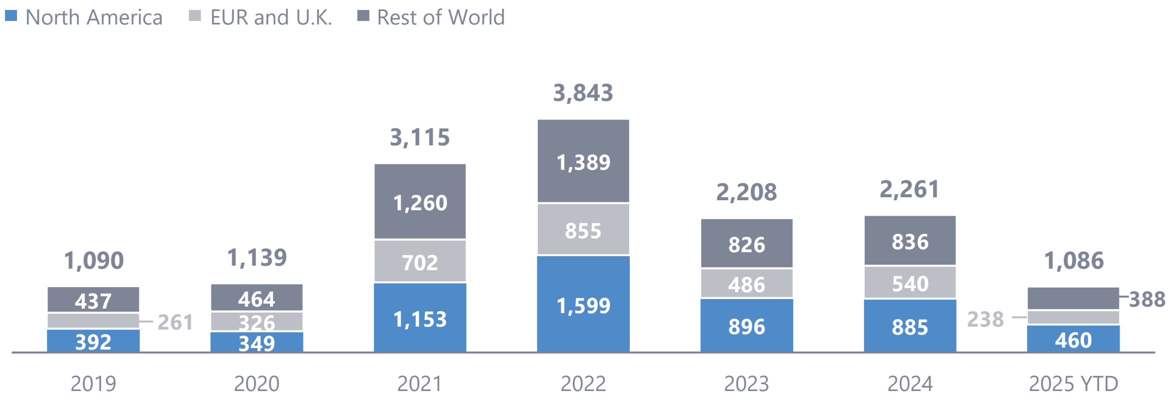
Funding continues but sinks below COVID-19 deal volumes.

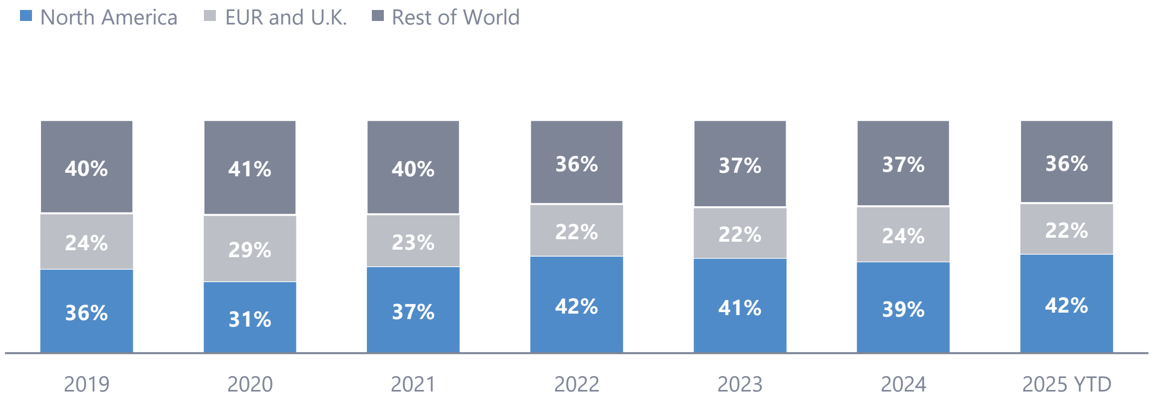
Growth and Venture Capital Deal Count and Contribution by Type





Growth and Venture Capital Deal Count and Contribution by Target Region





Source: PitchBook (latest Digital Assets reporting as of August 31, 2025).
Notes: Completed deals only. Data is nonexhaustive but highly representative of market trends.

Selected YTD Digital Assets Financing Activity
(August 2025)

To view precedent deals, please contact Andy.Mondino@HL.com.

Sources: PitchBook, S&P Capital IQ, Mergermarket.com, other publicly available company filings, and industry news reports.
Note: Deals are listed chronologically based on transaction announcement.

Appendix: Houlihan Lokey Platform Overview

06

Leading Independent, Global Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

2,677
Global Employees

34
Locations Worldwide

$13.98B
Market Cap(1)

$2.5B
Annual Revenue(2)

~25%
Employee-Owned

No
Debt

HLI LISTED NYSE

CORPORATE FINANCE

2024 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**415**
2	Rothschild	406
3	Goldman Sachs	371
4	JP Morgan	342
5	Morgan Stanley	309

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

No. 1
Global M&A Advisor

Leading
Capital Solutions Group

FINANCIAL RESTRUCTURING

2024 Global Distressed Debt & Bankruptcy Restructuring

	Advisor	Deals
1	**Houlihan Lokey**	**88**
2	PJT Partners	59
3	Rothschild	48
4	Lazard	44
5	Perella Weinberg Partners	40

Source: LSEG (formerly Refinitiv).

No. 1
Global Restructuring Advisor

1,800+
Transactions Completed Valued at More Than $3.8 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

2000–2024 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,243**
2	Duff & Phelps, A Kroll Business	1,045
3	JP Morgan	1,020
4	UBS	792
5	Morgan Stanley	698

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

No. 1
Global M&A Fairness Opinion Advisor Over the Past 25 Years

2,000+
Annual Valuation Engagements

FINANCIAL SPONSORS COVERAGE

2024 Global Private Equity Financial Advisors Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**232**
2	Rothschild	189
3	Jefferies	175
4	William Blair	150
5	Morgan Stanley	147

Source: The Deal.

No. 1
Global Private Equity M&A Advisor

1,900+
Sponsors Covered Globally

(1) As of August 29, 2025.
(2) LTM ended June 30, 2025.

All Recent and Upcoming Houlihan Lokey Events and Conferences

We Look Forward to Seeing You!

Recent and Upcoming Digital Assets Events and Houlihan Lokey Conferences

ONE Houlihan Lokey Global Conference | New York

May 13–15, 2025
New York, NY

Consensus 2025

May 14–16, 2025
Toronto, Canada

BTC 2025

May 27–29, 2025
Las Vegas, NV

Goodwin's Fintech Forum

September 18, 2025
Boston, MA

Money20/20 USA

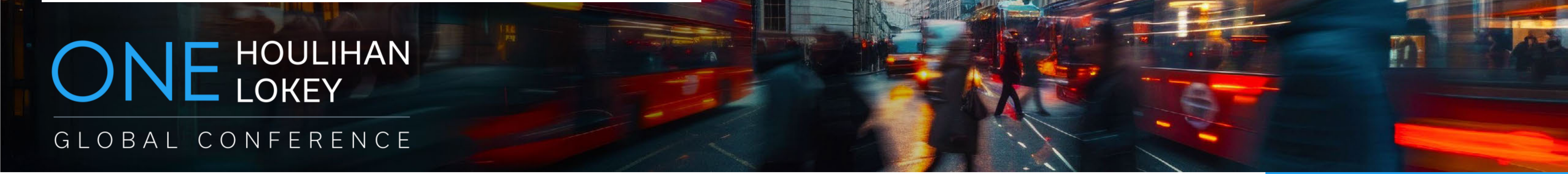
October 26–29, 2025
Las Vegas, NV

Click to Connect

ONE Houlihan Lokey Global Conference | London

November 18–20, 2025
London, United Kingdom

SEE NEXT PAGE FOR MORE INFORMATION



Introducing ONE Houlihan Lokey London

Conference

November 18–20, 2025

London Hilton on Park Lane

T Consumer | Healthcare

W Business Services | Industrials | Oil and Gas

Th Technology | FinTech | Financial Services

Interested in participating in the event? **Contact a team member to find out more.**

The 2025 ONE Houlihan Lokey Global Conference in New York was a tremendous success, hosting more than 4,000 attendees and 380 participating companies across three days of insightful discussions, one-on-one meetings, and compelling content.

Building on this momentum, Houlihan Lokey is proud to present the next event in its series of premier multiday conferences throughout 2025, showcasing dynamic businesses and industry leaders. This event will take place at the London Hilton on Park Lane this November, bringing together the brightest minds for unparalleled networking, relationship building, and knowledge sharing. This event will highlight key themes from across more than 160 sectors within multiple industries and services, including:

- Business Services
- Capital Solutions
- Consumer
- Financial Services
- Financial Sponsors
- FinTech
- Healthcare
- Industrials
- Oil and Gas
- Technology

ONE Houlihan Lokey is designed to connect decision-makers, highlight cutting-edge insights, and enable meaningful discussions amid evolving market dynamics. Across all three days, we look forward to welcoming you for:

- **Powerful Insights:** Hear from a multitude of companies spearheading change in their respective industries.
- **Unparalleled Networking Opportunities:** Engage with thousands of attendees from across global markets.
- **Meaningful Engagement:** Targeted one-on-one meetings will offer exclusive opportunities for connecting with senior capital providers.

ONE Houlihan Lokey NYC Conference Highlights

4,000+ Conference Attendees

380+ Participating Companies

100+ Panels and Presentations

80+ Sectors Represented





Appendix: Additional Coverage Reports

07

Additional Houlihan Lokey Coverage Reports

Governance, Risk , and Compliance Market Update

View Report

FinTech Market Update

View Report

Capital Markets Technology Market Update

View Report

Digital Assets and Blockchain Market Update

View Report

Appendix: Relevant Transaction Case Study

08

Exclusive Financial Advisor to MG Stover on Its Sale to PolySign

Acquisition backed by capital raise from Soros, Cowen, Brevan Howard, GSR, and others.

MG Stover & Co. has been acquired by Polysign, Inc.

Sellside Advisor

Client Profile

MG Stover is a full-service fund administration firm servicing an institutional client base of hedge funds, private equity, and venture capital funds and is an industry leader in digital asset fund administration, with more than $40 billion in digital assets under administration—the world's largest by a wide margin. It delivers world-class solutions for hedge funds, private equity funds, and venture capital funds, including specialized fund accounting, treasury management, KYC/AML due diligence, and offshore compliance. The company also built a leading proprietary back-office data aggregation and reconciliation software that supports the reporting process of hundreds of digital asset funds.

Houlihan Lokey's Role

Houlihan Lokey served as the exclusive financial advisor to MG Stover and assisted in initiating, marketing, structuring, and negotiating the transaction on its behalf.

Transaction Snapshot

Polysign, Inc., announced the acquisition of MG Stover for a mix of cash and stock consideration. The transaction creates the industry's first vertically integrated provider of custody, trading, and fund administration services for cryptocurrencies and digital assets, enabling institutional investors to access this multi-trillion-dollar market. Alongside the acquisition, PolySign also announced a Series C round of funding from new and existing strategic investors, including Soros Fund Management, Cowen Digital, Brevan Howard, GSR, and others. PolySign CEO Jack McDonald will continue in his current role with the newly formed company, and MG Stover CEO Matt Stover will oversee the fund administration business while also serving in a strategic visionary role.

"MG Stover is far and away the top player in digital asset fund administration in terms of scale, experience, and reputation. This is a transformative acquisition for PolySign that will set us apart in the market and enable us to provide unmatched value to institutional investors."

Jack McDonald, CEO
PolySign

Sources: Press releases.
Note: The featured transaction closed on April 22, 2022.

Appendix: Glossary of Key Terms

09

Digital Assets Glossary of Key Terms

Selected terms and definitions used throughout this report.

Bridging Chains	Technologies that enable the transfer of assets or data between different blockchain networks, facilitating interoperability.
Centralized Finance (CeFi)	Crypto services that operate through centralized entities, such as exchanges or lenders, often combining crypto-native and traditional financial practices.
Crypto/Digital Assets	A broad category that includes cryptocurrencies, tokenized assets, stablecoins, and other blockchain-based instruments. "Crypto" and "digital assets" are used interchangeably.
Decentralized Autonomous Organization (DAO)	An organization governed by smart contracts and token holders, allowing decentralized decision-making without centralized leadership.
Decentralized Finance (DeFi)	Financial services built on public blockchains that operate without intermediaries, using smart contracts to facilitate lending, trading, and other functions.
Decentralized Applications (dApps)	Applications built on blockchain networks that operate without centralized servers, using smart contracts to execute logic and store data on-chain.
Gas/Smart Contract Execution	Gas refers to the fee required to perform operations on a blockchain, such as executing smart contracts; it compensates validators for their work.
GENIUS Act	U.S. legislation aimed at supporting blockchain innovation and clarifying the regulatory treatment of digital assets.
Hash Rate	The total computational power used to mine and process blockchain transactions, often cited as a measure of network security and miner activity.
High-Performance Compute (HPC)	Advanced computing infrastructure used for intensive workloads such as AI, machine learning, and blockchain validation—especially relevant for mining and staking.
Layer 1 (L1)	The base protocol of a blockchain network (e.g., Ethereum, Bitcoin) that processes and finalizes transactions.
Layer 2 (L2)	Scalability solutions built on top of L1 blockchains to increase throughput and reduce transaction costs (e.g., Arbitrum, Optimism, zkSync).
Markets in Crypto-Assets Regulation (MiCA)	A comprehensive regulatory framework adopted by the EU to govern crypto-asset markets, issuers, and service providers.

Non-Fungible Token (NFT)	A unique digital asset that represents ownership of a specific item or piece of content, often used in art, gaming, and collectibles.
Perps/Perpetuals	Derivatives that allow traders to speculate on the price of an asset without an expiration date, commonly used in crypto trading platforms.
Proof of Stake (PoS)	A consensus mechanism where validators are selected based on the amount of cryptocurrency they lock (stake), offering energy efficiency and economic alignment.
Proof of Work (PoW)	A consensus mechanism that requires participants (miners) to solve complex mathematical problems to validate transactions and secure the network.
Real-World Assets (RWAs)	Traditional financial or physical assets (e.g., real estate, treasuries) that are represented on-chain as tokenized digital assets.
Software Development Kits (SDKs)	Toolkits that help developers build applications (including dApps) more easily on a specific blockchain or platform.
Smart Contract	Self-executing code stored on a blockchain that runs when predefined conditions are met, enabling trustless automation.
Stablecoin	A digital token pegged to the value of a fiat currency (typically USD) designed to minimize volatility in transactions and storage.
Staking	The process of committing tokens to a blockchain network's consensus mechanism (typically proof-of-stake) to help secure the network, validate transactions, and earn fees.
Tokenization	The act of locking up tokens in a blockchain protocol to participate in network security and earn rewards, typically used in proof-of-stake systems.
Traditional Finance (TradFi)	Legacy financial systems and institutions such as banks, brokerages, and asset managers, contrasted with DeFi and digital-native infrastructure.
Total Value Locked (TVL)	A metric used to measure the total capital deposited in a DeFi protocol, often used as a proxy for platform usage and trust.
Web3	A decentralized internet paradigm where users control their own data and identity enabled by blockchain, smart contracts, and token-based incentives.

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