# Helveteq AG

**Directors' report and financial statements**

**For the financial year ended 31 December 2023**

**Registered number  CHE-224.032.032**

**In accordance with International Financial Reporting Standards (IFRS)**

## Helveteq AG

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**Directors and other information**

| | |
|---|---|
| **Directors** | Roger Studer<br>Christian Katz<br>Remigio Luongo (Resigned in April 2023) |
| **Registered Office** | Churerstrasse 25<br>8808 Pfäffikon<br>Switzerland |
| **Legal Adviser** | Baker McKenzie Zurich<br>Holbeinstrase 30<br>8008 Zurich<br>Switzerland |
| **Independent Auditor** | Grant Thornton AG<br>Claridenstrasse 35<br>8027 Zurich<br>Switzerland |

## Directors' report

The directors (the "Directors" or the "Board of Directors") present the annual report and the audited financial statements of Helveteq AG (the "Company") for the financial year ended 31 December 2023. Consequently, the comparative information presented in these financial statements are for the financial period from 3 August 2021 (date of incorporation) to 31 December 2022.

### Principal activities and business review

The Company was incorporated and registered in Freienbach, Switzerland on 4 August 2021, as an Aktiengesellschaft, a corporation limited by shares, under the Swiss Code of Obligations. The Company has been established for an indefinite duration. On 18 March 2022, the Company established a program under which the Company may, from time to time and subject to compliance with all applicable laws and regulations, issue Exchange Traded Products and non-Exchange Traded Products. The Company may issue securities (the "Securities") for the products.

The program was renewed and extended on 24 April 2023 (the "Program") to cover structured products (the "Products"). The Program and the Products issued under the Program are intended to offer investors means of gaining market exposure to a wide range of underlying(s), including equity securities, bonds, collective investment schemes, derivatives, futures, indices, foreign currencies, reference rates, precious metals, commodities and baskets. Further, the underlying(s) may also include digital assets whose origin are derived from a blockchain, such as cryptocurrencies and digital assets representing physical commodities and other physical assets (the "Digital Assets") without the necessity of taking delivery of or storing the Digital Assets in personal wallets. Such Products may also have an inverse exposure to the performance of the underlying(s), be leveraged by borrowing funds, replicate static strategies, dynamic strategies, discretionary strategies, or a combination thereof, all as set out in the detailed Final Terms applicable. Neither the Products nor the Company are or are expected to be rated.

The Securities shall be subject to a continual issuance and redemption mechanism, under which additional Securities of such Product may be issued, and Securities may be redeemed by the authorized participants (the "Authorized Participants"). In the case of an Authorized Participant redemption, redemptions by Authorized Participants shall be settled on an in-kind basis unless the Company permits such redemption to be settled by cash settlement.

During the course of 2023, the Company issued several Products based on a wide range of underlyings. The net proceeds from these issuances were used to purchase the respective underlying collateral held with the respective custodians for each product.

### Key performance indicators

During the financial year:

- the Company made an after tax loss of CHF 259,062 (2022: 308,197)

| | Bitcoin Zero ETP Securities | | Ether Zero ETP Securities | | Swiss Green Gold ETP Securities | |
|---|---|---|---|---|---|---|
| | 31. Dez 23 CHF | 31. Dez 22 CHF | 31. Dez 23 CHF | 31. Dez 22 CHF | 31. Dez 23 CHF | 31. Dez 22 CHF |
| • Financial liabilities issued | - | 952'113 | - | 987'794 | 1'997'860 | - |
| • Financial liabilities redeemed | (549'466) | (402'647) | (659'504) | (328'290) | (959'753) | - |
| • Net changes in fair value of investments | (464'823) | (496'650) | (580'191) | (597'858) | 55'208 | - |
| • Net changes in fair value of financial liabilities | 464'823 | 496'650 | 580'191 | 597'858 | (55'208) | - |

| | nETP Securities | |
|---|---|---|
| | 31. Dez 23 CHF | 31. Dez 22 CHF |
| • Financial liabilities issued | 3'433'737 | - |
| • Financial liabilities redeemed | (533'900) | - |
| • Net changes in fair value of investments | 5'033'777 | - |
| • Net changes in fair value of financial liabilities | (5'033'777) | - |

As at 31 December 2023:

- the net assets of the Company were CHF 323,500 as per balance sheet (2022: CHF 308,197)

| | Bitcoin Zero ETP Securities | | Ether Zero ETP Securities | | Swiss Green Gold ETP Securities | |
|---|---|---|---|---|---|---|
| | 31. Dez 23 CHF | 31. Dez 22 CHF | 31. Dez 23 CHF | 31. Dez 22 CHF | 31. Dez 23 CHF | 31. Dez 22 CHF |
| • Total ETP Securities issued | - | (52'816) | - | (61'646) | (1'093'316) | - |
| • Investment in Bitcoin (BTC) | - | 52'816 | - | - | - | - |
| • Investment in Ethereum (ETH) | - | - | - | - | - | - |
| • Investment in Swiss Green Gold (AUC) | - | - | - | - | 1'093'316 | - |

| | nETP Securities | |
|---|---|---|
| | 31. Dez 23 CHF | 31. Dez 22 CHF |
| • Total nETP Securities issued | (7'933'615) | - |
| • Investment in nETPs | 7'933'615 | - |

Digital assets are included in Note 10, financial assets are included in Note 11 and physical metals are included in Note 12 to the financial statements; and the Securities that the Company has in issue are included in Note 16 to the financial statements.

**Future developments**

The Company expects to achieve continued growth and achieve profitability in the upcoming years, driven by a combination of increased revenue from existing products, expansion to new products and issuance services as well as the successful acquisition of new customers. The Company anticipates that the financial performance will be supported by ongoing investments in marketing, sales and operational efficiencies.

To support the growth plans, the Company intends to deepen the strategic partnerships as well as invest in the workforce and infrastructure. The Company also plans to continue focusing on the strategy on sustainability and social responsibility, as the Company believes this will not only benefit the stakeholders but also continue to strengthen the reputation and long-term viability.

However, there are risks and uncertainties that could impact the future financial performance, including changes in economic conditions, competitive pressures, and regulatory requirements. The Company will continue to monitor these factors and adjust the strategies accordingly.

Overall, the Company is confident in the ability to execute the strategic plans and achieve the financial objectives in the upcoming years, while maintaining the commitment to transparency and integrity in financial reporting.

**Going concern**

The financial statements of the Company have been prepared on a going concern basis. The Company, being in a growth phase, made a loss in the last period. Shareholders recapitalized the Company during the period to assist with cashflow and to provide ongoing support to the Company. In addition, the Company has received grants from shareholder.

The Board of Directors has assessed the Company's ability to continue as a going concern, taking into account its current financial position and future cash flow projections. Based on this assessment, the Directors have concluded that the Company is set to break even in the following period and is able to continue as a going concern for the foreseeable future. This assessment is based on the fact that the Company has a strong pipeline of potential customers, has demonstrated its ability to secure significant new contracts and is expanding its product range from ETPs and non-listed ETPs to other structured products.

The performance, marketability and risks of the Company’s products are reviewed on a regular basis throughout the financial period. On this basis the Board of Directors believes that the Company will continue in operational existence for the foreseeable future and is financially sound. The Board of Directors is satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements of the Company.

**Results and dividends for the financial period**

The results for the financial year are set out on page 8. No dividends (2022: CHF nil) are recommended by the Directors for the financial year under review.

**Corporate Governance Statement**

The Company is subject to and complies with Swiss Code of Obligations. As the Company has been admitted as an issuer of Exchange Traded Products at the regulated market SIX in Switzerland, the Company adheres to the Listing Rules of SIX as an issuer of such products. As well as being mindful of the requirements of the Swiss Code of Obligations and the Listing Rules of the securities market SIX, the Company complies with its own corporate governance requirements as set out in its Articles of Association (the “Articles”).

## Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements, in accordance with the applicable laws and regulations.

Company law requires the Directors to prepare financial statements giving a true and fair view of the state of affairs of the Company and the profit or loss of the Company for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS").

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the Company as at the financial period and of the profit or loss of the company for the financial period, and otherwise comply with the Swiss Code of Obligations.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with applicable laws and regulations and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**On behalf of the Board of Directors**

**Christian Katz**
**Director**

**Roger Studer**
**Director**

**Statement of comprehensive income**
**For the financial year ended 31 December 2023**

| | Note | 31. Dez 23<br>CHF | 31. Dez 22<br>CHF |
|---|---|---|---|
| Net (loss)/gain on financial liabilities | 4 | 5'088'986 | 1'094'508 |
| Interest expense | | (2'401) | (4'712) |
| Net fair value gain on digital assets | 10 | (4'562'023) | (1'094'508) |
| Net fair value gain on financial assets | 11 | (473'517) | - |
| Net fair value loss on physical assets | 12 | (53'447) | - |
| Income | 5 | (1'416) | 9'633 |
| Depreciation of right-of-use asset | 8 | (39'138) | (35'877) |
| Operating expenses | 6 | (395'859) | (270'995) |
| Extraordinary income | | 173'000 | - |
| **Operating loss before tax** | | **(265'814)** | **(301'951)** |
| Tax on loss on ordinary activities | | (248) | (246) |
| **Net loss after tax** | | **(266'062)** | **(302'197)** |
| **Other comprehensive income for the year/period** | | | |
| *Items that will not be reclassified subsequently to profit or loss:* | | | |
| Remeasurement on defined benefit plans | | 7'000 | (6'000) |
| **Other comprehensive loss for the year/period net of income tax** | | 7'000 | (6'000) |
| **Total comprehensive loss for the financial year/period** | | **(259'062)** | **(308'197)** |

All of the items dealt with in arriving at the loss for the financial year are from continuing operations.

**Statement of financial position**
**As at 31 December 2023**

| | Note | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|---|
| **Assets** | | | |
| **Non current assets** | | | |
| Intangible fixed assets | 7 | 95’640 | 80’348 |
| Right-of-use asset | 8 | - | 39’138 |
| Rental deposit | 9 | 12’000 | 12’000 |
| | | 107’640 | 131’486 |
| **Current assets** | | | |
| Right-of-use asset | 8 | 9’785 | 9’785 |
| Digital assets | 10 | 6’755’640 | 114’462 |
| Financial assets | 11 | 1’258’987 | - |
| Physical metals | 12 | 1’012’304 | - |
| Cash and cash equivalents | 13 | 97’759 | 139’306 |
| Grant | | 173’000 | - |
| Other receivables | 14 | 21’137 | 78’864 |
| | | 9’328’612 | 342’417 |
| **Total assets** | | **9’436’252** | **473’903** |
| **Liabilities and equity** | | | |
| **Non current liabilities** | | | |
| Lease liability | 15 | - | 40’079 |
| Net employee defined benefit liabilities | | 4’000 | 6’000 |
| | | 4’000 | 46’079 |
| **Current liabilities** | | | |
| Lease liability | 15 | 10’490 | 10’490 |
| Financial liabilities | 16 | 9’026’931 | 114’462 |
| Other payables | 17 | 71’329 | 60’908 |
| | | 9’108’750 | 185’860 |
| **Total liabilities** | | 9’112’750 | 231’939 |
| **Shareholder's funds - Equity** | | | |
| Share capital | 18 | 656’400 | 315’800 |
| Capital contribution reserve | | - | 234’361 |
| Accumulated other comprehensive gain/(loss) | | 1’000 | (6’000) |
| Retained deficit | | (333’898) | (302’197) |
| **Total equity** | | 323’502 | 241’964 |
| **Total liabilities and equity** | | **9’436’252** | **473’903** |

The notes on pages 9 to 21 form an integral part of the financial statements.

**Statement of changes in equity**
**For the financial year ended 31 December 2023**

| | Note | Called up share capital CHF | Capital contribution reserve CHF | Accumulated loss CHF | Total equity CHF |
|---|---|---|---|---|---|
| Balance as at 1 January 2023 | | 315’800 | 234’361 | (308’197) | 241’964 |
| Issue of shares during the financial year | 18 | 340’600 | - | - | 340’600 |
| Capital contribution reserve | | - | (234’361) | 234’361 | - |
| Total comprehensive loss for the financial year | | - | - | (259’062) | (259’062) |
| **Balance as at 31 December 2023** | | 656’400 | - | (332’898) | 323’502 |

| | Called up share Capital CHF | Capital contribution reserve CHF | Accumulated loss CHF | Total equity CHF |
|---|---|---|---|---|
| Balance as at 3 August 2021 | - | - | - | - |
| Issue of shares during the financial period | 315’800 | - | - | 315’800 |
| Capital contribution reserve | - | 234’361 | - | 234’361 |
| Total comprehensive loss for the financial period | - | - | (308’197) | (308’197) |
| **Balance as at 31 December 2022** | 315’800 | 234’361 | (308’197) | 241’964 |

The notes on pages 9 to 21 form an integral part of the financial statements.

**Statement of cash flows**
**For the financial year ended 31 December 2023**

| | Note | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating loss before taxation | | (258'814) | (307'951) |
| | | | |
| *Adjustments for:* | | | |
| Net fair value gain on digital assets | 10 | 4'562'023 | 1'094'508 |
| Net fair value gain on financial assets | 11 | 473'517 | - |
| Net fair value loss on physical assets | 12 | 53'447 | - |
| Net loss/(gain) on financial liabilities | 4 | (5'088'986) | (1'094'508) |
| Depreciation of right-of-use asset | 8 | 39'138 | 35'877 |
| Remeasurement on defined benefit plans | | (2'000) | 6'000 |
| | | | |
| *Movements in working capital* | | | |
| Decrease/(increase) in other receivables | | 57'727 | (78'864) |
| Increase in other payables | | 10'175 | 60'662 |
| Grant | | (173'000) | - |
| | | | |
| **Net cash used in operating activities** | | (326'773) | (284'276) |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchases of intangible assets | 7 | (15'292) | (80'348) |
| Right-of-use asset | 8 | - | (84'800) |
| Rental deposit | 9 | - | (12'000) |
| **Net cash used in investing activities** | | (15'292) | (177'148) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of shares | | 340'600 | 315'800 |
| Capital contribution reserve | | - | 234'361 |
| Lease liability | 15 | - | 84'800 |
| Repayment of lease liability | 15 | (40'081) | (34'231) |
| **Net cash generated from financing activities** | | 300'519 | 600'730 |
| | | | |
| **(Decrease)/increase in cash and cash equivalents** | | (41'547) | 139'306 |
| | | | |
| Cash and cash equivalents at start of the financial year/period | | 139'306 | - |
| | | | |
| **Cash and cash equivalents at end of the financial year/period** | 13 | **97'759** | **139'306** |

**Non-cash transactions during the financial period include:**

| | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| Digital assets designated at fair value through profit or loss - Additions | 2'685'004 | 1'939'907 |
| Digital assets designated at fair value through profit or loss - Disposals | (605'849) | (730'937) |
| Financial assets designated at fair value through profit or loss - Additions | 1'787'736 | - |
| Financial assets designated at fair value through profit or loss - Disposals | (1'002'266) | - |
| Physical metals designated at fair value through profit or loss - Additions | 958'857 | - |
| Physical metals designated at fair value through profit or loss - Disposals | - | - |
| Financial liabilities designated at fair value through profit or loss - Issued | (5'431'597) | (1'939'907) |
| Financial liabilities designated at fair value through profit or loss - Redeemed | 1'608'115 | 730'937 |

The notes on pages 9 to 21 form an integral part of the financial statements.

**Notes to the financial statements**
**For the financial year ended 31 December 2023**

## 1 General information

The Company was incorporated and registered in Freienbach, Switzerland on 3 August 2021, as an Aktiengesellschaft, a corporation limited by shares, under the Swiss Code of Obligations. The registered office of the Company is at Churerstrasse 25, 8808 Pfäffikon, Switzerland.

## 2 Basis of preparation

### (a) Reporting entity

The Company was incorporated and registered in Freienbach, Switzerland on 3 August 2021, as an Aktiengesellschaft, a corporation limited by shares, under the Swiss Code of Obligations. The Company has been established for an indefinite duration. On 18 March 2022, the Company established a program (the "Program") under which the Company may, from time to time and subject to compliance with all applicable laws and regulations, issue Exchange Traded Products and non Exchange Traded Products (the "Products"). The Company may issue securities (the "Securities") for the Products.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and Swiss Law.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Financial liabilities designated at fair value through profit or loss are measured at fair value.

### (c) Functional and presentation currency

The financial statements are presented in Swiss Franc ("CHF") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The issued share capital of the Company is denominated in CHF. All amounts have been rounded to the nearest whole number, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates as detailed in note **19** to the financial statements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

### (e) New standards, amendments or interpretations

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023:

- Amendments to IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Lease liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

The new standard is not expected to have any impact on the Company's financial position, performance or disclosures in its financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective or that would be expected to have a significant impact on the Company.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**3 Significant accounting policies**

**(a) Income and expenses**

Income and expenses are accounted for on an accrual basis.

*Service revenue*

Originators will be charged an annual administration fee for the services of the Company regarding issuance assistance and life cycle management of the Products.

*Other income*

Investors will be charged a fee in respect of the Products in the amount specified in the relevant Final Terms (the "Investor Fee"). The rate will be set out in the relevant Final Terms, and is applied to the Collateral on a daily basis, each following calendar day after the issue date (including holidays and weekends) until redemption.

The Investor Fee is paid from the Collateral, thus affecting the Collateral calculation for the subsequent trading day. The Collateral forms the basis for determining the value of each Security, the effect of the Investor Fee will decrease directly the value of the Collateral.

**(b) Cash and cash equivalents**

Cash and cash equivalents includes cash held at bank which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its capital.

There are no restrictions on cash and cash equivalents.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

**(c) Share capital**

Share capital is issued in CHF.

**(d) Other receivables**

Other receivables do not carry any interest, are short-term in nature and have been reviewed for any evidence of impairment. Other receivables are accounted at amortised cost.

**(e) Other payables**

Other payables are accounted at amortised cost.

**(f) Financial instruments**

Financial assets

*Classification*

The Company classifies its financial assets as financial assets at fair value through profit or loss at initial recognition in accordance with IFRS 9: Financial Instruments.

*Initial recognition*

All financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

*Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

*Subsequent measurement*

After initial measurement, the Company measures financial assets which are classified at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial assets designated at fair value through profit or loss are recognised directly in the statement of comprehensive income. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial assets is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the reporting date without any deduction for estimated future selling costs.

*Fair value measurement principles*

The Company holds financial assets at least equal to the amount due to holders of Financial Securities solely for the purposes of meeting its obligations. The financial assets are measured at fair value and changes in fair value are recognised in the statement of comprehensive income. Any costs to redeem the financial assets that arise in the course of settling the Company’s obligations under the Financial Securities are borne by the Company.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**3 Significant accounting policies (continued)**

**(f) Financial instruments (continued)**

Financial liabilities

*Classification*

The Company classifies its Securities (Crypto Securities, Financial Securities, Metal Securities) as financial liabilities at fair value through profit or loss on initial recognition.

The exchange quoted price of the Securities is determined by reference to the underlying assets. Changes in the fair value of the Securities are recognised in the statement of comprehensive income. The Securities have been designated as at fair value through profit or loss in order to eliminate an accounting mismatch, that would otherwise arise with the underlying assets, enabling both the Securities and the underlying assets to be measured at fair value with gains or losses on both being recognised in the statement of comprehensive income.

Financial liabilities (continued)

*Initial recognition*

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company issues Securities to provide investors with exposure to the performance of the assets. The Securities are issued in the form of debt instruments that are backed by assets. A Security is issued or redeemed when a corresponding amount of assets has transferred into or from the allocated accounts maintained by the Custodian.

*Derecognition*

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

*Subsequent measurement*

After initial measurement, the Company measures financial liabilities which are classified as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial liabilities designated at fair value through profit or loss are recognised directly in the statement of comprehensive income.

*Fair value measurement principles*

The fair value of the Securities is determined by reference to the underlying assets. Changes in the fair value of the Securities are recognised in the statement of comprehensive income. The Securities are valued using valuation techniques, as detailed in the fair value hierarchy note to the financial

*Net changes in fair value of financial liabilities designated at fair value through profit or loss*

Net changes in fair value of financial liabilities designated at fair value through profit or loss relates to Crypto Securities issued, Financial Securities issued, Metal Securities issued and include all realised and unrealised fair value changes.

**(g) Intangible digital assets**

*Digital assets*

The Company holds digital assets equal to the amount due to holders of Digital Securities solely for the purposes of meeting its obligations under the terms of the Securities.

The Board of directors have determined to account for digital assets at fair value on the basis there is an active market for the transfer and sale of the digital assets that the Company holds. The digital assets are held to provide the security holders with the exposure to changes in the fair value of digital assets and therefore the Board of directors consider that carrying the digital assets at fair value reflects the objectives and the purpose of holding the asset.

*Fair value measurement principles*

Digital assets are measured at fair value using reference prices as an input.

*Net changes in fair value of digital assets*

Net changes in fair value of digital assets relates to movement in prices of the digital assets and includes all realised and unrealised fair value changes.

*(i) Issue and redemption*

Upon initial recognition and the receipt of digital assets, they are recorded at fair value using the Quoted Price.

Upon redemption of Securities and the transfer out of digital assets, the attributable cost shall be calculated in accordance with the average cost methodology, and the overall cost reduced accordingly to represent the de-recognition of the digital assets. Any previously recognised gains on the digital assets de-recognised as a result of the transfer are reclassified to retained earnings.

*(ii) Subsequent measurement*

An increase in fair value is recorded first through profit or loss in respect of any previous losses below the original cost recognised being reversed, with any further gains being recognised in the statement of comprehensive income.

A decrease in fair value is recorded first through profit or loss in respect of any previous gains recognised being reversed, with any further loss being recognised in the statement of comprehensive income.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**3 Significant accounting policies (continued)**

**(h) Physical metals**

The Company holds Physical metals at least equal to the amount due to holders of Metal Securities solely for the purposes of meeting its obligations. The Physical metal is measured at fair value, as detailed in note 3(f) Financial liabilities to the financial statements, and changes in fair value are recognised in the statement of comprehensive income. Any costs to sell Physical metals that arise in the course of settling the Company's obligations under the Metal Securities are borne by the Company. The Physical metal is recognised when the metal is received into the vault of the custodian or relevant sub-custodian. The Physical metal is derecognised when the risks and rewards of ownership have all been substantially transferred. The Physical metals are priced at the current close bid price at the end of the day for the Physical metals using the London Bullion Market Association (LBMA) gold price.

**(i) Leases and right-of-use asset**

*Company as Lessee - accounting for leases in accordance with IFRS 16*

The Company recognises a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates the right-of-use asset on a straight-line basis from the initial date of application to the earlier of the end of the useful life and lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

On the other hand, the Company measures the lease liability at the present value of the remaining lease payments, discounted using the discount rate of 7.4%, given that the rate implicit in a lease is generally not observable to the lessee. Lease payments include fixed payments. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

**(j) Segment reporting**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including

revenues and expenses relating to transactions with other components of the same entity). The Company currently operates in a single operating segment.

**(k) Foreign currency transaction**

Transactions in foreign currencies are translated to the reporting currency at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the reporting currency at the beginning of the financial year, adjusted for effective interest and payments during the financial year, and the amortised cost in foreign currency translated at the exchange rate at the end of the financial year.

The Company is applying foreign exchange rates published by the Swiss Federal Tax Administration.

**(l) Statement of cash flows**

The indirect method has been applied in the preparation of the statement of cash flows.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**3 Significant accounting policies (continued)**

**(m) Intangible fixed assets**

*Development of the Program*

Costs incurred for the development of ETP and nETP products relate to costs such as product design, development of Base Prospectus, review of the Base Prospectus by SIX Exchange and set-up services. Development costs are capitalised considering that the products have been developed and put on the market. These assets, by its nature, do not have an identifiable market on which the intangible assets could be recovered.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

Amortisation of the program is recognised on a straight-line basis over its estimated useful life, being 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**(n) Employee benefits**

*Employee benefit plans*

Helveteq's pension fund is organized through the affiliation to a collective pension fund. It is a typical Swiss contribution-based promise plan that is qualified under IAS 19 as a defined benefit plan because both the actuarial risks and the investment risks are borne not only by the insured but also by the Company. In the case of a defined benefit plan, the pension obligation and the expense are determined based on an actuarial valuation using the projected unit credit method prepared by an external expert (defined benefit obligation: TCHF 136 (2022: TCHF 123); fair value planned assets: TCHF 132 (2022: TCHF 117)). The most recent actuarial calculation according to IAS 19 was carried out as per 31 December 2023 (actuary assumptions: discount rate 1.50% (2022: 2.24%), salary increase 1.75% (2022: 1.75%)). The net amount recognized in the statement of financial position corresponds to the funding deficit/surplus of the defined benefit pension plan.

*Short term benefits*

All short term benefits are recognised as an expense in the statement of comprehensive income in the financial period in which the employees rendered their services.

**4 Net (loss)/gain on financial liabilities**

| | **31. Dez 23** | **31. Dez 22** |
|---|---|---|
| | **CHF** | **CHF** |
| Net (loss)/gain on financial liabilities | 5'088'986 | 1'094'508 |
| | **5'088'986** | **1'094'508** |

**5 Income**

| | **31. Dez 23** | **31. Dez 22** |
|---|---|---|
| | **CHF** | **CHF** |
| Service revenue | 37'180 | 60'000 |
| Other income | 541'102 | 3'952 |
| Cost of sales | (579'698) | (54'319) |
| | **(1'416)** | **9'633** |

**6 Operating expenses**

| | **31. Dez 23** | **31. Dez 22** |
|---|---|---|
| | **CHF** | **CHF** |
| Personnel expenses | (259'176) | (121'929) |
| Professional services | (2'800) | (24'636) |
| Other operating expenses | (109'831) | (108'816) |
| Amortisation of intangible assets | (23'083) | (14'567) |
| Bank charges | (945) | (749) |
| Foreign exchange losses | (24) | (298) |
| | **(395'859)** | **(270'995)** |

***Statutory information:***

| | **31. Dez 23** | **31. Dez 22** |
|---|---|---|
| | **CHF** | **CHF** |
| Auditors' remuneration – Statutory Assurance services | 37'070 | 24'636 |

The auditor of the Company earned no other fees from the Company (2022: CHF nil).

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**7 Intangible fixed assets**

| | 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| *Cost:* | CHF | CHF |
| At the start of financial year/period | 94’915 | - |
| Additions | 38’375 | 94’915 |
| | 133’290 | 94’915 |
| *Amortisation:* | | |
| At the start of financial year/period | (14’567) | - |
| Amortisation during year/period | (23’083) | (14’567) |
| | (37’650) | (14’567) |
| Net book value at start of financial year/period | | - |
| Net book value at end of financial year/period | **95’640** | **80’348** |

Program Development relates to costs, that are capitalized and incurred for development of the ETP and nETP products.

**8 Right-of-use asset**

| | 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| *Cost:* | CHF | CHF |
| At the start of financial year/period | 84’800 | - |
| Additions | - | 84’800 |
| | 84’800 | 84’800 |
| *Accumulated depreciation:* | | |
| At the start of financial year/period | (35’877) | - |
| Current period depreciation | (39’138) | (35’877) |
| | (75’015) | (35’877) |
| Net book value at start of financial year/period | 48’923 | - |
| Net book value at end of financial year/period | **9’785** | **48’923** |

| **Maturity analysis of right-of-use asset** | **31. Dez 23** | **31. Dez 22** |
|---|---|---|
| | CHF | CHF |
| Less than 1 year | 9’785 | 9’785 |
| 1-2 years | - | 39’138 |
| 2-5 years | - | - |
| Over 5 years | - | - |
| | **9’785** | **48’923** |

The Company leased the office space for 26 months, that started on 1 February 2022, under the terms and conditions set out in the Office Rental Agreement.

There was no impairment recognised during the financial period (2022: CHF nil).

**9 Rental deposit**

| | 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| | CHF | CHF |
| Rental deposit | 12’000 | 12’000 |
| | **12’000** | **12’000** |

Rental deposit relates to the rent of the representative office on Seestrasse 25, 8702 Zollikon.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**10 Digital assets**

| | 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| | CHF | CHF |
| Investment in Bitcoin (BTC) | - | 52’816 |
| Investment in Ethereum (ETH) | - | 61’646 |
| Investment in digital nETPs | 6’755’640 | - |
| | **6’755’640** | **114’462** |

On 1 March 2022, the Company entered into a pledge agreement with the investors, represented by the Security Agent, ADEXAS Rechtsanwälte AG. The pledge agreement provides a pledge in favor of the investors to secure payment obligations of the Company.

In the course of 2023, the Company issued nETPs, some of which contain actively managed digital asset portfolios.

Crypto tokens are held as collateral for ETP and nETP Securities issued.

| | 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| | CHF | CHF |
| At the start of financial year/period | 114’462 | - |
| Additions | 2’685’004 | 1’939’907 |
| Redemptions | (605’849) | (730’937) |
| Net movements in fair value | 4’562’023 | (1’094’508) |
| At end of financial year/period | **6’755’640** | **114’462** |

As at 31 December 2023, the financial assets held by the Company was as follows:

| | BTC | | ETH | | nETPs | |
|---|---|---|---|---|---|---|
| | 31. Dez 23 | 31. Dez 22 | 31. Dez 23 | 31. Dez 22 | 31. Dez 23 | 31. Dez 22 |
| Units held | - | 3.46 | - | 55.86 | 44’421.00 | - |
| Price (CHF) | - | 15’264 | - | 1’104 | 152 | - |
| Fair value (CHF) | **-** | **52’816** | **-** | **61’646** | **6’755’640** | **-** |

**Maturity analysis of financial assets**

| | BTC | | ETH | | nETPs | |
|---|---|---|---|---|---|---|
| | 31. Dez 23 | 31. Dez 22 | 31. Dez 23 | 31. Dez 22 | 31. Dez 23 | 31. Dez 22 |
| | CHF | CHF | CHF | CHF | CHF | CHF |
| Less than 1 year | - | 52’816 | - | 61’646 | 6’755’640 | - |
| 1-2 years | - | - | - | - | - | - |
| 2-5 years | - | - | - | - | - | - |
| Over 5 years | - | - | - | - | - | - |
| | - | 52’816 | - | 61’646 | 6’755’640 | - |

The Products are open-ended and do not have a fixed maturity date.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

## 11 Financial assets

| | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| Investment in financial assets | 1'258'987 | - |
| | **1'258'987** | **-** |

Financial assets, i.e. securities and funds, are held as collateral for Financial Securities issued.

| | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| At the start of financial year/period | 0 | - |
| Additions | 1'787'736 | - |
| Redemptions | (1'002'266) | - |
| Net movements in fair value | 473'517 | - |
| At end of financial year/period | **1'258'987** | **-** |

As at 31 December 2023, the financial assets held by the Company was as follows:

**Maturity analysis of financial assets**

| | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| Less than 1 year | 1'258'987 | - |
| 1-2 years | - | - |
| 2-5 years | - | - |
| Over 5 years | - | - |
| | 1'258'987 | - |

## 12 Physical metals

| | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| Investment in precious metals | 1'012'304 | - |
| | **1'012'304** | **-** |

The physical metals are held as collateral for Metal Securities issued.

| | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| At the start of financial year/period | - | - |
| Additions | 958'857 | - |
| Redemptions | - | - |
| Net movements in fair value | 53'447 | - |
| At end of financial year/period | **1'012'304** | **-** |

As at 31 December 2023, the financial assets held by the Company was as follows:

| | AUC 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| Units held | 18.00 | - |
| Price (CHF) | 56'239 | - |
| Fair value (CHF) | **1'012'304** | **-** |

**Maturity analysis of financial assets**

| | AUC 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| Less than 1 year | 1'012'304 | - |
| 1-2 years | - | - |
| 2-5 years | - | - |
| Over 5 years | - | - |
| | 1'012'304 | - |

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

| 13 | **Cash and cash equivalents** | **31. Dez 23** | **31. Dez 22** |
|---|---|---|---|
| | | **CHF** | **CHF** |
| | Cash at bank | 97’759 | 139’306 |
| | | **97’759** | **139’306** |

As at 31 December 2023, the cash and cash equivalents is held with Raiffeisenbank (2022: 100%).

| 14 | **Other receivables** | **31. Dez 23** | **31. Dez 22** |
|---|---|---|---|
| | | **CHF** | **CHF** |
| | Issuance advisory | - | 60’000 |
| | Other current receivables | 19’301 | 10’922 |
| | Accrued income and prepaid expenses | - | 3’990 |
| | Trade receivables from financial services | 1’836 | 3’952 |
| | | **21’137** | **78’864** |

15 **Lease liability**

At 31 December 2023, as per the terms of the Office Rental Agreement, the Company had contracted to pay the following lease rentals:

| | **31. Dez 23** | **31. Dez 22** |
|---|---|---|
| | **CHF** | **CHF** |
| *Future minimum lease payments due:* | | |
| Less than one year | 10’620 | 10’620 |
| Between one and five years | - | 42’480 |
| More than five years | - | - |
| | 10’620 | 42’480 |
| Interest expense | (130) | 8’089 |
| Net investments in finance lease | 10’490 | 50’569 |

| **Maturity analysis of lease liability** | **31. Dez 23** | **31. Dez 22** |
|---|---|---|
| | **CHF** | **CHF** |
| Less than 1 year | 10’490 | 40’079 |
| 1-2 years | - | 10’490 |
| 2-5 years | - | - |
| Over 5 years | - | - |
| | **10’490** | **50’569** |

The Company has no other contingent liabilities as at 31 December 2023 other than those already disclosed.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**16 Financial liabilities**

| | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| Bitcoin Zero ETP Securities | - | 52'816 |
| Ether Zero ETP Securities | - | 61'646 |
| nETP Securities | 7'933'615 | - |
| Swiss Green Gold Zero ETP Securities | 1'093'316 | - |
| ***Total ETP Securities issued*** | **9'026'931** | **114'462** |

| | 31. Dez 23 CHF | 31. Dez 22 CHF |
|---|---|---|
| At the start of financial year | 114'462 | - |
| Issuances | 5'431'597 | 1'939'907 |
| Redemptions | (1'608'115) | (730'937) |
| Net loss/(gain) on financial liabilities | 5'088'986 | (1'094'508) |
| At end of financial year/period | **9'026'931** | **114'462** |

As at 31 December 2023, the financial liabilities in issue was as follows:

| | Bitcoin Zero ETP Securities | | Ether Zero ETP Securities | |
|---|---|---|---|---|
| | **31. Dez 23** | **31. Dez 22** | **31. Dez 23** | **31. Dez 22** |
| Units held | - | 3'503 | - | 5'640 |
| NAV (CHF) | - | 15.08 | - | 10.93 |
| Fair value (CHF) | **-** | **52'816** | **-** | **61'646** |

| | nETPs Securities | | Swiss Green Gold ETP Securities | |
|---|---|---|---|---|
| | **31. Dez 23** | **31. Dez 22** | **31. Dez 23** | **31. Dez 22** |
| Units held | **45'152** | **-** | 18'000 | - |
| NAV (CHF) | **176** | **-** | 61 | - |
| Fair value (CHF) | **7'933'615** | **-** | **1'093'316** | **-** |

**Maturity analysis of financial liabilities**

| | Bitcoin Zero ETP Securities | | Ether Zero ETP Securities | |
|---|---|---|---|---|
| | **31. Dez 23 CHF** | **31. Dez 22 CHF** | **31. Dez 23 CHF** | **31. Dez 22 CHF** |
| Less than 1 year | - | 52'816 | - | 61'646 |
| 1-2 years | - | - | - | - |
| 2-5 years | - | - | - | - |
| Over 5 years | - | - | - | - |
| | - | 52'816 | - | 61'646 |

| | nETPs Securities | | Swiss Green Gold ETP Securities | |
|---|---|---|---|---|
| | **31. Dez 23 CHF** | **31. Dez 22 CHF** | **31. Dez 23 CHF** | **31. Dez 22 CHF** |
| Less than 1 year | 3'433'737 | - | 1'997'860 | - |
| 1-2 years | - | - | - | - |
| 2-5 years | - | - | - | - |
| Over 5 years | - | - | - | - |
| | 3'433'737 | - | 1'997'860 | - |

The Securities are perpetual and do not have a fixed maturity date.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**17 Other payables**

| | 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| | CHF | CHF |
| Accrued expenses and deferred income | 44’426 | 44’955 |
| Other payables | 26’903 | 15’953 |
| | **71’329** | **60’908** |

**18 Share capital**

| | 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| *Issued and fully paid in* | CHF | CHF |
| 6,564 (2022: 3,158) registered shares of CHF 100 each at par value | **656’400** | **315’800** |
| *Presented as follows:* | CHF | CHF |
| Share capital presented as equity | **656’400** | **315’800** |

*Capital contribution reserve*
Capital contribution reserve, in the amount of CHF 234,361 has been used to offset accumulated losses, in full.

**19 Financial risk management**

***Risk management framework***
The Board has overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

The Company has exposure to the following risks from its use of financial instruments:
(a) Operational risk;
(b) Credit risk;
(c) Market risk; and
(d) Liquidity risk.

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk and the Company’s management of capital.

**(a) Operational risk**
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risk arises from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. Accounting and VAT tax compliance functions were outsourced to Apex Corporate Services (Switzerland) GmbH.

**(b) Credit risk**
Credit/Counterparty risk refers to the risk that Counterparties, Custodians, Hedging partners and alike may default on their contractual obligations resulting in the Company being unable to make payment of amounts due to the Securityholders. The Securityholders are exposed to the credit risk linked and inherent to and of the assets portfolio and maybe exposed to the creditworthiness of the Company Counterparties. The Company has deemed the effect of the credit risk accordingly. As a result the Company is not subject to significant credit risk.

Digital assets are held by the Custodian in segregated accounts, which are intended to be protected in the event of insolvency of the Custodian, the insolvency of the Custodian or the Security Agent may result in delayed access to the digital assets. In such a situation, investors may face a loss due to asset price fluctuation and therefore bear a credit risk of the Security Agent and the Custodian. No party, including the Security Agent, Custodian, or the Company is liable for the loss of the Underlying(s) held as digital asset. In the case of loss of the Underlying(s), e.g. due to fraud, theft, cyber-attacks and/or any analogous or similar event, the liability belongs solely to the Securityholders.

| The maximum exposure to the credit risk at the reporting date was: | 31. Dez 23 | 31. Dez 22 |
|---|---|---|
| | CHF | CHF |
| Investment in Bitcoin (BTC) | - | 52’816 |
| Investment in Ethereum (ETH) | - | 61’646 |
| Investment in nETPs | 7’933’615 | - |
| Investment in Swiss Green Gold (AUC) | 1’093’316 | - |
| | **9’026’931** | **114’462** |

As at 31 December 2023, the Company held cash and cash equivalents with Raiffeisenbank amounting to CHF 97,759 (2022: CHF 139,306) which represents its maximum credit exposure on these assets.

There were no credit default events during the financial year ended 31 December 2023 (2022: none).

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**19 Financial risk management (continued)**

**(c) Market risk**

Market risk is the risk that changes in market prices of assets will affect the Company's income or the value of its holdings of financial instruments. Market risk embodies the potential for both gains and losses on price fluctuation. The Securityholders are exposed to the market risk of the assets portfolio. As a result, the Company is not subject to significant Market risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value of the assets will fluctuate because of changes in market interest rates. Changes in interest rates may have a positive or negative impact on the price, demand, production costs, any costs, direct investment costs, of the collaterals and the returns from investments in the collaterals and are therefore influenced by and may be correlated to interest rate risk. The Securityholders are exposed to the interest rate risk of the assets portfolio. The Company has deemed the effect of these valuation fluctuations insignificant. As a result, the Company is not subject to significant interest rate risk.

*Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company issued Securities in different currencies and invests in assets denominated in different currencies. Changes in foreign exchange rates may have a positive or negative impact on the price, demand, production costs, any costs, direct investment costs, of the collaterals and the returns from investments in the collaterals and are therefore influenced by and may be correlated to currency risk. The Company mitigates its exposure to currency risks mainly by matching the foreign currency assets with foreign currency liabilities. The Securityholders are exposed to the currency risk of the assets portfolio. The Company has deemed the effect of these valuation fluctuations insignificant. As a result, the Company is not subject to significant interest rate risk.

The Company's net exposure to currency risk as at 31 December 2023 is shown in the following table:

| | **31. Dez 23** | **31. Dez 22** |
|---|---|---|
| | **CHF** | **CHF** |
| Investment in Bitcoin (BTC) | - | 52’816 |
| Investment in Ethereum (ETH) | - | 61’646 |
| Investment in Underlyings of nETPs | 7’933’615 | - |
| Investment in Swiss Green Gold (AUC) | 1’093’316 | - |
| **Total assets** | 9’026’931 | 114’462 |
| | | |
| Bitcoin Zero ETP Securities | - | 52’816 |
| Ether Zero ETP Securities | - | 61’646 |
| nETP Securities | 7’933’615 | - |
| Swiss Green Gold Zero ETP Securities | 1’093’316 | - |
| **Total liabilities** | 9’026’931 | 114’462 |
| | | |
| **Net exposure** | - | - |

The following significant exchange rates have been applied at the financial year end:

| | **Closing rate** | **Closing rate** |
|---|---|---|
| | **31. Dez 23** | **31. Dez 22** |
| USD:CHF | 0.8416 | 0.9252 |

*Sensitivity analysis*

The impact of any change in exchange rates is borne by the Securityholders.

At 31 December 2023, had the CHF strengthened against USD by 1% with all other variables held constant, the fair value of the financial liabilities designated at fair value through profit or loss would have decreased by CHF 90,269 (2022: CHF 1,145). A 1% weakening of the CHF against the USD would have an equal but opposite effect on the fair value of the Securities issued.

This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates which is zero coupon, remain constant.

The impact of any change in the exchange rates on the assets relating to any Series is offset by the foreign exchange rate changes on the Securities issued under the Series and will be borne by the Securityholders.

**19 Financial risk management (continued)**

**(c) Market risk (continued)**

*Price risk*

Price risk is the risk that the fair value of assets or financial liabilities will fluctuate because of changes in market prices whether those changes are caused by factors specific to the collaterals, the individual Securities or its issuer, or factors affecting similar assets or Securities traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Company and market prices of its investments.

Securityholders are exposed to market risk arising from market price of the Securities and from the holding of assets. The movements in the prices of these holdings result in movements in the performance of the Securities. The value of Securities will be affected by movements in the market price of the assets to which a particular Series is linked.

The market price of each Series of ETP and nETP Securities will be affected by a number of factors, including, but not limited to:

(i) the value and volatility of the assets referenced by the relevant Series of Securities;
(ii) the value and volatility of assets in general;
(iii) market perception, interest rates, yields and foreign exchange rates;
(iv) the creditworthiness of, among others, the Custodian, the Administrator, the Registrar, and the Authorised Participants; and
(v) liquidity in the ETP and nETP Securities on the secondary market.

The Company does not consider market risk to be a significant risk to the Company as any fluctuation in the value of assets will ultimately be borne by the Securityholders of the relevant Series.

Therefore, assuming all other variables remain constant any increase/(decrease) in the market price of assets would have an equal increase/(decrease) on the value of the Securities issued in the relevant Series. As at 31 December 2023, a hypothetical 1% increase in the market price of assets would have an increase of CHF 90,269 (2022: CHF 1,145) on the value of the Securities issued. A hypothetical 1% decrease in the market price of assets would have an equal but opposite impact on the value of the Securities issued in the relevant Series. Each Series' performance is correlated to the performance of the assets invested into. The correlation of the Series' performance against this is a metric monitored by key management personnel.

**(d) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another asset and thus, the Company will not be able to meet its financial obligations as they fall due.

Liquidity risk in a limited recourse vehicle is managed, where possible, by having the same maturity profile of financial liabilities and related assets.

The Company's obligation to the Securityholders is limited to the net proceeds upon realisation of the asset of the Series and should the net proceeds be insufficient to make all payments due in respect of a particular Series of Securities, the other assets of the Company are not contractually required to be made available to meet payment and the deficit is instead borne by the Securityholders according to the priority of payments mentioned in the agreements.

Liquidity in certain funds and digital assets is significantly lower than in certain stocks, bonds, structured products or precious metals. As such there is a greater possibility and impact of market moving events such as a single large sale effecting these markets. In this case, it may be more difficult or impossible to buy or sell such underlying assets, resulting in a significant loss of value. The Securityholders are exposed to the liquidity risk of the assets portfolios. As a result, the Company is not subject to significant liquidity risk.

**Notes to the financial statements (continued)**
**For the financial year ended 31 December 2023**

**19 Financial risk management (continued)**

**(d) Liquidity risk (continued)**

The following are the earliest contractual maturities of financial liabilities a at 31 December 2023:

| | Carrying amount | Gross contractual cash flows | Less than one year | One to five years | More than five years |
|---|---|---|---|---|---|
| | CHF | CHF | CHF | CHF | CHF |
| Financial liabilities designated at fair value through profit or loss* | 9'026'931 | 9'026'931 | 9'026'931 | - | - |
| Other payables | 71'329 | 71'329 | 71'329 | - | - |
| | 9'098'260 | 9'098'260 | 9'098'260 | - | - |

*The Securities are perpetual and do not have a fixed maturity date.

**(e) Fair values**

The fair value of an asset and financial liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of all the Company's assets and financial liabilities at the reporting date approximated their fair values.

The Company's assets and financial liabilities carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

At the reporting date, the carrying amounts of assets at fair value through profit or loss and financial liabilities designated at fair value through profit or loss issued by the Company, for which fair values were determined directly, in full or in part and determined using valuation techniques are as follows:

| | Fair value hierarchy as at 31 December 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | CHF | CHF | CHF | CHF |
| Investment in Bitcoin (BTC) | - | - | - | - |
| Investment in Ethereum (ETH) | - | - | - | - |
| Investment in nETPs | 7'933'615 | - | - | 7'933'615 |
| Investment in Swiss Green Gold (AUC) | 1'012'304 | - | - | 1'012'304 |
| Bitcoin Zero ETP Securities | - | - | - | - |
| Ether Zero ETP Securities | - | - | - | - |
| nETP Securities | (7'933'615) | - | - | (7'933'615) |
| Swiss Green Gold Zero ETP Securities | (1'093'316) | - | - | (1'093'316) |
| | (81'012) | - | - | (81'012) |

No transfers between Level 1, Level 2 and Level 3 have taken place during the financial year.

| | Fair value hierarchy as at 31 December 2022 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | CHF | CHF | CHF | CHF |
| Investment in Bitcoin (BTC) | 52'816 | - | - | 52'816 |
| Investment in Ethereum (ETH) | 61'646 | - | - | 61'646 |
| Bitcoin Zero ETP Securities | (52'816) | - | - | (52'816) |
| Ether Zero ETP Securities | (61'646) | - | - | (61'646) |
| | - | - | - | - |

Although the directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimates cashflows etc and therefore, cannot be determined with precision.

**19 Financial risk management (continued)**

**(e) Fair values (continued)**

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value of the assets will be borne by the Securityholders due to the limited recourse nature of the Securities issued by the Company.

The valuation inputs for underlyings of ETPs and nETPs are derived depending on the form of the underlyings. The valuation inputs for traded securities are based on quoted market prices in active markets (Level 1). The valuation inputs for digital and financial assets are based on quoted market prices on active markets (Level 1). The valuation inputs for structured products and funds that are not traded on active markets, the net asset values as provided and updated by the calculation agents and administrators respectively are used (Level 1).

The valuation inputs for the physical metals are based on quoted market prices in active markets (as published by the London Bullion Market Association ("LBMA")) and therefore, the Physical metals are classified as Level 1 in the fair value hierarchy.

Securities issued by the Company are classified within Level 1. The fair value of the Securities issued is determined by reference to the exchange quoted value of the underlying digital assets. This valuation technique represents the price of the Securities at which Authorised Participants subscribe and redeem the Securities directly with the Company. There are no significant unobservable inputs to this valuation technique.

**20 Employee numbers and costs**

The Company has 2 employees as at 31 December 2023 (2022: 3). Employee costs amounted to CHF 259,176 (2022: CHF 121,929) as at 31 December 2023. Included in the employee costs was pension costs incurred of CHF 8,096 (2022: CHF 3,522) and social security costs of CHF 19,159 (2022: CHF 9,874).

**21 Subsequent events**

There are no significant events after financial year end up to the date of signing this report that require disclosure and/or adjustment to the financial statement.

**22 Commitments and Contingencies**

The Company had no commitments or contingencies as at 31 December 2023 (2022: none).