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INCREDULOUS LABS LIMITED

REPORT AND SEPARATE FINANCIAL STATEMENTS
31 December 2025

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INCREDULOUS LABS LIMITED

REPORT AND SEPARATE FINANCIAL STATEMENTS
31 December 2025

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INCREDULOUS LABS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Maik Laske (Appointed on 11 February 2025) Hatem Magdy Elsayed
Company Secretary:	Hatem Magdy Elsayed
Independent Auditors:	C.F.S. Coretax Financial Services Ltd Certified Public Accountants and Registered Auditors 15 Taxiarchou Stylianou Demenaga street 2326, Lakatamia Nicosia Cyprus
Registered office:	37 Markou Botsari 1037 Kaimakli Nicosia, Cyprus
Bankers:	Payhawk Limited
Registration number:	HE420380

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MANAGEMENT REPORT

The Board of Directors presents its report and audited separate financial statements of the Company for the year ended 31 December 2025.

Principal activities and nature of operations of the Company
Incredulous Labs Limited (the "Company") is a private limited company, incorporated in Cyprus. Its registered office is at 37 Markou Botsari, 1037 Kaimakli, Nicosia, Cyprus.

The principal activities of the Company during the year were strategic investments in blockchain projects, holding and managing related digital assets and project rights, monetising selected token and equity positions, participating in staking and validator-related activities where applicable, and holding subsidiaries and other project-related interests. These activities were consistent with the Company's activities in prior years.

Review of current position, future developments and performance of the Company's business
The net loss for the year attributable to the shareholders of the Company amounted to US$16,979,444 (2024 restated: net profit of US$951,794). On 31 December 2025 the total assets of the Company were US$5,391,903 (2024 restated: US$21,637,096) and the net liabilities of the Company were US$7,478,215 (2024 restated: net assets of US$9,501,229). The 2024 comparative figures have been restated in accordance with IAS 8 to correct a prior-period classification and measurement error relating to the Talisman / SEEK position. The restatement is set out in Note 11 to the separate financial statements.

The 2025 result was driven mainly by impairments and write-downs of digital assets and token rights, fair value losses on Level 3 project investments, expected credit losses and write-offs of historical receivable balances, settlement-related charges, foreign exchange losses, professional costs and other costs of the continued preparation and clean-up of historical accounting and project records.

The Board does not consider the 2025 loss and net liability position satisfactory in isolation. However, the Board considers that the 2025 financial statements reflect a conservative but realistic accounting reset of historical positions, particularly together with significant progress in rebuilding the Company's financial reporting, custody, reconciliation and control environment. The Board's focus is to further stabilise the Company's financial position, particularly through cost control, parent support, controlled and strategic asset monetisation, recovery of claims where achievable, completion of tax and transfer-pricing work, and further continued strengthening of digital-asset governance and financial reporting controls.

During 2025 and up to the date of approval of these financial statements, management continued its reconciliation, remediation and portfolio clean-up. The Company continued to operate enhanced controls over wallet governance, transaction approvals, reconciliation routines and general-ledger mapping. These controls represent a material improvement over the historical environment and reduce the risks and judgement associated with historical transactions, project rights, valuation estimates, legal recovery matters and legacy documentation, much of which was incomplete or inadequate by current standards.

Management's 2025 review included the assessment of whether digital-asset and token-right positions were liquid or illiquid, freely transferable or restricted, locked or unlocked, staked or unstaked, vested or unvested, delivered or undelivered, claimable or non-claimable, and under current management control. These factors affected recognition, classification, impairment, fair value measurement, expected timing of realisation and disclosure in the financial statements.

As part of the 2025 financial reporting and remediation process, management performed comparison and reconciliation procedures over selected on-chain and off-chain records. These procedures included comparison of blockchain activity, Fireblocks and TRES Finance records, centralised exchange exports and wallet-control information. Management considered this work as part of its assessment of the completeness and consistency of the 2025 crypto transaction population, while separately assessing any discrepancies, limitations and recommendations identified.

The Company continued using TRES Finance as a crypto accounting sub-ledger and reporting layer between operational source systems, including Fireblocks, exchanges and blockchain wallets, and the Company's general ledger. TRES Finance supports transaction capture, balance reporting, cost-basis analysis, reconciliations and proof-in-total work. The final accounting records remain the Company's general ledger, and management's year-end close process includes reconciliation of TRES outputs to the general ledger and financial statement balances.

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These measures supported the preparation of the 2025 accounting records, the separation of current management-controlled assets from legacy positions, and the reassessment of project assets, token rights, receivables, liabilities and related-party balances.

The most important developments of the Company are disclosed and discussed further in Note 3.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company at 31 December 2025 and up to the date of approval of these separate financial statements relate to going concern and liquidity, as the Company was in a net liability position and remains dependent on continuing support from its parent undertaking, Advanced Blockchain AG; concentration of funding and balances with related parties; valuation uncertainty in respect of unquoted project investments, token rights and other Level 3 positions; and residual risks from historical wallet activity, legacy documentation gaps and ownership or control matters affecting specific legacy positions, with these residual risks particularly stemming from previous management.

The Company is also exposed to legal and recovery risks, including the Project 10 portfolio-entity matter, tax, VAT and transfer-pricing matters, and the matters relating to the intercompany balance with subsidiary Brain Networks Ltd.

Management considered these risks in preparing the separate financial statements. Where relevant, the accounting effects have been reflected in the related judgements, impairment assessments, expected credit loss allowances, fair value measurements, provisions or contingency disclosures, related-party disclosures and going-concern assessment.

Going concern basis

The financial statements have been prepared on a going-concern basis.

At 31 December 2025, the Company had net liabilities and limited cash resources. Management prepared a 12-month cash flow forecast from the expected approval date of the financial statements, including base, downside and contingency scenarios. The assessment considers forecast revenue receipts, operating costs, asset monetisation plans, intercompany debt service, payment agency arrangements, parent support and contingency measures.

The Company's parent, Advanced Blockchain AG, has confirmed continuing support (if needed), including non-demand and subordination arrangements in respect of intercompany balances and the intercompany loan. The Company and Advanced Blockchain AG have also formalised payment agency arrangements under which Advanced Blockchain AG may assist with fiat payment execution and settlement on behalf of the Company.

Based on the forecasts prepared, the support arrangements in place, the loan standstill and subordination arrangements, and the contingency measures available, the directors consider that the Company will be able to meet its obligations as they fall due for at least 12 months from the date of approval of these financial statements. The directors have also considered the period beyond 12 months, including the term of the parent support and loan arrangements, expected asset monetisation, settlement of intercompany balances and the continuing role of the Company within the Advanced Blockchain AG group. Accordingly, the directors consider that the going-concern basis of preparation is appropriate and that no material uncertainty related to going concern exists at the date of approval of the financial statements.

The going-concern assessment is referred to in Note 2.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. At 31 December 2025, the Company had limited cash resources, net liabilities and material related-party and intercompany payable balances.

The directors manage liquidity risk through the post-year-end parent-support arrangements with Advanced Blockchain AG (described in Note 2 and Note 27.4), the subordination of intercompany balances, payment agency arrangements, cost controls, ongoing monitoring of forecast cash flows and planned monetisation of selected asset positions.

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INCREDULOUS LABS LIMITED

MANAGEMENT REPORT

Results
The Company's results for the year are set out on page 11. The net loss for the year is not carried forward.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2025 and at the date of this report are presented on page 1. Mr. Hatem Magdy Elsayed served throughout the year. Mr. Maik Laske was appointed on 11 February 2025.

There is no specific provision in the Company's Articles of Association relating to the rotation of Directors. Consequently, all the Directors continue in office unless they resign or are removed by shareholders.

Operating Environment of the Company
Any significant events that relate to the operating environment of the Company are described in note 1 of the separate financial statements.

Events after the reporting period
Events after the reporting period are disclosed in note 33 of the separate financial statements.

Related party transactions
Disclosed in note 27 of the separate financial statements.

Independent Auditors
The Independent Auditors, C.F.S. Coretax Financial Services Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Signiert von:	Signiert von:
Hatem Elsayed	Maik Laske
EE01489FEAFB48E...	58C05EDAB23B4F7...
Hatem Magdy Elsayed	Maik Laske
Director	Director

Nicosia, 26 May 2026

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CORETAX FINANCIAL SERVICES

Independent Auditor's Report

To the Members of Incredulous Labs Limited

Report on the Audit of the Separate Financial Statements

Qualified Opinion

We have audited the separate financial statements of INCREDULOUS LABS LIMITED (the "Company"), which are presented in pages 11 to 81 and comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Qualified Opinion

Firstly, as necessary context for better understanding the qualification referred to in the Opinion section above and explained in the following paragraphs below, we were first appointed for 2023, and have remained since then, the Company's auditors; and our opinion in our audit reports on the Company's financial statements for both the two prior years, 2023 and 2024, we had audited had been disclaimed. For reasons extensively explained in our 2023 and 2024 reports, and referred to in part in the Other Matter section of this report.

Included in Trade and Other Payables, totalling US$3,629,725, in the Statement of Financial Position is an intercompany payable to a subsidiary of the Company, Brain Networks Ltd, amounting to US$855,689 (2024: 859,468). This balance, which has not materially changed during the current year, 2025 (mere decrease by US$3,779, from two minor transactions), had been the subject of a similar modification in our audit report on the financial statements of the last year, 2024; that is, one of the very large number of specific matters included in the issues described in the basis section of our 2024 audit report as the uncertainties that collectively led to our giving a disclaimed opinion in that report.

As in 2024, we did not audit this subsidiary company, and in fact it did not have audited financial statements, nor were formal management-approved financial statements made available to us for our audit. According to current management, this absence of audited financial statements or any other formal management-approved financial statements (audited or un-audited) applies to all years since its incorporation in year 2021 (in a jurisdiction where according to management there is no statutory audit requirement for companies such as Brain Networks Ltd).

Although in 2024 we had been provided with what was considered or described by current management (which took office during 2024) as all the information and documentation currently available to it on the company's transactions for that year, 2024, as well as all other years since its incorporation in 2021, the fact of the absence of a company financial statement audit and formal financial statements (or in their absence any other formal management-approved financial report), for 2024 and the previous years, and the fact and nature of the collective uncertainties (associated with acts by, and events during the tenures of, two successive former managements as described in our 2024 report) that had caused the overall disclaimer of the 2024 opinion, had led us to additionally include this balance in the list of the matters specifically modified for, that is, referred to in the 2024 report's basis section.

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Independent Auditor's Report (continued)

To the Members of Incredulous Labs Limited

Basis for Qualified Opinion (continued)

During, and for the purposes of, our current audit for year 2025, we were not provided with, and have been unable to otherwise obtain, significant additional information that could have made it possible for us to resolve the uncertainty which the 2024 financial statements balance had been subject to at the time of, and was our reason for the previously mentioned opinion modification in, our 2024 report. In our judgement, a 2025 financial statements audit was included in the minimum set of necessary and sufficient actions for securing adequate quantity and quality of such information, rendering reasonably possible our not repeating in this 2025 report the 2024 report modification.

Accordingly, we were unable to obtain sufficient appropriate audit evidence on this payable balance, in respect of all audit assertions associated with it, including its existence, validity, accuracy, valuation, ownership and classification, and cut off and completeness. Consequently, we cannot determine whether material adjustments to the balance's carrying amount (as well as the related other figures in the 2025 financial statements, impacted by any misstatements incorporated in the Brain balance), or changes to provided disclosures referring to it (or those other impacted related figures) would have been required.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of the Board of Directors for the Separate Financial Statements

The Board of Directors is responsible for the preparation of separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

CORETAX FINANCIAL SERVICES

Independent Auditor's Report (continued)

To the Members of Incredulous Labs Limited

Responsibilities of the Board of Directors for the Separate Financial Statements (continued)

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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CORETAX FINANCIAL SERVICES

Independent Auditor's Report (continued)

To the Members of Incredulous Labs Limited

Auditor's Responsibilities for the Audit of the Separate Financial Statements (continued)

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

In view of the exceptional fact that this report follows two successive disclaimed-opinion audit reports of ours, for years 2023 and 2024, we deem it necessary or useful to make exceptionally detailed commentary in this section, for the better understanding by users of this report and the audit it relates to. We consider that this report would be better understood if considered in conjunction with our reports for 2023 and 2024.

As explained in the respective reports, the 2023 and 2024 audits were engaged for and initiated at the same time, and performed in overlapping periods, following discovery in 2024 by the then newly appointed current management of suspected irregular acts by the two immediately preceding sole directors it had recently succeeded, and the withdrawal of the previously issued 2023 financial statements and our predecessor's audit report on them; resulting in separate reports being issued by us within a short interval, on the 2023 (revised and reissued) and the 2024 financial statements approved by current management within a similarly short period of time, in August 2025. We had judged it necessary or preferable at the time to issue separate reports for the two years, even though the underlying events and conditions were substantially the same, to ensure that users of each year's financial statements received transparent year-specific auditor communication reporting on the evolving circumstances and pervasive uncertainties as they affected each period.

CORETAX FINANCIAL SERVICES

Independent Auditor's Report (continued)

To the Members of Incredulous Labs Limited

Other Matters (continued)

Together with our audit report on the Company's financial statements for year 2024 we had provided to the Company's management and those charged with governance a formal written communication issued in accordance with the requirements of ISAs (ISA 265-Communication of Deficiencies in Internal Control to Those Charged with Governance and Management) in which we drew attention to a number of deficiencies in the Company's system of internal control (ICS) relevant to financial reporting, being some of the most significant ones we had identified during our audit, explained their consequences in terms of the ability of management to prepare fair financial statements and ours to obtain the requisite reasonable assurance on them (and thus effectively contribution towards our disclaimer of opinion in our audit of that year), and provided recommendations for their rectification. We additionally provided at the time by less formal means, in written and oral communications, numerous other recommendations for improvements in the ICS, addressing other deficiencies noted as well as additionally those communicated in the previously mentioned ISA 265 letter. We explained that our ability and willingness to accept appointment for the 2025 audit depended on us being satisfied that the current management was demonstrably committed to continuing to reform, till they in fact transform, its ICS, in time for healthy financial statements for 2025 to be reasonably possible as a product of that ICS and consequently the preconditions for an audit opinion other than disclaimer for a third year in a row to be firmly in place; and that we needed to be reasonably convinced not only by management's word, verbal pledges of commitment, but also and mostly its deed, in terms of implementing all or at least most of our recommendations.

Management, having at the time expressed acceptance of, and provided a very firm undertaking to implement substantially, all our recommendations, subsequently went on to fully fulfil their undertaking, and in fact willingly went much further in many respects, creating all the prerequisites and allowing clear credible prospect for a non-disclaimed-opinion report to be possible, before we accepted appointment for the 2025 audit engagement, after performing an assessment of the extent to which they had implemented, delivering on their pledges, and the resulting impact on the ICS.

In performing our risk assessment procedures (RAPs) in the planning of our audit, involving the obtaining of a thorough understanding of the ICS, we did confirm that the ICS underwent a degree of reform which can be objectively characterised as transformation. While the ICS relevant to the 2023 and 2024 (part before succession of previous management) audits could have fairly been described as fully absent, the control environment and generally the ICS for the 2025 audit was assessed as in an exceptionally highly developed state, both as to design and operation. In fact, beside the general overall comfort we derived from our exceptionally favourable assessment of the reformed control environment, we were able to place some specific reliance on the ICS in selected areas, based on the results of tests we were encouraged to perform in the field work phase of the audit based on our high expectation of operational effectiveness formed from our RAPs in the planning phase.

The radical reform of the ICS, and the very substantial additional information on the specific issues that had caused or contributed to the 2023 and 2024 disclaimers and/or were referred to in the explaining basis sections of those reports that the current management's investigation and clearance efforts before and since the time of signing the financial statements and audit reports for 2023 succeeded in producing and we were provided with, made it possible for us to resolve the uncertainties that led to the 2023 and 2024 disclaimers, except for the matter explained in this report's Basis for Qualified Opinion paragraph.

CORETAX FINANCIAL SERVICES

Independent Auditor's Report (continued)

To the Members of Incredulous Labs Limited

Other Matters (continued)

Notwithstanding current management's very substantial improvements described above, and without qualifying our opinion beyond the matter described in the Basis for Qualified Opinion section, we note that the Company's operations and asset holdings continue to involve material digital-asset and blockchain-related positions whose inherent characteristics present particular financial-reporting and corresponding audit challenges. These include dependence on access to cryptographic credentials and wallet infrastructure, tracing activity across multiple wallets and counterparties, establishing ownership or control where access or documentation may be incomplete or lost, and determining fair values in markets that may at times lack depth, liquidity, observable pricing or transparency. While the extent to which these industry-wide challenges had been greatly exacerbated in our 2023 and 2024 engagements by the Company's aforementioned specific exceptionally irregular conditions prevailing at the time under previous managements has since been substantially reduced by the mitigating effect of current management's already described remediation efforts, they nevertheless did remain particularly true and applicable to the Company's 2025 audit and are therefore directly relevant to users' understanding of the Company's financial statements and our audit thereof.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the separate financial statements.

- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

This report has been prepared for and only for the Directors in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Signed by:

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Chrystalla Petrou
Certified Public Accountant and Registered Auditor
for and on behalf of
C.F.S. Coretax Financial Services Ltd
Certified Public Accountants and Registered Auditors
15 Taxiarchou Stylianou Demenaga street
2326, Lakatamia, Nicosia,Cyprus

Nicosia, 26 May 2026

INCREDULOUS LABS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 December 2025

	Note	**2025** US$	2024 Restated US$
Revenue	12	**52,891**	229,179
Operating profits/gains and losses, and other income	13	**493,261**	3,925,936
Administration expenses	14	**(910,453)**	(659,429)
Impairment charge- investment in subsidiaries & cash and cash equiv.		**(8,772)**	-
Other expenses	15	**(15,259,957)**	(2,507,729)
Operating (loss)/profit		**(15,633,030)**	987,957
Finance costs	17	**(1,346,414)**	(36,163)
Net (loss)/profit for the year		**(16,979,444)**	951,794
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(16,979,444)**	951,794

The notes on pages 15 to 81 form an integral part of these separate financial statements.

INCREDULOUS LABS LIMITED

STATEMENT OF FINANCIAL POSITION
31 December 2025

	Note	2025 US$	2024 Restated US$
ASSETS			
Non-current assets			
Intangible assets	18	**455,806**	7,723,252
Investments in subsidiaries	19	**13,614**	16,338
		469,420	7,739,590
Current assets			
Trade and other receivables	20	**503,736**	5,028,697
Financial assets at fair value through profit or loss	21	**4,415,091**	8,859,105
Cash at bank	22	**3,656**	9,704
		4,922,483	13,897,506
Total assets		**5,391,903**	21,637,096
EQUITY AND LIABILITIES			
Equity			
Share capital	23	**1,427**	1,427
Accumulated (losses) /retained earnings		**(7,479,642)**	9,499,802
Total equity		**(7,478,215)**	9,501,229
Non-current liabilities			
Borrowings	24	**8,240,393**	8,797,300
Trade and other payables	26	**82,500**	-
		8,322,893	8,797,300
Current liabilities			
Trade and other payables	26	**3,547,225**	3,338,567
Borrowings	24	**1,000,000**	-
		4,547,225	3,338,567
Total liabilities		**12,870,118**	12,135,867
Total equity and liabilities		**5,391,903**	21,637,096

On 26 May 2026 the Board of Directors of Incredulous Labs Limited authorised these separate financial statements for issue.

Signiert von:
Hatem Elsayed
EE01489FEAFB48E...
Hatem Magdy Elsayed
Director

Signiert von:
Maik Laske
58C05EDAB23B4F7...
Maik Laske
Director

The notes on pages 15 to 81 form an integral part of these separate financial statements.

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STATEMENT OF CHANGES IN EQUITY
31 December 2025

	Share capital US$	Accumulated (losses)/retained earnings US$	Total US$
Balance at 1 January 2024 as previously reported	**1,427**	**8,733,550**	**8,734,977**
Opening retained earnings correction before 2024 (Note 11)	-	(185,542)	(185,542)
Balance at 1 January 2024 as restated	**1,427**	**8,548,008**	**8,549,435**
Profit for the year ended 31 December 2024, restated	-	951,794	951,794
Balance at 31 December 2024/ 1 January 2025, restated	**1,427**	**9,499,802**	**9,501,229**
Net loss for the year	-	(16,979,444)	(16,979,444)
Balance at 31 December 2025	**1,427**	**(7,479,642)**	**(7,478,215)**

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STATEMENT OF CASH FLOWS
31 December 2025

	Note	2025 US$	2024 Restated US$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(16,979,444)**	951,794
Adjustments for:			
Loss from the sale of financial assets at fair value through profit or loss		**52,655**	-
Profit from the sale of intangible assets		**(200,739)**	(392,418)
Fair value losses/(gains) on financial assets at fair value through profit or loss		**3,733,073**	(97,589)
Impairment charge - investments in subsidiaries	19	**2,724**	-
Impairment charge - intangible assets	18	**6,237,308**	1,673,683
Impairment charge on cash and cash equivalents	22	**6,048**	-
Interest expense	17	**477,614**	-
		(6,670,761)	2,135,470
Changes in working capital:			
Decrease/(increase) in trade and other receivables		**4,524,961**	(994,970)
Decrease/(increase) in financial assets at fair value through profit or loss		**658,286**	(220,708)
Increase in trade and other payables		**291,158**	74,882
Cash (used in)/generated from operations		**(1,196,356)**	994,674
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	18	**(148,470)**	(476,768)
Proceeds from disposal of intangible assets		**1,379,347**	2,875,093
Net cash generated from investing activities		**1,230,877**	2,398,325
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**-**	(1,303,603)
Proceeds from borrowings		**443,093**	-
Interest paid		**(477,614)**	-
Net cash used in financing activities		**(34,521)**	(1,303,603)
Net increase in cash and cash equivalents		**-**	2,089,396
Cash and cash equivalents at beginning of the year		**9,704**	(2,079,692)
Impairment charge on cash and cash equivalents		**(6,048)**	-
Cash and cash equivalents at end of the year	**22**	**3,656**	9,704

Significant non-cash transactions during the year ended 31 December 2025 were:

- impairment charges on intangible assets US$6,237,308 (Note 18);
- fair value losses on FVTPL financial assets US$3,733,073 (Note 21);
- expected credit losses and write-offs on trade and other receivables US$4,540,472 (Note 15 and 20);
- settlement-related expense US$257,500 (Note 15);
- accrued interest expense on parent loan US$477,614 (Note 17);

These movements are reflected in the relevant notes and are excluded from the statement of cash flows.

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1. Incorporation and principal activities

Country of incorporation

The Company Incredulous Labs Limited (the "Company") was incorporated in Cyprus on 9 April 2021 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 37 Markou Botsari, 1037 Kaimakli, Nicosia, Cyprus.

Principal activities

The Company is a wholly owned subsidiary of Advanced Blockchain AG, a stock corporation incorporated in Germany and publicly listed on the Frankfurt Stock Exchange. Advanced Blockchain AG is the Company's immediate and ultimate parent undertaking and ultimate controlling party.

The principal risks and uncertainties facing the Company at 31 December 2025 and up to the date of approval of these separate financial statements relate to going concern and liquidity, as the Company was in a net liability position and remains dependent on continuing support from its parent undertaking, Advanced Blockchain AG; concentration of funding and balances with related parties; valuation uncertainty in respect of unquoted project investments, token rights and other Level 3 positions; and residual risks from historical wallet activity, legacy documentation gaps and ownership or control matters affecting specific legacy positions, notwithstanding the improvements made to the current control environment.

The Company is also exposed to legal and recovery risks, including the Project 10 portfolio-entity matter, tax, VAT and transfer-pricing matters, and the matters relating to the intercompany balance with subsidiary Brain Networks Ltd. These matters are disclosed in Notes 2, 3, 8, 9, 10, 18, 19, 20, 24, 25, 26, 27 and 28 of the separate financial statements and, where applicable, are also reflected in the Independent Auditor's Report.

Management considered these risks in preparing the separate financial statements. Where relevant, the accounting effects have been reflected in the related judgements, impairment assessments, expected credit loss allowances, fair value measurements, provisions or contingency disclosures, related-party disclosures and going-concern assessment.

During 2025 and up to the date of approval of these financial statements, management continued its reconciliation, remediation and portfolio clean-up work. The Company continued to operate enhanced controls over wallet governance, transaction approvals and reconciliation routines.These controls represent a material improvement over the historical environment and reduce the risks and information limitations associated with historical transactions, project rights, valuation estimates and legal recovery matters. More specifically, the Company's operating model included controlled self-custody, MPC-based key management via Fireblocks, multisignature wallet governance, verified exchange accounts, selected OTC and market-maker arrangements, staking activities, swap-related activity and contractual token-right arrangements. Compared with the historical environment, the Company operated a significantly improved structured control model.

Legacy wallet remediation, legal recovery actions, manual accounting review and preparation, intercompany clean-up and control documentation formed part of management’s 2025 remediation and governance effort. These matters are not presented as the Company’s principal activities, but are disclosed where relevant because they affect the interpretation of balances, claims, contingencies, controls and subsequent events.

Operating Environment of the Company

The conflict in the Middle East, including the Israel-Gaza war that escalated from October 2023 and subsequent regional tensions involving Iran, Lebanon and other actors, has contributed to global uncertainty, volatility in financial markets, increased geopolitical risk and pressure on investor sentiment.

The ongoing Russia-Ukraine conflict, which commenced in February 2022, continues to affect global markets, energy prices and supply chains.

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1. Incorporation and principal activities (continued)

These geopolitical developments, together with inflationary pressures, interest-rate uncertainty, energy-price volatility, regulatory developments affecting digital assets and reduced risk appetite in certain markets, have contributed to a challenging operating environment.

The crypto and digital-asset markets in which the Company has investments and exposures remain highly volatile and continue to be affected by changes in market liquidity, investor sentiment, regulatory expectations, technological developments and counterparty risk.

The Company has no direct operations in, or contractual exposure to, Russia, Ukraine, Belarus, Iran, or the conflict zones in the Middle East.

Management has considered the above matters in preparing these financial statements. Based on information available at the date of approval of these financial statements, management does not expect the above matters to have a material adverse effect on the Company's short-term operations or financial position. However, the geopolitical and macroeconomic situation remains volatile and unpredictable. Management will continue to monitor developments, including international sanctions, armed conflicts, digital-asset market conditions, token prices, liquidity, counterparty creditworthiness and regulatory changes, and will take appropriate action where necessary to protect the Company's assets and stakeholder interests.

2. Basis of preparation

These separate financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

These separate financial statements present the financial position, financial performance and cash flows of Incredulous Labs Limited on a stand-alone basis and do not include the assets, liabilities, income and expenses of its subsidiaries.

The separate financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities measured at fair value through profit or loss, where applicable.

These financial statements should be read together with Note 3, which describes the historical control, custody and documentation matters identified in prior years, the corrective actions taken by management, the internal control revisions implemented from 1 September 2024 and the matters relevant to the preparation of the 2025 financial statements.

The comparative information for the year ended 31 December 2024 has been derived from the audited separate financial statements of the Company for that year and has been restated for the prior-period error disclosed in Note 11. Where necessary, comparative amounts have been re-presented or reclassified to conform with the current-year presentation.

The Company's parent undertaking, Advanced Blockchain AG ("ABAG"), is incorporated in Germany and its shares are admitted to trading on the Scale segment of the Frankfurt Stock Exchange. Scale is a segment of the Open Market and is not an EU-regulated market. Based on management's assessment of the applicable public-interest entity requirements, neither ABAG's admission to trading on Scale nor the Company's status as a wholly owned subsidiary of ABAG causes the Company to be treated as a public-interest entity for the purposes of these separate financial statements.

Based on the most recent approved financial information of the Company and its subsidiaries, management has assessed that the group meets the criteria for exemption from mandatory preparation of consolidated financial statements under the applicable provisions of the Cyprus Companies Law, Cap. 113.

Notwithstanding the above statutory exemption, management is currently assessing whether to prepare consolidated financial statements on a voluntary basis in accordance with IFRS Accounting Standards as adopted by the European Union in future periods. No decision has been taken at the date of approval of these financial statements.

2. Basis of preparation (continued)

Going concern basis

The financial statements have been prepared on a going-concern basis. The Company incurred a net loss for the year of US$16,979,444 (2024 restated: net profit of US$951,794), and at 31 December 2025 its liabilities exceeded its assets by US$7,478,215 (2024 restated: net assets of US$9,501,229). The 2025 loss arose principally from non-cash impairments, fair value losses, derecognitions and expected credit losses on historical digital-asset and project positions, together with legal, settlement and operating costs.

In assessing the appropriateness of the going-concern basis, management prepared a cash-flow forecast covering the twelve-month period from the date of approval of these financial statements. The forecast takes into account parent support, contingency measures, expected operating costs, committed and expected administrative expenses, expected income, planned liquidity measures, settlement of liabilities, post-year-end cash flows and downside sensitivities.

Management also considered the support provided by Advanced Blockchain AG, the Company's parent undertaking. The Company notes that the following support arrangements were entered into after the reporting date:

- (i) a support letter executed on 1 April 2026, under which Advanced Blockchain AG confirmed that, until 31 December 2029, it will not demand early repayment, accelerate, call, enforce or otherwise require immediate settlement of amounts due from the Company because of the Company's liquidity position, cash-flow position, operating performance, financial circumstances or net asset position, and confirmed that its intra-group claims are subordinated to the claims of the Company's third-party creditors;

- (ii) Addendum No. 1 to the Framework Loan Agreement dated 17 September 2025, executed on 1 April 2026, under which Advanced Blockchain AG agreed that, until 31 December 2029, it will not terminate the loan agreement, demand mandatory repayment or enforce repayment of principal or accrued interest in a manner that would prejudice the Company's ability to meet its obligations to third-party creditors as they fall due; and

- (iii) an Agent Services Agreement dated 31 March 2026 and executed on 1 April 2026, under which Advanced Blockchain AG may pay or settle certain operating costs on behalf of the Company, including through fiat payment execution, digital-asset conversion and reimbursement arrangements.

Management also considered the liquidity position and support capacity of Advanced Blockchain AG as the Company's parent undertaking. Advanced Blockchain AG has prepared its own going-concern assessment for the period from April 2026 to March 2027, which takes into account shareholder financing arrangements entered into at parent-company level, expected group cash-flow measures and other liquidity actions available at parent-company level, and in which management did not identify a material uncertainty related to going concern at parent-company level.

Management considered these matters, together with the existing parent-support, loan standstill, subordination and payment-agency arrangements, as part of the wider group-support and contingency measures available to the Company.

These support measures are not merely contemplated, but have been formally documented and executed before the approval of these financial statements. The Directors have also considered the Company's 12-month cash-flow forecast, expected asset monetisation, the status of legal and recovery matters, existing intra-group balances and the availability of group operational support. The forecast also incorporates a minimum liquidity threshold of US$10,000, and based on the current projections this threshold is not breached in any of the modelled scenarios. Management has also considered ongoing group-level efforts to raise additional finance or capital from existing shareholders and investors of the wider Advanced Blockchain AG group. These efforts are not presented as legally committed funding unless and until binding arrangements are executed; however, they form part of management's wider liquidity and contingency planning and have been considered as additional supporting information in assessing the Company's going-concern position.

The post-year-end execution of these support arrangements is disclosed as a non-adjusting event after the reporting period in Note 33.

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2. Basis of preparation (continued)

Management has also considered the matters disclosed in Note 3, including the continuing remediation of historical control matters, custody and wallet governance, legal recovery actions, settlement matters and recoverability of certain assets and claims. These matters require judgement, particularly in assessing the timing and amount of expected cash inflows, the availability and continued effectiveness of parent support, the liquidity of digital-asset and project positions and the outcome of legal and recovery matters.

Accordingly, the directors consider that the going-concern basis of preparation is appropriate and that no material uncertainty related to going concern exists at the date of approval of the financial statements.

3. 2025 reconciliation, validation and remediation work

Background

During prior periods, the Company was affected by significant historical control deficiencies, asset access issues, incomplete documentation and legacy operating arrangements, caused by the previous management. These matters related principally to the custody and control of certain digital assets, the documentation of project rights and token entitlements, the completeness and reliability of certain historical accounting records, and the recoverability of certain historical balances and claims.

These matters continued to be relevant in 2025 to the extent that certain balances, token rights, claims, recovery matters, impairment assessments, fair value measurements, classifications and disclosures remained affected by historical facts or information limitations.

The detailed historical background is set out in the Company's prior-year financial statements. This note updates the status of those matters for the year ended 31 December 2025 and explains the principal areas of remediation, judgement and remaining uncertainty relevant to these financial statements.

2025 reconciliation, validation and remediation work

During 2025, management continued the reconciliation, validation and remediation of the Company's digital-asset records. This included reconciliation of on-chain and off-chain transaction records, review of wallet ownership and control, assessment of legacy wallet positions, and validation of known vesting and staking activities. The accounting effects identified from this work were reflected through impairments, including expected credit loss allowances, derecognitions, reclassifications or updated disclosures where required.

Management also continued to strengthen the control environment and the related accounting, wallet, exchange, project and legal record-keeping processes. Key measures included the continued use of Fireblocks and multisignature wallet governance, four-eyes approval procedures, segregation of duties, whitelisting of approved addresses, wallet inventory maintenance, periodic reconciliations, TRES Finance reporting, exchange-account reviews, project-level reconciliations, valuation and impairment reviews, and manual year-end close controls.

As at 31 December 2025, management considered that significant progress had been made in the following areas:

- active wallet custody and transaction approval operated through a more controlled environment rather than the legacy informal wallet model;
- active wallets, wallet identifiers and centralised exchange accounts were documented and separated from legacy wallets and exchange accounts;
- digital-asset monetisation and treasury activity was conducted through verified exchange accounts, wallets and documented transaction paths defined by management;
- the 2025 crypto transaction population and project movements were reconciled and supported by TRES Finance extracts, exchange statements, wallet records and explanatory working papers;

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3. 2025 reconciliation, validation and remediation work (continued)

- the project portfolio was subjected to a conservative valuation reset, including impairments, write-offs and derecognitions where carrying amounts were no longer supportable;

- certain receivables and intercompany balances were written off, impaired, netted or reduced where no longer recoverable or supportable;

- related-party and transfer-pricing documentation processes were established and implemented;

- management established a formal risk-control and financial-reporting support framework, including control self-assessment and defined action items.

As part of the 2025 remediation and financial reporting process, management performed comparison and reconciliation procedures over selected on-chain and off-chain records. These procedures included comparison of blockchain activity, Fireblocks and TRES Finance records, centralised exchange exports and wallet-control information. Management considered this work as part of its assessment of the completeness, consistency and support for the 2025 crypto transaction population, while separately assessing any matters identified through those procedures.

Digital asset custody, wallets, Fireblocks and TRES Finance

- During 2025, the Company continued to operate a controlled digital-asset environment using Fireblocks, multisignature wallets, verified exchange accounts, TRES Finance reporting and supporting working papers. The control framework was designed to support transaction approval, custody governance, completeness of wallet populations, ownership information, transaction cut-off, reconciliation and ledger mapping;

- The Fireblocks environment supports transaction log creation, approval history, source and destination information, on-chain transaction hashes, compliance metadata and information supporting transaction review, reconciliation and management's financial reporting assessment;

- TRES Finance was used as a crypto analytics, reconciliation, classification and reporting bridge. TRES extracts provide visibility over wallet movements, token balances, transaction categories and the finance classification process, and support reconciliation between crypto sub-ledger data, exchange statements, wallet records, project records and the general ledger;

- TRES Finance is not a custody system and does not by itself establish legal ownership or control of digital assets. Fireblocks, wallet records, exchange confirmations, legal documents, project documents and other information were considered where relevant in assessing recognition, measurement, ownership, control and classification;

- Management also formalised the wallet register and disclosure process through a joint board resolution between the Company and its sole shareholder. The resolution separates active wallets and exchange accounts controlled by current management from legacy wallets and routes requiring separate review. This supports the completeness, ownership and control assessment over the active wallet population used for current-year financial reporting;

- In assessing completeness, ownership, control, transaction classification and cut-off for digital-asset records, management performed comparison and reconciliation procedures over on-chain records, centralised exchange exports, Fireblocks records and TRES Finance data. Any matters identified through these procedures were considered in management's final classification, reconciliation and disclosure assessment.

Project portfolio and accounting reassessment

During 2025, management reassessed the recognition, classification, measurement and recoverability of the Company’s project positions and token-related assets.

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3. 2025 reconciliation, validation and remediation work (continued)

The review considered whether each asset or right was delivered or undelivered, vested or unvested, restricted or unrestricted, claimable or non-claimable, under current management control, subject to legacy wallet issues, supported by legal documentation, and capable of generating future economic benefits.

As a result of this review, the 2025 financial statements include significant impairments, including expected credit loss allowances, fair value losses, derecognitions and reclassifications. These accounting effects are reflected in the relevant notes to the financial statements, including intangible assets, financial assets at fair value through profit or loss, trade and other receivables, other expenses, related parties, contingencies and subsequent events.

The Company did not recognise assets merely on the basis of historical records where management could not support legal entitlement, control, delivery or recoverability. Similarly, claims and recoveries were recognised only where management concluded that recognition criteria were met under the applicable IFRS requirements. Where recognition criteria were not met, the matter was considered for disclosure as a contingency or other uncertainty.

Legal, recovery and settlement matters

During 2025, the Company reassessed certain historical project-related settlement arrangements. Based on legal advice, confirmations and settlement documentation obtained before the authorisation of these financial statements, management concluded that the matter gave rise to an agreed refund obligation.

As at 31 December 2025, the Company recognised a payable of US$275,000 in respect of this agreed refund obligation, which remained outstanding at that date. The related settlement impact has been recognised in profit or loss in 2025. Based on confirmations received before the authorisation of these financial statements, the relevant counterparty confirmed that, other than the agreed refund amount, it has no further claim for damages, interest, penalties, legal costs, compensation or any other relief against the Company, Advanced Blockchain AG, their affiliates or related parties in relation to this matter.

During 2025, management reassessed the status of the Project 10 portfolio-entity matter and the related receivable recovery. The gross amount recognised in trade receivables is US$851,620.

This balance relates to historical arrangements and claims pursued by the Company in connection with the portfolio entity.

During 2025, the Company commenced arbitration proceedings in relation to this matter. The proceedings were initiated on 5 November 2025. On 3 December 2025, the relevant counterparties submitted their response and defences, sought to add Advanced Blockchain AG as a party, and asserted counterclaims.

The Company opposed the joinder and the inclusion of counterclaims not subject to the arbitration clause. Management assessed the recognition and recoverability of the receivable based on the underlying agreements, claim calculation, legal correspondence and legal advice available up to the date of approval of these financial statements.

Legal counsel confirmed that the claim has merit and that his assessment relates to the likelihood of obtaining a judgment / award in favour of the Company, but not to certainty of cash collection.

Management concluded that the gross receivable should remain recognised at 31 December 2025, but recognised an expected credit loss allowance of US$467,500 because the matter remains subject to legal process, enforcement and collectability risk.

The net amount remaining at 31 December 2025 is therefore US$384,120 in respect of this matter. Further details are included in Notes 15, 20 and 28.

Accounting impact

The accounting effects of the historical matters and 2025 reassessment have been reflected in these financial statements as follows:

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3. 2025 reconciliation, validation and remediation work (continued)

- intangible assets and token rights were reviewed for classification, legal entitlement, delivery, control, vesting, restrictions and impairment;
- financial assets at fair value through profit or loss were reviewed for classification, valuation basis, fair value hierarchy and valuation support;
- trade and other receivables were assessed for expected credit losses, recoverability and legal enforceability;
- settlement obligations and other liabilities were recognised where the Company had a present obligation at 31 December 2025;
- gains, losses, impairments, fair value movements and derecognitions were classified according to their economic substance;
- related-party balances and transactions were reassessed by counterparty and nature; and
- matters with remaining uncertainty were disclosed in the relevant notes.

Matters remaining subject to judgement or uncertainty following the above actions:

- the recoverability and measurement of legal claims and recovery balances;
- the valuation of illiquid or restricted token rights and project investments;
- the classification of certain SAFE, SAFT, token warrant and token entitlement arrangements;
- the status of legacy wallets, exchange accounts and historical routes not fully integrated into the current control environment;
- the settlement and legal effect of certain historical project-related settlement arrangements;
- the completeness and recoverability of related-party and intercompany balances;
- tax, VAT and transfer-pricing matters arising from historical and current group arrangements;
- the impact of subsequent events and further information on recognition, measurement and disclosure;
- the completeness and standardisation of transaction-level documentation for complex digital-asset activity, including DeFi, staking, bridging, swaps, protocol fees, exchange exports, transaction hashes and wallet classification.

Management has reflected the accounting effects of these matters based on information available up to the date of approval of these financial statements and management's assessment of whether, and to what extent, that information related to conditions existing at 31 December 2025. Events after the reporting period are disclosed separately in Note 33.

Control remediation status

Management considers the remediation of historical control weaknesses to be an ongoing process. The enhanced control framework implemented from 2024 continued during 2025 and included:

- four-eyes approval for material digital-asset transactions;
- multisignature wallet governance where appropriate;
- fireblocks-MPC-based custody controls, approval workflows and wallet whitelisting;

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3. 2025 reconciliation, validation and remediation work (continued)

- segregation of duties between transaction execution, approval, custody, oversight and accounting;
- improved documentation requirements for project transactions, settlements and related-party balances;
- periodic digital-asset reconciliations using wallet, custody, exchange and transaction-tracking evidence;
- mapping of digital-asset movements to the accounting ledger;
- review of legacy wallets, exchange accounts and historical balances requiring separate review;
- continued use of TRES Finance and transaction-tracking exports to support crypto transaction accounting;
- enhanced transaction-level documentation for complex digital-asset activity, including wrapping and unwrapping of tokens, swaps, cross-chain bridging, staking and yield rewards, protocol and smart-contract fees, transaction hashes for both asset and fee legs, and consistent TRES / exchange / wallet mapping.

Management does not present the ongoing strengthening of the enhanced control environment and wider internal control system as complete.

Certain areas of the 2025 year-end close continued to depend on manual workbooks, reconciliations, accountant postings and platform statements, particularly in relation to market-maker and OTC transactions, exchange flows, legacy-related reconciliation items and project-specific routes. These manual elements were addressed through review, explanatory comments and supporting documentation.

Historical wallet routes and legacy-related reconciliation items not integrated into the current control environment were assessed separately for completeness and, where relevant, supported impairment, derecognition, claim, contingency or disclosure conclusions.

Further control enhancements identified by management for 2026 include signed-document repository governance, manual override logging, related-party and transfer-pricing documentation, payment-run access governance, valuation and classification governance, digital-asset transaction logging, approval gates, financial-reporting IT controls and additional automation.

Detailed wallet addresses, transaction hashes, internal correspondence, legal strategy and forensic tracing information are retained in the Company's audit and legal files and are not reproduced in these financial statements where disclosure would be excessive, commercially sensitive or potentially prejudicial.

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3. 2025 reconciliation, validation and remediation work (continued)

Timeline of Key Events

Date	Event
Up to 31 December 2024	The key historical events up to 31 December 2024 are described in detail in the 2024 financial statements. These included the dismissal of the CEO of Advanced Blockchain AG, the non-acceptance of the Company's initial financial statements by the Group auditor, the withdrawal of the original 2023 financial statements, the identification of significant historical control and custody matters, the implementation of enhanced wallet and asset-control procedures, and the commencement of legal and asset-recovery actions. These matters formed the basis for the prior-year corrective actions, impairments, derecognitions and disclosures reflected in the 2024 financial statements and related comparative information.
31 March 2025	Appointment of a new accounting firm to conduct the accounting for the year ended 31 December 2025; following unwillingness of previous accounting firm to provide comfort on previous accounting activities from 2021 onwards.
During the year	Management continued the reconciliation and documentation of historical accounting records, digital-asset records, wallet activity, project investments, token rights and related-party balances.
During the year	During 2025, the Company continued to operate the enhanced custody and transaction-control framework introduced in 2024 and made further improvements, including four-eyes approvals, multi-signature wallet governance, Fireblocks controls, whitelisting, custody supervision, segregation of duties, TRES Finance / transaction-tracking reconciliations and improved ledger mapping.
During the year	Management continued reassessing the recognition, classification, valuation, impairment and derecognition of digital assets, token rights, SAFE/SAFT arrangements, token warrants and financial assets at fair value through profit or loss.
During the year	Management continued legal, settlement and recovery procedures in relation to historical matters, including claims involving former management or advisers, project positions, portfolio matters and certain historical settlement arrangements.
5 November 2025	Arbitration proceedings were initiated in relation to the Project 10 portfolio-entity matter.
3 December 2025	The relevant counterparties in the Project 10 portfolio-entity matter submitted their response and defences, sought to add Advanced Blockchain AG as a party and asserted counterclaims. The Company subsequently opposed the joinder and the inclusion of counterclaims not subject to the arbitration clause.
31 December 2025	Remaining unresolved matters were assessed for recognition, measurement and disclosure as assets, liabilities, impairments, fair value movements, provisions, contingent liabilities, contingent assets or disclosure-only matters.
After 31 December 2025	Events after the reporting period are disclosed separately in Note 33.

4. Functional and presentation currency

These separate financial statements are presented in United States Dollars (US$), which is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. Management has determined that the United States Dollar is the functional currency because:

- The majority of the Company's revenue is denominated and settled in US Dollars;

- Significant project acquisition agreements are priced in US Dollars;

- A substantial proportion of the Company's operating expenses are incurred in US Dollars; and

-The Company's most significant investments and projects are primarily located in non-Eurozone jurisdictions where US Dollars are the predominant currency for commercial transactions.

The Company's parent entity prepares its financial statements in Euro (EUR).

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5. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025. This adoption did not have a material effect on the accounting policies of the Company.

6. Material accounting policy information

The material accounting policies adopted in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all years presented in these separate financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these separate financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Going concern basis

The financial statements have been prepared on a going-concern basis. The directors' assessment of the appropriateness of the going-concern basis, including the consideration of post-year-end parent-support arrangements, is set out in Note 2 to the separate financial statements.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue

Recognition and measurement

The Company recognises revenue from advisory, incubation and management services provided to blockchain projects and related counterparties where there is an enforceable contract with a customer and the requirements of IFRS 15 are met.

Revenue is recognised when control of the promised services is transferred to the customer. Where the customer simultaneously receives and consumes the benefits of the services provided, revenue is recognised over time. Progress is measured by reference to the services performed, time incurred, milestones achieved or other input / output measures that best reflect the transfer of services under the relevant contract.

Consideration may be receivable in cash or, where contractually agreed, in digital tokens or other non-cash consideration. Non-cash consideration is measured at fair value at the date revenue is recognised. Subsequent changes in the fair value of tokens or other assets received as consideration are not recognised as revenue.

Identification of performance obligations

The Company’s performance obligations principally comprise advisory, incubation and management services. These services may include strategic advisory, project development support, ecosystem support, business development, token-related advisory and other blockchain related support services.

Management assesses each contract to determine whether the services represent one performance obligation or multiple distinct performance obligations. Where services are not separately identifiable and are highly interrelated, they are accounted for as a single performance obligation.

6. Material accounting policy information (continued)

Revenue (continued)

Significant judgements in applying the revenue policy include:

- determining whether a contract with a customer exists;
- identifying distinct performance obligations;
- determining whether revenue is recognised over time or at a point in time;
- selecting the appropriate measure of progress for services recognised over time;
- estimating and constraining variable consideration and determining the fair value of non-cash consideration, including any restrictions or lock-up terms.

The following items are not presented as revenue unless the specific facts and contract terms support classification as revenue under IFRS 15:

- fair value gains or losses on financial assets at fair value through profit or loss;
- gains or losses on disposal or derecognition of digital assets, token rights or project positions;
- staking or reward income where no customer contract exists;
- foreign exchange gains or losses;
- settlement gains, claims or recoveries; and
- recharges or group recoveries that do not arise from ordinary customer contracts.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US$), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Intangible assets – cryptographic tokens and token rights

The Company's intangible assets include digital assets and blockchain-related rights, comprising cryptographic tokens, token rights, SAFT rights, token warrants, assignments and other blockchain project rights where the relevant asset or right meets the recognition criteria for an intangible asset.

For these financial statements, "digital assets and token rights" refers to assets or rights that are identifiable, non-monetary and without physical substance, and which are controlled by the Company. Such items are accounted for under IAS 38 Intangible Assets, unless the contractual terms result in classification as a financial asset under IFRS 9, or unless the asset is held for sale in the ordinary course of business and is classified as inventory under IAS 2.

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6. Material accounting policy information (continued)

Intangible assets – cryptographic tokens and token rights (continued)

Management assesses each project, token, warrant, SAFT, SAFE, assignment or other blockchain arrangement based on its legal terms, economic substance, delivery status, vesting terms, control information and intended use.

Initial measurement and recognition:

Intangible assets acquired separately are initially recognised at cost when the Company controls the asset or enforceable right, future economic benefits are probable and the cost can be measured reliably.

Delivered tokens are recognised when the Company obtains control of the tokens, supported by custody via its own controlled wallets, or other delivery evidence.

Token rights, SAFT rights, token warrants and similar contractual rights are recognised when the Company controls an identifiable enforceable right and the cost can be measured reliably. Delivery of tokens is not required where the recognised asset is the contractual right itself. However, amounts paid before an enforceable right exists, or where control is not sufficiently evidenced, are recognised as prepayments or other assets until the relevant recognition criteria are met.

Where tokens or other non-cash consideration are received for services, the initial measurement is determined in accordance with the Company's revenue recognition policy. Subsequent changes after initial recognition are accounted for under the applicable measurement and impairment requirements for the relevant asset and are not recognised as revenue.

Subsequent measurement:

The Company applies the cost model to intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The revaluation model is not applied.

Token rights or other intangible assets with a finite contractual life are amortised over their expected useful life from the date the asset is available for use. An asset is available for use when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Delivered tokens and token rights without a finite contractual expiry date are assessed as having indefinite useful lives where there is no foreseeable limit to the period over which the asset is expected to generate economic benefits. The intention to realise value through disposal within a short or medium-term period does not, by itself, create a finite useful life under IAS 38.

At 31 December 2025, the Company did not recognise amortisation on its digital assets and token rights because the relevant assets were assessed as either indefinite-lived or not yet available for use. Such assets are tested for impairment annually and whenever indicators of impairment arise.

Delivered crypto tokens and token rights without contractual expiry are assessed as having indefinite useful lives because there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows, the underlying blockchain networks are designed for ongoing operation without contractual termination, and the economic patterns of consumption cannot yet be reliably estimated given the early-stage and volatile nature of the markets in which these assets operate.

Impairment:

Indefinite-lived intangible assets and intangible assets not yet available for use are tested annually for impairment in accordance with IAS 36. Other intangible assets are tested for impairment when indicators of impairment exist.

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6. Material accounting policy information (continued)

Intangible assets – cryptographic tokens and token rights (continued)

Indicators of impairment include, but are not limited to, adverse project developments, failed token generation events, inactive or discontinued projects, liquidity constraints, loss of custody or control information, legal disputes, adverse market movements, absence of reliable valuation support and post-year-end information indicating conditions existing at the reporting date.

The recoverable amount is the higher of fair value less costs of disposal and value in use. Where an active market exists for a delivered token, fair value is determined by reference to observable market prices at the reporting date, adjusted where necessary for restrictions, liquidity, lock-ups or other asset-specific factors. Where no active market exists, management uses valuation techniques such as probability-weighted expected return models, comparable transaction analysis, discounted cash flow methods or other project-specific valuation approaches.

Impairment losses are recognised in profit or loss. A previously recognised impairment loss is reversed only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised.

Derecognition:

An intangible asset is derecognised on disposal, transfer, expiry, termination or settlement of the underlying rights or entitlement, or when no future economic benefits are expected from its use or disposal.

Gains or losses arising on derecognition are measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company’s business model for managing the related financial assets and (ii) whether the contractual cash flows of the asset represent solely payments of principal and interest on the principal amount outstanding. On initial recognition, the Company may irrevocably designate a debt financial asset that would otherwise be measured at amortised cost or at fair value through other comprehensive income as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

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6. Material accounting policy information (continued)

Financial assets - Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised and derecognised using trade date accounting. Trade date is the date on which the Company commits to purchase or sell the financial asset. All other purchases and sales of financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the Company transfers the financial asset and the transfer qualifies for derecognition because substantially all the risks and rewards of ownership have been transferred or the Company has otherwise lost control of the asset.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

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6. Material accounting policy information (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 8, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 8, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 8, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

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6. Material accounting policy information (continued)

Classification as financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to collect contractual cash flows, and those cash flows represent solely payments of principal and interest on the principal amount outstanding. These assets are measured at amortised cost using the effective interest method, less impairment loss allowance for expected credit losses. Financial assets at amortised cost are presented as current assets to the extent that they are expected to be realised, collected or settled within twelve months after the reporting date or within the Company’s normal operating cycle, if longer. Amounts expected to be realised, collected or settled after more than twelve months are presented as non-current assets. Where a single balance or arrangement contains both current and non-current portions, the balance is split between current and non-current assets based on the contractual maturity, repayment profile or expected timing of recovery.

Classification as trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, or within the normal operating cycle of the business if longer, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment loss allowance for expected credit losses.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 8, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business, together with accruals and other settlement obligations where applicable. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. They are classified as current liabilities to the extent that they are due to be settled within twelve months after the reporting date or within the Company’s normal operating cycle, if longer, or where the Company does not have the right at the reporting date to defer settlement for at least twelve months. Amounts for which the Company has the right to defer settlement for at least twelve months after the reporting date are presented as non-current liabilities. Where a single balance or arrangement contains both current and non-current portions, the balance is split between current and non-current liabilities based on the contractual maturity, repayment profile or expected timing of settlement.

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6. Material accounting policy information (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

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6. Material accounting policy information (continued)

Prepayments

Prepayments are carried at the amount paid less any impairment loss. A prepayment is classified as non-current when the related goods or services are expected to be received after more than one year, or when the prepayment relates to an asset that will itself be classified as non-current upon initial recognition. Prepayments made to acquire assets are transferred to the carrying amount of the asset when the Company obtains control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are recognised in profit or loss when the related goods or services are received. If there is an indication that the asset, goods or services relating to a prepayment will not be received, the carrying amount of the prepayment is written down and the corresponding impairment loss is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Fair value measurement

The Company measures certain financial assets at fair value through profit or loss ("FVTPL") on a recurring basis. These may include unquoted equity interests, fund interests, SAFE instruments and other contractual rights where the instrument meets the definition of a financial asset and is classified at FVTPL.

Fair value 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 Company determines fair value using the assumptions that market participants would use when pricing the asset or liability, maximising the use of observable inputs and minimising the use of unobservable inputs.

Where an active market exists, fair value is determined by reference to quoted market prices at the reporting date. Where no active market exists, fair value is determined using valuation techniques appropriate to the nature of the instrument. These may include recent transaction prices, comparable company or comparable transaction analysis, discounted cash flow models, probability-weighted expected return models and other project-specific valuation approaches. Where appropriate, management uses external valuation specialists, third-party valuation reports or both to support the fair value assessment.

For unquoted project-related instruments, fair value measurement may require significant judgement. Relevant inputs may include recent funding rounds, project status, protocol activity, token generation or launch status, vesting or lock-up restrictions, market liquidity, comparable market data, probability of future conversion or realisation, and other asset-specific factors. Such measurements are generally classified as Level 3 where significant unobservable inputs are used.

Digital assets accounted for as intangible assets include delivered cryptographic tokens, token rights, SAFT rights, token warrants and other token-related rights that meet the definition of an intangible asset. These assets are accounted for under IAS 38 and are carried at cost less accumulated amortisation, where applicable, and accumulated impairment losses.

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6. Material accounting policy information (continued)

Where an active market exists for a delivered token, observable quoted prices may be used as an input in determining fair value less costs of disposal for impairment testing. Where no active market exists, management uses valuation techniques and project-specific evidence, including legal rights, delivery status, restrictions, liquidity, valuation development, technological advancements and project viability and available market or transaction data, among others.

The Company reassesses the classification of fair value measurements at each reporting date based on the lowest-level input that is significant to the measurement as a whole. Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period in which the change occurs.

The carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values where the balances are short term or bear market-consistent terms, unless otherwise disclosed.

- Level 1 - quoted prices, unadjusted, in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - unobservable inputs for the asset or liability, including management assumptions, valuation models, project-specific estimates and other inputs not based on observable market data.

Comparatives

Where necessary, comparative figures have been re-presented or reclassified to conform with changes in presentation in the current year. Such re-presentations or reclassifications do not affect previously reported profit or loss or net assets unless separately disclosed as a prior-period correction.

7. New accounting pronouncements

At the date of approval of these separate financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the separate financial statements of the Company.

8. Financial risk management

Financial and other key risk factors

The Company is exposed to market price risk, operational risk, credit risk, liquidity risk, currency risk, compliance risk, litigation risk and capital risk arising from the financial instruments it holds and the nature of its activities. The policies and procedures employed by the Company to manage these risks are discussed below:

8.1 Market price and Regulatory/Operational risks

Market price risk:

The Company is exposed to market price risk in relation to its holdings of digital assets, token rights and investments in blockchain projects. The value of such assets can fluctuate significantly as a result of market sentiment, liquidity, technological developments, protocol governance decisions, macroeconomic conditions, counterparty events and regulatory announcements.

For financial assets measured at fair value through profit or loss, changes in fair value are recognised in profit or loss. For digital assets and token rights accounted for as intangible assets, market price movements are considered when assessing impairment indicators and recoverable amount in accordance with IAS 36.

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8. Financial risk management (continued)

8.1 Market price and Regulatory/Operational risks (continued)

Management monitors available market data, project developments, liquidity, valuation development, technological advancements and restrictions, vesting conditions and other relevant information when assessing valuation and impairment. The Company does not currently use derivative or other formal hedging instruments to manage market price risk.

Regulatory and operational risk:

The Company operates in the blockchain and digital-asset sector, which remains subject to rapidly evolving regulation, enforcement activity and market practice. Changes in laws, sanctions, regulatory interpretation, licensing requirements or restrictions on blockchain activities may affect the value of the Company's assets, the ability of counterparties to perform, access to liquidity and the Company's operating model.

Operational risks include risks relating to custody of digital assets, wallet access, private-key management, cyber security, transaction approval controls, exchange or platform access, and the accuracy and completeness of transaction records.

The Company seeks to mitigate these risks through its enhanced governance and custody arrangements, including approval controls, segregation of duties, secure custody and wallet-management tools, wallet whitelisting where applicable, periodic reconciliations, ledger mapping and ongoing monitoring of digital-asset activity. These controls are designed to reduce the risks inherent in digital-asset operations to an acceptable residual level. Notwithstanding these measures, digital-asset operations remain subject to inherent risks.

8.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its borrowings (Note 24). Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

8.3 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from receivables, deposits with banks, and contractual rights to receive tokens or other consideration from counterparties. The Company's receivables include amounts due from investee projects, related parties, and third-party service providers. These balances are subject to a high degree of uncertainty due to the early-stage nature of counterparties and the evolving legal and regulatory framework for blockchain activities. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings. Management monitors outstanding receivables on a regular basis and recognises impairment losses where recovery is doubtful.

(i) Risk management

If debtor/borrower are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the debtor/borrower, taking into account its financial position, past experience and other factors.

The Company does not hold material investments in rated debt securities. Financial assets subject to the IFRS 9 ECL model primarily comprise cash at bank, trade and other receivables and any amortised-cost loans. Cash is held with investment-grade banks (12-month ECL). Trade and other receivables are provided for on an ECL basis using a provision matrix. Instruments measured at FVTPL and non-debt crypto-assets (IAS 38) are outside the ECL model.

These policies enable the Company to reduce its credit risk significantly.

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8. Financial risk management (continued)

8.3 Credit risk (continued)

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- trade receivables
- financial assets at amortised cost
- cash and cash equivalents

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:
- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Company considers the probability of default on initial recognition of a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there has been a significant increase in credit risk, the Company compares the risk of default at the reporting date with the risk of default at initial recognition. The assessment considers reasonable and supportable forward-looking information available without undue cost or effort. The following indicators are considered:
- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

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8. Financial risk management (continued)

8.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management considers 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 365 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of asset or instrument subject to the expected credit loss model is set out below:

Trade receivables and contract assets

The Company assesses, on an individual basis, its exposure to credit risk arising from trade receivables and contract assets. This assessment is based on the credit history of the customers with the Company as well as the period the trade receivable or contract asset is more than 180 days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Receivables from related parties

For receivables from related parties, lifetime expected credit losses are recognised where management determines that it would require undue cost or effort to assess whether credit risk has increased significantly since initial recognition. The assessment is updated at each reporting date until the financial asset is derecognised.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

The Company does not hold any collateral as security for any receivables from related parties.

Other receivables

For other receivables lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

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8. Financial risk management (continued)

8.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Other receivables (continued)

For any new loans to third parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

Impairment losses and expected credit loss allowances recognised on trade and other receivables are disclosed in Notes 15 and 20. These amounts include expected credit loss allowances and specific write-offs of receivable balances where management concluded that recovery was no longer supportable.

The Company does not hold any collateral as security for any other receivables.

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account ratings from external credit rating institutions and, where external ratings are not available, internal ratings.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

(iii) Impairment charges on financial and equity assets

Impairment losses	**2025**	2024 Restated
	US$	US$
Impairment charge - investments in subsidiaries	**(2,724)**	-
Impairment charge on cash and cash equivalents	**(6,048)**	-
Total impairment charges on financial and equity assets	**(8,772)**	-

8.4 Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. At 31 December 2025, the Company had cash and cash equivalents of US$3,656 (2024 restated: US$9,704), a net liability position of US$7,478,215 and material related-party and intercompany payable balances. The directors manage liquidity risk through the post-year-end parent-support arrangements with Advanced Blockchain AG (described in Note 2 and Note 27.4), the subordination of intercompany payable balances, payment agency arrangements, cost controls, ongoing monitoring of forecast cash flows and planned monetisation of selected asset positions. The directors continue to monitor liquidity closely, including the timing of asset monetisation, recovery matters, operating costs and related-party settlement arrangements. The contractual maturities of the Company's financial liabilities are set out in Note 24 (borrowings) and Note 26 (trade and other payables); the dependence on continued parent support is set out in Note 2.

8. Financial risk management (continued)

8.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency .

The Company's principal foreign-currency exposure at 31 December 2025 arose from EUR-denominated monetary items. The principal EUR balances at the reporting date comprised:

- (i) the parent loan from Advanced Blockchain AG of US$9,240,393, equivalent to EUR 7,864,164 at the closing rate of EUR 1 = US$1.1750;
- (ii) the intercompany payable to nakamo.to GmbH of US$2,267,824, equivalent to EUR 1,930,063;
- (iii) refundable VAT of US$34,101; and
- (iv) cash and cash equivalents of US$3,656.

The net EUR-denominated monetary liability position at 31 December 2025 was US$11,470,460 (2024 restated: US$10,764,573). A reasonably possible movement of ±5% in the EUR/USD exchange rate at the reporting date would have resulted in a corresponding pre-tax effect on profit or loss of approximately ±US$573,500 (2024 restated: ±US$538,200).

The EUR/USD reference rate moved from 1.0389 at 31 December 2024 to 1.1750 at 31 December 2025, representing an appreciation of the euro against the US dollar of approximately 13.10%. The Company recognised net foreign exchange losses of US$860,661 during 2025, comprising realised foreign exchange losses of US$584,837 and unrealised foreign exchange losses of US$275,824.

The Company's Management monitors exchange-rate fluctuations on a continuous basis. The Company did not use derivative or other hedging instruments to manage currency risk during the year.

8.6 Operational risk
Operational risk is the risk that derives from the deficiencies relating to the Company's information technology and control systems as well as the risk of human error and natural disasters.

The Company's systems are evaluated, maintained and upgraded continuously.The Company is exposed to particular operational risks arising from the nature of its blockchain and digital-asset activities, including risks relating to wallet access, private-key and custody management, transaction approval workflows, exchange and platform access, completeness and accuracy of transaction records, manual ledger mapping, use of third-party tools, and reconciliation between digital-asset systems and the accounting records.

Management seeks to mitigate this risk through its enhanced governance and custody procedures, including segregation of duties, four-eyes approval for material transactions, wallet whitelisting where applicable, use of secure custody and wallet-management tools, periodic reconciliations, review of digital-asset movements, documentation of significant transactions and mapping of system records to the general ledger.

These controls are designed to reduce operational risk to an acceptable residual level, particularly in relation to historical wallets, legacy transactions, third-party platforms, project-specific arrangements and matters requiring legal, technical or valuation judgement.

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8. Financial risk management (continued)

8.7 Compliance risk
Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Company.

The Company operates in a sector subject to evolving legal, regulatory and tax requirements, including those relating to digital assets, sanctions, anti-money laundering considerations, corporate reporting, VAT, direct tax, transfer pricing and related-party disclosures. Changes in regulation or interpretation may affect the Company’s operations, counterparties, asset values, reporting obligations and accounting conclusions.

Management seeks to mitigate compliance risk through monitoring of applicable requirements, use of external legal, tax and regulatory advisers where appropriate, review of significant transactions, documentation of related-party and intercompany arrangements, assessment of tax and VAT obligations, and review of matters requiring disclosure or recognition in the financial statements.

Where liabilities or obligations are identified and the recognition criteria are met, the Company recognises the related amounts in the financial statements. Where matters remain uncertain and recognition criteria are not met, they are disclosed where material in accordance with the relevant IFRS requirements.

8.8 Litigation risk
Litigation risk is the risk of financial loss, interruption of the Company's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Company to execute its operations.

The Company is exposed to legal risk in the ordinary course of its activities, including in relation to project investments, token rights, SAFE/SAFT and warrant arrangements, settlement matters, related-party transactions, digital-asset custody, historical asset recovery actions and contractual disputes.

Management seeks to mitigate this risk through review of contractual terms, use of legal advisers where appropriate, documentation of significant transactions, monitoring of open disputes and recovery matters, and assessment of potential claims and obligations at each reporting date.

Where a present obligation exists and an outflow of economic resources is probable and can be measured reliably, a provision is recognised. Where the outcome is uncertain and the recognition criteria are not met, the matter is disclosed as a contingent liability where material. Potential recoveries are recognised only when the recognition criteria are met and are otherwise disclosed where appropriate.

8.9 Capital risk management
Capital includes equity attributable to shareholders.

The Company's capital management objective is to support the going-concern basis of preparation as set out in Note 2 and to manage related-party funding and operating liabilities in conjunction with the parent's post-year-end support arrangements (Note 33). The Company is not subject to externally imposed regulatory capital requirements.

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8. Financial risk management (continued)

Fair value estimation

The carrying amounts and fair values of the Company's principal financial assets and liabilities are as follows:

	Carrying amounts		**Fair values**	
		2024		2024
	2025	Restated	**2025**	Restated
	US$	US$	**US$**	US$
Financial assets				
Cash and cash equivalents	**3,656**	9,704	**3,656**	9,704
Fair value through profit or loss	**4,415,091**	8,859,105	**4,415,091**	8,859,105
Financial liabilities				
Amortised cost				
Loans from related parties	**(9,240,393)**	(8,797,300)	**(9,240,393)**	(8,797,300)
	(4,821,646)	71,509	**(4,821,646)**	71,509

Other financial assets and liabilities, including trade and claim-related receivables, related-party receivables, trade and other payables and related-party payables, are measured at amortised cost. Their carrying amounts approximate their fair values because of their short-term nature or because they are repayable under related-party or contractual arrangements.

9. Other critical accounting estimates, judgments and assumptions

In preparing these financial statements, management applied significant judgement in determining the appropriate classification, recognition and measurement of blockchain-related positions. Judgement was required in determining whether positions represented directly held digital tokens, contractual rights to receive tokens, vested or unvested entitlements, financial assets measured at fair value through profit or loss, receivables, recovery claims, or items requiring disclosure only. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management also applied significant judgement in assessing whether rights were legally enforceable and attributable to the Company; whether positions were under current management control; whether assets were liquid, illiquid, locked, staked, vested, unvested or otherwise restricted; whether loss of control, lack of information or legal uncertainty required impairment, derecognition or disclosure; whether income was appropriately classified as revenue, disposal proceeds, staking income, option premium income, fair value movement or other income; and whether carrying amounts remained supportable at the reporting date.

In assessing completeness, ownership, control, transaction classification and cut-off for digital-asset records, management considered on-chain records, centralised exchange exports, Fireblocks records, TRES Finance data, wallet and custody information, project records and related reconciliations. Any discrepancies or limitations identified through management's review were considered in the final classification, reconciliation and disclosure assessment.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

  Management has made an assessment of the Company's ability to continue as a going concern.

9. Other critical accounting estimates, judgments and assumptions (continued)

- **Calculation of loss allowance**

  When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

  Key sources of estimation uncertainty included the fair value measurement of unlisted financial assets classified within Level 3 of the fair value hierarchy, impairment assessment of intangible assets, including token rights, recoverability of receivables and claims, legal and regulatory outcomes, token liquidity and market depth assumptions, restrictions over locked or unvested positions, the timing and proceeds of planned monetisation, and going-concern forecast assumptions.
  Level 3 fair value measurements involve significant unobservable inputs, including recent funding-round information, external valuation models, net asset value information, project-specific developments, liquidity discounts, transfer restrictions, probability of realisation and management assumptions. Changes in these assumptions could result in material changes to the carrying amounts recognised in the financial statements.

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 8, Credit risk section.

  For intangible assets, including token rights, management assessed whether indicators of impairment existed by considering project status, legal entitlement, delivery and vesting status, custody and control information, liquidity, market prices where available, restrictions, information about monetisation, and expected future economic benefits. Where the recoverable amount was no longer supportable, the carrying amount was impaired, written down to a nominal amount or derecognised.

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9. Other critical accounting estimates, judgments and assumptions (continued)

- **Impairment of intangible assets**

  Intangible assets comprise blockchain-related non-monetary assets and rights that do not meet the definition of cash, a monetary asset or a financial asset. These include, where applicable, directly held digital tokens, pre-launch token rights, vested or unvested entitlements, and rights arising under SAFTs, token warrants or similar arrangements.

  Management distinguishes between delivered tokens already held by or attributable to the Company; contractual rights to receive tokens in the future; vested but unclaimed rights; and unvested rights subject to future conditions, milestones, token generation events, unlock schedules or similar contractual requirements.

  In assessing completeness, ownership, control, transaction classification and cut-off for digital-asset records, management also considered the results, as communicated by the Company's auditor, of external crypto data-validation work by an independent auditor-appointed blockchain expert, including cross-validation of on-chain records, centralised exchange exports, Fireblocks records and TRES Finance data. Any discrepancies or recommendations identified and communicated by the auditor through that auditor-expert work were considered in management's final classification, reconciliation and disclosure assessment.

- **Valuation of non-listed and listed investments**

  The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

  Management used a combination of external valuation information, project documentation, wallet and custody evidence, transaction records, legal correspondence, management assessment and post-year-end information where relevant. Actual outcomes may differ materially from these estimates because blockchain markets are volatile and many portfolio positions are illiquid, early-stage, legally complex or subject to contractual restrictions.

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10. Fair value measurement

The following table presents the Company's financial assets measured at fair value at 31 December 2025. All these assets are financial assets measured at fair value through profit or loss and are categorised within Level 3 of the fair-value hierarchy because the valuation inputs are not based on quoted prices in active markets. The different levels have been defined in accordance with IFRS 13 as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities (e.g., listed tokens where an active exchange market exists).
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - unobservable inputs for the asset or liability, reflecting the Company's own assumptions about the inputs market participants would use, developed using the best information available (e.g., valuations based on structured scoring and weighting methodologies for unlisted SAFT/SAFE rights without active markets).

31 December 2025	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Assets measured at fair value				
Financial assets (Note 21)				
At FVTPL	-	-	4,415,091	4,415,091
Total	**-**	**-**	**4,415,091**	**4,415,091**

31 December 2024	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Assets measured at fair value				
Financial assets (Note 21)				
At FVTPL	-	-	8,859,105	8,859,105
Total	**-**	**-**	**8,859,105**	**8,859,105**

Valuation techniques

Listed investments

The fair values of investments traded on active liquid markets are determined with reference to quoted market prices. These investments are included within Level 1 of the hierarchy.

Non-listed investments

The fair values of non-listed financial assets, including unquoted equity interests, fund interests, SAFE instruments and other contractual rights classified as financial assets, are determined in accordance with IFRS 13 using valuation techniques appropriate to the nature of the instrument.

Where available, management considers independent valuation reports prepared by external valuation specialists. These valuations may include market-based approaches, recent comparable funding rounds, comparable transaction analysis, sector and market trend analysis, protocol activity metrics, project status, liquidity, restrictions, probability of conversion or realisation, and other qualitative and quantitative project-specific factors.

Where observable market data or directly comparable transactions are not available, valuation techniques incorporate significant unobservable inputs. Such investments are classified within Level 3 of the fair value hierarchy.

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10. Fair value measurement (continued)

For certain non-listed investments, no active market exists and limited observable data is available. In such cases, management estimates fair value using the best information available at the reporting date, including cost or latest transaction price where considered representative of fair value, adjusted where necessary for project-specific developments, impairment indicators, restrictions, liquidity, market conditions and other relevant evidence.

The valuation of non-listed investments involves significant judgement and estimation uncertainty. Changes in key assumptions may result in material changes to the fair value recognised.

Level 3 valuations are sensitive to project-specific information, liquidity constraints, contractual rights, token-delivery conditions, market conditions and subsequent events. Changes in those assumptions could materially affect fair values recognised in profit or loss.

Reconciliation of Level 3 fair value measurements

	2025	2024	Total
	US$	US$	US$
Balance at 1 January- as previously presented	**9,539,477**	**8,926,351**	**18,465,828**
IAS 8 reclassification of Talisman / SEEK from FVTPL to intangible assets / token rights	(680,372)	(385,542)	(1,065,914)
Fair value gains / (losses) recognised in profit or loss	(3,733,073)	97,589	(3,635,484)
Additions and transfers in	50,000	220,707	270,707
Disposals, derecognitions and other movements	(760,941)	-	(760,941)
Balance at 31 December	**4,415,091**	**8,859,105**	**13,274,196**

All financial assets at fair value through profit or loss are classified within Level 3 of the fair value hierarchy because their valuation includes significant unobservable inputs. During 2025, management identified a prior-period classification and measurement error relating to the Talisman / SEEK position. The original SAFE and side-letter arrangements were terminated and replaced by a SAFT-based token entitlement / token-right position. In 2025, shortly before the project's Token Generation Event, documentation was identified and communication between current management and the Talisman team was initiated to clarify the Company’s token entitlement and related distribution process. Management concluded that the continuing position should have been presented as an intangible asset / token right under IAS 38 rather than as a financial asset at fair value through profit or loss.

10. Fair value measurement (continued)

Information about key fair value measurements using significant unobservable inputs

Description	Fair value at 31 December 2025 US$	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Permanent Ventures, L.P.	307,152	NAV / external valuation approach	Underlying portfolio NAV, project performance and valuation inputs	Not separately disclosed in source table; per VR report	Higher post-money valuations, higher token market prices or stronger social media activity increase estimated NAV and fair value. Weaker valuations, lower token prices or lack of market events reduce NAV and fair value.
Project 11	1,121,544	Market comparison / external valuation approach	SAFE and token warrant terms, project valuation, legal status, liquidity and restriction factors	Not separately disclosed in source table; per VR report	Higher implied project valuation, stronger market comparables or improved legal recoverability increase fair value; legal uncertainty, illiquidity or weaker market information reduce fair value.
zCloak /Starks Network Ltd	357,444	Market comparison / external valuation approach	Project-specific valuation inputs, sector trend, qualitative project factors and liquidity	Not separately disclosed in source table; per VR report	Higher sector or project valuation metrics increase fair value; lower market activity, weaker project evidence or illiquidity reduce fair value.
Silencio SAFE rights	50,000	Cost / transaction price proxy	SAFE terms, transaction price, lack of observable market information	N/A	Higher supportable enterprise value or recent transaction evidence would increase fair value; adverse project or liquidity information would reduce fair value.
Light Protocol	1,175,071	Market comparison / external valuation approach	Project valuation, sector trend and market information	Not separately disclosed in source table; per VR report	Higher sector trend, stronger project progress, adoption or financing evidence increase fair value; weaker project or market evidence reduce fair value.

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10. Fair value measurement (continued)

Description	Fair value at 31 December 2025 US$	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Volumefi Software, Inc.	350,000	Cost / transaction price proxy	Cost, absence of more reliable valuation evidence and impairment indicators	N/A	Fair value is sensitive to whether cost remains a reasonable proxy. Adverse project evidence or lack of recoverability would reduce fair value.
Panoptic	1,053,875	Market comparison/external valuation approach	Project valuation, sector trend, qualitative project factors, token / warrant economics and liquidity	Not separately disclosed in source table; per VR report	Higher project valuation, stronger market comparables or improved token/warrant economics increase fair value; weaker project evidence, lower market activity or restrictions reduce fair value.
	-				

10. Fair value measurement (continued)

Description	Fair value at 31 December 2024 US$	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Permanent Ventures, L.P.	666,336	NAV-performance approach	Post-money valuation performance/Weighted NAV components per investment.	Performance multipliers across portfolio positions: from ~86,7% to ~376,1%. weighted average NAV performance since last reference date: 206,24%.	Higher post-money valuations, higher token market prices, or stronger social media activity > increase estimated NAV and thus fair value. Weaker valuations, lower token prices, or lack of market events, reduce NAV and fair value.
Project 11	2,207,821	Market comparison approach	Sector trend/Qualitative trend score/Trend analysis/TVL	50%/0%/50%/0%	Weaker valuations, lower token prices, or lack of market events- reduce NAV and fair value.Valuation capped at max 5x post-money cap, despite a later contract implying higher m.cap, reflecting conservatism.
Light Protocol	1,854,733	Market comparison approach	Sector trend/Qualitative trend/TVL	50%/0%/50%	A higher sector trend score or positive peer benchmark movement increases the FV. Stronger qualitative assessment (project progress, financing, adoption, social media activity) increases the FV.
Panoptic	2,196,298	Market comparison approach	Sector trend/Qualitative basis/Qualitative trend score-Company also holds a warrant for future project-specific token acquisition; as of 31.12.2024, not valued (exercise price not determined).	50%/0%/50%	Higher sector trend or qualitative trend scores increase FV; lower scores reduce FV.

Key: VR = valuation report; NAV = net asset value; TVL = total value locked; SAFE = Simple Agreement for Future Equity; SAFT = Simple Agreement for Future Tokens; FV = fair value; N/A = not applicable.

The Company's Level 3 fair value measurements comprise unlisted project investments, unquoted equity interests, SAFE instruments and other contractual rights classified as financial assets at fair value through profit or loss where no quoted market price is available.

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10. Fair value measurement (continued)

For these instruments, fair value is determined using valuation techniques appropriate to the nature of the instrument and the available information at the reporting date. Where available, management considers independent valuation reports prepared by external valuation specialists. These valuations may include market-based approaches, recent comparable funding rounds, post-money valuation caps, comparable transaction analysis, sector and market trend analysis, protocol activity metrics, project status, liquidity, restrictions, probability of conversion or realisation, and other qualitative and quantitative project-specific factors.

Where external valuation reports or observable market data are not available, management estimates fair value using the best information available at the reporting date. This may include the latest transaction price, cost where considered representative of fair value, subsequent project and valuation developments, impairment indicators, legal rights, restrictions, liquidity, expected recoverability and other project-specific information. Where management concludes that recovery or realisation is remote, the asset is measured at a nominal amount or written down accordingly.

The valuation of Level 3 financial assets involves significant judgement and estimation uncertainty because the inputs are not based on observable market data. Changes in key assumptions, including probability of realisation, expected exit value, liquidity, restrictions, project viability or discount applied to the latest observable transaction, could result in a material change in the fair value recognised.

The Company's Level 3 fair value measurements are sensitive to unobservable inputs, including project-specific valuation assumptions, recent comparable transactions, NAV information, cost or transaction-price proxies, liquidity, restrictions and expected recoverability.

For disclosure purposes, management assessed that a reasonably possible alternative range of ±10% applied to the relevant Level 3 financial asset measurements would result in the following pre-tax effects on profit or loss:

- Project 11 ±US$112,154;
- Light Protocol ±US$117,507;
- Panoptic ±US$105,387;
- Permanent Ventures ±US$30,715;
- Volumefi (Volume) ±US$35,000;
- zCloak / Starks Network ±US$35,744.
- Silencio SAFE: ±US$5,000
- A reasonably possible alternative for the Begals, Project Double, Component, Mekatek / Filament and Ithil positions, each carried at US$1 nominal value, would result in immaterial changes. The aggregate reasonably possible alternative pre-tax effect of a parallel ±10% movement across all Level 3 financial assets would be approximately ±US$441,500, equivalent to 10% of the total Level 3 financial assets balance of US$4,415,091 disclosed in Note 21.

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11. Prior-period correction:

During 2025, management identified a prior-period classification and measurement error relating to the Talisman / SEEK position. In 2025, shortly before the project's Token Generation Event, documentation was identified and communication between current management and the Talisman team was initiated to clarify the Company's token entitlement and related distribution process. The original SAFE and side-letter arrangements were terminated and replaced by a SAFT-based token entitlement / token-right position. Management concluded that the continuing position should have been presented as an intangible asset / token right under IAS 38 from initial recognition, rather than as a financial asset at fair value through profit or loss.

The correction has been accounted for retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The comparative information for the year ended 31 December 2024 has been restated as follows:

Extracts from Statement of financial position-31.12.24	As previously reported	Adjustment	As restated
Intangible assets	7,523,252	200,000	7,723,252
Financial assets at fair value through profit or loss	9,539,477	(680,372)	8,859,105
Retained Earnings	9,980,173	(480,371)	9,499,802

Extracts from Statement of profit or loss and other comprehensive income-31.12.24	As previously reported US$	Adjustment US$	As restated US$
Operating profits/gains and losses, and other income	4,220,765	(294,829)	3,925,936
Operating (loss)/profit	**1,282,786**	**(294,829)**	**987,957**
Net (loss)/profit for the year	**1,246,623**	**(294,829)**	**951,794**
Total comprehensive income for the year	**1,246,623**	**(294,829)**	**951,794**

The effect on retained earnings, totalling US$480,371 reduction, comprises a US$185,542 opening retained earnings correction before 2024 and a US$294,829 correction of the 2024 result.

The closing 2025 carrying amount of the Talisman / SEEK token-right position is US$66,285, after a 2025 impairment charge of US$133,715 was recognised in profit or loss.

Management has considered whether other adjustments recognised in 2025 in respect of historical digital-asset and project positions represent prior-period corrections under IAS 8 or relate to events and circumstances arising or becoming known during 2025. The principal items considered, and management's classification of each, are as follows:

(i) the impairment of US$4,296,500 on the Mantis / LAYR token-right position arose from the trading and delisting of MANTIS during 2025 — accounted for as a current-year impairment in profit or loss (not an IAS 8 correction);

(ii) the gross receivable from the portfolio entity amounted to US$3,391,271 before management's 2025 reassessment. During 2025, management wrote off US$2,539,651, reducing the gross receivable to US$851,620. The remaining receivable was assessed separately for expected credit loss. This was accounted for as a current-year write-off / impairment in profit or loss;

(iii) the AB FZCO intercompany receivable of US$1,402,321 was written off in full following the liquidation of AB FZCO during 2025. This was accounted for as a current-year derecognition / impairment in profit or loss;

(iv) the Project 10 position had a carrying amount of US$850,000 before management's 2025 reassessment. Management concluded that the remaining economic recovery is being pursued through a separate receivable / legal recovery route rather than through a continuing project right. The project-right position was therefore written down to US$1, resulting in an impairment charge of US$849,999 accounted for as a current-year impairment in profit or loss.

11. Prior-period correction: (continued)

In each case, management concluded that the conditions giving rise to the adjustment arose during 2025 rather than constituting a prior-period error.

12. Revenue

The Company recognised revenue during the year ended 31 December 2025 from advisory and service income provided to blockchain and digital-asset projects. The consideration received for these services was in the form of tokens.

Disaggregation of revenue	**2025 US$**	2024 Restated US$
Advisory and service income (token consideration)	**52,891**	229,179
Total revenue	**52,891**	229,179
	52,891	229,179

Revenue from advisory and service income is recognised when, or as, the Company satisfies its performance obligations by transferring the promised services to the customer. Where the services are provided over time, revenue is recognised over time based on the stage of completion of the relevant performance obligation.

The Company did not recognise gross trading, swap, OTC, bridge, market-maker, token monetisation or project disposal proceeds as IFRS 15 revenue unless the transaction represented a customer contract with a performance obligation. Transactions involving the Company's own digital assets, token rights or FVTPL project assets were assessed and presented as disposal gains or losses, fair-value movements, impairments, write-offs or other income / expenses according to their substance.

Where consideration is received in digital tokens, the consideration is measured at fair value in US dollars at the date the revenue is recognised. Subsequent changes in the fair value of tokens received are not recognised as revenue.

Variable consideration is recognised only to the extent that it is highly probable that a significant reversal of revenue will not occur when the uncertainty is subsequently resolved.

At 31 December 2025, the Company had no material unsatisfied performance obligations, contract assets or contract liabilities in respect of advisory and service revenue.

13. Operating profits/gains and losses, and other income

	2025 US$	2024 Restated US$
Exchange profit	**-**	351,902
Staking and other income	**292,522**	63,774
Profit from sale of intangible assets	**200,739**	2,482,199
Fair value gains on financial assets at fair value through profit or loss	**-**	931,635
Sundry operating income	**-**	65,871
Waiver of payables	**-**	30,555
	493,261	3,925,936

Other operating income comprises gains and income items that do not arise from the Company's ordinary advisory or service revenue contracts.

Exchange profit represents foreign exchange gains arising from settlement and retranslation of monetary balances during the year.

13. Operating profits/gains and losses, and other income (continued)

Staking and other income represents income from digital-asset activity that does not meet the definition of revenue from contracts with customers.

Profit from sale of intangible assets represents the net realised profit from sales of digital assets and token rights accounted for as intangible assets. These amounts are presented separately from revenue, staking rewards and fair value movements.

Fair value gains on financial assets at fair value through profit or loss relate to Level 3 project investments measured at fair value through profit or loss. The 2024 comparative amount has been restated as disclosed in Note 11.

Fair value losses recognised in 2025 are presented in other expenses and are not netted against other operating income.

Revenue / monetisation analysis for 2025: During 2025, the Company generated income from advisory services, staking rewards, token monetisation, market-maker activity, OTC transactions, option arrangements, swaps, bridge transactions and FVTPL liquidation / disposal activity. These activities were assessed by management according to their legal and economic substance for financial statement presentation purposes.

For statutory financial statement presentation, only Pendulum advisory / service income of US$52,891 in 2025 (2024: US$229,179) is presented as IFRS 15 revenue. The remaining streams are presented according to their substance as other operating income, disposal gains, staking income, exchange gains, FVTPL movements or other relevant profit or loss lines, rather than as IFRS 15 revenue.

Cost of sales and direct disposal costs were matched to the relevant monetisation streams where appropriate. The largest cost category related to token monetisation and disposal proceeds, with additional cost lines for token swaps, staking, Pendulum cost of sales, Tango-related cost of sales, market-maker costs and bridge/option-related costs. These amounts have been reflected in the statement of profit or loss and related notes according to their IFRS classification and underlying account mapping.

Market-maker, OTC and option arrangements

During 2025, the Company entered into selected OTC, exchange-mediated, market-maker and option-style transactions in order to monetise part of its digital-asset positions, manage liquidity and execute treasury actions. These arrangements included spot sales, exchange-mediated transactions, OTC transactions, market-maker arrangements, token swaps and option or covered-call premium arrangements.

During 2025, the Company entered into covered-call option arrangements over PEAQ tokens with Keyrock as part of its digital-asset monetisation and liquidity management activities. Under these arrangements, the Company granted the counterparty the right to acquire specified quantities of PEAQ tokens at agreed strike prices. In return, the Company received option premiums in USDT/USDC.

The Company entered into five covered-call option arrangements during the year covering 3,225,830 PEAQ tokens. Total option premiums received amounted to US$21,803. Premiums of US$10,758 related to options that expired or closed without exercise, for which the Company retained the premiums without delivering the underlying PEAQ tokens. Premiums of US$11,044 related to options that were exercised and physically settled.

Where options were not exercised, the premiums received were recognised as option premium income. Where options were exercised and physically settled, management accounted separately for: (a) the option premium received; (b) the delivery / derecognition of the underlying PEAQ tokens; and (c) the strike proceeds received on disposal of the underlying tokens. Strike proceeds received in relation to physically settled covered-call arrangements amounted to US$63,418.

13. Operating profits/gains and losses, and other income (continued)

The related token disposals were accounted for by comparing the consideration received with the carrying amount of the PEAQ tokens delivered. Any resulting gain or loss was recognised in profit or loss as part of the disposal result on digital assets. Management assessed the arrangements by reference to their legal and economic substance, including whether each option expired, was exercised, was physically settled or gave rise only to premium income. All covered-call option arrangements entered into during 2025 were closed before 31 December 2025. Accordingly, no derivative financial asset or liability was recognised in the statement of financial position at 31 December 2025 in relation to these arrangements. The accounting treatment was based on the Keyrock option confirmations, the options trading statement and the reconciliation of premiums received, strike proceeds, token delivery and year-end open exposure.

Market-maker and OTC spot-sale arrangements related mainly to PEAQ, AR and NEON tokens and generated proceeds of US$457,838. These proceeds were assessed together with the carrying amount of the relevant tokens in determining the related disposal gain or loss.

Under these arrangements, the Company delivered tokens, received sale proceeds, received premium income, entered into exchange or conversion transactions, or retained underlying tokens depending on the transaction terms. Management accounted for these transactions by reference to the legal and economic substance of each arrangement, including whether the underlying asset was sold, remained held by the Company, exchanged, or gave rise to premium income only. No material unrealised or open market-maker, OTC or covered-call exposure remained outstanding at 31 December 2025.

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14. Administration expenses

	2025	2024 Restated
	US$	US$
Employees remuneration and other performance fees	**34,155**	95,537
Rent	**2,780**	293
Municipality taxes	**-**	553
Sundry expenses	**-**	17,415
Subscriptions and contributions	**19,780**	-
Computer software	**22,555**	5,372
Auditors' remuneration - current year	**82,250**	124,668
Auditors' remuneration - prior years	**27,886**	-
Accounting fees	**52,733**	108,396
Legal and professional	**-**	59,673
Other professional fees	**268,274**	98,618
Irrecoverable VAT	**74,125**	-
Commissions and performance fees	**-**	132,904
Consulting services	**325,915**	16,000
	910,453	659,429

Irrecoverable VAT recognised in administration expenses amounted to US$74,125. VAT refundable at 31 December 2025 is disclosed in Note 20.

Other professional fees comprise expenses relating to:

- financial statement preparation, year-end accounting review and professional support costs of US$171,557;
- legal, corporate and arbitration-related professional advice of US$94,666;
- and third-party professional service charges recharged by the parent company of US$2,051. The 2024 comparative amount was US$98,618.

In 2024, legal and professional fees of US$59,673 were presented separately.

Consulting services comprise:

- parent/group service rebilling from Advanced Blockchain AG of US$299,921 and
- external consulting, settlement and compensation-related services of US$25,994 (The 2024 comparative amount was US$16,000).

The parent/group rebilling relates to operational, finance, accounting coordination, project, custody, transaction/monetisation and administrative support provided by the parent and recharged to the Company during 2025. The 2024 comparative amount was US$16,000. Amounts recharged by the parent company are also disclosed in the related-party transactions note.

15. Other expenses

	2025 US$	2024 Restated US$
Historical project-related settlement expense	**257,500**	-
Specific bad debts - receivables	**3,941,972**	-
Expected credit loss - trade & other receivables	**598,500**	-
Loss from sales of financial assets at fair value through profit or loss	**52,655**	-
Loss on liquidation of FVTPL investee	**438,949**	-
Fair value losses on financial assets at fair value through profit or loss	**3,733,073**	834,046
Impairment charge - intangible assets	**6,237,308**	1,673,683
	15,259,957	2,507,729

Expected credit losses on trade and other receivables and specific bad debts / write-offs amounted to US$598,500 and US$3,941,972 respectively. These amounts comprise:

- US$2,539,651: write-off / full impairment of a historical portfolio-entity receivable;
- US$1,402,321: write-off of the whole of the intercompany receivable from the subsidiary AB Labs FZCO, following the entity's liquidation during 2025 (see Note 19 and Note 27);
- US$467,500: expected credit loss allowance recognised against a receivable relating to a separate portfolio-entity and related-adviser recovery matter claim (see Note 20 and Note 28); and
- US$131,000: expected credit loss allowance recognised against a receivable relating to a legacy NEAR token recovery claim (see Note 18 and Note 20).

The related-party component of this item is disclosed in Note 27.

Fair value losses on financial assets at fair value through profit or loss amounted to US$3,733,073 and related to Level 3 unlisted project investments. The principal losses were recognised on:

- Panoptic of US$1,142,423;
- Project 11 of US$1,103,777;
- Light Protocol of US$679,662;
- Permanent Ventures, L.P. of US$359,184;
- Mekatek / Filament of US$249,999, and
- zCloak / Starks Network of US$198,028.

The losses arose from management's reassessment of fair value at 31 December 2025 using the latest available project information, external valuation reports for the relevant projects where such reports were obtained, recent transaction information, liquidity, project status and recoverability. These amounts are non-cash fair value remeasurement losses and are presented separately from realised losses on disposal or liquidation of FVTPL financial assets of US$491,604.

During 2025, the Company recognised a settlement expense in respect of a historical project-related matter, based on legal advice and settlement documentation available to management. The Company recognised a payable of US$275,000 at 31 December 2025 in respect of the agreed refund amount. The related impact recognised in profit or loss for 2025 was a net settlement impact of US$257,500. This differs from the gross payable because US$17,500 was reflected in the measurement of the related FVTPL project position. The payable is included within trade and other payables, and the net settlement impact is included within other expenses.

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15. Other expenses (continued)

Loss on liquidation of FVTPL investee of US$438,949 relates to the derecognition of the Company's Element Finance / Delv position. The position had a fair value carrying amount of US$672,466 at 31 December 2024 and was fully derecognised during 2025 following the liquidation / wind-down process. The Company recognised liquidation proceeds of US$233,518, with the difference of US$438,949 recognised as a realised loss on liquidation of a financial asset measured at fair value through profit or loss.

16. Employees remuneration and other performance fees

	2025	2024 Restated
	US$	US$
Employees remuneration and other performance fees	**34,155**	95,537
	34,155	95,537

17. Finance costs

	2025	2024 Restated
	US$	US$
Net foreign exchange losses	**860,661**	30,487
Interest expense	**477,614**	-
Sundry finance expenses	**8,139**	5,676
Finance costs	**1,346,414**	36,163

Foreign exchange gains are presented within other operating income. Foreign exchange losses and finance charges are presented within finance costs.

18. Intangible assets

	Other intangibles- Digital assets(Delivered and pre launch-token rights/SAFTs, warrants/other rights) US$
Cost	
Balance at 1 January 2024, as previously presented	9,113,060
IAS 8 reclassification of Talisman / SEEK from financial assets at fair value through profit or loss	200,000
Additions / transfers in	476,768
Disposals, monetisations, transfers out and derecognitions	(392,893)
Impairment charges	(1,673,683)
Balance at 31 December 2024/ 1 January 2025	**7,723,252**
Additions / transfers in	148,470
Disposals, monetisations, transfers out and derecognitions	(1,178,608)
Impairment charges	(6,237,308)
Balance at 31 December 2025	**455,806**
Net book amount	
Balance at 31 December 2025	**455,806**
Balance at 31 December 2024	**7,723,252**

Intangible assets comprise delivered digital assets, token rights, SAFT-based rights, token warrants and other blockchain project rights controlled by the Company. These assets are measured at cost less accumulated impairment losses.

No amortisation has been recognised to date because management assessed the recognised assets individually and concluded that, at 31 December 2025, they were either:

- digital assets or token rights with no contractual expiry date and no foreseeable limit to the period over which they are expected to generate economic benefits;

- pre-launch, undelivered, unvested, locked, restricted or otherwise not yet available for use because the relevant network launch, delivery, vesting or restriction conditions had not been fully satisfied;

Delivered tokens and token rights without a contractual expiry date are treated as having indefinite useful lives where no reliable pattern of consumption can be determined. Assets that are not yet available for use are not amortised until they become available for use. Token rights or warrants with a contractual expiry date are assessed as finite-life intangible assets and amortised over the relevant contractual period once available for use, unless fully impaired or immaterial.

All indefinite-lived intangible assets and intangible assets not yet available for use are tested annually for impairment and whenever impairment indicators arise. Management reviews the useful-life assessment at each reporting date.

Recognised digital-asset and token-right balances were limited to positions for which management identified support for existence, custody or control, contractual rights and recoverability. Balances linked to unsupported addresses, legacy wallets, third-party wallets, unavailable assets or positions where recoverable economic benefits were no longer supportable were written off, derecognised or reduced to nominal value.

Impairment losses:

18. Intangible assets (continued)

During 2025, impairment losses were recognised where project status, market activity, liquidity, restrictions, custody/control information, delivery information or expected recoverability indicated that the carrying amount was no longer supportable. The total impairment expense recognised in respect of intangible assets amounted to US$6,237,308. No impairment reversals were recognised during the year.

The main impairment charges recognised during the year were as follows:

- The impairment charge recognised on Mantis / LAYR amounted to US$4,296,500. The balance related to the Company's principal LAYR token-right position, which had been carried at US$4,296,500 before impairment. During February 2025, the MANTIS / M token, formerly LAYR, became tradeable. The Company deposited 144,170.86 MANTIS tokens to MEXC between 12 February 2025 and 19 February 2025 and sold 144,170.86 MANTIS tokens through MEXC between 12 February 2025 and 21 February 2025 for total proceeds of US$11,178.55. The Company subsequently received a further 76,501.55 MANTIS tokens in May 2025. Following the initial trading period, the token lost market support and liquidity. In July 2025, MEXC placed MANTIS under ST warning, with an ST date of 14 July 2025 and estimated delisting date of 17 July 2025. The actual sale proceeds and the residual year-end token value were insignificant compared with the previous carrying amount of the principal token-right position. Management therefore concluded that the US$4,296,500 carrying amount was no longer recoverable and recognised a full impairment charge during 2025. At 31 December 2025, the residual 76,501.55 MANTIS token balance had a carrying amount of US$134.73, which remains included within other digital-asset / token balances.

  The impairment of US$4,296,500 was recognised by reference to the indicators set out in IAS 36.12, in particular: (a) significant adverse changes in the market in which the asset operates (loss of liquidity following the February 2025 trading window); (b) significant adverse changes in the technological, market, economic or legal environment (MEXC ST warning issued July 2025 and announced delisting on 17 July 2025); (c) market value of the asset declined significantly more than would be expected as a result of the passage of time or normal use (residual 76,501.55 MANTIS tokens carried at US$134.73 at year-end, equivalent to approximately US$0.00176 per token). Recoverable amount was determined as fair value less costs of disposal using the year-end token market price, which is materially below the previous carrying amount;

- The impairment charge recognised on Laconic amounted to US$273,132 and reflected management's reassessment of the project-right carrying amount based on available external valuation information, project status, liquidity, restrictions and expected recoverability.

- The impairment charge recognised on Myso Finance / MYT amounted to US$226,766. The position arose from the Company’s historical US$250,000 token-right investment in Myso Finance. During 2025, the Company monetised part of the MYT token position, selling 105,610 MYT between 9 March 2025 and 8 April 2025 for total proceeds of US$4,543. The historical cost derecognised exceeded those proceeds, resulting in a realised disposal loss of US$2,681, recognised separately in profit or loss. At 31 December 2025, the Company held a residual quantity of 140,261 MYT; however, this residual token quantity did not have a supportable active market value. During 2025, MYT lost market support and was delisted. Management also considered project-status evidence indicating that the Myso intellectual property and a significant part of the token supply were acquired and held by Enzyme (third-party project partner), with no identified plan to relaunch or meaningfully support MYT. Based on those facts, the Company concluded that the remaining Myso Finance / MYT carrying amount was not recoverable and recognised an impairment charge of US$226,766. No material Myso Finance / MYT intangible asset remains recognised at 31 December 2025; only immaterial wallet balances of approximately US$13 remained;

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18. Intangible assets (continued)

- The impairment charge recognised on NEAR vesting and wallet positions amounted to US$133,001. The original NEAR position arose from the 2022 acquisition of 181,400.50 NEAR tokens for US$1,000,000. The tokens were staked and subject to a smart-contract vesting arrangement, increasing the total NEAR entitlement to 209,086.46 NEAR by 31 December 2024. Of this entitlement, 127,941.00 NEAR had been recovered and sold in 2023 and 2024. During 2025, the remaining NEAR exposure related principally to tokens still vesting through the legacy abvp.near route and to small residual NEAR wallet balances. Current management did not control the abvp.near account; that account was controlled by a former director of the Company who served between 2021 and 2022, and NEAR tokens vesting into that account continued to be transferred to addresses not controlled by current management. As the Company did not have access to those tokens and did not expect recoverable economic benefits from the remaining vesting position, the remaining NEAR intangible asset balance was written off. The impairment comprises US$132,721 relating to the NEAR vesting contract and US$280 relating to residual NEAR wallet balances, giving a total impairment charge of US$133,001. No NEAR intangible asset remains recognised at 31 December 2025 in respect of these positions. This impairment is separate from the expected credit loss recognised against the NEAR recovery receivable / claim-related balance, which is presented within trade and other receivables net of the related allowance.

- As part of the NEAR position reassessment, the Company also recognised a separate recovery receivable / claim of US$140,279, representing the historical cost basis attributable to NEAR tokens delivered to addresses not under current-management control. This amount is presented within trade and other receivables (Note 20) and is subject to an expected credit loss allowance of US$131,000, recognised based on the legal and practical uncertainty over recoverability. The intangible-asset impairment of US$132,721 and the receivable-side ECL of US$131,000 together reduce the carrying amount of all NEAR-related positions to a net residual of US$9,279 at 31 December 2025.

- The impairment charge recognised on Contango / TANGO amounted to US$66,832. The original position comprised rights to 18,055,556 TANGO tokens / token rights acquired under two SAFT arrangements for US$400,000. During 2025, the Company monetised part of the position, comprising 8,465,417.28 spot / unlocked tokens and 6,000,000 locked-stream token rights via an OTC transaction. Total disposal proceeds amounted to US$243,419, compared with historical cost derecognised of US$320,465, resulting in a realised disposal loss of US$77,046, recognised separately in profit or loss. At 31 December 2025, the remaining Contango / TANGO position was 3,590,138.72 tokens / token rights, comprising 448,372.20 free wallet tokens and 3,141,766.52 tokens / rights in stream, locked or off-wallet form. The carrying amount after disposals and before impairment was US$79,536. Based on the year-end supportable value of the remaining position, the Company recognised an impairment charge of US$66,832, reducing the Contango / TANGO project carrying amount to US$12,703 at 31 December 2025;

- The impairment charge recognised on Talisman / SEEK amounted to US$133,715. The position relates to a SAFT-based entitlement to 693,361.07 SEEK tokens. During 2025, the Company exercised its delivery right on 2 September 2025, and the SEEK token launch occurred in December 2025. At 31 December 2025, the position had progressed from an undelivered token right to an attributed token position; however, the tokens remained subject to lock-up and vesting restrictions and were not freely realisable at year-end. During preparation of the 2025 financial statements, the Company reassessed the classification of the Talisman / SEEK position and concluded that, from the date in 2022 on which the original SAFE and side-letter arrangements were replaced by the SAFT-based token entitlement / token-right position, it should have been presented as an intangible asset / token-right position rather than as a financial asset at fair value through profit or loss. That classification correction has been reflected as a prior-period error under IAS 8, as disclosed in Note 11. Separately from the IAS 8 classification correction, the Company assessed the recoverable amount at 31 December 2025, considering the token launch status, lock-up and vesting restrictions, available valuation information and expected recoverability. The Company concluded that the carrying amount was not fully recoverable and recognised an impairment charge of US$133,715. The Talisman / SEEK position is carried at US$66,285 at 31 December 2025;

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18. Intangible assets (continued)

- The impairment charge recognised on a project-right position with a portfolio entity amounted to US$849,999. The balance represented a historical intangible / project-right position connected with project arrangements. At the start of 2025, the carrying amount of this project-right position was US$850,000. During 2025, the Company concluded that the project-right balance was no longer supportable as a separately identifiable intangible asset controlled by the Company, because the remaining economic recovery from the matter was being pursued through a separate receivable / legal recovery route rather than through a continuing project right. The Company therefore reduced the project-right carrying amount from US$850,000 to a nominal amount of US$1, recognising an impairment charge of US$849,999 in profit or loss. This impairment is separate from the expected credit loss allowance recognised against the related trade receivable.

- Other impairment charges of US$257,363 related to smaller project rights, wallet balances and token positions that were written down, derecognised or reduced to nominal value where recoverability was no longer supportable. In each of these other impairment cases, the carrying amounts were reduced to an appropriate value. No impairment reversals were recognised in the year.

In each such case, the carrying amounts were reduced to an appropriate value. No impairment reversals were recognised in the year.

IFRS 13 hierarchy classification for impairment testing:

Where recoverable amount was determined by reference to fair value less costs of disposal, management considered the fair value hierarchy of the inputs used. This hierarchy relates only to the fair value inputs used in impairment testing and does not change the measurement basis of intangible assets, which continue to be measured at cost less accumulated impairment.

For SAFT-based rights, token rights, token warrants, locked or unvested token positions, pre-launch rights, restricted tokens and other project rights without an active market, management used Level 3 inputs. These inputs included legal entitlement documents, issuer confirmations, vesting and lock-up terms, wallet and custody evidence, project-specific developments, recent transaction evidence, cost as a proxy where appropriate, external valuation evidence where available, and probability-weighted recovery assessments.

The majority of the Company’s intangible assets at 31 December 2025 were assessed using Level 3 inputs because they related to token rights, restricted or locked positions, unvested entitlements, illiquid assets or project rights for which no active quoted market was available. This included the Talisman / SEEK position, among others, following its reclassification from financial assets at fair value through profit or loss to intangible assets, as described above. The Talisman / SEEK position was assessed as an intangible asset / token right and impaired based on its delivered but locked / unvested status and the available valuation and custody information.

Where recoverability was not supported by sufficient information, or where project status, lack of liquidity, restrictions, reduced market value, custody or control uncertainty, or lack of enforceable delivery information indicated reduced future economic benefits, the related carrying amounts were impaired, derecognised or reduced to nominal value, as appropriate. Management did not identify any Level 2 inputs used in the impairment testing of intangible assets during the year.

Recognised Intangible Assets And Token-Right Positions:

The Company’s recognised intangible assets comprised delivered digital assets, token rights, SAFT-based rights, locked or unvested token positions and wallet / exchange balances with an aggregate carrying amount of US$455,806 at 31 December 2025.

The principal recognised intangible asset positions at year-end were:

- Laconic: US$167,872;

- BTC / delivered token position: US$87,503;

18. Intangible assets (continued)

- Talisman / SEEK: US$66,285;
- Teneo: US$50,000;
- Fireblocks vault and other controlled wallet balances: US$47,106;
- Contango / Tango residual delivered position: US$12,703;
- DEUS auction rights: US$10,895;
- PEAQ: US$836; and
- other project rights and wallet / exchange balances: US$12,606.

During 2025, management reassessed all delivered tokens, token rights, SAFTs, warrants, locked positions, legacy wallet balances and residual exchange balances. Positions were impaired, derecognised or reduced to nominal value where recoverability was no longer supportable because of project status, lack of liquidity, restrictions, reduced market value, lack of enforceable delivery evidence, custody or control uncertainty, or uncertainty over future economic benefits.

Where recoverable amount was assessed using fair value less costs of disposal, management considered quoted market prices for delivered tokens where active market information existed and Level 3 inputs for token rights, restricted positions, undelivered positions and other project rights without active market information. This assessment does not change the measurement basis of intangible assets, which are carried under IAS 38 at cost less accumulated impairment.

Material Tokens, Token Rights And Project Rights Subject To Delivery, Vesting, Lock-Up, Network-Launch Or Other Restrictions:

At 31 December 2025, certain recognised intangible assets comprised delivered tokens, token rights, SAFT-based rights, locked or unvested positions and other project rights that were not freely realisable at the reporting date. These restrictions were considered in assessing recognition, classification, impairment and recoverable amount.

Teneo: The Company held a Teneo SAFT-based right to receive 25,000,000 Teneo tokens for a purchase amount of US$50,000. No token distribution event had occurred by year-end and no freely realisable Teneo tokens had been received. The token terms provide for 15% of the allocation to be distributed on the token distribution event, with the remaining 85% subject to a six-month lock-up and then monthly release over 18 months. The position was carried at US$50,000 at 31 December 2025 and no impairment below that amount was recognised.

Talisman / $SEEK: The Company held a SAFT-based entitlement to 693,361.07 SEEK tokens. The original SAFE and token side-letter arrangements were terminated, and the continuing exposure at year-end related to the SAFT-based token entitlement. The Company exercised its right to delivery of the SEEK tokens on 2 September 2025. The token generation event occurred in December 2025, but the position remained subject to vesting and was not freely realisable at year-end. The carrying amount was US$66,285 at 31 December 2025 after recognising an impairment charge of US$133,715 during the year.

DEUS / XMAQUINA: The Company held DEUS token rights acquired through the swap of 30,000 PEAQ tokens for 270,000 DEUS tokens. Part of the allocation had been claimed during 2025, but the DEUS token generation event had not occurred by year-end and the position was not freely realisable. The position was carried at the originally recognised acquisition cost of US$10,895 at 31 December 2025.

18. Intangible assets (continued)

Contango / $TANGO: The Company originally held 18,055,556 TANGO rights / tokens with an acquisition cost of US$400,000. During 2025, 14,465,417.28 TANGO rights / tokens were disposed of, comprising 8,465,417.28 spot / unlocked tokens and 6,000,000 locked-stream tokens. The remaining position at 31 December 2025 was 3,590,138.72 TANGO rights / tokens, of which 448,372.20 TANGO were held free in the wallet and 3,141,766.52 TANGO remained in stream, locked or off-wallet form. The carrying amount before impairment was US$79,535. The Company recognised an impairment charge of US$66,832 and carried the residual position at US$12,703 at year-end.

PEAQ: The Company retained a PEAQ token entitlement of 88,056,000 tokens after disposals and buy-back arrangements completed before 2025. During 2025, the entitlement started to vest, with vesting commencing on 22 August 2025 and continuing on a per-block basis. At 31 December 2025, 503,117.478 PEAQ were transferable, with the remaining entitlement subject to continuing vesting and staking activities. The PEAQ wallet balance recognised at year-end was US$8,831. The Company also retained a PEAQ project carrying amount of US$836. The total PEAQ-related carrying amount at 31 December 2025 was therefore US$9,667. PEAQ staking rewards of US$292,087 were recognised in other operating income on receipt. The subsequent disposal of those staking-reward tokens was treated as derecognition of the related asset and did not give rise to an additional gain or loss where the proceeds equalled the carrying amount of the tokens disposed of.

PEAQ staking rewards of US$292,087 were recognised in other operating income on receipt. The subsequent disposal of those staking-reward tokens was treated as derecognition of the related asset and did not give rise to an additional gain or loss where the proceeds equalled the carrying amount of the tokens disposed of.

BTC, Fireblocks Vaults And Other Wallet / Exchange Balances:

The Company held liquid digital assets in Company-controlled wallets, Fireblocks vaults and exchange / wallet accounts with an aggregate carrying amount of US$148,051 at 31 December 2025. This amount comprises BTC / delivered token position of US$87,503, Fireblocks vault and other controlled wallet balances of US$47,106, and other project rights and residual wallet / exchange balances of US$13,442.

These balances were assessed by reference to wallet and custody evidence, exchange or platform records, transaction history, current management control, restrictions, market evidence and recoverable amount information where applicable. Digital assets and wallet balances are accounted for as intangible assets under IAS 38 and are measured at cost less accumulated impairment.

Legacy Wallets And Previous-Management Wallets:

A number of immaterial wallet balances remained linked to wallets created, used or controlled by former management or advisers. Management assessed these balances by considering wallet ownership, current access and control, transaction history, available custody evidence, legal entitlement and expected recoverability. Where current management did not have control, where the wallets were clarified as not belonging to the Company, where the balance had already been transferred or monetised, or where recovery was not expected, the related balances were written off, derecognised or reduced to nominal value. No material carrying amount was recognised at 31 December 2025 in respect of legacy wallets not controlled by current management.

Security and pledges:

No intangible assets were pledged as security for borrowings or other obligations at year-end.

Commitments:

The Company had no material contractual commitments to acquire additional intangible assets at 31 December 2025.

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18. Intangible assets (continued)

Custody, control of crypto assets and other matters :

During 2025, management reassessed the custody and control status of delivered digital assets and wallet balances included within intangible assets. Recognised balances were limited to positions for which management identified support for existence, custody or control, contractual rights and recoverability.

A number of historical wallet balances related to wallets created or used under former management or advisers. Where current management did not have control, where wallet ownership was clarified as belonging to another party, or where recovery was not expected, the relevant balances were derecognised, written off or reduced to nominal value.

Where assets were recovered or migrated to Company-controlled wallets or supported exchange/custodian accounts, they were included in the 2025 wallet reconciliation and assessed for recognition and impairment. For self-custody wallets, control was assessed by reference to wallet governance and transaction approval evidence.

For exchange/custodian accounts, management considered platform records, access arrangements and reconciliations to accounting records. The Company does not control the private keys of wallets administered by third-party exchanges or custodians.

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19. Investments in subsidiaries

	2025	2024
	US$	US$
Balance at 1 January	**16,338**	16,338
Impairment charge	**(2,724)**	-
Balance at 31 December	**13,614**	16,338

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2025 Holding %	2024 Restated Holding %	**2025 US$**	2024 Restated US$
Advanced Blockchain Labs DMCC	Dubai, United Arab Emirates	Virtual Assets Proprietary Trading	100	100	**13,613**	13,613
AB Labs FZCO	Dubai, United Arab Emirates	Provision of consulting services	100	100	**-**	2,724
Brain Networks Ltd	Saint Lucia	Provision of blockchain token incubation and project development services	100	100	**1**	1
					13,614	16,338

Investments in subsidiaries are stated at cost less accumulated impairment losses.

Brain Networks Ltd has not prepared, and has not had audited, financial statements for any year since its incorporation in 2021. Brain Networks Ltd is incorporated in Saint Lucia, where management understands that there is no statutory requirement for the entity to prepare audited financial statements. The intercompany payable to Brain Networks Ltd of US$855,689 (2024: US$859,468), included within trade and other payables (Notes 26 and 27.3), is the subject of the Basis for Qualified Opinion in the Independent Auditor's Report. Management maintains oversight of the entity; no operating activity has been recognised by the entity in 2025.

During 2025, AB Labs FZCO entered liquidation pursuant to a shareholder resolution dated 14 May 2025, and its IFZA licence was cancelled on the same date. Liquidation financial statements were prepared as at 7 August 2025, at which date the liquidator confirmed that the liquidation proceedings had been closed.

Based on the liquidator’s report, AB Labs FZCO had no assets, liabilities, employee claims, creditor claims or statutory liabilities outstanding. Accordingly, the Company recognised an impairment charge of US$2,724 during 2025, reducing the carrying amount of its investment in AB Labs FZCO to nil.

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20. Trade and other receivables

	2025 US$	2024 Restated US$
Trade and claim-related receivables	**1,012,691**	3,531,550
Less: credit loss on trade and claim-related receivables	**(598,500)**	-
Trade and claim-related receivables - net	**414,191**	3,531,550
Receivables from own subsidiaries (Note 27.2)	**53,519**	1,468,982
Deposits and prepayments	**1,425**	-
Deferred expenses	**500**	-
Refundable VAT	**34,101**	28,165
	503,736	5,028,697

Included in trade receivables is an amount of US$851,620 (2024: US$851,620) relating to a historical portfolio-entity recovery matter. Management assessed the recognition and recoverability of the receivable based on the underlying documentation, claim calculation, legal correspondence and legal advice available up to the date of approval of these financial statements.

During 2025, the Company commenced arbitration proceedings in relation to this matter. Management assessed whether the receivable continued to meet the recognition criteria and whether an expected credit loss allowance was required, considering the underlying agreements, the amount claimed, legal correspondence and legal advice available up to the date of approval of these financial statements.

Management concluded that the gross receivable of US$851,620 should remain recognised at 31 December 2025. The amount claimed in the arbitration exceeds the amount recognised in these financial statements; however, no additional asset has been recognised because recovery of any additional amount is not virtually certain. As the matter remains subject to legal process, and legal advice addresses the prospects of obtaining an award or judgment rather than certainty of cash collection, management recognised an expected credit loss allowance of US$467,500, representing 55% of the gross receivable. The net amount recognised at 31 December 2025 in respect of this matter is US$384,120.

The matter involves significant judgement, including in relation to enforceability, timing of arbitration, credit risk and recoverability from the relevant counterparties. Further disclosure is included in Notes 3 and 28.

During the year, management reassessed the recoverability of certain historical receivables. Prior year receivables of US$2,539,651 relating to portfolio entity and US$1,402,321 relating to AB Labs FZCO were written off / fully impaired and recognised in profit or loss during the year.

Management also recognised an additional expected credit loss allowance of US$131,000 in respect of a legacy NEAR token / claim-related receivable amounting to US$140,279. This amount relates to a historical token recovery position for which management did not have sufficient support for recoverability or current control at 31 December 2025. The credit loss allowance has been included within credit loss on trade and claim-related receivables.

Receivables from own subsidiaries at 31 December 2025 comprise US$53,519 due from Advanced Blockchain Labs DMCC. The comparative balance of US$1,468,982 comprised amounts due from AB Labs FZCO and Advanced Blockchain Labs DMCC. The amount due from AB Labs FZCO was written off during 2025 following the liquidation of that subsidiary. The movement in the Advanced Blockchain Labs DMCC balance during 2025 arose from foreign exchange retranslation.

20. Trade and other receivables (continued)

Movement in provision for impairment of receivables:

	2025	2024
	US$	US$
Balance at 1 January	**-**	-
Impairment losses recognised on receivables	**598,500**	-
Balance at 31 December	**598,500**	-

The direct write-offs of US$2,539,651 in respect of the historical portfolio-entity receivable and US$1,402,321 in respect of the AB Labs FZCO intercompany receivable are recognised as specific bad debts, as presented in Note 15, and do not form part of the expected credit loss allowance balance shown above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is presented in Note 8 of the separate financial statements.

21. Financial assets at fair value through profit or loss

	2025	2024 Restated
	US$	US$
Balance at 1 January, as restated	**8,859,105**	8,540,809
Additions and transfers in	**50,000**	220,707
Disposals, derecognitions and other movements	**(760,941)**	-
Fair value gains / (losses) recognised in profit or loss	**(3,733,073)**	97,589
Balance at 31 December	**4,415,091**	8,859,105

Financial assets at fair value through profit or loss comprise unlisted project investments, SAFE instruments, equity interests and other contractual rights that meet the definition of financial assets and are measured at fair value through profit or loss.

The fair values of non-listed financial assets are determined using valuation techniques appropriate to the nature of the instrument. These may include recent transaction prices, funding rounds, comparable transaction analysis, market-based approaches, probability-weighted recovery models and project-specific valuation evidence. Where significant unobservable inputs are used, the instruments are classified within Level 3 of the fair value hierarchy.

The following is the composition of the balance at 31 December 2025 by individual asset:

- The Company's position in Light Protocol represents an equity-type project interest together with a contractual right to receive a portion of the project's token economics. The position is measured at fair value through profit or loss. At 31 December 2025, the carrying amount of Light Protocol was US$1,175,071. The position is unlisted and illiquid and is therefore subject to Level 3 valuation uncertainty.

- The Company's position in Project 11 represents an equity / token-warrant-type exposure measured at fair value through profit or loss. At 31 December 2025, the carrying amount of Project 11 was US$1,121,544. The position is unlisted and illiquid and is therefore subject to Level 3 valuation uncertainty. The FVTPL position remains recognised by the Company and is classified within Level 3 of the fair value hierarchy.

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21. Financial assets at fair value through profit or loss (continued)

- The Company's position in Panoptic represents an equity / token-warrant-type exposure measured at fair value through profit or loss. At 31 December 2025, the carrying amount of Panoptic was US$1,053,875. The Company holds 869,565 shares. The position is unlisted and illiquid and is therefore subject to Level 3 valuation uncertainty.

- The Company's position in zCloak / Starks Network represents a project-related token and / or equity exposure through a SAFTE arrangement, measured at fair value through profit or loss. At 31 December 2025, the carrying amount of zCloak / Starks Network was US$357,444. The position is unlisted and illiquid and is classified within Level 3 of the fair value hierarchy.

- SAFE rights relating to project Silencio were recognised as a new FVTPL position in 2025 following transfer of the investment from Advanced Blockchain AG to the Company. At 31 December 2025, the carrying amount of Silencio SAFE rights was US$50,000. The position was retained at cost as the best available information about fair value at the reporting date. No valuation uplift was recognised. The position is unlisted and is classified within Level 3 of the fair value hierarchy.

- The Company's position in Permanent Ventures, L.P. represents a fund / sub-participation interest measured at fair value through profit or loss. At 31 December 2025, the carrying amount of Permanent Ventures, L.P. was US$307,152. The position is unlisted and classified within Level 3 of the fair value hierarchy.

- The Company's position in Volumefi Software, Inc. / Volume was measured at US$350,000 at 31 December 2025. The measurement remains subject to significant judgement because no active market or directly observable valuation information was available at the reporting date. Management considered the available project information, cost basis, project status and impairment indicators and did not identify a further fair value reduction requiring recognition based on information about existing conditions at 31 December 2025 available up to the date of approval of these financial statements. The position is classified within Level 3 of the fair value hierarchy.

- Other FVTPL positions: Begals, Project Double, Component, Mekatek / Filament and Ithil were each carried at US$1 at 31 December 2025. These positions were retained at nominal value where management concluded that any higher carrying amount was not supportable based on the available project information, recoverability information and valuation indicators. The total carrying amount of nominal FVTPL positions at 31 December 2025 was US$5.

FVTPL positions derecognised: Positions held in various projects were disposed of, derecognised, liquidated or written off to nil during the year based on management's reassessment of the available project information, transaction information and recoverability. Realised losses from sales or liquidation of financial assets at fair value through profit or loss amounted to US$491,604 and are presented separately in other expenses.

Fair value movements: During 2025, the Company recognised fair value losses of US$3,733,073 on financial assets at fair value through profit or loss. These fair value losses related mainly to Project 11, Panoptic, Light Protocol, Permanent Ventures, zCloak / Starks Network and other FVTPL positions where the carrying amount was reduced based on updated valuation information, project status, recoverability, liquidity or nominal-value assessment. Certain other positions, including Mekatek / Filament, were retained at nominal value where management concluded that any higher carrying amount was not supportable based on the available project information, recoverability information and valuation indicators. Fair value losses are presented separately from realised losses on disposal or liquidation of FVTPL financial assets. Realised losses from sales or liquidation of FVTPL financial assets amounted to US$491,604 and are presented separately in other expenses.

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, fair value gains and losses on financial assets at fair value through profit or loss are recognised in profit or loss in the line item that reflects their nature and presentation in the relevant year.

The exposure of the Company to market risk in relation to financial assets is reported in note 8 of the separate financial statements.

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22. Cash at bank

	2025 US$	2024 Restated US$
Cash at bank	**3,656**	9,704
	3,656	9,704

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2025 US$	2024 Restated US$
Cash at bank	**3,656**	9,704
	3,656	9,704

Cash at bank comprises demand deposits held with banks. Digital assets and tokens are not presented as cash or cash equivalents.

During 2025, the Company recognised an impairment / write-off of US$6,048 in respect of an unrecovered EUR balance held with a third-party banking/payment service provider.The write-off arose because the relevant EUR balance service had ceased operations or otherwise became unavailable to the Company, and management concluded, based on the information available at the reporting date, that recovery of the balance was no longer probable.

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 8 of the separate financial statements.

23. Share capital

	2025 Number of shares	2025 US$	2024 Number of shares	2024 US$
Authorised				
Ordinary shares of €1 each	1,200	1,427	1,200	1,427
Issued and fully paid				
Balance at 1 January	1,200	1,427	1,200	1,427
Balance at 31 December	**1,200**	**1,427**	1,200	1,427

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24. Borrowings

	2025 **US$**	2024 Restated US$
Current borrowings		
Loan and advances from parent company (Note 27.4)	**1,000,000**	-
	1,000,000	-
Non-current borrowings		
Loan and advances from parent company (Note 27.4)	**8,240,393**	8,797,300
	8,240,393	8,797,300
Total	**9,240,393**	8,797,300

At 31 December 2025, the Framework Loan Agreement entitled Advanced Blockchain AG to:

- (i) terminate the loan upon giving three months' notice to the Company; and
- (ii) demand earlier repayment in the event of a significant deterioration in the Company's financial circumstances.

Notwithstanding these contractual rights, the classification of the parent loan between current and non-current reflects management's assessment of the expected settlement profile under the base-case twelve-month cash-flow forecast prepared in connection with the going-concern assessment (Note 2). On that basis, US$1,000,000 has been classified as current and the remaining US$8,240,393, which is expected to be settled in accordance with the stated maturity of 31 December 2029, has been classified as non-current. The contractual lender-protection rights described above were considered by management as part of the liquidity and going-concern assessment in Note 2 because, if exercised, they could affect the timing of settlement of the parent loan. Management also considered the post-year-end support arrangements with Advanced Blockchain AG described in Note 33 when assessing whether the Company would have sufficient resources to meet its obligations as they fall due.

Maturity of borrowings:

	2025 **US$**	2024 Restated US$
Within a year	**1,000,000**	-
Between two and five years	**8,240,393**	8,797,300
	9,240,393	8,797,300

Borrowings from the parent undertaking comprise amounts due to Advanced Blockchain AG under the Framework Loan Agreement dated 17 September 2025. The Framework Loan Agreement provides a credit line of up to EUR 12,000,000 to finance the Company’s operational activities and projects. Drawdowns may be made in tranches on request by the Company. The loan bears interest at 0.75 percentage points above the German statutory base rate, subject to a minimum rate of 0.00% per annum. Interest is calculated and capitalised annually.

25. Deferred tax/Transfer pricing and other matters

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates. The applicable corporation tax rate in the case of tax losses is 12,5%.

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25. Deferred tax/Transfer pricing and other matters (continued)

The 2025 Cyprus tax computation, resulted in a net tax loss for the year of US$9,738,432, equivalent to EUR 8,288,027 at the closing exchange rate of EUR 1 = US$1.1750. Together with the brought-forward loss from the 2023 tax year of EUR 635,305, the Company had unutilised tax losses of EUR 8,923,332 at 31 December 2025.

Under the provisions of the Cyprus Income Tax Law in force in the tax years in which the above losses arose, Article 13 provided for tax losses to be carried forward for up to five years from the end of the tax year in which they arose. On that basis, the 2023 loss of EUR 635,305 was, in principle, eligible to be carried forward up to and including the tax year ending 31 December 2028, and the 2025 loss of EUR 8,288,027 was, in principle, eligible to be carried forward up to and including the tax year ending 31 December 2030.

The Cyprus tax reform package enacted by Law 118(I)/2002 (as amended by the amending laws published in the Official Gazette on 31 December 2025) introduced, with effect from 1 January 2026, the following changes that are relevant to the disclosure of the Company's tax losses: (i) the standard corporate income tax rate increases from 12.5% to 15%; (ii) the general loss carry-forward period is extended from five to seven years in respect of losses arising on or after 1 January 2026; and (iii) Article 20E of the Income Tax Law introduces a separate ring-fenced regime under which profits arising from the disposal of crypto-assets are taxed at a flat rate of 8%, not aggregated with the Company's other taxable income. Losses arising from the disposal of crypto-assets within Article 20E may be set off only against crypto-asset disposal gains realised in the same tax year and cannot be carried forward to subsequent years or surrendered as group relief. Pre-2026 carried-forward losses are not available to offset profits taxed under Article 20E.

Given that the Company's future taxable income is expected to be predominantly within the Article 20E regime, with limited or no future taxable profits expected to arise under the general provisions of the Cyprus Income Tax Law, the tax losses of EUR 8,923,332 have not been claimed for carry-forward in the 2025 Cyprus tax computation and have been treated as unutilised.

Accordingly, no deferred tax asset has been recognised in respect of these losses (see (c) below).

(b) Article 20E and the 2026 crypto-asset tax regime

With effect from 1 January 2026, profits arising from the disposal of crypto-assets are taxed under a separate dedicated regime introduced by Article 20E of the Cyprus Income Tax Law, at a flat rate of 8%. Profits taxed under Article 20E are not aggregated with the Company's other taxable income, and losses arising from crypto-asset transactions under that regime are subject to the specific rules of Article 20E.

In preparing the final 2025 Cyprus tax computation, management has not treated the unutilised losses arising up to 31 December 2025 as available for carry-forward against future profits taxed under Article 20E. Accordingly, no 2025 tax loss carry-forward has been recognised for financial reporting disclosure purposes.

(c) Deferred tax recognition

No deferred tax asset has been recognised at 31 December 2025. This reflects that no tax losses are carried forward based on the final 2025 Cyprus tax computation. In addition, management has not identified other deductible temporary differences for which recognition of a deferred tax asset would be appropriate under IAS 12. No deferred tax liability has been recognised.

(d) Special Defence Contribution (SDC) and Notional Interest Deduction (NID)

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25. Deferred tax/Transfer pricing and other matters (continued)

The Company is a tax resident in Cyprus. Income received in the form of dividends, interest and rents is subject to SDC under the Special Defence Contribution Law. During 2025, the Company did not receive material amounts of dividend or interest income that would attract SDC. No SDC charge has been recognised in respect of deemed dividend distribution because the Company has not had taxable profit distributable to non-Cyprus tax-resident shareholders during the year. The Notional Interest Deduction is available on qualifying new equity introduced into a Cyprus company. The Company did not introduce new equity during 2025 and, accordingly, no NID has been claimed in the 2025 tax computation.

(e) IFRIC 23 Uncertainty over Income Tax Treatments

Management has assessed the Company's uncertain tax treatments in accordance with IFRIC 23 Uncertainty over Income Tax Treatments. The principal uncertain treatments considered were:

(i) the classification of crypto-asset disposal gains and losses under the general provisions of the Cyprus Income Tax Law for the year ended 31 December 2025 (prior to the introduction of Article 20E with effect from 1 January 2026); and

(ii) the VAT classification of crypto-asset activity and the corresponding input-VAT partial-exemption methodology.

The Company is registered for VAT in Cyprus. Crypto-asset trading and disposal activity is treated as exempt from VAT in accordance with applicable EU VAT principles, including the principles established in CJEU Case C-264/14 (Hedqvist), and the relevant Cyprus VAT Office position. Where the Company incurs input VAT on expenses that relate both to exempt crypto-asset outputs and to taxable advisory or service outputs, the input VAT is apportioned in accordance with the Company's partial-exemption methodology. During 2025, the irrecoverable portion of input VAT amounted to US$74,125 (Note 14), reflecting the proportion of input VAT attributable to exempt crypto-asset activity. The refundable VAT balance at 31 December 2025 was US$34,101 (Note 20).

Transfer pricing documentation has been prepared for tax year 2025 by an independent tax advisor in respect of the Company's controlled transactions with related parties, comprising the services recharge from and the intercompany loan from Advanced Blockchain AG, and the intercompany financing balances with Advanced Blockchain Labs DMCC and, until liquidation in May 2025, AB Labs FZCO. Where the analysis identified that the contractual intercompany pricing fell outside the relevant arm's-length range, the necessary primary adjustments have been reflected in the 2025 Cyprus tax computation. Based on the completed 2025 transfer pricing documentation and the adjustments reflected in the final 2025 Cyprus tax computation, management considers that no further provision for 2025 transfer pricing exposure is required at the date of approval of these financial statements.

Management will continue to monitor developments and will reassess these conclusions in future periods as further information becomes available or as facts and circumstances change.

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26. Trade and other payables

	2025	2024 Restated
	US$	US$
Accruals	**149,879**	397,888
Other creditors	**356,333**	76,069
Payables to fellow subsidiaries (Note 27.3)	**2,267,824**	2,005,142
Payables to own subsidiaries (Note 27.3)	**855,689**	859,468
	3,629,725	3,338,567
Less non-current payables	**(82,500)**	-
Current portion	**3,547,225**	3,338,567

Other creditors include US$275,000 relating to a historical project-related settlement matter. The amount represents an agreed refund obligation recognised based on legal advice and settlement documentation available before the authorisation of these financial statements. The counterparty confirmed that, other than the agreed refund amount, it has no further claim against the Company, Advanced Blockchain AG, their affiliates or related parties in relation to this matter.

The payable has been classified between current and non-current liabilities based on the agreed settlement terms and the Company's right to defer settlement at the reporting date.

27. Related party transactions

The Company's parent, Advanced Blockchain AG ("ABAG"), is incorporated in Germany and its shares are admitted to trading on the Scale segment of the Frankfurt Stock Exchange. Based on management's assessment of the applicable public-interest entity requirements, this does not cause the Company to be treated as a public-interest entity for the purposes of these financial statements.

Advanced Blockchain AG provided continuing financial support to the Company, including support arrangements, non-demand / subordination arrangements in respect of intercompany balances and the intercompany loan, and payment agency arrangements where required. These arrangements were considered by management in assessing going concern.

Amounts due from / to related parties are unsecured unless otherwise stated. Interest-bearing balances are disclosed separately from trading and recharge balances.

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27. Related party transactions (continued)

The following transactions were carried out with related parties during the year, and the following balances were held with related parties at the end of the year:

27.1 Intercompany expenses

	Nature of transactions	2025 US$	2024 Restated US$
Advanced Blockchain AG (parent)	loan interest	**477,614**	-
Advanced Blockchain AG (parent)	recharging and other expenses	**308,016**	262,041
		785,630	262,041

During the year, the Company incurred expenses paid on its behalf and recharged, or directly charged, by its parent company, Advanced Blockchain AG, comprising subscription recharges of US$6,045, professional fee recharges of US$2,050, consulting and service recharges of US$299,921 and loan interest expense of US$477,614.

In the prior year, the Company recognised US$262,041 in respect of provisions for recharges and other expenses from Advanced Blockchain AG. All amounts recognised in 2025 in respect of such recharges and other expenses from Advanced Blockchain AG were outstanding at 31 December 2025 and form part of the loan and advances from the parent (Note 24 and Note 27.4) under the Framework Loan Agreement.

27.2 Receivables from related parties (Note 20)

Name	Nature of transactions	2025 US$	2024 Restated US$
AB Labs FZCO	Finance	**-**	1,402,321
Advanced Blockchain Labs DMCC	Finance	**53,519**	66,661
		53,519	1,468,982

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27. Related party transactions (continued)

27.3 Payables to related parties (Note 26)

Name	Nature of transactions	2025 US$	2024 Restated US$
Brain Networks Ltd (subsidiary)	Trade	**855,689**	859,468
nakamo.to GmbH (fellow subsidiary)	Finance	**2,267,824**	2,005,142
		3,123,513	2,864,610

The intercompany payable to nakamo.to GmbH relates to a historical intercompany balance denominated in Euro of approximately EUR 1,930,000, which is translated into US dollars at the closing exchange rate at each reporting date. There were no new advances or repayments recorded against this balance during 2025. The movement from US$2,005,142 at 31 December 2024 to US$2,267,824 at 31 December 2025, representing an unrealised foreign-exchange loss of US$262,682 recognised in profit or loss within finance costs (2024 restated: US$14,706), arose entirely from the retranslation of the EUR-denominated monetary liability at the year-end closing rate (31 December 2025: EUR 1 = US$1.1750; 31 December 2024: EUR 1 = US$1.0389). The Company has treated nakamo.to GmbH as a related party on the basis that both entities are under the common control of Advanced Blockchain AG.

27.4 Loans and advances from related parties (Note 24)

	Terms	2025 US$	2024 Restated US$
Advanced Blockchain AG (parent)	Finance	**9,240,393**	8,797,300
		9,240,393	8,797,300

The loan from the parent company, Advanced Blockchain AG, amounted to US$9,240,393 at 31 December 2025 (2024: US$8,797,300). The balance is governed by a Framework Loan Agreement dated 17 September 2025 between Advanced Blockchain AG, as lender, and the Company, as borrower. Under the agreement, Advanced Blockchain AG granted the Company an intercompany credit line of up to EUR 12,000,000 to finance the Company's operational activities and projects.

The loan is interest-bearing. Interest accrues from the date of each disbursement at 0.75 percentage points above the base rate pursuant to Section 247 of the German Civil Code, subject to a minimum rate of 0.00% per annum. Interest is calculated and capitalised annually and is payable on termination of the loan agreement or on partial repayment of the loan. During the year, interest expense of US$477,614 was recognised in profit or loss.

The loan agreement runs until 31 December 2029 and automatically renews for further 12-month periods unless terminated in accordance with its terms. The Company may repay the loan early, in whole or in part, subject to a minimum repayment amount of EUR 10,000 per instalment. Repayments of principal and interest are required to be made in Euro. The EUR-denominated principal balance has been translated into US dollars at the year-end closing rate.

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27. Related party transactions (continued)

Subsequent to the reporting date, Advanced Blockchain AG and the Company entered into an addendum to the Framework Loan Agreement under which Advanced Blockchain AG confirmed that, during the period to 31 December 2029, it will not demand early repayment, accelerate repayment or enforce repayment of the loan based on the Company's liquidity position, cash-flow position, operating performance, financial circumstances or net asset position. This undertaking relates to enforcement arising from those financial-condition matters. Advanced Blockchain AG also confirmed that repayment of principal and accrued interest may be deferred and effectively subordinated to the Company's obligations to third-party creditors falling due in the ordinary course of business. The addendum is one of the post-year-end support instruments considered by the directors in their going-concern assessment (Note 2) and is also disclosed in Note 33.

At 31 December 2025, the loan balance was translated into US dollars at the closing rate of EUR 1 = US$1.1750 (31 December 2024: EUR 1 = US$1.0389). The 2025 unrealised foreign-exchange loss recognised in profit or loss on retranslation of the EUR-denominated loan and other intra-group EUR balances is included within Finance costs (Note 17). The European Central Bank reference rates for EUR/USD moved by +13.10% during 2025, which is the principal driver of the unrealised foreign-exchange loss recognised for the year.

28. Contingent liabilities and contingent assets

The Company has assessed contingent liabilities and contingent assets at 31 December 2025 in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Where a present obligation exists at the reporting date and an outflow of economic benefits is probable and can be measured reliably, a provision has been recognised in profit or loss. Where a possible obligation exists, or where a present obligation cannot be measured with sufficient reliability, the matter is disclosed as a contingent liability. Contingent assets are not recognised in the statement of financial position but are disclosed where the inflow of economic benefits is probable.

(i) Contingent liabilities — Legal proceedings

Project 10 portfolio-entity matter

On 5 November 2025, arbitration proceedings were initiated in connection with the Project 10 portfolio-entity matter. On 3 December 2025, the relevant counterparties submitted their response and defences, sought to add Advanced Blockchain AG as a party and asserted counterclaims. The Company subsequently opposed the joinder and the inclusion of counterclaims not subject to the arbitration clause. The arbitration remained ongoing at the date of approval of these financial statements. Based on legal advice received and the early stage of the proceedings, management has concluded that the recognition criteria for a provision under IAS 37 are not met at 31 December 2025. The matter is disclosed as a contingent liability. The ultimate financial impact, if any, cannot be predicted with any degree of reliability at this stage and will depend on the outcome of the arbitration proceedings.

(ii) Contingent liabilities — Tax-related matters

Transfer pricing

Transfer pricing documentation has been prepared for tax year 2025 by an independent tax advisor in respect of the Company's controlled transactions with related parties. Where the analysis identified that the contractual intercompany pricing fell outside the relevant arm's-length range, the necessary primary adjustments have been reflected in the Company's final 2025 Cyprus tax computation. Based on the completed 2025 transfer pricing documentation and the adjustments made in the 2025 tax computation, management considers that no further provision in these financial statements for transfer pricing exposure is required at the date of approval of these financial statements. Management acknowledges that transfer pricing remains an area of judgement and that the Cyprus Tax Department may eventually take a different view; any such challenge could result in further adjustments and a corresponding tax liability. The potential additional exposure cannot be reliably quantified at this stage.

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28. Contingent liabilities and contingent assets (continued)

General tax and VAT uncertainty

The Cyprus tax and VAT framework applicable to crypto-asset activity remains subject to evolving interpretation and administrative practice. The Company's positions in relation to the income tax treatment of crypto-asset and project-related gains and losses for the year ended 31 December 2025, the non-carry-forward of unutilised losses in the final 2025 Cyprus tax computation, the VAT classification of crypto-asset activity and the corresponding input-VAT partial-exemption methodology have been determined on the basis of available external tax advice and management's assessment under IFRIC 23.

The final 2025 Cyprus tax computation does not result in corporation tax payable and does not carry forward unutilised tax losses. Management considers that no additional provision for corporation tax or VAT is required at 31 December 2025. A different interpretation by the relevant tax authority could result in additional tax or VAT liabilities; the potential additional exposure cannot be reliably quantified at this stage.

(iii) Contingent assets

The Company continues to pursue, directly or in conjunction with its parent, certain recovery actions in respect of historical project, advisor and counterparty matters. The principal matter under active pursuit is the Project 10 portfolio-entity matter referred to in Notes 3, 15 and 20. An expected credit loss allowance of US$467,500 has been recognised against the recognised gross receivable; recovery of any further economic benefits beyond the net carrying amount remains subject to ongoing legal process, counterparty solvency and the outcome of pre-action discussions.

The recoverable amount of legacy NEAR token positions delivered to addresses not under current-management control, referred to in Note 18, is also being pursued through informal recovery procedures; no asset has been recognised in respect of these procedures beyond the net residual described in that note.

Where the inflow of economic benefits remains contingent on uncertain future events and the recognition criteria for an asset under IAS 37 are not met, the matter is treated as a contingent asset and is not recognised in these financial statements. Management does not consider any of these contingent assets to be virtually certain at the reporting date.

The Company expects to incur further legal and arbitration costs as the respective proceedings continue. Such costs are recognised as expenses when the related services are received or when a present obligation exists.

The Company finalised its tax, VAT and transfer-pricing review for the year 2025. Management has considered the potential exposure to VAT, penalties, interest and transfer-pricing documentation requirements. Where liabilities have been identified and can be measured reliably, they have been recognised. Where the outcome remains uncertain and cannot be measured reliably, the matter is disclosed as a contingent liability where material.

Further details, including detailed claim amounts, legal arguments, recovery steps and strategy, have not been disclosed where, in the opinion of the directors and based on legal considerations, such disclosure could prejudice the Company’s position in ongoing proceedings or negotiations.

Other than the liabilities, project rights, settlement obligations, related-party support arrangements and other matters disclosed in these financial statements, the Company had no material capital commitments at 31 December 2025.

29. Commitments

Capital commitments

At 31 December 2025, the Company had no material capital commitments, other than the liabilities, project rights, settlement obligations, related-party support arrangements and other matters disclosed elsewhere in these financial statements.

30. Management's analysis of 2025 results — non-IFRS supplementary information

Non-IFRS basis of preparation

This Note 30 and the following Notes 31 and 32 set out management's analysis of the composition of the 2025 result. The analysis is non-IFRS. It is not required by IFRS, is not a substitute for, and should not be read as a substitute for, the audited IFRS statement of profit or loss and the related Notes 12 to 22. The line items used in the management analysis are management-defined; they do not correspond on a one-to-one basis with the line items presented on the audited IFRS statement of profit or loss, but, in aggregate, they are consistent with and reconcile to those line items. The analysis is presented to give users additional context on how management views the 2025 result, in particular the split between current-year operating monetisation activity and non-cash valuation, impairment and finance effects relating to historical positions. The numbers presented in Notes 30 to 32 are derived from the same underlying accounting records as the audited IFRS financial statements. There is no recognition or measurement difference between the management analysis and the audited IFRS financial statements; the differences are limited to aggregation and labelling of line items.

On a management-presentation basis, the Company generated a positive gross monetisation result of approximately US$496,000 before operating expenses. The operating loss before fair-value, impairment, provisions, non-core items and finance effects was approximately US$340,000. The statutory IFRS net loss for the year of US$16,979,444 was driven mainly by impairment of intangible assets (Note 18), expected credit losses and specific bad debts (Notes 15 and 20), fair-value losses on FVTPL financial assets (Note 21), settlement and other non-recurring items (Note 15), and net finance and foreign-exchange effects (Note 17). A substantial part of these charges relates to the conservative reassessment and clean-up of historical project positions, legacy receivables and valuation estimates carried forward from prior periods, rather than to current-year operating underperformance.

Definitions of terms used in Notes 30 to 32

The following terms are used by management in the analysis. None of these terms is defined in, or required by, IFRS; they are non-standard management-presentation terms used solely for the supplementary analysis.

- Revenue / monetisation — a management-defined aggregate of gross inflows from advisory and service revenue, staking and protocol reward income, and proceeds from token and asset monetisation transactions (including trading, swaps, market-maker, options, OTC and bridge activity). The term is broader than IFRS 15 "Revenue". Only the advisory and service component is recognised as Revenue on the audited IFRS statement of profit or loss; the remaining components are recognised as Operating profits/gains and losses, and other income (see Notes 12 and 13);

- Sale / disposal / monetisation proceeds — gross proceeds or inflows from token disposals, swaps, market-maker, OTC, options, bridge and similar asset monetisation. Assessed as IFRS 15 revenue only where the IFRS 15 criteria are met; otherwise presented as other income or disposal gains/losses in accordance with their IFRS classification;

- Staking / protocol reward income — income recognised when the Company obtains control of protocol reward tokens. Does not arise from a contract with a customer; not within IFRS 15. Presented within Operating profits/gains and losses, and other income (Note 13);

- Cost of sales / direct disposal costs — a management-defined aggregate of the carrying amounts of intangible assets, tokens and token rights derecognised on disposal during the year, together with directly related disposal-related losses. Under IFRS, this amount is netted against the related disposal proceeds and presented within Operating profits/gains and losses, and other income (Note 13). "Cost of sales" in this context refers to the carrying amount of assets monetised, not acquisition costs paid to third parties;

- Carrying amount of reward tokens disposed — the fair value or carrying amount used when staking and protocol reward tokens were first recognised as digital assets on initial receipt and derecognised when subsequently sold;

- Gross profit / net monetisation result — a management-presentation subtotal calculated as Revenue / monetisation less Cost of sales / direct disposal costs. Non-IFRS subtotal; not a substitute for IFRS gross profit;

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30. Management's analysis of 2025 results — non-IFRS supplementary information (continued)

- Operating expenses — a management-presentation line corresponding principally to administrative expenses (Note 14), including audit, accounting, professional, consulting, employee and other administrative costs;

- Operating profit / (loss) [management-basis] — a management-presentation subtotal calculated as Revenue / monetisation less Cost of sales / direct disposal costs less Operating expenses. Non-IFRS subtotal. Not presented on the audited statement of profit or loss;

- Fair value and impairment — a management-defined aggregate of non-cash valuation and impairment effects: fair-value losses on FVTPL financial assets (Note 21); impairment of intangible assets (Note 18); expected credit losses and specific bad debts on receivables (Notes 15 and 20); impairment of investments in subsidiaries and of cash and cash equivalents (Notes 19 and 22); loss on liquidation of an FVTPL investee and loss on disposal of certain tokens. Under IFRS, presented within Other expenses and within Impairment charge — investment in subsidiaries and cash and cash equivalents;

- Expected credit loss (ECL) — an allowance recognised under IFRS 9 against trade and other receivables. Recognised in 2025: US$598,500 (Note 20);

- Specific bad debt / write-off — receivables written off as fully unrecoverable. Recognised in 2025: US$3,941,972 (Note 15);

- Other / non-core / treasury — a management-defined aggregate of non-recurring items: a historical project-related settlement expense (Note 15); and irrecoverable input VAT of US$74,125 (Note 14). Under IFRS, presented within Administrative expenses and Other expenses;

- FX and finance — a management-defined aggregate: loan interest on the intercompany loan from the parent of US$477,614 (Notes 17 and 27.4); net foreign-exchange losses of US$860,661, comprising realised foreign-exchange losses of US$584,837 and unrealised foreign-exchange losses of US$275,824 (Note 17); and bank charges of US$8,139 (Note 17). The EUR/USD reference rate published by the European Central Bank moved from EUR 1 = US$1.0389 at 31 December 2024 to EUR 1 = US$1.1750 at 31 December 2025, an appreciation of the Euro against the US dollar of 13.10%;

- Management bridge net loss — the sum of the six management lines above. Reconciles in full to the audited IFRS net loss for the year of US$16,979,444 (page 11), with no recognition or measurement differences and no unidentified differences.

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31. Management bridge — composition of the 2025 result

The table below presents management's bridge of the 2025 result. Each line is defined in Note 30. The subtotals reconcile in full to the audited IFRS statement of profit or loss.

The management bridge net loss of US$16,979,444 agrees in full to the audited IFRS net loss for the year of US$16,979,444 as presented on the financial statements.

Each Management P&L line above is derived from the underlying trial balance accounts. The trial-balance-account breakdown and tie-out to each subtotal is retained in the Company's financial reporting working papers and is available for review. There are no unidentified differences between the management bridge and the audited IFRS statement of profit or loss.

Management-basis P&L line	2025 US$	Comment
Revenue / monetisation	4,147,796	Core monetisation: revenue from rendering of services (Note 12), staking and other income (Note 13), and proceeds from disposal of intangible assets (Note 13). See Note 32(a) for the IFRS reconciliation.
Cost of sales / direct disposal costs	(3,651,618)	Carrying amounts of tokens and assets derecognised on disposal during the year (Notes 13 and 18). See Note 32(b).
Gross profit / net monetisation result	**496,178**	
Operating expenses	(836,328)	Administrative expenses (Note 14) less items reclassified to other categories. See Note 32(c).
Operating profit / (loss)	**(340,150)**	
Fair value and impairment	(14,961,254)	Impairment of intangibles (Note 18), fair-value losses on FVTPL financial assets (Note 21), expected credit losses (Notes 15 and 20), specific bad debts and write-offs (Note 15). See Note 32(d).
Other / non-core / treasury	(331,625)	Historical project-related settlement expense (Note 15) and other non-recurring items. See Note 32(e).
FX and finance	(1,346,414)	Loan interest expense, net unrealised foreign-exchange loss and bank charges (Note 17). See Note 32(f).
Net profit / (loss)	**(16,979,444)**	

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32. Reconciliation to IFRS statement of profit or loss:

The amounts presented in the management bridge in Note 31 reconcile to the line items in the audited statement of profit or loss as follows:

(a) Revenue / monetisation of US$4,147,796 comprises:

- revenue from rendering of services (advisory income) of US$52,891, presented on the Revenue line of the audited statement of profit or loss (Note 12);
- staking and other income of US$292,522, presented within Operating profits/gains and losses, and other income (Note 13); and
- gross proceeds from disposal of intangibles, tokens and token rights during the year (token disposals, market-maker, OTC and option-style transactions, together with the derecognition of intra-year staking-reward tokens for which proceeds equalled the carrying amount and no gain or loss arose) of US$3,802,383, presented within Operating profits/gains and losses, and other income, net of the related carrying amounts (Note 13).

Under IFRS, these proceeds are netted against the related carrying amounts of intangibles, tokens and token rights derecognised on disposal, and the resulting net gain of US$200,739 is presented within "Profit from sale of intangible assets" on the audited statement of profit or loss (Note 13). The management-bridge presentation in Note 31 disaggregates these into gross proceeds (Revenue / monetisation) and carrying amounts derecognised (Cost of sales / direct disposal costs) to show the underlying monetisation activity.

(b) Cost of sales / direct disposal costs of US$3,651,618 comprises the carrying amounts of intangible assets, tokens and token rights derecognised on disposal during 2025, including the carrying amount of staking-reward tokens recognised on receipt and subsequently sold within the year (see Notes 13 and 18). Under IFRS, this amount is netted against the related disposal proceeds and is presented within Operating profits/gains and losses, and other income; the management bridge separates the carrying amount component from the proceeds to show gross monetisation.

(c) Operating expenses of US$836,328 corresponds to administrative expenses as presented in the audited statement of profit or loss (Note 14) of US$910,453, less irrecoverable input VAT of US$74,125 reclassified to "Other / non-core / treasury" (see paragraph (e) below). The 2025 amount reflects the cost of implementing enhanced financial controls, completing the statutory audit, obtaining professional valuations and undertaking legal and advisory work in connection with the strategic review and portfolio repositioning.

(d) Fair-value and impairment effects of US$14,961,254 comprises:

- impairment of intangible assets of US$6,237,308 (Note 18);
- fair-value losses on financial assets at fair value through profit or loss of US$3,733,073 (Note 21);
- expected credit losses on trade and other receivables of US$598,500 and specific bad debts of US$3,941,972 (Notes 15 and 20);
- loss on liquidation of an FVTPL investee of US$438,949 (Note 15);
- impairment of investments in subsidiaries and cash and cash equivalents of US$8,772 (Notes 19 and 22). Under IFRS, these charges are presented within Other expenses and within Impairment charge — investment in subsidiaries & cash and cash equivalents on the statement of profit or loss.

(e) Other / non-core / treasury items comprise a historical project-related settlement expense and other non-recurring items such as irrecoverable input VAT of US$74,125 (Note 14).

(f) Foreign exchange and finance effects of US$1,346,414 comprise:

- Loan interest expense: US$477,614 (Notes 17 and 27.4).

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32. Reconciliation to IFRS statement of profit or loss: (continued)

- Realised foreign-exchange losses: US$584,837 (Note 17).
- Unrealised foreign-exchange losses: US$275,824 (Note 17).
- Bank charges: US$8,139 (Note 17).

The unrealised foreign-exchange loss arose principally from the retranslation at the year-end closing rate of EUR-denominated monetary liabilities, including the intercompany loan from the parent (Note 27.4) and the intercompany payable to nakamo.to GmbH (Note 27.3).

The EUR/USD reference rate published by the European Central Bank moved from EUR 1 = US$1.0389 at 31 December 2024 to EUR 1 = US$1.1750 at 31 December 2025, an appreciation of the Euro against the US dollar of 13.10%.

33. Events after the reporting period

After 31 December 2025, the Company continued its portfolio clean-up, legal recovery, wallet reconciliation, tax / VAT / transfer-pricing review and going-concern support assessment. Post-year-end information was considered where it provided information potentially related to conditions existing at 31 December 2025, including in respect of project valuations, recoverability, legal claims, wallet / control existence, ownership or balances, related-party support and group payment-agent arrangements.

Subsequent to 31 December 2025 and up to the date of approval of these financial statements, the Company entered into the following arrangements with its parent, Advanced Blockchain AG:

(i) Support letter dated and executed on 1 April 2026, under which Advanced Blockchain AG confirmed that, during the period to 31 December 2029, it will not demand early repayment, accelerate, call, enforce or otherwise require immediate settlement of amounts due from the Company, and that its intra-group claims are subordinated to the claims of the Company's third-party creditors.

(ii) Addendum No. 1 to the Framework Loan Agreement dated 17 September 2025, executed on 1 April 2026, under which Advanced Blockchain AG agreed that, during the period to 31 December 2029, it will not terminate the loan agreement, demand mandatory repayment or enforce repayment of principal or accrued interest. Had this addendum been in place at the reporting date, the classification of the parent loan may have been different (see Note 24). In accordance with IAS 10, this is a non-adjusting event after the reporting period.

(iii) Agent Services Agreement dated 31 March 2026 and executed on 1 April 2026, under which Advanced Blockchain AG may pay or settle certain operating payments on behalf of the Company, including through fiat payment execution, digital-asset conversion and reimbursement arrangements.

During April 2026, the Company executed a loan agreement and an agent-services agreement with Advanced Blockchain Labs DMCC. The loan agreement formalises the existing intra-group financing / receivable position and related terms. The receivable balance recognised at 31 December 2025 is US$53,519, as disclosed in Notes 20 and 27.2. The agent-services agreement formalises a non-exclusive arrangement under which Advanced Blockchain Labs DMCC may support fiat payment and banking operations for the Company. These agreements were considered in the related-party, receivable, going-concern and subsequent-events disclosures. They did not result in recognition of an additional asset or liability at 31 December 2025 beyond the balances already recognised.

Subsequent to the reporting date, XMAQUINA announced the expected public launch of its $DEUS token on 27 May 2026. The Company holds a direct DEUS-related digital-asset / token position included within intangible assets (Note 18) at 31 December 2025 with a carrying amount of US$10,895. As the launch had not occurred by the date of approval of these financial statements, no adjustment has been made to the carrying amount at 31 December 2025. Management will assess any valuation, custody, vesting or classification implications when the launch occurs.

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33. Events after the reporting period (continued)

During 2026 and before the approval of these financial statements, the Company's parent, Advanced Blockchain AG, announced the departure of Mr Hatem Magdy Elsayed from its Management Board. Mr Elsayed continues to serve as a director of the Company at the date of approval of these financial statements. Mr Elsayed has also communicated that he intends to resign as a director of the Company following the approval of these financial statements. These matters relate to governance changes at parent and Company level and have no direct impact on the Company's separate financial statements at 31 December 2025.

No other adjusting or non-adjusting event after the reporting period has been identified that requires adjustment to, or further disclosure in, these financial statements.

Independent auditor's report on pages 5 to 10

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INCREDULOUS LABS LIMITED

COMPUTATION OF CORPORATION TAX
31 December 2025

	Page	US$	US$
Net loss per income statement	11		(16,979,444)
Add:			
Settlement expense — historical project-related matter		257,500	
Expected credit loss- trade & other receivables		598,500	
Loss from sales of financial assets at fair value through profit or loss		52,655	
Loss on liquidation of FVTPL investee		438,949	
Fair value losses on financial assets at fair value through profit or loss		3,733,073	
Impairment charge - investments in subsidiaries		2,724	
Impairment charge on cash and cash equivalents		6,048	
Realised foreign exchange loss		584,837	
Unrealised foreign exchange loss		275,824	
Intangibles impairment - non-deductible portion		1,256,846	
CT2 — FZCO loan deemed interest (134 days)		29,723	
CT3 — DMCC loan deemed interest (full year)		4,333	
			7,241,012
Net loss for the year			(9,738,432)
			€
Converted into € at US$ 1.175000 = €1			(8,288,027)
Loss brought forward			(635,305)
Loss			**(8,923,332)**
Unutilised losses up to 31 December 2025 not carried forward			8,923,332
Net loss carried forward			-