VALOUR INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 and 2024

(expressed in United States dollars)

Valour Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in United States dollars)

	Note	June 30, 2025	December 31, 2024
		$	$
Assets			
Current			
Cash and cash equivalents	3,18	17,812,572	12,854,016
Amounts receivable	18	132,119	-
Prepaid expenses	4	335,245	476,541
Due from related party	8,18	3,692,327	-
Digital assets	6,18	199,170,934	270,585,545
Digital assets loaned	6,18	79,952,540	38,618,758
Digital assets staked	6,18	253,521,950	240,031,644
Equity investments in digital assets in funds at FVTPL	2(e)(xii),7	149,071,107	168,705,448
Total current assets		703,688,794	731,271,952
Investments, at fair value through profit and loss	5,18	1,500,335	1,300,460
Digital assets	6,18	-	196,161
Digital assets loaned	6,18	31,847,489	-
Equity investments in digital assets in funds at FVTPL	2(e)(xii),7	102,600,046	175,237,319
Equipment		-	103
Total assets		839,636,664	908,005,995
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	9,18,21	1,771,151	403,967
Loans payable	10,18	7,406,903	9,693,294
Due to related party	8,18	-	1,519,024
ETP holders payable	11,18	772,844,422	871,162,347
Total current liabilities		782,022,476	882,778,632
Shareholders' equity			
Share capital	17	6,707	6,707
Share premium		2,770,990	2,770,990
Non-controlling interest		-	-
Deficit		54,836,491	22,449,666
Total equity		57,614,188	25,227,363
Total liabilities and equity		839,636,664	908,005,995
Nature of operations and going concern	1		

Approved on behalf of the Board of Directors:

"Olivier Roussy Newton"

Director

See accompanying notes to these condensed consolidated interim financial statements

Valour Inc.

Condensed Consolidated Interim Statements of Operations and Comprehensive Income

(Expressed in United States dollars)

	Note	Six months ended June 30, 2025 $	2024 $
Revenues			
Realized and net change in unrealized gains on digital assets	12	(70,442,743)	170,033,433
Realized and net change in unrealized losses on ETP payables	13	173,809,075	(87,706,298)
Staking and lending income	15	16,657,580	10,310,887
Management fees		4,621,117	2,853,877
Realized gain (loss) on investments	5	-	466,852
Unrealized gain on investments	5	-	2,557,308
Unrealized gain on equity investments	14	(84,023,615)	-
Interest income (reversal)		387	1,652,073
Total revenues		40,621,801	100,168,132
Expenses			
Operating, general and administration	16	4,448,776	22,617,937
Share-based compensation		-	-
Depreciation - property, plant and equipment		103	984
Finance costs		233,024	1,954,998
Fees and commissions		3,607,135	1,153,371
Foreign exchange loss		(54,062)	5,226,106
Total expenses		8,234,976	30,953,396
Net income and comprehensive income for the period		32,386,825	69,214,736
Net income and comprehensive income attributed to:			
Owners of the parent		32,386,825	69,211,487
Non-controlling interests		-	3,249
		32,386,825	69,214,736

See accompanying notes to these condensed consolidated interim financial statements

Valour Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in United States dollars)

	Note	Six months ended June 30, 2025 $	2024 $
Cash (used in) provided by operations:			
Net income for the period		$ 32,386,825	$ 69,214,736
Adjustments to reconcile net loss to cash (used in) operating activities:			
Interest income		-	(1,652,073)
Interest expense		-	1,954,998
Depreciation - Property, plant & equipment		103	984
Amortization - intangible asset		-	10,255
Realized (gain) loss on investments, net	5	-	(466,852)
Unrealized gain on investments, net	5	-	(2,557,308)
Realized and net change in unrealized gains on digital assets	12	70,442,743	(170,033,433)
Realized and net change in unrealized loss on ETP	13	(173,809,075)	87,706,298
Unrealized gain on equity investments	14	84,023,615	-
Staking and lending income	15	(16,657,580)	(10,310,887)
Management fees		(4,621,117)	(2,853,877)
Share-based compensation		-	-
Non-cash trading fees		643,181	-
Unrealized loss on foreign exchange		2,627,132	(1,947,736)
		(4,964,173)	(30,934,895)
Adjustment for:			
Purchase of digital assets		(96,415,293)	(429,744,769)
Disposal of digital assets		35,217,975	418,630,265
Purchase of equity investments		-	-
Disposal of investments		-	553,680
Purchase of investments		(199,875)	-
Change in amounts receivable		(132,119)	72,374
Change in prepaid expenses		141,296	(825,444)
Change in loan interest payable		215,712	-
Change in digital assets		-	(742,616)
Change in accounts payable and accrued liabilities		1,367,184	20,021,738
Change in ETP payables		-	-
Net cash (used in) operating activities		(64,769,293)	(22,969,667)
Financing activities			
Proceeds from ETP holders		367,924,241	298,976,454
Payments to ETP holders		(290,482,938)	(234,620,481)
Loan proceeds		-	-
Loan repayment		(2,502,103)	(29,500,000)
Due to related party		(5,211,351)	(3,297,750)
Net cash provided by financing activities		69,727,849	31,558,223
Change in cash and cash equivalents		4,958,556	8,588,556
Cash, beginning of period		12,854,016	5,041,896
Cash and cash equivalents, end of period		$ 17,812,572	$ 13,630,452

See accompanying notes to these condensed consolidated interim financial statements

Valour Inc.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in United States dollars)

	Number of Common Shares	Common Shares	Share Premium	Non-controlling interest	Deficit	Total
Balance, December 31, 2024	**67,065,959**	**$ 6,707**	**$ 2,770,990**	**-**	**22,449,666**	**$ 25,227,363**
Dividend paid	-	-	-	-		-
Net income and comprehensive income for the period	-	-	-	-	32,386,825	32,386,825
Balance, June 30, 2025	**67,065,959**	**$ 6,707**	**$ 2,770,990**	**$ -**	**$ 54,836,491**	**$ 57,614,188**
Balance, December 31, 2023	**67,065,959**	**$ 6,707**	**2,770,990**	**$ (3,575)**	**$ (14,137,885)**	**$ (11,363,763)**
Net income and comprehensive income for the period	-	-	-	3,249	69,214,736	69,217,985
Balance, June 30, 2024	**67,065,959**	**$ 6,707**	**$ 2,770,990**	**$ (326)**	**$ 55,076,851**	**$ 57,854,222**

See accompanying notes to these condensed consolidated interim financial statements

1. Nature of operations and going concern

Valour Inc. (the "Company") was incorporated on June 18, 2019 under the Companies Act of the Cayman Islands as an exempted company with limited liability. The Company's intended operations consists of being an issuer of exchange-traded certificates ("ETP") linked to various digital currencies and the hedging thereof. On March 31, 2021 the Company became a wholly owned subsidiary of DeFi Technologies Inc., a publicly listed company incorporated in Canada with shares listed on the Cboe Canada Exchange (formerly the NEO Exchange), through acquisition of 100% of the Company's share capital.

The Company's registered office is P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands

These consolidated financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year. As at June 30, 2025, the Company has a working capital deficiency of $78,333,682 (December 31, 2024 – deficiency $151,506,681), including cash of $17,812,572 (December 31, 2024 - $12,854,016) and for the six months ended June 30, 2025 had a net income and comprehensive income of $32,686,825 (for the six months ended June 30, 2024 - $69,214,736). The Company's current source of operating cash flow is dependent on the success of its business model and operations and there can be no assurances that sufficient funding, including adequate financing, will be available to cover the general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the selling of investments, digital assets and issuance of equity or debt. Management believes its working capital will be sufficient to support activities for the next twelve months and expects to raise additional funds when required and available. There can be no assurance that funds will be available to the Company with acceptable terms or at all. These matters constitute material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

These consolidated financial statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action and the escalation of war between Israel and Hamas in Gaza, any of which may have a destabilizing effect on commodity prices, supply chains, and global economies more broadly. Volatility in digital asset prices and supply chain disruptions may adversely affect the Corporation's business, financial condition, financing options, and results of operations. The extent and duration of the current Russia-Ukraine conflict or the Israel and Hamas conflict in Gaza and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks, including those relating to digital asset price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on shareholders of the Corporation, and third parties with which the Corporation relies on or transacts, may materialize and may have an adverse effect on the Corporation's business, results of operation, and financial condition.

2. Material accounting policy information

(a) Statement of compliance

These consolidated financial statements of the Company were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") The policies as set out below were consistently applied to all the periods presented unless otherwise noted. These consolidated financial statements of the Company were approved for issue by the Board of Directors on August 13, 2025.

2. Material accounting policy information (continued)

(b) Basis of consolidation

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

These consolidated financial statements of fiscal 2024 comprise the financial statements of the Company and its wholly owned subsidiaries, Valour Europe AG, DeFi Middle East DMCC, and Valour Digital Securities Limited. Valour Digital Securities Limited is 0% owned by consolidated on the basis of control. All material intercompany transactions and balances between the Company and its subsidiary have been eliminated on consolidation.

Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

(c) Basis of preparation and functional currency

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments and investments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction. At each statement of financial position date, monetary assets and liabilities in foreign currencies other than the functional currency are translated using the year end foreign exchange rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities in foreign currencies other than the functional currency are translated using the historical rate. All gains and losses on translation of these foreign currency transactions and balances are included in the profit and loss. The functional currency for Valour Europe AG and Valour Digital Securities Limited is US Dollars. The functional currency of DeFi Middle East DMCC is the United Emirates Dirham.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,

• income and expenses for each statement of loss and comprehensive loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

• all resulting exchange differences are recognized in other comprehensive loss.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings are recognized in other comprehensive loss. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. Material accounting policy information (continued)

(d) Significant accounting judgements, estimates and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Accounting for digital assets

Among its digital asset holdings, only USDC was classified by the Company as a financial asset. The rest of its digital assets were classified following the IFRS Interpretations Committee (the "Committee") published its agenda decision on Holdings of Cryptocurrencies in June 2019. The Committee concluded that IAS 2 – Inventories applies to cryptocurrencies when they are held for sale in the ordinary course of business, otherwise an entity should apply IAS 38 - Intangible Assets to holdings of cryptocurrencies. The Company has assessed that it acts in a capacity as a commodity broker trader as defined in IAS 2 - Inventories, in characterizing certain of its holdings as inventory, or more specifically, digital assets. If assets held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin, such assets are accounted for as inventory, and changes in fair value less costs to sell are recognized in profit or loss. Digital currencies consist of cryptocurrency denominated assets (see Note 6) and are included in current and long-term assets. Digital currencies are carried at their fair value determined by the spot rate less costs to sell. The cost to sell digital assets is nominal. Significant judgement is required in the determination of the fair value of the Company's limited locked digital assets given the lock up periods applied to a limited number of digital cryptocurrencies owned by the Company. The Company has not applied any discount for lack of marketability ("DLOM") in these financial statements as it believes it will hold the digital assets until maturity and / or has strategies to hedge the coins such that any lock up discount will not be realized. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's earnings and financial position. Fair value is determined by taking the mid-point price at 17:30 CET digital asset exchanges consistent with the final terms for each exchange traded product ("ETP"). The primary digital asset exchanges used to value digital assets are Kraken, Bitfinex, Binance, Coinbase and Bitstamp. Where digital assets held do not have pricing on these exchanges, other exchanges would be used. On all material coins, Kraken, Bitfinex, Coinbase and Bitstamp were used. Fair value for Mobilecoin, Shyft, Blocto, Maps, Oxygen, Boba Network, Saffron.finance, Clover, Sovryn, Wilder World, Pyth and Volmex is determined by taking the last closing price for the day (UTC time) from www.coinmarketcap.com. The Company revalues its digital assets quarterly. The Company's principal market for trading cryptocurrency is Binance. However, we use a weighted average price of several markets in accordance with our ETP prospectus. The difference in pricing between our principal market and the weighted average price in accordance with our ETP prospectus has been determined by management to not be material.

2. Material accounting policy information (continued)

(ii) Accounting for ETP holder payables

Financial liabilities at fair value through profit or loss held includes ETP holders payable. Liabilities arising in connection with ETPs issued by the Company referencing the performance of digital assets are measured at fair value through profit or loss. Their fair value is a function of the unadjusted quoted price of the digital asset underlying the ETP, less any accumulated management fees. The fair value basis is consistent with the measurement of the underlying digital assets which are measured at fair value. The Company elected not to designate this as a hedging instrument. The ETPS are actively traded on the Spotlight Stock Market, the London Stock Exchange (“LSE”), and Germany Borse Frankfurt Zertifikate AG.

(iii) Fair value of financial derivatives

Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. Valuation technique such as Black Scholes model is used to value these instruments. Refer to Notes 5 and 21 for further details.

(iv) Fair value of equity investment not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Notes 6, 7 and 18 for further details.

(v) Share-based payments

The Company uses the Black-Scholes option pricing model to fair value options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price of the Company’s shares at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company’s control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based compensation expense. In the event services are provided to the Company by officers or consultants and settled in equity instruments, the Company has measured the fair value of the services received as the fair value of the equity instruments granted.

(vi) Business combinations and goodwill

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets and liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Goodwill is assessed for impairment annually.

2. Material accounting policy information (continued)

(vii) Impairment of non-financial assets

The Company's non-financial assets include prepaid expenses, digital assets excluding USDC, equipment, and goodwill. Impairment of these non-financial assets exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. These calculations are based on available data, other observable inputs and projections of cash flows, all of which are subject to estimates and assumptions.

(viii) Functional currency

The functional currency of the Company has been assessed by management based on consideration of the currency and economic factors that mainly influence the Company's digital currencies, production and operating costs, financing and related transactions. Specifically, the Company considers the currencies in which digital currencies are most commonly denominated and the currencies in which expenses are settled, by each entity, as well as the currency in which each entity receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency.

(ix) Assessment of transaction as an asset purchase or business combination

Assessment of a transaction as an asset purchase or a business combination requires judgements to be made at the date of acquisition in relation to determining whether the acquiree meets the definition of a business. The three elements of a business include inputs, processes and outputs. When the acquiree does not have outputs, it may still meet the definition of a business if its processes are substantive which includes assessment of whether the process is critical and whether the inputs acquired include both an organized workforce and inputs that the organized workforce could convert into outputs.

(x) Control

Significant judgment is involved in the determination whether the Company controls another entity under IFRS 10. The Company is deemed to control an investee when it demonstrates: power over the investee, exposure, or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. There is judgement required to determine whether these criterions are met. The Company determined it controlled Valour Digital Securities Limited through its role as arranger.

(xi) Accounting for digital assets held as collateral

The Company has provided digital assets as collateral for loans provided by digital asset liquidity provider. These digital assets held as collateral are included with digital assets and valued at fair value consistent with the Company's accounting policy for its digital assets. See note 2(e).

(xii) Valuation of equity investments at FVTPL

Significant judgement is required in the determination of the fair value of the Company's investments in Equity investments (collectively the "Funds") in digital asset at FVTPL given the lock up periods applied to the digital cryptocurrencies owned by the Funds. The Company has not applied any discount for lack of marketability ("DLOM") in these financial statements as it believes it will hold the funds until maturity and / or has strategies to hedge the coins such that any lock up discount will not be realized.

(f) Financial instruments

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash, amounts receivable, public investments, private investments, derivative asset, accounts payable and accrued liabilities and ETP holders payable.

2. Material accounting policy information (continued)

(i) Investments

Purchases and sales of investments where the Company cannot exert control or significant influence are recognized on a trade date basis. Public and private investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in profit (loss). At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the financial statements.

Transaction costs are expensed as incurred in the statements of loss. The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the statements of loss. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see Note 18, "Financial instruments"). The three levels are defined as follows:

Level 1 – investment with quoted market price;

Level 2 – investment which valuation technique is based on observable market inputs; and

Level 3 – investment which valuation technique is based on non-observable market inputs.

Publicly traded investments:

1. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. The Company utilizes the quoted closing prices. These are included in Level 1 as disclosed in Note 18.

2. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted due the short term of the hold period. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2 in Note 18.

3. Warrants or options of publicly traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. These are included in Level 2 as disclosed in Note 18.

4. Securities which are traded on a recognized securities exchange but which do not have an active market are recorded at the most recent transaction price. These are included in Level 3 in Note 18.

The amounts at which the Company's publicly traded investments could be disposed of may differ from carrying values based on market quotes, due to market price changes and the fair value was determined at a specific time, the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

2. Material accounting policy information (continued)

(f) Financial instruments (continued)

(i) Investments (continued)

Privately held investments:

1. Securities in privately held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. These are included in Level 3 as disclosed in Note 18. Options and warrants of private companies are carried at fair value using valuation technique.

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately held investments in its portfolio. In the absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

2. An upward adjustment is considered appropriate and supported by pervasive and objective evidence such as significant subsequent equity financing by an unrelated investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates which, for example, reduce the corporate tax burden, or to an extent that, it was not previously allowed, or reduce or eliminate the need for approvals;
- receipt by the investee company of approvals, which allow the investee company to proceed with its project(s);
- release by the investee company of positive operational results, which either proves or expands their investee's prospects; and
- important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

2. Material accounting policy information (continued)

(f) Financial instruments (continued)

(i) Investments (continued)

3. Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates which increases the tax burden on companies;
- denial of the investee company's application for approvals which prohibit the investee company from proceeding with its projects;
- the investee company releases negative operating results;
- changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

Equity investments in digital assets at fair value through profit and loss

Investments in equity instruments at fair value through profit or loss - Included in investments in equity instruments at fair value through profit or loss are investments in a US private company (LLC), and a U.S. Limited Liability Partnership via a Cayman Island domiciled feeder Limited Liability Partnership.

Management accounted for such investments at fair value to profit or loss under IFRS 9, because the Company does not exercise significant influence over the investee. The Company does not have any contractual right to appoint any representative to the investee's board of directors. In addition, the Company does not have any participation in policymaking processes and does not have any material transactions with the investee. The undiscounted fair value of tokens held within in investment funds which are not quoted in an active market is determined by the investment fund's administrator. Management deems the net asset value to be the fair value after considering key factors such as the liquidity of the investment fund or its underlying investments, any restrictions on redemptions and basis of accounting. Management has not applied at DLOM to the funds valuation as it expects to hold the investments to maturity and also has the ability to employ various hedging strategies to mitigate realizing any loss due to the lock ups.

The Company classifies equity investments it intends to sell within twelve months as current and those where the expectation is to hold for periods longer than a year as non-current. These are included in Level 3 disclosed in Note 18.

2. Material accounting policy information (continued)

(f) Financial instruments (continued)

(ii) Financial assets other than investments at fair value and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of earnings (loss). The Company’s investments are classified as financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of earnings (loss) when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

2. Material accounting policy information (continued)

(f) Financial instruments (continued)

(ii) Financial assets other than investments at fair value and liabilities (continued)

Impairment of financial assets

The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. ETP holders payable are designated as financial liability at fair value through profit or loss on initial recognition. Their fair value is a function of the unadjusted quoted price of the digital asset underlying the ETP, less any accumulated management fees. The fair value basis is consistent with the measurement of the underlying digital assets which are measured at fair value. The Company's financial liabilities also include accounts payable and liabilities and loans payable, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial liabilities at FVTPL

Financial liabilities measured at FVTPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of earnings (loss).

(g) Cash

Cash is comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered bank, financial institutions controlled by a Canadian chartered bank, and broker and custodians in Switzerland.

2. Material accounting policy information (continued)

(h) Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised. Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

Management fees

The Company recognizes revenue from management fees earned on various ETP products. The management fee percentage is outlined in each ETP prospectus. The management fee is calculated daily based on the daily ETP net asset value and is recognized daily when the management fee is calculated. The management fee is deducted from the net asset value of the ETPs. The management fees are valued in the underlying ETPs base currency and converted into USD daily.

Other revenues

The Company earns revenue from aggregating small individual trades during the day to facilitate hedging and optimize liquidity and hedging them periodically. These are computed as net fiat receivables and are measured based on the average daily USD rates at the end of each day.

Public and private investments

Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of loss on a trade date basis. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs are expensed as incurred.

(i) Lending, staking and node revenue

Lending and Staking

The Company earns a yield based on digital assets that are lent or staked with various reputable digital asset exchanges. The Company transfers digital asset to either staking account within the exchange platform and into staking custody accounts. The Company transfers the digital assets to those staking accounts and the counterparty delivers staking and lending rewards in return. The digital assets rewards are based on the rewards offered at the time the Company enters into staking or lending arrangements. The transaction price is an interest rate offered for the digital asset deposit. Over the period that the digital assets are staked or lent, the digital assets rewards are deposited into the Company's custody accounts. The rewards are based on the amount of digital assets staked or lent and the rate offered by the custodian at that time.

Staking and lending rewards are recognized as revenue as they are earned over the period the digital assets are staked or loaned. Staking allows the Company to earn income through a process that is used to verify cryptocurrency transactions. It involves committing holdings to support a blockchain network and confirming transactions. Cryptocurrencies that allow staking use a "consensus mechanism" called Proof of Stake, which is the way they ensure that all transactions are verified and secured without a bank or payment processor in the middle.

2. Material accounting policy information (continued)

(j) Validator Node revenue

Validator Node Revenue

Validator Node revenue is earned as transactions are validated on a blockchain. When transactions are validated on the blockchain, the Company receives rewards from that blockchain. The transaction price are the rewards earned by the Company as transactions are validated by the Company's node. The Company receives rewards for these services provided to the blockchain. The blockchain token rewards are only earned when the Company validates transactions that take place on the blockchain. When a transaction is validated by the Company's node, rewards are deposited to the Company's account. As the tokens are earned, revenue is calculated by summing up the tokens earned each day and multiplying the value of reward tokens for that day.

(k) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company, as a lessee, recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises. The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in net income if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities in the Consolidated Statement of Financial Position. The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For options that expire unexercised, the recorded value is transferred to deficit.

2. Material accounting policy information (continued)

(m) Digital Assets

The IFRS Interpretations Committee (the "Committee") published its agenda decision on Holdings of Cryptocurrencies in June 2019. The Committee concluded that IAS 2 – Inventories applies to cryptocurrencies when they are held for sale in the ordinary course of business, otherwise an entity should apply IAS 38 - Intangible Assets to holdings of cryptocurrencies. The Company has assessed that it acts in a capacity as a commodity broker trader as defined in IAS 2 - Inventories, in characterizing certain of its holdings as inventory, or more specifically, digital assets. If assets held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin, such assets are accounted for as inventory, and changes in fair value less costs to sell are recognized in profit or loss.

Digital assets consist of cryptocurrency denominated assets (see Note 6) and are included in current assets. Digital assets are measured using unadjusted quoted prices taken from active markets, where available. Fair value measurement for digital assets with available active market prices has been classified as Level 2 in the fair value hierarchy. Fair value is determined by taking the mid-point price at 17:30 CET from Kraken, Bitfinex, Binance, Coinbase and other exchanges consistent with the final terms for each ETP. The Company revalues its digital assets quarterly.

Disclosure

The Company applies the disclosure requirements in the IFRS Standard applicable to its holding of cryptocurrencies. Accordingly, the Company applies the disclosure requirements in IAS 2 – Inventories for holdings of cryptocurrencies. If an entity measures its holding in cryptocurrencies at fair value, IFRS 13 Fair Value Measurement specifies applicable disclosure requirements. In applying IAS 1 Presentation of Financial Statements, the Company discloses judgements that its management has made regarding its accounting for holdings of cryptocurrencies if those are part of the judgements that had a significant effect on the amounts recognized in the consolidated financial statements.

The Company has evaluated the impact of the Agenda Paper and has determined that cryptocurrencies with an active market should be classified as digital assets and measured at fair value through profit or loss.

Increases and decreases in the fair value of digital assets are recognized through profit or loss. Digital assets are derecognized when the Company has transferred substantially all the risks and rewards of ownership on disposal.

(n) Digital Asset Loaned

Initial recognition and measurement

The Company enters into loan agreements with various digital asset exchanges to earn yield based on the digital assets that are lent. At the time the Company enters into the loan agreement, the digital asset is derecognized from digital assets as the borrower obtains the rights to direct the use of the digital asset and the Company recognizes this as digital assets loaned, measured at the fair value of the loaned digital asset.

Subsequent measurement

During the term of the digital asset loan, the digital asset loaned is measured at the fair value based on the fair market value of loaned digital assets with any gains / (losses) resulting from remeasuring the digital asset loaned to the realized and net change in unrealized gains and losses on digital assets.

Derecognition

At the end of the digital asset loan, the digital asset loaned is derecognized and re-recorded as digital assets at the carrying amount of the digital asset loaned.

2. Material accounting policy information (continued)

(o) Goodwill

Goodwill arising on a business acquisition is recognized as an asset at the date that control is acquired (the "acquisition date"). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the fair value of the identifiable net assets.

Goodwill is not amortized but is reviewed for impairment at least annually or sooner if indicators of impairment exist. Goodwill is tested for impairment at the group level representing the lowest level at which management monitors it, the operating segment level. Any impairment loss is recognized immediately in profit or loss and is not subsequently reversed.

No impairment losses have been recognized in the consolidated statements of loss related to goodwill.

For the year ended December 31, 2024 and 2023, the Company did not experience any triggering events or additional information that the goodwill's recoverable amount was significantly different than its carrying amount.

(p) Share capital

Financial instruments issued by the Company are classified as share capital only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Repurchases by the Company of its own common shares under a Normal Course Issuer Bid ("NCIB") are accounted for in accordance with IAS 32, Financial Instruments: Presentation. Upon reacquiring common shares under a NCIB, the Company deducts from equity the purchase price of these common shares and any costs to acquire such common shares. Any such common shares held by the Company are considered treasury shares until they are cancelled.

(q) Provisions

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(Expressed in United States dollars unless otherwise noted)

2. Material accounting policy information (continued)

(r) New and future accounting change

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2025 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following amendments were adopted by the Company on January 1, 2024. The adoption of these amendments had no significant impact on the Company's financial statements.

In January 2020, IAS 1 – Presentation of Financial Statements was amended to provide a more general approach to classification of liabilities, based on contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. This amendment did not have a significant impact on the consolidated financial statements.

IFRS 18 - In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

3. Cash and cash equivalents

	30-Jun-25	31-Dec-24
Cash at banks	$ 1,124,213	$ 3,573,329
Cash at brokers	16,688,359	9,240,610
Cash at digital currency exchanges	-	40,077
	$ 17,812,572	$ 12,854,016

4. Prepaid expenses

	30-Jun-25	31-Dec-24
Prepaid expenses	$ 335,245	$ 476,541
	$ 335,245	$ 476,541

5. Investments, at fair value through profit and loss

At June 30, 2025, the Company's investment portfolio consisted of no publicly traded investments and three private investments for a total estimated fair value of $1,500,334 (December 31, 2024 – no publicly traded investment and two private investment at a total estimated fair value of $1,300,460). During the year ended December 31, 2024, the Defi Technologies Inc. shares were issued a bonus to a member of management of the Company (Note 21).

During the six months ended June 30, 2025, the Company had a realized gain of $nil (December 31, 2024 – realized gain of $466,852 and an unrealized gain of $2.557.308 on private and public investments) on private investments.

	30-Jun-25	31-Dec-24
3iQ Corp.	300,460	300,460
ZKP Corporation	1,000,000	1,000,000
Global Benchmark	199,875	-
	$ 1,500,335	$ 1,300,460

(Expressed in United States dollars unless otherwise noted)

6. Digital assets, digital assets loaned, and digital assets staked

As at June 30, 2024, the Company's digital assets consisted of the below digital currencies, with a fair value of $564,492,913 (December 31, 2024 - $549,432,108). Digital currencies are recorded at their fair value on the date they are acquired and are revalued to their current market value at each reporting date. Fair value is determined by taking the mid-point price at 17:30 CET from Kraken, Bitfinex, Binance, Coinbase, Bitstamp, Bybit OKX, Vinter, Compass and Gate.IO and other exchanges consistent with the final terms for each ETP. Fair value for Mobilecoin, Shyft, Blocto, Maps, Oxygen, Boba Network, Saffron.finance, Clover, Sovryn, Wilder World, Pyth and Volmex is determined by taking the last closing price for the day (UTC time) from www.coinmarketcap.com.

The Company's holdings of digital assets consist of the following:

	June 30, 2025		**December 31, 2024**	
	Quantity	$	Quantity	$
Binance Coin (BNB)	1,801.5684	1,179,182	2,558.5947	1,818,605
Bitcoin (BTC)	2,721.9860	260,544,870	2,669.7908	225,536,370
Ethereum (ETH)	23,453.5959	57,796,050	20,623.4954	70,219,508
Cardano (ADA)	69,895,070.0897	39,476,737	69,567,255.0393	60,453,752
Polkadot (DOT)	3,090,032.1773	10,498,693	2,751,732.7633	18,774,247
Solana (SOL)	117,232.8599	18,100,374	41,838.3612	8,300,033
Uniswap (UNI)	433,326.6786	3,118,761	421,158.3848	5,708,718
USDT	-	3,563,649		5,259,999
Litecoin (LTC)	699.6600	60,035	-	-
Dogecoin (DOGE)	33,158,265.4335	5,451,219	17,233,171.4335	5,609,397
Cosmos (ATOM)	6,321.1873	26,005	216.7923	1,396
Avalanche (AVAX)	171,240.0442	3,079,735	123,370.3240	4,519,767
Ripple (XRP)	21,563,672.5819	47,164,070	17,048,427.1000	36,067,652
Enjin (ENJ)	196,253.8806	14,111	125,747.8806	27,602
Tron (TRX)	426,048.6948	118,675	329,931.2057	84,991
Terra Luna (LUNA)	141,177.2041	20,824	205,057.0760	-
Pyth Network (PYTH)	2,900,403.6000	303,092	944,248.6000	346,445
AAVE (AAVE)	5,078.9206	1,388,476	2,317.8075	730,553
Aptos Mainnet (APT)	383,440.6500	1,858,767	287,849.7000	2,565,403
Arweave (AR)	47,822.1500	248,809	14,202.0100	234,942
Aerodome (AERO0X91)	1,577,079.3806	1,300,144	-	-
Core (CORE)	7,569,776.1025	3,941,582	3,995,185.7910	4,300,418
Curve DAO Token (CRV)	697,697.0000	355,756	-	-
Fetch.ai (FET1)	2,017,921.5000	1,362,904	-	-
Filecoin (FIL)	-	-	561,613.1000	732,400
Sonic (FTM)	-	-	1,307,990.0000	914,023
Hedera (HBAR)	73,392,493.9860	10,975,080	49,544,700.0518	13,865,862
Internet Computer (ICP)	1,675,411.8617	8,263,176	1,436,614.1074	14,543,861
Injective (INJ)	286,493.8500	3,114,876	56,329.4200	1,136,125
Jupiter (JUP)	2,760,768.3000	1,280,720	499,299.1000	423,006
Lido DAO (LDO)	306,401.7000	226,645	36,961.1000	68,633
Chainlink (LINK)	324,677.1701	4,328,151	235,688.8313	4,865,150
NEAR Protocol (NEAR)	1,551,727.3945	3,350,777	1,295,311.9000	6,581,998
MANTRA (OM)	93,611.0000	19,546	-	-
Pendle (PDL)	225,181.7000	801,377	31,265.4000	159,454
RENDERSOL (RNDR)	941,947.7200	3,018,095	160,469.1100	1,116,095
THORChain (RUNE)	300,849.9000	406,629	91,192.7000	423,581
Sei Network (SEI1)	9,067,889.6000	2,658,705	2,078,991.0000	851,347
Stacks (STX)	-	-	203,450.0000	97,432
Sui (SUI)	8,160,745.8111	22,696,666	10,785,375.0000	45,866,964
Bittensor (TAO)	17,447.4639	5,851,099	9,851.6400	4,443,335
The TON Coin (TON)	385,708.3300	1,128,043	405,657.1800	2,266,407
Wormhole (W)	2,199,697.1000	158,158	722,403.0000	213,761
Worldcoin (WLD2)	684,235.6000	615,744	49,314.1000	106,139
Stellar (XLM)	47,840.0000	11,290	-	-
StarkNet (STRK1)	701,173.7300	82,318	-	-
Sonic Labs (SONICLABS)	3,072,970.2121	967,371	-	-
Akash Network (AKT)	472,651.0643	498,930	-	-
Kaspa (KAS)	16,152,596.8785	1,216,291	-	-
Other Coins	65,824.03	3,217.00	1,815.70	576.42
Current		**532,645,424**		**549,235,947**
SUI (SUI)	11,450,988.3889	31,847,489		
Other coins (Memecoins)	1,730,176,934.1341	-	121,424,013.5200	196,161
Long-Term		**31,847,489**		**196,161**
Total Digital Assets		**564,492,913**		**549,432,108**

(Expressed in United States dollars unless otherwise noted)

6. Digital assets, digital assets loaned, and digital assets staked (continued)

	June 30, 2025	December 31, 2024
	$	$
Current digital assets		
Digital assets	199,170,934	270,585,545
Digital assets loaned	79,952,540	38,618,758
Digital assets staked	253,521,950	240,031,644
Total current digital assets	**532,645,424**	**549,235,947**
Non-current digital assets		
Digital assets	-	196,161
Digital assets loaned	31,847,489	-
Total non-current digital assets	**31,847,489**	**196,161**
Total digital assets	**564,492,913**	**549,432,108**

The continuity of digital assets for the periods ended June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Opening balance	$ 549,432,108	$ 369,878,246
Digital assets acquired	96,415,293	395,544,022
Digital assets disposed	(35,217,975)	(514,217,138)
Digital assets earned from staking, lending and fees	5,966,507	26,071,787
Realized gain on digital assets	32,216,684	306,744,938
Unrealized losses on digital assets	(102,659,427)	(34,589,747)
Digital assets transferred in from equity investments at FVTPL	18,295,894	-
Foreign exchange gain / Fees / Other	43,829	-
	$ 564,492,913	**$ 549,432,108**

In the normal course of business, the Company enters into open-ended lending arrangements with certain financial institutions, whereby the Company loans certain fiat and digital assets in exchange for interest income. The Company can demand the repayment of the loans and accrued interest at any time. The digital assets on loan are included in digital assets balances above.

Digital assets held by counterparty for the periods ended June 30, 2025 and December 31, 2024 is the following:

	June 30, 2025	December 31, 2024
Counterparty A	$ 74,927,048	$ 6,918,688
Counterparty B	7,895	12,396
Counterparty C	3,173,941	14,763
Counterparty D	74,973	66,927
Counterparty E	7,222,767	7,007,055
Counterparty F	57,059,647	6,809,705
Counterparty G	48,955,972	58,439,812
Counterparty H	119,821,194	125,188,896
Counterparty I	4,672,689	3,787,814
Other	1,754,851	1,872,188
Self custody	246,821,936	339,313,864
Total	**$ 564,492,913**	**$ 549,432,108**

6. Digital assets, digital assets loaned, and digital assets staked (continued)

As of June 30, 2025, digital assets held as collateral consisted of the following:

	Number of coins on loan	Fair Value
Bitcoin (BTC)	69.6800	7,222,767
Total	**69.6800**	**7,222,767**

(Expressed in United States dollars unless otherwise noted)

As at June 30, 2025, the 69.68 Bitcon held by Genesis Global Capital LLC ("Genesis") as collateral against a loan has been written down to US$7,222,767, the fair value of the loan and interest held with Genesis.

As of December 31, 2024, digital assets held as collateral consisted of the following:

	Note	Number of coins on loan		Fair Value
Bitcoin	**11**	356.4400	$	7,007,055
Total		**356.4400**	**$**	**7,007,055**

As at December 31, 2024, the 356 Bitcon held by Genesis Global Capital LLC ("Genesis") as collateral against a loan has been written down to US$7,007,055, the fair value of the loan and interest held with Genesis.

Digital Assets loaned

As of June 30, 2025, the Company has on loan select digital assets to borrowers at annual rates ranging from approximately 3.0% to 4.75% and accrue interest on a monthly basis. The digital assets on loan are measured at fair value through profit and loss.

As of December 31, 2024, the Company has on loan select digital assets to borrowers at annual rates ranging from approximately 2.4% to 9.7% and accrue interest on a monthly basis. The digital assets on loan are measured at fair value through profit and loss.

As of June 30, 2025, digital assets on loan consisted of the following:

	Number of coins on loan	Fair Value	Fair Value Share
Current			
Bitcoin (BTC)	120.0000	12,866,378	12%
Ethereum (ETH)	19,000.0000	46,819,578	42%
SUI (SUI)	7,286,992.6111	20,266,584	18%
Total current digital assets on loan	7,306,112.6111	79,952,540	72%
Non-current			
SUI (SUI)	11,450,988.3889	31,847,489	28%
Total non-current digital assets on loan	11,450,988.3889	31,847,489	28%
Total	**18,757,101.0000**	**111,800,029**	**100%**

As of December 31, 2024, digital assets on loan consisted of the following:

	Number of coins on loan	Fair Value	Fair Value Share
Current			
Bitcoin (BTC)	120.0000	11,379,938	29%
Ethereum (ETH)	8,000.0000	27,238,820	71%
Total current digital assets on loan	8,120.0000	38,618,758	100%
Total	**8,120.0000**	**38,618,758**	**100%**

(Expressed in United States dollars unless otherwise noted)

6. Digital assets, digital assets loaned, and digital assets staked (continued)

As of June 30, 2025, the digital assets on loan by significant borrowing counterparty is as follow:

	Interest rates	Number of coins on loan	Fair Value	Geography	Fair Value Share
Current					
Counterparty A	3.00%	11,000.0000	27,106,071	Grand Cayman	24%
Counterparty F	1.50% - 4.75%	7,288,992.6111	25,194,961	UAE	23%
Counterparty G	3.75%-4.50%	6,120.0000	27,651,508	Switzerland	25%
Total current digital assets on loan		7,306,112.6111	79,952,540		72%
Non-current					
Counterparty F	1.50%	11,450,988.3889	31,847,489	UAE	28%
Total non-current digital assets on loan		11,450,988.3889	31,847,489		28%
Total		**18,757,101.0000**	**111,800,029**		100%

As of December 31, 2024, the digital assets on loan by significant borrowing counterparty is as follow:

	Interest rates	Number of coins on loan	Fair Value	Geography	Fair Value Share
Current					
Counterparty F	4.75%	2,000.0000	6,809,705	UAE	18%
Counterparty H	3.25% to 5.50%	6,120.0000	31,809,053	Switzeralnd	82%
Total current digital assets on loan		8,120.0000	38,618,758		100%
Total		**8,120.0000**	**38,618,758**		100%

The Company’s digital assets on loan are exposed to credit risk. The Company limits its credit risk by placing its digital assets on loan with high credit quality financial institutions that have sufficient capital to meet their obligations as they come due and on which the Company has performed internal due diligence procedures. The Company's due diligence procedures may include, but are not limited to, review of the financial position of the borrower, review of the internal control practices and procedures of the borrower, review of market information, and monitoring the Company’s risk exposure thresholds. As of June 30, 2025 and December 31, 2024, the Company does not expect a material loss on any of its digital assets on loan. While the Company intends to only transact with counterparties that it believes to be creditworthy, there can be no assurance that a counterparty will not default and that the Company will not sustain a material loss on a transaction as a result.

Digital Assets Staked

As of June 30, 2025, the Company has staked select digital assets to borrowers at annual rates ranging from approximately 2.00% to 14.58% and accrue rewards as they are earned. The digital assets staked are measured at fair value through profit and loss.

(Expressed in United States dollars unless otherwise noted)

6. Digital assets, digital assets loaned, and digital assets staked (continued)

As of June 30, 2025, digital assets staked consisted of the following:

	Number of coins staked	Fair Value	Fair Value Share
Ethereum (ETH)	128.0072	315,434	0%
Bitcoin (BTC)	1,808.0115	193,854,663	76%
Cardano (ADA)	63,474,370.6429	35,850,325	14%
Core (CORE)	7,090,070.1614	3,691,800	1%
Polkadot (DOT)	2,497,217.9478	8,484,548	3%
Solana (SOL)	30,919.5094	4,773,162	2%
Hedera (HBAR)	15,855,105.7923	2,368,753	1%
Internet Computer (ICP)	845,070.0000	4,183,266	2%
Total	**89,794,690.0724**	**253,521,950**	**100%**

As of June 30, 2025, the digital assets staked by significant borrowing counterparty is as follow:

	Interest rates	Number of coins staked	Fair Value	Geography	Fair Value Share
Counterparty G	3.50%	16,700,405.0204	6,788,656	Switzerland	3%
Counterparty I	2%	32.0072	78,872	United States	0%
Self custody	2.62% - 14.58%	73,094,253.0448	246,654,423	Switzerland	97%
Total		**89,794,690.0724**	**253,521,950**		**100%**

As of December 31, 2024, the Company has staked select digital assets to borrowers at annual rates ranging from approximately 2.95% to 9.7% and accrue rewards as they are earned. The digital assets staked are measured at fair value through profit and loss.

As of December 31, 2024, digital assets staked consisted of the following:

	Number of coins staked	Fair Value	Fair Value Share
Bitcoin	1,803.0000	170,996,662	71%
Cardano	57,965,407.1384	50,371,939	21%
Etherium	32.0000	108,955	0%
Core	3,415,479.8499	3,676,423	2%
Polkadot	1,941,230.3100	13,244,432	6%
Solana	10,526.3600	1,633,233	1%
Total	**63,334,478.6583**	**$ 240,031,644**	**100%**

(Expressed in United States dollars unless otherwise noted)

6. Digital assets, digital assets loaned, and digital assets staked (continued)

As of December 31, 2024, the digital assets staked by significant borrowing counterparty is as follow:

	Interest rates	Number of coins staked	Fair Value	Geography	Fair Value Share
Counterparty B	2.95%	57,965,407.1384	50,371,939	Switzerland	21%
Counterparty M	4.00%	32.0000	108,955	United States	0%
Self custody	3.00% to 8.02%	5,369,071.6219	189,550,751	Switzerland	79%
Total		**63,334,510.7602**	**240,031,645**		**100%**

The Company's digital assets staked are exposed to market risk, liquidity risk, lockup duration risk, loss or theft of assets and return duration risk. The Company limits these risks by placing its digital assets staked with open term durations without lockups as a standard for all staking arrangements. The Company also places allocation limits by counterparty and only deals with high credit quality financial institutions that are believed to have sufficient capital to meet their obligations as they come due and on which the Company has performed internal due diligence procedures. The Company's due diligence procedures may include, but are not limited to, review of the financial position of the counterparty, review of the internal control practices and procedures of the counterparty, review of market information, and monitoring the Company's risk exposure thresholds. As of June 30, 2025 and December 31, 2024, the Company does not expect a material loss on any of its digital assets staked. While the Company intends to only transact with counterparties that it believes to meets the Company staking policy criteria, there can be no assurance that a counterparty will not default and that the Company will not sustain a material loss on a transaction as a result.

7. Equity investments in digital assets in funds at fair value through profit and loss ("FVTPL")

	June 30, 2025					
	Current		Long Term		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Fund A - Solana (SOL)	112,739.5166	$ 17,404,028	197,229.6562	$ 30,447,092	309,969.1728	$ 47,851,120
Fund A - Avalance (AVAX)	459,335.1472	$ 8,261,097	474,679.0095	$ 8,537,055	934,014.1567	$ 16,798,152
		$ 25,665,125		$ 38,984,147		$ 64,649,272
Fund B - Solana (SOL)	335,032.0000	$ 51,720,163	412,090.0000	$ 63,615,899	747,122.0000	$ 115,336,062
Fund B - USD	-	$ 71,685,819	-	$ -	-	$ 71,685,819
		$ 123,405,982		$ 63,615,899		$ 187,021,881
Total		$ 149,071,107		$ 102,600,046		$ 251,671,153

	December 31, 2024					
	Current		Long Term		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Fund A - Solana (SOL)	216,379.2216	$ 41,868,644	244,331.9458	$ 47,277,401	460,711.1675	$ 89,146,045
Fund A - Avalance (AVAX)	223,905.1900	$ 8,027,758	707,540.4100	$ 25,367,716	931,445.6000	$ 33,395,473
		$ 49,896,402		$ 72,645,117		$ 122,541,518
Fund B - Solana (SOL)	626,365.7000	$ 118,809,046	540,869.9000	$ 102,592,203	1,167,235.6000	$ 221,401,249
Total		$ 168,705,448		$ 175,237,320		$ 343,942,767

7. Equity investments in digital assets in funds at fair value through profit and loss ("FVTPL")

Fund A

During the year ended December 31, 2024, the Company through a subsidiary, invested $61,741,683 in three tranches of a private investment fund ("Fund A") designed to acquire Solana and Avalanche tokens from a bankrupt company. The Company's investment represents the acquisition by Fund A of 491,249 Solana at $105 per Solana and 931,446 Avalanche at $11 per Avalanche.

The Solana acquired by Fund A is locked and staked, earning staking rewards during the lock period. Staking rewards will accrue while Solana is locked and will become distributable on the same unlocking schedule as the Solana. The Solana will be released by Fund A in monthly increments from January 2025 through January 2028.

The Avalanche acquired by Fund A is locked and staked, earning staking rewards during the lock period. Staking rewards will accrue while Avalanche is locked and will become distributable on the same unlocking schedule as the Avalanche. The Avalanche will be released by Fund A in weekly increments July 10, 2025 and continuing through July 1, 2027.

The investments in the investment fund were initially recognized based on the latest available net asset value as determined by the investment fund's administrator less an applicable DLOM. The values of the investments were remeasured based on quarterly valuation reports provided by the investment fund administrator and adjusted to remove the effects of DLOM.

Fund B

During the year ended December 31, 2024, the Company invested through a subsidiary, $112,072,453 in two tranches of limited partnership units of a private investment fund ("Fund B" and together with Fund A the "Equity Investments in Digital Assets") designed to acquire Solana tokens from a bankrupt company.

The Company's investment represents the acquisition by Fund B of 1,123,360 Solana at $100 per Solana. The Solana acquired by Fund B is locked and staked, earning staking rewards during the lock period and thereafter until such Solana is sold by the fund manager or an in-kind distribution to the limited partners of the fund. Staking rewards will accrue while Solana is locked and will become distributable on the same unlocking schedule as the Solana. Approximately 25% of the Solana were unlocked in March 2025, while the remaining 75% of the Solana will be unlocked linearly monthly until January 2028. The Company received a distribution of $71,685,819 in July 2025 from Fund B.

The investments in Fund B were initially recognized based on the latest available net asset value as determined by Fund B's administrator less an applicable DLOM. The values of the investments were remeasured based on quarterly valuation reports provided by Fund B's administrator and adjusted to remove the effects of DLOM.

(Expressed in United States dollars unless otherwise noted)

8. Due to Related Party

As at June 30, 2025, DeFi Technologies Inc., the Company's sole shareholder and ultimate parent company, had a balance owing of $3,692,327 (December 31, 2024 – owed $1,519,024) owed to the Company under a credit line agreement. In the year ended December 31, 2023, the credit line agreement carried an interest rate of 0.85% over the interest incurred by the Company on any loans and is reviewed by both parties on a quarterly basis. During the year ended December 31, 2024, the terms of the loan were amended and all previous interest recognized on the loan was reversed. The Company declared a dividend to the parent company of $44,247,670 during the year ended December 31, 2024. The dividend paid was used to reduce the balance owing on the loan to the parent company (see Note 22).

9. Accounts payable and accrued liabilities

		30-Jun-25		31-Dec-24
Accounts payable and acruals	$	1,771,151	$	403,967
	$	1,771,151	$	403,967

10. Loans payable

As of June 30, 2025, loan principal of $6,000,000 (December 31, 2024 - $6,000,000) was outstanding. The $6,000,000 loan payable is held with Genesis. On January 20, 2023, Genesis declared bankruptcy and currently is not allowing withdrawals and not extending new loans. On March 15, 2023, the Court ruled that the Genesis debtors may not sell, buy, trade in crypto assets without prior consent by the creditors. The Court also allowed for the payment of some service providers required for upholding the operations but nothing beyond that. The Company's loan with Genesis is an open term loan. The Genesis loan and interest payable is $7,222,767 and secured with 68 BTC (December 31, 2024 - $7,007,055 and secured with 356 BTC).

The Company has a $10,000,000 credit line for a margin loan from a crypto liquidity provider. As at June 30, 2025, the Company has drawn $184,136 (December 31, 2024: $2,686,239) on the credit line. The loan is secured by the equity in the Company's margin trading account. The crypto liquidity provider charges fluctuating interest rates typically ranging between 9% and 15% annually.

(Expressed in United States dollars unless otherwise noted)

11. ETP holders payable

The fair market value of the Company's ETPs as at December 30, 2024 and 2023 were as follows:

	June 30, 2025	December 31, 2024
Valour Bitcoin Zero EUR	27,734,907	23,403,581
Valour Bitcoin Zero SEK	235,876,266	203,609,067
Valour Ethereum Zero EUR	2,323,691	2,293,175
Valour Ethereum Zero SEK	53,308,316	65,394,894
Valour Polkadot EUR	98,375	185,163
Valour Polkadot SEK	10,373,689	17,577,389
Valour Cardano EUR	123,967	280,720
Valour Cardano SEK	38,509,920	59,141,651
Valour Uniswap EUR	310,640	249,785
Valour Uniswap SEK	2,798,066	5,380,580
Valour Binance EUR	73,824	53,964
Valour Binance SEK	763,395	1,285,371
Valour Solana EUR	6,988,378	9,286,531
Valour Solana SEK	223,027,443	302,344,070
Valour Cosmos EUR	24,670	2,703
Valour Digital Asset Basket 10 EUR	419,784	514,870
Valour Digital Asset Basket 10 SEK	1,635,162	2,076,557
Valour Bitcoin Carbon Neutral EUR	17,098	18,546
Valour Avalanche EUR	177,775	284,496
Valour Avalanche SEK	11,420,471	22,146,770
Valour Enjin EUR	14,009	10,689
Valour Ripple SEK	46,896,563	35,958,640
Valour Toncoin SEK	1,111,688	2,215,154
Valour Chainlink SEK	4,259,546	4,842,016
Valour ICP SEK	2,911,191	4,485,250
Valour Bitcoin Staking SEK	5,200,018	4,590,500
Valour Hedera SEK	5,869,185	7,957,619
Valour Hedera EUR	2,520,728	2,463,347
Valour CORE SEK	929,995	2,310,748
Valour BTC Staking EUR	154,942	115,021
Valour Short BTC SEK	188,450	214,871
Valour Near SEK	3,312,499	6,578,213
Valour Bitcoin Physical Carbon Neutral USD	1,041,003	811,050
Valour Ethereum Physical Staking USD	244,583	336,805
Valour ICP USD	4,859,917	10,046,563
Valour BCIX STOXX USD	1,001,124	1,148,298
Valour Hedera Physical Staking USD	2,559,952	4,462,562
Valour Bittensor SEK	5,828,023	4,404,154
Valour Dogecoin SEK	5,348,950	5,512,539
Valour SUI SEK	40,843,969	45,854,560
Valour Fantom SEK	964,415	913,954
Valour Injective SEK	3,100,316	1,135,831
Valour Jupiter SEK	1,261,368	422,782
Valour Kaspa SEK	1,211,179	530,550
Valour Lido SEK	220,426	68,585
Valour Pendle SEK	778,494	157,125
Valour PYTH SEK	300,175	346,458
Valour Render SEK	2,991,850	1,115,875
Valour SEI SEK	2,648,967	848,165
Valour Starnet SEK	71,607	97,429
Valour THOR SEK	394,662	416,122
Valour Worldchain SEK	612,510	105,712
Valour W SEK	151,930	213,091
Valour AAVE SEK	1,380,483	729,499
Valour Aerodome SEK	1,299,987	383,088
Valour Akash SEK	492,181	311,261
Valour Aptos SEK	1,828,219	2,560,659
Valour Arweace SEK	245,970	225,498
Valour ASI SEK	1,336,340	732,181
Valour Curve DAO SEK	351,648	-
Valour Litecoin SEK	59,859	-
Valour Mantra SEK	19,498	-
Valour Stellar SEK	11,262	-
Valour Tether SEK	1,953	-
Valour Tron SEK	6,951	-
	772,844,422	**871,162,347**

(Expressed in United States dollars unless otherwise noted)

11. ETP holders payable (continued)

The Company's ETP certificates are unsecured and trade on the Spotlight Stock Market, the LSE, and Germany Borse Frankfurt Zertifikate AG. The Company's ETP certificates traded on the Nordic Growth Market ("NGM") until September 2024. ETPs issued by the Company referencing the performance of digital assets are measured at fair value through profit or loss. Their fair value is a function of the unadjusted quoted price of the digital asset underlying the ETP, less any accumulated management fees. The fair value basis is consistent with the measurement of the underlying digital assets which are measured at fair value. The Company's policy is to hedge 100% of the market risk by holding (directly or indirectly) the underlying digital asset. Hedging is done continuously and in direct correspondence to the issuance of certificates to investors.

12. Realized and net change in unrealized gains and (losses) on digital assets

	Six months ended	
	June 30, 2025	June 30, 2024
Realized gains / (loss) on digital assets	$ 32,216,684	$ 212,892,985
Unrealized gains / (loss) on digital assets	(102,659,427)	(42,859,552)
	$ (70,442,743)	$ 170,033,433

13. Realized and net change in unrealized gains and (losses) on ETP payables

	Six months ended	
	June 30, 2025	June 30, 2024
Realized gains / (loss) on ETPs	$ (6,800,443)	$ (98,805,244)
Unrealized loss on ETPs	180,609,518	11,098,946
	$ 173,809,075	$ (87,706,298)

14. Unrealized gains on equity investments in digital assets through FVTPL

	Six months ended	
	June 30, 2025	June 30, 2024
Unrealized gainson equity investments	$ (84,023,615)	$ -
	$ (84,023,615)	$ -

15. Staking and lending income

For the six months ended	June 30, 2025	June 30, 2024
Validator nodes	1,807,172	-
Equity investments at FVPTL	10,691,076	-
All other counterparties	4,159,335	10,310,887
Total	$ 16,657,583	$ 10,310,887

16. Expenses by nature

	Six months ended June 30,	
	2025	2024
Management and consulting fees	$ 2,057,302	$ 21,286,087
Marketing expenses	806,538	525,403
Travel expenses	190,001	853
General and administrative	618,781	217,941
Accounting and legal	776,154	587,653
	$ 4,448,776	$ 22,617,937

(Expressed in United States dollars unless otherwise noted)

17. Share Capital

As at June 30, 2025 and December 31, 2024, the Company is authorized to issue 500,000,000 common shares with a par value of $0.0001 each.

As at June 30, 2025 and December 31, 2024, the Company has issued 67,065,959 common shares with a par value of $0.0001 each.

18. Financial instruments

Financial assets and financial liabilities as at June 30, 2025 and December 31, 2024 are as follows:

	Asset / (liabilities) at amortized cost	Assets /(liabilities) at fair value through profit/(loss)	Total
June 30, 2025			
Cash	$ 17,812,572	$ -	$ 17,812,572
Amounts receivable	132,119	-	132,119
Investments at fair valur through profir or loss	-	1,500,335	1,500,335
Due from related party	-	-	-
Accounts payable and accrued liabilities	(1,771,151)	-	(1,771,151)
Loan payable	(7,406,903)	-	(7,406,903)
ETP holders payable	-	(772,844,422)	(772,844,422)
December 31, 2024			
Cash	$ 12,854,016	$ -	$ 12,854,016
Investments at fair valur through profir or loss	-	1,300,460	1,300,460
Due from related party	(1,519,024)	-	(1,519,024)
Accounts payable and accrued liabilities	(403,967)	-	(403,967)
Loan payable	(9,693,294)	-	(9,693,294)
ETP holders payable	-	(871,162,347)	(871,162,347)

The Company's financial instruments are exposed to several risks, including market, liquidity, credit and currency risks. There have been no significant changes in the risks, objectives, policies and procedures from the previous year. A discussion of the Company's use of financial instruments and their associated risks is provided below:

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparty related to its cash carries an investment grade rating as assessed by external rating agencies. The Company maintains all or substantially all of its cash with a major financial institution domiciled in Canada. Deposits held with this institution may exceed the amount of insurance provided on such deposits.

18. Financial instruments (continued)

Regulatory Risks

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate. The effect of any future regulatory change on the DeFi ecosystem or any cryptocurrency, project or protocol that the Company may hold is impossible to predict, but such change could be substantial and adverse to the space as a whole, as well as potentially to the Company. Governments may, in the future, restrict or prohibit the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency mining companies to additional regulation.

Custodian Risks

The Company uses multiple custodians (or third-party "wallet providers") to hold digital assets for its underlying its ETPs. Such custodians may or may not be subject to regulation by U.S. state or federal or non-U.S. governmental agencies or other regulatory or self-regulatory organizations. The Company could have a high concentration of its digital assets in one location or with one custodian, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware or cyberattacks. Custodians may not indemnify us against any losses of digital assets. Digital assets held by certain custodians may be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such digital assets. The Company may also incur costs related to the third-party custody and storage of its digital assets. Any security breach, incurred cost or loss of digital assets associated with the use of a custodian could materially and adversely affect our trading execution, the value of our and the value of any investment in our common shares. Furthermore, there is, and is likely to continue to be, uncertainty as to how U.S. and non-U.S. laws will be applied with respect to custody of cryptocurrencies and other digital assets held on behalf of clients. For example, U.S.- regulated investment advisers may be required to keep client "funds and securities" with a "qualified custodian"; there remain numerous questions about how to interpret and apply this rule, and how to identify a "qualified custodian" of, digital assets, which are obviously kept in a different way from the traditional securities with respect to which such rules were written. The uncertainty and potential difficulties associated with this question and related questions could materially and adversely affect our ability to continuously develop and launch our business lines. The Company may also incur costs related to the third-party custody and storage of its digital assets. Any security breach, incurred cost or loss of digital assets associated with the use of a custodian could materially and adversely affect the execution of hedging ETPs, the value of the Company's assets and the value of any investment in the Common Shares.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. In addition, some of the investments the Company holds are lightly traded public corporations or not publicly traded and may not be easily liquidated. The Company generates cash flow from proceeds from the disposition of its investments and digital assets. There can be no assurances that sufficient funding, including adequate financing, will be available to cover the general and administrative expenses necessary for the maintenance of a public company. All of the Company's assets, liabilities and obligations are due within one to three years.

The Company manages liquidity risk by maintaining adequate cash balances and liquid investments and digital assets. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial and non-financial assets and liabilities. As at June 30, 2025, the Company had current assets of $703,688,794 (December 31, 2024 - $731,271,952 to settle current liabilities of $782,022,476 (December 31, 2024 - $882,778,632).

(Expressed in United States dollars unless otherwise noted)

18. Financial instruments (continued)

Liquidity risk (continued)

The following table shows the Company’s source of liquidity by assets / (liabilities) as at June 30, 2025 and December 31, 2024:

June 30, 2025			
	Total	Less than 1 year	1-3 years
Cash	$ 17,812,572	$ 17,812,572	$ -
Amounts receivable	132,119	132,119	-
Investments at fair value through profir or loss	1,500,335	1,500,335	-
Prepaid expenses	335,245	335,245	-
Digital assets	532,645,424	532,645,424	-
Equity investments	251,671,153	149,071,107	102,600,046
Due to related party	-	-	-
Accounts payable and accrued liabilities	(1,771,151)	(1,771,151)	-
Loan payable	(7,406,903)	(7,406,903)	-
ETP holders payable	(772,844,422)	(772,844,422)	-
			-
Total assets / (liabilities)	$ 22,074,372	$ (80,525,674)	$ 102,600,046

December 31, 2024			
	Total	Less than 1 year	1-3 years
Cash	12,854,016	$ 12,854,016	$ -
Investments at FVTPL	1,300,460	1,300,460	-
Prepaid expenses	476,541	476,541	-
Digital assets	549,432,108	549,235,947	196,161
Equity investments	343,942,767	168,705,448	175,237,319
Due to related party	(1,519,024)	(1,519,024)	-
Accounts payable and accrued liabilities	(403,967)	(403,967)	-
Loans payable	(9,693,294)	(9,693,294)	-
ETP holders payable	(871,162,347)	(871,162,347)	-
Total assets / (liabilities)	$ 25,227,260	$ (150,206,220)	$ 175,433,480

Digital assets included in the table above are non-financial assets except USDC. For the purposes of liquidity risk analysis, these non-financial assets were included as they are mainly utilized to pay off any redemptions related to ETP holders payable, a financial liability. The lent and staked digital assets fall under the “less than 1 year” bucket.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company’s financial instruments will significantly fluctuate because of changes in market prices.

(a) Price and concentration risk

The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, most of the Company’s investments are in the technology and resource sector.

18. Financial instruments (continued)

Market risk (continued)

(b) Interest rate risk

The Company's cash is subject to interest rate cash flow risk as it carries variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. Based on cash balances on hand at June 30, 2025, a 1% change in interest rates could result in approximately $178,100 change in net loss.

(c) Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its results of operations from time to time. The Company's foreign currency risk arises primarily with respect to Canadian dollar, Euro, Swiss Franc, Swedish Kronos and British Pound. Fluctuations in the exchange rates between this currency and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk. The Company reduces its currency risk by maintaining minimal cash balances held in foreign currency.

As at June 30, 2025 and December 31, 2024, the Company had the following financial and non-financial assets and liabilities, (amounts posted in United States dollars) denominated in foreign currencies:

	June 30, 2025					
	Canadian Dollars	British Pound	Swiss Franc	Swedish Krona	European Euro	Arab Emirates Dirham
Cash	$ 1,530	$ 21,532	$ 515,720	$ 10,667,134	$ 6,177,543	$ 569,889
Receivables and prepaid expenses	-	-	58,010	-	-	10,571
Accounts payable and accrued liabilities	-	-	58,010	-	-	(8,624)
ETP holders payable	-	-	-	(146,840,882)	(3,249,601)	-
Net assets (liabilities)	$ 1,530	$ 21,532	$ 631,740	$ (136,173,748)	$ 2,927,942	$ 571,836

	December 31, 2024				
	Canadian	British Pound	Swiss Franc	Euro	Swedish Kronos
Cash	$ 1,360	$ 833	$ 3,348,969	$ 1,154	$ 18,221
Receivables			34,227		
Net assets (liabilities)	$ 1,360	$ 833	$ 3,383,196	$ 1,154	$ 18,221

A 10% increase (decrease) in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of June 30, 2025 would result in an estimated increase (decrease) in net income of approximately $13,202,000 (December 31, 2024 - $340,000).

(Expressed in United States dollars unless otherwise noted)

18. Financial instruments (continued)

(d) Digital currency risk factors: Perception, Evolution, Validation and Valuation

A digital currency does not represent an intrinsic value or a form of credit. Its value is a function of the perspective of the participants within the marketplace for that digital currency. The price of the digital currency fluctuates as a result of supply and demand pressures that accumulate in the market for it.

Having a finite supply (in the case of many but not all digital currencies), the more people who want to own that digital currency, the more the market price increases and vice-versa.

The most common means of determining the value of a digital currency is through one or more cryptocurrency exchanges where that digital currency is traded. Such exchanges publicly disclose the “times and sales” of the various listed pairs. As the marketplace for digital currencies evolves, the process for assessing value will become increasingly sophisticated.

(e) Fair value of financial instruments

The Company has determined the carrying values of its financial instruments as follows:

i. The carrying values of cash, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.
ii. Public and private investments are carried at amounts in accordance with the Company’s accounting policies as set out in Note 2 in the Company’s June 30, 2025 financial statements.
iii. Digital assets classified as financial assets relate to USDC which is measured at fair value.

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at June 30, 2025 and December 31, 2024.

Investments, fair value	**Level 1** *(Quoted Market price)*	**Level 2** *(Valuation technique - observable market Inputs)*	**Level 3** *(Valuation technique - non-observable market inputs)*	Total
Privately traded invesments	$ -	$ -	$ 1,500,335	$ 1,500,335
Digital assets	-	564,492,913	-	564,492,913
Equity investments	-	-	251,671,153	251,671,153
June 30, 2025	$ -	$ 564,492,913	$ 253,171,488	$ 817,664,401
Privately traded invesments	$ -	$ -	$ 1,300,460	$ 1,300,460
Digital assets	-	549,432,108	-	549,432,108
	-	-	343,942,767	343,942,767
December 31, 2024	$ -	$ 549,432,108	$ 345,243,227	$ 894,675,335

(Expressed in United States dollars unless otherwise noted)

18. Financial instruments (continued)

(e) Fair value of financial instruments (continued)

Level 1 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 1 during the periods ended June 30, 2025 and December 31, 2024. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of loss.

Level 1 investments, fair value for the period ended		June 30, 2025		December 31,
Balance, beginning of year	$	-	$	1,918,752
Realized gain		-		4,355,119
Investments disposed		-		(6,273,871)
Balance, end of year	$	-	$	-

Level 2 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 2 during the periods ended June 30, 2025 and December 31, 2024. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of loss

Level 2 investments, fair value for the period ended		June 30, 2025		December 31,
Balance, beginning of period	$	549,432,108	$	369,878,246
Digital assets acquired		96,415,293		388,649,637
Digital assets disposed		(35,217,975)		(523,657,915)
Realized gain (loss) on digital assets		32,216,684		292,283,076
Net change in unrealized gains and losses on digital assets		(102,659,427)		(20,110,697)
Digital assets earned from staking, lending and fees		5,966,507		26,071,787
Transferred from level 3		18,295,894		-
Other		43,829		16,317,974
Balance, end of period	$	564,492,913	$	549,432,108

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 during the periods ended June 30, 2025 and December 31, 2024. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of loss.

(Expressed in United States dollars unless otherwise noted)

18. Financial instruments (continued)

Level 3 investments, fair value for the period ended	June 30, 2025	December 31,
Balance, beginning of period	$ 345,243,227	$ 920,074
Purchases	199,875	-
Unrealized gain (loss)	-	380,386
Equity investments from staking fees	10,691,076	-
Management fees on equity investments	(643,181)	-
Transferred to level 2	(18,295,894)	-
Equity investment purchases	-	173,814,141
Unrealized gain on equity investments	(84,023,615)	170,128,626
Balance, end of period	$ 253,171,488	$ 345,243,227

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

(e) Fair value of financial instruments (continued)

The following table presents fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at June 30, 2025 and December 31, 2024.

(Expressed in United States dollars unless otherwise noted)

18. Financial instruments (continued)

Description		*Fair vaue*	*Valuation technique*	*Significant unobservable input(s)*	*Range of significant unobservable*
3iQ Corp.		300,459	Recent financing	Marketability of shares	0% discount
ZKP Corporation		1,000,000	Recent financing	Marketability of shares	0% discount
Global Benchmark		199,875	Recent financing	Marketability of assets	0% discount
Equity investments		703,688,794	Market approach	Marketability of assets	0% discount
June 30, 2025	$	705,189,128			
3iQ Corp.	$	300,460	Recent financing	Marketability of shares	0% discount
ZKP Corporation		1,000,000	Recent financing	Marketability of shares	0% discount
Equity investments		343,942,767	Market approach	Marketability of assets	0% discount
December 31, 2024	$	345,243,227			

<u>3iQ Corp. ("3iQ")</u>
On March 31, 2020, the Company acquired 187,007 common shares of 3iQ as part of the Company's acquisition of Valour. As at June 30, 2025, the valuation of 3iQ was based on the recent transaction which is indicative of being the fair market value. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at June 30, 2025. As at June 30, 2025, a +/- 10% change in the fair value of 3iQ will result in a corresponding +/- $30,046 (December 31, 2024 - $30,46) change in the carrying amount.

<u>ZKP Corporation ("ZKP")</u>
On August 2, 2024, the Company invested $1,385,800 (US$1,000,000) to acquire shares of ZKP. As at June 30, 2025, the valuation of ZKP was based on the recent financing price. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at June 30,2025. As at June 30, 2025, a +/- 10% change in the fair value of ZXP will result in a corresponding +/- $100,000 change in the carrying amount (December 31, 2024 - $100,000).

<u>Global Benchmarks AB ("Global Benchmarks")</u>
On September 24, 2024, the Company invested $199,875 to acquire shares of Global Benchmarks. As at June 30, 2025, the valuation of Global Benchmarks was based on a recent financing price. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at June 30, 2025. As at June 30, 2025, a +/- 10% change in the fair value of Global Benchmarks will result in a corresponding +/- $19,988 change in the carrying amount (December 31, 2024 - $19,988).

<u>Equity Investments in Digital Assets at FVTPL ("Equity Investments")</u>
During Q2 2024, the Company invested $173,814,136 to acquire interest in two entities set up to hold SOL and AVAX acquired from a bankrupt estate. Management used the net asset values as determined by the entities managers to determine the value of these assets. As at June 30, 2025, a +/- 10% change in the fair value of the Equity Investments will result in a corresponding +/- $70,368,879 change in the carrying amount (December 31, 2024 - $34,394,277).

19. Digital asset risk

(a) Digital currency risk factors: Risks due to the technical design of cryptocurrencies

The source code of many digital currencies, such as Bitcoin, is public and may be downloaded and viewed by anyone. As with all code, there may be a bug in the respective code which is yet to be found and repaired and can ultimately jeopardize the integrity and security of one or more of these networks.

Should miners for reasons yet unknown cease to register completed transactions within blocks which have been detached from the block chain, the confidence in the protocol and network will be reduced, which will reduce the value of the digital currency associated with that protocol, and the ETP payable balances that are valued with reference to the respective digital asset.

Protocols for most digital assets or cryptocurrencies are public open source software, they could be particularly vulnerable to hacker attacks, which could be damaging for the digital currency market and may be the cause for investors to choose other currencies or assets to invest in.

(b) Digital currency risk factors: Ownership, Wallets

Rather than the actual cryptocurrency (which are "stored" on the blockchain), a cryptocurrency wallet stores the information necessary to transact the cryptocurrency. Those digital credentials are needed so one can access and spend the underlying digital assets. Some use public-key cryptography in which two cryptographic keys, one public and one private, are generated and stored in a wallet. There are several types of wallets:

- Hardware wallets are USB-like hardware devices with a small screen built specifically for handling private keys and public keys/addresses.
- Paper wallets are simply paper printouts of private and public addresses.
- Desktop wallets are installable software programs/apps downloaded from the internet that hold your private and public keys/addresses.
- Mobile wallets are wallets installed on a mobile device and are thus always available and connected to the internet.
- Web wallets are hot wallets that are always connected to the internet that can be stored in a browser or can be

(c) Digital currency risk factors: Political, regulatory risk and technology in the market of digital currencies

The legal status of digital currencies, inter alia Bitcoin varies between different countries. The lack of consensus concerning the regulation of digital currencies and how such currencies shall be handled tax wise causes insecurity regarding their legal status. As all digital currencies remain largely unregulated assets, there is a risk that politics and future regulations may negatively impact the market of digital currencies and companies operating in such market. It is impossible to estimate how politics and future regulations may affect the market. However, future regulations and changes in the legal status of the digital currencies is a political risk which may affect the price development of the tracked digital currencies.

19. Digital asset risk (continued)

The perception (and the extent to which it is held) that there is significant usage of the digital assets in connection with criminal or other illicit purposes, could materially influence the development and regulation of digital assets (potentially by curtailing the same).

As technological change occurs, the security threats to the Company's cryptocurrencies, DeFi protocol tokens and other digital assets will likely adapt and previously unknown threats may emerge. The Company's ability to adopt technology in response to changing security needs or trends may pose a challenge to the safekeeping of the Company's cryptocurrencies, DeFi protocol tokens and other digital assets. To the extent that the Company is unable to identify and mitigate or stop new security threats, the Company's cryptocurrencies, DeFi protocol tokens and other digital assets may be subject to theft, loss, destruction or other attack.

20. Capital management

The Company considers its capital to consist of share capital and deficit. The Company's objectives when managing capital are:

a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
b) to give shareholders sustained growth in value by increasing shareholders' equity; while
c) taking a conservative approach towards financial leverage and management of financial risks.

The Company's management reviews its capital structure on an on-going basis and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying investments. The Company's current capital is composed of its shareholders' equity and, to-date, has adjusted or maintained its level of capital by:

a) raising capital through equity financings; and
b) realizing proceeds from the disposition of its investments

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body. There were no changes to the Company's capital management during the six months ended June 30, 2025.

(Expressed in United States dollars unless otherwise noted)

21. Related party disclosures

a) The consolidated financial statements include the financial statements of the Company and its subsidiaries and its respective ownership listed below:

	Country of incorporation	% equity interest
Valour Europe AG	Switzerland	100
Valour Digital Securities Limited	Jersey	0
DeFi Middle East DMCC	UAE	100

b) Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The remuneration of directors and other members of key management personnel during the six months ended June 30, 2025 and 2024 were as follows:

	Six months ended June 30,	
	2025	2024
Short-term benefits	$ 696,781	$ 713,341
	$ 696,781	$ 713,341

During the year ended December 31, 2024, the public company shares held from the parent company were paid as a bonus to a member of senior management.

See Note 8 and Note 18.

21. Dividend paid

During the year ended December 31, 2024, the Company declared a dividend of $44,247,670 to its parent company. There were no dividends paid during the six months ended June 30, 2025. See Note 8.