

UGLY UNICORN CRYPTO FUND I LP

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

UGLY UNICORN CRYPTO FUND I LP

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INDEPENDENT AUDITOR'S REPORT

To the General Partner of
Ugly Unicorn Crypto Fund I LP

Opinion

We have audited the financial statements of **Ugly Unicorn Crypto Fund I LP** (the "Fund"), which comprise the statement of assets, liabilities and partners' capital, including the condensed schedule of investments as of December 31, 2024, and the related statements of operations, changes in partners' capital, and cash flows for the year then ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund, as of December 31, 2024, the results of its operations, changes in partners' capital, and cash flows for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Fund, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 7 in the financial statements. The Fund invests in digital assets that are subject to risks that are unique to the asset class and differ from traditional financial assets. Our opinion is not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Berkower LLC

Iselin, New Jersey
August 29, 2025

UGLY UNICORN CRYPTO FUND I LP

STATEMENT OF ASSETS, LIABILITIES AND PARTNERS' CAPITAL

(Expressed in United States Dollars)

December 31, 2024

Assets

Investments in digital assets, at fair value (cost \$20,062,734)	\$	28,063,728
Cash		1,183,774
Other assets		<u>16,656</u>
Total assets	\$	<u>29,264,158</u>

Liabilities and partners' capital

Liabilities

Digital assets sold short, at fair value (proceeds \$258)	\$	253
Contributions received in advance		1,175,000
Capital withdrawals payable		1,464,755
Management fees payable		1,658
Accrued expenses and other liabilities		<u>68,317</u>
Total liabilities		2,709,983

Partners' capital		<u>26,554,175</u>
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Total liabilities and partners' capital	\$	<u>29,264,158</u>
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UGLY UNICORN CRYPTO FUND I LP

STATEMENT OF OPERATIONS

(Expressed in United States Dollars)

For the year ended December 31, 2024

Investment income

Staking and reward income	\$ 488,247
Interest	325
Total investment income	488,572

Expenses

Management fee	380,131
Administrative fee	18,578
Interest expense	172
Professional fees and other	177,897
Total expenses	576,778

Net investment loss	(88,206)
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Realized and change in unrealized gain on investments

Net realized gain on digital assets	2,089,430
Net change in unrealized appreciation on digital assets	4,045,677

Net realized and change in unrealized gain on investments	6,135,107
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Net income	\$ 6,046,901
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UGLY UNICORN CRYPTO FUND I LP

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

(Expressed in United States Dollars)

For the year ended December 31, 2024

	General Partner	Limited Partners	Total
Partners' capital , beginning of year	\$ 375,313	\$ 13,891,140	\$ 14,266,453
Capital contributions	-	7,835,000	7,835,000
Capital withdrawals	-	(1,594,179)	(1,594,179)
Pro-rata allocation			
Net income	130,625	5,916,276	6,046,901
Incentive Allocation to General Partner	1,140,605	(1,140,605)	-
	<u>1,271,230</u>	<u>4,775,671</u>	<u>6,046,901</u>
Partners' capital , end of year	<u>\$ 1,646,543</u>	<u>\$ 24,907,632</u>	<u>\$ 26,554,175</u>

UGLY UNICORN CRYPTO FUND I LP

STATEMENT OF CASH FLOWS

(Expressed in United States Dollars)

For the year ended December 31, 2024

Cash flows from operating activities

Net income	\$ 6,046,901
Adjustments to reconcile net income to net cash used in operating activities:	
Net realized gain on digital assets	(2,089,430)
Net change in unrealized appreciation on digital assets	(4,045,677)
Purchases of investments in digital assets	(32,520,147)
Proceeds from sales of investments in digital assets	26,512,817
Proceeds from digital assets sold short	(105,463)
Payments to cover digital assets sold short	9,003
Changes in operating assets and liabilities:	
Due from digital assets exchange	128,684
Other assets	3,839
Management fee payable	1,068
Accrued expenses and other liabilities	21,359

Net cash used in operating activities	(6,037,046)
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Cash flows from financing activities

Capital contributions, net of change in capital contributions received in advance	6,840,000
Capital withdrawals, net of change in capital withdrawals payable	(1,837,280)

Net cash provided by financing activities	5,002,720
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Net change in cash	(1,034,326)
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Cash, beginning of year	2,218,100
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Cash, end of year	\$ 1,183,774
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Supplemental Disclosures of Non-Cash Operating Activities

Staking income*	\$ 488,247
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* For the year ended December 31, 2024, the Fund received staking income that was translated to U.S. dollars and was included in the cost of digital assets purchased.

UGLY UNICORN CRYPTO FUND I LP

CONDENSED SCHEDULE OF INVESTMENTS

(Expressed in United States Dollars)

December 31, 2024

	Quantity	Percent of Partners' Capital	Fair Value
Investments in digital assets, at fair value			
Digital assets			
Currencies			
Bitcoin	43	15.3 %	\$ 4,069,393
SFRXETH	534	7.5	1,991,545
AAVE	5,261	6.1	1,627,888
Solana	7,511	5.5	1,448,138
Chainlink	70,269	5.3	1,408,201
Others*		53.9	14,314,141
Total digital assets (cost \$16,818,928)		93.6	24,859,306
Liquidity Pool Tokens			
Currencies			
S*SGETH	937	12.0	3,174,625
Others		0.1	29,797
Total liquidity pool tokens (cost \$3,243,806)		12.1	3,204,422
Total investments in digital assets, at fair value (cost \$20,062,734)		105.7 %	\$ 28,063,728
Digital assets sold short, at fair value			
Digital assets			
Currencies (proceeds \$258)		0.0 %	\$ 253
Total digital assets sold short, at fair value (proceeds \$258)		0.0 %	\$ 253

* No individual investment represents greater than 5 percent of partners' capital.

Digital assets do not have country of origin.

Liquidity pool's underlying investments are as follows:

Liquidity Pool Token	Token	Fair Value
S*SGETH ¹	ETH	\$ 3,174,625

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

1. Nature of operations and summary of significant accounting policies

Nature of Operations

Ugly Unicorn Crypto Fund I LP (the "Fund"), a Delaware limited partnership, was organized on December 16, 2021 and commenced operations on June 1, 2022. The Fund is formed to engage in various purchases and trades of cryptocurrency and other digital assets (i.e., BTC, ETH, EGLD, LINK, ATOM, etc.) and other sophisticated investment strategies in order to make consistent returns on purchased securities, commodities, and other interests.

Ugly Unicorn, LLC, a Delaware limited liability company, serves as the general partner of the Fund (the "General Partner"). The General Partner has ultimate responsibility for the management, operations and investment decisions made on behalf of the Fund. Ugly Unicorn Management LLC, a Utah limited liability company, serves as the investment management company of the Fund (the "Investment Manager") and provides certain investment management services to the Fund. The Investment Manager is an exempt reporting adviser with the SEC.

Basis of Presentation

The Financial Accounting Standards Board ("FASB") recently issued a new U.S. generally accepted accounting principles ("GAAP") standard on the accounting for and disclosure of certain crypto assets. More specifically, all public and private entities holding crypto assets that meet certain criteria will measure those crypto assets at fair value, with changes recognized in net income every reporting period. Additionally, the new standard will require enhanced disclosures on those crypto assets in annual and interim reports.

The new standard applies to fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. The new standard must be applied on a modified retrospective basis with a cumulative-effect adjustment to the opening balance of retained earnings as of the adoption fiscal year. Early adoption is permitted. The Fund has not adopted this new accounting pronouncement for the year ended December 31, 2024. The Fund does not anticipate any material effect as a result of adoption.

Cash

Cash includes cash balances maintained with a financial institution. The Fund is subject to credit risk to the extent that the banks which the Fund conducts business with are unable to fulfill their contractual obligations and the amounts exceed the FDIC insured amounts of \$250,000. As of December 31, 2024, the Fund had balances in excess of the insured limit of \$1,183,774. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

Concentration of Credit Risk

The Fund maintains its cash at an institution which is insured by the Federal Deposit Insurance Corporation (FDIC) and/or Securities Investor Protection Corporation (SIPC). At December 31, 2024, the Fund had cash balances of \$933,774 held at its bank in excess of the maximum amounts insured. The Fund is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf.

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Fund uses various valuation techniques. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. Valuation techniques that are consistent with the market or income approach are used to measure fair value.

The fair value hierarchy is categorized into three levels based on the inputs as follows.

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 - Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Valuation Techniques and Inputs

Investments in Digital Assets and Digital Assets Sold Short

Digital assets which are listed or quoted on any exchange or similar electronic system and regularly traded thereon are valued at its last traded price as at the valuation point or, if no trades occurred on such day, at the closing bid price if held long and at the closing offer price if sold short, as of 5:00 PM EST the relevant valuation day. The Fund prices digital asset investments utilizing the exchange in which the investment was made, otherwise the Fund follows the exchange pricing hierarchy as follows: i). Coinbase ii). Kraken iii). Binance. Depending on the frequency of trading, exchange traded digital assets are generally classified in Level 1 or 2 of the fair value hierarchy.

Digital assets which are not listed or quoted on any exchange or similar electronic system or if, being so listed or quoted, are not regularly traded thereon or in respect of which no prices are available are valued at their probable realization value as at the valuation point, as determined by the management of the Fund. Unlisted digital assets are generally classified in Level 2 or 3 of the fair value hierarchy.

Investment Transactions and Related Investment Income

Investment transactions are accounted for on a trade-date basis. Realized gains and losses on investment transactions are determined using cost calculated on specific identification basis. Change in unrealized appreciation or depreciation is recognized in the statement of operations. Dividends are recorded on the ex-dividend date and interest is recognized on the accrual basis.

Staking and Reward Income

Some of the digital assets owned by the Fund utilize a proof of stake consensus algorithm to verify transactions. In a proof of stake algorithm, users may temporarily delegate or “stake” digital assets in a protocol to that network in order to validate blocks of transactions on the network. In addition to supporting the network’s integrity, those selected as validators of transactions are rewarded with newly created network tokens. During the year ended December 31, 2024, the Fund staked certain digital assets and earned digital asset rewards which it recognizes as “Staking and reward income” on the statement of operations. Staking and reward income is recorded on an accrual basis at the fair value of the digital assets received using the month end price and the total number of digital asset rewards received during the month. The fair value of the digital assets received is the amount recognized as staking and reward income on the statement of operations. Any subsequent change in fair value is reflected in the net change in unrealized appreciation on digital assets in the statement of operations. As of December 31, 2024, the Fund has staked assets of \$3,104,273.

Liquidity Pool Tokens

During the year ended December 31, 2024, the Fund entered into various liquidity pools, which exist on decentralized platforms as automated liquidity providers, powered by smart contracts. The Fund initiates its investment into a pool by providing a pair of digital assets to a pool in return for a liquidity pool token. At any point in time the Fund may return all or a portion of its liquidity pool token in exchange for the Fund’s proportionate ownership of the underlying liquidity pool assets. The Fund recognizes a realized gain or loss on its position in the digital asset at the time of contribution. Additionally, upon redemption from the pool, a realized gain or loss is recognized on the investment in the pooled tokens based on the proceeds received from such redemption. These amounts are included in the statement of operations in net realized gains or loss from investments.

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

1. Nature of operations and summary of significant accounting policies (continued)

Income Taxes

The Fund does not record a provision for U.S. federal, state, or local income taxes because the partners report their share of the Fund's income or loss on their income tax returns. The Fund files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states and foreign jurisdictions. The Fund is subject to income tax examinations by major taxing authorities since its inception.

The Fund is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Fund has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2024. However, the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. federal, U.S. state and foreign tax laws, and changes in the administrative practices and precedents of the relevant taxing authorities. The Fund has elected an accounting policy to classify interest and penalties, if any, as interest expense. The General Partner has concluded there is no tax expense or interest expense related to uncertainties in income tax positions for the year ended December 31, 2024.

Due from Digital Asset Exchange

In the normal course of business, the Fund's transactions, money balances and positions are transacted with the Fund's exchange. The Fund is subject to credit risk to the extent any exchange with which it conducts business is unable to fulfill contractual obligations on its behalf. The Fund's management monitors the financial condition of such digital asset exchange and does not anticipate any losses from this counterparty.

The following table details the fair value of the Fund's digital assets and cash accounts held by these parties on December 31, 2024:

Digital assets and cash	Fair value
<u>Digital assets held at exchanges/custodians</u>	
DEX - Fireblock	\$ 22,320,855
CoinbasePrime	5,742,620
	<u>\$ 28,063,475</u>
<u>Cash held at Other Financial Institution</u>	
Axos Bank	<u>\$ 1,183,774</u>

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

1. Nature of operations and summary of significant accounting policies (continued)

Use of Estimates

Preparing financial statements in accordance with GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the fair value of investments, and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting year. Actual results could differ from those estimates.

Contributions Received in Advance

Contributions received in advance represents amounts contributed by limited partners for Fund interests prior to the effective date of such contributions. As of December 31, 2024, the Fund had \$1,175,000 of contributions received in advance as shown on the statement of assets, liabilities, and partners' capital.

Capital Withdrawals payable

Capital withdrawals paid after the end of the year, based on partners' capital balances at year-end, are included in withdrawals payable at December 31, 2024. Withdrawal notices received for which the dollar amount is not fixed remain in partners' capital until the amount is determinable.

2. Fair value measurements

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Fund's significant accounting policies in Note 1.

The following table presents information about the Fund's assets measured at fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets (at fair value)				
Investments in digital assets, at fair value				
Digital assets	\$ -	\$ 24,859,306	\$ -	\$ 24,859,306
Liquidity Pool Tokens	-	3,204,422	-	3,204,422
	<u>\$ -</u>	<u>\$ 28,063,728</u>	<u>\$ -</u>	<u>\$ 28,063,728</u>

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

2. Fair value measurements (continued)

The following table presents information about the Fund's liabilities measured at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Liabilities (at fair value)				
Digital assets sold short				
Digital assets	\$ -	\$ 253	\$ -	\$ 253
	<u>\$ -</u>	<u>\$ 253</u>	<u>\$ -</u>	<u>\$ 253</u>

The Fund recognizes transfers between fair value hierarchy levels at the beginning of the reporting year. There were no transfers between any of the levels during the ended December 31, 2024.

3. Investments in digital assets

The Fund invests in cryptocurrencies and other digital assets (i.e. BTC, ETH, EGLD, LINK, ATOM, etc.). The Fund's digital assets are stored on digital asset exchanges and/or with custodians. A digital asset exchange is a digital marketplace that allows its participants to buy and sell digital assets for fiat currency or for other digital assets. The Fund may lend digital assets as part of its investment strategy. During the year ended December 31, 2024, the Fund traded digital assets through a decentralized exchange.

Digital asset networks are math-based protocols that govern the peer-to-peer interactions between computers connected to the network. The code that sets forth the protocol is informally managed by a volunteer development team. The core developers can propose amendments to the network's source code through one or more software upgrades that alter the protocols and software that govern the network and the properties of the digital assets, including the irreversibility of transactions and limitations on the creation of new assets. To the extent that a significant majority of the network participants install such software upgrade(s), the network would be subject to new protocols and software that may adversely affect the Fund's investment and trading activities.

Digital assets are open-source projects and, although there is an influential group of leaders in the community including the core developers, there is no official developer or group of developers that formally controls the network. Any individual can download the software and make any desired modifications, which are proposed to network participants through software downloads and upgrades. However, participants must consent to those software modifications by downloading the altered software or upgrade that implements the changes; otherwise, the changes do not become a part of the network. In general, changes to the software have been accepted by the vast majority of participants, ensuring that the network remains a coherent economic system. However, a developer or group of developers could potentially propose a modification to the software that is not accepted by a vast majority of participants, but that is nonetheless accepted by a substantial population of participants in the network.

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

3. Investments in digital assets (continued)

In such a case, a “contentious hard fork” in the blockchain could develop and two separate networks could result, one running the pre-modification software program and the other running the modified version. Such a fork in the blockchain typically would be addressed by community-led efforts to merge the forked blockchains, and several prior forks have been so merged. The ability to participate in forks could also have implications for investors. Specifically, if a forked blockchain is not merged, holders of the original coin would now be entitled to coins for each of the two new blockchains. Whether investors would receive these coins depends on a number of factors, in particular, their custodian’s policy regarding forked assets.

4. Digital assets sold short

The Fund is subject to certain inherent risks arising from selling digital assets short. The ultimate cost to the Fund to acquire these digital assets may exceed the liability reflected in these financial statements. The Fund is not exposed to this risk to the extent it holds offsetting long positions during the year ended December 31, 2024.

5. Partners’ capital

The Fund offers limited partnership interests in the Fund to limited partners. The Fund admits new limited partners and accept capital contributions as of the first day of each quarter or such other day as the General Partner may determine in its sole discretion.

The Fund offers to sell up to 100,000,000 partnership interests for a commitment to contribute to the capital of the Fund of \$1.00 per unit. Subsequent subscriptions to the Fund are to be made at the unit purchase price based on the then current net asset value. A unit holder’s capital commitment is due and payable upon not less than 10 days after unit holder’s execution of the subscription agreement and General Partner’s acceptance thereof. The General Partner and/or its affiliates have made a capital commitment of at least 2% of the aggregate commitments of the Fund investors, up to a maximum of \$1,000,000 and may invest a greater amount. The minimum subscription for an investor is \$100,000 although the General Partner may elect to waive this minimum requirement and accept fractional unit subscriptions in its sole discretion.

Partnership interests are subject to a lock-up period of one year. During the lock-up period, a partner cannot withdraw any funds other than by electing to receive cash distributions of realized gains income by providing a written notice to the General Partner at least 90 business days prior to the beginning of the fiscal quarter in which such election is intended to be effective to receive cash distributions of realized income and gain. After the expiration of the lock-up period, a partner can at any time choose to withdraw from the Fund in full by making a written request to the General Partner at least 90 days prior to the end of the fiscal quarter at which partner seeks such withdrawal in a form provided by the General Partner. In such event, all funds in the custodial account attributable to that partner will be paid out to that partner on the last business day of the fiscal quarter that is at least 90 days prior to when the redemption request was received, except to the extent necessary to cover expenses, liabilities, and obligations of the Fund.

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

5. Partners' capital (continued)

For the year ended December 31, 2024, transactions in units, units outstanding at December 31, 2024 and the net asset value ("NAV") per unit as of for the year ended December 31, 2024 are as follows:

	Beginning Units	Units Issued	Transfers / Conversion of Units	Units Redeemed	Ending Units
Series 0124	-	2,170,000.00	-	(242,951.37)	1,927,048.63
Series 0224	-	650,000.00	-	-	650,000.00
Series 0323	200,000.00	-	-	(100,000.00)	100,000.00
Series 0324	-	700,000.00	-	(2,786.32)	697,213.68
Series 0423	208,801.47	-	-	(83,801.47)	125,000.00
Series 0424	-	2,680,000.00	-	-	2,680,000.00
Series 0523	1,100,000.00	-	-	-	1,100,000.00
Series 0524	-	140,000.00	-	-	140,000.00
Series 0622	6,519,133.35	-	615,136.83	(505,809.17)	6,628,461.01
Series 0622_1	392,018.10	-	98,475.25	-	490,493.35
Series 0623	80,116.55	-	-	(16,361.10)	63,755.45
Series 0624	-	200,000.00	-	-	200,000.00
Series 0722	284,000.00	-	52,682.91	-	336,682.91
Series 0722_1	50,000.00	-	(50,000.00)	-	-
Series 0723	20,000.00	-	-	-	20,000.00
Series 0822	503,144.09	-	(503,144.09)	-	-
Series 0822_1	50,000.00	-	(50,000.00)	-	-
Series 0824	-	250,000.00	-	-	250,000.00
Series 0922	840,439.14	-	(167,836.71)	-	672,602.43
Series 0923	100,000.00	-	-	(42,891.11)	57,108.89
Series 0924	-	40,000.00	-	-	40,000.00
Series 0924_1	-	200,000.00	-	-	200,000.00
Series 1023	150,000.00	-	-	-	150,000.00
Series 1023_1	100,000.00	-	-	-	100,000.00
Series 1024	-	200,000.00	-	-	200,000.00
Series 1124	-	125,000.00	-	-	125,000.00
Series 1223	311,115.58	-	-	(63,534.86)	247,580.72
Series 1223_1	50,000.00	-	-	-	50,000.00
Series 1224	-	480,000.00	-	-	480,000.00
	10,958,768.28	7,835,000.00	(4,685.81)	(1,058,135.40)	17,730,947.07

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

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5. Partners' capital (continued)

	Beginning Net Assets	Amounts Issued	Amounts Transferred	Amounts Redeemed	Net Income	Ending Net Assets	Ending NAV per unit
Series 0124	\$ -	\$ 2,170,000	\$ -	\$ (305,298)	\$ 556,871	\$ 2,421,573	\$ 1.26
Series 0224	-	650,000	-	-	218,080	868,080	1.34
Series 0323	247,137	-	-	(155,279)	63,421	155,279	1.55
Series 0324	-	700,000	-	(2,951)	41,311	738,360	1.06
Series 0423	249,162	-	-	(129,424)	67,702	187,440	1.50
Series 0424	-	2,680,000	-	-	(92,113)	2,587,887	0.97
Series 0523	1,301,204	-	-	-	333,918	1,635,122	1.49
Series 0523_1	-	-	-	-	-	-	-
Series 0524	-	140,000	-	-	38,665	178,665	1.28
Series 0622	8,314,346	-	784,531	(810,643)	2,334,979	10,623,213	1.60
Series 0622_1	543,339	-	136,487	-	236,856	916,682	1.87
Series 0622_5	-	-	-	-	-	-	-
Series 0623	100,000	-	-	(25,662)	25,662	100,000	1.57
Series 0624	-	200,000	-	-	22,471	222,471	1.11
Series 0722	364,310	-	65,087	-	110,193	539,590	1.60
Series 0722_1	69,662	-	(69,662)	-	-	-	-
Series 0723	25,024	-	-	-	6,423	31,447	1.57
Series 0822	624,024	-	(624,025)	-	-	(1)	-
Series 0822_1	66,825	-	(66,825)	-	-	-	-
Series 0824	-	250,000	-	-	88,936	338,936	1.36
Series 0922	1,083,414	-	(225,593)	-	220,136	1,077,957	1.60
Series 0923	139,345	-	-	(75,104)	35,759	100,000	1.75
Series 0924	-	40,000	-	-	28,088	68,088	1.70
Series 0924_1	-	200,000	-	-	110,862	310,862	1.55
Series 1023	207,192	-	-	-	53,170	260,362	1.74
Series 1023_1	148,259	-	-	-	51,655	199,914	2.00
Series 1024	-	200,000	-	-	82,978	282,978	1.41
Series 1124	-	125,000	-	-	61,065	186,065	1.49
Series 1223	350,000	-	-	(89,818)	89,818	350,000	1.41
Series 1223_1	57,897	-	-	-	20,171	78,068	1.56
Series 1224	-	480,000	-	-	(31,406)	448,594	0.93
	\$ 13,891,140	\$ 7,835,000	\$ -	\$ (1,594,179)	\$ 4,775,671	\$ 24,907,632	

6. Related party transactions

The Fund pays to the Investment Manager, a quarterly management fee (the "Management Fee"), in advance, in an amount equal to 0.5% of the net asset value of capital account of each limited partner as of the end of each calendar quarter (2.00% annually).

In the sole discretion of the Investment Manager, the Management Fee may be waived, reduced or calculated differently with respect to the capital account(s) of any limited partner.

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

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6. Related party transactions (continued)

For the year ended December 31, 2024, the Investment Manager earned Management Fee of \$380,131 which is reflected in the statement of operations, out of which \$1,658 is payable at December 31, 2024 which is shown as Management Fees payable on the statement of assets, liabilities and partners' capital.

At the end of each fiscal year, the Fund reallocates from each capital account of each limited partner to the capital account of the General Partner an amount (the "Incentive Allocation") equal to the result of the Incentive Allocation rate multiplied by the amount of the net capital appreciation allocated to such capital account of such limited partner for such fiscal year after reduction by an amount equal to the amount of the Management Fee debited to such capital account for such fiscal year. The Incentive Allocation is also made with respect to net capital appreciation attributable to amounts withdrawn and to amounts transferred and in connection with the termination of the Fund. The Incentive Allocation is determined separately with respect to each capital account established for a limited partner.

The Incentive Allocation rate means 20%; and fifty percent 50% on the excess after the Fund achieves a 100% yield.

In the sole discretion of the General Partner, the Incentive Allocation may be waived, reduced or calculated differently with respect to the capital account(s) of any limited partner.

For the year ended December 31, 2024, the General Partner earned an Incentive Allocation of \$1,140,605.

Certain limited partners are affiliated with the General Partner. The aggregate value of the affiliated limited partners' share of partners' capital at December 31, 2024 is \$1,663,418.

Due to affiliates represents amounts owed for operating expenses paid for by the affiliates on behalf of the Fund. As of December 31, 2024, there was no due to affiliates.

7. Principal risks associated with financial instruments

In the normal course of business, the Fund has investments and enters into various financial transactions where the risk of potential loss due to market risk, credit risk and other risks can equal or exceed the related amounts recorded. The success of any investment activity is influenced by general economic conditions that may affect the level and volatility of equity prices, credit spreads, interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive investments. Unexpected volatility or illiquidity in the markets in which the Fund directly or indirectly holds positions could impair its ability to carry out its business and could cause losses to be incurred. See below for a detailed description of selected principal risks.

Market risk - Market risk represents the potential loss that can be caused by increases or decreases in the fair value of investments. The Fund's exposure to market risk is directly influenced by a number of factors, including volatility and liquidity of the markets in which the financial instruments are traded.

Credit risk - Credit risk represents the potential loss that would occur if counterparties fail to perform pursuant to the terms of their obligations.

Liquidity risk - Liquidity risk is the risk that the Fund may not be able to raise cash to fulfill its commitments, including inability to sell investments quickly or at close to fair value.

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

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7. Principal risks associated with financial instruments (continued)

Digital assets - Digital assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code, not by a central bank, and prices have been extremely volatile. Digital asset exchanges have been closed due to fraud, failure or security breaches. Any of the Fund's funds that reside on an exchange that shuts down may be lost. Several factors may affect the price of digital assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of digital assets or the use of digital assets as a form of payment. There is no assurance that digital assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of digital assets payments by mainstream retail merchants and commercial businesses will continue to grow.

Dependence on key personnel - The Investment Manager is dependent on the services of its principals and key personnel. The success of the Fund may depend to a great extent on the investment skills of the Investment Manager's principals and key personnel.

Digital asset exchanges - In the normal course of business, the Fund's transactions, money balances and positions are transacted with the Fund's exchanges. The Fund is subject to credit risk to the extent any exchange with which it conducts business is unable to fulfill contractual obligations on its behalf. The Fund's management monitors the financial condition of such exchanges and does not anticipate any losses from these counterparties.

Risk of Staking - The Fund may stake or delegate tokens to a network in order to validate blocks of transactions on the network. Staking provides validators a chance to earn rewards by validating transactions as well as the ability to participate in the governance of projects through voting. Staking tokens often includes a specified lock-up period where the delegated tokens are unable to be moved on the blockchain or traded. These restrictions inhibit the Fund's ability to quickly get liquidity and trade at the prevailing market prices. Some networks also incorporate "Slashing" or a mechanism to penalize bad behavior by validator nodes of the protocol. If violations occur, a validator will forfeit an amount of staked tokens which are redistributed to other stakeholders.

Risk of loss of private key - Digital assets are controllable only by the possessor of unique private keys relating to the addresses in which the digital assets are held. The theft, loss or destructions of a private key required to access a digital asset is irreversible, and such private keys would not be capable of being restored by the Fund. Any loss of private keys relating to digital wallets used to store the Fund's digital assets could result in the loss of the digital assets and a limited partner could incur substantial, or even total, loss of capital.

Digital assets market conditions - Neither the Fund nor the Investment Manager may be able to accurately predict digital assets market conditions. The Fund's strategy is based, in part, upon the premise that digital assets will be available to the Fund at prices considered favorable by the Investment Manager. No assurance can be given that any digital assets can be acquired at favorable prices or that the market for such digital assets will grow and the value will appreciate. Any movement in digital assets prices is largely beyond the control of the Investment Manager and the Fund.

Liquidity Pool Risk - The Fund may provide liquidity to various pools of digital assets in exchange for fees and/or interest by acting as a liquidity provider for decentralized exchanges. These systems and new technology may have risks that are not yet fully understood, including when there is volatility in the underlying digital assets which comprise the liquidity pool. Volatility within such liquidity pools could lead to loss of committed digital assets or other unexpected adverse behaviors, thereby lowering the value of the Master Fund's returns of digital assets from such liquidity pools. Additionally, such liquidity pools are open market systems that may be subject to a variety of economic/volatility attacks by other market participants. Such adverse action by other market participants may further increase the volatility of the underlying digital assets in the liquidity pools thereby compounding any losses.

UGLY UNICORN CRYPTO FUND I LP

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

December 31, 2024

7. Principal risks associated with financial instruments (continued)

Volatility and speculation risk - The price of digital assets may be affected by a wide variety of complex and difficult to predict factors such as digital asset supply and demand; rewards and transaction fees for the recording of transactions on the blockchain; difficulties with converting digital currency to fiat currencies; availability and access to digital currency service providers (such as payment processors), exchanges, miners or other digital currency users and market participants; perceived or actual digital asset network or digital currency security vulnerability; inflation levels; fiscal policy; interest rates; and political, regulatory natural and economic events. Digital assets are generated by speculators and investors seeking to profit from the short or long-term holding of digital assets. The relative lack of acceptance of digital assets in the retail and commercial marketplace limits the ability of end-users to pay for goods and services with digital assets. A lack of expansion by digital assets into retail and commercial markets, or a contraction of such use, may result in increased volatility.

Loss, theft or restriction of access - Certain digital assets may be subject to loss, theft or restriction of access. Certain of the Fund's digital assets could be lost, stolen or destroyed, either accidentally or on purpose. Certain digital assets must be accessed via a private key for a digital wallet and loss or destruction of a private key may be irreversible. Upon loss or destruction of a private key, the Fund may be unable to access certain of its assets. Any loss of digital assets would adversely affect the Fund and the value of any partner's investment.

Trade execution risk - The Fund's investment and trading strategies depend on its ability to establish and maintain an overall market position in a combination of investments selected by the Investment Manager. The Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to the Fund, the Investment Manager, the Fund's counterparties, brokers, dealers, agents, or other market participants. In such event, the Fund might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, the Fund would not be able to achieve the market position selected by the Investment Manager, which may result in a loss.

Absence of regulatory oversight - The legal status of certain digital assets may be uncertain. It is unclear whether they constitute property, assets, or rights of any kind. Digital assets are not backed by governments, and accounts and value balances are not subject to any statutory or government protections. Regulation of digital asset exchanges are currently undeveloped and likely to rapidly evolve. Some countries are already considering or may in the future put in place laws, regulations or other actions which may severely impact the Fund's ability to invest, gain market share or otherwise manage its operations. This is particularly the case as cryptocurrency assets have grown in popularity and market size. New or changing laws and regulations may adversely impact the Fund's ability to earn returns on investments.

The securities exchange commission has issued an investigative report which cautioned market participants that, offers and sales of digital assets by 'virtual' organizations, are subject to the requirements of the federal securities laws. Therefore, this may mean that sales of tokens in the United States in connection with an initial coin offering will be treated as a security. The Investment Manager may be required to take action after an investment has been made in order to comply with local regulatory laws to the extent that regulatory changes are brought into force or where such issues are treated as securities and therefore caught under existing regulations. While the Investment Manager will take action promptly to the extent an investment comes into breach of local laws or to ensure that such breach does not occur, it may take time for the investment to be exited or for compliance with local regulation to be achieved and losses may be incurred.

UGLY UNICORN CRYPTO FUND I LP

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8. Administrator

NAV Consulting, Inc. (the "Administrator") serves as the Fund's Administrator and performs certain administrative and clerical services on behalf of the Fund.

9. Financial highlights

Financial highlights for the year ended December 31, 2024 are as follows:

	Series 0622
Per unit operating performance	
Net asset value, beginning of year	\$ 1.28
Income (loss) from investment operations:	
Net investment income (loss)	0.41
Net gain (loss) on investments	(0.01)
Incentive Allocation	(0.08)
Total from investment operations	0.32
Net asset value per unit, end of year	\$ 1.60
Total return:	
Total return before Incentive Allocation	32.21 %
Incentive Allocation to the General Partner	(6.42) %
Total return after Incentive Allocation	25.79 %
Ratios to average limited partners' capital:	
Total Expenses	2.92 %
Incentive Allocation to the General Partner	5.81 %
Net Expenses	8.73 %
Net investment loss	(0.48) %

Per share operating performance is calculated for investor series 0622. Ratios to average members' capital are calculated for the series 0622 limited partners taken as a whole. Financial highlights are calculated for each permanent, non-managing class or series of limited partners. Total return is calculated using the geometrically linked monthly returns throughout the year. An individual limited partner's return and ratios may vary based on different fee arrangements and the timing of capital transactions. The net investment loss ratio does not reflect the effects of the Incentive Allocation to the General Partner.

10. Subsequent events

The General Partner has evaluated all subsequent events requiring recognition and disclosure in the Fund's financial statements through August 29, 2025, the date the financial statements were available for issuance.

From January 1, 2025, through August 29, 2025, the Fund had additional contributions of \$2,410,000 and had withdrawals of \$11,065,436 (which includes transfer of \$8,108,478 to another affiliated fund Ugly Unicorn II LP).